



**Asia-Pacific  
Economic Cooperation**

**Advancing** Free Trade  
for Asia-Pacific **Prosperity**

# **Enhancing the Competitiveness of Women-led MSMEs in the Garments and Textile Sector through Innovation and Entrepreneurship**

Makati City, Philippines | 18-20 April 2018

**APEC Small and Medium Enterprises Working Group**

September 2018

APEC Project: SME 08 2017A

Produced by

Project Overseers

Atty Ann Claire Credo-Cabochan and Ana Clarisa D. Abastillas

Email: [AnnClaireCabochan@dti.gov.ph](mailto:AnnClaireCabochan@dti.gov.ph) and [AnaClarisaAbastillas@dti.gov.ph](mailto:AnaClarisaAbastillas@dti.gov.ph)

Department of Trade and Industry, Philippines

Consultant

Institute for Small Scale Industries, University of the Philippines

Email: [nova.navo@upd.edu.ph](mailto:nova.navo@upd.edu.ph)

For

Asia-Pacific Economic Cooperation Secretariat

35 Heng Mui Keng Terrace

Singapore 119616

Tel: (65) 68919 600

Fax: (65) 68919 690

Email: [info@apec.org](mailto:info@apec.org)

Website: [www.apec.org](http://www.apec.org)

©2018 APEC Secretariat

APEC#218-SM-04.4

## Table of Contents

<b>Executive Summary</b> .....	<b>2</b>
<b>Skills Training Workshop</b> .....	<b>4</b>
A. Day 1: 18 April 2018 .....	4
Session 1: Industry Review: Issues, Concerns and Insights	
1) Global and Local Markets	
2) Product Development and Pricing: Creating Value for Customer	
3) Enterprise Operation and Supply Chain Management	
Session 2: Technology Upgrades and Innovation: Addressing Uncertainties, Changes and Challenges	
1) Innovations in Product Development and Designs (Popularizing Indigenous Fabric)	
2) Latest Technologies in Garments and Textile	
3) Integration of Micro Enterprises in the Global Value Chain	
Session 3: Industry Outlook, Market Mood and Fashion Trends	
1) Market Size and Sales Channels	
2) Ethical Clothing	
B. Day 2: 19 April 2018 .....	12
Coaching, Mentoring, Preparation of Marketing Strategy Assessment Report	
<i>Group Presentations</i>	
Group 1: Mika Herrera: Dress Like A Queen (wedding apparel)	
Group 2: Apparel Creations Co. Ltd.	
Group 3: UTM (United Textile Mills Co. Ltd)	
Group 4: “Lucky Baby”	
Group 5: I Love Taytay	
<b>Best Practices Forum</b> .....	<b>17</b>
C. Day 3: 20 April 2018 .....	17
Morning Session:	
1) Ethnic Fabrics in Everyday Wear: A Story of Collaboration	
2) Market Expansion Strategy: The Case of Chinese Taipei	
3) Global Trends in Fashion and Fabric for Financial Opportunities	
4) Industry Outlook and Market Size	
Afternoon Session:	
5) Store of the Future OMNI Channel Retailing	
6) Technology Adoption of a Successful SME: NARDA’s Story	
7) Government Support Policy: Closing the Loop in the Garments and Textile Industry	
8) Green Strategy: Circular Fashion	
D. Recommendations.....	21
ANNEXES	
Annex 1	Programme of Activities
Annex 2	Profile of Speakers
Annex 3	Profile of Moderators and Coaches
Annex 4	List of Participants
Annex 5	Open Forum (Questions and Answers)
Annex 6	Gallery/Photo Highlights

## Executive Summary

To provide a venue for knowledge sharing among APEC member economies on how to address industry issues and showcase best practices, a two-day workshop and one day best practices forum entitled *“Enhancing the Competitiveness of Women-led MSMEs in the garments and textile sector through Innovation and Entrepreneurship”* was held in Makati City, the Philippines on 18-20 April 2018. The event was attended by 88 participants from Chile; China; Hong Kong, China; Malaysia; Mexico; Peru; Papua New Guinea; the Philippines; Russia; Chinese Taipei; Thailand; and Viet Nam.

Discussions during the workshop and forum reveal that the average market growth of apparel from 2012 – 2017 was 4.8 percent and is forecasted to have an average growth of 5.9 percent in the coming 3 years (2018-2020). China is the top exporter of textile and clothing, contributing 36 percent to total world exports. Other APEC economies, i.e. the United States; Korea; Chinese Taipei; Hong Kong, China; Viet Nam; and Indonesia are also among the leading exporters of textiles and garments. Around 45 percent to as high as 90 percent of the labor force in the industry are women. In some APEC economies, workers in this sector are also young, members of indigenous groups and/or are living in the poorer regions.

In the midst of the improving market demand, the global scenario for the industry is painted with a lot of unpredictability. Nowadays, consumer preferences and habits are changing because of the establishment of online stores. Consumers, especially millennials, are not as loyal to specific brands as compared to earlier generations. Price alone does not dictate preference. Enlightened consumers are becoming sensitive to company values and alignment to ethical practices, such as fair trade, and compliance to higher environmental standards.

Failure to modernize equipment, fragmented production system (i.e. absence of linkages between textile and garment industry and focus on just one aspect of production like sewing or cutting instead of doing all stages of production), entry of surplus imports, lack of preparedness for economic liberalization, inefficiency, low labor productivity, and high cost of production have also negatively impacted the industry in some economies.

In the case of the Philippines, the industry suffered great losses. In the 1990s where workers in the garments and textile industry were roughly one million, latest data show that the number of employed workers in this industry has decreased to just 125,556 (2015). In addition, in just a span of six years, the number of manufacturing establishments dropped 43 percent from 1,303 in 1999 to 752 in 2015. Therefore, the industry would have to level up. Enterprises have to rethink that lower wage is not the only factor to attract investors. Technology upgrading including automation of the production process may be key to increasing efficiency, productivity and value added. Omni-channel marketing and sales, and new trend forecasting method using big data to respond to changing consumer needs and tastes need to be considered for the industry to grow. Transformation from traditional industry into a new innovation-driven, highly competitive industry may be embraced considering new challenges and opportunities in the international front.

At present, there is a movement among developing economies to nurture and grow small enterprises which would help economic development. These are inexperienced, new breed of second and third generation owners of family enterprises who have no formal business education and lack technical competence, or are poor female members of local ethnic groups who have strong cultural value trying to preserve their group identity. Enablers play crucial role in improving their production and technical

capacity, understand proprietary rights, meet quality standards and buyer demands, and increase participation in the local and global markets.

Many economies are now mindful of the small players especially local ethnic groups and women-led micro, small and medium enterprises (MSMEs). Promotion of platforms for inclusive business supporting women-led MSMEs have to be in place to help them get to the market. Critical issues are presently being addressed such as constant need for capacity building, technology upgrading, managing sustainability and integrity in production, and shared value creation. Backward linkages are also being strengthened as the demand for natural dyes and fabrics regain ground, supply of raw materials like cotton, piña, abaca, ramie, etc. have to be ensured. An ecosystem of stakeholders from production of raw materials to product design, processing, finishing and selling it to the market/consumers have also been established.

## Skills Training Workshop

### A. Day 1, 18 April 2018

#### Session 1: Industry Review: Issues, Concerns and Insights

The first session was an industry review of significant issues, concerns and insights on the Garments and Textiles industry in the APEC economies giving emphasis more on the Philippines'.

In the first session three areas were discussed: 1) Global and Local Markets; 2) Product Development and Pricing; and Enterprise Operation and Supply Chain Management.

#### 1. *Global and Local Markets*

Dr Jamil Paolo Francisco discussed how the global value chains (GVCs) affect or influence the growth of the garments and textiles industry.

He identified two major types of GVCs namely: (a) Producer-driven values chains where large firms play a central role in coordinating all backward and forward linkages in the manufacturing process; (b) Buyer-driven value chains where different firms set up a decentralized manufacturing process—this may involve having centers of productions spread across the world.

A schematic diagram was presented to show how some networks interplay in a GVC production process in an apparel industry. This global chain networks are: (1) Raw material networks; (2) Component networks; (3) Production networks; (4) Export networks; and (5) Marketing networks.

Raw material networks refer to how companies interplay in the production of natural fibers and synthetic fibers. Natural fibers are produced from cotton, wool, silk and other natural sources. While synthetic fibers are produced using oil and natural gas.

Component networks involve the spinning of natural raw materials into yarn threads for fabric production either through weaving, knitting and finishing processes. For the synthetic fibers, the companies use petrochemicals for the purpose.

Production networks engage several Apparel manufacturers located in North America and Asia. In North America, the US garment factories does designing, cutting, sewing, buttonholing and ironing and also subcontracts factories in the domestic and Mexican/Caribbean Basin. And in Asia, the Asian garment contractors produce fabric either through weaving, knitting and finishing and at the same time also subcontracts factories in the domestic and overseas.

Export networks refer to all retail outlets that carries with it Brand-named apparel companies. Overseas buying offices and Trading companies procure or purchase garment from Asia production networks.

And Marketing networks are composed of Retail outlets like department stores, specialty stores, mass merchandise chains and discount chains. There are also off-price, factory outlet, mail order, others.

Dr Francisco presented some data on the rank/rate of global clothing trade. Data show that China is the top exporter at 35 percent and in terms of global importation USA has the top spot at 23 percent.

He also maintained that the growth projection in the global chain is seen as an inevitable shift from west to south and east where most likely global fashion industry will see a 3.5 – 4.5 percent sales growth in 2018. He also mentioned that online sales of apparel and footwear globally are expected to grow by 10 percent per year (CAGR) from 2017 to 2020. Asia and other regions like Latin America are expected to surpass North America and Europe in terms of sales of clothes and footwear starting 2018. Clothing and footwear sales from Asia and other regions will comprise about 55 percent of global sales in 2016; and Asia and other regions have also asserted their “soft power” in the fashion world (e.g. fashion trends from Korean pop music and drama, the growth of e-payment in retail such as WeChat Pay in China).

He also shared that in the Philippines according to the latest data, textiles and garments industries employs 125,556 (2015) and has a revenue of P 85.6 B in 2015. The Philippine Household Final Consumption Expenditure on Clothing and Footwear (HFCE) has also been steadily increasing over the years. This mirrors the continuing economic expansion in the Philippines.

Dr Francisco also identified a number of challenges that the Philippine garments and textiles industry face, especially the small entrepreneurs. He mentioned that there was a 73 percent decline in the number textile and garments manufacturing establishment in 2015 as compared to the 1999 data. As a result, a significant decrease can be seen in the industry's employment in 2015 as compared to 1999 figures. The industry has employed only 125,556 people which is lower than the 1999 statistics showing 199,376 people employed or a 37 percent decrease.

In terms of revenues, when inflation is factored in, the 2015 revenue figure is only about 53% equivalent to the 1999 revenue figure.

In terms of the Export Value and Gross value added, the export value of clothing and apparel has decreased by an average (CAGR) of 4.3 percent per annum from 1998 to 2017; and the gross value added (GVA) of textiles and wearing apparel industries in the Philippines has been slowly on a downward trend.

Dr Francisco identified some possible reasons why the textile and garments industry in the Philippines has been slowly declining.

In terms of textile firms: (1) failure of textile firms to modernize equipment, (2) absence of linkages between textile industry and garments industry, (3) the entry of surplus imports (including smuggled textiles), and (4) firms' general lack of preparedness for economic liberalization"

In the aspect of garments, the garment firms in the Philippines are not competitive relative to Asian neighbours in terms of wages, pricing, quality and delivery of export garments. The Philippine garment firms are focused on one aspect of garments production (assembly or the cutting and sewing of garments using imported materials) instead of doing all stages of the production of garments like the practice of its Asian neighbour garment firms.

On the issue of wages, it has been argued that wages are not the only factor why manufacturers left the Philippines. Despite China having higher average wages relative to the Philippines, many continue to invest in China because it is doing all the stages of garment production. Moreover, Philippines has been cited to have the lowest labour productivity among the ASEAN -5 and China.

Regarding the Philippine garment trade, the Philippines places as number 46<sup>th</sup> out of 159 economies as of 2016 compared to US\$ 1.044 billion in 2016 (46<sup>th</sup> out of 159 economies) export ranking; and in importation, Philippines is 61<sup>st</sup> out of 162 economies against importation rate of US\$ 439.93 million in 2016.

