

EU - UA



THE POTENTIAL OF UKRAINIAN TEXTILE & LEATHER INDUSTRY

Brussels

December, 2017



Ukrainian Textile & Leather industry



Textile industry



475



16,9 thsd..

Apparel



1547



47,1 thsd.

Leather&Footwear



319



21,0 thsd.



Textile & Leather Industry 2017



+4,2%

**Staff
workforce**

+7,3%

Production

+10,8%

Export

+24,2%

**Capital
Investments**





Partners of Ukrainian Textile&Leather industry

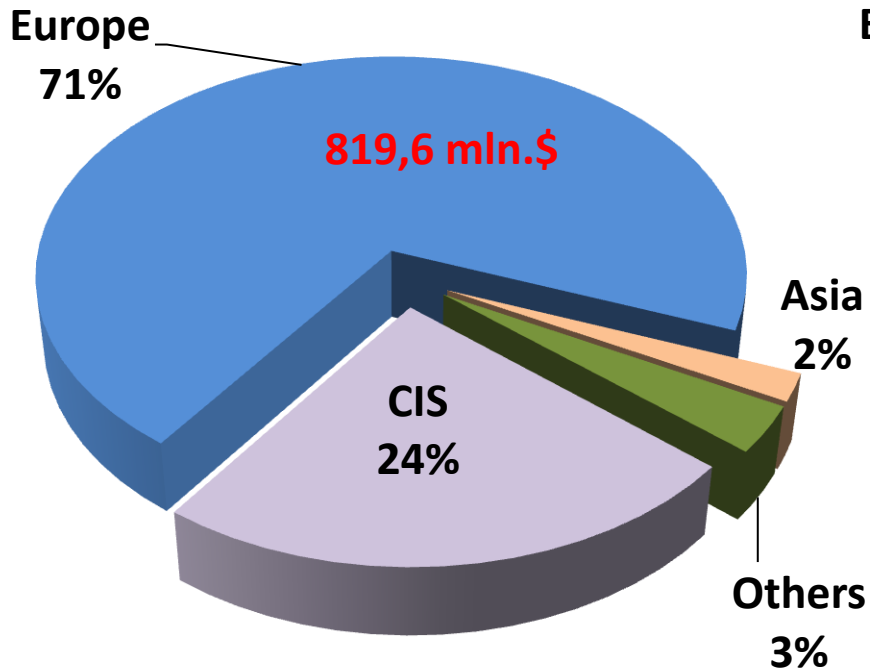
146 countries



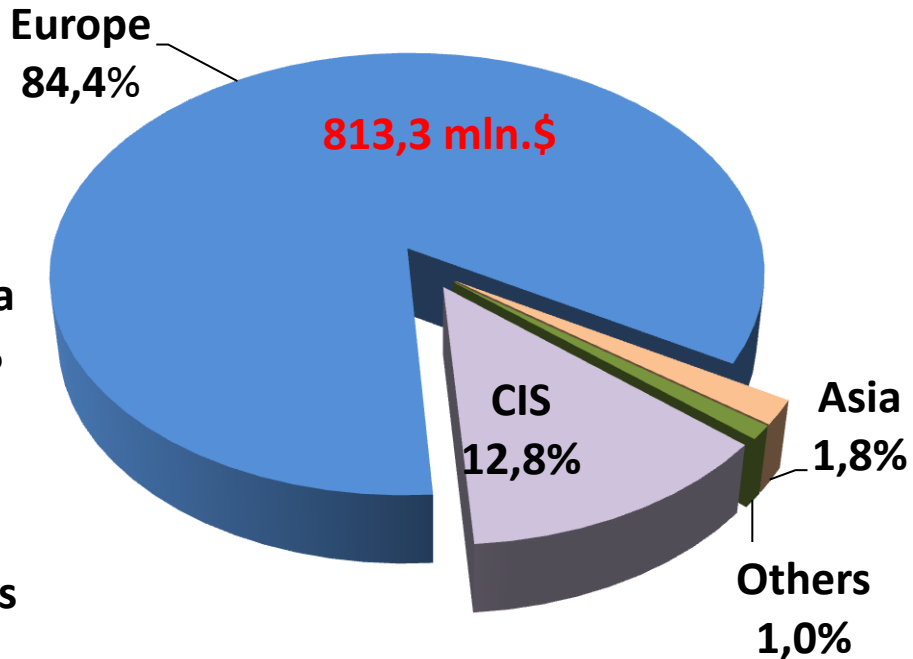


Continental structure of Ukrainian export

2013 – 1159 mln.\$

