Industrial Change in the Clothing/Textiles Cluster of North West England

David Tyler

Department of Clothing Design & Technology
Hollings Campus
Manchester Metropolitan University

Manchester Metropolitan University

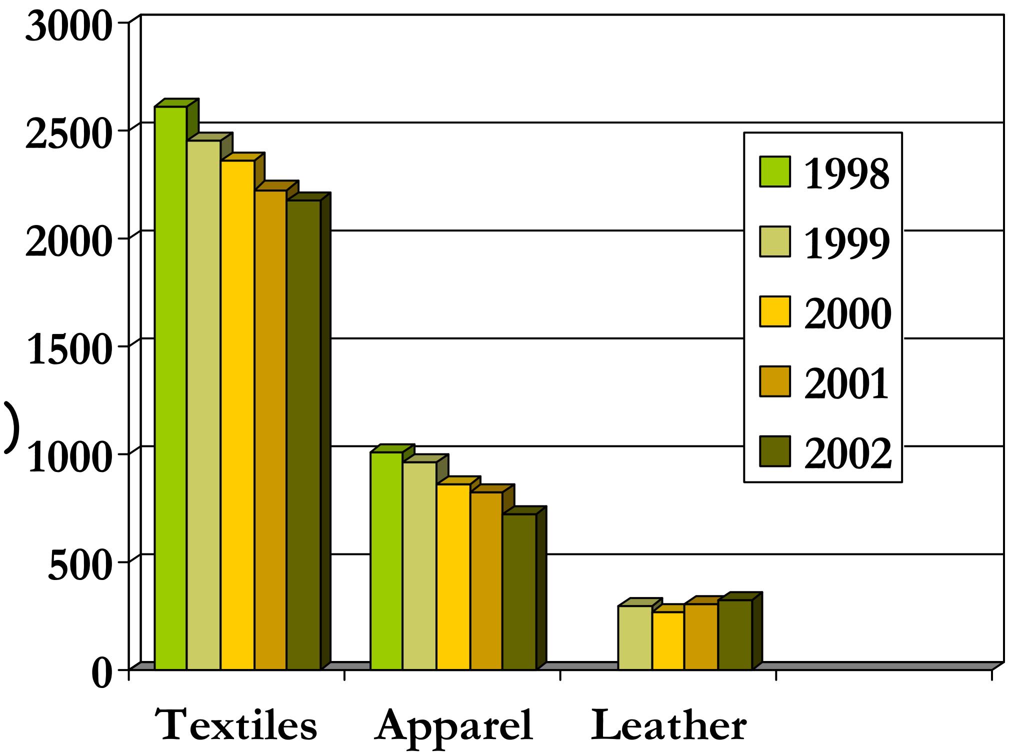
The North West Region

NW Clusters (DTI Report, 2001)	NWDA Clusters (2001)
Aerospace (military, airframe)	Aerospace
Automotive (assembly)	Automotive
	Aviation
Pharmaceuticals	Biotechnology
Chemicals (inorganic, speciality)	Chemicals
	Creative Industries
	Construction
Leisure software	Digital Industries
	Energy – including Renewable Energy
Environmental industries	Environmental Technology
Finance	Financial & Professional Services
Agriculture/Food (processing)	Food & Drink
Shipbuilding	Maritime
	Sport
Household textiles and clothing	Textiles
Tourism	Tourism
Furniture manufacture	
Metals, Nuclear fuel processing, Paper and paperboard, Plastics (primary, products)	

Annual Turnover Data for Cluster

Annual Turnover data

(£ Million)

