



Economic development of the textile and clothing industry in 2017

Sales, employment, wage evolution, labour productivity and foreign trade

1) Sales

Based on the results achieved in 2017, sales at current prices in the textile and clothing industry (hereinafter referred to as „TCI“) reached CZK 55.3 billion. Of which CZK 47.7 billion was in the textile sector and CZK 7.5 billion in the clothing sector. This corresponds to an increase in sales in TCI of 2.8%

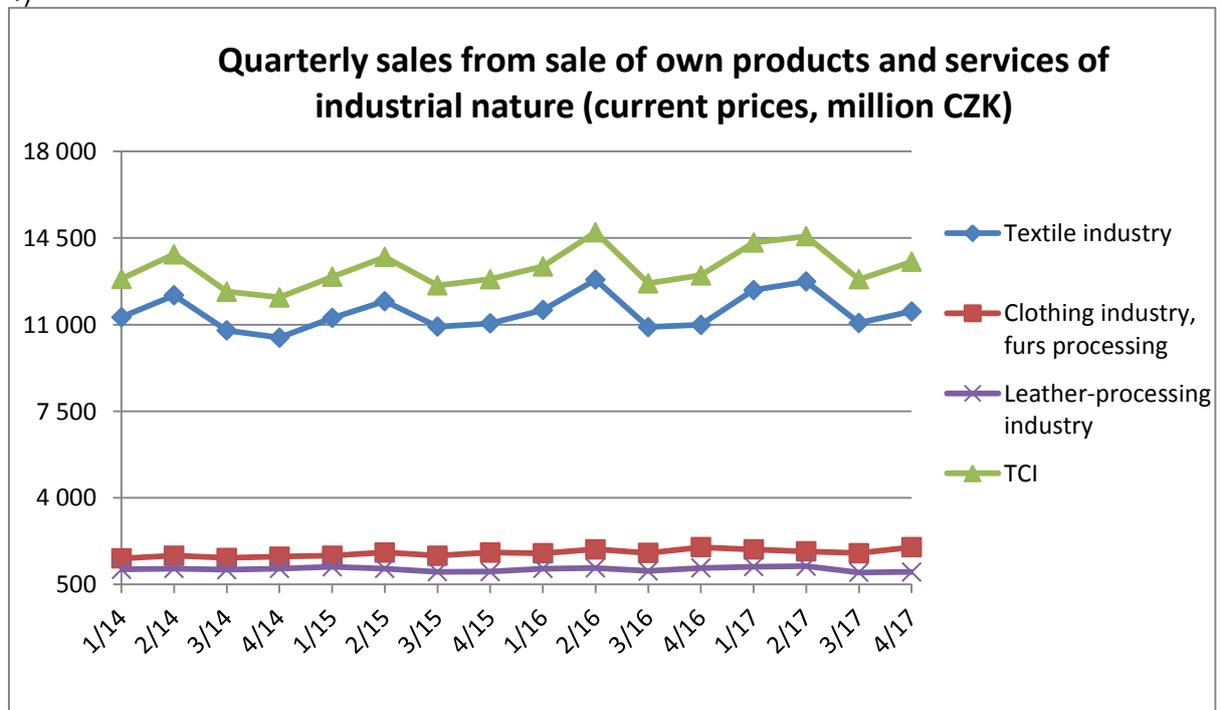
Sales in 2017

Compared to the same period of the previous year, common prices

Textile	▲ + 3.1 %
Clothing	▲ + 0.8 %
TCI	▲ + 2.8 %

compared to the same period of the previous year. Of this, the textile industry contributed 3.1% and the clothing industry 0.8%.

