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22 December 2016

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IPRA Working Paper 54

Institute of Policy Research and Analysis, Kampala

December 2016

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Abstract: This paper examines the textile and clothing (T&C) industry in Lesotho to ascertain the initial effects of the end of quotas and other restrictions on global trade in textile and clothing. Results show a dramatic decline in Lesotho's T&C exports, both in value terms and export share in major markets in industrialised countries: the U.S. and the EU in the aftermath of the Agreement on Textile and Clothing (ATC). The export decline for Lesotho and for Sub-Saharan African countries as a group has not been accompanied by simultaneous or rapid shift of increasing T&C exports by Asian developing countries, who continue to export post-ATC at about the same levels of textile and clothing that they did before ATC phase out. While T&C exports from Lesotho and other African countries continue to decline, post-ATC, it is unclear if the end of the ATC quotas has been the main cause of that decline. Results do not provide clear evidence that the termination of the ATC has been a major contributing factor to the decline of Lesotho's and SSA Africa's T&C exports. Instead, we find evidence of simultaneous and rapid shift of increasing T&C exports from China to Lesotho and other African markets. Compared to competition in export markets, the influx of Chinese products imposes worse threat to the textile and clothing sector in Lesotho and the rest of Africa. Further to these, the utilisation of safeguard mechanisms by the U.S. and the continued option to maintain tariffs and other non-tariff barriers means that the end of ATC did not fully bring about "free trade" for clothing and textiles. These results raise important policy issues that could be considered in the ongoing negotiations on rules: trade remedies, particularly those dealing with safeguard and countervailing measures.

JEL Classification: F13, D14, D53, N27.

Key words: Agreement on Textile and Clothing (ATC), Multifibre arrangement, global textile and clothing exports, quota restrictions, trade remedies, Sub-Saharan Africa, Lesotho

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1 Introduction

After nearly 50 years of trade restrictions under three successive regimes: Short-Term Arrangement, Long-Term Arrangement and the Multi-fibre Agreement (MFA), with the coming of the World Trade Organization in 1995, a 10-year quota phasing out transitional period governed by the Agreement on Textile and Clothing (ATC) was agreed upon, in which quota restrictions on world trade in textile and clothing (T&C) was to be phased out progressively, down to zero by the end of 2004—thus subjecting T&C to the same multilateral trade rules as other industrial products under GATT/WTO. Although the elimination of quota and other restrictions on T&C sector was delayed by another four years, to December 2008, the long-awaited goal of liberalizing the T&C has been achieved. Considering the scale of exposure to global competition that the end of MFA created, especially for those countries that enjoyed preferential market access regimes, it is important to evaluate what the impact might have been, now close 10 ten years after the MFA departure. We step back and look at the impact of the MFA departure on textile and clothing industry in Lesotho, one of Africa's industry leader.[1]

As pointed out in several studies, the end of MFA generated a lot of concern in those countries that were enjoying preferential market access regimes. They worried mainly about losing their preferential access to the U.S and EU markets, and about global competition especially from large Asian countries that have well established textile and clothing industries. Under the MFA regime, major importing countries used a combination of quotas, high tariffs and nontariff measures (NTBs) on extensive scales to protect their markets from global competition. Table 1 shows the tariff rates on textile and clothing after the Tokyo round of GATT negotiations, which was almost three times higher than that on manufactured goods as a whole.

In addition, the share of textile and clothing imports subject to non-tariff measures (NTBs) was two to three times that for manufactured imports as a whole (Goto, 1989). Because MFA restrictions were imposed only on low-cost suppliers, textile and clothing imports from developing countries were more likely to be subject to NTBs than those from industrial countries.

For most African countries, the impact of MFA was partly offset by preferential schemes most of which derive their legal basis from the generalised system of preferences (GSP) under the framework of the GATT e.g. the U.S' African Growth and Opportunity Act (AGOA),

[1] In this paper we use MFA and ATC phase-out interchangeable to mean the same thing.

introduced by President Bush in 2000 and the ACP–EU trade arrangement, first under the framework of the Lome convention (1974) and its successor the Cotonou agreement.

Table 1. *Tariff Levels for Textiles and Clothing after the Tokyo Round*
(percent)

Country group	*Fibres*	*Yarns*	*Fabrics*	*Clothing*
United States	3.5	9.0	11.5	22.5
Canada	3.0	13.0	21.5	24.0
Japan	0.5	*6.5*	*9.5*	14.0
European Community	0.5	7.0	10.5	13.5
Austria	0.0	7.0	23.5	37.0
Finland	0.5	6.5	28.5	39.0
Sweden	0.5	7.5	13.0	14.0
Switzerland	0.0	*3.5*	8.5	11.0
Simple average	1.1	7.5	15.8	21.9

Source: GATT 1984, p. 69, reproduced in Goto (1989).

We also have Everything-But-Arms (EBA) initiative of the EU for the least developed countries (LDCs). These preferences allow selected developing countries to access markets in developed countries, tariff or quota free. Without these, the effects of MFA on African countries particularly African LDCs would have been severe.

More advanced developing economies such as India, China, Turkey, the Republic of Korea, Hong Kong (China), Viet Nam, and Mexico were very much on their own, and faced a reduction in export opportunity.

Regional agreements and other preferential schemes providing for quota and duty free access have been important for a number of developing countries, including least developed countries, to maintain their competitive position in the sector. Such preferential access as well as the protection from other competitors offered by the quotas may have facilitated dependency on these products for export earnings (T&C exports from some African countries to the U.S. and the EU account for up to 90 percent of their total T&C exports). Such countries may therefore be very exposed to the potential risks of losing their market share and export revenue from the elimination of quotas and the erosion of preferences from further multilateral liberalisation in the framework of Doha Development Agenda.

Findings on the impact of T&C liberalisation have important policy implications, not only for Lesotho, but for a number of countries in Sub-Saharan Africa that rely on T&C for a significant portion of their exports earnings. Apparel-making is considered one of the sectors with strategic importance for structural transformation in many Sub-Saharan African countries because it does not require sophisticated technology and can provide large-scale industrial employment. Despite the importance of T&C to African economies, no studies have been carried out that help us understand the consequences of the MFA phase-out and what options exist for African governments to reinforce their presence in global T&C trade for their development. The post-MFA literature on T&C sector in developing countries[2] have concentrated primarily on the Asian developing countries—Mainland China, India, Turkey, the Republic of Korea, Hong Kong, Viet Nam, Bangladesh, Mexico and Indonesia—with very little reflection on Africa more especially on LDCs, which Lesotho is part.

The rest of the paper is organized as follows: the second section provides a detailed account of the Lesotho textile and apparel sector. The third section delves on the T&C trade, which extends to the discussion on T&C export to the US and EU markets in section four, and section five concludes.

2 The textile & clothing industry in Lesotho's economy

2.1 Structural changes in the economy

The structure of Lesotho's economy over the last two decades shows relatively stable shares of the different economic sectors in GDP—a product of the country's structural adjustment programme implemented from the late 1980s to 1990s and effort by the government to improve critical infrastructure (e.g. the construction of the Lesotho Highlands Water Project).[3] Other factors that have played crucial role in Lesotho's economy include the development of labour-intensive manufacturing sector, the growth of the textile industry driven partly by increase in foreign direct investment in the T&C sector, and reduced reliance on remittance from migrant workers. In the late 1980s almost half of its GNP was based upon remittances from over 120,000 male migrant labourers, mostly in South Africa's gold mines. Today, only half that number of migrants is employed.

By contrast, the manufacturing sector in Lesotho has grown rapidly. Today it employs over 60,000 workers, most of whom are women in the textile industry. Manufacturing sector now accounts for the bulk of industrial output in Lesotho, at 20.6 percent of GDP in 2002/3 and 14 percent in 2009/10, with textile and clothing (T&C) being the dominant sub-sector. T&C sector is the third contributor to Lesotho's GDP (with 7.7% share of GDP) after agriculture (7.9%) and the construction sector (9.6%). T&C remains the backbone of Lesotho's manufacturing and

[2] For example, Goto (1989) found that a dramatic growth of clothing exports from developing countries occurred in spite of a high level of tariffs and nontariff barriers.

[3] Public revenue increased as Lesotho Highlands Water Project (LHWP)-related imports led to an increase in SACU receipts (from 5 percent of GNI prior to 1988/89 to 14 percent in the 1990s) and because of water royalties after the completion of the first phase of the LHWP in 1996. The textile and garment industry developed rapidly.

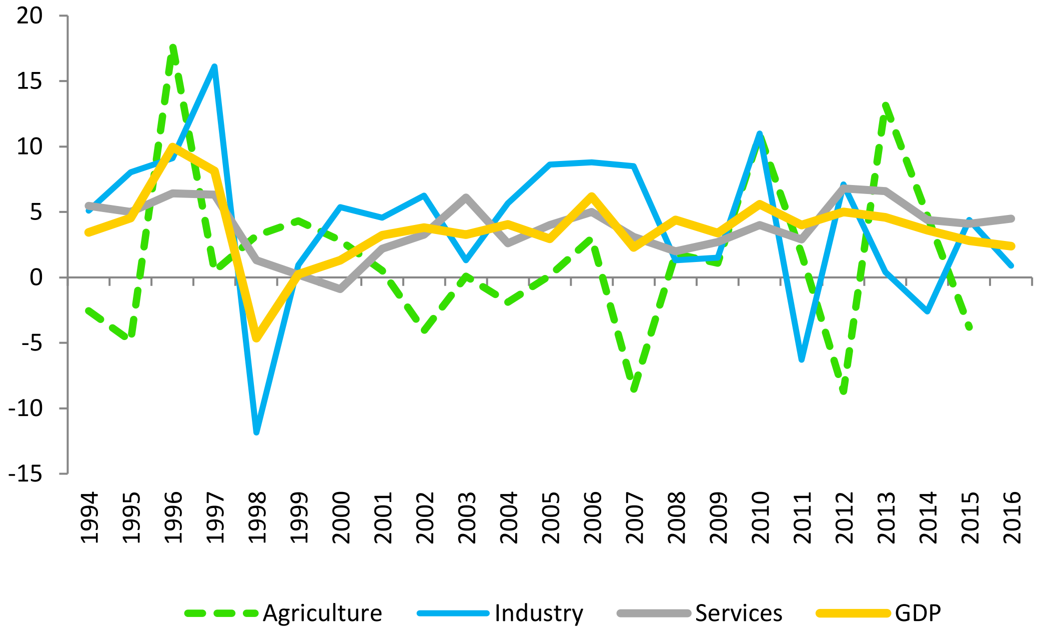
export sector, accounting for about 60 percent of its total exports in 2016 and has continued its rapid expansion. Other manufacturing industries include leather, food and beverages, consumer electronics, clay-based brick and ceramic tiles, television assembly, and edible oils.

