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CURRENT CAPABILITIES AND FUTURE POTENTIAL OF AFRICAN TEXTILE AND APPAREL INDUSTRIES

Lindsay Whitfield and Chema Triki

The textile and apparel industry is a globalised industry characterised by a high degree of dependency and fragmentation in global supply chains. From the mid-20th century, cotton textile and apparel manufacturing production relocated from industrialised to developing countries, particularly in Asia, and was quickly followed by the emergence of the petrochemical industry and synthetic fibre production in East Asian countries, while South Asia **continued** to focus on cotton and natural fibres.

China, Bangladesh, and Vietnam are currently the central players in global apparel supply chains, with China and increasingly Vietnam having vertically integrated industries with access to a diverse range of fabrics and thus a large product portfolio. **The largest apparel consumer markets are concentrated in Europe, North America, and other wealthy countries such as Japan**, as they have higher purchasing power and economically larger markets. Large emerging economies such as China and India largely supply their domestic markets but have not yet become major destination consumption markets for other developing economies.

Changes in international trade over the past 30 years fostered the textile and apparel global value chain dynamic. These changes were marked by opening trade borders, lowering tariffs, tax breaks

or subsidies offered by various governments, and free trade agreements. Low labour costs and lower production costs have shaped the decisions of global actors to relocate their operations from one country to another.

Current global trends are set to transform the global value chains of textiles and apparel again. These trends include increasing production costs in China, the drive to shorten supply chains post-Covid pandemic through nearshoring and seeking countries with yarn-to-garment (or vertical) production capabilities, and a sustainability shift. These trends are leading global apparel buyers to diversify their sourcing away from China and Asia more generally and to consider new supply bases.

These structural trends in the industry, together with the AfCFTA, represent a window of opportunity for African countries. African industry actors and their governments should build new textile and apparel industries that seek to participate in global and regional markets and engage with global technologies and international partnerships. Attracting foreign firms with the necessary technical, organisational, and managerial capabilities is essential. The AfCFTA represents a powerful tool to respond to the verticality need of the industry, considering the current production levels of raw materials, but also an opportunity to

The **African Industrial Policy in the 21st Century (AIP21)** network brings together scholars to share research results and outline a new research agenda in view of developing new thinking for a green and resilient industrial policy in Africa for the 21st century. The AIP21 Network organized a series of workshops in 2022 on green industrialization in Africa at Copenhagen Business School and the University of Johannesburg in South Africa, with co-funding from DANIDA's Knowledge in Action grant. These policy briefs are some of the outputs from the workshops.

increase the number of African countries with industrial capabilities in textile and apparel. The ongoing negotiations on rules of origin will significantly impact the continent's potential to create synergetic regional value chains.

1. Cotton, Textiles and Apparel Production in Africa

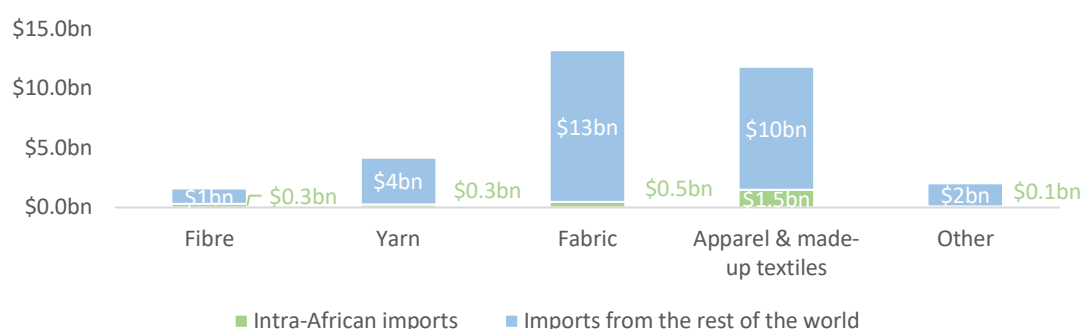
Productive capabilities in the sector in Africa remain low as the continent is largely a net importer of textile and apparel products. Asia accounts for 90% of installed spinning capacity, 82% of global weaving capacity, 93% of new investment in weaving machines and over 60% of global garment exports. In comparison, Africa's installed spinning, weaving and knitting provision remains very low, accounting for less than 2% of global provision. Africa accounts for 15% of world cotton fibre exports but only a small share of world exports of yarn (2%), fabric (2%) and apparel and made-up textile exports (3%). In contrast, Africa accounts for a relatively large share of world imports of fabric (14%) and used apparel (30%), but smaller shares of world imports of cotton fibres (3%), yarn (5%), and apparel and made-up textiles (2%). Africa is an important segment in the global waste management system of clothing, given the excess of clothing produced due