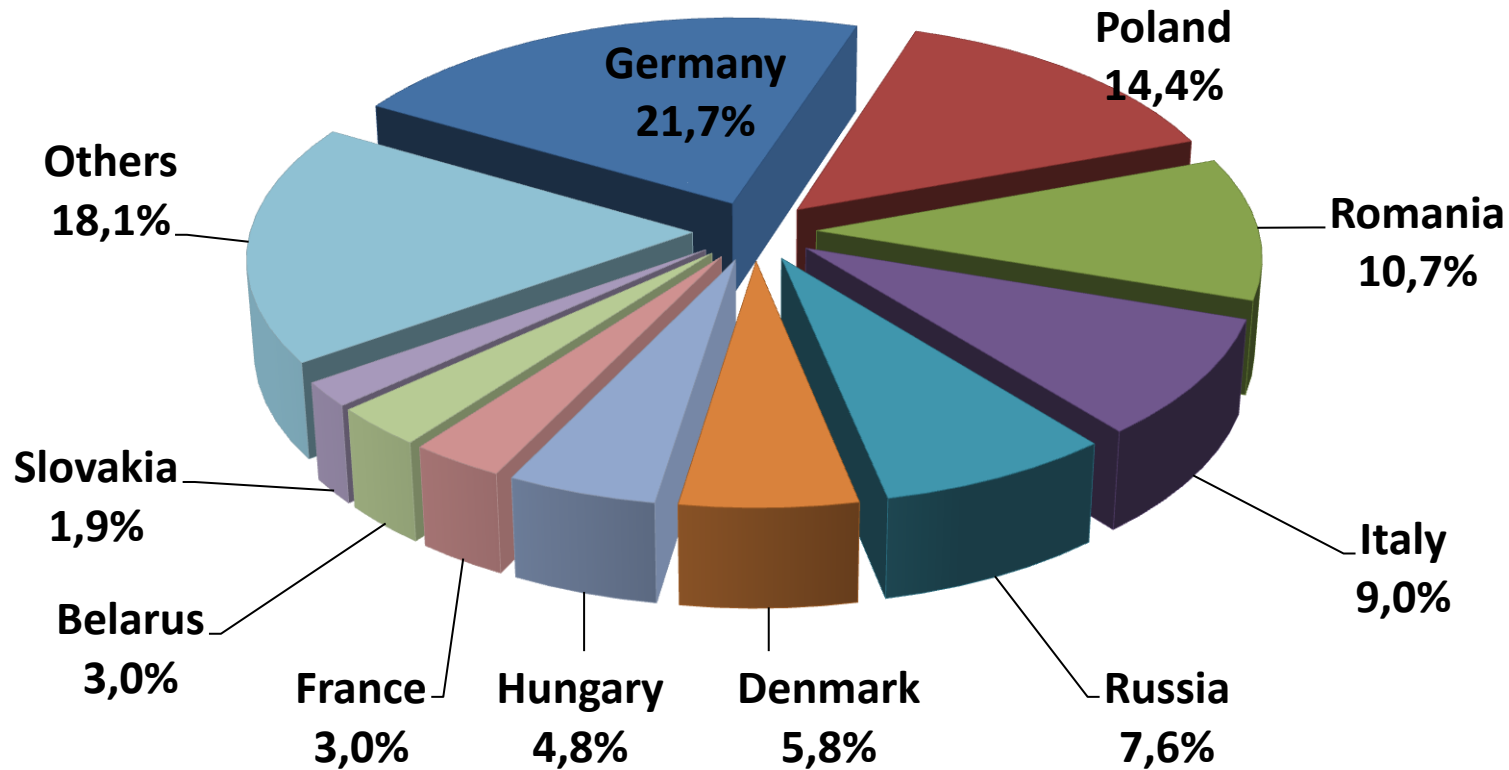


2016 – 963,1 mln.\$



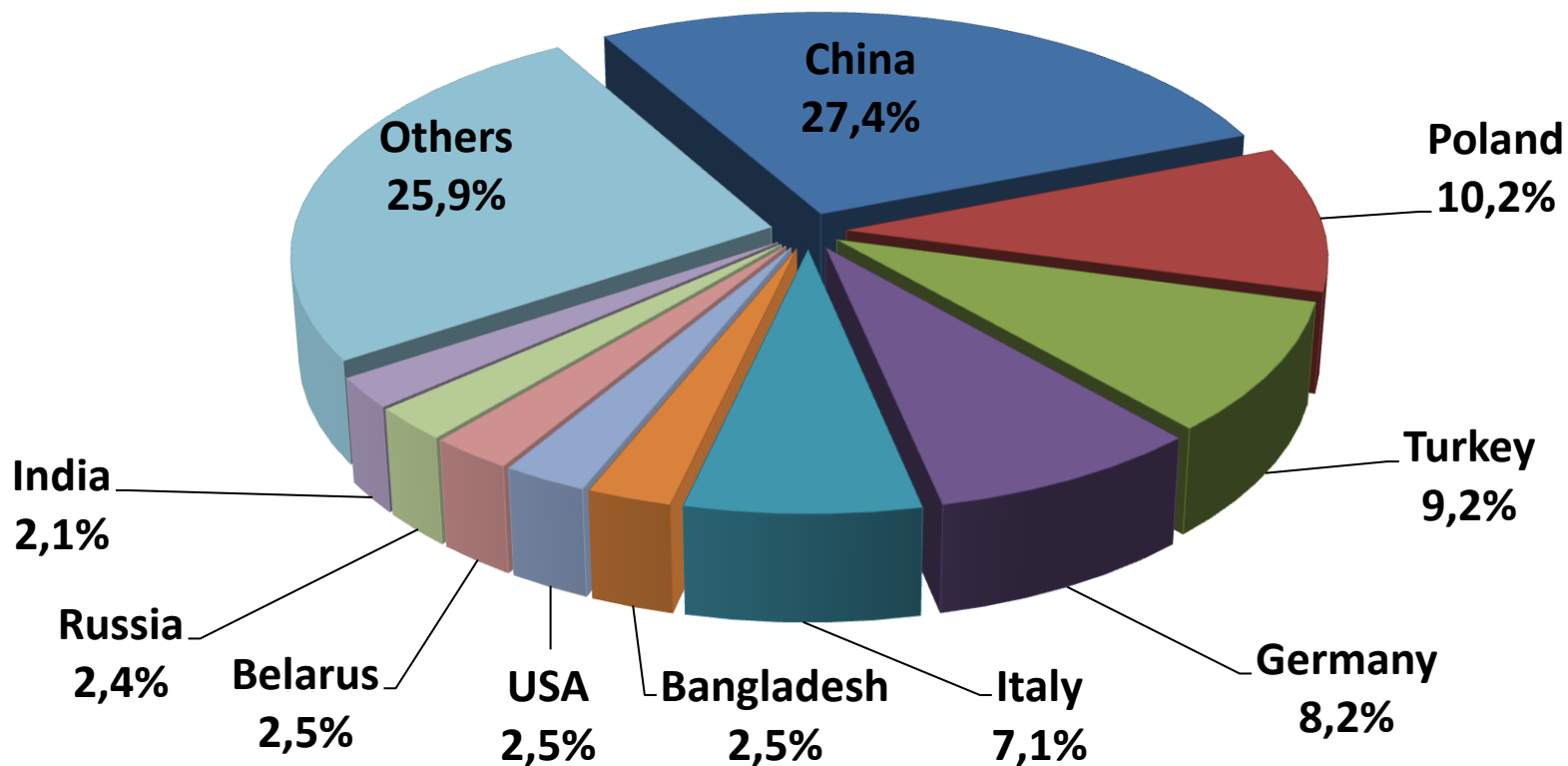


TOP-10 countries of Ukrainian export





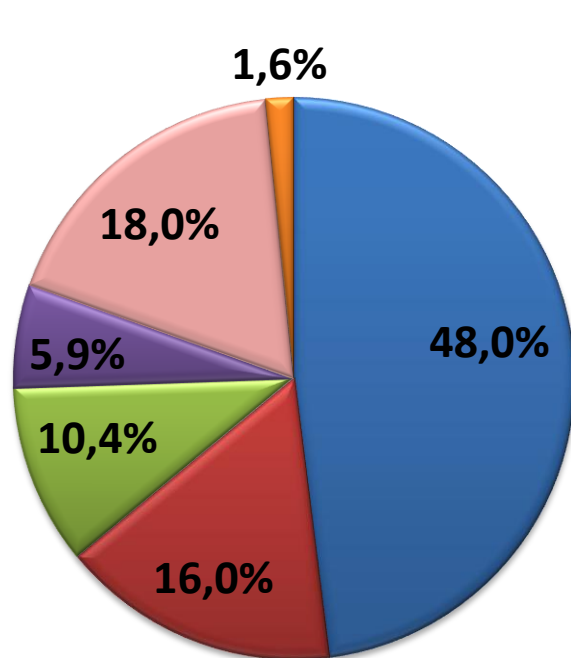
TOP-10 import countries to Ukraine



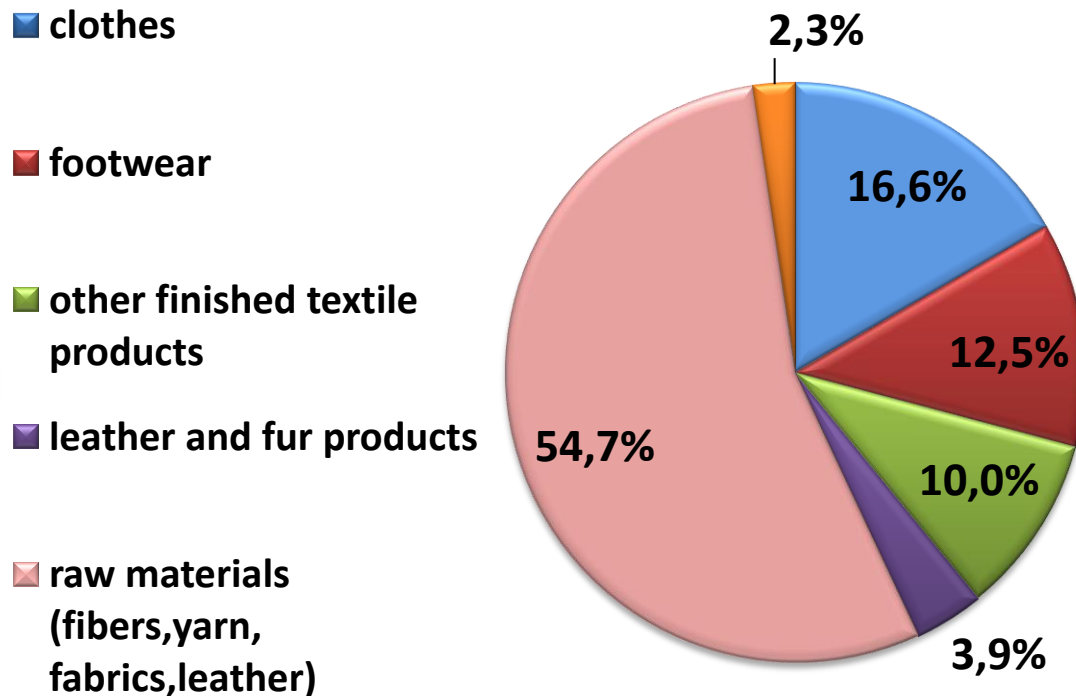


Commodity structure

export

