



International
Trade
Centre



MADE BY AFRICA

CREATING VALUE THROUGH INTEGRATION



COTTON GARMENTS



Facts and figures: Cotton garments



Africa is responsible for **10% of the world trade in raw cotton**



90% of African raw cotton is exported, mostly to Asia.



but only for **1.4% of the world trade in yarn or fabrics.**

Africa runs a **~\$4 bn trade deficit for cotton fabrics**, used in its garment industry.



An opportunity to overcome the missing links by **integrating the full cotton garment value chain on the African continent**



Globally, sector trends are shaped by **diversification of production locations, near-shoring** and focus on organic cotton



There is a **high potential to create more jobs in the sector, especially for women**

Realizing export potential could give rise to >200,000 news jobs in Egypt, >50,000 in Tunisia (ITC & ILO, 2021)

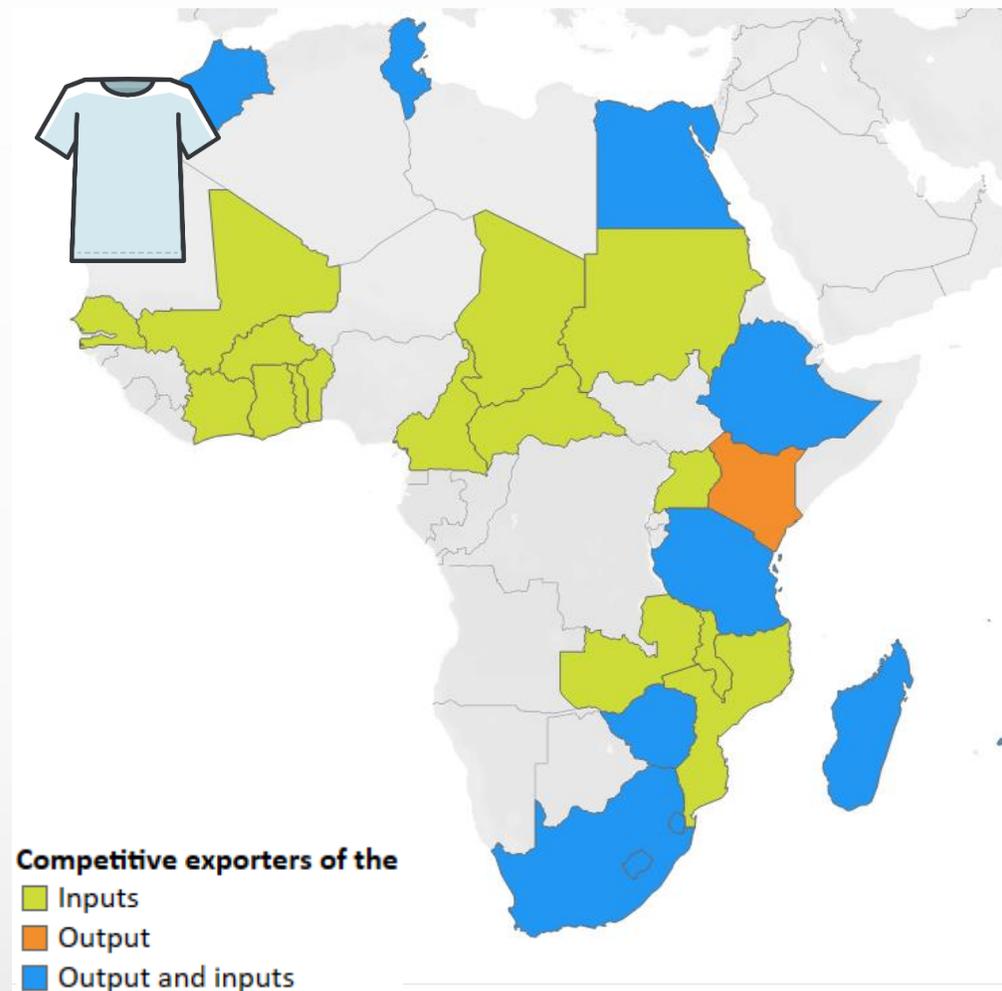
Mapping the **cotton garments** value chain

The cotton garment value chain brings together...

