Funded by the European Union

Open factory

Supporting Innovation Platforms and Generating Accessible Socioeconomic Opportunities for Institution, Research, and Innovation ecosystem in Egypt

Project

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A study on product design in the leather and textile industries

Presented to:

Faculty of Computers and Artificial Intelligence

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Open Factory Project
Telephone: +20 1117833894
Project Email: openfactory@fci-cu.edu.eg
Project Coordinator Email: i.saroit@fci-cu.edu.eg

مشروع المصنع المفتوح
رقم الهاتف:+20 1117833894
البريد الإلكتروني للمشروع:openfactory@fci-cu.edu.eg
البريد الإلكتروني لمنسق المشروع:i.saroit@fci-cu.edu.eg

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Executive Summary

The “Open Factory” Project is a three-year project that aims to create a transformative and cooperative ecosystem and works towards developing a coherent and comprehensive approach. The project serves as a unique opportunity for Egypt’s manufacturing sector, especially for the micro, small, and medium enterprises (MSMEs) in the textile, garments, and leather industries, innovators, and manufacturers. In addition it aims to test and scale new partnerships to accelerate sustainable / digital business models, and production processes and to avoid the reproduction of existing products and looks to redirect efforts on building on what already exists.

The project has the following seven components: 1) Management and Coordination; 2) Preparation of project teams and road mapping; 3) Preparation of Scientific Reports for Innovative Business Solutions; 4) Design and Development of a Work Program for Open Factory’s Curriculum; 5) Open Factory and the open Business Community; 6) Design and Development of the Open Innovation Portal; 7) Promotion, Marketing, Networking, and Monitoring.

Under the framework of the third component, this study was conducted on market trends and the impact of eco-friendly information technology on manufacturing and provides a framework for innovative and sustainable business models. The study is considered a priority for this component as it provides a cost-benefit analysis of Egypt’s policies.

The study addressed the following points:

- The present status of designs;
- The impact of designs on production technology and vice versa.
- The influence of market trends and international trade on designs.
- The extent to which policies and regulations affect designs.
- Finally, companies’ expectations for the services to be provided on the platform.

The findings showed the need for:

- The implementation of awareness programs on design copying and intellectual property protection agreements, laws, regulations, and trademarks and Quality and environmental compliance within organizations that can influence the production and marketing processes.
- Integrating design studies in the academic curricula at the university level (Bachelors and Diploma).
- Conducting trainings and continuing education programs.
- Organizing conferences to discuss the trends of different markets, to exchange expertise, and to implement exhibitions to showcase new designs.

Suggestions for content to be included in the platform:

- Business-to-Business (B2B) services:
  - Database of local and international suppliers and designers.
  - Database of laws, regulations, and organizational quality standards that affect the production process.
  - Database of entities that provide financial and non-financial support for corporates.
- Business-to-Consumer (B2C) services:
  - Overview of companies and their products.
  - Platform for selling products directly to the consumer.

Project Background

The industrial sector in Egypt is in need of change. In 2015/2016, the sector represented around 17% of Egypt's GDP and employed 25.3% of the Egyptian workforce (World Bank, 2017). The financial crisis, the adverse effects of continuous globalization, and technological innovation had a negative impact on the manufacturing sector. Despite these setbacks, Egypt could still generate knowledge, demonstrated by the number of researchers, the number of research institutions, the outputs from those research institutions, and the innovations. Even though there is knowledge generation, the industrial sector is unable to absorb and disseminate the knowledge generated at the same pace, resulting in a lag in the linkage between knowledge development and implementation. The gaps are found in the process of connecting the components of the national innovation ecosystem to one another, where all the employees should aim to match technological and innovative developments with practical and successful business models. Therefore, this project calls for a fundamental change in the way they work with one another, as well as, new inputs, provision of resources (finance, incubators, and venture capital), human capital (ideas, industry, innovators), supporters (research institutions and centers of excellence), and opportunities for individuals at the levels of academia, government, and industry to act as key leaders for the "Open Innovation" initiatives.

The Open Factory Project is a three-year project that aims to create a transformative and cooperative ecosystem and works towards developing a coherent and comprehensive approach. The project serves as a unique opportunity for Egypt's manufacturing sector, especially for the micro, small, and medium enterprises (MSMEs) in the textile, garments, and leather industries, innovators, and manufacturers as it aims to test and scale new partnerships to accelerate sustainable/digital business models, and production processes. It also aims to avoid the reproduction of existing productsand instead looks to redirect efforts to building on what already exists. In compliance with the funding priorities, the project intends to launch in Egypt a "Smart Strategy for the Conduct of Eco-Friendly Information Technology Solutions" for the country's "new manufacturing". The project began with a trial experiment model through textiles, garments, and leather industries, and then expanding to include other traditional industrial sectors in Egypt. The procedures taken indicate the actions taken at the national level to promote the development of the corporate ecosystem in Egypt, as well as, to increase the integration of eco-friendly IT solutions in corporates, to enhance the ecosystem's competitiveness, and to promote "new business opportunities".

The project has the following seven components:

1) Management and Coordination;
2) Preparation of teams and road mapping;
3) Preparation of Scientific Reports for Innovative Business Solutions;
4) Design and Development of a Work Program for Open Factory's Curriculum;

5) Open Factory Business Community;
6) Design and Development of the Innovation Portal; and
7) Promotion, Marketing, Networking, and Monitoring.

Purpose of the Study:

Under the framework of the third component, a study was conducted on market trends and the impact of eco-friendly information technology (IT) on manufacturing. The study also provided frameworks for innovative and sustainable business models. The study is considered a priority for this component as it provides a cost-benefit analysis of Egypt's policies. This project was prepared based on extensive and in-depth research and analysis and took into consideration the range of factors that must be addressed. The project will lead to the preparation of three scientific reports. The groundwork for the reports will include obtaining information from surveys, interviews, focus group discussions, case research studies, as well as reviews of policies, strategies, and other information available in the public domain (e.g., evidence-based research on the specific needs of MSMEs).

Throughout the three phases, the reports will annually check and evaluate in-depth:

- The effects and trends of innovation (process/products) generated at different sectoral levels (textile/leather industry and manufacturing industries) and at different geographical levels (national and regional), in addition to studying international trends and best practices.
- Contextual factors and commercial relationships between "Open Innovation"/ green IT models and the industry sector.
- Changes in the production and use of technologies.
- Economic returns and the variation in consumption patterns due to regulatory policies in Egypt.
- The economic, social, and environmental impacts of Egypt's policies on industrial competitiveness, growth, and employment.
- Environmental regulations (waste management, resource efficiency, etc.)
- Local market and globalization (for example, global supply chains)

It was agreed that the first study will focus on examining the present state of product design in relation to consumer tastes (locally and globally).

Methodology:

The methodologies used for this project included:

a. Review of available studies and reports.

b. Surveys for the targeted companies (selected and sent by the Faculty of Computers and Artificial Intelligence).
c. Final meeting with the project partners to discuss the findings and recommendations.

Findings

94 companies participated in the survey. From the 94, 43 companies were from the textile industry and 51 were from the leather industry. In terms of the size of the companies, there were 8 large, 20 medium, 50 small, and 16 micro and start-ups. They were divided as follows per industry (Textile: 2 large, 10 medium, 23 small and 8 micro and start-ups; Leather: 6 large, 10 medium, 27 small, and 8 micro).

The survey was split into 5 parts:

- Current status of designs.
- Impact of designs on production technology and vice versa.
- Influence of market trends and international trade on designs.
- Policies and regulations effect on designs.
- Finally, companies' expectations for services to be provided by the platform.

Current Status of Designs

This section is focusing on presenting the current status of textile and leather product designs including:

- Sources of designs, the availability of designers (local and international), and how to communicate with the designers.
- Designer's background.
- Influences on the designs and the impact of technology used in production.
- Number of designs per year (winter/summer) for both the local and export markets.
- Designs difference and design trends.
- Impact of intellectual property rights on design production and replication of other designs.
- Existence of policies for eco-friendly design and production and its impact.
- Cost of design.

The survey results showed that mostly all companies find that designs for the foreign market are different from the designs for the local market, particularly at the level of large companies (100%) and it decreases (93%) at the level of small companies. The survey results also found that companies source their designs through the internet (textile: 35% and leather: 32%), imported models (textile: 33%) and catalogues (leather: 27%).

The companies rely on the designers' creativity for setting the designs. Regarding the availability of eligible designers, most participants in the textile industry find that the number of designers is not enough (51% local market, 56% export market). Whereas in the leather industry, 98% find that the number of designers is sufficient, whether domestically or internationally. On average, textile companies' deal with 2 locally outsourced designers, 2 foreign in addition to 2 in-house. As for leather companies, the number increases to

3 in-house designers, in addition to 3 locally outsourced, and 2 foreign. This is for designs designated to the local market, as for the export market, the average is reduced to 2 designers for both sectors.

Most companies communicate with the designers via telephone (60%), email (66%) or WhatsApp (41%).

The designers rely on self-education (73%) and free courses (53%). It is also clear that universities have an important role in preparing designers (41%). Despite this, replication of designs is still prevalent, especially within the textile industry (93%), however it is lower in the leather industry (31%). The reproduction of designs is concentrated in small enterprises.

Design trends in the leather industry are determined by exhibitions and catalogs for both the domestic and foreign markets, while design trends in the textile industry depends on the consumer's taste for the foreign market, there are no specific market orientation for the local market. Market demands and trends (both industries), along with the consumers' needs and demands (textile), are key influencers for choosing designs. There is almost unanimity amongst the participants from the textile and leather industries (90%) that designs differ from season to season in both the domestic and foreign markets.

Most of the companies (60-90%) prepare less than 100 designs per season. Most of the participants said that the technology used in unit production have an impact on the choice of the design in both the textile industry (local market: 70%, export market: 63%) and the leather industry (local market: 80%, export market: 82%).

The cost of local and foreign designs ranges from 100 EGP to 6,000 EGP. Most designs (60%) cost less than 500 EGP.

Designs, Market Trends, and International Trade

After presenting the current situation, it was necessary to move on to the next stage: design preparation, specifically in terms of how to prepare designs and factors influencing designs.

Therefore, for this part, the following questions were addressed:

- How are market trends identified and how do they impact designs?
- The relationship between the number of designs and company sales.
- Designer's background and its impact on design and sales.
- How do market supply chains affect designs?

According to the survey respondents, some of the key influences on designs include the market situation (whether during times of prosperity or stagnation) and the decline in sales (textile: 47% (local), 50% (export); leather: 75% (local), 76% (export)).

Fashion trends are also considered one of the most important determinants for designs in the textile market (40% locally and 46% internationally). The designs of the leather market are determined by the product's popularity (58% locally and 57% internationally).

Regarding the relationship between designs and sales, most respondents (58%) believe that an increase in the number of designs lead to an increase in the number of sales and that it has an impact on local market sales in the textile industry and 67% believe that it has an impact on the industry's foreign market sales. While in the leather industry, 75% believe that the relationship has an impact on local market sales and 78% believe that it has an impact on the foreign market sales.

Most of the participants agreed that the designer's background affects product sales. In the textile industry, the respondents believe that it has a high or very high impact (77%) on local market sales and (74%) on foreign market sales. In the leather industry, 94% of the respondents witness its impact on the local market and 92% witness its impact on the foreign market.

In the textile industry, the most important aspect of a designer's background that affects the design, and consequently the sales of the product, is the designer's academic background (19%) for both the local and international market. As for the leather industry, it is being up to date with what is new in the market (local market: 24%: export market: 14%) and the ability to reduce the cost of design (export market: 14%).

The participants shed light on several factors affecting the supply chains of the required raw materials, including design and delivery times for the textile industry, and supply and the specific designs for the leather industry.

Designs and Production Technology

Given that global trends are moving towards eco-friendly production and supply chain reduction strategies, in this section, we address the relationship between design preparation and the types of production technologies available and/or required for their implementation.

This includes:

- The impact of design on the production technology used.
- The impact of clean production technology on designs.
- The impact of essential raw materials based on the design and their impact on supply chains based on changes in designs.
- How to make efficient use of available resources.
- Whether or not there exists a policy to facilitate the reuse and recycling of products within the context of waste reduction.

The survey showed that the change of design has a lower impact on production technology, especially in the local market (textile: 65% and leather: 82%) and less in the foreign market (textile: 51% and leather: 72%). With global trends heading towards adopting cleaner production technology, participants from the leather industry find that the global trends affect and change designs (local market designs: 80% and foreign market designs: 69%). This is more than what the participants from the textile industry found (local market designs: 56% and foreign market designs: 51%).

Moreover, the required necessary raw materials required changes when the design changes, more so for the leather market (local: 72% and foreign: 69%) than the textile market (local: 65% and foreign: 63%)

According to the participants, changes in design, production technology, and raw materials results in changes in the supply chain of leather (69% local market, 68% export market). There is a minor difference in the supply changes between both industries, changes in the supply of textiles result in 65% of the local market and 63% of the export market.

In addition, efficiently using available resources influence design in the leather industry (local market: 74%, export market: 70%) more than on design in the textile industry (local market: 70%, export market: 67%).

Notably, only 40% of textile companies have a policy for product reuse and recycling for either market unlike products in the leather industry (local market: 69%, export market: 65%).

Designs, Policies, and Regulations

Since companies operate within the framework of local and international policies and with the existence of many regulations and agreements as well as quality standards, environmental compliance, and fair trade that companies must comply with, and which could aid the companies' marketing, it was necessary to address the policies and regulations.

In this section, we will present the participants' opinions gathered by the survey on:

1. Domestic and international environmental regulations affecting designs and the competitiveness of designs.
2. Quality and production standards affecting design (e.g., organic, and fair trade).
3. National policies that support the industry and affect designs (competitiveness, industrial growth, employment, and job creation).
4. Interrelationships within the industry and the extent to which trends are discussed, experiences are exchanged, and best practices are shared and presented to others within the field of design and production.

In the textile sector, the survey participants noted that among the regulations and policies affecting designs concern "sustainability" and "GOTS" for the local market, while the foreign market is preceded by

environmental regulations and policies. Another point to take into consideration is that 10% of the employees in the textile industry and more than 20% of the employees in the leather industry are not aware of any regulations or policies that concern the designs whether in the local or export markets.

16% of the participants consider that the policies and laws relating to the production management affect the competitiveness of designs in the domestic market and 23% in the export market. Whereas in the leather industry 4% of participants believed that intellectual property affects the competitiveness of designs in both the domestic and export markets. It is important to note that 23% of the respondents from the textile industry and 10% from the leather industry are unaware of the impact that domestic and international policies have on the competitiveness of designs.

In the textile industry, 63% believe that the following brands/certifications (Eco-Norms, GOTS, Eco-friendly) have an impact on designs, while 16% said they are not aware of the extent of the influence these brands have on the local market and 60% for the export market. The participants from the leather industry did not mention any brands/certifications that have an influence on leather designs.

Most respondents believe that national policies positively support the industry in terms of design, while 77% of the participants in the textile industry and 92% of the participants in the leather industry believe that the policies will help increase the competitiveness of their products.

Regarding the impact of the policies on industrial growth, 72% of the participants from the textile industry and 98% of the participants from the leather industry believe that these policies will positively result in the growth of their respective industries.

According to 79% of the participants from the textile industry and 88% from the leather industry, industrial policies will positively impact job creation.

Participants from the textile industry (72%) and from the leather industry (75%) agreed that workshops and meetings are held at intervals where trends are discussed, experiences are exchanged, and best practices are showcased to others within the same field.

Service Needs for the Platform

In this section, we present the survey respondents' opinions, expectations, and needs for the platform that will be launched to serve the textile and leather industries.

The needs were divided into:

- Business-to-Business (B2B)
- Business-to-Consumer (B2C)

In terms of B2B services, the following are the most important needs outlined by the companies:

Textile industry:

Local market: Overview of the companies and a database to disclose the types of available support.

Export market: Overview of the companies.

Leather industry:

Local and export market: Marketing and exhibiting the products, database that includes data on machinery, raw materials, sources of finance, and locations that are eligible for investment.

In terms of B2C services, the following are the most important needs outlined by the companies:

Textile industry:

Local market: Overview of the companies, marketing, and a consumer database.

Export market: A supplier database through which they can communicate with suppliers and being familiar with the exhibitions.

Leather industry:

Local and export market: Marketing and exhibiting the products, database that includes data on machinery, raw materials, sources of finance, and locations that are eligible for investment.

Recommendations

Awareness:

- Disadvantages and risks of replication existing models and intellectual property protection agreement.
  These is considered an important issues and binding laws for companies, especially regarding the replication of models and the consequent breach of intellectual property protection agreements.
- Laws and regulations regulating and affecting the production and marketing process.
  It is important for the company to be aware of the laws and regulations affecting the production process, including preserving the rights of designers, documenting production lines for export (certificates of origin).
- Quality standards and environmental compliance.
  These standards are supplementary standards that companies can obtain, and which could help them export (such as Fairtrade, Environmental Compliance Certificates and Biological Product) and such standards are popular but need to follow binding rules for accreditation.

Academia:

- Integrating design studies into the curriculum (Bachelor/Diploma).
  The study showed there is a trend in dealing with designers who have studied design, and since the Egyptian market still needs designers, it is necessary to study the possibility of expanding the teaching of design studies at universities (designing specialization in a bachelor's degree) and expanding the issuance of a diploma and employees in design to support the market

Training:

- Training and continuous education programs
  It is necessary to hold training courses within continuing education programs, whether for designers or manufacturers, to train them on how to deal with local and global changes and developments.

Design conferences and exhibitions:

- Holding conferences to discuss changes and trends in the field of designs and their relation to production.
- Holding exhibitions for designs and productions of Egyptian designers.

