



African Cotton & Textile  
Industries Federation

# ACTIF Newsletter

May 2010

## ACTIF Launched Amid Colour and Pomp

The African Cotton and Textile Industries Federation (ACTIF), was launched at a colourful ceremony attended by more than 200 invited guests at Nairobi's Laico Regency Hotel.

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Kenya's PM Rt. Hon Raila Odinga ...Pg 2

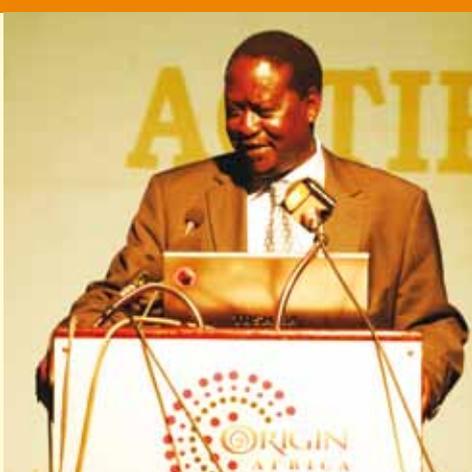


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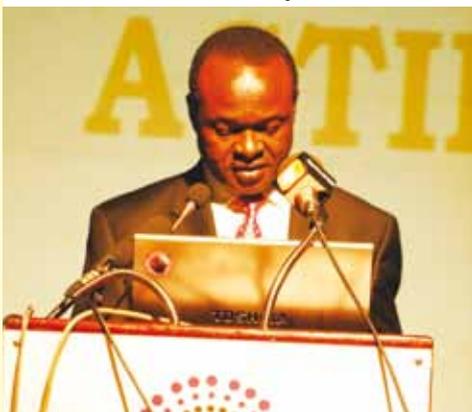
COMPETE  
The Competitiveness and Trade Expansion Program

# ACTIF Launched Amid Colour and Pomp

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Kenya's Prime Minister, Rt. Hon. Raila Odinga addressing guests at the ACTIF launch and designer show case.



African Union Commission Deputy Chairperson, Mr. Erastus Mwencha addressing the guests.



ACTIF Executive Director, Rajeev Arora, delivers the vote of thanks.

The launch was presided over by Kenya's Prime Minister, Rt. Hon Raila Amollo Odinga and the African Union Commission Deputy Chairperson, Mr. Erastus Mwencha.

The launch also incorporated the inaugural "Origin Africa and Designer Showcase", where emerging designers from Kenya, Ethiopia, Uganda and Tanzania displayed African Brands to promote African cotton and clothing that began on African farms and moved through production and design to the fashion catwalk.

Speaking at the event that brought together who-is-who in the Kenyan and regional fashion landscape, Mr. Odinga, said that Africa, like Europe and the Asian Tigers can use the textile industry to spur economic development. He urged governments not to look to aid to propel industrial revolution but open up their borders for increased trade with each other.

"It is a pity that Africans have resigned to receiving local goods through Europe to evade the hurdles and barriers we have imposed in our continent, said Mr. Odinga noting that Africa has the capacity to move from struggling third world economies to middle income status and subsequently to developed economies within our lifetime.

For his part, Mr. Mwencha said the over reliance on export markets had made African countries victims of cycles of booms and bursts that characterize commodity markets.

"The heavy dependence on the production and export of primary commodities and the underdevelopment and weakness of national and regional markets are the two major features of Africa's economy that have accounted for its high vulnerability to external shocks," said Mwencha.

ACTIF Chairman, Mr. Jaswinder Bedi, said the African countries have generally sourced fabrics from Asia and designs from Europe and the United States but ACTIF had a mandate to help reverse that by ensuring that fab-

ric, design and fashion (the entire 'value chain') stems directly from the African Continent.

USAID/East Africa's Regional Director, Larry Meserve, whose organisation provided seed funding for the setting up of ACTIF, observed that he hopes to see ACTIF position itself as a major player in the African cotton sector complemented by a financial strategy that leads to its long term sustainability, saying, "USAID/East Africa supports regional trade associations like ACTIF to unlock the potential in the cotton, textile and apparel industry and I believe the 'Origin Africa' global campaign will raise awareness about Africa as a preferred sourcing destination."

The designers which participated in the event included Patricia Mbela, Rachael Mutindi and Viva Bedi from Kenya; Genet Kebede and Mahlet Afeework from Ethiopia; Jamilla Vera Swai and Robi Morro from Tanzania as well as Stella Atal and Samson Ssenkaaba from Uganda.