2.2 GDP growth trajectory

In the 1960-70, Lesotho's economy grew at an average rate of 4.6 percent per annum—with over 10 percent of that growth contributed by T&C sub-sector. Between 1970 and 1979 the economy grew at an average of 7 percent per annum (with growth averaged 8 percent between 1970/71 and 1974/75). However, the effect of the 1980s oil crisis and the financial crisis of 1998, slowed down the economy, to an average growth of 2.8 percent per annum between 1980/81 and 1986/874. Growth rebound to 4 percent between 1982/83 and 2002/03 (with 6% growth per annum achieved between 1987/88 and 1997/98).

After three years (2000 – 2003) of slow and stagnated growth (below 4 percent), the economy picked up in 2004 and in 2007 it grew by 7.7 percent growth, making the fourth consecutive years of strong economic growth.

Figure 1 GDP growth by key economic sectors



The robust economic growth resulted in the creation of 234,900 jobs and a fall in the rate of unemployment to 2.1 percent in 2007. Tax revenue increased by 24.9 percent in 2007 over the previous year (2006) collection. However, the slowdown in global economy brought about by the financial and global economic crisis of the late-2008–2010, coupled with high food and fuel prices, put the economy back on a downward trajectory. GDP dropped from an average of over

6 percent to an annual average of less than 3 percent between 2008 and 2010 and 3.2 percent for the period 2000–2009. Clothing exports to the U.S. declined and so did exports to the SACU region, especially South Africa, which led to a sharp decline in the SACU revenue, Lesotho's main source of public revenue. With weak global demand especially in Euro area (largest market for diamonds), the prices of rough diamonds fell by 50 per cent during the first quarter of 2009 alone.

In 2010, Lesotho economy began to recover; and between 2011 and 2014 the economy grew at an average rate of about 5 percent, with over 5 percent recorded in 2011 and 6.6 percent in 2012, despite the severe floods of 2011, which destroyed crops and reduced agricultural output. Growth in construction and mining activities, reflecting new mine investments[4], contributed to maintaining positive growth rates. Although the mining sector experienced a slight dip of 6.1 percent in the aftermath of the 2008–2010 financial and global economic crisis, it picked up again following improvement in the global prices of diamonds. This was helped by the Government decision to have the diamond cut and polished in Lesotho.

Recent growth has been driven by performance of the mining sector, information and communication sector, and the construction sector.

The economy is projected to grow at 3.5 percent in 2017 as mining activities drop and at 4.3 percent in 2018. The driver of this growth, beginning 2018, will be construction activities under Phase II of the Lesotho Highland Water Project (LHWP). Lesotho's economy is still highly dependent on subsistence agriculture. Most people live in the rural areas where poverty is widespread.[5]

In order to effectively tackle the problem of poverty and combat unemployment in the long-term, the country will need to become increasingly competitive to attract foreign capital for investment and job creation. There seems to be a positive progress in that direction considering the move by government to modernize the legislation on financial services and open up the telecommunications sector to competition. These efforts should assist in creating a favourable atmosphere for foreign investment. Infrastructural problems in the water, power, and transport industries may constrain industrial development, and government is trying to find an enduring solution to these challenges. Government is also exploring ways to develop the tourism sector to diversify the economy and reduce pressure on few commodities exports. Lesotho's mountainous terrain is seen as a major asset for tourism industry.

[4] The mining industry is governed by the Mines and Minerals Act 2005.

[5] Although the growing garment sector has picked up some of the slack, the wage and gender structure of employment is very different, and incomes and remittances have fallen.

2.3 Growth of textile & apparel sector

The garment sector, which has grown rapidly under foreign investment, has been the big success in boosting Lesotho's industrial base in recent years. As various studies note, this is giving rise to capacity constraints domestically; concerns are also expressed about the long-term viability of the sector in terms of linkages to the rest of the economy and its dependence on unilateral preferential access, particularly under the African Growth and Opportunity Act. The authorities are well aware of these potential problems.

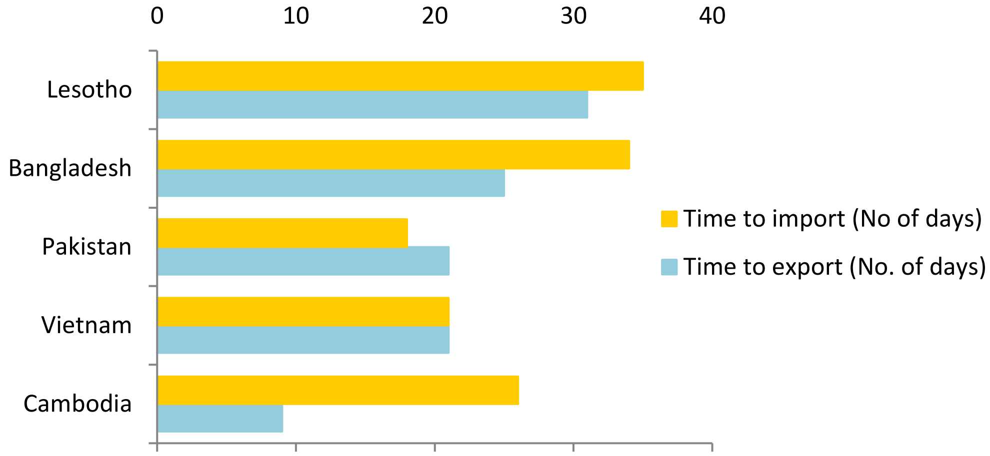
The rapid growth of the textile industry has been made possible largely as a result of the preferential trade arrangement with the United States under the African Growth and Opportunity Act (AGOA) initiative for which Lesotho became eligible in 2000. AGOA has created preferential terms of trade on a range of products manufactured in Africa for the U.S market. Through this, over 40,000 jobs have been created in the private sector. Some households have been able to find work, mostly for younger female members, in the new textile industries. Indeed, the contribution of textile and clothing sub-sector to employment is by far, higher than that of the public service – showing the significant contribution the sub-sector can make to growth and tax revenue. Textiles and clothing sub-sector accounts for over 60 percent of the manufacturing base, and about 50 percent of post–MFA investment has gone to the manufacturing sector.

2.4 Lesotho's industrial & trade policies and emerging issues in T&C sector

Future sustainability or further expansion of the textiles and apparel sector will depend on robust policies and efforts to address some of the key constraints facing the sector including strengthening backward linkages, and in particular, knitted fabric mills; erratic supplies of water to the major industrial estates; lack of serviced industrial sites, and conditions and handling facilities at the Maseru railhead. Problems of document clearance and customs inspection (related to the distance between the points of import and Maseru, where final verification of documents takes place).

As Figure 4 illustrates, it takes up to 35 days in Lesotho to receive the imported materials and 31 days for its finished products to reach the export market, much different for its competitors for the U.S. such as Cambodia, Vietnam and Pakistan (due to differences in distance to key input markets). In the modern business environment of just-in-time production and delivery, U.S buyers would prefer to place their orders with such countries whose lead time is shorter.

Figure 2. Time in days, it takes to import and export for selected T&C exporters



Beside, government needs to figure out alternative market when AGOA comes to an end. For years, the sector lived with uncertainty about the renewal of the AGOA framework and its third-country fabric rule.

The AGOA third-country fabric provision was renewed in 2012 for three more years until September 2015, and later renewed for ten more years until September 2025, which restored confidence once more among suppliers in the cotton-textiles - apparel value chain to plan their activities. Whether AGOA gets another extension is something hard to tell, but it is perhaps time to experiment with other markets. Recently, as Rand continued to appreciate against the dollar, the Government realised that it needed to put top priority on improving the competitiveness of the textile and diversifying its markets and products, including seeking new markets for textile in SACU, SADC, and other African countries.

The country is coming to term with the lost of trade preferences under the Multi-Fiber Agreement on Textiles and Clothing (ATC), which Lesotho enjoyed as an LDC. The Agreement expired on 1 January, 2005, exposing Lesotho to stiff competition from the Asian producers. The second setback in recent years has been the falling global demand associated with the global economic crisis of 2009–2010, which led to fall in output and near close of shop by textile companies and threatening loss of over 40,000 jobs.

The responsibility for the development and management of Lesotho's industrial and trade policies is vested on the Ministry of Trade and Industry (MTI). The MTI chairs the Inter-Ministerial task team for the textiles and apparel industry which is in charge of analysing industry performance and making recommendations on ways to make Lesotho a more competitive investment destination. Another important institution for the manufacturing sector is the Lesotho National Development Corporation (LNDC), whose major role is to facilitate the development of manufacturing industries, and to promote investment.

Clothing and textiles sectors carry the highest average duties of the SACU tariff schedule. For clothing, the average CET was 40.6 percent in 2014 with rates ranging between zero and 45 percent[6], while for textiles, the average CET was 16.9 percent with rates varying from zero to 30 percent, when excluding non-*ad valorem* tariffs (i.e. four lines). For manufactured products (WTO definition) the CET was 8 percent.