to the fast fashion business model adopted by global apparel brands and retailers in the 1990s.

A couple of African countries have developed industrial capabilities in textiles and apparel, but most of it has been in the apparel segment and relies heavily on imported fabrics from Asian countries. A significant share of African apparel exports comes from North Africa, followed far behind by East and Southern Africa. West and Central African countries do not have significant apparel exports, and West Africa predominantly exports cotton fibres. Apparel exports from the continent go largely to Europe and then North America. Excluding North Africa, the largest African apparel exporting countries to US and European markets are Madagascar, Mauritius, Kenya, Lesotho, Ethiopia and Eswatini, in that order.

Intra-African trade in the industry is relatively important relative to other industries and the overall intra-regional trade in the continent. Intra-continental trade is particularly important for fabric and yarn; however, the value of trade in these segments is very small. This indicates that of the small amount of fabric and yarn that is produced in Africa, a significant portion is traded on the continent.

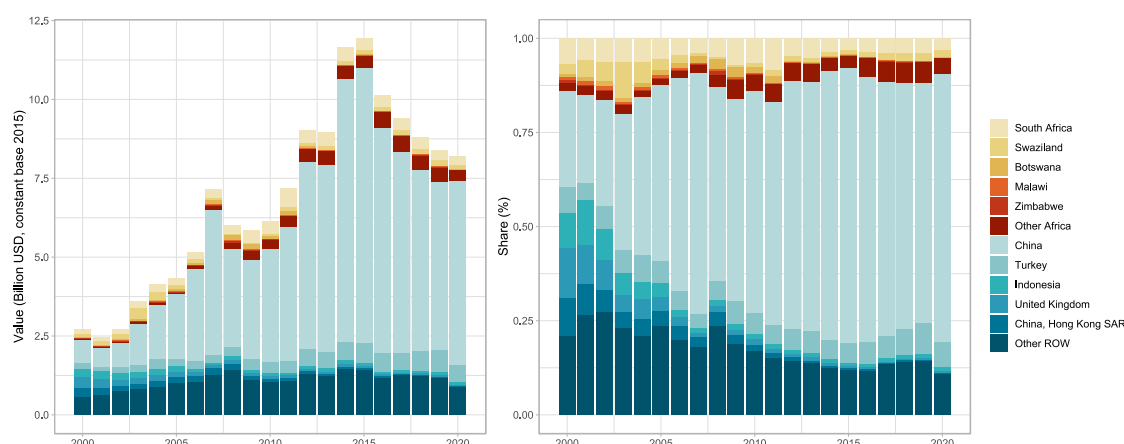
Figure 1. Share of Africa's textile and apparel import markets supplied by African exporters, by value-chain segment, average 2017-2019



Source: Graph produced by Jamie MacLeod based on CEPII-BACI reconciled trade flows.

Figure 1 shows the share of Africa's import demand for each segment of the value chain that is supplied by intra-African suppliers, and Figure 2 shows in more detail the sources of imported apparel. The most significant portion by far comes from China. Chinese imports have largely displaced imports

from other Asian countries and the rest of the world but have not substantially displaced intra-African trade, which was already small in 2000 but has shrunk even further. Currently, only 8% of Africa's textile and apparel imports are supplied by other African suppliers.

Figure 2. Sources of African Apparel Imports: African vs. other sources, 2000-2020

Source: Graph produced by Kristoffer Marslev based on CEPII-BACI. Trade values are estimated as FOB. Trade values have been deflated according to the USD deflator (<https://data.worldbank.org/indicator/NY.GDP.DEFL.ZS?locations=US>).

