



Decent Work Country Programme for Ethiopia

Mapping Participants in the Cotton and Textile Sector: Their Past, Present and Future Action Programmes

By Tewodros Negash

**March 2005
Addis Ababa, Ethiopia**

1. The Ministry of Trade and Industry (MOTI)

Contact Persons

- Ato Sileshi Lema
Head, Textile and Leather Industry Development Department
Tel. 251-1-52 85 82
Fax 251-1-15 06 83
E-mail: motitextile@yahoo.com
P.O.Box 704
Addis Ababa, Ethiopia

- Ato Gezahegn Serbesa
Team leader, Textile and Garment Industry Development Department
Tel. 251-1-15 31 68
Fax 251-1-15 06 83
E-mail: motitextile@yahoo.com
P.O.Box 704
Addis Ababa, Ethiopia

Past and Current Programmes of Support to the Sector

The Ministry of Trade and Industry (MOTI) has been promoting and assisting capacity building programmes in the sector focusing on human resource development, strengthening managerial and marketing capacity of state-owned enterprises, and the establishment of sector-specific training institutes. MOTI has also been actively involved in promoting domestic and foreign investment in the sector; promoting production linkages between textile mills and garment factories; promoting the development of systems of standardization, quality control and certification of textile enterprises. Besides, the Ministry has been implementing export market development programme, market research and promotion; collecting, analyzing, compiling and disseminating relevant market information; assisting producers and exporters participate in regional and international trade fairs and other trade promotion events.

Linking up enterprises in the sector with foreign partners; providing technical support and training to exporters; and streamlining the procedures of institutions relevant to export trade; and devising incentive schemes like tax exemptions and Export Guarantee Schemes (EGS) for eligible enterprises. In the weaving sub-sector, the Ministry, in cooperation with FeMSEDA, has been implementing export promotion programmes focusing on market support, training, technological support, and provision of working/selling premises.

The Ministry's assessment of the state of the textile and garment industry discloses the need to invest on supportive institutions, infrastructure, and human resource development and institute policies to attract private investment in the sector. Moreover, developing production and marketing information networks; promoting intra-sectoral linkages and integration. Upgrading/renovating the technology and

equipment of state-owned enterprises; and promoting industry associations constitute major issues that deserve due emphasis.

Studies and Publications

(a) Study Report on the Development Strategy of Ethiopian Cotton, Textile and Garment sub-Sectors (CTPIC, March 2004)

The study (also referred to as the Master Plan for the Development of the Cotton and Textile Sector) provides a detail review of the state of the country's cotton, textile and garment sub-sectors including detail examinations of the major constraints that face each sub-sector. The comparative advantages and disadvantages of the sub-sectors are analyzed in the light of the major objectives of the government, in the context of the global industrial and trade developments and the experience of successful countries like China. The study proposes strategies and measures that may be adopted to develop each sub-sector. The study maps out a strategic framework for coordinated development of the sub-sectors focusing on measures that need to be undertaken to improve the competitiveness of the Ethiopian cotton, textile and garment industries.

(b) Integrated Program for Developing Cotton/Textile/Garment Export

The program is anchored on two pillars - an extensive development of cotton farming through large-scale and smallholder production on one side and labour-intensive textile and garment manufacturing on the other. The program is thus consistent with the government policy of Agricultural Development-Led Industrialization (ADLI) whose objective is to promote industrialization based on agricultural development. The major objectives of the program include promoting commercial farming through large-scale and smallholder cultivation of cotton, laying the foundation for rapid industrial development through export-led manufacturing, creating employment opportunities for young Ethiopians who leave various technical and vocational schools and generating foreign exchange. The program targets USD 500 million worth of cotton, textiles and garment exports by 2009. With a view to achieve the target, the requirements in terms of materials, renovation and expansion of existing enterprises, new capacities, resource and logistics, and promotional and implementation actions are meticulously determined.

Future Plans of Working with the Sector

The future plan of MOTI pertaining to the cotton and textile sector is conceived within the context of the *Integrated Program for Developing Cotton/Textile/Garment Export*. It is believed that MOTI will be the focal institution for promoting and implementing the program. In that capacity, the Ministry will plan, organize, direct and control the implementation of the program in all its aspects. Accordingly, the Ministry will coordinate and cooperate with relevant government agencies and private organizations and give particular attention to the following issues:

The Cotton sub-Sector

Establishing seed breeding farms, seed processing mills, and seed inspection labs; promoting small scale irrigation facilities such as water retaining dam, diversion works, water pumps, and drainage systems; promoting smallholder cotton farming. Identifying and detailed investigation of potential cotton growing areas; provision of basic infrastructure such as roads, telecommunications, eclectic power, dams, diversion weirs and main canals for large-scale cotton farms yet to be established. Renewal of plant, equipment and infrastructure at existing state-owned cotton farms; strengthening scientific research of cotton; promoting and assisting the utilization of secondary products such as cotton seed and linters; establishing national standards for cotton classification and setting up fiber testing labs. Developing information network that would help cotton farmers and traders keep abreast with national and international cotton markets; attracting foreign investment into cotton farming; and promoting cotton farming and marketing associations.

