

European Textiles, Clothing, Leather and Footwear sector: impact of COVID 19

Updated: 01/04/2020

The European textiles, clothing, leather and footwear (TCLF) sector has already been heavily impacted by the Covid-19 pandemic. The sector has been greatly affected by the **closures of retail stores** across Europe as well as the drastic reduction or stoppage of production in the **automotive** and **aerospace** sectors.

The suppliers/producers continue to be at the mercy of the large fashion brands, this is proving to be a real issue during the COVID-19 pandemic as many big brands have decided to **only pay for items that are shipped** and those which are in production. This is a real problem for suppliers who are losing out financially. **Low purchase prices have left many suppliers with minimal capital and now mounting debts.** This in turn **exposes the workers to unemployment.**

Workers in the TCLF sector are often subjected to low wages and bad working conditions and there are real concerns about the workers, and their families, who are dependent on this sector. The sector is also key in **producing personal protective equipment (PPE)** which can be classified as an “essential activity”. In fact, some companies have reacted to the Covid-19 pandemic by **changing their production** e.g. [H&M are now producing PPE](#). Smaller suppliers are struggling due to the replenishment of certifiable materials proving to be difficult and there is a real shortage on the world market (including for the next 2-3 months) and companies are now looking for alternatives.

For workers who are forced to work, due to their work being classed as “essential” their health and safety in the workplace must be the priority for employers. We **demand heightened health and safety measures** to be put in place and for trade unions to be involved in all relevant discussions.

The current COVID-19 pandemic must not be used by employers to undermine workers' rights and huge commitments will be needed by employers and national governments to support the industry (especially SMEs) going forward.

Sector Updates

Tanning and leather

The European tanning and leather sector has been very badly hit due to the closure of retail stores e.g. [Mulberry](#) and also the shut down of automotive production e.g. [aston martin](#).

31 March- Cotance (our social partners for tanning and leather) have drafted a proposed joint statement calling for tanners to be classed as “essential” due to their importance in the food and pharmaceutical supply chains. The draft has been shared with the TCLF network for comments/approval.

Textiles and clothing

Euratex has launched a [call to action](#) encouraging European suppliers and manufacturers to find each other and facilitate the production of protective masks in response to the COVID-19 crisis. They also provide useful information and guidelines to enable their members to do this.

[Fashion United](#) are producing regular updates on the impact of Covid-19 on the industry.

Footwear

World Footwear Association has a dedicated [webpage](#) with updates on COVID-19 on the sector.

[18 March](#) summary on the COVID-19 situation in Europe.

Company Updates

According to [research](#) of the **Center of Global workers rights** the following companies are the main brands which have cancelled or hold payment including in-process orders and planned orders globally: Bestseller (Denmark), C&A (Germany, Belgium), Inditex/Zara (Spain), JCPenney (USA), Kiabi (France), Kohls (USA). LPP (Poland), Marks & Spencer (UK), Mothercase (UK), Primark (Ireland) Target (USA), Tesco (UK), VF (USA), Walmart (USA). Not all of them are sourcing from countries in Europe. We will update the list accordingly.

Primark

Primark had closed almost all of their shops and told all suppliers that **Primark would only pay for the clothes that are being shipped**, but not even for those clothes in production. Force majeure as the reason, but suppliers will lose economically and the workers will be left in dire situations.

Inditex

[31 March](#): Inditex will pay its workers in Spain their full salaries until 15 April.

H&M:

[31 March](#): H&M has said it will pay and take delivery goods already manufactured by its suppliers, as well as those in production. It will pause new orders. The company also announced that it has donated to an emergency fund.

Boxmark: Boxmark announced temporarily closure of all BOXMARK plants in Europe (Austria, Slovenia, Croatia, Bosnia- Herzegovina) from week 13. The plant in Lukavac (Bosnia and Hercegovina) **closed production from 23 March to 5 April** to prevent further spreading of the virus which affects around 2,500 workers. Workers will be informed about future plans “in time” via their mid-management and should follow the instructions of the (cantonal) crisis management and protect their and other people’s health.

Country Updates

Hungary

Production in the light industry has continued so far. However, there are increasing **problems with the supply of materials**, particularly in the garment and leather industries. Production stoppages are to be expected in these sectors. The trade union has agreed to **part-time work** in various companies.

The clothing company **A.R.J.**, formerly Berwin, is not maintaining customary production, citing sales difficulties, but now **producing protection clothes**. This is also true for **Styl**.

Many companies make use of working time regulations that take paid absences into account and therefore **dismissals have so far not been required**. More than 140 companies identified as strategically important have been placed under **military control**, as they are providing essential products. The state owned clothing company **Adorjantex**, producing military and working clothes is the one in the textile sector, identified as “strategically important”. This company is mainly working with prisoners.

