1. Global Overview
   * 1.1 Introduction
     + 1.1.1. Global Market Size & Growth

Market Worth: USD 2,475 bn,

CAGR: 2.7%

* + - 1.1.2. History and Milestones

|  |  |  |
| --- | --- | --- |
| Year | Milestone | Owner/Innovation |
| 1790 | Invention of the Sewing Machine | Thomas Saint |
| 1856 | First Synthetic Dye (Mauveine) | William Henry Perkin |
| 1913 | Invention of the Zipper | Gideon Sundback |
| 1930 | Nylon Fabric Innovation | DuPont (Wallace Carothers) |
| 1938 | Rubber-soled sandals for mass use | Bata (Czech Republic) |
| 1965 | Introduction of Polyester into Mainstream Fashion | DuPont |
| 1973 | Launch of the Modern Hiking Boot | Timberland (Waterproof Yellow Boot) |
| 1984 | Launch of Fast Fashion Model | Zara (Inditex Group) |
| 1999 | Rise of Online Fashion Retail | ASOS (UK-based e-commerce launch) |
| 2011 | Eco-Friendly Fabric Blends Enter Mass Production | Patagonia, Eileen Fisher |
| 2016 | Adoption of AI for Trend Forecasting | Stitch Fix, Edited |
| 2020 | Virtual Fitting Rooms via AR/VR | Zeekit (acquired by Walmart), Fits.me |
| 2023 | 3D Printing in Apparel Manufacturing | Nike, Adidas, Mango |

)

* + - 1.1.3. Sector Segments

|  |  |  |
| --- | --- | --- |
| Application | Share (%) | Details |
| Clothing | 50% | Largest segment; includes everyday and activewear. Key focus on fast fashion and sustainable fabrics. |
| Footwear | 30% | Growth driven by comfort, performance tech, and sustainable materials. |
| Accessories | 20% | Includes bags, jewelry, and eyewear; strong in brand identity and resale innovation. |

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* + - 1.1.3. Equipment Market Share

|  |  |  |
| --- | --- | --- |
| Segment Type | Share (%) | Details |
| Luxury/Premium | 40% | High-end fashion with focus on exclusivity, craftsmanship, and brand heritage. |
| Mass Market/Mid-Range | 25% | Broad appeal; accessible pricing and trend-driven designs for mainstream consumers. |
| Fast Fashion/Budget | 15% | Low-cost, high-turnover apparel emphasizing speed to market and volume. |
| Sportswear/Athleisure | 20% | Functional and casual styles blending performance with comfort and style. |

* + - 1.1.4. Emerging trends and industry insights

|  |  |
| --- | --- |
| Category | Key Points |
| Sustainability Trends | \* Focus on reducing waste through recycled fabrics, sustainable packaging, and leather alternatives |
| \* Strong alignment with the Second-hand Market boom and 3D Printing for minimizing raw material usage |
| \* Consumer preference for eco-conscious brands drives these initiatives |
| Technological Advances | \* Industry 4.0 integrates IoT, automation, and predictive analytics for smarter, faster production |
| \* 3D Printing supports agile, on-demand manufacturing with reduced material use |
| \* Enhances sustainability and responsiveness in design and logistics |
| Consumer Behaviour | \* Rise of E-Commerce has redefined buying behaviour through omni-channel models and global access |
| \* Second-hand Market growth reflects changing values—favouring affordability, sustainability, and uniqueness |

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* + 1.2. Global Trade
    - 1.2.1. Leading Countries

|  |  |  |  |
| --- | --- | --- | --- |
| Country | Imports (USD) | Exports (USD) | Production (Tonnes pa) |
| China | $18 billion | $20 billion | 3.1 million |
| Bangladesh | $3 billion | $11 billion | 1.9 million |
| Vietnam | $4 billion | $10 billion | 1.6 million |
| India | $5 billion | $9 billion | 2.2 million |

* + - 1.2.2. Major country insights

**China:**

* + - * Leading global producer and exporter, supported by integrated industrial clusters and strong OEMs like Shein and Li-Ning
      * Advanced policies like Made in China 2025 drive automation, AI, and smart supply chains
      * Attractive tax incentives and R&D funding boost innovation in textiles and apparel tech

**India:**

* + - * Dominates raw material production (cotton, yarn); expanding into synthetics and technical textiles.
      * Backed by strong government schemes (PLI, ATUFS, SITP) supporting infrastructure and modernization
      * Large domestic market and low production costs position India as a rising export hub.

