

Ethiopia: Institute says textile, garment market expanding

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The Ethiopian Textile Industry Development Institute said the foreign currency generated from the textile sector has been steadily growing.



Institute Communication Directorate director Bantihun Gessesse told *The Ethiopian Herald* that textile products have entered into Germany, Italy, China and United States through AGOA.

In addition, Sudan and Kenya have become market destiny and over the last three months the nation has earned \$31.2 million from textile and garment export.

The burgeoning of the textile industries triggers the expansion of cotton farming by public, private sector and small-scale farmers. Currently, the total cotton farm being cultivated has reached 42,000 hectares of land. The domestic cotton production could satisfy the local demand, he added.

According to the director, the institute is providing training cotton growers to maintain the quality of the cotton.

Regarding foreign investors flow, Bantihun said the prevalent of peace and stability, availability of abundant cheap labour, plenty of cheap energy from hydropower and flourishing industrial parks all over the country are the pulling factor.

He said thanks to the enabling investment environment currently foreign companies are injecting their money, technology, experience as well as skills on the sector.

In addition, the government is encouraging foreign investors through the provision of various incentives including tax holidays, tax-free capital goods importation, custom services provision on the spot, and easily access to financial credit.

The world number one US textile industry known as HDM installed its factory in Hawassa Industrial Park and has so far created 10,000 jobs. It is expected to create many more jobs in the coming years. Most graduates from technical colleges would benefit from these job opportunities.

The director said university textile industry linkage is getting strengthened. Formerly, the only institution integrated with the industry was Bahir Dar University but currently more than six universities are enrolling students in textile and garment technology with first and second degrees.

However, the sector is facing challenges including incompetency, lack of industriousness and effective management that should be adequately addressed, he said.

Source: The Ethiopian Herald

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