Lesotho applies a favourable fiscal regime for firms engaged in manufacturing activities. These firms are subject to a corporate tax of 10 percent, compared to 25 percent for other activities. There is also no withholding tax on dividends. Building companies, as well as hotels and casinos can also benefit from different tax incentives. Other incentives granted to the manufacturing sector are those administered by the LNDC which focus mainly on investment. The textile and apparel sector is also one of the main beneficiaries of the SACU rebate 470.03.[7] Under this programme, registered companies are exempted from duties on imports of raw materials from outside SACU as long as they use these inputs to produce goods destined for export outside the SACU area. If the final good is exported to the SACU area, exporters must pay the import duties that were initially exempted.

2.5 Investment & Asian's footprint in Lesotho's textile-apparel value chain

Lesotho's economy depends heavily on export-oriented FDI in the apparel industry for export revenue and employment. Lesotho has been able to attract investors in the sector partly by providing, in certain cases, ready-made factory shells and serviced industrial sites. The bulk of the FDI is from South Africa, UK, US, Australia and the EU, but in recent years increasing number of investors are coming from Asian countries, notably, China and India.

Although reliable data on investment in Lesotho is hard to come by, some estimates (by UNCTAD for example), suggest that since 1991, FDI inflows into Lesotho, in U.S. dollar terms, have been rising rapidly, albeit with significant year-on-year fluctuations; recent investment being mostly in export-oriented manufacturing.

As of March 2014, there were 74 companies operating in the textile and clothing sector in Lesotho, majority of which were owned by investors from South Africa (45%), Chinese Taipei

[6] All tariffs within this product category are *ad valorem*.
[7] Rebate under item 470.03 of the Tariff Book (Schedule 4).

(34%) and China (4%).[8] The Asian companies have succeeded to position themselves well in the textile-apparel value chain to take advantage of U.S. market concessions under the AGOA scheme. They have increasingly become integrated into American value chains. Meanwhile, companies owned by South Africans are attracted mainly by wage differentials and participate in regional value chains. Yet, Lesotho could take better advantage of its integration into value chains by diversifying into other products and markets and conducting tasks with a higher added value.

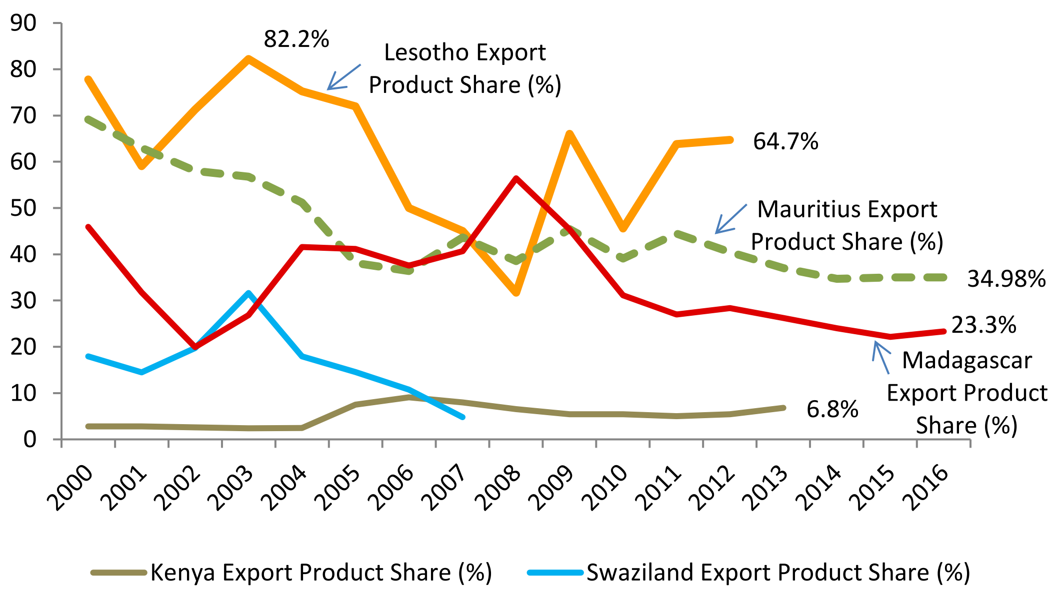
Asian companies are increasing their footprint in the whole cotton-textile-apparel value chain, in cotton acquisition and production. Increasing number of Asian traders are arriving in Lesotho and neighbouring countries where they engage directly in the plantation, purchase, and manufacturers.

3 The textile and apparel trade

3.1 T&C export intensity

Lesotho's economy relies mainly on apparel industry, which account for 60 percent of total exports (Figure 3). With high export concentration, external vulnerability remains a problem. This challenge also applies to Mauritius and, to a certain extent to Madagascar as well.

Figure 3. Lesotho Textiles and Clothing Export Product Share (percent)



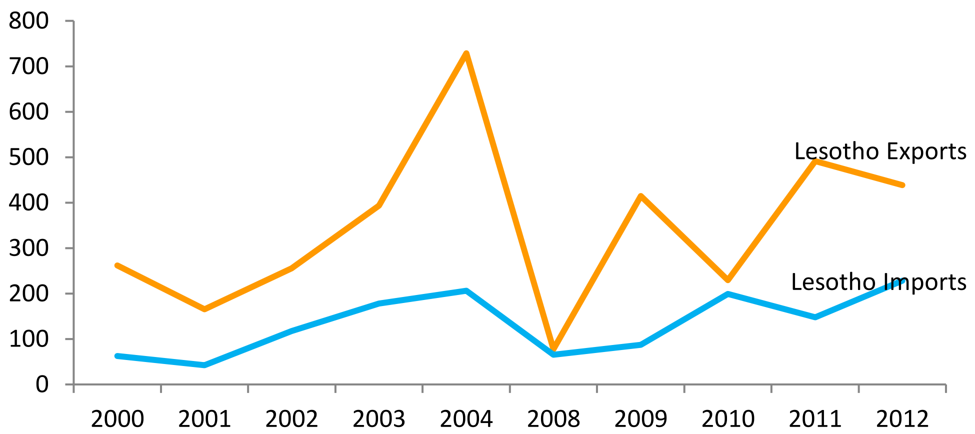
[8] Information provided by the authorities.

The experience of the twentieth century and recent global economic crisis (2008– 2010) has shown that countries with economies dependent on revenues from a few primary commodity exports and foreign inflows are likely to suffer big swings of income through causes over which they frequently have little or no control (Ayoki, 2011). The high export concentration is compounded by a concentration of exports in a few export markets, especially the U.S and the EU. There is a pending job for Government particularly, to identify new areas of comparative advantage and to re-structure and diversify the economy and export base.

3.2 Textiles & clothing exports and imports

Figure 4 gives some indication of the evolving the trend in Lesotho textile and clothing trade. Over the last decade, textile and clothing export has been rather erratic. It suffered a sharp fall in the eve of the global economic and financial crisis in 2008 and 2009, exports declined, and tried to recover, aftermath of the crisis, but not yet fully until now when judged by the 2004 exports.

Figure 4. Evolution of Lesotho textile and clothing trade, 2000–2012 in million $US



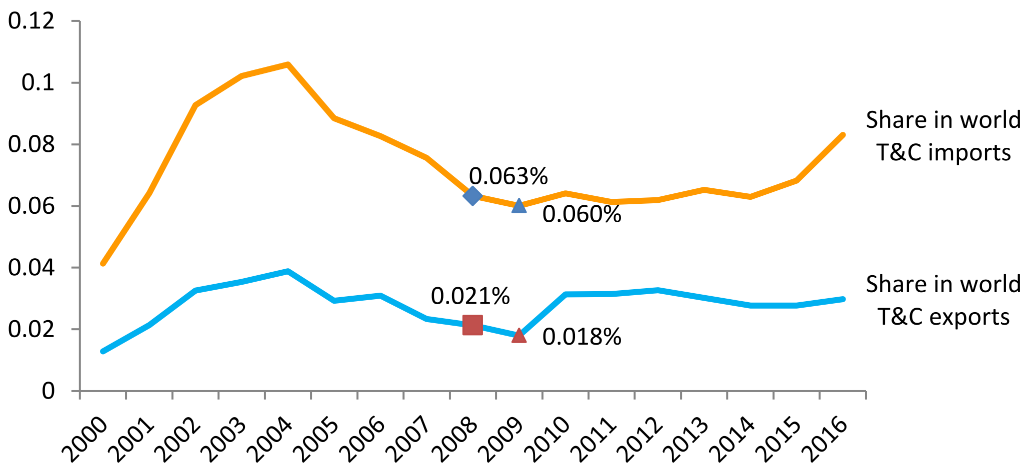
Source: World Bank WITS database

As mentioned already before, 2008 coincided with the phase out of the MFA restrictions which partly explain the decline, but the greater contributor to the 2008 decline is the fall in global demand triggered by the financial crisis. As the U.S. economy improved in 2011, a positive trajectory emerged, facilitated by the renewal of the AGOA third-country fabric provision in 2012 and the depreciation of the loti against the U.S. dollar in 2013. With the renewal of this provision, apparel goods produced in lesser developed AGOA beneficiary countries with yarn and fabric imported from abroad can continue to benefit from duty-free access to the U.S.

market.[9] T&C imports have been subdued, but after 2008 it began to grow and if the trend continues it will soon overtake exports.

Figure 5 shows a significant and persistent year-on-year gap between Lesotho's share in world T&C exports and imports over the last two decades. In 2008, Lesotho accounted for 0.021 percent of world T&C exports and 0.063 percent of world T&C imports.

Figure 5. Lesotho's shares in world textile and apparel exports and imports (percent)



In 2009, these shares dropped to 0.018 percent for exports and 0.060 percent for imports, and stagnated around 0.029 percent for exports during 2013 and 2016 while rising for imports, reaching 0.083 percent in 2016. Although Lesotho's T&C exports exceed its imports in nominal terms (Figure 4), the country's share in world T&C imports far exceed its world share in T&C export (Figure 4) —meaning that at world stage, Lesotho is a more important importer of T&C than an exporter of the same (T&C).

