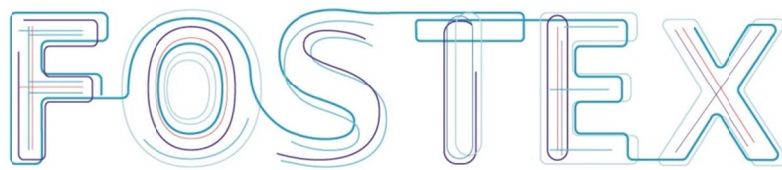


FOSTEX

Fostering innovation in the Jordan and Moroccan textile industry

Project No - 598347-EPP-1-2018-1-ES-EPPKA2-CBHE-JP

Co-funded by the
Erasmus+ Programme
of the European Union



PROJECT FOSTEX Deliverable

D1.4.Cross-Country Research Report

Project acronym:	FOSTEX
Project full title:	Fostering innovation in the Jordan and Moroccan textile industry
Grant agreement no.:	598347-EPP-1-2018-1-ES-EPPKA2-CBHE-JP
Responsible partner for deliverable:	JUST
Contributing partners:	UH2C, ACI, JUST and ESITH
Author(s):	Dr. Said Gamouh, Dr. Sanaa Majed, Mr. Amin Al Asoufi, Eng. Fadel Labadi, Eng. Ruba Hasan
Target Group(s):	International
Distribution level:	Public
Total number of pages:	60
Version:	0.1 (draft)/1 /2
Language	English
Reviewed by:	Peer review
Status:	Final
Delivery date:	14/12/2019

Version control

Number	Date	Description
1	11/Dec/2019	Eng. Ruba Hasan prepared the first draft using the national report
2	31/March/2020	Dr. Raluca reviewed the report
3	12/April/2020	Reviewed by the NEO and the project coordinator
4	June/ 2020	Approved by the WP leader as final

All rights are reserved. Reproduction and adaptation are authorized, except for commercial purposes, provided the source is acknowledged.

Copyright © FOSTEX Consortium, 2019-2022

Contents

Contents	2
Abbreviations and Acronyms	4
1. Introduction.....	5
2. The industrial sector in both Jordan and Morocco	6
2.1. Firms and Employees.....	7
2.2. Industrial Investment	12
2.3. Industrial Capacity and Exports.....	12
2.4. Sector Competitiveness	14
3. Textile and Readymade Garments Industries (Sector Profile)	17
3.1. Sector Brief.....	17
3.2. Statistics and economic overview	18
3.3. Jordan's and Moroccan Textile and Readymade Garments Industries Ecosystems.....	24
3.3.1. The Moroccan Ecosystem.....	28
3.3.2. Help and support.....	33
3.3.2.1. Support for ecosystems in the textile sector	33
3.3.2.2. Investment Promotion Fund (FPI).....	34
3.3.2.3. Tax incentives	34
3.3.2.4. Support for Small or Medium Companies-SMC (PME).....	35
3.3.2.5. Free zone status	35
3.3.3. Different Academic Support Being Studied in Jordan	36
3.3.3.1. Tailoring techniques	36
3.3.3.2. Textiles.....	36
3.3.3.3. Designing and sewing schemes (Part 1, 2 and 3).....	37
3.3.3.4. Children's Tailoring	37
4. The Vocational Training Corporation (VTC)	37

4.1. Variety of the Moroccan sector	37
4.1.1. A strategic view of the sector: Jordan view	38
4.1.1.1. Sector enablers (Strengthen and Opportunities).....	38
4.1.1.2. Sector Challenges (weaknesses and Threats): Morocco view.	40
5. Human resources training	41
6. A plan for 2020 in Morocco	44
6.1. Realization.....	44
6.2. Recommendations	45



Abbreviations and Acronyms

EACEA	Education, Audio visual and Culture Executive Agency
EC	European Commission
EU	European Union
GA	Grant Agreement
HEI	Higher Education Institution
ICT	Information and Communication Technologies
PC	Project Coordinator
WP	Work Package



1. Introduction

Both Jordan and Moroccan are Mediterranean countries, suffer from the lack of support and innovation technologies.

In terms of trade, the Jordanian economy is almost fully liberalized. Since the mid-1990s, Jordan has signed numerous trade liberalization agreements including: the Great Arab Free Trade Agreement (GAFTA) 1997; Qualifying Industrial Zones (QIZ) 1997; Euro-Jordanian Partnership (EU-JOR) 1997—entered into effect in 2002; Free Trade Agreement with United States, 2000; World Trade Organization (WTO) 1999; the Free Trade Agreement with EFTA 2001; Agadir Agreement 2004; Jordan-Singapore Free trade Agreement 2004; and Jordan-Canada FTA signed in 2009—came into enforce in 2012; and Jordan-Turkey FTA, signed in 2010—entered into force in 2011 .

The challenge arising from trade liberalization for Jordan is that domestic production must be able to compete both at home and abroad. Hence, based on the International Trade Strategy completed by the Ministry of Industry and Trade partnership with the relevant stakeholders, all trade liberalization negotiations must be accompanied by an objective analysis based on facts, figures and data that relate the terms of trade to the impact on the Jordanian production and labor markets.

One of Morocco's greatest assets, concerning textiles, is its proximity to the main importing countries. It is an advantage that decreases transport costs and facilitates trade. This geographical proximity of the country to the European markets, particularly through the port of Tangier Med, allows the Moroccan textile sector to be more responsive, and this is the key of the success of the fast-fashion model, for example, the Inditex group that produces mainly in Morocco, including nearly 50% of its trademark Zara.

The qualified and the inexpensive labour, with expertise in materials processing (denim, velour, etc.), and the increasingly modernized production techniques, are also an advantage for the kingdom. Not to mention the main advantage linked to the country's political stability, which is a major component of competitiveness in the current global context, but above all too fast-fashion, a segment in which the Kingdom has specialised and in which it has become very experienced.



2. The industrial sector in both Jordan and Morocco

The industrial sector is considered to be one of the major components of the Jordanian economy. This comes as a result of its contribution to the national economy, which was around one-fourth during the last decade .

The total number of employees, around 18% of the total number of workers in Jordan, and this sector are considered one of the major sectors in terms of job creation. The figures of Jordan Investment Commission (JIC) shows that the average investment in the industrial sector was around 70% out of the total investments that have been registered in the economy during the last decade.

The national accounts distribution divided the industrial sector in Jordan into three main subsectors; mining and quarrying, manufacturing and “electricity and water”. However, these sectors were contributing to the GDP in 2018 with around 2.1%, 19% and 3.6%, respectively. These contributions were changeable from 2011 to 2018 due to the economic changes within the same period.

The Moroccan industrial sector is composed of 6070 units, of which 31% are textile and leather industries. The textile sector represents a strategic sector within the national industrial activity through its contribution to the entire sector's employment, with nearly 27% of national industrial jobs. It contributes 7% to the industrial value-added, 5% to the industrial production and 5% to the industrial turnover. Today, the textile sector is one of the major contributors to new sustainable jobs in urban areas, as agriculture is in rural areas. It is the kingdom's leading industrial employer with more than 175,000 people (27% of industrial jobs), and it represents 15% of the industrial Gross Domestic Product(GDP). It is also a sector that plays a major role in the trade balance as it contributes 25% of the country's merchandise exports.

The textile sector represents a major social safety net with an estimated 420,000 jobs (formal and informal) estimated in 2014, 60% of which are women and 56% young people and more than 62% without qualifications. In 2016, the sector achieved a record performance with exports of more than 34 billion MAD and an 8% growth rate compared to the previous year. This trend was mainly driven by a very strong increase on the 'Iberian Peninsula' and the end of the facility granted to non-originating inputs from the Morocco-United States Free Trade Area and according to AMITH (the Moroccan Textile and Clothing Industry Association), more than half of this turnover, or 18.49 billion, was generated in the Spanish market. National textile-clothing exports to the latter thus increased by 20.5% in 2016.

This shows that the textile sector represents an important part of Morocco's total industrial production; hence, it is important to report the strengths and performance



keys of this industry as well as the strategies and visions adapted to make it a leader on a continental scale and in the Mediterranean region.

One of Morocco's greatest assets, concerning textiles, is its proximity to the main importing countries. It is an advantage that decreases transport costs and facilitates trade. This geographical proximity of the country to the European markets, particularly through the port of Tangier Med, allows the Moroccan textile sector to be more responsive, and this is the key of the success of the fast-fashion model, for example, the Inditex group that produces mainly in Morocco, including nearly 50% of its trademark Zara.

The qualified and the inexpensive labor, with expertise in materials processing (denim, velour, etc.), and the increasingly modernized production techniques, are also an advantage for the kingdom. Not to mention the main advantage linked to the country's political stability, which is a major component of competitiveness in the current global context, but above all too fast-fashion, a segment in which the Kingdom has specialized and in which it has become very experienced.

2.1. Firms and Employees

The total number of firms in the Jordanian industrial sector reached 17,723 firms in the year 2018; the average growth of firms' numbers has fluctuated dramatically during the last 5-6 years. This is due to the political situation in the region, which is considered the major factor for encouraging either local or foreign investors.

Table 1 shows the distribution of the industrial firms among subsectors where we differentiate between the firms in two types **Industrial firm** (More than 10 Jordanian workers registered in the Social Security Corporation, and has a registered capital more than 30,000JDs), and **Handcraft firm** (less than 10 Jordanian workers registered and has a registered capital less than 30,000JDs).