Southern Africa is the largest supplier of *intra-African imports* of apparel, with South Africa in particular accounting for 25% of total exports within the continent. Eswatini and Lesotho also have large amounts, and notably, these are countries where many South African-owned apparel factories have relocated. Not only is South Africa the main supplier of apparel within intra-Africa trade, but it is also the largest import destination accounting for 30% of all intra-African textile and apparel imports on the continent, while Lesotho and Eswatini import large shares of inputs and intermediate textile goods. Inputs and intermediate textile products also account for a large share of intra-African imports into Madagascar, Kenya, and Mauritius, highlighting the regional value chains around apparel exports already existing in Southern Africa. Inputs and intermediate textile products also account for a large share of intra-African textile and apparel imports in Algeria, Morocco, Tunisia, and Egypt, indicating regional value chains there as well. *However, intra-African sources still account for a small share of these countries' supplies of imported inputs, which indicates a significant untapped potential.*

2. Key global trends in the industry

The textile and apparel industry is currently undergoing structural changes that may represent an opportunity for African countries. These changes include the emergence of sustainability and circularity and the trend towards shorter and more transparent apparel global supply chains.

1. Sustainability and circularity in apparel global supply chains

The climate crisis and the high contribution of the global fashion industry to greenhouse gas emissions are forcing industry players to make a radical change in production processes. It is estimated that the activities of the global fashion industry are responsible for at least 4% of annual greenhouse gas (GHG) emissions, and if the industry's growth rate continues, these GHG emissions could increase by more than 50% by 2030.

The industry pollutes at different stages of its value chain, from the production of raw materials to the production of clothing waste. Raw material production of cotton and man-made fibres accounted for the largest amount of GHG within the production process. Fibre production and wet processes in fabric production have the highest impact on water usage, chemical use and wastewater discharge, with wet processes in textile mills noted as a major source of biodiversity and freshwater pollution. In addition, it is estimated that clothing waste is worth approximately \$500 billion per year due to a lack of recycling and landfill disposal: of the total fibres used for clothing, approximately 87% are thrown away. Given the importance of petroleum-based synthetic fibres in clothing production, this waste is one of the main contributors to plastic microfibres polluting the oceans and disrupting marine ecosystems.

Consumers increasingly demand sustainability, and legislation is progressively requiring a sustainability shift. European country governments and the European Union Commission have been at the forefront of this shift. Existing and expected EU regulations have increased market demand for alternative sustainable fibres and textile production technologies.

As a result, some large global apparel brands and retailers have made commitments to shift to designing and sourcing clothing that is more sustainable. Existing fibre and textile equipment firms and textile and apparel suppliers are investing in research and development to produce new technologies alongside start-up firms. Global apparel brands and retailers are investing in these start-ups and partnering with actors along the global supply chain to bring these technologies to scale. In terms of recycling, technological progress is happening quickly and being brought to scale, allowing cotton, blended cotton, and synthetic fabrics to be recycled into new fibres. Companies have created technologies to produce bio-synthetic fibres that can replace fossil fuel-based synthetic fibres, and we are seeing these innovations being commercialised and brought to scale through partnerships among buyers and suppliers.

A significant part of the shift to sustainable textiles is reducing the demand for virgin raw materials, especially those that consume a lot of resources, such as cotton. This means that the demand for conventional cotton is likely to fall and that cotton demand will shift to *certified organic and regenerative cotton*. China and India are today the largest producers and consumers of cotton. However, buyers are seeking to diversify cotton yarn and fabric sourcing away from China due to US sanctions under the Uyghur Forced Labor Prevention Act that came into effect in June 2022. Global buyers have increased investments in India for organic and regenerative cotton and in the US. Cotton production in Africa ranges from 1.7 to 2.0 million tonnes, two-thirds of which come from West Africa, but very little is certified organic. African countries should seize this opportunity to produce more regenerative organic cotton through partnerships and R&D investments.