4 T&C exports to the U.S and the EU

4.1 Recent trends, 2000–2016

Lesotho's apparel exports remains concentrated in one market, the United States, and in very few products: jeans and knitted garments. During 2008-2016, on average 65 percent of textile and garment exports were destined for the U.S. market and almost all entered under the AGOA scheme. Other export markets for Lesotho apparel are Canada, Australia, Mexico, Mauritius and the European Union.

[9] In June 2015, the AGOA programme (including the third-country fabric provision) was extended until 2025.

Table 2 summarises recent trends in T&C exports to the U.S. (in value terms) by top-15 Sub-Saharan African (SSA) T&C exporters (Lesotho, Kenya, Mauritius, Madagascar, Swaziland, South Africa, Tanzania, Botswana, Ethiopia, etc.).

Table 2. Top 15 sub-Saharan African exporters of textiles and clothing to US (US$' 000)

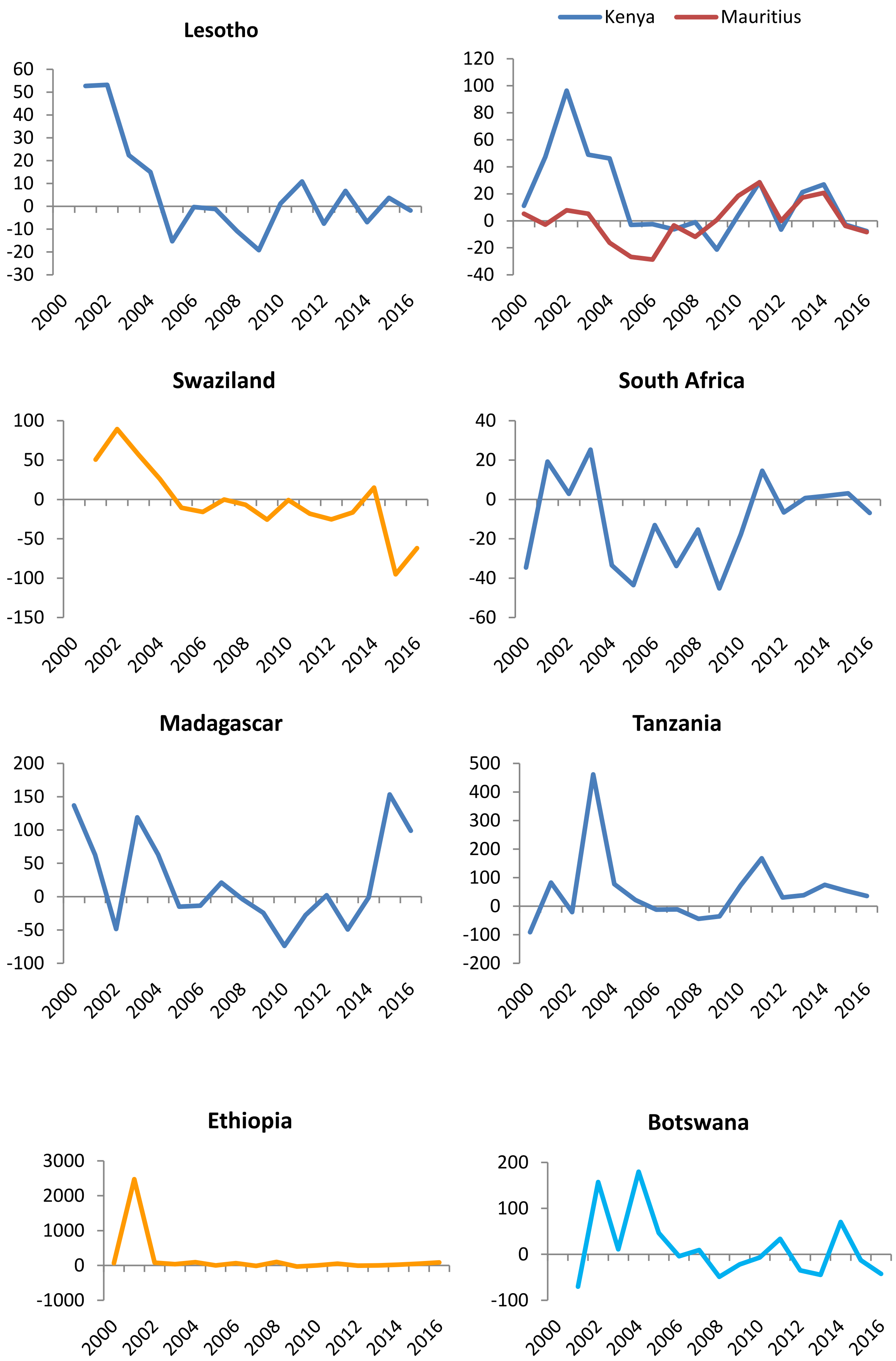
	1995	2000	2005	2010	2015	2016
Lesotho		146365.92	408337.98	293625.99	310412.35	304867.13
Kenya	40557.59	46921.64	286480.04	212267.49	381118.11	352218.08
Mauritius	201844	259609	175787.13	127105.49	221933.63	203340.45
Madagascar	7475.2	115429.39	293757.75	58139.23	54429.66	108345.99
South Africa	164868.09	187000.1	107985.72	23786.08	26942.7	25108.16
Swaziland		33407.42	168769.77	97887.4	2807.2	1067.87
Tanzania	6084.74	253.87	4437.83	2159.59	27999.56	37883.39
Botswana		9028.59	31459.14	12209.52	8685.86	4981.05
Ethiopia(excl. Eritrea)	971.4	30.98	3829.68	7113.17	18799.72	34457.11
Namibia		196.09	56050.93	47.06	230	122.43
Malawi	2509.89	7653.83	24018.24	10728.07	6437.02	1603.53
Zimbabwe	15484.16	21574.02	3086.21	87.37	130.48	99.08
Ghana	3216.37	718.84	5749.01	1071.03	9620.28	6631.52
Cameroon	826.72	2769.28	407.24	749.97	1003.44	342.41
Uganda		5.07	5143.94	461.64	73.47	78.62

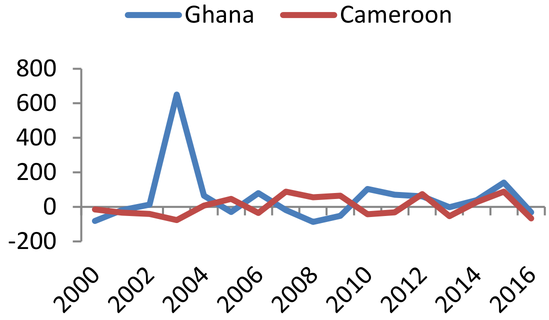
World Bank, WITS

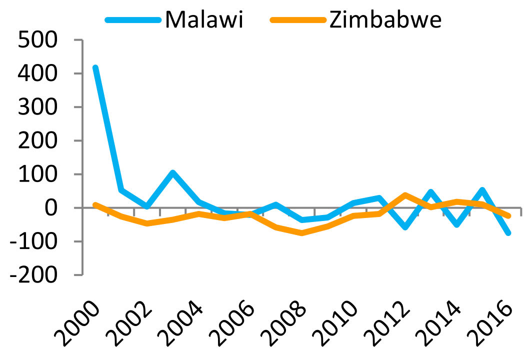
T&C exports to the U.S. from the top-15 SSA suppliers are marked by significant volatility. Between 2000 and 2005, exports fell for Mauritius, South Africa, Zimbabwe, and Cameroon. In 2005, aftermath of the scheduled phase-out of the MFA restrictions, all the 15 countries, except Tanzania, Botswana, Ethiopia, Cameroon and Uganda suffered a reduction in their T&C exports to the U.S. In 2006, only 2 of the 15 countries (Ethiopia and Ghana), and in 2009, a year after eventual phase out of the MFA restrictions, only two countries (Mauritius, Cameroon) increased their T&C exports to the U.S. Lesotho suffered a decline in its T&C exports to U.S. market for 5 consecutive years (2005–2009) and intermittent growth since 2010. Swaziland's T&C exports to the U.S. declined for eleven years in a row (it is only in 2014 when it realised some marginal growth, which was reversed by loss of AGOA preference).

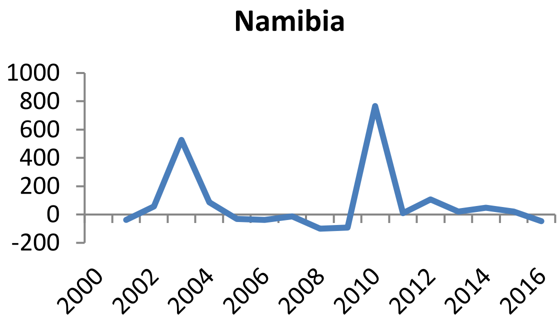
Figure 6 shows the evolution of the T&C exports to the United States between 2000 and 2016 for the top-African exporters.

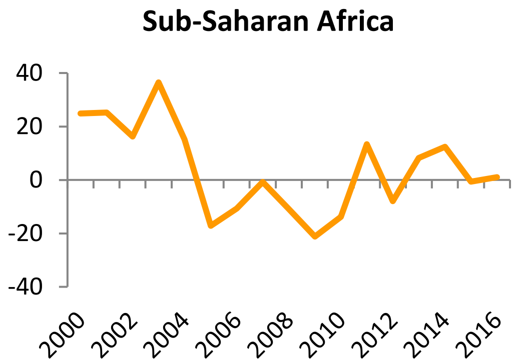
Figure 6. Changes in the volume of T&C exports to the United States, 2000–2016 (percent)











All the top-15 countries, except Swaziland, are eligible for trade preferences under the U.S. African Growth and Opportunity Act (AGOA) initiative, which has since been renewed three times. In June 2015, the Trade Preferences Extension Act of 2015 simultaneously extended the GSP programme until 31 December 2017 and AGOA until 30 September 2025. Eligible countries qualify for duty-free and quota-free access to the U.S. market for a range of products, including selected agricultural and textile products (except for "wearing apparel"). To be eligible for AGOA benefits, a number of conditions are laid out, including proven progress in establishing a market-based economy; commitment and action in developing political pluralism and the rule of law; eliminating discriminatory barriers to U.S. trade and investment; adequate protection of intellectual property; combating corruption; and protecting human rights, e.g. those specifically related to labour, particularly the abolition of certain child labour practices. Swaziland's eligibility was terminated in 2014, due to issues related to worker rights. As a result, Swaziland’s apparel exports to the U.S fell by 97.1 percent in 2015.