**Bangladesh:**

* + - * Major export-driven apparel economy with the lowest global labor costs for large-scale production.
      * Strong green manufacturing leadership with the most LEED-certified garment factories globally.
      * Benefits from preferential trade access to EU and UK markets under GSP/DCTS scheme

**Vietnam:**

* + - * Rising exporter with strengths in both cotton and synthetic apparel manufacturing
      * Benefits from major trade pacts (CPTPP, EVFTA, RCEP) for global market access
      * Attracts high FDI inflows and boasts a skilled workforce and modern export infrastructure.

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* 1.2.3. Major global suppliers

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Manufacturer | Segment Type | Estimated Global Market Share (2023) | Production Capacity (Units per Year) | Strategic Advantage |
| Nike | Sportswear/Athleisure | 12% | 1.5 billion | Global brand equity, innovation in performance wear, and strong digital ecosystem. |
| LVMH | Luxury/Premium Apparel | 10% | 1.2 million | High-end brand portfolio, heritage craftsmanship, and global luxury market dominance. |
| Inditex | Fast Fashion | 9% | 1.8 billion | Agile supply chain, rapid design-to-market speed, and vast retail network. |
| Shein | Ultra-Fast Fashion | 7% | 2.0 billion | Data-driven production, cost efficiency, and dominance in online-only retail. |
| Adidas | Sportswear/Athleisure | 6% | 900 million | Strong R&D in materials, sustainability focus, and athletic partnerships. |

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* + - 1.2.4. Country analysis case study, 2 countries **[Decision Required]**. Country selection process based on whether said industry is a major export / production in the economy
      * 1.2.4.1. Country GDP and industry contribution
  + Country: China
  + GDP (2023): $17,794 billion (4% Apparel industry)))
    - * 1.2.4.2. Workforce in industry

(Employees in Apparel & Accessories: 8.5 million (4% of labor force)))

* + - * 1.2.4.3. Market size of industry in country

(Example:

Production Capacity (2023): 3.1 billion units (garments, footwear, accessories)

Export Turnover: $320 billion

Major OEMs: -500

Component Manufacturers:5,000)

* + - * 1.2.4.4. Top Suppliers and Manufacturers in the country

(Example:

OEMS: Shein, Anta, Li-Ning, Boosideng, Youngor

Components Manufacturer: Shandong Ruyi Group, Pacific Textiles, Esquel Group, YKK China, Huafu Fashion Co)

* + - * 1.2.4.5. Milestone Journey
        + Establishment years of suppliers

|  |  |
| --- | --- |
| Year | Milestone |
| 1934 | Youngor (predecessor textile group) was established, marking one of the earliest entries into formalwear manufacturing in China |
| 1945 | YKK China commenced operations, becoming a leading fastener and zipper supplier in the region |
| 1980 | Li-Ning was founded by the Olympic gymnast, becoming China’s flagship sportswear brand |
| 2005 | Esquel Group expanded its operations in China, setting new standards in sustainable cotton shirt manufacturing |
| 2018 | |  | | --- | |  |  |  | | --- | | Shein was launched, redefining fast fashion through AI-driven e-commerce and global supply chain agility | |

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1. KSA Landscape overview
   * 2.1. KSA Market overview
     + 2.1.1. Local Market Segmentation

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Equipment Type | Manufacturers | Manufacturers Count | Units Sold 2023 | Imports 2023 (mSAR) |
| Clothing | Ajlan & Bros, Al-Fakhera, AlAseel, Cenomi | 4 | ~75 million | 15,100 |
| Footwear | SLIC, Cenomi, AlAseel | 3 | ~12 million | 3,800 |
| Accessories | Ajlan & Bros, Cenomi, Al-Fakhera | 3 | ~8 million | 2,300 |

