

B2B networking platform for fashion industry

The African Development Bank's (AfDB) special envoy on gender, Geraldine Fraser-Moleketi, unveiled a new project within the Fashionomics initiative, launched last year under her leadership: a B2B website dedicated to fashion and textiles in Africa.



Image by 123RF

Whether in New York, London, Milan or Paris, the fashion runways all agree: African fabrics are inspiring more and more famous designers. Fashion is not just about design or inspiration. It's also a multi-million dollar industry that creates millions of jobs, including in textile and clothing manufacturing.

In Africa, the fashion industry could generate €15.5 million in the next five years. Of course, that's a far cry from the €1.3 billion that it generates worldwide. The entire textile/clothing market is already worth more than €31 billion in Sub-Saharan Africa and accounts for the second largest number of jobs in developing countries, following agriculture. What's more, the vast majority of workers are women and young people.

Based on these figures, the AfDB's Office of the Special Envoy on Gender [launched the Fashionomics \("the economy of fashion"\) initiative](#) during the Bank's [2015 Annual Meeting](#) in Abidjan. This initiative will offer the Bank's support to micro, small and medium-sized businesses (MPME) in the fashion and textile industry in Africa ([see report summary](#)). The Bank has already invested €10 million in Madagascar, in the support project for investment promotion (PAPI), focused on MPME in these industries and in particular on women and young people.

Studies: industry in Côte d'Ivoire and Ethiopia

On Tuesday, August 23, 2016, in Abidjan, a new phase began with the presentation of the conclusions of two case studies, conducted in Côte d'Ivoire and Ethiopia, respectively, on the textile and fashion industry. Several creators and designers, well known in Côte d'Ivoire and beyond (Pathé'O, Nadia Druide, AngyBell, Ananine), responded to Geraldine Fraser-Moleketi's invitation, which was also extended to representatives of the Ivoirian Government, including Esther Kouassi, the director of the creative and cultural industries department in the Ministry of Culture and the French Language, and Diamande Moussa, representing the Ministry of Crafts and SMEs.

Côte d'Ivoire and Ethiopia were chosen for this large benchmarking study for Fashionomics in Africa because the differences in their textile/clothing industries and markets illustrate the disparities and unique characteristics typical of the entire continent.

One is the French version and is located in West Africa, the other uses English as its official language and is in East Africa; their fashion industries have not achieved the same level of sophistication; issues of access to technology affect both countries (internet, digital mobile telephony, smartphones, etc.) Available data and statistics were gathered, dozens of creators and participants in the value chain were interviewed in both countries, and detailed results were presented.

A few statistics provide a snapshot of the sector in these two countries, and illustrate their differences. In Côte d'Ivoire, women own 80% of businesses in the industry and close to half of the entrepreneurs are under the age of 35. These are also mostly SMEs, since 65% have fewer than 10 employees. Only 33% work with local suppliers.

In Ethiopia, a pioneer in the textile industry in the region with more than 40,000 employees in the country, salaries are three times lower than in Côte d'Ivoire, the cost of electricity remains low due to the availability of hydroelectricity, and inputs are affordably priced. This country, where 36% of the businesses in the industry have over 500 employees, exports its products primarily to the United States and the European Union. Most of all, it receives institutional support, while the Ivorian industry does not.

In both Côte d'Ivoire and Ethiopia, a large percentage of the businesses in the industry are still young, mostly less than 10 years old (46% and 51%, respectively). The average growth in the Ethiopian textile/clothing industry has been at 51% over the past six years and 60,000 jobs have been created since the H&M chain began operations in the country in 2013, subcontracting part of its production.

This illustrates the sector's potential and the boom it is experiencing. These findings are confirmed in several other Sub-Saharan African countries. For example, Mauritius, with over 250 businesses and US \$761.3 million in revenue, is the leading clothing textile exporter in Sub-Saharan Africa. Another example is Lesotho, where the number of textile/clothing businesses has more than doubled since 1999. The sector, which represents 60% of the country's exports, employs 80% of the manufacturing labour.

During the August 23 presentation, the Fashionomics team reported that, in total, the clothing textile industry could generate 400,000 jobs in Sub-Saharan Africa and exports could double in the next 10 years.

However, this boom is just beginning. The 10 largest African exporters in the textile/clothing industry only represent 0.5% of worldwide textile production. And although Africa produces 10% of the world's cotton, "we have very few textile factories," Geraldine Fraser-Moleketi emphasised during the presentation. Without sufficient industrialisation, much of the fabric is imported from Asia. In Côte d'Ivoire, for example, inputs can represent up to 50% of the product's cost. In Ethiopia, the sector has been focused on basic products (T-shirts, polos, etc.) with low production costs. Only 5% of land that could be used for cotton production is cultivated in that country.

The sector's challenges in Africa are many: problems with skills, financing that is difficult to obtain, expensive real estate, lack of value added, supplier locations, competitiveness, administrative burdens, insufficient infrastructure and production capacity, access to markets, marketing, online payment issues in a region where banks are scarce, and so on.

How should these challenges be met to help the textile and fashion industry in Africa become part of the worldwide value chain? Answering this question is precisely why the AfDB launched Fashionomics: to focus on the value chain. The goal is to connect and strengthen each link in the chain, from producers and suppliers of primary materials, to manufacturers and distributors, and of course including investors. The sector must be developed to open up its potential for revenue and job creation.

Each year, 13 million Africans enter the job market, on a continent where problems of unemployment and youth employment have become even more acute through a demographic boom. For its part, the textile industry requires intensive labour.

The Fashionomics initiative fits in line with the bank's high five priorities, and with the new [2016-2025 strategy](#) for youth employment in Africa (Jobs for Youth).

Dedicated B2B platform

The two case studies on Côte d'Ivoire and Ethiopia are just the start of a large-scale market study that will eventually include the entire continent. This initial feasibility study has led to the creation of an ambitious project: building a dedicated website, a networking platform for all the links in the value chain (designers, suppliers, brokers, distributors, as well as investors) and a place to share knowledge (data, tutorials, market opportunities, etc.) in the textile and fashion sector. The final objective: to help members of the industry develop and grow their plan/business.

This website, presented on Tuesday, August 23, was named Fashionomics after the initiative from which it came and is operational and bilingual (French/English). Following a working session called by the Office of the Special Envoy on Gender for members of the industry on Wednesday, August 24, to provide more details on this online platform, several designers-entrepreneurs and others will test it across the continent as a part of Fashionomics. The plan is to finalise it in the coming months.

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