



**WEST AFRICA
COMPETITIVENESS PROGRAMME
REGIONAL INVESTMENT PROFILE - SUMMARY**

TEXTILE AND GARMENT VALUE CHAIN



Funded by
the European Union

Implemented by:





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March 2022

ACKNOWLEDGEMENTS

This investment profile has been prepared under the framework of the West Africa Competitiveness Programme (WACOMP) which is funded by the European Union. WACOMP is implemented by the International Trade Centre and the United Nations Industrial Development Organization (UNIDO) in collaboration with the Commission of the Economic Community of West Africa (ECOWAS). WACOMP covers all ECOWAS member States plus Mauritania. WACOMP focuses on four selected value chains, namely mango, textile/garments, information and communication technology and cassava. It aims to strengthen the competitiveness of West African Countries and enhance their integration into the regional and international trading system, through an enhanced level of production, transformation and export capacities of the private sectors in line with the regional and national industrial and SME strategies.



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FOREWORD

ECOWAS COMMISSION



The regional investment profile on the textiles and clothing value chain is being developed with the support of the International Trade Centre (ITC) under the West Africa Competitiveness Programme (WACOMP) funded by the European Union and implemented

by the United Nations Industrial Development Organization (UNIDO) and the International Trade Centre (ITC) in Geneva.

The WACOMP programme aims to strengthen West Africa's economic competitiveness and develop various national and regional value chains, including cassava, mango, textiles and garments, and information and communication technology value chains, at the regional level and to improve the business climate in the region.

This investment profile is a resource to be shared and a compendium of information presenting the region's potential in the textiles and clothing value chain. It is designed to support the private sector in its search for new project ideas and facilitate investment decisions.

Its development is part of the implementation of the West African regional industrialisation policy, the EU investment policy and the ECOWAS trade policy.

With a production of over 3,000,000 bales of cotton per year, West Africa is the continental leader in cotton production. Only less than 10% of this cotton is processed into textiles, highlighting the many opportunities and the appropriate business environment for trade, investment and manufacturing of cotton and textile products.

West Africa's population now exceeds 397 million and the current supply of textiles is not yet sufficient to meet market needs. With the implementation of the African Continental Free Trade Area (AfCFTA), the aim is to satisfy an African market of more than 1.4 billion people.

The ECOWAS Commission welcomes the publication of this investment promotion tool for West Africa and takes this opportunity to thank its partners for their support and efforts in its design and publication.

To future users of these profiles, we wish them a very good use.

Mr. Mamadou TRAORE

Commissioner for Industry and Private Sector Promotion



EUROPEAN UNION DELEGATION TO NIGERIA AND ECOWAS



At the EU, we are delighted at the dynamic cooperation between us, the Regional Economic Communities (RECs) and the private sector across the region. The investment profile study is being supported by West Africa Competitiveness Programme (WACOMP).

This is one of our flagship programmes implemented in West Africa. As a programme dedicated to improving the competitiveness of the region in several value chains, it becomes imperative to showcase the potentials of some of those developed value chains. In order to boost investment (local and international), create jobs especially for the youth in a world struggling and recovering from the COVID pandemic, there is no better time than now to promote the investment opportunities in West Africa/ECOWAS.

We are therefore, wholeheartedly in support of the publications of the ECOWAS Investment Profiles for Mango, Information and Communication Technology (ICT), Textile and Cassava. With regards to textile, West Africa is the world's sixth-largest cotton producing region, with the vast majority of yield sent abroad as raw cotton, to be processed and turned into textiles and clothing. In fact, some 90% is sent to Asia, with just 2% being processed locally. Attracting investment in processing holds the key in transforming the textile industry in West Africa. At present, the West African cotton and textile industry is concentrated at the early stages of the global supply and value chain.

Attracting investment and creating a business enabling environment is key to the successful diversification and development of the economies in the region and indeed the whole continent. This is also true for the mango, ICT, textile and cassava value chains. Investment facilitation is at the heart of the EU Global Gateway initiative which aims at the EU institutions and EU Member States jointly mobilising up to EUR 300 billion of investments in selected sectors. The EU is also partnering with Africa under the EU External Investment Plan (EIP). With this, the EU is committed to creating jobs, boosting economies and offering people a brighter future.

This report will provide investors relevant information about how to take advantage of opportunities across the value chains, from production to the market. By taking strategic investment opportunities, investors will be contributing to the economic development of the region.

I would like to thank the ITC and our other WACOMP partners for undertaking this very useful study of the investment profiles in 4 critical sectors (Mango, ICT, Textile and Cassava) that will boost and support investment in the public and private sectors, the governments and the people of West Africa.

Cecile TASSIN-PELZER

Head of Cooperation, European Union Delegation to Nigeria and ECOWAS



1. Why invest in ECOWAS?

1.1. ECOWAS MACROECONOMICS

A RESOURCE-RICH REGION WITH A STRATEGIC POSITIONING

One of the region's advantages is its geographical location, as it is at the **crossroads of important routes** linking Europe, the Americas and the rest of Africa. The region also enjoys a **vast array of natural resources**, ranging from the northern arid and semi-arid Saharan Desert and the Sahel to the southern tropical monsoon and rainforest. This largely untapped wealth provides vast opportunities for economic development.

