



International
Trade
Centre

EXPORT IMPACT
FOR GOOD

FROM COTTON TO MARKETS

REGIONAL COOPERATION FOR EASTERN AND SOUTHERN AS WELL
AS CENTRAL AND WESTERN AFRICA



COTTON TO TEXTILES TO FASHION: WORKING REGIONALLY

The cotton sector is central to Africa's efforts in fighting poverty. It provides income for millions of people, especially those living in rural areas, and is an important source of foreign exchange earnings. Textiles and clothing production have allowed some African countries to diversify their exports and increase employment opportunities, including for low and semi-skilled workers, particularly women.

Nonetheless, global trends mean African countries now need to think regionally when it comes to strategies for the cotton to clothing sector. While individual countries have difficulty establishing an entire value chain from cotton to textiles and clothing, this can be achieved at regional level. Moreover, regional economies of scale and expertise can improve the sector's performance and allow African countries to tap into international markets for clothing and fashion.

ITC's programmes in Africa encourage regional trade and cooperation for global gains, targeting specific sectors of particular interest to African countries. ITC assisted COMESA and the African Cotton Textile Industry Federation (ACTIF) to develop a regional cotton to clothing strategy, which was formally launched during the COESA Heads of state summit in June 2009. In addition, in Central and West Africa ITC works with the African Cotton association (ACA) and the African Cotton Producers Association (AProCA) as well as with CEMAC and UEOMA to develop a regional strategy for central and Western Africa. These efforts involve representatives from all stages of the cotton value chain drawn from across the Eastern & Southern African regions, including farmers, seed developers, ginners, domestic merchants, research institutions, textile and clothing manufacturers and public sector representatives.

Among the strategies' main objectives are to:

- Increase production of quality cotton and raise farmer incomes.
- Expand access to affordable agricultural inputs and farm credit.
- Improve production of quality lint and enhance market penetration.
- Increase competitiveness and intra-regional trade in the textile sub-sector.
- Diversify product lines and make clothing manufacturing more efficient.
- Develop a regional value chain that uses African materials and adds value to African cotton through textile processing and fully exploits duty-free market access for clothing products.

ITC is assisting in implementation of the strategy. It will also seek to attract other development partners to work on parts of the strategy that go beyond ITC's mandate and core competencies.

A BIGGER ROLE FOR AFRICA

ITC's efforts are aimed at making Africa a stronger player in the international cotton trade. This depends on boosting competitiveness and establishing stronger links with cotton importers, especially in Asia.

To compete better, all stakeholders – from farmers and ginners to commission agents and government officials – need a better understanding of destination markets and consumers, as well as the value chain itself. **The ITC Cotton Exporters' Guide** provides valuable information on cotton markets and consumers, as well as a detailed overview of the cotton value chain. Using the Guide's marketing and trading analysis, African farmers and ginners can improve their negotiating position and exploit possible price premiums. The on-line version of the Cotton Guide is envisaged for 2009.

ITC also plans to assist African cotton-producing countries to develop a **Cotton Trading School**. This would involve using existing bodies, such as universities, to host training events aimed at building capacity in cotton trading. The curriculum will be based on the subjects covered in the Exporter's Guide.

FOSTERING SOUTH-SOUTH COOPERATION

Following the phasing out of the Agreement on Textiles and Clothing, the textile industry and, thus cotton consumption, is shifting to Asia. Building on its longstanding work with Asian textiles and clothing producers, ITC is facilitating cooperation among developing countries, with a special focus on links between Africa and Asia. This involves five main themes.

Learning from success. Training programmes organized by ITC allow successful cotton producers in countries such as China, Turkey and India to share their knowledge with cotton professionals from Western, Central, Eastern and Southern Africa. This includes the transfer of cotton growing and processing technologies, such as good agricultural practices and development of high yielding and resistant cottonseed varieties.

Developing capacity to transform cotton. Through ITC training, successful textile and clothing producers are relaying their experiences to African countries. So far training events have taken place in China, India, Turkey, Korea and Bangladesh, with plans to expand such cooperation to Indonesia, Thailand and possibly Pakistan.

Promoting African cotton. ITC also links up African producers with potential customers through promotional activities in Asia. These aim to give African producers a better understanding of Asian markets, including the need to assure importing countries of the reliability and quality of supply.

Sourcing from other developing countries. Encouraging African producers to search out suppliers in the developing world promotes savings on items ranging from seeds and fertilizer to textile technology. ITC currently is incorporating such work into its programme.

Encouraging intra-African cooperation. Better knowledge of the cotton and textile sectors in other African countries is essential to regional strategies, yet is often lacking. ITC views such cooperation as a first step toward joint activities that could eventually differentiate African cotton and textiles on world markets.

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FOR FURTHER INFORMATION, PLEASE CONTACT



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