Chapter 12

Clothing Value Chains and Sub-Saharan Africa: Global Exports, Regional Dynamics and Industrial Development Outcomes

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Abstract[4]

This rise of textiles and clothing global value chains (GVCs) in sub-Saharan Africa (SSA) is generally perceived as a successful process of beginning the industrial development process through leveraging preferential market access (PMA) and attracting foreign direct investment (FDI). However, simply using an aggregated analysis of SSA clothing exports masks some crucial differences: end-market shifts, the emergence of regional value chains (RVCs), the variety of firm types inserted in different value-chain channels, the political-economy dynamics driving this, and related sustainability and development implications. Within this chapter, different types of firms in the textiles and clothing industry – transnational, regional, diaspora and indigenous – are identified in SSA and their implications for upgrading are described. Transnational investors, as opposed to regional or diaspora investors, for example, were initially attracted to SSA because of lower costs, quota restrictions and preferential access to the US market resulting from the Africa Growth and Opportunity Act (AGOA). Because of changes in the trade preference regimes, as well as other regional and global dynamics, within this chapter four key policy areas are identified for governments to focus their efforts so that they can continue to leverage the income and employment opportunities arising from GVC participation: increasing productivity through investing in skills, fostering local entrepreneurship, diversifying markets and, finally, facilitating trade, including through seeking more favourable market accesses as well as developing business networks.

12.1 Background

Export diversification into higher value-added products remains a major development objective for low-income countries (LICs). The clothing sector has traditionally played a central role in this process. In several sub-Saharan African (SSA) countries, the export-oriented clothing sector has developed since the turn of the millennium. This rise is generally perceived as a successful process, in terms of beginning the industrial development process through leveraging preferential market access (PMA) and attracting foreign direct investment (FDI). However, simply using an aggregated analysis of SSA clothing exports masks some crucial differences: end-market shifts, the emergence of regional value chains (RVCs), the variety of firm types inserted in different value-chain channels, the political-economy dynamics driving this, and related sustainability and development implications. These differentiating features have important policy implications. To illuminate these points, we assess the export-oriented clothing industry in the five main SSA clothing-exporter countries: Madagascar, Mauritius, Kenya, Lesotho and Swaziland.

12.2 Global value chains and the clothing industry

The clothing industry is organised in buyer-driven GVCs, where production is carried out in decentralised, globally dispersed interfirm networks. Most clothing production remains labour intensive, has low start-up and fixed costs, and requires simple technology, encouraging the move to low-cost developing-country locations. The sector has absorbed large numbers of unskilled (mostly female) workers, providing incomes and opportunities to upgrade into higher value-added activities. This ease of entry makes it also relatively 'footloose', as production can quickly adjust to changing market conditions. Textile production – the main input to clothing – is more capital and scale intensive, demands higher worker skills and has to a larger extent remained in higher- and middle-income countries.

In 2013, global clothing exports accounted for US$378 billion, making clothing one of the most traded manufactured products. Developing-country shares, mostly Asian, increased from 25 per cent (mid-1960s) to 37 per cent (late-1980s) and to above 80 per cent in 2013. Since 2000, LICs from other regions have developed export-oriented clothing sectors. In many SSA countries, the industry is prioritised for export and employment generation and industrial development. In some countries, the share of clothing exports in manufacturing exports is considerably high: Madagascar (76.3 %), Mauritius (54.4 %), Lesotho (48.8 %), Ethiopia (21.2 %), Kenya (20.2 %) and Swaziland (11.5 %).

Clothing GVCs are co-ordinated by lead firms controlling activities that add 'value' to products (e.g. design, branding), outsourcing the manufacturing process to a global network of suppliers. Lead firms control manufacturers through detailed product and production specifications indicated in their global sourcing policies, which shape production and trade patterns. Sourcing decisions are motivated by labour-cost differentials, quality and reliability, but other criteria also increasingly shape sourcing decisions:

- *Lead times and flexibility:* Lean retailing and quick-response production highlight 'time' in sourcing decisions. Buyers defray risks associated with supplying clothing to fast-changing, volatile and uncertain consumer markets by replenishing shelf items quickly and minimising inventories. Lead times have declined from months to several weeks, requiring more efficient and flexible supply chains, production processes and work arrangements.
- *Non-manufacturing capabilities:* Buyers concentrate on their core competencies (branding and design) to reduce costs and increase flexibility. They desire suppliers to be capable of input sourcing, product development, inventory management, stock holding, logistics and financing, increasing the functions demanded from suppliers.
- *Consolidation of supply base:* Buyers focus on the most competitive core suppliers offering consistent quality, reliable delivery, large-scale and flexible production, competitive prices, and broader non-manufacturing capabilities, to ensure cost-effective supply-chain management and reduce supply-chain complexity. This leads to a reduction in suppliers, which benefits larger and more capable firms rather than smaller, marginal ones, and increases entry barriers.
- *Compliance:* Labour and environmental standards compliance has become prominent in buyers' sourcing decisions, related to civil society pressures.