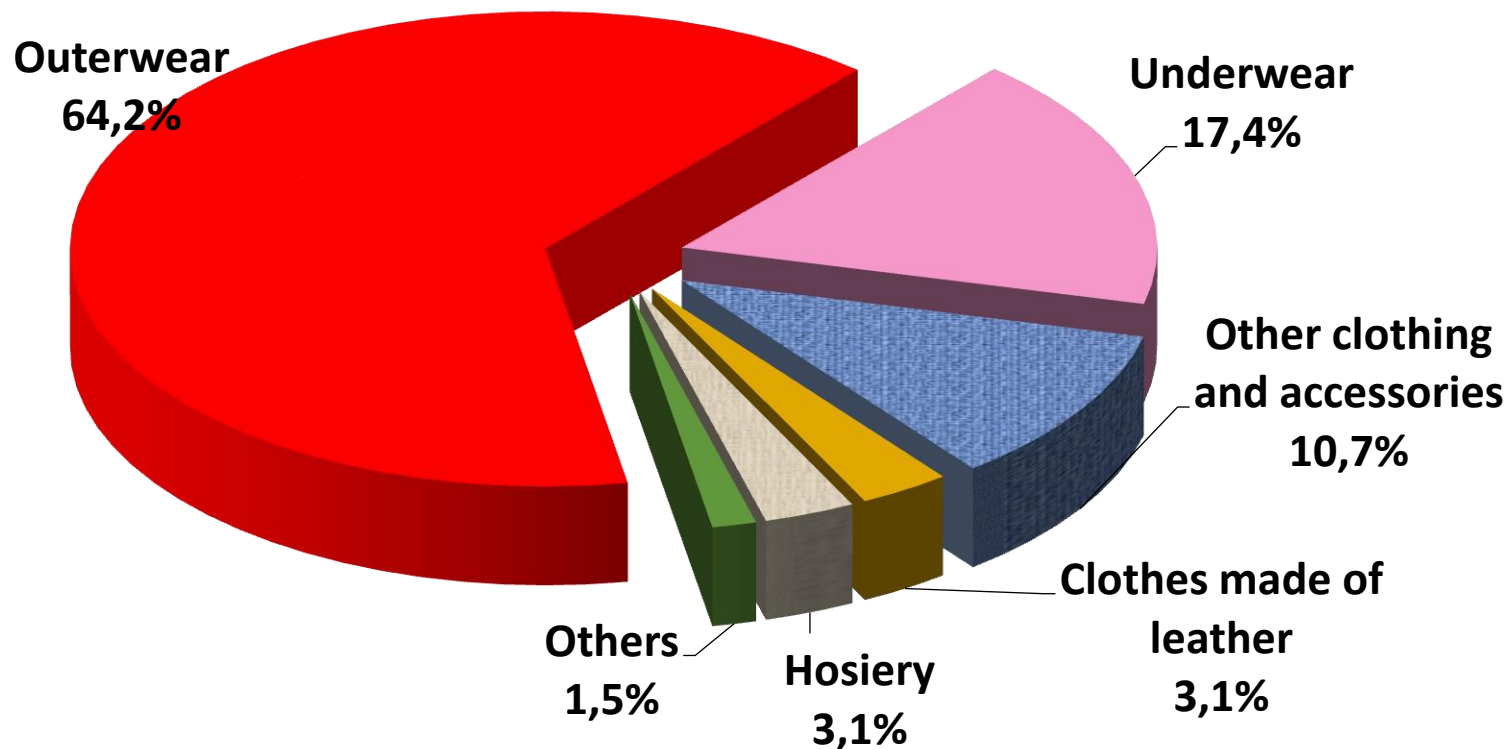


import





Ukrainian export of apparel

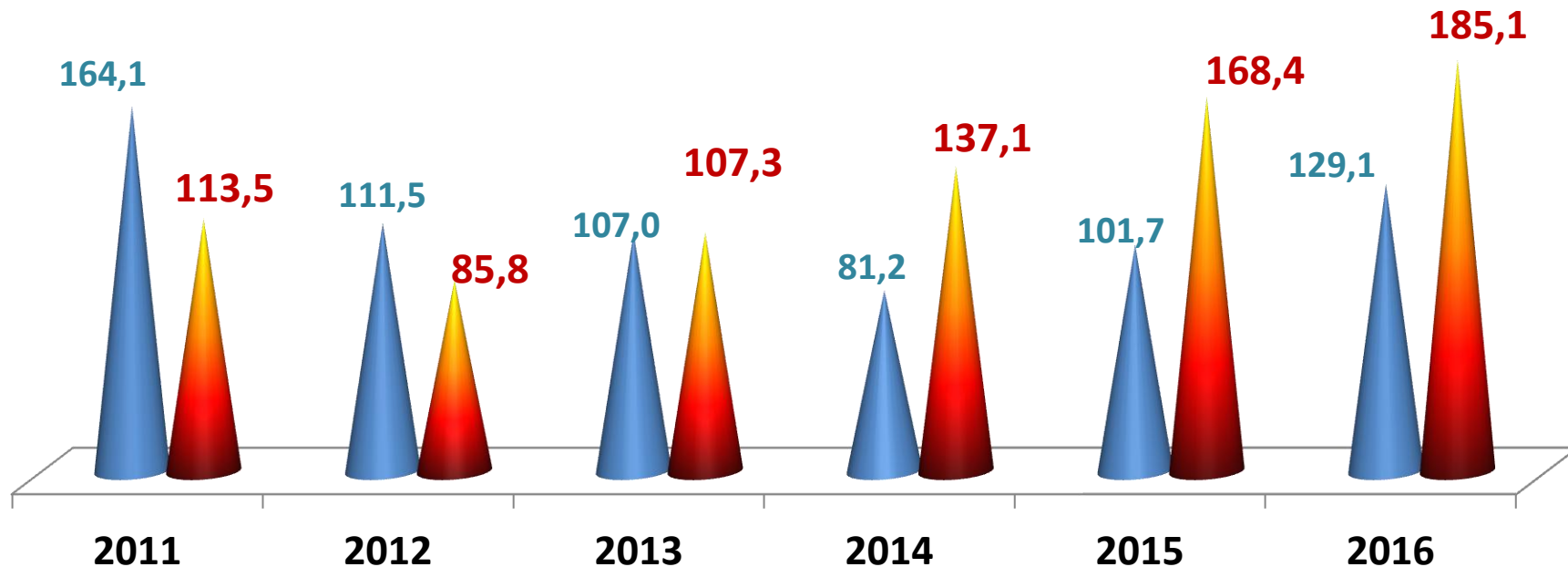




Capital investments in Ukraine, %

■ Industry

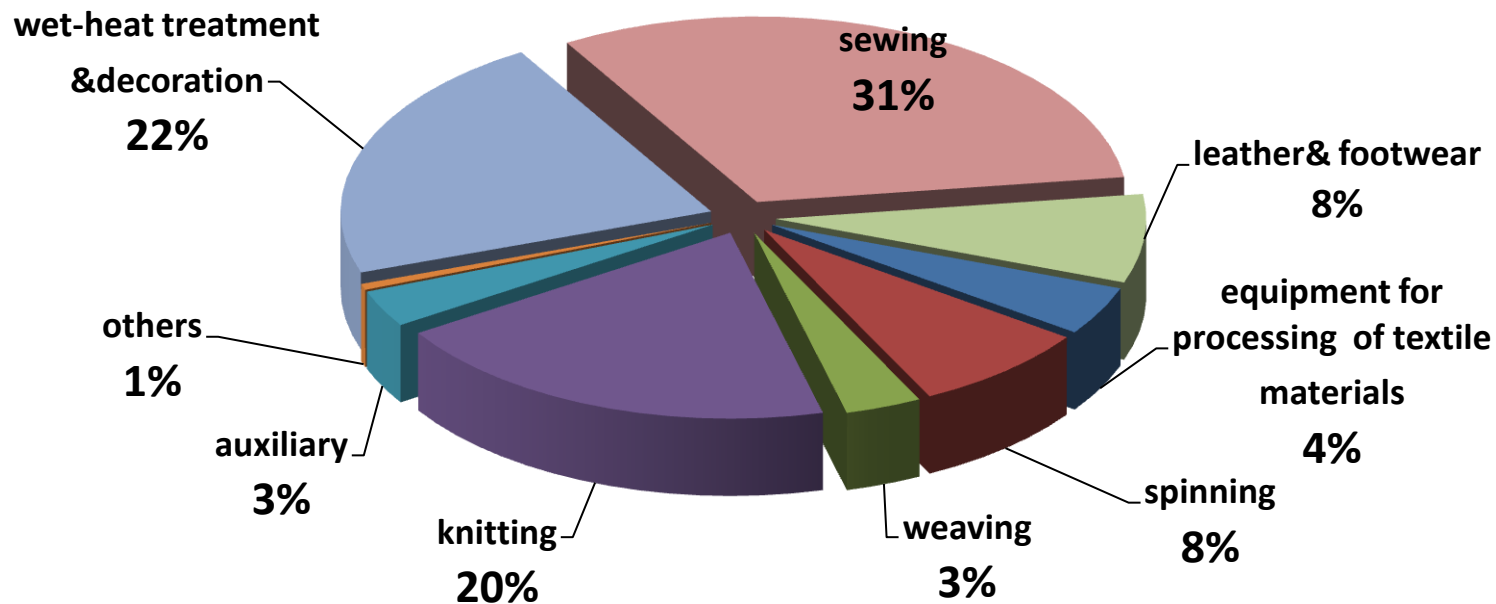
■ Textile&Leather industry





Ukraine interest of equipment's import

