



TTR Report

Manufacture of Wearing Apparels and Clothing Accessories (Year 2019)

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Trend in the industry of Manufacture of Wearing Apparels and Clothing Accessories

According to Standard Industrial Classification which is promulgated by National Statistics, R.O.C., the apparel and accessories manufacturing industry is composed of companies that manufacture wearing apparel and clothing accessories.

The textile industry is a leading sector in the early stages of industrialization in Taiwan, development of the textile industry drove other economic sectors' growth. The apparel and accessories manufacturing industry is a downstream industry of the textile industry value chain, and give added value to textiles.

However, the textile industry in Taiwan has shrunk and even been regarded as a “sunset industry” due to factors such as the transformation of market structure, technological change, or labor costs increased. The number of domestic operating corporations of apparel and accessories manufacturing industry in Taiwan dropped from 2015 to 2019, and the number has significantly decreased from 3,942 to 3,518. (Figure 1.)

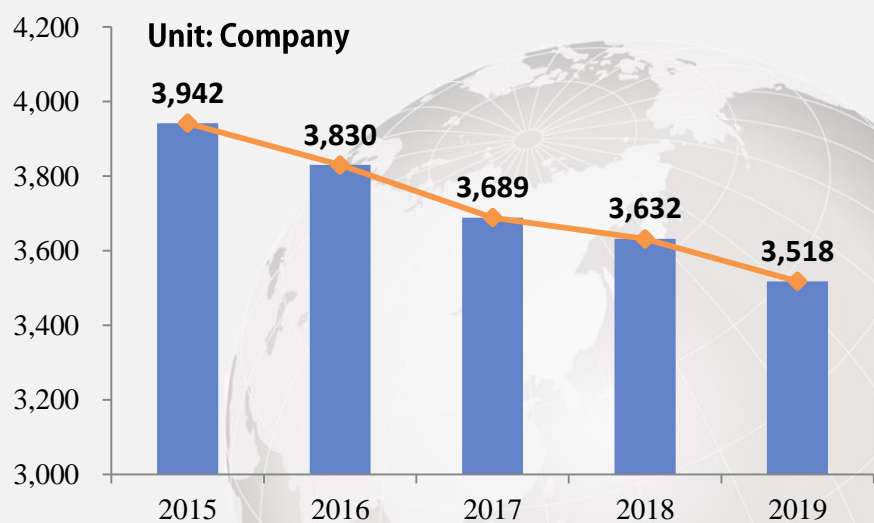
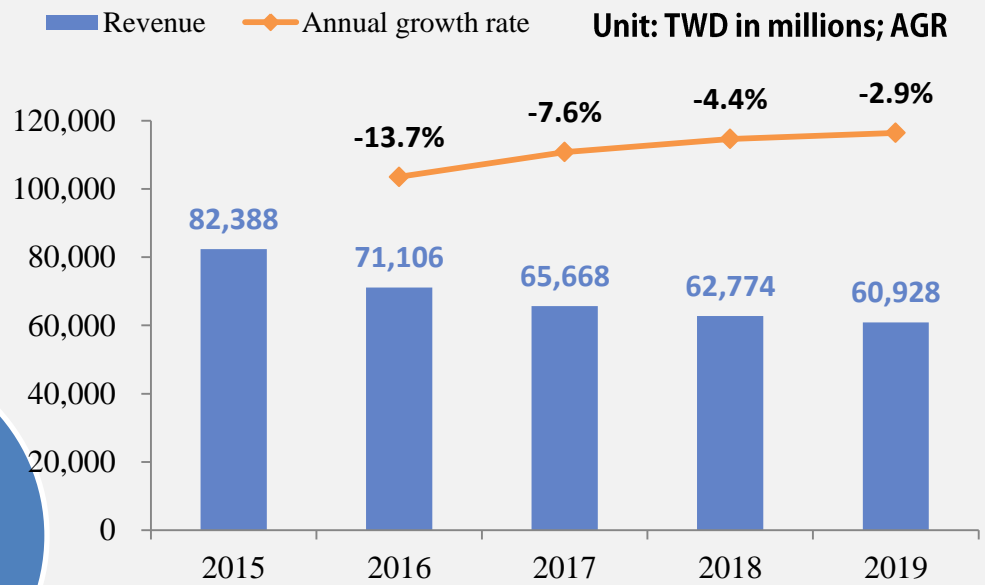


Figure 1 The number of companies in the apparel and accessories manufacturing industry from 2015-2019

Source: Ministry of Finance, R.O.C., Rearranged by TTR.

