

# Textiles & beyond

A presentation by  
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[www.manchestertrade.com](http://www.manchestertrade.com)



[www.gherzi.com](http://www.gherzi.com)

- 1. Situation of the cotton –textile industry**
- 2. Diversification initiatives**
- 3. AGOA prospects**
- 4. Discussion**

# Situation of the cotton-textile industry

- ❑ **Textiles used to be the largest employer after government. However employment shrunk from 300,000 in mid 1980's to 35,000 in 2010**
  
- ❑ **Two broad and major causes for the collapse of the industry are**
  - **Poor infrastructure - particularly energy & high cost of doing business**
  - **Influx of illegal imports – particularly cheap & counterfeit textiles from China**

# Situation of the cotton-textile industry

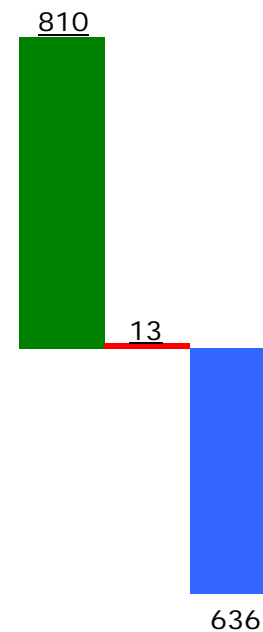
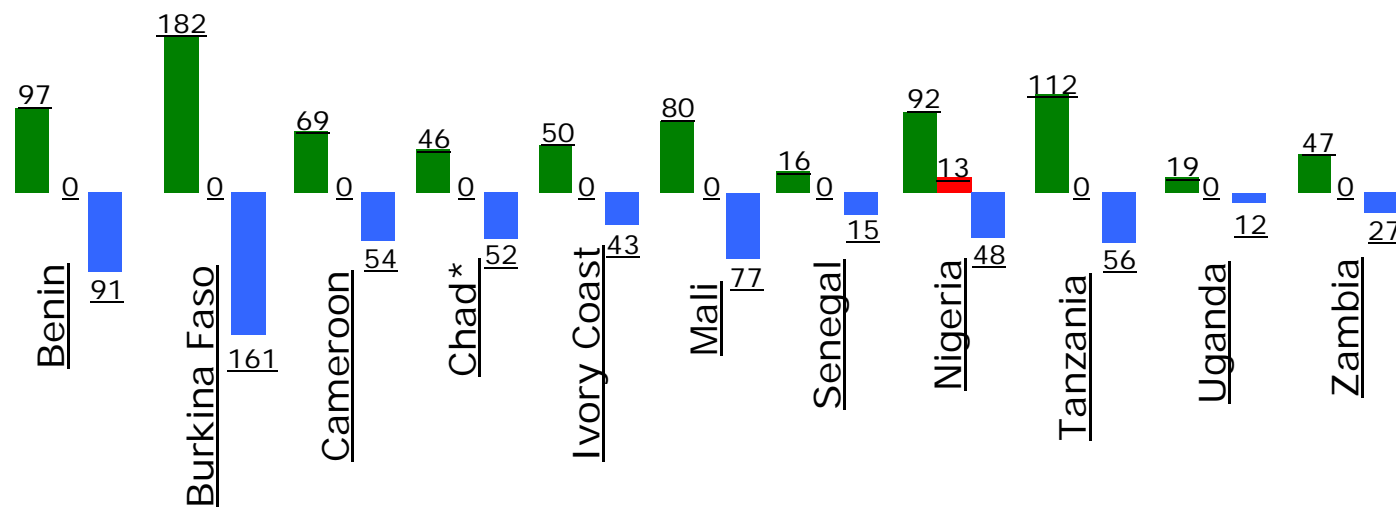
Over 85% of the Sub Saharan cotton is exported raw

## Production and utilization of cotton fiber 2008/09 ['000 tons]

### 11 Sub Saharan African countries(SSC)

### Total 11 SSC

■ Production  
■ Imports  
■ Exports



Note: \*Exporting part of their stock

Source: Gherzi analysis based on ICAC data

# Situation of the cotton-textile industry

**Over a 100,000 jobs were lost in the West African textile industry in the last decade, bulk of them in Nigeria**

Employment statistics of the Nigerian Textile Industry (1985-2008)