Table 1. Sectorial Distribution of Firm in 2018

Sector	Handcraft	Industrial	Total
Leather and Garments Sector; of which: Textile and Readymade Garments Industries	1,037	198	1,235
Packaging, Paper, Carton, and Office Equipment's Sector	669	261	930
Therapeutic Sector and Medical Supplies	51	76	127
Food, Agricultural and Animal Stock Sector	1,981	685	2,666
Engineering, Electrical and Information Technology Sector	5,606	492	6,098
Construction Sector	2,466	259	2,725
Plastic and Rubber Sector	335	252	587
Wood and Furniture Sector	2,475	115	2,590
Chemical Sector and Cosmetic Preparations	449	243	692
Mining Sector	40	33	73
Total	15,109	2,614	17,723

Source: Jordan Chamber of Industry data base (2019)

The above table reflects the fact that the majority of the firms in the industrial sector are small and medium sized enterprises (SMEs), which is considered to be consistent with the structure of the Jordanian economy.

Regarding the industrial sector's role in terms of employment and employability, the total number of employees in this sector reached 254.2 thousand workers in 2018 (29% of them are working in Textile and Readymade Garments Industries); this number contributes about 20% of the total number of workers in Jordan, and this sector is considered one of the major sectors in terms of job creation. This could be reflected in the fact that the average number of employees for each firm within the sector was around 13 workers, while it is only around 3 workers for the firms in other sectors

D1.4 Cross Country Report

Page 8

This project has been funded with support from the European Commission. This publication reflects the views only of the author, and the Commission cannot be held responsible for any use which may be made of the information contained therein

according to the enterprises survey by DOS 2014. This put the industrial sector on the top of the private sectors in terms of job creation.

In Morocco, following the latest statistics published by National Social Security Fund (CNSS) in 2018, the manufacturing sector, the textile and clothing industry is by far the largest national employer with 210786 jobs. In this sector, female employees are actively present and represent a number of more than 132589, or 63% of the sector's labor (Table 1).

In the textile industry, female labour mainly occupies the activities:

- Laboratory controls and sampling
- Operation of production machines.
- Product marketing

As for the clothing industry, the female labour mainly holds positions:

- Machine stitching
- Finishing and packaging
- Quality control
- Supervisor and head of the channel
- Product marketing

Table 2 shows the distribution of labor for jobs in the textile and clothing sector

Table 2: Breakdown of staff by gender in 2018

Régions	Male sex	Female gender	Total	Female presence in (%)
Casablanca (settat-berrechid-casablanca-mohammedia axis)	28148	40108	68256	58.761
Tangier Tetouanlarachehouceima	34791	51462	86253	59.664
Rabat Salétemarakenitra	5156	14378	19534	73.605
Fés - TazaMeknèsguersif	6793	19672	26465	74.332
Marrakech eljadida	1584	4489	6073	73.917
Others	1725	2480	4205	58.977
Total	78197	132589	210786	62.902

Then, we note from Figure 1, the number of declaring textile and clothing units in the Casablanca region represents the strongest region for the textile and clothing sector in terms of companies. It is more than 1870 units with a number of declared employees of more than 68256 employees.

The geographical distribution of the labour in the textile and clothing sector shows the importance of this activity to the country's socio-economic balance. The first five zones in the textile and clothing sector are classified as follows: Casablanca, Tanger-Tetouan, Rabat-Salé, Fez-Taza and Marrakech-El jadida, with 53%, 20%, 8%, 10% and 4%, respectively (Figure 1).

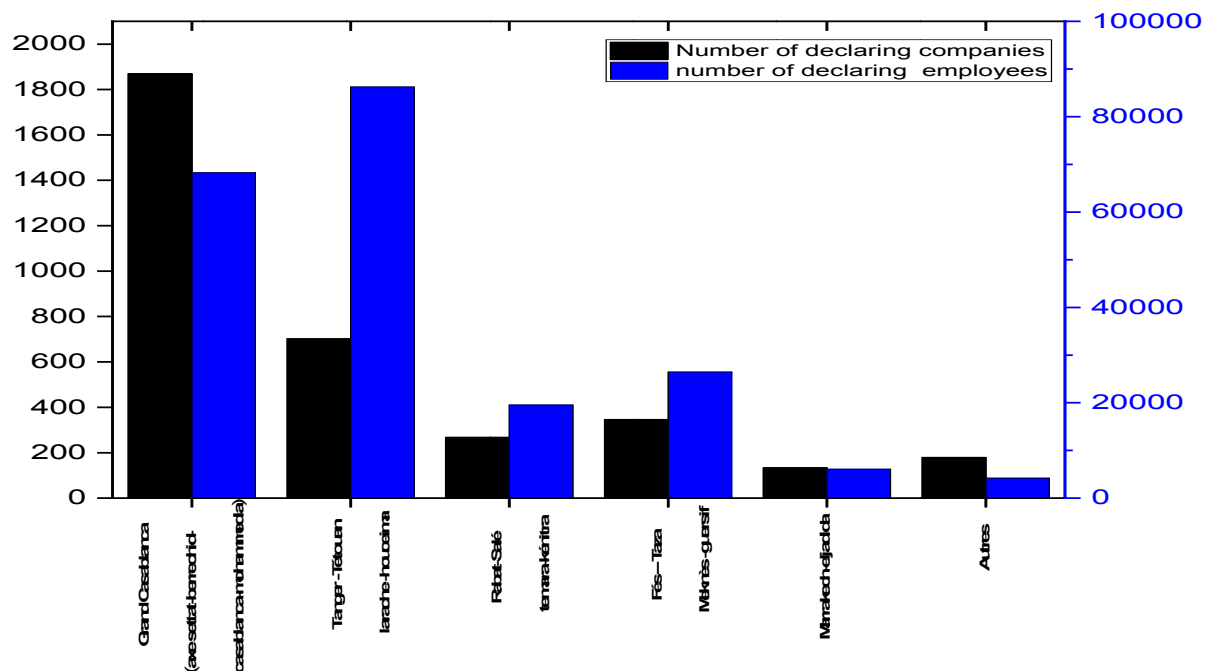


Figure 1: Distribution of units and staff by region: year 2018 (Source: CNSS Fiscal year 2018).

The Tangier-Tetouan region with 78071 employees. It is followed by the Central region (Casablanca) employs 60450 people. The Rabat-Salé region employs 19,514 people, while Fez-Taza and Marrakech-El-Jadida employ 5695 and 3413 people respectively. The regions where the textile and clothing population is the least dense (less than 1,000 people) are those of the East and South regions.

This industry is mostly composed of small or medium companies, because out of a total of 17,6179 employees, less than 10% work in companies with more than 1,000 employees, while companies with less than 200 employees represent almost half of the total labour in the textile and clothing industry in Morocco.

Table 3. Staffing distribution by activity in 2018.

Regions	Clothing industry	Manufacture of textiles	Total
Casablanca (settat-berrechid-casablanca-mohammedia axis)	38714	21736	60450
Tangier Tetouanlarachehouceima	55687	22384	78071
Rabat Salétemarakenitra	12960	6554	19514
Fés - TazaMeknèsguersif	21781	3210	24991
Marrakech eljadida	5048	647	5695
Others	2389	1024	3413
Total	136579	55555	192134

The basic textile sector employs 55555 operators or 29% of the labor (Table 3). The clothing sector employs 71% of the labour with its 136579 workers. It should be noted that, through the focus group bringing together professionals in the sector, the qualitative inadequacy between training and the needs of the sector does not spare any jobs and trades. Indeed, the needs generated in terms of job creation by ecosystems require a quality of training for all trades in the sector in order to improve the sector's international competitiveness.

In addition, to meet the requirements of skilled labour in the Textile and Clothing sector, a demand that is currently not met by existing training programs. There is a project for the rehabilitation of a vocational training centre in the textile and clothing sector, under the governance of a new public-private partnership (PPP), composed of the Moroccan Textile and Clothing Association (AMITH) and OFPPT with the support of Management & Training Corporation (MTC), an international provider of technical assistance services in the field of professional training. The training centre concerned by this rehabilitation is the Casablanca Textile and Clothing Training Complex, located in Ben M'sick in the region of Casablanca. The centre will focus on the provision of educational programmes and training methods specifically designed to meet the skills needs expressed by the textile and clothing industry. This will result in a larger pool of qualified job-ready regional candidates. The Centre will be jointly managed by the OFPPT and AMITH.

2.2. Industrial Investment

The figures of Jordan Investment Commission (JIC) show that the average investment in the industrial sector was around 70% out of the total investments that have been registered in the economy during the last decade.

In 2015, JIC data (Figure 2) show that the total foreign direct investments registered to get the advantage of the investment law in the industrial sector were around 2.7 billion JDs, which is approximately 87% of the total registered investments. The major factors that make the industrial sector attractive for foreign investment are the availability of required infrastructure that could be further served through the free and development zones, in addition to the incentives for foreign investors through the new investment law no. (30) For the year 2014.

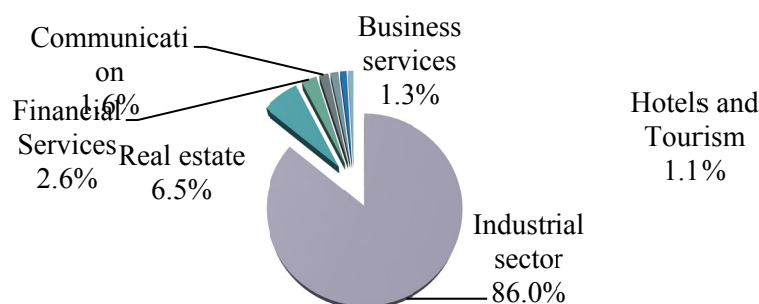


Figure 2. Distribution FDI Inflows to Jordan between 2011- 2015, According to the Main Economic Sectors (Source: FDI Intelligence, Financial Times)

2.3. Industrial Capacity and Exports



Industrial exports are more than 90% of the total national exports. In the year 2018, the industrial sector exports (Based on Chambers Certificate of Origin) registered an increase of 8.4% compared to the same period in 2017. This increase is mainly derived by Textile and Readymade Garments exports, Chemical and cosmetic preparations industries and Mining industries. The Jordanian private sector considers this increase as a success effort as it happened with some political and security obstacles in the region that led to the closing of several major markets for national products, the closing of the Iraqi and Syrian borders has resulted in a direct effect on 30% of national exports. This obliged the Jordanian exporters to find a different way to maintain their exports flow to their traditional markets. This inevitably has affected the competitiveness of the Jordanian national products in those markets due to the increased cost of transportation.