- ✓ **5** sub-regions with potential
- ✓ **13** competitive exporters of the output, among them 4 LDCs
- ✓ **26** competitive exporters of the inputs, among them 16 LDCs

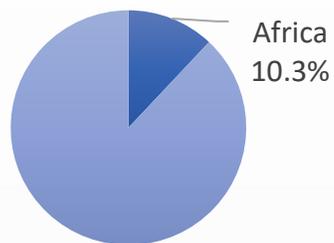
...and encompasses

- ✓ **151** inputs, including...

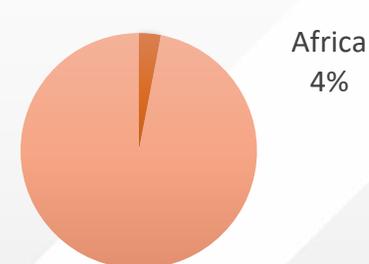
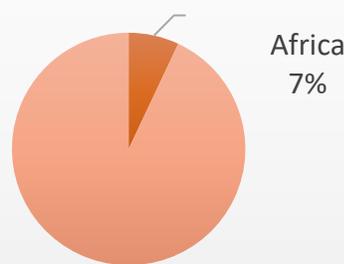


The missing link in the African cotton garment value chain

Share of exports to ...



Share of imports from ...

