CAN THE LOCAL MARKET SUSTAIN THE EXISTING LOCALLY ORIENTED GARMENT PRODUCTION CAPACITY

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FIRST EVER COMPREHENSIVE STUDY ON GARMENT CONSUMPTION IN MAURITIUS

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WHY WE DID THE STUDY

- Over last few years Mauritian Garment Industry going through critical phase – new competitive environment due to MFA phasing out in 2005
- Mauritian garment production industry – 2 categories
- MFA phasing out not yet addressed for local market - main issue tariff level

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WHY WE DID THE STUDY

- Main concern for domestically oriented garment industry:

1. Competition from imports
2. Whether domestic demand understood and production geared to meet demand

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OBJECTIVES OF THE RESEARCH

- Determine the characteristics of the garment industry in Mauritius in terms of the types of products and quantity produced for the local market
- Evaluate the size of the clothing market in Mauritius

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OBJECTIVES OF THE RESEARCH

- Identify the real expressed and unexpressed needs of consumers on the domestic market
- Analyse the opportunities and future development prospects of the domestic-oriented firms in relation to the local market

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METHODOLOGY

- **Type of Survey**: QUANTITATIVE
- **Data Collection Tools** : QUESTIONNAIRE
- **Target population:**
  1. Local enterprises producing mainly for the local market
  2. Retail outlets and hawkers
  3. Individuals aged between 18 and 65 living in private households

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METHODOLOGY

- **Data Collection Method:**

i. Mail Survey for local enterprises

ii. Face to face interviews for retailers, hawkers & consumers

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METHODOLOGY

- **Response rate**

Total number of enterprises : 25

Total number of persons interviewed: 1200

Total number of hawkers : 41

Total number of retailers: 39

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METHODOLOGY

- **Survey of local enterprises (Production part)**
  - 64 enterprises identified
  - Questionnaire sent by post
  - Follow-up calls
  - Most respondents were “slow responders”

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METHODOLOGY

➢ **Survey of retail outlets & hawkers (Distribution part)**

- Towns & main big villages
- 15 retailers & 7 hawkers targeted per region
- Range of standard apparels for both genders per region
- Hawkers more willing to participate

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METHODOLOGY

➢ **Survey of consumers (Consumption part)**

- Individuals aged between 15 and 65 living in private households
- Stratified quota sampling – region, gender, age
- Data collection – 13 May 2006 to 8 June 2006

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FINDINGS

- Conditions under which the domestically oriented component of the textiles and garment sector has operated has dramatically changed between 2001 and 2005.
- Tariff protection which was as high as 80% up to April 2005 has now been greatly reduced to a fixed Rs 50 to Rs 250 depending on items concerned

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FINDINGS

- Value of imported garments on domestic market has increased by 110% between 2001 and 2005
- Total local consumption of garments – about Rs 3.31 billion in 2005

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FINDINGS

- Import penetration almost at the same level (30.5% in 2000 & 36.0% in 2005). Not as dramatic as one would think.
- However, worth noting that imports for certain specific items going up at rapid pace – Pants & briefs, skirts
- Fall in imports in the case of swimwear

FINDINGS

- Fast increasing demand for certain items which are little produced locally – men's pants and briefs

FINDINGS

- Ladies' wear – market not supplied adequately by domestic production
- Imports for skirts and dresses gone up significantly

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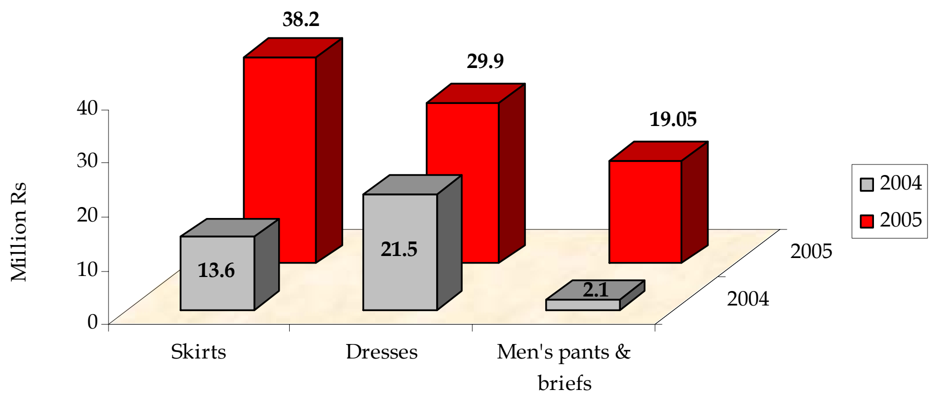
FINDINGS



