

Benchmarking of The Textile Industry in African Franc Zone Countries

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Cotton Seminar: Improving Productivity Training & Value Addition in Africa

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Franc Zone Member Countries

WAEMU (UEMOA)

- **Benin (LDC)** 
- **Burkina Faso (LDC)** 
- **Côte d'Ivoire** 
- **Guinea Bissau (LDC)** 
- **Mali (LDC)** 
- **Niger (LDC)** 
- **Senegal (LDC)** 
- **Togo (LDC)** 



CAEMC (CEMAC)

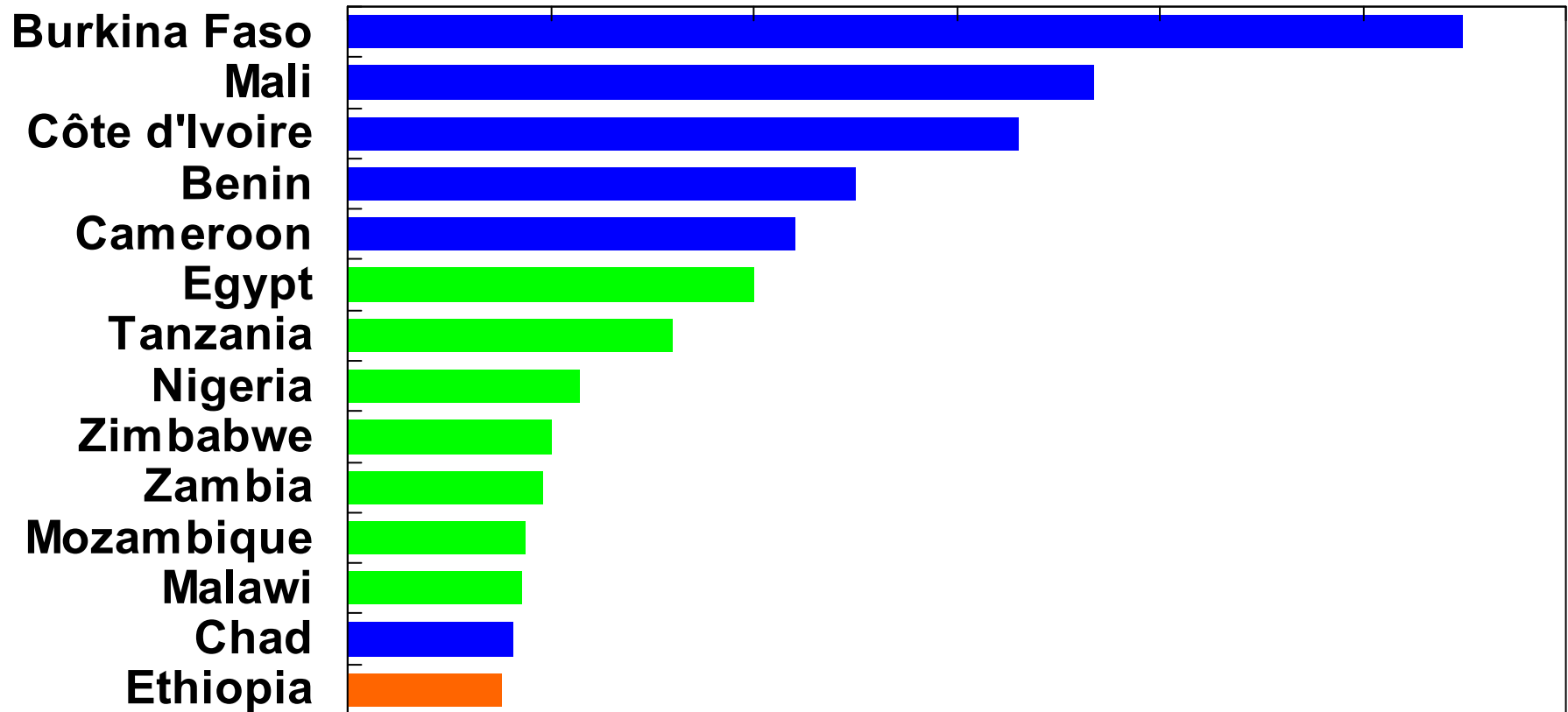
- **Cameroon** 
- **Central African Rep. (LDC)** 
- **Chad (LDC)** 
- **Congo** 
- **Equatorial Guinea (LDC)** 
- **Gabon** 