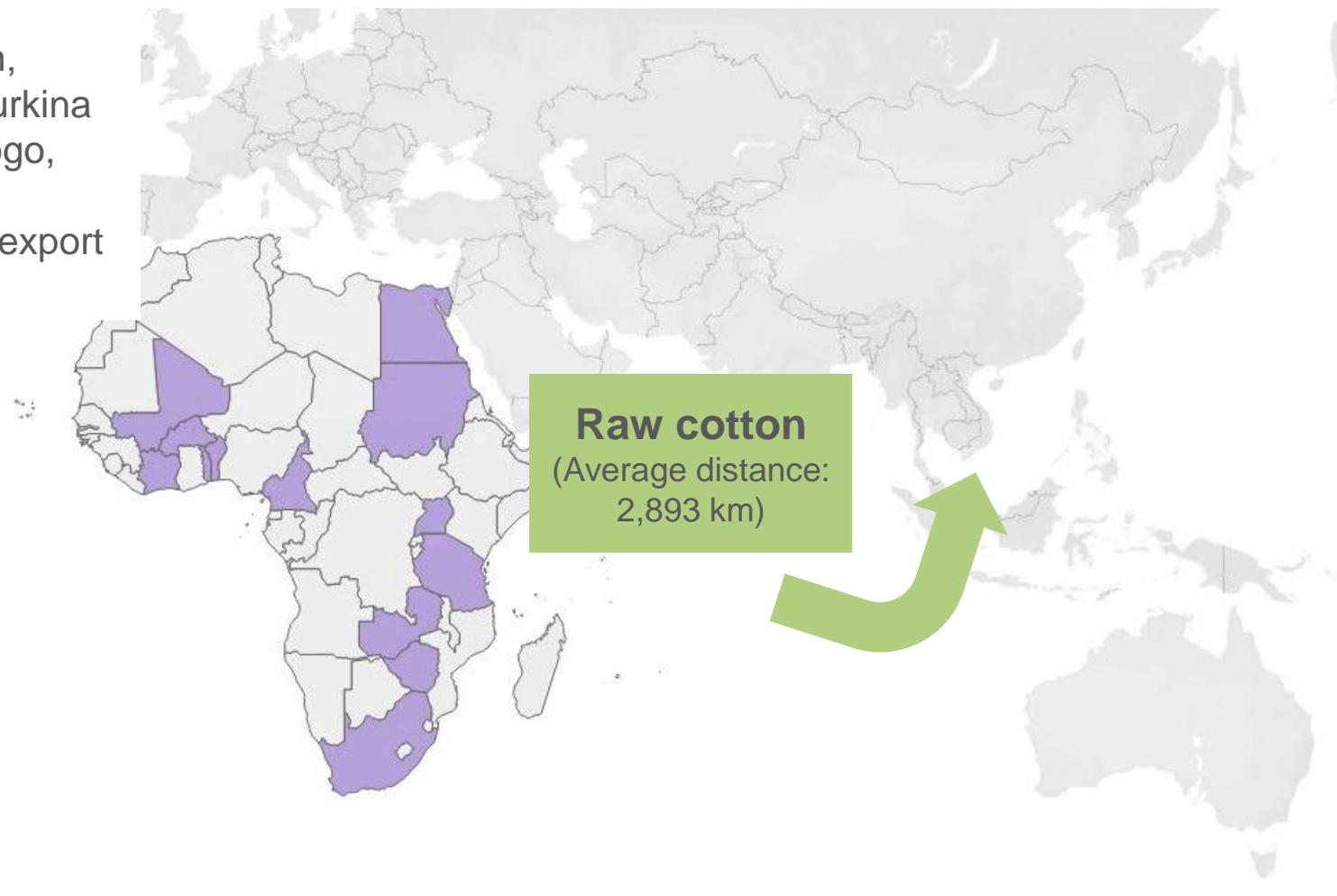


The missing link in the African cotton garment value chain

Example: Yarn and fabrics

1

Côte d'Ivoire, Cameroon, Egypt, Benin, Sudan, Burkina Faso, Mali, Tanzania, Togo, South Africa, Zambia, Zimbabwe and Uganda export raw cotton to **Asia**



The missing link in the African cotton garment value chain

Example: Yarn and fabrics

2

Morocco, Egypt, Mauritius and Tunisia import cotton yarn from **Asia**



The missing link in the African cotton garment value chain

Example: Yarn and fabrics

3

Nigeria, Tunisia, Togo, Morocco, Benin, Egypt, Senegal, Mali, Gambia, South Africa & Ghana import cotton fabric from **Asia & Europe**