The Africa Investment Incentive Act of 2006, AGOA IV, which amended the textile and apparel provisions of the AGOA, provides duty-free and quota-free treatment for eligible apparel articles made in qualifying Sub-Saharan African countries. To export apparel (and certain textile items) to the United States under the AGOA, countries must implement a "visa system" to ensure compliance with the required rules of origin. Sub-Saharan African countries may use non-U.S. fabric and yarn in apparel wholly assembled in their countries and still qualify for duty- and quota-free treatment. AGOA IV continues to grant “lesser developed beneficiary” country status to Botswana, Lesotho, and Namibia, qualifying them for the Special Rule.

As Table 3 shows T&C export to United States is very concentrated on a few countries: Lesotho, Kenya, Mauritius, Madagascar and South Africa, which account for over 90 percent of Sub-Saharan Africa T&C exports to the United States as a group.

Table 3. Participation in the Sub-Saharan’s T&C export to the United States, 1995 – 2016 (percentage share)

	1995	2000	2005	2010	2015	2016
Lesotho	-	17.53	25.81	34.56	28.94	28.14
Kenya	8.97	5.62	18.11	24.98	35.53	32.51
Mauritius	44.65	31.09	11.11	14.96	20.69	18.77
Madagascar	1.65	13.82	18.57	6.84	5.07	10.00
South Africa	1.65	13.82	18.57	6.84	5.07	10.00
Swaziland	0.00	4.00	10.67	11.52	0.26	0.10
Tanzania	1.35	0.03	0.28	0.25	2.61	3.50
Botswana	0.00	1.08	1.99	1.44	0.81	0.46
Ethiopia(excl. Eritrea)	0.21	0.00	0.24	0.84	1.75	3.18
Namibia	0.00	0.02	3.54	0.01	0.02	0.01
Malawi	0.56	0.92	1.52	1.26	0.60	0.15
Zimbabwe	3.43	2.58	0.20	0.01	0.01	0.01
Ghana	0.71	0.09	0.36	0.13	0.90	0.61
Cameroon	0.18	0.33	0.03	0.09	0.09	0.03
Uganda	0.00	0.00	0.33	0.05	0.01	0.01

Source: World Bank WITS database.

Most of these countries have well established textile and apparel industries. Lesotho and Swaziland have apparel-making clusters that consist of predominantly foreign investors; the same with South Africa and Botswana, and other SSA African countries. In South Africa, for example, we have over 1,000 apparel manufacturers, mostly white and Indian immigrants and investors from mainland China and Taiwan. In Botswana, most of the apparel factories found in industrial areas in Gaborone and Francistown are owned by investors from China, India, and Mauritius. The decline of their apparel exports (Figure 5) is partly caused by the influx of Asian imports into their domestic markets.

Table 4. Growth of SSA clothing and textile exports, 2000–2004

	2000–2005	2000–2005	2000–2005	2006
Country	Exports $ ‘000	US share (%)	AGOA as share of exports to US (%)	AGOA as share of exports to US (%)
Kenya	199,000	94.12	93.34	97.50
Lesotho	345333.3	96.43	90.30	99.40
Madagascar	635166.67	32.73	85.34	96.00
Mauritius	1564666.67	16.08	51.86	92.10
South Africa	835333.33	37.92	48.82	53.10
Swaziland	133000.00	94.28	77.40	99.50

4.2 The China factor and global competition

Traditionally, the Asian developing countries especially the Asian Tigers have dominated global T&C exports. In the run up to the scheduled date for MFA phase out, there were concerns that because textile products from Asian countries are no longer limited by the quota system in the export destination markets, their low price would allow them to quickly grab a large portion of Africa's export market in the United States and Europe. Consequently, textile and apparel exports from Africa to the U.S. market would fall, and a large number of factories could close down.

While T&C exports from African countries declined in aftermath of the MFA phase out, we find no evidence to suggest that the T&C exports (from Africa to the main industrialised markets particularly the U.S. and the EU) fell as result of competition from textiles products from Asian countries. There are indications that imports from Asian countries to African countries grew substantially after liberalisation of T&C trade; the influx of Asian T&C imports into African domestic markets, appears to be the worse threat to the existence of the textile industries in Africa.

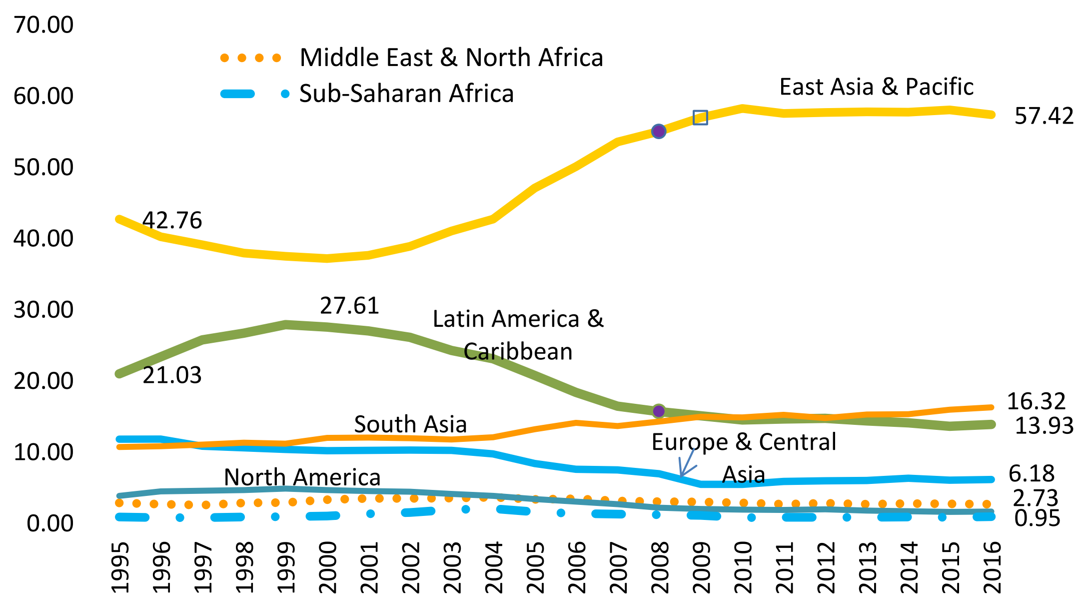
The East Asia and Pacific countries accounted for more than half of the U.S T&C imports when the MFA quota restrictions were still in place and accounted for the same rate after MFA phase out. So, to assume that Asian products displaced African products may be unfounded. Between 1995 and 2016, the East Asia and Pacific countries' share in the U.S' T&C import basket grew by 15 percentage points, from 42.76 percent in 1995 to 57.42 percent in 2016. Between the scheduled dates of elimination of MFA restrictions (December 2004) and actual phase out of MFA restrictions in 2008, East Asia and Pacific's T&C exports to the US rose by 14.3 percentage points, from 42.7 percent in 2004 to 57 percent in 2009.

Since the complete elimination of MFA quotas and other restrictions in December 2008, the share of East Asia and Pacific countries in the U.S' T&C import basket has grown at an annual average of less than one-tenth of a percentage point (0.06 ppt.) over the last seven years (2009–2016) compared with average growth of 2.5 percentage points per annum over the seven years period prior to MFA phase out (2002–2008). In fact, the region's annual share in the U.S' T&C import has stagnated around 57.6 percent since 2011. Between 2005, the scheduled year of elimination of MFN restriction and 2008, when the restrictions were eventually eliminated, South Asia's share in the U.S' T&C import basket grew by 2.2 percentage points, from 12.1 percent in 2004 to 14.3 percent in 208. A year later, in 2009, South Asia increased its share in the U.S' T&C import basket by 0.7 percentage points and thereafter, at an average of one-fifth of a percentage point per annum (twice the growth in East Asia & Pacific during the same period) compared to 0.32 percentage point growth per annum achieved over the last seven years preceding the MFA phase out.

China is the biggest T&C exporter to the U.S (account for the bulk of East Asia and Pacific exports). However , but the ability of China to expand its clothing and textile exports to the United States in the initial years of the end of ATC faced some constraints. The terms of China's accession to WTO, permit the United States and other WTO members to impose safeguard measures on Chinese clothing and textiles exports if they were prove "disruptive" to the domestic U.S. clothing and textile markets. The United States imposed safeguard measures in 2004 and 2005, and negotiated a "memorandum of understanding" with China that continued quotas on selected items until 2008, initially.

As results suggest, the removal of MFA restrictions was followed by year-on-year reductions in growth of Asia's T&C exports to the U.S. That largely rules out global competition from Asia as the major cause of the decline of Africa's T&C exports to the U.S. The scenarios for Latin America and the Caribbean, as well as Europe and Central Asia and North America as illustrated in Figure 7, also rules out competition from these regions because their share in U.S. T&C imports declined, following MFA phase out in 2008. Other factor(s) other than global competition explain Africa's T&C exports performance.

