

COMESA-ACTIF COTTON, TEXTILE AND GARMENT STRATEGY MATRIX

STRATEGY MATRIX (COTTON)

GOAL	DEVELOPMENT OF THE COTTON PRODUCTION SUB-SECTOR, INCREASE YIELD, IMPROVE QUALITY, MECHANIZED FARMING ETC			
IMMEDIATE OBJECTIVE	CRITICAL PROBLEMS		Actions	Time Frame
Production	Macro	<ol style="list-style-type: none"> 1. Lack of sector strategy 2. Crop piracy/illegal seed cotton buyers 3. Lack of legal framework and/or enforcement thereof 4. Small scale farmers do not understand the legal framework 5. Understanding of contract farming 	<ol style="list-style-type: none"> 1. Develop regional/National sector strategy 2. Educate farmers on legal framework and contract farming 3. Establish strong associations with code of conduct/self regulation 	1 to 5 years
	Meso	<ol style="list-style-type: none"> 1. Lack of good farming/agronomic practices 2. Lack of testing, accreditation and quality agencies in the region 3. Limited research funding and research finding sharing 	Educate farmers on quality assurance thru workshops/Radio/farm filed days Share best practices of doing the above a cross the region-organize tours/trip	1 to 5 years
	Micro	<ol style="list-style-type: none"> 1. Lack of cotton price information and price setting mechanism 2. Lack of quality assurance mechanism 3. Lack of farm management and skills 4. Lack of credit finance for the small farmers 5. Lack of enterprise and entrepreneurship training at farm level 6. Lower yied/hecter 7. High interest rates 	<ol style="list-style-type: none"> 1. Develop price setting mechanism, set up stabex fund 2. Educate farmers on quality assurance and give premium for good quality cotton 3. Enhance farmer education 4. Set up farm input revolving fund 5. Explore the introduction of new seeds and farming Technique /BT cotton where applicable 	1 to 5 years
Sourcing Raw Materials	Macro	<ol style="list-style-type: none"> 1. Access to information and research on seed development 2. Lack of best practices in seed quality 	<ol style="list-style-type: none"> 1. Set up mechanism to encourage publication and sharing of research findings 2. Encourage inter-countries visits to share best practices 	1 to 5 years
	Meso	<ol style="list-style-type: none"> 1. Access to information and research on seed development 	<ol style="list-style-type: none"> 1. Gather information and develop a database to be accessed by associations 	1 to 5 years
	Micro	<ol style="list-style-type: none"> 1. Lack of access to farming inputs - seeds, fertilizers, equipment, chemicals, extension services. This includes advisory and training services 	<ol style="list-style-type: none"> 1. Attract investments in regional farm input (e.g. fertilizers , seed crop farming equipment etc) 	1 to 5 years
Marketing/Market Access	Macro	<ol style="list-style-type: none"> 1. Lack of an enabling regulatory framework in the region 2. Liberalization at different levels in various countries 3. Lack of regulation at macro level in region 4. Lack of professional agribusiness management 5. Lack of Govt incentives 6. Policy constrains (Tariff and None tariff barriers) 7. Lack of information on Market trends/New technologies (BT, organic cotton production) 	<ol style="list-style-type: none"> 1. Develop regional regulatory/ arbitration scheme 2. Share best practices and lesson leant across the region 3. Pursuant the adoption of policies to promote the regional value chain that links the entire ESA region, COMESA, EAC and SADC should open talks on harmonizing tariffs on lint, yarn, fabric and apparel 4. Regional imports of lint, yarn and fabric should be exempt from VAT to promote competitiveness 5. Invest and develop regional research, adoption and promotion of organic and BT cotton where applicable. 	1 to 5 years

	Meso	1. Lack of structures/ organization of farmers	1. Develop and encourage strong farmer associations	1 to 5 years
	Micro	1. Price fluctuations 2. Lack of market information and trend 3. Middle men and agents 4. Lack of structures/ organization of farmers 5. Lack of customized insurance / risk management system	1. Encourage investment in value addition to increase regional consumption 2. Develop code of conduct for cotton traders 3. Develop and train ginners on risk management	1 to 5 years

STRATEGY MATRIX (TEXTILES)