In the global scenario the following challenges facing the global garments and textiles industry were likewise identified as: (1) unpredictability as the new normal; (2) automation; (3) consumers preferences and habits are changing because of the rise of technology (e.g. the rise of online stores at the expense of brick-and-mortar stores, easier sharing of information and reviews via social media, etc.); (4) more companies are taking advantage of Big Data in order to be more responsive to customer needs; and (5) millennials are not as loyal to specific brands compared to earlier generations. Aside from price, consumers buy goods based on the company's values and their alignment with its business

practices. Consumers may flock to businesses that have ethical and transparent business practices.

It was also identified that younger consumers are also moving away from buying material goods like clothes to buying experiences like eating out with friends and family, and traveling.

Dr Francisco suggested possible paths for growth in the Philippines garments and textiles industry: (1) looking at the possibility of doing all the stages in the production of garments; (2) understanding changing consumer preferences; (3) find the niche or full value chain; and (4) strengthen and sustain linkages and collaborative competition.

## 2. *Product Development and Pricing*

Ms Dela Fuente Alvarado defined Product Development (PD) as the creation of products with new or different characteristic that offer new or additional benefits to the customers and its importance to the entrepreneurs because it helps to keep and grow their share of the market as they meet the customers' needs.

Other aspects or components of the PD include: a) new physical object; b) new process (i.e. Dip dyeing, silkscreen printing); c) new material; d) the added value; e) innovations like Biomimicry which is a solution inspired by nature; f) new practices like reuse of a shoe, slow fashion, common threads and participation in World Fair Trade Organization; and g) new branding for differentiation.

PD is also an integral process with multiple actors and steps like market research and strategic planning. Market research includes identifying what segment is targeted, who are the clients, what prices do they pay for similar products, how competitive is the company, what potential does the intended product have in the market or client. Strategic planning on the other hand involves sales projection, identifying resources to invest, personnel, marketing tools, and branding.

As experienced by Allpa, Ms Dela Fuente's company, PD as part of strategic planning determine that market trends are not always a reliable basis or reference to use when planning to export. Allpa gave importance to customer needs and requirements; company resources; human and technological resources and competencies; and the learning processes of new products requirements and competencies.

Furthermore, in product definition, it should take into consideration defining of categories per products like home and fashion; designing collections in terms of how many products, price; materials, prototypes, production costs, timing; and knowing specific specs like technical sheet, yarns sheet, weaving or knit sheet, and finishing specs.

Product definition also must pay attention to marketing management: catalogues, brochures, web, social media and networking; participation in fairs, business trips; product testing and problems in production; and handmade products that can have unexpected variation

In product definition, the process of developing a new product maybe very risky, comprising of complex decision, that should not be based only in our personal taste. One has to face big challenges like fast fashion which can mean fast consumption. This can push towards exhausting non-stop product development process which involves 1) meeting with designers; 2) presentation of the collection; 3) analysis of designs; 4) supplies calculations; and 6) producing prototypes.

Ms Dela Fuente Alvarado also pointed out that sales and export costs as a tool for pricing has to be factored in. This concerns production, packing, direct expenses such as shipping, sampling and marketing expense. Salaries and other general expenses are also part of the sales and export costs.

### 3. *Enterprise Operation and Supply Chain Management*

Ms Adelaida Lim discussed the topic on Enterprise Operation and Supply Chain Management emphasizing more on Protecting and Promoting Philippine Textile Traditions. Ms Lim underscored that the Philippine traditional textiles define the Filipino identity. The rich variations in the Philippine textiles depicts who the Filipinos are – a multi-faceted people living in an archipelago.

She shared the significant role and contributions of HABI, the Philippine Textile Council, whose primary motive is to preserve and protect the traditional handloom weaving. She mentioned that it was a timely move to save the traditional weaving industry as it was almost a dying industry and there was no organization concerned with sustaining the craft or weaving. HABI also sought to promote the various and myriad textile patterns to come into current usage and make it fashionable and trendy.

One of the major activities of HABI is organizing the annual holding of the ***Likhang HABI Market Fair*** in Manila. It serves as a venue to showcase the work of weavers from all over the economy. The three-day expo or bazaar allows weavers to come in contact with the end-users of their products. It is a learning experience in entrepreneurship where the vendors exchange ideas about pricing, quality control and product development. The weaver-producers also get exposed to the tastes and needs of textile buyers like fashion designers and decorators.

As part of the research and promotion being undertaken by HABI, the council conducts periodic study tours to take stock of the condition of handloom weaving in the economy. They visit weaving communities around the economy, interviewing weavers and looking into their strengths and weaknesses. The great diversity of handwoven cloth is impressive but the marketing skills of weavers need upgrading. They also need help in quality control. The supply of natural fibers and threads to weave is low and expensive.

HABI also collaborated with the Philippine Fiber Industry Development Authority (PhilFIDA) under the Department of Agriculture for a trial cotton crop project in Batac, Ilocos Norte. For the sum of 45 thousand pesos, a hectare of cotton was planted. This included seed inputs, fertilizer and expert care. In 6 months, 2 tons of seed cotton was harvested. From this initial crop, 600 kilos of 100% Philippine cotton was produced and about 4,200 meters of cloth was woven. A kilo of cotton yarn makes 5 to 7 meters of cloth. Marketing the pure cotton cloth for 300 to 450 pesos per meter will make close to a million and a half pesos from an investment of 45 thousand.

PhilFIDA since then, embarked on a campaign to encourage farmers to start growing cotton again. Not very long ago, cotton was a viable crop that was even exported until it was replaced by tobacco. I understand that Philippine cotton ranks almost equal to Egyptian cotton which is the best in the world. Today, the hectareage planted to cotton in the Ilocos is increasing. There they are weaving cotton at a School of Living Traditions under the tutelage of Gawad Manlilikha, Magdalena Gamayo. Thus weaving is again a lucrative means of livelihood.

Ms Lim also pointed out the need to close the gap in the supply chain with emphasizing that the missing link in the cotton textile production supply chain is the lack of appropriate spinning facilities. Apart from hand spinning and simple spinning devices, there are no resources for spinning cotton in the cotton-growing areas. All the industrial-sized spinning factories have folded or are unwilling to process small quantities of pure cotton thread. The big spinning mills process polyester threads

exclusively. It is only at the experimental facility of the Philippine Textile Research Institute that cotton yarn can be spun but farmer access to it is costly because of transportation expenses and PTRI's high service charges.

And towards closing the gap in the supply chain, HABI proposed a sustainable spinning facility called MicroSpin. Invented in India where there is a thriving handloom textile industry, the MicroSpin machinery is small in scale and simple to operate. Farmers can easily be taught to manage it. Appropriately sized spinning machineries can be located within cotton-growing communities where the weavers are also. By eliminating transport, processing, and distribution costs, cheaper cotton thread can be produced faster.

## **Session 2: Technology Upgrades and Innovation: Addressing Uncertainties, Changes and Challenges**

In the second session, technology upgrades and innovations were presented highlighting Philippines and Hong Kong, China initiatives. Specifically, it highlighted two Philippine Women-Led MSMEs and the on-going research and innovations in technologies in garments and textile industry/manufacturing.

### *1. Innovation in Product Development and Designs (Popularizing Indigenous Fabrics)*

Ms Beatriz Patis Tesoro discussed highlights on "The Piña Process: From Plant to Finished Product" in the Philippine Garments and Textile sector.

Ms Patis Tesoro mentioned that the original source of piña fiber which is being used by early and present piña weavers is the pineapple fruit from South Africa brought to the Philippine by Ferdinand Magellan and the Galleon Traders called the Red Spanish pineapple variety. The fruit has been brought to the Philippines, particularly in the Visayas region, as substitute for lemon or citrus fruits. This variety is mostly grown in Aklan and Panay. There are also small scale plantation of the Red Spanish pineapple and other varieties in other parts of Iloilo like the Hawaiian, Formosa, Buitenzorg.

The production of the piña fiber goes through a very tedious or meticulous process of utilization from planting to harvesting to production and finish product. The processing of piña fiber from the leaves of the pineapple plant is a "skill" and painstaking work. There are no machines to do the extraction of the fibrous materials from the piña leaves. It is purely a procedure using the hands and feet of the person. Thus, the pure piña fiber is expensive.

However, the production of piña fibers has significantly decreased attributed to several issues like: a) planting of the red spanish pineapple plant has radically dropped in terms of areas due to low income revenue generation or payback; b) slow traditional way of producing piña fibers causing the low productivity and hardly meeting the high demand of piña weavers and designers; c) lower numbers of weavers and piña fiber knotters ; d) cost of the piña fiber has increased or became expensive and hardly affordable to ordinary users as compared in the earlier part of the history of the piña cloth and finished products; e) skills of piña processing and embroidering has lost its interest among the younger generations; and f) off-and-on popularity of the piña greatly affects its trending status and promotion.

Ms Tesoro suggests the following way forward: (1) need for more efficient methods or ways of processing pina leaves like machine (2) need for more handlooms and skilled weavers, and (3) the need to encourage farmers to plant in wider areas the red Spanish pineapple plant, cotton and abaca and even the ramie.

## 2. Latest Technologies in Garments and Textile

Prof John Xin of the Institute of Textile and Clothing, Hong Kong Polytechnic University shared that the development of technologies is a continuous process in the garments and textile industry considering that garments and textile have different functions to be addressed and enhanced. He emphasized that textiles and clothing evolved from very primitive forms in ancient times to the sophisticated ones we wear today and that clothing is no longer confined to keeping warm and aesthetics. That functional properties, comfort, fashion and consideration for the human body and our eco-system have become more important in garments and textile production.

The development of new and innovative technologies is in every stages from fibers, yarns, weaving and/or knitting, garment making, coloration, to after finishing processes, etc. is part of the entire garment production.

Thus, the development of functional textile fabrics has become a challenge like: 1) technologies for fibers and manufacturing are very mature and the types of fibers to be used are stable; 2) demand for functional fabrics, is growing with the modern lifestyle; and 3) that the process is done through the chemical, physical, and even biological treatment often called *finishing processes*.

There are four basic functions identified, namely: 1) Wrinkle-free (mainly for cellulosic fibers, e.g. cotton, linen); 2) Water-repellency; 3) Oil-repellency; and 4) Soil-repellency

Specifically, it has other necessity functions like health care/skin care and comfort functions; protective functions and military functions.

- 1) Health care/skincare and comfort functions are the Antibacterial, antimicrobial, Anti-viral, Anti-odor/freshness, Controlled drug-release, Hydrophilic, breathable, Moisture management/quick dry/unidirectional water transparent, Temperature regulation, Fragrance, Skincare (e.g. Vitamin C, A, E), Far infra-red, and Negative ion
- 2) Protective functions such as UV blocking, Anti-mosquito/insects, Anti-static, Anti-radiation (high energy: x-ray, γ-ray; low energy: microwave, radar, radio), and Flame-retardancy
- 3) Military functions Anti-chemical warfare, Anti-infra-red, Anti-radar or electromagnetic shielding, Passive and active camouflage, and Buoyancy and inflatable

Prof Xin also mentioned that one of the new technologies developed in his Institute is the self-cleaning technology which produces cloth that can clean itself. This functional technology can provide the functions like: a) dirt/stain removal; b) anti-bacterial; c) air purification; d) odor decomposition; d) UV blocking; and e) water purifying. Prof. Xin concluded that the garment and textile industry has transformed from a traditional industry into a new innovation driven highly competitive industry. The issue of sustainability for human and environment is becoming ever important and the industry adopts new materials, new smart and functional treatments, new manufacturing processes, new marketing and sales (e.g. Omni-chemical marketing and sales O2O), and new trend forecasting method (e.g. using big data, among other)

## 3. Integration of Micro Enterprises in the Global Value Chain

Ms Jeannie Javelosa, co-founder of the ECHOSi Foundation, shared that ECHOSi stands for Empowering Communities with Hope and Opportunities through Sustainable Initiatives. The ECHOSi Foundation is a non-profit organization focused on enabling community eco-systems to address sustainability issues that impact on environment, sustainable livelihood, and the empowerment of

women's groups, marginalized groups and cultural communities. The foundation's projects and partnerships are guided by three principles of the Good, the Green and Gender.

The ECHOstore is a pioneering social enterprise and retail store centered on fair trade of products made by small communities as well as environment-friendly green products.

ECHOsi in creating community eco-systems for impact and sustainability focused on the following aspects: 1) supply-value chain for textile, coffee and impact tours; 2) culture and traditions as lifeways like knowing the origins, history, economy and arts & crafts. 3) market segmentation of products for retails. 4) lifestyle products categories of textiles, accessories, apparel, and others.