Figure 7. Share in US textiles and apparel imports (PERCENT)



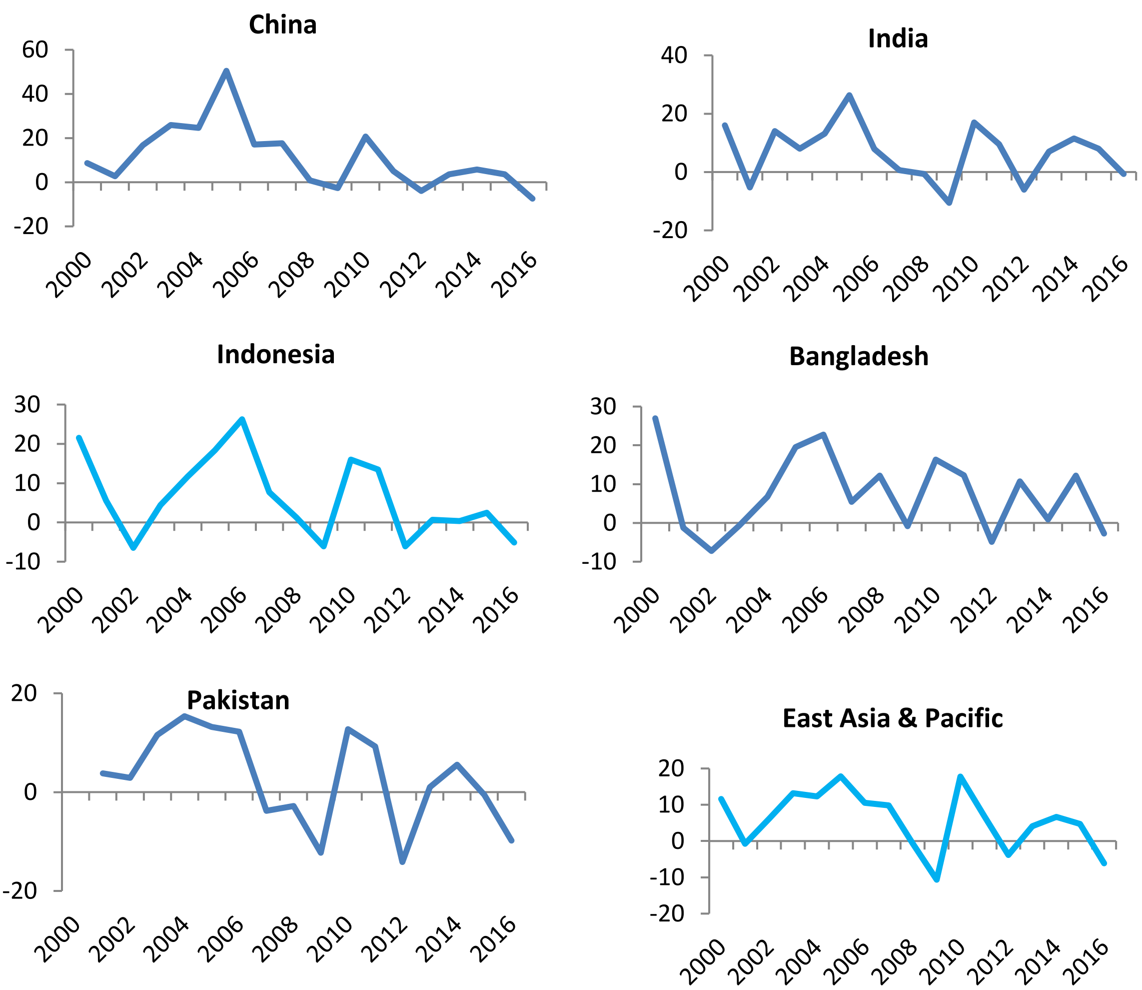
Notes: East Asia & Pacific region includes *Cambodia*, *China*, *Fiji*, *Indonesia*, *Kiribati*, *Korea*, the People's Democratic Republic of Lao (*Lao PDR*), *Malaysia*, *Marshall Islands*, FS Micronesia,

Mongolia, *Palau*, *Papua New Guinea*, the *Philippines*, *Samoa*, *Solomon Islands*, *Thailand*, *Timor-Leste*, *Tonga*, *Vanuatu*, and *Vietnam*.
Source: World Bank database - WITS

In the immediate aftermath of MFA phase out, T&C exports to U.S. decline for all the exporting regions. Sub-Saharan Africa's T&C exports to U.S. declined by 21.2 percent (US$ 0.3 billion) in 2009 as the overall U.S. T&C imports declined by 13.7 percent (US$ 13.76 billion), East Asia & Pacific by 10.7 and South Asia by 9.5 percent. Over the last eight years of liberalized T&C sector (2008 – 2016), the share of Sub-Saharan Africa in the US' T&C imports basket declined from 1.25 percent in 2008 to 0.95 percent in 2016. While the decline in growth of South Asia's share in the US T&C import basket reflects the decline in the dependency of South Asia on T&C exports, the decline in the Sub-Saharan Africa's market share in the US T&C imports has no discernable impact on the region's export diversification.

Between 2003 and 2016, the share of the T&C sector in the South Asia's total export basket declined by 17 percentage points, from 35.1 percent in 2003 to 18.12 percent in 2016. As illustrated in Figure 8, there has been a general slow-down in the flow of exports (T&C) to the U.S. for all major exporters from Asia.

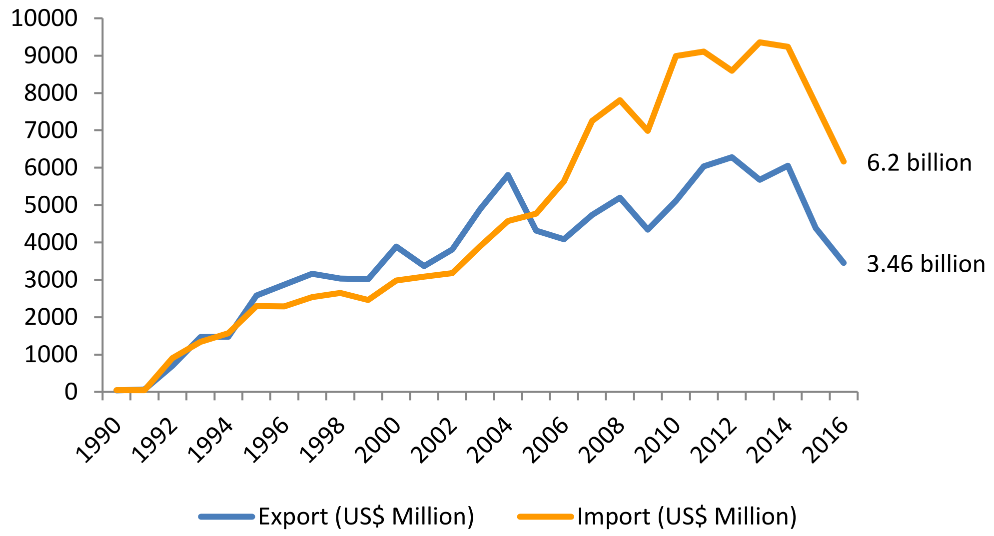
Figure 8. Growth in T&C exports to the U.S. from selected Asian countries, 2000–2016 (%)



Source: World Bank WITS database

The T&C sector in Lesotho faces a worse threat from cheap imports from China and other Asian countries. In 2005, Trade unions in South Africa, Zimbabwe, Mozambique, Lesotho, Swaziland, and Zambia issued a joint statement to say that the textile and apparel industries in their respective countries were facing a huge challenge from the Chinese, and warned that African continent risked "falling into a colonial style relationship with China.[10] In Figure 9, it is easy to see that SSA textiles and clothing imports far exceed her exports; in 2016, imports almost doubled exports.

Figure 9. Sub-Saharan Africa's T&C exports and imports, 1990–2016

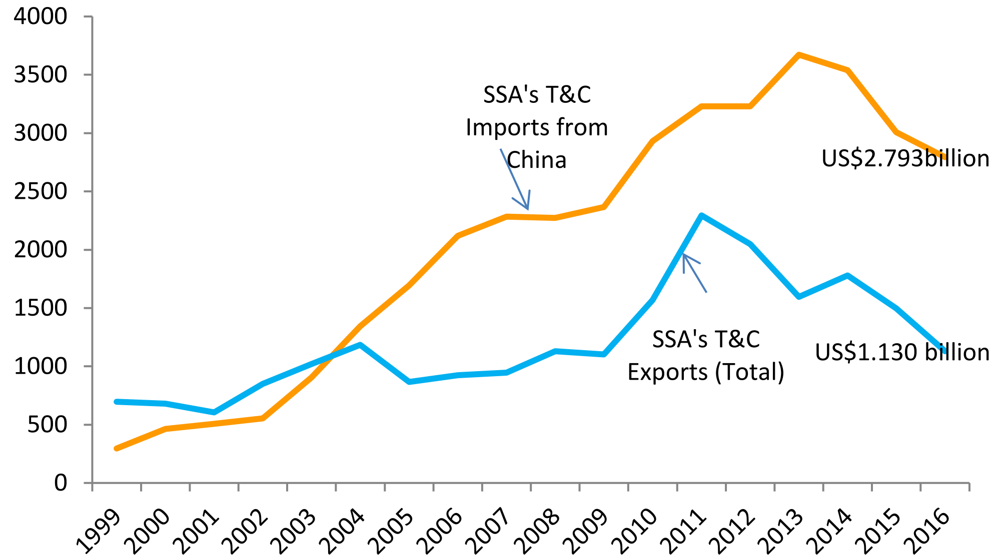


Nearly none of the African countries apply (negotiate) Voluntary Export Restraint (VER) to protect their domestic industries. A resemblance of this measure was tried in South Africa. China tried to limit the amount of textiles it exported to South Africa in 2006 to protect local manufacturers from being completely overwhelmed by Chinese imports, but this policy stopped in 2009 because of its ineffectiveness. During the period that Chinese imports were limited, other Asian investors took the advantage to increase their presence in the South African market, grabbing market shares from local manufacturers.

As Figure 10 illustrates the volume of Sub-Saharan Africa T&C imports from China more than double SSA exports, and is expanding exponentially.