1)



Note: organizations with 20 or more employees included only

Source of data: ATOK

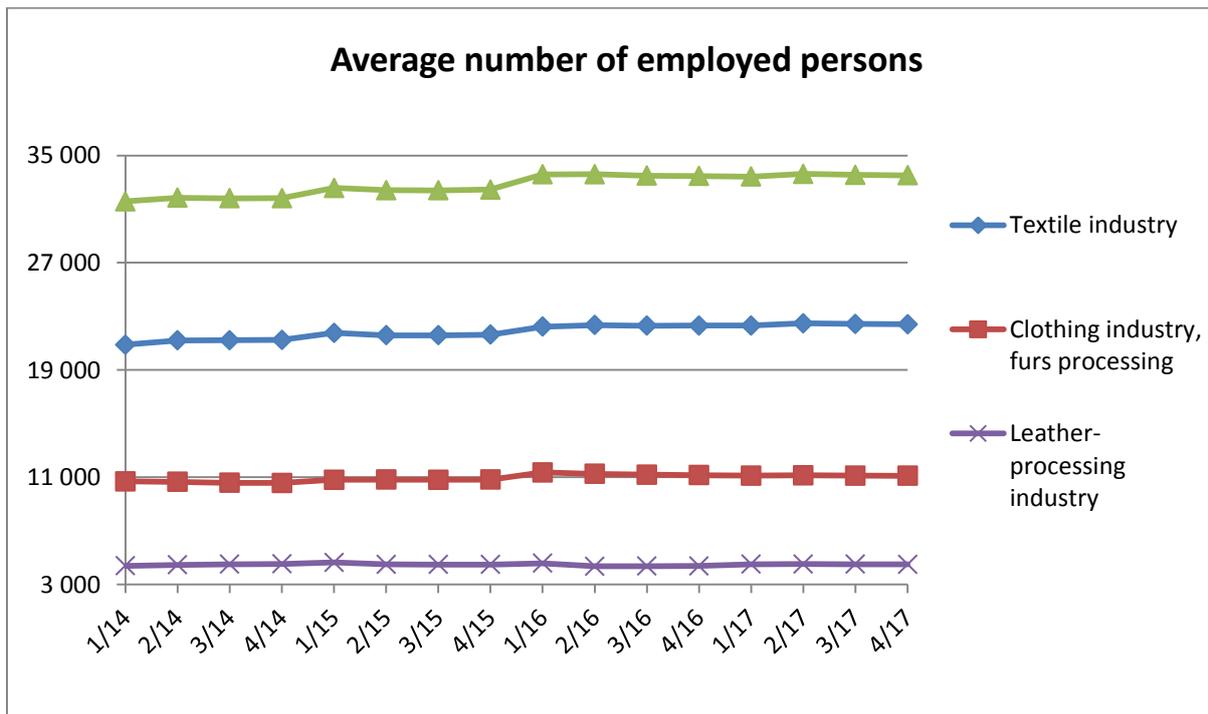


2) Employment

Employment, measured by the average number of persons employed in organizations with more than 20 employees, reached 33.5 thousand employees in the TCI at the end of 2017, which represents a growth of 0.1% over the same period of the previous year. Employment in the textile industry grew to 22.4 thousand employees which is a 0.4% increase over the same period of the previous year. The clothing industry showed a reduction in the number of employed persons to 11.1 thousand, which is 0.5% less than in the same period of the previous year.

Employment in 2017	
Compared to the same period of the previous year	
Textile	▲ +0.4 %
Clothing	▼ -0.5 %
TCI	▲ +0.1 %

2)



