The Estonian clothing, textile and leather industry is moving towards higher value-added niche products and sustainable solutions

The demand in Estonia's clothing, textile and leather (CTL) industry is influenced by international price competition and the geopolitical situation, tightening environmental requirements, and consumers' expectations for responsible production.

Europe competes with cheaper mass production from Asia and must find solutions to ensure that strategically important manufacturing remains in Europe. Estonian companies can offer flexible, high-quality small-batch production close to target markets and develop higher value-added niche and knowledge-intensive products. It is important to preserve sewing skills and the capability to produce critical textiles, ranging from uniforms to military equipment.

Overconsumption and fast fashion place a significant burden on the environment

Selleks, et keskkonnamõju vähendada, suunab Euroopa Liit uute regulatsioonidega ettevõtteid väärtusahelaid ümber kujundama. Juba toote kavandamisel ja disainimisel tuleb arvestada kogu elutsükliga.

The CTL industry is labour-intensive

Despite the overall automation of industry, sewing will remain labour-intensive, as it cannot be fully automated.

According to OSKA forecasts, employment in core occupations in the CTL sector will decrease by approximately 2,000 workers (–27%) over the next decade.

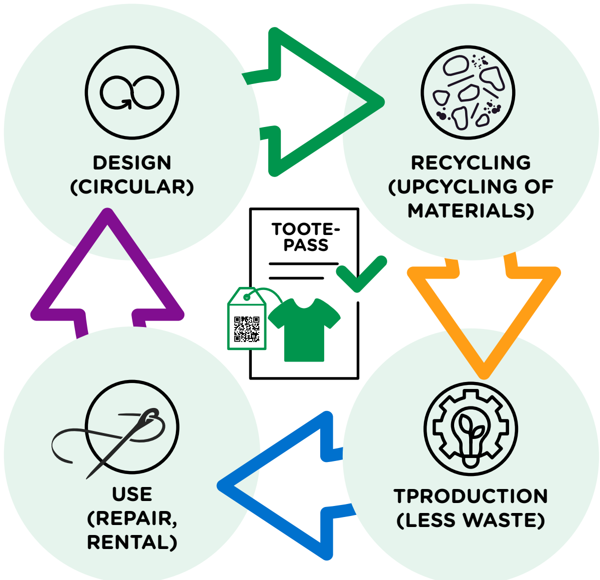
The decline in employment is mainly driven by a reduction in mass production. Stability is forecast for companies developing niche and knowledge-intensive products.

In 2024, 7,370 people were employed in core occupations in the CTL sector. Although employment in the sector has been declining for a long time, the demand for new and qualified labour remains high.

According to forecasts, employment of industrial engineers, designers, and tailors will remain stable, while it will decline in other core occupations. The supply of sewing operators, technicians, and engineers is insufficient. Although many tailors are trained, few enter the sector.

Estonia's opportunity is to develop higher value-added products

Niche and knowledge-intensive products and materials are already being produced in Estonia.



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Key findings: clothing, textile and leather industry

Employment forecast for core occupations and assessment of the balance between labour demand and supply

Core occupation	Employed persons 2024	Employment change forecast	Demand vs. supply
Designer-product developers	150	→	Balance
Constructors	40	↓	Market failure*
Technologists	135	↓	Market failure
Industrial engineers	45	→	Shortage
Technicians and mechanics	150	↓↓	Shortage
Tailors	375	→	Market failure
Sewing operators	4010	↓↓	Shortage
Production workers and machine operators	1945	↓↓	Balance

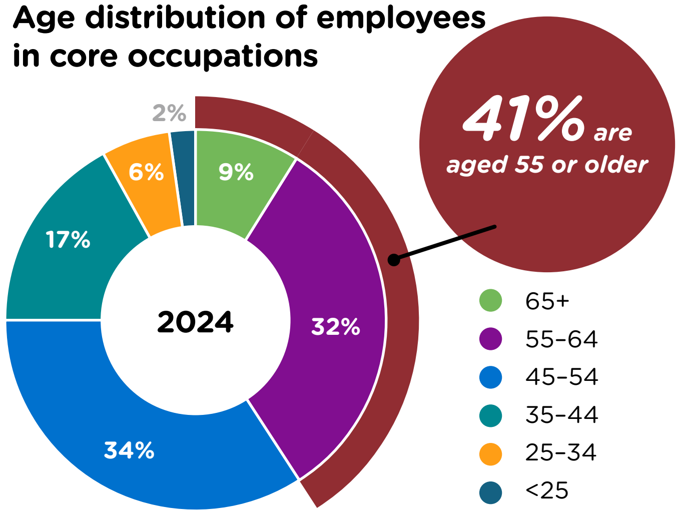
→ – remains stable (±5% over ten years)
↓ – moderate decline (up to –20% over ten years)
↓↓ – significant decline (up to –30% over ten years)

** Market failure – despite the large number of graduates, there is a labour shortage in the sector.*

Sources: OSKA, Employment Register (main job)

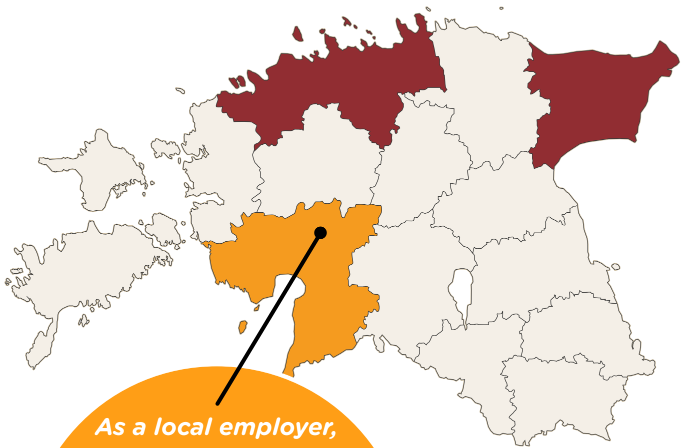
Despite the decline in employment, around 1000 new workers, will be needed over the next ten years to replace those leaving the labour market due to retirement.

Age distribution of employees in core occupations



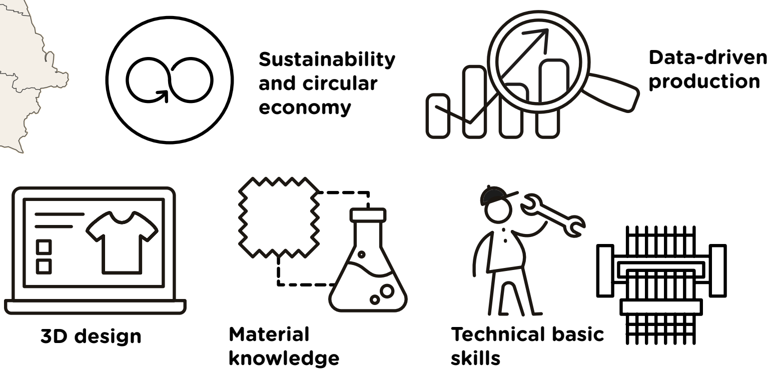
With the retiring generation, sewing competence and decades of accumulated know-how may be lost.

The regional distribution of companies and the availability of specialised education do not always match



As a local employer, the sector plays a more important role in Pärnu County (2.5% of the county's workforce is employed in the CTL sector), but sewing training is not offered there.

Future skills of CTL sector



Creativity and basic textile knowledge need to be combined with automated production, digital product development, and circular economy principles.