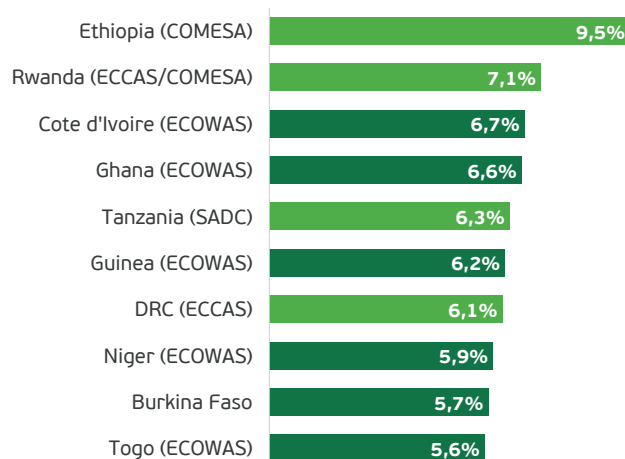
A PEACEFUL, SECURE AND STABLE REGION

The region has become a more peaceful place to live and do business. Although some countries of the region have recently faced political turmoil, others have been ranked by the World Bank among the most **politically stable and least violent** on the continent. The June 2015 establishment of the Mediation Facilitation Division (MFD) constitutes an important instrument for conflict prevention, management, resolution, peacekeeping and security. The region is also consistently ahead of the rest of the continent when it comes to the World Bank's indicators that capture **governance quality**.

LEADING TO A STRONG ECONOMIC PERFORMANCE

Overall, the region is home to six out of the 10 **fastest-growing African economies** in the last decade, with an average growth of 5.6% (Togo) to 6.7% (Cote d'Ivoire). The ECOWAS region has experienced the largest **increase in total exports**, with an average rate of 5.1% annually, to reach \$196.2 billion in 2018 at constant prices (the third-largest among the regional economic communities). Moreover, the region has always been an **attractive place for foreign investment**, as shown by relatively large inflows of FDI that have positively responded to the improving regulatory environment. The increase by a factor of 2.2 in the region, or equivalently, at an annual rate of 9% in 2019, is by far the largest in Africa.

Real GDP growth of the fastest-growing African economies (2010-2019)



Source: Author, based on World Bank data.

36.8/100

World Governance
"Political Stability/No Violence"

55.8/100

World Bank
Index of Economic Freedom

1.2. ECOWAS INCENTIVES FOR INVESTORS



AN IMPROVING BUSINESS FRAMEWORK

The region is notably characterized by the free movement of goods and services through the removal of tariff and non-tariff barriers, a common external tariff, macroeconomic stability surveillance mechanisms and a single currency (CFA franc) for the subgroup of eight countries. The current **business environment** makes starting a business much easier and less costly in the ECOWAS region, on average, compared to other African regional economic communities (RECs). When it comes to physical (hard) **infrastructure**, according to the African Infrastructure Development Index, the region is trailing other RECs, but there is noticeable improvement that suggests it is catching up, as it has embarked on ambitious regional and national infrastructure development programmes.



A THOUGHTFUL STRATEGY TO ATTRACT INVESTMENTS

As a way to attract FDI, increase exports, create jobs and generate productivity spillovers, each of the West African countries has developed at least one **special economic zone** (SEZ). The general goal is to strengthen the tendency for manufacturing and service industries to geographically concentrate in cities and industrial clusters, as a way to 'build resilient infrastructure, promote sustainable industrialization and foster innovation'.¹ While the qualitative performance of SEZs in Africa tends to be limited, these schemes still remain attractive and viable instruments for industrial policies.² When it comes to investment promotion, especially FDI, one of the key frameworks at the regional level is the **ECOWAS Common Regional Investment Code** (ECOWIC), which applies to the rights and obligations of member states and investors.



WITH STRUCTURAL REFORMS TO KEEP ENHANCING THE BUSINESS AND INVESTMENT LANDSCAPE

Ongoing ambitious and profound reforms are rightly expected to structurally change the region's trade and investment landscape. These reforms are part of well-thought-out programmes. The **West Africa Competitiveness Programme (WACOMP)** seeks to strengthen the performance, growth and contribution of industry, regional trade and exports of selected value chains, and improve the business climate at national and regional levels. The **West Africa Common Industrial Policy (WACIP)** aims to accelerate the region's industrialization. The **West Africa Quality System Program (WAQSP)** seeks to strengthen the quality infrastructure for greater effectiveness, enhanced competitiveness and better intraregional and interregional trade participation. The Strategic Framework for Private Sector Development Strategy aims to make the private sector a vibrant engine of economic growth. At the continental level, the **African Continental Free Trade Area (AfCFTA)** will further reduce trade barriers, facilitate the free movement of people and labour and the right of residence and establishment, and increase investment.

