

Textile and Garment Production in Ethiopia

09.01.2020, Elisaveta Kostova



Implemented by



Political background

Main principle: **Investments for Employment**



The initiative aims at creating a **favorable business environment** and **supporting private investment**.

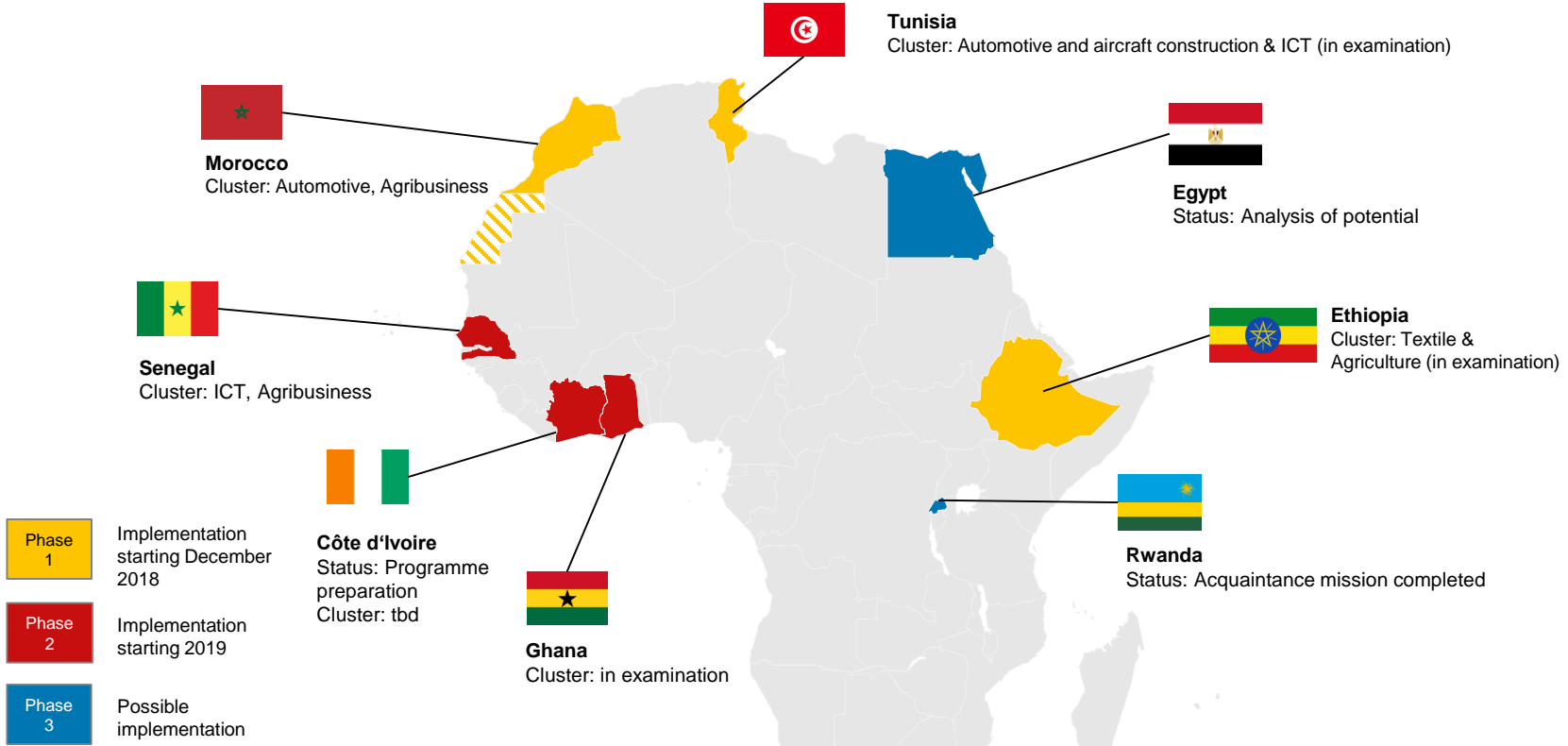


Creating enough jobs to provide **future prospects** for a rapidly growing youth in Africa.



Agreement of the governing parties to **strengthen the cooperation with reform partners** and the **G20-Compact with Africa** countries in light of the **Marshall Plan with Africa**.




BMZ Special Initiative Partner Countries



*Based on initial analysis. This geographical map is for informational purposes only and does not constitute recognition of international boundaries or regions; GIZ makes no claims concerning the validity, accuracy or completeness of the maps nor assumes any liability resulting from the use of the information therein.



