



African Cotton & Textile
Industries Federation

ACTIF Newsletter

ACTIF Board Approves Continental Body's Strategic Plan

MARCH 2011

ACTIF now has a four-year strategic plan that is expected to guide it during its next phase of growth. The plan was endorsed by the ACTIF board during its meeting in Mauritius held ahead of the Origin Africa Event.

The 2010-2014 Strategic and Operating Plan was developed with the help of Uganda's Mr Edgar Kamar with funding from the Business Advocacy Fund (BAF) during the second half of 2010.



ACTIF board members and some observers pose for a group photo following the board meeting held on 16th March 2011 in Mauritius

The proposed mission in the plan is "to develop and successfully deliver services that enhance our membership's competitiveness in the world market" while the vision is to have "an integrated cotton, textile and apparel industry that effectively competes on the world market."

The strategic plan is mainly aligned with the regional COMESA CTA Strategy to which ACTIF was a key contributor. The choice of strategic priorities was informed by the

current configuration of the institution. The priorities seek to add value to member associations and companies in the areas of market linkages, productivity and quality, risk management and trade policy. Accordingly, the strategic priorities proposed are aligned to the four areas. These strategic priorities will enable ACTIF to narrow its focus on the delivery of those services that are demanded by members and stakeholders and

which it is best-placed to deliver, given its resources and structural configuration.

The plan aims to focus on strengthening market linkages through collection, synthesis and dissemination of information and provision of business-to-business platforms necessary to forge market linkages across the sector.

The provision of market information will be expected to enhance market linkages, product development and value-addition within the CTA sector. The organization will be expected to leverage its membership

across the 19 countries to obtain and synthesize primary production data at little or no cost. The secretariat will now be tasked to identify and catalog free information sources. Subscription to industry publications will also be made to provide depth of analysis to the information that will be disseminated.

Online tools will be the predominant mode of dissemination and will take the form of e-newsletters and reports. Further effort will

be made to deliver information on a cost-recovery mode at the start and eventually to build in a margin. To that end, market insight reports will be prepared using the vast information available and sold to generate income. Such reports will analyse conceptual connections between the dynamics inside and outside of the industry.

The second strategic priority will be to drive productivity improvements through provision of training around ginning, textile and apparel segments of the CTA value chain.

The strategic direction is for ACTIF to leverage its regional reach and resource mobilization experience to win grants to undertake several activities around productivity and quality improvement. These include developing a training programme for technical personnel in the areas of shop floor management and quality control within the segments of textiles and apparel.

The training programme will sensitize and give practical guidance to technical managers with regard to best practices in shop floor management and quality control. Training manuals will also be developed and training of trainers undertaken to build the capacity of member associations who will, in turn arrange training for their individual members. Handbooks on shop floor management and quality control will also be published and distributed to member associations for onward transmission to the membership.

The third strategic priority will focus on providing training to enhance risk-management in the CTA sectors considering that cotton business, like most agricultural commodities, faces risk in the form of variable weather conditions and price volatility.

ACTIF will engage agencies that have specialist knowledge in hedging against price volatility in agricultural commodities such as the World Bank's Commodity Risk Management (CRM) Group to customize and disseminate available information on approaches to price risk management. Beyond information dissemination, training on practical application of risk management tools could be undertaken.

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Textile and apparel industry can become more competitive by adopting a number of different business models to grow their businesses and differentiate their products in the market place.

According to Textiles Intelligence, a leading provider of business information on the global fibre, textile and apparel industries, companies should regularly review their business models, seek and develop business models which differentiate their offering, and evaluate their use of technology and information systems.

Key elements to consider when building a new business model or evolving an existing one include outsourcing production; sourcing strategically or opportunistically; increasing the number of collections in a year and having shorter product life cycles. Others are extending the brand; expanding into retail; multichannel selling; offering fast fashion; vertical integration; increasing control of the supply chain and agility in reacting to changes; multi-sourcing; and building customer intimacy.

The need for greater focus on innovative business models has been brought to the fore by the emergence of low cost manufacturing locations and economic pressures, which have made manufacturing in Western countries less viable with more and more companies turning to outsourcing and brand development as strategies for survival and growth.

However, with strict delivery dates, high production volumes and low margins, this "new business model" has also brought with it a number of challenges. For manufacturers, strict delivery dates, high production volumes and low margins make effective resource utilisation critical. Brand owners who outsource production are dependent upon their suppliers to deliver the right product, at the right time and to the right quality standards.

Retailers—who tend to hold the bargaining power—are developing their own private brands and moving back up the supply chain. As they do so, they are finding that the complexity they have to manage is increasing. Furthermore, in Western economies,

most textile and apparel markets are fairly saturated, so it is a challenge for retailers and brand owners to grow their market share. In many Asian countries, by contrast, consumer markets are continuing to grow, and in many cases they are growing rapidly.

Article developed from issue no#146 of Textile Outlook International published in August 2010

Origin Africa Trade show event was successfully held on 16th - 18th March 2011 in Mauritius. The Fiber to Fashion event highlighted the creativity and innovation of the African cotton, textile and clothing industries, and raised the profile of the continent as a source of supply of cotton, textile products, fabrics and clothing. The event featured A Platform for Business; Inspiration, Innovation & Technology; Pan-African Graphic Design Show; Origin Africa Designer Showcase; Below are some of the pictures from the fashion event. A full feature on the event will be included in the next issue.



Showcase by Samson Ssenkaaba of Uganda (Professional Category)



Showcase by Ejiro Amos-Tafiri of Nigeria (Professional Category)



Showcase by Mustafa Hassanali of Tanzania (Professional Category)



Showcase by Quattuur Desingers, Mauritius (Student Category)

Intertek Mauritius selected to conduct a supply side analysis in Kenya, Uganda, Tanzania & Sudan

ACTIF is pleased to announce the appointment of Intertek Mauritius as the lead consulting firm to conduct a supply side analysis for the cotton value chain in four Eastern African countries, namely Kenya, Uganda, Tanzania & Ethiopia. The value of the project is about € 80,000 including a direct contribution of about € 50,000 from our main sponsor, the Center for Development of Enterprise (CDE).

The primary objective of the study is to profile the cotton textile and apparel sectors of the Eastern Africa region.

of over 75 billion Euros.

Intertek Mauritius emerged the winner after going through a lengthy and competitive bidding process conducted by ACTIF along the guidelines of CDE.

Among the differentiators offered by Intertek Mauritius include its commitment to provide additional value by delivering strategic inputs from a fact based analysis in addition to presenting the current industry analysis.

Key questions to be answered include:

ing assessments.

As a global leader in textile testing, Intertek facilitates customers' quick responses to ever changing regulations with over 27,000 experts in over 1000 offices and laboratories in over 100 countries across the globe.

Intertek will be working with their external consultants, Wazir Advisors. Wazir Advisors is a management consulting firm based out of India that advises clients globally on business strategies, mergers and acquisitions, joint ventures, funding and investments.

Wazir is focused on the consumer-centric segments of Textile & Fashion, Food & FMCG, Education, Health & Wellness, Consumer Durables, among others. Wazir assists its clients in developing winning business strategies and implementing them successfully, end to end. Wazir's team consists of seasoned professionals with a background in consulting, engineering, research, financial services, operations, and so on. Within the textile segment, the team members have successfully delivered a vast range of assignments for leading private and public organizations across the globe.

The contract between ACTIF and Intertek was officially signed on 18th March 2011 in Mauritius during the Origin Africa Trade show event. Speaking after the signing ceremony, the Regional Director of Intertek CG Africa & Middle East, Mr. Amrut Desai, stated that

Intertek was proud to be associated with ACTIF in carrying out the supply side analysis covering Kenya, Uganda, Tanzania and Sudan. He further underlined Intertek's commitment to deliver the contracted services as per the contractual terms and specifications and to the fullest satisfaction of all stakeholders concerned.

The supply side analysis is expected to commence in April 2011 and be completed within a period of 4 months. As part of their terms of reference, the lead firm will be expected to work with local consultants to be identified by ACTIF and its members in each of the four countries. This is expected to enhance the capacity of ACTIF and membership in updating the reports in the future in order to keep the information as current as possible.

ACTIF has also submitted proposals to CDE and other funding partners with an intention of conducting similar studies in all its member countries across the continent.

More information on Intertek, please contact: Amrut.Desai Regional Director, Intertek CG Africa & Middle East at amrut.desai@intertek.com Mobile: 91-9972655655 web: www.intertek.com



ACTIF ED, Mr. Rajeev Arora with Mrs. Oummé Ramjaun, the GM, Intertek Consumer Goods Mauritius & Madagascar, during the formal endorsement of the contract between ACTIF & Intertek in Mauritius on 18th March 2011. Witnessing at the signing ceremony was Mrs. Dannielle Wong, the Vice Chair of ACTIF Board along with other board members and some Intertek representatives

The study is expected to among others, provide a source of information for buyer/seller matchmaking to grow exports and encourage regional integration; monitor growth (exports/employment trends); identify potential regional strengths (product emphasis) and weaknesses; identify gaps in institutional structures and communication channels; provide a base for encouraging optimum use of existing R&D and training facilities within the region and explore the status and potential for each country to explore niche segments in the EU market through Fairtrade & bio (organic) cotton or equitable cotton production.

The information is expected to offer vital input for ACTIF and its members for enhancing the sectors competitiveness as well as formulate the necessary strategies for increasing CTA sector exports into the EU market. Currently the Eastern Africa region's share of CTA exports into the EU market is negligible against a total share

Which EU markets should be targeted for individual product types? Which niche segments within the EU market can be targeted effectively? What steps are required to increase the trade by industry? What steps are required to increase the trade by government and other institutions? What are the possible ways of addressing short comings of the existing suppliers? What are the lessons from major textile and apparel exporters of the world?

For over a century now, Intertek has been partnering with global retailers, manufacturers, and distributors to enhance clients' products, processes, and brands. Its services support customers in setting, meeting, maintaining and evolving quality, safety and performance standards. As global legislation on product safety, environmental, ethical, and trade security issues increase, Intertek offers strategic supply chain security and corporate social responsibility programs as well as ethical sourc-

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The fourth strategic priority will be to promote the competitiveness of the sector through representation of private sector perspectives on trade policies at the regional and international level.

To promote the competitiveness of the sector through advocating for relevant changes in regional trade policies, the ACTIF secretariat would need to utilize in-house expertise and external resources to among others, identify trade policy constraints through research; undertake impact simulations; publicise findings; propose policy alternatives and participate in policy discussion fora.

ACTIF would also need to exploit its regional reach to bring a regional dimension to trade policy and work in concert with regional integration agencies such as COMESA and EAC to foster the adoption of progressive policies.

In addition, the organization would need to provide leadership in representing private sector perspectives of the sector at both regional and international level. To the extent possible, funding would be needed to undertake research and publicise findings.

ACTIF will now move to the next stage of developing a business plan and the recommendation has been shared with donor partners for consideration.

Board members present at the meeting included the Deputy Chairman, Ms. Danielle Wong, the acting chair of the meeting, Mr. Mukesh Gopal (Mauritius Export Association-MEXA), Mr. Robin Jarvis (National Cotton Council of Zimbabwe), Mr. John Hargreaves (GEFP), Board Treasurer, Mr. Kassaye Mekuria (Ethiopian Textile and Garment Manufacturers Association - ETGAMA) and Mr. Jack Kipling (South African Export Council for the Clothing Industry).

Also in attendance as observers were Mr. Rajeev Arora, Executive Director, ACTIF, Mr. Edgar Kamara, Consultant, Mr. Chris Donohue (USAID -COMPETE) and Mr. Fred Kong'ong'o, Program Manager, COMESA.



Mr. Jaswinder Bedi

ACTIF is proud to announce that its chairman, Mr. Jaswinder Bedi, has been appointed a Director of the East African Business Council (EABC). The appointment was

announced at the EABC Annual General Meeting held in Bujumbura, Burundi, on February, 25 2011. Mr. Bedi is also the current chairman of the Kenya Association of Manufacturers. On behalf of all its members, ACTIF would like to congratulate Mr. Bedi for this distinguished appointment and wishes him well as he continues to play a leading role in shaping development policy on the regional and international fronts.

Review of Implementation Plans in Support of the COMESA Cotton-to-Clothing Strategy



COMESA CTA Implementation Committee meeting in Mauritius

A special review meeting in support of the COMESA Cotton to Clothing regional strategy was held in on March 15th, 2011 in Mauritius. Those in attendance included Chirs Donohue (USAID -COMPETE), Rajeev Arora, Lilowtee Rajmun & Joseph Nkole (ACTIF), Fred Kong'og'o (COMESA), Matthias Knappe (ITC) and Edgar Kamara (ACTIF consultant). The meeting was led by Chris of USAID COMPETE with the objectives of reviewing the work that COMPETE, COMESA and ACTIF had undertaken, at the request of the COMESA Strategy Implementation Committee and developing and refining the implementation/activity plans for the narrower and more focused set of strategic priorities that the regional value chain stakeholders identified at the strategy meeting held in April 2010.

The implementation plans as presented were broken into three overarching strategic areas: Quality, Productivity Enhancement and Industry Differentiation; Market Information and Linkages and Trade Policy. Following the meeting, it was agreed that the revised detailed implementation plan would be presented at the next full meeting scheduled for May/June 2011 where the implementation plans would be presented for adoption and individual committee members would be assigned responsibility for driving implementation of specific issues and monitoring progress.

Upcoming Events

6th–8th April 2011:
4th Entretiens Textiles de l'Océan Indien (ETOI), at Carlton Hotel in Antananarivo

14th–17th June 2011:
15th International Exhibition on Textile Industry, Shanghai

04-09 September 2011:
ICAC Conference - Buenos Aires, Argentina

19-21 September 2011:
ITMF Annual Conference - Barcelona, Spain

22-29 September 2011:
ITMA 2011 Exhibition - Barcelona, Spain

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