The Textile sub-Sector

Upgrading the technology and equipment of existing state-owned textile mills; further strengthening the managerial and marketing capacity of state-owned textile factories; continuous development of the human resource of the sub-sect; identification and investigation of areas for clustering of finishing mills; providing self-sustaining waste treatment plants in each industrial cluster; promoting domestic and foreign direct investment in the sub-sector; promoting systems of standardization, quality control and inspection; promoting ISO certification of textile enterprises; promoting industry associations; and developing production and marketing information networks.

The Garment sub-Sector

Renovating existing state-owned garment factories through shedding off outdated machinery and introducing advanced and special-purpose machines as well as CAD/CAM systems; promoting domestic and foreign direct investment in the sub-sector; establishing quality inspection and standardization center; strengthening existing and establishing national garment design and research center; promoting garment export/trading houses; promoting industry associations; strengthening existing and establishing new garment vocational schools; continuous development of the human resources of the sub-sector; assisting local producers participate in international trade fairs; promoting ISO certification of garment enterprises; further expanding export incentives such as income tax preferences, streamlining customs procedures, reducing the charges of monopoly companies such as Ethiopian Shipping Lines, arranging for credit facilities, and incentives to indirect exporters.

Collaborators and Partners

The major collaborators that will have significant role particularly in the implementation of the Ministry's *Integrated Program for Developing Cotton/Textile/Garment Export* include the Ministry of Agriculture and Rural Development, the Ministry of Infrastructure, the Ministry of Capacity Building, Regional Governments where cotton plantations and farms will be developed,

Ethiopian investment Commission, Privatization and Public Enterprises Supervising Authority, Agricultural Research Organizations and Ethiopian Seed Enterprise. Chambers of Commerce and industry associations shall also be involved in mobilizing the private sector to avail itself of the opportunity offered by the Program. Besides, the Ministry maintains close relationship with international organizations that support some of its programmes with professional, financial and technical assistance. United Nations Industrial Development Organization (UNIDO), World Trade Organization (WTO), United Nations Development Program (UNDP), United Nations Conference on Trade and Development (UNCTAD), International Labour Organization (ILO), International Trade Center (ITC), IFAD, GTZ, World Bank, and African Development Bank constitute some of the international development partners of the Ministry.

2. The Federal Micro and Small Enterprises Development Agency (FeMSEDA)

Contact Persons

- Ato Kebede Shiferaw
Manager, FeMSEDA
Tel. 251-1-15 36 79
Fax 251-1-51 84 35
E-mail: FeMSEDA@telecom.net.et
P.O.Box 1463
Addis Ababa, Ethiopia

- Ato Ahmed Mohammed
Head, Policy and Planning Service
Tel. 251-1-15 38 95
Fax 251-1-51 84 35
E-mail: FeMSEDA@telecom.net.et
P.O.Box 1463
Addis Ababa, Ethiopia

FeMSEDA delivers its support services to all micro and small enterprises (MSEs) engaged in different sectors of the economy. In the cotton and textile sector, the agency's interventions target MSEs engaged in weaving, tailoring and embroidery activities.

Past and Current Programme of Support to the Sector

(a) Technological support/ Introduction of appropriate technology

Designing, popularization and transfer of prototypes of technologies/production equipments suitable for MSEs has been one of the major activities of FeMSEDA. Among other things, FeMSEDA has developed prototypes of various weaving equipments by adapting Indian technology. Some of the weaving equipments for which the Agency has designed and manufactured prototypes include manual loom, spinning device, weft winder, hank making device, thread winder, harness making device, hook, stretcher and vertical warper. The agency has also implemented

popularization and transfer programmes of weaving technology in some regions. Moreover, the Agency has been producing and supplying various weaving equipments to individuals, cooperatives and ReMSEDA's.

(b) Training

Based on training needs survey and the request of regional agencies and various state and private institutions, FeMSEDA has been offering management and technical skill training as well as Training of Trainers (TOT). The management training courses offered by the Agency include Basic Management, Start your Business (SYB), Basic Business Services (BBS), Grass root management Training (GMT), Training of Enterprise Trainers (TET), Creation of Enterprises through the Formation of Entrepreneurs (CEFE) and Women Entrepreneurship Development (WED). The Agency has also been offering training in modern tailoring and pattern making (using AutoCAD) to operators and beginners in cooperation with Chinese trainers. Besides, the Agency has been providing training in weaving, tie dyeing and silk screen printing to beginners.