Suggestions for content to be included in the platform:

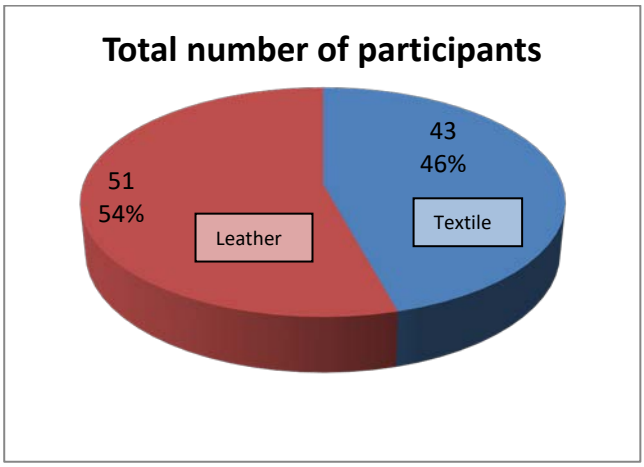
- B2B services:
  - Database of local and international suppliers.
  - Database of local and international designers.

- Database of laws and regulations that affect the production process.
- Database of quality standards that includes how to obtain those standards, with clear instructions on the requirements and procedures.
- Database of supporting bodies for companies (reconciliation, environmental compliance, export), with clear instructions on the requirements and procedures.

- B2C services:
  - Overview of the companies and their products in Arabic and English along with any other language that belongs to a target market.
  - A platform to sell products directly to the consumer (locally and internationally).

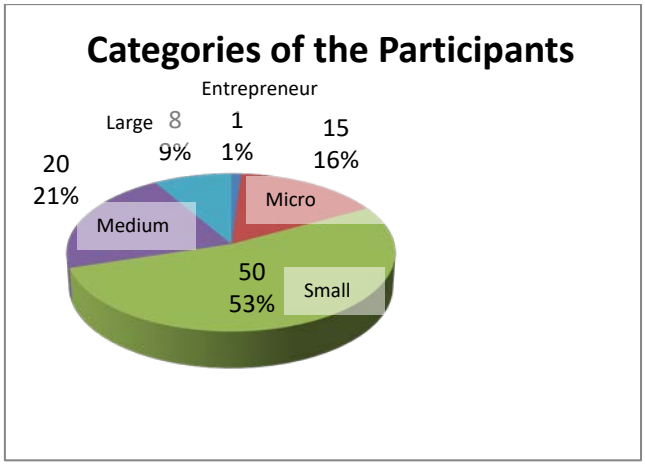
Annex (1): Graphical Analysis of the Findings

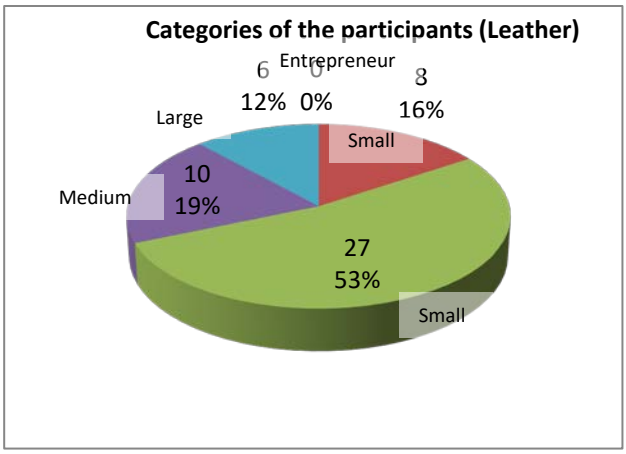
Total number of companies participating in the survey:

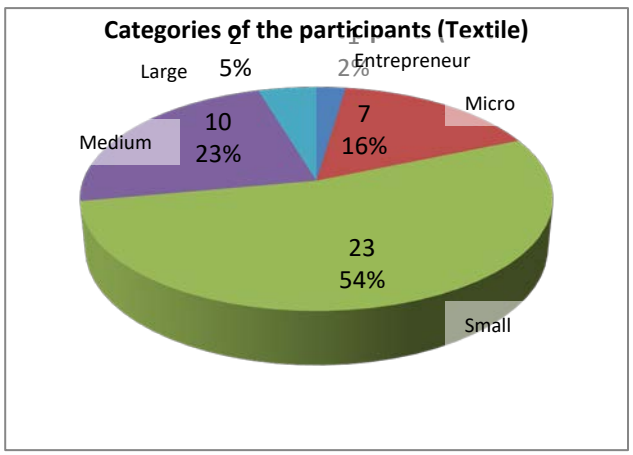


Total number of survey participants: 43 from the textile industry, and 51 from the leather industry.

Categories of the participating companies:



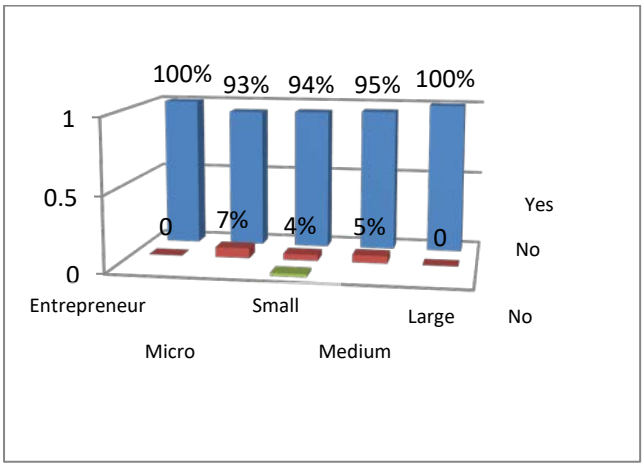


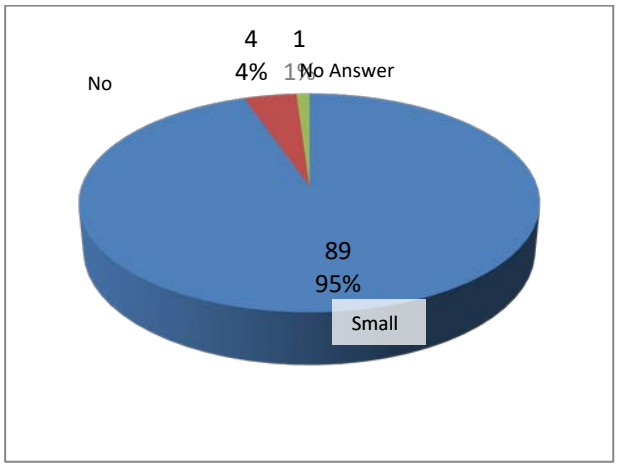


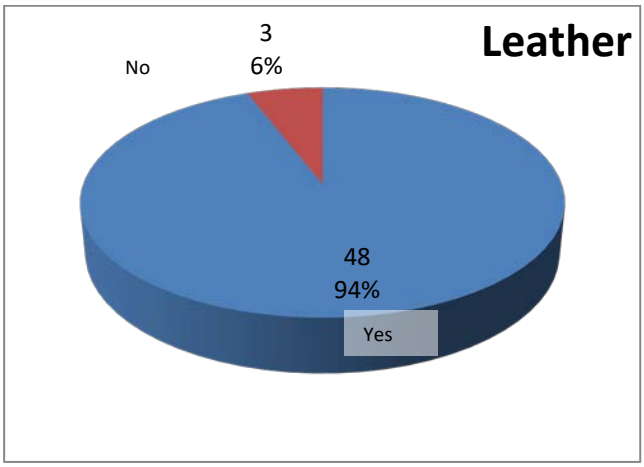
In terms of the size of the companies, there were 8 large companies, 20 medium companies, 50 small companies, and 16 micro companies and start-ups. They were divided as follows per industry (Textile: 2 large, 10 medium, 23 small and 8 micro and start-ups; Leather: 6 large, 10 medium, 27 small, and 8 micro).

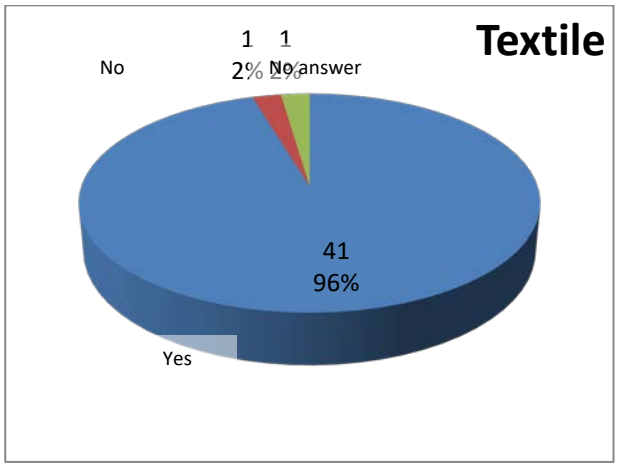
Present Status of Designs

The difference in design between the domestic market and the export market



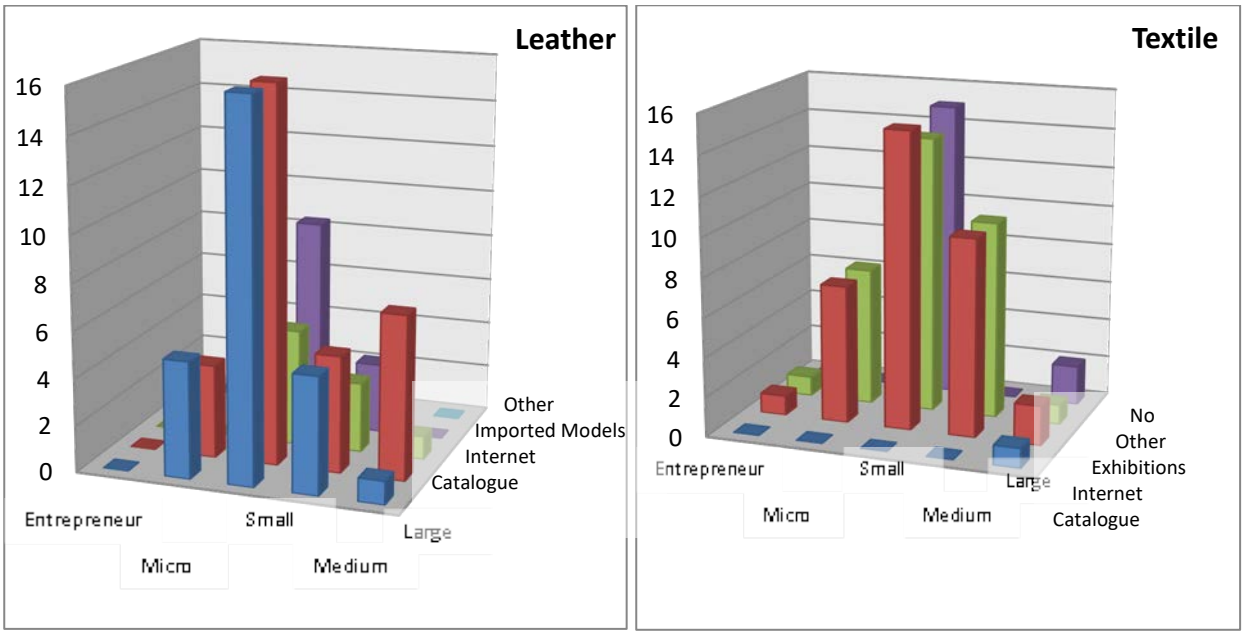






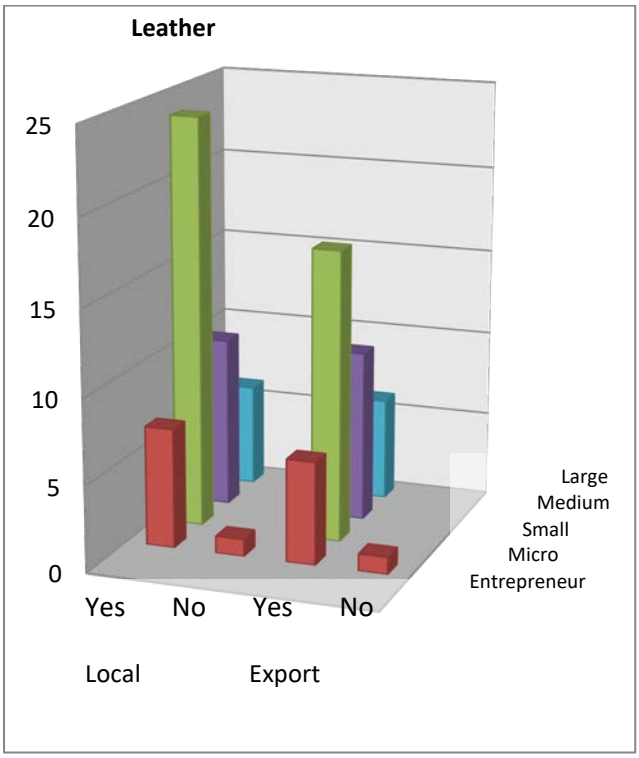
The survey results showed that mostly all companies find that designs coming from the foreign market are different from the designs coming from the local market, particularly at the level of large companies (100%) and it decreases (93%) at the level of small companies.

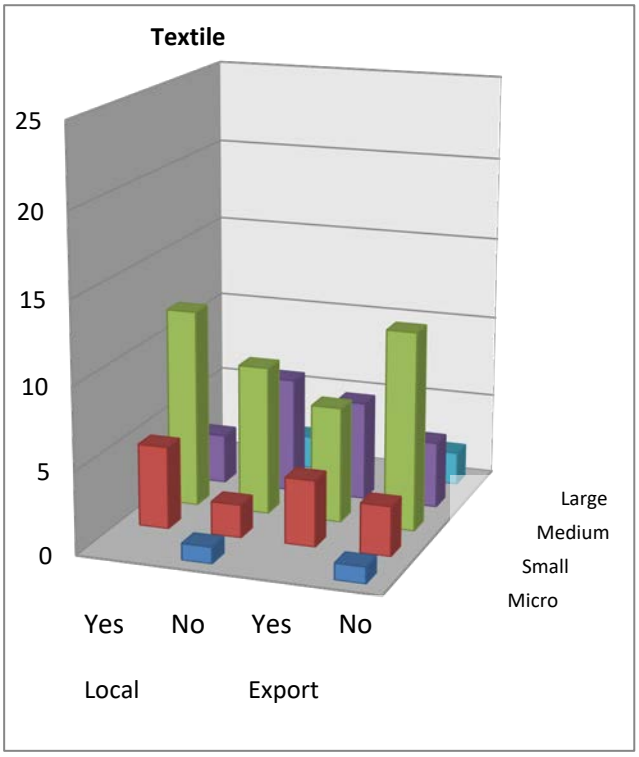
Where do you source your designs? State three of the most important resources



The survey results also found that companies source their designs through the internet (textile: 35% and leather: 32%), imported models (textile: 33%) and catalogues (leather: 27%).

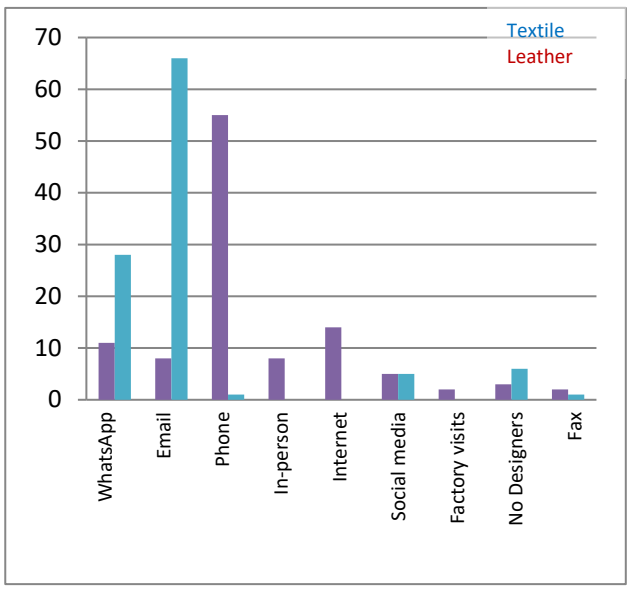
Are the number of designers available sufficient?

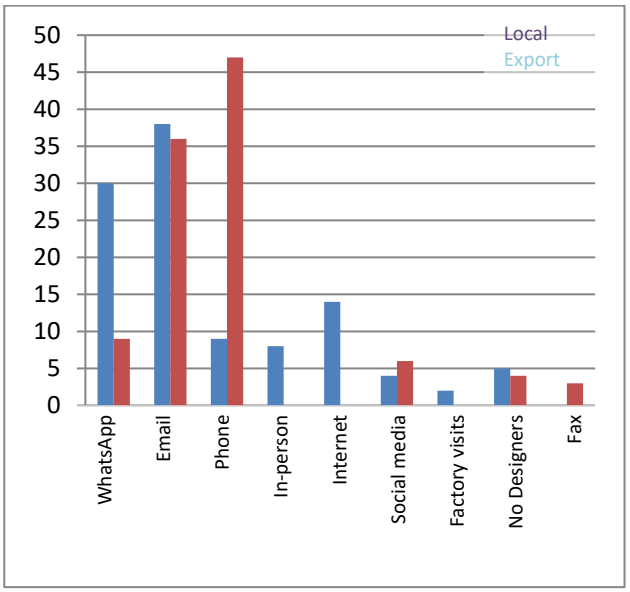




Regarding the availability of eligible designers, most participants in the textile industry find that the number of designers is not enough (51% for the domestic market, 56% for the export market). Whereas in the leather industry, 98% find that the number of designers is sufficient, whether domestically or internationally

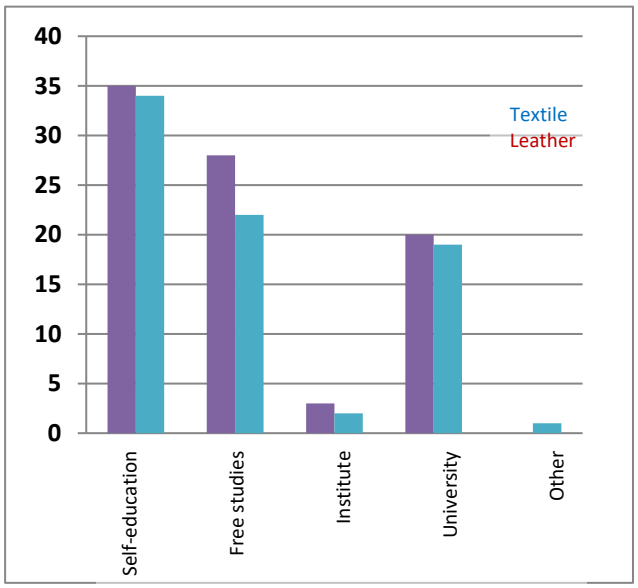
How do you communicate with designers?

