

# Leather Garment Sector Profile

Industry Overview  
2020



غرفة صناعة الأردن  
Jordan Chamber of Industry



غرفة صناعة الأردن  
Jordan Chamber of Industry

WWW.JCI.ORG.JO

JIES@JCI.ORG.JO

TEL: 00962 6 4642649

FAX: 00962 6 4643719



## KEY PERFORMANCE INDICATORS 2019

 **\$2.3 billion**  
USD exports in 2019

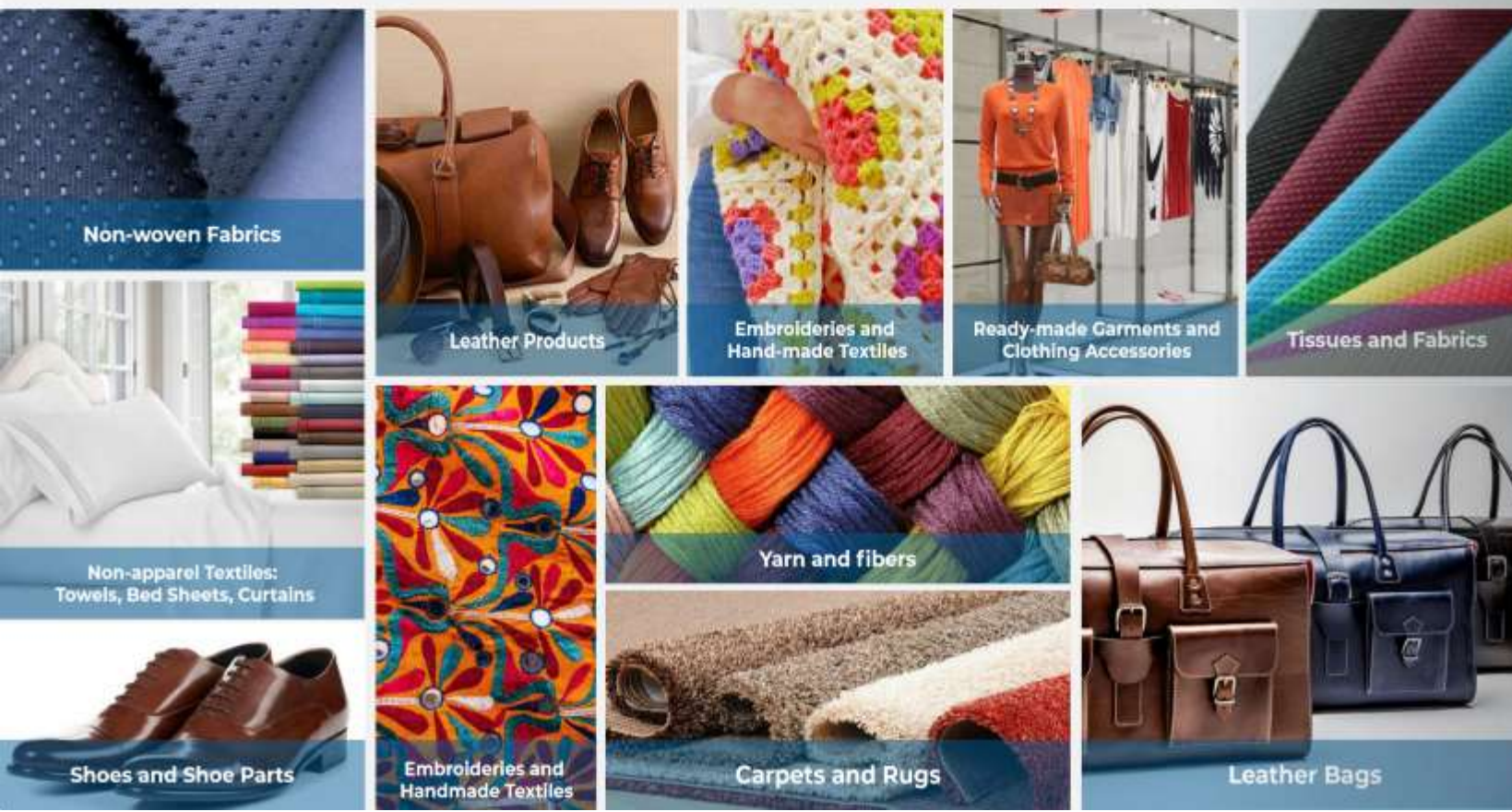
 **29%**  
of workers in industrial sector

 **27%**  
of national exports

 **3%**  
direct contribution to GDP

 **75,000**  
workers

## VARIOUS SUB-SECTORS



## ENTERPRISE

Total number of firms around  
**1,060** enterprises.

