Funded by the European Union

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

Project

(2nd Study)

A study on product design in the leather and textile industries

Presented to:

Faculty of Computers and Artificial Intelligence

Cairo University

(٢٠٢٣)

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

Contents

Executive Summary

This second study is implemented within the framework of the third component, "Preparing Scientific Reports for Innovative Business Solutions" of the "Open Factory" project. It was conducted to study market trends and the impact of environmentally friendly information technology on the manufacturing industry, while providing frameworks for innovative and sustainable business models. This study is a priority for this component to estimate the benefits and costs resulting from Egypt's policies.

The study addressed the following points:

- Innovation Influences and Trends (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.
- Surrounding Factors and Trade Relations between “Open Innovation”/ green IT models and the industry sector.
- Changes in Production and Technology use.
- Environmental Regulations (waste management, resource efficiency, etc.)
- Economical Return and the variation in consumption patterns due to regulatory policies.
- Economic, Social, and Environmental Impacts of Policies on industrial competitiveness, growth, and employment.
- National Market and globalization (for example, global supply chains)

In addition to:

- A comparison with the previous study results.
- Identification of good practices
- Recommendations related to relevant sectoral policies and strategies.

The participants in the study highlighted the need to continue supporting the platform and supporting it with the following services:

Corporate services for companies:

- Database of local and international suppliers and designers
- Database of laws, regulations, and quality signs that regulate and affect the production process
- Database of supporting entities (financial and non-financial) for companies

Corporate services to the final consumer:

- Information concerning companies and their products
- Direct marketing and sales platform for local and international consumer

The second study also showed the need for:

- Continues need for awareness programs on cloning/duplicating models, intellectual property protection agreements, quality marks, and environmental compliance and its effect on production and marketing process, and how to utilize and benefit from it,
- Introducing academic studies on design in curricula at the university level (BA and Diploma's),
- Need for training courses and programs for continuous education and to introduce the new and how to deal with it,
- Importance of organizing conferences and seminars to discuss market trends, exchange experiences and meetings with decision makers to support the industry, and
- Organizing local exhibitions and fashion shows and the participating with local designers in international exhibitions

Overall, the results didn’t differ much from the first study.

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

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 years, the reports will annually check and evaluate in-depth:

- Innovation Influences and Trends (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.
- Surrounding Factors and Trade Relations between "Open Innovation"/ green IT models and the industry sector.
- Changes in Production and Technology use.
- Environmental Regulations (waste management, resource efficiency, etc.)
- Economical Return and the variation in consumption patterns due to regulatory policies in Egypt.
- Economic, Social, and Environmental Impacts of Policies on industrial competitiveness, growth, and employment.
- National Market and globalization (for example, global supply chains)

It was agreed that the focus of this study (the second study) would continue to study the current state of product design in line with consumer tastes (locally and globally) on an additional group of companies and compare the results with the results of the previous study.

Based on the feedback and experience gained during the previous survey, some questions were reformulated or merged, open questions were reduced and turned into multiple choice to facilitate answering the questions.

Methodology:

The methodologies used for this project included:

a. Surveys for the targeted companies

   selected and sent by the Faculty of Computers and Artificial Intelligence

b. Comparing results of the second study with the first study

   The comparison was integrated in the analysis

Study Findings

The total number of participants in the second study are 77 companies, including 51 from the textile industry (66%) and 26 from the leather industry (34%), which is less than last year, especially the leather sector (94 companies, including 43 from the textile sector (46%) and 51 from the leather sector).

In terms of company size this year, it included 1 large company, 22 medium, 37 small, 17 micro and beginners, divided as follows between the two sectors (textile: 1 large, 14 medium, 22 small, and 14 micro; leather: 8 medium, 15 small, and 3 micro)

Two small companies from the leather sector participated in a survey last year and their results were excluded in the following analyses.

Innovation Influences and Trends

The experience and ability of companies to predict the market and read the consumer trend is a key factor in determining what design is being produced (market desire (31% textile sector and knowledge of what is certain to be marketed 65% leather sector)

In this year study sample, 100% of the companies in the leather sector agreed that there is a difference in the designs of the foreign market that differ from the designs of the local market, and 84% for the textile sector, compared to 94% and 96% in the 2021 sample.

In the 2023, in the textile sector the most important source for determining design trends is considered the contracting customer (57%), followed by exhibitions (55%), then follow-up websites (47%). For the leather sector, it is exhibitions (100%), followed by follow-up fashion catalogs (92%), then the responses of consumers and their feedback.

It is slightly different from the results of 2021 for textiles: catalogs (49%), consumer 21%, websites and customers (14% each) and for exhibitions leather (45%), catalogs (35%), websites (16%).
2023 sample highlighted that among the three most influential factors in determining the selection of designs are i) contracts, ii) the cost of raw materials, then iii) the cost of production.
In the previous questionnaire, design determination in the leather sector depended on i) exhibitions and ii) catalogs, whether for the local or foreign market, while the textile sector depended on the i) customer's taste for the foreign market, and no specific direction for the local market.
It is noted that in this year's study there is interest in design study, whether academic studies (26% for locals and 29% for foreigners) or free studies (25% and 27%), especially in the leather sector, which reaches (69% and 81%).
Designers still rely on self-study (73%) and free studies (53%), but it is noted that universities play an important role in preparing designers (41%)

Based on this we can see that there is a trend among Egyptian companies in the leather and textile sectors that they prefer to cooperate with designers with an educational background, whether academic or free studies In addition to have the awareness and knowledge of the global design and being updated, whether by participating in conferences or exhibitions.
Since most of these companies have different annual and seasonal designs, participating in exhibitions and following up published catalogs is very important. This includes adapting these designs to the different market being approached, whether local or international. An exception to this are companies that deal with direct contract clients who specify the design. In addition, one of the most important determinants of producing specific designs is the cost of materials and production compared to the selling price.

Surrounding Factors and Trade Relations

This year's sample, highlighted that the most important sources for obtaining designs and ideas for designs are the exhibition, catalogs, and company websites, which differ slightly from the previous study, where the companies' websites and sales sites were of importance besides the catalogs of export models and imported clothes for the local market.

It is noticeable here, first the diversity of design sources, as most companies deal with designers, whether from inside the factory, or local or residing abroad.

Many textile companies have one or two designers within the company (76%-86% for textile companies, 46% for leather companies, in addition to dealing with one or two local designers (79-84% of textile companies) and 46% of leather companies, concerning designers from abroad 24% of textile companies deal with foreign designers, while all leather companies deal with designers from abroad.

In this year's study, the majority of the textile sector (59% for the local market and 43% for the export market) and leather (96% for the local market and 100% for the export market) believe that the number of designers is sufficient.

This year, the majority of workers in the textile sector believe that the number of designers is insufficient (51% for the local market 56%, in contrast to last year the leather sector, where 98% believe that the number of designers is sufficient (for the local and foreign market).

E-mail is still the first means of communication with designers, and it reaches 50% of leather companies when communicating with local designers, and 42 from external designers. In the textile sector, the percentage decreases to 27% and 18%. Second, comes social media, WhatsApp, and the telephone for textiles, and the telephone and fax for leather.

Most companies communicate with designers by phone (60%), e-mail (66%), and WhatsApp (41%).

It is noted here that the textile sector deals with fewer designs than the leather sector, as the majority contracts and produces less than 10 designs in the season, whether from the company's designers or local designers or those residing abroad, while the majority in the leather sector contracts a number ranging from 11 to 25 designs.

Since companies keep an eye on the trends to maintain their market status, participating in exhibitions, whether as an exhibitor or for information, is important, in addition to following the new through on social media and the Internet broadcast.

Due to the necessity of diversity, companies deal with more than one local and/or foreign designer to diversify their designs according to the market and category they want to reach, but they see that there is still need for more designers. Which shows the need for capacity development programs.

Due to the technological development in the field of communication that occurred during the previous years, the in-person meeting with designers has decreased and e-communication using various Internet means has increased such as e-mail and social media. This demonstrates that there is nowadays less need for the designer to be resident near the factory.

Although companies are aware of the importance of having their own design policy and marketing their products with their own brand, many companies still copy designs.

Changes in Production and Technology use

The participants' opinion did not differ from the previous, as it highlighted that the technology used in the companies affects the choice of designs (both in the textile sector (73% of the local market, 65%), as well as the leather sector (96%, 88%).

It is slightly higher than the previous study (70% of the local market, 63%), as well as the leather sector (80%, 82%).

The study showed that the change of design affects production technology, whether for the local market (78% in the textile sector and 96% in the leather sector) or the export market (76% in the textile sector, 100% in the leather sector).
It is higher compared to the previous study, where it was 65% and 80% for the domestic market and 51% and 73% for the export market.
Clean production technology affects designs by 67%, 65% in the textile sector and 100% in the leather sector, which is higher than the previous study, as it was (56% the domestic market, 53% the export market) in the textile sector and the leather sector (73% the local market, 80% the export market).

Companies are aware of that when changing designs this often requires changing the production technology used, but due to its high cost, in most cases companies choose designs suitable to their production technology available.
And considering the international trend towards clean production, following a clean production policy affects the production technology used and the designs produced, which is also understood by the companies.

Environmental Regulations

There is a slight increase in the results of the second questionnaire compared to the first, as 65% of the textile sector companies indicated that the environmental policy in production affects the choice of design, compared to 60% in the previous questionnaire. This also appeared in the leather sector, where it increased from 82% to 92%.
71% of textile sector companies and 96% of leather sector companies believe that the efficiency of using available resources is affected by design, which is higher than the 2021 study in the

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

leather sector (74% local market, 70% foreign market) than the textile sector (70% local market, 67% foreign market).

In this year's study, it is clear that the sample has greater awareness of the importance of developing a policy to facilitate the reuse and recycling of the product, as 59% of the textile sector companies have such a policy for local products and 53% for export products, compared to 40% in the previous study. As for the leather sector, it was 96% for the domestic and export markets, compared to 69% for the domestic market and 65% for the foreign market.

Here we can see that the same as the clean production policy (environmentally appropriate) has an impact on determining the technology used, it also has an impact on determining the designs being used. The choice of designs is also being affected by the company’s policy to increase the efficient use of resources and the policy to facilitate the product reuse and recycling.

Economical Return

Intellectual property for designs is still one of the points that need awareness raising, as in this study it was found that 22% of the participants believe that there is no intellectual property for designs in the local market regarding the textile sector, while in the leather sector it is 17%.

It is also noted that 24% of the participants from the textile sector do not know or do not see that it has an impact, and 21% from the leather sector.

As for the most important effects, it helps to keep the customer (textile: 20% and leather 38%) and reduces theft of designs, especially for the leather products sector (17%).

The study showed a clear discrepancy in the average design cost. It was found that the average design cost in the leather sector is 150 EGP or less.

In the textile sector, a good number of them do not have direct design cost (9% for the local design, 36% for the foreign design), and it was found that 66% of the designs cost less than 500 EGP. which similar to the previous study. And the cost could reach 15,000 EGP, especially when buying the design from abroad (and this cost has increased significantly this year – putting the dollar price into account).

As it was the case in the previous study, the majority of respondents this year believe that increasing the number of designs increases sales, from the point of view of 80% with regard to local market sales in the textile sector and 63% for the export market (58% and 67 previously). As for the leather sector, the agreement was 79% for the domestic market and 88% for the export market (75% and 78% previously).

In alignment with the previous study, the participants agreed that the background of the designer has a positive or high positive impact on sales, whether in the local market or export. In the textile sector (78% and 69%) compared to the previous study (77% and 74%), while in the leather sector it reached 92%. Whether for domestic or export, they are equal to the result of the previous study.

This year's sample saw that one of the most important factors in choosing designers and affecting sales in the textile sector is the extent to which they are aware of developments (41% local, 33% export) in addition to the quality of work and their participation in exhibitions (14% both for export products) and then the cost (10% local) and years of experience (10% for export).

As for the leather sector, the importance of being up to date and the ability to innovate (33%), participation in exhibitions (29%), then the quality of design (13%), with no difference between local and export.

This is unlike the previous study, where the designer's study was of first priority in the textile sector (19%), whether for the local market or for export. As for the leather sector, it is knowledge of what is new in the market (24%) for the local market, while export is knowledge of developments (14%) and its ability to reduce design cost (14%)

Earlier we mentioned that copying designs is still widespread. One of the reasons can be seen as most of them do not see that intellectual property rights apply to designs and that it has no impact or importance. Although other companies believe that it helps to maintain their customers and can reduce design theft.

Investment in design is considered expensive, as the cost of a design starts from 150 EGP or 500 EGP and above, and reaches 15,000 EGP per design received from abroad. Thus, preserving the right to design is an important and at the same time a promising field of work for new designers with the appropriate skill, knowledge, and experience.

If we consider that companies need multiple designs per season to increase sales and the need for more designers, this is an open field for investment in academic and specialized studies design programs.

Compared to the 2021 study participants, in 2023 cloning is done by 43% in the textile sector (93% in 2021) and 43% in the leather sector (31%). Small companies are still the ones that carry out the most cloning operations (55% textile and 62% leather), compared to 87 % and 37% in 2021.

Economical, Social and Environmental Impact of Policies

The study showed this year that there is still a lack of knowledge among the two sectors of the influential certificates, as it showed that 76% for the local market and 66% for the export market) of the textile sector are not aware of the influential certificates or do not see them as having an impact, as well as the leather sector 54% for the local and export markets, and it was Last year, it reached 60% in the textile sector and 100% in the leather sector

It was also clear from the survey that the textile sector is familiar with many influential certifications such as ISO 9001 (25% local and export), ECO Passport (10%/14%), ZDHC and others such as GOTS, Fair Trade, WRAP, Bluesign, GreenSeal and OCS.

While the leather sector only mentioned ISO 9001.

In the 2023 sample, the majority of the participants in the questionnaire still have a positive view that national policies support the sector in the field of designs, as 55% (77% in 2021) in the textile sector and 87% (92%) in the leather sector believe that such policies will help raise competitiveness for their own products.

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

As for the impact of such policies on the growth of the sector, 54% in the textile sector and 75% in the leather sector say that such policies will positively affect the growth of the textile and leather industries, compared to 75% and 98% previously.

Supportive policies for the sector will have a positive or high positive impact on the provision of job opportunities, according to 63% (79% in 2021) of respondents from the textile sector and 96% from the leather sector, compared to 88% previously.

In the 2023 sample, 65% of the textile sector agreed that there are workshops and meetings that take place at intervals during which trends are discussed, experiences are exchanged, and good practices are presented with others in the field, which is less than the previous sample (72%). As for the leather sector, the result was 88% compared to 75%. % in the previous study

The study shows the need to develop supportive policies for the two sectors, especially in the field of designer development. Such a support will have a positive effect on sector growth, increasing its competitiveness, and providing job opportunities. This should include supporting companies in getting relevant certifications, as well as organizing workshops and meetings to discuss trends, exchange experiences, and present good practices.