Faced with increasing buyer requirements and demands for broader non-manufacturing capabilities, more capable suppliers positioned themselves as intermediaries or transnational producers co-ordinating global supplier networks. Transnationals are an important source of FDI in LICs' clothing-export sectors, providing GVC entry for marginal, new suppliers in spite of buyers' increasing requirements. Entry barriers are lower, but upgrading opportunities are limited by intermediary control over key decisions and functions. With intense global competition, upgrading strategies are extremely important for suppliers to sustain and improve their positions in GVCs. There are several strategies to upgrade:

- *process upgrading:* improving technology or production systems to gain efficiency and flexibility;
- *product upgrading:* shifting to more sophisticated and complex products;
- *functional upgrading:* increasing the range of functions or changing the mix of activities to higher-value tasks such as from cut, make and trim (CMT) to input sourcing, design, distribution and logistics;
- *supply-chain upgrading:* establishing backward supply-chain linkages, particularly to textiles;
- *end-market upgrading:* diversifying to new buyers, geographical markets or products.

Regional markets dominated by RVCs are often less demanding, allowing firms to hone productive capabilities and operational skills, so firms can upgrade stepwise and later move into global exports.

12.3 Regulatory context of clothing trade

The Multi Fibre Arrangement (MFA) had imposed textile and clothing volume quotas on imports into industrialised-country markets. When clothing manufacturers in Japan, South Korea, Hong Kong, Taiwan and later China reached quota limits, they set up plants or sourced from firms in countries with underutilised quotas. The MFA was superseded by the WTO Agreement on Textiles and Clothing in 1995 and these quota restrictions were phased out in 2005. From then onwards, buyers could source freely (apart from temporary restrictions of Chinese imports until the end of 2008), increasing global consolidation and adversely affecting LIC clothing exporters.

Tariffs are, however, still central in the global clothing trade. Most-favoured nation (MFN) tariffs on clothing imports average around 11 per cent for the EU and the USA, with variations for product categories; US tariffs vary up to 32 per cent. Hence, PMA remains important, encompassing the following:

- Regional, transregional and bilateral trade agreements with the EU, the USA, Japan and various developing countries. However, clothing and textile products are often excluded.
- The Generalised System of Preferences (GSP): 27 developed countries providing tariff preferences to more than 100 beneficiary countries. Within the GSP, some countries have offered clothing PMA for least developed countries (LDCs), for example the EU's Everything but Arms (EBA). Other agreements include the EU's economic partnership agreements (EPAs) and the USA's Africa Growth and Opportunity Act (AGOA).

PMA is governed by rules of origin (RoO) that block attempts to circumvent external tariffs. They are usually stipulated as certain production steps taking place in the beneficiary country: single transformation (sewing), double transformation (adding knitting or weaving) and triple transformation (adding spinning). Restrictive RoO can also support backward and regional integration. Single transformation rules now apply to EBA, interim EPAs and AGOA. The third country fabric (TCF) derogation within AGOA allows African less-developed countries (excluding South Africa) duty-free access for clothing made from fabrics originating anywhere.

Trade preferences are eroding, because tariffs are generally decreasing and more countries are gaining increasing access to tariff preferences to the USA and EU. This will undermine SSA exporters' privileged access to the core US and EU markets.

PMA within SSA has accelerated, particularly through the Southern African Customs Union (SACU), Southern African Development Cooperation (SADC), Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC) and Economic Community of West African States (ECOWAS). These efforts will be accelerated by negotiations on a Continental Free Trade Area (CFTA) including 54 African states.

12.4 Global trade patterns

The MFA phase out, together with shifts in buyers' sourcing policies, have had crucial implications on clothing-export patterns. China is the largest exporter of clothing, increasing its world export share from 28 per cent in 2004 to 40 per cent in 2013. Within the top 15 exporters, low-cost Asian countries (China, Bangladesh, India, Vietnam, Indonesia and Cambodia) have increased their export shares since 2004, while most other clothing-producing countries have lost global market share.