(c) Networking and exchange of information

To a certain extent, the Agency has organized stakeholders networking and conducted consultations to facilitate exchange of views on the developments and problems of MSEs.

(d) Marketing and publicizing

The Agency has been collecting, compiling and disseminating relevant market information. It has also been organizing and coordinating trade exhibitions relevant to the sector. Moreover, in its emporium located in the premises, the Agency markets during working hours items like weaving products as well as tie dyeing and silk screen printing products produced by MSEs, individuals and trainees for the purpose of demonstration.

(e) Working/selling premises

The Federal and Regional agencies has been actively involved in arranging working/selling premises for MSEs operators in the sector.

The major lessons the Agency has drawn from its experience include the value of transparency, coordinated work plan, follow-up and evaluation; the need to promote human resource development, strengthen the financial capacity of MSEs, set a standard on services, benefit from the experience of other countries in MSEs development, and conduct studies on policies and strategies to enhance the development of the sector.

Studies and Publications

(i) Ethiopian Handloom Product Export Market Study (MOTI and FeMSEDA, 2004)

The study aims at assessing potential export markets for Ethiopian handloom products focusing on the markets of three EU countries - Germany, United Kingdom and France. The study briefly reviews the Ethiopian handloom export sector and assesses the market for household and furnishing textiles in the EU in general and the target markets in particular. Issues of market potential, trade flows and supply chain, consumer behaviour, key market requirements, market environment and major competitors are discussed at length. The findings of the study reveal the existence of huge market for household and furnishing textile in the target markets. The status of handloom production in the country in terms of production technology and marketing is however found to be very low and limited.

The study recommends some support systems including establishing an independent unit under the Ministry of Trade and Industry responsible for the development and marketing of exportable handloom products; developing and implementing sub-sector specific credit and human resource development support scheme; making the existing textile technology training institute and vocational schools focus on the designing, production and marketing of handloom products that meet the export market requirement; supporting handloom associations, exporters, experts and other important partner participate in international handloom products exhibitions and trade fairs; and training handloom operators, exporters and experts on export marketing know how.

(ii) Ethiopian Handloom Product Export Supply Study (In progress)

Based on the findings of the Ethiopian Handloom Product Export Market Study, the Agency is conducting a supply-side study on the country's handloom industry. The objective of the study is to assess the supply potential and production process of the industry with a view to streamline the country's supply of handloom products according to the demand and market requirements of the target markets.

Future Plans of Working with the Sector

The future plans of FeMSEDA focus on technological support, training and market support. Designing, popularization and transfer of prototypes of weaving equipments by selecting appropriate technology from selected countries like India will remain one of the major activities of the Agency in the future. The Agency will also continue to offer various demand-based training in management and technical skill. Among other things, the Agency will offer technical training in weaving for beginners and operators focusing on the production of exportable weaving products. It will also continue to offer training in modern tailoring and pattern making (using AutoCAD) to operators and beginners. In the area of market support, the Agency's plans include collecting, compiling and disseminating relevant market information; organizing trade exhibitions on textile products; publicizing weaving products in selected European countries and the USA through Ethiopian embassies; coordinating the participation of producers and exporters of weaving products in

trade fairs; preparing catalogue and profile of exportable weaving products; developing web page for exportable weaving products; and preparing export processing manual including export market requirements.

Collaborators and Partners

In its effort to discharge its duties and responsibilities and) attain its objectives, the Agency has maintained close relationship with various collaborating agencies and organizations including the Ministry of Trade and Industry, the Ethiopian Science and Technology Commission, Central Statistical Authority (CSA), Technical and Vocational Training Institutes, and Chambers of Commerce. Market support, exchange of information and technical support constitute the major areas of collaboration. Moreover, the Agency benefits from technical assistance from international development partners like GTZ, UNIDO, ILO, EU-MSEDP and Irish Aid.