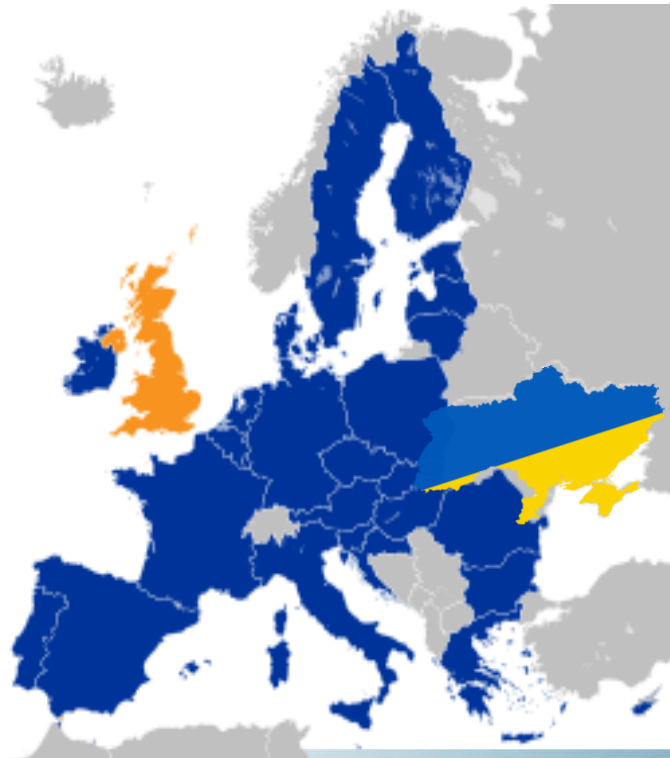
Directions of modernization 2016





Ukraine is attractive to Europe

Textile, apparel and footwear production



- ✓ *Labor resources*
- ✓ *Advantageous geographic location and logistics*
- ✓ *EU FTA*
- ✓ *Canada FTA*
- ✓ *Developed border and customs services*



