

# READY-MADE GARMENTS SECTOR IN SAUDI ARABIA IN LIGHT OF VISION 2030

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**Abstract:** Industry represents the utmost importance in building the economic and political power of nations and is evidence of progress or delay in the community. Therefore, their development requires the formulation of plans, programs and industrial strategies with the interrelationships and coordination with other economic sectors. The garment sector considers one of the important sectors to the growth of many developing countries. This industrial sector contributes significantly to the total added value and employment, importance of the industry is evident the fact that it has an effective and direct impact on the national economy of any country, it is raising the standard of living, and has an important means of employing manpower. Garment industry in Saudi Arabia faces a major challenge as the Kingdom seeks to employ Saudi manpower and to settle the industrial sector in the presence of many obstacles, The Kingdom has great attention to the industrial sector through the vision of the Kingdom of 2030 (a prosperous economy and its active investment). So the researcher studied the problems and obstacles facing the garment industry in the Kingdom in the region (Eastern - Western - Central), in addition to study the needs and requirements of the industry.

**Key words:** Ready-made garments - Vision 2030

## 1 INTRODUCTION

Economic development and growth is one of the phenomenal of the progress of countries by establishing many industries in various fields and taking advantage of the available wealth's, directing education towards attention to technical and professional specializations in order to support industries. Multiple industries have appeared, since the beginning of the twentieth century, including ready-made garment industry. The most developing countries have started in the first steps of their industrial projects towards producing ready-made garment.

Bheda [1] states that the industrial sector is considered one of the most important productive sectors in any country of the world and plays a major role with the rest of the production sectors in increasing the local production and the national product, through the contribution of this sector in increasing the volume of exports and also following the replacement policy. For the local products that are imported, the industrial sector is considered the main element in the success of the sustainable economic development process, because the sector depends on the human factor.

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and coordination with other economic sectors. The industrial sector is considered one of the most important economic sectors, as it is considered the first reliable sector for the creation of economic development, by encouraging local industries of different types and in order to work to reduce the volume of imported goods [2].

The industrial sector is of great importance to achieve sustainable development and diversify the sources of income for the economy, especially since the human element in the Kingdom is dominated by the men category that represents more than 70% of the population, and individuals at the age of twenty-five and less reach 50% and this segment can be employed to achieve economic development through the industrial sector, which represents one of the most important options in exploiting the energies of men in the Kingdom, especially as it is expected that a huge number of this segment will enter the work sector [3].

The ready-made garment industry is one of the productive industries that require continuous development in all its stages in order to be able to withstand and competition. Therefore, the ready-made garments factories make huge efforts in planning and coordinating their production lines in order to achieve the highest productivity in the least possible time and at the lowest possible cost with an emphasis on quality component.

The increasing of productivity means increasing the volume and amount of production in relation

to the unit of work time and the minimum costs possible, through the optimal utilization of available resources and obtaining maximum returns. Textile and garment industry is considered one of the most important branches in the industrial sector, and it still has a vital role in employing a significant number of manpower, as it contributes to providing some of the local needs of textiles and garment, and still faces many challenges in this sector [2].

Ready-made garment industry is one of the branches of the industrial sector in the Kingdom of Saudi Arabia, as the garment factories in the statistics of the first quarter of 2016 for the Kingdom of Saudi Arabia amounted to 101 factories and their total financing amounted to 11671.6 million riyals and the number of employment in them reached 14297 [4].

Garment sector is important to growth for many developing countries. This industrial sector contributes significantly to the total value added and employment. The ready-made garment industry faces a major challenge in the advancement and upgrading of the quality of this industry so that it can compete not only in the local markets but also in the field of exports that the state's economic and political actors advocate [5].

Jance [6] mentions that the importance of the industry is evident the fact that it has an effective and direct impact on the national economy of any country; it is raising the standard of living, and has an important means of employing manpower.

The garment industry is one of the industries that are still taking its first steps in the Kingdom of Saudi Arabia and is considered one of the necessary and required products in increasing quantities from different sectors and local production is not sufficient to meet the market need of them. This industry is considered one of the important industries at the level of the national economy where it narrowing the gap between locally produced and imported quantities [7].