National Market and Globalization

There is a difference in the annual designs, as 78% of the textile companies change designs for the local market annually for the summer season and 75% for the winter season) and by 73% for the summer and winter seasons for the foreign market and 72% for the winter season, which is close to the previous study 79% (summer and winter seasons) compared to the summer season for the foreign market and 72% for the winter season for the leather sector, 88% for the local market and 96% for the foreign market, compared to 96% for the local market and 94% for the foreign market (for the summer and winter seasons).

The required raw materials change according to the designs in the textile sector (84% of the domestic market, 76% of the foreign market), compared to 100% in the leather industries, which is higher than the previous study (textile: 65% local and 63% export, leather: 71% for the two markets).

Designs have an impact on the supply chains of raw materials, with a percentage of 82% for local textile products and 78% for export products (compared to 63% for the local market, 60% for the export market in the previous study), and for the leather sector, it is 100% for the local and export markets (compared to 67%).

In the context of the globalization and global competition, there is a need for companies to diversify and change designs annually and seasonally, but this policy of continuous change of designs has an impact on the required raw materials that may change with design change. This affects the choice of supply chains. To ensure production, some companies now choose designs based on available and guaranteed supply chains, which may limit the designs, whether qualitatively or quantitatively, to avoid possible supply chain crisis as previously occurred.

Good practices

One of the most important good practices that can be seen is the diversification of design sources from local or external designers.

Also, many companies are aware of the importance of following up on what is new in the field of design, whether by participating in the exhibition or following up on catalogs and various websites.

Recommendations

This study showed that most of the recommendations mentioned in the previous study are still relevant and attention is required to support the design sector.

Awareness:

- Disadvantages and risks of cloning existing models and intellectual property rights and protection agreements.

  This is considered an important issue and binding laws for companies, especially regarding the replication and cloning of models and the consequent breach of intellectual property protection agreements.

  Protecting designs can help in the development of market of design development and supports fashion designers.

- Laws and regulations regulating and affecting the production and marketing process and Quality standards and environmental compliance:

  It is important that companies are aware of laws and regulations affecting the production process, including preserving the rights of designers, documenting production lines for export (certificates of origin).

  Such standards are supplementary standards that companies can obtain, and which could help them export and production in general and such standards are popular but need to follow binding rules for accreditation, which helps to increase export and sales.

Education and Training:

- Integrating design studies into the curriculum (Bachelor/Diploma).

  The second year study showed there is a continuous 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, especially with the increase in the design prices purchased, which may exceed ten thousand Egyptian pounds per design.

- Training and continuous development 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:

- Hold conferences to discuss changes and trends in the field of design and their relation to production.
- Hold exhibitions for designs and productions of Egyptian designers.
- Hold meetings between sectors and decision makers to develop a comprehensive policy supporting the development of the local designs sector.

<u>Suggestions for content to be included in the platform:</u>

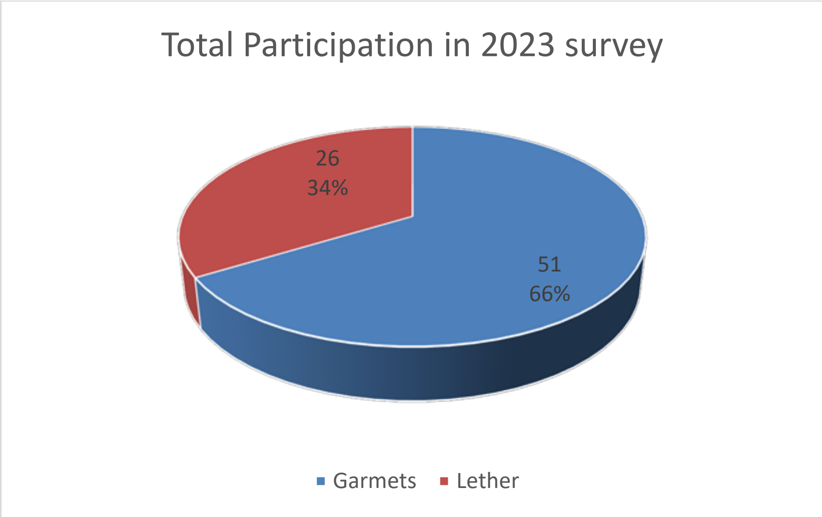
- B2B services:
  - Database of local and international suppliers.
  - Database of local and international designers.
  - Database of laws and regulations that affect the production process.
  - Database of quality standards that includes how to obtain those standards, with clear instructions on the requirements and procedures.
  - Database of supporting bodies for companies (reconciliation, environmental compliance, export), with clear instructions on the requirements and procedures.
- B2C services:

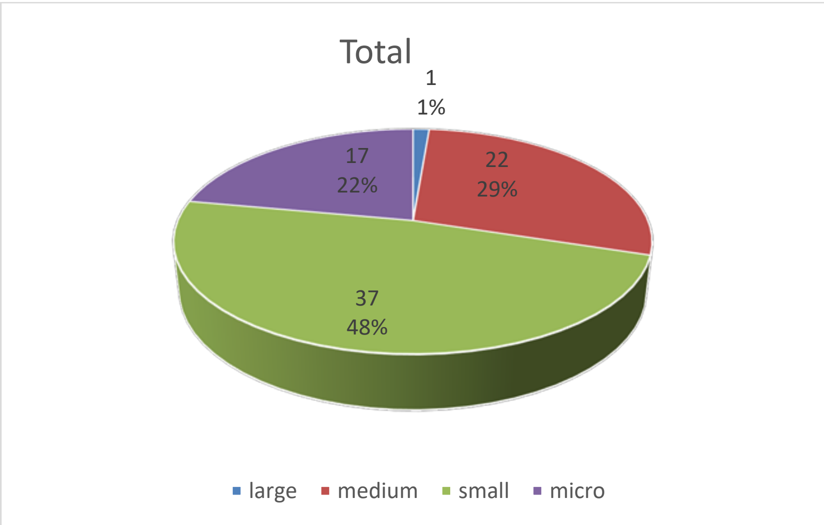
- Overview of the companies and their products in Arabic and English along with any other language that belongs to a target market.
- A platform to sell products directly to the consumer (locally and internationally).

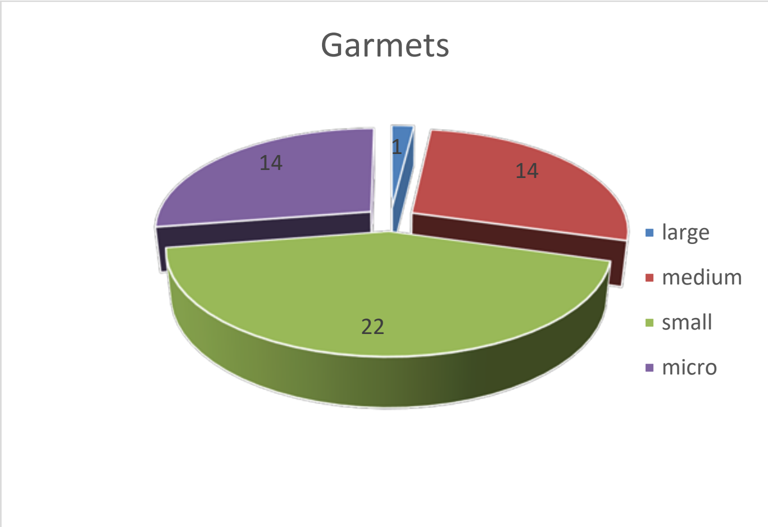
<u>Next study:</u>

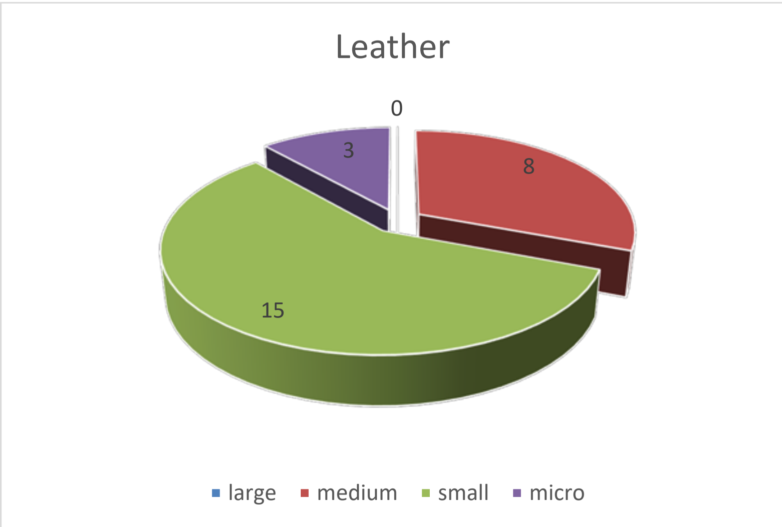
- It is recommended that the next study should only address companies that participated in the two studies (first and second year) in order to study the development of the performance of these companies and the extent to which they benefited from the project's activities.
- The study should be carried out by a research team that visits companies and holds face-to-face meetings to collect data, lessons learned and good practices.

Annex 1: Analysis

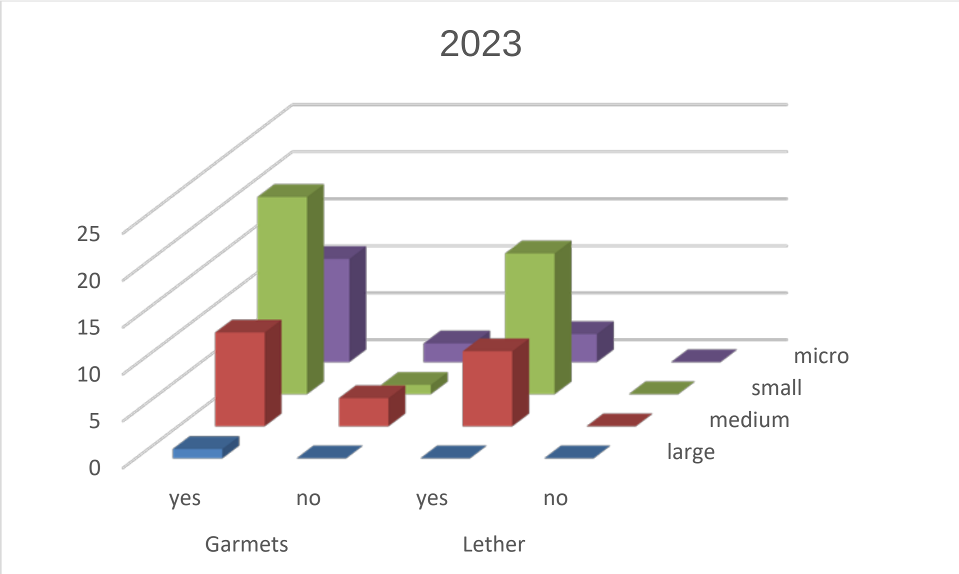





Garmets
1
14
14
22
large
medium
small
micro

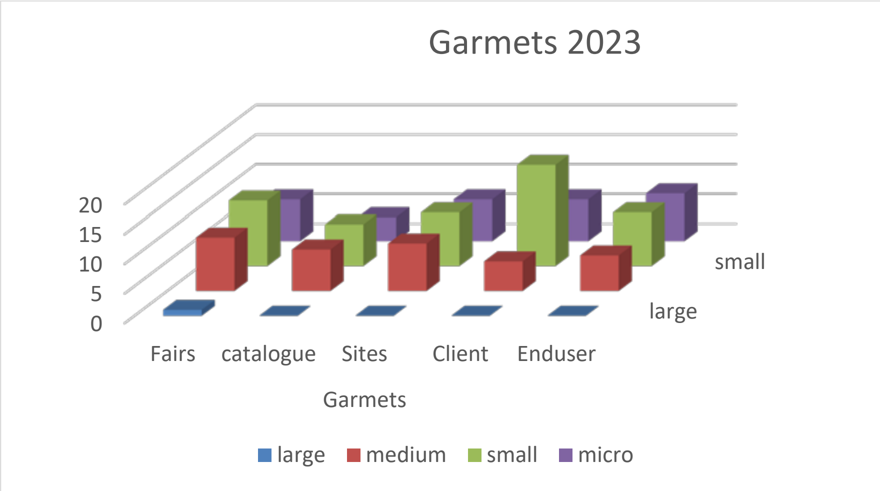

Leather
0
3
8
15
large
medium
small
micro

Design difference between local and export markets



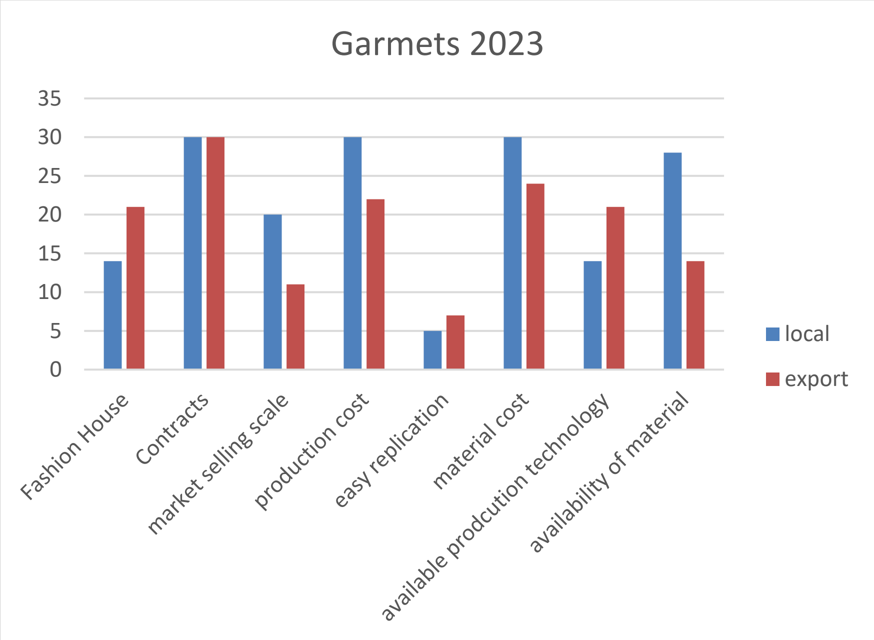
100% of the companies in the leather sector agreed that there is a difference in the designs of the foreign market that differ from the designs of the local market, and 84% for the textile sector.