In the face of increased competition to attract international businesses, West African countries arguably have a strong card to play. To the extent that investors are well aware of all of these positive developments, international businesses ready to settle in the region will undoubtedly enjoy great returns, while being part of a collective journey towards greater economic and social vibrancy and the emergence of a dominant economic player in Africa and beyond.

1 This is one of the UN Sustainable Development Goals (SDGs, the 9th), and it is said to have been adopted at the urging of African delegations.
2 Additional discussions can be found in Newman, C. and J. Page (2017). 'Industrial clusters: The case for Special Economic Zones in Africa'. Wider Working Paper 2017/15. Retrieved from <https://www.wider.unu.edu/publication/industrial-clusters-1#:~:text=The%20case%20for%20Special%20Economic,to%20learning%20and%20technology%20transfers.>

2. Why and how to invest in the textile and garment value chain in ECOWAS

2.1. ABUNDANT AVAILABILITY OF RAW MATERIAL

West Africa is one of the largest cotton-producing regions in the world, with Benin, Côte d'Ivoire and Burkina Faso respectively being the 6th, 7th and 8th largest cotton-growing countries, providing abundant raw materials for the textile and garment industry.

Countries	Cotton production
Benin	170.4
Burkina Faso	230.7
Cabo Verde	0.0
Côte d'Ivoire	157.7
Gambia (the)	0.0
Ghana	5.8
Guinea	3.4
Guinea-Bissau	0.0
Liberia	0.0
Mali	224.9
Mauritania	0.0
Niger (the)	1.8
Nigeria	59.1
Senegal	7.4
Sierra Leone	0.0
Togo	40.1

Source: Average cotton production in 2010–19, USDA.

Map of West Africa cotton production



Source: ITC.

2.2. HIGH UNTAPPED EXPORT POTENTIAL

The textile and apparel sector in West Africa holds an untapped export potential worth \$735 million.

As per ITC's Export Potential Map, the textile and apparel sector in West Africa has potential to export approximately \$735 million worth. Untapped potential can arise from a number of factors, such as the exporter's lack of awareness or difficulty in complying with product-specific market entry requirements, its inability to match consumer preferences in a specific target market, difficulty to find buyers in a specific target market, rules of origin that prevent exporters from using existing preferences, or seasonality. All these indicate a wide scope for increased exports for West African textile and garment products.

Untapped export potential for textile and apparel sectors in West Africa, ITC, 2020.

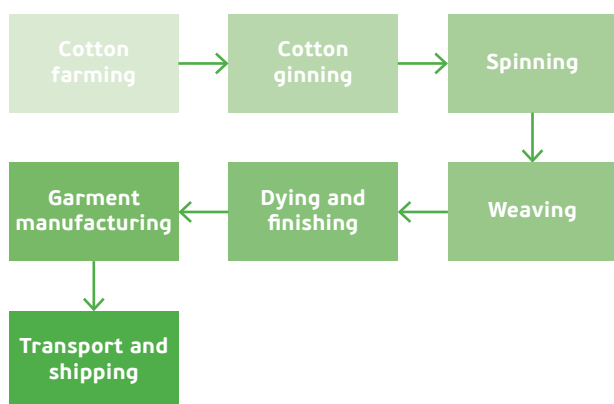
Country	Untapped potential for textiles	Untapped potential for apparel	Country	Untapped potential for textiles	Untapped potential for apparel
Burkina Faso	65.9	0	Mali	102.4	0
Cabo Verde	0	8.5	Mauritania	0	0
Côte d'Ivoire	237.6	55.1	Niger (the)	0	0
Gambia (the)	0	0	Nigeria	10.4	0.7
Ghana	45.6	14.1	Senegal	20.1	3.5
Guinea	3.6	0	Sierra Leone	0.2	0.2
Guinea-Bissau	0	0	Togo	50.3	2.7

Source: Export Potential Map, 2020, ITC.

2.3. HIGH VALUE ADDITION WITHIN THE REGIONAL COTTON VALUE CHAIN

It is estimated that up to 600% of value can be created along the cotton value chain in West Africa.

This includes cotton production, spinning and twisting into yarn, weaving and knitting into fabric, followed by dyeing, printing and designing. With the right investments in place, the regional value chain in Africa can be a very competitive sector.



Source: UNCTAD, 2014.

2.4. ICT SERVICES AND DIGITAL SOLUTIONS INDUSTRY

Throughout the years, West African communities have developed unique designs for their textiles and apparel, nurtured with rich culture and traditions.

Digital evolution can play a great role in the Textile sector's further development. This is relevant not only for already mechanized aspects such as production but also when it comes to designing.

Aspects such as simulation based engineering go very far in all levels of the textile industry, be it at the stage of polymers, fibres, yarn or fabrics. Due to the growing potential and demand for the West African textile sector, investment in ICT is an attractive option to further boost performance of the textile sector.