ECHOsi also offers gender platforms that allows seamless integration of women to social entrepreneurship enabling them to help the community generate decent employment opportunities and lead the advocacy of inclusive economic growth.

Ms Javelosa has identified the following gaps or critical issues to be addressed: 1) microfinancing; 2) project designs, creation, variants and packaging; 3) market access and segmentation; 4) certification; 5) branding; 6) capacity building; 7) Product differentiation; 8) Research and Development; and 9) MSMEs as part of the supply chain.

### **Session 3: Industry Outlook, Market Mood and Fashion Trends**

#### *1. Market Size and Channels*

Ms Nguyen Hong Lien shared the experience of Viet Nam Global Value Chains (GVC) have helped to enhance the competitiveness channels for SMEs in the textile and garment sector in Viet Nam. She discussed it in terms of Production Value, Value of Global Garment Retail Sector, and Minimum Wage.

She discussed production value in terms of expected global production of yarn and fabric. The growth rate of apparel in the period 2015-2020 is placed at an average of 3.6%.

In the case of the value of global garment retail sector, the estimated value of garment retail sector in 2018 is placed at US\$1,470.2 billion. The increase is 5.7% higher compared with last year. And among that 52.9% is for women's wear, 31.2% for men's wear and 15.9% for children's wear. The growth rate of the garment retail sector in the period 2015-2020 averaged to ~5.7%

On the Minimum wage issue, the estimated minimum wage for year 2018 in some economies like in China is placed at US\$165-US\$368 per month; Indonesia: U S \$124-US\$248 per month; and Thailand: US\$281per month. In the case of Viet Nam, the minimum wage at regional average level is US\$ 121- US\$ 175 per month.

Ms Lien presented a schematic chart of Viet Nam's Apparel Global Value Chain in its 3 stages of operation namely 1) pre-production; 2) production; and 3) post-production.

- 1) Pre-production involves the following stages: Design & Pattern making, Sample making, Sample correction, Sourcing of raw materials. Between design & Pattern making and Sample correction, it has engaged some Intermediaries and Global buyers and under sourcing of raw materials, it engages the Spinning Mills and the Weaving, knitting Mills
- 2) Production includes Cut, make and trim (CMT) and Labeling and Packaging. Under production it also involves the Dyeing and Finishing industry; Garment Industry and Accessories Industry

- 3) Post Production include the following aspects is concerned with Shipping, Marketing and Sales and distribution. Under marketing and sales and distribution it already includes Brands and Mass Retailers Intermediaries

Ms Lien also gave an overall picture of Distribution of Apparel Products from Viet Nam to the US – Commercial Distribution. She mentioned that the Distribution Structure of Apparel Products in the US is as follows:

- Large part of the products is sold in specialty stores via primary wholesalers, thus contacting them becomes necessary for manufacturers. There are some cases where agents control the distribution channels.
- Large part of apparel products is sold in specialty stores via primary wholesalers in the US market.
  - In the case of being sold in Hyper/supermarkets, there are some cases where manufacturers sell directly to retailers.
  - If both manufacturers and wholesalers/retailers cannot build relations each other, agents are often used (commission: 10%, showroom management fee: 15%).
- Wholesale and retail are vertically integrated in large part of high-end and some part of upper-middle. Products of these segments are basically not distributed to GMSs.

## 2. *Ethical Fashion and Good Hinabi Practices (GHP): The Philippine Experience*

Atty Tanya Karina Lat shared the Good Hinabi Practices in the Philippines to emphasize her definition of Ethical Fashion as a Combination of Fair Trade and Sustainable Fashion. She focused on both the social impact of fashion (particularly the working conditions of laborers) and the environmental impact of the clothing production process.

### *The Good Hinabi Practice (GHP): SWITCH-Asia Handwoven Eco Textiles Project*

SWITCH-Asia Handwoven Eco-Textiles is a project funding program that promotes Female Entrepreneurship in Indonesia and the Philippines as it ensures a Sustainable Consumption and Production (SCP) of handwoven eco-textiles. The program addresses a number of issues and concerns that entrepreneurs often fail to meet buyer demands for quantity, quality and timeliness due to poor product standardization and lacking technical capacity. Limited access to supplies of quality natural dyes and eco-fibers also limits production. Lack of awareness among producers and urban consumers on eco-labelling or product standards means that producers mostly produce for local markets, and fail to realize a premium on wider markets.

Accordingly, the Philippines has been chosen to be a recipient of the SWITCH-Asia funding for its comprehensive Sustainable Consumption and Production (SCP) legal framework. The Objectives of the Project are: a) Contribute to economic prosperity and poverty reduction; b) Promote sustainable value chain development of handwoven eco-textiles (HWET); c) Establish and adopt quality assurance systems; and d) Raise awareness on eco-textiles and promote shift towards sustainability.

Ms Lat shared that the GHP ensures the implementation of their Participatory Guarantee System according to a) environmental accountability; b) social responsibility; c) quality assurance, and d) authenticity.

- a) On Environmental Accountability it involved the following concerns: Regeneration and propagation, Sustainable harvesting, Safe and clean production, and Non-use of chemical fertilizers and pesticides.
- b) Social Responsibility concerns include Fair Labor practices in terms of fair wages and no child

- labor; Safe and clean working conditions and Consumer safety.
- c) On Quality Assurance, it refers to Color fastness, Product quality, Harvesting and Production processes
  - d) Authenticity refers to Cultural protection and promotion, Cultural sensitivity, Respect of cultural traditions and practices, and Respect of use of traditional designs and production methods

## **B. Day 2, 19 April 2018**

The different reports are outcomes of the Workshop on Best Practices as shared by the members of each group. Each group identified which among their experiences or enterprises can showcase best a successful woman-led MSME. The basis for the report was the *Marketing Assessment Strategy* prepared for the workshop. All the participants were distributed to five groupings.

**Evaluator: Prof Nestor O. Raneses**

### **1<sup>st</sup> report: Mika Herrera...Dress Like a Queen (wedding apparel)**

Presenter is Ms Carolina Lissette Herrera Gutierrez (Chile)

Members:

Ms Noriah Ashari	Malaysia
Dolorosa Miranda	Philippines
Ma. Milagros Villanueva	Philippines
Joanne Carreon	Philippines
Trisha Salvador	Philippines

Coach: Mr Melchor Morandarte

The group reported on a wedding apparel business in Chile, the “Mika Herrera” wedding apparel business and owned by Ms Carolina Lissette Herrera Gutierrez. The packaged promotion of “dress-like-a-queen” wedding apparel includes the actual wedding dress are capes, accessories like bridal jewelry.

There were 4 points mentioned that made Mika Herrera outstanding and attractive for its wedding dresses like: Trendy design, Excellent Service, Fitting warranty, Exquisite fabric. The dresses are customized.

She identified key partners that ensure the success of the enterprise and these are: (1) the Providers (who are responsible for advertising the product lines); (2) a full time staff that includes the designers and sewers; and (3) the administrative staff, sales and marketing.

She said that the Proven Channel for the promotion and how Mika Herrera is chosen, selected as a wedding apparel brand or been considered are through the FB, TV, Magazines, Fairs, Previous Clients’ referrals, and those who go directly to the shop.

Ms Maria Cristina also identified gaps/weakness in her company as:

- 1) Do not have fixed policies to ensure standards, quality and rate or cost of product/dress being sewn
- 2) Need to improve packaging of products (unique only to Mika Herrera) and has to be worked out with designers, promotion group, etc.)

- 3) Need to recruit/hire and train a saleswoman (for now its only Ma. Cristina and joined by her fiancée)
- 4) A more aggressive production planning has to be done with the whole production team

**Evaluator’s comments**

The goals presented are good which demonstrates that the business is good and vibrant. Prof. Raneses mentioned the power of the media in communicating with varied customers particularly the young professionals.

He encapsulated the success of her enterprise into 3 things: a) amazing dress; b) great service; and c) fun.

**2<sup>nd</sup> report: “Apparel Creations Co. Ltd.” (Bangkok, Thailand)**

Presenter:	Ms Thamonwan Virodchaiyan	Thailand
Members:	Ms Janet Nenta	Papua New Guinea
	Ms Wenwei Weng	China
	Francesca Torrente	Philippines
	Jean Dee	Philippines
	Imelda Canuel	Philippines
	Ana Katrina Alay-ay	Philippines
	Orna Janissa Victoriano	Philippines
Coach:	Ms Senedith delos Reyes	

The second report was about the “Apparel Creations Co. Ltd. which is located in Bangkok, Thailand and employs around 250 workers. In the report the company export 70% of their products. It has different brand depending on partners’ location for its market. The company also experienced downward trend in their production sales and market. This was a big challenge for the company and decided to adopt another strategy of production scheme or plan. It adopted a 5-Year Production Plan to cope with the fast fashion trend.

Ms Virodchaiyan pointed out several things that contributed to the downward trend in their sales: (1) fast fashion, (2) world economic buying potential, (3) seasonal buying, and (4) some government policies.

She shared some of the lessons she learned in managing an enterprise:

- 1) Know your strength. The SWOT analysis will help you know your business, your strength, weakness, and know where your company stands in a global market as well
- 2) Seek opportunity. After knowing your strength and resources create your own niche and take advantage of
- 3) Differentiate but match. Don’t copy anyone but innovate
- 4) Get your hands dirty. Learn to “do it yourself” and really immerse yourself in the business.
- 5) Change. Aim higher with right timing

**Evaluator’s comments:**

The evaluator mentioned how powerful women can be effective and efficient in managing their respective businesses as indicated by their achievements; their capacity to make valued projection, goals and targets.

We are all in business because we would like to generate a good revenue or make our business grow and that is what is important that the activities done in the enterprise should be measured in terms of profit. To have aim for a higher revenue it would imply looking at other issues like the need to procure and source out cheaper materials which is a common problem of the industry. Small and medium entrepreneurs are hardest hit when raw materials increase that is why it is important to look at other sources of raw materials or try to use other cheaper material for the product but without compromising the standard of the product. It is also important to set standards for quality and pricing.

A query was posed by the evaluator on the approach and strategy that should be done to move the business forward to achieve the targeted revenue. The presenter mentioned that it will depend on the bulk orders that will be placed and the use of machines to replace labor to cut on costs. Professor Raneses also mentioned that the market is not a constricted market so there is room to increase the capacity of the business by accessing different sources of materials and market as well.

Professor Raneses ended by emphasizing that the bottom line is for entrepreneurs to appreciate and learn from the experiences and setbacks that happen in running a business. Knowledge about the garment industry or manufacturing is not enough to become successful entrepreneurs. We are not always guided by what we read in the books but actually we are guided by the best practices that we do in our own specific environment and enterprises

### **3<sup>rd</sup> report: UTM (United Textile Mills Co. Ltd.)**

Presenter:	Ms Nutra Uttamapinat	Thailand
Members:	Ms Tania Arriaga	Philippines
	Evalinda Otong	Philippines
	Twinkle Ferraren	Philippines
	Jennifer Go	Philippines
	Norma Mangosan	Philippines
	Mae Tao-ing	Philippines
Coach:	Ms Jocelle Mamaril	

Ms Nutra Uttamapinat from Thailand shared her about her enterprise, the United Textile Mills Co. Ltd (UTM) which is a leading textile company in Thailand established in 1989 with facilities in Nakornpathom. UTM manufacture and process with the state of art equipment and are specializing in high quality commission dyeing service in fabric. They produce various kinds of specialty Knitting, Dyeing and Yarn Dyeing and “Premium in Quality, Quick Response and Fast Service”.

Ms Uttamapinat reported the UTM Sales and Marketing strategies which included the following product lines: 1) Children and babies wear; 2) sports Casual; 3) Apparel company; 4) Innerwear and underwear. UTM also ships fabric to ASEAN: Cambodia, Viet Nam, Laos. She also shared the sales and marketing projection of the business.

### **Evaluator’s remarks:**

In the Philippines, UTM would be considered a large company basing on the number of employees that it has.

The journey of an entrepreneur is quite hard especially with the trading problem that was presented. What is important is to convert one’s product into something commercially viable, and attractively priced in order to compete with other businesses. Design will be the thing that will set you apart from your competitors

In the case here in the Philippines, DOST has launched a “One-Store” shop with almost 800 to 1,200 products that you can do “C to C” (Customer-to-Customer) basis of transaction. DTI is now partnering with DOST and also PTRI. They have the advanced technology on garments manufacturing and extend assistance directly and indirectly related and it’s an opportunity that anyone can take advantage of.