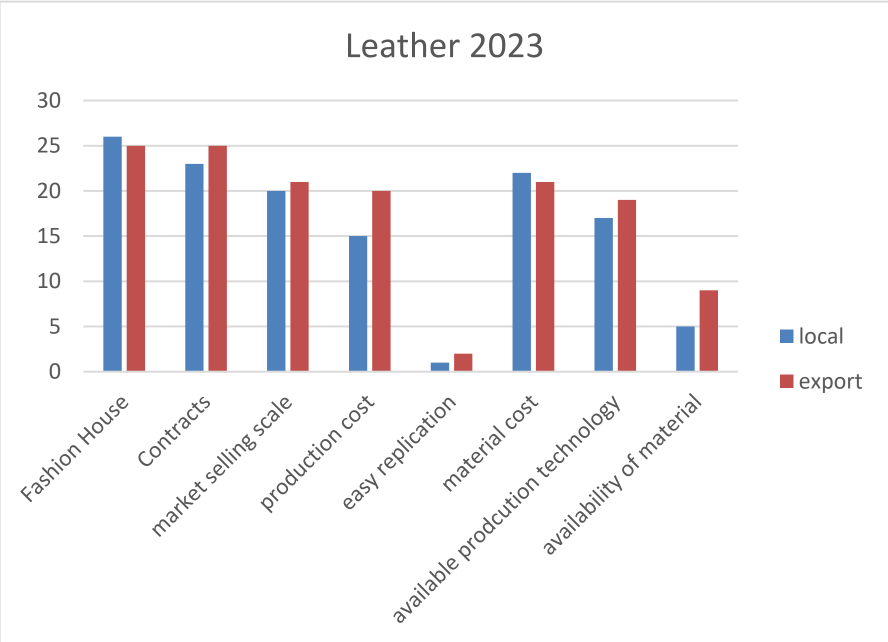
How do you determine design trends



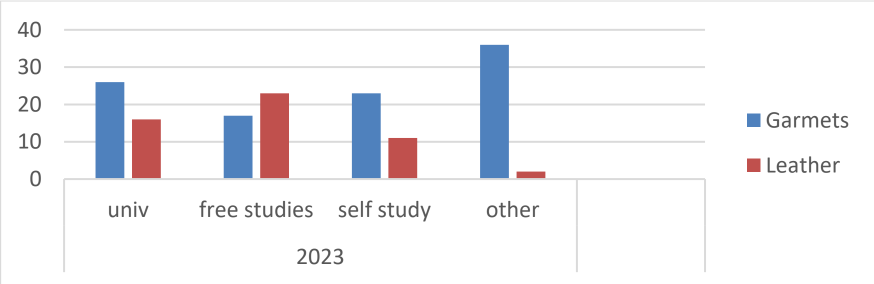
In the 2023, in the textile sector the most important source for determining design trends is considered the contracting customer (57%), followed by exhibitions (55%), then follow-up websites (47%). For the leather sector, it is exhibitions (100%), followed by follow-up fashion catalogs (92%), then the responses of consumers and their reactions.

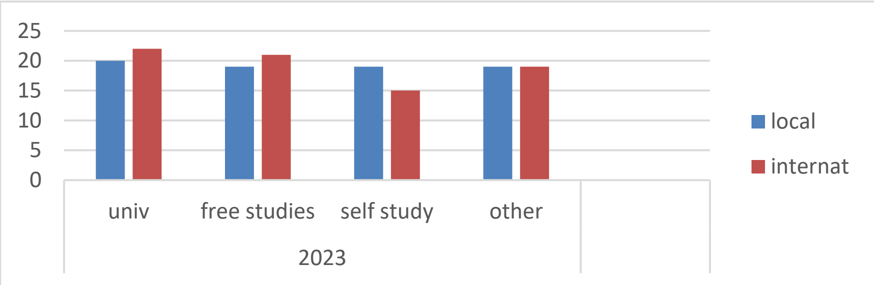
Key factors influencing the designs





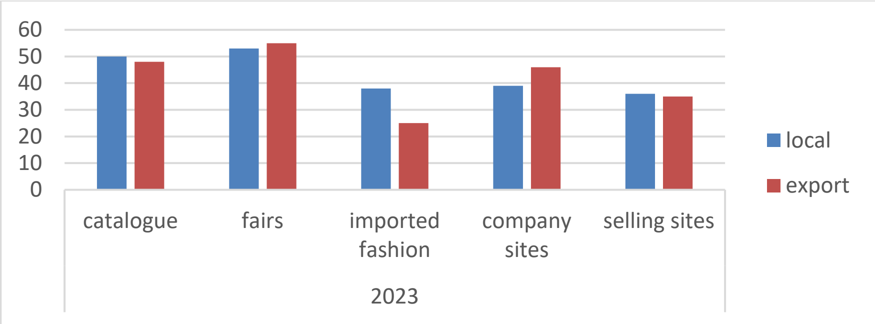
Where did the designer study design





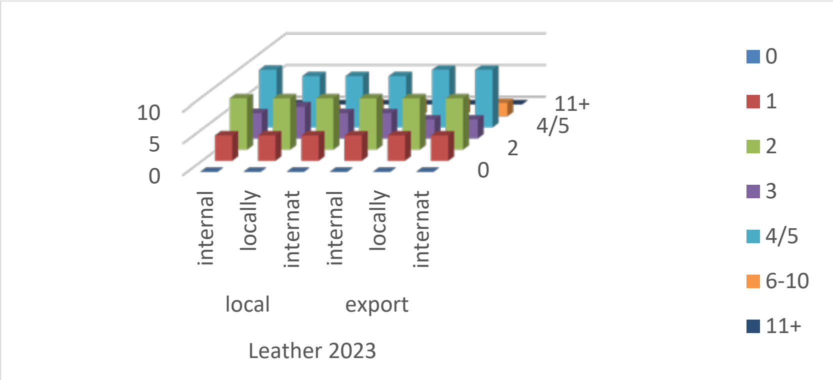
Designers still rely on self-study (73%) and free studies (53%), but it is noted that universities play an important role in preparing designers (41%)

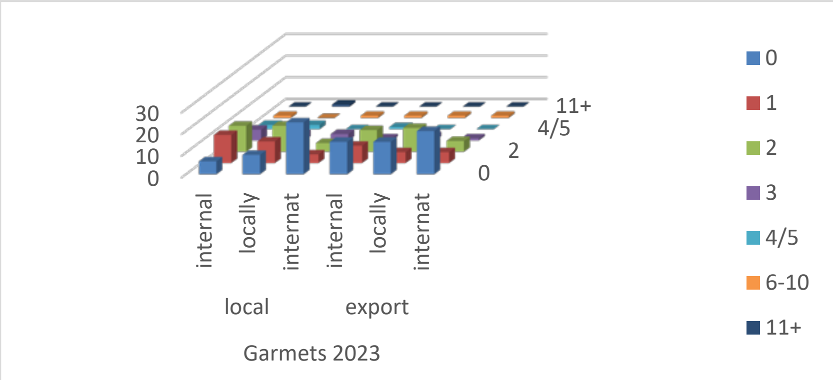
Most important source of designs



This year's sample, highlighted that the most important sources for obtaining designs and ideas for designs are the exhibition, catalogs, and company websites, which differ slightly from the previous study, where the companies' websites and sales sites were of importance besides the catalogs of export models and imported clothes for the local market.

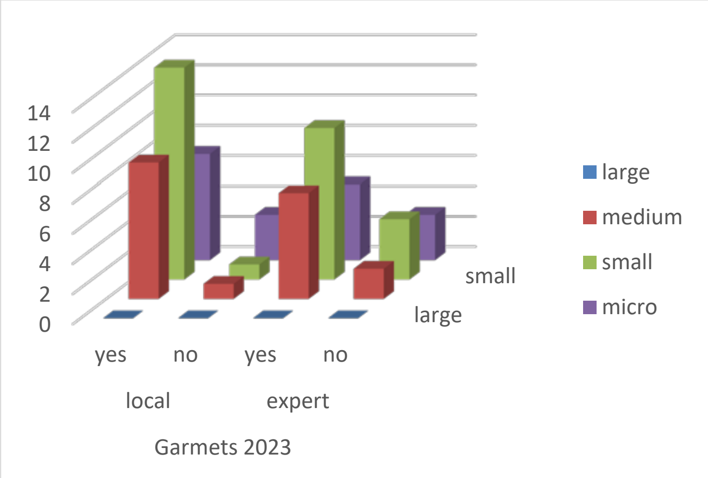
Number of designers you work with for each market

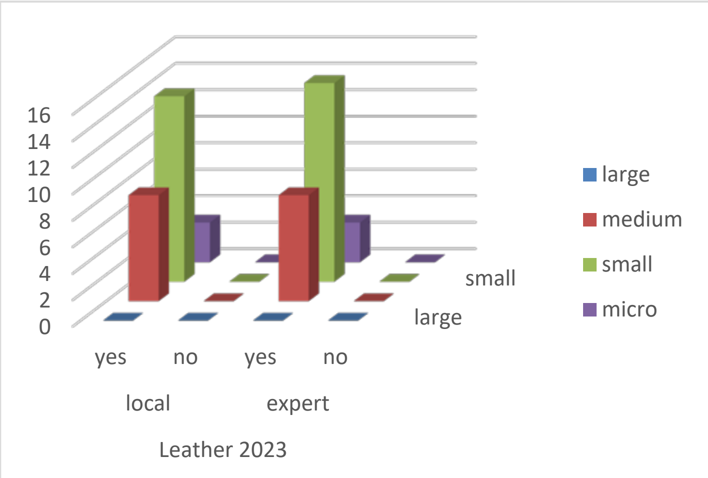




Many textile companies have one or two designers within the company (76%-86% for textile companies, 46% for leather companies, in addition to dealing with one or two local designers (79-84% of textile companies) and 46% of leather companies, concerning designers from abroad 24% of textile companies deal with foreign designers, while all leather companies deal with designers from abroad.

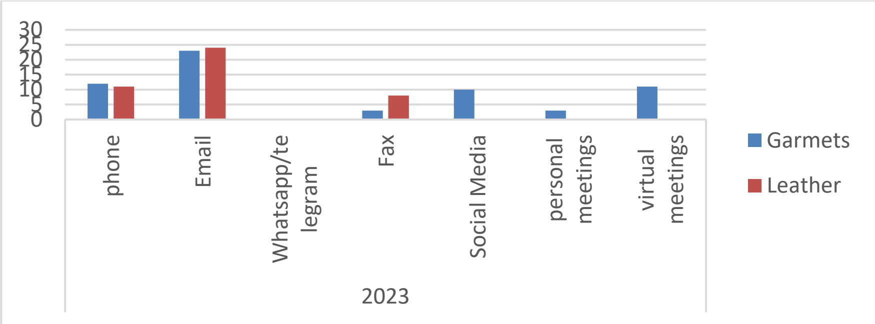
Is the number of designers available sufficient

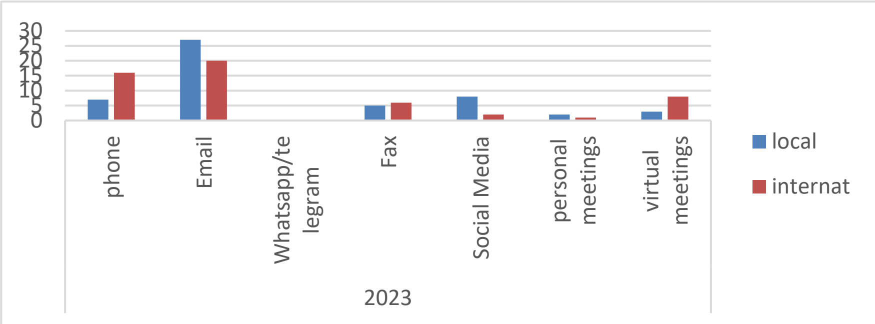




This year, the majority of workers in the textile sector believe that the number of designers is insufficient (51% for the local market 56%, in contrast to last year the leather sector, where 98% believe that the number of designers is sufficient (for the local and foreign market).