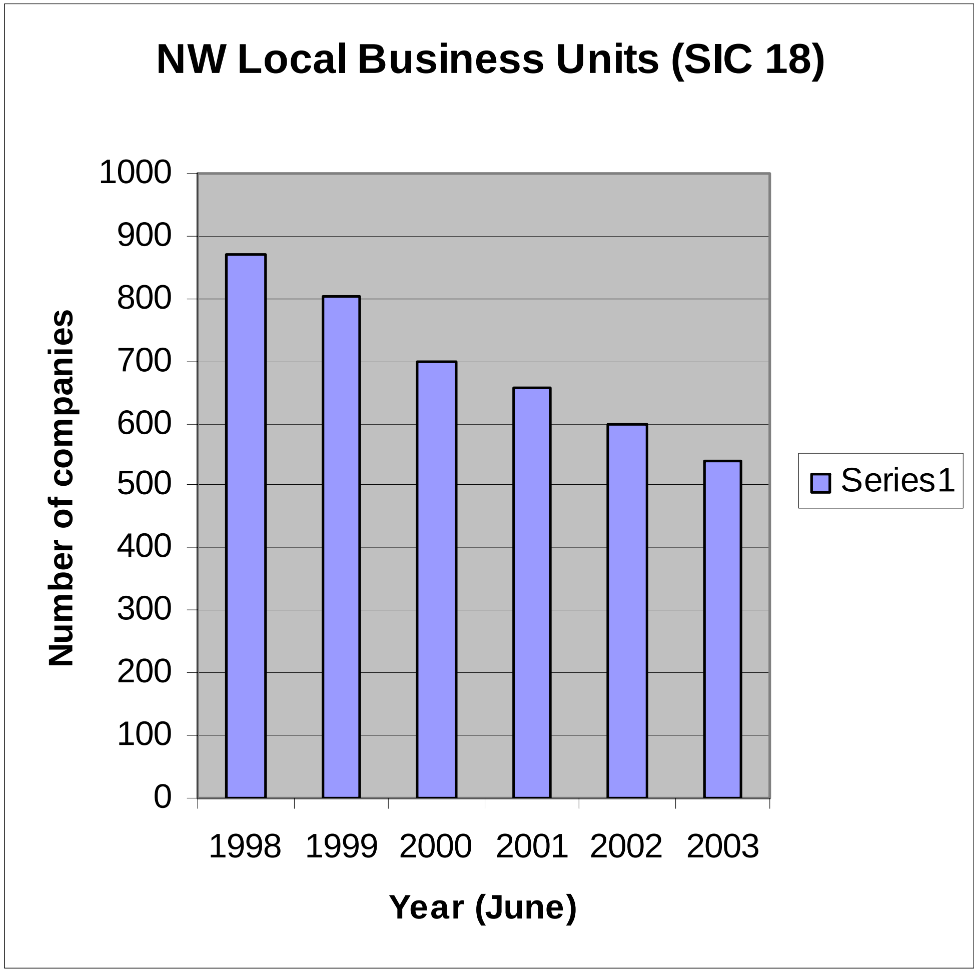


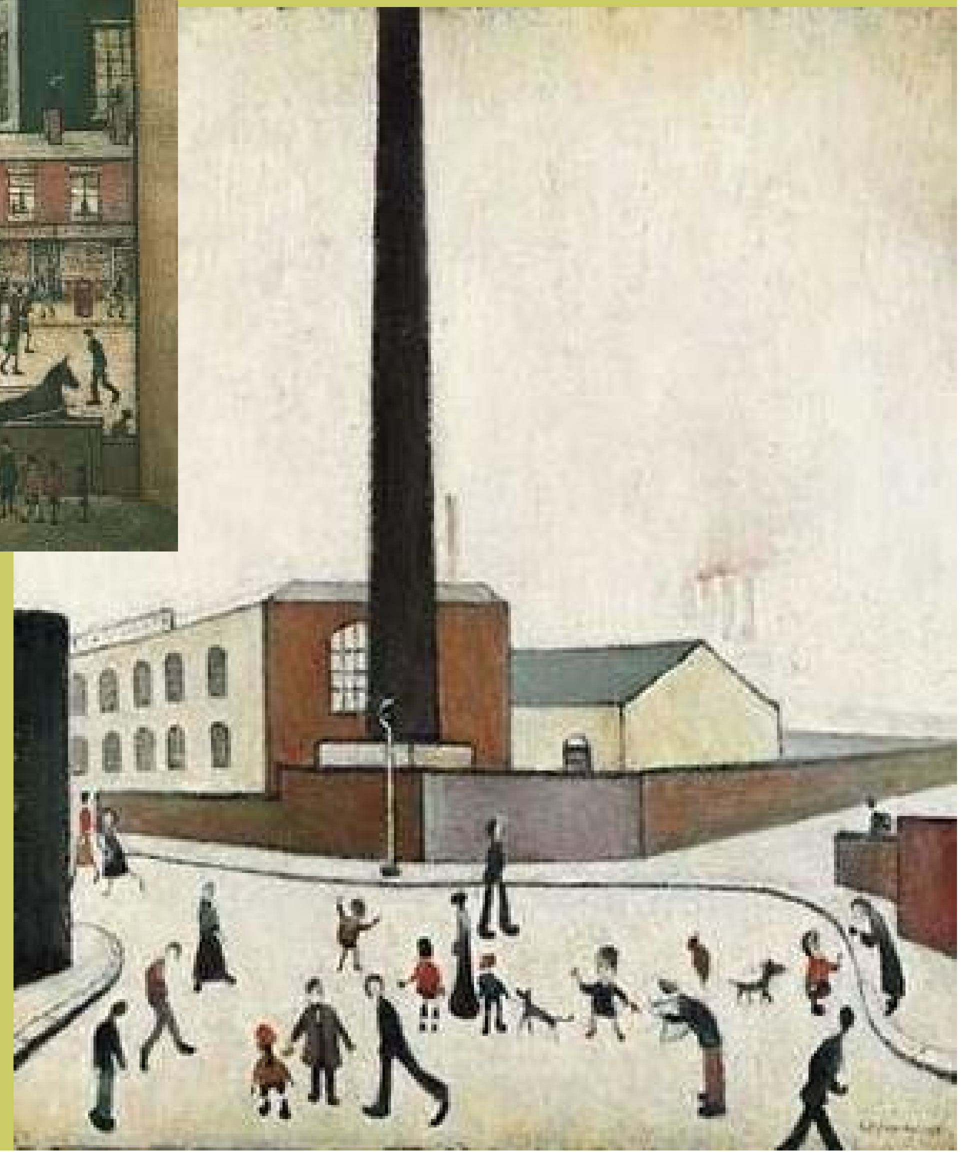
The turnover in 2002 was over £3.2 billion, or 21% of the UK total
The "Textiles" cluster in NW England is the largest in the UK

Employment data in NW England

Year	Textiles (SIC 17)	Apparel (SIC 18)	Total
1993	36,700	19,400	56,100
Nov 1997	37,200	20,200	57,400
1998	35,800	16,600	52,400
Sept 1999	28,997	18,131	47,128
Dec 2000	25,692	16,456	42,148
Dec 2001	22,168	12,371	34,557
Dec 2002	25,238	9,907	35,145
Dec 2003	19,193	6,009	25,202
Dec 2004			

Apparel Business Units in NW England





An industry in decline …

Aims

- To map the North West fashion and clothing business
- To identify the types of companies within the supply chain
- To identify the key drivers in relation to the economy
- To identify and define key sub clusters

Drivers for this research:
As a Department, our perception of the apparel sector is that it is not dying, but changing. From our experience, the sector creates jobs, is financially very significant and can be described as vibrant!