Number of firm grew by  
**4.2%**  
during the last ten years.

Number of satellite units reached about **20 units** in 2019, and it is expected to reach around **41 units** in 2026, increasing by **3 units** per year

The satellite units are expected to create **2,983 job** opportunities for Jordanians in 2020, and this is estimated to increase by **10% per year** for the period (2021-2026)



## INVESTMENT

Registered capital:  
**212**  
million dollars

The sector's investment grew by  
**3.4%**  
at the last decade.



## PRODUCTION


**7%** Constitutes 7% of the total industrial production.

**36%** Value added in this sector reached about 36% of the total production.

**25%** Production grew by 25% in the last five years.

**3%** Sector's contribution to GDP is more than 3%.

## EMPLOYMENT

 It includes 29% of the total employees of the industrial sector.

 Sector employs around 75,000 workers, 26% of sector employees are Jordanian.

 Total employees increased by 60% during the last ten years.

 Female workers are 75% of the total employees of the sector.



## WAGES

According to the social security's data, the sector is currently paying salaries to Jordanian workers with an estimated value of 90 million dollars, while it was estimated at 36 million dollars during the year 2010.

The minimum wage in the sector is subjected to "the Fourth Employment and Collective Bargaining Agreement."

## EXPORT

**\$2.3** Sector's exports reached about 2.3 billion dollars in 2019.

**1.3** Access to consumer market with more than 1.3 billion people with non-tariff rate.

**27%** It accounts 27% of the total of Jordan's exports.

**80%** High quality standard and added -value: more than 80% of Jordanian leather and garment are exported to USA.

**136%** The sector's exports grew by 136% in during the last decade.

**11%** Average Annual Growth Rate of sector's exports during the last decade about 11%.

### THE TOTAL EXPORTS OF LEATHER AND GARMENT SECTOR FREE TRADE AGREEMENTS MAP - 2019



### AVERAGE ANNUAL GROWTH OF EXPORT'S DURING (2010-2019)





## FEATURES OF LEATHER AND GARMENT SECTOR

**01** **52 Countries Trade agreement**  
It has Free Trade Agreements with about 52 countries.

**02** **Labor Law**  
Since 2009, Better Work Jordan (BWJ) has worked closely with Jordan's garment manufacturers, to improve the work environment and ensure compliance with Jordanian labor law and the ILO's core labor standards.

**03** **Large Brands**  
Large brand companies operating in Jordanian leather and garment sector (Nike, Calvin Klein...)

## CAPACITOR FOR THE LABOR COMPONENT AND PROMISING FOR EMPLOYMENT OPPORTUNITIES

### Large Enterprises

#### Sector Specify:

- Fully export sector.
- Promising sector to promote Jordanian exports.
- A promising sector for foreign investments.
- Take advantage of free trade agreements.
- Geographic spread.

### Small and Medium Enterprises

#### Sector Specify:

- Of a historic nature.
- Promising sector to promote local value added.
- Geographic spread.
- A stable sector with promising opportunities.
- Dependence on the domestic market, low share of exports

Two sectors have the same procedures but each has a different executive path

**NOTE:** the road map of the leather and garment sector will contribute to provide strategy for the sector (attached)

## ROADMAP FOR LEATHER AND GARMENTS SECTOR

### Pillars:

- Implementing Community Development Project
- Increasing Value Added In The Jordanian Economy
- Wages And Salaries
- Job Opportunities
- Exports Satellite