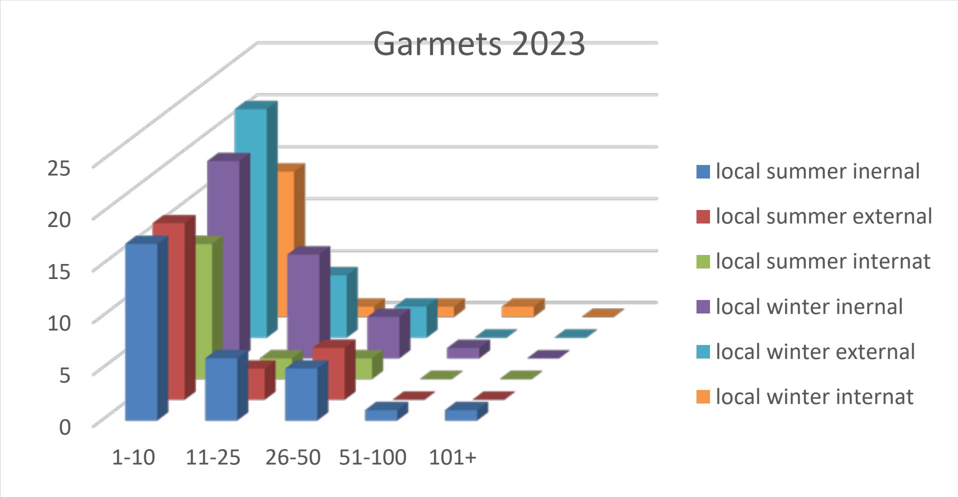
How do you communicate with designers

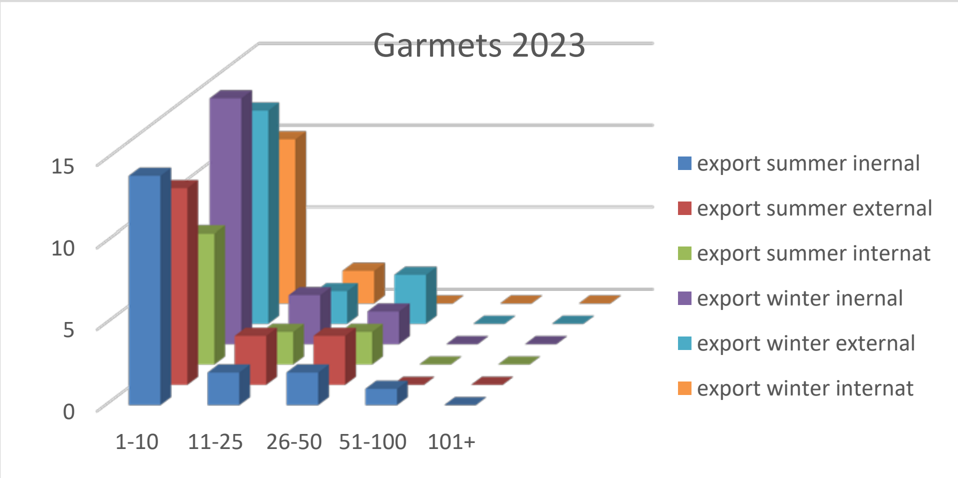


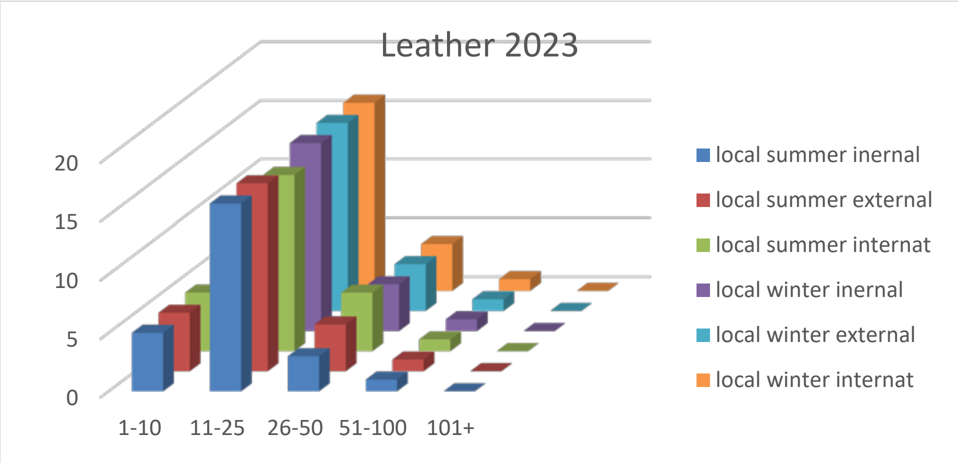


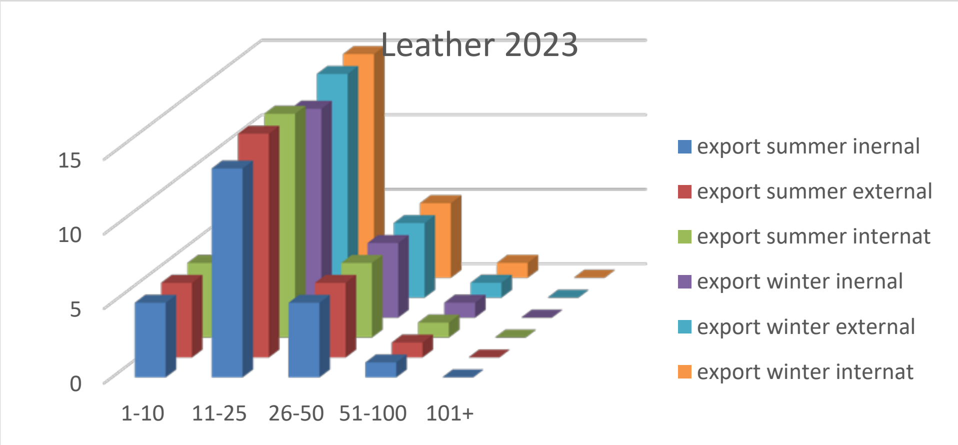
E-mail is still the first means of communication with designers, and it reaches 50% of leather companies when communicating with local designers, and 42 from external designers. In the textile sector, the percentage decreases to 27% and 18%. Second, comes social media, WhatsApp, and the telephone for textiles, and the telephone and fax for leather.

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



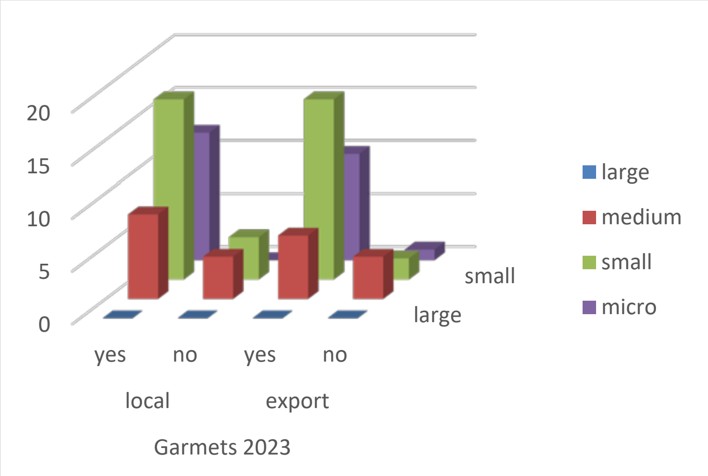


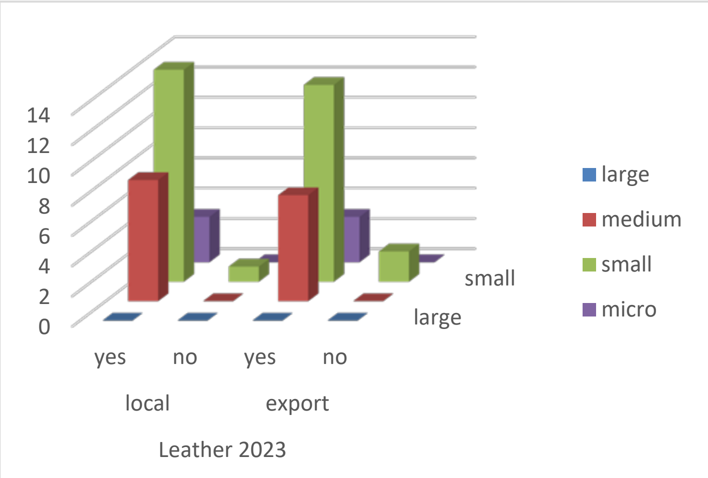




It is noted here that the textile sector deals with fewer designs than the leather sector, as the majority contracts and produces less than 10 designs in the season, whether from the company's designers or local designers or those residing abroad, while the majority in the leather sector contracts a number ranging from 11 to 25 designs.

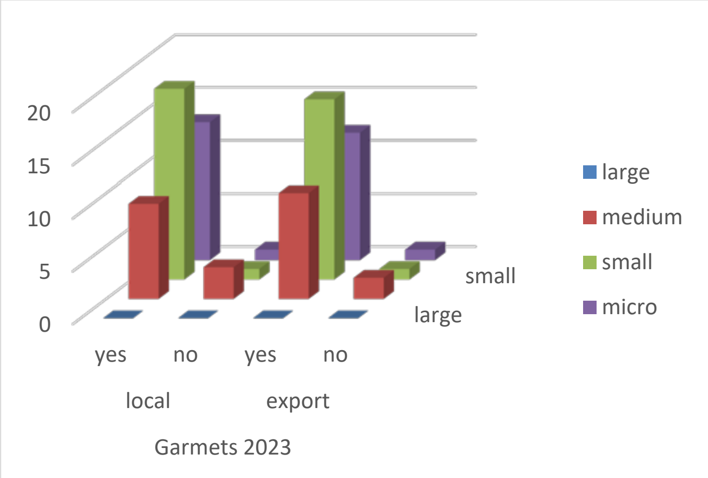
Does the technology used in the factory affect the choice of design

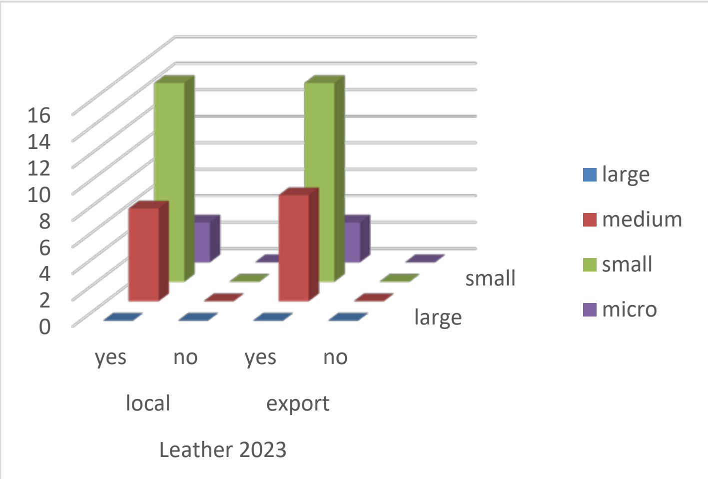




It is seen most of the companies design selection is influenced by the technology used (both in the textile sector (73% of the local market, 65%), as well as the leather sector (96%, 88%).

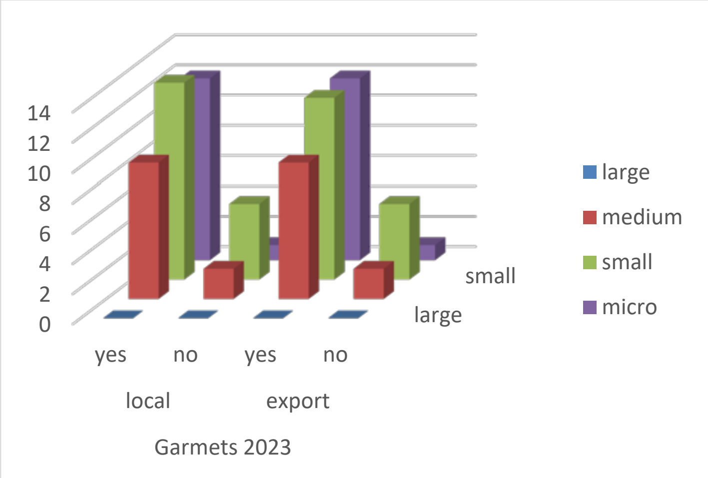
Does the design affect the production technology used

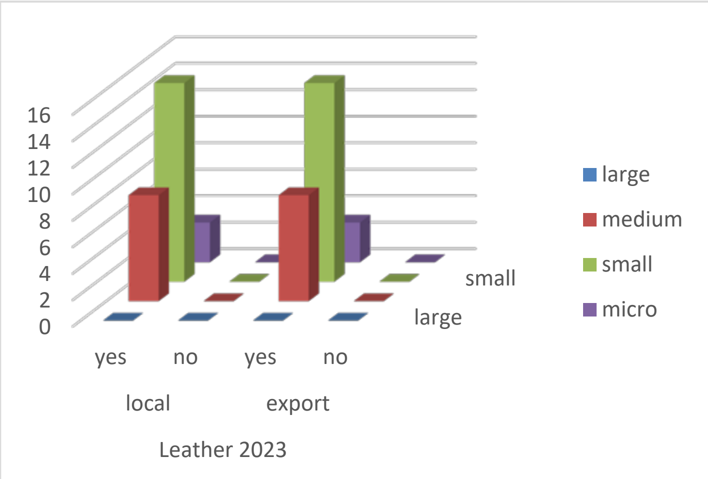




The study showed that the change of design affects production technology, whether for the local market (78% in the textile sector and 96% in the leather sector) or the export market (76% in the textile sector, 100% in the leather sector).

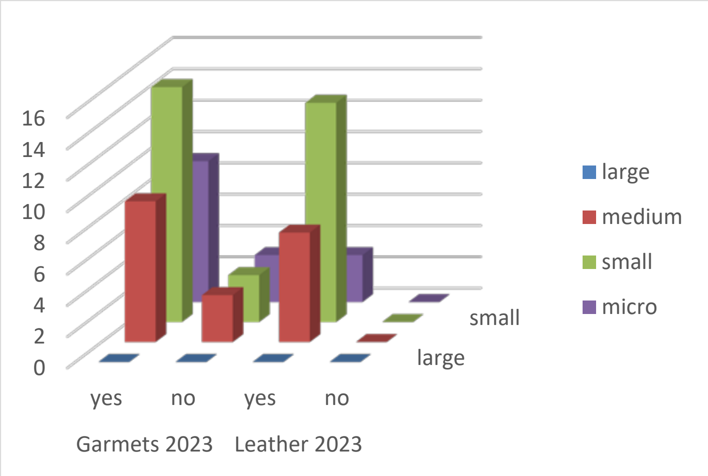
Does clean production technology affect designs





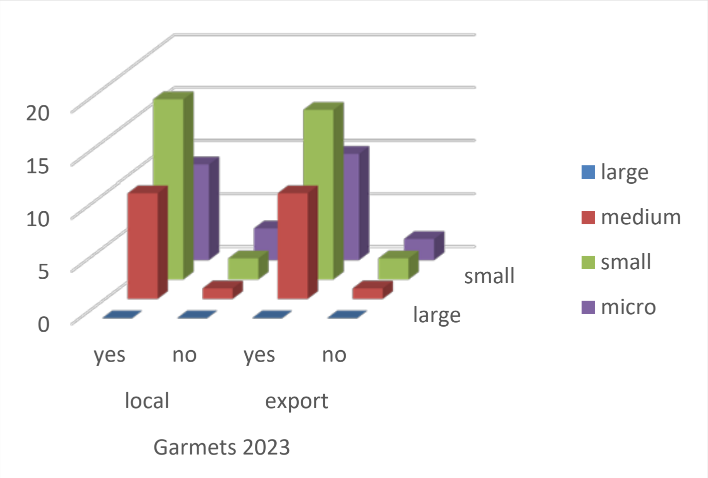
Clean production technology affects designs by 67%, 65% in the textile sector and 100% in the leather sector, which is higher than the previous study, as it was (56% the domestic market, 53% the export market) in the textile sector and the leather sector (73% the local market, 80% the export market).

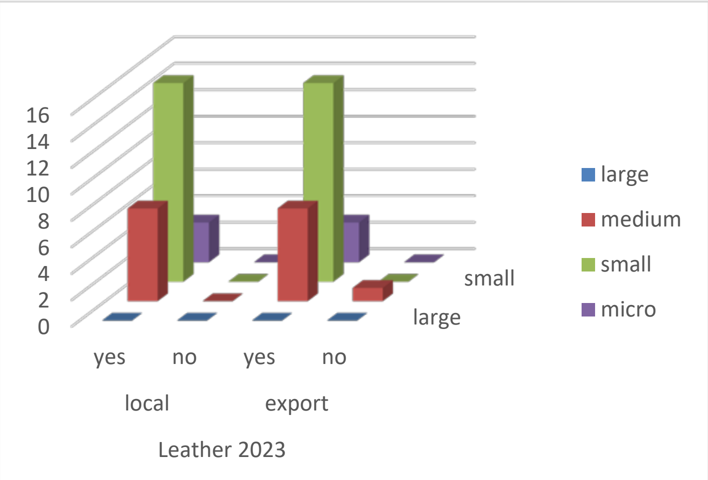
Does a environmentally friendly design and production policy influence the choice of designs



There is a slight increase in the results of the second questionnaire compared to the first, as 65% of the textile sector companies indicated that the environmental policy in production affects the choice of design, compared to 60% in the previous questionnaire. This also appeared in the leather sector, where it increased from 82% to 92%.

