

Leather And Garment Sector Profile

Industry Overview
2020



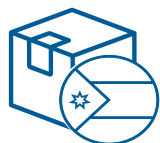
KEY PERFORMANCE INDICATORS 2019



\$2 billion
USD exports in 2019



29%
of workers in industrial sector



27%
of national exports



3%
direct contribution to GDP



75,000
workers

VARIOUS SUB-SECTORS



Knitted fabrics or crochet
and knitted fabric products



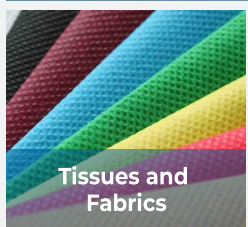
Leather Products



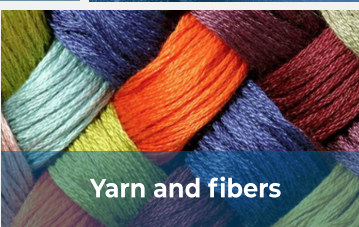
Non-woven Fabrics



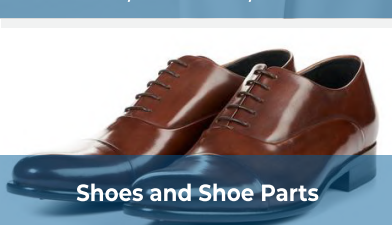
Non-apparel Textiles:
Towels, Bed Sheets, Curtains



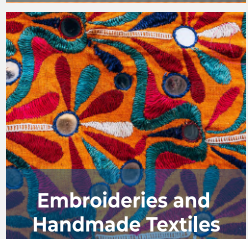
Tissues and
Fabrics



Yarn and fibers



Shoes and Shoe Parts



Embroideries and
Handmade Textiles



Carpets and Rugs



Ready-made Garments
and Clothing Accessories

ENTERPRISE

Total number of firms around

1,060 enterprises.

Number of satellite units reached about **20 units** in 2019, and it is expected to reach around **41 units** in 2026, increasing by **3 units** per year.

Number of firm grew by

4.2%

during the last ten years.

The satellite units are expected to create **2,983 job** opportunities for Jordanians in 2020, and this is estimated to increase by **10% per year** for the period(2021-2026).



INVESTMENT

Registered capital:

212
million dollars

The sector's investment grew by

3.4%

at the last decade

PRODUCTION

7% Constitutes 7% of the total industrial production.

25% Production grew by 25% in the last five years.

45% Value added in this sector reached about 45% of the total production.

3% Sector's contribution to GDP is more than 3%.

EMPLOYMENT



It includes **29%** of the total employees of the industrial sector.



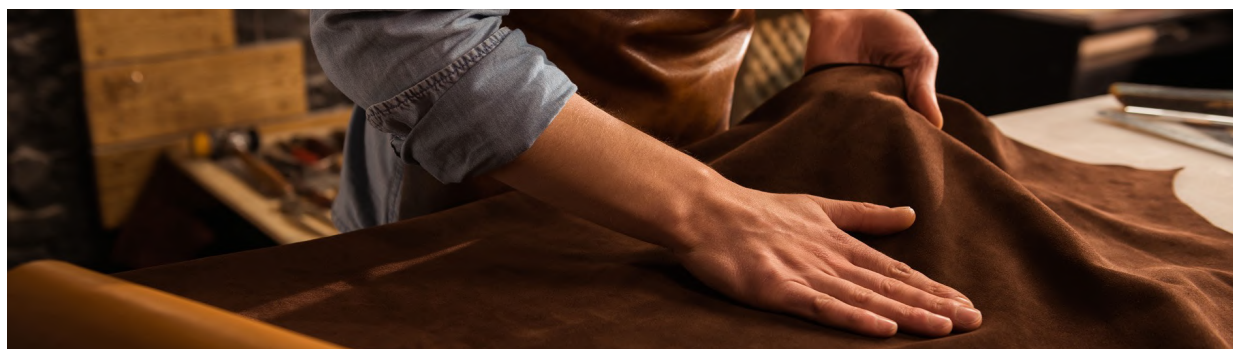
Sector employs around **75,000** workers, **26%** of sector employees are Jordanian.