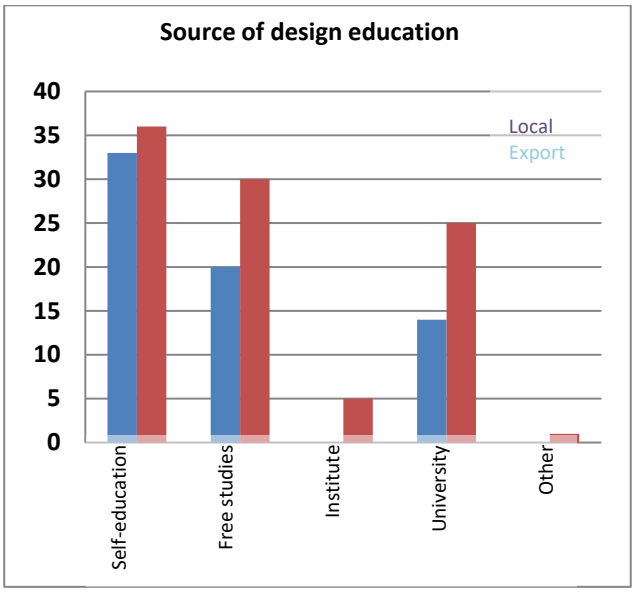




Most companies communicate with the designers via telephone (60%), email (66%) or WhatsApp (41%).

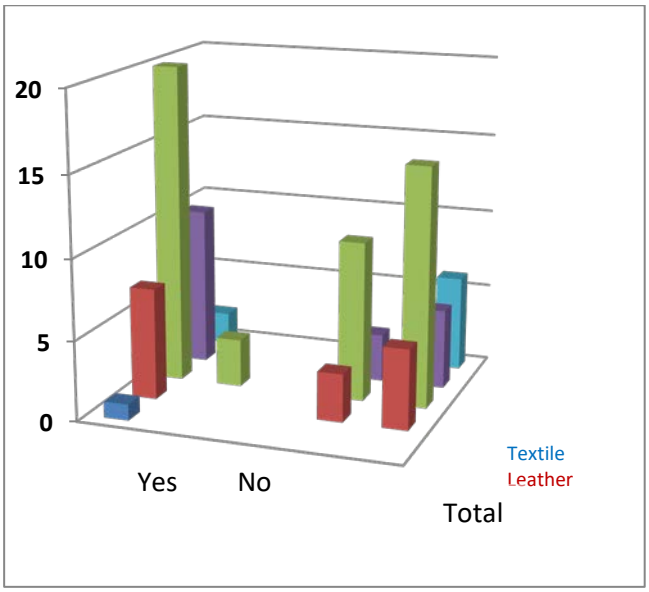
Where do designers learn design?

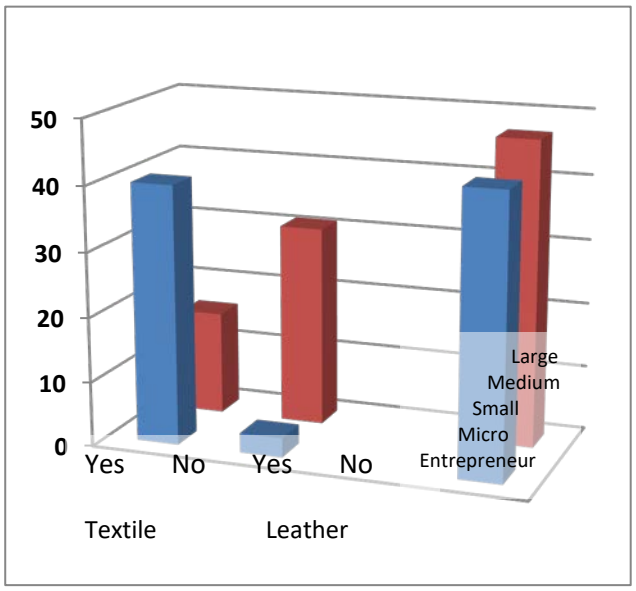




The designers rely on self-education (73%) and free courses (53%). It is also clear that universities have an important role in preparing designers (41%).

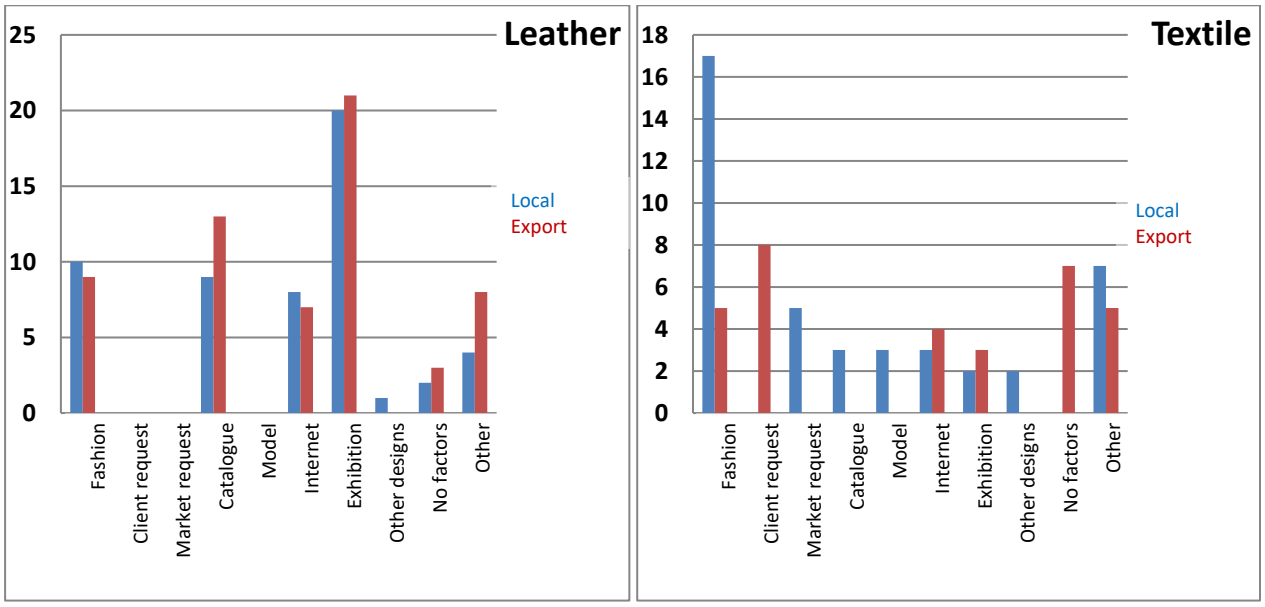
Do you reproduce other designers' models?





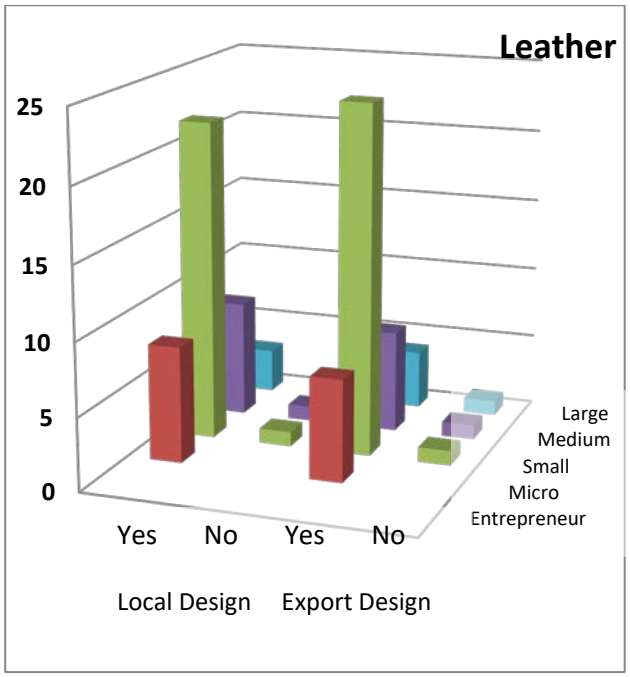
Reproduction of designs is prevalent in the industries, especially within the textile industry (93%), however, it is lower in the leather industry (31%). The reproduction of designs is concentrated in small enterprises.

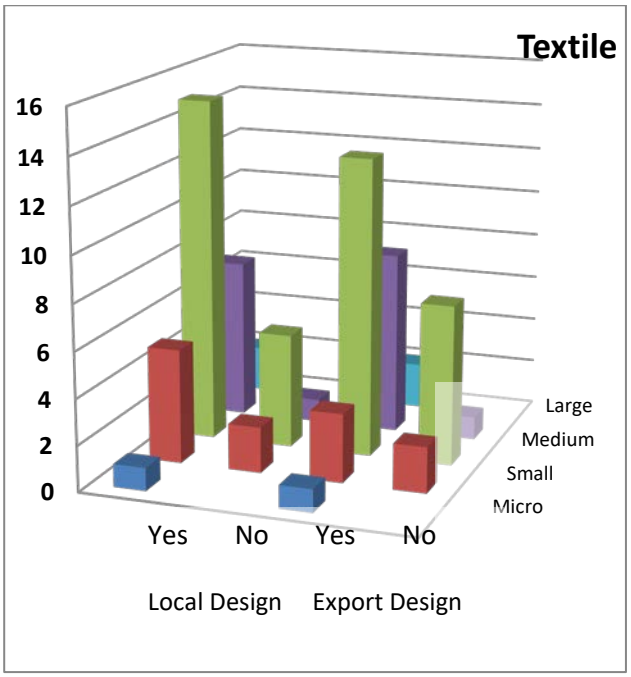
How are design trends determined?



Design trends in the leather industry are determined by exhibitions and catalogues for both the domestic and foreign market, while design trends in the textile industry depends on the consumer's taste for the foreign market and no specific market orientation for the local market.

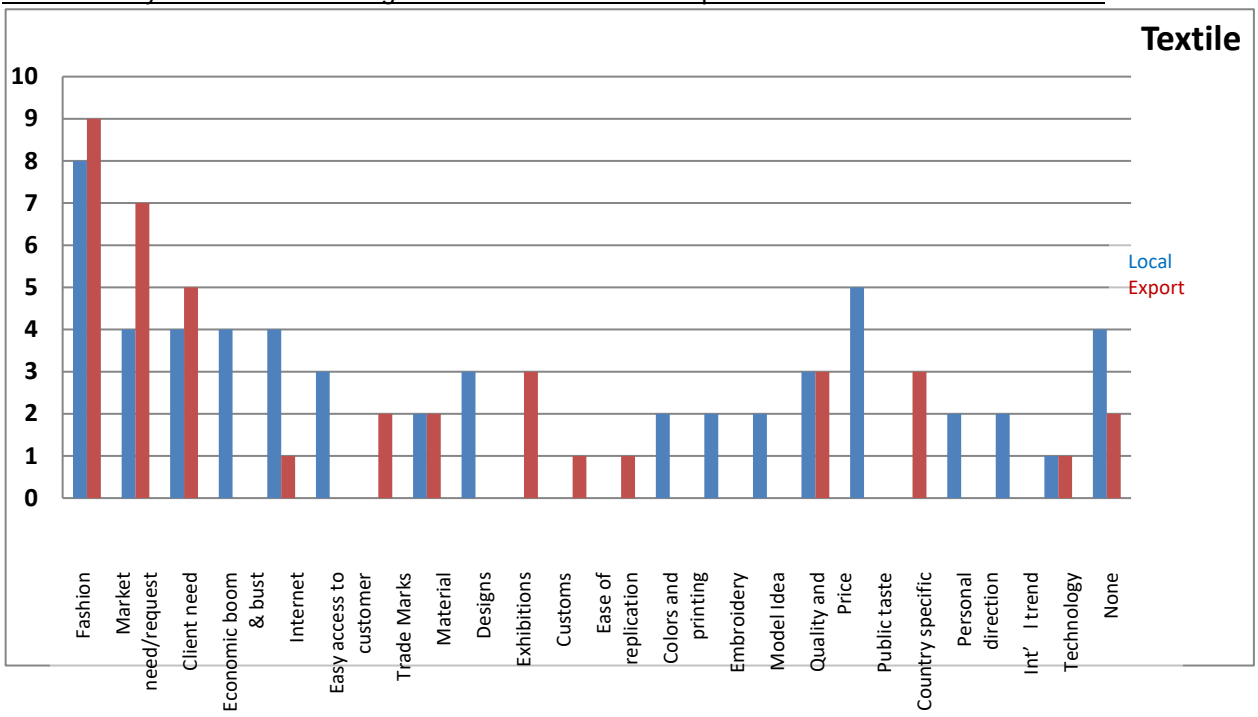
Does the technology used in the factory affect the choice of design?

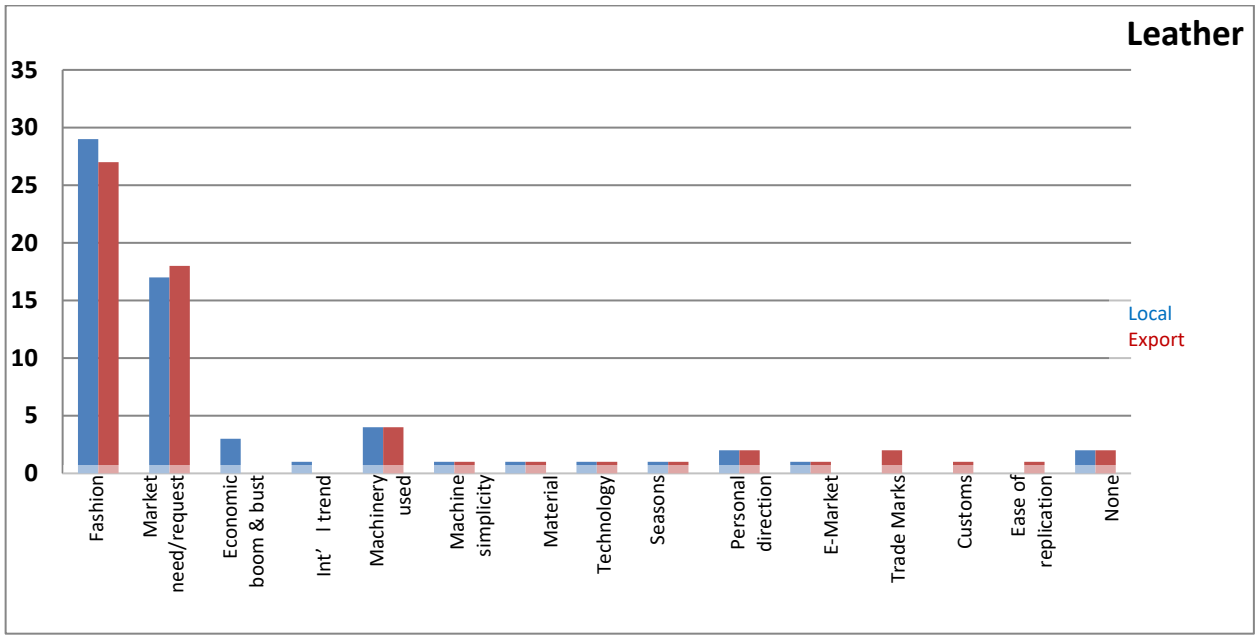




Most of the participants said that the technology used in unit production have an impact on the choice of the design in both the textile industry (local market: 70%, export market: 63%) and the leather industry (local market: 80%, export market: 82%).

What are key influences for designs? List the three most important influences for each market

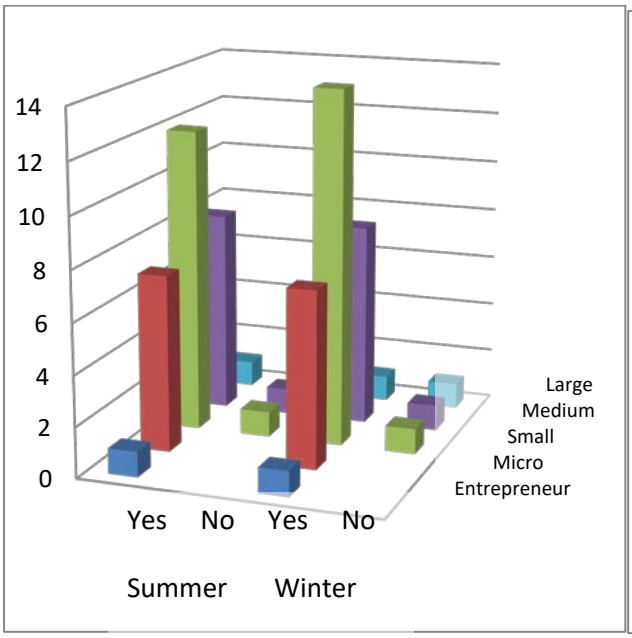


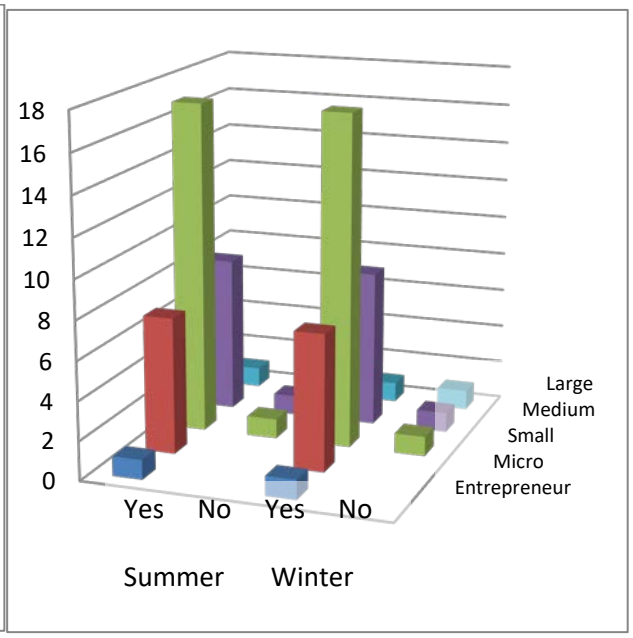


Market demands and trends (both industries), along with the consumers' needs and demands (textile), are key influencers for choosing designs.