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SURVEY OF RETAIL OUTLETS & HAWKERS

- Sales of casual wear for men – fairly substantial (T-shirts, Shirts & Trousers/ Pants/ Jeans)
- Women's wear more geared towards underwear – (Blouses, Panties/knickers & Bras)

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APPAREL SALES BY HAWKERS & RETAILERS

- Retail outlets – more of imported apparels than local apparels
- Hawkers – more of local origin apparel than imported ones

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APPAREL SALES BY HAWKERS & RETAILERS

- Locally produced shorts/ bermudas, trousers/pants/jeans, t-shirts, shirts, jackets and female swimwear dominated sales of retail outlets & hawkers surveyed – narrow range of products
- Hawkers – more of local origin apparel than imported ones

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APPAREL SALES BY HAWKERS & RETAILERS

- Goes against perception that hawkers are selling imported garments in competition with locally produced ones
- Hawkers – massive quantity of locally produced garments for men as compared to imported garments. Opposite tendency for sales of women's apparel

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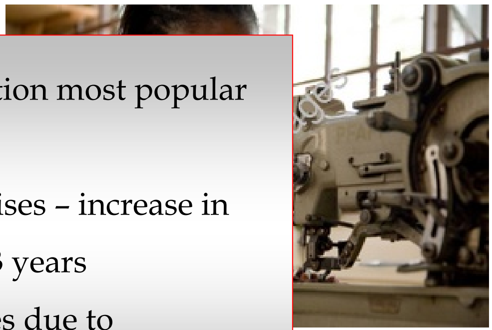
SURVEY OF ENTERPRISES



- T-shirt production most popular activity
- 40% of enterprises – increase in sales over last 3 years
- Increase in sales due to brand building

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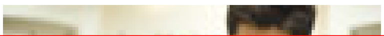
SURVEY OF CONSUMERS



- Average per capita for 2006 - 23 items of clothing
- Consumers – influenced by price in choice of apparel
- More frequent shoppers – urban respondents
- Men & women have purchased more underwear than any other apparel item

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SURVEY OF CONSUMERS

- Contrary to perception – semi urban and rural consumers have higher monthly household expenditure on clothing than urban ones
- 75 % respondents – exclusively or predominantly local apparel

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SURVEY OF CONSUMERS

- Respondents purchasing locally produced apparel – price sensitive
- Imported apparel – more fashion & quality driven

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SURVEY OF CONSUMERS

- No significant difference in apparel consumption for young people & older people in terms of number of units
- Younger segment shop more frequently than elder segment
- Single men purchase more boxer shorts/slips than other male respondents do

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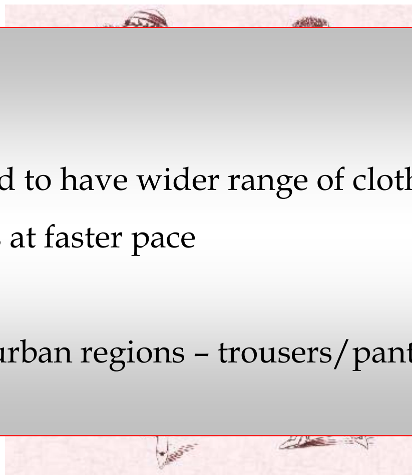
SURVEY OF CONSUMERS



- Women tend to have wider range of clothes & replace their clothes at faster pace
- Women in urban regions – trousers/pants/ jeans