Top African Cotton Producers

2013-2014

Thousand metric tons lint

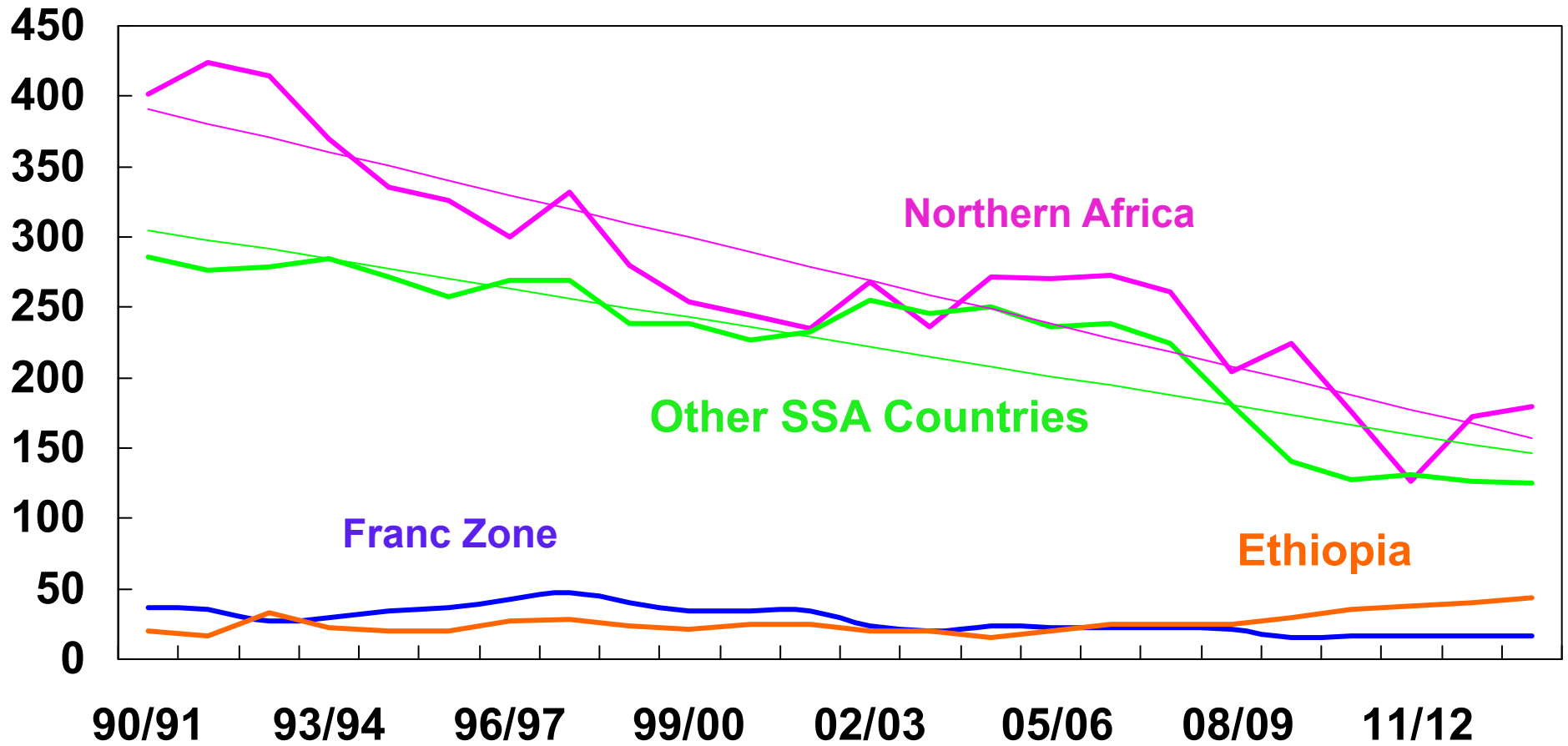
0 50 100 150 200 250 300



Source: ICAC

Cotton Mill Use

Thousand metric tons lint



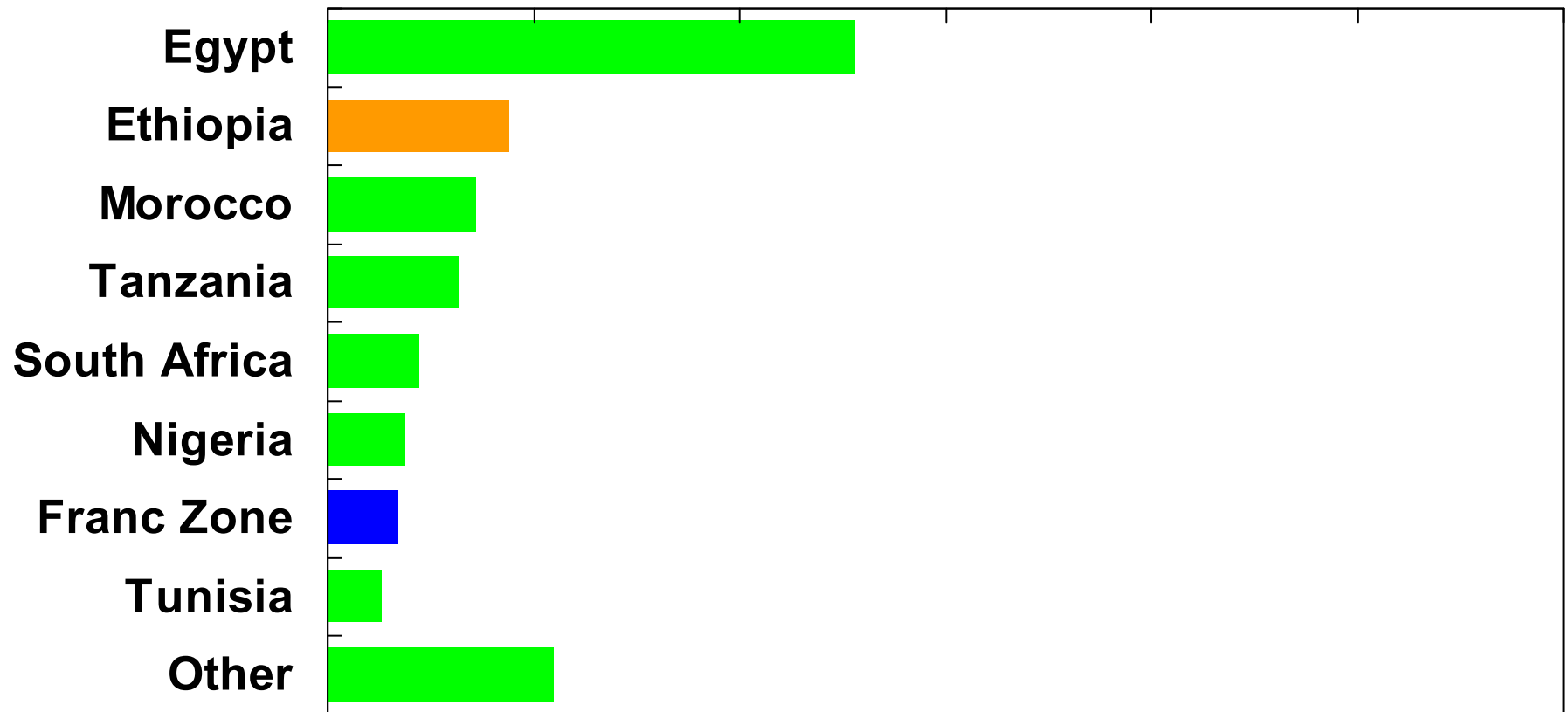
Source: ICAC

Cotton Mill Use in Africa

2013-2014

Thousand metric tons lint

0 50 100 150 200 250 300



Source: ICAC