The raw material for clothing will become manufactured fibres with a high technology content that requires licensing technology and rely on advancements in chemical technologies and bio-fabrication. These technologies will have spillover effects on other manufacturing sectors, resulting in something similar to the technological advances that led to the polymer revolution (creating a world of plastics). *Innovation in the textiles sector historically drove industrialisation in West and East Asia due to fast technological changes in textile production and, later, synthetic fibres.* Apparel assembly was never the source of dynamism behind textile-driven industrialization, which has always depended on cheap labour from socially disadvantaged groups in societies. *African countries should not miss the next technological shift linked to alternative fibre and textile technologies.*

2. A strong trend towards "near-shoring" and vertical destinations

China is the world's largest textile and apparel manufacturer and exporter, reaching US\$ 266.41 billion in exports and representing a global market share of 44% in 2020. While China is expected to continue to play an important role in the industry, there has been a clear downward trend in its market share since 2014. Rising wages and production costs in China benefited neighbouring countries, particularly Bangladesh and Vietnam, but those countries are reaching saturation, and buyers and suppliers are looking for new supply bases. In Africa, Ethiopia has benefited from this trend over the past decade. Still, political instability and the loss of preferential access to the US market through AGOA are forcing buyers to look elsewhere, raising interest in other countries on the continent. *The downward trend in China's share is expected to accelerate over the next few years* as new legislative requirements have emerged regarding due diligence and respect for human rights.

In addition, the climate crisis and the significant tensions during the COVID-19 pandemic are prompting the industry to shorten and simplify its global supply chains. Global apparel buyers are looking to source from countries closer to Europe and the US that have a significant part of the supply

chain (from yarn to garment) in that country or neighbouring countries, especially a large and diversified textile production. This will involve consolidating supplier lists in favour of those who can provide 'green' production, traceable and vertically integrated, closer to end markets. Some industry experts say verticality (vertical integration of spinning, fabric and apparel assembly in the exact location) is now more important than cheap labour costs. African countries can take advantage of this opportunity, but this requires building production capacity in cotton spinning, weaving, knitting and finishing.

The pace of automation and digitalisation of manufacturing processes has accelerated. Digital technologies are now changing the industry's business model and affecting different stages of the value chain, from textile production traceability of fabrics and garments and up to trading and reusing and recycling of second-hand garments. Spinning, the primary process of transforming fibres - such as cotton - into yarn, has undergone significant automation over the past 20 years to improve productivity and quality at a lower cost. As a result, the labour intensity of spinning has rapidly decreased over the past decades. The most recent innovation in this value chain stage is the digital printing of fabrics. Today, only about 5% of the world's printed textiles are digitally printed, but global digital textile printing is expected to grow by more than 10% in the coming years. Digitally printed fabrics offer a wide variety of products with much shorter delivery times and less consumption of resources, especially water. *Traceability has also become a priority for the textile and clothing industry* to increase its readiness to manage value chains more efficiently and to make a successful transition to sustainable production, and traceability relies on digital and DNA technologies. As a result, building textile and apparel industries today require investments in human capital to impart digital literacy to the workforce.

3. Investment attraction: what investors want

In the textile and apparel industry, suppliers or manufacturers are the direct investors, but their buyers – global apparel brands or retailers – have a strong influence on new destinations and supply

bases. Countries may seek to attract foreign investors by targeting a leading, high-profile anchor investor. The establishment of a leading foreign investor helps signal to other prospective investors that the country offers a conducive business opportunity and increases the success chances of the first mover, which is a critical determinant of the industry's development and growth path. African governments should be very selective with the first movers as their success or failure would send a strong signal to the market and might determine the trajectory of the industry development. First movers must be companies with high market reputations and robust technology and managerial know-how.

Investors assess the macro profile of a potential investment country, including its **political stability and the pro-activeness and efficiency of the government**. Industrial policy for textile and apparel should have sustainability at its heart, and more than a detailed action plan, governments need to communicate a vision, a high-level understanding of the sector, and a commitment to learning from industry actors and collaborating with them. Anchor investors generally work hand-in-hand with governments to develop a new supply base; therefore, the government's capacity to be proactive, coordinated, and efficient is crucial. Global apparel brands and their global suppliers also look for government officials who listen and are eager to learn, as this increases their trust in the success of the industry development.