Al-Ghamri [8] showed that the textile and garment industry in the Kingdom of Saudi Arabia includes carpets, tents, gowns, blankets and towels. The leather industry includes the leather products' manufacture and shoe factories. According to Saudi industrial statistics this industry falls within the transformative industries. In addition, it is considered one of the consumer industries and it is industry that has been established to meet the requirements of the local market and the excess consumption of products.

Kingdom of Saudi Arabia is passing through an important stage of its economic development today, where all the various national efforts are solidified to achieve development goals and catch up with progress, increase the diversification of the source of national income, and reduce

dependence on oil as a main source of income. The Kingdom of Saudi Arabia is witnessing a wide renaissance in the various fields of economic and social life that began to follow the method of planning for economic and social development with the beginning of the year 1390 AD.

Industry is an essential and sustainable source of national income, with the idea of settling factories in industrial cities that serve as an integrated industrial clusters in which all elements of the industry are available, including basic services and equipment that take into account environmental conditions and safety requirements, and create job opportunities for citizens, and to distribute development in a balanced way to the Kingdom regions in order to limit immigration to the main regions [9].

Garment industry in Saudi Arabia faces a major challenge as the Kingdom seeks to employ Saudi manpower and to settle the industrial sector in the presence of many obstacles. Kingdom has great attention to the industrial sector through the vision of the Kingdom of 2030 (prosperous economy and its active investment).

So, researchers studied the problems and obstacles facing garment industry in Kingdom in the region (Eastern - Western - Central), in addition to studied the needs and requirements of the industry, in an effort to achieve the side of the vision of the Kingdom, which seeks to (support promising sectors and seek to make it work to be a new pillar of the economy of the Kingdom, as well as encouraging the private sector and open the doors of investment, and localization of industries)

### Research aims

- Determine the problems of the garment sector in the Kingdom of Saudi Arabia.
- Determining the obstacles to the industrial growth of ready-made garment in the Kingdom of Saudi Arabia.
- Determining the requirements of the garment industry in the Kingdom of Saudi Arabia.
- To develop proposed solutions for the advancement of the garment sector.

**Research importance** in response to the Kingdom's 2030 vision (a thriving economy - an efficient investment):

- Connecting university scientific research with the needs and requirements of society.
- Contributing to the development and settlement of the garment sector in the Kingdom.

### Research methodology

The research follows the descriptive approach in order to answer the research questions.

Research tools:

- field visits
- questionnaire
- personal interview

## 2 RESEARCH RESULTS

### 2.1 The problems and obstacles facing the garment sector in the Kingdom

Through exploratory field visits and connecting them to theoretical studies and the application of research tools, problems and obstacles were identified, divided into several axes as follows:

#### Financial problems

The research sample indicated that there is a real problem in each of the following:

- lack of clarity funding sources,
- low funding ratio compared to the costs of establishing and renewing factories,
- the high cost of purchasing raw materials, machinery and equipment,
- high value of salaries and wages,
- the cost of maintenance procedures,
- the cost of transporting products,
- high prices for some cost components,
- excess of primary elements or products.

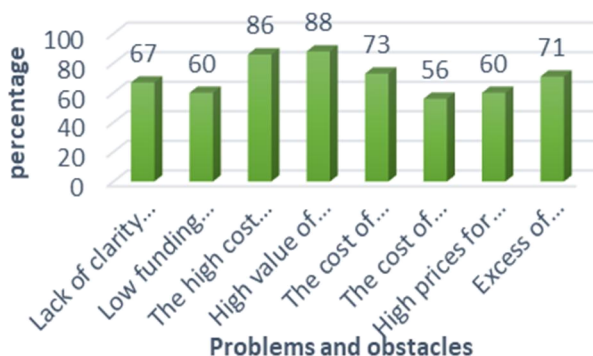


Figure 1 Financial problems

#### Problems related to production

The research sample stated that there are a number of problems associated with the production process that is determined in:

- providing raw materials at the required time,
- providing modern and specialized equipment and machinery,
- completion of periodic maintenance procedures on time,
- sudden breakdowns of machines and equipment,
- sudden absence of workers,
- lack of a culture of training before operation, which affects the quality of the product,
- low quality products,
- lack of clear production plans,
- the presence of idle energies, both in the (labor force - equipment and machinery).