3. The Ministry of Agriculture and Rural Development (MOARD)

Contact Persons

- W/r Zewdi Gidey
D/Head, Coffee, Tea, Spices and Cotton Marketing Department
Tel. 251-1-15 30 58
Fax 251-1-50 32 65
251-1-51 72 93
E-mail: ctamtcd@telecom.net.et
P.O.Box 62347
Addis Ababa, Ethiopia

- Dr. Bateno Kabeto
Head, Crop Development Department
Tel. 251-1-46 01 19
Fax 251-1-46 04 23
251-1-51 29 84
251-1-51 15 43
P.O.Box 62347
Addis Ababa, Ethiopia

- Ato Ayele Sileshi
Team Leader, Cotton and Other Fiber Crops Development Team
Tel. 251-1-46 01 19
Fax 251-1-46 04 23
251-1-51 29 84
251-1-51 15 43
P.O.Box 62347
Addis Ababa, Ethiopia

Past and Current Programmes of Support to the Sector

In the cotton sub-sector, MOARD has been implementing market support and crop development programmes. In relation to market support, the Ministry has been providing market research, information and export promotion services, including collecting, analyzing and disseminating relevant market information to cotton producers and traders; promoting appropriate cotton marketing system; providing technical support and training that enhance the competitiveness of the sub-sector; proposing measures to stabilize price; promoting systems of standardization and quality control; and assisting the implementation of planned export targets. With regard to crop development, the Ministry has been involved in assessing the national cotton production status; preparing comprehensive cotton development master plan; formulating cotton development package; participating in the nation-wide study on Integrated Program for Developing Cotton/Textile/Garment Export; providing training of trainers for experts drawn from regional bureaus of agriculture and rural development, state and private cotton producers and representatives of agricultural research organizations; and providing technical support on the production and supervision of imported new cotton variety.

The major lessons the Ministry has learned from its brief experience of working with the cotton sub-sector include the need to promote modern farming practice and enhance the use of improved inputs particularly in the smallholder farms; introduce proper extension service; strengthen scientific research of cotton; promote efficient marketing system; provide basic infrastructure; and promote cotton farming and marketing associations.

Studies and Publications

(a) Comprehensive Cotton Development and Marketing Master Plan

The study reviews the state of cotton production and marketing in the country focusing on the size of cultivated land, production and productivity, farming practice, institutions and marketing system. Limited supply of improved seed varieties, lack of extension service, inadequate research, lack of adequate market information, financial problem, and limited participation of cotton farming and marketing associations are identified as the major constraints of the sub-sector. Besides, the study identifies and provides detail investigation of potential cotton growing areas in the country. With a view to enhance the development of the sub-sector, the study proposes strategies that may be adopted, including promoting appropriate marketing system and market promotion activities, promoting systems of standardization, quality control and inspection, strengthening existing and establishing new ginneries, and promoting producers' and marketing associations.

Future Plans of Working with the Sector

MORAD's planned programmes of support to the cotton sub-sector focus on establishing seed breeding farms, seed processing mills, and seed inspection labs; promoting small scale irrigation facilities such as water retaining dam, diversion works, water pumps, and drainage systems. Promoting smallholder cotton farming,

and provision of basic infrastructure such as roads, telecommunications, electric power, dams, diversion weirs and main canals for large-scale cotton farms yet to be established; renewal of plant, equipment and infrastructure at existing state-owned cotton farms.

Strengthening scientific research of cotton; promoting and assisting the utilization of secondary products such as cotton seed and linters; establishing national standards for cotton classification and setting up fiber testing labs; revising package documents; providing technical support on the production and supervision of new cotton varieties. And providing training of trainers; extending support to agro-pastoral area; promoting efficient marketing system; developing information network that would help cotton farmers and traders keep abreast with national and international cotton markets; and promoting cotton farming and marketing associations.

Collaborators and Partners

Regional Bureaus of Agriculture and Rural Development, The Ministry of Trade and Industry, Ethiopian Agricultural Research Organization, Ethiopian Seed Enterprise, and Federal Cooperative Commission constitute some of the major collaborators of The Ministry of Agriculture and Rural Development. Some of the major international development partners of the Ministry that provide technical support and training include United Nations Development Program (UNDP), Food and Agriculture Organization (FAO), and Israeli Embassy.

4. Federal Cooperative Commission (FCC)

Contact Persons

- Ato Haile Gebre
Commissioner, FCC
Tel. 251-1-51 49 93
E-mail: fcc@telecom.net.et
P.O.Box 19787
Addis Ababa, Ethiopia

- W/r Tsega Teka
Head, Planning and Project Implementation Service
Tel. 251-1-15 09 99
E-mail: fcc@telecom.net.et
P.O.Box 19787
Addis Ababa, Ethiopia

- W/r Yisgedulish Bezabih
Head, Public Relations
Tel. 251-1-51 83 47
E-mail: fcc@telecom.net.et
P.O.Box 19787
Addis Ababa, Ethiopia

The Federal Cooperatives Commission delivers its support services to cooperatives engaged in different sectors of the economy. Available data indicate that there are about 7,790 cooperatives throughout the country, of which those engaged in agricultural production and marketing activities account for over 50 percent and those involved in the handicraft industry constitute 1 percent. In the cotton and textile sector, the Commission's support programmes target cooperatives and associations engaged in weaving, tailoring, embroidery and knitting activities. However, cooperatives engaged in cotton farming and marketing activities are yet to be organized.

