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Chapter 6
Cotton and Garments

MALAWI

Diagnostic Trade Integration Study

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ACRONYMS

ADMARC	Agricultural Development Marketing Corporation
AGOA	Africa Growth and Opportunity Act (USA)
ATTACK	American Textile Trade Action Group
CC	Cotton Council
CCM	Clark Cotton Malawi
CMT	Cut, Make and Trim
COMESA	Common Market for Eastern and Southern African States
DTIS	Diagnostic Trade Integration Study
DWM	David Whitehead & Sons, Malawi (or DWSM)
EBA	'Everything but Arms' (EU)
EBRD	European Bank for Reconstruction & Development (London)
EPZ	Export Processing Zone
EU	European Union
FDI	Foreign Direct Investment
GLC	Great Lakes Company
GOT	Ginning Out-Turn
GTMA	Garment and Textile Manufacturers Association
HS	Harmonized System (International product identification)
IF	Integrated Framework
IT	Information Technology
ITC`	International Trade Center (UN)
ITM	Interactive TradeMap
LADD	Lilongwe Agricultural Development Division
MAI	Ministry of Agriculture and Irrigation
MAS	Market Analysis section (ITC)
MBS	Malawi Bureau of Standards
MCCI	Malawi Confederation of Chambers of Commerce and Industry
MCI	Ministry of Commerce and Industry
MEPC	Malawi Export Promotion Council
MF	Ministry of Finance
MIS	Management Information Systems
MSCE	Malawi School Certificate of Education
NASFAM	National Association of Small Farmers
NTB	Non-Tariff Barriers
QC	Quality Control
SA	South Africa
SACU	Southern African Customs Union
SADC	Southern African Development Community
TA	Technical Assistance
ToR	Terms of Reference
TPR	Trade Policy Review

UNCTAD	United Nations Conference on Trade and Development
USA	United States of America
WB	World Bank
WTO	World Trade Organization

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CHAPTER 6
COTTON AND GARMENTS

6.1 EXECUTIVE SUMMARY

Section 6.2 on the Setting and Assumptions, highlights the relationship of this Study to the Malawi Government's and the World Trade Organization's (WTO) 2002 Malawi Trade Policy Review (TPR) and explains assumptions that had to be made with respect to the Study's scope, nature and practical value. The Terms of Reference (ToR) for the Study, which represents a component of the World Bank-led Diagnostic Trade Integration Study (DTIS), itself formulated within the innovatory Integrated Framework (IF) approach to development in Malawi, was headed: 'Malawi Cotton and Garments, Growth Potential, Impediments and an Agenda for Support'.

To be more realistic, the ToR required examination of the Cotton Sector as a whole, not exclusively 'Cotton' (which is generally understood to be production of lint cotton) and Garment Production. The study therefore includes Cotton Growing, Ginning and downstream processing through Manufacturing (here held to include Spinning, Weaving, Dyeing, Finishing and Printing), to Garment Production. The justification for this comprehensive Cotton Sector approach is that until the early–1990s, there *was* indeed an integrated sector. However, an abrupt convergence of trading circumstances during the decade evoked such disruption to former upstream and downstream intra-sector linkages that it could currently appear fallacious to talk in terms of an integrated Cotton Sector in Malawi.

The latter view represents the *current reality;* but a concerted attempt to facilitate revival, with discrete measure, at each of the processing stages will accord the options and flexibilities that do not currently exist, potentially restoring and legitimizing a Sector approach. As the Sub-Sectors (processing stages), themselves become more efficient, with higher yields or productivities, it is likely that sheer commercial logic will gradually recreate integration and strengthen the concept of a Cotton Sector.

With regard to Supply Side Factors and firstly with respect to Policy and Infrastructure, it was quite coincidentally found that this vision is already accepted by the Malawi Government, with its support for the imminent creation of a Cotton Council (CC), upon which all significant stakeholders will be represented. Legislation is being prepared to accommodate this innovation,

possibly under an Amendment to the Cotton Act of 1971, which has historically addressed only the upstream stages. Donor and Technical Assistance will be required to maximize its potential and impact. All Supply-Side needs are given as a Matrix in Annex 1.

A further very recent and positive initiative by the Malawi Government is the divestment of state-controlled equity to facilitate private South African Foreign Direct Investment (FDI). This represents another highly significant development, reflecting a new and aggressive policy towards revitalization of the Sector.

With respect to the Cotton Growing and Ginning Sub-Sector, the resultant new company Clark Cotton Malawi (CCM), with 51 percent of equity owned by Clark Cotton and 49 percent by the Malawian parastatal Agricultural Development and Marketing Corporation (ADMARC), will control approximately half of the national ginning capacity, whilst potentially reaching over 50 percent of the estimated 100,000+ smallholder growers. Under this new initiative, a new impetus will be brought to the Growing and Ginning stages, with possibilities for better quality seed, husbandry, extension services and Ginning for these growers.

A promising Pilot Credit Scheme conducted by Great Lakes Company (GLC), the second major player in Growing and Ginning, with control over the remaining half of the technically adequate ginning capacity, has also been recently introduced. This scheme is conducted in cooperation with carefully selected localized Farmers Unions that can assist and advise the participating smallholders. GLC has also commenced introduction of Pilot Growing Plots, from which smallholders can witness the benefits of appropriate seeds and the application of modern growing practices, including the use of chemicals and pesticides.

Moreover, a national research institute has been instrumental in developing area-specific seeds, which are being incorporated into the above activities. Great credence will be placed upon cotton Research and Training by the CC and these are areas in which donor financial and technical assistance could be invaluable.

The above developments represent further practical innovations which are likely to catalyze interaction between the two major players, jointly delivering higher yields, greater production, plus greater Ginning ‘Out–Turn’ (GOT). Numerically, according to sources very closely involved, expectations are that average yields could increase from the current 700kgs / hectare to around 1,400kgs / hectare; lint production could be restored from the current exceptionally low level of 16,000 tons to previous levels in the region of 60-70,000 tons per annum; and GOT could be increased from the current low of approximately 36 percent to regional performances of 40-42 percent.

There is clearly a limit to which these two companies can provide financial and extension activities and it could be helpful for the existing state extension services to be complemented by international donor financial assistance and TA to effectively interface with the companies' operations. There is also a strong and widely held view that there is a need to re-concentrate cotton production within the former principal cotton production belts, as the current inclusion of other crops within these areas seriously detracts from the efficiency and efficacy of cotton extension services. Again some TA could be helpful in this production re-structuring.

With regard to the Manufacturing Sub-Sector, there is only one major Company, David Whitehead Malawi Ltd. (DWM)). This comprises a large vertically organized production complex for spinning, weaving, dyeing, and several other specialized finishing processes. It was British built, controlled and managed until the mid-1990s when Lonrho sold its 51 percent equity to the Government for one dollar, the remaining 49 percent already being held by ADMARC. The company had utilized Malawi cotton and with high tariff protection enjoyed continuous financial success until the early 1990s, when severe dumping and smuggling of finished textile goods and garments drastically disrupted its domestic market.

Following the sale of the Lonrho stake, there has been no significant international expertise at the company. This fact, when combined with the above situation has contributed to an extremely rapid financial demise that has continued uninterruptedly to the present day. Current accumulated deficit has now reached approximately 1 Mwi Kw billion ($US30M). The company is now in a financial stranglehold from which it cannot exercise any initiatives towards recovery.

Although high levels of protection have been mentioned as part of the regulatory framework that assisted the company in attaining high profitability, this protection no longer effectively exists. Yet there are reasons that suggest that the company could still operate successfully in the rapidly revising global market conditions, given release from its accumulated Debt and its necessary labor Retrenchment costs.

The company is currently over-manned, in relation to current production of 230,000 linear meters per month, by approximately 1000 persons out of a total payroll of 1800. This situation will have to be addressed by the Government, possibly with donor assistance in the wider context of re-training schemes. Given that relief, the company, with appropriate technological restructuring and international expertise in Management Information Systems (MIS), Quality Control (QC), International Marketing including Design, Product Development

and Sales, could again be potentially profitable. Prior to 1993, the company had over 4000 employees, with annual production in the region of 30 million linear meters per annum. Judicious technological modernization during the 1990s has ensured that capacities still basically exist to produce at similar, though slightly reduced, high levels.

There are some significant indicators that suggest this possibility. Even without the international assistance really needed, the company is exporting two basic cotton cloths to South Africa (SA) on a regular basis. Product Costings requested for the two lines, indicate a company loss with all interest payments and excess labor costs included but a net profit if these costs are excluded. As a further independent check, the company was asked to quote against a basic and internationally well-known cotton 'commodity' type fabric. The result was similar. From such evidence, additional basic and higher value-added lines could be exported internationally.

Ensuring the company's profitable survival with strengthened management capabilities could not only ease the socio-economic pressure in the Blantyre region, but also increase the flow of Malawi cotton from the growers and the ginneries upstream and potentially, with good QC and product development liaison, to particular garment makers downstream.

The Sector approach of the CC is totally appropriate and timely. What is now urgently needed is strong 'hands-on' international technical assistance in such areas as indicated above and others as will be highlighted below. Current management is performing well, within the stringent limitations imposed upon it and in circumstances fundamentally not of its own making. However it will need considerable assistance to revive DWM to it's full potential.

Most emphatically, Government/ donor actions with respect to Debt clearance and Workforce Retrenchment Costs and TA, should be seen as providing a potential holding operation and a basis from which a further major Government initiative should be launched. The aim should be to urgently prepare DWM for full Privatization or a significant degree of Government divestment, in much the same way that preparation for divestment of ADMARC's cotton interests were admirably exercised within a time frame of less than two years from start to completion.

Lastly, in terms of stages of the potential downstream flow, some conclusions were formed concerning the Garment Sub-Sector. Whereas the number of garment manufacturers totaled approximately 30 in the mid-late 1990s, these have progressively and continuously reduced in number to approximately ten at present. The reasons are similar to those for the loss of the domestic market by

DWM; namely dumping, smuggling and 'creative' interpretations of a plethora of customs headings.

Two of the existing companies operate on a purely Cut, Make and Trim (CMT) basis. They are owned by different Taiwan-based companies and each employs approximately 3000 operatives, one in the Blantyre area and the other in Lilongwe. Each is impressively busy, with well-organized production lines. State minimum wages (with some bonuses, healthcare and accommodation) apply to the predominantly mature male workforce. The wages in the region of 50-60 Mwi Kw for an eight hour day are indeed low by international standards but the huge numbers of persons waiting at the factory gates for jobs, are indicative of the role these companies are playing in poverty alleviation and socio-economic stability.

Management is highly skilled and no external TA is relevant to these companies. An area in which help could be accorded is at the political level, by Government pressing for an extension of the existing provisions of the AGOA. Of the remaining companies, one, normally employing 1000 persons, is at a production standstill following a dispute with SA over an interpretation of the definition of a labor content under the Bilateral Trading Agreement; but is now endeavoring to export under AGOA. This company also requires help at the political level to effect release of its working capital. Another, smaller, company that utilizes DWM yarn in its T-shirt knitting operations, is also trying to establish a foothold in the US.

With regard to Demand-Side Factors, there are clear indications that huge global and regional market potentials exist for each of the above Sub-Sectors, for products within the already proven competence of Malawi, viz., Un-Carded, Un-Combed Cotton, and for several internationally classified and identifiable categories of Yarns, Fabrics and Garments classified within the Harmonized System and identifiable via specific websites. Indications of scope are given in Annex 2.

Continued Government action is necessary to catalyze development of the Sector and its component parts, whether this is accorded in terms of attempts to negotiate an extension of the current terms of AGOA beyond 2004; or in assisting individual companies to settle international trading disputes, in removing the Debt and Retrenchment cost burdens at DWM, as well as in preparations to attract FDI to DWM. In addition, Government action could be awarded to the promotion of the CC, and the promotion of vigorous use in relevant Ministries and in the private sector, of the new international trading websites, as an appropriate initial regional and global Marketing approach for converting the benefits of improvements, in Supply-side conditions, into foreign exchange

earning capacities. Such actions are essential in the interests of macroeconomic progress and political stability.

6.2 THE SETTING AND ASSUMPTIONS

This Study represents an input to the IF development approach which has been progressing in Malawi under the guidance of an IF National Steering Committee, since December 2001. Two core Ministries are currently involved, the Ministry of Commerce and Industry (MCI), which has hitherto Chaired the Steering Committee and the Ministry of Finance (MF). The purpose of the DTIS Mission which took place over the period 29 April – 10 May 2002 as a part of the IF, within which this Study was conducted, was to finalize the ToR for the DTIS, commence diagnostic studies and begin to prepare the bases for follow-up work in terms of *implementation*.