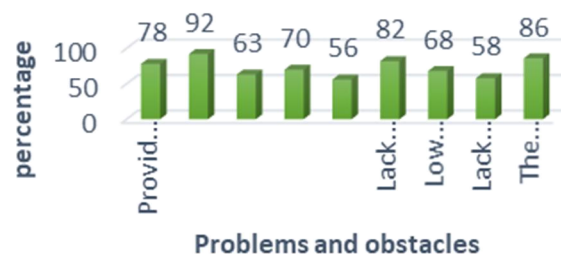


Figure 2 Problems related to production

#### Marketing-related problems

The research sample indicated that there are problems related to marketing which are determined in each of the following:

- the domination of imported products on the local market with low prices,
- failure to follow the theory of supply and demand, so that the supply is proportional to the demand for the product,
- changing the desires of consumers,
- conduct market research periodically when moving from one season to another,
- the high prices of the local product due to the high prices of importing raw materials,
- markets far from factories,
- insufficient publicity and advertising sufficient attention.



Figure 3 Marketing-related problems

#### Export-related problem

The research sample indicated that there are a number of export problems refer to:

- high price of domestic product in foreign markets,
- absence of local complementary industries,
- competition of foreign products in foreign markets,
- low quality of the domestic product compared to products in foreign markets,
- high export costs,
- the difference in the shipping time of orders due to the late arrival of imported raw materials.



**Figure 4** Export-related problems

## 2.2 The requirements of the garment industry in the Kingdom of Saudi Arabia

Through the interview, the research sample answered the requirements of the apparel industry as follows:

- provide sufficient space commensurate with the size of the project,
- factories should be close to the target market,
- preparing a financial, technical and marketing feasibility study,
- existence of an organizational structure for the industrial establishment, clarifying the job description for each individual,
- having a determined funding sources while facilitating the procedures,
- depending on raw materials locally available,
- focusing on continuous training of manpower,
- employing the right worker in the right place,
- training the worker to make several production processes,
- providing specialized, modern equipment and machines with its maintenance,
- the presence of a clear and effective maintenance plan,
- clarity of the production plan with flexibility of implementation and the existence of the alternative plan,
- attention to control production quality,
- interest in studying supply and demand.

## 2.3 Suggested solutions to advance the garment industry in the Kingdom of Saudi Arabia

Through the results of the study, some points were identified as proposed solutions for the advancement of the garment industry in the Kingdom of Saudi Arabia to contribute to the advancement of society (a thriving economy):

- Supporting and setting up factories linked to the feeder industries for the garment industry (textile factories, production requirements factories) and facilitating their procedures and licenses, which works to advance the industry and improve the economy by reducing the cost of the final product and its competition in local and global markets as it works to employ manpower and reduce unemployment in society.

- Financial support to the industrial sector by providing modern and specialized equipment and machines to raise the quality of the clothing product and make it able to withstand and compete in the internal and external market.
- Imposing conditions on the imported products offered in the local market to limit these products and providing the opportunity for local clothes to compete.
- Providing spaces suitable for setting up ready-made garment factories so that they are close to the places of the markets and close to the ports in the case of importing raw materials in order to reduce the costs and time of transportation.
- Spreading the culture of manual work among Saudi men and women and training them on the requirements of this industry, which helps to reduce unemployment and increase the income of the Saudi family.
- Attention to the establishment of small and medium-sized factories as well as large-sized factories to meet the needs of different groups

## 3 RECOMMENDATIONS

- 1) Interest in explaining the long-term strategic plans that are concerned with developing the apparel and complementary industries in the Kingdom.
- 2) Attention to conducting research that supports the garment industry in the Kingdom.
- 3) Establishing events that bring together investors inside and outside the Kingdom, determining their requirements and reaching cooperation agreements with the industry sector.
- 4) Holding exhibitions that include local apparel products and working to market them inside and outside the Kingdom.

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