Total employees increased by **60%** during the last ten years.



Female workers are **75%** of the total employees of the sector.



WAGES

According to the social security's data, the sector is currently paying salaries to Jordanian workers with an estimated value of 90 million dollars, while it was estimated at 36 million dollars during the year 2010.

The minimum wage in the sector is subjected to "the Fourth Employment and Collective Bargaining Agreement."

EXPORT

\$2

Sector's exports reached about 2 billion dollars in 2019.

1.3

Access to consumer market with more than 1.3 billion people with non-tariff rate.

27%

It accounts 27% of the total of Jordan's exports.

80%

High quality standard and added -value: more than 80% of Jordanian leather and garment are exported to USA.

136%

The sector's exports grew by 136% in during the last decade.

11%

Average Annual Growth Rate of sector's exports during the last decade about 11%.

THE TOTAL EXPORTS OF LEATHER AND GARMENT SECTOR FREE TRADE AGREEMENTS MAP - 2019



■ FTA with Canada – \$68.1 million
■ FTA with Singapore – \$3.6 million
■ FTA with USA – \$1,840 million

■ FTA with Arab countries – \$57.7 million
■ FTA with EU – \$62.5 million

AVERAGE ANNUAL GROWTH OF EXPORT'S DURING (2010-2019)

13.5%

(2010-2012)

9%

(2013-2015)

10.5%

(2016-2019)

FEATURES OF LEATHER AND GARMENT SECTOR

01 **52 Countries Trade agreement**
It has Free Trade Agreements with about 52 countries.

02 **Labor Law**
Since 2009, Better Work Jordan (BWJ) has worked closely with Jordan's garment manufacturers, to improve the work environment and ensure compliance with Jordanian labor law and the ILO's core labor standards.

03 **Large Brands**
Big brand companies operating in Jordanian leather and garment sector.

ROADMAP FOR LEATHER AND GARMENTS SECTOR

Pillars:

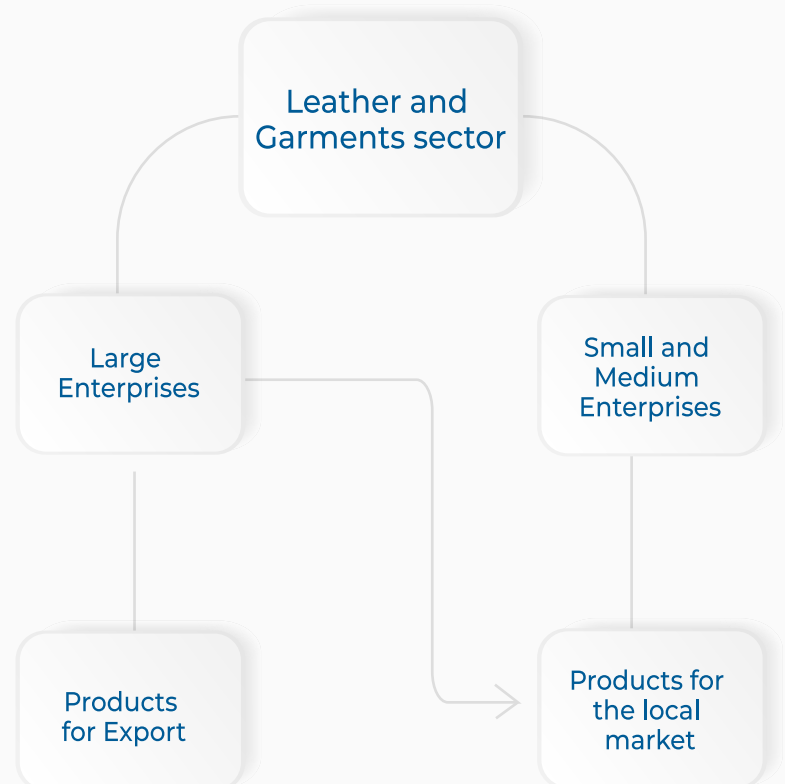
- Implementing Community Development Project.
- Increasing Value Added In The Jordanian Economy.
- Wages And Salaries.
- Job Opportunities.
- Exports Satellite.