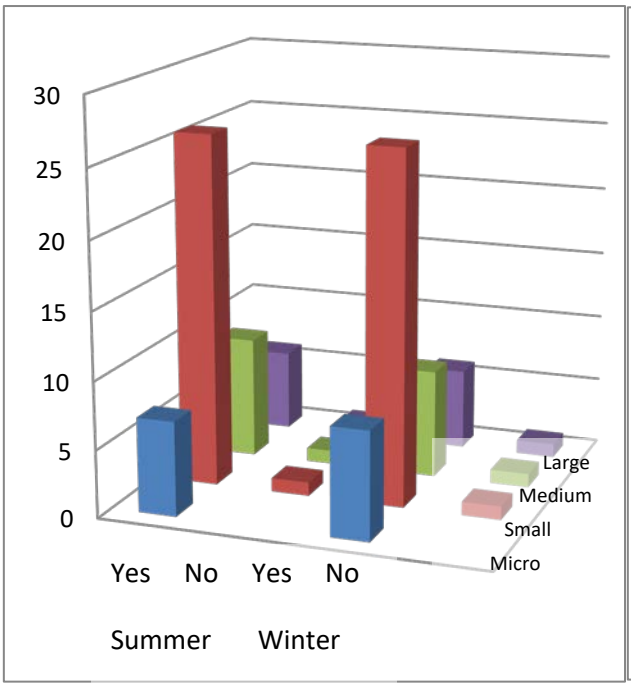
Do designs differ from one season to the next?

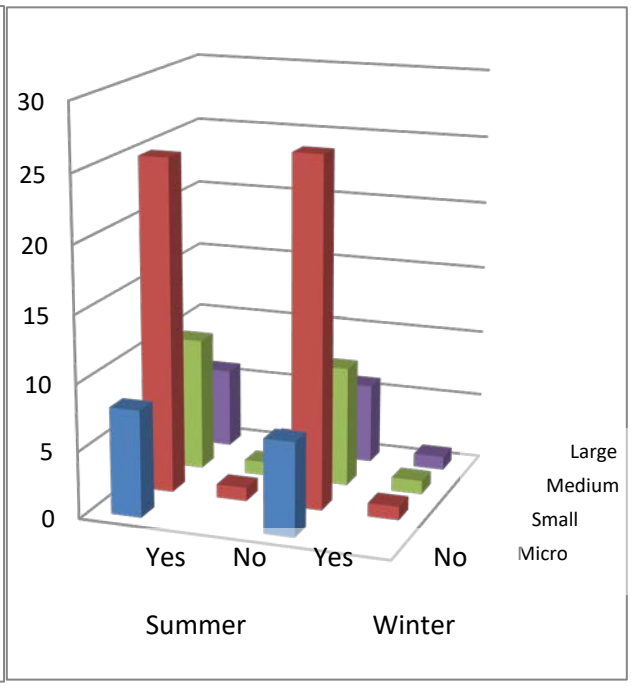
Textile:





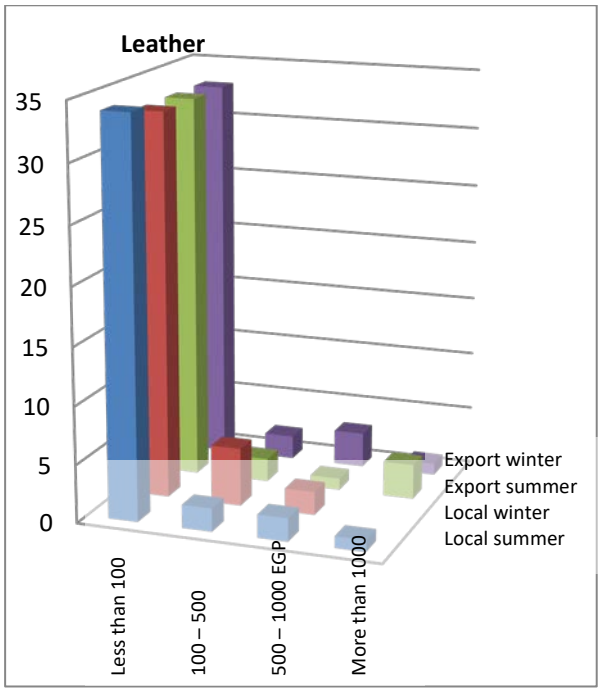
Leather:

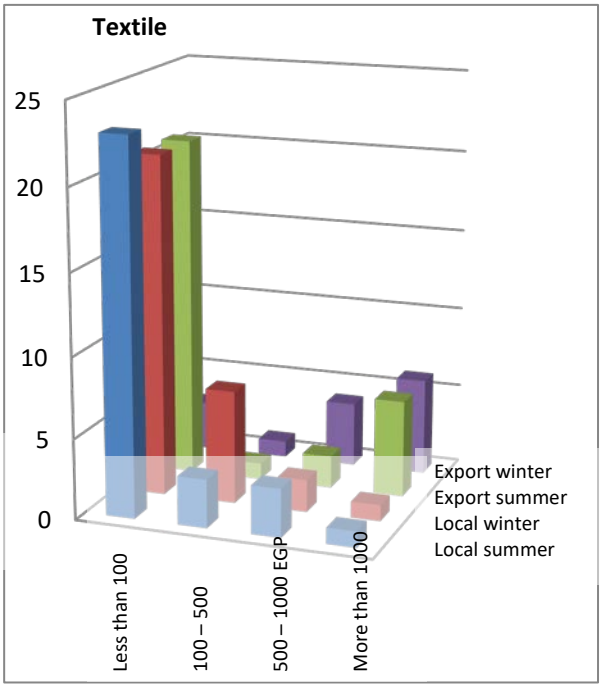




There is almost unanimity amongst the participants from the textile and leather industries (90%) that designs differ from season to season in both the domestic and foreign markets.

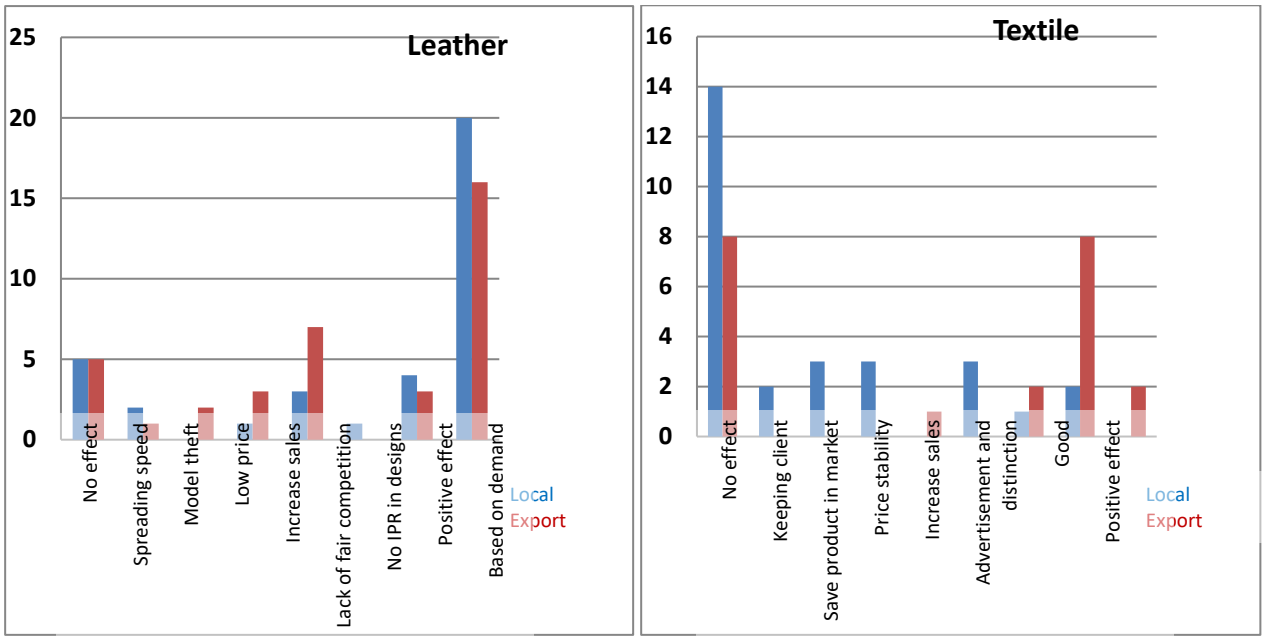
On average, how many designs do you use per season?





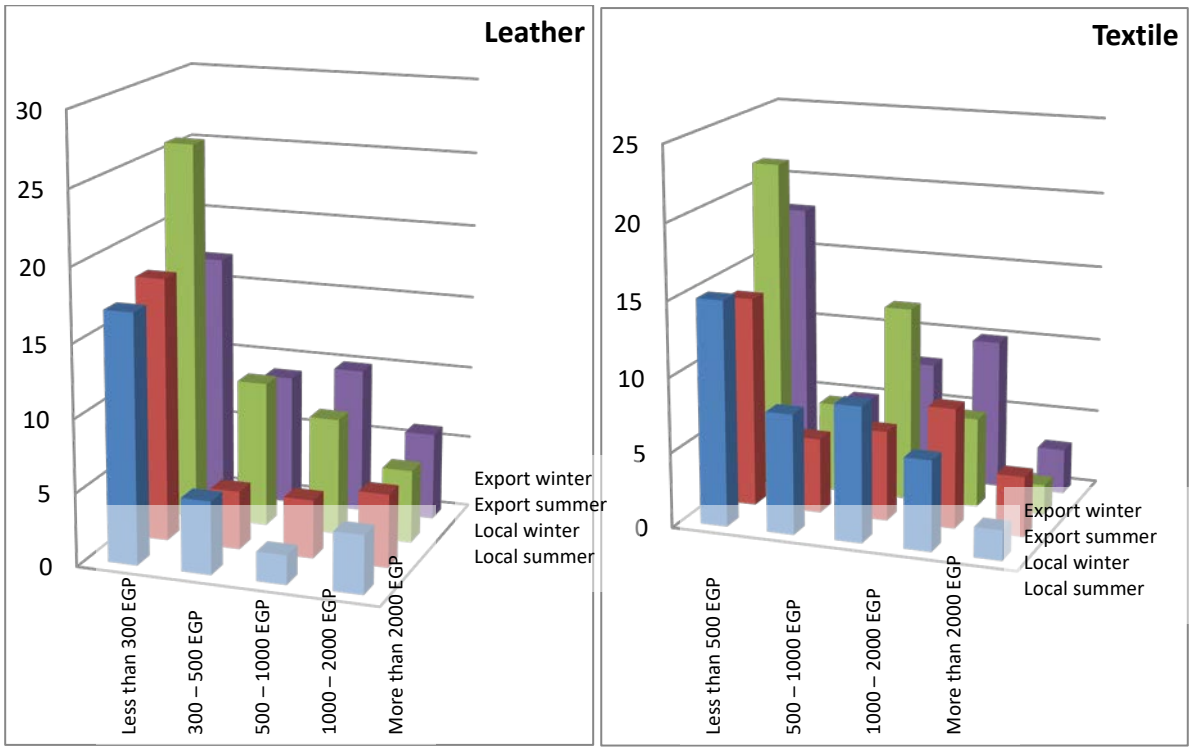
Most of the companies (60-90%) prepare less than 100 designs per season.

How do intellectual property rights (IPR) affect the production of designs?



Companies in the leather industry find that intellectual property rights have a positive impact on design preparation, whether in the local or foreign market. In the textile industry, there is a discrepancy between whether intellectual property rights have an impact or not on the preparation of designs.

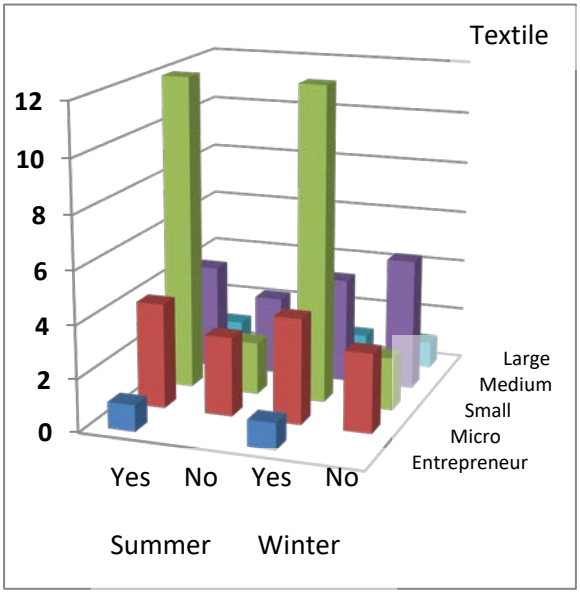
What is the average cost of one design?

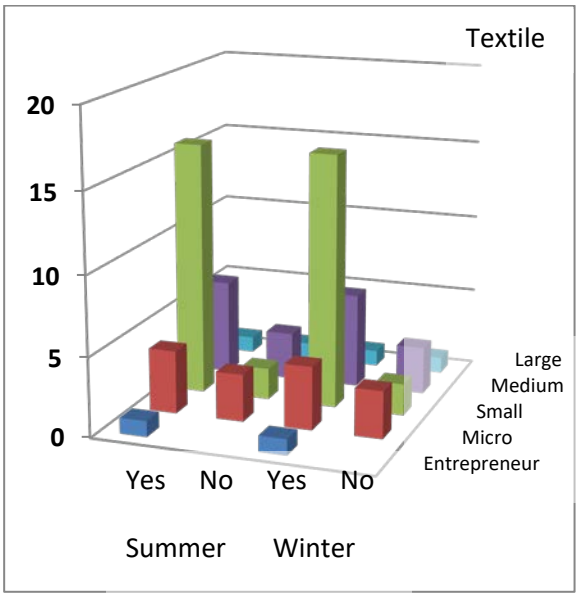


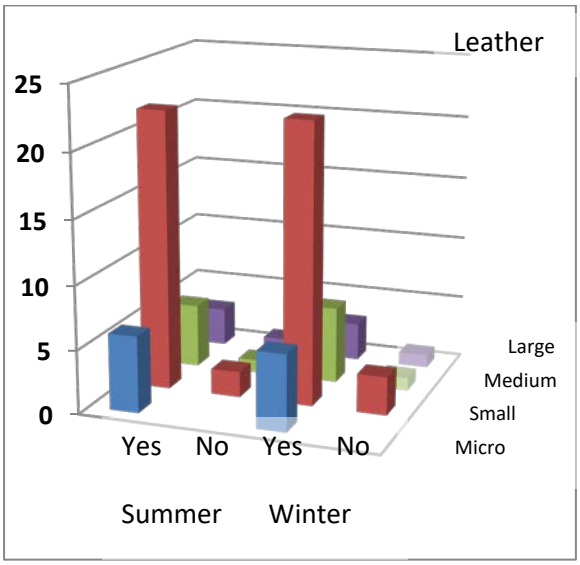
The cost of local and foreign designs ranges from 100 EGP to 6,000 EGP. Most designs (60%) cost less than 500 EGP.