[10] See Tang Xiaoyang (2014)

Figure 10. Sub-Saharan Africa's global exports of T&C and T&C imports from China



Why local apparel factories have managed to survive in some countries as Tang Xiaoyang (2014) found out is because most of them specialize in segments that require fast response and small quantity, such as fast fashion, uniforms, and work wear, which the Asian firms cannot be able to provide. An as has been established, even in those countries with little apparel industry remaining, like Zambia, several local companies are still producing clothing for mining companies or uniforms for schools. This provides good lesson for African industries and policy makers.

5 Conclusions and implications for policy

This paper examines the textile and clothing (T&C) industry in Lesotho to ascertain the initial effects of the end of quotas and other restrictions on global trade in textile and clothing. Many people had predicted that because textile products from Asian countries are no longer limited by the quota system in the export destination markets, their low price would help them to quickly grab a large portion of Africa's export market in the United States and Europe. Consequently, textile and apparel exports from Africa to the U.S. market would fall, and a large number of factories could close down. Results show a dramatic decline in Lesotho's T&C exports, both in value terms and export share in major markets in industrialised countries: the U.S. and the EU in the aftermath of the Agreement on Textile (ATC) phase–out. However, the decline in export for Lesotho and Sub-Saharan African countries as a group has not been accompanied by simultaneous or rapid shift of increasing T&C exports by Asian developing countries, who continue to export post-ATC at about the same levels of textile and clothing that they did before ATC phase out. While T&C exports from Lesotho and other African countries continue to decline, post-ATC, it is unclear if the end of the ATC quotas has been the main cause of that decline. Results do not provide clear evidence that the termination of the ATC has been a major contributing factor to the decline of Lesotho's and Africa's T&C exports. Instead, we find evidence of simultaneous and rapid shift of increasing T&C exports from China to Lesotho and other African markets. Compared with potential challenge from end of ATC quota, the influx of Chinese products imposes greater danger to the textile and clothing sector in Lesotho and the rest of Africa. Further to these, the utilisation of safeguard mechanisms by the U.S. and the continued option to maintain tariffs and other non-tariff barriers means that the end of ATC did not fully bring about "free trade" for clothing and textiles. These results raise important policy issues that could be considered in the ongoing negotiations on rules: trade remedies, particularly those dealing with safeguard and countervailing measures.

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Table A5. Selected macroeconomic indicators, 2008-14

	2008	2009	2010	2011	2012	2013
GDP at current prices (M million)	13,471	14,502	16,015	18,322	19,573	20,736
GDP at current prices (US$ million)	1,631	1,711	2,187	2,523	2,384	2,148
GDP growth rate (%, at 2004 constant prices)	5.7	3.4	7.9	4.0	5.0	4.6
GDP per capita at current prices (US$)	868	907	1,156	1,329	1,252	1,124
Population (million)	1.9	1.9	1.9	1.9	1.9	1.9
Unemployment, total (% of total labour force)	25.3	26.0	24.7	26.2	24.1	24.7
Inflation (CPI, % change)	10.7	7.4	3.6	5.0	6.1	4.9
GDP by expenditure at constant 2004 prices	annual %	change				
GDP at purchasers' prices	5.7	3.4	7.9	4.0	5.0	4.6
Private consumption expenditure	4.5	3.6	8.3	7.5	1.4	0.3
Government consumption expenditure	8.9	-1.2	2.9	0.0	12.3	-0.9
Gross fixed capital formation	40.5	-8.7	14.8	1.2	21.2	16.9
Changes in inventoriesa	-2.5	0.7	2.5	-6.2	0.0	1.3
Gross domestic expenditure	8.8	0.8	9.7	1.4	6.7	4.0
Exports of goods and services	10.5	-4.3	7.5	3.1	-1.2	-4.7
Imports of goods and services	11.5	-2.6	7.8	2.2	2.5	1.4
GDP by economic activity at constant 2004 prices						
Agriculture, forestry and fishing	8.7	8.0	8.2	8.6	7.1	7.9
Mining and quarrying	4.3	5.1	4.9	5.6	6.6	6.0
Manufacturing	18.8	17.1	18.1	15.4	14.2	12.2
Food products and beverages	3.1	3.0	3.0	3.1	3.0	2.7
Textiles, clothing, footwear and leather	12.7	11.1	11.9	10.3	9.3	7.7
Other manufacturing	3.0	3.0	3.1	1.9	1.9	1.8
Electricity and water	4.9	5.0	4.7	4.6	4.5	4.4
Construction	5.7	5.8	6.9	6.9	8.2	9.6
Services	57.6	59.0	57.2	58.8	59.4	59.9
Wholesale and retail trade, repairs	7.8	7.6	7.6	7.9	8.4	8.9
Hotels and restaurants	1.4	1.3	1.3	1.3	1.3	1.3
Transport, and communication	7.9	8.6	8.7	9.1	9.2	9.2
(1) Transport and storage	3.2	3.2	3.1	3.1	3.1	3.2
(2) Post and telecommunications	4.7	5.4	5.6	6.0	6.0	6.1
Financial intermediation	5.6	6.2	6.6	7.2	7.4	8.2
Real estate and business services	14.6	15.0	13.6	13.6	13.5	13.2
Public administration	11.5	11.0	10.6	10.4	10.2	9.4
Education	7.4	8.0	7.8	7.7	7.3	7.0
Health and social work	1.8	1.9	1.8	2.7	3.2	3.7
Community, social and personal services	1.2	1.2	1.1	1.1	1.1	1.1
Total debt as a % of GDP	55.0	40.1	37.1	36.9	40.6	40.1
External debt as a % of GDP	49.9	36.1	31.4	31.3	34.7	35.1
Domestic debt as a % of GDP	5.1	4.0	5.7	5.6	5.9	5.0
External debt as a % of total debt	90.7	90.0	84.6	84.9	85.5	87.6
Domestic debt as a % of total debt	9.3	10.0	15.4	15.1	14.5	12.4
Debt service ratiod	5.3	4.7	1.8	2.9	2.3	5.7

a Changes in inventories as percentages of GDP of the previous year.
b An increase represents an appreciation of the national currency.
c Estimate for 2012 figures and CBL projection for 2013 figures.
d Ratio of debt service to exports of goods and non-factor services.
Source: Central Bank of Lesotho (2014), *Annual Report 2013*, March; Lesotho Bureau of Statistics online information. Viewed at: http://www.bos.gov.ls/; IMF online information, "International Financial Statistics". Viewed at: http://elibrary-data.imf.org/DataExplorer.aspx; and World Bank's World Development Indicator database. Viewed at: http://databank.worldbank.org/data/views/variableselection/selectvariables.aspx?source=worlddevelopment-indicators.

Source: WTO

Table A6. Table A1.1 Merchandise exports by product group, 2008-12

(US$ million and %)

		2008	2009	2010	2011	2012
Total (US$ million)		727	628	503	770	678
				(% of total)		
Total primary products		**14.4**	**12.5**	**22.4**	**18.0**	**20.6**
Agriculture		14.1	12.4	21.8	17.6	20.1
Food		10.8	8.9	16.6	14.2	14.3
1110	Non-alcoholic beverages, n.e.s.	6.0	5.2	12.0	8.8	9.5
0564	Flours, meals, flakes of potatoes, fruit, veg., n.e.s.	2.0	1.2	1.7	2.4	1.6
Agricultural raw material		3.3	3.5	5.3	3.4	5.7
2681	Wool, greasy (including fleece-washed wool)	2.1	2.4	3.3	2.2	5.2
Mining		0.3	0.1	0.5	0.4	0.5
Ores and other minerals		0.3	0.1	0.4	0.2	0.4
Non-ferrous metals		0.0	0.0	0.0	0.0	0.0
Fuels		0.0	0.0	0.1	0.1	0.1
Manufactures		**85.6**	**83.7**	**62.1**	**77.5**	**79.1**
Iron and steel		0.0	0.0	0.0	0.0	0.0
Chemicals		0.2	0.6	0.1	0.1	0.1
Other semi-manufactures		5.4	2.9	3.4	3.7	4.1
6672	Diamonds (excl. industrial, sorted) not mounted/set	5.3	2.2	2.5	3.1	3.3
Machinery and transport equipment		13.8	12.7	10.7	8.2	11.4
Power generating machines		0.0	0.0	0.0	0.0	0.0
Other non-electrical machinery		0.1	0.0	0.0	0.0	0.0
Agricultural machinery and tractors		0.0	0.0	0.0	0.0	0.0
Office machines & telecommunication equipment		7.3	5.8	1.2	0.6	2.5
7611	Colour television receivers	7.3	5.6	0.8	0.2	2.1
Other electrical machines		6.4	6.8	9.5	7.6	8.9
7728	Parts for apparatus of 772.4, 772.5 and 772.6	4.9	5.8	7.9	5.2	5.1
7782 Electric filament or discharge lamps; arc lamps; and parts thereof		0.0	0.0	0.2	1.5	2.8
Automotive products		0.0	0.1	0.0	0.0	0.0
Other transport equipment		0.0	0.0	0.0	0.0	0.0
Textiles		3.0	4.9	4.1	4.6	3.5
6513	Cotton yarn, excluding thread	1.4	1.6	2.2	2.8	2.9
Clothing		60.1	57.7	36.3	55.8	55.6
8414	Trousers, bib and brace overalls, breeches and shorts	10.2	12.9	8.4	16.5	14.3
8442	Suits, ensembles, jackets, dresses, etc.	18.4	5.5	5.9	8.4	11.5
8454	T-shirts, singlets and other vests, knitted or crocheted	4.9	3.4	2.3	2.8	4.9
8413 Jackets and blazers, men's/boys', not knitted or crocheted		1.1	0.8	1.8	1.5	1.6
8437	Shirts, men's/boys', knitted or crocheted	2.6	4.3	2.6	4.7	6.4
8426 Trousers, breeches, etc., women's/girls', not knitted/crocheted		5.2	9.3	4.1	5.9	4.6
8453	Jerseys, pullovers, cardigans, etc., knitted/crocheted	10.3	12.4	5.2	7.3	4.9
8432	Suits, ensembles, jackets, trousers, etc.	4.5	6.2	1.8	1.8	2.3
8451	Babies' garments and clothing accessories	0.3	0.3	0.5	1.0	1.2
Other consumer goods		3.1	4.9	7.5	5.0	4.5
8515	Other footwear with uppers of textile materials	1.1	1.7	1.5	1.1	1.5
8512	Sports footwear	0.8	1.8	2.9	1.6	1.2
8514	Other footwear, leather or composition leather uppers	0.4	1.0	2.2	1.8	1.4
Other		**0.0**	**3.8**	**15.5**	**4.5**	**0.3**

Source: WTO Secretariat's estimates, based on information provided by the authorities (2008) and UN Comtrade (SITC Rev.3).