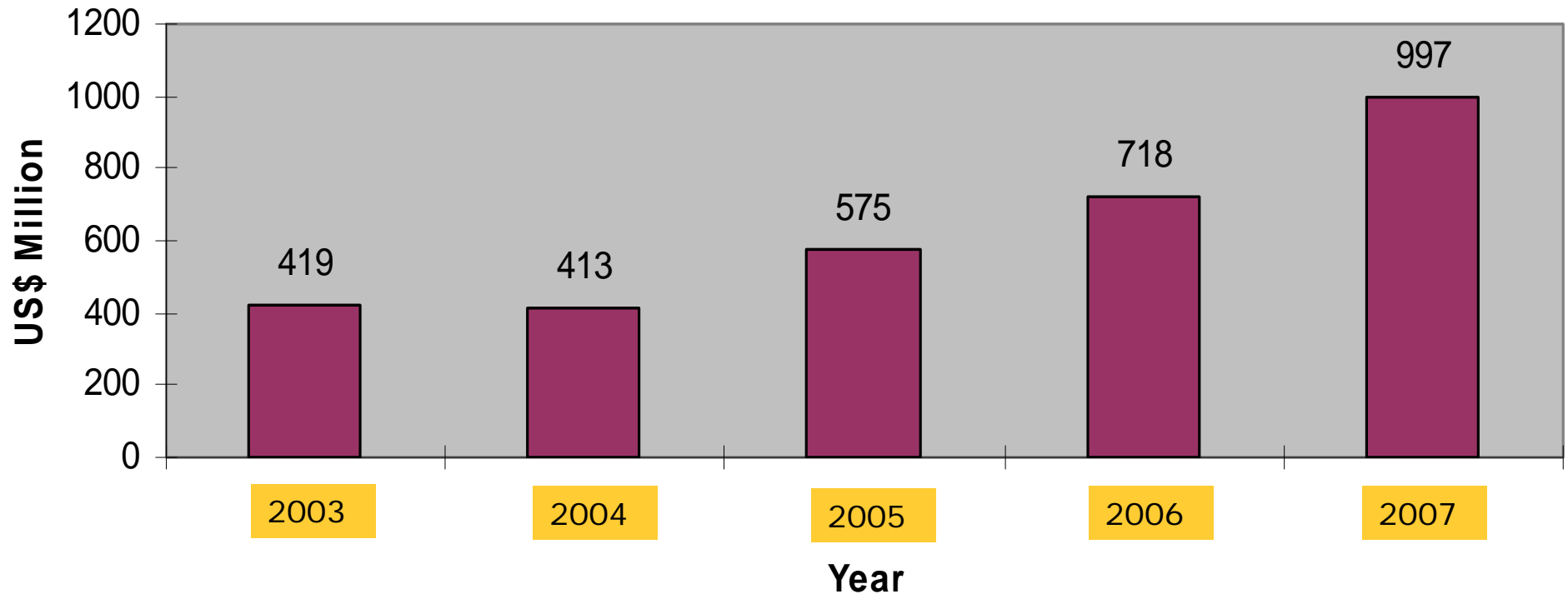


*Source : NTMA, UNIDO*

# Situation of the cotton-textile industry

**And while West African textile industry was shrinking the Chinese textile industry was fast expanding.....**

**Export of African Wax Prints from China to Ecowas**



Source : UN COMTRADE for select ECOWAS Countries



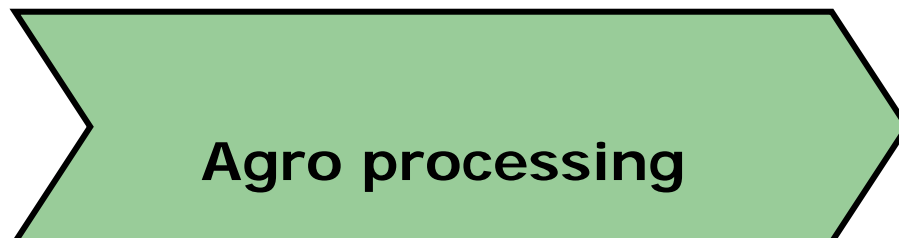
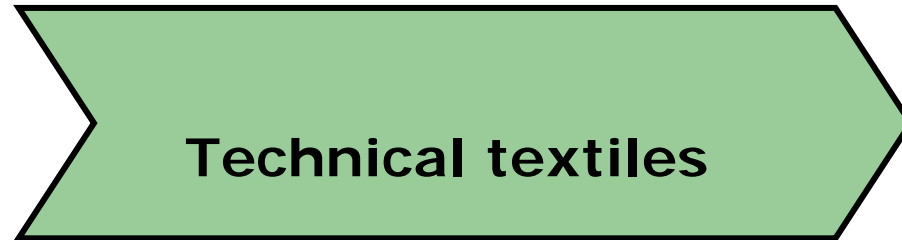
# Situation of the cotton-textile industry

Counterfeiting of trade marks is rampant in Chinese prints



# Beyond textiles

## 5 examples of diversification initiatives



**PET  
Recycling**

**Packaging**

**Fighting  
malaria**

**Construction**

**Retail**

**Sesame  
hulling**

**Rice milling**





## Alkem Nigeria/Extrupet SA –PET Recycling

- **Recycling post-consumer PET bottles to produce polyester fiber**
- **5 plants set up in Africa**
- **In Nigeria alone 400 direct and 1600 indirect jobs created through several collection centres**
- **CSR - Cleaning the environment**
- **Product range**
  - Polyester fiber
  - Pillow cases
  - Geo textiles
  - Thermofoam
  - PET Bottles (food –grade)



Textiles & beyond

# PET Recycling



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## **PP Woven sacks – Dangote / Bhojsons Industries**

- ❑ PP Woven sacks are technical textiles produced on circular weaving m/c's**
- ❑ Government policy encourage forward and backward linkages in packaging**
  - ❑ Local cement production**
  - ❑ Growth in agriculture production**
  - ❑ Petrochemical production (polypropylene)**
- ❑ Nigeria is self sufficient in woven sacks production with world's largest single manufacturing company (1 million bags/day)**