Specific Information

- Company Name
- Company Address
- Post Code
- Telephone Number
- Fax Number
- E-mail Address
- Website Address
- Product Type
- Primary Business
- Associate Business
- Name of the Managing Director
- Number of Employees – Categories
- Number of Employees – Specific
- Turnover – Categories
- Turnover – Specific
- Number of Male and Female Employees
- Type of Company
- Additional Information
- Ethnicity

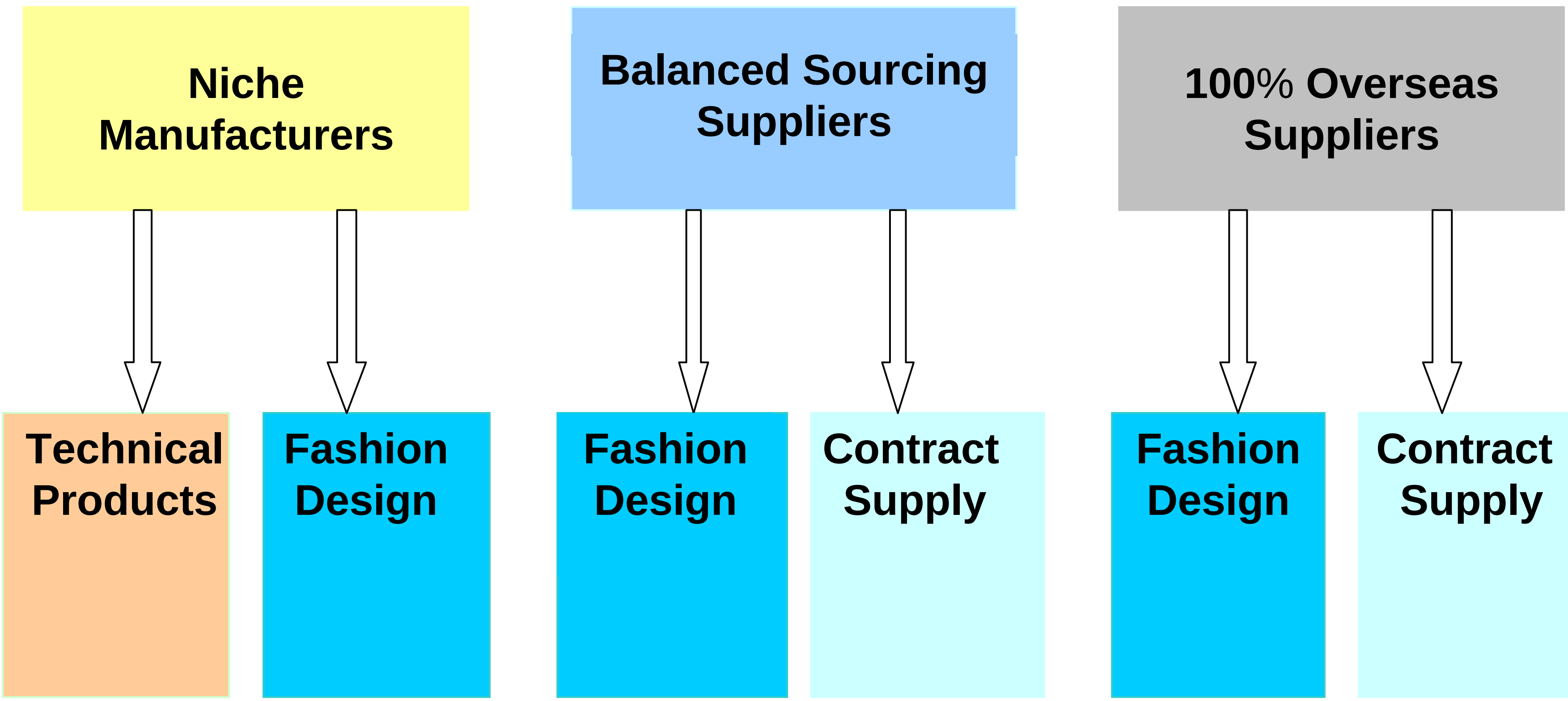
Companies Included

- Companies include: all of those that make up the complete supply chain from design up to retail but not including the retailers nor fabric supply
- Staff employed on a technical basis (i.e. garment technologists) have been included
- Large operations such as Matalan, Littlewoods and ARG Equation have been included

Why was the Research Necessary?

- **Inappropriate / out of date classification**
  - SIC codes
  - traditional typologies
- **Inaccurate records**
  - Most databases we came across were seriously deficient in terms of coverage and the quality of the information
- **Policy issues**
  - National and Regional support programmes were reacting to the story of decline in manufacturing, not to the industry as we knew it.

A New Typology

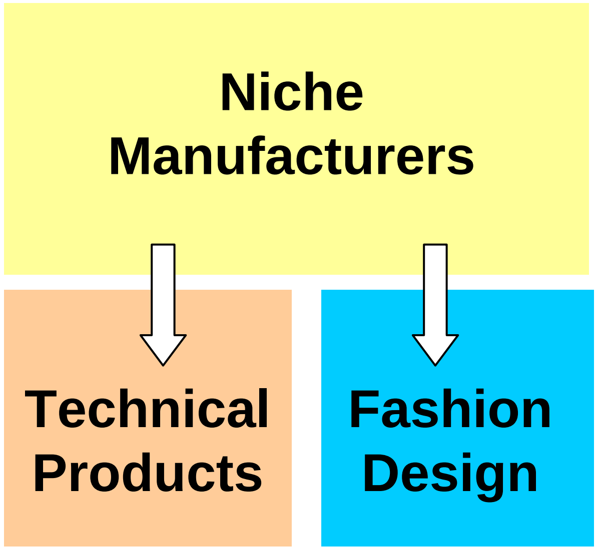


Work was undertaken with NTO funding to look at "successful" companies

Niche Manufacturers

These serve markets requiring small batch sizes of products commanding a higher margin.

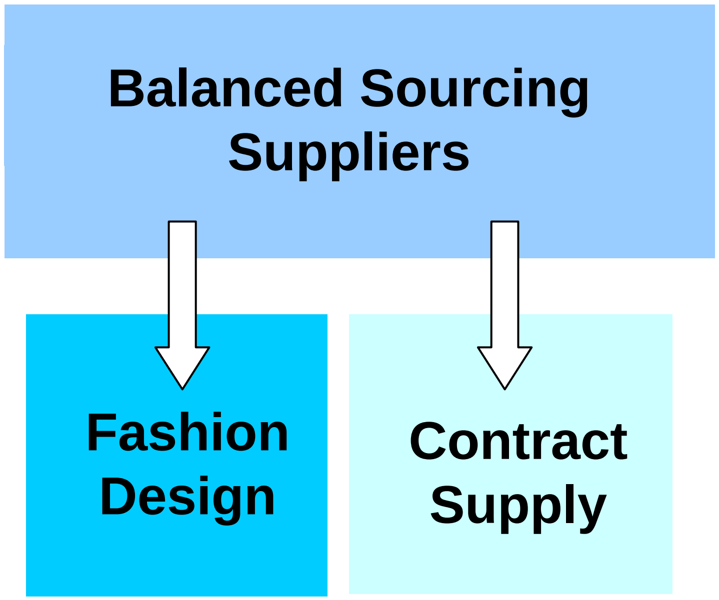
- Technical Products
- Fashion Design



Balanced Sourcing Suppliers

They have a UK manufacturing base for sampling and small batch production for a quicker response. Larger orders are subcontracted to low labour cost countries.