Past and Current Programmes of Support to the Sector

The Federal Cooperatives Commission has organized awareness raising workshops on the organization and operation of cooperatives, on the implementation of cooperatives policy and proclamation, on the role of cooperatives in poverty alleviation strategy, and on the development, experience and problems of cooperatives in the country.

The Commission has also been providing technical and professional support to regional bureaus and cooperative societies on issues related to the implementation of the cooperatives policy and proclamation; the organization of cooperatives in accordance with the cooperatives' Proclamation No. 147/98 and in line with the international principles of cooperatives' organization; the preparation of cooperatives proclamation for regions; and the organization of cooperatives in pastoral areas based on the culture and experiences of pastoralists.

In the area of human resource development, the Commission has implemented training programmes that built up the professional capacity of cooperatives leaders, employee and experts; prepared curriculum on short term training for cooperative leaders and professionals; prepared training of trainers manual on different courses; and drafted a 10-year education and training programme for the cooperatives sector. With regard to market support, in addition to collecting, compiling and disseminating relevant market information, the Commission has organized national exhibition on the products and services of cooperatives; prepared directives on the marketing system of different crops including cotton; promoting market linkage between cooperatives societies in different regions; prepared manuals to enhance the competitiveness of cooperatives; provided training on cotton marketing, and system of standardization and quality control to professionals drawn from regional cooperatives bureaus.

According to the Commission's assessment of the state of the cooperatives sector, capacity building, strengthening the financial capacity of cooperatives, promoting modern management and operation system in cooperatives, and promoting market-oriented production and marketing methods constitute the critical issues that deserve due emphasis.

Studies and Publications

The Commission has conducted a study on the organization of cooperatives in some pastoralist areas. It has also commissioned studies on the establishment of the federation of crop marketing cooperatives, and on the networking and exchange of domestic and international market information between the Federal Cooperatives Commission, regional cooperatives bureaus, Woreda cooperatives offices and cooperative societies.

Future Plans of Working with the Sector

The future support programmes of the Federal Cooperatives Commission include formulating policies and preparing draft laws suitable for the development of cooperative societies; reorganizing and strengthening existing cooperative societies; organizing new cooperatives of different type and standard in regions; promoting women's participation in cooperative societies; promoting credit services; introducing new technologies in cooperative societies; promoting networking and exchange of information; preparing project profiles; conducting studies on different issues related to the development of cooperatives; organizing awareness raising workshops; and arranging experience sharing visits.

In relation to education and training, the Commission has a plan to provide training to employees, leaders, and board members of cooperatives and unions; direct and supervise the establishment of cooperatives' training institute; prepare curricula on different courses relevant to cooperatives, and prepare standard training manuals for cooperatives. The Commission will also work to promote cotton farming and marketing cooperatives; promote the market for the products of cooperative societies by organizing exhibitions, providing relevant market information and promoting market linkage between cooperative societies.

Collaborators and Partners

The Federal Cooperatives Commission has close relationship with the Ministry of Agriculture and Rural Development, Regional Cooperatives Bureaus and the Quality and Standards Authority, and the Federal Micro and Small Enterprises Agency. Among international organizations and NGOs, RUFIP, ILO, VOCA/Ethiopia, CRDA and Self Help Development International constitute major partners of the Commission that provide financial and technical assistance.

5. The Ministry of Labour and Social Affairs (MOLSA)

Contact Person

- Ato Getaneh Mitiku
Head, Labour Affairs Department
Tel. 251-1-15 61 24
Fax 251-1-50 12 20
P.O.Box 2056
Addis Ababa, Ethiopia

The Ministry of Labour and Social Affairs (MOLSA) is directly responsible for organizing, coordinating and following up the labour administration system of the country. The Ministry is in charge of the organization and coordination of labour issues like employment and training, occupational safety and health, and industrial relations. In regions, Bureaus of Labour and Social Affairs are responsible for labour administration. The devolution of power relates in particular to employment service, vocational training, occupational safety and health measures, labour inspection, labour relations and labor statistics.

The Ministry's contact with the public is thus maintained through the regional bureaus. The activities of the Ministry, with regards to labour affairs, focus on organization and coordination of the employment service, vocational training, labour protection, labour inspection, industrial relations and data collection, compilation and analysis.

