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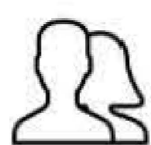


# The Clothing, Textile and Leather Value Chain in Africa



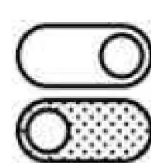
## WHICH

The CT&L sector was chosen by the AfCFTA Secretariat as a priority sector for value chain development



## WHY

This choice is based on the availability of source materials in Africa as well as the sector's labour intensity and potential to create jobs, including jobs for female workers



## UNIQUENESS

The textiles/clothing value chain, which is the primary component of our CT&L industry, is more backward-linked than forward, compared with the top 10 African value chain sectors

## Value chain trade flows: total value originated compared with extent of value chain integration

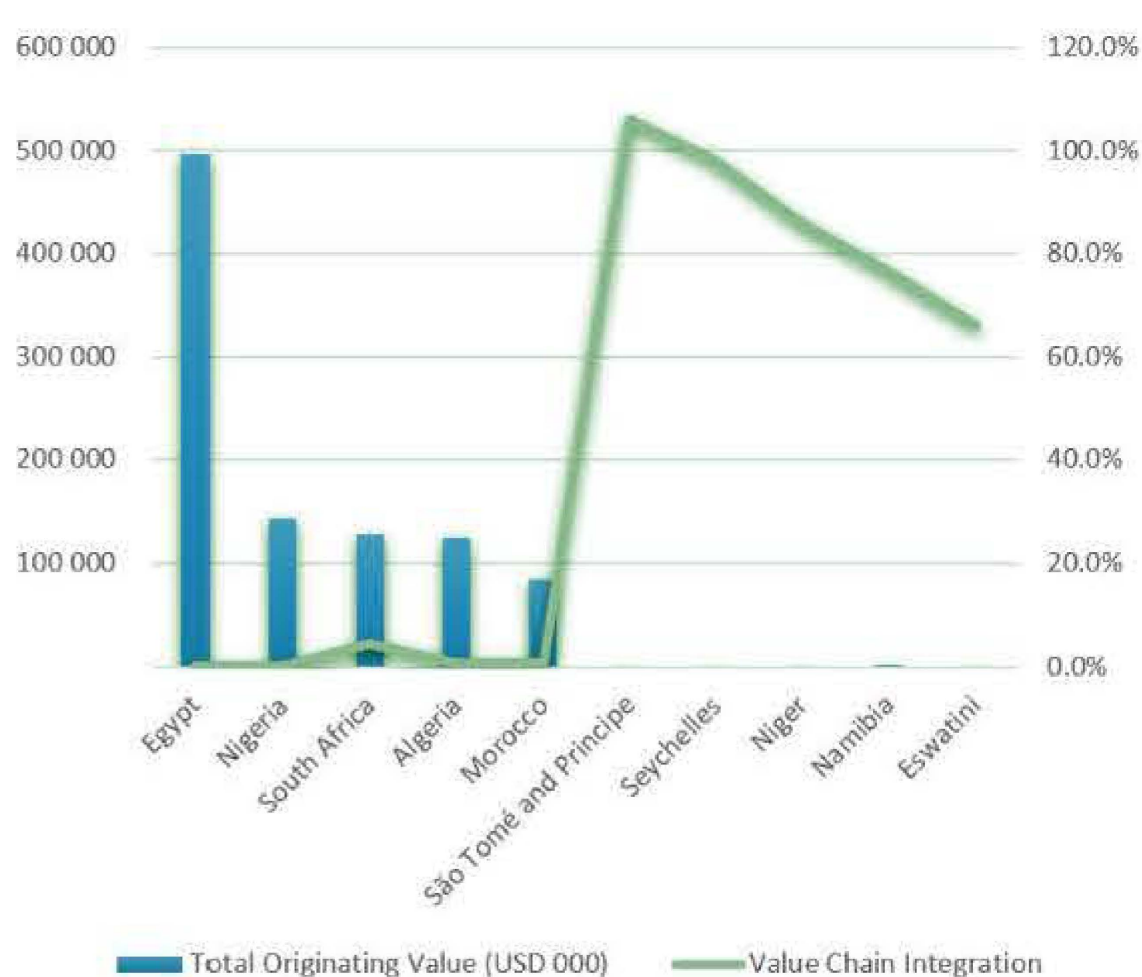
The chart presents data for the top 5 African countries by CT&L value generated (left 5) and the top five by African value chain integration (right 5)

As is seen, the largest value generators are also barely integrated into African value chains