Around half of the Jordanian exports were directed to the Arab countries because of the capitalization on the Greater Arab Free Trade Agreement (GAFTA), which allowed Jordanian products to have easier access to the Arab states' markets, while the garment industries used to export to the US market through the Free Trade Agreement with the USA, with a percentage around 25% of total exports.

Different to Morocco, a significant production capacity estimated at more than one billion parts per year. The sector has been operating for 50 years with the European and American markets. It also has training institutes ensuring the continuous improvement of skills, which enables companies to benefit from qualified labour and advanced profiles of designers, stylists, and engineers. In addition, the development of skills that is at the heart of the sector's strategy also contributes to this large production capacity.

For more than 50 years, the textile sector in Morocco has been organized around a professional association "AMITH", which counts among its members more than 90% of exporting companies in the sector. A facility of communication and interaction with principals and international investors. AMITH is now taking a leading role in promoting and developing the textile and clothing industry. It initiates projects, revitalizes sectors and regions, negotiates programmes with the State, organizes trade fairs in the textile sector in Morocco, etc.

AMITH is an association rich with skills and experience, the mission of this cluster is to ensure that the training offer is in line with the needs of the sector and that continuous research is carried out to develop human capital in the Textile-Clothing sector. AMITH has carried out many projects related to training and professional intermediation.

The geographical proximity to European markets through "Tangier Med" port that allows the Moroccan textile sector to be more and more reactive. This is due to:

D1.4 Cross Country Report

Page 13

This project has been funded with support from the European Commission. This publication reflects the views only of the author, and the Commission cannot be held responsible for any use which may be made of the information contained therein

- Customs clearance in less than 1 hour
- A corridor dedicated to textile actors
- An increase in the rotation capacity of the ships operating in the port (6 to 8 connections per day)
- An opening to shipping companies dedicated solely to truck transport

AMITH has carried out many projects related to training and professional intermediation. Here are some of the main examples:

- Cooperation Programmes (EU via Meda1 and Meda2), Canadian cooperation (implementation of the Competence Approach "APC", development of the functional literacy programme), German cooperation (implementation of the CFA-IE "Centre de Formation par Apprentissage Inter-Entreprises" within TH companies, coaching of managers) and French cooperation (development of the functional literacy programme);
- Co-management with the OFPPT of 17 sectoral EFP/OFPPTs which is articulated by the mobilization of AMITH at the head of each EFP/OFPPT, 3 to 4 industrialists to co-manage, with the Director of the establishment;
- The governance body shall adopt guidelines which ensure that VET has greater visibility on the quantitative and qualitative needs of its sector of activity and enable it to offer appropriate and concerted training through The Development of FAC-IE;
- The implementation of the Program for the Valuation of Professional Experience Acquired;
- The integration of 20,000 young people to fill the 2010-2011 skills shortage;
- The development of continuing education programs;
- Development of training methods (residential, apprenticeship, work-study and evening courses);
- Creation of a sectoral GIAC to support companies in consulting and training engineering studies;
- Delegated Management of ESITH, CASAMODA ACADEMY, CTTH.

2.4. Sector Competitiveness

Despite the relatively positive performance, the industrial sector in Jordan is facing pressuring challenges to remain competitive. Over the past few years, the Jordanian industrial sector has become more vulnerable to outside competition due to external and internal factors. International pressures have been felt throughout the complete manufacturing spectrum, but particularly in labor-intensive manufacturers.



The industrial sector in Jordan enjoys several competitive advantages related to the relatively high quality of production, the availability of raw materials necessary for some major industries (particularly phosphate, potash, Dead Sea minerals, olive oil, etc.) and the existing distinguished human resources.

On the other hand, the sector's competitiveness faces major challenges that should be addressed to unlock its growth and development potential as they are limiting it from capitalizing on the advantages mentioned above to strengthen industries. Major issues are related to the high production cost, lack of financing resources, marketing capabilities, and the need for advisory services. While issues related to research and development activities, low levels of investment and limiting governmental bureaucracy could be considered as less pressuring challenges.

The main observation regarding the sector's competitiveness is that it is revolving in a loop that is limiting its development and its ability to capitalize on its competitive advantages. The sector at the moment is putting forward traditional products with fairly good quality and accordingly is faced by a enormous pressure on the profit margin due to the high cost. However, taking into consideration that it is functioning in a small market with price-sensitive consumers as well as aggressive competition from products coming from countries with large production capacities and low production cost.

This significantly limits the sector's marketing abilities and prevents it from reaching the maximum possible production capacity as its markets fail to absorb high-quality products in a viable manner with a good return on investment in technological development, and hence they remain hesitant to invest further and broaden their operations. Such investments will ensure efficiency in resource consumption and enable producers to provide high-quality products with unique technical features. Also, they can penetrate markets and compete away from price basis, but the sector's hesitation to adopt modern production technologies, in addition to the weak research and development investments, is placing further pressure on its competitiveness.

This gets the sector back on square one as it will remain operating depending on traditional production methods, resulting in traditional products, achieving a very small profit margin and introduced to markets where it would compete based on low price. Therefore, producers face difficulties in marketing such products in such markets both nationally and internationally. This again would leave producers realizing the importance of adopting the latest technologies and investing in research and development activities to achieve cost efficiency, but they would find themselves again faced by discouraging the return of investment due to the limited market size, and thus the loop continues.

A concrete development plan for the Moroccan textile sector's supplies an incentive system encompassing a set of fiscal, financial, legal, and social investment incentives. It is also a large network of free trade agreements with the European Union, the United States of America, and the Arab world, which gives access to a market of over a billion consumers.

Internationally, textile markets are undergoing significant changes with the emergence of two business models that now dominate distribution: The Fast Fashion model, embodied in particular by actors such as Inditex and H&M, and the low-cost fashion product materialized by Primark.

The vast majority of Western distributors and brands, which had chosen to redirect their supply to Asia, and China in particular, following the dismantling of the Multi Fibre Agreement in 2005, found themselves caught between these two business models. The distance from Asia, as well as the higher cost of production, combined with the decline in textile consumption in Europe and the significant growth in online sales, do not make it possible to compensate for the drop-in store sales, which jeopardizes the market shares and profitability of these brands.

This situation forces them to direct an ever-increasing part of their sourcing towards local supply platforms that provide them with the knowledge, price competitiveness, and, above all, the flexibility, agility, and reactivity imposed by Fast Fashion.

Among these alternative platforms, Morocco is now a reference in view of its historical and privileged relationship with the Inditex group.



3. Textile and Readymade Garments Industries (Sector Profile)

3.1. Sector Brief

The Textile and Readymade Garments Industries is one of the principal drivers of economic growth in Jordan today. Jordan places particular importance on the garment sector as a promising industrial sector, given the great economic and social significance of its large volume of exports. The sector is a valuable contributor to foreign currency to the Kingdom. Exporting to international markets has become increasingly crucial for Jordan in recent years since regional markets slowed down due to political and economic instability.

The importance of textile and Readymade Garments Industries is attributed to its value-added achieved in the Jordanian economy, which exceeds 35% according to the study of Yale University and to its large contribution to the total national exports, which amounted to 26.3% of the total industrial exports in the year 2018. Jordan attaches particular importance to this sector as one of the most promising industrial sectors that can enhance Jordan's exports due to its being a hub for many of the foreign investments.

The sector has shown remarkable growth in recent years (Despite its growth, faces several challenges. Mainly, the absence of trained and qualified local labour, high borrowing costs "interest on loans and credit facilities" and the lack of experience among managers of the sector's SME sub segment), benefiting from the advantages provided by the incentives contained in the free trade agreements which enabled investors to access many of the world markets. The sector's total exports amounted to nearly 1.8 billion US\$ in the year 2018 compared to about 1.6 billion US\$ in the year 2017.

The Textile and Readymade Garments Industries, and his sub-sectors (Figure 3) is one of the most labor-intensive industries that contributes to the local employment opportunities. It is worth to mention that it provides an opportunity to around 19,000 Jordanians to have a decent job (80% of them are women), and 6,000 Jordanians are working in satellite unites located in rural Jordanian areas with high poverty and high unemployment rate.



Figure 3. Sub-sectos of textile and readymade garments

3.2. Statistics and economic overview

Jordan's Textile and Readymade Garments Industries represents a promising opportunity to grow exports to the US market and to leverage the EU trade preference, to providing job opportunities for Syrian refugees. The sector is labor-intensive and employs over 73,000 workers (Almost 12% of them are working in 1,200 manufacturers producing for local and regional markets). The sector accounts for nearly 27% of Jordan's total exports, generating about US\$1.8 billion. There are over 75 exporting garment factories currently operating within Jordan, and just 35 of those factories account for over 75% of exports. However, textile and clothing exports to Europe, exceeded just US\$47 million in 2018. There is thus a significant opportunity for export growth from the garment actors currently operating within Jordan. The garment sector's significant economic contribution, and the ecosystem of stakeholders linked to it (which could diversify into design, fashion, accessories, and quality upgrading in local market), may be a valuable channel through which the Government of Jordan can advance its objectives around economic opportunities for Jordanians.

Concentrating at the start on the garment sector enables Jordan to focus its approach on improving forward and backward linkages within that industry's local and global supply chain, and rally support from a smaller number of industry stakeholders for targeted impact. This strategy could then be replicated for other sectors of the

economy, with associated capacity and resources deployed depending on the number of sectors covered.

