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# TRADE HUB AND AFRICAN PARTNERS NETWORK

PROGRAM FOR EXPANDING APPAREL  
EXPORTS, TECHNICAL ASSISTANCE  
PERFORMED NOVEMBER/DECEMBER 2014

Contract No.: AID-624-C-13-00002-00

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# ACRONYMS

<b>ABePeC</b>	Benin's Export Promotion Agency
<b>AGAM</b>	Association of Ghana Apparel Manufacturers
<b>APEX-CI</b>	Cote d'Ivoire Export Promotion Agency
<b>AVCS</b>	Apparel Value Chain Specialist
<b>AVCA</b>	Apparel Value Chain Adviser
<b>CAD/CAM</b>	Computer Aided Design/Computer Aided Manufacturing
<b>COTVET</b>	Council for Technical and Vocational Education & Training
<b>EDAIF</b>	Export Trade, Agricultural & Industrial Development Fund
<b>FAF</b>	Finance Access Facilitators for the Trade Hub
<b>GAMA</b>	Ghana Apparel Manufacturing Association
<b>GEPA</b>	Ghana Export Promotion Authority
<b>GIPC</b>	Ghana Investment Promotion Center
<b>GTMC</b>	Ghana Textile Manufacturing Company
<b>ITC</b>	International Trade Center
<b>MOTI</b>	Ministry of Trade and Industry
<b>PSI</b>	Presidential Special Initiative
<b>UNIDO</b>	United Nations Industrial Development Organisation
<b>USAID</b>	United States Agency for International Development
<b>WRAP</b>	World Responsible Apparel Production

# EXECUTIVE SUMMARY

Previous value chain assessments of the apparel sector concluded that successful firms along the value chain are operating in Ghana, Cote d'Ivoire and Benin. The level of activity in Cote d'Ivoire and Benin is much lower than in Ghana, but is worth exploring to identify potential export-ready apparel manufacturers. In early November, the Trade Hub's AVCS undertook an exploratory trip to find out whether an in-depth follow up trip by the apparel team was necessary. The outcome was positive and visits to Cote d'Ivoire and Benin were carried out.

Prior to and directly after this trip, the apparel team spent some time following up on their October and early November efforts to unblock one of the apparel manufacturing companies in Ghana, DTRT Apparel's delay with COTVET (training grants) and EDAIF (soft loans for machinery). The team also attended the MOTI Stakeholders meeting which is part of activities outlined in the "Note on Ghana Apparel Industry Strategy". The meeting presented the team the opportunity to ensure that the apparel association was registered.

When MOTI suggested the stakeholders meeting, the apparel team arranged for a preparatory meeting with apparel manufacturers to ensure that their activities are in line with the Trade Hub's apparel strategy (support to the lead firms) and to also select key representatives (exporters) to speak on their behalf at the stakeholders meeting. The new association, known as Association of Ghana Apparel Manufacturers (AGAM) has been registered and its members elected their representatives for the MOTI Stakeholders meeting at the preparatory meeting.

The Cote d'Ivoire trip identified two export-ready apparel companies (O'sey and Pur Coton). A third company Yakice may be ready some time to come. Two other are semi-vertical, comprising fabric knitting, dyeing, printing, embroidery and garment manufacturing and one of them, Seritex, employs 300 people.

In Benin, one company (ANC) should have 250 modern industrial sewing machines installed by the end of the year and workers trained to run them until April/June 2015, and be ready to export.

The various meetings in Cote d'Ivoire and Benin with the Government institutions were also informative. The Chamber of Commerce in Cote d'Ivoire requested the Trade Hub to prepare an apparel export strategy to be incorporated in its National Plan.

# I. REPORT OF ACTIVITIES

## I.1 KEY ISSUES ADDRESSED

The following is an outline of the main activities carried out during the AVCA's STTA trip:

### Ghana:

- The new Association, AGAM<sup>1</sup> (Association of Ghana Apparel Manufacturers), is now registered. Executives were also duly elected (Chairperson, Hanna Amichia (DTRT Apparel Ltd); Secretary, Prosper Adamaley (Lemdor); and Financial Administrator, Jonathan Ankome (Lucky 1888).
- In preparation for the MOTI stakeholders meeting, the team had a meeting with AGAM to discuss the proposed National Apparel Strategy activities and select the representatives to speak on the association's behalf. The AVCA assisted the association to prepare its Power Point Presentation for the Stakeholders meeting. The Trade Hub Apparel Team attended the MOTI Stakeholders meeting.
- Information about several apparel manufacturers' was updated. The AVCS will follow up on the company profiles yet to be submitted.
- The team also held a meeting with Growth Mosaic, one of Trade Hub's Finance Access Facilitators (FAF) regarding potential financial needs of apparel manufacturers in Ghana.
- The apparel team was also informed by Dignity DTRT Apparel that COTVET had approved their training grant.
- MOTI informed the Trade Hub and AGAM representatives that there will be Apparel Export Strategy Validation meeting the day after the ACVA's departure.
- MOTI took note of all the apparel team's inputs as well as the Trade Hub's Export Strategy and itemized each objective, expected output, strategies, activities, time frame and responsibility. These would be incorporated into MOTI's Apparel Gap/Needs Analysis and work plan, which will be implemented by MOTI and other government agencies.

### Cote d'Ivoire Trip:

The team visited three government institutions:

- **Chamber de Metiers:** This institution is looking to replicate India's SMME exporter program<sup>2</sup>
- **APEX-CI:** The Ivorian export promotion agency has UNIDO and ITC programs in place to train their Artisanal/Ateliers in mass production skills and trade show attendance; and

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<sup>1</sup> The original name, AMAG, could not be used and a new name (AGAM) was chosen by its members.

<sup>2</sup> India's program that sees exporters buy the machines and trains SMMEs in mass production techniques, consistence of quality, etc., then gets orders and sources the fabrics for them.

- **Chambre de Commerce et d'Industrie:** The institution has identified the key problems within its apparel industry and has requested the Trade Hub provide it with an apparel export strategy to be incorporated in its National Export Strategy. The apparel team mentioned that it would follow up with the Trade Hub to see whether the AVCA could be made to assist with this. Additional meetings were held with the Trade Hub's Finance Access Facilitators in Cote d'Ivoire.

The team visited seven apparel factories:

- **Michele Yakice**, is prepared to start two small-scale mass production lines, but is faced with the problem of its employees adapting to the new mass production method. The AVCA suggested the company consider employing young, female school-leavers who are not yet trained in sewing are willing to be trained in mass production sewing of garments.
- **Ciss St. Moise**, a very small (20 or so machines) atelier, whose setup presents some safety concerns to consider.
- **O'sey**, a company with 30 machines, which also does embroidery and printing. With technical assistance, this company could become export-ready. The owner is professional, ambitious, and has acquired a 1,400 m<sup>2</sup> plot to build a factory. He has acquired 10 additional specialized machines and is working to acquire 30 more. Another issue worth working on is to improve the government's understanding of the difference between a workshop/ateliers and mass production for exports.
- **Pur Coton**, has a factory with 30 sewing machines, six electronic embroidery machines, and manual carousel printing. This factory will be relocated to another building with the capacity to house 40 machines in Bouaké. The owner is soliciting technical expertise<sup>3</sup> to assist in setting up the new factory along international standards.
- **Seritex**<sup>4</sup>, the company has fabric knitting machines, Jet and Winch dyeing machines, three electronic carousel printing machines, multi-head electronic embroidery equipment and 100 sewing machines and employs 300 people. The owner is not willing to export<sup>5</sup> yet. Fabric knitting and dyeing capacity is 60 MT per month but is currently operating well below these volumes. Yarns come from India and China<sup>6</sup>. Seritex also sell fabrics so the apparel team will connect them with companies that use knit fabrics. The company has already been connected with a garment factory in Benin.
- **SARL MHK**, another company is also involved in knitting, dyeing, printing, embroidering and garment making and has a capacity of 25 MT per month but currently producing about 10 MT

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<sup>3</sup> The expert that UNIDO engaged to do a mass production skills training should be contacted for this, as she is from Cote d'Ivoire and is reportedly looking to stay in the country.

<sup>4</sup> The Trade Hub AVCS was taken on an educational tour of the factory to see how circular knitting machines produce knit fabrics, and the difference between Jet and Winch dyeing of fabrics and electronic carousel printing process.

Challenges faced by the manufacturers inhibit export (infrastructure issues, high energy costs, long administrative procedures, especially customs etc).

<sup>6</sup> Mention was made of yarn spinners in Burkina Faso and Mali. The owner stated that prices of yarns made in West Africa are too high. The AVCA will be mailing Seritex the contact details for these factories.

per month). Garment capacity is 1,000 T-shirts per day. This company also sells fabrics and contact details have been provided to a company in Benin. Other contacts to follow.

- **Pathe'O** is a slightly bigger atelier than the others and operates with 40 machines. There are 40 other machines not in use due to lack of space. Despite training in mass production skills, the owner cannot convince his tailors to accept mass production techniques. “*We are tailors, not workers*” is his employees’ response to change in production techniques.
- **NB: Dimo**, another knitter, dyer, printer and garment manufacturer could not be reached. One of the companies visited indicated that the company was in financial crisis. The team was also unable to visit **Ivoire Teinture**, a knitter, dyer, printer and garment manufacturer.
- **Other:** The team was informed by government institutions that **UTEXCI**, vertical textile mill which has been closed down was being revamped by new investors. (The AVCA’s company, MPCS, did a complete machinery analysis for UTEXCI a few years ago to determine how much it would cost to revamp the company.) There were unconfirmed reports that there were plans to restart production at **Cotivo** vertical textile mill. **Uniwax** is still a fully functioning printing (African prints) company, using imported fabrics.

### **Benin Trip:**

The apparel team visited three government institutions:

- **Chambre de Commerce and Ministère de l’Industrie et du Commerce** – The team held a combined meeting with these two institutions during which various apparel industry interventions were discussed particularly the need to focus on the upcoming lead firm (ANC) and provide the necessary support<sup>7</sup> for the company to achieve its potential. After this meeting, Abou Fall of the Trade Hub made a presentation on AGOA certification and processes to the meeting participants.
- **ABePEC** (Export Promotion Agency), where the need was stressed to re-assess the country’s limited support to cotton growing and ginning, at the expense of the apparel industry.

The team visited three apparel organizations:

- **Africa New Confection (ANC)**, whose (expatriate) technical staff will be installing 250 modern industrial sewing machines with complete specialized equipment. Currently another senior expatriate staff is training local personnel staff who will in turn train local staff on operating the sewing machine in 2015.
  - The company has a CAD/CAM pattern plotter that will considerably check fabric waste in the cutting room. ANC also has multi-head embroidery equipment.
  - The AVCA suggested that ANC solicit assistance, particularly training subsidy from government institutions.

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<sup>7</sup> Access to soft loans for machinery and working capital, as well as a possible training subsidy, until the lead firm is in a position to produce quality garments consistently in the volumes required by US buyers (4 to 6 months).

- The AVCA was provided with three shirt samples of what ANC had produced during the training of the trainers, which have been handed over to the Trade Hub Communication's Manager for display at the Trade Hub for buyer visits<sup>8</sup>.
- **Lolo Andoche**, a small Atelier struggling with access to finance to expand (additional machines and factory space). The owner is now concentrating on increasing local and regional (Nigeria) demand for men's shirts and ladies' dresses and blouses. The AVCA was provided with three fabric samples to test for fiber content/composition.
- **Gretta Luce** is training rural girls who have not sewn before in mass production skills and is awaiting finance to expand and occupy a proper factory space.

The team also debriefed the Mission Director of USAID. A major point of discussion was the setup of a "commercial" garment factory. The Mission Director provided the apparel team with more insight into the politics surrounding the industry and government institutions, in particular the merger of the Export Promotion Agency and the Investment Agency.

## 1.2 OUTCOMES

- Three companies in Cote d'Ivoire were identified as having potential to become export-ready manufacturers: O'sey, Michele Yakice and Pur Coton. In Benin, one company (ANC) will be in a position to start receiving orders from US buyers after training.
- The Trade Hub apparel team was requested to provide apparel industry-specific strategies to be incorporated in two countries' National Export Strategies (Cote d'Ivoire).
- The AVCA will forward the fabric samples provided by Lolo Andoche to a RSA textile mill to test its fiber composition (whether it is 100% synthetic polyester or polycotton blend)
- The Trade Hub was given samples of shirts that ANC will be producing for export for display at the Trade Hub offices
- The Trade Hub AVCS has, through a factory tour, familiarized himself with some of the key textile processes (circular/weft fabric knitting, Jet and Winch dyeing and electronic carousel printing)
- The team will undertake periodic follow ups to a number of the companies identified as having potential for export.
- Additional semi-vertical fabric and garment manufacturers in Cote d'Ivoire were also identified
- The Trade Hub's Apparel Team helped to increase cohesion and establish sound expectations between MOTI and all apparel value chain stakeholders
- The AVCA and AVCS finalized the STTA plan for the apparel value chain during the rest of fiscal year 15, including LOE and number of trips to the region

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<sup>8</sup> The AVCA subsequently suggested that the AVCS obtain a small number of samples of what current garment exporters are producing for the US market for display at the Trade Hub.

- The FAF (Finance Access Facilitators) in Cote d'Ivoire and Ghana were briefed on the companies they were considering for access to finance
- A debriefing was held with the Trade Hub COP, Team Leader, Global Value Chain Coordinator, the Apparel Team, USAID Mission Director and US Embassy staff.

## 2. ANALYSIS AND RECOMMENDATION

### 2.1 GHANA

- The Trade Hub AVCA became acquainted with the conflict between Dignity DTRT Apparel Joint Venture and Sleek Garment Exports. The conflict was confirmed by the Minister of Trade & Industry. COTVET approved the training grant, but EDAIF still needs to approve and release the promised soft loan for additional equipment
- Although the Trade Hub has been instrumental in planning MOTI's Apparel Industry Gap/Needs Analysis and Apparel workplan for 2015 to 2017, there is a need for continued dialogue and follow up with MOTI to ensure implementation of some of the more critical issues - such as factory shell availability for both DTRT and 1888 to enable the companies to expand and operate efficiently.
- With the new apparel association registered and executives elected, the apparel team will follow up on meetings and participation (11 of 14 companies are members). The Trade Hub will also continue to make its conference room available for meetings and encourage AGAM to set up a Secretariat. MOTI has offered to help in finding sources of funding for a permanent Executive Secretary for the Association.
- Association members have been slow to finalize their Company Profiles. Members need to be encouraged to fast track the process given the importance of the profiles to the Trade Hub. The AVCS will actively ensure that all the companies tender profiles.

### 2.2 COTE D'IVOIRE

- The Chamber of Commerce and Industry, Chamber of Professionals and the Ministry of Industry and Commerce do not know the difference between artisanal/atelier apparel manufacturing and mass production for exports. Companies that are ready to move into mass production are not given the required assistance by government. The Export Promotion Agency is ignorant of the structure of the apparel industry and is thus unaware that Cote d'Ivoire has a number of semi-vertical commercial textile and garment manufacturers who are unable to export due to lack of infrastructure and financial impediments. There are plans to link these fabric knitters to spinning mills in the region, particularly Mali and Burkina Faso and also inform garment manufacturers in the region that knit fabrics can be sourced from Cote d'Ivoire. This will foster regional trade.
- The inefficient use of artisanal/atelier techniques - a tailor producing the entire garment rather than in a more efficient and productive production line - needs to be addressed. The artisanal techniques restrict the productivity needed to compete in global markets.
- The ITC and UNIDO training programs for the apparel industry have had very little impact

because of this “tailoring mentality” and unwillingness by many artisanal/atelier producers to change production techniques<sup>9</sup>. Most of the training was done in-house and these companies do not have the space for a full mass commercial garment production line.

- There are three companies who with technical assistance and some assistance from government, could progress to larger commercial garment producers and exporters. These companies will export to the regional market initially. The Chamber of Commerce and Ministry of Industry and Commerce have been briefed on these possibilities and have requested an Apparel Industry Strategy from the Trade Hub<sup>10</sup>. The strategy would be incorporated into their National Export Strategy. The Trade Hub needs to decide whether to provide this assistance.
- The apparel team will need to regularly follow up with the three identified companies that have the ability to progress into commercial manufacturers and assist them to be export-ready status.

## 2.3 BENIN

- Benin’s apparel industry is not any different from that of Cote d’Ivoire. Most of the companies producing apparel are artisanal/ateliers and have plans to go into mass production with the necessary finance and factory shell assistance. However, there is one company, ANC that has purchased 250 machines, a new factory building, and has had some senior experts set up the factory layout and trained a group of 30 machine operators. These machine operators will in turn train other people to man the machines. The company will, however, require some assistance from the government (training subsidy) to train its 350 employees. ANC need not use expensive fabrics for training the employees. They could do the training with B/2<sup>nd</sup> grade fabrics. As a result, ANC will be put in contact with DTRT since the latter have excess B/2<sup>nd</sup> grade fabrics up for sale at discount prices.
- The ABePEC Director admitted that government supports the cotton industry more than the apparel industry. The USAID Mission Director also informed the apparel team that the ABePEC Director has been made redundant in the wake of the merger between the Investment Promotion Agency and the Export Promotion Agency.
- The Trade Hub was also requested by the Benin institutions to draft an apparel industry strategy to be incorporated into their national export strategy.

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<sup>9</sup> With a better understanding of the structure of the apparel industry, the Chamber of Commerce and Industry and their Export Promotion Agency could have requested one of the commercial mass production semi-vertical garment manufacturers, such as Seritex, to make one of the production lines available for training.

<sup>10</sup> This will require additional man-days that may contractually not be available in the time they would like to see the strategy.

# 3. FOLLOW UP

## 3.1 UPCOMING ACTIVITIES

- AVCS will contact all the garment companies vis-à-vis the association's next meeting and will request feedback from the MOTI Validation meeting from AGAM representatives.
- AVCS will continue to follow up with companies that have not completed and submitted their company Profiles.
- AVCA will forward the fabric samples provided by Lolo Andoche for fibre composition analysis by a textile mill in South Africa.
- The apparel team will email all institutions and companies met on the trip with a thank you note and requests for other information.
- The apparel team will inform the fabric knitting companies in Cote d'Ivoire of regional yarn sources in Mali and Burkina Faso. On the other hand, knit garment manufacturers in the region will also be informed of knit fabric sourcing opportunities in Cote d'Ivoire.
- The AVCA has been requested by APEX-CI to provide the cost (raw materials, salaries and wages, finance cost, etc.) of setting up a factory in Ghana. Since companies concerned already have this information, the AVCA will rather provide an industry-wide average costing ratio for garment manufacturers.
- The apparel team will continue to liaise with the companies that show potential in Benin and Cote d'Ivoire and also with ANC and provide the necessary assistance.
- DTRT has requested the AVCA to identify companies that could produce knit garments for regional sales on their behalf and distributors who could sell bulk knit garment in large volumes in the region. The fabrics are B grade and are of varying shades and could be used for training sewing machine operators. A company in Ghana (Rim-Artex) has already been linked with DTRT. These dry mesh knit fabrics could also be sold to ANC in Benin for their training purposes. ANC has machines to produce knit garments as well. The apparel team will make inquiries for large volume distributors.
- The AVCA will review the last three months of activities and assist the AVCS in writing the Quarterly report on the Apparel Value Chain.
- AGAM executives will be encouraged to meet with MOTI's Technical Advisor on Exports to solicit funding for establishing the association's Secretariat and also recruiting an independent Executive Manager.
- The Trade Hub should consider whether to assist Cote d'Ivoire and Benin with sector strategies, and move forward as appropriate.

# ANNEX A: MEETINGS AND CONTACTS

**Table I: Contacts in Cote d'Ivoire**

Institution/Apparel Companies	Contact Person	Position	Telephone	Email
Ministry of Trade	Mamadou Traore		(225) 05 06 62 91 / 20 21 95 64	<a href="mailto:traoredesananf@yahoo.fr">traoredesananf@yahoo.fr</a>
Chamber of Commerce	Germain Yao	Director of Studies & Economic Information	(225) 05 09 47 07	<a href="mailto:germainyao@cci.ci">germainyao@cci.ci</a>
Chamber of Commerce	Charles Guigui	Business Intelligence Officer	(225) 02 86 96 52	<a href="mailto:charlesguigui@cci.ci">charlesguigui@cci.ci</a>
Chambre de Metiers	Christophe Koueyou	Special Advisor to the President	(225) 02 00 32 60 / 22 41 47 38	<a href="mailto:koueyouchristophe@yahoo.fr">koueyouchristophe@yahoo.fr</a>
APEX-Ci	Patricia Drogon	Trade Information & Capacity Building Officer	(225) 02 63 84 99 / 08 48 07 31	<a href="mailto:d_patricia@apex-ci.org">d_patricia@apex-ci.org</a> / <a href="mailto:lagrise1@yahoo.fr">lagrise1@yahoo.fr</a>
	Euloge Camara	AGOA Resource Center Coordinator	(225) 07 84 78 20 / 20 30 25 30	<a href="mailto:camaraeuloge@yahoo.fr">camaraeuloge@yahoo.fr</a>
O'Sey	Phillipe Kouame	General Manager/Owner	(225) 07 62 72 23 / 07 59 38 15	<a href="mailto:oseycollections@yahoo.fr">oseycollections@yahoo.fr</a>
Ciss st Moise	Moussa Cisse	Director General		<a href="mailto:Ciss.stmoise@yahoo.fr">Ciss.stmoise@yahoo.fr</a>
Pathe 'O	Patheo Ouedraogo	General Manager/Owner	(225) 21 24 00 96 / 07 07 53 87	<a href="mailto:patheo@patheo.fr">patheo@patheo.fr</a>
Michele Yakice	Alice Yapo	Owner	(225) 07 64 36 47 / 05 04 73 24	<a href="mailto:Micheleyakice28@gmail.com">Micheleyakice28@gmail.com</a>
Seritex	Badreddine Imad	Manager	(225) 07 03 76 20 / 21 56 36 36	<a href="mailto:i.badreddine@seritex.ci">i.badreddine@seritex.ci</a>
Seritex	Akpo Marie Paule	Administrative Secretary/Human Resource	(225) 57 29 76 67 / 21 56 35 35	<a href="mailto:mp.akpo@seritex.ci">mp.akpo@seritex.ci</a>
Pur Cotton	Issouf Fadiga	Manager/Owner	(225) 09 11 04 69 / 21 31 26 35	<a href="mailto:pur_cotton@yahoo.fr">pur_cotton@yahoo.fr</a>
Sarl KHM	Ahmad Mroue Khalil	Manager	(225) 08 16 04 63 / 66 12 53 10	<a href="mailto:mr.khalil@hotmail.fr">mr.khalil@hotmail.fr</a>
Conseil-Finances & Services (CFS) - FAF	Jean-Guy Biley		(225) 01 45 90 50 / 07 01 88 14	<a href="mailto:bileyig@gmail.com">bileyig@gmail.com</a> / <a href="mailto:bileyig@hotmail.com">bileyig@hotmail.com</a>
FAF	Guillaume Liby		(225) 07 19 74 19	<a href="mailto:libyguillaume@gmail.com">libyguillaume@gmail.com</a>

**Table 2: Contacts in Benin**

Institution/Apparel Companies	Contact Person	Position	Telephone	Email
Trade Promotion Agency	Robert Akinde	Director General	(229) 97 89 56 56 / 95 34 44 74	<a href="mailto:rakinde@yahoo.fr">rakinde@yahoo.fr</a>
Trade Promotion Agency	Octave Dossa	Deputy Director General	(229) 97 37 27 60 / 95 79 69 96	<a href="mailto:Doctave2012@gmail.com">Doctave2012@gmail.com</a> / <a href="mailto:doctave1965@yahoo.fr">doctave1965@yahoo.fr</a>
Trade Promotion Agency	Remy Sohou	Director, Research & Trade Promotion	(229) 95 95 61 14 / 96 68 82 11	<a href="mailto:sohouremy@yahoo.fr">sohouremy@yahoo.fr</a>
Ministry of Industry, Trade & SMEs	Eustache Pomalegni	Head, Trade Relations & Regulations	(229) 21 14 19 02 / 95 85 71 98	<a href="mailto:pomaltache@yahoo.fr">pomaltache@yahoo.fr</a>
Chamber of Commerce	Razak Yessoufou			<a href="mailto:razacky@yahoo.fr">razacky@yahoo.fr</a>
Africa New Confection (ANC)	Isidore Kouton	General Manager	(229) 95 96 17 37	<a href="mailto:anc.confection@gmail.com">anc.confection@gmail.com</a>
Gretta Luce	Gretta Luce Gangbo	Owner	(229) 21 31 21 23 / 95 36 99 93 / 67 56 46 10	<a href="mailto:grettaluce@gmail.com">grettaluce@gmail.com</a>
Lolo Andoche	Charlemagne Amouso	Owner	(229) 97 33 79 79 / 95 79 63 20	<a href="mailto:loloandoche@yahoo.fr">loloandoche@yahoo.fr</a>
USAID	Kevin Armstrong	Mission Director	(229) 97 97 10 75 / 21 30 17 92	<a href="mailto:karmstrong@usaid.com">karmstrong@usaid.com</a>

**Table 3: Contacts in Ghana**

Institution/Apparel Companies	Contact Person	Position	Telephone	Email
Ministry of Trade & Industry	Gerald Nyarko-Mensa	Technical Advisor, Export Trade Development	(233) 244 818 734	<a href="mailto:gnmensa@gmail.com">gnmensa@gmail.com</a>
SAE-A	Lon Garwood	Sr. Advisor	+1 718 577 129 / 010 6638 1969	<a href="mailto:longarwood@sae-a.com">longarwood@sae-a.com</a>
Blacklvy	Brian Welters	Analyst	(233) 502 316 625	<a href="mailto:bwelters@blackivygroup.com">bwelters@blackivygroup.com</a>
Rim Artex	Karim Issaka	CEO/Head Designer	(233) 207 111 655	<a href="mailto:rimartex@yahoo.com">rimartex@yahoo.com</a>
DTRT Apparel	Marc Hansult		+ 1 858 342 4338	<a href="mailto:marc@dtrtapparel.com">marc@dtrtapparel.com</a>
Growth Mosaic - FAF	Wayne Miranda	CEO	(233) 240 994 967	<a href="mailto:wayne@growthmosaic.com">wayne@growthmosaic.com</a>
Association of Ghanaian Apparel Manufacturers				

# ANNEX B: AGAM POWERPOINT PRESENTATION FOR MOTI STAKEHOLDERS MEETING

**DATE: NOVEMBER 19, 2014**

**SUBJECT: AGAM (ASSOCIATION OF GHANA APPAREL MANUFACTURERS) PP PRESENTATION**

**PREPARED FOR: MOTI STAKEHOLDERS MEETING APPAREL GAP/NEEDS ANALYSIS AND EXPORT WORKPLAN 2015-2017**

**PREPARED BY:** AGAM and edited by Trade Hub Apparel Team

## **Association of Ghana Apparel Manufacturers**

### **THE APPAREL INDUSTRY- GHANA**

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There are currently only **TWO** mass production apparel companies that are consistently operating and exporting under AGOA

## THE APPAREL INDUSTRY- GHANA cont'd

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### **DTRT APPAREL LTD & LUCKY 1888 MILLS.**

The other 14 apparel factories in Ghana are barely surviving on a day-to-day basis producing almost exclusively for the domestic (or West African) market with few exceptions.

However Ghana has the potential to become the **apparel export powerhouse of West Africa. This can be best assured by supporting fully, the two current industry leading firms in Ghana, 1888 Lucky Mills and DTRT Apparel Ltd. Support for leading firms has been shown around the world as the proven way to grow an apparel industry, and bring in Foreign Direct Investment.**

**DTRT Apparel Ltd and Lucky 1888 Mills are also fully supporting the new Association of Ghana Apparel Manufacturers.**

## The Global Apparel Industry –what buyers are looking for

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- The Global Apparel industry is currently going through a major shift because of changed economic realities in the traditionally largest apparel manufacturing regions - China is getting too expensive and other Asian countries cannot absorb what buyers are moving out of China.
- This is the biggest opportunity to put the Ghana apparel export industry on the map!

## The Global Apparel Industry –what buyers are looking for cont’d

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- Buyers are looking to realign their sourcing network with changing economic realities in Asia
- They are looking for strategic partners that understand their need for long-term, competitive, value-added manufacturing services, including:
  - fully packaged goods solutions
  - competitive pricing (utilizing free trade agreements for duty advantages)
  - on time delivery of quality product
  - Integrated development support
  - Sharing their culture of sustainability (treating people and the planet right!)

## The Global Apparel Industry –Cont.

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- Apparel manufacturing is very labor intensive and therefore offers immense employment opportunity
  - Operators can be hired and trained quickly, even without any previous experience
  - Thousands can be employed in a short period...more quickly than in any other industry
  - Very high % of women employees...upwards of 80%
  - In addition to the direct employment in the factory, there is a huge indirect job creation opportunity: Dignity/DTRT and 1888 are already buying cartons, lunches, DHL, shipping, printing/embroidery, etc.

## WHY GHANA?

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- ❑ Political Stability/Democratic credence
- ❑ Affordable/Available labor
- ❑ Proximity to port and the US market
- ❑ AGOA Eligibility
- ❑ Untapped opportunity – Exported \$2.8m worth to the US in 2012 whilst Lesotho, a landlocked country with a population 2.2m exported \$301m. Kenya exported \$254 million worth whilst Mauritius earned \$163 million.

## Dignity/DTRT & Lucky 1888 Mills- our Competitive Advantage

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- The unique partnership between Dignity and DTRT results in a company unlike any other in Ghana's apparel industry.
- DTRT Management has many years of experience and a proven track record of servicing global brands from Africa
  - The requisite expertise to manage and bring out factory efficiency and to train local machinists and staff.
  - DTRT brings a well established global sales network
  - Consistent orders of product and categories that fit the Ghana manufacturing capabilities
  - Previous success in Madagascar, Mauritius, Tanzania

## Our Competitive Advantage-cont.

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- Through the partnership, DIGNITY/DTRT is able to offer the best of both worlds to our customers:
  - Keen understanding of both the US/EU apparel market and the needs of global brands
  - Fully integrated services from design to finished product
  - Low cost development and sourcing of materials from Asia
  - Duty free cut and sew in Ghana

## Current Status

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.The factory employs about 800 workers and recruiting to reach 1080 by December 2014

.Its first trial order of 28,800 units was shipped to the USA on the 12<sup>th</sup> of August 2014

.It has just started an order of 500,000 pieces to be delivered between October and December 2014

. An amount of US\$1 million has been spent so far for the training of machinists and acquisition of Machinery to ensure that the training programme is on course.

.A second facility to be used as a training centre and fabric storage has been leased to the JV partners, DTRT Limited since march 2014. However, the Ministry of Trade has not handed over the premises yet .

## Current Status – cont.

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- DTRT is placing monthly orders for two programs for the US market
  - Monthly output from Dec 2014 onward of 400,000 units representing > \$10 million annual export value
  - Monthly output from Dec 2015 of 1,000,000 units representing > \$40 million annual export value
  - Monthly output from Dec 2016 of 2,000,000 units representing almost \$100 million annual export value

## Current Status - Continued

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- To service these programs, the factory expects to employ over 1,000 workers by Dec 2014
  - Workforce to grow to 2,000 workers by Dec 2015
  - Workforce to grow to 3,000 workers by Dec 2016
  - DTRT has brought in a team of 27 experienced expats from Mauritius, Madagascar, Philippines, India, Sri Lanka, and Bangladesh to set up the facility and train local operators and middle management

## Long Term Goals

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- Continue the expansion of Dignity/DTRT facilities and drive growth to 5000 employees within the next 5 years
- Become a leader in sustainability through our DTRT standard
- Help establish Ghana as viable option for the global apparel manufacturing industry and bring well known global brands to Ghana

## Long Term Goals – cont.

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- Set up a fabric knitting and finishing plant in Ghana for our “waterless” dyeing fabrics in a facility run with solar that can supply specialized fabric to the entire West African region
- Support the establishment of a thriving apparel industry with many more CMT factories and subcontracting options

## Lucky 1888 Mills

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- Joint venture between Lucky Textile Mills Limited, Pakistan and 1888 Mills LLC, USA.
- 1888 has access to own fabric mills thus actually vertical operation

**Product Line:** Scrubs & Lab coats

**Current production capacity:** 250,000 pieces per month

**Total number of machines:** 427

**Number of machines operational:** 300

**Staff Strength:** 452

## Lucky 1888 Mills

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- Lucky 1888, exporting 200,000 units per month for the last two years, but with capacity to do 350,000 to 400,000 units per month.

**Projections for next year**

**Capacity:** 250,000 pieces per month (but space constraints for higher levels of production)

**Staff Strength:** 560

**Turnover:** USD 6Million

In addition to the direct employment in the factory, there is a huge indirect job creation opportunity: buying cartons, DHL, shipping, Transport (Sometimes 5 buses at a time), etc.

## Our needs to make our vision come true - medium term – Challenges /Recommendations

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- energy issues in the Accra Garment EPZ enclave and water availability issues in both Tema and Accra enclaves that need to be urgently addressed by MOTI and its Government department apparel value chain stakeholders.
- Significantly More adequate Factory Space - likely outside Accra - with plenty of room to expand and attract other investors. DTRT alone needs about 250,000 sq ft in the long term
- Options to reduce EDAIF and COTVET procedures/bureaucracy for a quick turn around.
- Need a fast track service to cut down on bureaucracy

## Recommendations cont'd

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- A tax break for companies to drill for boreholes to solve water issues ?
- Energy issues – accelerated depreciation of generator (say 3 years?).
- Support DTRT's Training Centre for a period of 4 to 6 months to pay the company 1.5 x the wages paid to trainees (as done by some of the other African countries), for each batch of trainees. DTRT (100 machines) is the only facility where sewing machine operators can learn the various sewing skills needed to meet mass volume international buyer orders. Dignity DTRT and DTRT Apparel US management will make this unique facility available to train workers for other apparel manufacturers in Ghana
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## Recommendations cont'd

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- Evaluate which factory shells that could be made available for occupation immediately for both DTRT Apparel and Lucky 1888 and what additional factory shells could fairly rapidly be made available for prospective garment manufacturers evaluating Ghana as potential manufacturing base
- The factory buildings in both Tema and Accra look dilapidated and are in need of maintenance. The tarred access roads are also full of pot-holes. Government support needed as bad image for potential investors and buyers

## Recommendations cont'd

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- Supporting the two lead firms and looking after their every need is going to see them become strong advocates of encouraging other factories (and buyers) to come to Ghana. There is nothing worse than a potential investor being told that “GoG will do everything possible for you to invest, but once invested you are on your own”. This Aftercare Service is a critical part of sustaining investments going forward. This should be a dedicated division, either within the Investment Promotion Authority, Free Zone Board or directly under MOTI having the mandate to act with urgency and the authority to get things done across various bodies...more action, less bureaucracy

## CONCLUSION

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Ghana has paid dearly for the lack of knowledge of the world apparel Industry and the wrong approach in trying to take advantage of the immense opportunities it presents. It is even much more costly if we do not bounce back as we are now better positioned than ever. Lack of knowledge is still the problem. Here comes the initial solution: Actively and timeously support Dignity DTRT and Lucky 1888 to expand, employ more people and put the Ghana apparel industry on the map.

We present Ghana's best chance ever, and probably the Last.

FACT: A month ago the Rwandan government supported a wholly owned foreign company with \$20million to set up a factory in Rwanda.

Soon, the world will begin to see what Ghana and Africa has to offer.

**ITS OUR TIME !!!**

**THANK YOU.**