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SURVEY OF CONSUMERS

- Female respondents purchasing underskirts – housewives & clerks from rural area
- Propensity to purchase bras reduces as age increases

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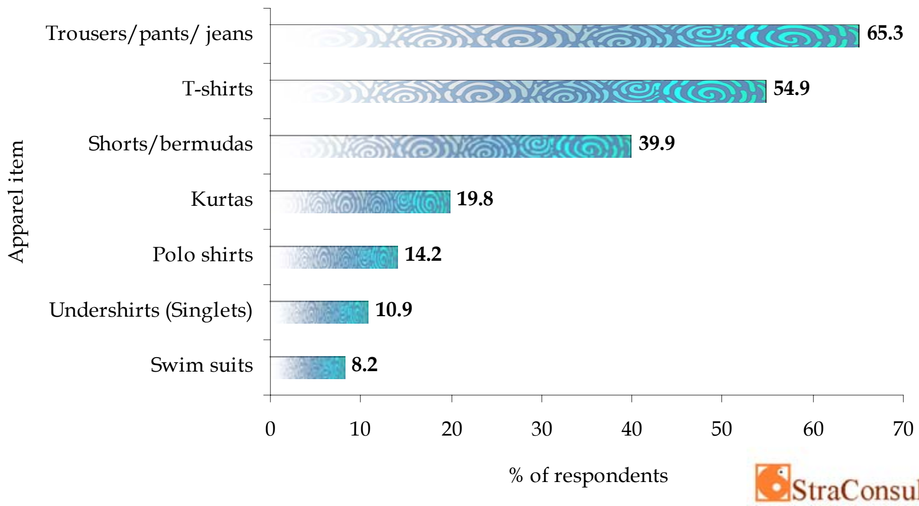
UNISEX WEAR



