

2007 COMPENDIUM OF TRADE-RELATED SUCCESS STORIES

AFRICAN GLOBAL COMPETITIVENESS INITIATIVE





Photo above: Global Mamas hang their product. Advice and technical assistance from USAID's West Africa Hub have proved vital to Global Mamas' growth as the women's cooperative expands its client base and apparel product lines for export to the United States.

Photo: Global Mamas

Cover photo: Some of South Africa's mangos await processing at a fresh-cut fruit plant. USAID's Southern Africa and West Africa Hubs helped a fresh cut fruit processor meet export requirements.

Photo: USAID, South Africa

ABOUT THIS PUBLICATION

The Africa Global Competitiveness Initiative, announced by President George W. Bush on July 18, 2005, is an important part of USAID's contribution to sub-Saharan Africa's economic development. Supporting the African Growth and Opportunity Act—the landmark trade legislation that grants duty-free access to the U.S. market for more than 6,000 products from 40 qualifying African countries—AGCI provides a range of technical assistance services that help African countries improve their trade competitiveness, thereby increasing their ability to take advantage of the opportunities offered by free and open trade.

This compendium includes success stories and case studies produced by implementers of USAID's Presidential Initiative going back to 2005. They are intended to highlight specific examples of successes that AGCI has achieved, from reducing red tape and costs associated with trade, to attaining new visibility in the global marketplace. Most of these success stories have been generated by the four African Global Competitiveness Hubs—located in Accra, Dakar, Nairobi, and Gaborone and managed by USAID's regional missions in West, East, and Southern Africa.

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Hub Improves Regional Food Safety

Better regional sanitary standards will increase food exports and ensure safety of food imports



Food export companies, such as Crustamer, a fish and seafood processing company in Benin, know improved standards will open doors to more export markets.

The USAID Hub's evaluations of SPS standards are furthering regional efforts to improve food safety standards. Following a multi-country survey performed by the USAID West Africa Global Competitiveness Hub, the stage is set for harmonizing West Africa's sanitary and phytosanitary (SPS) standards. Now the Economic Community of West African States (ECOWAS) will take the lead in promoting an SPS agreement among all 15 of its member countries. It will also prioritize ways to improve food and animal health, such as establishing cost-saving regional laboratories and regional rapid alert systems for unsafe imports.

"West Africa will have the framework to efficiently guarantee the quality of our exports and build protection against poor quality imports," said Kofi Humado, the Hub's trade and capacity building expert.

ECOWAS has long aimed for regional SPS harmonization, following guidelines set by the World Trade Organization, to boost economic integration and expedite West African exports of fresh and frozen fruit, vegetables, meat, fish, and seafood. Eight ECOWAS countries those that make up the French-speaking Union economique et monétaire ouest africain (UEMOA)—took the lead, evaluating and comparing their SPS regulations and institutions, a necessary step in aligning standards across the region.

The Hub focused on evaluating SPS capacity in the other ECOWAS countries—Cape Verde, Gambia, Ghana, Guinea, Liberia, Nigeria, and Sierra Leone—through site visits to laboratories, plant and animal inspection points, abattoirs, and other food processing facilities. Draft evaluations were then reviewed at strategic planning workshops in each country. The government of Liberia validated the Hub's evaluation in March 2007, after which the country's Division of Standards hosted a two-day in-house workshop for standard technicians.

Following the Liberia workshop, the Hub published a synthesis of its work, providing comparable, succinct evaluations of each country surveyed and prioritizing immediate actions needed for regional SPS improvement. This final report, available at www.watradehub.com, is helping guide policy makers from national governments, regional organizations, and donor groups as they prepare a West African set of SPS standards and institutions to better prepare the region to trade with the world.

Speeding up Customs Clearances

The single customs declaration reduces administrative burdens and transit times



Trucks moving through international transport corridors improve transit times with streamlined customs procedures.

The SAD 500 is designed to reduce the cost of moving goods along regional frontiers through a single customs declaration made in the originating country.

The movement of goods across international frontiers in Southern Africa has generally been characterized by high transaction costs, caused in part by differing customs transit procedures and documentation across countries.

With assistance from USAID's Southern Africa Global Competitiveness Hub, customs transit procedures were harmonized and a single administrative document, called the SAD 500, were developed and adopted along selected transport corridors. The Common Market for Eastern and Southern Africa and Southern African Development Community are now promoting the adoption of the SAD 500 in member countries.

The SAD 500 is a multi-purpose goods declaration form covering imports, exports and cross-border and transit movements, and it incorporates all the information necessary for advanced customs clearance and customs risk management purposes. It reduces paperwork and allows for quicker turnaround times with fewer errors, less confusion, lower costs, and improved trade efficiencies. The SAD 500 complies with international best practices and customs standards, with similar documents having been introduced throughout the world. It was successfully piloted in the trans-Kalahari corridor through South Africa, Botswana and Namibia and is now the only customs declaration document used in Botswana, Lesotho, Namibia, South Africa and Swaziland. The SAD 500 is also being used in the Dar es Salaam corridor countries of Malawi, Tanzania and Zambia. Mozambique is in the process of adopting the SAD 500.

This customs transit document is currently being used under a manual environment among countries, and the customs administrations of the region have agreed to work toward transmitting it electronically across international frontiers to reduce transit times at border posts and eliminate customs fraud associated with false declarations.

USAID's Global Competitiveness Hub hosted a workshop in October 2007 to develop modalities for customs system interface, connectivity, data interchange and electronic transmission of the SAD 500 across international frontiers. Participants were encouraged to refer to the RADDEx computer connectivity program, designed and implemented by USAID's East Africa Hub, which connects different customs computer systems in East Africa. Final decisions on the electronic transmission of the SAD 500 were expected to be made in mid-2008.



Anti-Corruption Efforts Pay Off

Hub tracks bribes and delays on West African trucking routes



A policeman in Ghana threatens a truck driver who refuses to pay a bribe. The photo was taken by a journalist who had attended media trainings conducted by the Hub.