Areas of Intervention of the Special Initiative for Jobs in Ethiopia (19 – 21)

Area	Intervention
<p data-bbox="324 321 436 350">Cluster</p> 	<ul data-bbox="596 342 1721 487" style="list-style-type: none"> • Foster the attractiveness of business locations and sectors • Support of sustainable industrial / business parks and economic zones • Improve export opportunities • Address investment barriers
<p data-bbox="239 536 519 565">Business & Invest</p> 	<ul data-bbox="596 558 1673 702" style="list-style-type: none"> • Mobilising investments by German, European and African companies • Paradigm shift: Develop projects with companies and investors to address investment barriers (e.g. training and qualification) • Explore new markets
<p data-bbox="233 749 525 778">African Mittelstand</p> 	<ul data-bbox="596 790 1653 896" style="list-style-type: none"> • Advisory and financial services for SME • Improve the business environment and enhance competitiveness • Boost cooperation between German companies and African SMEs

Sustainable Textile Project 16-20

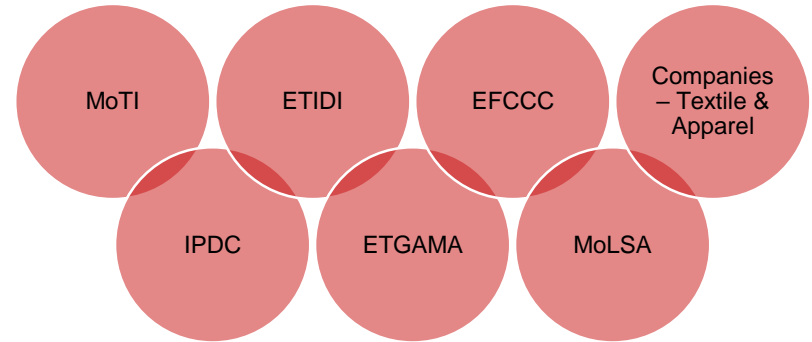
Basic Data:

German Development Cooperation, assigned by the German Federal Ministry for Economic Cooperation and Development

Volume **4m EUR**; Period of implementation **3 years**

Focus: Supporting the establishment of social and environmental standards in the textile and apparel sectors in Ethiopia

Political and Implementation Partners



Ministry of Trade and Industry



Proclamation and implementation of chemical registry

Ethiopian Textile Industry Development Institute



Quality Management System, Environmental Laboratory upgrade and accreditation

Environment Forestry and Climate Change Commission



National Sludge Guideline

Industrial Parks Development Corporation



Adaptation of the national drinking water standard, OekoTex Step Certification in Hawassa IP

Ethiopian Garment and Manufacturers Association



Direct Company Support of 13 companies

Ministry of Labour and Social Affairs



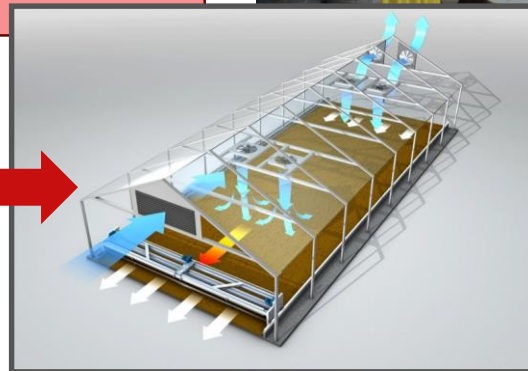
Equipment and training for inspectors

Development Partnerships with the Private Sector

- CoE Mekelle (H&M/DBL) – training of middle managers
- CoE Hawassa (PvH) – cooperation with TVET
- Chemical Management (Dow Chemicals/ZDHC) – development of private sector providers of consultancy services on chemical management
- Solar plant



sludge drying



General Impressions of the Sector - Industrial Parks



General Impressions of the Sector – Textile Production



Environmental Sustainability – SWOT Analysis

Strenghts

- Good starting conditions in Industrial Parks, e.g. ZLD Plant in Hawassa IP
- 16 industrial parks planned across the country
- Relatively solid regulatory framework on national level (e.g. on chemicals, water discharge, etc.)
- EIP Assessments in place

Weaknesses

- Struggle with sludge disposal, waste re-usage, availability of water and energy
- Low compliance of local companies
- Gaps in national regulation, e.g. on sludge
- Low capacity in enforcing environmental legal framework, low quality of EIP assessments

Opportunities

- Attracting the „right“ investors
- Off-grid power solutions, FDI investments
- Promotion of strong certification schemes like Ökotex Step, ZDHC, Higg Index
- Reinforcement of green growth approaches

Threats

- Low regional capacity
- Dedication of land not suitable for industrial development
- Local community acceptance
- High investments necessary to fix previous shortcomings

Short Movie - The Voice of Ethiopian Textile Workers

Thank you!



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