* + - 2.1.2. Market share

|  |  |  |  |
| --- | --- | --- | --- |
| Company | Clothing Share (%) | Footwear Share (%) | Accessories Share (%) |
| Ajlan & Bros | 28 | 6 | 12 |
| Cenomi | 25 | 10 | 10 |
| Al-Fakhera | 15 | 3 | 8 |
| AlAseel | 18 | 8 | 6 |
| SLIC | 2 | 15 | 4 |

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* + - 2.1.4. Current and projected demand

**Apparel Sold and Forecast (thousands of units)**

* **2023:** 45,000 (Actual)
* **2024:** 47,000 (Actual)
* **2035:** 60,000 (Forecast)

**Forecast Increase:** +27.7% from 2024 to 2035)

* + 2.2. Segments Overview
    - 2.2.1. Import dependency of various segments

**Apparel Import 2023 (mSAR)**

|  |  |  |
| --- | --- | --- |
| Segment | Import Value (mSAR) | % of Total Import |
| Clothing | 15,000 | 63% |
| Footwear | 3,800 | 16% |
| Accessories | 2,300 | 10% |
| Others | 2,880 | 12% |

* + - 2.2.2. Market size – Different segments and market size

Clothing: 75,000 units (63%)

Footwear: 12,000 units (20%)

Accessories: 8,000 units (10%)

Others: 4,000 units (7%))

* + - 2.2.3. Market trends

(Example:

**Apparel & Accessories Import Trend (units):**

* **2019:** 51,000,000
* **2020:** 45,400,000
* **2021:** 49,700,000
* **2022:** 56,000,000
* **2023:** 56,000,000

**Insights:**

**•** Growth in Trade Deficit:

The Balance of Trade (BOT) for apparel and accessories in KSA has grown steadily, increasing from SAR 17.2 billion in 2018 to SAR 23.1 billion in 2023, reflecting a 6% CAGR.

Clothing Dominate Deficit:

Clothing remains the leading contributor to the trade deficit, rising from SAR 11.5 billion in 2018 to SAR 15.1 billion in 2023, accounting for 65% of total BOT. The surge is linked to high import reliance for western-style apparel, as domestic production largely focuses on traditional garments.

• Footwear Sees Steady Demand:

Footwear imports increased from SAR 2.8 billion to 3.8 billion, making up 17% of the BOT. Demand is driven by the popularity of branded sports shoes and premium leather products, with local production focused on niche areas like military and safety footwear.

• Accessories (Bags) Gaining Share:

Bags and fashion accessories rose from SAR 1.7 billion in 2018 to SAR 2.3 billion in 2023, comprising 10% of the deficit. This trend reflects the rising influence of luxury fashion among KSA’s middle and upper-income consumers.

Key Drivers of BOT Increase:

Urbanization & Changing Preferences:Growth of urban populations and youth segments is fueling demand for global fashion and modern styles over traditional clothing

Limited Local Manufacturing: Saudi Arabia’s domestic apparel sector is still focused on traditional garments, leading to high dependency on imports for apparel, footwear, and accessories.

Luxury & Branded Product Demand: Consumer appetite for international and luxury brands—especially in shoes and bags—continues to rise, further widening the trade deficit)

* + 2.3. Trade Analysis
    - 2.3.1. Top Exporting countries per segment

(Example:

**Apparel & Accessories Categories Top Exporting Countries to KSA**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Category | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Clothing | China | China | China | China | China | China |
| Footwear | China | China | Vietnam | Vietnam | Vietnam | Vietnam |
| Accessories | China | China | China | China | China | China |

* + - 2.3.2. Top Exporting countries rank

(Example:

**Apparel & Accessories Top Exporting Countries to KSA**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Rank | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| 1 | China | China | China | China | China | China |
| 2 | Turkey | Turkey | Vietnam | Vietnam | Vietnam | Vietnam |
| 3 | India | India | India | India | Turkey | Turkey |
| 4 | Bangladesh | Bangladesh | Bangladesh | Bangladesh | Bangladesh | Bangladesh |
| 5 | Italy | Italy | Indonesia | Indonesia | India | India |

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* + - 2.3.3. Trends and insights

(Example: Over 90% of KSA’s apparel, footwear, and accessories imports from 2018 to 2023 originated from six key countries:

**•** China

**•** Vietnam

**•** Turkey

**•** India

**•** Bangladesh

**•** Italy

* + 2.4. Local Capabilities
    - 2.4.1. Current Local Capabilities

(Example:

**Ajlan & Bros**

* Capabilities: Large-scale manufacturer of traditional men's apparel (e.g., thobes, shemaghs) with integrated design, tailoring, and finishing
* Strategic Partnerships: Collaborates with textile mills and accessory suppliers across the GCC and Asia.
* Focus: Expanding into ready-to-wear and tech-enabled customization platforms for traditional garments

**SLIC (Saudi Leather Industries Company)**

* Capabilities: Specializes in high-durability footwear for military, safety, and industrial use; operates advanced local production lines
* Focus: Quality assurance, regional compliance, and high-volume contract manufacturing for public sector procurement)
  + - 2.4.2. Upcoming supplier categories

(Example:

KSA’s apparel manufacturing ecosystem is expected to diversify as the government promotes localization under Vision 2030. Upcoming supplier categories aim to reduce import reliance, particularly for components and niche products in fashion manufacturing.

**Supplier Categories**

* **Knitted and Woven Fabric Mills**
* **Garment Trims and Accessories (zippers, buttons, elastic)**
* **Footwear Uppers and Soles (rubber, EVA, leather)**
* **Packaging and Labelling for Fashion Retail**
* **Digital Embroidery and Textile Printing Units**

)

1. Associated Industry and Value Chain Analysis
   * 3.1. Associated Industry Analysis
     + 3.1.1. Associated Industry list

(Example:

|  |  |
| --- | --- |
| Associated Industry Number | Associated Industry |
| Associated Industry 1 | Textiles and Fabric |
| Associated Industry 2 | Plastic and Non-metallics |
| Associated Industry 3 | Fasteners and Fittings |
| Associated Industry 4 | Packaging Material |
| Associated Industry 5 | Dyes and Pigments |
| Associated Industry 6 | Coatings and Paints |
| Associated Industry 7 | Polyurethane (Foam) |
| Associated Industry 8 | Rubber |

)

* + - 3.1.2. Industry Role

(Example:

|  |  |  |
| --- | --- | --- |
| Associated Industry | Value Chain Role | Contribution to Final Product |
| Textiles and Fabric | Core upstream industry producing cotton, wool, synthetics, and blended fibres. | Provides the base material for garments and accessories, impacting texture, comfort, and durability. |
| Plastic and Non-metallics | Midstream industry supplying polymer resins (e.g., PE, PP) and melded parts. | Used in buttons, zippers, soles, clips, and structural components of bags and footwear. |
| Fasteners and Fittings | Midstream manufacturing of hardware and closure systems. | Critical for functionality and fastening—zippers, hooks, buckles, snaps, etc. |
| Packaging Material | Downstream industry supporting branding and distribution logistics. | Enables retail readiness through labels, boxes, swing tags, and printed wrapping. |
| Dyes and Pigments | Midstream chemical input industry for coloration and aesthetic enhancement. | Adds visual appeal, branding identity, and customization to textiles and materials. |
| Coatings and Paints | Midstream supplier of chemical finishes and protective layers. | Improves durability, waterproofing, and stain resistance in outerwear, footwear, and bags. |
| Polyurethane (Foam) | Midstream material supplier for cushioning and filling applications. | Used in footwear insoles, shoulder pads, bras, and linings for enhanced comfort. |
| Rubber | Midstream input used in melded and vulcanized applications. | Provides grip, elasticity, and shock absorption in soles, trims, and protective wear. |

)

* + - 3.1.3. Supplier Tiers

(Example:

|  |  |  |  |
| --- | --- | --- | --- |
| Associated Industry | Tier 1 suppliers | Tier 2 suppliers | Tier 3 suppliers |
| Textiles and Fabric | * Toray * ISA * Interloop | * Lenzing * Toray * Lutai Textile | * SABIC * Olam Agri * Sunbrella (JBS) |
| Plastic and Non-metallics | * Nifco * ITW Nexus * Duraflex | * BASF * Covestro * SABIC | * BASF * SABIC * Dow |
| Fasteners and Fittings | * YKK * Prym * Riri | * ArcelorMittal * BASF * Baosteel | * ArcelorMittal * Baosteel * Saudi Aramco |
| Packaging Material | * Avery Dennison * Simpac * Alpha Pack | * Sakata Inx * INDEVCO * npco | * BASF * SABIC * International Paper |
| Dyes and Pigments | * CHT * Cabot * Tronox | * DyStar * Archroma * Chemours | * BASF * Solvay * Dow |
| Coatings and Paints | * Dow * JCC (Jotun) * Huntsman | * Lubrizol * Huntsman * PSCF | * BASF * SABIC * Dow |
| Polyurethane (Foam) | * Soles by Dow * Huaqing Group * Pou Chen Group | * BCI * PCC * PU System House | * SABIC * BASF * Dow |
| Rubber | * Continental * Pirelli * Soles by Dow | * Kumho Petrochemical * Synthomer * Sri Trang | * Sri Trang * Synthomer * SABIC |

)

* 3.1.4. Cost Contribution

(Example:

|  |  |  |
| --- | --- | --- |
| Associated Industry | % Cost Contribution | Insights |
| Textiles and Fabric | 25%–35% | * - Raw materials like cotton, wool, and synthetics dominate apparel base costs * - Quality yarn and fabric finishing add to upstream expenses. * - Volatility in fiber prices significantly affects total product cost. |
| Plastic and Non-metallics | 10%-20% | * - Used in zippers, soles, clips, and trims. * - Molding, resin costs (PE, PP), and polymer quality impact production. * - Versatility and design complexity increase cost variation. |
| Fasteners and Fittings | 8%–12% | * - Hardware like zippers, buckles, and snaps requires precision tooling. * - Branded components (e.g., YKK) add to premium product costs. * - Durability and corrosion resistance drive material quality expenses. |
| Packaging Material | 5%–10% | * - Cost is influenced by printed elements (tags, labels, boxes). * - Higher retail brands invest more in packaging aesthetics and material quality. * - Short-run packaging customization increases per-unit cost. |
| Dyes and Pigments | 10%–15% | * - Specialty chemical input for vibrant and long-lasting colors. * - Compliance with eco-dye standards (e.g., OEKO-TEX) adds to chemical costs. * - Colorfastness and material compatibility require advanced formulations |
| Coatings and Paints | 5%–10% | * - Functional coatings (waterproofing, anti-stain) are cost adders in outerwear and footwear. * - Use of minerals and advanced binders increases cost per application. * - Environmental and safety regulations elevate formulation expenses. |
| Polyurethane (Foam) | 10%–15% | * - Used in footwear insoles, shoulder pads, and bra cups. * - Cost depends on density, rebound rate, and PU grade. * - Multi-layer or molded foam increases complexity and production time. |
| Rubber | 8%–12% | * - Common in footwear outsoles and protective gear. * - Costs vary with natural vs. synthetic rubber use. * - Molding precision and durability standards influence material grade selection and tooling investment. |