The above initiatives derive impetus from recognition by the Government of the need to widen and diversify productive resources from the current situation in which 60 percent of visible foreign exchange earnings derive from tobacco. The World Trade Organization (WTO) highlighted this urgent need in its 'Trade Policy Review (TPR) of Malawi, Report by the Secretariat'. This was confirmed by the 'TPR, Report by the Government'., and in the 'Minutes of the TPR Review Body'.[1]

The theme of diversification is continued throughout the above documents. Several statistical formats are utilized in support. The Minutes of the TPR Review Body for example, pointed out that:

> 'Malawi was heavily dependent on Agriculture, especially tobacco. The agricultural sector contributed 36-39 percent of Malawi's Gross Domestic Product (GDP), accounted for 80 percent of employment, and 90 percent of export earnings. Malawi intended to introduce incentives that would target up to 20 selected products, especially textiles, clothing and agricultural processing activities'.[2]

The TPR itself states that manufacturing accounted for 14 percent of GDP in 1999, whilst 'Textiles' accounted for only 6 percent of all manufacturing added in that year.[3] Such a low figure should not detract from the declared strategy of the Government to develop 'textiles and clothing,' which means the entire Cotton

[1] Dated 19 March & 22 April 2002.
[2] WT/TPR/M/96, op.cit., p.8, para. 19.
[3] WT/TPR/S/96, op.cit., p. 80, para. 59.

Sector. Potentials of the sector, deriving from both historical experience and current activities, are realized by Government. The latter is evidenced by the Minutes of the Cotton Council Technical Working Group meeting held in Blantyre on 18 April 2002.

These Minutes, with attendees from the MCI, the Ministry of Agriculture & Irrigation (MAI), the National Association of Small Farmers (NASFAM), GLC, ADMARC, Chitedze Agricultural Research Station and the Malawian Investment Promotion Agency (MIPA) and others, are indicative of a renewed national effort to revive the sector with a pan-Sector approach, with all relevant stakeholders, whether from the Government or the private sector, included.

Such representation will be reflected in the Structure of the Council. The Board of Trustees will comprise 13 Representatives, with three drawn from cotton producers, three from Ginners, Buyers and Traders, three from Processors (including DWM, Oil Extractors and the Garment and Textile Manufacturers Association (GTMA)) and one each from the MAI, MCI, Malawian Bureau of Standards (MBS) and 'Inputs suppliers'. Representatives from MIPA, the Malawian Export Promotion Council (MEPC), 'Financiers', 'Transporters', etc., will be asked to attend on a needs basis.

'Overall Objectives and Mission of the Cotton Council' were clearly defined in a revised version of the Cotton Council – Draft Proposal, following a subsequent meeting on 3 May 2002. The broad objective is given as 'to develop strategies that will lead to the development of the cotton sector in Malawi.

Interventions are (verbatim but with author's italics):

- To protect and promote the interests of the *cotton industry as a whole* within Malawi and abroad.
- To promote the production of cotton in Malawi in volumes and quantity.
- To monitor and *promote the efficient marketing* of Malawi cotton.
- To *promote investment* from within and without Malawi that will stimulate and add value to Malawi cotton.
- To monitor production, processing and marketing of cotton *in the interests of all stakeholders in the cotton industry in Malawi.'*

'Factors for Success' are given as (author's italics):

- *'Availability of funding*
- Farmer groupings for co-coordinated activities
- Stakeholder groupings according to the nature of their activities and interests
- Commitment, willingness and active participation of stakeholders

- *Strong and active linkages and adequate coordination among the stakeholders*

- *To be private sector led with diminishing involvement by the Government*
- *A growing cotton industry with adequate volumes* arising from the activities of the Council.'

Several specific current constraints are identified in the latter document, in addition to specific measures required for their removal and subsequent progress. Although these *currently* possess relative emphasis upon Growing and Ginning, the reach will gradually extend throughout the Sector, as already evidenced by its wide representation and its current discussions on Training on a Sector basis.

This Study is therefore made at a timely and hopefully defining moment, when the strands of previous work are being brought together in a comprehensive and constructive manner, whether previously commissioned by the Government; by the World Bank[4]; by the South African Development Community SADC[5]; by a DFID-related Workshop[6]; by un-attributed sources[7], or by the WTO TPR[8] itself. The convergence clearly holds great relevance for the Study. With no preconceived ideas concerning the Sector in Malawi, the author after 10 days of discussions with the principal stakeholders and visits to production plants, without the *prior* benefit of knowledge of the CC development, quite independently reached the same apparent national conclusion that a Sector approach and strategy was now timely, necessary and justified.

6.3 SUPPLY SIDE FACTORS

6.3.1 Policy and Infrastructure

It has been seen above that the Government's policy is to develop the Sector, to accord greater balance within the economy, to capitalize upon Malawi's comparative advantages, to provide employment and consequent socio-economic benefits, to assist in import substitution and to develop foreign exchange earning capacities. The Government is also deeply aware of the forthcoming changes in both the regional and global trading regimes and of the need to act quickly and decisively in order to acquire net national gains under such revised conditions. In recognition of the challenge, it is currently giving maximum encouragement to the formation of the CC.

[4] WB, 1994.
[5] SADC, 2001.
[6] Kadale et. al., 2002.
[7] See reference section. "Recent Trends in the Cotton Sector in Malawi".
[8] WT/TPR/S/96 and WT/TPR/Q/96 op. cit.

The establishment of a CC would, if sufficient funding permits, create a forum within which all relevant issues can be systematically addressed by its Secretariat and fully representative Board of Trustees. From a consensus of views nationally formulated, major policy issues would be placed before the Government and specific areas for greater allocation of national resources and international assistance would be defined.

The proposed CC should therefore be a prime candidate for international financial assistance, and if found necessary to fulfill its mandate, related short-term TA should be provided to it by the international community, for example in international standards, Management Information Systems (MIS), QC, Research and Training. Such areas are included within the stated Roles and Functions of the Council, the principal headings of which are:[9]

- Policy and Regulatory Issues
- Research and Development
- Extension & Training
- Seed Multiplication and Availability
- Production Promotion
- Quality Management
- Pricing
- Inputs Marketing
- Management Information Systems

'Objectives' and 'Strategies' are also comprehensively listed under each of the above headings and it appears likely that, from time to time, international financial and/or TA could be needed in any one of them, especially with respect to development of a Research and Training Institute to a level consistent with international market demands.

6.3.2 Cotton Growing and Ginning Sub-Sector

Different Papers give different figures concerning areas under cultivation, yields and production, and the smallholders involved. It is nevertheless a common feature of the different figures that 2001 seed cotton production is at approximately 28 percent of peak production, attained as recently as 1996. Probably the most reliable estimates give 2001 cotton seed production at approximately 20,000 metric tons, against approximately 70,000 metric tons in 1996. Some sources are of the view that Malawi possesses suitable land for an annual production in the range of 200,000 – 300,000 metric tons.

[9] Workshop, June 15, 2002, op. cit.

Serious questions have to be posed about the recent decline; whether it was due, for example, to drought, declining quality of extension services, pestilence, and/or national or international demand. Several Papers attempt to address the issue, such as the DFID Workshop Paper[10]; a SWOT analysis in the Recent Trends Paper[11]; and the CC Draft Proposal - 3 May 2002 Revision.[12]

There is a multiplicity of agronomical technical factors cited; but it is held that the psychological impact across the sector, of the decline in the fortunes of DWM, which will be discussed below, contributed to an abrupt and progressive decline in domestic demand. It is estimated that DWM's annual purchases of lint equated to at least 10,000 metric tons of seed cotton, the balances being exported. This prompted and coincided with a shift by growers into other crops. It is held by the CC that if cotton obtained similar levels of support and protection as have recently been enjoyed by tobacco, a sharp reversal of the decline in cotton would be feasible.

The alleged need for support and protection should not be taken as axiomatic. Now, with concerted effort by the Council in areas indicated above, including Pricing; attention to better husbandry and extension services; entry of Clark Cotton Malawi into production with constructive initiatives in Credit and Pilot Demonstration Plots; and with possible changes at DWM, there is a reasonable chance of revival.

A further key to progress revolves around yields.[13] It is now widely held in the Government and amongst members of the CC that current yields of approximately 700kgs/hectare could be more than doubled with more extensive use of the nationally developed EZAM, RASAM and IRM 18 seed varieties which have been successfully developed for regional application. The principal regions accounting for most of the 50,000 hectares under current cultivation are the Shire Valley, the Lakeshore areas, and the 'mid-altitude' areas in the North, engaging over 100,000 farming families.

Even at its 2001 levels, cotton was a principal foreign exchange earner for Malawi, after tobacco, tea, sugar cane and coffee. It should therefore be catalyzed as a direct foreign exchange earner and as a potential source of supply for a revived DWM. As a commercial entity, Clark Cotton's entry into Malawi has had to be based upon a sound appreciation of price and quality potentials, one of its objectives being to secure regional sources of supply for its spinning mills under

[10] Workshop, June 15, 2002, op. cit.
[11] Recent Trends, op. cit.
[12] Cotton Council Draft (Rev.), 3 May 2002, op. cit.
[13] See for example, WT/TPR/S/96, op. cit., p. 73, para. 25.

the forthcoming changes in the world trading regime. Most of the Malawi 2001 crop was exported, partly due to the current constraints and complications in DWM's financial position.

It is of strong relevance to cite here, in shoring up the optimism of the CC and others, some of the statements made on reaching the agreement with Clark Cotton.[14] Clark Cotton's Marketing Director, following a courtesy call upon President Bakili Maluzi was quoted as saying that his company, which was already active in growing in a number of southern African countries, intended to boost cotton production by offering 'best prices' in a given growing season to encourage smallholder farmers to grow the crop. Furthermore, he was reported as saying, 'we are prepared to offer finance to growers to promote cotton down to the grassroots level.'

This thrust was further endorsed by ADMARC's Chairperson, who stated that farmers would be given training, technical inputs and technical support as has been the case in Zambia, where Clark is already operational. The Chair was then quoted as saying, 'it has been discovered that most of our farmers lacked expertise, technical training, and inputs to grow cotton. That's why production has been declining'.

Of further relevance to the Sector approach, Chair allegedly said that the arrangement would 'better place' Malawi for the textile and garment sector of AGOA and that the two ginneries under the new companies' control could eventually be more fully utilized.[15] It is also of relevance to note here that the Trade and Investment personnel in the Malawi Consulate in Johannesburg were actively involved in promoting the new agreement. This is indicative of the type of Government initiative, which had been most impressively prepared in documentation, that could be emulated with respect to DWM, as will be discussed in Section 6.3.

It could be a constructive exercise to discuss more fully with the MAI and the CC, once it is fully operational, whether there remain any specific areas, i.e. credit provision and management, husbandry and planning and execution of extension services, in which TA could assist in recovery to previous production levels. A note of realism would not be remiss, amongst the optimism and attempts to define very specific areas for technical or financial assistance. It was, for instance, allegedly asserted by a Project Manager for the Lilongwe Agricultural Development Division (LADD), that HIV/AIDS amongst extension workers had led to great shortages of personnel and that some areas of the

[14] Daily News, 2002.
[15] ibid.

country were no longer visited.[16] This view was supported by a farmer, who during an open field day complained that there were now no extension workers to teach the farmers modern technologies.

Such claims took place amidst an announcement by the MAI, that 1,000 Malawi School Certificate of Education (MSCE) holders were to be selected for a three months' crash training program in agriculture extension. Whether the quality and experience of the new trainees will be sufficient for the task remains to be seen but it is an innovation in difficult circumstances and the attempt to impart any new knowledge to the growers can only be regarded as commendable.

A further important point made with respect to the effectiveness of current extension services and productivities and production, is that during the years of decline, cotton production has become more dispersed. It is claimed that there should be a deliberate aim to re-concentrate on cotton in the traditional 'cotton belts'. The validity and socio-economic impact of this claim should be thoroughly studied.

All such factors above have an impact upon the Ginning process, which is now virtually controlled by two major players, GLC and CCM. Each of the companies owns two plants: the former, at Balaka on the southern Lakeshore and Bangula in the Lower Shire Valley; and the latter at Salima and Nagabu, near Bangula. These four plants are maintained in good technological condition and there is every reason to suppose that within the context of a new national cotton effort and commercial imperatives, they will continue to be rehabilitated. The principal current concern is that all four are seriously under-utilized. In strictly commercial terms, one each would be sufficient to process current cotton growth but the impact upon a farmer of the closure of a local gin would be untenable, in terms of finance, time and transport. It should be said that these companies make great and commendable efforts in doing what they can within their own financial parameters, in supporting the farmers.

It is not considered that any TA with respect to Ginning at either of the companies is necessary, or indeed will be requested. TA deriving from this Part is more likely to be in the areas of International Standards, Management Information Systems (MIS), Quality Control, Research and Training. The overall situation, particularly with regard to extension gives some reason for legitimate concern. The formation of the CC, the Clark entry and the responsible position adopted by GLC auger well for the future of the Growing and Ginning stages. In a reviving situation, Malawi cotton could win either way, with downstream

[16] The Nation, 2002.

support for a reconstituted DWM and possibly through that linkage to garments, and to growth of exports, particularly in the region but also globally.