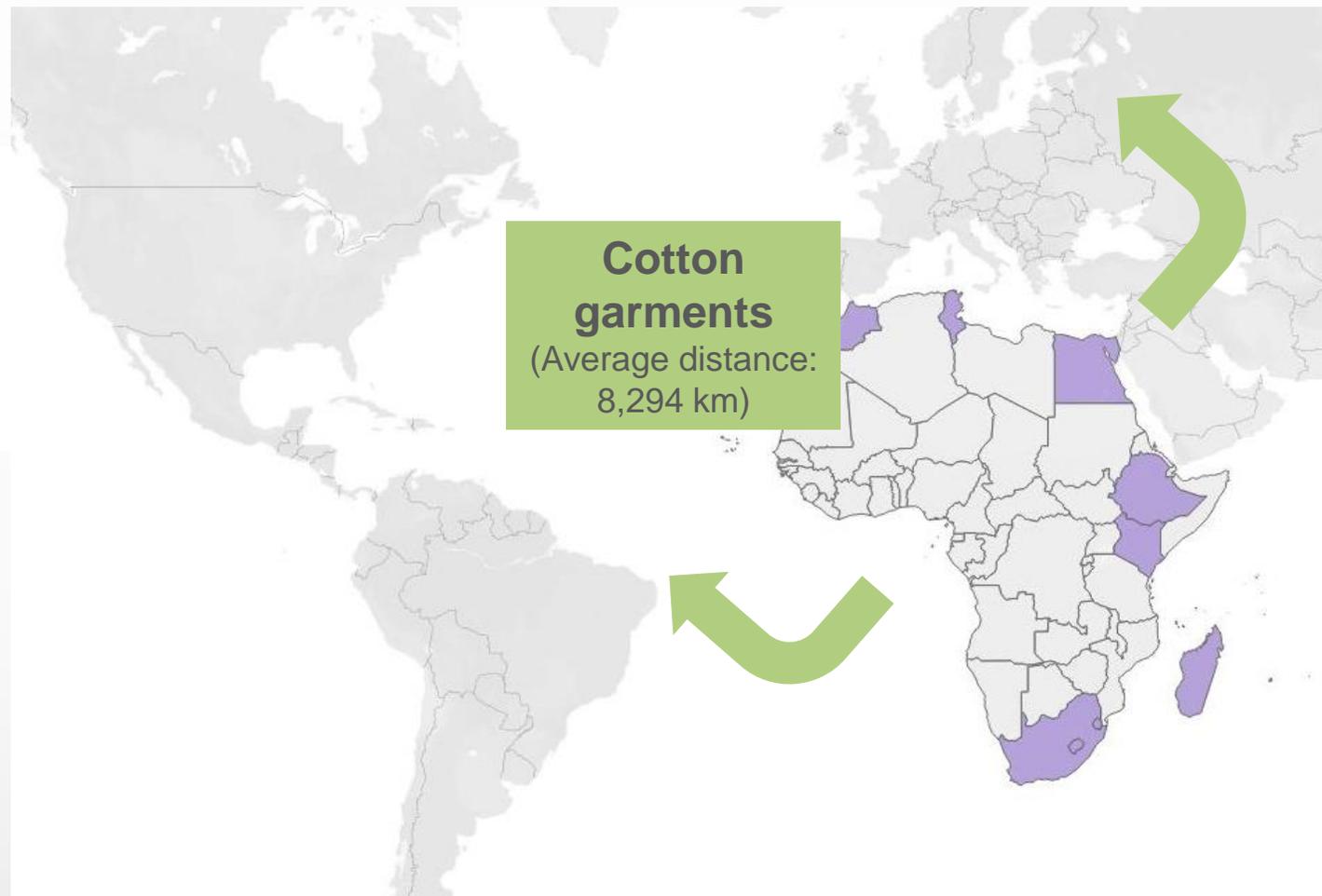


The missing link in the African cotton garment value chain

Example: Yarn and fabrics

4

Morocco, Tunisia, Egypt, Mauritius, Madagascar, Kenya, Lesotho, Ethiopia, Eswatini and South Africa export cotton garments to Europe and America

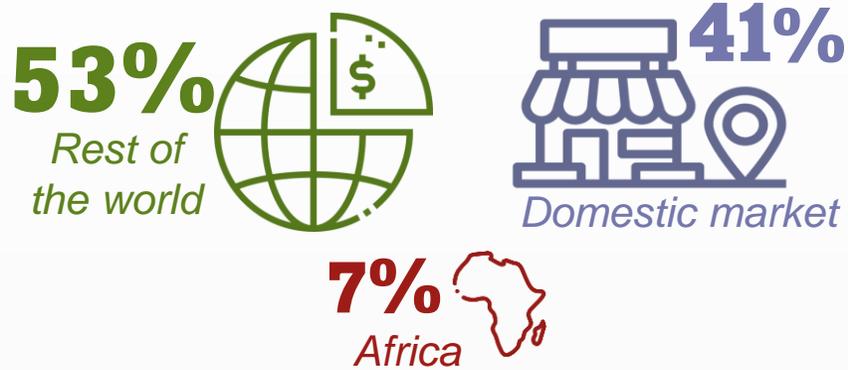




Cotton garments

Selected insights from the survey of value chain participants in Africa

Most of the company's sales are outside of Africa



Companies are very export oriented, especially to outside Africa



More than half of the companies are not aware of AfCFTA



Only a fraction of companies have participated in AfCFTA related consultations



Companies that have participation in AfCFTA consultations. 92% have not participated in any.