2.5. WHERE TO INVEST TO LEVERAGE MAXIMUM BENEFITS

- ✓ Investing in **developing skills** to generate revenue in these areas leads to greater economic productivity and independence, with social and political benefits for their communities.
- ✓ Most of the textile and clothing value chain remains in the informal sector. There is tremendous opportunity for investment to provide these businesses with the necessary infrastructure to transition to the formal economy by supporting their incubation, increasing access to finance, and connecting them to other producers, suppliers and retailers.
- ✓ Supporting the process of **value addition** within the value chain will enable the sector to take reach its full potential as a producer and exporter. Instead of exporting raw materials vulnerable to market volatility, and importing second-hand clothes, we must add value to everything we produce and export finished fashion products.





WEST AFRICA
COMPETITIVENESS
PROGRAMME

**COUNTRY
PROFILES**

COUNTRY FOCUS:

BURKINA FASO



1. ECONOMIC INDICATORS

Demographics and territory	
Population	20.3 million
Area	273 600 km ²
Currency	CFA franc (XOF)
Languages	French (official), Mossi, Mooré, Dioula, Peul, Fulfuldé, Gourmantché

Trade	
Main exported products	Pearls, precious stones and metals; cotton; edible fruits and nuts
Main imported products	Mineral fuels and oils; vehicles; electrical equipment

Economic dynamism	
GDP, nominal	\$15.7 billion
GDP growth (real, 2014–19)	6.2%
FDI, inflows	\$208 million
Gross domestic private investment	\$4.1 billion

Burkina Faso's economy has embarked on a strong growth trajectory. In the five years prior to the COVID-19 pandemic, the growth rate was 6.2% on average, the 4th largest in West Africa and 8th in Africa. Strong growth and a stable macroeconomic environment in the general context of improving institutional quality and security are key contributing factors that make Burkina Faso one of the favourable subregional destinations for investors.

2. TEXTILE AND GARMENT SECTOR



Source: Wikimedia Commons.

In Burkina Faso, cotton directly supports more than 4 million people and contributes significantly to inclusive growth and the fight against poverty. As per the 2019 report of the Balance of Payments Committee, established in December 2020, the five main products exported in 2019 were non-monetary gold, with a share of 73.3% in the total value of exports, followed by cotton fibre in mass with 9%, cashew nuts with 5.3%, zinc with 3.9% and sesame seeds with 3.5%. The cotton sector's average contribution to the national economy, especially for GDP, is estimated to be 4% (CPC Learning Network, 2019).

Cotton production contributed approximately 20.3% to Burkina Faso's primary sector in 2019.

3. SWOT

Burkina Faso's textile and garment sector	
Strengths <ul style="list-style-type: none"> ▪ Unique and proprietary know-how; ▪ Low capital expenditures (CAPEX) and operating expenses (OPEX); ▪ Easy to train labour and expand; ▪ Large local/regional markets; ▪ Growing interest in African fashion in international markets; ▪ Availability of local raw material. 	Weaknesses <ul style="list-style-type: none"> ▪ Primitive tools, leading to loss of quality and health and safety risks; ▪ Limited innovation; ▪ Little marketing efforts (both local and international).
Opportunities <ul style="list-style-type: none"> ▪ Create strong local brand; ▪ Improve manufacturing process; ▪ Address and expand local and regional markets; ▪ Address international demand for African fashion; ▪ At least double existing manufacturing. 	Threats <ul style="list-style-type: none"> ▪ Other West African countries appropriating this heritage industry; ▪ Competition from Chinese manufacturers; ▪ European buyers not accepting current practices for social and environmental reasons.

4. INVESTMENT OPPORTUNITIES

Cotton processing	Production of Faso Dan Fani fabrics
<p>Less than 1% of the cotton produced in Burkina Faso is processed locally. There is only one active industrial spinning unit in the country and it does not have the capacity to process all the cotton produced. Hence, there is immense potential for establishment of cotton fibre processing units (spinning, weaving, dyeing and garment making, etc.).</p>	<p>There is a large local and regional demand for the Burkina Faso fabric popularly known as Faso Dan Fani. This demand is also evident in international markets. There is potential to enhance the level of production to meet the growing demand.</p>

5. CONTACTS

Burkina Faso's export promotion agency, Agence pour la Promotion des Exportations (APEX)	Agency supporting export from Senegal.	Tel.: (+226) 25311300/01 E-mail: info@apexb.bf
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COUNTRY FOCUS:

BENIN



1. ECONOMIC INDICATORS

Demographics and territory	
Population	12.12 million
Area	114 763 km ²
Currency	West African CFA franc
Languages	French (official), Fon, Bariba, Yoruba and Goun

Trade	
Main exported products	Raw cotton; refined petroleum; gold; coconuts
Main imported products	Rice; cars; palm oil; electricity

Economic dynamism	
GDP, nominal	\$14.4 billion in 2019 \$15.7 billion in 2020
GDP growth (real, 2014–19)	4.9% 3.8% in 2020
FDI, inflows as % of GDP	1.51% in 2019
Gross domestic private investment (% of GDP)	21.3%

According to the World Economic Forum's 2019 Global Competitiveness Index, Benin is the 125th most competitive economy globally, with a score of 45.8/100. It came 21st on the continent and 8th in the West African region. This performance owes to the potentials and functioning of its product markets (2nd in the region), a stable and predictable macroeconomic environment (3rd), the availability and depth of the skill set (4th) and its strong institutions (6th).