A combination of education and data collection, coordinated by the USAID West Africa Hub, is raising awareness that corruption hurts trade in and with the region.

Committed to the idea that efficient transport means more trade, the USAID West Africa Global Competitiveness Hub signed on in 2005 to a regional government effort to reduce bribes and delays on West African trucking routes. Today, as initial results are becoming clear in Burkina Faso, Ghana, and Mali, governments, businesses, and journalists are realizing the economic impact of corruption—and taking steps to improve cargo flows by road.

Through its Improved Road Transport Governance initiative, the Hub is working with individual drivers, local associations, national governments, and two regional organizations—the Economic Community of West African States (ECOWAS) and the *Union Economique et Monétaire Ouest Africaine* (UEMOA)—to boost trade in the region through improved transportation.

The first step is to quantify bribes and unnecessary delays experienced by commercial drivers with their paperwork in order, driving trucks conforming to regional norms, and well-documented cargo. Since late 2006, drivers have been collecting data on the major road corridors between coastal ports in Ghana and Togo and landlocked destinations in Burkina Faso and Mali. In mid-2007, ECOWAS and UEMOA released their first quarterly report featuring statistics based on the data collected by drivers.

Following Hub workshops to educate journalists on road corruption, national newspapers in Burkina Faso, Ghana, Mali, and Togo have run 38 articles on the issues, including a front-page exposé of a policeman in Ghana demanding a bribe from a trucker. The Hub has also sponsored business lunches for private-sector stakeholders to generate momentum for fighting road-transport corruption. One participant had a revelation: "I never understood that this road corruption is affecting all of us the same. I am a representative of an agricultural cooperative, and I am having the same problems as the Coca-Cola company because we're all paying bribes and getting delayed."

The interest is growing. "I'm getting contacted by new people each week," reported Akinjide Olatuyi, the initiative's diffusion and civil society advisor. "Whether journalists in Togo, a civil-society organization in Nigeria, or a World Bank project in Abidjan, people want to know what we are doing."

Study Identifies Customs Inefficiencies

The time release study identifies bottlenecks and delays in the customs process



If TRS recommendations are implemented, customs operations at a border post between South Africa and Mozambique will be streamlined.

The diagnostic study helped Malawi identify inefficiencies in its customs clearance process to reduce the costs of doing business in Southern Africa.

The USAID Southern Africa Global Competitiveness Hub, in partnership with the World Customs Organization, facilitated the design, execution and completion of a time release study for Malawi at the end of 2005. The first-of-its-kind to be completed in the Southern African region, a time release study is an effective diagnostic tool for identifying inefficiencies in the customs clearance process and determining necessary infrastructure, policy and process improvements as it assesses the time elapsed at each stop in the cargo release process.

The successful completion of a time release study relies heavily on the concept of ownership by all stakeholders. Toward this end, the USAID Hub assisted Malawian stakeholders to put together a representative working group to lead the process. The group included representatives from the Malawian Customs Authority, other government departments (such as the Ministry of Agriculture), freight forwarders, the pre-shipment inspection company and transporters.

With technical assistance from USAID and the World Customs Organization, the working group designed a questionnaire, administered the questionnaire at selected border posts, compiled and analyzed the results and produced a final report containing recommendations for possible improvements to the customs process. Currently, the Hub is assisting Malawi in designing action plans for implementing the recommendations identified in the final report.

As a result of the successful experience in Malawi, a time release study supported by the Hub and World Customs Organization is currently being carried out in Mozambique, and Zambian authorities have also expressed interest in undertaking a similar study.

Ghanaian Shea Comes to U.S. Market

Lotions and soaps will be on shelves in Ten Thousand Villages stores



At All Pure Nature, a worker wraps rosemary-oatmeal soaps and seals them with a bar-coded price tag from Ten Thousand Villages.

"This buyer sells the village as much as the product," said export advisor Elitza Barzakova. "It's vital to them that everyone benefits all along the value chain."

Shea butter's moisturizing and skin-soothing properties are well known in West Africa and increasingly around the world, as the nut-based cream is stirred into an ever-wider variety of beauty products. In early 2008, two Ghanaian entrepreneurs shipped their own finished shea butter lotions and soaps to Ten Thousand Villages, a U.S.-based fair-trade retail chain that is making its first foray into the cosmetic market.

Comfort Adjahoe of Ele Agbe and Gladys Commey of All Pure Nature have teamed to fill the order for 12,000 soaps and 4,000 creams in specially made ceramic pots, scented with tea tree, lemon, rosemary, eucalyptus, and mint essential oils. In addition to boosting their revenues, the order will provide work and investment opportunities for the approximately 120 women in rural, northern Ghana who supply shea butter to the two businesses. The businesses also have hired extra workers to process the shea and package products at their facilities in Accra.

Their relationship with Ten Thousand Villages began in 2006, when it participated in a handcrafts buying trip organized by USAID's West Africa Global Competitiveness Hub. During this trip the buyer realized the potential for adding shea butter cosmetics to its line. The Hub introduced Adjahoe and Commey, who shipped multiple samples for inspection. In 2007, the Hub accompanied Ten Thousand Villages on a tour of shea-producing villages to verify fair wages and community investment.

"This buyer sells the village as much as the product," said Elitza Barzakova, the Hub's handcraft export advisor, who facilitated the order. "It's vital to them that everyone benefits all along the value chain."

The chain extends to other Global Competitiveness Hub clients in Ghana as well: TK Beads crafted the recycled glass ornaments on each container and bar of soap. Ten Thousand Villages also purchased home décor from Dan Beaded Handicraft, which will also be included in the final shipment.

Entrepreneur Launches Furniture Line

Hub helps Botswana designer gain access to the U.S. market



Peter Mabeo showcased his latest collection at the 2007 International Contemporary Furniture Fair in New York.

With assistance from USAID, Peter Mabeo Furniture is restructuring to export exclusively to North America and identifying the right distributor to promote its line.

