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D.1.2. The National Report/ Focus Group Report

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Contributing partners:	AMITH, UH2C
Author(s):	Omar Cherkaoui; Najib Hammouti; Ayoub NADI
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Abbreviations and Acronyms

Abbreviation	Full name
EACEA	Education, Audiovisual 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. EXECUTIVE SUMMARY

This report constitutes an analysis of the deliverable D1.2 of WP1 of the “Fostering innovation in the Jordan and Moroccan textile industry [FOSTEX]”; an Erasmus+ project, which aims to create and maintain a link between Universities and companies of the textile sector that will foster innovation and the manufacturing of high value quality products, as well as further cooperation between EU and Jordan and Moroccan Universities and textile companies.

In Morocco, two Focus group discussions was organized with a total number of 45 participants from the Moroccans textile companies and universities in order to evaluate both the innovation aspect and also the relationship between universities and the industrial sector. Areas of collaboration between the textile industry sector and the academic field in Morocco have been identified and suggested in order to be partly implemented in the centers that will be established at ESITH and UH2C. Some solutions, suggestions, and recommendations to the government have been identified in this focus group in order to promote and enhance the performance of the sector.

2. INTRODUCTION

The Moroccan industrial sector is composed of 6070 units of which 31% are textile and leather industries (a total of 1882 units including 1600 of textile sector). These companies are mainly small and medium-sized companies and produce around 1.1 billion pieces. The textile sector represents a strategic sector within the national industrial activity through its contribution to the total sector's employment with nearly 27% (175,000 people) 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 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 2017, the sector achieved a record performance with exports of more than 3,7 billion EUR and 8,8% growth rate compared to the previous year. The local market was estimated at 4,5 billion EUR in 2015 and projections at 9 billion EUR in 2025.

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.

FOSTEX is an EU funded project through Erasmus+ Project, that aims to create and maintain a link between universities and businesses of the textile sector that will foster innovation and the manufacturing of high value quality products, in Jordan and Morocco. The project also aims to help and encourage the Moroccan and Jordanian governments to favors the establishment of textile centers within universities and to promote research and projects between EU and Morocco and Jordan universities in the textile sector, by creating a research innovation and training network, which will continue to operate and after the end of the current project. Thus, FOSTEX project aims to fill an apparent gap in the area of specialized services for the textile sector with the establishment of four textile centres in local Universities, two in Jordan and two in Morocco, utilizing the experience and expertise of EU partners in the area of services for the textile sector. Through the creation of these centres and the further tasks that will be implemented in this project, the textile sectors in Jordan and Morocco will be offered access to business development services, such as quality testing, product

certification, training, fashion trends, production organization, B2B and funding opportunities, and subsequently, the Jordanian and Morocco textile sector will have a valuable result for its further development.

3. METHODOLOGY

In order to identify the needs of the textile industry in morocco, two focus group discussions approach have been adopted as the qualitative approach. Group dialogue tends to generate rich information, as participants' insights tend to "trigger" the sharing of others' personal experiences and perspectives in a way that can more easily or readily tease out the nuances and tensions of complex topics and subjects – a dynamic that is not present during key informant interviews.

Analysis of the reports of this dialogue can help in designing and developing quantitative techniques that are based on surveys and one-on-one interviews. Focus group discussions has been arranged to be conducted in Morocco in September 2019, with more than 20 participants in each focus. Annexes I and II contain the list of participants of each focus group. Each focus group took about 90 minutes. The focus group also included our partner in FOSTEX project the Moroccan Association of Textile and Clothing Industries (AMITH) which is a representant of the sector to the policymaker in order to defend and support the strategy and general interests of the sector. The discussions focused on identifying the status of the textile industry in Morocco, areas of collaboration between textile industry and universities, and recommendations to the government to help and promote the textile industry sector in Morocco.