### Commitments:

- Sector's commitments
- Government's commitments

### Time frame

- 3 Year
- 5 Year
- 7 Year



## ON GOING PROJECTS..

**01**

**BWJ**  
Better work Jordan

**02**

**ITC**  
Improving the international competitiveness of the textile & clothing sector (MENATEX JORDAN)

**03**

**GIZ-T4E**  
Trade for employment

**04**

**CBI**  
Export Coaching for Jordan Apparel Sector / Dutch government project

**05**

**SSC**  
Sector skills council for leather and garment sector

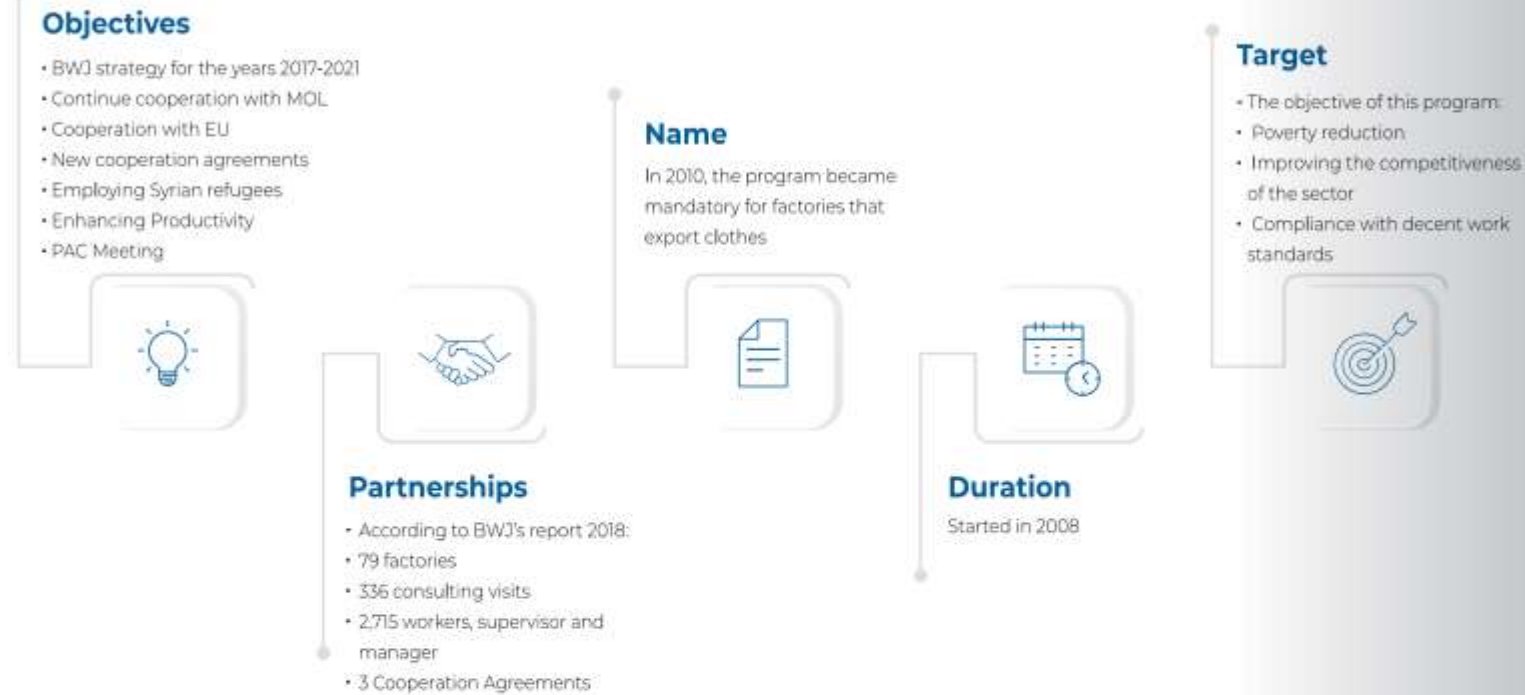




## 01 BETTER WORK JORDAN

Cooperation with :

MOL, MIT, JCI, Syndicate of Garments & Textile Factory, USAID, EU, The General Trade Union of Workers In Textile Garment & Clothing Industries, JGATE