The total number of the establishments operating in the Textile and Readymade Garments sector registered in the year 2018 has amounted to 1,227 employing more than 73,148 workers 75% of them are foreign workers. While the registered capital of establishments operating in the sector has mounted to 210 million US\$ in the year 2018.

Currently, there are around (75) big exporting factories located in several industrial zones in Jordan exporting to the US market (including subcontractors), (29) of them are international buyers such as Nike, Under Armour, GAP, Talbot, Express, etc.

As mentioned before, the Textile and Readymade Garments Industries is one of the most labor-intensive industries that contributes to the local employment opportunities. Employing almost 29% of total employees working in the industrial sector, 25% of them are Jordanians equal to around 19,000 Jordanians that have a decent job (80% of them are women, and 6,000 Jordanians are working in satellite unites located in rural Jordanian areas with high poverty and high unemployment rate).

What is remarkable is the model of Satellite production units that the government of Jordan and the manufacturers started to implement, driven by generous financial incentives, which led to expanding the potential of job creation for Jordanians female in particular.

The total number of workers in the companies operating in the Textile and Readymade Garments Industries has amounted to more than 73 thousands workers in the year 2018 (almost 75% of them are foreign and migrant workers mainly from Bangladesh, Sri-Lanka, India, Nepal and China as factory owners seem to think that hiring foreign labour is cheaper, but the fact is that there is a minimum wage that workers — regardless of nationality — must be paid, where General Trade Union of Workers in Textile Garment and Clothing Industries indicate the Jordanian workers are not inclined to work overtime, which is another reason why

GOVERNMENT INCENTIVES TO ESTABLISH SATELLITE UNITS AND RECRUIT JORDANIANS.

In June 2017, the Government of Jordan announced a list of incentives to establish and operate satellite units. Incentives included:

- Rent exemption for three years
- Land for construction
- Salaries for Jordanian workers up to 50 per cent during the first year of employment (JD 110 / month)
- Subsidized transportation costs (JD 25).
- Social security contribution for individual workers (JD 25).
- Infrastructure services, including water and electricity.

the sector leans towards employing a foreign workforce) compared to their number in the year 2017 which reached 70.9 thousands workers, indicating a 3.2% growth.

The absence of trained and qualified local labor, and the lack of experience among leaders of the sector's SME sub-segment are the main concern for manufacturers in textiles Readymade Garments Industries.

According to a survey done by Better Work Program (Figure 4), High worker absenteeism and turnover rates were noted as challenges in both Better Work Jordan's observations as well in the management survey. The majority of respondents ranked absenteeism rate, workforce turnover and technical skills of workers and supervisors as operational severe problems.

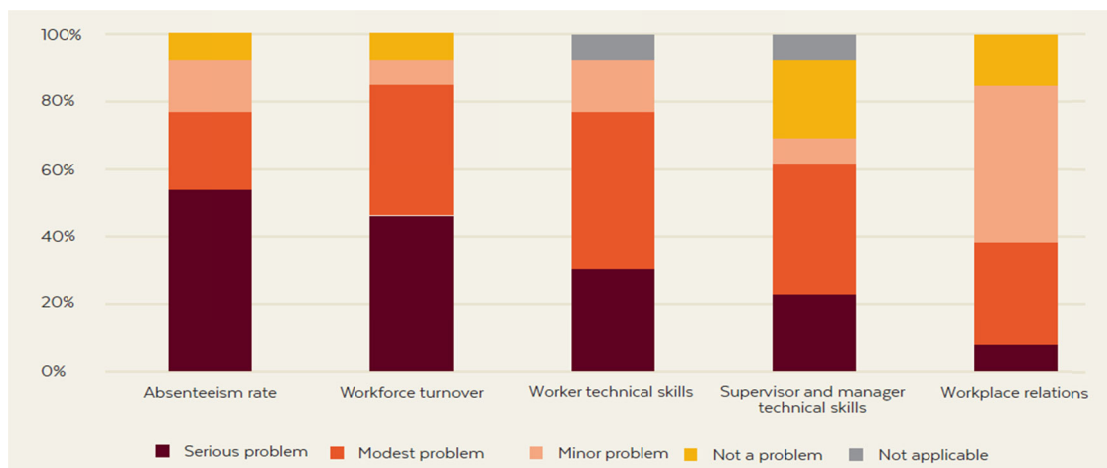


Figure 4. Major Challenges in Factory Operations Reported By Employers

Morocco faces intense competition in the Mediterranean region (especially from countries such as Turkey and Tunisia) in terms of exports of textile and clothing products to the European Union.

➤ In 2002 :

The TH accounted for almost 40% of Tunisia's total trade with the EU, one third of EU/Morocco trade and about one quarter of EU/Turkey trade (Table 4).

Together, they accounted for almost 90% of the Mediterranean Partner Countries' (MPCs) textile trade with the EU in 2002. One of the essential differences between the two Maghreb countries and Turkey is the EU's share of their TH trade. While the EU is the main and almost the only partner of Morocco and Tunisia, Turkey accounts for just

over half of its TH trade with the EU. On the other hand, a common point between these countries is that their trade is concentrated in some EU Member States:

- Morocco with France, the United Kingdom and Spain;
- Tunisia with France and Italy;
- Turkey with Germany, the United Kingdom and Italy.

This explains why, on the EU side, Germany, France, the United Kingdom and Italy are the main partners of the MPCs (75% of EU/MPC trade in 2002).

Table 4. EU TH trade with Turkey, Morocco and Tunisia.

millions of euros						%		In 2002 (%)	
	1995		2002			Variation 95/02		country share	
	<i>Imp</i>	<i>Exp</i>	<i>Impo</i>	<i>Expo</i>	<i>Balance</i>	<i>Imp</i>	<i>Exp</i>	<i>Imp</i>	<i>Exp</i>
Turkey	4274	799	8964	1873	-7090	109.7	134.4	55	27
Tunisia	1841	1287	3115	2083	-1032	69.2	61.8	19	29
Morocco	1733	1060	2735	1764	-971	57.9	66.4	17	25

➤ In 2004 :

According to (EURATEX), Morocco has been classified as the 7th largest supplier to the European Union and has reserved 4.6% of its market for itself as shown in Table 5.

Table 5. Main suppliers to the European Union in 2004.

Countries	Amounts in millions of euros	%	Rank
China	10806	20.4	1
Turkey	7333	13.8	2
Romania	3657	6.8	3
Bangladesh	3054	5.7	4

Tunisia	2695	5.1	5
India	2622	5.0	6
Moroccan	2472	4.6	7
Hongkong	2062	4.0	8
Poland	1471	2.7	9
Indonesia	1337	2.5	10
Total	37509	70.6	

➤ In 2016 :

The Moroccan textile industry achieved the 2nd best growth in clothing exports on the European market after Vietnam (Table 6).

Table 6. World's best performance in clothing exports to the EU in 2016.

Countries suppliers	Performances		
	Value in millions of euros	Market share in %.	Variation 2015/2016 in %
China	27681967	34,20	-8
Bangladesh	14845814	18,40	8
Turkey	9506203	11,80	1
India	5120596	6,3	0
Cambodia	3367701	4,2	14
Vietnam	2993648	3,7	7
Moroccan	2528706	3,1	9
Pakistan	2454528	3	8
Tunisia	1957033	2,4	-2

Siri lanka	146979	1,8	-8
Others	8951451	11,10	4
Total	80864526	100	0

To move forward, the Better Work Program suggests the following:

Developing a local workforce: Potential garment workers should pass through vocational training or traineeships that would not only improve their technical skills but also help them adjust to working in manufacturing factories. This experience will also help reduce training time in factories once the worker is employed. Factories can also establish workplace tours for potential workers to ensure employment expectations are managed adequately.

Training for new workers: Factories should implement induction training for new workers to ensure that they are well adjusted to the workplace. This can be done through a combination of technical and non-technical training. Further, giving workers a sense of how their work fits in the global supply chain can aid in shifting the perception of satellite factories from charity projects to actual businesses. Such training can help address challenges related to absenteeism and retention rates.

Implementing motivation systems. Setting up motivation systems, such as productivity and attendance bonuses, can help lower the absenteeism rate and improve productivity. Better Work Jordan has observed overall lower absenteeism rates in satellite units that implement some type of motivation system.

Enabling career progression. At the enterprise-level, factories can encourage career progression for skilled workers. Satellite units already have an impressive average percentage of female supervisors. Better Work Jordan has a training program for “future supervisors training,” which can be adjusted for the satellite unit context. More women can also be trained and encouraged to take managerial positions in the satellite units.



Training for supervisors. As observed by Better Work Jordan and reported by factories, there is a need to provide both technical and non-technical training for supervisors. Training modules such as Better Work's Supervisory Skills Training and technical Supervisor Training can help equip supervisors with the necessary technical and soft skills to improve their factory's productivity further

Recruiting local graduates. There are many highly educated Jordanians who can be employed in different departments in factories and satellite units. Such positions can include industrial engineers, HR managers and welfare officers. This will not only help address Jordanian unemployment but also make factories invest in building robust teams to help design and maintain internal management systems.

3.3. Jordan's and Moroccan Textile and Readymade Garments Industries Ecosystems

The garment and apparel sector benefit from a vibrant industry ecosystem. The exporters and local manufactures benefit from a strong relationship with the Jordan General trade union of workers in Textile, Garment & clothing industries. Founded in 1954. The Union, the private sector and the government, have signed a collective bargaining agreement, which ensures fair and equal rules and regulation for all, across the sector. The chambers of industry play a vital role in supporting the sector through advocacy and services.