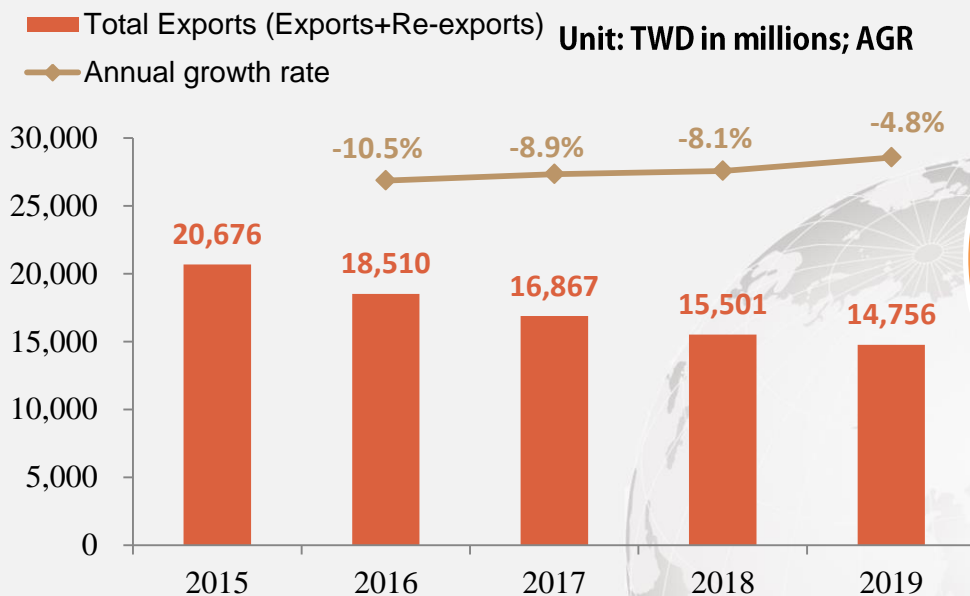
The revenue generated by apparel and accessories manufacturing industry went down from 82.3 to 60.9 billion TWD in the past five years, and the total export revenues are also seeing declines since 2015. (Figure 2&3.)

Figure 2 The revenue generated by the apparel and accessories manufacturing industry from 2015-2019



Source: Ministry of Finance, R.O.C., Rearranged by TTR.

Figure 3 The total export revenue generated by the apparel and accessories manufacturing industry from 2015-2019



Source: Customs Administration, Ministry of Finance, R.O.C., Rearranged by TTR.

There has also been a long-term decline in the number of employees in Taiwan apparel and accessories manufacturing industry since 1985; only 39,981 employees worked in this industry in 2019. (Figure 4.)