In the five-year-period preceding the COVID-19 pandemic, the Beninese economy grew at an average rate of 4.9%, the 9th highest in the region. The pace even increased in 2018–19 to more than 6%. The main contributors to this growth dynamic are the trade sector (mostly informal re-export and transit trade with Nigeria, estimated at approximately 20% of GDP) and agriculture (especially cotton, the country's leading export commodity).

2. TEXTILE AND GARMENT SECTOR



Source: Wikimedia Commons.

In the primary sector, cotton has been the main export product in Benin for several years, followed by cashew nuts. This production has experienced a spectacular leap since 2016 and has placed Benin as the leading African producer since the 2018–19 campaign.

The existing textile industries that absorb approximately 2% of cotton fibre have the potential to grow exponentially. Twenty-two ginning mills exist in Benin. Most of them (17) belong to the Société pour le Développement du Coton (SODECO), with an annual capacity of more than 600,000 tons of cottonseed. Three new ginning factories are under construction in N'Dali, Tanguiéta and Banikoara to strengthen the country's cotton ginning capacity. These new ginning plants will be operational in 2022.

However, all these ginning capacities are not exploited, which means that Benin has the potential to gin the cotton produced in its territory, further contributing to the regional textile and garment value chain.

3. SWOT

Benin's textile and garment sector	
Strengths <ul style="list-style-type: none"> ▪ Technological mastery of installed equipment; ▪ Existence of quality and quantity of cotton fibre; ▪ Large qualified labour force; ▪ Existence of cottonseed's production potential; ▪ The government's willingness to reform the cotton sector, putting in place several new reforms; ▪ Availability of good-quality local raw materials; ▪ Installation of three new cottonseed ginning plants; ▪ An excess ginning capacity of more than 600,000 tons; ▪ Existence of an autonomous port and an international airport for trade by sea and air; ▪ Fluid road network that services all 77 municipalities in the country. 	Weaknesses <ul style="list-style-type: none"> ▪ Obsolescence of material equipment; ▪ Obsolete and low-efficiency equipment; ▪ Low-valued clothing industry in the sector; ▪ Difficulties in supplying cotton fibre; ▪ High costs of production factors; ▪ Type of looms preventing the supply of unbleached types of fabrics demanded by the international market; ▪ Difficulties in mobilizing financial resources.
Opportunities <ul style="list-style-type: none"> ▪ Growing cottonseed production; more than 700,000 tons; ▪ Only 3% of national cotton production is processed by national companies; ▪ Existence of a targeted market for industries; ▪ Existence of a market for their products; ▪ International crisis in cotton sector, especially for organic cotton (case of China and India, the first leading countries in cotton production); ▪ Culture of allocating a design to each event in Benin and in the region (marriage, birthday, funeral ceremonies, and periodic events such as women's days and father's days). 	Threats <ul style="list-style-type: none"> ▪ Financial distortion caused by the sale price of cotton lint; ▪ The Chinese politic on the textile market; ▪ Climate change could affect the production of the raw material at the farmer level; ▪ Trade of used cloth, which prevents from valuing new textile products.

4. INVESTMENT OPPORTUNITIES

Ginning	Industrial production of yarn and fabric	Manufacturing of unbleached printed textiles
Twenty-two ginning mills exist in Benin with different capacity. Most of them (17) belong to SODECO, with an annual capacity of more than 600,000 tons of cottonseed. However, all these ginning capacities are not exploited, which means that Benin has the potential to gin the cotton produced in its territory.	This process has proven to be a competitive sector in Benin with a comparative advantage, the fundamental source of which is the availability of an abundant and cost-competitive workforce that has potential to be further used.	Not many companies producing unbleached and printed textiles operate in the formal sector, even though there is a high local demand for the product.

5. CONTACTS

Invest in Benin	Benin's export promotion agency.	Website: https://investmentbenin.com/
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COUNTRY FOCUS: SENEGAL



1. ECONOMIC INDICATORS

Demographics and territory	
Population	16.3 million
Area	192 530 km ²
Currency	CFA franc (XOF)
Languages	French (official), Wolof, Mandinka, Jola (Diola), Pular, Serere

Trade	
Main exported products	Mineral fuels and oils; pearls, precious stones and metals; fish and crustaceans
Main imported products	Mineral fuels and oils; cereals; vehicles

Economic dynamism	
GDP, nominal	\$23.6 billion
GDP growth (real, 2014–19)	6.4%
FDI, inflows	\$4.2 billion
Gross domestic private investment	\$5.8 billion

Senegal is the 10th most competitive economy in Africa and 3rd in West Africa, largely thanks to its strong and historically renowned institutions. The competitiveness and innovative drive of the Senegalese economy, the strength and stability of the institutional and legal framework, and the conduciveness of the business climate contribute to making the country a viable destination for foreign investors.

2. TEXTILE AND GARMENT SECTOR



Source: Wikimedia Commons.

