



# TEXMEDIN A Strategic Project for the City of Prato





- Prato textile district covers an area of 700 square kilometers and a population that has more than 300,000 inhabitants.
- Featuring a virtually seamless continuity to a tradition that dates back to the Middle Ages, the wool district of Prato has experienced a substantial expansion after the second world-war.
- The reasons for the expansion and success of this area are to be found in a variety of reasons, including synergies from such a high concentration of companies in the same sector , flexible production, division of productive activities, the ability to continuously introduce new solutions and innovations of both process and the product, the emergence of new professions and the parallel growth of support areas such as textile mechanics.



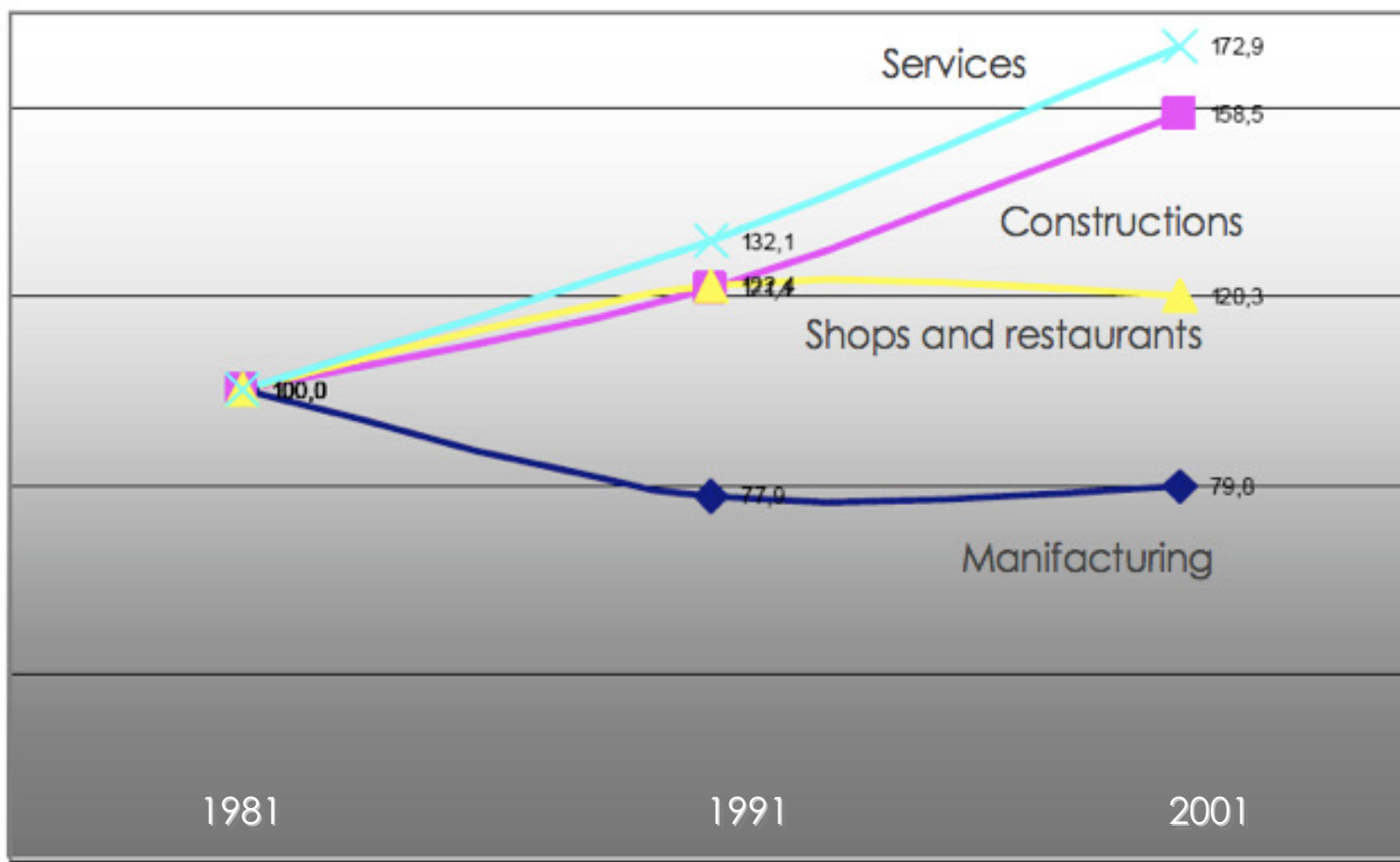
- Companies in Prato are specialized in the production of knitting yarns, fabrics for clothing and other textiles for the apparel industry, footwear, furniture and technical uses - companies cover all phases of production
- Prato industrial system features strong relations and a strong presence in the international markets.
- The organization of Prato textile companies is based on a complex division of production between many micro, small and medium-sized independent companies, each specialized in one activity (spinning, dyeing, twisting, warping, weaving, finishing).



