

United Nations Conference on Trade and Development

UNCTAD study visit to ICAR-CIRCOT, India, Nagpur , 14-18 January 2019
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

COMESA

PRESENTATION TO
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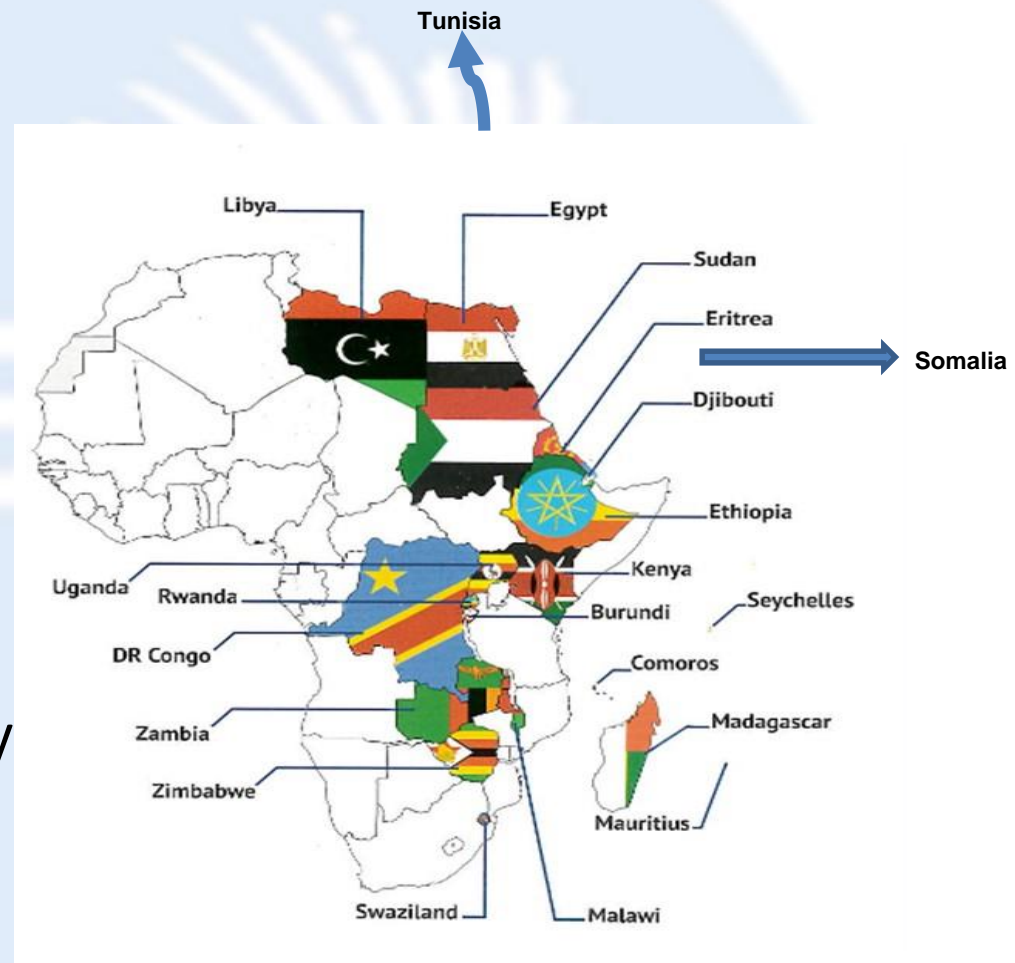
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Outline of the Presentation

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 KM²
- 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)

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THANK YOU!

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