Potential of Textile&Leather industry

EU-Ukraine DCFTA

Canada-Ukraine FTA

**Ukrainian export
up to 2.5 times**

Active companies –
2340

Staff workforce by 2
times



Potential of Textile & Leather industry



Askanian meat-and-veal breed of sheep with crossbred wool



Askanian Karakul breed



Tavrian type of Askanian fine-brown breed



Gypsy breed



Ukrainian genetic center for sheep breeding

**Transcarpathian State Agricultural
Experimental Station**



**Institute of Animal Husbandry
"Askania-Nova"**





Flax and industrial hemp for textiles



The climate in Ukraine is suitable for the production of cheap and high quality linseed and hemp fiber



Ukraine has varieties, cultivating, harvesting and processing technologies and business interests





Flax and industrial hemp for textiles



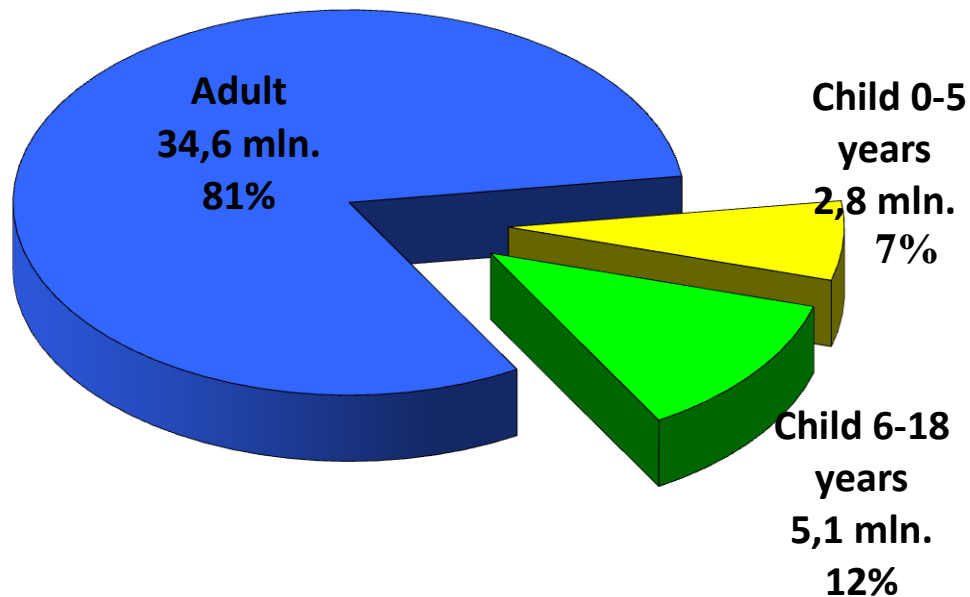
- ✓ *carpets*
- ✓ *natural cloth, mixed fabric*
- ✓ *technical textiles*
- ✓ *yarn, canvas*
- ✓ *geotextiles*
- ✓ *high-quality ropes, twine*
- ✓ *non-woven materials*
- ✓ *a wick for candles*
- ✓ *fire hoses*
- ✓ *clothes*
- ✓ *footwear*





Ukrainian consumer market

42,7 million people

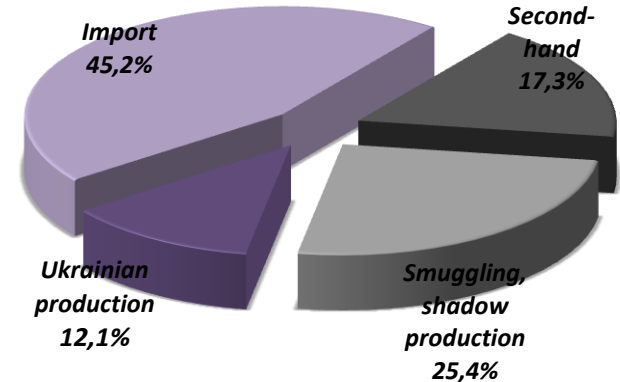


Textile and leather goods market - second after food consumption more than 5 billion.\$ per year



The problems of development of industry

- ✓ **Non-equal conditions of competition in domestic market**
 - *lack of complete accounting of trade (tax legislation)*
 - *lack of monitoring the safety of the products*
- ✓ **Limited own raw material resources**
- ✓ **Lack of skilled staff**
- ✓ **Low productivity**
- ✓ **Imperfect management system**
- ✓ **Lack of available loans and state support**
 - *for modernization and expansion of production*
 - *for the introduction of new technologies*
- ✓ **Lack of state support for participation in international exhibitions**