Commitments:

- Sector's commitments.
- Government's commitments.

Time frame

- 3 Year
- 5 Year
- 7 Year



CAPACITOR FOR THE LABOR COMPONENT AND **PROMISING** FOR EMPLOYMENT OPPORTUNITIES

Large Enterprises

Sector Specify:

- Fully export sector.
- Promising sector to promote Jordanian exports.
- A promising sector for foreign investments.
- Take advantage of free trade agreements.
- Geographic spread.

Small and Medium Enterprises

Sector Specify:

- Of a historic nature.
- Promising sector to promote local value added.
- Geographic spread.
- A stable sector with promising opportunities.
- Dependence on the domestic market, low share of exports.

Two sectors have the same procedures but each has a different executive path.

NOTE: the road map of the leather and garment sector will contribute to provide strategy for the sector (attached).

ON GOING PROJECTS..

01

SSC

Sector skills council for leather and garment sector.

02

ITC

Improving the international competitiveness of the textile & clothing sector (MENATEX JORDAN).

03

GIZ-T4E

Trade for employment.

04

CBI

Export Coaching for Jordan Apparel Sector / Dutch government project.

05

BWJ

Better work Jordan.



01 SECTOR SKILLS COUNCIL

Sector skills council for leather and garment sector

Objectives

- Identify strategic skills.
- Specify the qualifications in the labor market.
- Evaluate the gap between supply and demand.
- Design the training courses.



Name

Sector skills council for leather and garment sector.



Partnerships

- ILO
- Russian Federation
- JCI
- MOL



02 ITC PROJECTS

Improving the international competitiveness of the textile & clothing sector (MENATEX JORDAN)

Objectives

- Raising the efficiency of the supporting enterprises and improving their performance in addition to enhancing regional cooperation.
- Improve the competitiveness of SME's and enable them to access new markets



Name

Improving the international competitiveness of the textile & clothing sector (MENATEX JORDAN)



Target

15 local enterprises to be directly supported



Partnerships

- JCI
- JGATE
- Syndicate of Garments
- Textile Factory



Duration

Two years and six months



03 GIZ PROJECTS

Trade for Employment

Objectives

- Improve the conditions of Jordanian companies to increase their commercial performance for employment.
- Enhancing and institutionalizing Public Private Dialogue: reaching a structured Private-Private and Public Private Dialogue towards improving trade conditions.



Partnerships

- GIZ
- JCI
- JGATE
- Syndicate of Garments
- Textile Factory

Name

Trade for Employment.



Duration

2017-2021

04 CBI PROJECTS

Export Coaching for Jordan Apparel Sector / Dutch government project

Objectives

To help SME's have Access to EU markets by means of participating in business export coaching activities.



Partnerships

- CBI
- JCI

Name

Export Coaching for Jordan Apparel Sector / Dutch government.



Duration

2019-2024

Target

Up to 20 companies from apparel sector will success to develop, exporting strategy and plan and find buyers in EU markets.



05 BETTER WORK JORDAN

Cooperation with :

MOL, MIT, JCI, Syndicate of Garments & Textile Factory, USAID, EU, The General Trade Union of Workers In Textile Garment & Clothing Industries, JGATE

Objectives

- BWJ strategy for the years 2017-2021.
- Continue cooperation with MOL.
- Cooperation with EU.
- New cooperation agreements.
- Employing Syrian refugees.
- Enhancing Productivity.
- PAC Meeting.



Name

In 2010, the program became mandatory for factories that export clothes.



Target

- The objective of this program:
- Poverty reduction.
- Improving the competitiveness of the sector.
- Compliance with decent work standards.



Partnerships

- According to BWJ's report 2018:
- 79 factories.
- 336 consulting visits.
- 2,715 workers, supervisor and manager.
- 3 Cooperation Agreements.

