The African Development Bank debuted Fashionomics in May during its annual general meeting, to discuss ways to strengthen the global value chain of Africa’s fashion industry. The AfDB believes global value chains are paramount to boost inclusive growth. Fashion also offers tremendous scope for African countries to participate in regional and global integration. With Fashionomics, AfDB aims to invest in the fashion sector, to provide access to finance for entrepreneurs, and to incubate and accelerate startups by identifying and financing projects.

Unlocking the Economic Growth Potential of the African Textile and Fashion Value Chain Through the Development of MSMEs

The Office of the Special Envoy on Gender (SEOG) is formulating specific initiatives to support the development of the fashion sector through the creation of an online marketplace platform “Fashionomics”. The initiative is aligned with the Bank’s focus on inclusive growth and President Adesina’s high 5 agenda. The goal of the Fashionomics platform is to enable African women and youth designers to create and grow their businesses.

The specific objectives of the platform are four-fold: (i) increase access to markets; (ii) increase access to finance; (iii) provide mentorship and networking opportunities; and (iv) develop the skills of the target group operating in the formal and informal sector.
FINANCING FOR IMPACT:
INVESTING IN A SUSTAINABLE FASHION VALUE CHAIN

THE GLOBAL FASHION INDUSTRY IS ESTIMATED TO BE WORTH US $1.3 TRILLION IN AFRICA, it could be worth $15.5 billion in five years as personal incomes grow.

MORE THAN ONE BILLION PEOPLE IN AFRICA ARE NOW UPWARDLY MOBILE
Over the next decade, Africa will be a lucrative frontier opportunity as both a source of production and a consumer market for fashion.

THE CHALLENGES
Despite the tremendous potential for fashion to create sustainable economic growth, the industry faces major challenges:

- 90% of fashion businesses are small to medium-sized enterprises but lack capital, education, and industrialization
- High transport costs to ship fabric and raw materials
- Stiff costs to operate a company
- Loss of intellectual property and the high cost of copyright
- Lack of government support

TEXTILE AND CLOTHING IS THE SECOND LARGEST SECTOR IN THE DEVELOPING WORLD AFTER AGRICULTURE
A large percentage of this workforce is made up of women. Because it is labor-intensive, it has great scope to offer employment and to transform the lives of many women and youth across Africa.

ETHIOPIA HAS CREATED 60,000 JOBS IN THE APPAREL INDUSTRY AND SUPPLIES H&M

BUILDING UP THE CREATIVE INDUSTRIES IN TUNISIA
An AfDB study showed the cultural sector could create 14,000 jobs. Another AfDB study identified three areas for Tunisia to focus on for future growth of the sector: tourism near valuable cultural sites; during local festivals; and at Saharan destinations; the film industry; and digital capabilities.

H&M IN ETHIOPIA
In 2013, the Swedish clothing retailer H&M started to source Ethiopian garment producers. The company set up offices in Addis Ababa to be close to suppliers. H&M made in Ethiopia illustrates a buyer-driven chain where retailers retain control over their supplier’s production. Suppliers are also responsible for shipping the final product to the end market.

WOODSTOCK CREATIVE HUB IN SOUTH AFRICA
This seaside hive of creativity started when the government funded a business incubator in 2000. Low costs, and nearness to the airport and all parts of Cape Town helped turn this once dilapidated area into a booming center for cutting edge developments in the arts, food, and crafts.

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