Table A7. Merchandise imports by product group, 2008-12

(US$ million and %)

	2008	2009	2010	2011	2012
Total (US$ million)	972	1,356	1,277	1,460	1,594
			(% of total)		
Total primary products	**37.2**	**41.5**	**33.8**	**41.1**	**36.3**
Agriculture	24.6	29.9	22.8	26.6	23.5
Food	22.5	28.1	20.6	23.5	20.8
0472 Cereal groat, meal, pellets	1.0	1.2	0.8	0.9	1.6
0123 Poultry, meat and offal	1.8	2.0	1.7	1.8	1.5
0449 Other maize, unmilled	0.3	0.5	1.2	1.3	1.4
0221 Milk and cream, not concentrated/sweetened	0.2	0.6	0.7	0.8	0.9
1222 Cigarettes containing tobacco	0.9	1.0	0.8	0.8	0.9
Agricultural raw material	2.1	1.8	2.2	3.1	2.7
2631 Cotton (other than linters), not carded or combed	0.8	0.2	1.3	2.2	1.8
Mining	12.6	11.6	11.1	14.5	12.9
Ores and other minerals	0.5	0.5	0.7	0.5	0.6
Non-ferrous metals	0.3	0.2	0.1	0.1	0.1
Fuels	11.8	10.9	10.2	13.8	12.1
3510 Electric energy	0.4	0.7	0.9	0.4	1.0
Manufactures	**59.2**	**56.8**	**63.5**	**54.6**	**59.8**
Iron and steel	0.9	1.0	1.2	1.6	2.2
Chemicals	9.3	8.5	11.0	10.3	10.1
5429 Medicaments, n.e.s.	0.3	0.3	2.3	1.6	0.8
5821 Self-adhesive of plastics, flat shapes, other than floor, wall and ceiling coverings etc.	0.0	0.3	0.6	0.8	1.8
Other semi-manufactures	8.2	11.9	8.8	10.0	7.5
Machinery and transport equipment	21.9	20.3	19.4	16.8	18.2
Power generating machines	0.3	0.2	0.3	0.5	0.4
Other non-electrical machinery	3.2	3.6	3.3	4.4	4.6
Agricultural machinery and tractors	0.3	0.4	0.1	0.2	0.2
Office machines & telecommunication equipment	3.5	2.8	2.2	2.0	3.0
7649 Parts and accessories for apparatus of division 76	1.7	0.9	0.7	0.6	1.9
Other electrical machines	3.5	3.5	6.8	3.7	3.0
Automotive products	10.4	10.0	6.5	6.0	6.9
7812 Motor vehicles for the transport of persons, n.e.s.	0.8	0.7	1.6	2.0	2.6
7821 Goods vehicles	0.8	1.5	1.3	1.7	1.9
7843 Other motor vehicle parts and accessories of 722, 781 to 783	1.2	1.8	2.1	1.7	1.6
Other transport equipment	1.0	0.2	0.3	0.2	0.3
Textiles	3.1	3.7	10.8	5.4	10.1
6551 Pile fabric, knitted or crocheted, coated, covered, or laminated	0.2	0.1	2.3	0.6	1.3
6524 Other fabrics, of 85% finished cotton > 200 g/m2	0.2	0.3	2.4	0.7	1.9
6552 Other knitted/crocheted fabrics, not impregnated/coated, etc.	0.1	0.0	0.2	0.6	2.0
6531 Fabrics, woven, of synthetic filament yarn, excl. pile/chenille	0.3	0.6	1.8	0.9	1.2
Clothing	2.8	2.7	3.8	2.7	2.6
Other consumer goods	12.9	8.8	8.4	7.9	9.2
8931 Plastics containers, stoppers, lids, etc.	0.3	0.5	1.2	1.0	2.4
8928 Printed matter, n.e.s.	0.5	0.4	0.6	0.4	0.9
Other	**3.6**	**1.7**	**2.7**	**4.3**	**3.8**

Source: WTO Secretariat's estimates, based on information provided by the authorities (2008) and UN Comtrade (SITC Rev.3).

Table A8. Merchandise exports by destination, 2008-12

(US$ million and %)

	2008	2009	2010	2011	2012
Total (US$ million)	727	628	503	770	678
			(% of total)		
America	53.5	47.1	23.0	46.4	44.9
United States	53.1	31.8	21.4	40.7	43.9
Other America	0.5	15.2	1.6	5.7	1.0
Canada	0.5	15.1	1.6	5.6	0.9
Mexico	0.0	0.0	0.0	0.0	0.1
Chile	0.0	0.0	0.0	0.0	0.0
Europe	5.4	2.0	0.2	4.0	3.7
EU(28)	5.4	1.9	0.2	3.8	3.7
Belgium	5.2	1.6	0.0	3.0	3.2
United Kingdom	0.1	0.1	0.1	0.2	0.2
Germany	0.0	0.0	0.0	0.4	0.1
The Netherlands	0.1	0.1	0.0	0.1	0.2
EFTA	0.0	0.0	0.0	0.0	0.0
Other Europe	0.0	0.1	0.0	0.1	0.0
Commonwealth of Independent States (CIS)	0.0	0.0	0.0	0.0	0.0
Africa	40.8	50.1	75.9	47.2	49.0
South Africa	39.9	48.9	74.9	44.9	47.3
Swaziland	0.0	0.1	0.2	0.7	0.7
Botswana	0.0	0.0	0.0	0.2	0.2
Kenya	0.3	0.2	0.1	0.0	0.1
Egypt	0.1	0.2	0.5	0.5	0.1
Morocco	0.0	0.0	0.0	0.0	0.0
Tanzania	0.0	0.0	0.0	0.1	0.1
Mauritius	0.0	0.0	0.2	0.4	0.3
Zimbabwe	0.0	0.1	0.1	0.1	0.0
Middle East	0.0	0.0	0.0	0.7	1.7
United Arab Emirates	0.0	0.0	0.0	0.7	1.6
Saudi Arabia	0.0	0.0	0.0	0.0	0.0
Asia	0.2	0.7	0.9	1.7	0.7
China	0.0	0.3	0.2	0.3	0.0
Japan	0.1	0.2	0.1	0.3	0.1
Six East Asian Traders	0.0	0.1	0.1	0.3	0.2
Hong Kong, China	0.0	0.0	0.1	0.2	0.2
Other Asia	0.1	0.1	0.4	0.8	0.4
Australia	0.0	0.1	0.1	0.3	0.3
Other	0.0	0.0	0.0	0.0	0.1

Source: WTO Secretariat's estimates, based on information provided by the authorities (2008) and UN Comtrade (SITC Rev.3).

Table A9. Merchandise imports by origin, 2008-12

(US$ million and %)

	2008	2009	2010	2011	2012
Total (US$ million)	972	1,356	1,277	1,460	1,594
			(% of total)		
America	0.8	0.2	2.0	0.6	0.5
United States	0.8	0.2	1.9	0.6	0.5
Other America	0.0	0.0	0.1	0.0	0.0
Europe	1.9	1.6	2.0	0.3	0.6
EU(28)	1.9	1.6	1.6	0.2	0.5
United Kingdom	0.3	0.4	0.4	0.0	0.1
France	0.0	0.0	0.1	0.0	0.0
The Netherlands	0.0	0.0	0.1	0.0	0.3
Germany	1.5	1.1	0.4	0.1	0.0
Belgium	0.0	0.0	0.1	0.0	0.0
EFTA	0.0	0.0	0.4	0.0	0.0
Other Europe	0.0	0.0	0.0	0.0	0.0
Commonwealth of Independent States (CIS)	0.0	0.0	0.0	0.0	0.0
Africa	95.1	95.6	79.9	97.4	89.4
South Africa	94.7	95.2	78.9	96.4	88.9
Zambia	0.0	0.0	0.1	0.5	0.1
Zimbabwe	0.0	0.0	0.2	0.2	0.1
Mauritius	0.0	0.0	0.1	0.1	0.1
Botswana	0.0	0.0	0.3	0.1	0.0
Mozambique	0.0	0.1	0.2	0.1	0.1
Namibia	0.1	0.0	0.0	0.0	0.0
Middle East	0.0	0.0	0.1	0.0	0.1
United Arab Emirates	0.0	0.0	0.0	0.0	0.0
Asia	2.2	2.7	15.9	1.7	9.5
China	0.1	0.1	2.6	0.4	2.8
Japan	2.0	2.5	0.9	0.0	0.2
Six East Asian Traders	0.0	0.0	9.8	0.5	5.6
Chinese Taipei	0.0	0.0	5.3	0.3	4.7
Hong Kong, China	0.0	0.0	1.1	0.2	0.7
Singapore	0.0	0.0	0.1	0.0	0.1
Thailand	0.0	0.0	0.1	0.1	0.1
Other Asia	0.1	0.0	2.5	0.7	0.9
India	0.0	0.0	1.6	0.6	0.5
Viet Nam	0.0	0.0	0.1	0.0	0.2
Pakistan	0.0	0.0	0.4	0.0	0.2

Source: WTO Secretariat's estimates, based on information provided by the authorities (2008) and UN Comtrade (SITC Rev.3).