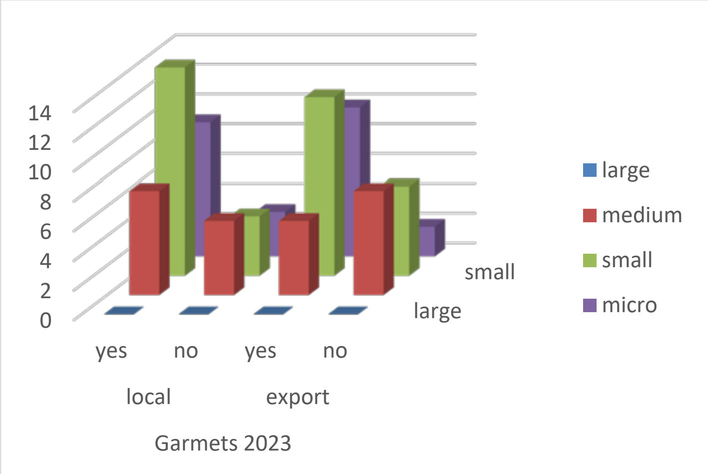
Is the efficiency resources use affected by the design

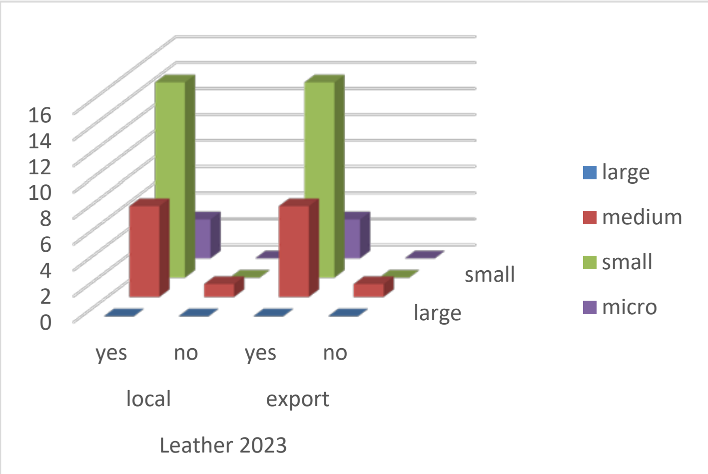




71% of textile sector companies and 96% of leather sector companies believe that the efficiency of using available resources is affected by design, which is higher than the 2021 study in the leather sector (74% local market, 70% foreign market) than the textile sector (70% local market, 67% foreign market).

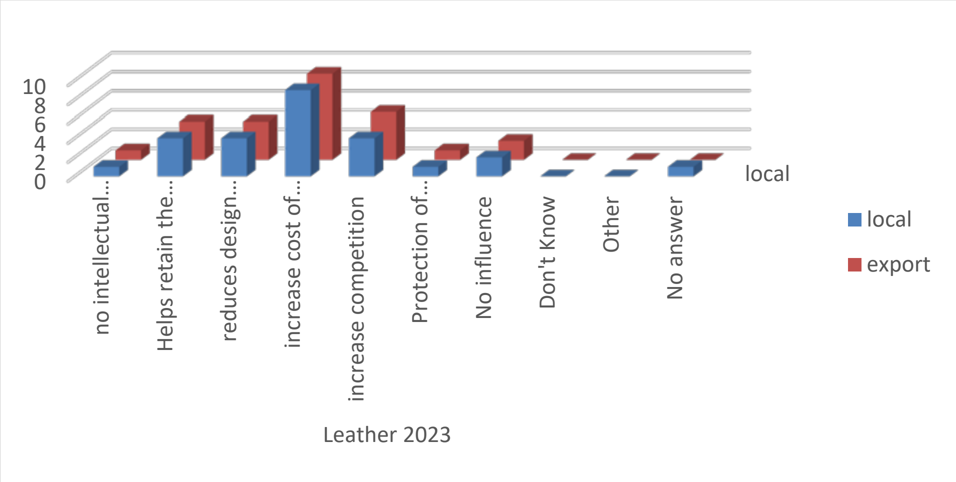
Is there a policy to facilitate the reuse and recycling of the product

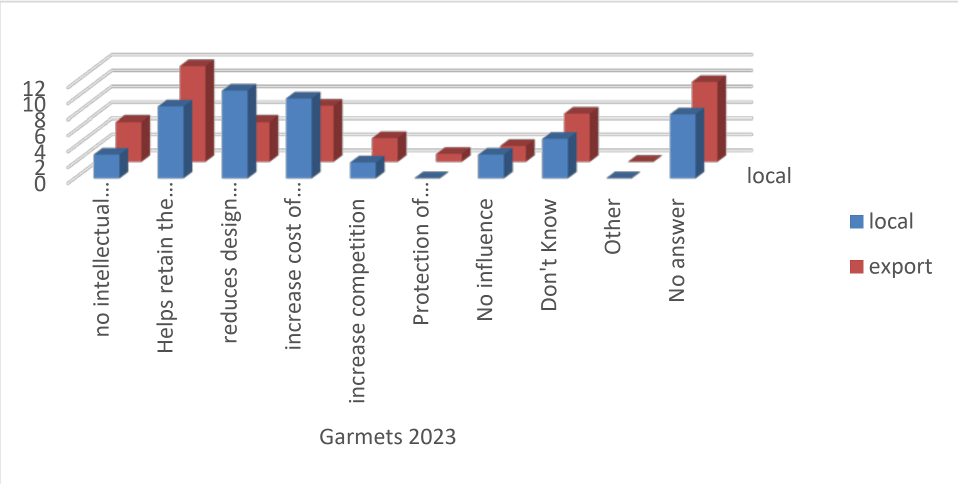




In this year's study, it is clear that the sample has greater awareness of the importance of developing a policy to facilitate the reuse and recycling of the product, as 59% of the textile sector companies have such a policy for local products and 53% for export products, compared to 40% in the previous study. As for the leather sector, it was 96% for the domestic and export markets, compared to 69% for the domestic market and 65% for the foreign market.

How do intellectual property rights affect the production of designs

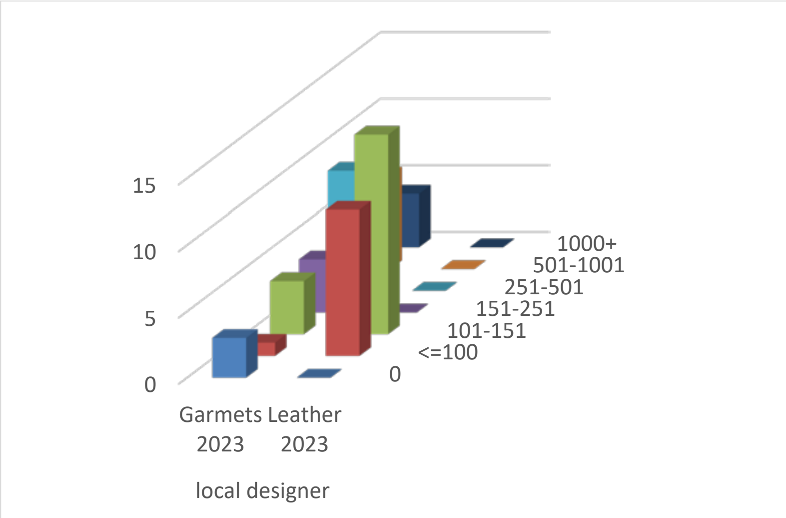


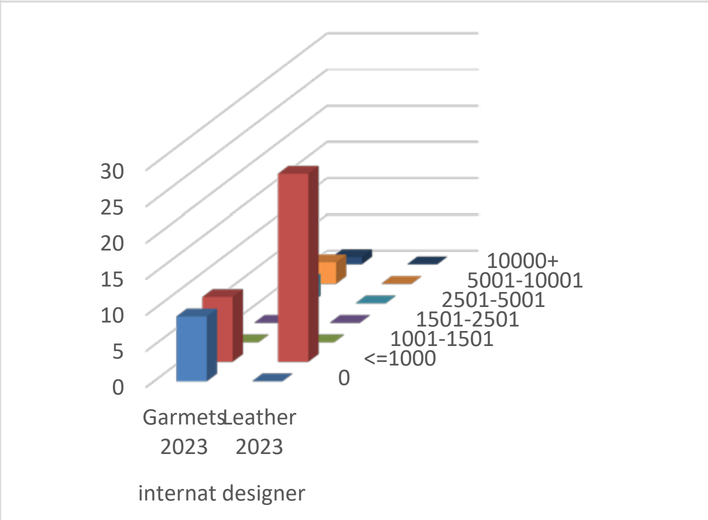


Intellectual property for designs is still one of the points that need awareness raising, as in this study it was found that 22% of the participants believe that there is no intellectual property for designs in the local market regarding the textile sector, while in the leather sector it is 17%.

It is also noted that 24% of the participants from the textile sector do not know or do not see that it has an impact, and 21% from the leather sector.

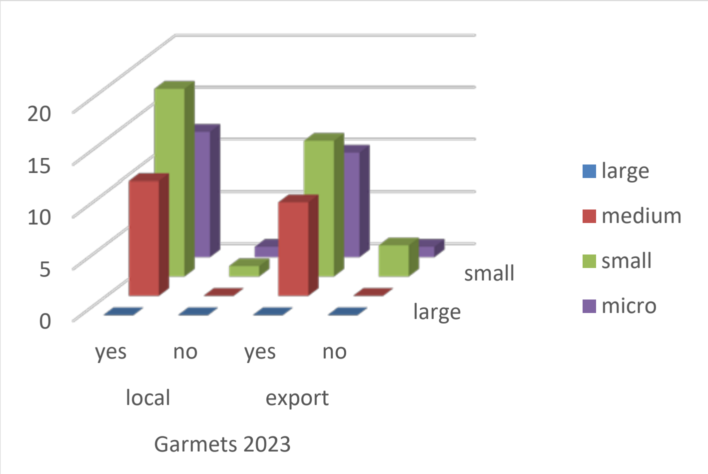
What is the average cost per design

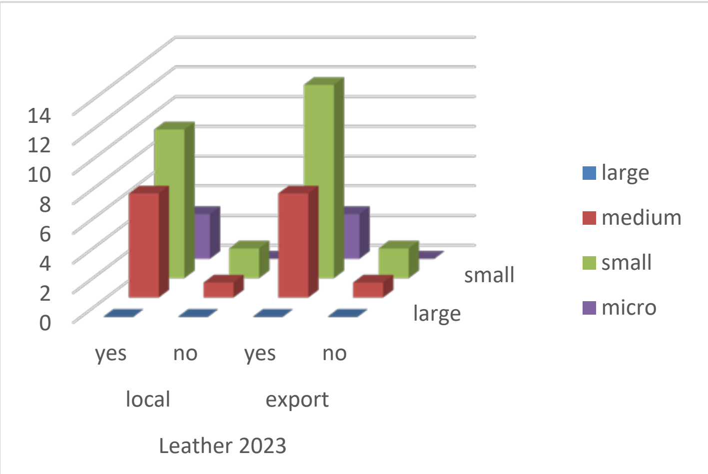




In the textile sector, a good number of them do not have direct design cost (9% for the local design, 36% for the foreign design), and it was found that 66% of the designs cost less than 500 EGP. which similar to the previous study. And the cost could reach 15,000 EGP, especially when buying the design from abroad (and this cost has increased significantly this year – putting the dollar price into account).

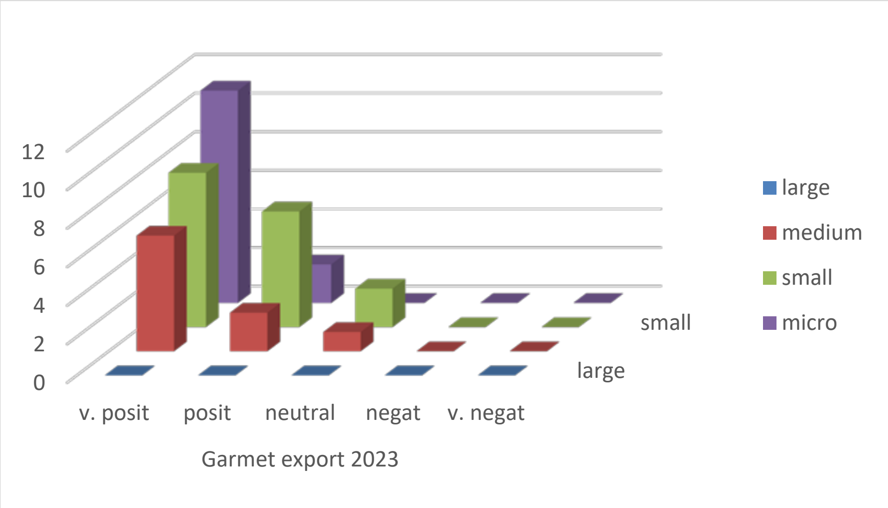
Does the number of designs affect the company's total sales