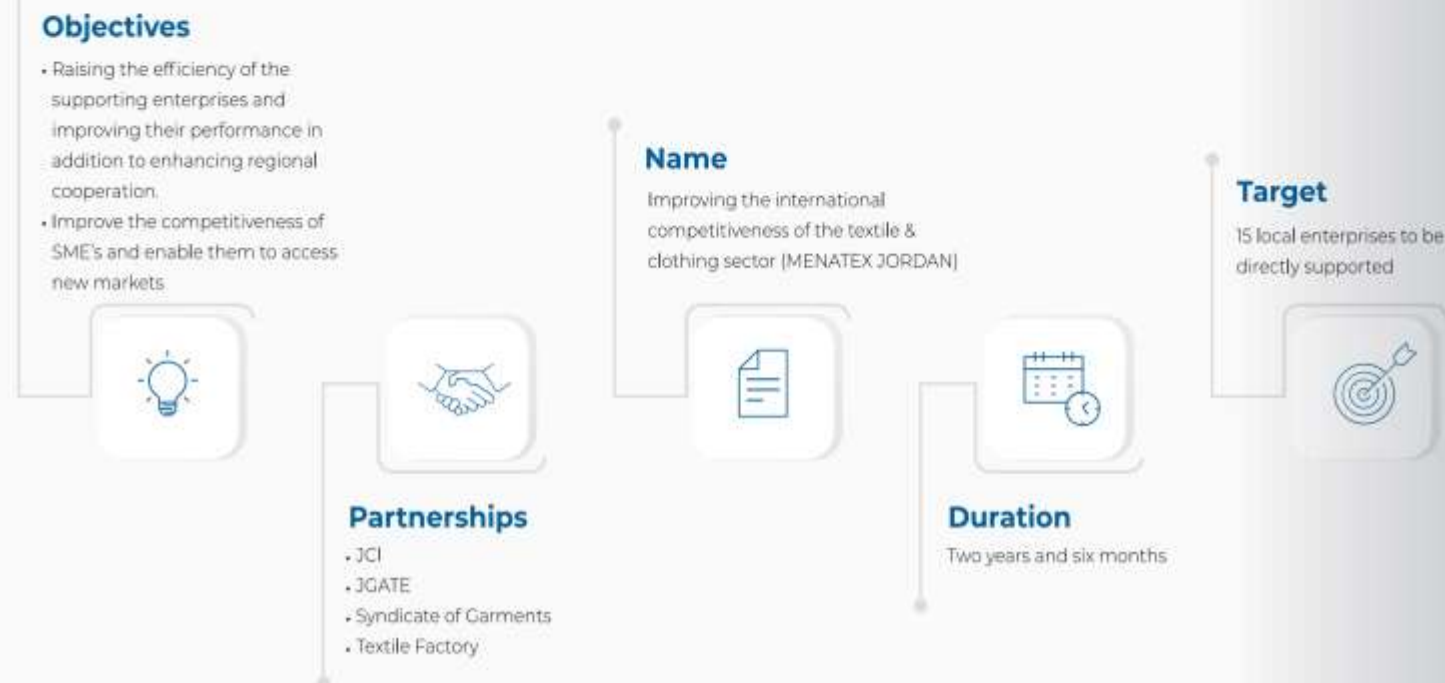
## 03 GIZ PROJECTS

Trade for Employment



## 02 ITC PROJECTS

Improving the international competitiveness of the textile & clothing sector (MENATEX JORDAN)



## 04 CBI PROJECTS

Export Coaching for Jordan Apparel Sector / Dutch government project



# 05 SECTOR SKILLS COUNCIL

Sector skills council for leather and garment sector

### Objectives

- Identify strategic skills.
- Specify the qualifications in the labor market.
- Evaluate the gap between supply and demand.
- Design the training courses.