6.3.3 Manufacturing Sub-Sector

There is only one Textile Manufacturer of size in the country, namely David Whitehead and Sons, Malawi Ltd. It is a vertically organized plant covering 43,000 square meters of floor-space across the principal processes of Spinning, Weaving, Dyeing, Finishing and Printing.

The company was basically British built, controlled and managed from the 1950s until 1996, when Lonrho sold its 51 percent stake to the Malawi Government for one US dollar. The sale was subsequent to a period of high production and profitability under high tariff protection. From the Malawi point of view it was a substantial provider of employment, import substitution, export revenues and user of domestically grown cotton. Employment peaked at about 4,300 persons in 1991, with a corresponding peak of fabric output of approximately 30,000,000 linear meters per annum from a machinery complement at that time of over 45,000 spindles and 770 looms. Finishing capacity was in line with that loom capacity. Pre-tax Profit peaked in 1988, 1989 and 1990 at around 20,000,000 Mwi Kw.[17] Current production, strictly in line with current orders because of financial constraints, is held at approximately 230,000 linear meters / month. This production represents serious waste of a potentially valuable national asset.

Production declined from 1990 onwards, under the combined impacting of dumped, smuggled and imported goods, some of this through 'creative' interpretations of customs regulations, bribery and other irregularities. Under this relatively sudden onslaught, profitability plunged at such a rapid rate that by 1992, the annual trading results were at around break-even and by 1993 a Pre-tax loss of 15,000,000 Mwi Kw was recorded.[18] Total accumulated losses to the current day are at about 1 Mwi Kw billion. Additionally to this burden, the company is currently carrying a payroll of about 1800 persons, of whom over 1000 are surplus to actual requirements. It has been stated that Retrenchment cost for this number of persons would total approximately 45Mwi Kw. The basis of this figure should be verified in the light of circumstances.

In view of its obvious historical importance in socio-economic terms, Government and international agencies have been continuously studying the company, with the particular purpose of establishing whether or not the company could be revived and whether or not it still possessed residual core

[17] World Bank Evaluation, December 1, 1994, op. cit., p. 37.
[18] ibid.

capabilities that could be of sufficient interest for FDI, as a total privatization, or as a joint venture. The World Bank's Macro, Industry and Finance Division published its technically detailed and comprehensive Evaluation in 1994, USAID subsequently produced a study and the company was offered for privatization in 1998. There were no takers.

The problem with the offer was not so much with the plant, buildings and machinery – much of which had been rehabilitated or replaced prior to the offer- but with the financial terms under which the buyer would have had to take on an appreciable portion of the accumulated Debt plus costs of labor Retrenchment.

It is considered that as there is an apparently viable technological and product core, a renewed attempt at divestment should be urgently made. Thorough and intensive Government preparations should begin, with professional Privatization assistance if necessary. Government commitment to the divestment cause, resulting in Clark Cotton's entry, could be cited as a model of appropriate diligence. To obtain success in divestiture, Government will have to face, possibly with assistance from the international community, removal of most of the Indebtedness and necessary labor Retrenchment costs from DWM's Accounts.

Justifiable reasons for some optimism are as follows:

- DWM is continuing to export two product lines to SA's highly competitive market. These are two basic fabrics which can be produced anywhere in the world, a 3/1 cotton twill (Drill) of 300gm./sq. meter and a plain weave cotton fabric of 150gm./sq. meter.
- A quotation was obtained from the company for another basic cotton 'commodity' type twill fabric, ideal in relation to DWM's spinning and weaving technologies but against which the company had no prior knowledge of the current world market price. The quotation, reference DWS Devcon 1366, was highly competitive but, as above, only on the premise that Debt and Retrenchment costs are excluded.
- The following exercise is derived from cost-modeling with judicious use of appropriate technology that compares current overall sales revenue with costs, in both the current scenario and with Debt and Retrenchment costs excluded - but at *current* production levels.

Current sales revenue is given at about 24Mwi Kw/month.

Current costs are given as 19Mwi Kw/month, plus 4Mwi Kw/month overheads, totaling 23Mwi Kw/month.

Net margin, approximately 4 percent attainable without financing and excess labor costs. Under current actual conditions, a finance charge of 8Mwi Kw / month is added, plus a further 7Mwi Kw / month for the excess labor having to be carried. On this basis, the company would make no profitable sales and would not be of the remotest interest to investors.

Thus the company with the latter costs included, has losses at the rate of approximately 14Mwi Kw / month. This figure *broadly* equates with the average annual loss rate derived from the figures quoted earlier above, viz., the 1 Mwi Kw billion accumulated over 8 years divides into a loss of 125Mwi Kw million / month per annum, and further divided by 12, into approximately 12Mwi Kw million / month

Assuming Debt and Retrenchment costs could be withdrawn, the above figures suggest that from initial profitability at low production, good marketing and consequent increases in production would rapidly increase profitability.

The company's current cost breakdown is given as: 59 percent Raw Materials, 17 percent labor, 9 percent Utilities (electricity and water), 5 percent Steam (from coal and wood) for Heating and Finishing, 5 percent Repairs and 5 percent 'Other', which includes Depreciation, Insurance, Rates, Packaging and Transport. Reducing labor to current required levels would reduce the labor component to a mere 8 percent, which is very low in terms of international comparisons.

Since the previous privatization attempt, over 300 of the oldest Northrop looms have been scrapped, being replaced by 60 x 3 meter wide second-hand but still reasonably modern Sulzer air-jet looms from the United States. These, plus air-jet Picanol looms previously acquired during the 1990s, provide a good solid technological core (with some worn parts replacement necessary) of over 172 technologically modern looms upon which future production could be brought up to a multiple-shift, or eventually, continuous running system.

This thinking is in a similar direction to that concluded by the 1994 World Bank Evaluation but the technological base is now much improved in quality and quantity since that time. The drop in number of looms from over 700 in the early 1990s to approximately 170 looms of modern technology today (plus about 140 of the old models retained for domestic market fabric), does not mean that production capacity has dropped appreciably overall. Much higher loom speeds of the 170+ more modern looms, including over 100 of these with 'double width' weaving capacity, mean that previous capacity levels and the intra-processing balance with spinning and dyeing, finishing and printing processes, is broadly maintained.

Furthermore, with a policy of gradually increasing the proportion of higher-added fabrics, the company could expect higher returns per meter of fabric sold. Currently, in the absence of liquidity, the good 8-color rotary screen printing machines are utilized only for ad hoc small orders. Similarly, dobby-patterning attachments on many of the more modern looms are not utilized and thus there is great scope for Product Development with respect to both woven and printed fabrics.

The above under-utilization of sophisticated capacity is currently forced upon the company by its financial constraints, which not only prevent rehabilitation of some modern equipment,[19] but also International Marketing efforts and any significant Product Development. Such shortcomings would obviously be rectified in full, given a release from financial constraints.

Areas in which urgent technical assistance is needed, are in relatively minor technological rehabilitation; international Woven Product Development, Print Design, Sales and Marketing; and for more professional coordination between new product development, sales and production itself, in terms of MIS.

It is not without relevance to mention, that as DWM's domestic sales were plummeting in the early 1990s, some attempts were made to enter international markets, utilizing all major production strengths. For example, the company exhibited newly printed furnishing fabric ranges at a major annual trade fair in the UK. Although prices were competitive, designs were not sufficiently modern.

It was at about that time, circa. 1992-93, that total company exports exceeded the value of domestic sales. However it was apparently too late to adjust designs and qualities to international needs on the scale required to compensate for the collapse of domestic sales. The overall company financial situation was then tightening too much for Lonrho in its own strategic assessments, to permit further costly participation at international trade shows, and the acquisition of the high degree of professionalism required for success in international markets. A case again of too little and too late.

A subsequent and curious feature of the companies' post-Lonrho attempts at product and market diversification apparently surrounded the acquisition of its latest wide Sulzer looms. The objective, not unreasonably, was to diversify into the wide sheeting and pillow case markets in which the company could have utilized its new machinery and comparative advantages to the full. Again, financial constraints were cited as being a major reason for the subsequent

[19] For example, technical parts most vulnerable to natural wear and tear but of relatively low cost, have had to be taken from 20 of the newest Sulzers to keep 40 in operation.

collapse of the initiative, resulting in the new wide looms weaving two narrower fabrics across the width, as now.

Some sources also alleged that the initial idea had been to produce printed bed-sheets that were in vogue but this claim is surely inconsistent with the fact that the maximum printing width of the current two printing machines could only print to the width of a single-bed size. Either the allegation is false, or funds were insufficient to follow through with comprehensive entry into the bedding market that requires wide-width options. Whatever the reasons, given the necessary levels of finance, design and marketing assistance, the company could be positioned to attempt re-entry into both the international furnishing and bedding markets, to supplement its strengths and apparent competitiveness in the commodity fabrics previously mentioned.

Such steps, with international donor assistance, could commence immediately, supplemented possibly by professional Turn-around Management, similar to that currently arranged by the European Bank for Reconstruction and Development (EBRD). It is also certain that such assistance would bring higher productivities and cost savings. Such inputs could be regarded as important components of preparation for privatization, supplementing the preparation of technical and financial audits, catalogues and tenders.

There are therefore many good reasons for anticipating that with Government and possibly donor action with respect to removal of the twin financial burden, the company would evoke interest for FDI. The Government appreciates the strategic value of the companies' unique and pivotal position in restoring the Sector as a potentially integrated entity and not least with regard to the future of AGOA and under the forthcoming trading regimes. One major remaining concern in this respect is that the company would require great assistance in the areas mentioned above, to position itself as a recognized supplier of the variety of textures and designs necessary for the countries' garment manufacturers. This would require the addition of some looms with greater versatility, e.g. Dornier, if it were to be done with maximum impact.

6.3.4 Garment Production Sub-Sector

In the early-1990s there were in excess of thirty garment factories in Malawi. The market disruption caused by dumping, smuggling and imports of clothing noted above have taken a severe toll upon the numbers of manufacturers, now totaling ten in the region. It was impossible to verify the precise number but the point is sufficiently clear. Many of the second-hand clothes in the domestic market are purchased by merchants by weight. Many of the customs regulations and procedures are open to abuse. As long ago as 1994, The World Bank Evaluation

placed considerable emphasis on such reasons, including bribery, for the rapid deterioration of the sector as a whole.[20]

The two largest of these six companies are owned by parent companies in Taiwan. They operate on the Cut, Make and Trim basis (CMT). One is located in Lilongwe and the other in Blantyre. Both are in Export Processing Zones (EPZs), importing all garment components from East Asia, particularly from Taiwan and China. They are basically mere assemblers of components. Designs and sales are conducted from Taiwan and hence local management, also from Taiwan, is fully concentrated upon assembly and delivery, which is currently to the US under AGOA.

Both companies employ in the region of 3000 persons and are therefore of considerable socio-economic importance nationally and within their regions. Organizational skills and production disciplines are much in evidence. Machinery, buildings and production lines are good. Each company is a hive of frenetic activity, employing principally mature male labor at its sewing machines. Wages paid are low by international standards but are not lower than the Malawi minimum wage. Employees earn not less than 50-60Mwi Kw/day from basic pay and can additionally receive a production batch bonus, healthcare, and a meal and accommodation allowance.

It is of some national significance, that despite the low level of wages, there are long lines of job seekers outside the factory gates.

No international assistance is required by these companies in the running of their operations. Any particular skill deficits are rapidly made up by themselves or by their parent companies by engaging people from Sri-Lanka, Mauritius, Madagascar or from East Asia. Production standards have had to be high to maintain the principal US customers such as Wal-Mart.

The main areas of concern indicated by senior management was the future of AGOA beyond 2004. One of the companies stated that in the event of non-negotiation of the present terms, large numbers of employees would have to be laid-off. The other feared that closure or re-location might have to be considered. In response to questions concerning potential opportunities in Europe under 'Everything but Arms' (EBA) both companies said that trade in Europe was relatively fractionated as compared with the US in terms of order volumes, styles and languages; hence, the type of trade would not readily synergize with their corporate strategies.

[20] ibid. pp.4/5.

Thus assistance should be at the political level, with the Government seriously involved in negotiating an extension to the present terms of AGOA. In the event of success, there could even be scope for an expansion in production and employment, particularly if credit was available on much better commercial terms than is now currently available.