Senegal has a long cotton textile tradition, with a structure responsible for cotton production with, in particular, the supervision of cotton growers, ginning and fibre marketing. There are processing industries that are among the first in West Africa and, as such, exported a good part of their production to the subregion:

- Industrie Cotonnière Africaine (ICOTAF), COTONNIERE DU CAP VERT (CCV) and SOTIBA have produced and exported dyed and printed cotton fabrics in the West African subregion since the 1950s;
- The Industrial Clothing Company (SIV), in the field of artisanal clothing, subcontracted for major European brands;
- Handicraft clothing (tailors) are present in all districts of all towns and villages in the country;
- Artisanal dyeing, which mainly occupies women.



Source: Wikimedia Commons.

3. SWOT

Senegal's textile and garment sector	
<p>Strengths</p> <ul style="list-style-type: none"> Production facilities integrated, available, competitive and of good quality; Installed capacities exceed local market needs; Some units are profiled for the export market; Growing development of organic cotton; Most units can be operational immediately (spinning, knitting and finishing); The extraordinary creativity of Senegalese designers, tailors, artisans and workers. 	<p>Weaknesses</p> <ul style="list-style-type: none"> Cost of the main production factors: electricity, fuel and labour; Insufficient technical maintenance of the installations; Difficulties faced by processing plants located upstream, which have repercussions on downstream manufacturing; Technological obsolescence of certain units; Insufficient middle management; Lack of functional weaving (existing units shut down); Legal litigation and economic situation of owners.
<p>Opportunities</p> <ul style="list-style-type: none"> Tax and economic advantage for investors; Development of new SEZs and industrial zones; Political and institutional stability; Industry rehabilitation is possible; Electricity prices will soon drop with the exploitation of oil and gas; Good network in relation to sustainability; Potential for a vertical textile industry. 	<p>Threats</p> <ul style="list-style-type: none"> Unstable cotton lint prices due to changing global prices; Competition for cotton by peanut cultivation; Abandonment of cotton cultivation by young people; Counterfeiting from Asian countries; Companies' social liabilities; No access to financing; No access to bank credit.

4. INVESTMENT OPPORTUNITIES

Establishment of processing units	Development of the textile artisanal sector
In Senegal, the processing units related to spinning, weaving, knitting and finishing at the cutting edge of technology constitute the missing links in the cotton textile and garment value chain.	The artisanal textile sector in Senegal is characterized by a high degree of manual work and creativity that shows through in the final product. Today, it is estimated that half of the country's artisans are associated with textile production. Investing in training of youth to specialize in artisanal textile production will increase production to meet rising demand.

5. CONTACTS

Agence de Promotion de l'Investissement et des Grands Travaux (APIX)	Agency supporting investments in Senegal.	Tel.: (+221) 33 849 05 55 E-mail: infos@apix.sn Website: http://investinsenegal.com
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COUNTRY FOCUS:

MALI



1. ECONOMIC INDICATORS

Demographics and territory	
Population	19.7 million
Area	1,2 million km ²
Currency	CFA franc (XOF)
Languages	French (official), Manding, Soninke, Bomu, Bozo, Dogon, Fula and Senufu, etc.

Trade	
Main exported products	Pearls, precious stones and metals; cotton; live animals and animal products
Main imported products	Mineral fuels and oils; vehicles; electrical machinery and equipment

Economic dynamism	
GDP, nominal	\$17.5 billion
GDP growth (real, 2014–19)	5.2%
FDI, inflows	\$494 million
Gross domestic private investment	\$3.9 billion

Mali's economy has been on a sustained growth trajectory, with rates averaging more than 5% in the last five years. This is largely thanks to a robust agricultural sector and a thriving mining sector. The readily available skilled labour force and energy at a competitive cost, the economy's dynamism, strong government incentives, its pivotal cross-border trade position in the subregion and sound and open banking and financial system represent key elements in Mali's attractiveness for foreign capital seeking favourable business destinations in West Africa.

2. TEXTILE AND GARMENT SECTOR



Source: Wikimedia Commons.

Mali places a strong emphasis on the textile and garment sector, especially considering the abundance of cotton production. In seeking investments to make its textile sector more dynamic, Mali offers competitively priced raw materials, a relatively inexpensive workforce, and rich cultural traditions in spinning, dyeing, weaving, and fabric and clothing design. Its economic culture favours small-scale, artisanal craft production over large-scale, assembly manufacturing, and its entrepreneurs are more accustomed to accumulating profits on the basis of local or regional trade or arbitrage opportunities rather than creating manufacturing businesses to respond to global market opportunities.

Mali comes with a hard-working workforce, with a long cultural tradition embracing textile and clothing design and production, and with historic trading connections to distant markets across the African continent. In the longer run, once exposed to international ways of doing business and dynamic investment options, new product and market ideas will be generated by Malians to link up with international partners and join the international marketplace as competitive suppliers of high-quality fabrics, designs, household textiles and garments to internationally savvy consumers the world over.