### Name

Sector skills council for leather and garment sector

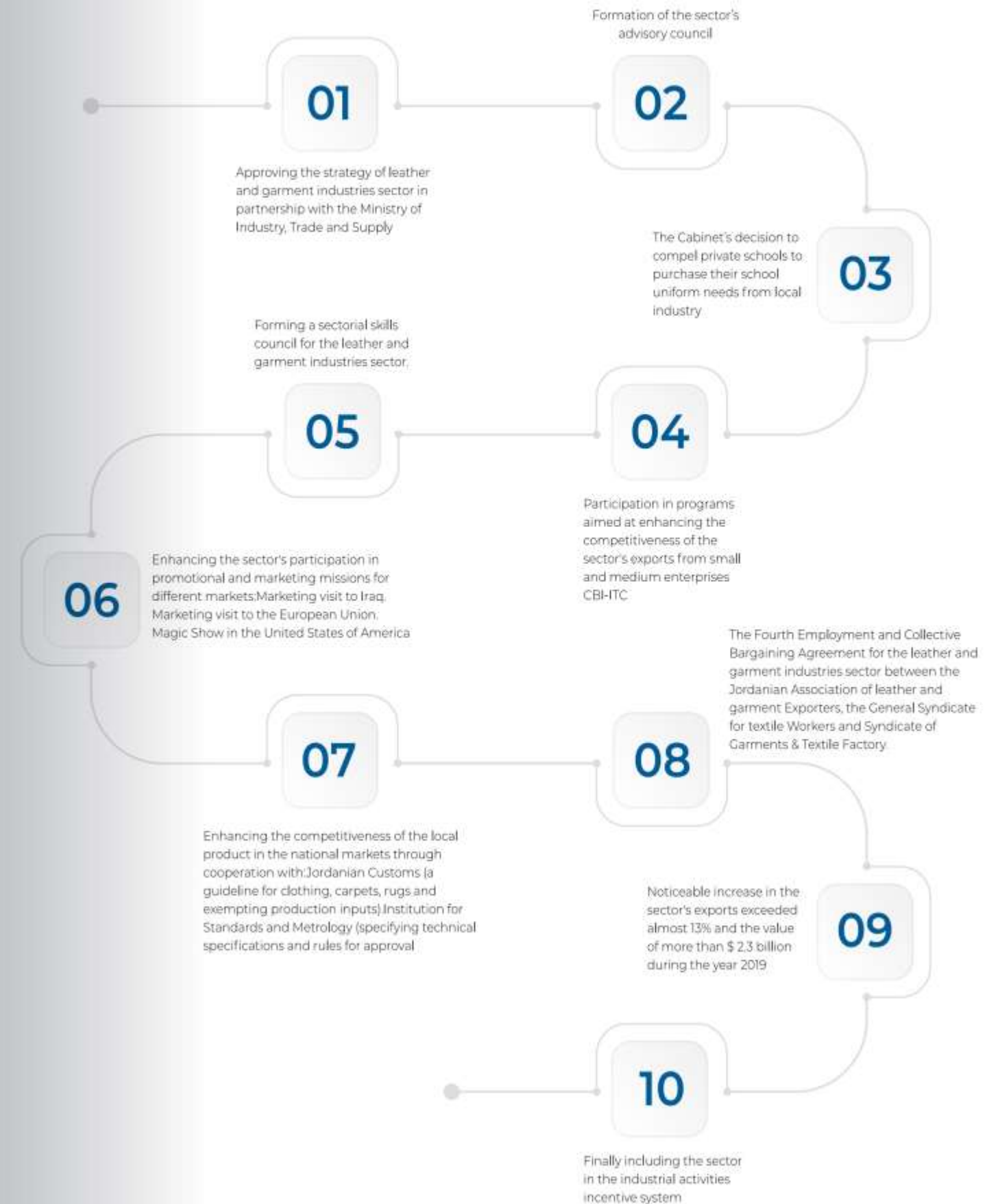


### Partnerships

- ILO
- Russian Federation
- JCI
- MOL



# THE MOST IMPORTANT ACHIEVEMENTS OF THE LEATHER AND GARMENT INDUSTRIES SECTOR IN 2019



## OPPORTUNITIES



The sector has unrealized export potential of about 500 million dollars to countries across the world.



2-4 production branches will be opened every year in new areas in Jordan.



The sector will increase employment rate by employing 3000-5000 Jordanian workers this year.



Increasing exports by 10% yearly.



Expansion of the production and exporting of new products other than apparels such as: production of shoes and bags and other products, and focusing on the more added value products like medical and safety apparels.