Another of the other companies stated that it requires assistance but again only at the political level. In this case, to continue intervention in its dispute with SA, in which virtually all its working capital is locked-up. The dispute concerns the interpretation of labor content of 25 percent or higher, as a percentage of total product costs. The Malawi company, with its low labor payment scales finds it impossible to reach anywhere near this figure; hence the Bilateral Agreement could not bring the benefits to Malawi that it was supposedly designed to do. It is understood that the Government has tried at high levels to remove this distortion but with no avail. The company, which previously employed in excess of 1000 persons has been at a production standstill for months but is still hopeful for Government-level resolution. In the meantime it is re-positioning itself to try to take advantage of AGOA.

One of the companies, that has its own knitting capacity for T-shirts and purchases its cotton yarn from DWM, is currently obtaining a foothold in the US. Its product prices are favorable and there is optimism that the exercise will develop into substantial business, given the continuation of existing AGOA provisions.

Given more attention to QC, fabric variety and delivery deadlines, it was considered that DWM could become a significant supplier to the Malawi garment makers. However, to some extent, this will depend upon the future of AGOA. The point therefore appears to be of critical importance to Malawi but already, strong lobbies are forming in the US Congress to oppose any continuation, as evidenced by the formation of the pressure group, American Textile Trade Action Group (ATTACK), described in the Wall Street Journal on 25 April 2002.[21]

Within Malawi itself, the Economic and Commercial Officer of the US Embassy confirmed remarks noted above concerning lack of Credit as a strong inhibitor of development in the garment sector. He allegedly stated that the cost of Kwacha-denominated loans was too high, whereas dollar-denominated loans at comparably low interest rates could effectively facilitate the sectors' evident growth potential. It was, he held, no coincidence that the top Malawi garment exporters had access to foreign capital at interest rates below 10 percent per

[21] Rogers, 2002.

annum.[22] The Officer gave the warning that Malawi should strengthen its capacity to produce cotton and textiles, prior to the current AGOA provisions ending in September 2004. The Minister of Commerce and Industry was meanwhile exhorting Malawi's commercial banks to address the problem but it currently appears that strong Government action will have to be urgently undertaken if rapid progress is to occur.[23]

As a concluding observation to this section, it is of the utmost importance to Government, as facilitator, to continue to urgently instigate provisions for revitalization of the sector. The current signs are encouraging. FDI has been obtained via Clark Cotton and an apparently determined national partnership of effort between the private and public sector is emerging in the form of the CC that will directly address many of the current supply side constraints noted.

6.4 DEMAND SIDE FACTORS

6.4.1 Global Perspectives

There is great awareness that Malawi's AGOA 2001 exports represented only 5 percent of the $US 238 million total from the Common Market for Eastern and South African (COMESA) region, whereas Madagascar, Kenya and Swaziland's exports were $US 178million, $US 64million. And $US 48m. respectively, having received a total of $US70 million in relevant FDI.[24] Questions are now being asked why such disparities have occurred. Similarly, reference to the December 2001 Quarterly Statistical Bulletin of the National Statistical Office presents a dismal picture of decline over the past two years in Cotton, Fabric and Garment exports. However, as seen, the fundamental supply side questions are now being comprehensively addressed, including specific Government initiatives, Credit, FDI, Customs simplification and enforcement, Training and Technical Assistance and Rehabilitation needs.

Providing measures are quickly put in place to remove such supply side constraints, whilst improving the overall investment climate, there would appear to be no reason why the potentials of the Sector should not correspond to expectations. Reference to the entry of Clark Cotton upstream, to specific South African trade by DWM, and to the current AGOA success of two large garment manufacturing companies and others, gives a basis for optimism for the sector.

[22] Malawi Daily News, 7 January 2002.
[23] ibid.
[24] Malawi Daily News, January 2002.

Providing the supply side constraints are removed, there would appear to be no remaining reason why the fundamental and historical comparative advantages enjoyed by Malawi, should not be fully exploited locally, regionally and internationally. The extensive residual know-how in Growing, Ginning, Manufacturing and Garments production, when allied to relatively low labor costs and acceptable levels of technology, constitute good bases from which a revival can occur.

Such bases will have to be complemented by serious Government attention with respect to donor assistance, to competitive credit availability, extension services, training and highly selective technical assistance. Given this, there is certainly no shortage of, or significant limitations to world demand for those types of product and their derivatives, at which Malawi can excel. The AGOA exports of the three COMESA countries cited above, represent only a small fraction of the total US market for apparel. As but one indication of scale achievable, Bangladesh garment exports to the US progressively rose from insignificant levels in the late 1980s to over $US5 billion per annum by 2000.

The scale of world import markets for selected cotton products is suggested by the following three examples: HS Code 520100 Cotton, not carded or combed, in excess of $US 7,000 million; HS Code 521221 Cotton Fabric, over 200gm./m2, unbleached, approximately $US 17,000 million; and HS Code 620520 Men's/boys' shirts, cotton, not knitted, in excess of $US 500 million.

The sizes of the markets for the corresponding types of cotton grown in Malawi, or for the types of yarn and fabric within the technological capabilities of DWM, or the types of garment previously made or currently being manufactured, are therefore so huge in global terms, that it is not unreasonable to anticipate strong export performance. Given good management and the removal of constraints by Government, access to knowledge of world markets would be a remaining ingredient for success.

6.4.2 Information Technology: A Marketing Information Tool

In this respect it is considered that full use should be made of the relatively recent appearance of particular web sites as virtually indispensable global marketing tools The convergence of these developments with the new infrastructural and sub-sectoral initiatives now under formative discussion in Malawi can be utilized to full advantage. Their use can provide invaluable information for Government policy formulation and consequent development of discrete practical measures for promotion of the Sector, whether directly, or through agencies such as MEPC, MIPA and the Cotton Council, or by individual companies in each of the sub-sectors.

It is for example feasible, through their use, to acquire market information in relation to particular products relevant to Malawi production and classified under 6-digit HS Headings, of global and regional market sizes, of principal national importers and exporters to those countries, of product diversification prospects around specific HS classifications, bilateral trading opportunities, tariffs and Nib's in specific markets and even potential importing company contacts. Further information about two such sites is available at www.textile-eguide.com. and itm@intracen.org[25]. Use should also be made of sites concerning product-specific trade fairs such as messafrankfurt for domestic textiles and interstoff for garments.

To assist in initial explorations, the following examples, and others, are given in Annex 2 of product HS classification digits relevant to the Malawi Sub-Sectors available through the itm (Interactive TradeMap) site:

Cotton Sub-sector:

- HS520100, Cotton not-carded or combed

Manufacturing sub-sector:

- HS 520912 Unbleached 3/1 twill fabric of more than 85 percent cotton > 200gm./m2
- HS 520832 Dyed, plain weave cotton fabric, 100- 200gm./m2
- HS 520812 Printed cotton fabric, not more than 200gm./m2

Garments and Made-up Products:

- HS 620520 Men's and boys' shirts, from woven fabric > 85 percent cotton.
- HS 610910 T-Shirts, singlets, etc., from knitted fabric > 85 percent cotton

It will be appreciated that similar comprehensive listings of all relevant six-digit product codes are available through the sites, the principal point being that the utmost use should be made of such information in converting supply-side improvements into exports. World market scope is indicated with respect to each relevant classification, divided into principal national markets (including SA in some cases) and their principal suppliers.

[25] www.intracen.org

6.4.3 Regional Perspectives and Application of IT

Some indication of global marketing scope for selected items has been given above. As suggested, the ITM and other internet tools are also of inestimable value in Regional applications and this is also of great relevance to Malawi's prospects within SADC. The Working Document 'Market Opportunities in South Africa as a Result of the SADC Trade Protocol' rates Cotton, not carded or combed (HS5201); Men's or boys' suits, jackets and trousers (HS6204); Women's and girls suits, jackets, dresses and skirts (HS6204); Men's and boys' shirts (HS 6205) and Bed, table, toilet and kitchen linen (HS 6302) as Malawi products with high export potential.[26]

Woven fabrics of cotton, weighing over 200gm./m2 (HS 5209); Woven fabrics of synthetic staple fiber weighing less than or equal to 170gm./m2; and Men's and boys' shirts, knitted or crocheted (HS6105) are therein classified as products of moderate export potential. Women's and girls' underwear (HS6801) and T-shirts (HS 6109) are rated as possessing limited export potential. With the intention of SADC to establish a free trade area by 2008 and the gradual elimination of tariffs and non-tariff barriers (NTB's) in the meantime, such classifications can only be regarded as potentially encouraging from the Malawi export perspective - providing the supply side constraints are addressed in time.

A revealing analysis of Indicative export potential from Malawi to the countries of the Southern African Customs Union (SACU), indicates Current Trade for all products at $US78 million with an indicative trade potential of $US225 million. If all textile products (principally cotton, but including potential production – related variants) are combined, Current Trade totals $US55million with an Indicative trade potential of $US60million.[27] Annex 2 gives all Malawi Exports in 2000.

The Current Trade in Textiles thus represents 70 percent of all Current Trade exports to SACU countries, with the corresponding percentage dropping to 27 percent for Indicative export potential. Significantly, the dramatic difference between the Current and Indicative Malawi textile exports to SACU countries is attributable in the same Tabulation, to 'rigidities in supply capacities' with two notable exceptions, Cotton not carded or combed (HS5201) and Woven fabrics >85 percent cotton and < 200gm /m2, (e.g. HS 5208, dyed) the latter reflecting capacity under-utilization at DWM.

Such current capacity limitations should not be allowed to obscure the benefits that could accrue regionally and globally from a concerted effort at improving

[26] ITC, 2001.
[27] ibid. pp. 39-40.

the supply side. For example, a rehabilitated DWM operating at even 70 percent of previous maximum levels could appreciably alter the Indicative export potentials of both yarn and fabric in the region, with the potential for global reach.

The value of the textile-eguide, ITM and similar, in such development should not be underestimated for both Regional and Global Trade. It has already been indicated for example, that DWM currently exports two basic cotton fabrics to South Africa and would also appear to be highly competitive globally with respect to a further cotton twill fabric identified. Assuming the financial issues have been settled and with the benefit of TA and the ITM and similar, it would be a simple exercise for the company to identify new markets for these fabrics and product development derivatives.

6.5 SYNTHESIS AND AGENDA FOR SUPPORT

6.5.1 Synthesis

There appears to be ample justification currently, for a Sector approach. Each major component has clearly identifiable constraints, which if selectively removed, can enable it to develop an impetus and exporting potential of its own, whilst gradually reinforcing the potentials for revival of intra-sectoral linkages.

Each component in its own right, has historically or currently, demonstrated its ability to contribute to foreign exchange earnings. With the clearly identifiable necessary measures, each component has the capability for sustained growth through both regional and global trade. It is imperative, in the context of changes in the regional and global trading regimes that such improvements occur in such a way that the components also become mutually supportive.

These comments have a strong bearing upon Government policy decisions and in determining a strategy for the sector as a whole. It is anticipated that the CC will take the initiative in making comprehensive recommendations to Government on an on-going basis. Already, Government has catalyzed the process by attracting FDI into the Growing and Ginning components. Already, it is giving strong support to the concept of the Council, with key Ministries being represented at all meetings of the current Working Group.

With the benefits of such an intra-sector forum, there appears to be every possibility that momentum will be sustainable. Both major policy and relatively minor technical issues will be addressed in such a way that has not been feasible hitherto. It is recommended that even apparently minor issues, such as for

instance, requests for specific TA, should be agreed within the Council, particularly in view of possible intra-sector implications. If there were difficulties with regard to the current legal status of the CC with respect to the channeling of TA funds, then in the meantime it would appear that all TA needs would come within the remit of either the MCI or MAI.

6.5.2 Elements of a Sector Strategy and an Agenda for Support

The actions that need to be taken to lift the sector into a position from which it can attain sustainable growth of exports from each of its components whilst building-up mutually reinforcing intra-sectoral support capacities, can be summarized as follows:

Government and Strategy

- Support the development of the CC in every way possible. Donor assistance will be required for this, in establishing an adequate Secretariat, in terms of space, equipment (i.e. Computers) and residual professional competence across its mandate.

- Development of a comprehensive Sector Strategy by the CC (with its Government and Stakeholder representation). An initial Strategy is currently being formulated by Government/CC. It is possible that this Strategy will be broadly consistent with the thrust of this Report, but TA with respect to longer term Strategy evolution could be of value.

- Government to strongly address major ad hoc issues such as the future of AGOA; international trade disputes involving exporting companies; commercial banking; and extension services.

Growing and Ginning

- Supplement the initiatives of Clark Cotton /ADMARC and GLC, via Government actions and TA with respect to:

    - Land-use planning
    - Improvement of extension services
    - Credit schemes for Growers
    - Demonstration plots

Manufacturing

- DWM should be prepared for privatization or joint venture, by Tender, following removal of the historical Debt and Retrenchment costs. TA should be urgently introduced in the meantime, to cover the areas:

- Product Development and Diversification, Woven & Printed Fabrics*
- International Marketing*
- Design: For Woven and Printed Fabrics*
- MIS, particularly coordination between the above and production
- QC.
- Additionally, A cost effective exercise would be for a Production expert to agree with management, an inventory of parts needed for machine rehabilitation and to estimate costs.
- A Training Needs Assessment should also be undertaken.