USAID's Southern Africa Global Competitiveness Hub has been working with Peter Mabeo Furniture, a Botswana-based contemporary furniture design and manufacturing company, to achieve new exports for its furniture line for the North American market. Partnering with the Africa Fast Track Trade program, the Hub sponsored Peter Mabeo, the business's owner and managing director, to showcase his new collection at the 2007 International Contemporary Furniture Fair in New York City.

The trip followed the award-winning launch of the Mabeo Collection for the North-South Project, a collaborative effort between Peter Mabeo and Canadian designer Patty Johnson that received the Editors' Award for Craftsmanship at the 2006 International Contemporary Furniture Fair.

Since 1995, Mabeo's company has manufactured furniture for the corporate sector and the domestic retail market in the Southern African region. The North-South Project enabled the company to step into the international marketplace, offering a 10-piece line of high-end, hand-crafted furniture products designed by Johnson and manufactured in Botswana. Balancing craft and local aesthetic with contemporary design, the collection received recognition from Newsweek, The New York Times, Elle Décor, New York's City Magazine, and the Toronto Star.

The new designs and exposure at the 2007 International Contemporary Furniture Fair paid off. In April 2008, Peter Mabeo's furniture was on track to appear in 10 showrooms throughout the United States in the prestigious Design Within Reach company. Design Within Reach will feature Peter Mabeo's products as part of their sustainability line. Featured showrooms include New York, Washington DC, San Francisco, Dallas, Chicago, Miami and Los Angeles.

Because it is exempt from customs duty and import tax into the United States and it sources raw material from an Indiana-based lumber supplier, Peter Mabeo Furniture is able to offer the North American market an attractive, quality product at a competitive price. USAID's partnership with Peter Mabeo comes as part of the Hub's concerted effort to help promote the diversification of Botswana's exports beyond diamonds and apparel.



East Africa Businesses Continue to Grow

Hub sponsorship helps increase profits and create new jobs



Companies in countries throughout East Africa continued to benefit from assistance from the East Africa Global Competitiveness Hub in 2007.

- The Hub sponsored 12 flower companies from Burundi, Ethiopia, Kenya, Rwanda and Tanzania to the World Floral Expo held in Miami in March, as well as sponsoring companies at trade shows for the food, apparel, furniture and home décor sectors. Technical assistance and trade fair support have so far produced over \$14 million in incremental export sales for enterprises in East Africa.
- In 2007 Novastar Garment Factory of Ethiopia, a manufacturer of garments for sports and casual wear, established leads that resulted in U.S. orders worth over \$500,000. The increase in orders meant that Novastar was able to increase its production capacity from eight to 12 product lines, resulting in significant job creation. The company has hired 137 new employees to help with production, increasing its workforce by 66 percent.
- Before the Hub's intervention, IRIS Madagascar, an apparel firm, had never before exported to the United States. After working with the Hub, interest from U.S. buyers skyrocketed and the company reported exports of nearly \$600,000 in 2007. The company expects its U.S. exports to approach the \$1 million mark by 2009.
- K-Net Flowers, a cut-flower consolidator in Kenya, received Hub assistance that resulted in \$900,000 in exports of cut flowers to the United States.

Continuing on the successes of 2007, the Hub started off the new year by sponsoring the attendance of Madagascar Arts, a craft exporter, at the Atlanta International Gift and Home Furnishing Market in Atlanta. The Hub also helped five companies from the region attend the Natural Products Expo West in Anaheim, California. The show is the largest natural, organic and healthy products trade show in the world, featuring thousands of new products and cutting-edge trends. With engaging speakers, informative seminars and numerous networking opportunities it will provide opportunities for new companies to break into the American market. Last year more than 47,000 people attended the show, visiting over 3,000 exhibits.

The Hub's trade fair support in 2007 has so far produced over \$14 million in incremental export sales for enterprises in East Africa

Assistance Improves Handcraft Exports

Finance and production lessons helped Fritete African Works export its wood carvings worldwide



Robert Ellis began as a collector of African art, but now exports masks like these to the U.S. and Europe.

USAID's West Africa
Hub gave crucial
assistance in improving
production efficiency
and acquiring preshipment financing.

During his early career as a statistician at Ghana's department of motor vehicles, Robert Ellis used to spend all his spare earnings on wood carvings and other African *objets d'art*. Today, as founder of Fritete African Works, Ellis is earning his living—and providing for more than 1,000 workers, including subcontracted vendors—by producing and exporting Ghanaian home décor. Since 2002, Ellis has also taken on the role of agent for such U.S. retailers as Target and Cost Plus World Market, managing large-volume orders from his own and other production facilities around Ghana.

The path hasn't always been smooth. In 2004, Fritete teamed up with another Ghanaian handcrafts enterprise, Tekura, to produce what was then their largest order: \$365,000 for Target stores. But, dogged by inefficient production methods and tardy, expensive pre-shipment financing for materials and labor—which carried a hefty 25 percent interest rate—the duo managed to ship only 70 percent of the order.

Despite the difficulties, Target placed another order the following year. This time, Fritete and Tekura turned to USAID's West Africa Global Competitiveness Hub for expert advice in production and financing. The Hub provided an international handcrafts consultant who demonstrated ways to streamline assembly lines and overcome headaches such as setting up specially designed wood-drying units during the rainy season. The Hub's financial expert also recommended strategies for acquiring lower-cost financing, including improved documentation when applying for bank loans.

"After going through a painful process, we learned many lessons," Ellis said

The Hub has published a guide to financing, which explains steps for costing products and submitting successful pre-export loan applications. With its sister program, Access to Finance, the Hub has educated both West African exporters and bank employees on increasing efficiency and accessibility of export finance.

Meanwhile, Fritete continues to fill orders for Pier 1 in the U.S. as well as retailers in Europe. Ellis met several contacts through the Hub, which has hosted and facilitated buyer trips to the region and sponsored West African pavilions at international home décor tradeshows.

"I feel U.S. companies have increased confidence in Africa due to the good publicity and variety of products (now available)," Ellis said. "International companies also are able to contact the Hub team or website to find out about companies who are doing well."