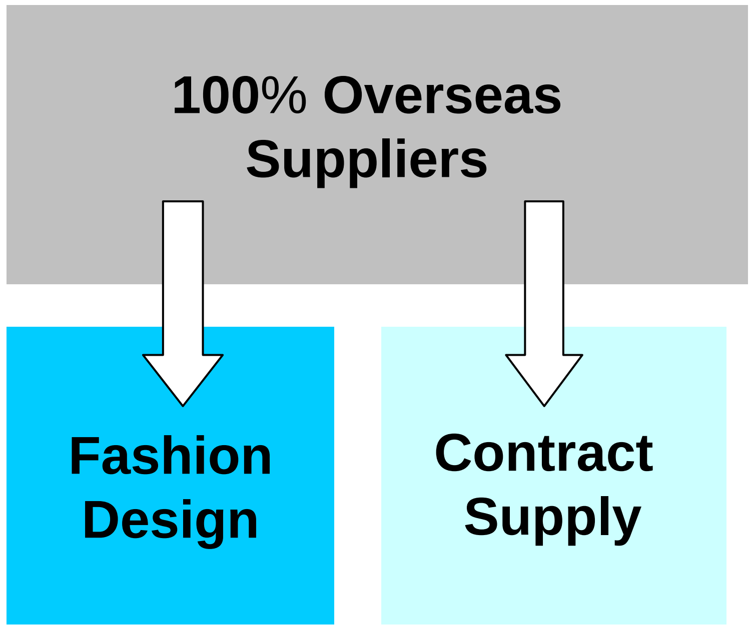
- Fashion Design
- Contract Supply



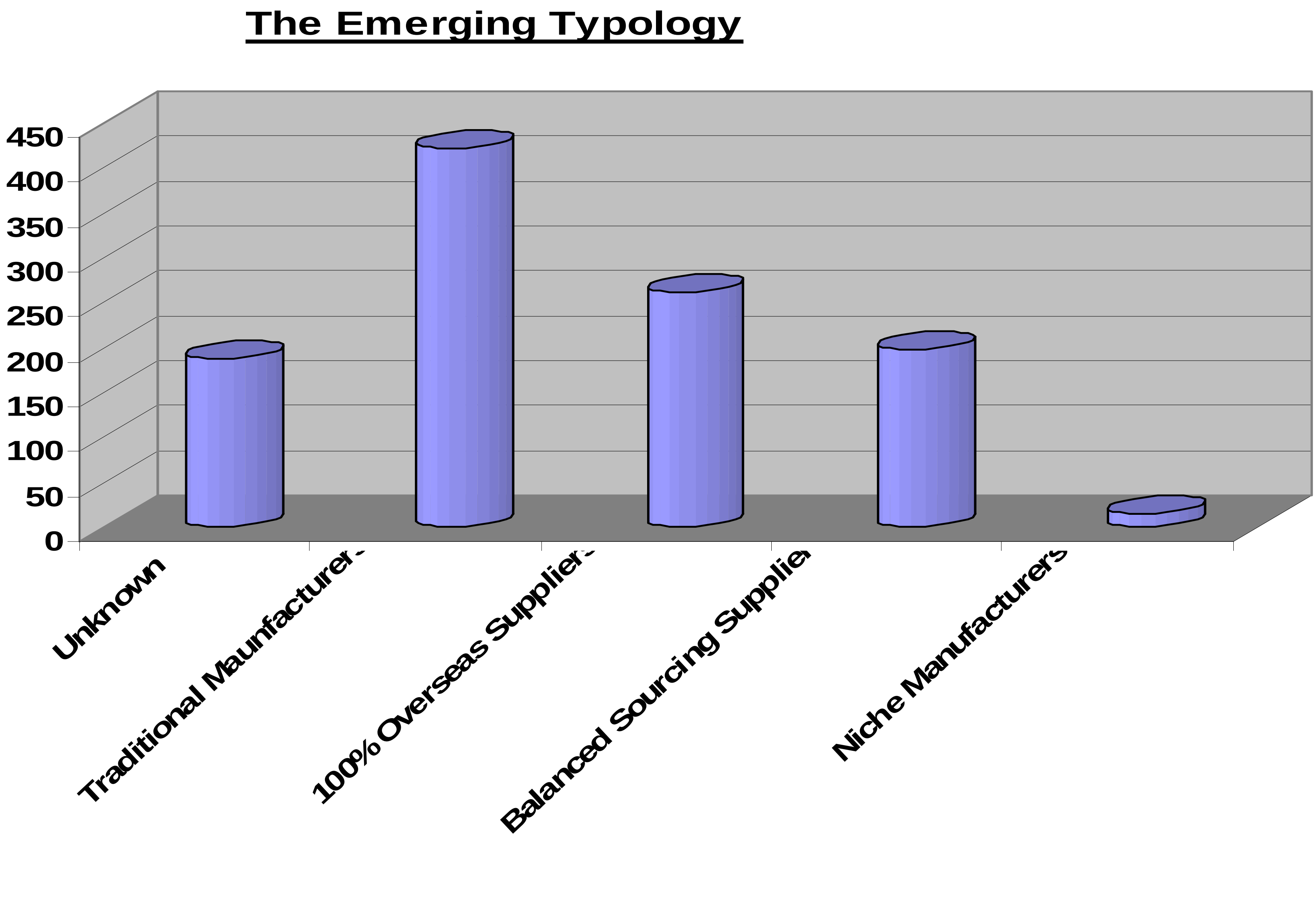
100% Overseas Suppliers

Companies have moved completely out of UK manufacturing, although they may retain a facility for sampling.