Turnaround Management could be considered, either as an alternative to the above expertise, or in a compatible conjunction with it, to assist current management until any new investor is functional. Having regard to the future pivotal role of DWM in the sector and the future of AGOA, it is vital that agreed forms of TA are rapidly put in place. The above TA should be available to make inputs across the manufacturing sub-sector on a needs / request basis

Garments

- Government should do all possible to have an extension of current AGOA provisions beyond 2004.Whether negotiations are successful or not, there is a general need in the smaller and medium-sized enterprises for TA in:

- International Garment Design*

- International Garment Marketing*
- Government assistance should be urgently rendered with respect to international trading disputes, such as Crown v. South Africa. Credit availability at commercially viable rates should be introduced and Export Credit Guarantee facilities should be devised, possibly in conjunction with MEPC.

Training

This has become a vital issue in the new textile exporting countries. New Centers of Excellence for Textiles and Training have been rapidly promoted in several North African and Middle Eastern Countries. These have been developed for example, in Tunisia and Morocco and will soon be taking shape in Jordan. Each

has been established with EU funding and TA. Plans for similar facilities could be formulated for Malawi, via the CC.

There is already evidence of interaction between this Mission and the CC in the Minutes of the 13 May 2002 of the CC Working Group, in that Training suggestions are being incorporated in Proposals.

Research

It is strongly held in the country that research institutes are seriously under-funded. Good results already attained, as indicated above, with respect to development of cottonseeds for use in particular areas, are suggestive of skills, which should be supported and encouraged. In view of the high economic stakes, it is recommended that an assessment should be made for TA and donor funding needs.

Internet

It is strongly advised that Government moves quickly to facilitate use of relevant sites to provide global and regional marketing information. Users could include all relevant Ministries such as MF, MCI, MAI, MEPC, MIPA and the CC. Details of the scope and value of the information potentially available, should be circulated to all relevant stakeholders, such as GLC and DWM. Donor assistance would clearly be helpful to support computer installation at key companies to obtain maximum effect.*

It will be critical for the successful and sustainable implementation of a Sector Strategy that the above Government actions and perceived needs for donor and Technical Assistance are fully supported by the international community. The obvious Trade-related TA, annotated *, could come within the provenance of the ITC; infra-structural aspects including support of the CC, and the Research and Training Institutes from the relevant UN or World Bank Agencies; and the Agriculture Sector requirements from the UN's Food and Agriculture Organization. It is also considered that bilateral Donors could also have a strong interest in contributing to specific components in the Agenda for Support.

6.5.3 Postscript

It has been the aim in this Report, to strike a balance between time available, the Terms of Reference and the exigencies of the situation, as found. In short, *the task was perceived in the most time-effective terms, as being to understand the principal features of the supply situation as they could be in relation to perceived future*

international trade potentials, given specific forms of technical or donor assistance, accompanied by determined Government actions.

The conclusions reached are therefore to be seen as quite independent from other Reports. Previous Reports have obviously provided invaluable parameters within which this current Report, in its turn, is pitched. Apart from the Documents mentioned particularly in section 6.2, others have provided major insights to the situation, such as the ITC Working Document 'Supply Capacity of SADC and Selected African Countries for Textiles and Clothing'[28]; The Malawi Confederation of Chambers of Commerce and Industry's (MCCI) 'Malawi, Supply Survey on Textiles and Clothing'[29]; and the University of Capetown's Development Policy Research Unit Paper, 'Trade Liberalization and the Clothing and Textile Industry in Malawi.'

There is naturally a wide diversity of views expressed in the literature available overall, ranging, as examples, from those allegedly expressed by the Head of the Regional Investment Agency of COMESA, in advising Malawi to shift from concentration on textiles[30], to the understandably up-beat pronouncements of the MCCI, such as that on the opening page of the above Report, 'Malawi has a very vibrant textile and clothing industry'[31]. It is therefore of the utmost importance at the one extreme, not to become overly pessimistic by negative statistics; and it is equally important at the other, not to be over-optimistic, however well-intentioned the sentiments might be.

This Report should be seen as complementary to earlier Reports, not as an alternative. Each Report has its own particular purpose, each fills a particular need, each contributes in its own way, to a greater overall understanding of the situation and each can interact with others in the diversity and shades of opinion proffered. This *current dialogue in Malawi is serving a much-needed purpose in itself, in building up coordination, communications and a compendium of knowledge of the Sector,* from *which assessments of potentials can be made and strategies accordingly constructed.*

The views here expressed, whilst being guided and to some extent influenced by such Reports as mentioned, have been *principally* formed through extensive field-work and conversations with several extremely able Government officials and Appointees and in the Private Sector, to whom the writer expresses his sincere thanks for their utmost co-operation. The world is theirs, with some help, for the taking.

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[28] ITC Working document, October 2001, op. cit.
[29] MCCCI, November 2002.
[30] Malawi Daily News, January 2002, op. cit.
[31] MCCCI, November 2002, op. cit.

Needs for Donor and Technical Assistance are further amplified; and indications of the Regional and Global scope for selected cotton product HS classifications of relevance to Malawi, are now given respectively in Annexes 1 and 2.

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ANNEXES

Annex 1 Donor and TA Needs

A. Possible Areas for Donor Funding

Government and Strategy

In order for the TPR-declared Government policy to 'develop the textiles sector' to become really effective, a much greater degree of coordination between stakeholders is necessary. The Government itself has recognized this need, indeed as a part of this policy that is now expressed in the formation of a multi-stakeholder Working Group for the creation of a Cotton Council.

It is considered that such an entity should be fully resourced as a Policy formulation / influencing entity, in terms of necessary professional staffing, equipment and if proved necessary, office accommodation.

A Donor should be found that would be willing, in conjunction with the Government and the Council, to determine precise needs and to be able to fund accordingly. This could be an area for World Bank, UNDP or EU interest

Training

Again, in order for the objectives of policy to be realized, it will be necessary for skills relevant to all sub-sectors to be nationally available, on a continuous basis. The Minutes of the Cotton Council are already recognizing this vital need and debate is currently taking place as to how and where such could take place.

It is possible that Training related to Growing and Ginning will take place in a location already identified within a cotton growing area.

The need for Training for Manufacturing and Garment-Production is also recognized, the Polytechnic in Blantyre being cited as a potential venue as: (a) it is a major manufacturing and garment production area; and (b) it performs this type of activity with respect to a limited number of other manufacturing sectors.

There is a need to assess whether the above dual location is the most appropriate, or whether in some way, the two functional areas could be combined within one physical location.

Whatever the answer to the above question, the Training facilities will need to be adequately staffed by well-qualified persons; have the technological capacity upon which instruction can be based; and have the necessary buildings.

The EU is currently supporting the establishment of Centres of Excellence in Textiles in various Middle East and North African Countries.

There is a policy question remaining, as to whether such a Training Institute (or Institutes) should be incorporated within the remit of the Council. This would be a preferred arrangement, for obvious reasons of credibility and broader coordination of all Training needs of the Sector.

It is recommended that an appropriate Donor be quickly found, that could investigate the above aspects in more detail, with a view to formulating a basis for Financial and if needed, Technical Assistance. Again this could be an area for World Bank, UNDP or EU interest.

Research

A point repeatedly made in Malawi, is that the research institutes involved in cotton research are seriously under-funded.

Highly proficient researchers are inhibited by lack of funds for the development of new seeds appropriate to the varied land conditions. Success has already been demonstrated in the development of new seeds but it is considered that with more genetic engineering, even more commercially viable varieties could be produced.

By its very nature, the development and testing of new varieties can have a lengthy time-cycle of a minimum of 2-3 years. Hence, the sooner support can be provided, the sooner they could be able to impact favorably on the economy.

Again it is recommended that an appropriate Donor is found, to investigate in more detail all aspects related to the above, to form the basis for financial and if needed, Technical Assistance. This is possibly an area for FAO interest

Internet

In view of the importance of the internet as a global marketing tool, it is strongly recommended that a donor be found that is able to accurately assess valid needs for computers and software, whether in the public or private sector to take maximum advantage of global marketing opportunities.

It might be considered that adequate national capacity already exists, for example in the relevant Government ministries, such as MCI and MAI, and in MIPA and MEPC. Moreover, the formation of the Council with an Information Section, might also suggest that needs are adequately covered.

However it appears likely that the Council would need financial support to introduce such a facility. Certainly some of the major players would need financial assistance in any such acquisitions

Hence it is recommended that a Donor be found that could thoroughly investigate the Sector needs and be willing to fund acquisitions on the basis of its findings. Possibly a bilateral donor such as DFID, SDC, or Scandinavian, could be interested in providing such support.

B. Possible Areas for Technical Assistance

Growing and Ginning

As has been discussed in the text, the two major players in this Sub-Sector are highly proficient in all aspects of their operations. Any questions concerning possible requirements for TA, arise at the margins of their activities vis a vis the Government.

There are obvious limits to which commercial companies can assist the Growers and there do appear to be 'grey' areas of overlap in which demarcation is unclear. The companies will extend support within the limits of their own commercial constraints and in their own commercial self-interest.

However, the question arises as to how far they can be expected to be involved in Credit schemes for the Growers, in the creation of Demonstration Plots and in the provision of extension services, which can include imparting knowledge of the use of appropriate seeds, application of appropriate pesticides, improvements in harvesting techniques and so on.

It is recommended that a Senior Cotton Agronomist undertakes an analysis of the above and related points, with a view to determining the extent and nature of the areas of overlap and to making policy proposals for their improvement. The person should also have the capacity to make recommendations with respect to national planning of optimal land-use. Possibly FAO or DFID could find and support this TA, operating through the Cotton Council, or if necessary, the Ministry of Agriculture & Irrigation.

Manufacturing

As under the previous heading, it would be most appropriate for TA indicated below, to be available on a Sub-Sector- wide basis, preferably through the Cotton Council, otherwise through the Ministry of Commerce and Industry.

Part of the rationale for this, especially in relation to the former, is that TA should be regarded as a contributor to institutional capacity building, with the ToR designed to enhance residual national capabilities through appropriate counterparts in each of the principal functional areas.

At the company level, DWM could benefit from all of the following categories of TA. Other companies in the Sector could also derive benefit under some of the headings. Therefore TA in any of the functions should take into account that whilst a Consultant might be principally addressing DWM, he could also be under obligation, as stated in ToR's, to give TA across the sub-sector, on a request basis. This might cause some administrative or logistical complications but input periods could presumably be repeated if found to be necessary.

Neither DWM nor other companies currently possess the means to acquire the knowledge of international marketing opportunities, whether as a result of a lack of finance for travel, or the lack of means to acquire the necessary market information (See section regarding Internet above). Hence, in the absence of other means of access to information, it is imperative that the Cotton Council and the MEPC are adequately equipped to provide product/market specific market information, such as demonstrated by the examples given in Annex 2.

It is strongly recommended that an International Marketing Consultant in Woven, Dyed and Printed Cotton Fabrics be engaged for a total period of 3 – 6 Man-months, over a period of twelve months.

Duties would be to assess and make recommendations to improve the companies' international marketing/sales structure; to train staff in the

identification of new markets; to propose specific new markets in relation to companies' existing products; to propose new markets in relation to perceived diversification potentials; to ensure that adequate coordinatory mechanisms exist between marketing, sales and production; and to search for possibilities for broadening company market bases.

This would be an appropriate area for ITC support.

Following the above, there is a clear need for a Consultant in Product Development and Diversification for Woven and Printed Fabrics. The focus of activity would be the suggestion and introduction of fabric structures consistent with technological capabilities, that would provide possibilities for market expansion in either existing markets, such as South Africa, or in new potential markets, as indicated by the International Marketing Consultant.

Use of internet and other means could assist in identifying the types of additional structures that would complement existing product lines with which some export success has been attained. For instance, current success in exporting a twill fabric of a given weight would suggest that similar success could be expected in also exporting a plain or satin fabric of about that weight.

Print-base satins and plains of similar weight to the above and as used internationally, could also presumably be developed for export as loom-state fabric and also for own-printing.

Dobby-weave effect structures could also be developed within sensible technological limits, for export markets, as loom-state, or piece-dyed fabric.

Timings of inputs should coincide with the presence of the Marketing Consultant but could be of shorter duration. This TA might also be of interest to ITC.

Similarly, there is need for an International Printed Design Consultant. In coordination with the above Consultants, the Consultant would lead the company designers in producing modern designs for target markets, whether expressed in terms of product, such as Household Textiles, or country, or both.

The Consultants' input timings should also coincide with both of the above Consultants, with the probability that total time required would be closer to the former than the latter

It would appear likely that the above TA could also come within the scope of ITC.

