



African Cotton & Textile Industries Federation

Developing Synergies to Promote Trade in African Cotton, Textiles and Apparels



TPP Must Not Undermine AGOA

TPP Stakeholders Briefing

Chicago, Illinois

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On behalf of

African Cotton & Textile Industries Federation (ACTIF)

www.cottonafrica.com

INTRODUCING ACTIF



A regional trade body formed by the cotton, textile and apparel value chain stakeholders in Eastern and Southern Africa in June 2005



The Vision:

An integrated cotton, textile and apparel industry that effectively competes on the world market

Mission:

To develop and successfully deliver services that enhance our membership's competitiveness in the world market



ACTIF MEMBERSHIP

■ **Corporate Membership**

National Associations representing the Cotton, Textile & Apparel Sectors. ACTIF Presently has 34 Corporate members from 19 African Countries

■ **Associate Membership**

International Associations or Companies supporting cotton value chain. ACTIF presently has 4 associate members from 4 different countries.

African Coalition for Trade

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Representing African exporters under AGOA from:

- ⇒ Botswana
- ⇒ Kenya
- ⇒ Lesotho
- ⇒ Madagascar
- ⇒ Mauritius
- ⇒ Mozambique
- ⇒ South Africa
- ⇒ Swaziland
- ⇒ Tanzania

U.S. Imports Under AGOA, 2000-2010 (\$ million)

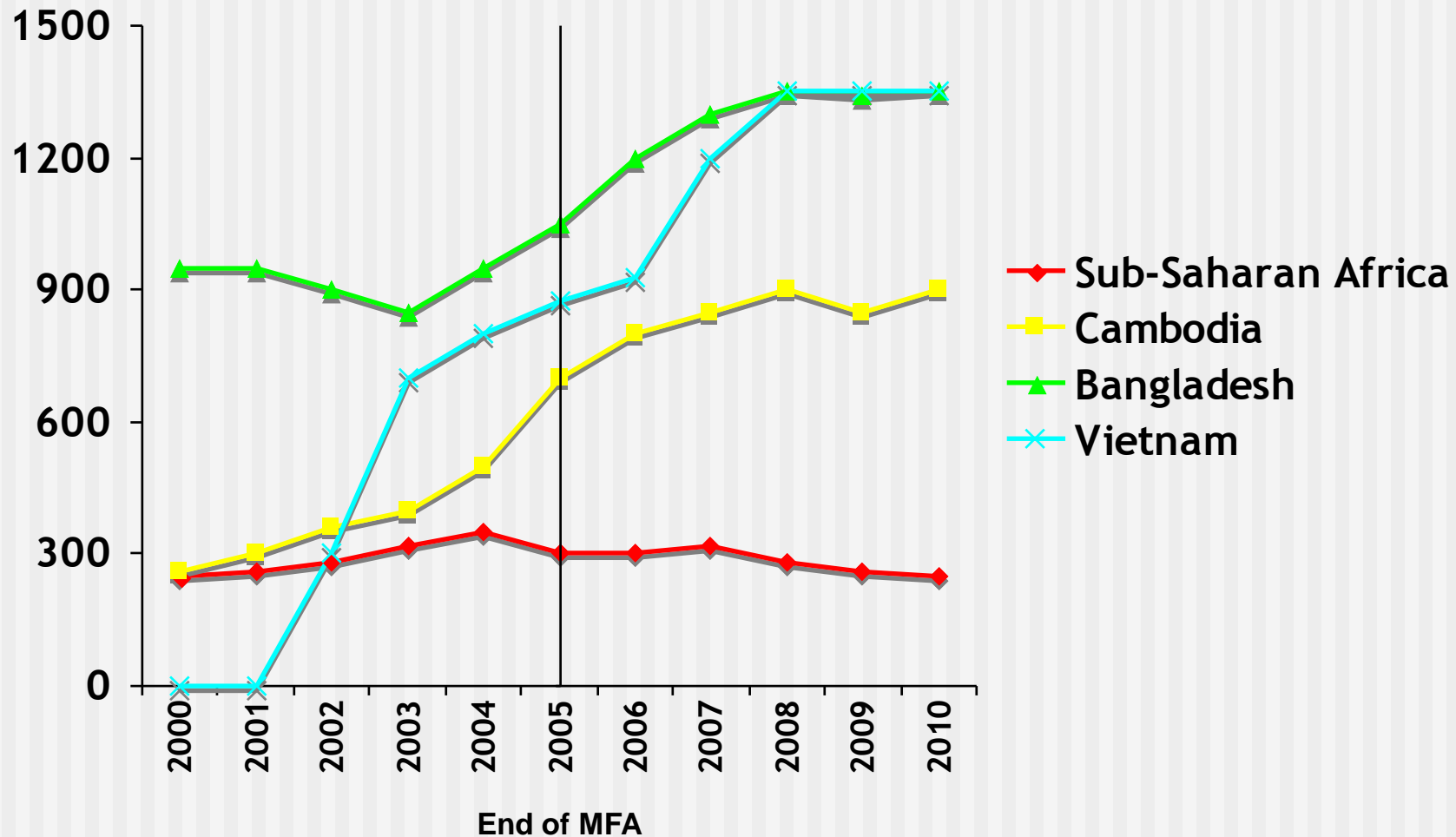
Produce	2000	2005	% Change 2000-2005	2010	% Change 2000-2010	% Change 2005-2010
Petroleum Products	\$14,648	\$38,295	161%	\$48,593	232%	27%
Minerals	4,291	4,516	5%	7,028	64%	56%
Apparel	728	1,468	102%	789	8%	-46%
Agricultural Products	429	498	16%	635	50%	28%
Vehicles	150	288	92%	1,609	973%	459%
Forestry Products	116	45	-61%	65	-44%	44%
Seafood	94	54	-43%	49	-59%	-28%
Total	\$21,359	\$46,859	119%	\$60,268	182%	29%
Non- Extractive Subtotal	\$2,420	\$4,048	67%	\$4,647	92%	15%