- Long term analysis of the economic context outlines the characteristics of transformation for Prato and is necessary to understand what real problems and potentials are beyond short-term considerations



- The evolution of the textile district of Prato in recent decades has undergone a process of transformation - shared by other major Italian economic districts as well - whose main characters are:
  - a reduction in employment - in manufacturing in general - and particularly in textiles - which nevertheless still holds a central role in the local economy;
  - a shift towards tertiarization specially in business services;





- In 1981-2001 the number of textile companies is reduced by almost 60% and by 35% employment in the sector
- During this period, the textile industry goes through restructuring which eliminates small and marginal productive activities and consolidates survivors
- Restructuring does not equally affect all phases of the production chain: upstream productive stages undergo a definite contraction, while downstream stages increase their weight



- Spinning loses one third of its workers between 1981 and 1991 and weaving loses two thirds of its employees and some 70% of the production base between 1981 and 2001
- On the other hand finishing expands its employment rate in both decades
- According to census data, in 2001 employees in finishing overcome those in weaving



- These structural changes are the result of business decisions aimed at a better positioning into market segments and products with higher added value
- This decisions point to higher fashion content and/or greater quality, and promptly meeting the demand and demand-driven changes in production



- These strategic choices that try to mitigate the competition from countries with lower labor costs have been made possible by the availability in the territory of a wealth of technical and commercial know-how that has developed and accumulated over the years
- exploiting the competitive advantage provided by the industrial district has become strategic to improve the position of the Prato Textile Industry in the global market



- At the same time, limitations have emerged of this kind of local systems in front of the global competition with the entry of more and more aggressive structures and the appearance of new productive technologies. Limitations that are essentially due to:
- An excessively fragmented structure that makes the presence and expansion into new markets very difficult
- The existence of skills and procedures that may rather hinder technological development and adoption of innovation on the part of local enterprises



- The economic prospect of the textile district is therefore to shift towards knowledge intensive activities for
- Re-positioning in the global value chain, i.e., the opportunity for firms to open up to new sectors or new market segments, and the positioning of their production activity in the global supply chain
- Diversification and novel application to high-tech sectors with a shift to production stages providing strategic competitive advantage
- Securing new market segments: narrow, niche market for high value added, high design, and highly creative goods and services



- Along this line, the idea of the project arises from the awareness that exploitation of the T&A heritage and know-how from industrial districts represents a most important factor of competitiveness and growth of the sector which has to be preserved, shared and enhanced in contemporary productive processes
- in this context the project aims at the development of technological and non-technological skills to support young designers and entrepreneurs in developing high added value quality goods



- The specific objectives of the project are:
- to identify, share and exploit the partners' T&A knowledge-base of productive know-how and creative heritage as a driver for innovation and inspiration source for the production of new high added-value and environmental friendly T&A products;
- to create a transnational cluster combining the partners economic, technological and creative resources in order to integrate R&D, fashion and design know-how in the productive chain, support the interaction between emerging designers, textile museums, training and research centres and T&A SMEs, and facilitate the creation of new enterprises in the T&A sector.



- The impact of the project will be the improvement of existing training standards and the creation of more qualified professional profiles - in line with the most recent technological breakthroughs called for by the higher globalisation pressures.
- The activities of the project will increase entrepreneurship and attractiveness of the sector, especially for young people.
- By ensuring a closer cooperation between design, R&D centres and T&A museums, the project will also have an influence on existing policy measures and governance to increase innovation and technological contents in T&A.