

Africa garment industry embarks on digital roadmap

By Villen Anganan | 11 October 2017



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Is Africa prepared for significant change in the way that its clothing and textile manufacturing sector does business, ranging from the design and manufacturing of goods to how the customer is serviced? This was one of the key questions debated at the recent Origin Africa event in Mauritius.

The industry will have to confront this question sooner rather than later, given the global shift towards digital technologies in the so-called Fourth Industrial Revolution or 4IR, and the increased use of the Internet of Things (IoT) devices.

Such discussions were central to last month's Origin Africa event organised by the African Cotton and Textile Industries Federation (ACTIF) on the Indian Ocean island state of Mauritius. Participants spent time discussing the concept of smart factories and how the African clothing sector could boost its competitiveness through new technologies.

"Creating a certain level of manufacturing agility is key to making it possible for customers' needs to be aligned with a business's ability to deliver a product," explained Yvonne Heinen-Foudeh, marketing and communications director of Gerber Technology for Europe, Middle East and Africa (EMEA).

Apparel manufacturing processes, she explained, have come a long way of course, from steam to electricity, and assembly line mass production – and for Africa, the fact that many countries lack such legacy technology can be of benefit.

Its companies can start building manufacturing by taking account of Industry 4.0, where computers and automation come together to control robotics with comparatively little human intervention.

"Industry 4.0 has already begun to transform products, how companies operate and how they manage production in this unique environment. It is a giant step for manufacturing innovation, characterised by smart devices that can take control of machines on the shop floor, communicating autonomously device-to-device to manage manufacturing operations and distribution," Heinen-Foudeh added.

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To take advantage of these opportunities, however, the biggest challenges in Africa remain ensuring internet connectivity, logistical accessibility to and from plants, and of course actually making the investments in digital technologies.

Dr Christian Schindler, director general of the International Textile Manufacturers Federation (ITMF), pointed out that companies that have embraced the Internet of Things have already started to become more globally competitive as they streamline operations, increase productivity, and reduce costly wastage.

"Industry 4.0 will have a strong impact in the coming years on African countries, specifically in South Africa and Nigeria," he said, predicting that domestic market growth will play a role here – with local apparel markets growing by at least 1.6% and 3.6% annually respectively over the next three years.

Local growth

Accordingly, the annual clothing sales turnover of these two markets will reach US\$9.6bn and US\$4.7bn. Compared to India and China where growth is estimated to be 7.2% and 4.3% respectively within the same period, the market size of sub-Saharan Africa's two largest economies "does not carry much weight but it's a start given the fact that it's an infancy industry in this continent," Schindler insisted.

Jaswinder Bedi, ACTIF's chairman, said that compared to the rest of the world, the current adoption of latest technologies in the clothing sector within the African continent remains low. However, it is a topic that is increasingly being acknowledged and discussed by industry leaders and policy makers, largely because of the impact smart technologies can make at a socio-economic level.

In fact, with Africa having the fastest-growing middle class in the world today, now comprising 313m people who spend at least US\$2.20 a day according to the African Development Bank, there is certainly a huge market for apparel products – particularly as the McKinsey Global Institute thinks African consumer spending will hit US\$1.4 trillion by 2020.

Given this, Heinen-Foudeh said African manufacturers do not have to spend time and money seeking out remote export markets while there is untapped demand at home. "There is no need to reinvent the wheel. Africa has a significant domestic market in itself. African

manufacturers need to be connected to the latest technology. We are promoting [as digital technology provider] Gerber Technology in Africa, to support taking the clothing sector to the next level," Heinen-Foudeh said.

She added that some countries were better positioned to embrace a digital revolution in clothing production, such as South Africa, Ghana, Tanzania, Nigeria, Ethiopia, Lesotho and Kenya.

Capacity building

Commenting on such capacity building, Schindler said: "Each country needs to build on its assets and develop the business by adopting some forms of clusters. One country can supply the raw materials; another one can process and manufacture them using the latest technology, whilst the marketing can be done by another one.

"In this way, all the manufacturing processes will be done in Africa by using the competitive advantages that each country enjoys specifically like cheap and abundant trained labour, latest technology or marketing expertise."

In fact, according to UN projections, sub-Saharan African countries will have the largest growth in the working-age population over the next 20 years. It is estimated that by 2035, the working age population in the region will be as large as China's today, more than 900 million people.

This massive labour pool is capturing the attention of several industries, including apparel. Four countries top the list as being of direct interest to apparel buyers: Ethiopia, Kenya, Uganda and Tanzania.

Enterprise Mauritius chief executive Arvind Radhakrishna thinks his country, as a relatively-well developed economy with manufacturing expertise, can help this process move forward.

Exporting its expertise

Mauritius, he said, can share its experience in the apparel sector, exporting its expertise across Africa – and is already supplying its manufacturing technology to some African countries that are developing a manufacturing base.

Commerce and industry minister Ashit Gungah stressed that growing such consultative and advisory capacity will help diversify the Mauritian economy, making it more resilient.

As part of this process, continental Africa has naturally become a partner in view of the island's proximity, but also because Mauritius is a member of the regional trading blocs such as the Common Market for Eastern and Southern Africa (COMESA) and Southern African Development Community (SADC).

"Mauritius considers Africa as a land for investment in our endeavour to broaden the economic space for our entrepreneurs. Africa is now the third largest export market for our textile and clothing output, representing 26% of total exports. Additionally, Africa ranks first as our sourcing destination for cotton used in the spinning mills," Gungah stated.

If the digital revolution that has just started in Africa takes hold, such opportunities will only grow. But speakers at the conference realised it will take time to get into full swing.

At the same time garment specialists and economic decision-makers present recognised the fact that innovation is the key for African countries. Moreover, additional cooperation between talented designers and manufacturers is needed to prepare the continent for higher value production.

Origin Africa 2018 will take place from 10-12 September in Nairobi, Kenya.