The challenge is to create something valued by the customer and you can take advantage of the technology or experience from others and the presenter can be a potential source for big business.

We have to have an action plan to protect and expand the raw material, i.e. plant resources. The need to connect all players to produce the raw materials needed. There are big opportunities for garment industry and we need only to concentrate on opportunities on what we think will bear or create an advantage of. Don’t blame the Government, all the time, for everything for the best enterprise is a government-free enterprise. Its more private sector creating the environment for business/industry to grow or succeed.

#### **4<sup>th</sup> report: Lucky Baby**

Owner/Proprietor: Ms Ma. Cristina Salas Vallejos

Presenter:	Ms Cristina Salas Vallejos	Chile
Co-Presenter:	Ms. Junita Jamirun	Malaysia
Members:	Nicole Cuerpo	Philippines
	Roan Jean Gregorio	Philippines
	Evans Joy Garcia	Philippines
	Marie Josephine Ferraren	Philippines
	Pamela Magtalas	Philippines

Coach: Ms Marsha Delfinado

The 4<sup>th</sup> report was about a brand specializing in the classic design of Peruvian Pima Cotton clothing and fine accessories for premature babies to 36 months. “Lucky Baby” and owned by Ms Ma. Cristina Salas Vallejos of Chile. Ms Vallejos pointed out that their concern is meeting the needs of their clients who want premium product with delicate finishes and embroidery made by 100% by hand. She said that they have a collections of different designs in rococo style embroidery, smock, bullion, crochet finishes, among others, but they don’t have enough embroiderers to fill the demand. The entire line has finishes and details. The company is try to use technology (machines) to make their products without compromising the quality. Lucky Baby is a company responsible for fair trade, generating multiple sources of income for women embroiderers in Chile and Peru.

Lucky Baby brand is popular in Chile because of its trendy fashion as a result of collaborated effort with the designers, embroiderers and sewers. She collaborates with 50 companies for mass production of baby products (clothing and accessories) and wants to do more to lift the lives as her noble idea to help the local economy with some of her product lines are done in the local areas. Lucky Baby has good branding and packaging; offers a return policy within 30 days; good media exposure and accessibility; and uses quality fabrics/material. It employs two marketing strategy: local distributors and direct selling as well as on line orders. For promotions also participate in exhibitions, fairs and website, Facebook and Instagram

### **Evaluator's Comments**

Professor Raneses mentioned that growth can be hindered or influenced by how the company will be able to create more value for its customers and Lucky Baby has shown it through innovation like producing 16 designs per year. This will address the changing customers' requirement in terms of keeping up with fashion trend design

Branding and innovation are two powerful tools to achieve target projection of revenue vis-à-vis production as innovation is creating something new, something different and something significant.

### **5<sup>th</sup> Report: "I love Taytay"**

Presenter:	Kristine Joy Victor	Philippines
Members:	Ms Anastacia Kasanskaia	Russia
	Ms Dolores Trawen	Papua New Guinea
	Ms Carolina Urbina	Peru
	Kelly Mortensen	Philippines
	Kristine Meg Roxas	Philippines
	Estelita Dacumos	Philippines
	Gianne Paas	Philippines
Coach:	Ms Ma. Luisa Solarte-Lee	

The presentation was centered on the experience of the entrepreneurial ventures of the people of Taytay, Rizal Philippines. Taytay is considered the garment capital of the Philippines since the 1940s. Products made or manufactured in Taytay are sold in bulk outside of Taytay like in Baclaran and Divisoria.

Most of the family in Tatay owns or is engaged in the apparel business. The family focuses on one type of apparel only (e.g. children's dresses) and mass produces it. The garments industry in Taytay has suffered the swinging trends in the global and local industry. To ensure that Taytay maintains/sustains its being the garment capital in the Philippines, the local government units (LGUs) envisioned institutionalizing Taytay as the capital producer of garments for men, women, and children.

To this end, the LGUs constructed a common place or a business center/bazar with at least 500 stalls to start and rented it out to entrepreneurs or retailers. As a result, prices or cost of items were more affordable because a good number of customers buy in bulk. Moreover, there are no brandings on products being produced. They are more customized or by orders for specific use or purpose.

Taytay apparel businesses encounter stiff competitions from sellers/retailers of over-run items to ukay-ukay (informal thrift shops). Another problem faced is that potential customers complain of the accessibility due to the traffic going of Taytay.

### **Evaluator's comments**

Prof Raneses summed up the biggest challenge that is facing the Taytay garment industry is to make Taytay on top of the mind of customers nationwide. There is also the need to address the traffic problem, partly the other needs of customers like place to buy food and where to park are partly resolved through the government. LGUs should exert more collaborative efforts with other agencies of government and even the private sector, the community to help the Taytay garment industry.

## Best Practices Forum

### C. DAY 3: 20 April 2018

Speakers for Day 3 focused on successful and best practices from the private sector and the collaborative thrusts of government to support the Garments and Textiles Industry.

#### 1. *Ethnic Fabrics in Everyday Wear: A Story of Collaboration*

Ms Renee Talavera focused on the role of the National Commission for Culture and the Arts (NCCA) in the preservation and spread of the use of ethnic fabrics.

One of the flagship programs of NCCA is the School of the Living Tradition (SLT) that started in 1993 under the SCCTA to safeguard Filipino traditional arts and cultural rights. It is a community-managed non-formal learning centers where cultural masters transmit their indigenous knowledge systems and practices, artform, crafts to their youth in the community.

The SLT address the gaps and is an avenue for the cultural masters to teach their indigenous knowledge, practices, art craft, art forms to the young members in their communities. One of the most popular craft is weaving.

In support of the SLTs programs, NCCA forged and signed MOUs with various agencies of government. The purpose of such collaboration is to encourage collaboration and development of appropriate livelihood opportunities through cultural heritage preservation and conservation that will provide jobs and sustainable sources of income for the cultural communities while upholding their cultural integrity.

Every day wear from textiles and accessories are being featured in various events, local and international:

- ***MANILA FAME*** is the signature event of the DTI and considered as the longest running trade show in the Asia Pacific. CREATE PHILIPPINES is a new trade event that shall be branded as the economy's official trade show for promotion of creative industries in the economy. The event is closely collaborated with the Department of Trade and Industry. The event showcase or features weavers to demonstrate loom weaving and hand printing and sell also other items.
- The ***National Arts and Crafts Fair (NACF)/Sikat Pinoy*** is a major trade fair of the Bureau of Domestic Trade Promotions under DTI. It provides as platform for Indigenous Filipino Artisans. Over 16 indigenous and Filipino artisans participated during the event through the NCCA's programs and support of Senator Loren Legarda.
- Another significant annual event organized by the Department of Foreign Affairs is the ***International Bazaar***. This event is being spearheaded by the International Bazaar Foundation, an institute under the Department of Foreign Affairs, and it features the various indigenous crafts. It is one of the major partners of NCCA and indigenous textile and products are featured in the NCCA booth.

#### 2. *Market Expansion Strategy: The Case of Chinese Taipei*

In the presentation of Ms I-Ku Chen, she shared the Market Expansion Strategy of Chinese Taipei for Garments and Textiles.

Ms Chen also shared some concerns on the state of the Indigenous sector in Chinese Taipei where 23% of population remain in the mountain area. The labor force participation rate in indigenous male

is higher than average, but most jobs are low-skilled and part-time; Shortage of job opportunity put pressure on job seeking in hometown; Both dependency ratio and child dependency ratio are also higher than average; and the household income of the indigenous people in Chinese Taipei is 40% lower than average. She also mentioned that indigenous women often have low self-esteem attributed to low economic status, low social status, and low competitiveness

Therefore, the Objectives of Introducing Micro-enterprise into Indigenous Society is to: (1) create more local job opportunity; (2) generate more family income; (3) Propose indigenous women a work-family balanced lifestyle; (4) respect and promote indigenous culture; and (5) help indigenous women to have more self-respect

Ms Chen mentioned that aside from funding support from the government, the government also has the Empowerment Employment Program which has the following aspects:

- 1) Learning which involves finding the value hidden in traditional crafts; and cultivating the strength of indigenous craftsmanship
- 2) Strategy which transfer common products into valuable brand; and respect and promotion of indigenous culture, lifestyle and value
- 3) Solution which is already the integration of indigenous culture and livelihood into a brand “X”

Ms Chen shared some lesson learnt in program:

- have clear strategies and mandates increased viability;
- strengthen engagement activities;
- assist women to build an understanding of competitiveness;
- promote tourism and cultural uniqueness;
- clarify product pricing at an early stage;
- foster repeat business as a market sustainability strategy;
- consolidation of product delivery; and
- promote an ease-of-doing business philosophy

### *3. Global Trends in Fashion and Fabrics for Financial Opportunities*

The presentation of Ms Delby P. Bragais started with two basic questions asked: 1) Who are interested to know the latest fashion trends? 2) Who are interested to know what are attractive opportunities in fashion?

The Speaker shared that she started with a small capital of US\$20 and a very old sewing machine of her grandma and old fabrics of her mom. She pointed out that you have to think big and be creative.

Her goal was to have a business solely devoted to changing “looks” and expanded to focus on changing “lives” and maximizing her potentials to create an impact on others and influence lives through her design.

According to Ms Bragais the best approach for slow-fashion versus fast-fashion trend is to think that even production takes longer, the end product is more personalized and high quality. The bottom line she said in order to succeed in slow-fashion is to differentiate, collaborate; and initiate.

### *4. Industry Outlook and Market Size*

Ms Ngoc Anh Hoang of Viet Nam focused on how to enhance the competitiveness channels for SMEs in textile and garment sector, and how this affects industry outlook and the market size.

She mentioned that in Viet Nam there are three stages in the whole process of production of textile and garments and in each stage there are some activities being undertaken:

1. Pre-production: it involves design and pattern making (for intermediaries/global buyers), Sample making, Sample correction – (intermediaries/global buyers), and Sourcing of raw materials –(spinning mills/weaving, knitting mills)
2. Production involves: Cut, make and trim – (dyeing and finishing industry); and Labeling & packaging – (garment industry/accessories industry)
3. Post production: Shipping - Marketing – branding and promotion; and Sales & distribution – mass retailers, intermediaries

She mentioned that Viet Nam's SMEs face the following problems:

- Limited internal and external networking and linkages,
- Market access (market information,
- Burdensome tax policies and compliance regulations,
- Low competitiveness (low productivity), including a low skilled workforce (ineffective training programs/capacity for technology learning),
- Difficulties in accessing land/credit and loans (collateral and short-term loan tenures),
- Weak implementation of laws on policies of IRP,
- Policies/regulations (obscure and restrictive customs regulations of other economies, and
- State intervention in trade and business through SOEs competition and complex administrative procedures is an issue or concern to contend with.

She mentioned that social compliance within the business organization is important for the industry to expand within the government policies and rules and fair competition with other industries as well.

##### *5. Store of the Future: OMNI Channel Retailing*

Ms Ping Cao briefly discussed the Retailers' Global Buying and Sourcing as far as Garments and Textile is concerned. She identified Key Sourcing Parameters related to channel retailing, namely: 1) Products Mapping, 2) Economy Risk Matrix, 3) Minimum Wage Update, and 4) Economy Cost versus Efficiency

She discussed two major considerations in discussing the Economy Risk Matrix: a) Labor cost across the region/market for key sourcing parameters; and b) Economy Cost vs efficiency She also mentioned that minimum wage varies from economy to economy.

Ms Cao also presented the key challenges and opportunities that she sees channel retailing will have for 2018 and 2019. The following are:

- 1) Cost – under cost there are at least 4 aspects of how to lower cost involving the following: a) Region; b) Material; c) Lean training; and d) Resource Management
  - On Region, it involves analysis of Economy migration to supplier cost and having a base map of materials and raw products that will be used in production
  - On Material, it considers production, down time and leverage to material consolidation
  - Lean Training is considered to increase sourcing penetration to lean management
  - Resource Management for freight on board (FOB) as against landed materials.
- 2) Speed - top up response, quick response, sales response

- 3) Quality- process execution (approval of seal, in-house & 3<sup>rd</sup> party testing, inline inspection & follow-up, final inspection and claim/return follow-up)
- 4) Supply base would address how to improve reliability of suppliers which entails the following: a) Delivery - link to buying process and calendar, b) Quality - build right first approach, c) process - micromanagement on capacity and capability, and d) communication - availability and accountability

#### 6. *Technology Adoption of a Successful SME: NARDA's Story* (Ms Lucia C. Catanes)

Ms Lucia Catanes is the second generation owner of Narda's traditional Cordillera Ikat weaving business popularized by her mother, Leonarda 'Narda' Capuyan who became an Icon on the promotion of the Ikat weaving.