The Jordan garments, accessories, & Textiles exporters; Association (JGATE) represents the exporters. Vocational training schools help upgrade the labor skills, while in universities, design courses ensure a constant flow of quality graduates. The garment design and training service Centre (GSC) hosts regular fashion courses in the fields of design, drawing, pattern making. Sewing, trends, marketing, visual merchandising, retelling. Costing and production planning, as a result, the sector is now ready it diversify into design fashion packaging and accessories.

1. GARMENT SECTOR CONSOLIDATION AND MATCHMAKING PROGRAM:

Based on this strategy, and with the objectives to increase employment generation for Syrian refugees and host communities within the sector, the UK-financed Garment Sector Consolidation and Matchmaking Program, operated by the World Bank, supports the sector through advisory components on:

a) Labor Market Connectivity,

- b) ESG Compliance on Factory Floor,
- c) Garment Sector Alliance & Public-Private Dialogue,
- d) Branding & Communication (in/out of the country),
- e) Export & Investment Promotion & support, and Matchmaking with Global Brands.



2. **IFC and ILO program “Better Work Jordan”**, which is a global standard for the garment industry, and which includes today 60 exporting garment factories in Jordan, has reported many progress within the sector, including the following:

- A Workers’ Centre has been created at Al Hassan Industrial Zone to provide a space for workers to relax, acquire new skills and conduct community activities (the second facility will be established soon in another zone).
- A Fair Recruitment project is being rolled out under which the Nepalese workers' skills are tested in their home country prior to departure. Such a project will be implemented in Bangladesh and Sri Lanka.
- On Public Reporting, Better Work Jordan has identified 29 public reporting indicators to be used in the factories’ evaluation to ensure the creation of decent

jobs, healthy working conditions etc. Full public reporting for each factory will be effective as of June 2017.

- Better Work Jordan is collaborating with the UNHCR and UN Women to build the capacity of the national stakeholders in answering to new market opportunities and integrate more women and more refugees in the workforce.

3. **JORDAN GARMENT SECTOR ALLIANCE:** in 2017, the Jordan Investment Commission, the Jordan Garments, Accessories, and Textiles Exporters' Association (JGATE), the Jordan Chamber of Industry (JCI), Amman Chamber of Industry (ACI), Zarqa Chamber of Industry (ZCI), Irbid Chamber of Industry (ICI) and Factories owner Syndicate established a garment sector-focused collaboration platform between the private sector, the government and other stakeholders. The goal of the collaboration platform is to promote more exports, more jobs, but also to improve responsible business practices, raise the sector's environmental, social, and governance standards, promote social good, social integration and refugee support. The local stakeholders have adopted a Sector Declaration through which they formed the **JORDAN GARMENT SECTOR ALLIANCE (JGSA)**, inclusive of all the relevant stakeholders from the private sector, government, civil society organizations to address the sector constraints and achieve its vision. The Alliance also commits to develop periodic sector strategies, roadmaps and work plans, which will be evaluated and revised periodically in consultation with the government and other partners.

4. **The garment design and training service Centre (GSC)** Is an establishment created through the direct support of Jordan Enterprise Development Corporation, dedicated to providing specialized technical assistant and fashion training courses through local and Italian expertise. GSC hosts regular fashion courses in the fields of design, drawing, pattern making. Sewing, trends, marketing, visual merchandising, retelling. Costing and production planning as a result the sector is now ready it diversify into design fashion packaging and accessories.



The main courses held by the Center are:

- **Pattern making (Women's Wear)**, (540 hours training) which include (Study of basis, Measurements and Allowance, Darts Transfer, Study of Collars, Study of Sleeves, Shirt and Blouse, Study of Trousers, Study of Skirt, Study of Dress, Study of Jacket, Study of Coat, Pattern Layout, Industrial Techniques, Pattern Grading, Patterns made from the creativeness of the student, Sewing Techniques
- **Pattern Making (Intensive & Regular)**, (900 hours training) which include (Measurements, Allowances, Pattern making, Sewing Techniques, Industrial Techniques Evening Wear, Pattern layout, Industrial Sewing Techniques, Creativity, Draping, Yarns and fibers, Fabrics and materials, Pattern grading, Design Techniques
- **Fashion Sketching**, (150 hours training) which include (Drawing Techniques, Drawing Basics, Color Theory, Creativeness, Fabrics and Materials, Fashion design, Concept Development, Fashion Accessories , Flat Pattern Drafting

In the same context, GSC aims at improving the capabilities of the clothing industry through providing short specialized courses that cover all the technical and administrative areas of the clothing industry such as Marketing, Retailing, Management, Merchandising, Costing, Quality Assurance, Embroidery, CAD training, etc. **Local experts from the industry deliver courses.**

GSC also organizes short fashion-related courses in collaboration with LUX.R.YOU ASSOCIATION, FLORENCE/ITALY. These courses cover specific topics related to fashion design and product development.

Course subjects include:

- Fashion Drawing Techniques
- Fashion Draping
- Fabric Printing
- Handbag Design & Making
- Photoshop & Illustrator for Fashion
- Fashion Jewelry Making
- Sewing Techniques
- Digital Marketing for Fashion
- Fashion Retail Management
- Pattern making
- Window Display Design

5. **Al-Balqa Applied University awards the Intermediate Diploma in Fashion design and clothing production**, students are taught several courses from these: the use of computer in fashion design, Foundations of Fashion Design, Fashion illustrations, Textiles, knitting bottles, History of Fashion, Knitting bottles, Fabric Technology, clothes manufacture, Aesthetics, Fashion Embroidery Accessories, children clothes. for number of students in the program as shown in table 7.

Table 7. Diploma programs

The college	Specialization
Irbid University College at Irbid city	Fashion design and clothing production
Al-Zarqa University College at Al-Zarqa	Fashion design and clothing production
Ajloun University College at Ajloun city	Home Economics
Princess Alia University College at Amman	Home Economics
Shoubak University College at Al-Shoubak city	Home Economics

For the bachelor program, the university offers program in Home Economics and contains courses related to the fashion design profession.

3.3.1. The Moroccan Ecosystem

Moroccan Ecosystems, the cornerstone of the 2014-2020 Industrial Acceleration Plan, are intended to promote the integrated development of industrial sectors. The aim is to combine the industrial structure locally around leading companies by encouraging mutually beneficial partnerships with small or medium companies, the former acting as a driving force and giving perspective and visibility to the latter, which in turn brings creativity, innovation and dynamism.

Appropriate support and targeted assistance are provided to ecosystem companies in terms of financing, industrial land and training.

The Industrial Development Fund (IDF), operational as of 1 January 2015, allocates 3 billion dirhams per year over the period 2014-2020 to ecosystem companies to enable them to achieve their ambitions for upgrading, development and internationalisation.

In addition to this support from the State, there is also an integrated and competitive bank financing offer.

Ecosystem companies can also:

- Have access particularly to quality industrial land thanks to the innovative concept of industrial rental parks;
- Provide their employees with appropriate training courses.

The textile and clothing sector has six ecosystems under the 2014-2020 Industrial Accelerated Plan. The sectors concerned are "Denim", "Fast Fashion", "Industrial distributors of national brands", "Knit", "Home textiles" and "Textile for technical use". The creation of ecosystems in these sectors will encourage the emergence of a competitive and innovative textile upstream, a first-rate prerequisite for better integration of the sector and to gain in reactivity and logistics costs in supplying customers.

These first 6 ecosystems will contribute, by 2020, to create 100,000 new jobs, generate additional turnover of 5 billion dirhams in the sector, and carry out 70 investment projects supported by locomotives.

- Support for the establishment of priority textile ecosystems: DENIM - Fast Fashion - Distribution of national brands.

This strategy is a shared desire to promote the textile sector's proactive contribution to the country's socio-economic indicators, and its objective is to:

- Create 100,000 stable jobs in ecosystems, including 54,000 generated by ecosystems and 46,000 generated by the cross-functional offer.
- Generate 5 billion DH of additional export turnover by 2020
- Structuring the fabric of actors into efficient and sustainable ecosystems.

It is also an industrial plan that includes two commitments: one by the state and the other by AMITH.

Commitment by the state:

1. Create an incentive framework for the emergence of efficient ecosystems and the development of textile actors.
2. Ensure rental land for companies in the sector in areas with employment areas.
3. Strengthen the promotion of the Moroccan offer by AMDI and Morocco Export.
4. Integrate the informal through the promotion and support of very small, small and medium-sized Moroccan companies.
5. Support the training of the skills necessary for the development of the sector.

Commitment by AMITH:

1. Create 100,000 stable jobs by 2020, including 54,000 generated by ecosystems
2. Promote the emergence of 70 high-performance ecosystem locomotives, including 57 for the priority ecosystems
3. Reach an export turnover of 34 billion DH by 2020 (5 billion additional DH)
4. Identify areas with employment pools for the deployment of potential ZAI
5. Propose operational measures for the integration of the informal sector.

Denim Ecosystem

The establishment of the "Denim" textile ecosystem is intended to achieve:

- + MAD2.6 billion in revenues (Figure 5).
- + 14,800 jobs (Figure 6).
- Gross Domestic Product (GDP) 2020: 1,293 MDH (+655 MDH)
- Investment effort required: 1.2 billion dirhams
- Number of locomotives: 25
- Minimum objectives for 2020 per locomotive: an increase in turnover: 75 MDH and creation of stable jobs: 450

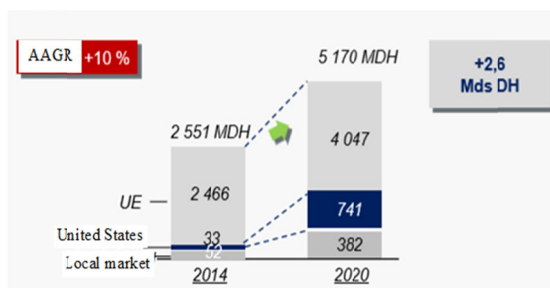


Figure 5: Evolution of the turnover of the Denim ecosystem (2020)



Figure 6: Evolution of employment in the Denim ecosystem (2020).