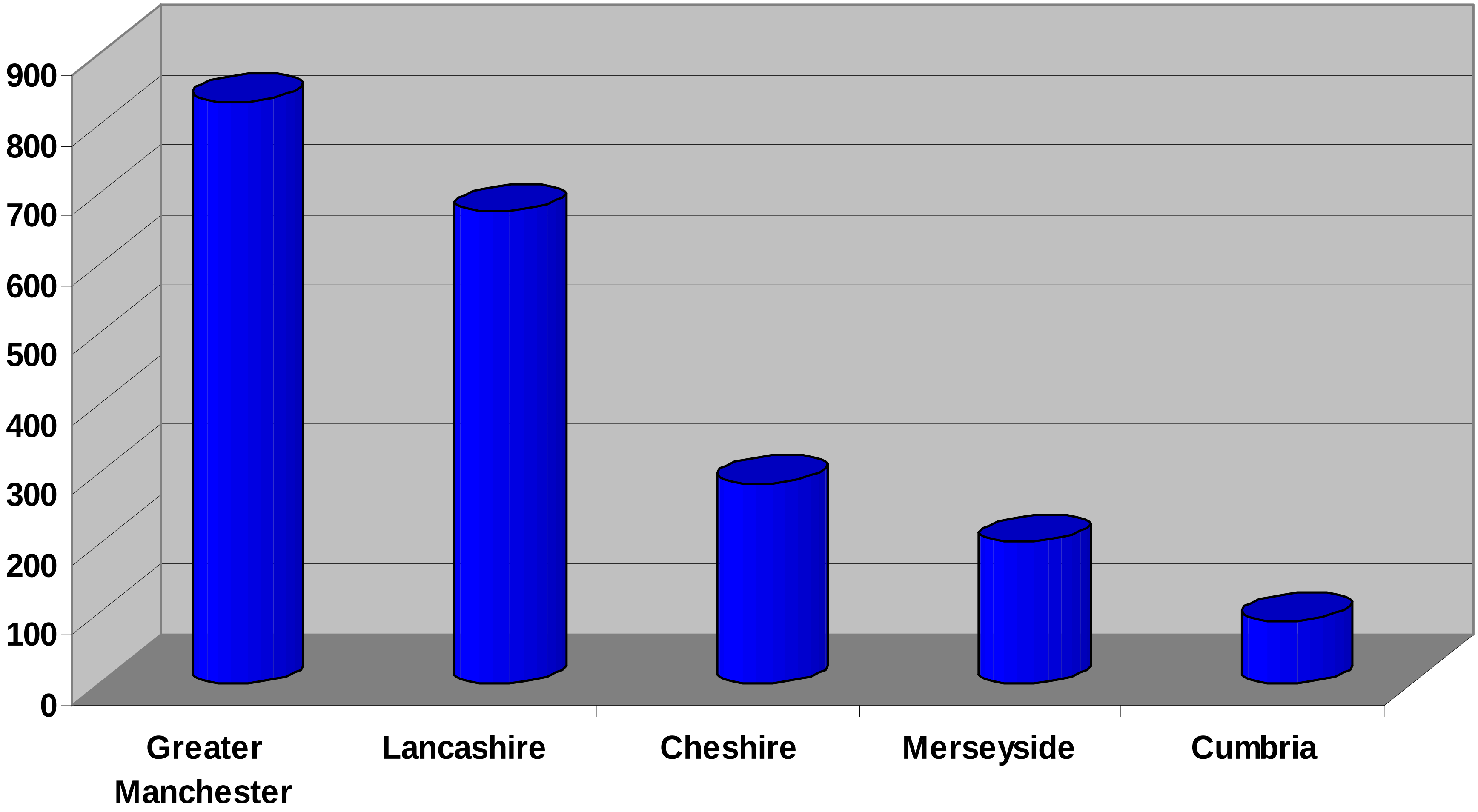
- Fashion Design
- Contract Supply



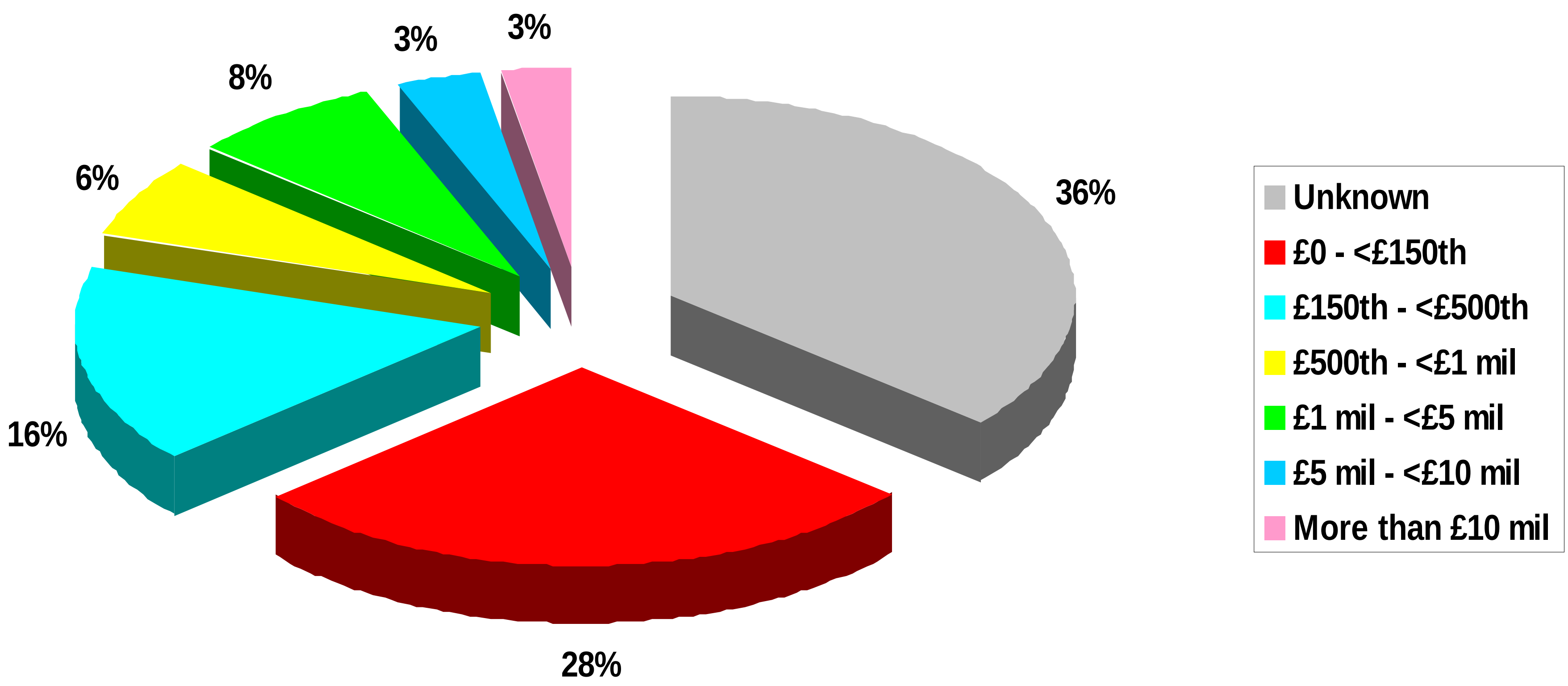
The Emerging Typology in NW England



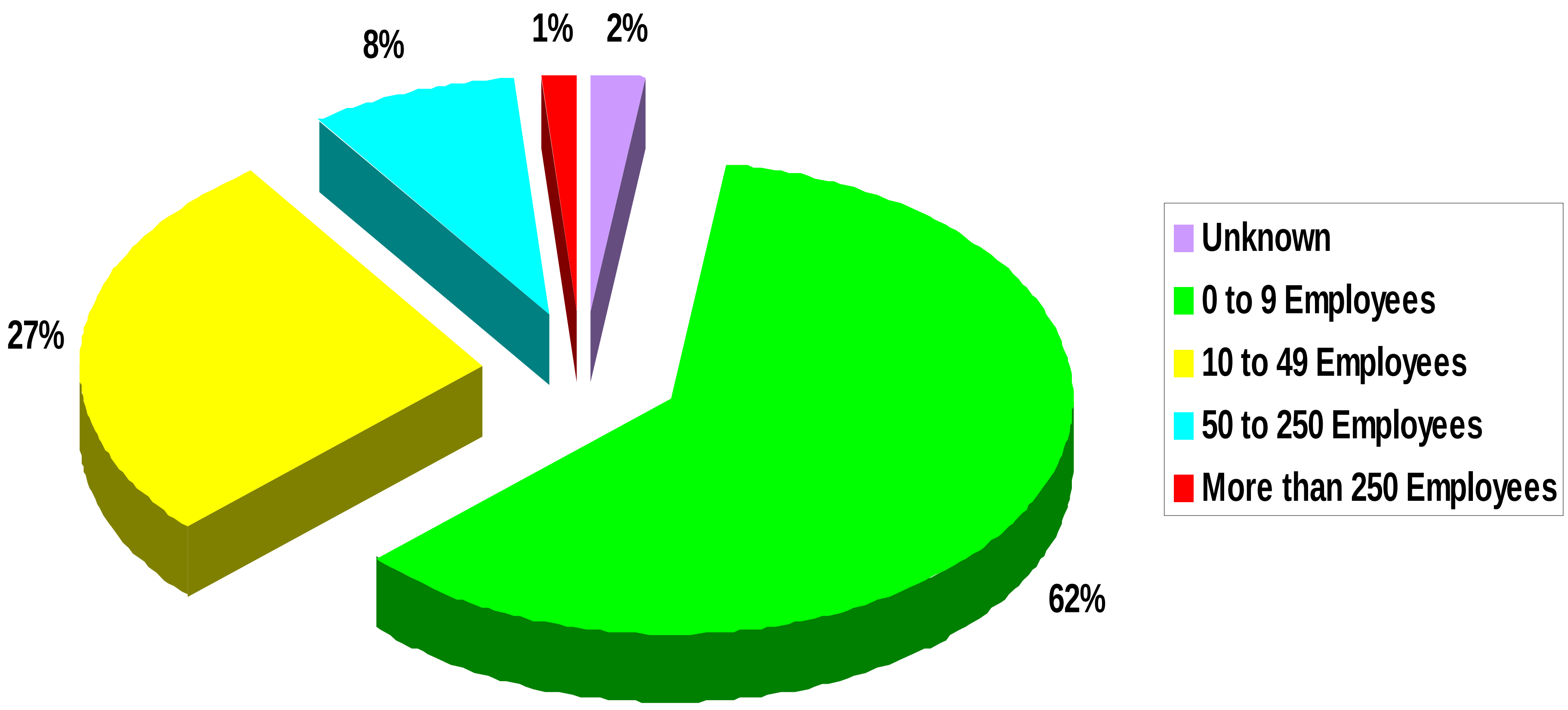
The Number of Companies in each County



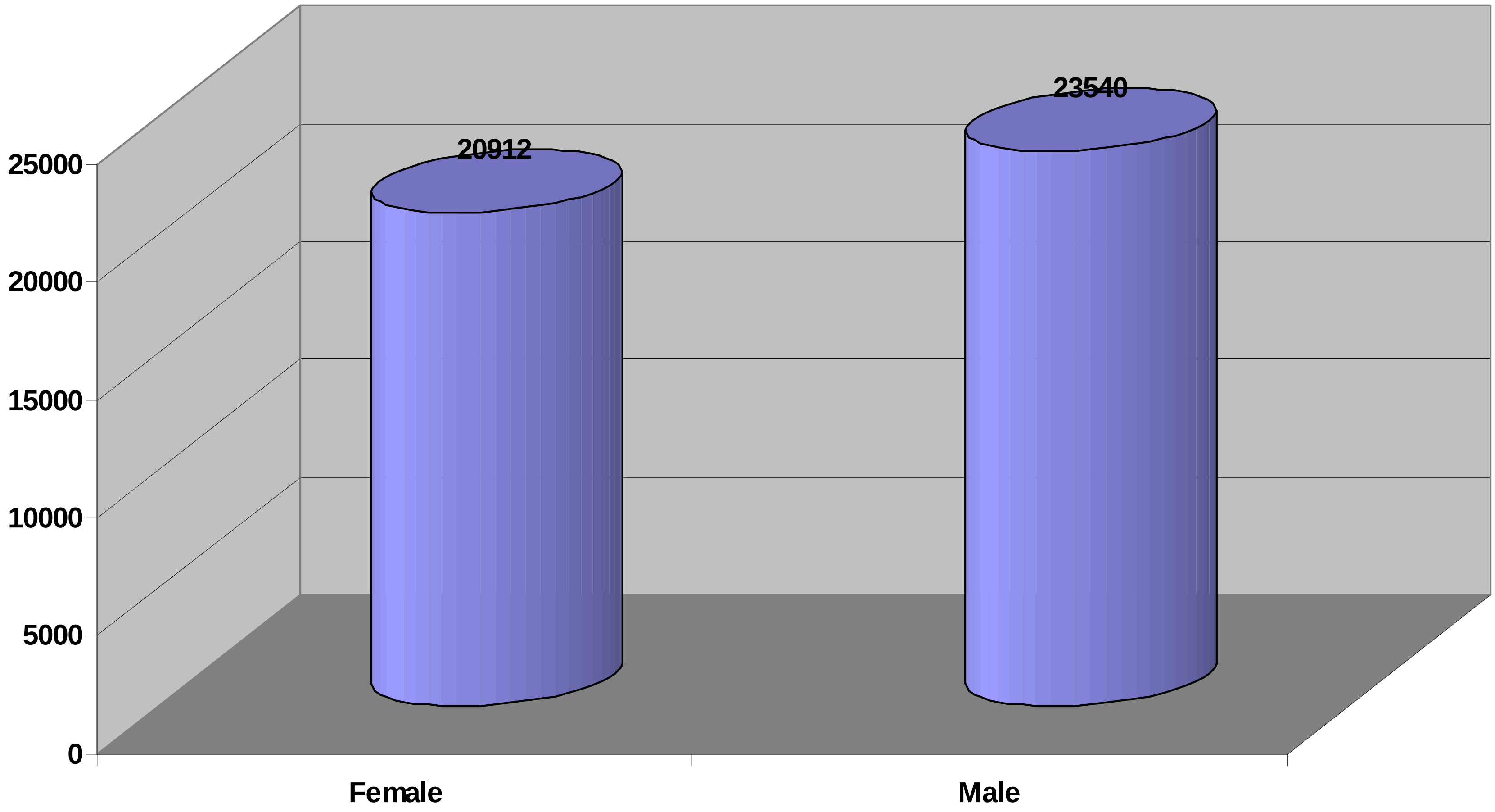
Turnover of Sample Size



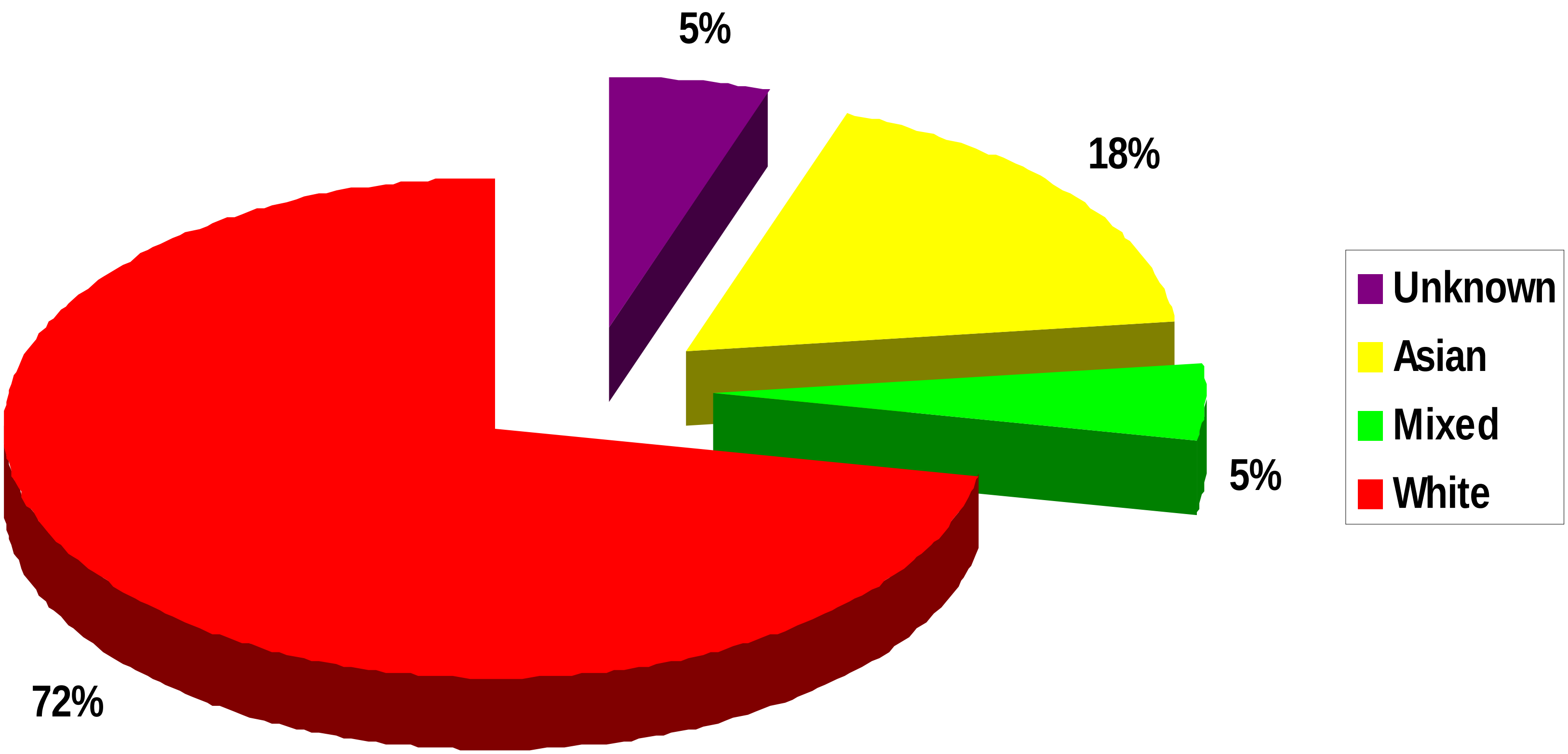
The Number of Employees



The Number of Male and Female Employees



Ethnicity



Cluster Overview: NW England

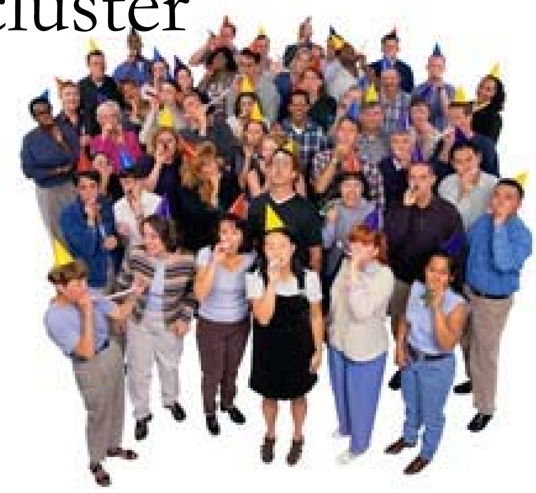
- Logistics & Warehousing
- Cutting Services
- Pattern Services
- Commodity suppliers
- IT systems & suppliers
- Embroidery/embellishment
- Equipment suppliers
- Auditing Services
- Testing labs
- Recycling & Reuse
- Apparel support agencies
- Apparel Education

- Assembly & Source
- Design & Assembly
- Assembly (CMT)
- Design, Assembly, Source
- Design & Source
- Source
- Design
- Wholesale