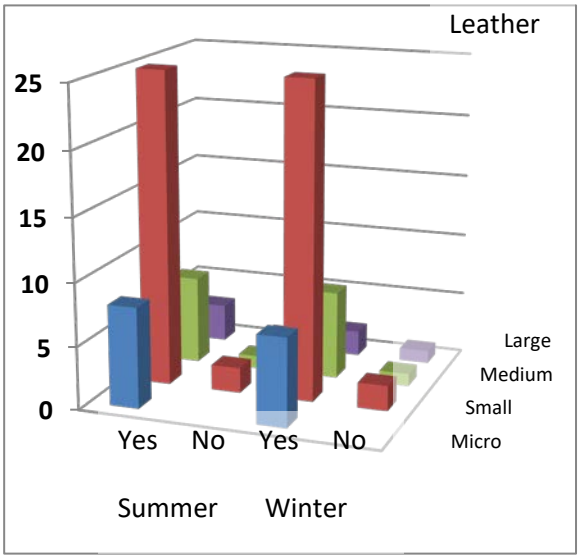
Production Technology

The impact of design on the production technology used



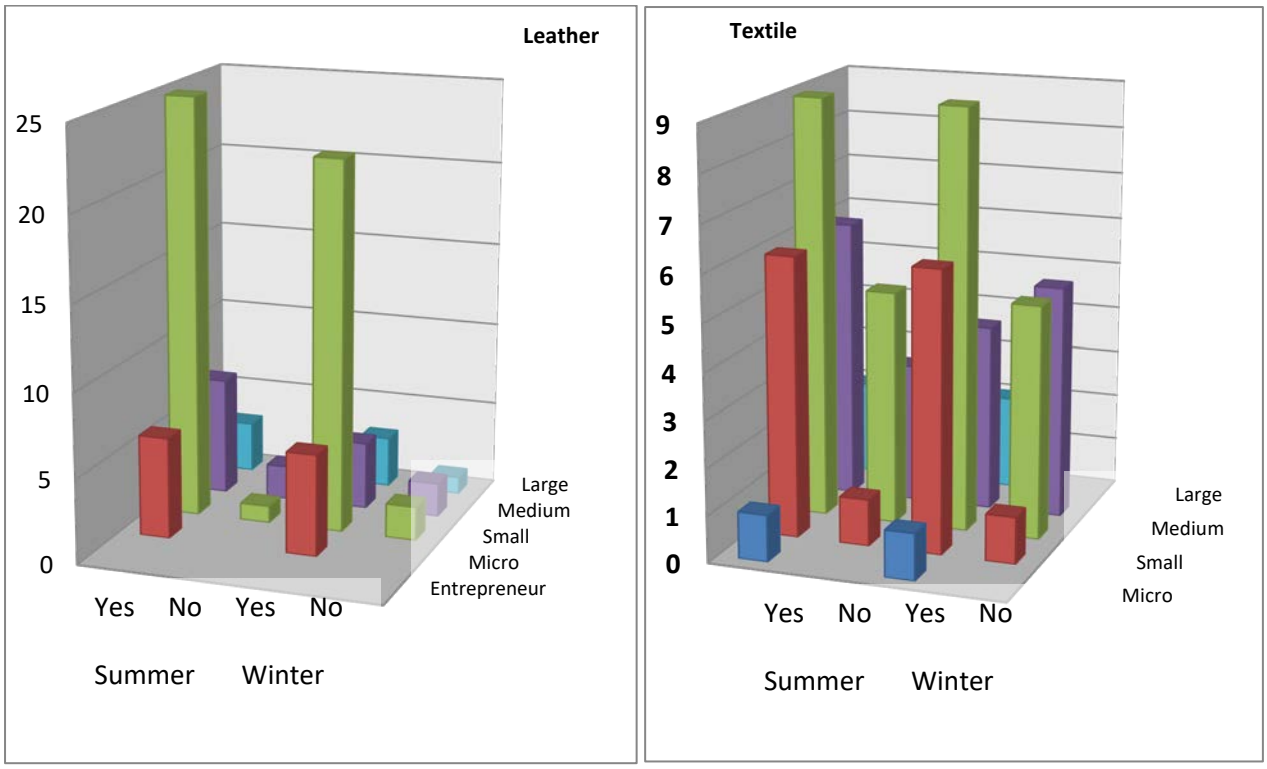






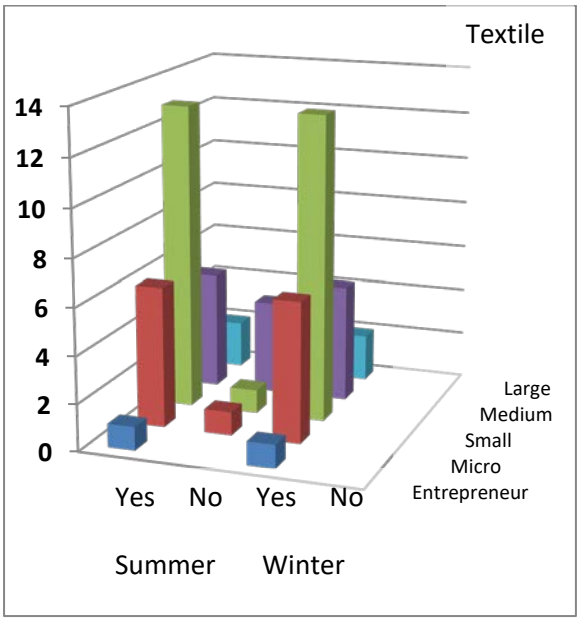
The survey showed that the change of design has a lower impact on production technology, especially in the local market (textile: 65% and leather: 82%) than in the foreign market (textile: 51% and leather: 72%).

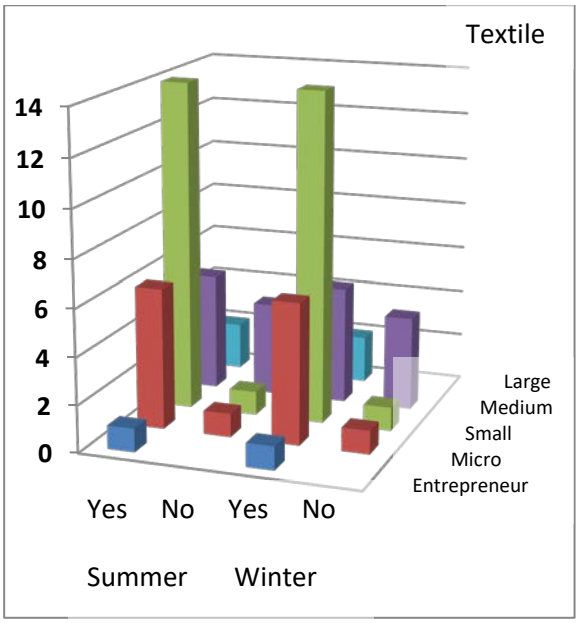
The impact of clean production technology on designs:

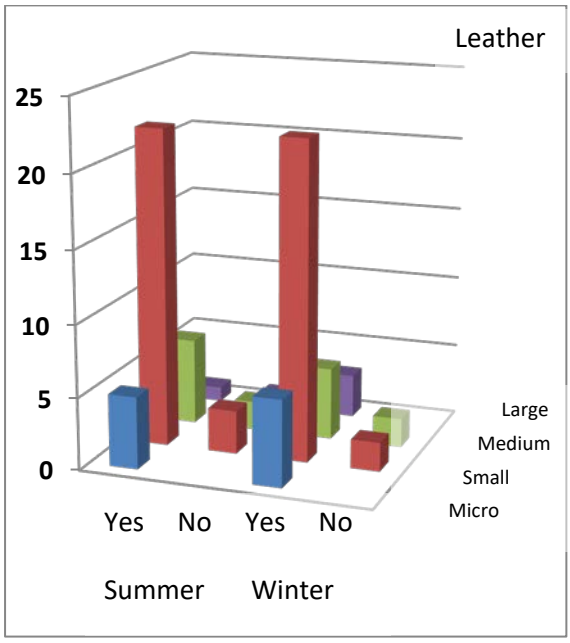


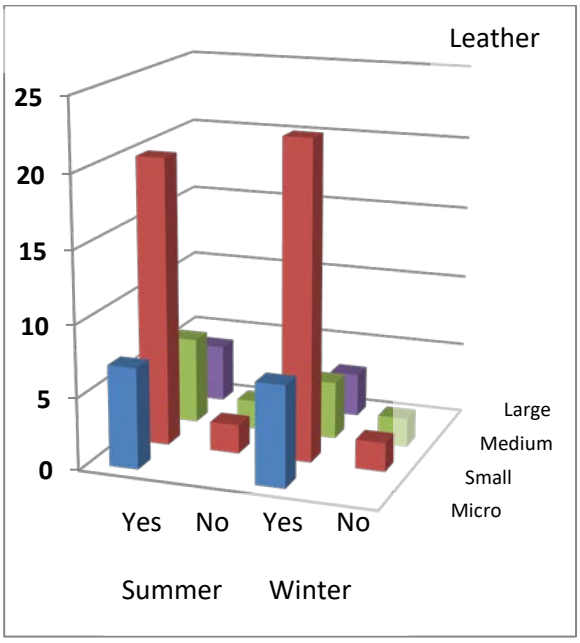
The impact of clean production technology on designs in the leather industry (local market: 80%, export market: 69%) is more than on designs in the textile industry (local market: 56%, export market: 51%).

The impact of raw materials on design:



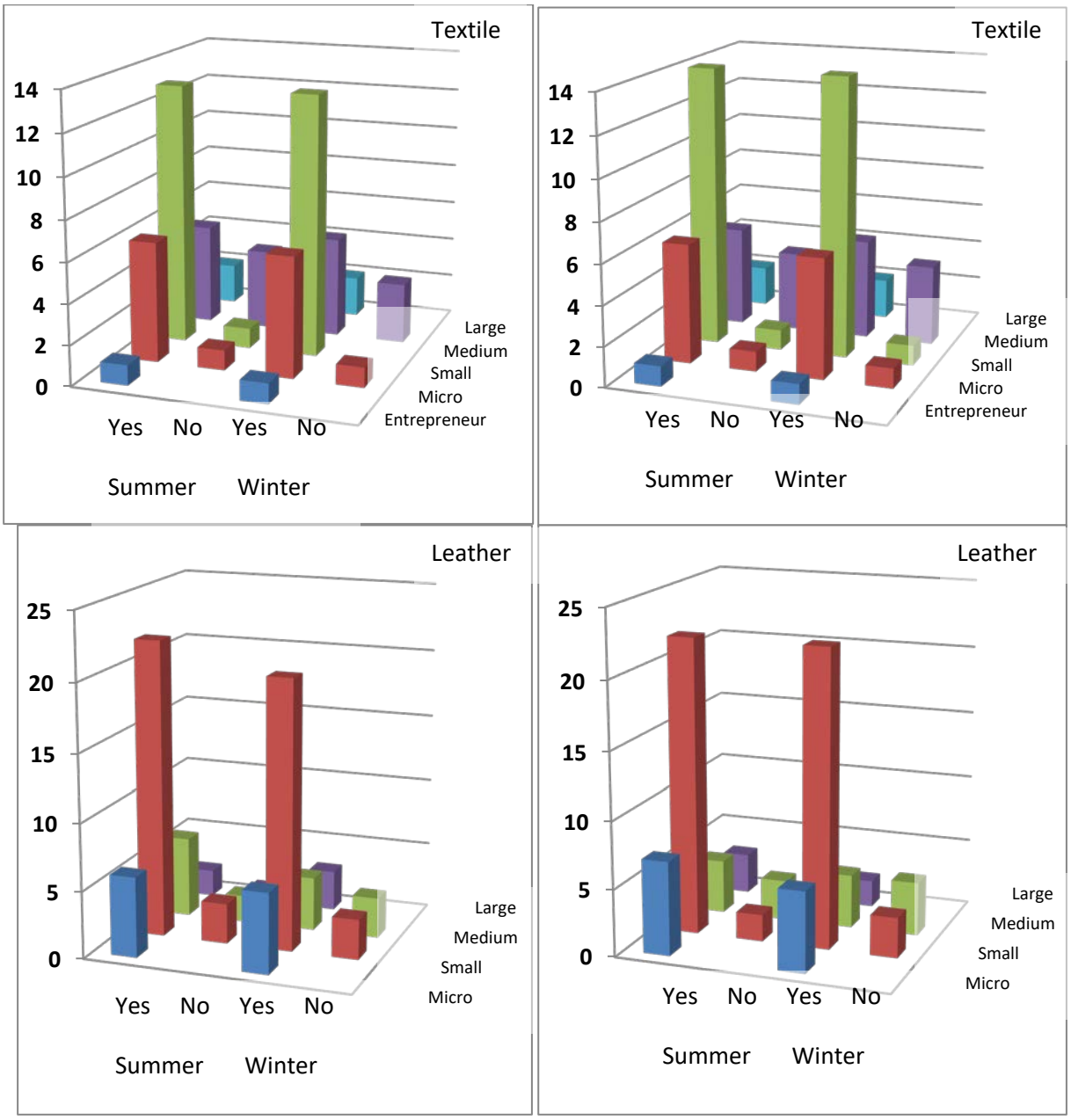






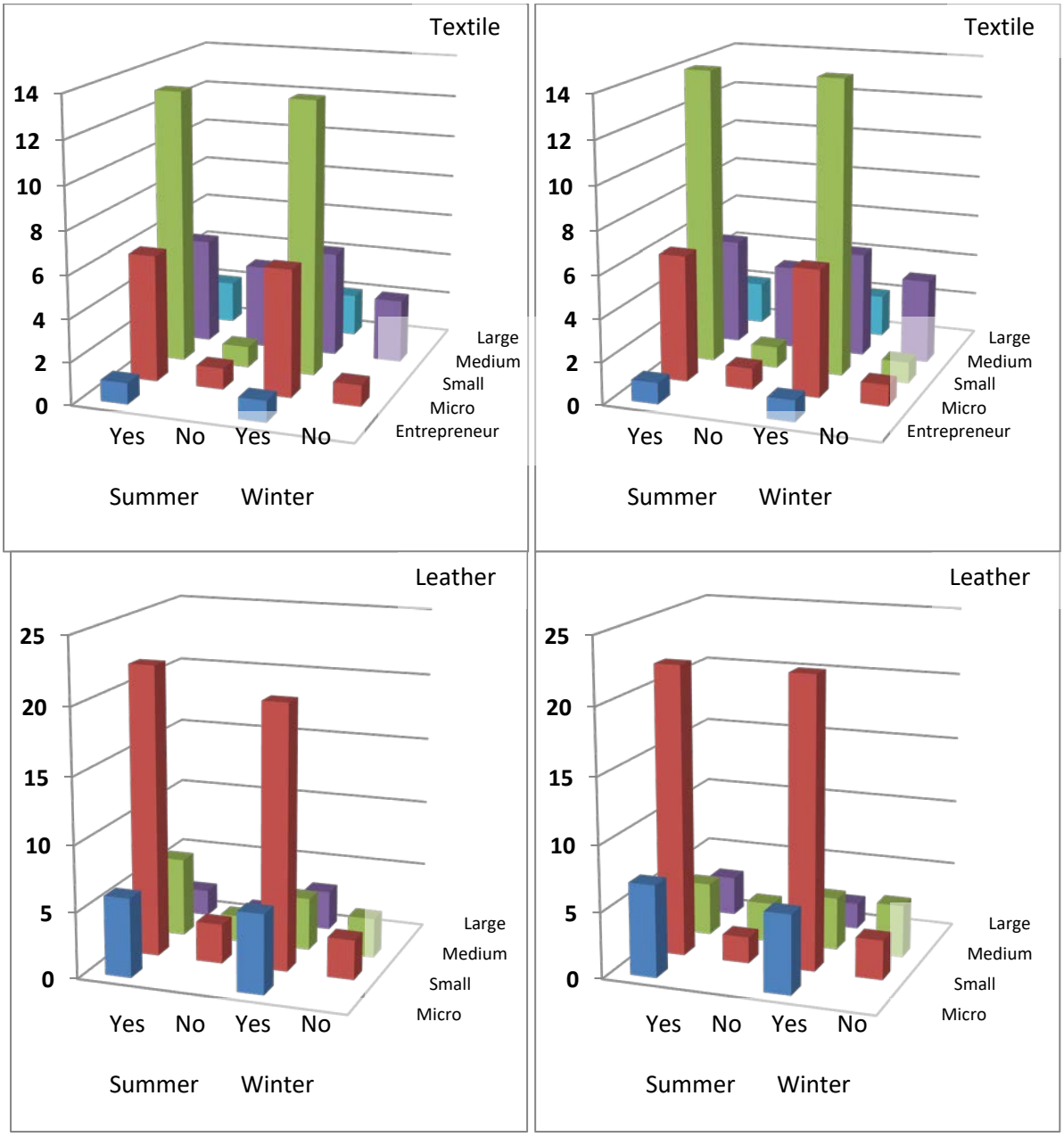
The required raw materials change in the leather industries (local market: 72%, export market: 69%) more than in the textile sector (local market: 65%, export market: 63%).

The change in supply chains of raw materials based on the change in design



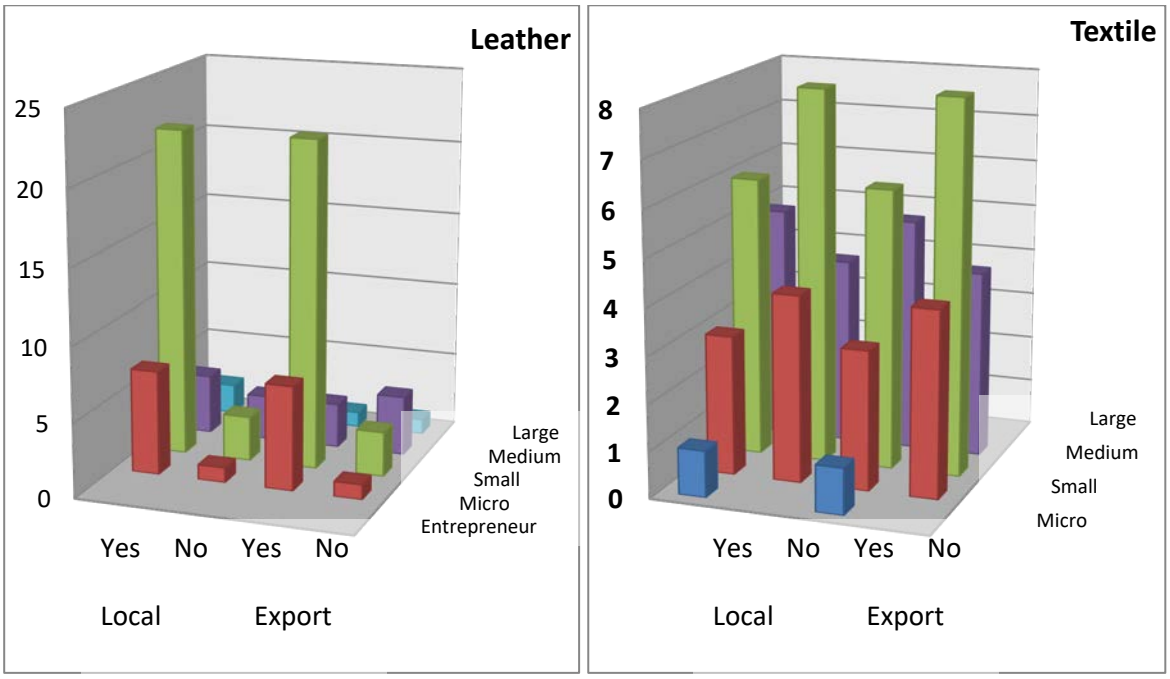
The supply chains of the leather sector are affected by changes in design (local market: 69%, export market: 68%) more than the textile sector by clean production technology (local market 65%, export market 63%)

The effect of the efficiency of the use of available resources by design



The efficient use of available resources impact design in the leather industry (local market: 74%, export market: 70%) more than on design in the textile industry (local market: 70%, export market: 67%).