Trade agreements are also an important consideration for global brands and suppliers when looking to invest in a new country. For instance, AGOA has played a significant role in developing the industry in Ethiopia and Kenya. Free trade agreements with the EU for Tunisia and Morocco have also significantly contributed to developing export-oriented industrial capabilities. Regional trade agreements are increasingly considered by global buyers and suppliers due to the increase in purchasing power in Africa and the emergence of a middle class. While most global actors would look to export, some are already looking into the potential of supplying African markets, especially in middle-income countries. Therefore, the AfCFTA represents

a huge opportunity and a significant asset for the industry's potential in the next decades.

Industrial infrastructure: When investing in a new country, global brands and suppliers look for a "plug-and-play" model that reduces the administrative burdens of starting factories, provides access to quality industrial infrastructure, and facilitates access to support services such as logistics and finance. With the sustainability shift, the existence or plans to establish eco-industrial parks that offer additional environment-oriented services are increasingly central to global brands and suppliers. Eco-industrial parks are expected to include a supply of renewable energy and green and environmentally compliant raw materials; zero-liquid discharge effluent treatment plants to improve water efficiency and reduce polluted water waste; waste management services such as sorting and recycling.

Logistics: Global brands and suppliers will be export-oriented, so efficient logistics is crucial for developing an export-oriented industry. This would include well-developed port infrastructure with adequate capacity, roads for transporting inputs and products, and the existence or plans to develop effective shipping lines in collaboration with private sector actors.

Utilities: The cost and reliability of electricity are particularly important for suppliers operating in the textiles segment. Electricity represents, on average, more than 20% of the manufacturing cost of textile mills. Generally, destinations with reliable electricity that cost lower than 8 cents \$ per kWh are preferred by textile mills. Voltage fluctuations or power cuts, even for nanoseconds, can cause the production to stop for a couple of hours, leading to a significant waste of processed materials and disruption. Fresh water is essential for dyeing textile fabrics, and its availability at reasonable prices is important for investment decisions. Generally, acceptable costs of fresh water are between 40 and 50 US cents/M³.

Incentives: African countries are competing with Asian economies and should align their fiscal incentives with what is provided in these countries, but *fiscal incentives should be time-bound and*

subject to performance criteria. Some countries fall into the trap of being too generous with their fiscal incentives and fail to collect their return on investment in the long run. While fiscal incentives are important for investment decisions, many *global brands and apparel suppliers would prefer fiscal incentives that are realistic and that allow for a win-win with governments.*

Production of raw materials and their quality: Considering the importance of verticality in the industry's future, the availability of raw materials is increasingly important for investment decisions. About 75% of fabric production is based on man-made fibres, so the availability of cotton and its transformation potential should be complemented by an investment in other man-made and sustainable fibres. *Traceability of raw materials and products, including details of the social conditions of work, will increasingly be important.*

Labour cost and Labour law: The apparel segment is highly labour intensive: an investment of 5 million dollars can create up to 2,000 jobs, mostly for unskilled and low-skilled workers. Labour wages represent a significant part of the cost structure. However, while labour cost is an important variable, its role in investment decisions tends to be exaggerated; it is a necessary but insufficient condition. Other variables such as the potential to create a vertically integrated textile and apparel industry are increasingly becoming as important as labour costs. The most important aspect of labour law is the limit on the number of weekly working hours. Most investors will request the law to evolve to allow for a work regime of 48 hours per week.

Availability of trainable labour force: Considering the labour intensity of the industry, ensuring the availability of a trainable labour force is a strategic consideration for investors. In Ethiopia, supplying adequate labour to industrial parks and reducing the high turnovers represented significant challenges. Investors will look at the easiness of sourcing labour and the existence of training programmes or plans for it. Generally, training programmes are developed in collaboration with development partners, which played an important role in this aspect in several countries. In Togo, the

newly established Industrial Park *Plateforme Industrielle d'Adétikopé* (PIA) includes a training centre that aims to train 2000 workers per year at full capacity. Workers trained in this centre will continue working with investors in the park. This represents a key programme highly appreciated by investors and provides positive market signalling about labour supply and skills.

