

World Trade Organisation:

Africa Hit Hard as Global Textiles Market Opens

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Port Louis

African textile producers are expected to be the hardest hit when rich countries end a curb on clothing imports from developing nations from Saturday, forcing Africa to compete with larger low-cost producers, analysts say.

Many African countries say the end of the World Trade Organisation Agreement on Textiles and Clothing, which for 40 years has guaranteed their textile exports duty-free, quota-free access to western markets, could spell a free-for-all rather than free trade.

Analysts say it will force countries like Mauritius, Madagascar, Uganda and Lesotho to compete with countries like China and India - larger low-cost producers which can sell their goods at cheaper prices on the global market. "If you look at a study done by the WTO in September, it shows that India and China will grab about 80 percent of the world market and the remaining 20 percent will have to be shared by the rest of world", said Narainduth Boodhoo, duty director of Mauritius's Trade Policy Unit.

"Then there are other competitive suppliers like Indonesia, Thailand and Pakistan, so it is quite clear that these countries will share the remaining 20 percent. So what is there left for countries in Africa like Mauritius?" he adds.

In a move to diversify from an economy based solely on sugar production, the tiny Indian Ocean island of Mauritius shifted into the textiles sector in 1970s. Garment production became one of the main motors driving the economy, with the island taking advantage of the agreement to export its goods to lucrative American and European markets.

But in the last two years, in anticipation of the end of the quota system, dozens of textile factories which set up in Mauritius to take advantage of the agreement have closed down.

This has resulted in more than 10 000 people losing their jobs, and the island's unemployment hitting a record 10 percent.

Women at greater risks

Analysts project over 27 million people worldwide, mostly women, are likely to lose their livelihoods, because of the change.

"I think the impact will have a devastating socio-economic impact across the whole of Africa", says Atma Shanto, president of the Federation of United Workers, a Mauritian trade union representing hundreds of textile workers.

"Over the years, mothers have used their incomes from the textiles sector to put their kids through school and now we are finding that as they lose their jobs, they are pulling their kids out of school to look for jobs to help make ends meet."

He adds that the loss of jobs for many textile workers has already seen women turning to prostitution and men to crime.

While efforts to postpone the phasing out of the quota system have failed, officials say it is still possible for Western nations to mute its impact on Africa.

They say the WTO should put in place a fund to help African countries modernise and restructure their industries, concentrating on tapping into niche markets.

Textile factory owners add that Western countries must make the global textile trade a level playing field by insisting conditions adhered to in Africa are also respected in Asia.

"Our buyers from Europe and the US set standards for our factories such as you can't work more than 60 hours a week, that we should have dormitories for foreign workers that are like five star hotels and that environmental conditions are adhered to", said Ali Parkar, CEO and chairman of Star Knitwear, the second largest textile firm in Mauritius.

"If they could apply half of those conditions to China and India, I'm sure we won't have such a big problem."