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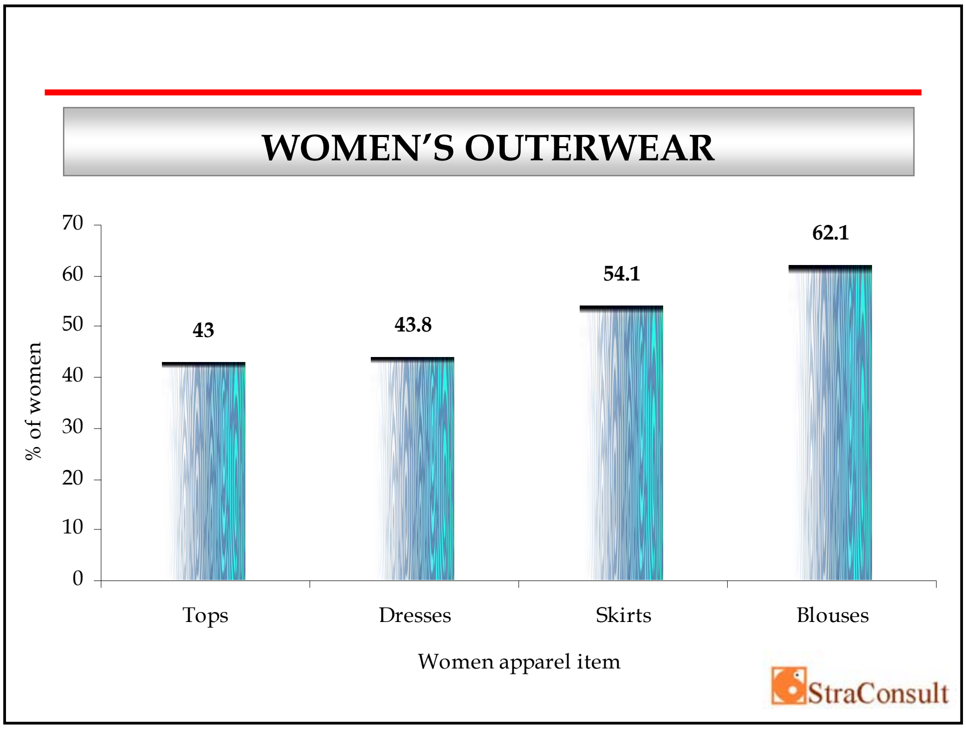
WOMEN'S OUTERWEAR
% of women
70
60
50
40
30
20
10
0
43
43.8
54.1
62.1
Tops
Dresses
Skirts
Blouses
Women apparel item
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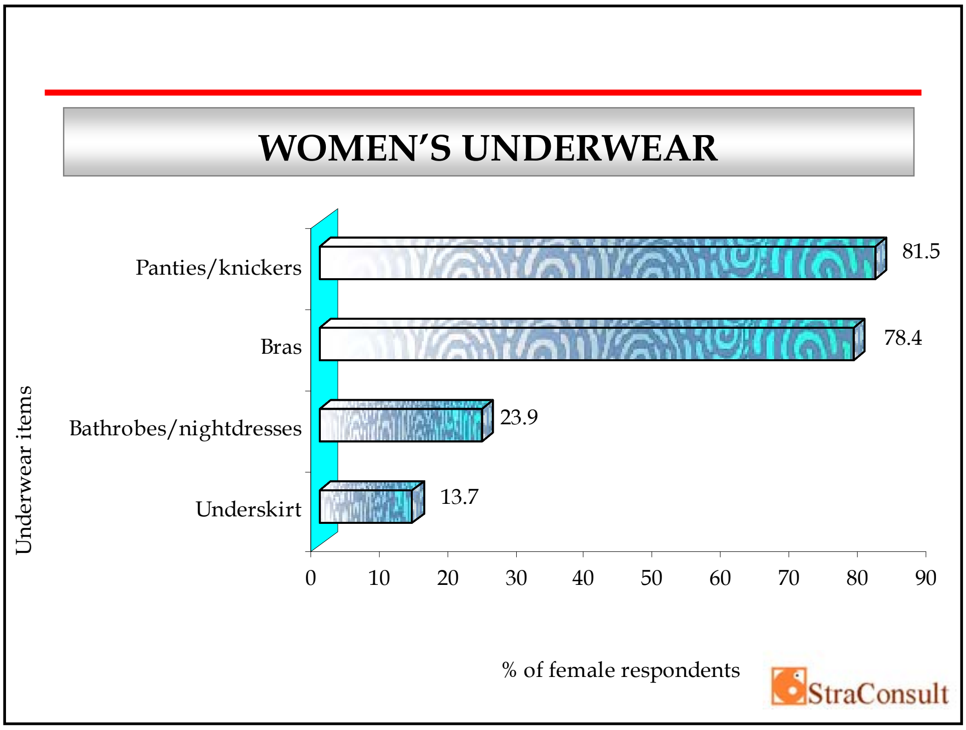
WOMEN'S UNDERWEAR
Underwear items
Panties/knickers
Bras
Bathrobes/nightdresses
Underskirt
81.5
78.4
23.9
13.7
0
10
20
30
40
50
60
70
80
90
% of female respondents
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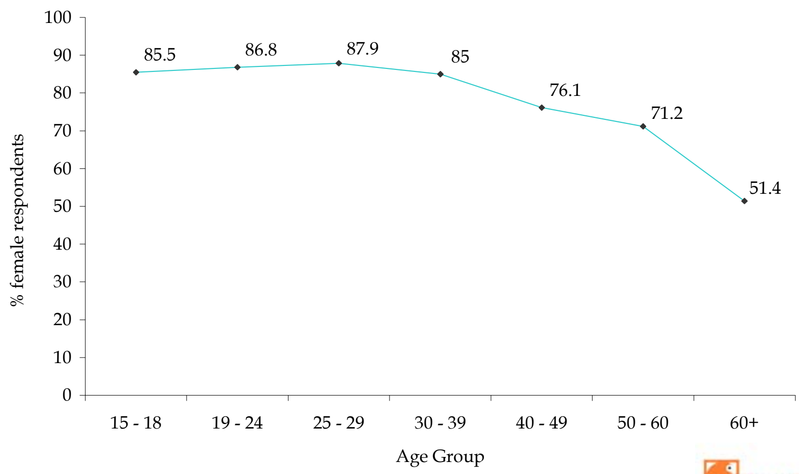
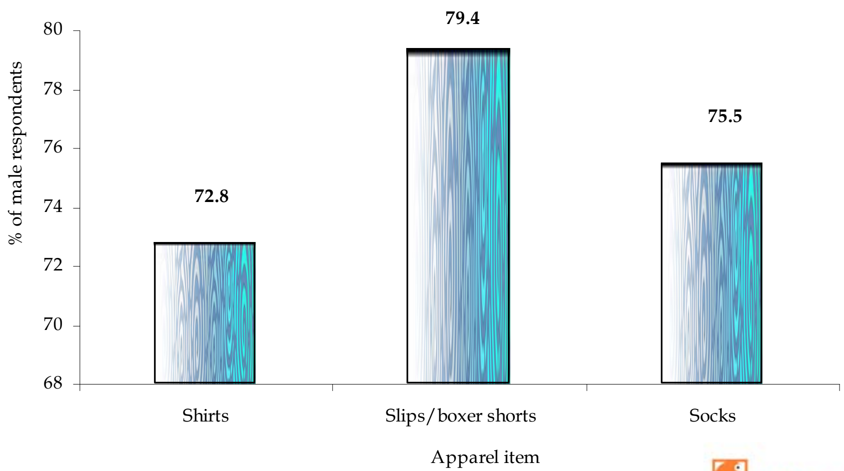
Propensity to purchase bras goes down as age goes up



