

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

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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 shutdown of automotive production e.g. [aston martin](#).

6 April- after consultation with members, industriALL Europe confirmed that we could not support the draft joint statement from Cotance (our social partners for tanning and leather) calling for tanners to be classed as “essential” due to their importance in the food and pharmaceutical supply chains.

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.

The [Clean Clothes Campaign](#) are running a live blog on the international situation.

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

15 April- there has been a decrease in production especially for the tanning and leather sector due to issues in obtaining products from South America. The sector has also been heavily impacted by the stoppage in the automotive sector.

The government has taken very strict measures and some sites are now under military control. The government is also amending the labour code and reducing workers’ rights. There is financial support for workers but only for 3 months.

1 April- 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.

8 April- IGM confirmed that a recently agreed payrise in the textile sector has been postponed but the rest of the collective agreement remains in force.



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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%.

2 April- trade unions call for government support to safeguard the sector and discussions are taking place between social partners regarding flexible working time due to a decrease in orders.



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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.

6 April: Community Union

Leather: some factories have closed and staff have been furloughing. Orders have dropped dramatically and there are concerns that if the situation continues that businesses will close and long-term sustainability is uncertain.

Footwear: all employees are currently furloughed (some on more than 80%) and there are concerns on cashflow going forward as cash may not be coming in until May/June.

Textiles: production has adapted e.g. pressure socks for hospitals while some other textiles companies have furloughed staff.

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

15 April- some production has started (dependent on region), **but general production is closed apart from PPE until 3 May**. From 14 April it is allowed to buy and sell materials.

15 April- the trade unions find an agreement with employers on OSH conditions for workers.



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The agreement covers:

- Setting up committees in the companies to ensure the application of the rules.
- Information: companies need to inform all workers (including drivers etc who visit the company) about the rules and provisions. Training on OSH measures will also take place.
- Entering the company and transport workers: employees are asked to monitor their health and may be subjected to body temperature checks.
- Access for external suppliers: entry, transit and exit procedures are identified, using predefined methods, routes and timing, in order to reduce the opportunities for contact with the personnel in force in the departments/offices involved.

- Cleaning and sanitation: companies will ensure daily cleaning and periodic sanitisation of work and leisure areas.
- Personal hygiene: workers must take care of their personal hygiene by regularly washing their hands. The company will provide suitable hand cleansing equipment in each department.
- PPE: the company will provide employees with relevant PPE.
- Common areas: access to areas will be restricted to allow for social distancing and appropriate ventilation.
- Organisation of work: shifts, travel, smart work and changing of production levels: work should be fully evaluated in order to find solutions.
- Entry/exit management: find solutions to reduce contact between employees.
- Internal travel, meetings, events and training should be minimised.
- Management of employee with symptoms: employees must immediately report symptoms and then following isolation guidance.
- Health surveillance should be continued in line with the guidance from the Ministry of Health.

14 April- Italian unions shared the following agreements and joint statements:

- **Emergenza sanitaria covid-19 e contribuzione a PREVIMODA E SANIMODA >**
- **SANIMODA CONTRO IL CORONAVIRUS: la copertura assicurativa è estesa gratuitamente (27/3) >**
- **Richiesta esclusione dai servizi essenziali la lavorazione lenti e montature del Lusso e da sole >**
- **SANIMODA – copertura sanitaria per covid-19 per tutti i lavoratori iscritti >**
- **DICHIARAZIONE CONGIUNTA UNIC e FILCTEM, FEMCA,UILTEC >**
- Armani VE (25/3) >
- ACCORDI Gruppo: CIGO Guccio Gucci e Gucci logistica All1, All2, All3 > Gucci GT e GPA > Gucci (16/3) > Tiger Flex, Gruppo Gucci (16/3) >
- Benetton, assicurazione sanitaria per i dipendenti con la Cov-19 >
- Bottega Veneta, accordo (31/3) >
- Fendi, accordo 30/3 >
- LUXOTTICA Comunicato e Accordo (7/4) > Luxottica (28/3); Luxottica (20/3) verbale a, verbale b ; Luxottica (17/3) All1, All2, All3 >
- GESTIONE CIGO COVID19 - GRUPPO KERING >
- Accordo Quadro gruppo Christian Dior >
- Accordo flessibilità PSG-FENDI 1; Accordo flessibilità PSG-FENDI 2; Accordo flessibilità PSG-FENDI 3 >
- Loro Piana Gruppo LVHM >
- Luis Vuitton (19/3) >
- Verbale Cigo Yves Saint Laurent Logistica >

8 April- Italian unions share a range of agreements reached:

[Joint statement](#) with UNIC (Italian Employers' Association of the Tanning companies).

[Company level agreement](#) with LUXOTTICA.

[Joint agreement](#) to extend companies health coverage for those workers exposed to Covid19.

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.

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.

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

15 April- The number of COVID-19 cases is much lower in Finland than in other parts of Europe however the government has been praised for its efforts to date including **unemployment allowances** being made available from day 1. Some factories have changed their production and are now **producing PPE**. Other factories (e.g. safety footwear) have **changed their shifts** (one week on, one week off) to prevent the crossover of staff.

