Fashionomics: Emerging issues and opportunities in Africa

Dr Edward Dakora
Edward.Dakora@spu.ac.za
Overview

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• The African fashion industry in perspective
• The African print fabric
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Introduction

• The global fashion power base is shifting from western countries to Emerging and developing region (notably Asia and Africa)
• Singapore now has the powerful passport in the world (Passport Index.org)
• Ethiopia is now noted as becoming the world biggest apparel hub
• African print fabrics are on the spotlight
The term “Fashionomics” was first used by the African Development Bank in May 2015 to describe an initiative to support and promote the textile and fashion sector (AfDB, 2015).

This initiative is dedicated to providing the much needed to entrepreneurs and start-up in the textile and fashion sector.

The Fashionomics initiative is champion by the AfDB’s Spacial Envoy on Gander (Ms Jeraldine Fraser-Moleketi).

An online platform has been created to as a means connecting with the sector and to provide the necessary support.
Objectives of the Fashionomics Platform

• The Fashionomics platform sets out to achieve four objectives:
  ✓ increase access to markets;
  ✓ increase access to finance;
  ✓ provide mentorship and networking opportunities; and
  ✓ develop the skills of the target group operating in the formal and informal sector.
So Why is the AfDB Doing this?

- It has ‘eventually’ realised that the creative industry has the potential to leverage Africa’s economic development prospects.
- The textile and fashion sector also seen to have significant impact on the lives of women and the youth
- The global fashion industry is estimated to be $1.3 Trillion
- In Africa, the industry is said to reach $15.5 Billion in the next 5 years
- Textile and fashion represent the 2nd largest sector in the developing world after agriculture
- Ethiopia alone has created 60,000 jobs apparel industry and now supplies H&M
## The African Fashion Industry in Perspective – General Apparel

<table>
<thead>
<tr>
<th>Country</th>
<th>Apparel exports 2013; US$ million</th>
<th>Percentage of world exports</th>
<th>Approx. no. of apparel factories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mauritius</td>
<td>761.3</td>
<td>0.17%</td>
<td>174</td>
</tr>
<tr>
<td>South Africa</td>
<td>502.9</td>
<td>0.11%</td>
<td>450</td>
</tr>
<tr>
<td>Lesotho</td>
<td>417.9</td>
<td>0.11%</td>
<td>43</td>
</tr>
<tr>
<td>Madagascar</td>
<td>381.1</td>
<td>0.08%</td>
<td>71</td>
</tr>
<tr>
<td>Kenya</td>
<td>279.3</td>
<td>0.06%</td>
<td>22</td>
</tr>
<tr>
<td>Botswana</td>
<td>72.4</td>
<td>0.02%</td>
<td>≈10</td>
</tr>
<tr>
<td>Swaziland</td>
<td>52.8</td>
<td>0.01%</td>
<td>≈18</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>36.5</td>
<td>0.01%</td>
<td>66</td>
</tr>
<tr>
<td>Tanzania</td>
<td>17</td>
<td>0.004%</td>
<td>22</td>
</tr>
<tr>
<td>Malawi</td>
<td>10.6</td>
<td>0.002%</td>
<td>&lt;10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,531.6</strong></td>
<td><strong>0.55%</strong></td>
<td></td>
</tr>
</tbody>
</table>

*All top 10 exporting countries are located in East and Southern Africa*

*They represent only 0.55% of world apparel exports*
The African Fashion Industry in Perspective – General Apparel Cont…

Classification of apparel-exporting countries in SSA
Source: AfDB Report
The African Fashion Industry in Perspective – African Print Fabric