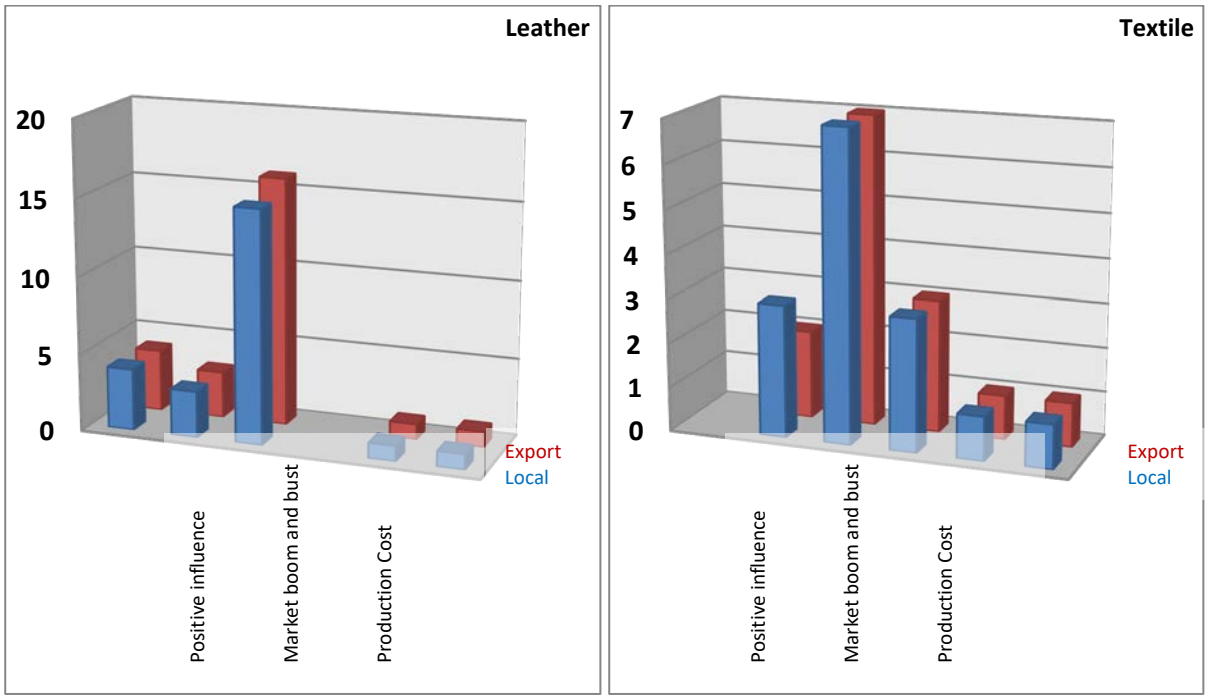
The existence of a policy to facilitate the reuse and recycling of the product



Only 40% of textile companies have a policy for product reuse and recycling for either market unlike products in the leather industry (local market: 69%, export market: 65%).

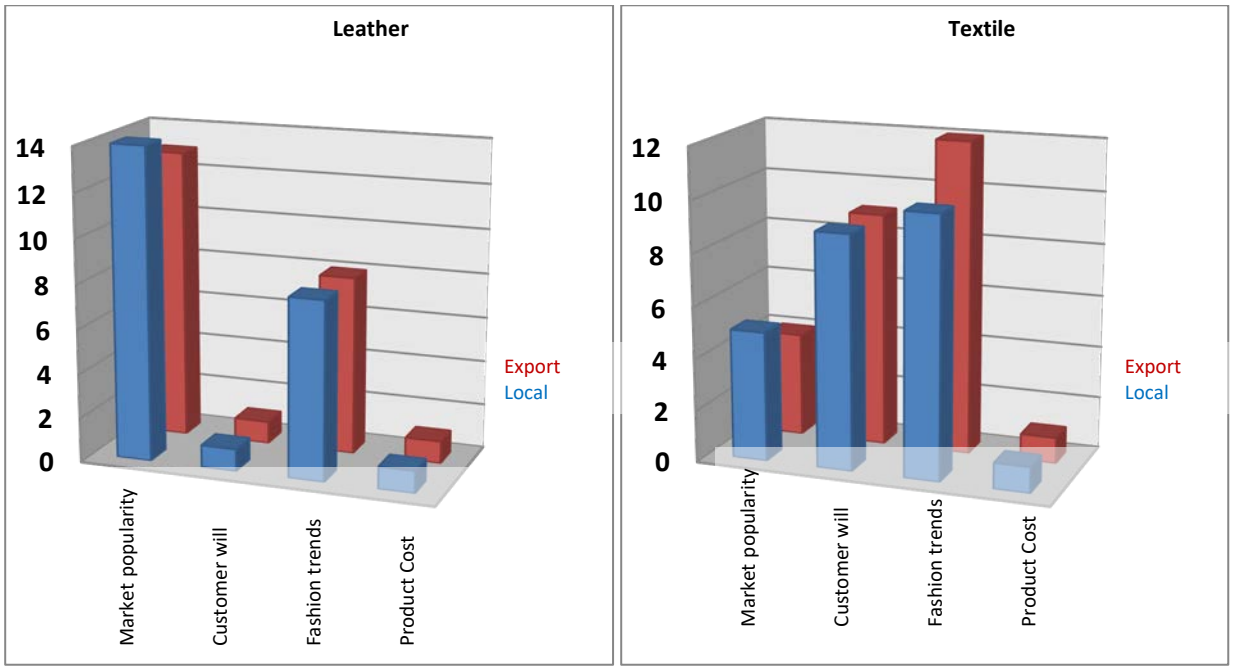
Market Trends and International Trade

How does the market influence design trends?



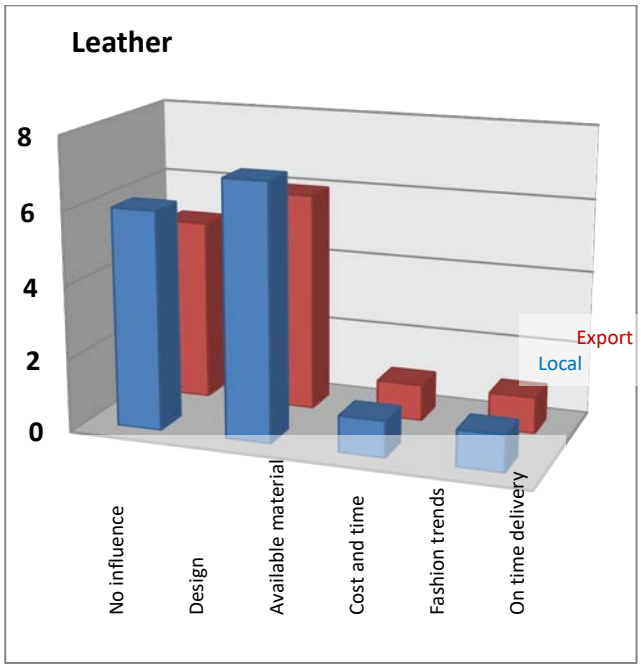
The key influences on designs include the market situation (whether during times of prosperity or stagnation) and the decline in sales (textile: 47% (local), 50% (export); leather: 75% (local), 76% (export)).

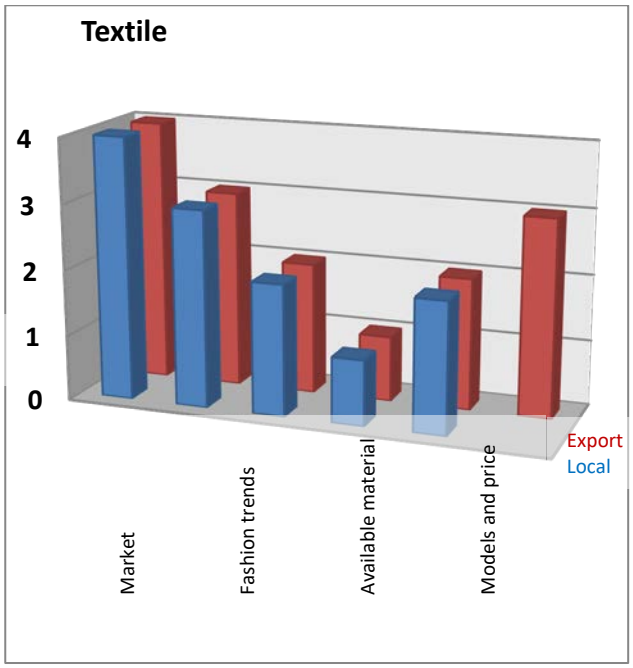
How do you identify market trends for design?



Fashion is considered one of the most important determinants of design in the textile market (40% of the domestic market and 46% of the foreign market), while the designs of leather products are determined by the popularity of the product (58% of the domestic market and 57% of the foreign).

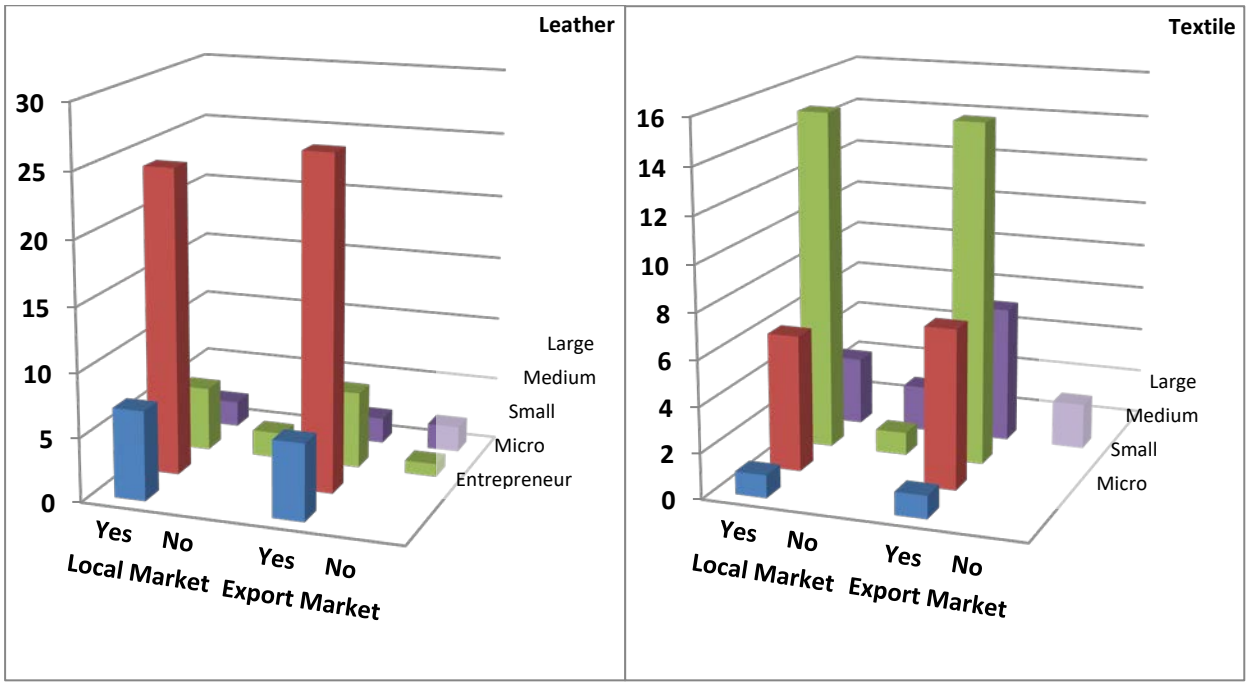
How do the supply chains affect design?





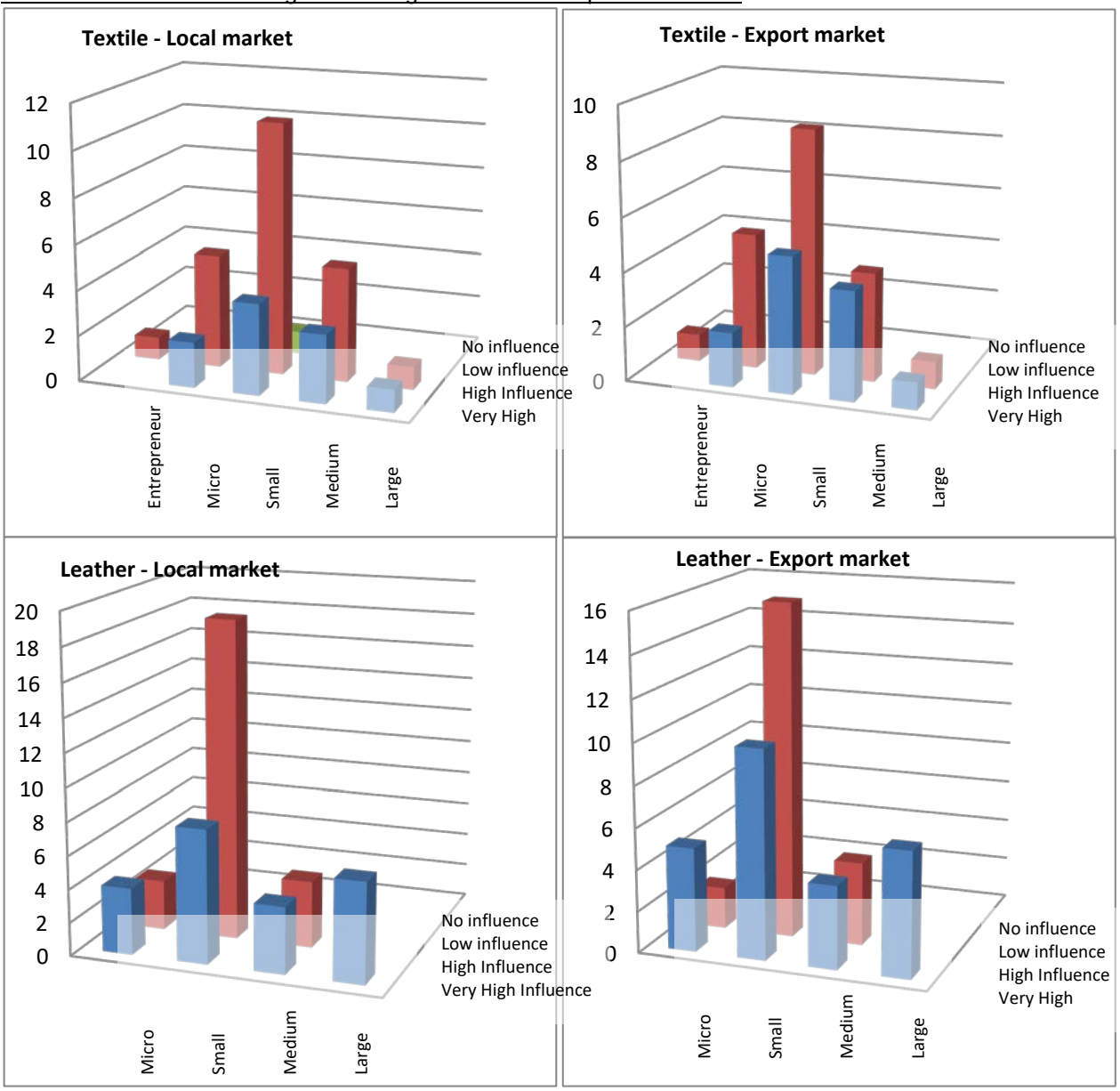
The participants shed light on several factors affecting the supply chains of the required raw materials, including design and delivery times for the textile industry, and supply and the specific designs for the leather industry.

Does the number of designs affect the total sales of the company?



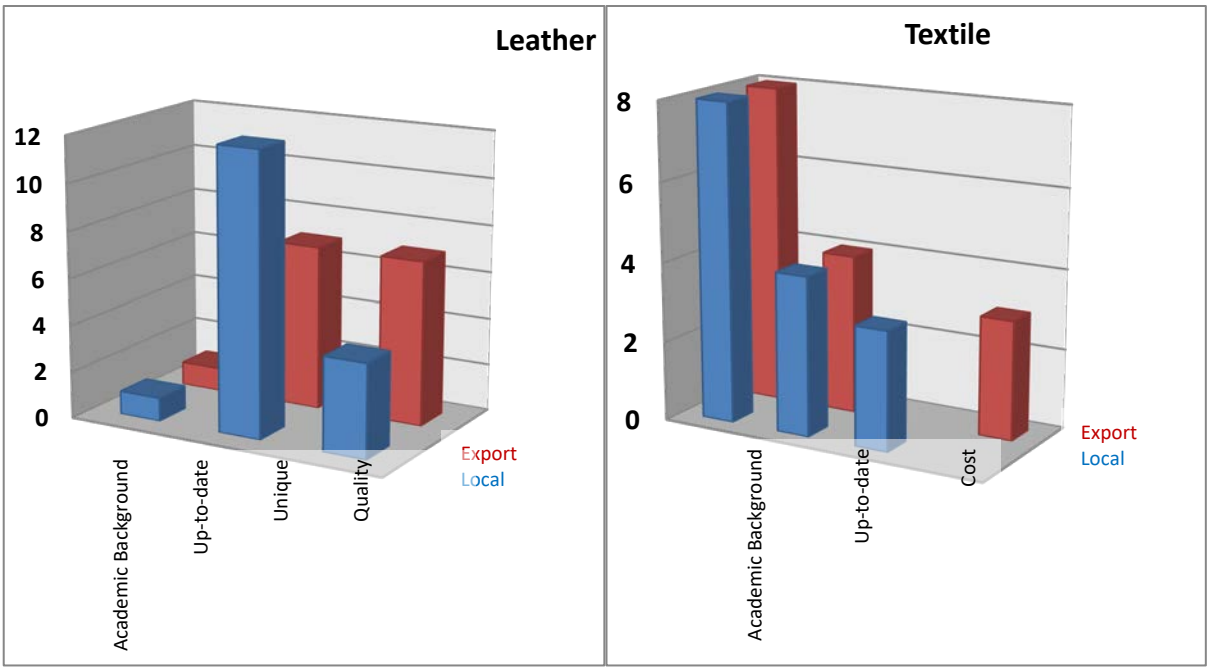
Most respondents (58%) believe that an increase in the number of designs leads to an increase in sales increasing the number of designs increases sales. There is an impact on the sales of the local market in the textile sector and 67% in the export market. As for the leather industry, the percentage of support increases to 75% for the local market and 78% for the export market.