Pavilion Wins Top Award at Flower Show

Team effort improves marketing prospects for East African flower companies



Photo: USAID ECA Hub

The East Africa Pavilion was given the Silver Award for its presentation of flowers from Kenya, Ethiopia, Burundi, and Uganda.

"The competitiveness of the cut flowers sector across East Africa is beginning to resonate in the U.S.," said the manager of the ECA Hub.

The East Africa Pavilion, a regional exhibit organized and sponsored by USAID's East and Central Africa Global Competitiveness Hub, has won the Silver Award for "Best Stand Design—National Pavilion" at the 2008 World Floral Expo in Miami, Florida. The pavilion highlighted East African floral products from eight companies in Kenya, Ethiopia, Burundi and Uganda. The expo is designed to provide a venue for companies from around the world to show off displays of their new products to U.S. floral wholesalers and high volume retailers. Close to 500 buyers visited the three-day show, which is fast becoming the number one event for the U.S. floral industry. Importers were able to visit 150 exhibits from 19 countries.

This is the fourth year of the trade show, and the third consecutive year that the Hub has sponsored the attendance of East African flower growers. Africa's presence and its unique products are beginning to be noticed within the sector. According to Finn Holm-Olsen, manager of the ECA Hub, "East African flowers have had established markets in the EU via the Dutch auctions for years, but the U.S. market has been elusive, largely due to lack of direct transport links. Many of our companies are keen to develop or increase linkages with U.S. entities and sell directly in the U.S. market as they do in Europe. This award is recognition of the fact that the competitiveness of the cut flowers sector across East Africa is beginning to resonate in the U.S. With growing awareness among buyers in the U.S.—and the pending direct air connection between Nairobi and New York—that dream is closer to reality."

Horticulture is fast becoming a major foreign currency earner for East Africa, mainly from exports to European markets. Kenya is the largest exporter of cut flowers to Europe, and in 2007 gained the majority of its foreign exchange from horticulture. Ethiopia now exports to 40 countries, sending 8 million stems a month. The horticulture industry in Uganda and Burundi is also developing rapidly, while Tanzania expects to export over 8 metric tons of flowers in 2008.

Generally, South American and Latin American countries have led in flower exports to the United States, but with a different product range and the possibility of direct flights from African countries starting in summer 2008, East African countries are poised to take a share of the market. A big trade opportunity for Kenya could lie in the floral offseason in Latin America. Although the Kenyan roses have smaller heads and shorter stems than their Latin American counterparts, with its year-round production schedule, Kenya could satisfy the need for variety in the mass market.

U.S. Agency for International Development www.usaid.gov

East Africa Global Competitiveness Hub www.ecatradehub.com

NY Convention Boosts African Sales

African Pavilion draws buyers of Southern African products



More than 4,000 buyers and 236 exhibitors attended the two-day event at the Jacob Javits Convention Center in New York City.

The African Pavilion gave producers from across Africa the opportunity to showcase the diverse products available on the continent.

The 2006 Material World New York Convention drew apparel, home furnishings and accessories representatives from 475 companies worldwide. International participation vastly exceeded previous years; 236 exhibitors their products at the 2006 event, well above the 40 exhibitors attending in 2005. In addition, more than 4,000 buyers attended, representing more than 35 countries including Bangladesh, China, Korea, Thailand, Morocco, India, Pakistan, Japan and Taiwan.

Ten African countries featured apparel products in the Africa Pavilion, organized by Trade Links LLC. Dedicating an exhibition area exclusively to the African companies capitalized on their collective presence, marketing Africa as a prime destination for buyers, while each of the exhibitors retained its national, cultural and corporate identity. The pavilion showcased product samples and descriptions of facilities and services in Botswana, Ethiopia, Lesotho, Kenya, Ghana, Cameroon, Senegal, Swaziland, Madagascar and South Africa, among others.

The USAID Southern Africa Global Competitiveness Hub sponsored five companies' attendance at Material World 2006, and the companies benefited greatly from their participation. Through a contact made on the exhibition floor, Lesotho's Hippo Knitting was contracted to supply a 2007 order valued at \$1.9 million to a New York retailer, a move that will expand the Maseru company's production capacity by 10 percent and require the hiring of 160 new employees. Label Clothing, out of Botswana, will supply an order valued at \$519,000 to Butta's "Made in Africa," earning its first foray into the U.S. consumer market. Intra-regional networking also bore results: Label Clothing is negotiating with a South African firm to coordinate on standing orders for South African hospital scrubs and prison uniforms.

Material World is an ideal and invaluable venue for African companies. The ability to showcase quality samples contradicts the negative stigma of expensive, low-quality African manufactures. The opportunity to interact with buyers in person helped them overcome communication barriers, and the relationships forged surmounted another negative perception: that sub-Saharan African infrastructure is unsuitable to the fast-paced international market.



Africa Pavilion Wins MAGIC "Best in Show"

Collaboration leads to a win over 1,350 other exhibitors



The Source Africa Pavilion was the top exhibit at the 2008 MAGIC Trade and Apparel Show in Las Vegas.

The pavilion put
Africa on the map as
a viable apparel
sourcing option.

The USAID-sponsored Source Africa Pavilion has been awarded the distinction of "Best of Show" at the MAGIC Fashion and Apparel Trade Show. This year the event, founded in 1933 as an annual show hosted by the Men's Apparel Guild in California, featured around 1,350 exhibitors. MAGIC has become the largest, most comprehensive apparel and accessory trade event in the United States, bringing together retail buyers from around the world.

The Source Africa Pavilion was an exceptional collaborative effort from the USAID-funded ECA Global Competitiveness Hub, Southern Africa Hub and West Africa Hub. This was the first time the three hubs worked together on an exhibition and involved 15 companies from across Africa, including Cameroon, Ethiopia, Ghana, Lesotho, Madagascar, Mauritius, South Africa, Uganda and Zambia. Four companies from East Africa were represented at the show. The pavilion held a strategic position in the Sourcing Hall, and according to MAGIC Sourcing organizers David Pennes and Jessie Zhang, it "put Africa on the map" as a viable apparel sourcing option.