Note: organizations with 20 or more employees included only

Source of data: ATOK



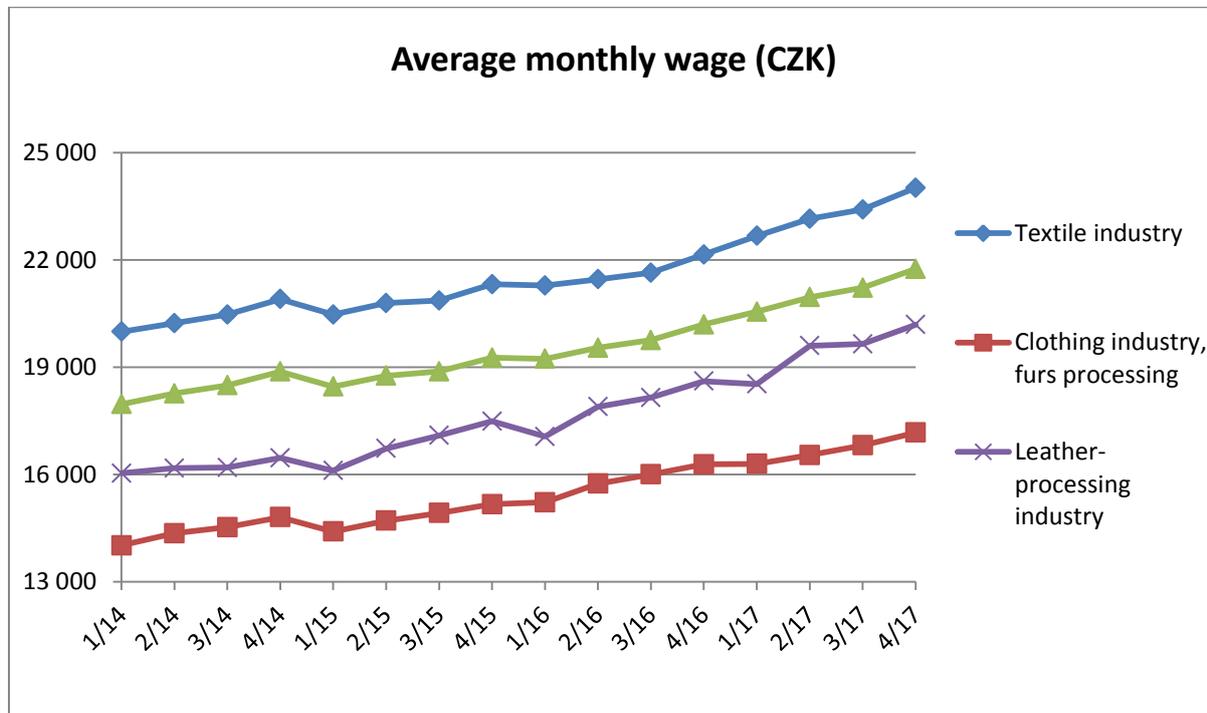
3) Wage evolution

The average monthly wage in the aggregate TCI reached CZK 21.7 thousand at the end of 2017, which is an increase of 7.7% over the same period of the last year. In the textile industry, the monthly wage was CZK 24 thousand, which is about CZK 6,800 higher than in the clothing industry.

Wage evolution in 2017
Compared to the same period of the previous year

Textile	▲ + 8.4 %
Clothing	▲ + 5.5 %
TCI	▲ + 7.7 %

3)