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

Spain

16 April- CCOO shared their paper demanding that all stakeholders in the clothing sector: large multinational brands, supranational union structures, governments and business associations adopt well-needed agreements in the garment sector.



We need guarantees
for the sector's future

15 April- If work is deemed "essential" then extra measures are being put in place to **reorganise shifts** (to avoid crossover). International brands (e.g. Inditex) are demanding OSH measures throughout the supply chain. CCOO have contacted Inditex, Mango, El Corte Ingles (7000 factories in 45 countries) to demand: don't cancel orders, don't apply emergency clauses and guarantee compensation to workers in the supply chain.

[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

15 April- Low level of COVID-19 cases however the Government has limited manufacturing to only "essential" production. TCLF workers have been forced to take holidays and reduced shifts but there are also measures to insure a minimum wage.

The Government has increased the minimum wages to 530 euros (from 430 euros) from April for those unable to work. However, TCLF workers will receive less than the 530 euros. Trade unions are looking

at this issue and need to ensure that non unscrupulous employers are making money from the government's assistance.

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

15 April- the Government has introduced very strict measures and citizens were unable to leave the house over Easter. Golden Lady decreased their capacity and closed one site with workers being forced to take holidays. There are concerns that many workers are/will only receive a percentage of their salary. Production was reduced in North Serbia, but it is back to normal production.

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.

Macedonia

15 April- Social partners and the Government are set to strike a deal to ensure that all workers receive a minimum wage. The government is providing protections to stop companies going bankrupt, but companies can only receive help if they commit to keeping their employees on their books.

Sweden

15 April- Measures in Sweden as less strict than in other MS but recommendations from trusted authorities are still in place. There was no system in place for short time work but from 16 March a new system was put in place for companies to cover 60% of wages for those unable to work with the government topping up the wage (to around 92%). Employees will now be covered for sick pay from day one.

Unemployment benefits are run by trade unions and therefore workers have found it beneficial to register with TUs but the cover has also been extended to non-members. The amount of benefits has also been increased.

In Sweden there are around 2000 blue collar workers in the TCLF sector, all of whom are organised, seven companies have signed short term working agreements.

IFMetall were instrumental in ensuring that H&M committed to orders made and they have agreed to pay for all orders made in full. This should be seen as a good example and should be extended to other big brands.

Austria

15 April- non-essential production has stopped in Austria with the impact of COVID-19 varying depending on the type of sector. Sectors with a higher share of migrant workers have been heavily affected as these workers have returned home. The TCLF sector is in the top 10 sectors impacted due to the global nature of the supply chain.

Those on reduced working time can still receive up to 90% of their wages over a 3-month period. However, work also needs to be done to look at the impact on the sector in the future.

Lithuania

15 April- TCLF production continues and there are a low number of COVID-19 cases and deaths in the country. One site closed due to 19 workers being infected with COVID-19. Money is being made available from the government to support workers for 1-3 months, but workers are being encouraged to take paid or unpaid vacations (unions oppose this). Unions need to look at next steps following the crisis.

Norway

15 April- Norway is on a "part" lockdown with COVID-19 cases remaining low. Production continues with increased focus on OSH. There are 4000 workers, 1000 members of Fellesforbundet, mostly working in relation to textiles for the petroleum and maritime sectors, however these sectors have been impacted by the crisis which may affect future demand. Some production has also now shifted to PPE.

Measures are in place for workers who are laid off who will be paid 80% of their wages for 4 weeks which then decreases to 2/3 of the wage. Businesses are also being supported by the government to avoid bankruptcy

France

FO

4 April- France has been in lockdown since 17 March. The stoppage of the automotive sector in Europe had a big impact on various textile producers in France with many people being forced into temporary unemployment.

Many suppliers for the automotive industry have stopped production, some specialised producers (e.g. table textiles) have closed and some lingerie producers e.g. Eminence have changed their production and are now making medical masks.

In tanning and leather, the union FO do not deem the sector to be "essential" work during this time.

In footwear ANDRE has decided to close and is letting go of 600 employees.

Regarding partial unemployment, employees are maintaining 84% of their net salary with support from the state. Employers are keen for workers to take paid holidays and use left over holidays from last year/bring forward next years' holidays.

FO do not think that workers should be forced to take holidays and have stressed the importance of guaranteeing salaries, negotiating an agreement on OSH, introducing an exceptional bonus for workers making medical supplies, providing extra resources to TU officials to censure compliance to OSH measures and establishing rules to protect workers who are teleworking amongst other things.

Turkey

Turkey is currently under a lockdown and short-term working allowances are being paid by the Government with workers receiving 60% of their wages. However, the preconditions to meet to receive the allowance is quite high and the unions have asked for these to be reduced. Flexible working arrangements have been put in place but evidently workers in the TCLF sector cannot work from home.

A ban has been put in place from dismissing workers for 3 months which is positive, however, workers are being encouraged to take unpaid leave (with the government offering 160 euros). The unions are against this proposal as they believe that workers should be entitled to short time working allowances instead.

Trade unions continue to call for higher OSH measure in the workplace and weekly meetings are taking place with major employers (e.g. H&M who have secured orders until May). Unions are looking to make agreements with other GFA brands.