3. SWOT

Mali's textile and garment sector	
Strengths <ul style="list-style-type: none"> Strategic geographical location as a gateway port for West African limited liability companies (LLCs); Existing joint border post with Burkina Faso; Port of Lomé expansion project to accommodate third generation vessels; Steady increase in Port of Lomé's annual throughput; Political stability and Togolese Government's commitment to regional integration; Togo is a member of the same regional trading bloc (Union Economique et Monétaire Ouest Africaine – UEMOA) as other West African LLCs. 	Weaknesses <ul style="list-style-type: none"> Poor hinterland connectivity; Limited port capacity; Extensive bureaucracy and numerous checkpoints along the Lomé–Ouagadougou transit corridor; Poor information and communications technology (ICT) and lack of effective synchronization systems; Poor conditions of trucks along the Lomé–Ouagadougou corridor and high inland transport cost; Dangerous faults at Aledjo and Défalé.
Opportunities <ul style="list-style-type: none"> Subregional integration efforts between ECOWAS and UEMOA; Rehabilitation and extension of existing rail network from Blitta to the Sahel region in Togo; Deregulation and encouragement of public–private partnerships along the Lomé–Ouagadougou transit corridor. 	Threats <ul style="list-style-type: none"> Burkina Faso as a second transit country for Mali and the Niger; Stiff competition from neighbouring corridors (Benin, Ghana and Cote d'Ivoire); Recent pirate attacks on ships along the Atlantic coast.

4. INVESTMENT OPPORTUNITIES

Cotton processing	Industrialised textile production	Diversification of cotton-related activities
<p>Cotton processing is a promising growth area for Mali. Mali exports nearly all the cotton it grows; less than 1% of cotton production is processed locally. Despite competition from Asian imports and the high cost of production, the textile industry in Mali is an investment opportunity.</p>	<p>Since December 2003, Mali has been allowed to export unlimited quantities of clothing and textiles duty-free to the US market under the African Growth and Opportunity Act (AGOA), creating an investment opportunity in the production of textiles and clothing.</p>	<p>Greater competitiveness in Mali's cotton industry can be achieved through diversification of activities, particularly value-added opportunities such as spinning, production of loom-state fabric (in great demand in the garment industry) and manufacture of bazin dyed cloth (highly prized in West Africa, particularly for embroidery).</p>

5. CONTACTS

<p>Agence pour la Promotion des Investissements (AP Mali)</p>	<p>Mali's investment promotion agency.</p>	<p>Tel.: +223 20 22 95 25 E-mail: info@apimali.gov.ml Website: https://apimali.gov.ml/</p>
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COUNTRY FOCUS:
NIGERIA



1. ECONOMIC INDICATORS

Demographics and territory	
Population	213 million
Area	911 000 km ²
Currency	Nigerian naira (NGN)
Languages	English (official), Yoruba, Igbo

Trade	
Main exported products	Crude petroleum; natural gas; cacao
Main imported products	Refined petroleum; wheat; rubber tyres

Economic dynamism	
GDP, nominal	\$448 billion
GDP growth (real, 2014–19)	1.18% 2.21% in 2019
FDI, inflows	\$3.299 million USD
Domestic credit to private sector (% of GDP)	12.13% in 2020 13.6% in 2021

Nigeria is the largest economy in Africa in terms of nominal GDP. Much of the country's revenue is generated from its oil exports, for which it is the largest exporter in Africa. The country also boasts the largest natural gas reserves on the continent. Beyond petroleum, Nigeria maintains an important agriculture sector, which supports up to 70% of the population at least partly. Key agricultural produce include palm oil, cacao, sorghum and pineapple.

2. TEXTILE AND GARMENT SECTOR



Source: Wikimedia Commons.

Historically, Nigeria has the 2nd largest and vertically integrated textile industry in Africa, after Egypt. The industry is agro-allied, as it uses local raw materials such as cotton and employs hundreds of thousands of people directly and indirectly across the value chain from cotton cultivation to the industrial sector, as well as a large number of small and medium-sized enterprises (SMEs) engaged in garment production. Due to its favourable demographics, Nigeria represents the largest market for textiles and garments in the ECOWAS region, with domestic demand estimated at \$7 billion (2019). However, as the bulk of demand is supplied by imports, there is a huge potential to attract investment in manufacturing of textiles and garments to meet the demand/supply gap. Nigeria also enjoys preferential market access to the regional ECOWAS market and the US market under AGOA. The AfCFTA's entry into force also presents a huge opportunity to boost regional trade in textiles across the continent. Nigeria produces a wide range of textiles such as short staple yarn, long staple yarn, wove fabrics and knitted fabrics.

3. SWOT

Nigeria's textile sector	
Strengths <ul style="list-style-type: none"> Large domestic and regional market of 400 million consumers; Existing industrial base with experienced textile enterprises; Raw material (cotton) availability; Abundant availability of manpower at competitive wages; Presence of a vibrant creative fashion industry. 	Weaknesses <ul style="list-style-type: none"> Cost competitiveness: high cost of energy and logistics; Technological obsolescence; Lack of skilled workforce; Short staple cotton suitable for limited end uses (coarse yarn counts); Weak downstream value chain linkages.
Opportunities <ul style="list-style-type: none"> Duty-free market access (ECOWAS, AGOA and potentially AfCFTA); Technology upgradation; Establishment of an industrial garment capacity; Revitalization of idle textile mills; Product diversification; Improving cotton yields; Establishment of dedicated textile and garment industrial parks to attract FDI; Supportive government policy; Skill development. 	Threats <ul style="list-style-type: none"> Informal imports through grey channels and ineffective enforcement at borders; Infrastructural deficiencies (energy; port).