The EU-15 and the USA accounted for 62 per cent of global clothing imports in 2013. However, since 2008, imports have declined or stagnated. Imports into emerging-country markets (Russia, China, South Korea, Turkey, Saudi Arabia and Mexico) have experienced the fastest growth. Using data on global clothing retail sales, the Asia Pacific region accounted for 32 per cent of the retail market in 2012 (followed by Western Europe and North America, 25 per cent and 23 per cent respectively). The fastest growing retail markets since 2005 have been Asia Pacific and Latin America, followed by Eastern Europe (7%), the Middle East and North Africa (6%) and Australasia (5%).

12.5 The export-oriented clothing industry in SSA

AGOA increased SSA clothing exports to US$3.2 billion in 2004 and dramatically changed their composition. Exports to the EU stagnated while those to the USA more than doubled, peaking at $1.9 billion in 2004. The growth of clothing exports in some countries was spectacular. Lesotho, Swaziland, Madagascar, Kenya and Mauritius became the largest SSA exporters of clothing, accounting together for around 80 per cent of SSA's total clothing exports in 2004. By 2004, more than 90 per cent of Kenya's, Lesotho's and Swaziland's clothing exports went to the USA and Madagascar's major exports shifted from the EU to the USA.

After the MFA phase out, and accelerated by the global economic crisis, the SSA clothing-export industry declined drastically in terms of production, exports, employment and firm numbers: SSA clothing exports fell by 22 per cent from 2004 to 2009. However, exports increased again in 2011. For Lesotho and Swaziland, this increase is largely attributed to a shift in exports to South Africa. Kenyan exports continued to be exclusively concentrated on the USA. Madagascar's clothing exports remained relatively constant as exports shifted from the USA to the EU. However, the loss of AGOA status following the 2009 coup reduced US exports substantially. In Mauritius, US and EU exports declined, but the new regional market in South Africa partly compensated for these losses.

The most important end-market shift has been the increased importance of the South African market. The proportion of exports to South Africa in total SSA clothing exports increased from less than 1 per cent in 2004 to 15 per cent in 2013. In the South African market, regional clothing imports from SSA jumped 15-fold from 5 per cent ($27 million) to 25 per cent ($437 million) in the same period. Clothing exports from Mauritius and Madagascar to South Africa accounted for respectively 17 per cent and 15 per cent of their total clothing exports in 2013. Between 2006 and 2013, clothing exports to South Africa from Lesotho increased 36-fold in rand terms, accounting for 18 per cent of Lesotho's total clothing exports, while exports from Swaziland increased 89-fold, accounting for 68 per cent of Swaziland's total clothing exports. Kenya does not export to South Africa, as it is not able to access any duty-free advantage. However, there is evidence of rising regional exports to the EAC market.

12.6 Different types of firms and upgrading implications

Four types of export-oriented firms are identifiable in SSA clothing-exporter countries: transnational, regional, diaspora and indigenous. The main SSA clothing-exporter countries, Lesotho, Swaziland, Madagascar, Mauritius and Kenya, demonstrate differences in the mix of these firm ownership types, but foreign-owned firms play a dominant role in all of them. The firm types manifest different characteristics in various levels of local or regional embeddedness. These have differential effects on value-chain dynamics, affecting upgrading trajectories, skills development and industry sustainability.

Transnational investors are primarily based in East Asia (Hong Kong, Taiwan, Korea), but more recently also in China, India and the Middle East. Faced with quota restrictions, rising labour costs and high demands from global buyers, they developed triangular manufacturing networks with buyers in industrialised countries, headquarters in East Asia and supplier firms in LICs. Their primary investment drivers in SSA were (labour) costs, MFA quota hopping, AGOA duty-free access, flexible RoO and special FDI incentives. In SSA, these transnationals are mostly Taiwanese owned in Lesotho (11) and Swaziland (4). In Kenya, the 12 transnationals in the EPZs are mostly from Taiwan, Hong Kong, China and India. In Madagascar, Asian firms mostly left in 2009/10, when the USA suspended Madagascar's AGOA membership. Nearly all transnational investors left Mauritius when the MFA ended.