Europe is the main importer of second hand to Ukraine

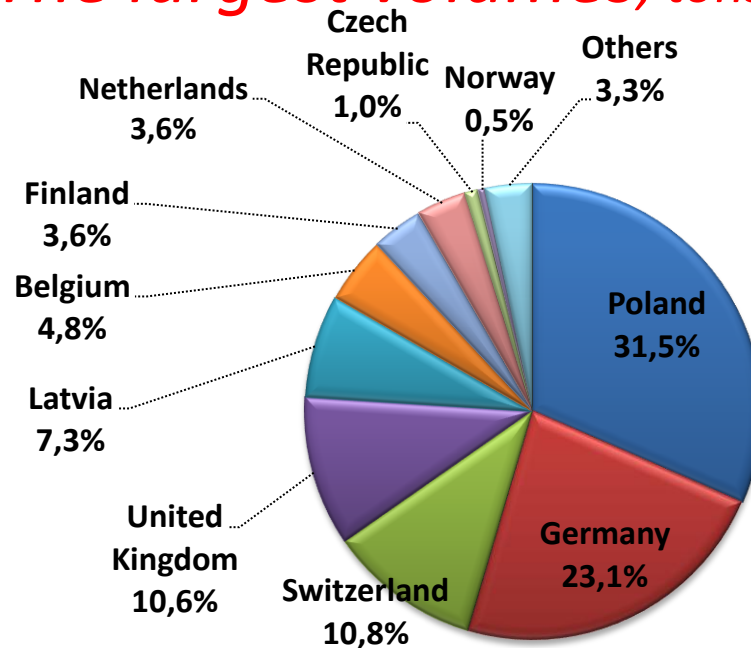
9 months 2017

*Import - 93,7 thsd.tons
(+29,6% to 2016)*

*The range of imports price
0\$- 1.3\$ per 1kg*

*Max price - 2.6 \$ / 1kg
from Finland*

The largest volumes, tons

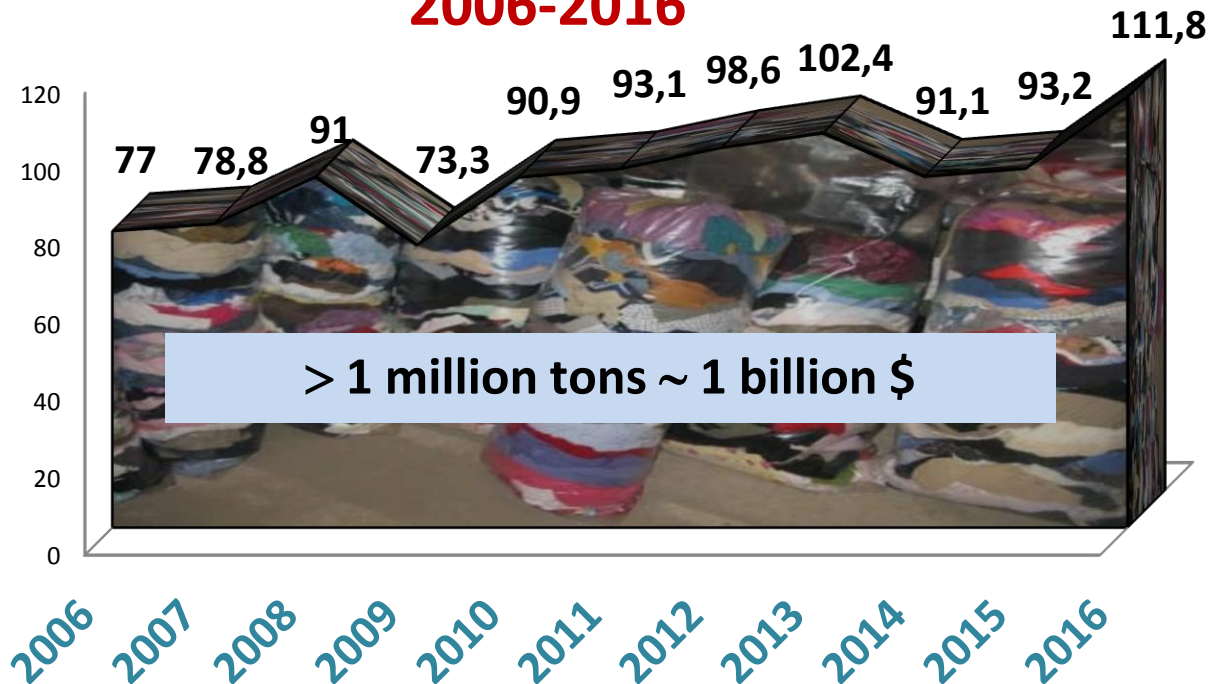




Ukrainian import of second hand

thsd. tons

2006-2016



2016:

**2.6 kg was imported
for each inhabitant of
Ukraine**

*(in 2006 – 1,7 kg,
in 2010 – 2,0 kg)*



Association «Ukrlegprom» **since 2000**

TODAY UNITES 200 MEMBERS - THE BIGGEST UKRAINIAN ENTERPRISES WHICH
CREATING ADDED VALUE SERVICES OR PRODUCTS

- ✓ *outwear and underwear, knitwear, sportswear*
- ✓ *leather wear, fur wear*
- ✓ *work wear, uniforms, military clothing*
- ✓ *fabrics, knitted materials, non-woven materials, technical textiles*
- ✓ *home textiles, interior decorations, toys*
- ✓ *leather, leather haberdashery, fur*
- ✓ *footwear, safety shoes*





Association «Ukrlegprom»

