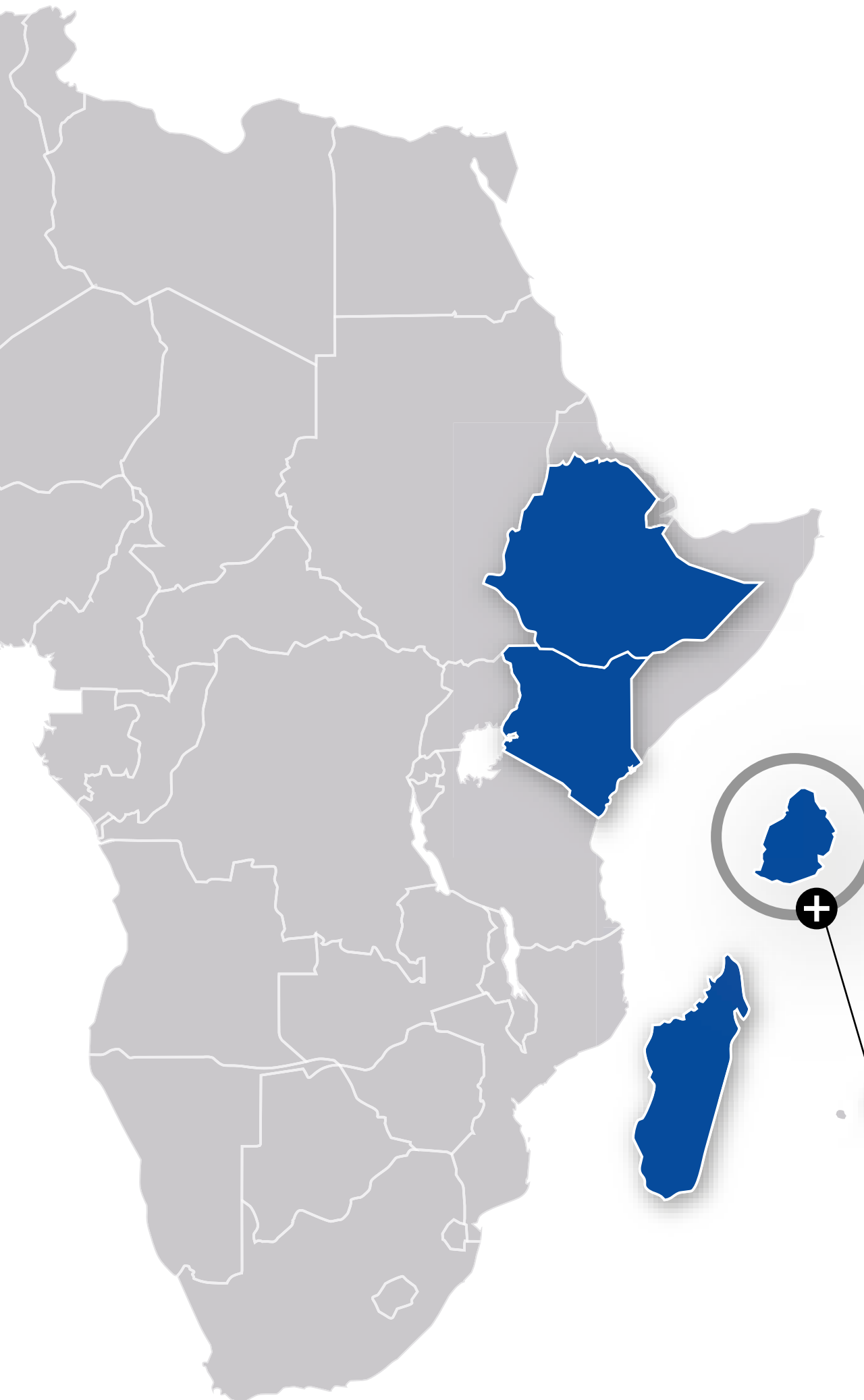


ASFW
AFRICA SOURCING & FASHION WEEK

**INTERNATIONAL
ONLINE BUYERS
MEETING**

.....
21 June 2023
9 am CET (German) time
.....



EAST AFRICA'S GARMENT MANUFACTURING POTENTIAL

East Africa is rapidly becoming a global hub in garment and textile manufacturing. The rapid development of textile and garment-producing hubs in the region, combined with a strong demographic profile and expanding income growth, is boosting the region's clothing and footwear sector.

Mauritius, Madagascar, Ethiopia and Kenya are of the most interest and have the potential to become more prominent players in Africa's garment manufacturing.

Find 3 key trends to note on the following pages:

KEY TREND 1

THERE IS AN ONGOING SHIFT IN GARMENT PRODUCTION FROM ASIA TO AFRICA

East Africa is quickly becoming a textile and apparel manufacturing substitute for East Asia. Due to its low-cost labour, flexible working hours, and competitive labour-related tax structure, Ethiopia is the destination of choice for large-scale, labour-intensive sectors, including textile production. PVH, Calvin Klein, Tommy Hilfiger, and other international brands have established factories in Ethiopia.

