

Seven big ideas on enhancing investment in the textile and apparel sector

Anthony Carroll

Manchester Trade Ltd.

April 26-28 2005

Nairobi, Kenya

African machine made fabrics

- **AGOA category 9 - history**
- **Modified in AGOA 3 legislation**
- **Generally higher tariff levels**
- **Growing interest in products for both fashion and domestics**
- **Must be specified in AGOA visa**
- **Real opportunities for branding vs. commodity clothing**
- **This is a product that has an African and export market and needs IPR protection**
- **May generate interest in other African products such as handicrafts**
- **Not as dependent upon tight supply chain requirements**
- **Has real promise for collaboration among producers for marketing**

Involve agri-business firms

- Involve agri-business to improve products
- Can be your business partners
- Wishing to find ways to sell their services or technology in creative but risk mitigated ways
- US TDA can be of assistance
- Benin with Dow Agro – major results
- Other US firms looking at PPA include Pioneer Delta, Cargill
- But also major European and South African firms can help

ODA is asset

- Rates and East Africa Hub are making major contributions
- You should view ODA as a form of FDI
- Need to engage ODA sources through your business associations
- Do not be afraid of offering honest assessments of its efficacy
- There may be a lot more ODA in the pipeline
- Capacity development is needed across the value chain and needs better coordination with domestic services

Good news-there is a sale

- US textile industry in steep and irreversible decline
- Massive amounts of textile equipment available in the US at very attractive prices
- Equipment often of a more recent vintage than what is already being used
- There are companies that can locate, evaluate, refurbish, deliver and install such equipment
- US Export Import Bank credits are available for the sale , delivery and installation of used and refurbished US Equipment, even if not entirely of US origin

USE your leverage

- DOHA Round
- Africa has larger role than in the past
- Demand something in return
- Make sure business associations and business are at the bargaining table when ODA request are made
- Use Trade Adjustment Assistance as model for globalization assistance

China Syndrome

- Unilateral voluntary restraints
- “negotiated” agreement on restraints on shipments to third country markets
- Agreement to end rapacious trade practices
- Ask China and Japan to show leadership in gaining regional agreements on this matter
- Have China become an investor
- Have China offer technical assistance and equipment on ODA basis

Invest in value chain improvement

- Industry associations should invest in ways to improve their supply chains
- Among items for such investment include storage, marketing, design support, transportation, ingredient goods purchases, physical infrastructure
- Millennium Challenge Corporation
- Examples where this has worked or is working:
 - Chile –marketing and storage
 - Columbia –refrigerated flower storage
 - Mozambique – cashew storage