The lessons shared can be seen how a traditional weaving practice transformed to a world renowned industry combining latest trends in technology but not losing its cultural or traditional value.

The use of technology brought significant or relevant transformation and modernization through innovation on some existing tools used by carpenters as an improvised hand spinning machine to speed up production of yarn threads as the demand for Ikat fabrics or textile has increased significantly. It also involved the adoption of appropriate new technique or strategy of dyeing and tying the threads/yarns. The mechanized weaving process has made work more fun as it upgrading the knowledge and skills of weavers in improving the design and quality of their product at same time became highly competitive in terms of fashion trending, accessories and other form or style of apparel.

She also mentioned that through the assistance and collaboration with the Government's Philippine Textile Research Institute (PTRI), this opened up opportunities to research or discover other potential plant sources for fiber. She added that training has also improved the skills of weavers and the quality of products being sold at NARDA's.

She stated that to some extent technology did not remove the cultural attachment to the products developed combining machine and human hands and spiritual creativity. The use of the technology enhanced the business trend and revenue that benefited the weavers and their families as well as the whole communities.

#### 7. *Government Support Policy: Closing the Loop in the Garments and Textile Industry*

Ms Celia Elumba presented the Government Support Policy as carried out by the Philippine Textile Research Institute (PTRI). PTRI is the premier textile research and development arm of the Department of Science and Technology (DOST) provides the overarching policy and program support of the Philippine Government to the Garments and Textile Industry.

PTRI's aim is to support the Philippine textile, garment and allied micro-small and medium enterprises (MSMEs) achieve global competitiveness with unwavering commitment to work excellence and integrity, through: 1) Judicious utilization of textile-based resources; 2) Development and transfer of innovative technologies; and 3) Enhancement of human resource capabilities

PITR provides science and technology services such as: 1) quality testing, 2) textile processing, 3) technology transfer and promotion programs, 4) research (i.e open lab, joint research undertakings), and 5) technical consultancy

Ms Elumba stated that the national strategy basis for the textile industry is part of the President's 10-point Socio- Economic Agenda; specifically, on promoting rural and value chain development toward increasing agricultural and rural enterprise productivity and rural tourism and promoting science, technology and the creative arts to enhance innovation and creative capacity toward self-sustaining and inclusive development.

The 2016-2020 Roadmap for Textiles has been formulated for the promotion of science, technology and the creative arts to enhance innovation and creative capacity toward self-sustaining and inclusive development with the overall vision of promoting global players with a Filipino branding.

#### *8. Green Strategy: Circular Fashion*

Ms Svetlana Artemyeva of Russia discussed her company's green strategy as the principal approach that addressed the top needs for fabric vis-a-vis the environment or geographic characteristics since garment production is second contributor to pollution

Ms Artemyeva's company, ECOLIFE adopted the "Green Strategy" as a responsible and careful approach on all stages of clothes production, aimed at rational and effective use of resources and based on ecological and ethical standards. The founder and owner of "Green Strategy" is Dr. Anna Bismar, a consultancy firm specialized in circularity and sustainability issues of the fashion, apparel and textile industry on a global scale.

Her company also promotes a clothing line named Free Age. It emphasizes the aesthetic principle of our clothing lines that combines sophisticated design with laconic minimalism. "Free Age" is for thinking and progressive people that have made themselves and are still aspiring for new discoveries, men or women, that usually choose not fancy dresses but clothes with deep content.

Principles of design being promoted in the company is for durability and longevity, use of non-toxic and biodegradable materials, and ethical attitude towards society and environment. They conduct collection design for sales statistics analysis and demand analysis by working with celebrities and focus-groups. The raw materials they use are durable and ecological.

At present, they are also promoting recycling through the development of effective and safe technologies; secondary use; special equipment and introduction of a new range of products for the home-made of processed of leftover yarns.

#### **D. Recommendations**

Garments and textile is an important industry in the region not only in terms of its market size but also in terms the labourers engaged in the sector who are predominantly women, youth or elderly, and indigenous people. Therefore, the industry offers a big potential to improve living standards of these peoples. While some APEC economies are at the forefront of the textile and garment global industry, and research and development activities in these economies are advanced. Some APEC economies have been experiencing a decline due to lack of competitiveness and fragmentation in the supply chain, resulting to a great deal of closures and job losses.

Considering the importance of the industry, however, not only economic-wise but also in terms of promoting culture and environmental consciousness, and poverty alleviation, there was an identified need for continuous engagement for the participants to upgrade their entrepreneurial skills and to improve quality and efficiency in production.

Specific recommendations following this project include linking up of academic institutions with the manufacturers and other training providers. Mechanisms such as internship programs could benefit both the students- who may eventually start their own garments and textile business- through exposure to the actual manufacturing process, and for enterprises to learn from the academe how to improve their operation system and quality standards. Providing consultation service and technical assistance may also be conducted especially for those who expressed their need for technical assistance.

As suggested during the best practices forum, a benchmarking activity with industry leaders could be organized: (1) Hong Kong, China for smart textiles, (2) Thailand and Russia for compliance to environmental standards, (3) Hong Kong, China for the latest technologies, and (4) best practices of Viet Nam and China that helped propel their industry into becoming major global exporters.

A research conference showcasing latest studies on garments and textile among APEC economies would also be helpful to provide venue for knowledge-sharing and disseminate industry upgrading ideas.

**Annex 1**  
**Programme of Activities**

<b>18 April 2018(DAY 1)</b> <i>Venue: Legaspi 2</i>	
8:30 – 9:00 am	Registration
9:00 – 9:05 am	<b>Opening Remarks</b> <i>Mr Eric Gerardo E. Tamayo</i> Department of Foreign Affairs
9:05 – 9:15 am	<b>Picture Taking</b>
9:15 – 9:45 am	<b>OPENING SESSION</b> Workshop Overview, Objectives, Output, House Rules Pre-Assessment Survey
9:45 – 10:00 am	MORNING BREAK
10:00 – 11:30am	<b>SESSION 1: Industry Review: Issues, Concerns and Insights</b> <i>Moderator: Prof. Rolando Ramon C. Diaz,</i> University of the Philippines – Institute for Small Scale Industries  <b>Global and Local Markets</b> <i>Dr Jamil Paolo S. Francisco,</i> Rizalino S. Navarro Policy Center for Competitiveness, Asian Institute of Management  <b>Product Development and Pricing: Creating Value for the Customer</b> <i>Ms Maria del Carmen de la Fuente Alvarado (Peru)</i> General Manager, Allpa Company and Steering Committee member of the Product Innovation and Technology Transfer Centers (Textile and Camelids)  <b>Enterprise Operation and Supply Chain Management</b> <i>Ms Adelaida Lim,</i> President, HABI The Philippine Textile Council  <b>Synthesis and Open Forum</b>
11:30- 13:00pm	<b>LUNCH BREAK / NETWORKING</b> <b>Venue: Gallardo Room</b>
13:00- 14:30pm	<b>SESSION 2: Technology Upgrades and Innovation: Addressing uncertainties, changes and challenges</b> <i>Moderator: Ms Maria Luisa Gatchalian</i> Chairperson, Miriam College - Department of Entrepreneurship  <b>Innovations in Product Development and Designs</b> (Popularizing Indigenous Fabrics) <i>Ms Beatriz Patis Tesoro,</i> Owner, Patis Tesoro Boutique  <b>Latest Technologies in Garments and Textile</b> <i>Professor John Xin (Hong Kong, China)</i> Chair Professor of Textile Chemistry, Institute of Textile and Clothing Hong Kong Polytechnic University

	<p><b>Integration of Micro Enterprises in the Global Value Chain</b>  <i>Ms Jeannie Javelosa,</i>  Great Women Project</p> <p><b>Synthesis and Open Forum</b></p>
14:30-14:45pm	AFTERNOON BREAK
14:45 – 16:15pm	<p><b>SESSION 3: Industry Outlook</b>  <b>Market Mood and Fashion Trends</b>  Moderator: <i>Prof Maria Monica Rayala</i>  Faculty, University of the Philippines - College of Home Economics  Department of Clothing, Textiles and Interior Design</p> <p><b>Market Size and Sales Channels</b>  <i>Ms Nguyen Hong Lien (Viet Nam)</i>  Director for Information and International Cooperation Division  Apparel Creations Co. Ltd.</p> <p><b>Ethical Clothing</b>  <i>Atty Tanya Karina Lat</i>  Enterprise Development Coordinator, Non-Timber Forest Products</p> <p><b>Synthesis and Open Forum</b></p>
16:15 – 16:45pm	<p><b>BREAK OUT SESSION</b>  Group Meeting for the Marketing Strategy Assessment Report</p>
<b>19 April (DAY 2)</b> <b>Venue: Legaspi 1</b>	
08:30 – 09:00	<b>Registration</b>
09:00 – 14:30	<b>Coaching, Mentoring, Preparation of Marketing Strategy Assessment Reports</b>
15:00 – 17:00	<b>Group Presentations/Evaluation (20 minutes per group X 6 groups)</b>
17:00 – 17:15	<p><b>Wrap up Session</b>  <i>Prof Rolando Ramon C. Diaz</i></p>
<b>20 April 2018 (DAY 3)</b> <b>Venue: Legaspi 2</b>	
8:30 – 9:00 am	Registration
9:00 – 9:15 am	<b>Introductions</b>
9:15 – 9:20 am	<p><b>Welcome Remarks</b>  <i>Usec Ceferino S. Rodolfo</i>  Department of Trade and Industry</p>
9:20 – 9:30 am	<b>Picture Taking</b>

9:30 – 11:30am	<p>Moderator: <i>Prof. Rolando Ramon C. Diaz</i>, University of the Philippines – Institute for Small Scale Industries</p> <p><b>ETHNIC FABRICS IN EVERYDAY WEAR: A Story of Collaboration</b> <i>Ms Renee Talavera</i> Head, Cultural Communities and Traditional Arts Section National Commission for Culture and the Arts</p> <p><b>MARKET EXPANSION STRATEGY: The Case of Chinese Taipei</b> Ms I-Ku Chen (Chinese Taipei) Yuan (Taiwan Indigenous Women Style)</p> <p><b>GLOBAL TRENDS IN FASHION AND FABRICS FOR FINANCIAL OPPORTUNITIES</b> <i>Ms Delby P. Bragais, AICI CIM</i> President, North Road Image and Fashion Group</p> <p><b>INDUSTRY OUTLOOK AND MARKET SIZE</b> <i>Ms Ngoc Anh Hoang (Viet Nam)</i> Deputy Secretary General, Viet Nam Textile and Apparel Association</p>
11:30 – 12:00am	Synthesis and open forum for the morning session
12:00 – 13:45pm	LUNCH BREAK/NETWORKING
13:45- 14:45 pm	<p><b>STORE OF THE FUTURE OMNI CHANNEL RETAILING</b> <i>Ms Ping Cao (China)</i> President, Findel Asia Sourcing Co. Ltd.</p> <p><b>TECHNOLOGY ADOPTION OF A SUCCESSFUL SME: NARDA’S STORY</b> <i>Ms Lucia C. Catanes</i> Creative Director, NARDA’s</p>
14:45 – 15:00pm	Synthesis and open forum
15:00 – 15:15pm	Afternoon Break
15:15 – 16:15pm	<p><b>GOVERNMENT SUPPORT POLICY: CLOSING THE LOOP IN THE GARMENTS AND TEXTILE INDUSTRY</b> <i>Ms Celia B. Elumba</i> Director, Philippine Textile Research Institute</p> <p><b>GREEN STRATEGY: CIRCULAR FASHION</b> <i>Ms Svetlana Artemyeva (Russia)</i></p>
16:15 – 16:30pm	<b>Synthesis and open forum</b>
16:30 – 16:45pm	<p><b>CLOSING REMARKS</b></p> <p><b>Atty Ann Claire Credo-Cabochan</b> Director, Bureau of International Trade Relations – DTI</p>

## Annex 2

### Profile of Speakers



School.

