

PROJECT PROPOSAL:
**“DISTRIBUTION CLUSTER IN THE TEXTILES AND GARMENTS
SECTOR IN THE MEDITERRANEAN COUNTRIES”**

Background information

Textile and garment producers in the Mediterranean region often suffer from deficiencies in their distribution system in their local and export markets. The average size of these firms is such that they cannot afford actively tackling new markets and clients. The sector needs a more proactive approach to distribution in order to achieve higher levels of efficiency. Moreover, the lack of information such as knowledge about export markets is another factor limiting the export capacity of the sector.

Clusters have proved to be effective tools in countries seeking to enhance the efficiency and competitiveness of SMEs. Experience has shown that horizontal clusters focused on a number of priority activities can help achieve results in a smooth and effective way.

More specifically, undertaking joint efforts in distribution can help firms operating in the textile garments sector overcome their limitations, diversifying their clients' base, and capture new export markets.

Objective of the project

The objective of the project is to open new markets for stakeholders in textile and garments by establishing distribution clusters in the Euro-Mediterranean zone.

This project will also help establish a climate of trust and open communication among stakeholders in the sector, leading to further cooperation in other domains.

Project beneficiary

The direct beneficiary of the project is the fashion sector, and more specifically textile and garment producers as well as traders.

Moreover, the distribution chain as well as services related to fashion will benefit from the distribution clusters.

Project Activities

Phase 1: Mapping of the distribution chain and data collection on existing clusters

The first phase of the project will consist in building an inventory of the existing distribution chain in the Euro-Med zone. The inventory will help identify, within the geographical zones active in the fashion sector, the priorities for improving the distribution system in fashion.

Regional workshops will be organized, in order to spread information on the planned distribution clusters, identify existing clusters in the Euro-Mediterranean zone, and gather information necessary for the completion of the inventory.

Phase 2: Launching of activities

Based on the outcomes of the inventory and the workshops, experts will set up an action plan combining activities that can help enhance exports of participating firms, such as the following:

- Joint catalogs and advertising materials:
 - Identifying, in cooperation with participating firms, products that would be included in the joint catalogs. The catalogs should be focused on the needs of clients in target markets.
 - Developing the catalogs and printing them.
 - Distributing the catalogs to target clients.

- Participation in international and national fairs:
 - Identify international and national fairs that would be of interest for participating firms.
 - Plan and organize participation in these fairs.

- Branding:
 - In order to benefit from the advantages of branding, firms can decide to produce their own lines of products that will be grouped under a single brand. This will be achieved through meetings in order to identify lines of products that can be developed by each company according to their core competencies and specificities.

- Buyer-seller meetings:
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- Advertising:
 - Developing a database of the suitable advertising media on a national level and in the target export markets.
 - Negotiating offers for advertising in these media.
 - Preparing advertising campaigns that suit the needs of the sector.
 - Following-up the implementation of the campaigns.

Project funding

The initial phase of mapping the distribution chains and the costs for launching the clusters will be funded by the European Union. Once operational, the clusters will be auto-financed through fees on the services tailored to individual firms or groups of firms.

Timeline

Phase 1 of the project is expected to require 3 months to be completed. Once the outcomes of Phase 1 are available, activities of the distribution clusters can be operational. It is estimated that clusters will require support during the first year of their operation, and that they can be auto-sustained after that period.