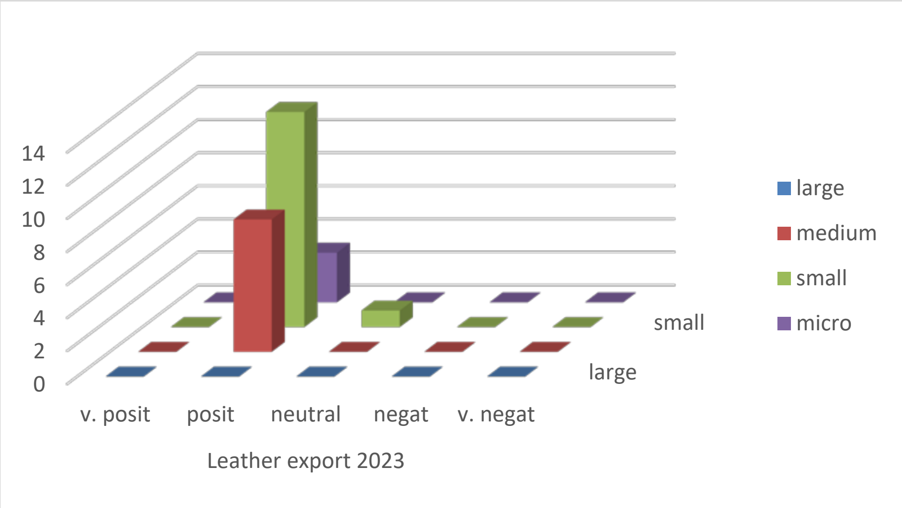


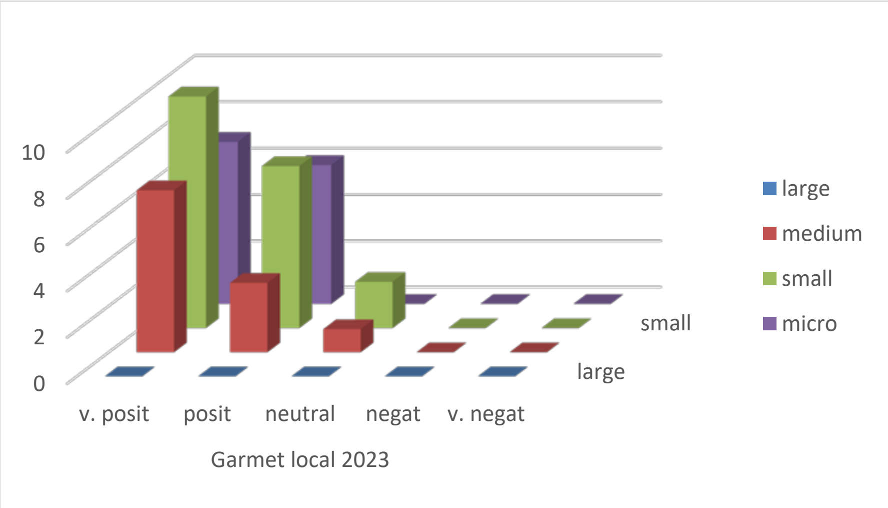


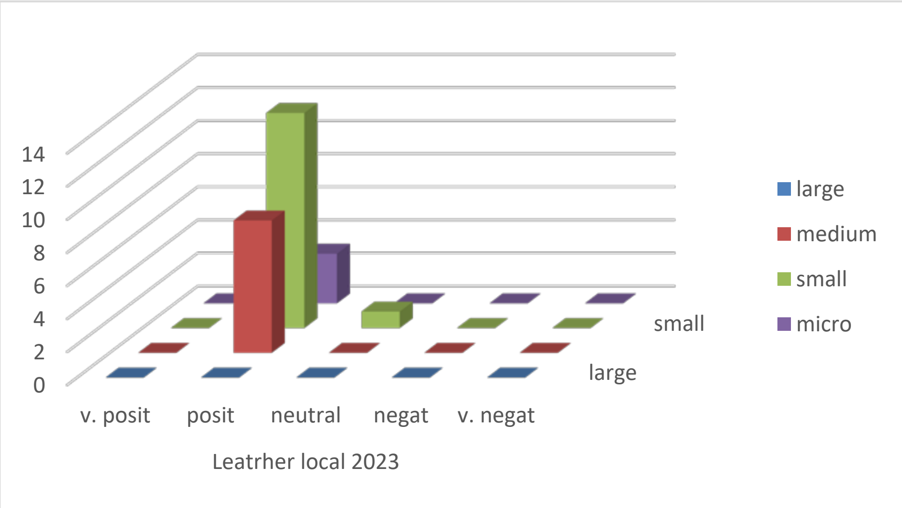
As it was the case in the previous study, the majority of respondents this year believe that increasing the number of designs increases sales, from the point of view of 80% with regard to local market sales in the textile sector and 63% for the export market (58% and 67 previously). As for the leather sector, the agreement was 79% for the domestic market and 88% for the export market (75% and 78% previously).

To what extent does the designer's background influence the sales of the product



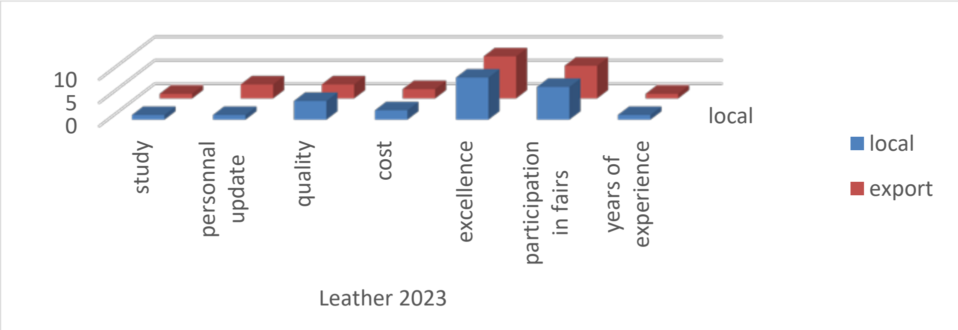


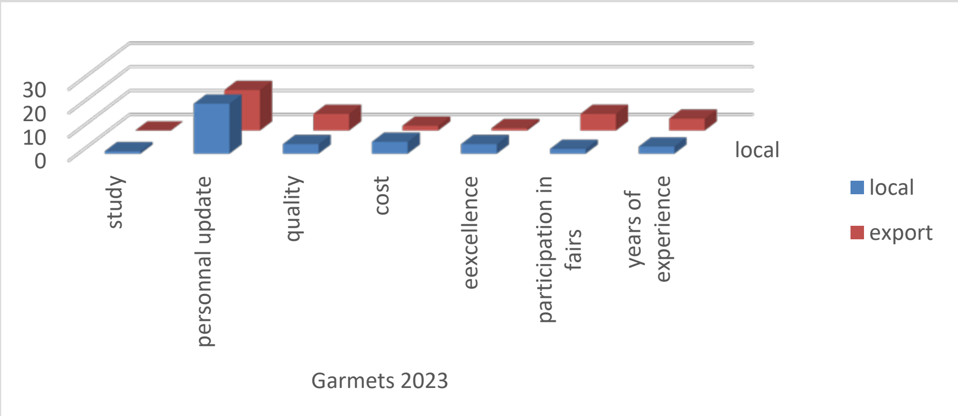




This year's sample saw that one of the most important factors in choosing designers and affecting sales in the textile sector is the extent to which they are aware of developments (41% local, 33% export) in addition to the quality of work and their participation in exhibitions (14% both for export products) and then the cost (10% local) and years of experience (10% for export).

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

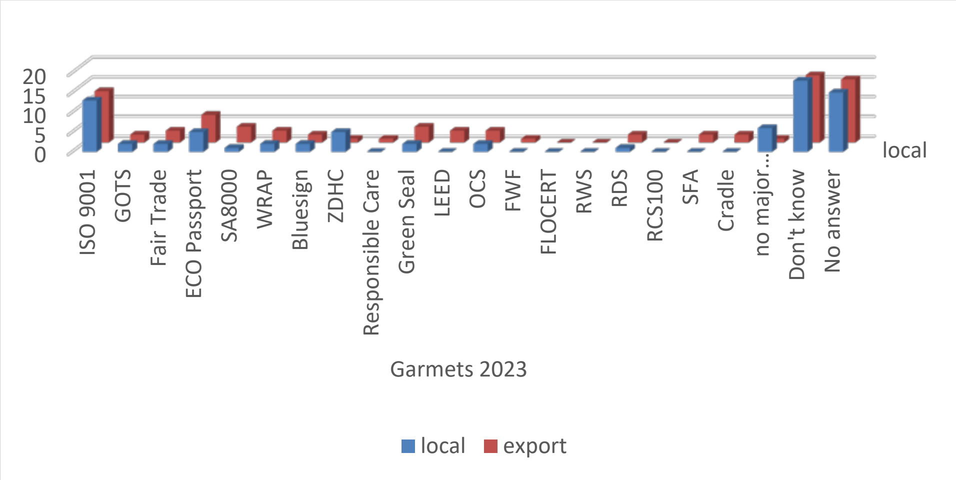


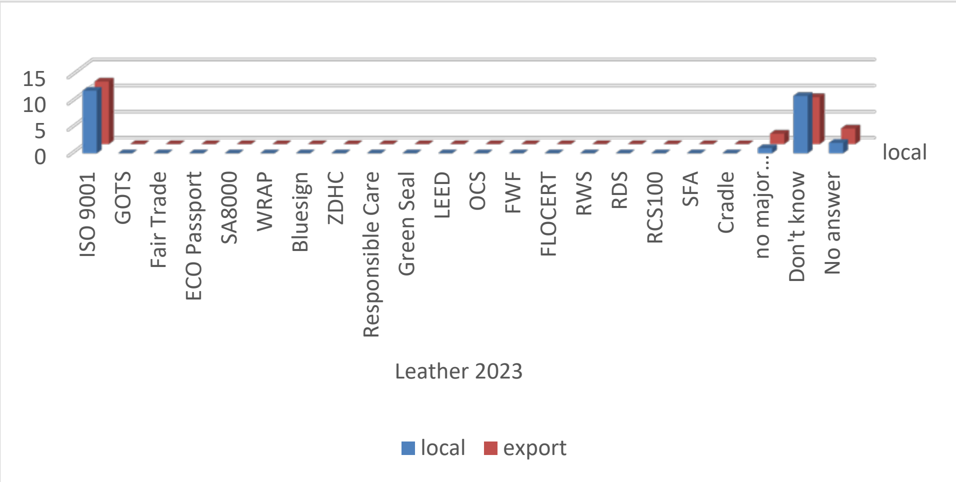


As for the leather sector, the importance of being up to date and the ability to innovate (33%), participation in exhibitions (29%), then the quality of design (13%), with no difference between local and export.

As for the leather sector, it is knowledge of what is new in the market (24%) for the local market, while export is knowledge of developments (14%) and its ability to reduce design cost (14%)

Identify the four certificates that have the most impact on the designs



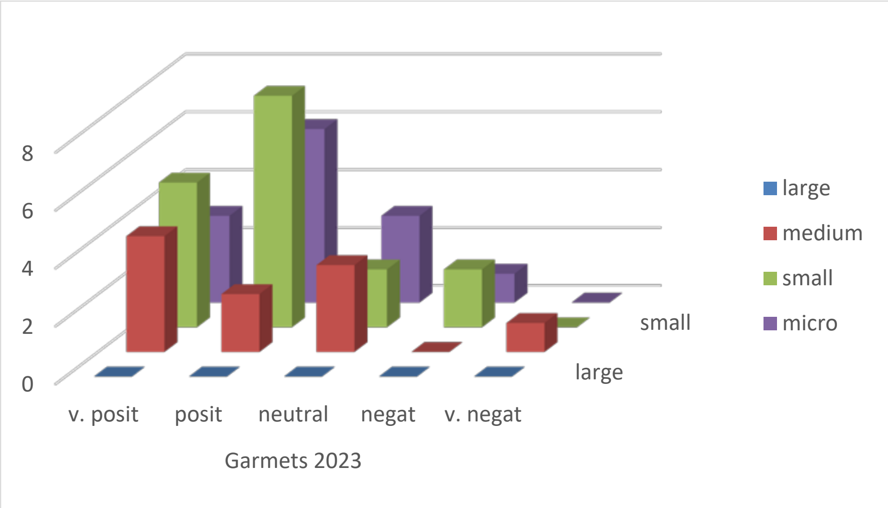


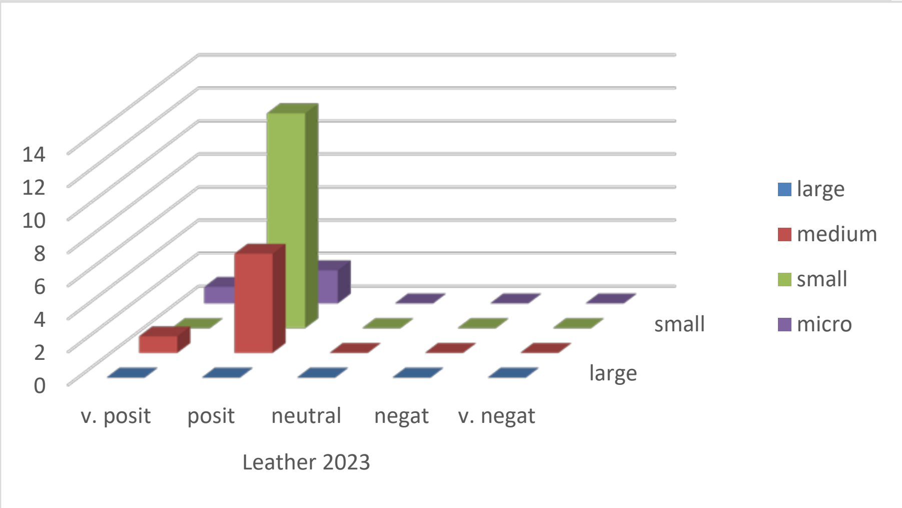
It was also clear from the survey that the textile sector is familiar with many influential certifications such as ISO 9001 (25% local and export), ECO Passport (10%/14%), ZDHC and others such as GOTS, Fair Trade, WRAP, Bluesign, GreenSeal and OCS.

While the leather sector only mentioned ISO 9001.

To what extent are the national policies supporting the sector and affecting designs the impact on

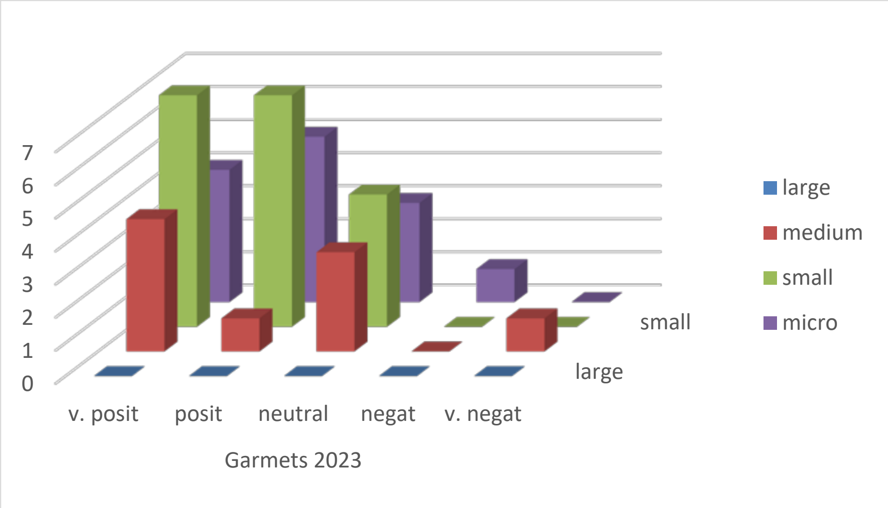
Competitiveness:

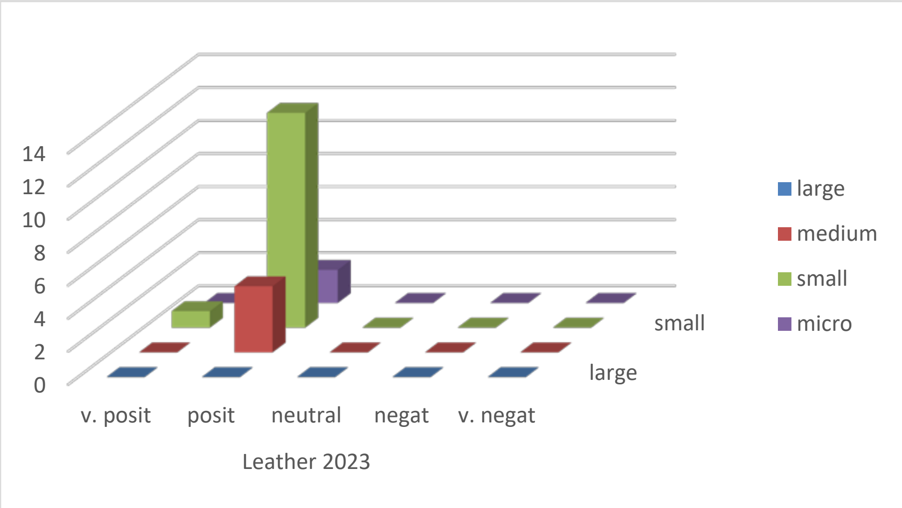




In the 2023 sample, the majority of the participants in the questionnaire still have a positive view that national policies support the sector in the field of designs, as 55% (77% in 2021) in the textile sector and 87% (92%) in the leather sector believe that such policies will help raise competitiveness for their own products.