Judging by the buyer interest, volume and range of discussion held at the pavilion, the companies have good reason to be optimistic about potential deals.

IRIS Madagascar, one of the participating East African companies, also received ECA Hub in-field technical assistance and sponsorship to attend the MAGIC show in August 2007. As a result, interest from U.S. buyers rocketed and the company reported exports valued at nearly \$600,000 in 2007. Significantly, prior to the ECA Hub's intervention the company had never exported to the U.S. Having established solid business relationships with a handful of U.S. buyers, the company expects exports to the U.S. to rise to over \$900,000 in 2008 and to approach the \$1 million mark by 2009. Technical assistance and trade fair support have so far produced over US \$14 million in incremental export sales for enterprises in East Africa.



Outfitting Export Orders in Ghana

Sleek Garments supplies shirts and uniforms for Ross Stores, Walgreen's



Nora Bannerman, founder and CEO of Sleek Garments, oversees work at her factory.

Sleek Garments has benefited from industry-specific training by the USAID Hub, which also provided financial planning services and advice on preexport financing. On the wall of the Sleek Garments factory in Ghana's capital, Accra, overlooking a bustling assembly line of 300 workers, is a sign: "Quality First, Quantity Second." Sleek's founder and CEO, Nora Bannerman, has held to that philosophy since she began her career as a fashion designer 30 years ago. And she is determined to maintain it as Sleek shifts into mass production, stitching casual shirts and work uniforms for some of the largest retail chains in the United States.

Sleek is part of Ghana's blossoming apparel manufacturing cluster. Incentives offered by Ghana's government have encouraged the relocation and building of several clothing factories, many of them exporting to the United States under the African Growth and Opportunities Act (AGOA), which waives duties on select goods from eligible African countries.

In early 2007, Sleek shipped 75,000 rayon shirts bound for Ross Stores, the second largest discount clothing retailer in the United States. Later that year, Sleek teamed with two other Ghanaian apparel factories, Oakbrook and California Link, to supply ten 20-foot containers of lab coats and smocks to Walgreens pharmacies—a \$1-million order organized by Superior Uniforms Group, which had never before sourced from Africa.

"We are putting Ghana on the radar as an exporter under AGOA of high-quality garments," Bannerman said.

Bannerman receives support from USAID's West Africa Global Competitiveness Hub, which conducts industry-specific training and accompanies clients to major trade shows in the U.S. in order to facilitate deal-making. In 2007, Bannerman was part of the Hub's Africa Pavilion at the MAGIC show in Las Vegas in February and August. The Hub also provided financial planning services and advised Bannerman as she sought pre-export financing to purchase fabric for the Ross order.

Sleek's performance last year has won it repeat business from Ross, which sourced long-sleeved micro-fiber shirts from the company in mid-2008. In January, Bannerman invested in equipment to produce knit garments, allowing her to supply Ross with polo shirts throughout 2008.

"I dream of brands coming out of Ghana, supplying African markets as well as the huge U.S. market," Bannerman said.

Label Clothing Expands Workforce

Material World New York's African Pavilion creates sales for Southern African firms



Taking advantage of duty-free import status to the United States, Label Clothing's Bernice Rensburg displayed a variety of items at the show.

As a result of assistance and support provided by USAID Hub, Label Clothing is expanding its workforce and firmly establishing itself as a top family-run business in Botswana.

The Southern Africa Trade Hub roster of companies sponsored to attend the Material World Trade Show in New York, September 26-28, 2006, included Botswana's Label Clothing.

Label Clothing is a new arrival to Botswana and, pending orders received via Material World contacts, will be a new entrant to the United States market. The facility, located in Selebi Phikwue, employs 490 workers and has concentrated to date on casual wear, specifically men's basics and safari clothing.

While in New York, Label Clothing's Bernice Rensberg met with Dr. Bill Releford, Chairman of Butta, the California-based company commanding the "Made in Africa" brand. Label's samples met Butta's quality test, and Butta has since placed an order valuing \$519,000 for 350,000 units of men's shirts, tracksuits, boxers, and boxer briefs.

Material World New York also served as a catalyst to deepen Label's relationship with another South African partner. The two companies are negotiating to collaborate on orders for two large markets in South Africa: hospital scrubs and prison uniforms.

Since returning to Botswana, Rensburg has followed up with and sent samples to other promising American buyers who expressed interest in Label's product lines during private meetings in New York. An unnamed buyer took special interest in Bernice's personal account of her business' resolve in a hurdle-ridden environment. Bernice writes, "The buyer was very impressed with our range of products. After hours of talking when I gave him the whole history of Label Clothing from start-up, to the setting-up in Botswana, he decided that Label Clothing was definitely a company he wanted to do business with. He found it so amazing that an entire family could all work together for so long and admired our tenacity to persevere."



Ghanaian Co-ops Make Deals to Dye For

Global Mamas' fair trade apparel is a hit with U.S. buyers as it shifts into the wholesale market



Over 200 women in Ghana's Central Region are involved in making Global Mamas' unique line of apparel. They receive 40 percent of its profits.

The USAID West Africa Hub's advice and technical assistance has proved vital to Global Mamas' growth as it expands its client base and product lines.

Gaily colored batik cotton has long been a fixture in Cape Coast, Ghana. Now it's winding its way into American and European markets, via Global Mamas (www.globalmamas.org), a women's cooperative founded by two former U.S. Peace Corps volunteers. The cooperative represents 70 individually owned businesses, where over 300 Ghanaian women make batik clothing, home décor and accessories for men, women, and children.

Global Mamas started exporting its fair trade-certified apparel to the U.S. in 2004, recording just \$30,000 in sales. Sales quadrupled the following year, and in 2007, exceeded \$450,000—75 percent of which was exports to the United States. Their shipments are duty-free under the African Growth and Opportunities Act, making their clothing more competitive in the American market. Forty percent of Global Mamas' profits go directly to the women who dye and sew the batik items.