4. INVESTMENT OPPORTUNITIES

Cotton production	Yarn and fabric	Development of garment production
Developing of technology to improve cotton production: <ul style="list-style-type: none"> Production of certified seeds of high-yielding variety; Certified sustainable cotton (Cotton made in Africa – CmiA; Fairtrade; Organic). 	Production of cotton and blended yarn for domestic use and exports. Recycled yarn from post-consumer waste. Production of woven fabrics for domestic and regional market.	Woven and knitted garments at industrial scale for fashion and functional garments used for institutions (defence; oil and gas; industrial safety). Integrated textile and garment industrial parks.

5. CONTACTS

Nigerian Textile Manufacturers Association	Industry association representing the textile and garment sector in Nigeria.	E-mail: ntma60@yahoo.com Website: https://ntma.org.ng/
Nigerian Investment Promotion Commission	Agency established to implement Nigeria's ICT development policies.	E-mail: infodesk@nipc.gov.ng Website: https://www.nipc.gov.ng/

COUNTRY FOCUS:

GHANA



1. ECONOMIC INDICATORS

Demographics and territory	
Population	30.4 million
Area	227 540 km ²
Currency	Ghanaian cedi (GHS)
Languages	English (official), Akan, Ewe, Dagbani, Dangme

Trade	
Main exported products	Pearls, precious stones and metals; mineral fuels and oils; cocoa
Main imported products	Vehicles; electrical machinery and equipment; cereals

Economic dynamism	
GDP, nominal	\$67 billion
GDP growth (real, 2014–19)	6.1%
FDI, inflows	\$2.3 billion
Gross domestic private investment	\$9.6 billion

Ghana is the most competitive economy in West Africa and 8th in Africa. This performance owes to its strong institutions and the largest extent of ICT adoption in West Africa, in addition to the depth of skills and innovation capacity. Along with the high quality and low cost of labour and energy and the business environment's friendliness and conduciveness, Ghana is one of the most favourable African destinations for foreign investors.

2. TEXTILE AND GARMENT SECTOR



Source: Wikimedia Commons.

Ghana's modern textile industry began in the early 1960s. A number of textile manufacturing factories were established by both the state and private investors following the adoption of government policy of import substitution after independence. Initially, the industry was mostly in the hands of foreign-owned firms, but subsequent government policies, especially in the mid-'70s, led to increased state participation. Ghana's textile industry is mainly concerned with the production of fabrics for use by the apparel industry and for the export market. There are also a number of small firms that hand-print their own designs onto bleached cotton fabrics, also known as tie dye or batik cloth. Traditional or indigenous textiles such as Kente cloth (traditional woven fabric), Adinkra cloth (traditional hand-printed fabric) and other types of woven fabrics used for various purposes such as smock making, etc. are offered on the Ghanaian market.

Ghanaian textile companies prefer to locate within designated industrial areas to take advantage of Ghana's free zone regime and stable operating environment. The industry is supported by national vocational training institutes throughout the country.

There are also a growing number of private fashion design institutes and internationally acclaimed designers who teach latest techniques to aspiring textile designers

3. SWOT

Ghana's textile and garment sector	
Strengths <ul style="list-style-type: none"> ▪ Increased government focus on the sector; ▪ Advanced manufacturing facilities; ▪ Export-oriented sector; ▪ Skilled labour development; ▪ Tax incentives. 	Weaknesses <ul style="list-style-type: none"> ▪ Inefficient farming practices; ▪ High production costs; ▪ Poor and unreliable infrastructure; ▪ High cost of credit; ▪ Absence of integrated supply chain.
Opportunities <ul style="list-style-type: none"> ▪ High demand potential; ▪ The African fashion revolution; ▪ Value-addition opportunities; ▪ Changing demographic; ▪ Increased domestic consumption. 	Threats <ul style="list-style-type: none"> ▪ Competition from second-hand clothing; ▪ Smuggled and counterfeit goods; ▪ High dependency of select markets on exports; ▪ Foreign competition; ▪ Globalization and liberalization.

4. INVESTMENT OPPORTUNITIES

Commercial farming	Marketing and distribution	Technology and supporting services
Currently, there are no decent commercial cotton farms in Ghana, but there is sufficient arable land and the right farming conditions in the north of the country.	Globally respected textile and apparel markets are needed to take the Ghanaian cotton and textiles industry to the next level. In order to establish such markets, efficient marketing and distribution systems need to be implemented, including planning the related infrastructure.	Ghana's economy is one of the most developed when it comes to ICT infrastructure and this should be adopted to improve the efficiency of the textile and garment value chain.

5. CONTACTS

Ghana Investment Promotion Centre	Central agency for investment promotion and facilitation	Tel.: +233 302 665 125/6 E-mail: info@gipc.gov.gh Website: www.gipc.gov.gh
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