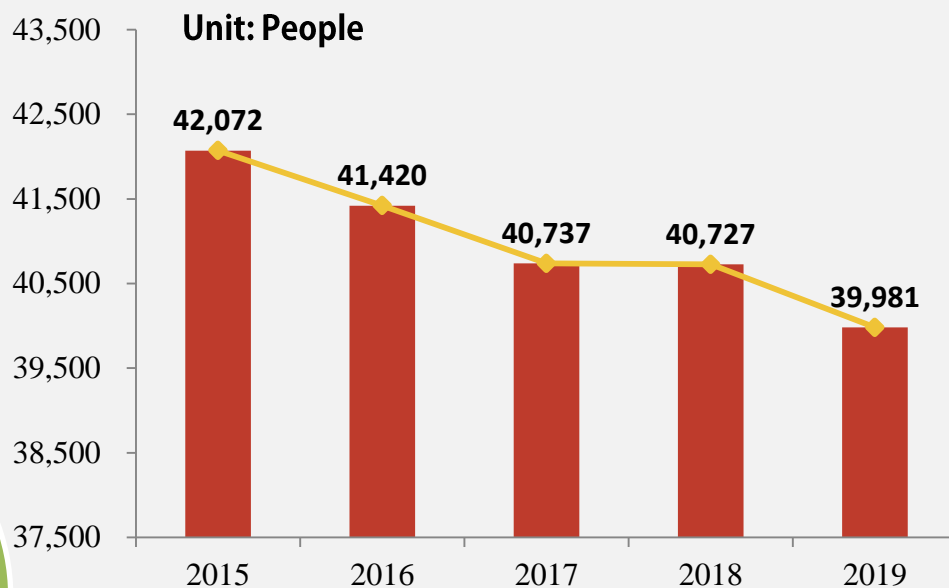


Figure 4
The number of employees in the apparel and accessories manufacturing industry from 2015 to 2019

Source: Yearbook of earnings and productivity statistics, R.O.C., Rearranged by TTR.

According to the 2016 industry and service census preliminary report, small and medium-sized enterprises (employed less than 200 people) dominated the apparel and accessories manufacturing industry in Taiwan, there were only 26 large enterprises (employed more than 200 people) in this industry. (Figure 5.)

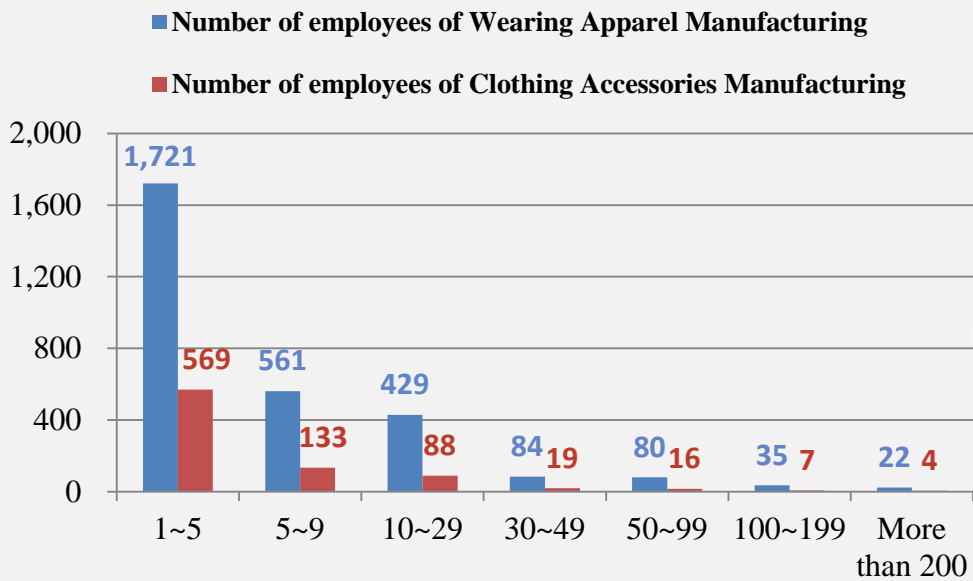


Figure 5 The number of companies in the apparel and accessories manufacturing industry by business size in 2016

Source: 2016 Industry and Service Census, Rearranged by TTR.

Industrial upgrading and transformation are the primary concerns today of Taiwan apparel and accessories manufacturing industry for higher competitiveness. Some enterprises introduced smart manufacturing or unmanned factory to deal with the rising costs. But much more than the process of manufacturing automation, the industry should focus on developing high value-added products such as smart, functional apparel. Taiwan has a comprehensive supply chain of functional textiles while backed by advanced IT, biotechnology industry. It would be an excellent opportunity to increase profits if enterprises can create high-value products and strengthen their design, branding capability. Secondly, more and more consumers demand sustainable fashion, eco-friendly fabrics have grown in popularity recently. Fortunately, Taiwan has a leading position in green textile technology, and enterprises could integrate the supply chain and develop the applications of green textiles to enhance their competitiveness.