Benchmarking Franc Zone vs Ethiopia

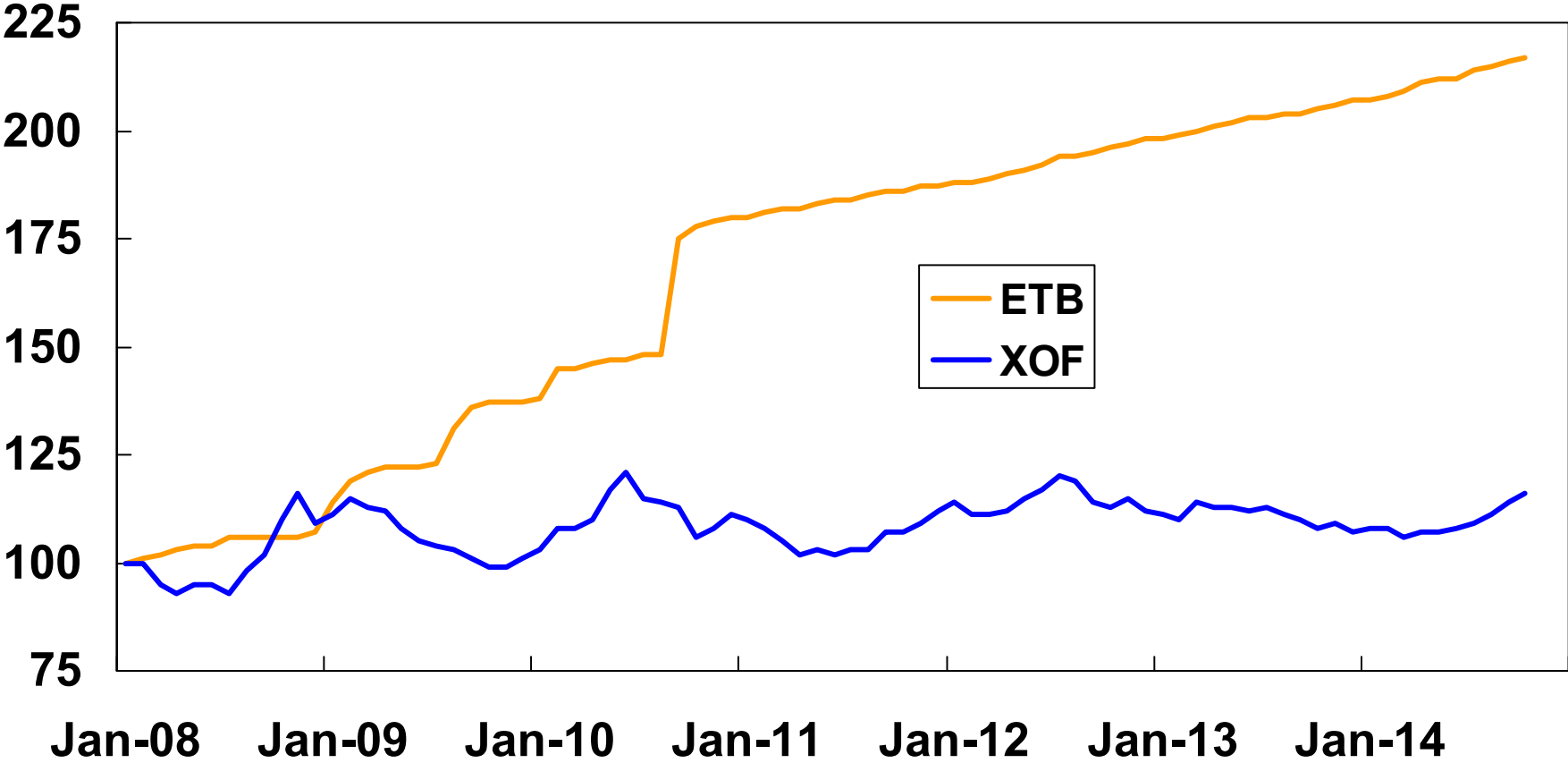
(% share in Africa)	FRANC ZONE	ETHIOPIA
Population (millions, mid-2014)	106 + 47 = 153 (14%)	88 (8%)
GDP (nominal USD bn, 2013)	91 + 93 = 184 (8%)	46 (2%)
Lint production (tons, 13//14)	960,000 (65%)	38,000 (2.5%)
Cotton mill use (tons, 13/14)	17,000 (4.5%)	44,000 (12%)
No. spinning mills (operating)	12	17
Spinning capacity (tons, 2014)	> 50,000	> 100,000
Handloom sector	Weak	Well developed
Domestic end use of cotton	Low	High
Polical will	Strong	Strong
Textile development objective	Ambitious (25% prod)	Ambitious (\$1bn expt)
Vertical integration in sector	Low	High
Government support funding	Low	High
Subsidy on lint domestic price	Yes	No

