

The Alliance Report (2015)

This is a summary of The Alliance Report: 'Repatriation of UK Textiles Manufacture' which is the most recent report into the textiles industry.

Background

- The report explores the viability of growth in the UK textiles industry along with ways of supporting it
- Instigated following global changes in the textiles market and in particular the success of British design and branding, both home and abroad, with many being prepared to pay a premium price for products made in Britain

Findings

- The textiles industry worth is £11bn annually (including self employed) and is 15th largest in the world
- 15,000 jobs in UK textile manufacturing could be created by 2020
- Significant capability still exists in traditional sectors such as yarn spinning, knitting, weaving, making up as well as the growth of new areas in technical textiles, composites
- Key clusters of production: Greater Manchester, Lancashire, West Yorkshire, East Midlands, Scotland
- Rationale for sourcing from abroad has weakened because: consumers want shorter lead times, growth in demand for UK homemade products, recognition that some cost benefits of off shore production can be offset by other cost reductions from closer manufacturing, increasing energy & labour costs in other countries
- River Island, ASOS and John Lewis are 3 major brands that are investing more in on shore production & others are following
- There is a growth in niche markets around technical textiles, with lots of companies diversifying into this area. Estimates suggest this area contributes £1.5-£2bn a year to the UK economy.
- The traditional 2 season cycle is less dominant as a business model with demand for on trend merchandise being driven by consumers with a 'buy now/wear now' mentality. Consumers are also increasing spending at high and low price points with reduction in mid tier spending. To remain competitive retailers therefore have to support in season trends and be able to respond quickly.
- Online retailers often add new products each week which makes short lead times the key to success. It is easier to meet this type of demand using on shore manufacturing.
- Increase in manufacturing technology and automation bringing cost benefits, which for some products could make manufacturing on shore more viable.
- The market has moved towards having just the right stock to meet consumer demands as and when it changes which reduces the costs of over stocking. Manufacturing things globally makes this harder to do and the rising costs of transport also add to the overall costs.
- UK manufacturing is proving more popular where short lead times are important, where manufacturers have significant input into designs, where tight controls on quality control are needed, and where provenance for a product is key (i.e. the 'Made in the UK' branding).

'The more added value in the manufacture process, from design, to digital and panel printing, jersey and jacquard, embroidery and knitwear, the more the market can be made in the UK'

Issues Raised

- An ageing workforce which is resulting in skills shortages
- Large number of smaller businesses which means there are less 'prime' manufacturers who can afford to invest in research, innovation and upskilling
- High land and energy costs in the UK impacts on manufacturing here as energy costs, in particular, are higher than most countries the UK competes against
- There is concern that there is an inaccurate negative perception of the industry especially by young people. In particular the 'sweat shop' image is dominant when this is not generally accurate in modern manufacturing.
- There is also a lack of understanding of the breadth of careers in the UK textiles industry.
- The report considers a rebranding of the industry and its opportunities to be a key step forward.

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