To what extent does a designer's background influence product sales?



Most participants agreed that the designer's background affect the sales of the product. In the textile industry, it has a high or very high impact (77%) on local market sales and 74% on export sales. In the leather industry, 94% of participants agree that the designer's background has an impact on the local market and 92% on the export market.

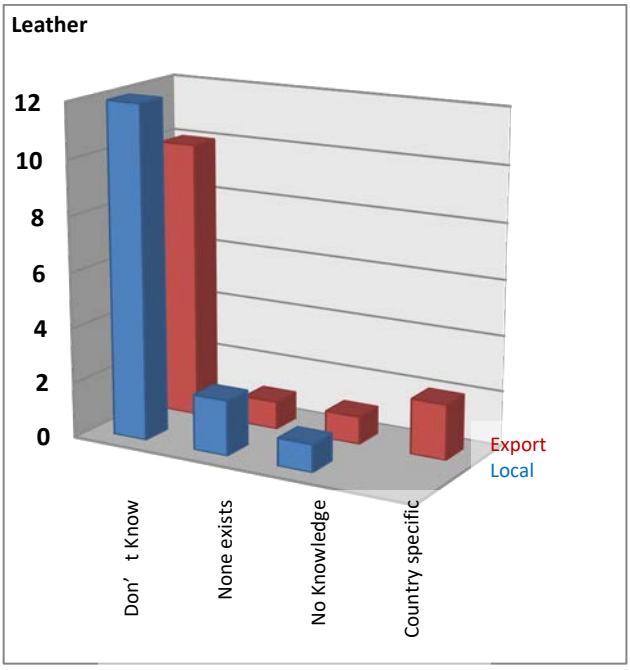
What are the factors behind the designer's background that can influence product sales (internal/external designer – local/international designer – study... etc.) List three.

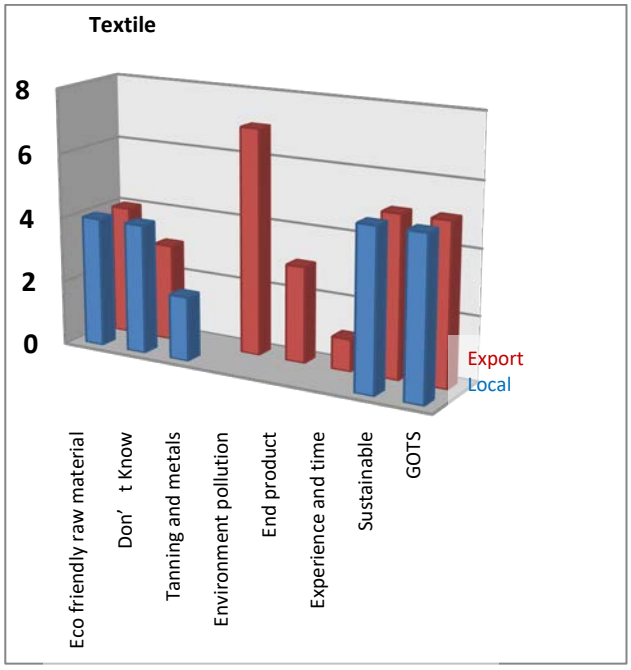


In the textile industry, the most important aspect of a designer's background that affects the design, and consequently the sales of the product, is the designer's academic background (19%) for both the local and international market. As for the leather industry, it is being up to date with what is new in the market (local market: 24%: export market: 14%) and the ability to reduce the cost of design (14%: export market).

Policies and Regulations

What are the local and international environmental regulations affecting designs? List the three most

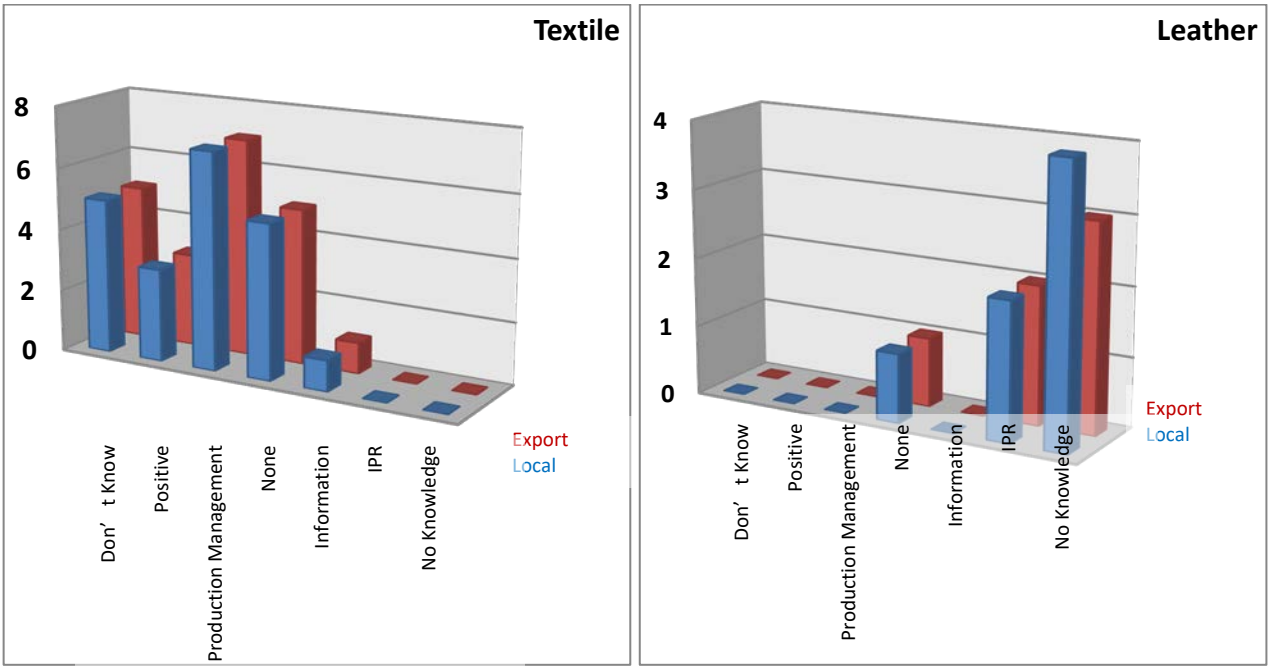




important influential regulations for each market.

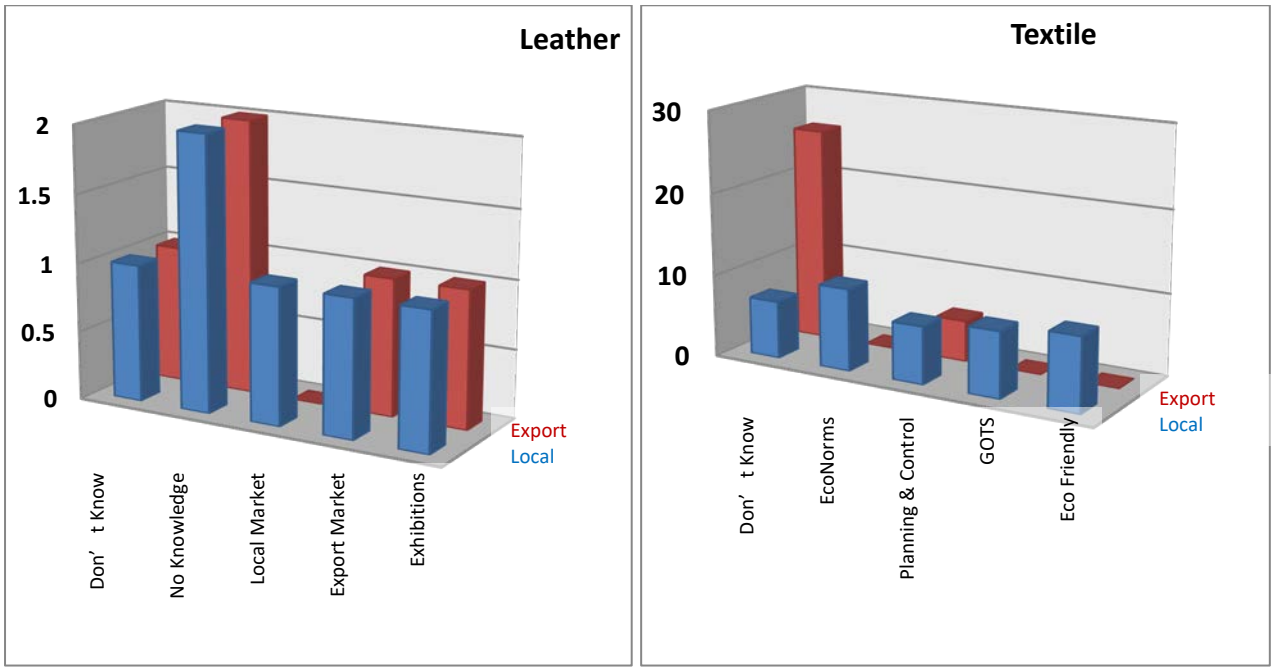
In the textile industry, the survey participants noted that among the regulations and policies affecting designs are “sustainability” and “GOTS” for the local market, while the export market is preceded by environmental regulations and policies. 10% of workers in the textile industry and more than 20% in the leather industry are not aware of any regulations or policies that can affect designs, whether for the local or foreign markets.

What are the local and international policies and laws affecting the competitiveness of designs? List the three most important policies for each market (positive or negative)?



١٦% of the participants believed that policies and laws related to production management affect the competitiveness of designs in the local market and 23% in the export market, while in the leather industry it is intellectual property (4%) whether in the local market or export. 23% of respondents from the textile industry and 10% from the leather industry are unaware of local and international policies and laws that could have any impact on the competitiveness of designs.

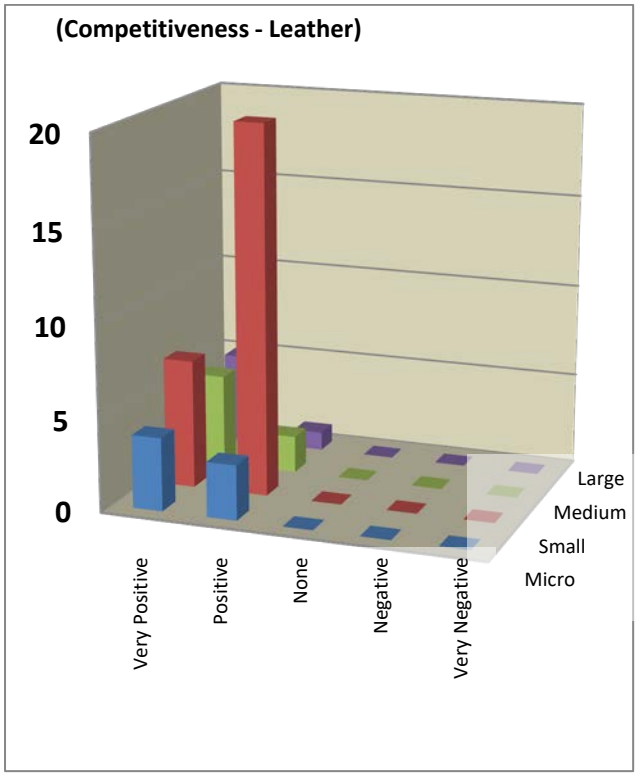
What are quality/production standards that influence design (e,g, organic/Fair Trade. Etc.) List three

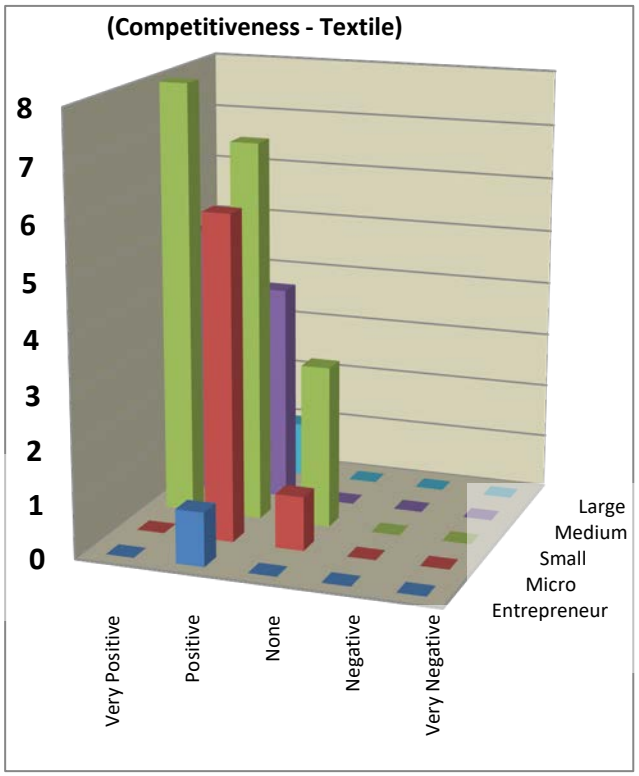


In the textile industry, 63% believe that the following brands (Econors, GOTS, Ecofriendly) have an impact on designs, while 16% said they are not aware of the extent of the influence these brands have on the local market and 60% for the export market. The participants from the leather industry did not mention any brands that have an influence on leather designs.

To what extent the national policies supporting the sector and affecting designs have the effect of each of (give examples).

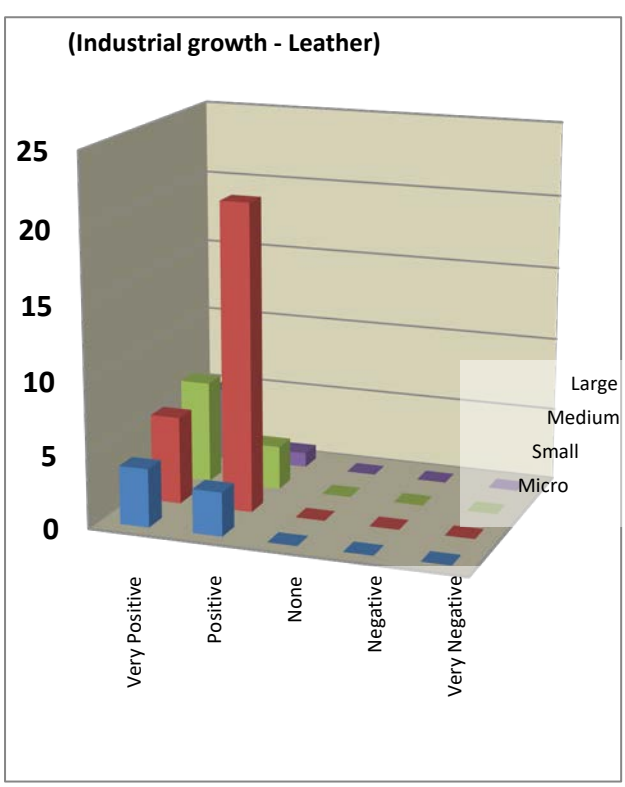
Competitiveness:

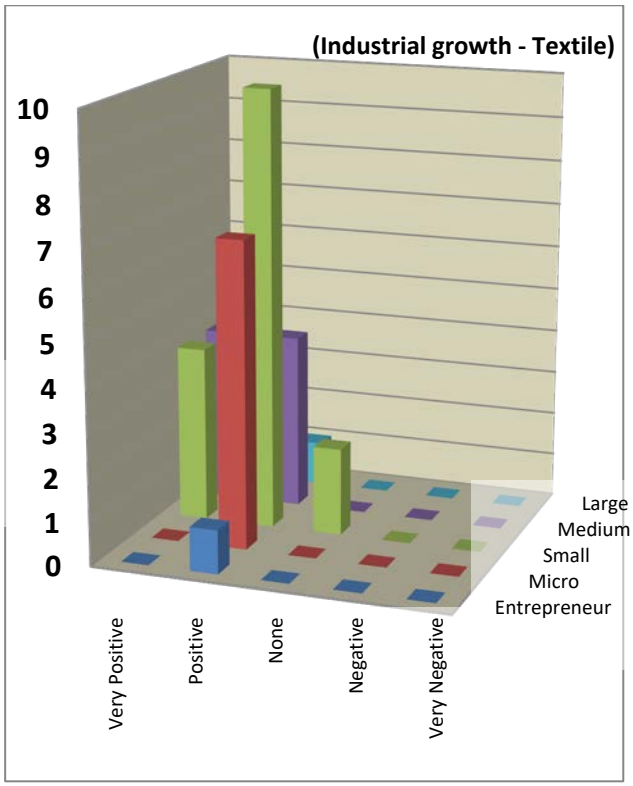




Most respondents believe that national policies positively support the industry in terms of design, while 77% of the participants in the textile industry and 92% of the participants in the leather industry believe that the policies will help increase the competitiveness of their products.