**DR JAMIL PAOLO S. FRANCISCO** is an Associate Professor of Economics at the Asian Institute of Management (AIM). He teaches business and international economics, strategy analysis, environmental scanning, and asian business systems for the MBA, MDM, and executive education programs. He is Head of Research and Publications at AIM and is the Executive Director of the AIM Rizalino S. Navarro Policy Center for Competitiveness. He obtained his PhD, Master's degree in Economics and Bachelor of Science in Management from the Ateneo de Manila University; and completed his GloColl executive education program on Participant-Centered Learning in Harvard Business



Institute of Crafts). She authored two books: *Peruvian Crafts, History and Evolution*; and, *Peru: Land of Artisans*.

**MS MARIA DE CARMEN DE LA FUENTE**, is a Peruvian Sociologist. She studied in Peru and at La Sorbonne, Paris. She is Co-founder and CEO since 1986 of ALLPA , an exporting company of handcrafted products with worldwide recognition, and an active member for the last 15 years of the **World Fair Trade Organization**. She is the Founder of the Crafts Council Peru (CCP), which was established in 2016 to promote and protect the crafts of Peru on a national and international level. She is member of the board of Camelides Centers of Innovation, ADEX( Exporters Association) and INPART ( Peruvian



**MS ADELAIDA LIM** cooks and writes. She raised two daughters in Baguio while creating Café By the Ruins, a landmark restaurant of that city. She has written several cookbooks and many articles on weaving. In 2010, together with Maribel Ongpin and other women, Adelaida organized HABI, The Philippine Textile Council as an offshoot of the second ASEAN Traditional Textile Symposium that was held in Manila in 2009. Since the start of the council, she has attended textile symposia in Thailand and Malaysia.



**MS BEATRIZ "PATIS" P. TESORO**, known as the Grand Dame of Philippine Fashion, has devoted thirty years of her life to resurrecting the art and use of traditional Filipino fabrics, most significantly piña cloth. She has brought Filipiniana designs to our contemporary consciousness and has brought the beauty of our traditional wear to the attention of the world. In the 1980s, Patis played a significant role in halting the alarming decline of piña cloth production in the Philippines. She continues her role as an advocate of traditional Philippine textiles by focusing now on reviving the production of organic Philippine cotton.



**PROFESSOR JOHN H. XIN** graduated from the University of Leeds, United Kingdom with a PhD in Textile Chemistry. He is currently the head of the Institute of Textiles & Clothing and chair professor of textile chemistry, at the Hong Kong Polytechnic University. His main research interests include functional and smart textile surface treatments, new nano- and bio-functional material synthesis and applications, new eco-friendly dyestuffs, and colour science and technology. He is a Fellow and Chartered Colourist of the Society of Dyers and Colourists (SDC), UK and International editor of the Coloration Technology, the Journal of Textile Institute. He has published over 300 scientific papers and patents and won many prestigious awards for the new inventions and technologies.



**MS JEANNIE E. JAVELOSA** is an advocate for culture, sustainability and gender and speaks internationally on these topics. She is a Co-Founder of the pioneering and multi-awarded retail store and social enterprise ECHO store Sustainable Lifestyle. Jeannie graduated with a Masters of Fine Arts from the University of Pennsylvania, USA. She is an award-winning visual artist and printmaker, art critic and author. She continues to be a museum curator and strategic branding-marketing-communicator. As a writer, Jeannie contributes to her twenty year-old column entitled "A Spirited Soul" at the Sunday Allure Section of the Philippine Star. Her most recent book entitled *WOMEN BEYOND BORDERS, the Beginning of GREAT Women in ASEAN* was published by USAid. Due for launch in the third quarter of 2018 is *FEMININE RISING, the Beginning of GREAT Women* published by the EON Foundation.



**MS NGUYEN HONG LIEN** has a Master of Economy Law degree. She worked for the State Arbitration of Economic in 1986 until 1994. She then transferred to the Ministry of Planning and Investment of Viet Nam where she is the Head of Information and International Collaboration Division, Agency for SME



**MS MARIA TANYA KARINA LAT** is Program Officer for Formation (Social Programs) and a faculty member of the Ateneo Law School. She is keenly interested in ethics, values education and formation, and seeks to create a cadre of lawyers who are committed to personal and social transformation, spirituality, and social justice in whatever fields of law they are in. She is currently serving as Executive Director of the Philippine Association of Law Schools (PALS). Atty. Lat authored "The Trade Advocate's Manual: Navigating Philippine Trade Policy" (2010) and is the lead author of "Bar Blues (Or Everything You Want to Know About the

New Bar Exams But Are Too Busy to Ask)" which is already on its 4th edition. She also serves as Secretary to the Board of Trustees of the Non-Timber Forest Products – Exchange Program, which is a collaborative network of over sixty (60) non-governmental organizations and community-based organizations working with forest-based communities to strengthen their capacity in the sustainable management of natural resources in the Philippines, India, Indonesia, Viet Nam, Malaysia and Cambodia.



**MS RENEE C. TALAVERA** earned her undergraduate and master's degree in Anthropology from the University of the Philippines Diliman. Currently, she is the head of the Cultural Communities and Traditional Arts Section of the National Commission for Culture and the Arts (NCCA). As a cultural worker, she actively participated and managed various cultural programs throughout the Philippines that involved heritage protection and expression of Filipino artistry. She has also represented the Philippines in different international events in Southeast, Central, and East Asia, as well as Europe due to her in depth knowledge on various cultures and crafts. She has also been involved

in cultural development work, management and evaluation of cultural programs and projects for various sectors. She leads and provides technical assistance to People's Organizations, Civil Society Organizations, Local Government Units and other government organizations nationwide, particularly focusing on the safeguarding of Philippine culture.



**MS I-KU CHEN** majored in law and political science. She is the researcher for "Yuan-Taiwan Indigenous Women Style" project. With constantly seeking women's groups' feedback and interaction, she is always up for a challenge about how to empower and organize them to create positive networking. Her goals are working with women to change unfair situations and ensure that they unlock their potential to access the places where decisions are made, priorities set and resources distributed. She is the young women Director of the Board of National YWCA Chinese Taipei.



**MS DELBY P. BRAGAIS** AICI CIM, is an award-winning fashion designer, internationally certified image consultant, a sought-after speaker, and author. She is the President and lead fashion designer of the North Road Image & Fashion Group, a corporation that specializes in image and fashion. As a fashion designer, Delby has had well-applauded fashion shows in New York, Los Angeles, New Jersey, San Diego, Washington D.C., Honolulu, Singapore and the Philippines. She recently represented the Philippines in a grand fashion show during the ASEAN-India Summit last January 2018 in New Delhi,

India. Today, she holds the distinction of being the first and only Filipino Certified Image Master (CIM) accredited by the Association of Image Consultants International (AICI) based in the USA with chapters worldwide. There are only 19 Certified Image Masters (CIMs) in the world today. A cum laude graduate of the University of the Philippines, she holds a Masters in Business Administration (MBA) degree from the same university and has taken courses at the Fashion Institute of Technology in New York, USA.



**MS HOANG NGOC ANH** is Vice General Director and Director of Trade Promotion Department of Viet Nam Textile and Apparel Association (VITAS). She works as trade promotion advisor for Viet Nam National Trade Promotion Program in Textile and Garment Field. She is a member of ASEAN Federation of Textile Industries (AFTEX), and of the Asia Fashion Federation (AFF).



**MS CAO PING/ELLEN CAO** is the current President of Findel Asia Sourcing Company. She is a senior manager with extensive experience in strategic planning, brand integrity, sourcing, production management, vendor negotiations, manufacturing, quality control, design for cost and international communications. She is involved in the company's operations including finance, human resource management, logistics, sourcing, merchandising and quality control. She also helps US and UK companies set up their office in China. Ms. Cao has Masters degree in Business Administration from Fudan University.



**LUCIA CAPUYAN CATANES – BIONOTE** is a restaurateur by profession and entrepreneur by experience. She has been operating Ebai's Café and Pastry in Baguio City for nearly two decades now and in the course of her work, she has sought to feature products native to the Cordillera as a means to instill pride among the people of the region. As product of parents hailing from the towns of Sagada and Besao in Mountain Province, Lucia has imbibed a deep respect and understanding of the culture to which she belongs. In her current role as General Manager for Narda's Research and Design office, she brings the same vitality and energy in keeping her mother's legacy alive. Lucia hopes to develop a handicraft center at her family's Winaca estate where people can learn weaving, natural dyeing, basketry, woodcarving, and other arts common to the people of the Cordillera.



**DIRECTOR CELIA B. ELUMBA** is a graduate of the University of the Philippines in Bachelor of Science in Clothing Technology, Celia established a career in foreign liaison, sourcing, operations, merchandise and general management for the export sector before moving on to various functions in the domestic retail market spanning operations, buying, merchandising and general management. She started in the Philippine-operations of HK-based Swire & Maclaine Ltd., subsidiary of London-based John Swire & Sons before proceeding to handle merchandise management for American Department Store Chain R. H, Macy's and eventually to

general and merchandise management for Brand-marketer, Liz Claiborne. Celia Elumba is a social development advocate with an interest in the practical applications of work across various disciplines particularly where social science meets business. She is the current director of the Philippine Textile Research Institute.



**MS. SVETLANA ARTEMYEVA** graduated from St. Petersburg Electro Technical University and St. Petersburg University of Economics and Service. She has thirteen years' experience as Creative Director of the companies Concept Group and Melon Fashion Group, and is currently the Art Director of the company Ecolife and is developing the brand Free Age.

## Annex 3

### Profile of Moderators



**PROF ROLANDO RAMON C. DIAZ** is a Senior Lecturer at the University of the Philippines (UP) Diliman College of Engineering, National Graduate School of Engineering and Assistant Professor & at the UP Diliman College of Engineering. Prof. Diaz has more than three decades of managerial experience in various responsible positions covering the fields of Operations Management, Supply Chain, Strategic Planning using Balanced Scorecard, Information Technology, Human Resource Management, Project Management, Sales and Marketing, and Total Quality Management. He is a University Extension Specialist at the UP Institute for Small-Scale Industries and served as its Officer-in-Charge in 2017.



**MARIA MONICA RAYALA** is Assistant Professor at the UP College of Home Economics (UP CHE) teaching courses under the BS Clothing Technology program since 1994. She is a graduate of the BS Clothing Technology program at the same college, Master of Arts in Philippine Studies in 2001 at the UP Asian Center and is currently taking her PhD in Home Economics at UP CHE. She has done researches on the identity development for the BS Clothing Technology program, post-mastectomy brassieres, and co-authored "Glosari ng Paggawa ng Damit" published by UP Sentro ng Wikang Filipino. She is a member of the Technical Working Group for the Philippine Tropical Fibers Act, RA 9242, which prescribes the use of Philippine tropical fabrics for uniforms of public officials and employees. She is the former College Secretary of the UP CHE and former Department Chair of UP CHE's Clothing, Textiles, and Interior Design Department



**MS MARIA LUISA B. GATCHALIAN** is a research member of the Small Enterprise Research and Development Foundation (SERDEF) Inc. and the Immediate Past President of the Entrepreneurship Educators Association, Inc. (ENEDA) Philippines from 2011-2013. As an educator, she is involved in research and development projects that aim to institutionalize and sustain entrepreneurship education. In 2010, Ms. Gatchalian received the *Most Outstanding Entrepreneurship Educator of the Philippines* award given by ENEDA.



**MS NOVA Z. NAVO** is University Extension Specialist II at the University of the Philippines – Institute for Small Scale Industries (UP ISSI). She specializes in Policy Researches on industry and enterprise development, SME Internationalization, and improving business environment. Ms. Navo finished her degree in Public Administration at the University of the Philippines in Diliman and was a recipient of the JDS Scholarship of the Japanese Government through which she acquired her Master of Arts Degree in Policy Science at Ritsumeikan University in Kyoto, Japan. She spent most of her career working at various instrumentalities of the government particularly at the Philippine

Senate doing researches and briefs on bills and issues about women and children; peace, unification and reconciliation; cultural communities; environment and natural resources; land administration and management; and public-private partnership, among others. She also worked at the local government unit where she helped in the crafting of its local development plan. She also served as project development officer for a non-profit organization and was the former Head of UP ISSI's Research Division. She has done projects for the Asia Pacific Economic Cooperation (APEC), the Association of South-East Asian Nations (ASEAN), the Department of Trade and Industry's Board of Investments, and the National Competitiveness Council, among others.