* + 3.2. Value Chain Analysis
    - 3.2.1. 5-step value chain analysis

(Example:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Associated Industry | Insight Topic | Raw Material | Manufacturing Industries | Fabrication | Distribution & Sales | Consumers |
| Textiles and Fabric | Material Efficiency | * Functional Versatility | * Cotton, wool, silk, and synthetic fibers (e.g., polyester) * Decorative and protective fabric applications | * Yarn spinning, weaving, and knitting processes * Specialized fabrics: fire-resistant, moisture-wicking, antimicrobial | * Packaging, marketing, and retail display heavily influence final sales; seasonal demand drives logistics timing | * General Consumer * Hospitality * Military & Law Enforcement |
| Plastic and Non-metallics | Structural Components | * Polymer resins (PE, PP, PA, PU) * Inputs for molded accessories like clips and buckles | * Extrusion and injection molding of plastic trims and accessories * Thermoforming for decorative components | * Footwear components (soles, midsoles) * Accessories such as clips, buckles, strap rings integrated during assembly | * Differentiation via visual merchandising and brand-linked packaging; logistics depend on product fragility |
| Fasteners and Fittings | Functional Precision | * Steel, brass, and polymer hardware for zippers, buttons, and buckles | * Precision stamping and metal/plastic injection molding * Surface finishing (e.g., nickel plating, coloring) | * Assembled into garments, shoes, and bags during sewing or heat-sealing * Essential for both aesthetics and durability | * Often sourced globally for brand consistency (e.g., YKK); small parts but critical for consumer satisfaction |
| Packaging Material | Retail Readiness | * Paperboard, plastic films, adhesive labels, fabric bags | - Printing and cutting for swing tags, boxes, and wrapping - Labeling integration during production | - Final-stage tagging and barcoding for inventory control  - Labels reflect regulatory info, sizing, and branding | - Impact brand perception at point of sale; packaging contributes significantly to unboxing and customer experience |  |
| Dyes and Pigments | Aesthetic & Compliance | * Acid, direct, and reactive dyes; pigments derived from petrochemicals | * Formulation of color solutions depending on fiber type * Compliance with eco-labels (e.g., OEKO-TEX) | * Applied via dyeing, printing, or coating methods * Often integrated with finishing processes (e.g., moisture-resistant or UV-protective dyes) | * Influences appeal and brand identity; fashion seasons demand rapid color trend adaptation |
| Coatings and Paints | Performance Enhancement | * Specialty binders, resins, and colorants | * Used to produce waterproof, anti-bacterial, or reflective finishes * Coating application via spray or dipping methods | * Applied in footwear and outerwear for functionality * Integral to protective wear (e.g., military, sports) | * Adds value in premium segments; certifications may affect global market eligibility |
| Polyurethane (Foam) | Comfort Engineering | * Isocyanates, polyols, and additives sourced from petrochemicals | * PU foaming lines for insoles, padding, and lining materials * Precision cutting and molding | * Used in footwear cushioning, shoulder pads, bras, and bag interiors * Integrated early in fabrication or as inserts during final assembly | * Comfort and performance features are leveraged in marketing for sportswear, orthopedic, and lifestyle segments |
| Rubber | Grip & Flexibility | * Natural and synthetic rubber (e.g., SBR, EPDM) * Fillers like carbon black, silica | * Compounding and vulcanization * Molding into soles, bands, and protective gear | * Footwear outsoles, elastic bands, glove cuffs fabricated using injection or compression molds | * Durability, slip resistance, and performance specs influence channel placement (e.g., industrial vs. consumer) |

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* + - 3.2.2. Value chain supplier landscape

(Example:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Industry | Global vs Local Suppliers | Raw Material Suppliers | Manufacturers | Fabrication Suppliers | Distribution & Sales | Consumers |
| Textiles and Fabric | Mostly global | * SABIC * Olam Agri * Sunbrella (JBS) | * Lenzing * Toray * Lutai Textile | * Crystal Group, Interloop, Pou Chen Group | |  | | --- | | * GAP * H&M * Ajlan & Bros | | * General Consumer, Hospitality, Military & Law Enforcement |
| Plastic and Non-metallics | Mostly global | * BASF * SABIC * Dow | * BASF * Covestro * SABIC | * Interloop * Yue Yuen * Shenzhen International Group | * Nike * Uniqlo * Shein |
| Fasteners and Fittings | Mostly global | * ArcelorMittal * Saudi Aramco * Baosteel | * BASF, SABIC, Baosteel | * Lutai Textile, Yue Yuen, Interloop | * Riva * Lululemon * Adidas |
| Packaging Material | Mostly global | * BASF * SABIC * International Paper | |  | | --- | | * Sakata INX * Monofi, * Henkel | | * Simpac * Alpha Pack * Avery Denninson | * Shein * Dafrah * Louis Vuitton |
| Dyes and Pigments | Mostly global | * BASF * Solvay * Tronox | BASF  Solvay  Tronox | * Garmon * CHT * Tanatex | * GAP * Adidas * Dafrah |
| Coatings and Paints | Mostly global | * BASF * SABIC * Dow | Covestro  Lubrizol  Huntsman | * Jotun (JCC) * Chemours * Huntsman | |  | | --- | | * Shein * Riva * H&M | |
| Polyurethane (Foam) | Mixed | * Saudi Aramco * BASF * SABIC | |  | | --- | | * BASF * BCI * Dow | | * Michelin * Huaqing Group * Pou Chen Group | * Uniqlo * Ajlan & Bros * Lululemon |
| Rubber | Mostly global | * Sri Trang * Synthomer * SABIC | * Kumho Petrochemical * SABIC * Michelin | * Soles by Dow * Continental * Pirelli | * Louis Vuitton * Hermes * Nike |