Fast Fashion Ecosystem

The establishment of the "Fast Fashion" textile ecosystem is intended to achieve (Figure 7):

D1.4 Cross Country Report

Page 30

This project has been funded with support from the European Commission. This publication reflects the views only of the author, and the Commission cannot be held responsible for any use which may be made of the information contained therein

- + MAD2.6 billion in revenues
- + 21,230 jobs.
- GDP 2020: 2.3 billion dirhams (+0.65 billion dirhams)
- Investment effort required: 1.1 billion dirhams
- Number of locomotives: 25
- Minimum objectives for 2020 per locomotive: an increase in turnover: 75 MDH and the creation of stable jobs: 600 (Figure 8).

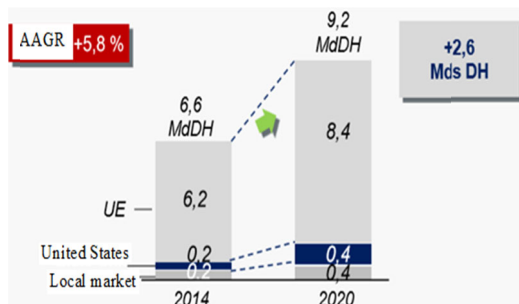


Figure 7: Evolution of the turnover of the Fast Fashion ecosystem (2020).

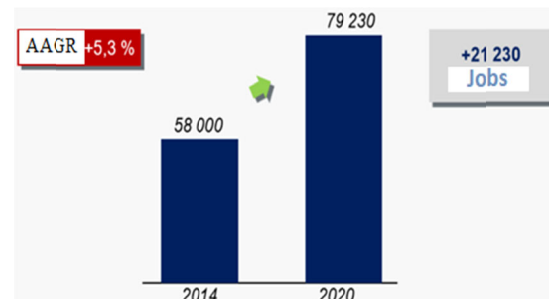


Figure 8: Evolution of employment in the Fast Fashion ecosystem (2020).

Ecosystem Distributor of national brands

The establishment of the textile ecosystem "**Distributor of national brands**" is intended to achieve:

- Billion DH of turnover
- 8000 jobs
- GDP 2020: 500 MDH (+350 MDH) (Figure 9)
- Investment effort required: 870 million MDH
- Number of locomotives: 7
- Minimum objectives for 2020 per locomotive: an increase in turnover: 50 MDH and creation of stable jobs: 300. (Figure 10)

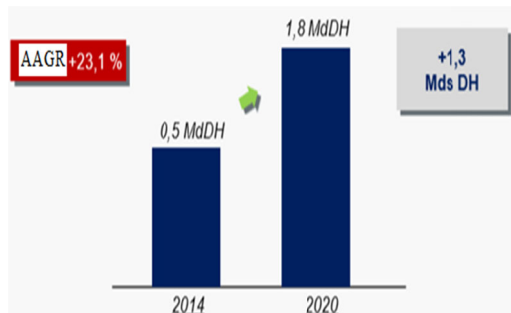


Figure 9: Evolution of the turnover of the national brand distributor ecosystem (2020).

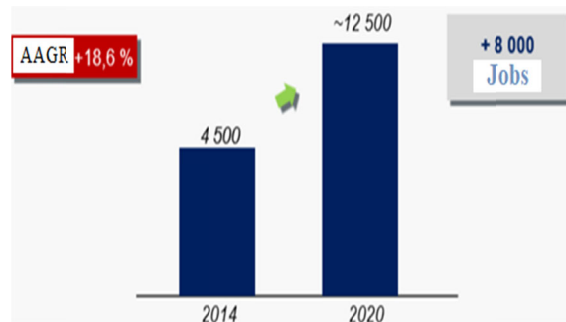


Figure 10: Evolution of jobs in the national brand distributor ecosystem (2020).

➤ Transversal accompanying measures

Land requirements of the 3 priority ecosystems will be 945972m² by 2020. It's approximately 95 hectares for the three ecosystems Denim, Fast Fashion and Distributor.

The following figure shows the regional distribution of the textile ecosystem's needs.

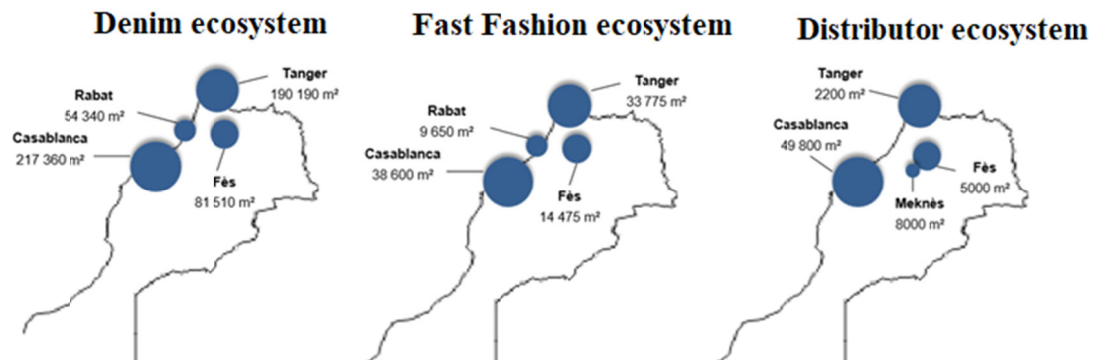


Figure 2: Geographical distribution of textile ecosystem needs in Morocco.

- Prerequisites for the location of the additional land:
 - 10 minutes' walk from an employment area
 - Accessible to the road network
 - In rental mode
 - Competitive.
- Action plan for fair and equitable competition in the internal market

Six major objectives of the project

1. Ensure fair and equal competition within the Moroccan domestic market
2. Protecting Moroccan economic and social added value
3. Support the efforts of transparent industrial actors
4. Promote the economic projections of the 6 textile ecosystems: Denim, Fast Fashion, National Private Labels, Knit, Home Textiles, TUT
5. Promote market share gains in the informal sector (e. g. capture 25% of Denim's market share compared to ~6% currently)
6. Achieve the objectives of creating 100,000 stable jobs by 2020.

3.3.2. Help and support

3.3.2.1. Support for ecosystems in the textile sector

An integrated and innovative support system has been set up for the benefit of textile ecosystem companies:

- An appropriate financing mechanism:
 - Investment incentives.
 - Support bonuses to conquer export markets.
 - Support for innovation and the improvement of creativity.
- An integrated and competitive banking offer: AMITH/Banque Populaire agreement concluded in June 2015 for the development of innovative financing solutions for textile operators.

- A targeted training strategy:
 - Deployment of training programs adapted to the new needs of the sector.
- An offer of rental land at attractive prices:
 - 95 ha of rental land is reserved for textiles.

3.3.2.2. Investment Promotion Fund (FPI)

Under the Investment Charter, the FPI proposes that the government partially cover certain expenses related to the acquisition of land (up to 20% of the cost of the land), external infrastructure (up to 5% of the total amount of the investment programme or 10% in the case of an investment in the spinning, weaving or finishing sector) and professional training (up to 20% of the cost of this training).

These contributions may be cumulated; however, without the total state contribution exceeding 5% of the total amount of the investment program; or 10% in the case of an investment in the spinning, weaving or textile finishing sector or where the investment project is planned in a suburban or rural area.

Eligibility criteria:

The investment project must meet at least one of the following five criteria:

- Be for an amount greater than or equal to 200million MAD over 3 years
- Be carried out in one of the provinces or prefectures mentioned in Decree No. 2-98-520 of 5 Rabi I 1419 (30 June 1998)
- Allow the creation of a minimum of 250 stable jobs over 3 years
- Ensure technology transfer
- Contribute to the protection of the environment

3.3.2.3. Tax incentives

Tax incentives are provided for by Article 123-22°-a of the General Tax Code and Article 7.1 of Finance Act No. 12-98 for the 1998-1999 financial year, as amended and supplemented, namely:

- Exemption from import duty on capital goods, machinery and equipment necessary for the implementation of an investment project exceeding 200 million MAD for 36 months from the signing of the investment agreement;

this exemption is extended to parts, spare parts and accessories imported at the same time as the equipment mentioned above;

- The exemption from the value-added tax (TVA) on imports of capital goods, machinery and equipment necessary for the implementation of an investment project exceeding 200 million MAD, for 36 months from the start of the company's activity or the date of issue of the building permit and may be extended for a further 6 months in the event of force majeure (renewable once); this exemption is extended to parts, spare parts and accessories imported at the same time as the above-mentioned equipment.

3.3.2.4. Support for Small or Medium Companies-SMC (PME)

SMCs in the sector can benefit from specific support within the framework of the programmes developed by MOROCCO PME:

- IMTIAZ GROWTH
- ISTITMAR GROWTH
- AUTO-ENTREPRENEUR

3.3.2.5. Free zone status

An export-processing zone (EPZ) is a specific area of the territory dedicated to industrial export activities and related service activities. Each free zone is created and delimited by a decree that determines the nature and activities of the companies that can be established there. The operational EPZs is located in Tangier (Tangier Free Zone - TFZ and Tangier Automotive City - TAC), Kenitra (Atlantic Free Zone - AFZ), Casablanca (Midparc), Rabat (Technopolis) and Oujda (Technopole d'Oujda).

To benefit from the status of the free zone under Law No. 19-94, companies must have obtained the authorization of the local commission on export free zones chaired by the Wali or the governor of the region and achieve at least 70% of their export turnover.