The USAID West Africa Global Competitiveness Hub was the driving force behind Global Mamas' growth. The Hub had contact at every step of the production chain, starting with assistance in finding local providers of calico, the white woven fabric used for batik in Ghana. The Hub advised the co-op how to streamline its production process, made hiring recommendations, and connected it with large U.S. trade shows.

As a result, the co-op has widened its customer base beyond home parties, craft fairs and small retailers, said Global Mamas' international trade director, Kristin Johnson—and are now shifting toward a wholesale-based market. "The biggest factor has been the initial exposure to wholesale trade shows," said Johnson. "The Hub introduced us to this idea, and we realized that, wow, we can do this!"

Global Mamas' attendance at the MAGIC apparel show in 2006, the California Gift Show in 2007, and the New York International Gift Fair in 2008 helped them secure new clients—including Busch Gardens and the Santa Barbara Zoo—and sell larger volumes. Now fair trade certified in both the United States and Europe, the co-op recently scored a prized spot on the shelves of trendy U.K. chain store Topshop.

While expanding their apparel line, Global Mamas is also developing more accessories and home décor. In 2007 Global Mamas applied the cooperative model to another uniquely Ghanaian product: recycled glass beads. Based in Krobo, in Ghana's Eastern Region, the organization currently engages 25 Ghanaian women in bead-making and assembly of jewelry and home décor. In 2008, Global Mamas founded a women's cooperative in the village of Ajumako. The women weave—and sell—small rugs, place mats, and trivets with scrap fabric from Global Mamas' clothing.



Peace Baskets Give Hope for Future

Genocide survivors earn lucrative deal providing baskets to Macy's



Rwandan peace baskets are displayed at a Macy's department store in Manhattan.

Specific and targeted interventions can have positive and far-reaching results, changing the lives of thousands and placing the spotlights on Rwanda's unique capabilities.

Immediately after the Rwandan genocide, women made up over 70 percent of the country's population. In the past, they had lived primarily as subsistence farmers, supporting the men, who held all positions of influence. Suddenly women needed to find a way of making money to help their families survive. Many women turned to making traditional colorful hand-woven peace baskets with a shape unique to Rwanda, made from papyrus reeds and sisal fibers.

The fortunes of many of these women weavers changed when the East and Central Africa Global Competitiveness Hub visited a trade show in Kigali and met Janet Nkubana, the owner of a company called Gahaya Links. Representatives from the Hub realized the company's potential. They provided technical assistance in product design, marketing and pricing to help Janet prepare her baskets for trade shows. The Hub then sponsored her trip to New York to take part in a major marketing event, the Sources Show. There, buyers from Macys spotted her product line and offered her a deal worth \$150,000 to supply baskets for their New York store and to sell online.

In July 2005, Macy's executives made a trip to Rwanda, and decided to arrange a high-profile opening of Gahaya Links' products at their Herald Square store in midtown Manhattan, including an exclusive window display. The Hub sponsored Ms. Nkubana's trip to New York to participate in this highly publicized event. Rwandan President Paul Kagame and the president of Macy's inaugurated the event, during which Macy's announced its intention to buy Gahaya Links' entire capacity of baskets, a deal substantially exceeding the initial one. In 2006, Macy's entire online inventory sold within months. Now the Hub is working with Janet to create a Web catalogue to showcase her products and facilitate bulk orders. The success of this one company has also spurred the Rwandan Government into action. On returning from New York, President Kagame ordered his Ministers to do everything in its power to assist the company and clear any unnecessary hurdles to exporting to the United States.

Income from the project has made a huge difference to these rural women and their families, who used to struggle to get by on less than a dollar a day. The extra money is used to buy food, clothing, school uniforms and other items that were previously out of their reach. The women can take pride in their work, which is also helping to continue a part of Rwandan culture. Janet's story is an example of how specific and targeted interventions can have positive and far-reaching results, changing the lives of thousands and placing the spotlight on Rwanda's unique capabilities.

NY Trade Show Revives Hippo Knitting

Material World New York's African Pavilion creates sales for Southern African firms



An increase in orders for basic items, such as t-shirts, has resulted in increased employment opportunities at Hippo Knitting in Maseru, Lesotho.

"This trip has been quite amazing for our factory, and Lesotho has done so well!" said Hippo Knitting's Grace Lin.

In September 2006, the USAID's Southern Africa Global Competitiveness Hub sponsored Maseru-based Hippo Knitting to participate in the Material World Trade Show in New York. Hippo Knitting seized the opportunity to showcase and network and their participation has translated into success. A New York retailer placed an order worth \$1.9 million, and three additional North American companies have visited Hippo Knitting facilities since the trade show.

This new business is a welcome upswing. Since the expiration of global apparel quotas under the Multi-Fiber Agreement on January 1, 2005, African producers have struggled to maintain U.S. market share in garments. The United States Trade Representative reported that overall textile and apparel imports under the African Growth and Opportunity Act (AGOA) dropped quickly—by as much as 12 percent in 2005. This changing landscape is particularly significant for Lesotho, where in just five years AGOA preferences spurred industry growth and rendered apparel and textile manufacturing the country's largest formal sector employer.

Hippo Knitting, a 2000 upstart employing nearly 800 workers, was among those affected. Since early 2005, the facility has been forced to reduce its production capacity by 45 percent. But the \$1.9 million order is helping Hippo begin to rebuild, as the company will revive its capacity by 10 percent to meet the demand, creating 160 jobs in the process. The Material World Trade Show played a key role in this renewal of confidence, providing the company with a face-to-face opportunity to prove its business savvy and product quality.

Grace Lin, representing Hippo Knitting management, thanked the Hub, saying, "This trip has been quite amazing for our factory and Lesotho has done so well. We thank the USAID Hub for their assistance; we would not have been able to do this without your support!"

Handcraft Business Trades with Giants

Tekura ships highquality home décor to U.S. retail giants like Target and Marmaxx



An artisan with Tekura Enterprises sands wooden stools bound for the United States.