MISSION: PROTECTION OF UKRAINIAN PRODUCERS AND LOBBYING THEIR INTERESTS IN PUBLIC AUTHORITIES

TASKS & OPPORTUNITIES:

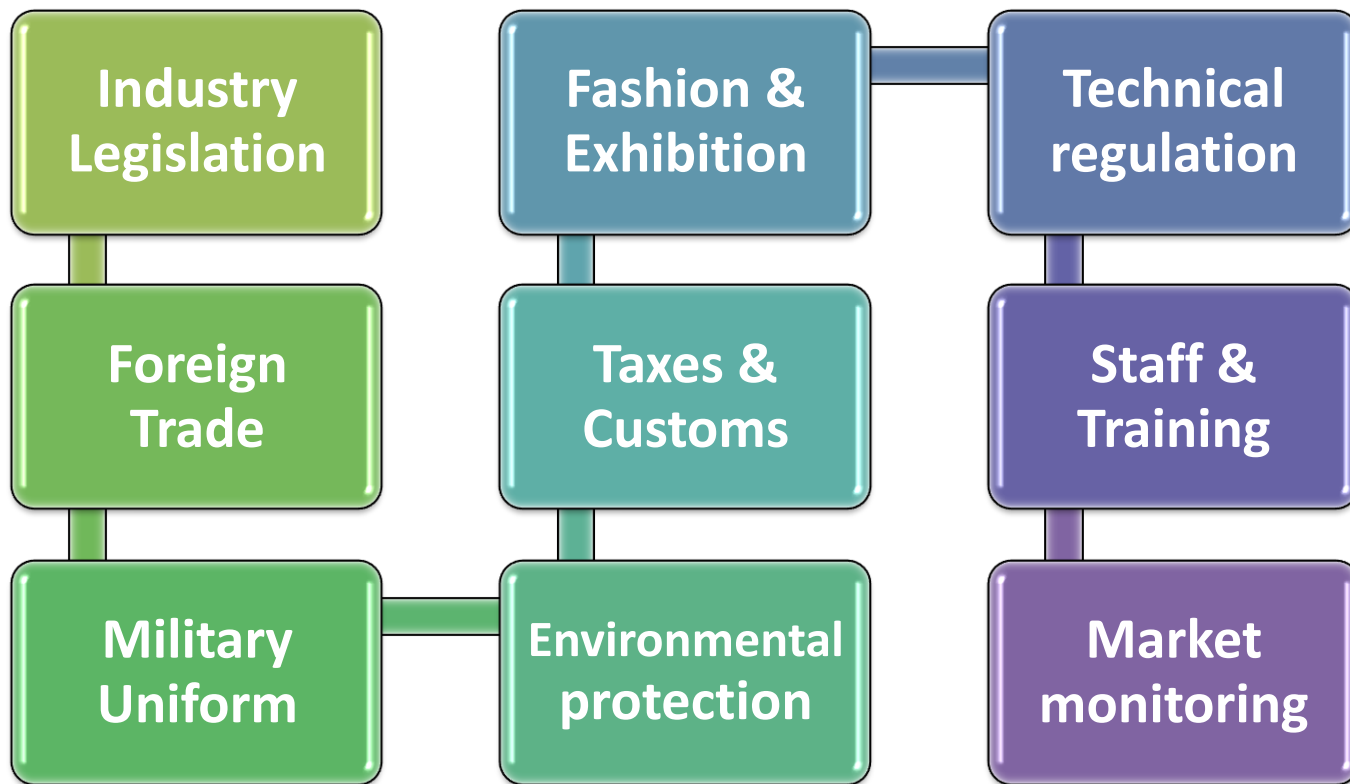


- ✓ EFFECTIVE DIALOGUE B2G
- ✓ ENSURING EQUAL MARKET CONDITIONS OF UKRAINIAN & IMPORTED GOODS
- ✓ POPULARIZATION OF UKRAINIAN TEXTILE & LEATHER PRODUCTS ON INTERNAL & EXTERNAL MARKETS





The main activities of Ukrlegprom





Strategy of industry development

- 1 **STAFF and TECHNOLOGY MODERNIZATION**
 - 2 **LEGALIZATION**
 - 3 **COMPETITION**
 - 4 **INVESTMENT**
 - 5 **INNOVATION**
 - 6 **POPULARIZATION**
-



Ukrlegprom's steps & results

✓ Cooperation with the Ministry of Economic Development and Trade of Ukraine

- *Initiation of Pan-Euro-Med process*
(due the problem with EUR-1 for apparel according to EU-DCFTA)
- *Protection of equal customs duties (0%) for footwear & individual items to EU-DCFTA*
(it was 10% till 2017.10.30 for Ukraine)
- *Protection of import duties on apparel, footwear, carpets within the UA-Turkey FTA (now in negotiations process)*
- *Prioritization of Textile & Leather industry in National Export Strategy of Ukraine*

✓ Cooperation with the Ministry of Foreign Affairs, EBRD, CUTIS, E4U, WNISEF, etc.

- *representation of potential business opportunities for the export*
- *search and suggestion of investment proposals*
- *providing information, analytic and proposals for industry development*
- *B2B, B2G, training programs for producers, etc.*



Strategy directions **UA - EU**

- 1 Increase of fabrics, leathers and applied materials production in Ukraine**
 - 2 Increase of employment and decrease of migration**
 - 3 Increase of productivity**
 - 4 Promoting of investment & innovation**
 - 5 Upgrade of equipment & technology**
 - 6 Harmonization of technical regulations**
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Thank you!

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