6. The Confederation of Ethiopian Trade Unions (CETU)

Contact Persons

- Ato Amare Alemayehu
President - CETU
Tel. 251-1-15 54 37
251-9-20 56 54 (Mobile)
Fax 251-1-51 45 32
251-1-51 59 06
P.O.Box 3653
Addis Ababa, Ethiopia

National Federation of Textile, Leather and Garment Industry Trade Unions

- Ato Tesfaye H/Selassie
President
Tel. 251-1-50 30 46
251-9-24 82 05 (Mobile)
Fax 251-1-50 80 11
P.O.Box 6983
Addis Ababa, Ethiopia

- Ato Ayalew Ahmed
Head, Industrial Relation and Labour Union Organization Division
Tel. 251-1-50 30 48
251-9-24 82 04 (Mobile)
Fax 251-1-50 80 11
P.O.Box 6983
Addis Ababa, Ethiopia

National Federation of Farm, Plantation, Fishery and Agro Industry Trade Unions

- Ato Gebeyehu Adugna
President
Tel. 251-1-15 58 96
Fax 251-1-52 38 25
P.O.Box 100637
Addis Ababa, Ethiopia
- Ato Tariku Shachachew
Secretary
Tel. 251-1-50 29 55
Fax 251-1-52 38 25
P.O.Box 100637
Addis Ababa, Ethiopia

As stipulated in its Constitution, CETU is set to defend the rights and interests of Ethiopian workers; to organize workers and strengthen the unity of those organized; to contribute its due share for peace, democracy, human rights and peoples' equity; to strive for the establishment of good relationship between employees and employers and their organizations; to represent workers in the labour unions; to actively participate in nation building.

CETU provides support to workers in the cotton and textile sector mainly through the Federation of Farm, Plantation, Fishery and Agro Industry Trade Unions (FFPFAITU) and the Federation of Textile, Leather and Garment Trade Unions (FTLGTU). The FFPFAITU represents 90 basic labour unions with over 55,000 members while FTLGTU represented 28 basic labour unions with estimated members of about 25,000 as of June 2003.

The federations has been providing various support services to workers in the sector, including organizing basic labour unions; promoting the participation of women in union leadership; promoting HIV/AIDS prevention programmes; providing legal advice and professional support to unions on issues related to collective bargaining, and occupational safety & health; and organizing training programmes for union leaders.

Moreover, FTLGTU has been involved in handling labour-related problems in various enterprises, including Nefas Silk Yarn Factory, Diredawa Textile Factory, Gulele Garment S.C., Nazereth Garment S.C., Addis Ezmire Textile Factory, Arba Minch Textile Factory, Combolcha Textile S.C., Gondar Ginnery, Akaki Textile S.C, and Awassa Textile S.C.

7. The Ethiopian Chamber of Commerce (ECC)

Contact Persons

- Ato Andualem Tegegn
Secretary General
Tel. 251-1-51 82 40
251-1-51 40 05
Fax 251-1-51 76 99
E-mail: ethchamb@telecom.net.et
P.O.Box 517
Addis Ababa, Ethiopia

- Ato Henok Assefa
Assistant Secretary General
Tel. 251-1-51 82 40
251-1-51 40 05
Fax 251-1-51 76 99
E-mail: ethchamb@telecom.net.et
P.O.Box 517
Addis Ababa, Ethiopia

The Ethiopian Chamber of Commerce counts as its members the 15 local chambers in the country whose total membership is close to 17000. The Chamber doesn't provide sector specific supports. It delivers its services to all its members engaged in different sectors of the economy.

The ECC has been assisting organizations, national and foreign, by way of facilitating registration of trade marks and patents in Ethiopia. The ECC has also been providing trade information and management consultancy in the area of development in trade and commerce. Moreover, the ECC offers training courses and organizes trade missions and trade fairs. With regard to certification, the ECC issues Certificates of Origin, Certificates of Inspection, General Certificates, etc.

8. Addis Ababa Chamber of Commerce (AACCC)

Contact Persons

- Ato Hailemeskel Abebe
A/Secretary General
Tel. 251-1-518055
251-1-15 52 21
251-1-51 97 13
Fax 251-1-51 14 79
E-mail: aachamber1@telecom.net.et
P.O.Box 2458
Addis Ababa, Ethiopia

- Ato Tesfaye Bekele
Head, Project and Planning Service
Tel. 251-1-50 46 46
251-1-51 80 55
Fax 251-1-51 14 79
E-mail: aachamber1@telecom.net.et
P.O.Box 2458
Addis Ababa, Ethiopia

The Addis Ababa Chamber of Commerce doesn't implement sector specific support programmes. Its support services generally target all its members engaged in different sectors of the economy. Currently the AACC has over 6,600 registered members, of which about 340 are engaged in the textile and garment industry.

Past and Current Programme of Support to the Sector

(a) Policy Analysis and Advocacy

To ensure the active participation of the private sector in policy formulation processes, the AACC has been consulting with its members over the draft proclamations and regulations that the Standing Economic Committee of the House of Peoples' Representatives sends it. The Chamber has commented, among others, on the draft proclamations on Taxation of Export Products, Exporting Textiles to the USA, Withholding Tax, Value-Added-Tax (VAT), establishing a Rural Electrification Fund, and the draft Labour Law.