Benchmarking Franc Zone vs Ethiopia

	FRANC ZONE	ETHIOPIA
Cost of electricity (US cents/kWh)	15 to 25	< 5
Cost of unskilled worker (\$/month)	>=100	50
Cost of land	Case by case	Extremely low
Investment incentives	Market rate	Preferential rate
Fiscal incentives	Case by case	Generous
Custom exonerations	Case by case	Almost total
Textile development institution	Lack of funding (CERFITEX)	Significant funding (TIDI)
Textile sector training programs	Almost nonexistent	Numerous
Handloom sector training	Scattered initiatives	Institutional
Exports of cotton lint	Free	Controlled
Imports of used clothes	Largely free (smuggling)	Restricted (taxes)
WTO member	Yes	No (observer)
AGOA eligible	Yes	Yes
Exchange rate	Boosting imports	Boosting exports

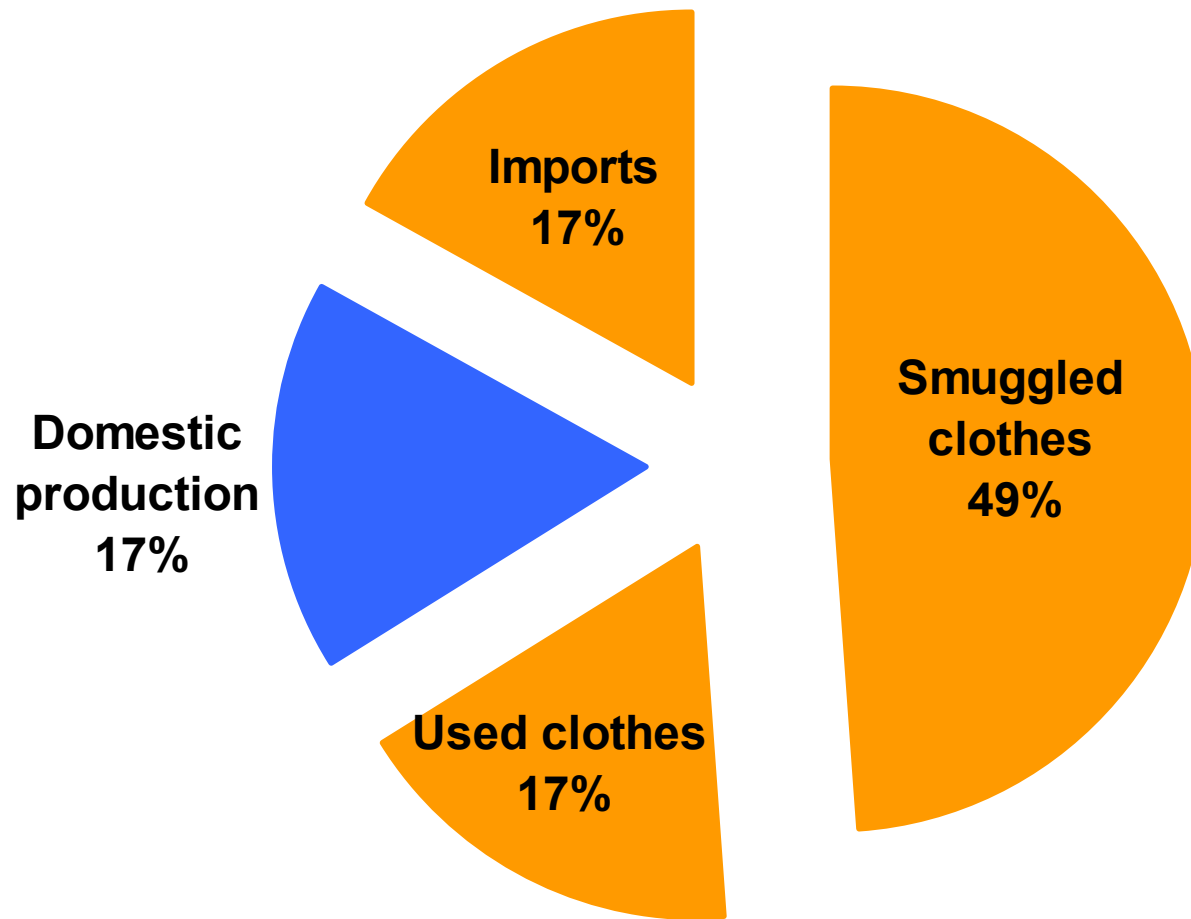
Exchange Rates

Local Currency/USD (average monthly rate, Jan 2008 = 100)



Source: oanda.com

WAEMU Textile Market



Source: Studies on the creation of 2 regional support funds for the cotton textile sector – October 2009

Asante Sana!