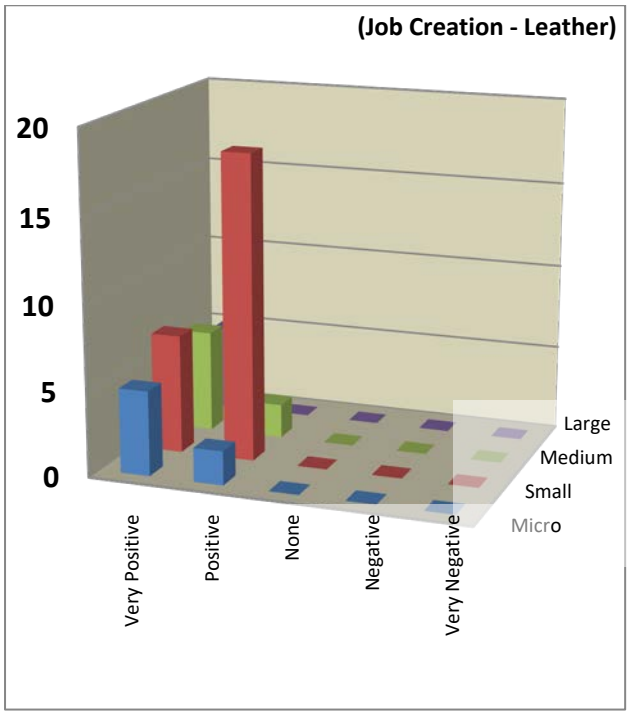
Industrial growth:

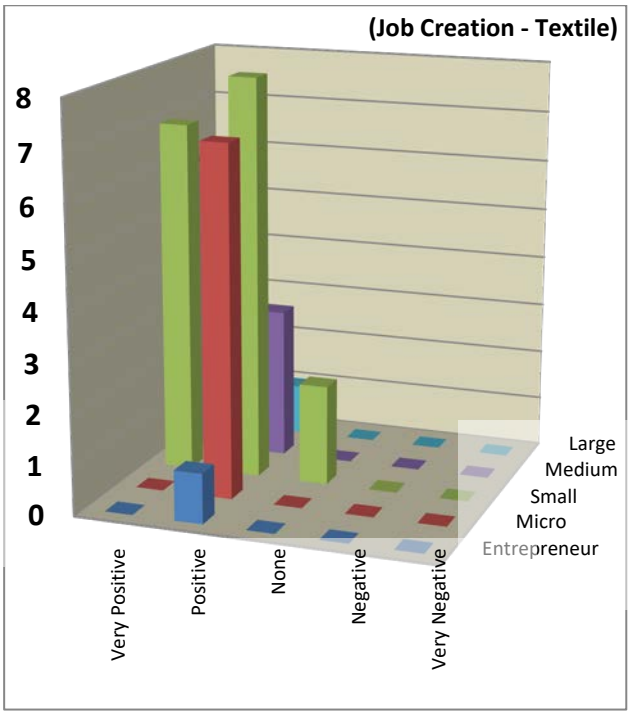




Regarding the impact of the policies on industrial growth, 72% of the participants from the textile industry and 98% of the participants from the leather industry believe that these policies will positively result in the growth of their respective industries.

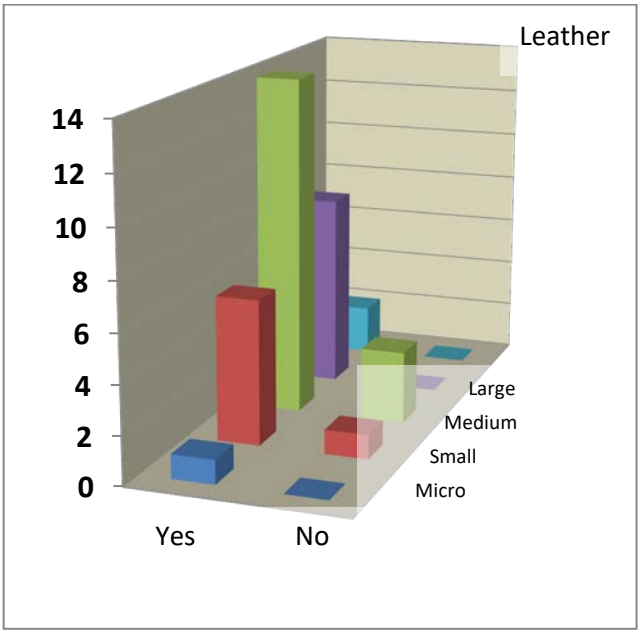
Job creation:

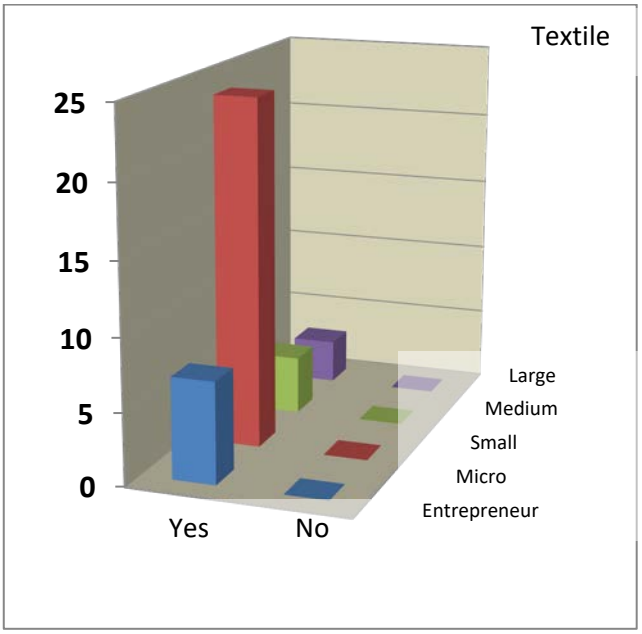




According to 79% of the participants from the textile industry and 88% from the leather industry, industrial policies will positively impact job creation.

Are trends discussed, experiences shared, and good practices presented with others in the field of design and production? Cite examples

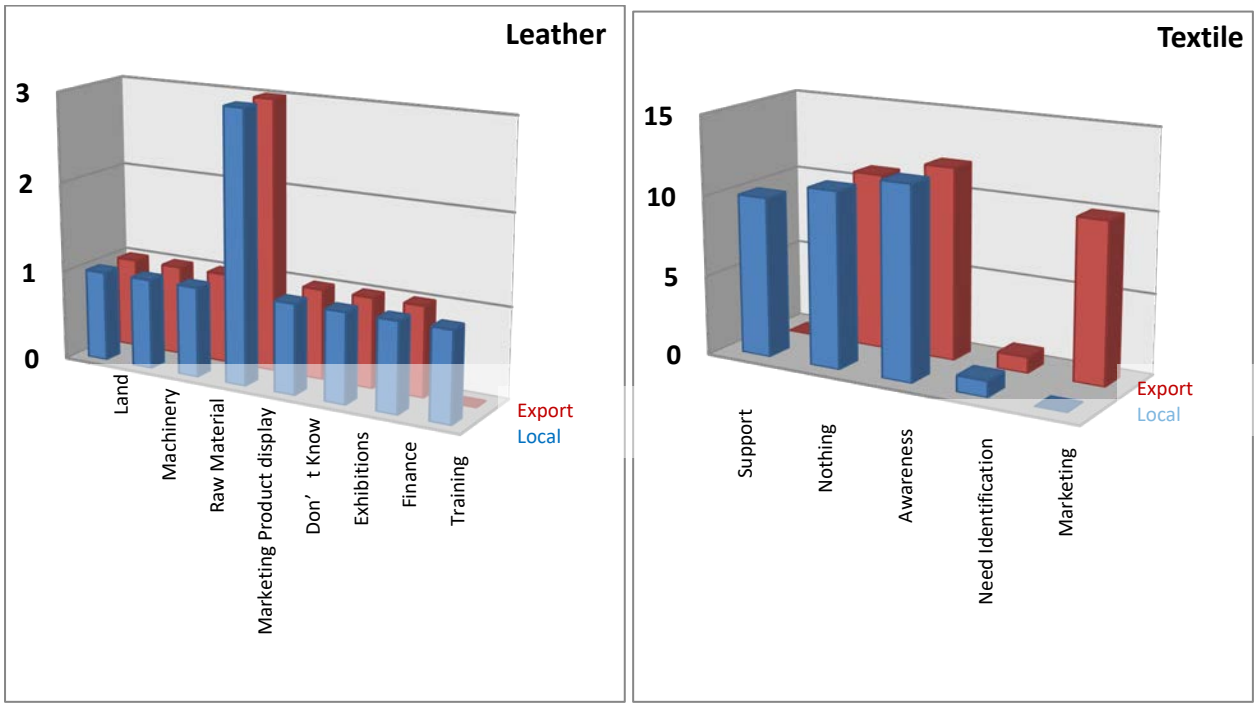




Participants from the textile industry (72%) and from the leather industry (75%) agreed that workshops and meetings are held at intervals where trends are discussed, experiences are exchanged, and best practices are showcased to others within the same field.

What are the services required in the platform to be established to support the sector? List three for each

B2B services:



In terms of B2B services, the following are the most important needs outlined by the companies:

Textile industry:

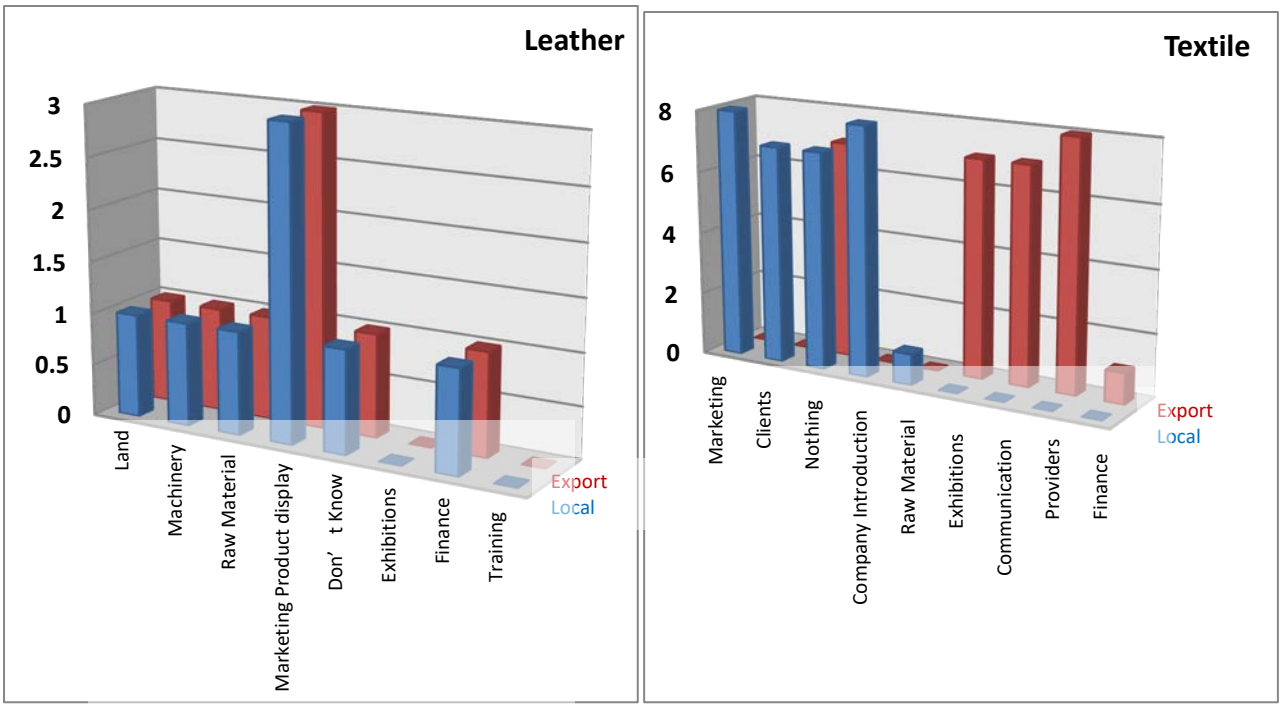
Domestic market: Overview of the companies and a database to disclose the types of available support.

Export market: Overview of the companies.

Leather industry:

Domestic and export market: Marketing and exhibiting the products, database that includes data on machinery, raw materials, sources of finance, and locations that are eligible for investment.

B2C services:



In terms of B2C services, the following are the most important needs outlined by the companies:

Textile industry:

Domestic market: Overview of the companies, marketing, and a consumer database.

Export market: A supplier database through which they can communicate with suppliers and being familiar with the exhibitions.

Leather industry:

Domestic and export market: Marketing and exhibiting the products, database that includes data on machinery, raw materials, sources of finance, and locations that are eligible for investment.

Annex (2): Survey

Questionnaire:

Name:

Telephone:

Company Name:

Category :Micro / Small / Medium / Large

Industry: Textile / Leather

A) Present status of designs

1. Is there a different between local and international designs?
   - o Yes No

2. Where do you source your designs? State three of the most important resources
   - o Local market design:
   - o Foreign market design:

3. Who designs the clothes for the factory? List the number of designers you work with for each market

Local Market	Export Market
o In-house designer o External local designer o External foreign designer	o In-house designer o External local designer o External foreign designer

4. Are the number of designers available sufficient?
   - o Local market : Yes/No
   - o Export market: Yes/No

5. How do you communicate with designers?
   - o Local:
   - o International:

6. Where do designers learn design?

Local Market	Export Market
o University (College…) o Institute o Free courses o Self-taught o Other, define	o University (College…) o Institute o Free courses o Self-taught o Other, define

7. Do you reproduce other designers' designs?
   - o Yes No

8. How do you determine design trends?
   - o Local market:
   - o Export market:

9. Does the technology used in the factory affect the choice of design?
   - o Domestic Yes/No
   - o International Yes/No

10. What are key determinants for designs? List the three most important influences for each market?
    - o Local market:
    - o Export market:

11. What are the number of annual designs (winter/summer)

Local market	Export market
o In-house designer o External local designer o External foreign designer	o In-house designer o External local designer o External foreign designer

12. Do seasonal designs differ from year to year?
    - o Local market: Summer Yes/No
    - o Local market: Winter Yes/No
    - o Foreign market: Summer Yes/No
    - o Foreign market: Winter Yes/No

13. How many designs do you use per season?
    - o Local: Summer Winter
    - o Foreign: Summer Winter

14. How do intellectual property rights affect the production of designs?
    - o Local market:
    - o Export market:

15. Is there an environmentally friendly design and production policy? State how this policy affects the choice of designs.
    - o Local market: Yes/No
    - o Export market: Yes/No

16. What is the average cost per design?
    - o Local market: Cost ___EGP
    - o Export market: Cost ___EGP
    - o Local designer: Cost ___ EGP
    - o Foreign designer: Cost ___EGP

B) Production Technology

17. Does the design affect the production technology used?
    - o Local market: Summer Yes/No
    - o Local market: Winter Yes/No
    - o Foreign market: Summer Yes/No
    - o Foreign market: Winter Yes/No

18. Does clean production technology affect designs? How?
    - o Local: Yes/No
    - o Foreign: Yes/No

19. Are the required raw materials affected by the design?
    - o Local market: Summer Yes/No
    - o Local market: Winter Yes/No
    - o Foreign market: Summer Yes/No
    - o Foreign market: Winter Yes/No

20. Do supply chains for raw materials change when the design changes?
    - o Local market: Summer Yes/No
    - o Local market: Winter Yes/No
    - o Foreign market: Summer Yes/No
    - o Foreign market: Winter Yes/No

21. Is the efficient use of available resources affected by the design?
    - o Local market: Summer Yes/No
    - o Local market: Winter Yes/No
    - o Foreign market: Summer Yes/No
    - o Foreign market: Winter Yes/No

22. Is there a policy to facilitate the reuse and recycling of the product? How?
    - o Local: Yes/No
    - o Foreign: Yes/No

C) Market Trends and International Trade

23. How does the market affect design trends?
    - o Local market:
    - o Export market:

24. How do you identify/determine market trends on designs?
    - o Local market:
    - o Export market:

25. How do market supply chains affect designs?
    - o Local market:
    - o Export market:

26. Does the number of designs affect the company's total sales?
    - o Local: Yes/No
    - o Foreign: Yes/No

27. To what extent does the designer's background influence the sales of the product?
    - o Local market:

      Very high impact - High impact - Low impact - No impact
    - o Export market:

      Very high impact - High impact - Low impact - No impact

28. What are the factors behind the designer's background that can influence product sales (internal/external designer – local/international designer – study... etc.) (List three)
    - o Local market:
    - o Export market:

D) Policies and Regulations

29. What are the local and international environmental regulations affecting designs? List the three most important influential regulations for each market
    - o Local market:
    - o Export market:

30. What are the local and international policies and laws affecting the competitiveness of designs? List the three most important policies for each market (positive or negative)?
    - o Local market:

- Export market:

31. What are quality/production standards that influence design (e,g, organic/Fair Trade. Etc.) List three
    - Local market:
    - Export market:

32. To what extent are the national policies supporting the sector and affecting designs the impact of each of (give examples):
    - Competitiveness:

      Very high impact - High impact - No impact - Low impact - Very low impact
    - Industrial growth:

      Very high impact - High impact - No impact - Low impact - Very low impact
    - Job creation:

      Very high impact - High impact - No impact - Low impact - Very low impact

33. Are trends discussed, experiences shared, and best practices presented with others in the field of design and production? give examples
    - Local products: Yes/No
    - Export products: Yes/No

34. What are the services required in the platform to be established to support the sector? Name three for each.

B2B services?

- Local market:
- Export market:

B2C services?

- Local market:
- Export market: