

Role of Global Fashion System in Turbo-Charging Growth of Apparel Industry in Sub-Saharan Africa

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Abstract—Factors related to the growth of fashion and textile manufacturing in the Sub-Saharan African (SSA) countries are analyzed in this paper. Important factors associated with the growth of fashion and textile manufacturing in the SSA countries are being identified, underlined, and evaluated in this study. This research performed a SWOT analysis of the garment industries in the SSA region by exploring into various literature in the garment manufacturing and export data. SSA countries need to grow a lot in the fashion and textile manufacturing and export to come in par with the developments in the sector globally. Unlike the developing countries such as Vietnam and Bangladesh, the total export to the US, the EU and other parts of the world has declined. On the other hand, the total supply of fashion and textiles to the domestic market has been in rise. However, the local communities still need to rely on other countries to meet their demand. Import of cheaper clothes from countries like Bangladesh China and Vietnam is one of the main challenges local manufacturers are facing as it is very difficult to be competitive in pricing.

Keywords—Sub-Saharan Africa, apparel industry, sustainable fashion, developing countries, fashion, textiles.

I. INTRODUCTION

IN recent years the growth of textile and garment industry worldwide has witnessed a dramatic progress as the demand increased worldwide. This resulted in the multinational companies looking into new markets and nowadays, Sub-Saharan African (SSA) countries are becoming a growing destination for fashion and textile sourcing [1]. Fashion and footwear market in SSA is worth \$ 31 billion USD and growing. Cotton is the major raw material used by many spinning, weaving and garment industries for certain niche products. The export destinations for the cotton products of the SSA countries include the US, the European Union (EU), and other countries. Although the manufacturing of cotton textiles in competitive price is possible in the SSA countries, the volume of production is declining [2]. Many of the manufacturers express that it is rather difficult to be cost competitive compared to the manufacturers in Asia [3], [4]. The other challenge is the insufficient upstream players to supply yarn, fabrics, and trims to cater the needs of the global fashion brands.

Geographically, SSA is part of the Africa continent located fully or partially to the south of the Sahara. As per the United Nations Development Program (UNDP), 46 countries out of the 54 countries in Africa are considered as SSA excluding Algeria,

Djibouti, Egypt, Libya, Morocco, Somalia, Sudan, and Tunisia [1]. Over the last two decades, the African culture and style have influenced the global fashion trend. In the runways of many global fashion brands and in the advertisements, the number of African descent models has significantly increased [5]. It has been found that the SSA countries have a great potential to become competitive in the global fashion and textile market. Although there is a strong traditional fashion culture in SSA, poor infrastructure, lack of a strong supply chain process, lack of global fashion buyers are some of the challenges faced by the SSA countries for fashion and textile manufacturing [6].

Although there are many publications focusing on the development and growth of fashion and textile manufacturing in developing countries in Asia [7], [8], there are limited publications focusing on the SSA countries. Therefore, this study focuses on investigating the factors that influence the growth of fashion and textile manufacturing in SSA countries. This paper endeavors to identify, analyze and evaluate the critical factors associated with the growth of fashion and textile manufacturing in SSA countries. This research addresses research questions such as:

- RQ1: What are the drivers and deterrents in SSA countries as a global leader in the fashion supply chain?
- RQ2: What are the strengths and weaknesses of the Apparel Industry in Sub-Saharan Africa?

To address these research questions, this research has done a SWOT analysis based on the available literature and the knowledge of authors in garment manufacturing and export.

II. STATUS OF SSA COUNTRIES

There is a great potential for manufacturing fashion and textiles using cotton in SSA countries as cotton is a major fiber cultivated in the SSA region [6]. Products such as cotton yarn; cotton shirting and suiting fabric; and cotton knits can be produced with commercially viable price in SSA region, which can be exported to the USA, EU and other global markets [9]. Therefore, the SSA countries are focusing on the manufacturing of cotton goods as a new initiative to boost confidence in the manufacturers and attract new potential buyers and investors. In a global market where the demand for the use of organic cotton is growing, the SSA countries such as Uganda, Mauritius and Swaziland are using organic cotton to produce T-shirts and other knits for export purposes (Mbatha). Hence, the SSA

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countries can be a source for manufacturing future sustainable fashion and textiles.

The SSA markets for fashion accessories such as footwear and bags are relatively new [10]. However, there is many raw materials, cheap labor, and talented people, which can help towards the growth of the fashion accessories' industry. The SSA countries such as Ethiopia, Nigeria, Ghana, and Kenya are the leading manufacturers of fashion accessories. It has been anticipated that the fashion accessories export from SSA countries will reach \$ 1 billion USD in the next decade [10]. Ethiopia is a leading role player in fashion accessories and the country has bachelors' and masters' courses in many of its universities. Other SSA countries are also following the trend to boost the export.

The African Growth and Opportunity Act (AGOA) was introduced by the US Congress in 2000 to expand the economy, which will facilitate the export of fashion and textiles to the US [2]. The economic development of many SSA countries depends on the manufacturing of fashion and textiles, therefore, apparel business has become one of the top exporting products for these countries under AGOA. The "Third-country fabric provision" under AGOA allows US to import duty-free clothing from some SSA countries although the clothing has been produced using fibers, yarns, and fabrics from non-AGOA countries, such as Taiwan, China and South Korea [10]. This is very helpful for many of the SSA countries where there are not many industries in the upstream to supply raw materials for garment manufacturing. The growth of fashion and textiles in the SSA countries is quite low and unstable compared with the other countries in ASEAN (Association of South-East Asian nations) including Vietnam and China. In comparison with the other developing ASEAN countries, the growth rate of SSA countries is quite low.

Some of the SSA countries have very high percentage growth, whereas the others have very low growth rate. The distribution pattern is too concentrated or too diversified. Countries such as Lesotho has shown a considerable amount of textile and apparel export (about 80%) [1], whereas the countries like Kenya have shown a low amount of textile and apparel export with a very little growth from 2000.

Generally, if a country witnesses an upward economic trend, the export of its high-end fashion and textile product should accelerate. The investment of new technology and machineries should also be in rise. This rising trend is observed in countries such as China, India and Vietnam, which are within the top ten exporters of fashion and textiles [11]. On the other hand, in the SSA countries the textile and apparel export ratio has remained low. In addition, the technological advancements are also very low in these regions.

The major export destinations of SSA countries for fashion and textile exports are the US and the EU. The export of SSA countries to the US and EU is reduced recently compared to the values at the beginning of 2000. However, there is a steady rise of the consumption of fashion and textiles in the domestic market, which has grown from a mere 8% in 2000 to 42% in 2017 [10]. This might be due to growth of fashion and textiles in the developing countries such as Vietnam and Bangladesh in

addition to the stiff global competition. The import of fashion and textiles by the SSA countries from the US and the EU respectively accounts for merely 1.4% and 0.2% in 2017 [1]. The low import and stabilization of import volume of apparel products also indicates the slow growth of the apparel business in the SSA countries.

It can be observed that the import to export ratio for the SSA countries is much higher compared to other developing countries such as Bangladesh, China, and Vietnam. This indicates that the SSA countries are unable to meet their domestic demands unlike the other developing countries at a similar stage of economic growth. The higher import to export ratio indicates financial imbalance and economic deficiency in the SSA countries. The fashion and textile industries in SSA countries are facing increasing competition in the local market due to cheap imports from Asian countries such as Bangladesh, China, and Vietnam [12].

Many of the foreign investors including the US have shown little interest for the foreign direct investment (FDI) in the SSA countries. Some recent publications [10], [13] have shown that the global fashion brands and retailers have expressed low interest to buy from the SSA countries despite the manufacturers trying to meet the needs of the buyers and investing on new technologies [13]. These factors are critical and detrimental for the growth of fashion and textiles in the SSA countries in a global competitive market. This can be attributed to the temporary nature of the AGOA, which may have a negative impact on the FDI. If SSA countries become permanent members in free trade agreement, the export market of fashion and textiles would rise rapidly. Furthermore, the SSA countries need to lower their trade barriers on the US and the EU products, eliminate tariff and non-tariff barriers, to receive the reciprocal market benefits from the US and the UA. On the contrary, many of the fashion brands are planning to shift their manufacturing to the SSA countries in the aftermath of the Rana Plaza factory disaster in Bangladesh during 2011. As the global demand for sustainable apparel manufacturing is in rise to take care of people and planet while making a profit, many of the brands are focusing to spread their manufacturing bases in different parts of the world including the SSA countries. While expanding their businesses in SSA countries such as Ethiopia, Kenya, Mauritius, Tanzania and Uganda, the global fashion brands should take care of the environmental pollution, ensure human rights, fair wages, safe working conditions, basic amenities, child labor, forced labor, and women empowerment. These activities will help in the sustainable growth of fashion and textiles in the SSA region in addition to having a long-term positive impact on the environment and society and the wider economy.

III. SWOT ANALYSIS

The major strengths of manufacturing fashion and textiles in SSA countries include favorable government policies, government facilitating industrial parks to attract foreign buyers, increased textile investment policies by government, duty free import of many raw materials and a good source of some raw materials such as cotton fiber and leather. The

governments of many countries in SSA have policies that are favorable for the growth of textile and fashion manufacturing, which is a major factor for the growth.

SSA countries face several challenges in the fashion and textile market, which include insufficient upstream supply chain players to supply yarn, fabrics, and trims; inadequate electricity and water supply; and poor transportation network. Other challenges include lack of understanding of foreign trade, old and traditional machineries in many industries. The local manufacturers also face several challenges from the global fashion brands.

TABLE I
SWOT ANALYSIS OF SSA FASHION AND TEXTILE INDUSTRIES

Strengths	Weaknesses
The major strengths are: Favorable government policies, Construction of industrial parks to attract foreign buyers, Increased textile investment policies by investment, Duty free import of many raw materials, A good source of some raw materials such as cotton fiber.	The major challenges or weaknesses are: Lack of skilled labor, Lack of advanced technology, Weak business environment, High cost of manufacturing cost, Price volatility, Competition from global fashion brands, Insufficient upstream supply chain players, Lack of infrastructure for manufacturing, and Lack of training and skill development programs by the manufacturers
Opportunities	Threats
The major opportunity for SSA textile and garment industries that will promote future export are: Highly supportive government, Increased demand for fashion and textiles from local community, Talented young people, Strong tradition of cultural clothing, and Availability of some raw materials from local markets.	The textile and garment industries in SSA face several threats as discussed below: Many of the industries have limited access to technology and innovation capabilities, Manufacturers in SSA region always face stiff competition from the manufacturers in developing countries such as Bangladesh, Vietnam, China, and India to stay competitive in the global market, and The labor cost is slightly higher in the SSA countries compared to other developing countries.

The major opportunity for SSA textile and garment industries that will promote future export includes highly supportive government and government policies, growing demand for fashion and textiles from local community, strong tradition of cultural clothing, talented young people, and availability of some raw materials from local markets. The textile and garment industries in SSA countries face several threats such as many of the industries have limited access to new technology and innovation capabilities, manufacturers in SSA region always face stiff competition from the manufacturers in developing countries such as Bangladesh, Vietnam, China, and India to stay competitive in the global market and the labor cost is slightly higher in the SSA countries compared to other developing countries. The summary of SWOT analysis of SSA fashion and textile industries has been shown in Table I.

IV. CONCLUSIONS AND FUTURE DIRECTIONS

This paper has discussed the current scenario of fashion and textile manufacturing in SSA countries. It was found that the SSA countries have shown little growth in fashion and textile manufacturing from the starting of 2000. The total export to the US, the EU and other parts of the world has declined. However,

the total supply to the domestic market has been in rise, but this quantity is not enough to meet the demand of the local market. Availability of cheaper imported clothes from other countries such as Bangladesh, China and Vietnam have made it difficult for the local manufacturers to produce at a cheaper price.

This paper also completed a SWOT analysis of the manufactures in the SSA region. It was found that favorable government policies, availability of raw materials and talented people are some of the strengths; and lack of advanced technologies, skilled people, high manufacturing cost and price volatility are some of the weaknesses of the manufacturing industries in SSA region. There are many opportunities for the garment manufacturers in the SSA region, which involve highly supportive government, increased demand of global clothing market and talented young people. However, there are many threats and the most significant is the stiff competition from the other developing countries in Asia.

The SSA countries share a mere 1% of the total global export. Even the SSA countries are unable to meet their domestic demand in manufacturing of fashion and textiles. However, many global fashion brands are making future plans to involve SSA countries in their sourcing plan. The growth of fashion and textiles in SSA region will help develop the infrastructure in this region and create jobs for the local community. However, the manufactures in the SSA region need to upgrade their technology, skill set of people and make their product available at cheaper prices to be competitive in the global market. The government needs to formulate policies which will favor the local manufactures as well attract FDI.

The government should also take care of sustainability aspects of fashion and textile manufacturing to save the planet and take care of the community. Appropriate rules and regulations need to be established to safeguard the environment being polluted like the other developing countries. The manufacturers should also take care of the global concerns of environmental pollution to reduce the total carbon emissions. The corporate social practices will help to safeguard and empower workers health, rights, and well-being.

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