



IGTC helps Vietnam's garment industry compete in the global economy

The International Garment and Textile Training Center (IGTC) is dedicated to improving managerial capacity in four crucial areas: production management; marketing & merchandising; human resources management; and compliance with international standards of corporate social responsibility.

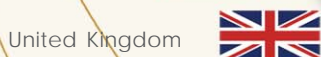
The Center was incorporated as a joint venture in 2005 by 13 Ho Chi Minh City garment manufacturers who are members of the garment, textile, embroidery and kitting association (AGTEK), with assistance from MPDF. Since 1997, MPDF has helped a number of small and medium-sized Vietnamese companies, including garment producers, to solve operational and management problems and access financing.

It was during MPDF's work with AGTEK in 2003 and 2004 that the vision of setting up a training center for garment factory managers first arose. MPDF has extensive experience in developing resources for management training. In 2003, MPDF helped establish Vietnam's Bank Training Center, and under the *Business Edge* brand, has developed and is marketing a wide range of high quality, affordable resources for training small and medium enterprise managers

In the last two years, MPDF has helped bring IGTC's shareholders together to define objectives for the Center, legally incorporate it, and develop a business plan. The Facility has also helped to raise additional funding from New Zealand's International Aid and Development Agency (NZAID) and Danish International Development Assistance (DANIDA). Current and ongoing assistance is helping to identify industry training needs, develop appropriate curriculum, build a trainer network of local and international trainers, and train trainers. Until 2007, MPDF will continue to advise IGTC in these areas, as well as in marketing, operational systems and management capacity building.

Upgrading the skills of garment factory supervisors and managers became a critical issue in January 2005 when the longstanding Multi-fiber Arrangement ended, and developing countries, including Vietnam, ceased to have preferential access to the United States market. With much stronger competition world-wide, and especially from China, garment buyers are now demanding more and better services from producers. These include: shorter lead times for delivery; product innovation; price competitiveness; consistent quality; and reliable delivery.

Improving labor, health and safety standards is also of growing importance. As a result of consumer boycotts in developed countries, retailers want assurance



that the factories producing for them have good labor, environmental and social practices. Factory owners are also recognizing that having good labor practices reduces labor disputes, and fairly-treated workers are more productive.

The garment industry is critically important in Vietnam. In 2005, garment and textile exports were worth US\$5.5 billion. The industry is also Vietnam's second largest, employing more than two million people, most of them poorer women who support extended families. Experts say that if the industry does not upgrade to offer a greater range of services, it will lose customers to more competitive countries.

IGTC's training includes certificate programs, workshops and seminars of topical interest, and in-house training tailored to company requirements. In addition to theory, and hands-on practice, all programs include job-related assignments. Curriculum is designed and delivered by local as well as international experts and is based on advice from industry experts. Trainers have years of textile and garment industry experience, plus training in the latest industry methods and training techniques.

IGTC's training is designed for three groups. The first are experienced garment factory middle managers, line leaders and supervisors working in areas that include production, planning, human resources, quality assurance/quality control, marketing, sales and merchandising. The second group are recent college and technical school graduates with textile, garment, or business majors who need hands-on training and experience. IGTC's third target are college instructors and industry trainers teaching garment industry subjects who want to expand their industry knowledge and/or improve their training skills.

The Center also consults with garment factory clients in areas that include training needs assessment, FOB improvement, productivity improvement, factory management, corporate social responsibility compliance, and post-training evaluations.

Mekong Private Sector Development Facility

IFC-MPDF is a multi-donor funded initiative set up by the International Finance Corporation in 1997 in Vietnam, Cambodia, and Lao PDR, to reduce poverty through sustainable private sector development. The Facility works through six interrelated programs that seek to improve the business environment; develop the financial sector; improve managerial capacity; and increase sustainable business practices in three sectors that are central to economic growth and poverty reduction – tourism, agribusiness, and garments. IFC-MPDF's donors are the Asian Development Bank, Australia, Canada, Finland, IFC, Ireland, Japan, New Zealand, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom.



www.mpdf.org

HANOI

3rd Floor, 63 Ly Thai To St.
Hoan Kiem Dist., Hanoi
Vietnam
Tel: +(84 4) 824 7892
Fax: +(84 4) 824 7898

HO CHI MINH CITY

3rd Floor, Somerset
Chancellor Court, 21-23
Nguyen Thi Minh Khai St.
Dist. 1, Ho Chi Minh City
Vietnam
Tel: +(84 8) 823 5266
Fax: +(84 8) 823 5271

PHNOM PENH

70, Norodom Blvd.
Sangkat Chey Chumnas
P.O. Box 1115
Phnom Penh, Cambodia
Tel: +(855 23) 210 922
Fax: +(855 23) 215 157

VIENTIANE

Nehru Road
Pathou Xay
P.O. Box 9690
Vientiane, Lao PDR
Tel: +(856 21) 450 017-9
Fax: +(856 21) 450 020