They follow a global strategy: export to the USA involving long-run production of a narrow range of basic products made in large plants in several countries, with highly inflexible operating environments, specialising in a narrow range of functional activities. Critical decision-making power and higher-value functions reside in head offices: input sourcing (often from their own textile mills in Asia), product development, design, logistics, merchandising, marketing and direct relationships with buyers. Their SSA production plants are generally restricted to CMT activities. Training is limited to basic production, coupled with a reliance on expatriates for technical and management skills.

Around 97 per cent of total sales output of Taiwanese firms in Lesotho and Swaziland goes to the USA through AGOA. Asian firms in Madagascar export 88 per cent of their production to the USA. In Kenya, it is 100 per cent. The product range is narrow and largely undifferentiated. The competitive drivers are high volumes of relatively simple products, cost and line efficiency, combined with AGOA duty advantage. The EU and South African orders are generally below their cost threshold. However, these firms are not interested in investigating new end markets, and because marketing decisions are made in Asia this makes establishing relationships with EU or South African buyers difficult.

Regional investors have head offices in their home countries, which are responsible for higher-value functions and organise production networks and sourcing focused on a specific geographical region. Their investments are based on geographical and cultural proximity, allowing greater interaction and a more flexible division of labour. The primary drivers for regional investors in SSA were lower labour costs, FDI incentives, preferential market access and geographical proximity. These investors are regionally embedded, with company headquarters located in South Africa or Mauritius, where most decision-making, input sourcing, design, product development, merchandising, marketing and direct contact with buyers occur. Although their plants supply largely on a CMT basis, regional proximity has led to a more fluid division of labour and functions with head offices, particularly in production and design-related activities. Regional investors also employ expatriates from their home countries and Asia for supervisory, technical and management positions. However, there are generally more locals in supervisory and middle-management positions and, concomitant with more complex products, there is more in-depth training than in transnational producers.

In Madagascar, regional investors from Mauritius had 14 plants in 2012, driven by large clothing groups moving into higher-value products and relocating production of basic products. Mauritian-owned firms in Madagascar export to the EU and increasingly South Africa, on average 75 per cent and 25 per cent respectively. Historically, their Madagascar plants focused on longer-run, basic production for the US market but, because of Madagascar's loss of AGOA, plants in Madagascar increased production for Europe and South Africa. This shift in end markets led to shorter-run and more complex products. South African investors in Lesotho (12) and Swaziland (3) sought to escape high domestic wages and inflexible labour market conditions. The South African-owned firms are tightly linked to their domestic retailers, which take 90 per cent of their output. Most of them focus on shorter runs and slightly more complicated products, with some higher-fashion content.

Diaspora investors are locally embedded immigrant families with significant histories in the host country. They are mostly owner-managed single-operation firms, not part of tightly organised production networks, nor operating with regional or global reach. They draw on their diaspora status to link to global networks for access to input sourcing, buyers and end markets. The most successful example is Madagascar, with 21 firms established by largely French immigrants. Malagasy residence and French market connections provide them with a unique defining characteristic: embeddedness through local decision-making, but also using close cultural relationships to access European networks, buyers and markets. This type is also found in Kenya, with five Indian diaspora investors using their international networks for input sourcing. Lesotho and Swaziland have five and six Asian investors respectively, operating sole-owner, more locally embedded firms, but without similar cultural linkages to those in Madagascar, making them dependant on foreign networks for linkages to input suppliers, buying offices and agents.

Key decisions (merchandising, marketing and contact with buyers or agents) are generally located locally, providing flexibility to react to constraints and opportunities. There are, however, differences between the diaspora-owned firms in Madagascar and those in

Kenya, Lesotho and Swaziland. The former's close cultural linkages to European markets and buyers enable upgrading through supplying on a full-package basis, with some design and product development capabilities. Their strategy is to go upmarket, focus on higher-quality, more complex middle- to high-fashion products involving smaller batches, requiring a flexible firm set-up and building on their long-term buyer relationships. In Lesotho, Swaziland and Kenya, the functional upgrading potential of these diaspora firms is limited to supplying basic products on a CMT basis, as they lack close cultural relationships with buyers in their end markets.