### Profile of Coaches and Evaluators



**MS MARSHA LEE A. DELFINADO** is a University Extension Associate of the Business Enterprise Development Division of UP Institute for Small-Scale Industries. She coaches participants of UP ISSI's Start Your Own Business and Managers Course in the preparation of Business Plans and the Integrated Organizational Survey and Assessment (IOSA) Report. She is a member and the financial mentor of UP ISSI's Technology-based Business Incubation and Innovation Program, and the Department of Science and Technology's (DOST) One Expert and the US ASEAN Online Academy's Philippine Brain Trust. She has a Bachelor's Degree in Accountancy and completed her Master's Degree in Public Administration from the Philippine Women's University. She

finished the Certification of Professional Education Program from the University of the Philippines College of Education and is currently taking up Master's Degree in Technology Management at the UP Technology Management Center.



**MS SENEDITH A. DELOS REYES** is a University Extension Specialist at the University of the Philippines (UP) Institute for Small-Scale Industries. She has Master of Business Administration degree from the University of the Philippines Diliman and Bachelor of Science in Food Technology degree from UP Los Banos. She also took Supply Chain Management Course in Thailand and took part in a student exchange program at the Graduate School –Ecole Superieure des Sciences Commerciales d' Angers, France.



**ENGR. MA. LUISA SOLARTE-LEE** has a Master in Development Administration from the National Center for Development Studies (NCDS), Australia National University and Bachelor in Business Management degree and Bachelor of Science in Chemical Engineering degree both from the Pamantasan ng Lungsod ng Maynila. She has thirty-three years of experience in SME development and promotion in various capacity: researcher, trainer, consultant, program manager, training materials developer, course curricula developer, coach and mentor in the following fields: entrepreneurship, start-your-own-business, business continuity planning/management, value chain analysis, operations management, credit appraisal and monitoring, and project feasibility study preparation, among others. She is a University Extension Specialist at the UP ISSI, Quality management System Manager and has been the head of both the Training and Entrepreneurship Education Division and the Research Division of the Institute



**MS. JOELLE P. MAMARIL** is a University Extension Specialist II at the University of the Philippines Institute for Small-Scale Industries (UP ISSI). She is currently the Head of the Information and Public Affairs Office (IPAO) and the former Assistant to the Head of the Training and Entrepreneurship Education Division (TEED) of the Institute. She also functions as an Account and Program Manager for training programs conducted by the TEED and has been a *Katibayan ng Husay at Galing* Certificate recipient from the Institute from 2011-2014. She is a Bachelor of Science Major in Hotel, Restaurant, and Institution Management *cum laude* graduate from University of the Philippines-Diliman, where she is also currently taking her Master of Arts in Education Major in Special Education degree. She has a Professional Teaching License in the Philippines (Philippine Licensure Examination for Teachers- Secondary Level passer, specializing in Technology and Livelihood Education).



**MR MELCHOR C. MORANDARTE** is currently the Chair of the Bachelor of Science in Entrepreneurship under the E. T. Yuchengco School of Business of Malayan Colleges in Laguna. He is also a part-time faculty member at the Graduate School and Professional Services of the Colegio de San Juan de Letran. Prof. Morandarte was conferred Associate Fellow in Business Education by the Philippine Academy of Professionals in Business Education. He is a member of the Commission on Higher Education's Regional Quality Assessment in Region IV-A. He has Doctor of Business Administration degree from the Pamantasan ng Lungsod ng Maynila, Master of Business Administration from Philippine Christian University and Bachelor of Science in Management from Mabini Colleges. His expertises are in the fields of entrepreneurship, social entrepreneurship, and corporate social responsibility, marketing, human resource management, strategic management, business strategy, and project feasibility study.



**MR NESTOR O. RAÑESES** is the Immediate Past Director of UP Institute for Small Scale Industries. He is an Associate Professor in Industrial Engineering and Operations Research at the UP College of Engineering, and an Affiliate Faculty on Total Quality Management at the UP Technology Management Center. He is a member of the Micro, Small and Medium Enterprises Development Council and the Management Review Committee of the Industrial Guarantee Loan Fund. Prof. Rañeses earned his degree in Master of Science in Industrial and Systems Engineering from the Georgia Institute of Technology and graduate studies in Energy and Systems Engineering at the University of Wisconsin-Madison, USA. He completed another graduate study in Operations Research at the University of the Philippines.

## Annex 4

### List of Participants

International Participants						
No.	Name	Position/Job title	Organization	Economy	Gender	Email
<b>Speakers</b>						
1	I-Ku Chen	Head	Yuan – Indigenous Women Style	Chinese Taipei	F	iku79810666@gmail.com
2	Svetlana Artemyeva	Art Director	Ecolife	Russia	F	s.artemyeva@proecolife.ru
3	John Xin	Head and Chair Professor of Textile Chemistry	The HongKong Polytechnic University	Hong Kong, China	M	queenie.law@polyu.edu.hk john.xin@polyu.edu.hk
4	Maria del Carmen de la Fuente Alvarado	Directive Committee member	Product Innovation and Technology Transfer Centers	Peru	F	mdelafuente@allpa.com.pe
5	Ping Cao	President	Findel Asia Sourcing Co.Ltd	China	F	EllenC@findelsyrcong.com
6	Nguyen Hong Lien	Director	Business Information Center, Agency for Enterprise Development, Ministry of Planning and Investment Viet Nam	Viet Nam	F	hlien2210@yahoo.com
7	Hoang Ngoc Anh	Deputy Secretary General	Vietnamese Textile and Apparel Association's Trade Promotion Committee	Viet Nam	F	anhhn@vietnamtextile.org.vn
<b>Participants</b>						
8	Carolina Lissette Herrera Gutierrez	CEO	Mika Herrera – Lucky Baby	Chile	F	mika.novias@gmail.com
9	Cristina Salas Vallejos	CEO	Grupo Lucky 8 spa	Chile	F	cristina.salas@luckybaby.cl

International Participants						
No.	Name	Position/Job title	Organization	Economy	Gender	Email
10	Dolarose Trawen	Owner	Raggiana Raiments	Papua New Guinea	F	raggrai@gmail.com
11	Janet Nenta	Owner	Sprout Tailoring & Interior Designs	Papua New Guinea	F	sproutpom@gmail.com
12	Thamonwan Virodchaiyan	Deputy Managing Director	Apparel Creations Co., Ltd.	Thailand	F	amm@apparelcreations.com
13	Nutra Uttamapinant	Executive Director	United Textile Mills Co., Ltd.	Thailand	F	nutra@unitedtextilemills.com
14	Tania Gisel Arriaga Molina	Deputy Director on International Affairs	National Institute of Women	Mexico	F	tgarriaga@inmujeres.gob.mx
15	Noriah Ashari	Managing Director	Atikah Songket SDN BHD	Malaysia	F	noriah45@yahoo.com
16	Junita Binti Jamirun	Manager	SME Corporation Malaysia	Malaysia	F	junita@smecorp.gov.my junita11@gmail.com
17	Carolina Urbina	Specialist of the General Directorate of Business Development	Ministry of Production of the Republic of Peru	Peru	F	curbina@produce.gob.pe
18	Wenwei Weng	Vice President	Dutex Enterprise Ltd	China	F	grace@dutex.com.cn

<b>Philippines</b>				
<b>No.</b>	<b>Name</b>	<b>Title and Organization</b>	<b>Gender</b>	<b>Email address</b>
<b>Speaker</b>				
19	Patis Tesoro	Owner, Patis Tesoro Boutique	F	patisboutique@gmail.com
20	Delby Bragais	President, North Road Image & Fashion Group	F	delbysbrides@yahoo.com
21	Adelaida Lim	President, HABI, The Philippine Textile Council	F	likhanghabi@gmail.com
22	Jamil Paolo S. Francisco	Professor, Asian Institute of Management	M	JFrancisco@AIM.EDU
23	Jeannie Javelosa	Co-founder, Great Women Project	F	jeanniej@greatwomenasean.com
24	Tanya Karina Lat	Enterprise Development Coordinator, Non-Timber Forest Products	F	likhanglahi.ph@gmail.com
25	Renee Talavera	Head, Cultural Communities and Traditional Arts Section National Commission for Culture and the Arts	F	sltcca@gmail.com
26	Lucia Catanes	Creative Director, Narda's	F	jlcat2ph@yahoo.com
27	Celia Elumba	Director, Philippine Textile Research Institute	F	celiabelumba@gmail.com
<b>Government</b>				
28	Ceferino Rodolfo	Undersecretary, Department of Trade and Industry	M	CeferinoRodolfo@dti.gov.ph
29	Ann Claire Credo-Cabochan	Director, Department of Trade and Industry – Bureau of International Trade Relations	F	AnnClaireCabochan@dti.gov.ph

<b>Philippines</b>				
<b>No.</b>	<b>Name</b>	<b>Title and Organization</b>	<b>Gender</b>	<b>Email address</b>
30	Marie Sherylyn Aquia	Chief, Department of Trade and Industry – Bureau of International Trade Relations	F	SherylynAquia@dti.gov.ph
31	Ana Clarisa Abastillas	Trade and Industry Development Specialist, Department of Trade and Industry – Bureau of International Trade Relations	F	AnaClarisaAbastillas@dti.gov.ph
32	Joseph Lining	Trade and Industry Development Specialist, Department of Trade and Industry – Bureau of International Trade Relations	M	JosephLining@dti.gov.ph
33	Rosalynn Tongohan	Administrative Assistant – Bureau of International Trade Relations	F	RosalynnTongohan@dti.gov.ph
34	Miguel Paolo Esmero	Trade and Industry Development Analyst, Department of Trade and Industry – Bureau of International Trade Relations	M	MiguelPaoloEsmero@dti.gov.ph
35	Agnes Perpetua Legaspi	Assistant Director, Department of Trade and Industry	F	AgnesLegaspi@dti.gov.ph
36	Aurora dela Rea	Technical Staff, Department of Trade and Industry	F	MaAuroradelaRea@dti.gov.ph
37	Dale Danielle Javier	Trade and Industry Development Specialist, Department of Trade and Industry	F	DaleDanielleJavier@dti.gov.ph
38	Elyza Mabel M. Agumo	Investment Analyst, Department of Trade and Industry	F	emmagumo@boi.gov.ph
39	Grace Juan	Trade and Industry Development Specialist, Department of Trade and Industry	F	GraceJuan@dti.gov.ph
40	Marjorie Posas	Trade and Industry Development Analyst, Department of Trade and Industry	F	MarjorieJoycePosas@dti.gov.ph

<b>Philippines</b>				
<b>No.</b>	<b>Name</b>	<b>Title and Organization</b>	<b>Gender</b>	<b>Email address</b>
41	Mary Kristine Rabe	Senior Investment Specialist, Department of Trade and Industry	F	mkprabe@boi.gov.ph
42	Caress L. Tolentino	Technical Staff, Department of Trade and Industry	F	CaressTolentino@dti.gov.ph
43	Eric Tamayo	Director – Department of Foreign Affairs	M	eric.tamayo@dfa.gov.ph
44	Bojer Capati	Project Assistant – Department of Foreign Affairs	M	bojer.capati@dfa.gov.ph
45	Lawrence Angelo Riego	Culture and Arts Officer, National Commission for Culture and the Arts	M	sitacca@gmail.com
46	Carmen Roceli M. Lopez	Planning Officer, Philippine Commission on Women	M	crmlopez@pcw.gov.ph
<b>Academe</b>				
47	Rolando Ramon Diaz	University of the Philippines-Institute for Small Scale Industries	M	diaz.alan8@gmail.com
48	Nova Navo	University of the Philippines-Institute for Small Scale Industries	F	nova.navo@upd.edu.ph
49	Ma. Luisa Solarte-Lee	University of the Philippines-Institute for Small Scale Industries	F	maluisa.solarte@gmail.com
50	Kitty Caragay	Faculty member, University of the Philippines, College of Home Economics	F	kitty.caragay@gmail.com
51	Nicole Cuerpo	Student, Miriam College	F	N/A
52	Ma. Luisa Gatchilian	Chairperson Department of Entrepreneurship, Miriam College	F	Mlssgatch5@gmail.com