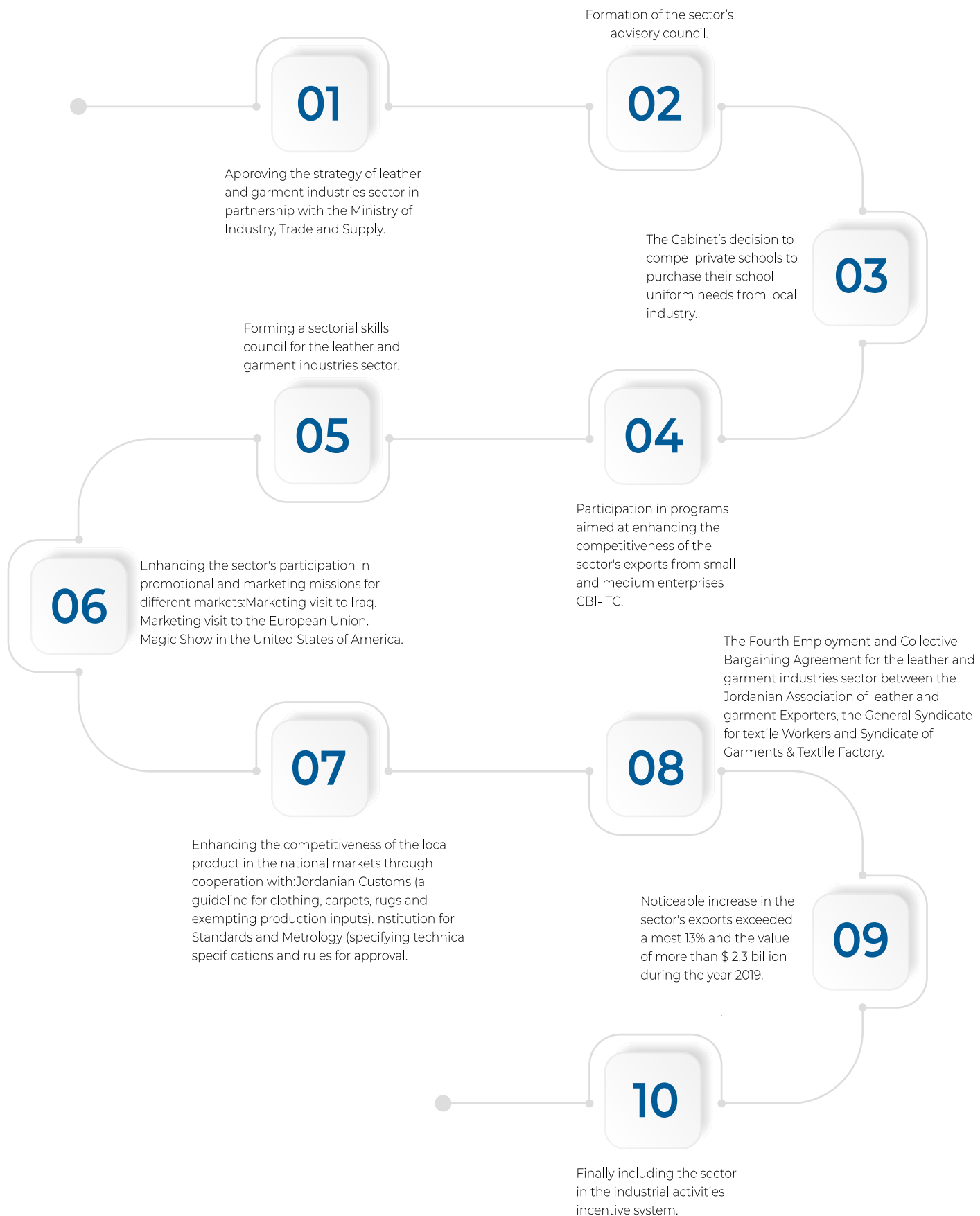


Duration

Started in 2008.



THE MOST IMPORTANT ACHIEVEMENTS OF THE LEATHER AND GARMENT INDUSTRIES SECTOR IN 2019



OPPORTUNITIES



The sector has unrealized export potential of about 500 million dollars to countries across the world.



2-4 satellite unit will be opened every year in new areas in Jordan.



The sector will increase employment rate by employing 3000-5000 Jordanian workers this year.



Increasing exports by 10% yearly.



Expansion of the production and exporting of new products other than apparels such as: production of shoes and bags and other products, and focusing on the more added value products like medical and safety apparels.