GOAL	DEVELOPMENT OF THE TEXTILES SUB-SECTOR, INCREASE YIELD, IMPROVE QUALITY, MECHANIZED FARMING ETC			
IMMEDIATE OBJECTIVE	CRITICAL PROBLEMS		Actions	Time Frame
Production/Manufacturing	Macro	1. Lack of investment in textile sector due to business environment(Lack of financial Services support e.g. Banking community) 2. Lack of ROI for the investor (10 mn USD approx) 3. Losing market share after ending of ATC and increase in Chinese goods-Dumping of Chinese products (Level playing field) 4. Versatility of regional products (Developed design capacity) 5. Lack of Benchmark (from a global perspective) 6. Cost of doing business (Utilities, Roads)	1. Govt should initiate textile sectoral lending 2. Voluntary restrain by Chinese – look at SA example 3. Attracting investment and develop regional approach to dumping 4. Benchmark against global best practices BRAND AFRICA 5. Complement regional Production 6. COMESA to work with Governments on improvement of regional road network	1 to 5 years
	Meso	Lack Reliable regional information sources	Strengthen the roles of ACTIF as a regional information source	1 to 5 years
	Micro	1. Old technology across the region. This is comprising the premium that cotton could provide <ul style="list-style-type: none"> o Lack of spinning capacity fine count fibre o Lack of competitive spinning Technology 2. Focus on National instead of regional supply chain 3. Lack of product diversification beyond fabric for apparel production 4. High interest rates	1. Set regional Technology upgradation fund (e.g. India) 2. Develop regional value chain strategy 3. Encourage product diversification (e.g. Technical Textile, home textiles, Medical Textiles, None Woven, Narrow fabrics)	1 to 5 years
Sourcing Raw Materials	Macro	1. Unutilized idle spinning and weaving capacity in the region 2. Low quality of lint 3. Export of best quality lint leaving only second grade for local consumption	1. Nation Association to compile and share data through ACTIF 2. Local spinning mills to develop MOU with ginners to get the required lint	1 to 5 years
	Meso	1. Lack of information on idle capacity in the region 2. Limited product research, design and development	1. Collect data on the number of spindles/country and % utilizations then make available to stakeholders 2. Access CSIR resources (SA)	1 to 5 years
	Micro	1. High level of contamination of lint 2. unreliability of cotton supply thru the year	1. Educate ginners on quality assurance & give incentive	1 to 5 years

		3.	2. Encourage regional sourcing	
Marketing/Market Access	Macro	<ol style="list-style-type: none"> 1. Difficulty in identifying buyers 2. Difficulties in entering to new markets (Nomination by buyers) 3. Trade agreements beyond AGOA and EU 4. RoO conducive to trade of textile and Textiles products 	<ol style="list-style-type: none"> 1. Work with Governments/COMESA to organize industry specific meet the buyer event 2. National Associations to invite buyers to visit Factories to inspect the quality of products. 3. Hold regular discussions with policy technocrats 	1 to5 years
	Meso	<ol style="list-style-type: none"> 1. Lack of information on product and market trends 2. Lack of training capacity 3. Lack of export promotion in the form of regional trade fairs 	<ol style="list-style-type: none"> 1. Organize regular market trend workshops targeting specific markets 2. Establish regional skill based training centre 3. Organize regular annual regional trade fair 	1 to 5 years
	Micro	<ol style="list-style-type: none"> 1. Lack of understanding and information on other sectors and product segments – (e.g. fabrics for army uniforms). 2. Lack of understanding of market requirements in different markets (know your customer) 3. Lack of knowledge of trade preferences and impact on the business 4. Focus on traditional products 5. Too much focus on local market 	<ol style="list-style-type: none"> 1. Encourage information sharing through National Associations 2. Training on market profiles 3. Organize regular meetings with trade policy specialist 4. Encourage product diversification 5. Develop local, regional and international market outlook 	1 to 3 years

STRATEGY MATRIX (GARMENTS)