Germany

In addition to Adidas and Deichmann, H&M and C&A have announced that in the corona crisis and in connection with the German government's rent moratorium, they will **stop payments for their business premises**. The moratorium is intended to protect tenants who get into financial difficulties as a result of the corona pandemic from being dismissed for late payment. This is one element of a law passed by the lower and upper houses of the German parliament, which is intended to mitigate the economic and legal consequences of the Corona crisis.

Bulgaria

Production is decreasing as customers partially **cancel around 20-30% of their orders**. Social Partners and the government agreed that for the employees and workers made redundant as an outcome of the economic downturn of the COVID- 19 pandemic, that the State would pay 60% of wages with the employer paying 40%.

United Kingdom

30 March- Community Union sent a communication to their members to inform them that union representatives have been in dialogue with all companies in the footwear sector encouraging them to wait for the details of the government's **job retention scheme**. The union is also in contact with the British Footwear Association about how the government can support the sector. A WhatsApp group for reps across the footwear sector has been established so that information can be shared more easily.

The UKFT are producing [guidance](#) for members.

Belgium

31 March- the Belgian trade unions were successful in attaining measures for workers in the textiles sector. These measures include:

1. A joint declaration on safety measures and social distancing.
2. Additional temporary unemployment allowance (13/03 to 14/05) of 2, 60 euros per day (2, 17 euros in a 6 day/week scheme). This supplement is only granted for temporary unemployment for economic reasons.
3. An increase in the employers' contribution to employees' meal vouchers by 2 euros for employees who continue to work.

Italy

20 March UNIC (Italian tanneries) and trade unions (FILCTEM - FEMCA - UILTEC) released a joint declaration with included the following points:

1. to encourage the correct, complete and timely information and involvement of all stakeholders;
2. to provide for differentiated entry and exit times for work in order to avoid assembly in the registration areas;

3. limit as much as possible the movements within the company sites by limiting access to common areas (including canteens and refreshment areas);
4. limiting the access of external personnel to those strictly necessary for production continuity;
5. make available in the company, with particular attention to the access areas, adequate systems for hand washing and disinfection;
6. schedule periodic cleaning and sanitizing operations in the workplace (at least daily);
7. require, in all personal relationships (including with external personnel) to maintain a safety distance of one meter as the main measure of containment of the virus; the use of personal protective equipment must be consistent with the indications of the competent Health Organizations;
8. as far as operationally possible, use agile work as a rule, in cases where this method is not practicable, limit the presence in the company of workers necessary for the continuity of operational and administrative operations, resorting, if necessary, to alternating services or the agreed modification of shifts in a way functional to contain the potential contagion;
9. activate all the tools available, starting from the use of holidays and rol accrued in previous years and not used, the individual hour bank and any other institution of law or contract, once these tools are exhausted, the Parties may agree to activate the social shock absorbers, unless otherwise provided by law;
10. set up the Joint Committee for the application and verification of the rules of the Protocol with the participation of the company trade union representatives and the RLS.

[24 March](#)- Italian Government has suspended production until 3 April, but industry association Assocalzaturifici is carrying out lobbying activities so that the chain of companies that **produce safety and accident prevention footwear** can be classed as an exception.

Portugal

[27 March](#)- Portugese footwear makers change production to produce masks.

Poland

[19 March](#) - footwear factories are allowed to continue production but many of them are temporarily suspended. The sector is affected by the closure of retail stores. The sector is also being affected by the interruption of Chinese supplies.

Finland

[18 March](#) - footwear production continues as normal.

Spain

[20 March](#)- footwear factories are operating partially due to a lack of materials, workers and issues in the supply chain. The sector is being impacted by the closure of retail stores, delayed payments and the cancellation of orders. Some companies are collaborating with hospitals to produce masks.

Croatia

A number of companies have **temporarily stopped production**. The biggest Croatian textile brand, **Varteks**, is producing a large amount of cotton masks, and donates it to the police/hospitals, etc.

The Croatian government tried to use the COVID-19 pandemic to introduce urgent measures that would include **unilateral annulment of collective agreements** or parts of it and drastic changes of Labour law detrimental to workers' rights. The Croatian Union movement organised immediately a swift reaction by the European Trade Union Confederation (ETUC) and joined by European Trade Union Federations including industriAll Europe, and **managed to stop that direction**. Now the government is trying to draft better measures.

Serbia

Some companies **closed their production for two or three weeks**, like Magna Seating (until 5 April), with **fully paid collective leaves or with reduced salary**. Due to very strict measures, which appear to have changed Serbia into a **police State**, the trade unions have not been involved in the decision of general responses to COVID-19.