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DA Project 1617K on Promoting Cotton By-Products in Eastern and Southern Africa

Presentation on

Cotton-to-clothing sector in COMESA Region

by

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COTTON-TO-CLOTHING SECTOR IN COMESA REGION

PRESENTATION TO
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Outline of the Presentation

1. Overview of COMESA
2. Importance of Cotton-to-Clothing Sector in COMESA
3. Major Challenges to Cotton-to-Clothing Sector in COMESA
4. COMESA Cotton-to-Clothing Strategy
5. Strategy Implementation and Key Facts
6. Partners
1. Overview of COMESA

- 21 Member States
- A combined population of over 470 million people (43% AU population)
- Covers an area of 12 million KM$^2$
- A combined GDP of about $600$ billion.
- The largest /geographically diverse of Africa’s RECs
2. Importance of Cotton-to-Clothing Sector in COMESA

- Priority sector in at least 18 COMESA MS
- Predominantly smallholder-led cotton sub sector production
- By-products include among others cotton oil, cotton cake for home use, poultry and cattle feed
- Major source of income and wealth, especially for women
- Provides opportunity for the MS to diversify their exports
- Major source of foreign exchange earnings for the MS
- Provides opportunity for employment for youth and women
- Potential to create regional value chains, promote value addition taking advantage of market access under preferential trade arrangement
3. Major Challenges to Cotton-to-Clothing Sector in COMESA

- Aging equipment: obsolete technology
- Low farm productivity/yields (about 380Kg/ha)
- Cotton seed availability
- Power quality
- Low ginning and manufacturing efficiency due to the quality of
- Weak regulatory and institutional arrangements to support the sector development
- Poor supporting infrastructure
4. COMESA Cotton-to-Clothing Strategy

**Vision:** “an integrated and competitive cotton-to-clothing value chain”: Focus on cotton by products and not “commodity”

**Development Goals:**
- Enhance cotton production and farmer incomes;
- Increase investment and efficiency in textile and clothing manufacturing; and
- Expand trade

**Objectives**
- Develop a win-win co-operation between Farmers, Ginners and Traders
- Increase value addition, directly benefiting farmers/ginners, including through diversification into by-products
5. Strategy implementation and key facts

Implementation modalities

- Ensure high fibre quality through the provision of improved inputs, grading
- Supporting actors involved in ginning, spinning and weaving
- Facilitating exchange programmes with more advanced producers within and outside the region
- Facilitating improved business linkages and marketing of products
- Facilitate win-win sustainable partnership with lead firms and other value chain actors
- Enabling environment for improved performance of the SMEs (including use of appropriate new technology) in textile and clothing value chain
5. Strategy implementation and Key facts

Key facts

1. Ethiopia
   - Under GTPII, Cotton-Textile-apparel (CTA) is one of the priority sectors
   - Target: generate USD 30 billion in export from textile and apparel by 2030
   - Over 180 textile units, major one being in Hawasa industrial parks
   - Industries from China, India and Bangladesh (DBL group) are relocating to Ethiopia
   - The country is rapidly becoming a top destination for textile manufacturing on account of competitive labor costs, government Investment in industrial parks, incentives, and low energy costs: Companies such as H&M, Tesco, Gap, Belk, and Walmart, among others, are now sourcing products from Ethiopia
5. Strategy implementation and key facts

2. Zimbabwe

- One of the key manufacturing sub-sector of the country (shirts, trousers, suits, dresses, underwear, towels..)
- Production of ginning companies in 2010: 720,000 tons
- Total export of seed cotton and lint production in from 2024-2010: USD 2,2 billion
- Cotton-to-Clothing Export Strategy was launched in 2014, in Bulawayo
- Target: to increase yearly seed-cotton production to 450,000 tons, as well as a target for exports of textiles and garments to reach USD 110 million by 2019. Under COMESA regional Integration Support Mechanism (RISM), the Cotton-to-Clothing as well as leather and leather products have been financed
5. Strategy implementation and key facts

3. Zambia

• Huge potential for country economic diversification
• A wide range of cotton products (lint, yarn, poly/cotton yarn, cotton fabric..)
• In 80s: 140 companies employing over 25,000 Zambians
• First closing of garment factories occurred in 1990s and continue up to 2000s (Kafue Textiles..)
• Under RISM, 500,00 euros allocated to cotton and textile sector for capacity building, research and procurement of machinery (farmers in Katalo village, in Mumbwa..)
5. Strategy implementation and key facts

• Cotton association of Zambia (CAZ) has trained in 350 cotton farmers in Mumbwa and Lusaka in spinning and weaving, quality control and development in 2016-2017

• Farmers can get double of income from the sales of cotton and products after value addition. They can spin, weave and even make fabric which is being sold locally (hotels, catering association and individual customers)

• Project has enhanced collaboration with local tailors and designers who make bedspreads, shirts and bags
6. Partners in COMESA C2C Strategy implementation

- European Union (EU)
- African Cotton and Textile Industries Federation (ACTIF) established with the assistance from the Regional Agricultural Trade Expansion Support Programme, a USAID funded project implemented under COMESA
- UNIDO
- UNCTAD
- International Trade Centre (ITC)
- UNFAO
- Other RECs (EAC and SADC)
THANK YOU!

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