MEN'S OUTERWEAR & UNDERWEAR



MEN'S OUTERWEAR & UNDERWEAR

- Men between 40 – 49 tend to purchase more shirts than any other age groups
- Purchase more boxer shorts – singles, rural area, Rs 4,000 - Rs 10,000
- Socks – majority 19 - 49 age group

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MEN V/S WOMEN

	Apparel Item	Average Consumption (every 6 months)
WOMEN	Panties/knickers	5.7
	Blouses/tops	3.9
	Skirts	1.7
MEN	Slips/ Boxer shorts	5.9
	T-shirts	3.4
	Pants	2.8
	Socks	4.2

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Domestic v/s Imported Apparel* Gender

	Male	Female
	%	%
I buy more of imported than locally produced	18.4	53.3
I buy more of locally produced than imported	40.3	23.4

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Factors influencing buyer behaviour

- Quality, price and fashion
- Quality and price - 30 -60 years
- Fashion victims – 15 -24 years
- Fashion victims buy more of imported apparel and less sensitive to price

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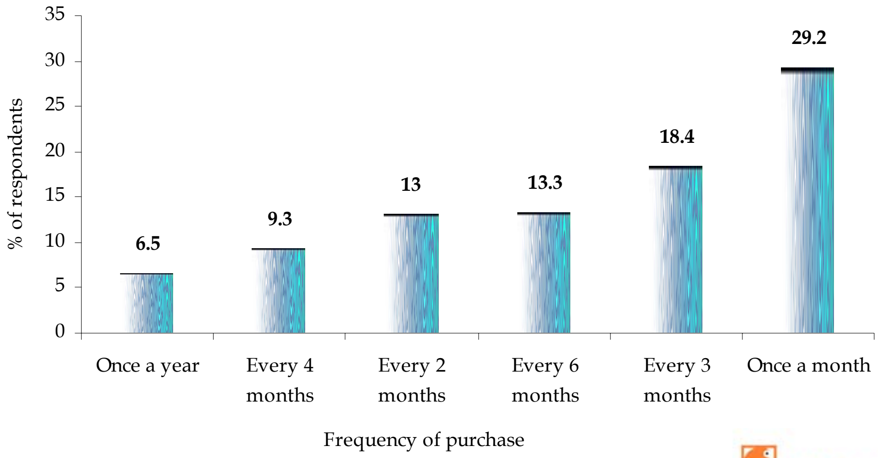
Shopping with intention of purchase