Indigenous investors with local citizenship are typically owner-managed single-operation firms with local decision-making, driven by similar investor motivations to those of diaspora firms. However, except for Mauritius, they generally do not share the cultural heritage of buyers, input suppliers or agents and are, hence, unable to use this to facilitate their value-chain linkages. Currently around 120 firms (99 per cent indigenous) in Mauritius export clothing. They vary in size, corporate composition, and regional and global reach, exporting to the EU, US and South African markets. Madagascar has 12 indigenous-owned firms, but these are largely small and do subcontracting work for large export firms. Kenya, Lesotho and Swaziland have no significant indigenous-owned clothing exporters.

Indigenous clothing firms differ significantly across countries. The local embeddedness of the Mauritian clothing industry, coupled with significant government support, has facilitated backward integration into fabric and yarn production, functional upgrading to full package and design, and higher value-added products. Most indigenous firms have moved away from basic clothing products, upgrading to higher-quality and semi-fashion goods with short runs and lead times, and increasing product ranges and styles; some have their own brands, largely for the domestic market. In Madagascar, indigenous firms are struggling and declining, without government support and unable to consolidate buyer linkages, and are driven into contract and subcontracting work. The one export-oriented indigenous firm in Kenya also primarily works as a subcontractor for foreign-owned firms in EPZs.

12.7 Main development challenges

The future growth of transnational producers is severely limited, and dependent on duty-free AGOA access. However, workers will remain as semiskilled machinists, management localisation will continue to be limited and competitiveness will still be unrelated to upgrading. Their focus will remain on CMT operations and reducing costs. Their major policy interest is maintaining AGOA and TCF.

Regional and diaspora firms are more sustainable. The EU and South African markets favour more flexible firms with shorter lead times. These firms wish to upgrade and employ local management staff. Regional firms are interested in shifting higher value-added functions to Madagascar, Lesotho and Swaziland. However, they are constrained by local human resource capacity. The Lesotho and Swaziland firms have a proximity market advantage in South Africa, but they also face serious competitive challenges from Mauritian and Malagasy producers.

Finally, indigenous firms in Madagascar and Kenya face major challenges. Apart from limited skills and capacity problems, their primary challenge is sustained value-chain access to export markets and buyers. General challenges for all SSA main clothing-exporter countries are preference erosion, end-market concentration, lack of backward linkages, skill shortages and, finally, infrastructure and trade facilitation deficiencies. Each of these issues is summarised in the following list:

- *Preference erosion:* SSA countries enjoy very favourable market access to the USA and EU. Thanks to single-transformation RoO and the important share of (often imported) inputs in total costs, the degree of effective subsidy offered is substantially higher than the nominal tariff rate. A central challenge for SSA's clothing sector is preference erosion through other trade agreements providing duty-free clothing access for all LDCs.
- *End-market concentration:* A major challenge is diversification in markets and products. In the first half of the 2000s, the US and EU-15 markets accounted for almost 90 per cent of clothing exports from SSA. By 2013, clothing export markets were more spread, with 33 per cent going to the USA, 31 per cent to the EU-15, and 15 per cent to South Africa. Hence, there has been improvement but concentration is still high, with much more potential to diversify to other high-potential export markets, including emerging, regional and local markets.
- *Lack of backward linkages:* SSA is a net exporter of clothing, but a net importer of textiles. Textile production is more capital, scale, skills and infrastructure intensive. Major challenges are hence: the insecurities associated with the sustainability of the clothing industry; technical skills; inconsistent electricity; water supply and treatment; solid-waste processing; and high capital costs. However, backward integration will be central to increase lead time competitiveness, production flexibility, transport and customs clearance, as well as domestic value added and local linkages.
- *Skill shortages:* Production efficiency and productivity in SSA clothing plants are low compared with competitors. Factory productivity depends on labour costs, production organisation, equipment and technology used, and workers' and management skills. Skill shortages are related to limited firm-level and industry-wide training facilities. With the exception of Mauritius (and South Africa), very little formal training of skilled personnel, technicians, supervisors and managers occurs.
- *Infrastructure and trade facilitation deficiencies:* An important challenge is the inefficiency of infrastructure and trade facilitation – roads, rails and ports; water, electricity and communication; customs clearance; logistics; and access to finance. The challenge of financing inputs and production is exacerbated by the purchasing practices of buyers, which generally demand payment periods of 60–90 days, increasing the amount of working capital that full-package production (in contrast to CMT) requires.