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* + - 3.2.3. Supplier Case Study

(Example:

|  |  |
| --- | --- |
| Supplier Name | Saudi Leather Industries Company (SLIC) |
| Headquarter Location | * Dammam, Saudi Arabia |
| Founding Year | * 1981 |
| 2023 Revenue (USD) | * N.a. |
| Top global operating location | * Saudi Arabia * North Africa * UAE * Egypt * Jordan * Iraq * Oman * Kuwait |
| Number of Employees | * N.a. |
| Product Portfolio | * Work (Safety) Shoes * Military Boots * Formal Shoes * Leather Belts |
| Service Offering | * Localized direct injection molding for polyurethane shoe soles * Fully Saudi-owned certified production with ISO 9001 and SASO compliance * Tailored footwear design for industrial, defense, and utility clients * In-house fabrication and assembly |
| Global Value Chain Contribution | * SLIC is a downstream player in the footwear manufacturing value chain, contributing to final fabrication of polyurethane-based industrial footwear, assembly and finishing of leather products (belts and formal shoes) * Regional exports that reduce dependency on imports for safety and tactical shoes across MENA |

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* + - 3.2.4. Value chain localization opportunities

(Example:

Opportunity 1: KSA can establish an apparel fabrication hub where local OEMs cater for traditional and modern apparel. Investing in fabrication strengthens KSA’s textile capabilities, while coupling the fabrication hub with a textile and fabric manufacturing hub

Opportunity 2: Local OEMS should vertically integrate into the value chain to manufacture yarn and fabric for local supply and global export, serving various industries such as textiles and automotive. This diversification strengthens the textile capabilities, revenue generation and economies of scale of local players, setting them up to participate in the global apparel value chains

)

* + 3.3. Raw Material Analysis
    - 3.3.1. 4-step value chain analysis

(Example:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Associated Industry | Insight Topic | Material | Primary Processing | Secondary Processing | Usage-specific |
| Synthetic Fibers | Raw material overview | * Raw materials such as naphtha, ethane/propane, crude oil, and natural gas are used as primary inputs. These hydrocarbons serve as the foundation for producing essential chemical building blocks. | * Cracking, reforming, oxidation, and chemical synthesis to convert basic feedstocks into intermediate chemicals | * Intermediate chemicals undergo polymerization to create fiber-grade polymers | * Polymers are converted into fibers through various spinning techniques. |
| Natural Fibers | Industry Trends | * Cotton: Begins with cultivation and harvesting from cotton plants. * Wool: Sheep rearing, done through local farms or companies like MICHL and PAMU. Sheep are sheared using automated machines to collect raw wool. * Silk: Mulberry cultivation and silkworm rearing, which are also not currently present locally. This process yields cocoons needed for silk threads. | * Cotton: harvested cotton goes through ginning and lint separation, where fibers are separated from seeds and impurities. * Wool: Raw wool is cleaned through **scouring**, a chemical process using alkali and detergents to remove grease and lanolin. Companies like SWF and Standard Wool perform this. The process is followed by carding, where fibers are aligned for spinning * Silk: After harvesting the cocoons, silk undergoes degumming and reeling, where the silk filaments are extracted and cleaned using specialized machines. | * Cotton and Silk: Lack downstream development. Cotton and silk do not yet pass through regional spinning or textile production. * Wool: Wool can proceed to automated carding, aligning the fibers into a consistent web, which can then be spun into yarn. This step has some local presence via SWF. | * Fibers are spun into threads or yarns and used in textile production. * Cotton and Silk natural fiber production are not present locally and are dependent on imports or foreign processing. |
| Synthetic Rubber | |  | | --- | |  |  |  | | --- | | KSA Manufacturing Capabilities | | * The process begins with feedstock extraction from crude oil or natural gas by major petrochemical players like ExxonMobil and SABIC. This stage provides the essential hydrocarbons for rubber production. | * Feedstock is refined into monomers (like butadiene, isoprene, or styrene), which are the chemical building blocks for various rubber types. This is followed by blending and compounding of monomers into base rubber compounds. | * Rubber compounds undergo crosslinking and curing (chemical and heat treatments) and are shaped via extrusion or injection molding. This produces several cured rubber types such as styrene-Butadiene Rubber (SBR), Thermoplastic Elastomers (TPE), Silicone Rubber – for flexible straps (currently not locally available), Nitrile Rubber (NBR) – for gloves and protective gear | * The cured rubbers are then finished and precision cut for specific applications such as footwear, sportswear,accessories and protective gear. |