Note: organizations with 20 or more employees included only

Source of data: ATOK



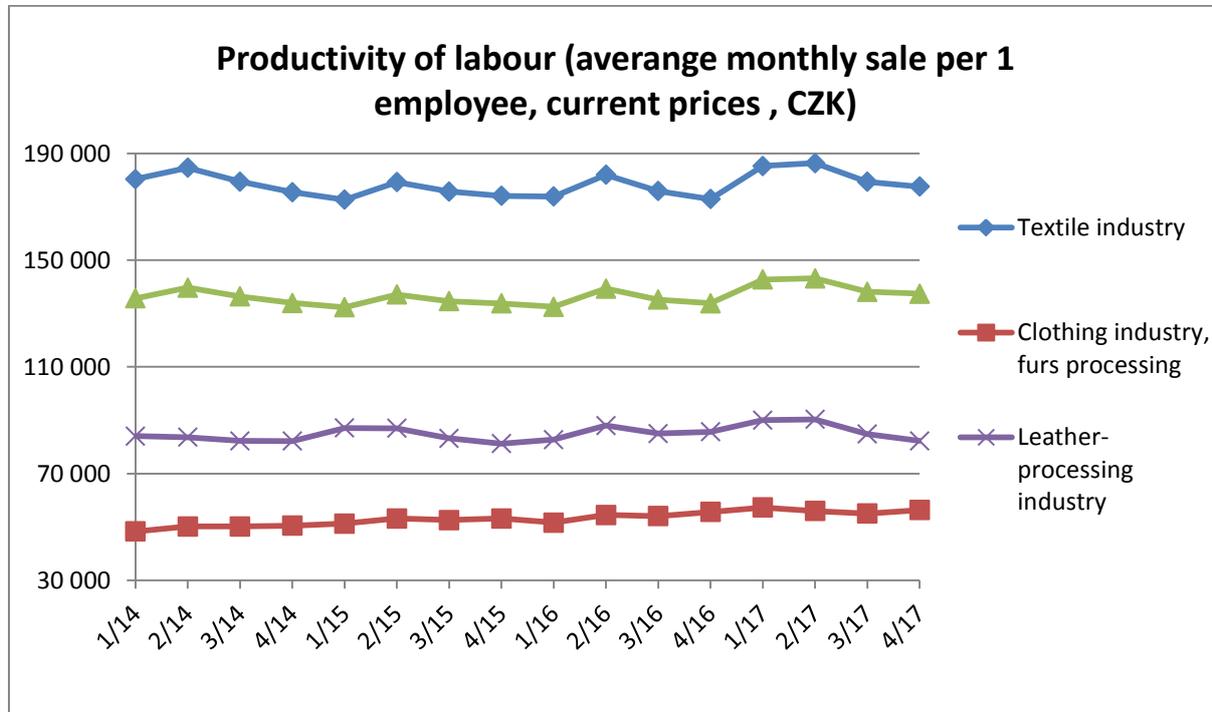
4) Labour productivity

Productivity, measured by the volume of sales (in current prices) per employee per year, was significantly higher in the textile industry (CZK 2,130 thousand/worker/year) at the end of 2017 than in the clothing industry (CZK 680 thousand per worker/year).

<u>Labour productivity in 2017</u>	
Compared to the same period of the previous year	
Textile	▲ + 2.7 %
Clothing	▲ + 1.3 %

A year-on-year comparison in the textile sector shows productivity increased by 2.7% over the same period of the previous year. In the clothing sector, productivity increased by 1.3% compared to the same period of the previous year, but above all small companies with 20 to 49 employees have a problem with productivity. On the other hand, productivity for manufacturers with 50+ employees increased significantly compared to 2016 and by 7.6%, the increase being higher than the increase in sales in this segment (4.1%).

4)



Note: organizations with 20 or more employees included only

Source of data: ATOK



5) Foreign trade

Exports of textiles and clothing products in 2017 grew significantly compared to the same period of 2016, particularly in clothing, by 17.2%, where the growth rate of exports was higher than the growth rate of imports. In the case of textiles, the increase in exports represented 4.2%, the volume of imports increased by 1.7%. In this regard, the textile industry continues to maintain a positive external trade balance, although the overall balance of the textile and clothing industry is unfortunately negative.