The AACC has facilitated the formation of permanent and formalized relations with the government like the Public-Private Partnership Dialogue Forum. Through this forum, the Chamber has been involved in discussions and consultations on issues related to taxation, illegal imports, auctions held by public organizations, bank credit, the price of leased land, etc. The AACC has also demonstrated its commitment to the reduction of the country's poverty by exerting unprecedented effort to have the private sector's view subsumed in the Poverty Reduction Strategy Paper (PRSP) of the country. Besides, fully aware of the adverse effects of the HIV/AIDS pandemic on businesses, the AACC has been contributing to the national efforts to combat the pandemic.

The contribution the Chamber has made include financial support to the HIV/AIDS Fund established by the Addis Ababa business community, mobilizing the business persons into combating the pandemic, sponsoring television programmes aimed at raising public awareness about the pandemic, giving wide coverage to the issue in its radio programme - The Voice of Addis Chamber, organizing national conference on Business and HIV/AIDS, etc.

(b) Business Information and Advice

The AACC, through its Trade Information Department, its newspapers, its weekly radio program - Voice of Addis Chamber, its website and e-mail, has been providing (provides) its members with a broad range of business information including:

- National economic and social indicators
- Country profiles
- Directories of local and foreign firms
- Import and export statistics
- Potential resource base of exportables
- Business opportunities in other countries
- List of international conferences, seminars, exhibitions
- Technology information
- Product/market intelligence information
- Trade regulations and procedures

(c) Training

Training geared towards up-grading the management and entrepreneurship skills of members has been the major activity of the AACC. Some of the training courses offered on a regular basis include Strategic Management, Basic Accounting, Basic marketing, Market Research, Business Planning, Salesmanship, Customer Service, Import/Export Management, Purchase and Inventory Control, Supervisory Management, Project Management, office Administration and record Keeping, Performance Measurement and Evaluation, Quality Management, Leadership Skill, Negotiation Skills, and Business Communication. Special course are also arranged upon request.

(d) Chamber Forum and Business Luncheon

- (a)
- (b) The AACC has been implementing Chamber Forum and Business Luncheon programmes designed to discuss on various topics of current issues/problems of business interest with resource persons and leaders of private, governmental and international organizations.
- (c)
- (d) (e) Business Mission and Trade Faire
- (e)
- (f) The AACC strives to strengthen the relationship and cooperation of itself and its members with counterpart organizations and partners in the sectors of international trade and investment. Towards this end, the AACC has been serving as a link between its members and foreign companies by hosting trade missions and providing forums for the exchange of opinions. It has also been organizing trade missions to different countries and facilitating the establishment of business contacts. The AACC has received visitors from various countries and has organized business trips for its members abroad.

The AACC has been organizing international trade fair with the objective of promoting international trade in general and Ethiopia's export products in particular, besides attracting foreign direct investment. The Chamber has now made it a tradition to stage the Addis Chamber International Trade Faire", and international standard trade faire organized every year in Addis Ababa. The AACC's International Trade Faire has become a widely attended event attracting more and more foreign and domestic exhibitors and visitors each year.

(f) Arbitration

The AACC has long felt the need for an amicable, out-of-court settlement of trade disputes that arise among its members. It has, therefore, established Arbitration Institute where trade disputes can be settled amicably through arbitration.

The major lessons the Chamber has learned from its experience include the value of being a totally independent functional body, the need to upgrade the quality of services rendered to members, the need to widen the membership base and include small business groups, the need to approach the government sector as a development partner, and the need to form sector associations. Besides, serious confrontation with the government, possible entanglement with political forces, and inconsistent legal framework (i.e. operating under the law issued by the socialist regime while the economy at present is based on free market system) are identified as some of the major mistakes the Chamber should avoid.

Studies and Publications

(i) Trade publications

The AACC publishes an Amharic monthly, *Nigdina Limat* and an English monthly, *Addis Business*. These newspapers contain trade-related news, business opportunities, features and articles on current trade issues.

(ii) Trade Directory

Every two years, the AACC publishes a Directory of its members, (The Addis Ababa Business Directory, which serves as a useful source of business contact. The various editions of the directories contain members' profiles with their business addresses as well as useful information on how to start business in Ethiopia.