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* + - 3.3.2. Supplier Landscape

(Example:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Industry | Global vs Local Suppliers | Material | Primary Processing | Secondary Processing | Usage-specific |
| Synthetic Fibers |  | * Saudi Aramco | * S-Chem * Ibn Rushd | * Pan-Asia * Ibn Rushd * Advanced Petrochem | * Airain Polyester * Indorama * Alpek |
| Natural Fibers | Mainly Global | * Olam Agri * United Silk * Jiaxin Silk * Bayer * Luthai Textiles | * MICHELL Wool | * SWF * AMSilk | * Hellenic Silk * Camira * Luthai |
| Synthetic Rubber | Local and Global | * SABIC * Arlanxeo * ExxonMobil | * DOW * BASF * LANXESS | * Wacker * BASF * KRATON | * Continental * DESMA * Ansell * Bemis |

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* + - 3.3.3. Supplier Case Study

(Example:

|  |  |
| --- | --- |
| Supplier Name | SABIC (Saudi Basic Industries Corporation) |
| Headquarter Location | * Riyadh, Saudi Arabia |
| Founding Year | * 1976 |
| Revenue (USD) | * USD 38 billion (FY 2023) |
| Top global operating location | * Saudi Arabia, China, India, Netherlands, USA |
| Number of Employees | * 200–300 |
| Product Portfolio | * Specialty chemicals such as ethylene, propylene, benzene, polyethylene (PE), polypropylene (PP), polystyrene (PS), and ethylene glycols. It also produces engineering thermoplastics, as well as fertilizers |
| Service Offering | * Integrated petrochemical and polymer solutions, supported by upstream feedstock security through its linkage with Saudi Aramco. It operates globally distributed manufacturing and compounding plants, serving industries including automotive, textiles, packaging, agriculture, and construction |
| Global Value Chain Contribution | * SABIC supplies around 10% of the global ethylene market, contributing significantly to the global polymer value chain. Although it halted domestic PTA and PET chip production due to high costs and foreign competition, it resumed international PET production in 2023 via a new plant in Singapore. |

* + - 3.3.4. Value chain localization opportunities

(Example:

Opportunity 1: Develop Downstream Processing to Maximize Local Value Creation

Saudi Arabia already has abundant access to upstream feedstocks through its petrochemical sector. The biggest opportunity lies in investing in midstream and downstream stages—such as polymerization, fiber spinning, rubber molding, and fabric production—to convert raw materials into high-value products like apparel-grade polyester, footwear components, and yarns.

Opportunity 2: Localize Strategic Inputs Currently Dependent on Imports

Critical raw and semi-processed materials like PTA, PET chips, caprolactam, silk cocoons, and processed cotton are mostly imported. Localizing the production of these inputs—particularly synthetic fiber intermediates and natural fiber processing (e.g., ginning, carding)—can reduce trade deficits, improve supply chain resilience, and support downstream industries like textiles, fashion, and healthcare.

Opportunity 3: Strengthen Industry Diversification into Apparel and Technical Textiles

Currently, local fiber and rubber output is mostly geared toward industrial applications. There’s a high-potential opportunity to shift production toward apparel, sportswear, medical textiles, and consumer wearables by investing in grade-specific quality, design integration, and finishing capabilities.

Opportunity 4: Build Strategic Partnerships to Accelerate Technology Transfer

Given the complexity of synthetic rubber compounding, bioengineered silk, and high-performance elastomers, Saudi Arabia can leverage partnerships with global leaders to bring in technical know-how, accelerate skill development, and establish pilot plants and innovation hubs for future-proof product lines (e.g., spandex, technical fibers, performance footwear).