Foreign trade in 2017

Compared to the same period of the previous year, common prices

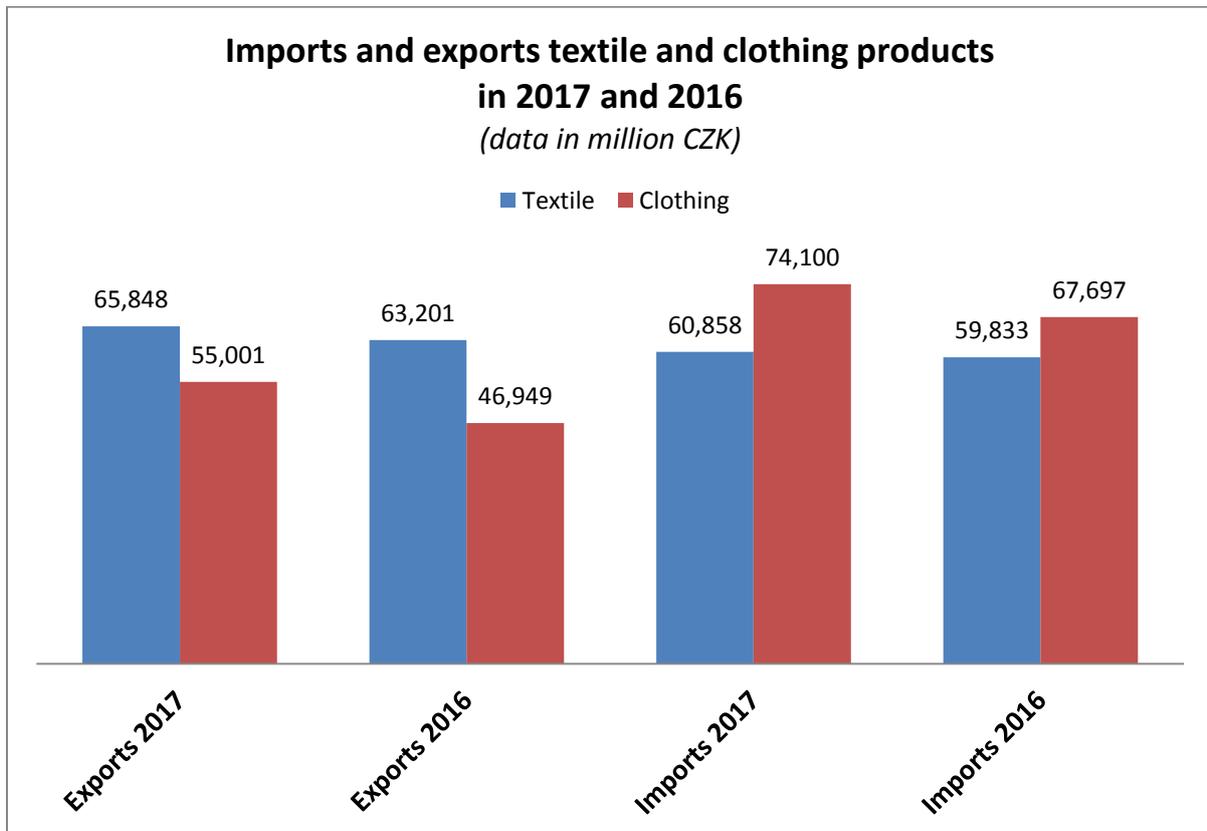
Exports

Textile ▲ +4.2 %
Clothing ▲ +17.2 %

Imports

Textile ▲ +1.7 %
Clothing ▲ +9.5 %

5)



Note: SITC nomenclature, two-digit division

Source of data: Foreign trade database of the Czech Statistical Office (ČSÚ)



Overall assessment

The total volume of sales in the textile and clothing industry for companies with more than 20 employees in 2017 reached CZK 55.3 billion and confirmed the long-term growth trend of this sector, which started in 2010. In the textile industry, there has also been an increase in staff and wages. In the clothing industry, there was a slight decrease in the number of employees, but wages also increased. There is also positive growth in labour productivity, which grew in the textile industry, despite the increase in the number of employees and wages, as well as in the clothing industry. Generally growth of labor productivity is lower than growth of revenue. The only exception to this finding is clothing companies with 50+ employees. This suggests some difficulties in coping with a significant rise in labor costs, accompanied by increased labor fluctuation and the need to incorporate ever-new workers who initially do not achieve the required performance.

In the foreign trade of textiles and clothing, as in previous years, imports are higher than exports due to the significant imports of clothing, which are then redistributed from the Czech Republic to other European countries. In the textile industry, a positive trade balance prevails in the long term.