Mauritius, Madagascar and Kenya have a greater level of production efficiency, with their textile and garment industry specialising in high-volume bulk basics such as trousers. Their export processing zones also have production contracts with top global fashion brands of the US and EU.

KEY TREND 2

A COMPARATIVE ADVANTAGE IN COTTON GROWING

The East African region has a comparative advantage compared to Bangladesh, Vietnam, Sri Lanka and Cambodia, which have never been cotton-growing countries, yet have still built thriving garment export industries.

Currently, most East African countries' cotton lint is exported rather than used for local production. In Ethiopia, there have been efforts to increase domestic cotton production and the commercialisation of Bt cotton (genetically-modified, pest-resistant, plant-based cotton) was approved in 2018.

In Kenya, commercialised Bt cotton commenced in 2019. Also, in 2019, the East African Community (EAC) approved the final draft of the cotton, textile and apparel strategy (CTA), a strategy that aims to make the textile industry globally competitive and focuses on developing the value chain, which includes seed production, lint and production of garments.

KEY TREND 3

THE AFRICAN CONTINENTAL FREE TRADE AREA WILL BOOST REGIONAL COOPERATION

The African Continental Free Trade Area (AfCFTA) was ratified in May 2019, creating the largest trading bloc since the World Trade Organization's inception. The deal aims to eliminate trade barriers between African states with a combined population of more than 1.3 billion people and a combined GDP of USD 3.4 trillion. The AfCFTA will strengthen the regional collaboration among East African cotton growers, ginners, and textile companies. East African finished textile goods firms will be able to grow more freely in other African markets. However, more logistics infrastructure and clarity regarding origin regulations endanger this trade union.

COUNTRY FACTS



Apparel buyers today are sourcing basic, large-volume items from Ethiopia: T-shirts accounted for 46 percent of the country's exports to the EU-15, and trousers 31 percent. As much as 60 percent of exports are sent to Germany and 10 percent to the United States.

The biggest reason for Ethiopia being an interesting country is cost: Ethiopia's wages for garment workers are among the lowest globally, at below \$60 per month, and work-permit costs for foreign workers are less than one-tenth those in neighbouring Kenya. Additionally, Ethiopia has low electricity prices. The country has a strong supply of hydroelectric power, and while the power grid is not the most reliable, the Ethiopian government is building a separate grid for new industrial zones currently under development.





COUNTRY FACTS



KENYA

Like Ethiopia's, Kenya's apparel industry currently specializes in supplying high-volume bulk basics such as trousers, which account for 58 percent of its exports to the United States. The typical minimum order size is 10,000 pieces; the country's larger players have minimum order sizes of 25,000 to 50,000 pieces.

The capacity of Kenya's garment factories has grown markedly in recent years, thanks to foreign direct investments from Asia and the Middle East, as well as support from the Export Processing Zones developed by the Kenyan government. Factories have grown larger and more efficient.

However, as a result of the lack of a local upstream industry, manufacturers must import fabrics – which means considerably longer lead times.

COUNTRY FACTS



MAURITIUS & MADAGASCAR

The textile industry is considered as the major catalyst of the Mauritian Industrial Revolution. For the past four decades, the Mauritian textile industry has spearheaded the structural transformation of the Mauritian economy. This sector has acted as the engine of economic growth, attracting Foreign Direct Investment (FDI) from various countries, creating new employment opportunities, and strengthening the manufacturing base of the economy.

The Mauritian and Malagasy textile industry has gone a long way from a basic producer to a vertically integrated supplier of design-led garments. Today they are exporting to the major markets of the world namely Europe, USA and South Africa.

Manufacturers in Mauritius and Madagascar have the capability to supply a wide range of textile products at varying price points, with a focus on quality. These include T-Shirts, Lingerie & Lounge-wear, Shirts, Sportswear, Trousers & Denim, Kidswear, Pullovers, Uniforms and Beachwear.

Manufacturers in Mauritius and Madagascar are supplying major brand names which also include

Topshop, Topman, River Island, Levi's, Le Chateau, Foschinis, Burton UK, Devred, Guess, Hackett, Massimo Dutti, Naf Naf, Orvis, Peeble Beach, Puma, Calvin Klein, Woolworths, Ecko, Abercrombie & Fitch, Tommy Hilfiger, Victoria's Secret, Zara, Mango, Harrods, Banana Republic, Express, S.Oliver, Esprit, Jasper Conrad, Tex-Gold, La Redoute, 3 Suisses, and L.L. Bean

REGISTRATION

21 June 2023, 9 am CET (German) time

Online link: To be sent to registered guests.

To register: Please send an email to

info@asfw-online.com

info@dialog-dtb.de

ORGANIZERS:

TF^{EA}

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A company of Trade and Fairs Consulting

TF^C

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