4. Strategic industrial policy approach and toolkit

Trade policy is an instrument for industrial policy, but it is a rather blunt instrument for building globally engaged and competitive textile and apparel industries on the continent. Addressing this task requires a range of more sophisticated industrial policy tools to encourage foreign and local investment. Trade measures not accompanied by compulsions and incentives for local firms to invest in staying at the technological frontier led to stagnant industries that fall behind technologically and become uncompetitive internationally and then seek trade protection, leading to a vicious circle. Strategic trade policies need to be accompanied by industrial policies.

African textile and apparel domestic and regional value chains should be based on mastering the next generation of fibre production and recycling technologies. This strategy involves taking risks to invest in building the knowledge and skills required for this new technology. Such risks are warranted given that competitive advantage is created by government policies working together with private sector investments in learning; it is not intrinsic or based on any initial resource endowment. African countries can go beyond becoming competitive in the new textile and apparel global supply chains and use them to drive green industrialization processes.

Such a strategy also involves building diversified regional textile bases as well as regional value chains. There is an extensive range of natural and man-made fibres used to produce fabrics, and even more extensive range of possible finishing that can be applied to fabric as well as innovations in the technical qualities of fabric. One African country cannot build a textile base that can service an apparel export industry unless it is focused on just a

few products. Large countries such as China and India have been able to do this, but African countries can do this by creating regional textile bases in different parts of the continent. Neighbouring countries could create specialized textile sectors around specific product categories and then source from each other, increasing the overall variety of fabric available at minimal time and cost. Additionally, such a diversified regional textile base would make it easier for locally owned apparel firms to emerge and provide the opportunity to move into higher value products as well as move into design of fabrics.

The capital requirements of establishing textile mills and vertically integrated factories from spinning to fabric to garment are very high, and there is limited knowledge in most African countries on how to operate the most modern textile equipment and produce export-quality fabric. **Therefore, the first wave of new investments to create a textile base will have to be led by foreign investment.** But foreign investment must lead to technology transfer in the form of skilled textile technicians and managers as well as the business acumen side of organising and managing textile and apparel firms.

Industrial policy should not be just about attracting foreign investment by providing what they want but also attracting the kind of foreign direct investment that can build globally competitive textile and apparel industries. A key part of the industrial policy approach should include assisting local firms in leveraging technology from these foreign firms. Technology is not actually 'transferred' but rather must be 'leveraged', and to do so; local firms must build their capabilities. The actual process of technology leverage takes place through various forms of investments and contractual relations between foreign and local firms.

To tap into the resources of foreign firms, local firms and governments must devise strategies and practices that align the interests of foreign firms with those of local firms. This means thinking strategically about FDI attraction: which foreign firms have the knowledge and business interest in partnering with local firms. All foreign firms will want initial incentives to make large investments in

an ‘untested’ country. Still, governments need to be selective in which foreign firms they allow to benefit from public investments and subsidies. African governments need to understand the business models and corporate interests of different foreign firms and select foreign firms where their model and corporate interest have some alignment with the government’s objectives.

After identifying the right foreign firms in the industry's fibre technology, textile and apparel segments, **governments should support local investors to enter joint ventures, technical agreements or other types of partnerships that create channels for the diffusion of knowledge from foreign to local firms.** Textile production is better suited to joint ventures, given the capital intensity. In apparel assembly, local firms can start as tier-two suppliers that take sub-contract orders from foreign firms to learn the capabilities they need. Foreign firms also train locals as middle and senior managers who eventually gain enough knowledge and contacts to buyers to start their own firms if supported by national financial institutions with access to finance. For fibre and recycling technologies, governments need to attract foreign firms with this knowledge and find local investors willing to invest in research and development that initially is focused on commercializing licensed technology. Such local investors are likely to come from the diaspora that has been working in these areas or similar areas abroad, and government industrial policy should provide incentives to attract them back to their home countries.