# Packaging

## Circular weaving looms for flexible woven sacks



# Fighting malaria



**Sunflag – pioneered long lasting insecticide treated net (LLIN) to fight malaria in West Africa**

- ❑ Fully integrated facility comprising spinning, knitting, processing and confection
- ❑ Annual capacity – 1 million nets
- ❑ CSR



# Infrastructure & construction

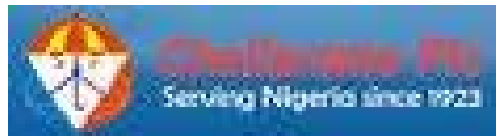
**Holborn, Kano and Specomill Textiles, Lagos diversified to meet the demand for infrastructure and construction**

- **Holborn – manufacture of PVC Pipes**
- **Specomill – manufacture of steel for construction**
- **Sunflag - manufacture of steel**

**15 new steel mills were set up in Nigeria in 10 years to take advantage of iron scrap and meet growing demand for steel in construction for infrastructure development**

**Chellarams group diversified into retail and QSR's in partnership with KFC**

- **Nigerian organized retail industry is growing**
- **KFC plans to set up 50 outlets nation wide**







## **Olam initiatives helped in diversifying diversification of Nigerian economy**

- **Former textile mills of Afprint group converted into agro processing**
- **Sesame seed production in Nigeria trebled from 30,000 to over 90,000 MT/pa**
- **Three new rice mills set up**
- **Local production of rice in partnership with**
- **Olam contributes to diversification of Nigerian economy by boosting non-oil exports**



## Olam International took boosted agro processing in Nigeria through sesame hulling and rice processing



Sesame hulling plant

# AGOA prospects : what next

## **Africa needs the capacity to trade**

- ❑ The diversification initiatives need to be encouraged**
- ❑ Africa lacks global competitiveness**
- ❑ Tariff preferences are not enough to boost Africa's trade**
- ❑ AGOA should help in African capacity building –infrastructure, regional linkages**