It would be imperative, if the inputs of the above three Consultants were to be totally effective, for there to be clear and direct lines of communication to production, whether this was in respect to yarn or fabric production, or dyeing, printing and finishing. There is an admitted need for an improved internal system at DWM and hence an MIS Consultant should be engaged, for a period of approximately one month, coinciding with the first visit of the Marketing Consultant. Possibly UNIDO could be interested in facilitating such TA .

Similarly, if the above efforts are to be sustainable, there is a need for a consultant in quality control and the introduction of procedures to attain international standards such as ISO 9001. It is considered that two visits could be required, the first of 4 weeks' duration during the first visit by the Marketing Consultant and the second of approximately 2 weeks approximately six-months later, but again coinciding with an input of the Marketing Consultant. This TA might also be of interest to UNIDO.

In the context of rehabilitation and maximizing existing basic technological capacities, an experienced Production/Technical Consultant should be engaged for a period of approximately 2 weeks to agree with departmental managers on a list of spare parts required This relates particularly to relatively low-cost rehabilitation of machinery that is currently inoperative simply through the (financial) inability to replace worn parts. An indication of such an inventory of parts required and their costs, in relation to the added production contribution that could be made through their acquisition, would be of great value to the company if/when financial constraints are eased; and/or in the context of preparation for Divestment.

Again it appears likely that UNIDO could be the most relevant facilitator of TA.

Each company has current Training needs and an Assessment could be made, for example at DWM, as part of the national Training needs referred to in A., above.

Garments

It was indicated in the text that the current two major players in the Sub-Sector have no TA requirements. They are both highly experienced and fully supported in terms of TA through arrangements made via their controlling companies in Taiwan.

Within the remainder of the Sub-Sector, there is a need for greater awareness of international market opportunities outside AGOA, for example in Europe. It is therefore recommended that enquiries be made within Malawi, via MEPA,

and/or the Council, in turn from the Garment and Textile Manufacturers Association (represented in the CC Working Group), to ascertain which companies would avail themselves of the services of an International Marketing Consultant for Garments

It would then be feasible to determine the duration of inputs necessary across all such companies.

Similar remarks apply to an apparent need for a Consultant in International Garment Design. If the need is generally agreed, then input timings should correspond to the inputs of the International Garment Marketing Consultant.

The scope of the ToR for the above Consultants should include development of labeling and packaging, good quality practices, trade fair identification and if possible, trade fair attendances by companies and/or attracting buyers to Malawi. ITC would again appear to be the most likely facilitator of the latter two Consultants.

General

Some of the specific TA needs indicated might possibly themselves be rationalized in the interests of administrative and operational simplicity, providing Consultants could be found whose competences could extend across two or more of the specific needs as listed above. For example, a highly experienced Production/ Technical Consultant should be able to cover the three areas suggested as being of potential UNIDO interest, viz., MIS, QC and compilation/valuation of spare parts needed for simple technological rehabilitation

Similarly, with respect to the TA listed as being of possible interest to ITC, a Consultant in International Marketing might cover both Fabrics and Garments; and a Designer for Woven Printed Fabrics might also be able to undertake Product Development/Diversification for Woven Fabrics; and such a Designer might also have strong Garment Design experience. Clearly, attention should be paid to these possibilities.

Annex 2 Malawi: National and Textile Export Statistics

List of Products Exported by Malawi in 2000

Malawi has not reported trade data in the COMTRADE database. Therefore figures are based on data from importing countries.

HS rev. 0	Product	Value 2000 in US$ thousand	Annual growth in value between 1996-2000, %	Annual growth of world exports between 1996-2000, %	Ranking in country exports	Share in world exports, %	Ranking in world exports
	All products	403,156	-3	4		0.0	145
02	Meat and edible meat offal	21		-3	44	0.0	138
03	Fish, crustaceans, molluscs, aquatic invertebrates nes	163	-20	1	30	0.0	180
06	Live trees, plants, bulbs, roots, cut flowers etc	744	-32	1	18	0.0	79
07	Edible vegetables and certain roots and tubers	2,423	0	0	10	0.0	106
08	Edible fruit, nuts, peel of citrus fruit, melons	2,515	-9	-1	9	0.0	114
09	Coffee, tea, mate and spices	40,037	0	-3	2	0.3	43
10	Cereals	1,403	155	-8	13	0.0	89
12	Oil seed, oleagic fruits, grain, seed, fruit, etc, nes	1,629	-14	-3	11	0.0	109
15	Animal,vegetable fats and oils, cleavage products, etc	75		-5	35	0.0	143
17	Sugars and sugar confectionery	22,518	4	-10	3	0.2	60
19	Cereal, flour, starch, milk preparations and products	40		1	38	0.0	137
20	Vegetable, fruit, nut, etc food preparations	475	-32	0	23	0.0	116
21	Miscellaneous edible preparations	504	42	-2	22	0.0	104
22	Beverages, spirits and vinegar	11		0	47	0.0	180
23	Residues, wastes of food industry, animal fodder	317	-49	-6	25	0.0	127
24	Tobacco and manufactured tobacco substitutes	280,407	-2	-5	1	1.3	15
25	Salt, sulphur, earth, stone, plaster, lime and cement	4,578		-3	7	0.0	105
30	Pharmaceutical	353		11	24	0.0	122

HS rev. 0	Product	Value 2000 in US$ thousand	Annual growth in value between 1996-2000, %	Annual growth of world exports between 1996-2000, %	Ranking in country exports	Share in world exports, %	Ranking in world exports
	products						
32	Tanning, dyeing extracts, tannins, derivs,pigments etc	12		2	46	0.0	168
34	Soaps, lubricants, waxes, candles, modelling pastes	28		3	42	0.0	146
38	Miscellaneous chemical products	34		2	39	0.0	159
39	Plastics and articles thereof	159		4	31	0.0	163
40	Rubber and articles thereof	1,485	-17	0	12	0.0	93
41	Raw hides and skins (other than furskins) and leather	519	-8	-3	20	0.0	132
44	Wood and articles of wood, wood charcoal	834	-27	-1	17	0.0	130
48	Paper & paperboard, articles of pulp, paper and board	134	42	2	32	0.0	158
49	Printed books, newspapers, pictures etc	31	-16	0	40	0.0	161
52	Cotton	5,996	-20	-4	6	0.0	101
54	Manmade filaments	15	-70	-2	45	0.0	148
55	Manmade staple fibres	278	-56	-5	27	0.0	101
58	Special woven or tufted fabric, lace, tapestry etc	84		1	34	0.0	95
60	Knitted or crocheted fabric	180	1	3	29	0.0	95
61	Articles of apparel, accessories, knit or crochet	11,410	-13	5	5	0.0	100
62	Articles of apparel, accessories, not knit or crochet	14,783	7	2	4	0.0	100
63	Other made textile articles, sets, worn clothing etc	2,998	-2	5	8	0.0	86
70	Glass and glassware	26		3	43	0.0	148
71	Pearls, precious	906	59	2	16	0.0	135

HS rev. 0	Product	Value 2000 in US$ thousand	Annual growth in value between 1996-2000, %	Annual growth of world exports between 1996-2000, %	Ranking in country exports	Share in world exports, %	Ranking in world exports
	stones, metals, coins, etc						
72	Iron and steel	30	-27	-1	41	0.0	182
73	Articles of iron or steel	65	14	0	36	0.0	175

Source: ITC calculations based on COMTRADE statistics.

List of products exported by Malawi in 2000

Malawi has not reported trade data in the COMTRADE database. Therefore figures are based on data from importing countries.

HS rev. 0	Product	value 2000 in US$ thousand	Quantity 2000	Quantity unit	Annual growth in value between 1996-2000, %	Annual growth in quantity between 1996-2000, %	World market share, %	Ranking in world market	Annual growth in value of world imports between 1996-2000, %
520100	Cotton, not carded or combed	5,705	5,147	Tons	-9	2	0	43	-12
520299	Cotton waste, nes	15	24	Tons			0	83	-12
520832	Plain weave cotton fabric,>/=85%,>100g/m= to 200g/m=, dyed	59	9	Tons			0	76	-3
520912	Twill weave cotton fabric,>/=85%, more than 200 g/m2, unbleached	63	26	Tons			0	59	-4
520921	Plain weave cotton fabric,>/=85%, more than 200 g/m2, bleached	69	26	Tons			0	36	-7
521111	Plain weave cotton fab,<85% mixd w m-m fib,more thn 200 g/m2,unbleachd	19	11	Tons			0	40	8
521215	Woven fabrics of cotton, weighing not more than 200 g/m2, printed, nes	17	6	Tons			0	42	-5
521221	Woven fabrics of cotton, weighing more than 200 g/m2, unbleached, nes	32	13	Tons			0	32	-1

Source: ITC calculations based on COMTRADE statistics.

List of products exported by Malawi in 2000

Malawi has not reported trade data in the COMTRADE database. Therefore figures are based on data from importing countries.

HS rev. 0	Product	value 2000 in US$ thousand	Quantity 2000	Quantity unit	Annual growth in value between 1996-2000, %	Annual growth in quantity between 1996-2000, %	World market share, %	Ranking in world market	Annual growth in value of world imports between 1996-2000, %
610190	Mens/boys overcoats, anoraks etc, of other textile materials, knitted	141	29,529	Units	-28	-21	0	32	8
610290	Womens/girls overcoats,anoraks etc,of other textile materials,knitted	28	3,887	Units			0	54	0
610319	Mens/boys suits, of other textile materials, knitted	1,846	291,129	Units			3	5	-6
610342	Mens/boys trousers and shorts, of cotton, knitted	203	30,492	Units	4	-7	0	77	2
610343	Mens/boys trousers and shorts, of synthetic fibres, knitted	179	0	No quantity			0	69	10
610349	Mens/boys trousers and shorts, of other textile materials, knitted	663	189,089	Units	48	71	0	30	5
610423	Womens/girls ensembles, of synthetic fibres, knitted	40	42,926	Units			0	70	9
610443	Womens/girls dresses, of synthetic fibres, knitted	321	0	No quantity			0	60	6
610462	Womens/girls trousers and shorts, of cotton, knitted	29	31,512	Units			0	108	-1
610463	Womens/girls trousers and shorts, of synthetic fibres, knitted	44	50,765	Units			0	86	2
610469	Womens/girls	299	158,141	Units	7	37	0	49	4

HS rev. 0	Product	value 2000 in US$ thousand	Quantity 2000	Quantity unit	Annual growth in value between 1996-2000, %	Annual growth in quantity between 1996-2000, %	World market share, %	Ranking in world market	Annual growth in value of world imports between 1996-2000, %
	trousers and shorts, of other textile materials, knitted								
610510	Mens/boys shirts, of cotton, knitted	1,604	136	Tons			0	70	-3
610520	Mens/boys shirts, of man-made fibres, knitted	32	15,120	Units			0	84	0
610590	Mens/boys shirts, of other textile materials, knitted	1,706	761,735	Units	15	22	1	14	5
610610	Womens/girls blouses and shirts, of cotton, knitted	20	8,002	Units			0	107	2
610620	Womens/girls blouses and shirts, of man-made fibres, knitted	83	0	No quantity			0	85	9
610690	Womens/girls blouses and shirts, of other materials, knitted	36	56,150	Units	-28	13	0	80	3
610711	Mens/boys underpants and briefs, of cotton, knitted	33	112,909	Units	-56	-48	0	93	7
610791	Mens/boys bathrobes, dressing gowns etc of cotton, knitted	14	10,260	Units			0	72	1
610821	Womens/girls briefs and panties, of cotton, knitted	213	237,725	Units	-35	-41	0	83	2
610829	Womens/girls briefs and panties, of other textile materials, knitted	270	300,598	Units			0	34	1
610831	Womens/girls nightdresses and pyjamas, of cotton, knitted	18	4,585	Units			0	89	2
610910	T-shirts, singlets and other vests. of	1,820	0	No quantity	-39	-17	0	89	9

HS rev. 0	Product	value 2000 in US$ thousand	Quantity 2000	Quantity unit	Annual growth in value between 1996-2000, %	Annual growth in quantity between 1996-2000, %	World market share, %	Ranking in world market	Annual growth in value of world imports between 1996-2000, %
	cotton, knitted								
610990	T-shirts,singlets and other vests,of other textile materials,knitted	1,506	716,148	Units			0	67	18
611020	Pullovers, cardigans and similar articles of cotton, knitted	74	3	Tons			0	112	9

Source: ITC calculations based on COMTRADE statistics.

List of products exported by Malawi in 2000

Malawi has not reported trade data in the COMTRADE database. Therefore figures are based on data from importing countries.