<b>Philippines</b>				
<b>No.</b>	<b>Name</b>	<b>Title and Organization</b>	<b>Gender</b>	<b>Email address</b>
53	Monica Rayala	University of the Philippine, College of Home Economics	F	monica.rayala@gmail.com
54	Marsha Delfinado	University of the Philippines-Institute for Small Scale Industries	F	madelfinado@up.edu.ph
55	Ruperto Lavega Jr.	Owner, Signrays Advertising, Inc.	M	rupertjr.lavega@yahoo.com
56	Jocelle Mamaril	University of the Philippines, Institute for Small-Scale Industries	F	jpmamaril@up.edu.ph
57	Melchor Morandarte	Chairperson, Malayan Colleges, Laguna – E.T. Yuchengco School of Business	M	mcmorandarte@mcl.edu.ph
58	Prof Nestor Raneses	Faculty Member, University of the Philippines, College of Engineering	M	noraneses@up.edu.ph
59	Pilar Bautista	University of the Philippines, Institute for Small-Scale Industries	F	bautistapilar@yahoo.com
60	Crispina Almonte	University of the Philippines, Institute for Small-Scale Industries	F	Crispi.almonte@yahoo.com.ph
61	Darrem Bautista	University of the Philippines, Institute for Small-Scale Industries	M	darrembautista@yahoo.com
62	Ivy Argote	University of the Philippines, Institute for Small-Scale Industries	F	ivy.argote@gmail.com
63	Maria Jessa Burac	University of the Philippines, Institute for Small-Scale Industries	F	burac_mariajessa@yahoo.com
<b>Local Participants</b>				

Philippines				
No.	Name	Title and Organization	Gender	Email address
64	Ana Katrina Alay-ay	Co-Founder, Lakambini	F	anakatrinalalayay@gmail.com
65	Candy Maristela	CTID	F	cmaristela.ctid@gmail.com
66	Dolorosa Miranda	Board of Director, I Love Taytay Garments Association	F	chickhusflin@gmail.com
67	Evans Joy Garcia	Member, PCCI - Taytay	F	evansfgarcia@gmail.com
68	Francesca Torrente	Owner, Locano Weaver	F	locanoweaver@gmail.com
69	Gianne Paas	Co-Founder, Strapped PH	F	giyanpaas@gmail.com
70	Imelda Canuel	Partnership Development Officer, Great Women Philippines Corp.	F	imeldac@greatwomenasean.com
71	Jean Dee	Designer/ Consultant, Freelancer/Private	F	jean@jaddstudio.com
72	Jennifer Go	Designer, Love Curves PH	F	lovecurvesph@gmail.com
73	Joanne Carreon	Member, IGPAI Taytay	F	jeanrock44@yahoo.com
74	Kristine Joy Victor	Secretary, ILoveTaytay Garments Producers Assn Inc	F	kristinejoyvictor@yahoo.com
75	Kristine Meg Roxas	Deputy Executive Director, CulturAID Inc	F	culturaldorg@gmail.com
76	Kelly Mortensen	Board Member, HABI	F	likhanghabi@gmail.com
77	Estelita Dacumos	Saori Philippines	F	esterdacumos@gmail.com

Philippines				
No.	Name	Title and Organization	Gender	Email address
78	Ma. Milagors Villanueva	Board Member, HABI	F	villanuevamia@gmail.com
79	Mae-Tao-ing	Production Supervisor, Narda's	F	nardas_info@yahoo.com
80	Marinel Bobiles	Saori Philippines	F	Bhile77@gmail.com
81	Mary Jo Ferraren	Member, HABI	F	maryjoferaren@gmail.com
82	Norma Mangosan	Personnel Officer, Narda's	F	nardas_info@yahoo.com
83	Orna Janissa Victoriano	Co-founder, Strapped Ph	F	ornajanissa@gmail.com
84	Pamela Magtalas	Co-founder, Strapped Ph	F	pamela_magtalas@gmail.com
85	Trisha Salvador	Co-founder, Lakambini	F	trishanicolesalvador@gmail.com
86	Twinkle Ferraren	Owner, Not Just a Label	F	info@twinkleferraren.com
87	Candace Costa	Great Women	F	Darylhsia@gmail.com
88	Alex Mendoza	Great Women	M	alexm@greatwomenasean.com

## Annex 5

### Open Forum

#### First Day: Session 1

1) How does HABI support, motivate and encourage other local weavers/producers to actively participate with the traditional craft? How do you protect local textile weavers? What advice or support should be extended to local textile producers? How do you share the results of lots of research to the real target participants/ players?

*Response:*

Likhang HABI Market Fair or Bazaar is being conducted annually to support local weavers and encourage them to produce traditional crafts. Trainings are also regularly conducted to improve the skills of weavers and to protect them. Finding alternatives to fast track cotton thread production utilizing funding from PhilFIDA and the PTRI for facilities improvements and increase of areas for growing cotton are also being done.

2) If you're meeting someone from the Senate or Secretary of the department of Agriculture, or any agency for this concern, what are you going to suggest to them to help the textile mills from closing down?

*Response:*

It is better to look at individual weavers because they can be given access to natural fibers. Researches done by PTRI could be shared and used by the textile industry and impart the technology.

3) How can the academe link with HABI? How can student have access to the microspin technology?

*Response:*

Weaving can be taught in schools and they can use the microspin technology. Designers also have to know how to weave so they can understand the intricacies of the industry.

4) Are there many start-ups in garment and textile? How big is the Philippine garment industry? Will you be able to meet the demand for export market?

*Response:*

Older firms are having a hard time competing. New ones are growing. Start-ups are more innovative. Indirect exportation (through consolidators) rather than going to main retailers may be a more do-able strategy to enter the export market.

5) How much importance would you give to technology implication to cost for start-ups? *Response:*

Technology is important especially if a textile or garment takes a lot of time to produce It is important to invest in technology. Technology applied to hand-made product to do things faster and better and with a competitive price. Therefore, it is important to have a storyline in order to sell the products. It moves the heart of the consumers to know the story behind the garment e.g. produced by indigenous people or by indigent people.

6) What do you think will bring back the Philippines among the ranks of the big textile and garments industry? How do you make the small players competitive against big firms/industries?

*Response:*

MSMEs are having difficulty competing against large firms. I think there is a need to consolidate the small players. Create that value within the textile and garments industry. Explore collaboration with big companies and operating under corporate social responsibility.

7) How did you learn the process with your workers? How did you find people that can make gorgeous products?

*Response:*

First, build the commitment of the people. Align principles of your company with the principles of your workers. Staff would eventually learn how to appreciate the culture and the socio-economic issues of the economy. Once the philosophy of the company is embraced by the staff then they do not want to leave.

8) How do you make the Philippines stand out?

*Response:*

At present, production has shifted therefore the Philippines should not bank on labor cost as cost is not a competitive advantage. Compete in terms of value, and exploit relative cost. The Philippines needs to take advantage of appropriate technology to create value.

9) Can you give a ratio of how much of Peruvian sensibilities are incorporated into your product design? How do we train (and cope) in the learning process?

*Response:*

Go back to tradition. It is still a segment of the market and usually goes to elite buyers. Use hybrid (50:50) – develop looms to produce traditional weaving and make them in higher quantities. Introduce it in the strategic planning for developing new products.

## **First Day: Session 2**

1) How do you add value in each step of the production process especially the designs, and with cultural understanding?

*Response:*

The ECHOSi's 3Gs and tri-concept provides the framework for the so-called add on values on the promotion of designs and cultural understanding. Products cannot be sold also as cheap. However, it has to be affordable considering the lifestyle of every individual buyer.

2) On Culture and market directions, how do you consider your capability to face the so-called China strategy in marketing and promotion? What is your unique selling proposition?

*Response:*

Facing the critical issues, the GREAT Women Project enables women to set-up their business game as it addresses the need for constant capacity building and checks, product differentiation, intensified research and development, managing sustainability and integrity, and the intangibles of shared value created for impact. GREAT Women builds platforms for inclusive business supporting women enterprises to be in the global value chain.

3) How important is the intellectual property right and at what level should the enterprise enter into this?

*Response:*

Patent is still the best protection as we need to have proprietary secret. More so, we must not divulge too much. It is expensive to protect the indigenous peoples (IPs) based on experience. For example, the T'Boli

tribes or other IPs do not have the competence to file for patent. In Monsanto, farmers cannot plant anymore and the reality of big businesses is a threat without the IPR. An indigenous tribe can be taken-for-a-ride. They are invited to attend business events in other countries with their products and since they are not aware of IPRs, they become vulnerable. There is no place or space for small players who do not understand what is IPR. There are other issues that we have to bear in mind like:

- How to keep small players engaged in making the designs and the sourcing of raw materials;
- How much percentage of women should be involved in the echo-store;
- How to get them to the market;
- How to comply with the standards as demanded in the world market;
- How to integrate the whole value chain in the industry;
- How to connect trade vs geopolitics;
- Build regional strength;
- Social entrepreneurs, bridging the gap between private sector and the government;
- Addressing the needs/demands of the weavers and retailers;
- Focusing on the weaving centers; and,
- Threat of supply chain insufficiency.

There is also an urgent need to look into the following concerns: weaving places, standardized small groups, value chain, and market direction. Do not market /sell your products cheap. Segment the market and differentiate. We have to be producer-driven, and adopt “Spirit-culture-technology.” Therefore, focus creating more community ecosystems for impact and sustainability.

4) How does one become an entrepreneur instead of just being a supplier of woven products?

*Response:*

Yes, there is no hindrance to that and all you have to do is find your own place where you think you will be good. Everyone in the enterprise can become a weaving consolidator. What you need to have is the drive of an entrepreneur and willingness to collaborate with other players in the industry.

5) How can SMEs have access to the smart textile technology of Hong Kong, China? Can this be commercialized? Can there be a link between Hong Kong Polytechnic with SME? Can SMEs use the technology or license some of the technologies? In Latin America, technology developers are reluctant to share information.

*Response:*

Even SMEs in Hong Kong, China and China cannot afford the technology. There is policy on secret trade, IPR, and Copyright, but maybe for example China can assist in patent support. And you have to have a niche technology that SME can buy.

### **First Day: Session 3**

1) How did hand-woven eco-textile (HWET) managed the problem on the difficulty of using natural dye with the trend in changing color demand? How do you protect the forest from possible big players encroaching into virgin forests, which is the resource-base for economic activities?

*Response:*

HWET collaborated with the government. In the case of HWET, it was the Department of Science and Technology (DOST) especially on the experiment use of dyes both synthetic dyes and naturally-sourced

dyes. Work with scientist to address the textile behaviors considering the toxic dangers – recycling water affected by chemical or synthetic dyes and even natural dyes extract/waste and, coordinate with government agencies/institutions mandated to protect the environment and forest areas.

2) What is the story of collaboration in the presentation?

*Response:*

It related a strategy of collaborations with the various agencies and resiliency with the participating players from training to finish product to market, not forgetting preservation, promotion and sustainability of the traditional craft. The National Commission for Culture and the Arts (NCCA) institutionalized the collaborative effort with the establishment of the “School of Living Tradition” as its Flagship program, where weaving is a major platform and implemented several other programs and projects related to it.

## Annex 6

### Gallery/Photo Highlights



The Master of Ceremonies explains the program flow to the participants.



Moderator synthesizes the points discussed by the session speakers.



Organizer welcome participants.



Delegates from Peru and the Philippines share information about the garments and textile industry in their respective economies.



Participants introduce themselves.



Photo opportunity session for the two-day Workshop.



Participant asks about sustainability issues.



Group presentation: Participant from Chile presents her company, highlighting innovative marketing strategies she employs to draw younger consumer base.



Ms. Patis Tesoro talks about traditional clothes made from natural fabrics.



Group presentation: Participant from the Philippines showcase their industry association in Taytay, Rizal, Philippines.



Coaching Session: Coach explains the Marketing Strategy Assessment Template.



Coaches, moderators and evaluators pose for a photo shoot after the successful conduct of the Workshop.



Coaching Session: Coach encourages participants to share about the issues and concerns in their own company.



Undersecretary Ceferino S Rodolfo and Ms. Marie Sherylyn D, Aquia of the Department of Trade and Industry, Philippines welcome participants.



Speaker underscores the need for constant capacity building, and the need to build an ecosystem for textile and garments- from supply of raw materials to processing and production to market and end consumers.



Third generation successor of a family enterprise asks about a manual that would guide young entrepreneurs on how to run their business.



Local weaver showcases her creation.



Speaker expounds on the flourishing textile and garments industry in Viet Nam.



*Don't be afraid of China.* Speaker from China explains that China also experienced difficult times, and that in some instances, many industries closed shop. What's important, she added, is the ability to withstand the challenges, stand up and move on.



Director Ann Claire Credo-Cabochan of the Bureau of International Trade Relations - Department of Trade and Industry presents the certificates to participants.



Participants of the Enhancing the Competitiveness of the Women-led MSMEs in the Garments and textile Sector through Innovation and Entrepreneurship