USAID's Hub provided Tekura with assistance and financial advice to manage larger export orders. The Hub also sponsored Tekura's attendance at international trade shows. Handcrafted home décor is a family affair for Tekura Enterprises, an exporter of high-quality wooden furniture from Ghana. Founded by husband-and-wife team Josephine and Kweku Forson, Tekura consists of workshops and a showroom arranged around their home in the capital, Accra. (Daughter Ewura Ama does the marketing.) There, 43 men and women create uniquely designed stools, occasional tables, candleholders, bowls, mirrors and masks bound for such U.S. retailers as Target, Cost Plus World Market, and Marmaxx, the parent company of TJ Maxx and Marshall's.

In 2004, Tekura and their sometime collaborator, Fritete African Works, were dogged by financial and production difficulties trying to fill a first-time order from Target. They approached USAID's West Africa Global Competitiveness Hub for assistance with the next year's order. The Hub provided a handcrafts expert, based in Germany, who created wood-cutting and lathing templates to reduce variance in mass production. He also suggested improvements to their wood drying systems, increasing finished product quality.

Meanwhile, the Hub's financial expert advised the companies on negotiating letter of credit terms, managing expenditures, and identifying a bank to provide a lower interest rate and faster disbursement for the enterprises' future export working-capital loans. In 2005, Tekura and Fritete shipped the 48,000-piece order on time.

Orders from other retailers have followed, many following contacts made at U.S. tradeshows. The Hub enabled Tekura, along with other West African producers, to attend Sources NY, Sources LA, and the California Gift Show, paying their booth fees and providing pre-show and on-site logistical assistance. In 2007, the Hub hosted the Trade Facilitation Office of Canada, which selected Tekura to participate in Design Africa, a project to introduce a new image for African-made home decor and home textiles. The Hub also sponsored Tekura's 2007 appearance with Design Africa at SIDIM, the Montreal International Interior Design Show, leading to more than 40 buyer leads for its new high-end furniture line.

Tekura obtains its wood through governmental programs that permit them to buy fallen wood from agricultural lands and extras from sawmills.



CASE STUDY

A Small Business Makes Gains

International exposure brings benefits to a small firm and its employees



With an employee bonus from Kenana Knitters, Margaret Wanjiku was able to buy furniture for her home and clothes for her children.

"I am happy to work here, especially because I am a single mother," says Margaret. "With this job I am now able to cope on my own."

Challenge

Kenana Knitters used to be a small firm, producing just enough home and gift woolens to support its 80 employees. Located in Nakuru, Kenya, the company had been struggling to strengthen its product line and begin exporting, but without the right information about marketing and export design, Kenana Knitters just couldn't break through.

Initiative

USAID sponsored Kenana Knitters' participation in the May 2004 and 2005 Sources Shows in New York, a venue that greatly boosted Kenana's visibility. Before the show, company representatives met with USAID consultants, who advised them on design, production and marketing—important issues they were able to incorporate into their presentations that improved their products.

Results

After returning from the 2004 show, Kenana Knitters had to triple its workforce to meet the unprecedented increase in overseas demand —more than \$260,000 in orders within five months. The company has diversified its customer base to include Japan, Canada and Italy. But along with its sales, Kenana Knitters has also increased the services it gives its employees. A self-run clinic at the factory offers monthly HIV/AIDS counseling and testing and family planning services for employees, and the company recently purchased two second-hand computers to upgrade employee skills. Margaret Wanjiku, a single mother of five and a recent beneficiary of an employee bonus says, "I am happy to work here, especially because I am a single mother. With this job I am now able to cope on my own." Because of her bonus, Margaret was able to purchase clothes for her children and new furniture for their home.



Senegalese Exporters Reel in Millions

Hub's assistance leads to multiple orders for fish processing companies in Senegal



Trained processors at La Pirogue Bleue prepare orders for export. The company is expanding its factory and doubling its workforce to handle orders of sustainably harvested fish and seafood products.

"Participation at trade shows, such as the ESE, is vital to our business," said Mohamed Abd Ali, manager of La Pirogue. "We were able to attract new clients who were drawn to the West Africa Hub booth, which represented products from across the region." Eight months after attending the European Seafood Exposition (ESE) held in Brussels from April 24-26, 2007, Senegalese seafood exporters have reported more than \$6 million in sales resulting from the show, which they attended with assistance from USAID's West Africa Global Competitiveness Hub. Exports of fresh and frozen, whole and filleted products have been shipped from Senegal to the United States, Canada, Belgium, Denmark, France, Greece, Italy, Portugal, Spain, and the United Kingdom.

The Hub paid \$25,000 for booth space at the ESE, enabling five Senegalese exporters, who paid for their own travel and lodging, to attend. Promotional brochures designed and printed by the Hub featured all the Senegalese exhibitors, providing additional company and contact information for visitors. Since then, the Hub has registered the producers with the U.S. Food and Drug Administration, making it easier for them to export to the United States.

Mohamed Abd Ali, general manager of La Pirogue Bleue, said, "Participation at trade shows, such as the ESE, is vital to our business. We were able to attract new clients who were drawn to the West Africa Hub booth, which represented products from across the region."

Ali says the ESE and the resulting orders have galvanized new investment and a new direction at the company. "We have already begun to expand our factory and we plan to double our current number of employees—as well as increase the amount of processing so that we can offer a product that is 'ready to eat."

The Hub encourages West African seafood companies to focus on exporting smaller quantities of value-added products in support of a more sustainable fishing sector in West Africa. At the ESE, the Hub launched the West Africa Sustainable Seafood Development Alliance, which seeks to increase cooperation among local and international organizations, public and private stakeholders to attain a sustainable seafood sector in the region

"We are ready for the American market," Ali said. "This opportunity, facilitated by the Hub, is a welcome diversification of our markets."

FIRST PERSON

Melon Trials Provide Opportunity

Itumeleng Ncube is finally practicing her trade, working as an agricultural technician



Itumeleng Ncube is an agricultural technician on the farm of Olebile Gaborone, where trial melons and watermelons have been grown since September 2005.