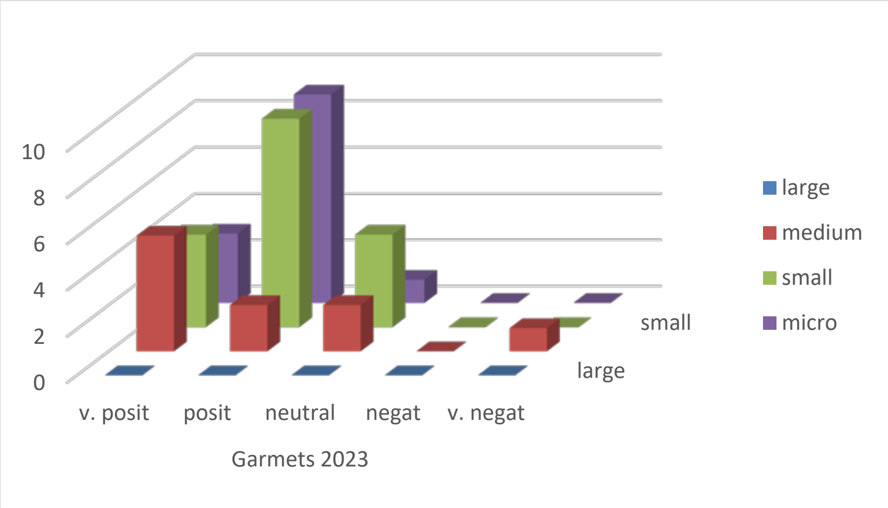
Sector growth:

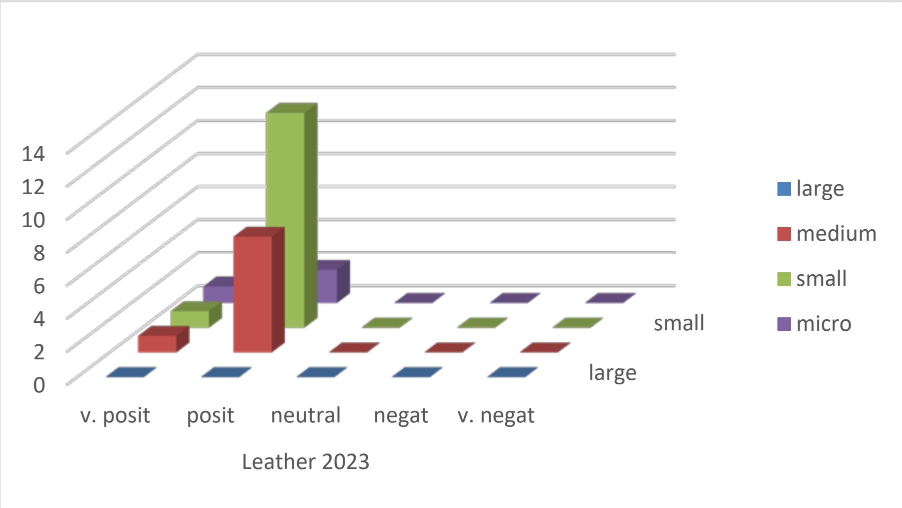




As for the impact of such policies on the growth of the sector, 54% in the textile sector and 75% in the leather sector say that such policies will positively affect the growth of the textile and leather industries, compared to 75% and 98% previously.

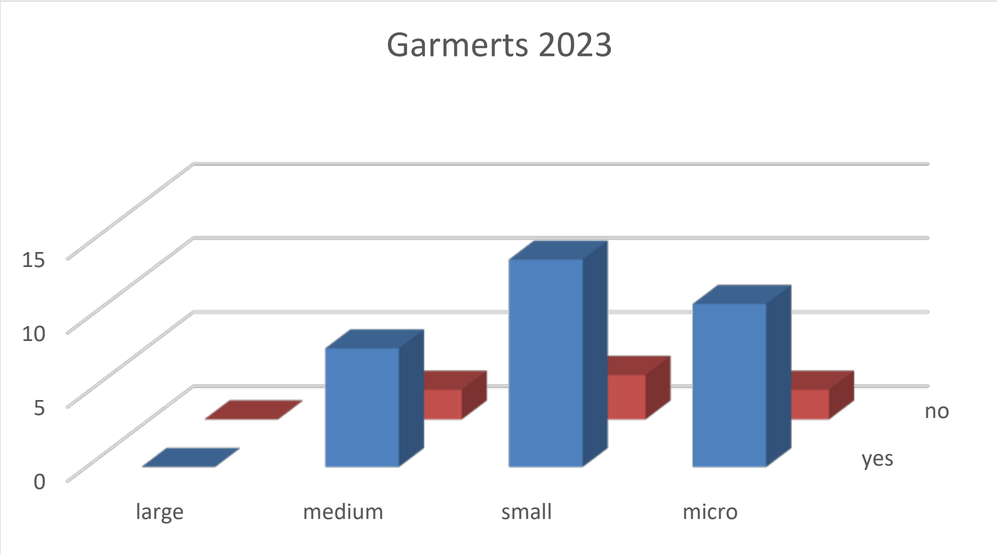
Job creation:

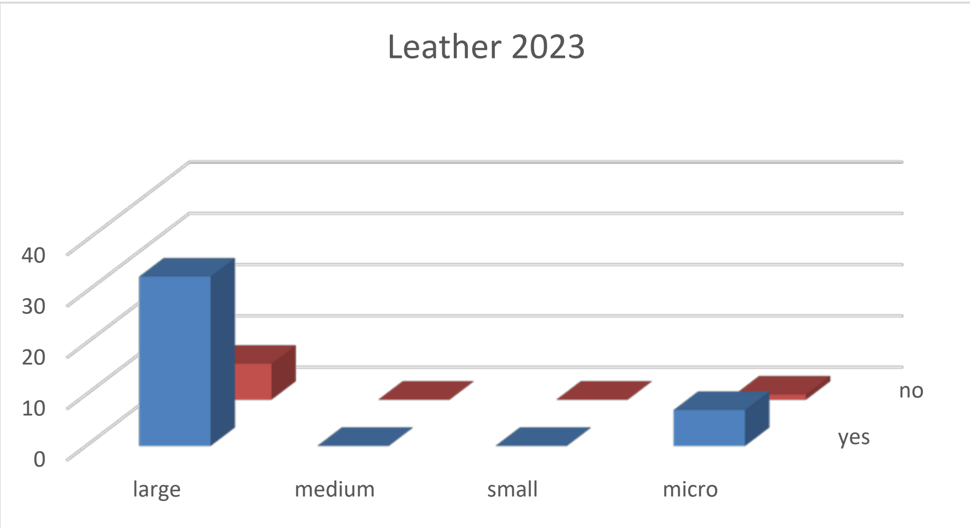




Supportive policies for the sector will have a positive or high positive impact on the provision of job opportunities, according to 63% (79% in 2021) of respondents from the textile sector and 96% from the leather sector, compared to 88% previously.

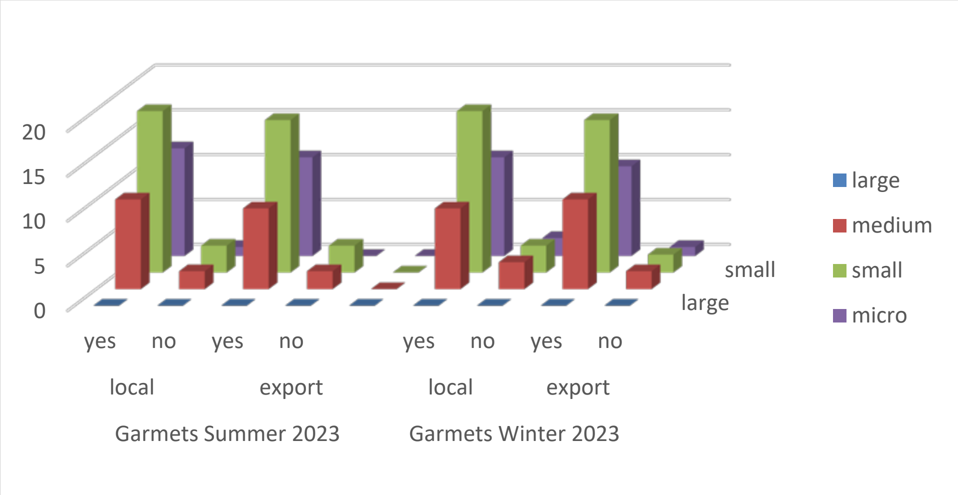
Are trends discussed, experiences shared, and best practices presented with others in the field of design and production

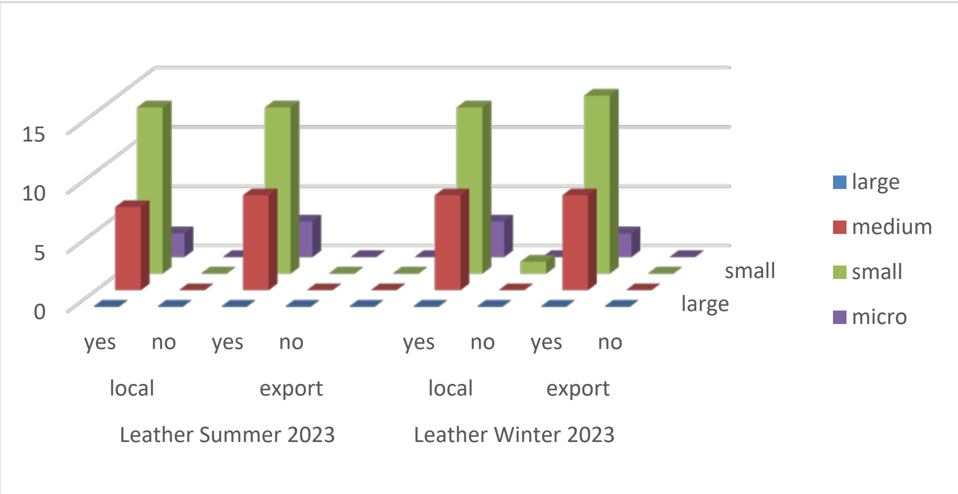




In the 2023 sample, 65% of the textile sector agreed that there are workshops and meetings that take place at intervals during which trends are discussed, experiences are exchanged, and good practices are presented with others in the field, which is less than the previous sample (72%). As for the leather sector, the result was 88% compared to 75%. % in the previous study

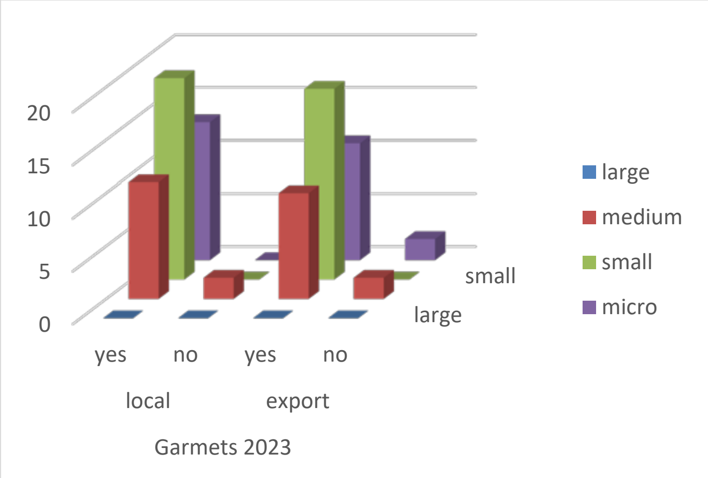
Do seasonal designs differ from year to year

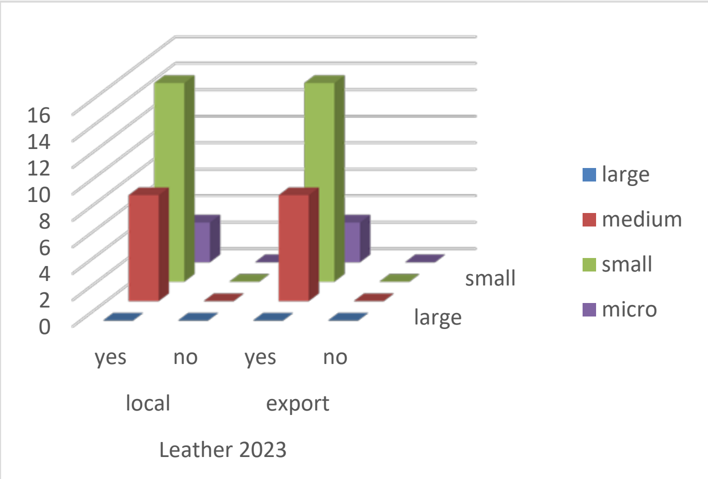




There is a difference in the annual designs, as 78% of the textile companies change designs for the local market annually for the summer season and 75% for the winter season) and by 73% for the summer and winter seasons for the foreign market and 72% for the winter season, which is close to the previous study 79% (summer and winter seasons) compared to the summer season for the foreign market and 72% for the winter season for the leather sector, 88% for the local market and 96% for the foreign market, compared to 96% for the local market and 94% for the foreign market (for the summer and winter seasons).