Fashion students were also given a chance to learn from the best and to develop crucial networks early in their career. These included Christine Murage, Michael Nzioki and Jane Wairimu.

The student category was adjudicated as a competition but the professional/emerging category wasn't a competition in the strict sense of the word. The winner of the student category was Mike Nzioki and was awarded a three month internship at Viva Africa designs in Kenya.

On the professional category, Samson Ssenkaaba of Xenson Art Brand, Uganda, emerged as the winner thereby scooping an automatic entry to the "Origin Africa - Fiber to Fashion" event expected to be held in Mauritius on 11th and 12th November 2010, which will be billed "Origin Africa - Fiber to Fashion".

The event will cover a much wider base of design entries from seven countries, with the spotlight on modern fashion "Made in Africa", innovation, new fabric technologies, product development and graphic designs.

## High Dependence on Exports to Blame for Textile Industry Slowdown

African countries fall victim of cycles of booms and bursts that characterize commodity markets

High dependence on export of commodities has been blamed for the slowdown of the cotton and textile industry in Africa.

Speaking when he presided over the launch of the first pan African cotton and textile body, the African Cotton and Textile Industries Federation (ACTIF), the African Union Commission Deputy Chairperson, Mr. Erastus Mwencha, said the over reliance on export markets had made African countries victims of cycles of booms and bursts

that characterize commodity markets.

"The heavy dependence on the production and export of primary commodities and the underdevelopment and weakness of national and regional markets are the two major features of Africa's economy that have accounted for its high vulnerability to external shocks," said Mwencha.

He said the launch of ACTIF, whose membership include twenty-three national cotton and textile trade associations from 18 African countries, could not be timelier coming at a time when African leaders are reflecting on how best to respond to the global financial and economic crisis and meet the challenges of development in today's

globalized economy.

ACTIF, which has been established with support from USAID East Africa's Competitiveness and Trade Expansion Program (COMPETE) is based in Nairobi, Kenya.

Mwencha decried the impact of the global economic crisis on African economies saying that export prices and earnings have fallen resulting in declines in government revenue and national incomes as well as rising unemployment and poverty.

Speaking at the same function, Kenya's Prime Minister, Raila Odinga, said that Africa, like Europe and the Asian Tigers can use the textile industry to spur economic development. He urged governments not to look to aid to propel industrial revolution but open up their borders for increased trade with each other.

"It is a pity that Africans have resigned to receiving local goods through Europe to evade the hurdles and barriers we have imposed in our continent, said Mr. Odinga noting that Africa has the capacity to move from struggling third world economies to middle income status and subsequently to developed economies within our lifetime.

ACTIF Chairman, Mr. Jaswinder Bedi, said the organization's mandate is to bring the disparate needs of the cotton, textile and apparel sectors into cohesive and consensus driven positions at regional and international trade and development forums.

African countries have generally sourced fabrics from



Group photo taken during ACTIF competitive meeting

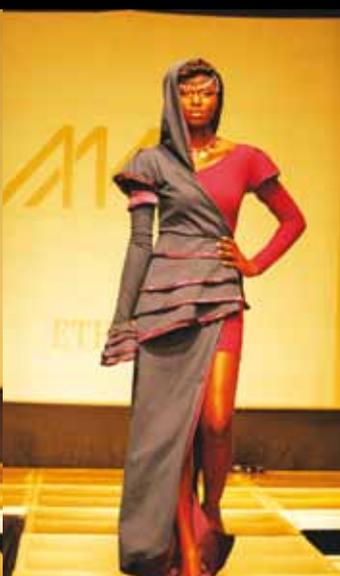
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# Inaugural “Origin Africa Designer Showcase” held in Nairobi

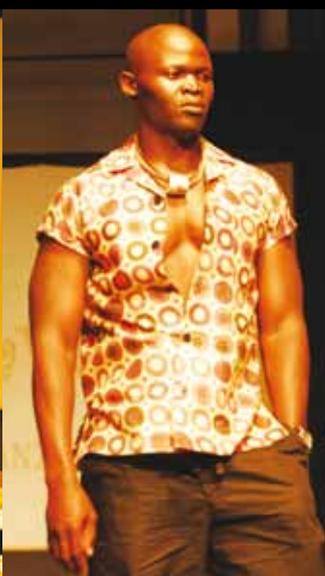
## Professional Designers



Designer: Genet Kebede, paradise Fashion, Ethiopia



Designer: Mahlet Afework Mahlet-Mafi, Ethiopia



Designer: Jamila Vera Swai, Tanzania



Designer: Patricia Mbela, Kenya



Designer: Rachel Mutindi, Ki2, Kenya



Designer: Viva Bedi, Viva Africa, Kenya



Designer: Samson Ssenkaaba Jenson Arts, Uganda



Designer: Christine Murage, Kenya



Designer: Jane Wairimu, Kenya



Designer: Michael Nzioki, Kenya

By Barry Fisher, Textile Specialist, USAID COMPETE.

The inaugural “Origin Africa Designer Showcase”, “Origin Africa – Fiber to Fashion”, was held on 28th April 2010 in Nairobi, Kenya, sponsored by USAID COMPETE in partnership with African Cotton & Textiles Industries Federation (ACTIF) and other regional stakeholders.

The overall concept was to identify the designer talent in the region, not necessarily those that are emerging, but also the latent and promising talent that must be out there, which perhaps cannot progress because of a lack of resources, contacts or opportunity. The story of ‘Origin Africa’ resulted from a decision by USAID COMPETE to put Africa on the map as a preferred sourcing destination; to profile Africa and to change negative perceptions.

The designer showcase proved to be a highly successful event that provided opportunities for local talent and local manufacturers to work together to develop a strong African fashion industry. The event also proved to be an opportunity for designers to present their latest designs and talents as well as providing a platform to create new networks, to promote and profile to the world at large, African fashion; where Origin Africa celebrates innovation, resourcefulness and design, that is uniquely African.

During the Nairobi event, a panel of judges, that included Chad Schofield, a US apparel buyer, adjudicated the collections.

Whilst the student category was adjudicated as a competition, the professional/emerging category was not a competition in the strict sense of the word. The winner of the student category was Mike Nzioki and was awarded a three month internship at Viva Africa designs in Kenya.

On the professional category, Samson Ssenkaaba of Jenson Art Brand emerged as the winner thereby scooping an automatic entry to the “Origin Africa – Fiber to Fashion” event expected to be held in Mauritius on 11th and 12th November 2010 of this year, which will be billed “Origin Africa – Fiber to Fashion”. The event will cover a much wider base of design entries from a larger base of design entries from 7 countries, with the spotlight on modern fashion “Made in Africa”. Innovation, new fabric technologies, product development and graphic designs will also be featured.

On the following day, 29th April, Chad Schofield, held a workshop for all the designers, to provide an element of training/guidance for what it takes to go commercial, and what the market is looking for.

## Student Designers Category

# Align Cotton Business to Regional Strategy, says Malawi Minister



Group Picture taken during Malawi Cotton to Clothing stakeholders meeting

**P**layers in the Malawi cotton and textile industry have been told to align their strategy to COMESA regional strategy in order to deepen regional integration.

Malawi's Deputy Minister of Trade and Industry, Steven Kamwendo, observed that the alignment would also help farmers and traders maximize economies of scale in markets, inputs and technical support.

Mr. Kamwendo said that 300,000 farm families grew cotton in Malawi and about 3 million people depended on the crop for their livelihood. Cotton was therefore an important crop to Malawi. Mining, energy and industrial development are the other key sectors in Malawi

He reiterated the government's commitment to infrastructure development as a key element in improving cotton pricing and bemoaned use of unconventional scales by unscrupulous traders who are duping the farmers of their benefit.

Kamwendo spoke during a Cotton Value Chain Stakeholders' Consultative Meeting for Development of Malawi Strategic Plan for Cotton to Clothing held in Blantyre in April.

The workshop was attended by delegates from the African Cotton & Textiles Industries Federation, International

Trade Centre, the Ethiopian Cotton Producers Ginners Exporters Association, Government officials and the Cotton Association of Zambia

He acknowledged support from COMESA/USAID financially and technically.

Speaking at the meeting, Mr. Patrick Khembo, Chairman of the Cotton Development Trust (CDT) of Malawi, noted that overreliance on tobacco was becoming more risky hence the need for diversification to crops like cotton. He pointed out that the production levels for cotton were not impressive and there was need for action.

"The market side is not doing well, with seed cotton fetching the lowest prices compared to the regional and world markets," said Khembo.

He said the main problems constraining the development of the sector included lack of coordination, low cotton productivity, poor marketing and seed unavailability. There was some hope however, as 400 demonstration centres had been established to educate farmers on best practices for increasing yields and production. Other measures included creation of cotton farmer groups through NASFAM to smoothen service delivery in terms of credit, inputs and trainings.

ACTIF Executive Director, Mr. Rajeev Arora, lauded

the efforts of Malawi in developing a strategy for cotton to clothing in partnership with COMESA.

Cotton ranks fourth in Malawi after Tobacco, tea and sugarcane and is grown by over 150,000 families. While small holders started growing the crop in 1910, its history dates back to mid 1800 when the first commercial crop was grown. Production however fluctuated in the late 1980s with yields dropping from 70,000 metric tonnes per year to 13,500 metric tonnes. The average yield stagnated between 800 and 900 Kg/ha against the potential of about 3,500 kg/ha.

The number of growers has also declined from 187,000 to 60,000. The Government however, is taking measures to improve the sector with. A government funded cotton project has been established to increase cotton production and improve quality in order to meet local demand and export surplus. This is expected to have an immediate impact in Malawi's overall growth through creation of more jobs and increasing capacity more than 100,000 metric tonnes of seed cotton.

The government was also involved in policy and legislation efforts to address weaknesses in institutional framework and address challenges which come with a liberalized environment.

## High Dependence on Exports to Blame for Textile Industry Slowdown

From Page 2

Asia and designs from Europe and the United States. ACTIF's mandate is to help reverse that to ensure that fabric, design and fashion (the entire 'value chain') stems directly from the African Continent.

"ACTIF's formation demonstrates that consensus is growing among African countries and is recognition that countries can no longer act in isolation or remain fragmented in this increasingly globalising world," said Bedi. He continued, "ACTIF members recognise the need for regional integration, leading to market enhancement, increased business linkages, trade and investment."

Since 2005 when the idea of establishing a continental cotton and textile body was mooted, ACTIF members and lately the newly established secretariat has aggressively promoted regional integration in collaboration with key partners such as the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and the Southern African Development Community (SADC). It has also promoted market access across the region and to the United States through the African Growth and Opportunity Act (AGOA).

AGOA expires in 2015, and ACTIF will advocate having this agreement extended or made permanent. Some sug-

gest that AGOA would do more to promote the cotton and textile industry if it were a permanent agreement since investors might then be more willing to adopt a longer-term approach to technology investment. In addition, most duty-free exports to the U.S. under AGOA now use third-country fabrics imported from Asia. But in 2012 the provision expires and duty-free exports will have to use fabrics from the country of origin.

Africa currently produces 12% of the world's cotton but 90% of its production is sold to other countries for processing.

Bedi says a crisis of confidence could hit AGOA eligible countries, with buyers looking elsewhere for apparel should AGOA not be renewed beyond 2015.

"Buyers need predictability to place orders in the long term," explained Bedi, noting that ACTIF is proposing an amendment to make the AGOA provision long term to secure investment in the entire value chain, maintain existing buyers and attract new ones.

According to Mwencha the share of Sub-Saharan Africa in the EU textiles market which amounted to 3 per cent before the end of the MFA declined to about 1 per cent while that of China rose from 10 to more than 12 per cent. Already, many AGOA beneficiary countries have witnessed a decline in their exports of textiles to the US

as a result of the end of the MFA.

Nevertheless, with Africa's growing middle class, there is tremendous market potential for cotton apparel within the African Continent, particularly through the 'Brand Africa' initiative. Africa's large and growing population (estimated currently at around 1 billion) and the increasing demand for African attire both within and outside the continent, especially among the Diaspora, is another source of opportunity that should be fully harnessed.

USAID/East Africa's Regional Director, Larry Meserve, observed that he hopes to see ACTIF position itself as a major player in the African cotton sector complemented by a financial strategy that leads to its long term sustainability, saying, "USAID/East Africa supports regional trade associations like ACTIF to unlock the potential in the cotton, textile and apparel industry and I believe the 'Origin Africa' global campaign will raise awareness about Africa as a preferred sourcing destination."

The launch also incorporated the first "Origin Africa Designer Showcase." Emerging designers from Kenya, Ethiopia, Uganda and Tanzania got a rare opportunity to display African Brands to promote African cotton and clothing that began on African farms and moved through production and design to the fashion catwalk.