"I am so happy to have this job and to finally be able to give my children a little bit extra," says Itumeleng. "It was hard when we had to do everything with only my husband's salary." As Cynthia Ncube shows off a new school uniform to her girlfriends at boarding school in Bulawayo, Zimbabwe, her mother Itumeleng Ncube is relieved. Finally, she does not have to worry, term after term, about how she will be able to afford the ever-increasing school fees for her two older children.

This was not the case last year.

A trained agricultural technician, Itumeleng followed her husband to Botswana in 1993 after he was recruited as a secondary school teacher. That was more than a decade ago. Now, thanks to a collaborative effort between the USAID Southern Africa Global Competitiveness Hub, the Botswana Horticulture Council, Ministry of Agriculture, and local farmers, Itumeleng is earning a regular income for the first time in 12 years.

The initiative explores the feasibility of commercial melon farming in the area around the country's capital city, Gaborone. During the winter season, specialty melons are not produced elsewhere in the region. But since the Botswana trials began, fruit processors in South Africa, who export extensively to the European market, have indicated their satisfaction with the quality of melons delivered thus far.

Today Itumeleng is not only an employee of the farm, but has also become an employer herself. Since starting work full-time, she has hired a young Motswana girl to look after her youngest daughter, 3-year-old Muzingaye.

Itumeleng, whose name means 'to give thanks' in Setswana, the tongue of her paternal grandparents, ascribes her newfound economic freedom to the efforts of the USAID Hub and its partners to carry out the melon trials.

Much like the trial melons, Itumeleng feels she is also under scrutiny after spending the past 12 years caring for her family. She looks forward to continuing working as a farm manager when commercial production starts. She would also like to share the specialized expertise gained from the trials with others and further expand her own skills.

Malian Exports Reach Retail Giant

USAID assistance to Malian artisans helps fulfill Hallmark export order



One of nearly 500 Malians employed as a result of the Hallmark order stitches a bogolan gift bag.

"Without the technical assistance and on-the-ground support, this project would not have been possible," said Frank Masterson, capacity resource manager for Hallmark.

Mali's handcrafts industry is abuzz, as artisans across the country prepare thousands of handbags for Hallmark greeting-card company. The bags, made from the traditional Malian mudcloth *bogolan*, debuted at Hallmark's Gold Crown stores under the (PRODUCT) RED label, part of a commercial initiative launched by Bono and Bobby Shriver to raise money for African AIDS relief. But for nearly 500 producers, the order provided months of steady work at two or three times Mali's minimum wage.

The sheer size of the order, which included weekly shipments of bags and bead strands, makes it one of Mali's largest single handcrafts purchases. It's also the first time Hallmark has done business in Africa, and the first export Mali has shipped under a provision of the U.S. African Growth and Opportunities Act (AGOA) aimed at handmade textiles, which gives the order duty-free status in the United States.

USAID's West Africa Global Competitiveness Hub provided information, photo samples, and financial quotes from three West African countries before Hallmark selected Mali Chic and Farafina Tigne, both Hub clients. To help the businesses handle the order, the Hub worked with Peace Corps volunteers to help bridge the language and cultural gaps between Hallmark and the Malian businesses, while providing business education and ongoing assistance to the Malian owners and staff.

"Without the technical assistance and on-the-ground support, this project would not have been possible," said Frank Masterson, capacity resource manager for Hallmark. "It was important to us to find an authentic item to sell, to not only give money back from our other items but help in economic development along the way."

The Hub helped assess production capacity and assist with costing, accounting, and bank loan applications. Hub staff provided cultural context during an evaluation by Africa Now, which Hallmark hired to determine if the bags were being produced under ethical working conditions—with fully satisfactory results. Hub experts even worked with Customs officials from the Government of Mali to help administer the AGOA provisions that allow for duty-free entry. The exposure to the rigorous standards of the U.S. market and the administrative requirements of AGOA primed the pump for continued export flows.

"It's been so rewarding, being able to talk directly to producers instead of dealing with some factory," said Hallmark's art director, Erin Dennis. "It gives you a real awareness of what people are going through, how this can affect their lives."

Businesswomen Gain Access to Finance

Women in Business Association increases membership and improves access to finance



Leah Gabaeme (left), Membership Campaign Coordinator, explains the benefits of WIBA membership to Florence Shagwa of Misiyose Insurance Agency.

The Women in Business Association increased its membership from 15 to 115 in four months, and implemented a savings mobilization scheme for its members. Southern African businesswomen often do not have the support of a strong private sector association to represent their interests. Frequently, they have difficulties in accessing financing and the regulatory regimes of the countries where they operate discriminate against them. While some studies indicate that as many as 75 percent of businesses in Botswana are woman-owned, many Botswanan women face similar challenges as they strive to achieve success with their businesses.

Formed in the early 1990s, Botswana's Women in Business Association (WIBA) sought to combat these obstacles by organizing businesswomen into a cohesive force for advocacy. But it has suffered from a lack of support and resources, and after 15 years only a handful of women were struggling to keep the organization alive.

In 2005, WIBA approached USAID's Southern African Global Competitiveness Hub for assistance, and the Hub identified two priority activities for the organization: (1) conduct a membership campaign and (2) implement a microfinance scheme for WIBA members.

In July 2006 the Hub recruited a membership campaign coordinator who spearheaded a recruitment drive designed to increase the size and scope of the organization. As a result of the successful fourmonth campaign, WIBA's membership grew from 15 to 115 and included businesswomen from a broad geographic, commercial and industrial scope.

At the same time, the Hub contracted a microfinance expert to study microfinance options and identify any unexploited niches that would give a broader base of women access to microfinance, and that WIBA could help administer, giving preference to its members. A short list of financial institutions was drawn up, and after each institution made a presentation to WIBA's board of directors, First National Bank of Botswana was selected to provide financial services to WIBA members. On April 11, 2007, WIBA and First National Bank signed a memorandum of understanding creating a savings mobilization scheme for WIBA.



Photo above: Workers for the "Sleek Garments" industry, which is a beneficiary of USAID and AGOA support in Accra, Ghana. *Photo*: USAID, Ghana

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