(iii) Studies

The AACC has been conducting research on issues the findings of which would help promote the country's trade and investment. Some of the studies commissioned by the Chamber include:

- The Informal Sector: Its Impacts on Formal Sector Development in Ethiopia
- The Health of Business in Addis Ababa: Current State, Problems and Issues and Prospective Options for Corrective Measures
- Business Attitude Towards Government Policy
- The Establishment of a Credit Guarantee Scheme for Small and Medium Enterprises

Future Plans of Working with the Sector

The future plans of the AACC include:

(a) *Formation of linkages with relevant institutions*

This involves developing common programs with partners (that include international and regional institutions), contributing to the development of the capacity of city chambers, and initiating a drive for the establishment of an African City Chambers.

(b) *Strengthen already started programmes and initiate new programmes as necessary*

In this area the Chamber intends to strengthen the Arbitration Institute, finalize the establishment of a credit guarantee scheme, promote the development of a financial market and ensure a sustainable implementation mechanism for initiated programmes.

(c) *Establish an integrated Business Center*

The envisaged Business Center will include offices, shops, exhibition center, conference halls, training rooms and other facilities.

(d) *Facilitate the formation of permanent and formalized relations with the government*

The Chamber has a plan to promote the public-private partnership concept, lobby for recognized and permanent forum, create relevant dialogue mechanism to show that chambers are vital institutions, ensure the active participation of the Chamber during policy formulation processes, and approach the government sector as a development partner.

(e) *Promote sector associations, including lobbying*

With a view to organize and strengthen the involvement of members through sectoral associations, the Chamber will provide training for sectoral associations' leaders, assist formation of new trade associations and strengthen the existing ones, develop the formation of issue based committees, develop lobbying mechanisms and skills.

(f) *Execute social obligation*

The Chamber plans to actively involve in social and environmental initiatives by strengthening relations with other social oriented groups.

Collaborators and Partners

The AACC maintains close relationships with agencies working to promote trade and investment. In this regard, it has close links with government agencies like the Ministry of Trade and Industry, ministry of Infrastructure, Tourism Commission, and the Addis Ababa City Administration. It has also collaborations with international organizations and funding agencies that provide financial support to some of its programmes. Some of the international development partners of the Chamber that sponsor some of its training, workshop and research activities include Frederic Ebert Stiftung, The Royal Netherlands, Embassy, The Japanese Embassy, SIDA, ITC/ILO, and GTZ.

9. Ethiopian Textile and Garment Industry Association

Contact Person

- Ato Esayas Asefa
Secretary General
Tel. 251-9-21 92 66 (Mobile)
Fax 251-1-51 50 77
P.O.Box 11901
Addis Ababa, Ethiopia

The objectives of the association include:-

- (a) To assist member enterprises to be beneficiaries of the various opportunities such as bulk purchase, market outlets, etc.
- (b) To create conducive environment for members to safe guard their common interest and making member enterprises complete and profitable by coordinating external and internal supports;
- (c) To provide necessary support to up grade the quality of products;
- (d) To encourage the participation of members in the economy by coordinating their knowledge, wealth and labour; and
- (e) To compile and disseminate product and market information

The association has 18 member enterprises from the public and private sectors. Though the office of the association was established about two years ago, the association is still at its infancy to provide any significant support to its members.

10. Productivity Improvement Center (PIC)

Contact Persons

- Ato G/Kidan W/Simon
General Manager
Tel. 251-1-51 76 77
251-1-15 76 31
251-1-15 75 96
Fax 251-1-51 03 61
E-mail: pic@telecom.net.et
P.O.Box 5538
Addis Ababa, Ethiopia

- Ato Wondimu Degefe
Head, Garment Skills Training Division
Tel. 251-1-40 38 67
Fax 251-1-51 03 61
E-mail: pic@telecom.net.et
P.O.Box 5538
Addis Ababa, Ethiopia

The Productivity Improving Center provides technical training, skill test, maintenance service and consultancy services. In addition, the center conducts applied research and assists customer organizations' effort in improving performance and productivity. Technical managers, production heads, supervisors, foremen, technologists, technicians, operators, apprentices and beginners constitute the target group of the center. The Center started extending support to the cotton and textile sector last year following the incorporation of the Garment Skills Training Center as one department of the Center.

Currently, PIC is providing garment training for operators and beginners. It is also actively involved in improving weaving technology, i.e. designing, popularizing and transfer of prototypes of improved weaving equipments. The future plans of the center include providing training on garment skills and conducting further research to improve weaving technology focusing on designing improved weaving equipments, providing specification to producers and controlling the quality of the product as per the design and specification.

11. Textile and Garment Industry Support Institute

Contact Person

Ato Syoum Tekleab
Tel. 251-8-20 06 10
Fax 251-8-20 72 43
E-mail: tgisi@telecom.net.et
P.O.Box 26
Bahir Dar, Ethiopia

The institute has not yet started operation. The study on the development business plan, implementation and start up of the institute has only recently been conducted.