U.S. Apparel Imports from Various Regions 2000-2010

(in million square meter equivalents)

Region	2000 msme	2004 msme	% Growth 2000-2004	2010 msme	% Growth 2004-2010	% Growth 2000-2010
World	16,035.349	19,950.996	24.4%	27,743.990	24.0%	73.0%
China	929.259	2,972.523	219.9%	10,386.780	249.4%	1,017.7%
Vietnam	29.991	777.055	2,490.9%	1,910.503	145.9%	6,270.3%
Bangladesh	996.612	941.685	-5.5%	1,606.063	70.6%	61.2%
India	399.232	609.339	52.6%	971.113	59.4%	143.2%
Cambodia	253.682	634.683	150.2%	947.108	53.4%	273.3%
Pakistan	330.206	519.282	57.3%	697.922	34.4%	111.4%
CAFTA	3,376.667	3,790.834	12.3%	3,088.405	-18.5%	-75.5%
Andean Region	159.199	252.745	58.8	131.530	-23.1%	-17.4%
Sub Saharan Africa	164.161	440.300	168.2%	220.353	-50.0%	34.2%

U.S. Apparel Imports from Various Regions 2000-2010



U.S. Apparel Imports under AGOA 2009-2010

Country	2009		2010		% Growth	
	Msme	\$ million	Msme	\$ million	Msme	\$ million
Botswana	2.782	12.362	2.431	11.560	-12.59%	-6.49%
Ethiopia	4.219	6.720	2.992	6.567	-29.09%	-2.28%
Kenya	63.796	195.116	68.639	201.602	7.59%	3.32%
Lesotho	73.359	278.345	72.741	280.754	-0.84%	0.87%
Madagascar	62.138	211.533	17.428	54.208	-71.95%	-74.37%
Malawi	3.233	9.015	4.152	10.389	28.43%	15.24%
Mauritius	15.660	100.688	19.435	119.662	24.11%	18.84%
South Africa	2.039	10.657	0.904	6.484	-55.67%	-39.16%
Swaziland	29.487	94.409	27.097	93.488	-8.11%	-0.98%
Tanzania	0.480	1.002	3.398	1.913	607.49	90.88%
Total	259.022	921.908	222.354	789.505	-14.93%	-14.36%
Total Without Madagascar	206.884	710.375	201.926	735.297	-0.9%	+3.5%

U.S. Apparel Imports from Africa 2011 vs. 2010, year to date

Country	January-May 2010		January-May 2011		% Growth	
	Msme	\$ million	Msme	\$ million	Msme	\$ million
Botswana	1.065	\$4.778	1.060	\$4.991	-0.44%	4.44%
Ethiopia	1.235	\$2.496	2.102	\$3.747	70.14%	50.11%
Kenya	22.404	\$61.119	29.394	\$87.374	31.20%	42.96%
Lesotho	27.198	\$96.283	25.910	\$109.011	-4.74%	13.22%
Madagascar	12.693	\$37.747	3.668	\$11.939	-71.10%	-68.37%
Malawi	1.484	\$3.620	1.516	\$4.091	2.13%	13.00%
Mauritius	6.426	\$41.352	8.459	\$52.337	31.63%	26.56%
South Africa	0.316	\$2.208	0.330	\$2.495	4.22%	13.04%
Swaziland	10.079	\$36.198	9.279	\$31.782	-7.94%	-12.20%
Tanzania	0.631	\$0.180	1.645	\$1.331	160.66%	640.85%
Total	83,094	\$287.095	84.013	\$310.745	0.13%	8.24%

Africa's Apparel Production is Focused in a Handful of Products

2010 Apparel Imports by Product from Africa and Vietnam (million square meter equivalents)

Product	Africa	Vietnam
338 M/B knit cotton shirts	9.276	61.843
339 W/G knit cotton blouses	14.038	192.282
340 M/B woven cotton shirts	15.415	58.097
347 M/B cotton trousers	35.575	67.304
348 W/G cotton slacks	54.293	173.660
638 M/B knit MMF shirts	14.640	40.795
639 W/G knit MMF blouses	17.844	88.660
647 M/B MMF trousers	12.319	50.348
648 W/G MMF slacks	11.836	55.088
Subtotal of above	185.236 85% of total	788.077 41% of total
Total	220.353	1,910.503

AGOA Duty-Free Imports by Product Category During 2010

AGOA Duty Free Apparel Imports	Imports in Million SME	% of Total
Cut U.S. Fabric	0.078	0.01%
Uncut U.S. Fabric	-0-	0.00%
African Fabric	3.597	1.79%
Third Country Fabrics (LDCs)	191.648	95.5%
Short Supply Fabric	5.502	2.7%
Cashmere Sweaters	-0-	0.00%
Fine Merino Sweaters	-0-	0.00%
Folkloric	0.043	0.01%
Textile articles (LDCs)	0.002	0.01%

Conclusions

- Vietnam by itself exports 10 times as much apparel to the U.S. as all of Africa combined.
- Since 2000, Vietnam's apparel exports to the U.S. have grown by 6,486%- on a duty-paid basis, while Africa's have grown by just 34% - on a duty-free basis.
- Vietnam and Africa produce and export essentially the same types of apparel: knit shirts/blouses, woven shirts/blouses, and jeans/slacks.
- If TPP extends DFQF to apparel made in Vietnam from third-country fabric, the African apparel industry created by AGOA will be decimated.
- Instead, TPP should impose a strict “yarn-forward” rule of origin on apparel from Vietnam - with no exceptions.