- Accessories: ties, hats, scarves, handbags, etc

- Processing
- Clothing Rental, Workwear & laundries
- Distribution & Logistics
- Advertising, Photography, Model Agencies, Fashion magazines
- Consultants: export, management, sourcing, marketing, image
- Fashion Show organisers
- Agents: sales, sourcing, recruitment
- Alteration Services

People in Employment

- SIC codes indicate in 2003 there were 6,009 people employed in the NW England "Wearing Apparel" companies
- The initial findings of our survey is that 55,000 people were employed in NW England in the more broadly defined apparel cluster



Economic Impact of Apparel

- SIC codes indicate in 2003 there was a contribution to the economy of £680 million (estimated)

- The initial findings of our survey is that the more broadly defined apparel cluster contributes £3 billion (estimated)

Companies in the Apparel Cluster

- SIC codes indicate in 2003 the number of companies was 540

- The initial findings of our survey is that the more broadly defined apparel cluster comprises 2784 companies

Interim Conclusions:

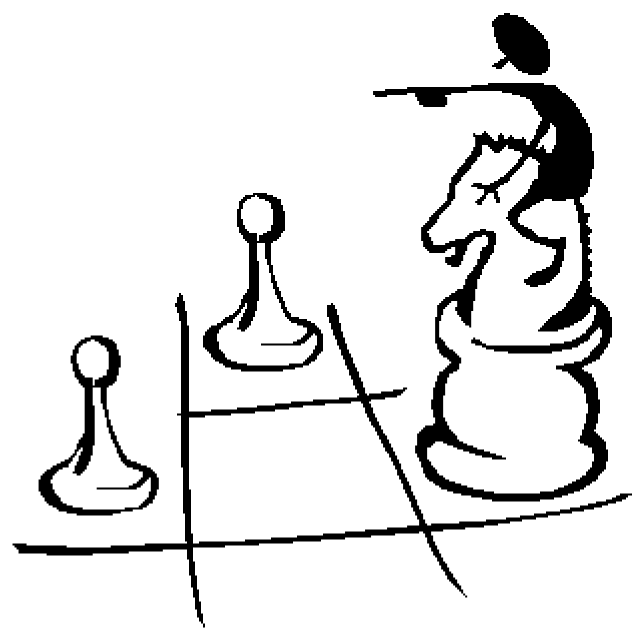
- SIC codes do not give a true picture of the state of the industry
  - in agreement with other cluster-based research
- The region employs more people than published data indicates
- Regional turnover is an estimated £3 billion
- Companies maybe employing less people but many have a large turnover
- The emerging cluster is strongly heterogeneous

Structural change implications

- Manufacturing is in decline, because of ready access to overseas suppliers with low labour costs
- The manufacturing that is retained involves small batches, high skill requirements and short lead times
- Supply chain management is crucial for successful operations, requiring a whole range of skills
- New product development involving inputs from designers and technologists is a major driver
- Interfaces with Retail are critical for success, as there are few strong companies that operate outside retailing

Policy implications

- Training issues appropriate for transition, for managers as well as other employees
- Specific measures for moving beyond the passive benefits of clustering



Future Research

- Maintain database and refine cluster map
- Monitor transitional period to identify the trajectory of cluster development
- To gather evidence for active and passive benefits of clustering
- Participate in debates about the future of the cluster

Thank you!

Contact Information:

David J. Tyler
Department of Clothing Design & Technology
Hollings Campus,
Manchester Metropolitan University
Old Hall Lane,
Manchester, M14 6HR.

Tel: 0161 247 2636
Email: d.tyler@mmu.ac.uk

Manchester Metropolitan University