The status of free zone allows the exemption from foreign trade and exchange controls, as well as access to the following state subsidies:

- A tax incentive resulting in:

Total income tax (TIT) exemption for the first 5 years, followed by an 80% allowance on gross taxable professional income for the next 20 years

- Total exemption from corporate income tax (TIT) for the first 5 years, followed by the application of a rate of 8.75% for the following 20 years
 - Total exemption from business tax for 15 years
 - Exemption from urban tax for 15 years
 - Exemption from participation in national solidarity
 - Exemption from tax on income from shares, dividends and similar income for non-residents and reduction of this tax to 7.5% for residents
- Customs advantages:
 - Total exemption from import duties and simplified customs procedures;
 - Unlimited exemption from value added tax in respect of products supplied and services rendered to export processing zones from the taxable territory;
 - Administrative facilities:
 - Exemption from registration and stamp duty on deeds of incorporation or capital increase of the company, as well as on land acquisitions;
 - The establishment of a one-stop shop for investors.

3.3.3. Different Academic Support Being Studied in Jordan

3.3.3.1. Tailoring techniques

Studying the basics of sewing in terms of knowing the different types of sewing machines and the main parts to form stitches and their functions and care , providing the student with the skills of quality control over the process of the suture and maintenance of the machine preventive and therapeutic and knowledge of sewing and acquire the skill of the implementation , the definition of everything that is the basics of sewing with the application (installation of fasteners , buttonhole and buttons sewing, installation costs internal and external sewing and installation of pockets).

3.3.3.2. Textiles

Basic information on different types of textiles in terms of natural and industrial sources, characteristics, stages and care methods in terms of washing, drying and ironing, in addition to the study of the types of yarns and ways of weaving and dyeing, in addition to dealing with the foundations of the choice of clothes for occasions and different age groups, also includes information For washing machines, instructions and methods of removing stains, dry cleaning and ironing and strengthening tools.

3.3.3.3. Designing and sewing schemes (Part 1, 2 and 3)

Part 1. Studying the basics and technical rules necessary to prepare and implement the pattern of the skirt and trousers.

Part 2. Studying the basics and technical rules necessary to prepare and implement the skirts and trousers for the skirts and the trousers.

Part 3. Studying the basics and technical rules necessary for the preparation and implementation of the schemes of the dress and jacket.

3.3.3.4. Children's Tailoring

Studying the basics and technical rules necessary for the preparation and implementation of patrons for children's clothing in terms of Knowledge of standard measurements tables for newborn babies, Automatic knitting

4. The Vocational Training Corporation (VTC)

Jordan provides professional and vocational training programs in different vocational levels, competences in the field of Textile and garment Industries.

The main objective of the visions and strategies adopted by Morocco concerning the textile and clothing sector is to position itself among the best on an international scale, more precisely around the Mediterranean.

Morocco is one of the most important Mediterranean Partner Countries (MPCs) of the European Union (EU) in the textile and clothing sector and one of the key partners for trade in products from the textile and clothing industries.

4.1. Variety of the Moroccan sector

Fabrics:

- Production of upholstery and clothing fabrics for eastern markets
- Good denim fabric potential based on subsidiaries of large foreign groups (Tavex, Legler, Icoma, etc.: spinning, indigo dyeing, weaving)

Finishing:

- Weakness: a significant obstacle to the construction of a complete sector
- Only integrated: there is practically no custom finishing production, which prevents the development of the converting activity.
- Know-how in jeans finishing and diving dyeing
- Little investment in the sector
- Manufacturing of knitwear
- Most companies with integrated knitting and manufacturing
- Knowledge in T-shirts, sweaters, sweaters

Warp and weft manufacturing:

- Production for all types of clothing (with a specialization for trousers)
- Excessive concentration of exports: more than 80% of exports are destined for three countries: France, Spain and the United Kingdom.
- No raw materials that correspond to industrial use

Spinning:

- Productivity and upgrading to be improved
- Mainly oriented towards the use of the production of traditional Moroccan fabrics for furniture.

4.1.1. A strategic view of the sector: Jordan view

4.1.1.1. Sector enablers (Strengthen and Opportunities)

Massive Production Capabilities

Jordan is a large global actor in garment production, with more than 1,200 manufacturers. In 2018, the Jordanian apparel industry accounted for 26% of Jordan's exports and global brands sourced near to 2 billion US\$-worth of apparel from Jordan. The largest company hires almost 20 thousands employees. Its worth to mention that Jordan ranks third in the world in average factory size, with an average of 1,500 workers per exporting company.

In addition to mass production, small batch manufacturing is also a viable option through many of the smaller but highly skilled and specialized factories. Whatever the size of an order, it can be competitively MADE IN JORDAN.

Fast lead-time

Jordan has been lauded for its extra-fast import-export lead-time, where thanks goes to streamlined logistics and high-volume sea, air and road trade infrastructures. The industry constantly benchmarks its pre-processing, processing and post-processing times to ensure rapidity and efficiency in delivery. For large-scale orders, the average lead-time to the US is 19 days, and 10-14 days to European countries. Thus, the country's apparel sector can be used for fast fashion. This is no accident; manufacturers benefit from the strong and stable Jordanian infrastructure, modern factories, reliable electricity provision, excellent IT services and a well-developed financial sector. Coupled with a productive workforce, these factors make sourcing from Jordan a winning proposition.

Highly Developed Ecosystem

The garment and apparel sector benefit from a vibrant industry ecosystem. The exporters and local manufactures benefit from a strong relationship with the Jordan General trade union of workers in Textile, Garment & clothing industries. Founded in 1954. The Union, the private sector and the government, have signed a collective bargaining agreement, which ensures fair and equal rules and regulation for all, across the sector. The chambers of industry play a vital role in supporting the sector through advocacy and services the Jordan garments, accessories, & textile exporters; Association (JGATE) represents the exporters. Vocational training schools help upgrade the labor skills, while in universities, design courses ensure a constant flow of quality graduates. The garment design and training service Centre (GSC) hosts regular fashion courses in the fields of design, drawing, pattern making. Sewing, trends, marketing, visual merchandising, retelling. Costing and production planning, as a result, the sector is now ready it diversify into design fashion packaging and accessories.

World-Class Compliance

Compliance is part of the Jordan garment sector DNA the industry has top-notch compliance ratings. The better work program has worked closely with manufacturers since 2009 to improve the work conditions and ensure compliance with Jordanian labor law and the ILO's core labor standards. All exports and subcontracts are monitored and rated by better work against a series of standard indicators. In 2017 Jordan fared better than other countries on 24 out of the 29 better work indicators. The results are publicly

available at betterwork.org. However, in Jordan, compliance does not stop better work manufacturers from engaging in productive dialogue with employers, together with leading brands and retailers, which are integral partners in realizing workers' rights and gaining competitive edge for firms. The government continually demonstrates its commitment to help create effective labor regulation for a sustainable impact; this results in creating better conditions for garment workers in ways that also support the business.

Trade Exemptions

Jordan enjoys a series of free trade agreements that highly attractive sourcing destination for apparel manufacturing: an extended U.S. Free Trade agreement all textile, apparel, and travel rules of origins. In addition, since July 2016, the Jordanian manufactory exporter's benefit from duty-free access to the E.U. was enacted for 10 years. Renewable for another 10, to help alleviate the refugee crisis: the E.U. agreement requires that at least 15% of the export production line be staffed with Syrian refugee labor. It is intended to make it Jordan to export to the E.U. encourage investment and create jobs both for Jordanian nationals and refugees.

4.1.1.2. Sector Challenges (weaknesses and Threats): Morocco view.

"High competition with imported products from countries such as China and Turkey enjoying less production cost based on the economy of scale, the limited export market diversification, export is mainly to the U.S.A. Market. Almost no production of fabrics, water scarcity issues, high cost of production inputs, high cost of shipping. Many Jordanian workers are not interested in working in this sector mainly due to low wages. limited technical and financial capabilities of SMEs"

It is an adapted and ambitious sectoral strategy for 2025, the result of a solid, effective and unprecedented public-private partnership, the textile development strategy, which is part of the Industrial Acceleration Pact 2015-2020, has been built around targeted, clear, assumed and aligned choices between the State and the profession.

Key points of the textile vision:

- The strategy of the Moroccan textile sector, through the development of the 3 points: Clothing - Fashion, Home Textiles and textiles for technical applications around targeted bets reflecting Morocco's historical knowledge and market potential.

- Identification of 6 high-potential ecosystems: Knit, Denim, Fast Fashion, Home Textile, Technical Textile and Industrial Distributors of Moroccan brands.
- Support for the emergence of a competitive and innovative industrial upstream around targeted betting, to improve the overall competitiveness of the Moroccan offer both for export and on the domestic market.
- Reorganization of textile ecosystems around an approach combining support for the emergence and strengthening of locomotives as well as the consolidation of existing actors.
- Reconquering the domestic market through better market regulation, strengthening the competitiveness of transparent actors and integrating the informal sector.

Deployment of a new support offer for the textile sector with objectives and commitments from the Public and Private Sectors

5. Human resources training

Human resources training is a strategic project of the 2014-2020(Industrial Acceleration Plan-IAP). The availability and quality of human resources determine the attractiveness of Morocco as a destination and contribute to strengthening the productivity of companies and improving their competitiveness.

In a context of local textile demand growth of 3-4% per year, textiles can make a significant contribution to the critical need to create 221,000 urban jobs annually over the period 2018-2025. One of the objectives of the strategy adopted is to meet the competence needs of the ecosystems set up.

Similarly, it is planned to set up a training offer to qualify targeted jobs to meet the needs of the 106,820 jobs expected in the various ecosystems. This training offer will be deployed, in particular, by the OFPPT, ESITH and CASA MODA ACADEMY.

Precise mapping of training needs - with quantification of human resource needs by sector, profile, region and year - has been put in place by the Minister of Industry to enable the development of a national training plan.

Among the major projects to address the training of human resources in the textile and clothing sector is the "Rehabilitation of the Textile and Clothing Centre of the OFPPT Ben M'sick in the Casablanca" project.