Majority expect benefits from the continental trade agreement

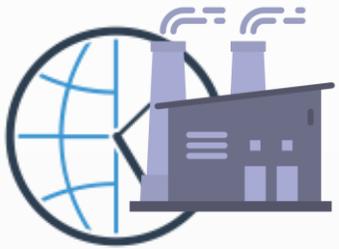




Cotton garments

Selected insights from the survey of value chain participants in Africa

Only a fifth of the companies have foreign presence



22%

Companies with foreign affiliates or production plants

78% are entirely domestic based

A third of the companies plan to expand production in African countries



37%

Companies planning to expand production in other African countries

Most firms are fully domestically owned

Fully locally owned

68%

6%

Up to 50% owned by foreign partner(s)

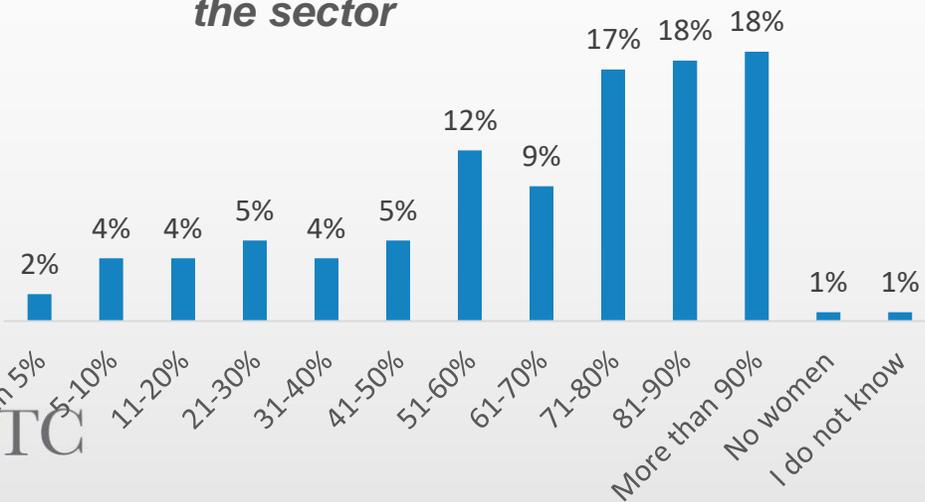
19%

Full foreign ownership

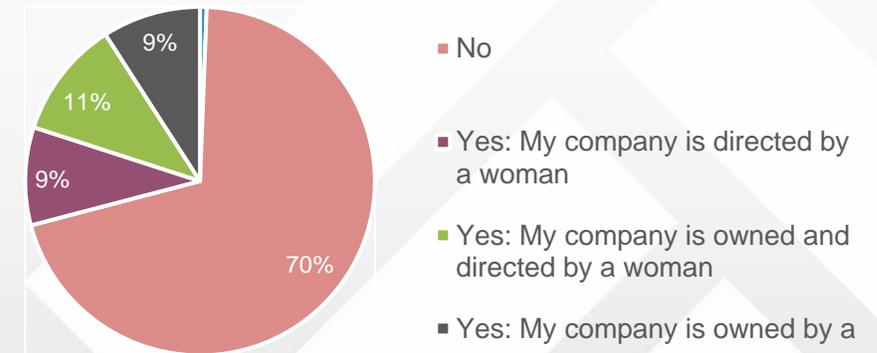
7%

More than 50% but not full ownership by foreign partner(s)

Very high share of women employees in the sector



Only a third of the businesses are women owned or managed



Cotton garments - Value chain-specific challenges*





Cotton garments – what needs to change?

Selected value chain specific recommendations*

Improve sustainability and support the green transition:

- Raise awareness on sustainability and build the capacity of producers on compliance with labour standards and environmentally friendly manufacturing practices
- Create dedicated financial instruments to support MSMEs to obtain industry-specific quality and sustainability certification (e.g. GOTS, WRAP, OEKO-TEX etc)

Improve traceability systems and conformity assessment infrastructure near cotton production areas

Intensify efforts to **create business networks across countries and sub-regions**

Critically review the legislation relation to imported second-hand clothing

Establish and financially support vocational training programmes

- Include managerial and business skills, e.g. related to lean manufacturing, material sourcing, product development and design, market analysis, business strategy and market segmentation, marketing, digital skills, online and social media presence, e-commerce and logistics management, as an integral part in such trainings