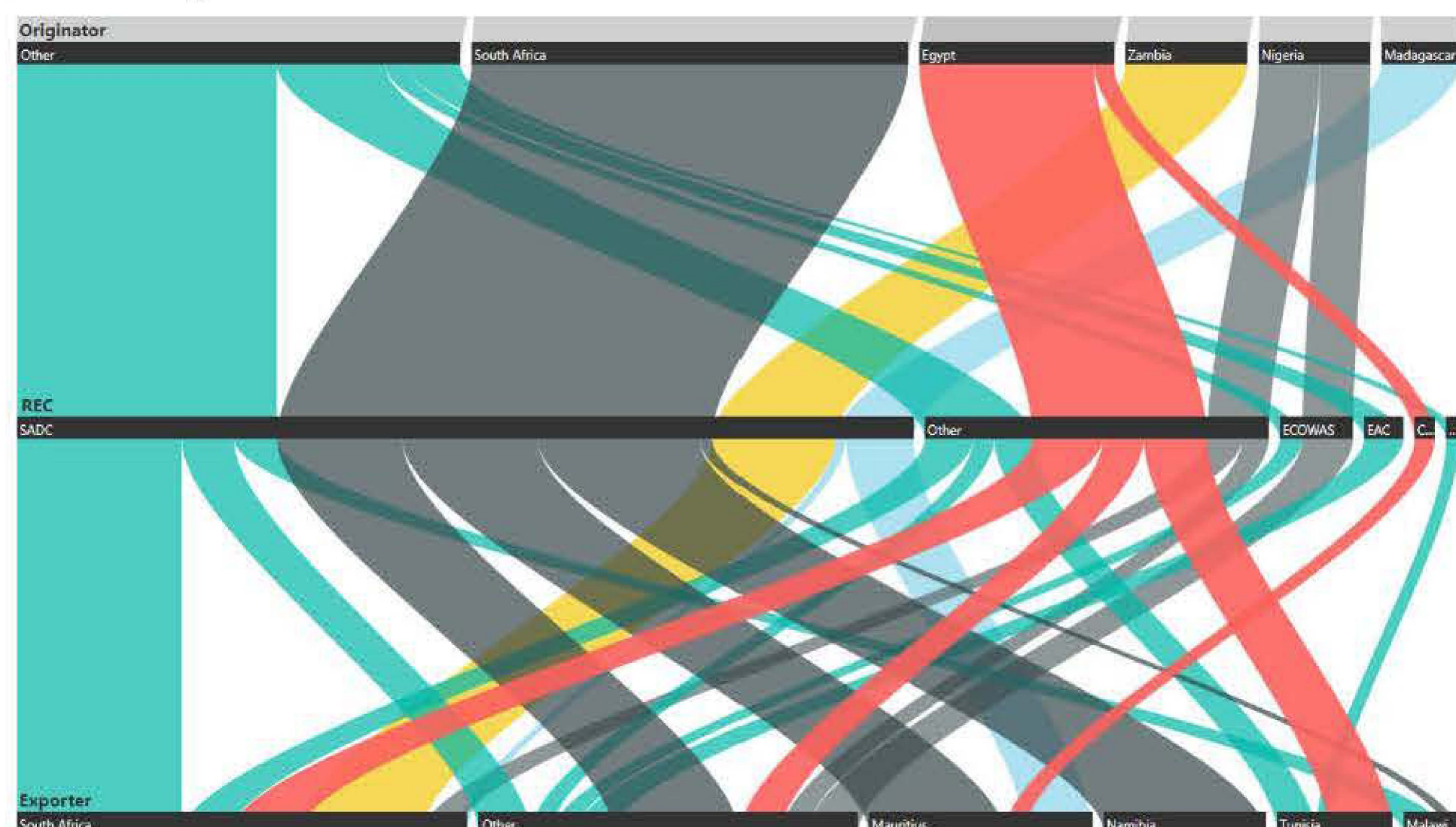
This reveals that the focus of Africa's main CT&L materials producers is not on African regional value chains, but global value chains

Among the smaller, more integrated economies, scale economies have not come into play and these are possibly niche or localised markets

Policy makers therefore need to create business environments which incentivize African CT&L value originators to focus more on the continent



## CT&L value chain trade flows, Africa to Africa flows by FTA, main flows only



- CT&L value chain trade in Africa is dominated by flows within the SADC FTA and those between countries for which there is no FTA in place
- This implies considerable potential to expand and deepen CT&L value chain flows with the expected liberalisation under the AfCFTA
- South Africa is a 'hub' country: it is the most important value originator in the sector, and the most important exporter
- Egypt is more of an originator than an exporter of value, trading most of its output to non-FTA partners
- SADC partners and island states Madagascar and Mauritius are well integrated, with Madagascar originating much of Mauritius' exported value
- A country such as Tunisia sources the bulk of its African-originated exports through non-FTA partners, and more than half of the African-originated value that South Africa exports is not traded through a FTA



## QUICK WINS

The 'quick wins' for further value chain development will be between larger markets, such as between South Africa and Mauritius/Namibia, Egypt and Tunisia



## LONGER TERM

For value chain development to contribute to the upliftment of smaller economies with weaker value chain connections, attention will need to be paid to country value chains among smaller countries, or between smaller countries and larger ones