Firms upstream and downstream in the same industry benefit from working close to each other in terms of learning, but clustering also led to greater efficiency and lower production costs within the industry that increases competitiveness. For these reasons, industrial clusters or parks are very important, not only to attract foreign investors with cheaper infrastructure costs and lower administrative burdens. Governments can invest or co-invest in the industrial park infrastructure and services. There are different ways to do this, and governments can learn from different models and pick the one best suited to their resources. However, managing industrial parks also takes

capabilities. Government agencies also must learn and build the capabilities to support the textile and apparel industry, and thus would benefit from co-investing and joint venture arrangements in terms of industrial parks.

In addition to providing renewable energy and low-cost utilities, **governments need to make public investments in creating industry-specific knowledge and skills for textile and apparel.** This involves subsidizing or fully funding training centres and working with foreign firms to develop up-to-date curriculum for textile and apparel engineering degrees in universities and technical colleges. This is important as labour mobility across firms is an important way that knowledge circulates within the industry, especially from foreign to local firms, but it also creates high costs for firms if they must continuously train labour. To create a foundation for moving into new fibre and recycling technologies, governments need to put more public investment into basic chemistry education and research in universities. They also need to partner with foreign and local firms and institutions to create the R&D labs required to support commercialising innovations in alternative fibres and chemical recycling methods.

5. Implications for the AfCFTA negotiations

AfCFTA negotiations on the rules of origin for the textile and apparel sector are ongoing. Part of the challenge in reaching a consensus comes from the divergent rules of origin regimes across member states and their sub-regional free trade areas. While there are six variations in the rules of origin currently being discussed, there are two main positions on which rules of origin should be adopted. The first position is a **single-stage transformation rule**, which requires only one change in tariff heading for a product to qualify as originating within a member country. The second position is for a **more stringent rule that requires double transformation** or two changes in tariff heading: two manufacturing or processing operations be undertaken. With the cumulation principle, this means that two operations need to be undertaken within AfCFTA member countries. For example, to export textiles preferentially within AfCFTA, raw material needs to be turned into fibres

and then spun into yarn, or imported fibres need to be spun into yarn and then woven or knitted into fabric within AfCFTA member countries. To export clothing preferentially within AfCFTA, the textile with which the clothing is made needs to be produced within an AfCFTA member country.

Given the limited existing capabilities in spinning, weaving, and knitting for garment production in African countries, ***the double transformation rule of origin would not on its own lead to greater intra-African trade in textile and apparel.*** While more research on the existing textile capabilities in each member country is needed, the evidence we have shows that the textile production capabilities in the major apparel-producing and exporting countries in Africa are not significant enough to support trade under a double transformation rule. ***Therefore, significant investments in spinning, knitting, weaving, dyeing, and finishing are required before countries can take advantage of the preferential market access for textiles and apparel in the AfCFTA with a double transformation rule.*** Given that all African countries and sub-regional free trade areas except for SADC have single transformation rules of origin, double transformation rules would reduce intra-African trade flows.

The main argument of existing producers of textiles is that double transformation will reduce or prevent trans-shipment that could undermine existing textile production. Another argument is that double transformation rules of origin would encourage value addition within the African continental free trade area. While these arguments are partially correct, they are incomplete. ***When thinking about the future of African apparel and textile industries, we should be asking how to make textile firms in Africa competitive*** so as not to worry about trans-shipments; what factors drive local and foreign investments; and the extent to which rules of origin are key among those factors.

The quantitative and qualitative evidence on the impact of the double transformation rule under SADC indicates that the rule on its own does not stimulate local or foreign investments in textile production. Trade rules are not strong enough incentives to encourage investments in textile

production. In general, trade policy is a rather blunt instrument for addressing a task that requires a range of more sophisticated industrial policy tools. Trade policies that create protection in domestic markets for firms that are not engaged in demanding export markets undermine incentives to invest in upgrading machinery and technological capabilities and thus lead to stagnating domestic industries. Instead of relying solely on trade policy tools, governments should design and develop industrial policies that actively support the learning processes of local firms. Industrial policies are necessary to drive investments in textile production.

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