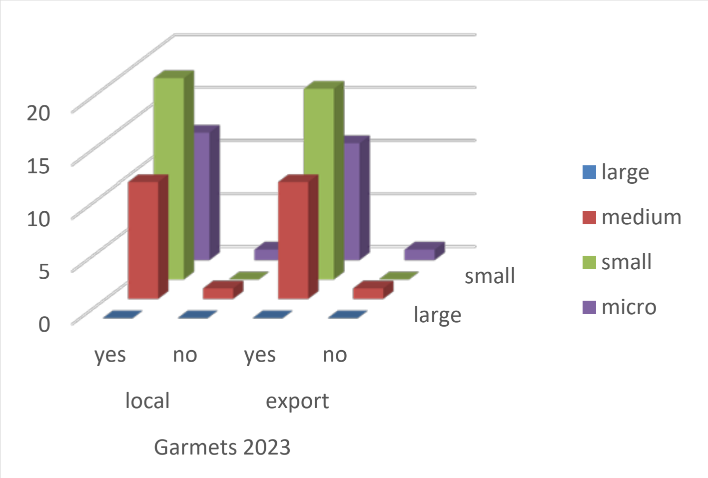
Are the required raw materials affected by the design

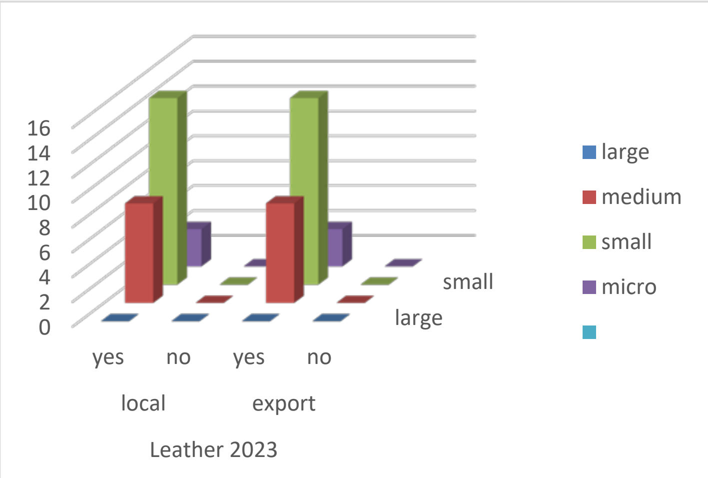




The required raw materials change according to the designs in the textile sector (84% of the domestic market, 76% of the foreign market), compared to 100% in the leather industries, which is higher than the previous study (textile: 65% local and 63% export, leather: 71% for the two markets).

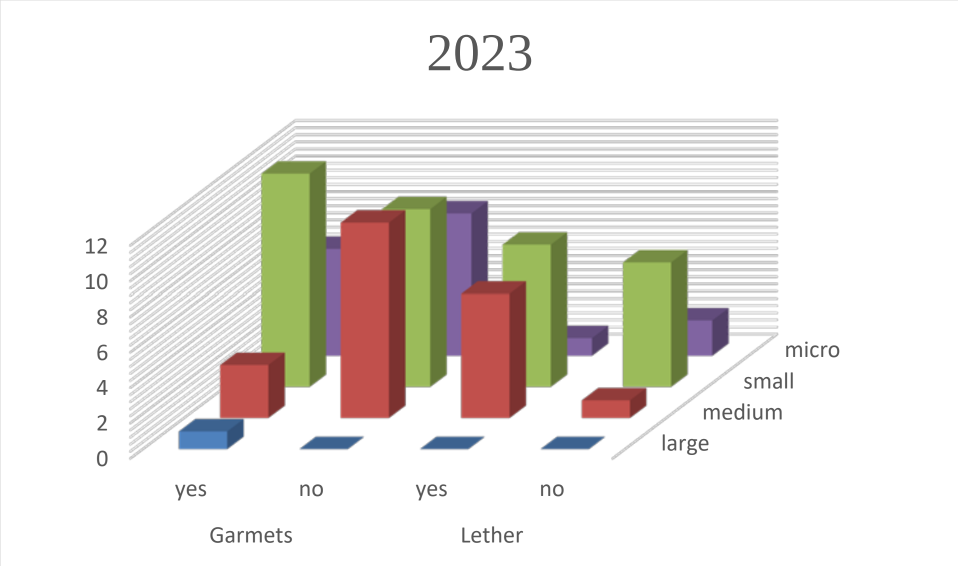
Is the raw material supply chains affected by the designs





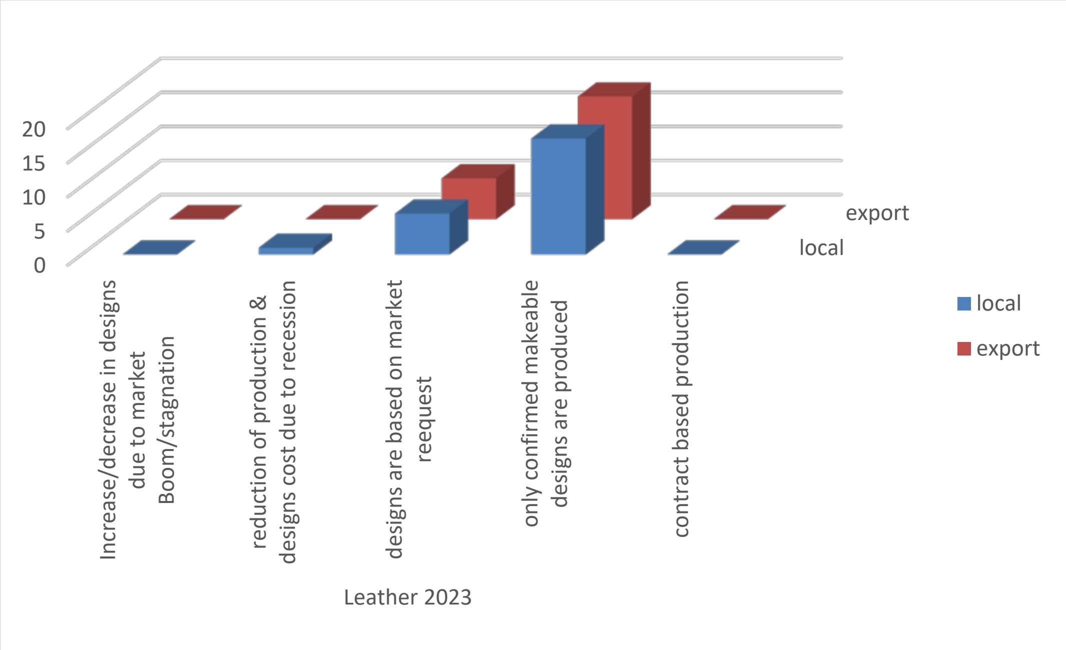
Designs have an impact on the supply chains of raw materials, with a percentage of 82% for local textile products and 78% for export products (compared to 63% for the local market, 60% for the export market in the previous study), and for the leather sector, it is 100% for the local and export markets (compared to 67%).

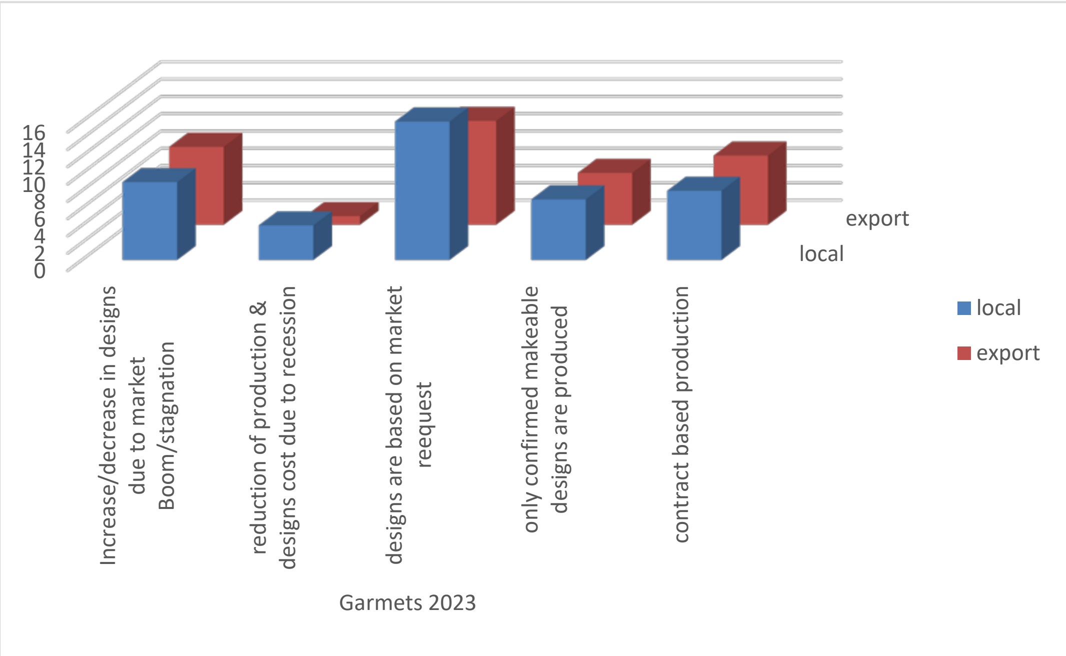
Do you reproduce other designers' designs



Compared to the 2021 study participants, in 2023 cloning is done by 43% in the textile sector (93% in 2021) and 43% in the leather sector (31%). Small companies are still the ones that carry out the most cloning operations (55% textile and 62% leather), compared to 87 % and 37% in 2021.

How does the market affect design trends (23)





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

The experience and ability of companies to predict the market and read the consumer trend is a key factor in determining what design is being produced (market desire (31% textile sector and knowledge of what is certain to be marketed 65% leather sector)

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

B2B services

It is clear here that the most important needs of companies from the platform in B2B services are:

Local market:

- Information about service opportunities (shipping / services and support for factories / industrial areas
- Opportunities to deal with suppliers / production requirements / raw materials / ores
- Marketing, selling and advertising platform / communicating with merchants.
- Training
- Introducing contractual opportunities and providing market opening opportunities
- Raising awareness and defining the lowest cost solutions / new in the market / developing services
- Opportunities to interact with designers

Export market:

- Information about service opportunities (industrial areas / exhibitions
- Opportunities to deal with suppliers / production requirements / raw materials / ores
- Marketing, selling and advertising platform
- Providing contractual opportunities and opportunities to open international markets
- Raising awareness and defining the lowest cost solutions / new in the market / developing services
- Opportunities to interact with designers
- Facilitating procedures and providing electronic financial services

B2C Services:

Local market:

- Marketing, selling and advertising platform
- Opportunities to deal with suppliers / production requirements / raw materials / ores
- Providing service opportunities (eg. exhibitions)
- Raising awareness and defining the lowest cost solutions / new in the market / developing services
- Facilitating procedures and providing accounting and tax software services
- Opportunities to interact with designers

export market:

- Marketing, selling and advertising platform
- Opportunities to deal with local and international suppliers / production requirements / raw materials / ores
- Information about service opportunities (exhibitions / translation
- Raising awareness and defining the lowest cost solutions / new in the market / modern technology
- Facilitation of procedures and available exemptions
- Provide Opportunities to interact with designers
- Introducing contractual opportunities and providing opportunities to open exports
- Definition and support in the procedures for obtaining certified quality certificates

Annex 2: Survey:

Questionnaire

Name:
Telephone:
Company Name:
Industry: Textile / Leather
Category :Micro / Small / Medium / Large

1. Did you participate in the previous study?
   Yes / No

A) Present status of designs

2. Is there a difference between local and international designs?
   Yes / No

3. Do you reproduce other designers' designs?
   Yes / No

4. How do you determine design trends?
   Local market / Export market:
   Exhibitions / Catalogs / On-line sites observation / Requested Designs / Experience and consumer responses / Adaptation and reproduction / Other

5. List the four most important influences for each market?
   Local market / Export market:
   International fashion houses / Contracts and client requests (wholesale) / Sales volume of the design / Production cost / Easy reproduction / Cost of raw materials / Available and required production technology / The availability of the required raw materials / None / I don't know / Other

6. List three of the most important source for the designs?
   Local market / Export market:
   Catalogs / Exhibitions / Imported clothes (models) / Foreign companies Websites / Marketing Platforms / Designers (direct contract) / Other

7. Number of designers you work with for each market

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

8. Is the number of designers available sufficient?
   - Local market : Yes / No / Don't deal with designers

- Export market: Yes / No / Don't deal with designers

9. How do you communicate with designers?
   Local / International:
   Phone / Email / WhatsApp / Telegram / Fax / Social Media (Facebook, ...) / Personal Meetings and visits / Virtual meetings (Zoom, ...) / Other

10. What experience is important for designer selection?

Local Market	Export Market
o University (College…)	o University (College…)
o Free courses	o Free courses
o Self-study	o Self-study
o other	o other

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

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

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

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

14. How do intellectual property rights of designs affect the production of designs?
    Local market / Export market
    Has no effect / I don't know / There are no intellectual property rights in the field of designs / helps the retention of customers and market / Reduces the illegal duplication of designs / Leads to increase in the design prices and products / Increase in competition / Maintain product excellence / Other

15. Does a environmentally friendly design and production policy influence the choice of designs.
    Local market: Yes / No
    Export market: Yes / No

16. What is the average cost per design?
    Local market: Cost ___EGP
    Export market: Cost ___EGP

Local designer: Cost ___ EGP
Export designer: Cost ___EGP

A) Production Technology

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

18.Does clean production technology affect designs?
Local: Yes/No
Export: Yes/No

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

20.Is the raw material supply chains affected by the designs?
Local market: Yes/No
Export market: Yes/No

21.Is the efficiency resources use affected by the design?
Local market: Summer Yes/No
Local market: Winter Yes/No
Export market: Summer Yes/No
Export market: Winter Yes/No

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

B) Market Trends and International Trade

23.How does the market affect design trends?
Local market / Export market:
- Market boom/recession leads to an increase/decrease in designs
- Market recession leads to a reduction in the cost of production and designs
- Designs are increased based on the request of the market
- Only designs that are confirmed to be marketed are produced
- Production is carried out based on contracts only
- Other: _____

24. Does the number of designs affect the company's total sales?
    Local: Yes/No
    Export: Yes/No

25. To what extent does the designer's background influence the sales of the product?
    Local market:
    Very high impact High impact Low impact No impact
    Export market:
    Very high impact High impact Low impact No impact

26. What are the factors behind the designer's background that can influence product sales (internal/external designer – local/international designer – study... etc.) (List three)
    Local market / Export market:
    - Study
    - Being up-to-date/follow up on what's new in the market
    - Quality
    - Cost
    - Excellence
    - Participation in exhibitions
    - Years of practical experience
    - Other: ______

C) Policies and Regulations

27. Identify the four certificates that have the most impact on the designs.
    Local market / Export market:
    - ISO 9001
    - GOTS
    - Fair Trade
    - ECO Passport
    - SA8000
    - WRAP
    - Bluesign
    - ZDHC
    - Responsible Care
    - Green Seal
    - LEED
    - OCS
    - FWF
    - FLOCERT
    - RWS
    - RDS

- RCS100
- SFA
- Cradle
- No significant certification
- Don't Know
- Other

28. To what extent are the national policies supporting the sector and affecting designs the impact of each of:

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

29. Are trends discussed, experiences shared, and best practices presented with others in the field of design and production?

Yes/No

D) Platform

30. 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