HS rev. 0	Product	value 2000 in US$ thousand	Quantity 2000	Quantity unit	Annual growth in value between 1996-2000, %	Annual growth in quantity between 1996-2000, %	World market share, %	Ranking in world market	Annual growth in value of world imports between 1996-2000, %
620119	Mens/boys overcoats&sim articles of oth textile materials,not knittd	181	85,942	Units			0	41	-6
620192	Mens/boys anoraks and similar articles, of cotton, not knitted	2,089	198	Tons			0	37	-10
620193	Mens/boys anoraks and similar articles,of man-made fibres,not knitted	23	3	Tons			0	89	-2
620319	Mens/boys suits, of other textile materials, not knitted	17	17,360	Units			0	89	-2
620332	Mens/boys jackets and blazers, of cotton, not knitted	36	15,750	Units			0	82	-7
620339	Mens/boys jackets and blazers, of other textile materials, not knitted	41	6,193	Units			0	87	-8
620342	Mens/boys trousers and shorts, of cotton, not knitted	3,850	0	No quantity	36	28	0	84	4
620343	Mens/boys trousers and shorts, of synthetic fibres, not knitted	915	0	No quantity			0	83	10
620349	Mens/boys trousers and shorts, of other textile materials,	307	151,891	Units	-39	-28	0	71	1

HS rev. 0	Product	value 2000 in US$ thousand	Quantity 2000	Quantity unit	Annual growth in value between 1996-2000, %	Annual growth in quantity between 1996-2000, %	World market share, %	Ranking in world market	Annual growth in value of world imports between 1996-2000, %
	not knitted								
620423	Womens / girls ensembles, of synthetic fibres, not knitted	29	3,822	Units			0	80	3
620443	Womens / girls dresses, of synthetic fibres, not knitted	54	47,745	Units			0	91	5
620449	Womens / girls dresses, of other textile materials, not knitted	20	14,230	Units	-39	-27	0	95	6
620453	Womens / girls skirts, of synthetic fibres, not knitted	11	10,230	Units	-20	19	0	99	8
620462	Womens / girls trousers and shorts, of cotton, not knitted	283	0	No quantity	46	50	0	100	12
620463	Womens / girls trousers and shorts, of synthetic fibres, not knitted	64	48,780	Units			0	98	18
620469	Womens / girls trousers & shorts,of other textile materials,not knitted	85	36,471	Units	6	9	0	92	5
620520	Mens / boys shirts, of cotton, not knitted	1,924	0	No quantity	-1		0	78	-2
620530	Mens / boys shirts, of man-made fibres, not knitted	139	0	No quantity	-55	-56	0	94	8
620590	Mens / boys shirts, of other textile materials, not knitted	2,165	1,087,759	Units	12	20	0	39	0
620630	Womens / girls blouses and shirts, of cotton,	16	25,016	Units	39	47	0	112	3

HS rev. 0	Product	value 2000 in US$ thousand	Quantity 2000	Quantity unit	Annual growth in value between 1996-2000, %	Annual growth in quantity between 1996-2000, %	World market share, %	Ranking in world market	Annual growth in value of world imports between 1996-2000, %
	not knitted								
620640	Womens / girls blouses and shirts, of man-made fibres, not knitted	112	46,373	Units	12	-10	0	94	-3
620690	Womens / girls blouses and shirts,of other textile materials,not knitted	1,894	1,102,879	Units	76	84	0	45	16
620721	Mens / boys nightshirts and pyjamas, of cotton, not knitted	27	19,260	Units	-37	-15	0	76	0
620799	Mens / boys bathrobes,dressg gowns,etc of oth textile materials,not knit	236	48	Tons	23	102	1	23	-5
620822	Womens / girls nightdresses and pyjamas, of man-made fibres, not knitted	33	23,542	Units			0	70	1

Source: ITC calculations based on COMTRADE statistics.

List of importing markets for a product exported by Malawi in 2000
Product: 620690 Womens/girls blouses and shirts, of other textile materials, not knitted.
Malawi's exports represent 0% of world exports for this product, its ranking in world exports is 45.

Malawi has not reported trade data in the COMTRADE database. Therefore figures are based on data from importing countries.

Importers	Exported value 2000 in US$ thousand	Share in Malawi's exports, %	Exported quantity 2000	Quantity unit	Unit value (US$/unit)	Export trend in value between 1996-2000, %, p.a.	Export trend in quantity between 1996-2000, %, p.a.	Ranking of partner countries in world imports	Share of partner countries in world imports, %	Total import growth in value of partner countries between 1996-2000, %, p.a.
Total	1,894	100	1,102,879	Units	2	76	84			16
South Africa	1,894	100	1,102,879	Units	2	76	84	28	1	15

Source: ITC calculations based on COMTRADE statistics.

List of importing markets for a product exported by Malawi in 2000
Product: 620590 Mens/boys shirts, of other textile materials, not knitted
Malawi's exports represent 0% of world exports for this product, its ranking in world exports is 39.

Malawi has not reported data in the COMTRADE database. Therefore figures are based on data from importing countries

Importers	Exported value 2000 in US$ thousand	Share in Malawi's exports, %	Exported quantity 2000	Quantity unit	Unit value (US$/unit)	Export trend in value between 1996-2000, %, p.a.	Export trend in quantity between 1996-2000, %, p.a.	Ranking of partner countries in world imports	Share of partner countries in world imports, %	Total import growth in value of partner countries between 1996-2000, %, p.a.
Total	2,165	100	1,087,759	Units	2	12	20			0
South Africa	2,165	100	1,087,759	Units	2	12	20	21	1	7

Source: ITC calculations based on COMTRADE statistics.

List of products exported by Malawi in 2000

Malawi has not reported trade data in the COMTRADE database. Therefore figures are based on data from importing countries

HS rev. 0	Product	value 2000 in US$ thousand	Quantity 2000	Quantity unit	Annual growth in value between 1996-2000, %	Annual growth in quantity between 1996-2000, %	World market share, %	Ranking in world market	Annual growth in value of world imports between 1996-2000, %
600230	Knittd / crochetd tex fab,width > 30 cm,> / =5% of elastomeric / rubber,nes	12	4	Tons			0	81	5
600243	Warp knitted fabrics, of man-made fibres, nes	107	11	Tons			0	68	2
600292	Knitted or crocheted fabrics, of cotton, nes	61	10	Tons			0	75	7

Source: ITC calculations based on COMTRADE statistics.

List of importing markets for a product exported by Malawi in 2000
Product: 600243 Warp knitted fabrics, of man-made fibers, nes
Malawi's exports represent 0% of world exports for this product, its ranking in world exports is 68

Malawi has not reported trade data in the COMTRADE database. Therefore figures are based on data from importing countries.

Importers	Exported value 2000 in US$ thousand	Share in Malawi's exports, %	Exported quantity 2000	Quantity unit	Unit value (US$ / unit)	Export trend in value between 1996-2000, %, p.a.	Export trend in quantity between 1996-2000, %, p.a.	Ranking of partner countries in world imports	Share of partner countries in world imports, %	Total import growth in value of partner countries between 1996-2000, %, p.a.
Total	107	100	11	Tons	9,727					2
South Africa	107	100	11	Tons	9,727			28	1	-3

Source: ITC calculations based on COMTRADE statistics.

List of importers for the selected product in 2000
Product: 520100 Cotton, not carded or combed

Importers	Value imported in 2000, in US$ thousand	Quantity imported in 2000	Quantity unit	Unit value (US$/unit)	Annual growth in value between 1996-2000, %	Annual growth in quantity between 1996-2000, %	Share in world imports, %	Information on tariff and non-tariff barriers
World estimation	6,996,483	5,639,872	Tons	1,241	-12	-3	100	
Indonesia	726,417	560,658	Tons	1,296	-8	2	10	TNTB
Turkey	676,402	566,631	Tons	1,194	11	25	10	TNTB
Mexico	546,798	452,388	Tons	1,209	8	21	8	TNTB
Thailand	465,588	379,744	Tons	1,226	-9	1	7	TNTB
Italy	435,345	314,433	Tons	1,385	-14	-4	6	TNTB
Korea, Rep. of Korea	404,040	315,455	Tons	1,281	-12	-1	6	TNTB
Russian Federation	380,416	296,526	Tons	1,283	9	17	5	TNTB
Japan	360,357	275,050	Tons	1,310	-14	-4	5	TNTB
Brazil	345,540	300,629	Tons	1,149	-24	-16	5	TNTB
Taiwan, Province of (China)	196,824	173,859	Tons	1,132	0	10	3	TNTB
Portugal	192,253	148,718	Tons	1,293	-13	-4	3	TNTB
Germany	174,712	154,006	Tons	1,134	-12	-2	2	TNTB
India	158,791	142,850	Tons	1,112	81	113	2	TNTB
France	124,384	112,789	Tons	1,103	-14	-3	2	TNTB
Hong Kong (SARC)	120,460	118,210	Tons	1,019	-18	-6	2	TNTB
Malaysia	107,323	87,581	Tons	1,225	-9	1	2	TNTB
Canada	103,411	72,860	Tons	1,419	-3	3	1	TNTB
Bangladesh	87,959	64,253	Tons	1,369	8	18	1	TNTB
Czech Republic	79,062	59,813	Tons	1,322	-10	-1	1	TNTB
Belgium	77,826	65,462	Tons	1,189	-5	5	1	TNTB
Colombia	75,212	58,636	Tons	1,283	4	15	1	TNTB
Poland	75,155	59,080	Tons	1,272	-17	-9	1	TNTB
China	74,109	47,448	Tons	1,562	-57	-55	1	TNTB
Estonia	60,214	54,273	Tons	1,109	7	23	1	TNTB
Philippines	54,358	49,516	Tons	1,098	-21	-10	1	TNTB
Switzerland	51,296	28,614	Tons	1,793	-11	-4	1	TNTB
Spain	46,186	36,821	Tons	1,254	-30	-22	1	TNTB
Pakistan	44,628	28,431	Tons	1,570	51	64	1	TNTB

Importers	Value imported in 2000, in US$ thousand	Quantity imported in 2000	Quantity unit	Unit value (US$/unit)	Annual growth in value between 1996-2000, %	Annual growth in quantity between 1996-2000, %	Share in world imports, %	Information on tariff and non-tariff barriers
Morocco	44,617	34,877	Tons	1,279	-17	-6	1	TNTB
Peru	40,962	31,936	Tons	1,283	16	26	1	TNTB
Austria	40,775	36,350	Tons	1,122	-9	4	1	TNTB
Tunisia	35,646	29,016	Tons	1,228	-14	-3	1	TNTB
Venezuela	33,334	18,736	Tons	1,779	-17	-17	0	TNTB
Romania	33,253	25,691	Tons	1,294	-21	-11	0	TNTB
Viet Nam	32,228	28,109	Tons	1,147	2	17	0	TNTB
South Africa	31,788	26,680	Tons	1,191	-20	-11	0	TNTB
El Salvador	30,612	21,263	Tons	1,440	-10	-3	0	TNTB
United Kingdom	26,925	17,199	Tons	1,565	-19	-14	0	TNTB
Guatemala	25,839	19,802	Tons	1,305	9	16	0	TNTB

Source: ITC calculations based on COMTRADE statistics.