Purpose of the Centre's rehabilitation

The purpose of the centre to be rehabilitated will be to adapt the training in qualitative and quantitative terms to develop qualified labour that meets the needs of manufacturers in the textile and clothing sector. The overall objectives will be a response to the issues set out in section IV above. To this end, the rehabilitation project aims to respond to the various shortcomings and deficiencies observed in the centre of Casablanca. The specific objectives of the rehabilitation of the centre are to

- To increase the number of trainees enrolled in the centre from 391 to 1050 at the beginning of the 2019-2020 school year.
- To set up 5 new courses responding to the new professions.
- To reactivate the abandoned sectors in the centre of Casablanca.
- Improve existing equipment and acquire new equipment to meet the demands of all sectors, including new sectors.
- To rehabilitate and fit out training facilities (classrooms, specialised rooms, computer rooms, laboratories, workshops, workspaces, etc.)
- To build a boarding school with a capacity of 100 students for 70 girls and 30 boys
- To offer new services to professionals in the sector.

Currently, the number of trainees enrolled in the Casablanca centre is 391 and the objective for the 2019-2020 school year will be to reach 1050 trainees enrolled. Given the creation of new courses and the reactivation of some of the courses that have been put on hold, the number of trainers in the centre, which currently stands at 22, will have to be increased to 35 trainers.

The different functions of the centre

In addition to initial training, which will be adapted to the needs of the profession, the project will set up new business services, which are a set of actions aimed at assisting businesses to improve their performance, particularly in terms of human resources, namely:

- Micro-services throughout the entire transformation process
- Continuing training
- The appropriate textile laboratory
- Technical and organizational audit of the company
- Tailor-made training
- Project incubation

It is understood that these services will generate income and can thus help the centre to achieve financial autonomy before the end of the project. To achieve this, the staff of



the centre will be strengthened by including new directions and functions to help the centre achieve its qualitative, quantitative and, above all, financial objectives.



6. A plan for 2020 in Morocco

In October 2016, in addition to the contract signed between the Ministry of Industry, Trade, Investment and the Digital Economy and AMITH concerning textile ecosystems, other investment contracts were signed, in particular with Decathlon, the sports goods distributor for the opening of 26 new stores in Morocco and a logistics platform in Tangier Med by 2020. This for an investment of 163 million MAD, the creation of 10,910 direct jobs and more than 2 billion MAD in sourcing in Morocco.

It should be noted that since their launch in February 2015, the 6 ecosystems of the textile sector have recorded 36 investment projects worth 1.14 billion MAD, generating 20,673 jobs.

The profession is committed to creating 100,000 new jobs, improving sectoral added value and generating additional revenues of 15 billion MAD by 2020, including 9 billion MAD in exports.

In addition, Morocco's textile industry: guaranteed minimum inter-occupational wage(SMIG) increased by 10% in two stages

Recently, an agreement was reached to raise the minimum inter-occupational wage in Morocco's textile and clothing industries by 10% in two stages:

- First stage. On 1 July 2019, the sectoral minimum wage will be increased by 5% to 14.13 MAD per hour, which is equivalent to €1.30.
- Second stage. On July 1, 2020, the minimum wage will again be increased by 5%, or 14.84 MAD.

6.1. Realization

The dynamics of the sector have been reflected in recovery in investments since the implementation of the Textile (Industrial Acceleration Plan-IAP). In 2015, more than 2.5 billion dirhams of investments had been committed through investment agreements concluded between the State and companies in the sector, investments that are currently resulting in nearly 40,000 contractual jobs by 2020.

The sector had a record year, with export revenues of 34 billion MAD, up 8.8% year-on-year. This trend was mainly driven by a very strong increase on the Iberian Peninsula and the end of the facility granted to non-originating inputs from the

Morocco-United States Free Trade Area, according to AMITH, the Moroccan Textile and Clothing Industry Association.

More than half of this turnover, or 18.49 billion, was generated in the Spanish market. National textile-clothing exports to the latter thus increased by 20.5% in 2016.

AMITH attributes these achievements to the rising costs in Asia, the country's political stability, which is a significant component of competitiveness in the current global context, particularly, fast-fashion, a segment in which Morocco has specialized and where it has become very experienced.

Moroccan textile is a promising sector for the future, with a great human, industrial, technological and creative wealth. It can embark on a sustainable redeployment path by moving beyond the narrow concept of traditional clothing or furnishings and embracing a shift towards textiles for technical use and intelligent textiles.

6.2. Recommendations

1. Investment

- Brand Jordan as a potential country for garment manufacturing investments with opportunities of duty-free access to markets sized of more than 1 billion consumers
- Promote investment to benefit from the Relaxation Rules of Origin Agreement and the Success Stories based on the Jordan – U.S.A Free Trade Agreement
- Promote new innovative start-ups

2. Export

- Develop sector export strategy, Identify potential priority products and target market
- The network between SMEs and Large Manufacturers
- Organize a well-prepared matchmaking events between exporters and importers either inside Jordan or at the target export countries
- Organize a well-decorated & professional Jordanian pavilion at international exhibitions with the best exporters to promote Jordan on the sourcing map for importers and big chains.

3. Quality & Safety

- Develop production quality control standards of SMEs to produce for large companies established in Jordan
- Develop technical and financial support schemes to encourage products international certification and working environment
- Develop quality-testing infrastructure for testing of fabrics

4. Added Value Products

- Focus on medium to high-end market segments and niche market opportunities which is not based on mass / labor-intensive production or price competition
- Focus on high added-value products /unique designs, complying with fashion trends.
- Initiate new and specialized products using advanced textiles, encourage new innovative start-ups

7. Fostex in Jordan and Morocco and refugees Involvement.



Taking a look to the reports that's published by the UNICEF and UNRWA and the UNHCR; Jordan is special case in any refugees related issue, because it represents a case of severe exhaustion for a country of its size. Many refugees in number and different; Palestinian, Iraqis, Yemen, Syria, Libya. And nowadays there is an importance for the Syrian, because the majority of the Syrian refugees hosted in Jordan at the youth. The estimations pointed out that around 38 % of male and female Syrian refugees are at ages between 15 and 24 years old. The estimations also have recently shows that 89% of the youth between the age of 19 and 24, and they haven't participated in any kind of education or training (UNICEF, 2015).

In addition, according the Ministry of Higher Education in Jordan, there are more than 15 thousand Syrian students enrolled officially in the Jordanian university for the academic year of 2016 – 2017. Two-third of them (10 thousands) are registered in private universities, while there are around 5000 students in public universities (Ministry of Higher Education, 2017); where this study comes to understand the investment in opportunity and the burden facing the Syrian students in Jordan.

It's worth to say that FOSTEX is orinated for the academic and industries eaithr the people are refugees or not, because the main aim is to foster and keep interest on innovation toward the textile industry. So involvement the refugees is extra positive point.

FOSTEX has no clear point, training in EU for the students but the involvement will be through the training of the students by the trained staff in EU. Through this; and concerning the Jordanian case (as the huge number of refugees), the involvement will be as: the priority of trained students will be for the refugees, and the announcements and the calls for the students will be through the refugee's affairs offices and authorities as public call for all of them.

*The numbers are taken form the report: The Educational Challenge: Identifying Barriers and Seizing Opportunities in Higher Education for Syrian Refugees in Jordan. Policy Recommendations and Future Strategies (Primary Results), Center for Strategic Studies, in Cooperation with the Higher and Further Education Opportunities & Perspectives for Syrians (HOPES), Dec 2018.

https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwicsZ-fvpfQAhVRz4UKHWQ5CkAQFjAAegQIAxAB&url=https%3A%2F%2Freliefweb.int%2Fsites%2Freliefweb.int%2Ffiles%2Fresources%2Faccess_to_higher_education_for_refugees_in_jordan.pdf&usg=AOvVaw0BfuwWrKdth9Y0GCHS-jpZ

8. The Best Practise and Copying the Experince

The applicability of the best practices that were studied in the “Best Practise Report in FOSTEX Project” can be applied in different ways, depends on the institution either in Jordan or Morocco:

D1.4 Cross Country Report

Page 48

This project has been funded with support from the European Commission. This publication reflects the views only of the author, and the Commission cannot be held responsible for any use which may be made of the information contained therein



1. Organizing the workshops, seminars, courses, promoting the technological services by developing a web platform, at National level in Jordan/Morocco in order to map all equipment and services offer existent in research centers/institutes and universities from the country. Some of good practices can be implemented; such as organizing the workshops, the seminars and the courses in order to train new students, staff from SMEs, or to increase the interest of your team by local workshop.
2. Concerning to promote the technological services by developing a web platform, at National level in Jordan/Morocco in order to map all equipment and services offer existent in research centers/institutes and universities from Jordan/Morocco, this initiative can be created by a research authority at national level.
3. Research and infrastructure programmes for SMEs and Research Organization can be opened by A National Research Authority. Such option can be also done to open calls focused on innovative infrastructures in order to distribute funds for infrastructures. This is very difficult to be achieved you need to ask for policies and research programmes for improvement of the infrastructure research.
4. Public call for the universities will be send to make better chance for the refugees students, to have priority in trainings, startup funding (with the funding agencies help)
5. In order to develop centers of advanced textile materials, is a must the knowledge of the basic textile technologies; Concerning the following

courses as beginners: basic courses on textiles (fibers/yarns/textile structures (knits, woven, nonwoven, manufacturing principles (natural fibers spinning, polymer melt spinning, weaving, knitting), nonwoven manufacturing (web formation, web bonding, and finishing), textile finishing processes (washing, bleaching, dyeing, and coating), textile metrology, principal characteristics that can be investigated (physic-mechanical, physic-chemicals, optical or electrical properties), analysis of fibrous composition).