12.8 Policy recommendations

Most SSA government policies have focused on FDI incentives, and not on furthering upgrading, skills, local involvement, value added and linkages to the local and regional economy. Industries and governments need to improve their productive and institutional capacities, but they also need to make sure that they 'capture the gains' of integration into and upgrading in clothing value chains in terms of increased and sustained incomes, local and regional linkages, capability development and broader industrial development. Unless this is done, the benefits to the clothing industry will be limited to direct employment creation. With this perspective in mind, four main areas of focus for policy-makers are:

Upgrading and skills development: Without a major productivity improvement programme, the industry will remain globally uncompetitive. Competitiveness involves fulfilling high-performance requirements of quality, lead times, flexibility, complexity and different types of product, social and environmental standards, and broader functions of input sourcing, product development, design understanding, inventory management and logistics. Suppliers have to migrate from CMT and develop full-package capabilities. Indigenous, diaspora-owned and regional firms have the potential for functional and product upgrading, but are hindered by local constraints.

Skills development is central to upgrading. This requires sector policies focusing on improving training institutions to expand the skilled labour, technical, supervisory and management pool. A government technology upgrading fund could offer incentives and low-cost funds for investment in skills and technology. Industry-specific vocational and technical training, management schools and universities could improve skills across the board. Such policies require the involvement of a multiplicity of actors. Experience in other countries shows that co-operation between industry associations and public actors has played a critical role in upgrading their clothing industries.

Local firm development and locally embedded clothing industries: Local firm development is a prerequisite to build a domestic industry and increase interactions and linkages with foreign firms. Opportunities exist for fostering input suppliers of less complex trims, hangers, packaging material, machine parts and finishing functions such as embroidery, printing, laundry and dyeing. These firms would require locations close to the exporting firms, support to scale up and upgrade their equipment and production processes, assistance in developing relationships with exporting firms, and access to low-cost finance.

There are no templates for developing local entrepreneurship. However, certain conditions and policies are necessary: (i) access to low-cost and long-term finance; (ii) access to management and technical skills training; (iii) support in establishing relationships with foreign investors, buyers and input suppliers; (iv) access to incentives similar to or higher (but not lower) than those of foreign investors; and (v) public procurement favouring local clothing firms and input suppliers.

Market diversifications: End-market diversification reduces export dependency, reduces vulnerabilities and enhances resilience. Other end markets, particularly regional and also domestic markets, might also exhibit better potential for growth and upgrading. Understanding these new markets and their buyers' sourcing policies is critical, as well as active promotion of diversification. There is great potential in establishing regional input value chains to overcome the limited size, capacities and capabilities of SSA clothing sectors, promote economies of scale, vertical integration and horizontal specialisation, and reduce lead times and costs, thereby capturing more value added. This is particularly important because buyers increasingly prefer one-stop shopping locations, given that shorter lead times and increased flexibility have become key sourcing criteria. A regional perspective is particularly important for developing a textile industry, given its higher capital, scale, skills and infrastructure intensity. There are strong opportunities in cotton-based yarn and fabric production. However, policy needs to encourage a favourable environment for textile investment, including long-term loans, attracting FDI, technical skills development, and electricity and water infrastructure.

Trade barriers of textile and clothing products pose a challenge to regional integration and need to be eliminated. Co-ordination and strategic partnerships between governments and industry associations to facilitate value-chain partnerships are central to establish competitive regional production and sourcing networks.

Facilitating trade: For SSA clothing exporters, preferential market access remains essential in sustaining a position in clothing GVCs. The effects of preference erosion on SSA clothing exporters have to be taken into account in trade negotiations at the international, regional and bilateral levels. SSA governments need to negotiate duty-free access to more markets to support export diversification, in particular to middle-income and emerging markets such as Turkey, Russia, the Middle East, Mexico, Argentina, China and India. Emphasis should be put on non-restrictive RoO, as well as regional cumulation provisions to encourage the integration of regional textile and clothing industries and the leveraging of regional strengths. Favourable market access is, however, not enough for diversification to new end markets. More targeted policies at the industry level will also be necessary, including information on different markets, buyers and their sourcing policies, marketing, promotional and networking initiatives, and exhibitions.

Notes

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4 This document is an edited version of Commonwealth Secretariat Trade Policy Working Paper 2016/16, available at: www.thecommonwealth-ilibrary.org/commonwealth/trade/clothing-global-value-chains-and-sub-saharan-africa-global-exports-regional-dynamics-and-industrial-development-outcomes_5jlz4ft6f2nn-en;jsessionid=7k5ibam1mllaa.x-oecd-live-02.