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Shopping with intention of purchase

- Majority of those who shop once a month – 15 – 29 years
- Shop every 6 months – 30 – 60 years

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PREFERRED RETAIL CHANNEL

- Shops most preferred (61.4%)
- La foire
- Hypermarkets not considered as a place of preference
- Tailor made clothing has lost ground completely

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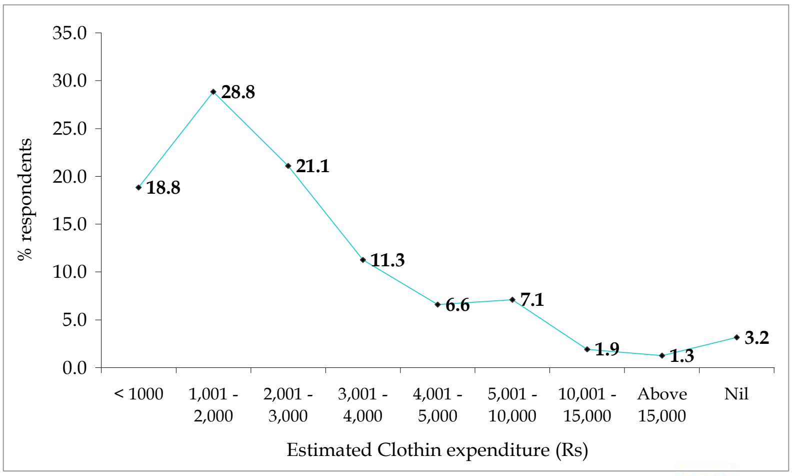
Estimated clothing expenditure – 80.3% spent less than Rs 4000



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Estimated clothing expenditure – 80.3% spent less than Rs 4000

WHO ARE THEY?

- Mainly craft & trade related workers, housewives, elementary occupations

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Estimated clothing expenditure – More than Rs 4000

WHO ARE THEY?

- Technicians & professionals, clerks, service workers, Students …

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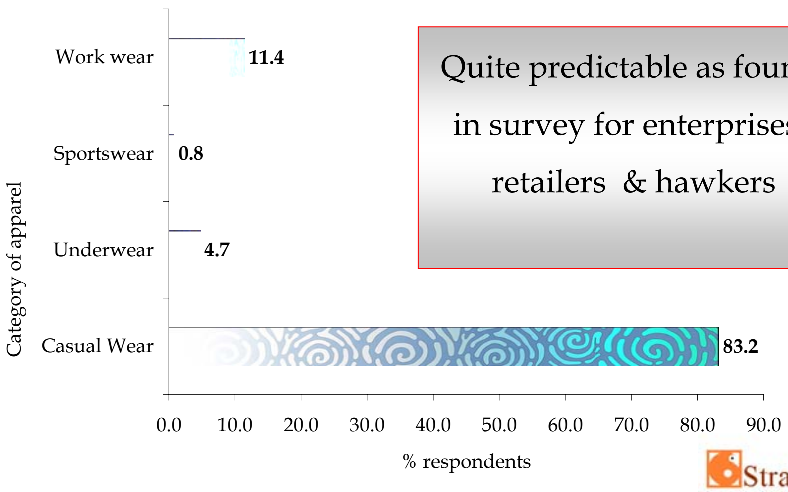
Category of clothing on which more money is spent



Quite predictable as found in survey for enterprises, retailers & hawkers

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Category of clothing on which more money is spent

- Between Rs 0 - Rs 3000 spent on casual wear

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Category of clothing on which more money is spent

- Between Rs 0 - Rs 3000 spent on casual wear

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CONCLUSION

- Import penetration still not dominant
- Consumers still support purchase of locally made garments
- Producers – work more closely with the retail channels capture changing trends
- Producers to invest on brand building

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CONCLUSION

- Provide more fashion oriented items as in demand from younger generations
- Producers & new entrepreneurs – consider broader range of items in demand to be adequately provided for by local supply – men's pants & briefs, men's boxer shorts, skirts, dresses and women's underwear

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