4. KEY RESULTS

4.1. First Theme: The status and the future of the textile industry in the country

1. The textile industry plays a major role in the trade balance as it contributes 25% of the country's merchandise exports. However, this sector faced many challenges during the last few years, which resulted in closing many facilities and many of the small businesses have been forced to be out of business which is generally due to:

- The exemption from customs duties on imports from countries bound by free trade agreements with Morocco.
- The high cost of production which makes competition with imported products difficult.
- The huge quantity of imported low-end products which makes competition difficult in terms of price.
- The strong competition from imported high-end products (fiber quality, fabrics, dyes and auxiliary products, etc.)
- The high competition and difficulty to compete with innovative modern styles of products and trends of imported products.

Other factors of significant impact on competitiveness of the Moroccan textile companies. We cite:

- Lack of qualified personnel.
- Local customers prefer low-priced products at the expense of quality with repetitive purchases rather than buying more expensive and sustainable quality prices.
- Illegal imports from the southern provinces.

2. In consequence, the majority of textile Moroccan companies export the biggest part of their turnover to the EU (Especially to Spain and France), and other countries. The majority of these companies are in the large companies' category and work in the clothing sector. Even though, these companies face several obstacles affecting their international export capacity as:

- Price and cost of products.
- Quality of products.
- Design of products and their compatibility with fashion trends.
- Availability of information on export opportunities and tools.
- Marketing and promotion tools (Participation in trade fairs, commercial delegations, direct contact with customers).
- Agreements with specific categories of export market (eg Middle East market, etc.).
- The existence of free trade agreements between Morocco and target markets for export such as: EU, Turkey and USA.

4.2 Second Theme: The needed steps and regulations from the government to help the textile industry in the country.

The majority of participants agreed that The Free Trade Agreements, which are the first governmental regulations and policies to make the competition between the imported and national products, depend on the low-price market. Participants indicated that most of customers are more interested to buy lower-price products, especially if they match fashion trends.

The participants argued that the following actions might improve competitiveness of textile and clothing products in the local market as well as for export. These actions include:

- Protection of the local market by imposing tariffs on imported clothing products.
- Improve the skills of the local workforce, production managers and designers.
- Simplify the labor code to allow the recruitment of foreigners.
- Improve productivity; reduce textile waste and the cost of production and marketing.
- Facilitation and improvement of credit lines.
- Obtaining international quality accreditations.
- Use of equipment and latest generation technology.
- Production of high added value products in terms of innovation, design, quality of fabrics, accessories, etc.
- Production of high value-added products using advanced textiles.
- Promoting the network of import and export markets.

4.3 Third Theme: The collaboration with the universities

Different points have been discussed in the evaluation of the collaboration ship between Moroccan universities and textile companies.

1. The business collaboration of the companies with universities and research centers is very limited and concerns the following main areas:
 - Professional training.
 - Internships and graduation projects.
 - Production management and productivity improvement (cost and waste reduction)
 - Design and trends.
2. As the majority of companies recommends, the training for textile industries should focus on the following areas:
 - Production Management.
 - Improve manufacturing processes.
 - Planning and management.
 - Improving productivity and reducing waste.
 - International Marketing and Development.
 - Stock management.

3. In this sense, the establishment of technical centers at ESITH and UH2C equipped with the needed instruments testing textile products will foster the collaboration between the textile industry and universities. These centers can also be used as research and development unit for the cloth design, process and support.

5. CONCLUSIONS

The focus group discussion has been held in ESITH, Morocco with diverse participants from the different activities representing all the value chain of textile and clothing industry, and Moroccan universities. These focus groups aimed to discuss the status of cloth and textile industry in Morocco, identify problems and challenges, recommend solutions, and determine the needs to promote this sector. The participants indicated that the textile and industry faced many difficulties to keep the competitiveness in the last 20 years. They blamed the government for opening the local market to the Turkish and Chinese products and reducing the border taxes for the importation. The participants indicated that there is a need to improve the skills of the local workforce, production managers and designers. In addition, the necessity of production of high added value products in terms of innovation, design, quality of fabrics, accessories, and the use of advanced textiles to this aim. At the national level, the textile sector suffers from the competitiveness related to illegal imports from the southern provinces. The participants also emphasized on the importance of collaboration between Moroccan universities and the industry, stressing on the importance of establishing an educational and training program related to textile and cloth design manufacturing at the Moroccan Universities.

6. Photos