<table>
<thead>
<tr>
<th>Regions</th>
<th>Countries</th>
<th>Global Production By Volume (Million Yards)</th>
<th>Global Production By FOB Value (Million US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>By Country</td>
<td>By Region</td>
<td>Share by Country</td>
</tr>
<tr>
<td>Asia</td>
<td>China</td>
<td>1281</td>
<td>60%</td>
</tr>
<tr>
<td></td>
<td>India</td>
<td>444</td>
<td>21%</td>
</tr>
<tr>
<td></td>
<td>Thailand</td>
<td>30</td>
<td>1%</td>
</tr>
<tr>
<td></td>
<td>Indonesia</td>
<td>30</td>
<td>1%</td>
</tr>
<tr>
<td>Africa</td>
<td>Nigeria</td>
<td>124</td>
<td>6%</td>
</tr>
<tr>
<td></td>
<td>Tanzania</td>
<td>102</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>Ghana</td>
<td>68</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>Ivory Coast</td>
<td>25</td>
<td>1%</td>
</tr>
<tr>
<td></td>
<td>Cameroon</td>
<td>9</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>Burundi</td>
<td>5</td>
<td>0%</td>
</tr>
<tr>
<td>Europe</td>
<td>Holland</td>
<td>24</td>
<td>1%</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>2141</td>
<td>100%</td>
</tr>
</tbody>
</table>

## The African Textile Fashion Value Chain

<table>
<thead>
<tr>
<th>Value chain</th>
<th>Raw material</th>
<th>Textile companies</th>
<th>Garment manufacturers</th>
<th>Branded apparel and trading companies</th>
<th>Retailers</th>
</tr>
</thead>
</table>
| **Activities and types of companies** | • Natural fibres, man-made fibres  
• Domestic supply, imports | • Spinning, weaving, knitting, dyeing, printing, finishing  
• Public, private and handloom firms | • Designing, cutting, sewing, ironing, buttonholing  
• Prime contractors, subcontractors | • Marketing, wholesaling  
• Trading companies, overseas buying houses, brand name apparel companies | • Sales to end customers  
• Department stores  
• Specialty stores  
• Small retailers in markets  
• e-commerce  
• Mass merchandise chains |

### Potential platform users and stakeholders

Source: AfDB Report
How African is the African Print Fabric?

• The African print fabric (batik) traces its origins to Indonesia

• West African men serving in the Dutch army were sent to the Dutch East Indies in the 19th century (now Indonesia) where they fell in love with the colourful cloth

• The batik was then taken back home to their various countries in West Africa

• While the Dutch quickly developed the technology to mass produce the batik solely for the West African market…. Until the Chinese arrived, of course!

• Big Brands like Louis Vuitton are now launching African print collections
Summary of issues in the African Textiles and Fashion sector

- The emerging market identity
- About 90% of fashion businesses are informal (with inherent problems)
- High transport costs to ship fabric and raw materials
- High operating costs and meagre earnings
- Lost of intellectual property and high cost of copyrights
- Lack of government support; formal institutional structures needed to promote industries
- Little attention paid to public education for designers

Sources: (AfDB, 2015; Langevvang, 2016).
Summary of opportunities in the Fashionomics initiative:

- Increase productivity through training;
- Cheaper labour in SSA vs. increasing wages in China and South-East Asia;
- Access untapped local and regional markets for fashion/apparel/accessories;
- Integrate into international value chains by addressing aspects of competitiveness;
- Work with national and regional institutions to develop the skill sets that the industry requires;
- Regulations or Government initiative to protect intellectual property
- The real opportunity lies in the new wave of designer and designs.

Sources: (AfDB, 2015; Langevang, 2016).
According to the AfDB, the Fashionomics platform will do the following regarding IP rights protection:

- Include disclaimers on IP rights, especially when showcasing products.
- Provide education/training on these issues.
- Add information on regulations and procedures for IP issues.
- Provide interesting contacts (e.g. relevant IP agencies).
- Showcase best examples or practices on IP issues.
- Use the Forum to allow relevant discussions on IP issues.

Source: AfDB Report
What can Africans do to promote their own products?

• Ghana Government launch a national Friday wear programme to promote made in Ghana clothes and fashion products, in 2014.

• A Kenyan fashion consultant, Diana Opoti, embarked on a 100 days of African fashion programme in 2014. She wore a different design and outfit from different African countries every single day for 100 days and shared pictures on social media.

https://www.youtube.com/watch?v=9w9Ugg0EUpk
What can Africans do to promote their own products?

An example of a Friday uniform in Ghana
Conclusion

- African countries must be careful about a new world order of textile and fashion manufacturing dynamics
- The Fashionomics initiative must ensure that African traditional fabrics are not misappropriated by Western Eastern companies investing on the continent
- Individual entrepreneurs and designers should be adequately supported to protect their IPs
- Civil society and Governments must work together to ensure that local economies are protected
Thank you