List of importers for the selected product in 2000
Product: 610910 T-shirts, singlets and other vests, of cotton, knitted

Importers	Value imported in 2000, in US$ thousand	Quantity imported in 2000	Quantity unit	Unit value (US$ / unit)	Annual growth in value between 1996-2000, %	Annual growth in quantity between 1996-2000, %	Share in world imports, %	Information on tariff and non-tariff barriers
World estimation	11,401,224	0	No quantity		9		100	
United States of America	3,077,037	309,286	Tons	9,949	22	23	27	TNTB
Japan	1,159,846	88,151	Tons	13,157	6	16	10	TNTB
Germany	1,141,815	83,986	Tons	13,595	-3	4	10	TNTB
France	704,343	50,997	Tons	13,811	1	6	6	TNTB
United Kingdom	653,919	47,871	Tons	13,660	6	9	6	TNTB
Hong Kong (SARC)	626,722	341,640,960	Units	2	2	1	5	TNTB
Mexico	405,242	377,227	Tons	1,074	22	138	4	TNTB
Belgium	391,475	316	Tons	1,238,845	7	-69	3	TNTB
Italy	358,361	24,437	Tons	14,665	18	21	3	TNTB
Netherlands	351,663	125,101,376	Units	3	3		3	TNTB
Spain	258,027	11,883	Tons	21,714	7	-8	2	TNTB
Canada	206,831	88,434,208	Units	2	9	14	2	TNTB
Singapore	163,414	57,044,144	Units	3	3	9	1	TNTB
Denmark	144,048	10,647	Tons	13,529	4	6	1	TNTB
Austria	137,577	7,511	Tons	18,317	-2	1	1	TNTB
Australia	114,494	52,794,320	Units	2	18	14	1	TNTB
Dominican Republic	109,045	0	No quantity		45		1	TNTB
Haiti	99,732	12,011	Tons	8,303	79	66	1	
Sweden	92,014	11,173	Tons	8,235	-8	8	1	TNTB
Ireland	72,443	0	No quantity		11		1	TNTB
Norway	70,951	4,632	Tons	15,318	2	4	1	TNTB
Morocco	56,573	10,295	Tons	5,495	604	1112	0	TNTB
Greece	56,494	6,638	Tons	8,511	6	17	0	TNTB
United Arab Emirates	54,645	0	No quantity		-3		0	
Switzerland	51,111	2,122	Tons	24,086	4	16	0	TNTB
Portugal	48,030	0	No quantity		8		0	TNTB
Finland	47,715	3,453	Tons	13,818	3	8	0	TNTB

Importers	Value imported in 2000, in US$ thousand	Quantity imported in 2000	Quantity unit	Unit value (US$ / unit)	Annual growth in value between 1996-2000, %	Annual growth in quantity between 1996-2000, %	Share in world imports, %	Information on tariff and non-tariff barriers
Taiwan, Province of (China)	47,011	0	No quantity		-7		0	TNTB
Chile	38,678	2,795	Tons	13,838	6	0	0	TNTB
Venezuela	36,443	2,497	Tons	14,595	51	34	0	TNTB
Hungary	35,728	5,311	Tons	6,727	0	5	0	TNTB
Tunisia	35,613	4,215	Tons	8,449	-1	4	0	TNTB
Poland	30,356	6,213	Tons	4,886	21	6	0	TNTB
Czech Republic	30,343	4,884	Tons	6,213	3	5	0	TNTB
Korea, Rep. of Korea	30,275	2,842	Tons	10,653	-15	-2	0	TNTB
New Zealand	29,464	11,808	Tons	2,495	6		0	TNTB
Bulgaria	28,764	4,439	Tons	6,480	38	22	0	
Cayman Islands	26,718	0	No quantity		182	358	0	
Israel	25,670	0	No quantity		24		0	TNTB

Source: ITC calculations based on COMTRADE statistics.

List of importers for the selected product in 2000
Product: 620590 Mens/boys shirts, of other textile materials, not knitted

Importers	Value imported in 2000, in US$ thousand	Quantity imported in 2000	Quantity unit	Unit value (US$/unit)	Annual growth in value between 1996-2000, %	Annual growth in quantity between 1996-2000, %	Share in world imports, %	Information on tariff and non-tariff barriers
World estimation	500,002	0	No quantity		0		100	
United States of America	197,546	6,039	Tons	32,712	5	4	40	TNTB
Hong Kong (SARC)	33,700	9,036,223	Units	4	-2	16	7	TNTB
United Kingdom	23,945	1,251	Tons	19,141	4	30	5	TNTB
Germany	19,084	707	Tons	26,993	-16	-10	4	TNTB
Japan	16,556	494	Tons	33,514	-19	-6	3	TNTB
France	15,983	443	Tons	36,079	0	5	3	TNTB
United Arab Emirates	14,845	0	No quantity		31		3	
Singapore	14,714	4,198,907	Units	4	-3	14	3	TNTB
Italy	14,596	781	Tons	18,689	17	53	3	TNTB
Saudi Arabia	10,011	2,281	Tons	4,389			2	TNTB
China	9,695	6,487,206	Units	1	37	50	2	TNTB
Israel	6,849	0	No quantity		36		1	TNTB
Belgium	6,848	207	Tons	33,082	-9	0	1	TNTB
Spain	6,726	262	Tons	25,672	-16	-13	1	TNTB
Netherlands	6,082	575,342	Units	11	10		1	TNTB
Taiwan, Province of (China)	5,589	0	No quantity		21		1	TNTB
Australia	5,211	1,038,556	Units	5	3	8	1	TNTB
Canada	5,105	507,879	Units	10	3	4	1	TNTB
Egypt	4,623	0	No quantity		26		1	TNTB
Switzerland	4,583	74	Tons	61,932	-13	-10	1	TNTB
South Africa	4,270	3,494,667	Units	1	7	30	1	TNTB
Honduras	4,082	609	Tons	6,703	77	59	1	TNTB
Austria	2,812	86	Tons	32,698	-16	-7	1	TNTB
Korea, Rep. of Korea	2,542	219	Tons	11,607	-23	1	1	TNTB
Free Zones	2,303	57	Tons	40,404	14	26	0	

Importers	Value imported in 2000, in US$ thousand	Quantity imported in 2000	Quantity unit	Unit value (US$ / unit)	Annual growth in value between 1996-2000, %	Annual growth in quantity between 1996-2000, %	Share in world imports, %	Information on tariff and non-tariff barriers
Portugal	2,274	60	Tons	37,900	-27	-21	0	TNTB
Denmark	2,254	78	Tons	28,897	13	15	0	TNTB
Malaysia	2,217	2,128,225	Units	1	-13	-30	0	TNTB
Greece	2,138	68	Tons	31,441	-7	-16	0	TNTB
Ireland	2,133	71	Tons	30,042	23	29	0	TNTB
Jamaica	1,943	175	Tons	11,103	18	31	0	TNTB
Sweden	1,860	64	Tons	29,063	19		0	TNTB
Brazil	1,853	159	Tons	11,654	-20	-26	0	TNTB
Norway	1,808	99	Tons	18,263	0	0	0	TNTB
Panama	1,745	228	Tons	7,654	-20	-4	0	TNTB
Area Nes	1,622	66	Tons	24,576	71	68	0	
Mexico	1,605	941	Tons	1,706	24		0	TNTB
Poland	1,580	277	Tons	5,704	-24	-53	0	TNTB
Venezuela	1,553	217	Tons	7,157	-5	-22	0	TNTB

Source: ITC calculations based on COMTRADE statistics.

List of importers for the selected product in 2000
Product: 600292 Knitted or crocheted fabrics, of cotton, nes

Importers	Value imported in 2000, in US$ thousand	Quantity imported in 2000	Quantity unit	Unit value (US$/unit)	Annual growth in value between 1996-2000, %	Annual growth in quantity between 1996-2000, %	Share in world imports, %	Information on tariff and non-tariff barriers
World estimation	2,783,411	0	No quantity		7		100	
Hong Kong (SARC)	900,693	185,608	Tons	4,853	12	8	32	TNTB
China	319,397	121,783	Tons	2,623	3	-2	11	TNTB
United States of America	201,479	46,222	Tons	4,359	43	46	7	TNTB
Macau	126,220	15,339	Tons	8,229	-1		5	
Mexico	125,115	58,424	Tons	2,142	97	108	4	TNTB
Singapore	101,102	82,685	1000 square meters	1,223	3	11	4	TNTB
Philippines	86,815	15,253	Tons	5,692	-3	5	3	TNTB
Canada	66,193	11,183	Tons	5,919	9	11	2	TNTB
Morocco	59,367	5,320	Tons	11,159	148	195	2	TNTB
Germany	49,494	5,471	Tons	9,047	-8	0	2	TNTB
Italy	42,800	10,410	Tons	4,111	-3	7	2	TNTB
Northern Mariana Islands	41,041	6,542	Tons	6,273	15	21	1	
Thailand	39,635	4,944	Tons	8,017	-4	6	1	TNTB
Sri Lanka	30,696	0	No quantity		-3		1	TNTB
Brunei Darussalam	29,302	0	No quantity		20	43	1	TNTB
France	29,098	3,325	Tons	8,751	-8	-6	1	TNTB
Malaysia	25,966	20,013	1000 square meters	1,297	20		1	TNTB
Cambodia	25,912	0	No quantity		22		1	
Indonesia	25,127	3,579	Tons	7,021	-5	-4	1	TNTB
Czech Republic	24,142	2,534	Tons	9,527	34	42	1	TNTB
Israel	21,751	0	No quantity		6		1	TNTB
Hungary	19,416	1,832	Tons	10,598	8	18	1	TNTB
Fiji	18,637	0	No		5		1	

			quantity					
Austria	17,506	2,172	Tons	8,060	1	0	1	TNTB
Area Nes	17,465	2,618	Tons	6,671	15	17	1	
Portugal	17,407	1,562	Tons	11,144	1	-1	1	TNTB
Dominican Republic	15,883	2,463	Tons	6,449	-31	-32	1	TNTB
Bulgaria	15,856	2,898	Tons	5,471	50	85	1	
Tunisia	15,838	1,069	Tons	14,816	23	21	1	TNTB
Romania	15,769	1,909	Tons	8,260	13	27	1	TNTB
Switzerland	15,737	1,665	Tons	9,452	-4	1	1	TNTB
Bangladesh	15,168	0	No quantity		22	42	1	TNTB
Spain	15,087	1,622	Tons	9,301	-8	-3	1	TNTB
Poland	14,969	1,593	Tons	9,397	-8	-2	1	TNTB
United Kingdom	14,538	2,709	Tons	5,367	-26	-22	1	TNTB
Russian Federation	13,350	2,536	Tons	5,264	72	56	0	TNTB
Myanmar	12,351	0	No quantity		21		0	
Belgium	10,757	1,863	Tons	5,774	-15	-4	0	TNTB
Bahrain	9,553	7,193	Tons	1,328			0	TNTB

Source: ITC calculations based on COMTRADE statistics.

List of importers for the selected product in 2000
Product: 620690 Womens/girls blouses and shirts, of other textile materials, not knitted

Importers	Value imported in 2000, in US$ thousand	Quantity imported in 2000	Quantity unit	Unit value (US$ / unit)	Annual growth in value between 1996-2000, %	Annual growth in quantity between 1996-2000, %	Share in world imports, %	Information on tariff and non-tariff barriers
World estimation	691,593	0	No quantity		16		100	
United States of America	219,855	6,817	Tons	32,251	33	42	32	TNTB
Hong Kong (SARC)	82,851	18,096,880	Units	5	16	33	12	TNTB
Germany	58,227	1,661	Tons	35,055	4	12	8	TNTB
France	37,745	1,005	Tons	37,557	38	60	5	TNTB
United Kingdom	35,854	1,582	Tons	22,664	16	24	5	TNTB
Singapore	20,392	3,465,666	Units	6	11	21	3	TNTB
Belgium	19,188	549	Tons	34,951	17	32	3	TNTB
Italy	18,799	660	Tons	28,483	26	63	3	TNTB
Japan	17,471	213	Tons	82,023	-6	-2	3	TNTB
Netherlands	15,139	1,990,897	Units	8	23		2	TNTB
Australia	12,305	1,360,137	Units	9	11	18	2	TNTB
Spain	12,256	375	Tons	32,683	42	49	2	TNTB
Saudi Arabia	11,862	1,404	Tons	8,449			2	TNTB
Denmark	11,194	385	Tons	29,075	22	30	2	TNTB
Switzerland	9,414	150	Tons	62,760	16	26	1	TNTB
Austria	7,087	152	Tons	46,625	-5	2	1	TNTB
Cyprus	6,112	689,831	Units	9	32	35	1	
Canada	5,569	513,398	Units	11	17	16	1	TNTB
Greece	5,456	162	Tons	33,679	10	26	1	TNTB
Sweden	5,438	178	Tons	30,551	18	23	1	TNTB
Israel	5,360	0	No quantity		-1		1	TNTB
United Arab Emirates	4,584	0	No quantity		-10	-12	1	
Venezuela	4,520	323	Tons	13,994	35	9	1	TNTB
Mexico	4,168	2,009	Tons	2,075	51		1	TNTB
China	4,127	2,959,751	Units	1	38	42	1	TNTB
Ireland	3,985	71	Tons	56,127	36	34	1	TNTB
Norway	3,921	99	Tons	39,606	9	12	1	TNTB
South Africa	3,734	2,398,616	Units	2	15	44	1	TNTB

Importers	Value imported in 2000, in US$ thousand	Quantity imported in 2000	Quantity unit	Unit value (US$/unit)	Annual growth in value between 1996-2000, %	Annual growth in quantity between 1996-2000, %	Share in world imports, %	Information on tariff and non-tariff barriers
Taiwan, Province of (China)	3,216	0	No quantity		14		0	TNTB
Portugal	2,871	55	Tons	52,200	28	41	0	TNTB
Korea, Rep. of Korea	2,449	87	Tons	28,149	-23	13	0	TNTB
El Salvador	2,006	544	Tons	3,688	46	81	0	TNTB
New Zealand	1,952	254	Tons	7,685	-5		0	TNTB
Kuwait	1,586	0	No quantity		-24		0	
Honduras	1,500	339	Tons	4,425	79	80	0	TNTB
Finland	1,447	40	Tons	36,175	4	2	0	TNTB
Poland	1,364	35	Tons	38,971	-16	-53	0	TNTB
Turkey	1,222	23	Tons	53,130	29	28	0	TNTB
Malaysia	1,167	1,230,327	Units	1	-31	-31	0	TNTB

Source: ITC calculations based on COMTRADE statistics.