GOAL	DEVELOPMENT OF THE GARMENT SUB-SECTOR, INCREASE EXPORTS INTR-AND EXTRA REGIONALLY			
IMMEDIATE OBJECTIVE	CRITICAL PROBLEMS		Actions	Time Frame
Increase Production	Macro	<ol style="list-style-type: none"> 1. Lack of sufficient government support and commitment 2. Infrastructure cost – cost of utilities 3. Logistics (shipping vessels, courier Road and trail transport) 4. Low Labour productivity (unit cost) 5. Low skill level 6. Lack of innovation, product design & development skills 	<ol style="list-style-type: none"> 1. Regular public –private sector consultations 2. Develop industry specific incentives and interventions 3. Governments to invest in infrastructure/petiton the shipping agents 4. Create regional training centers 5. Work with regional universities and colleges to promote innovation and sharing of knowledge 	1 to 5 years
	Meso	<ol style="list-style-type: none"> 1. Technical training sector lack (shop floor/operational and professional management) 2. Lack of centers of excellence e.g. design training centers 3. Lack of strong National Associations 	<ol style="list-style-type: none"> 1. Encourage private sector to create joint shop floor training centers 2. Work with leading centers of excellence in the East to develop regional ones 3. Strengthens the capacity of National Association to offer services to members 	1 to 5 years
	Micro	<ol style="list-style-type: none"> 1. Lack of commitment to quality assurance and delivery dates 2. Slow response to customer queries and needs 3. Employment of unqualified expatriates- (Language/cultural barrier) 4. Lack of local investors in the sector-most are tourist investors 5. Very slow speed to market due to imported fabrics/trims 6. Over-dependent on contract manufacturing –low margins 7. Lack of economies of scale-small volumes 8. Low production efficiency 	<ol style="list-style-type: none"> 1. ACTIF can organize specialize training in customer service/Merchandising 2. Governments need to vet the qualifications of expatriates hired, encourage training of locals 3. Develop and encourage regional suppliers of trims and fabric 4. Encourage and expose local/ethnic designs- higher margin 5. Special in small volume high quality niche market 	1 to 5 years

			<ol style="list-style-type: none"> 6. Develop specialized on job skill training 7. Bench mark against world's best practice in production 	
Sourcing Raw Materials	Macro	<ol style="list-style-type: none"> 1. Investment needs to move back (backward integration) 2. Very high charges for funds transfer 3. Hurdles and bottlenecks in financial transactions in the region 4. Lack of clustering initiative in the regional supply chain 5. Lack of effective logistics and infrastructure (shipping lines availability and frequency, port) 	<ol style="list-style-type: none"> 1. Encourage companies in the supply chain to develop synergies 2. National Associations should negotiate favorable terms and mode of fund transfer to members 3. Develop joint approach to logistical issues through National Associations 	1 to 5 years
	Meso	<ol style="list-style-type: none"> 1. Lack of market information on the variety and availability of raw materials (fabrics, trims, accessories, etc) in the region 2. Lack of visiting trade fairs/preparing for it 3. Lack of clustering, partnerships 	<ol style="list-style-type: none"> 1. National Associations to Create Database and share 2. Do joint participation to trade fair though ACTIF or National Association 3. Organize regional trade fairs and invite potential suppliers 	1 to 5 years
	Micro	<ol style="list-style-type: none"> 1. Unavailability of suitable fabric/ trims 2. Laxity in quality assurance and standards implementation 3. High cost of finance 	<ol style="list-style-type: none"> 1. Organize a regional match making events to link demand and supply 2. Develop a regional best practice training modules-share best practices 3. Sartorial intervention by Governments 	1 to 5 years
Marketing/Market Access	Macro	<ol style="list-style-type: none"> 1. Unfavorable RoO 2. Lack of branding in the region 3. Too much focus on EU and US market and not regional market 4. Lack of clustering initiative in the region 5. Facilitation of customs by tracking 6. Communications systems, competitiveness index 7. Logistics 8. BrandAfrica 	<ol style="list-style-type: none"> 1. COMESA/ACTIF to promote regional branding, COMESA to work towards removal of trade barriers to open up the regional market 2. Bench mark against the best marketing practices in world 3. ACTIF, COMESA, National, Association should promote Africa as a destination to source from 4. Negotiating favourable market access for the Region - rules of origin - removal of trade barriers. 5. Brand Africa - with emphasis on regional trade fairs, market trend workshops, match-making 	1 to 5 years
	Meso	<ol style="list-style-type: none"> 1. not enough info on local regional market 2. Lack of trade fairs to attract and provide info for the region 	National Associations to collect, compile and share Data thru ACTIF ACTIF/COMESA should organize regional annual trade fairs	1 to 5 years
	Micro	<ol style="list-style-type: none"> 1. not enough info on local regional market 2. Being prepared for new markets and new products 3. African fashion 4. Too much dependence on contract manufacturing 5. Lack of design Capacity 6. Lack of regional market linkages 7. Market Niche like fair trade and organic cotton products 	<ol style="list-style-type: none"> 1. COMESA to collect and share the Data from member states 2. Organize market based training/offer Market profiles tools 3. Create regional design capacity building centers 4. identify ,encourage and expose local /regional African designs 5. Develop regional strategy in marketing the niche through trade fairs, match making and promotion 	1 to 5 years