

COMPETITIVENESS FOR ETHIOPIAN TEXTILE AND GARMENT INDUSTRIES: A WAY FORWARD

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ABSTRACT

Ethiopian textile and garment firms are not in a position to compete in the international markets due to the problems such as low productivity, limited quality awareness, limited capability of own design & development, ineffective and inefficient management structures, limitations of skills training, and inefficient systems. To enjoy the global market opportunities in the twenty -first century, firms should identify the dimensions of global competitiveness and their comparative advantages. This article has focused on the assessment of the current situations of Ethiopian textile and garment manufacturing firms with respect to their global competitiveness and examined the possible ways of competitiveness in an era of unprecedented global competition. The study has addressed the dimensions of global competitiveness and an attempt has been made to develop a model for comparative advantage. Further, the possible methods and tools to be used for global competitiveness of the firms have been suggested.

1. INTRODUCTION

1.1 Global competition

Nowadays the term "globalization" covering a wide range of distinct political, economic, and cultural trends, has quickly become one of the most fashionable buzzwords of contemporary political and academic debate. Globalization has an impact on the economic development of any country. Quite often, globalization has a negative connotation in people's mind, Risto[1]. But the effect of globalization from a company's point - of -view can not be only negative. New York Times Foreign Affairs Columnist, Thomas Friedman said that as globalization gives all nations of the world access to the same information, technology and markets, a given nation's ability to utilize those resources in a fast and innovative manner will dictate who wins and who loses (Friedman, 2000).

Global competition forces firms not only to develop a strong commercial presence in the world market but also to assume an international configuration with regard to operations. There are several sources of competitiveness, like productivity, quality, delivery time, customization, and so on. Paying attention to customers and understanding what they want is a fundamental and important beginning for competitiveness. However, the key to competitiveness which differentiates winners from losers is that winners are better able to consistently provide products and services that are competitive with regard to quality (better); price (cheaper), time (faster), and more agile, Nicolas[3].

1.2 Global competition trends in textile and garment industry

Textile and garment is one of the world's biggest consumer goods categories with a global market estimated to be worth well over one trillion Euros, EURATEX [5]. Nowadays global competitions in textile and garment products become very intensive. In general, it is possible to observe the situations of textile and garment competition in two categories: Textile and garment manufacturing in developed and developing countries.

1.2.1 Textile and garment industry in developed countries

Throughout the 20th century, Europe was the sector's number one producer and trader at each of the many stages of fabric production, as well as in garment making and in the fashion industry. Over the past two decades (since 1986), however, this industrial fortress has been subject to constant wear and tear. The competitive battle began primarily in the labor-intensive clothing sector, whole areas of which have migrated to low-wage countries, EURATEX [5].

According to the Strategic Research Agenda of “*The European Technology Platform for the Future of Textiles and Clothing - a Vision for 2020*” published in 2004, vision of the future will be built around the concept of dynamic, innovative, multidisciplinary knowledge-based, flexibly integrated and customer oriented networks of businesses. Hence, European countries are expected to move from commodities towards specialty products and focus for establishment and expansion of textiles as the material of choice in many industrial sectors. Moreover, those countries declare the end of the era of mass production of textile products, and move towards a new industrial era of customization, EURATEX [5].

Over the last 25 years (1979-2005), the US textile and apparel industries have experienced what has been the most turbulent chapter in their collective history. As a result of adverse economic circumstances, shifting patterns of demand, structural changes in distribution, developments in new technology and, above all a sharp escalation in international competition, the textile and garment industries have been forced to undertake massive strategic changes. In the process, there have been many plant closures and bankruptcies, as firms downsized and drastically altered their product market positions, Peter [11]. During the period of 2002 to 2003 more than 100 plants in the United States have been closed and 60,000 textiles workers have lost their jobs, Hyunjoo[10].

1.2.2 Textile and garment industry in developing countries

When we talk of textile and garment in developing countries, China could be taken as the best example. Textiles have always been one of China's most important industries. When the process of economic reform began in China in 1979, China's textile and garment industries, which were highly competitive in international terms, became a major source of exports. These industries also attracted

a great deal of foreign investment. By the mid-1990s, China had become the world’s largest producer (and exporter) of textiles and garments, Chein[15].

In general, looking more realistically into the near future, demand for garment is expected to grow significantly in the densely populated fast growing economies of Asia and Latin America as well as parts of Africa and Eastern Europe. This is because of tremendous differences in production costs especially the labor cost.

Therefore, developed countries are gradually moving their textile and garment manufacturing base to the developing countries with lower labor cost so as to compete in the international market. Hence, Ethiopia may have a chance to use this opportunity if the existing textile and garment firms are good enough to compete. So the purpose of this study is to assess the current situations of global competitiveness of textile and garment manufacturing firms from Ethiopian perspective.

The study has been based in part on an extensive literature survey, including academic sources, world trade organization reports, European apparel and textile organization, and online publications. The data and information obtained from different governmental organizations (such as Ministry of Trade and Industry, Textile and Apparel Institute, Quality and Standard Authority of Ethiopia, Ethiopian Privatization Agency, Bahirdar University) and nongovernmental organizations (such as UNIDO, World Trade Organization, International Trade Center, Ethiopian Economic Associations) have been taken into consideration.

2. BACKGROUND OF ETHIOPIAN TEXTILE AND GARMENT INDUSTRY

Ethiopian economy is dominated by agriculture that accounts to 46.5 percent of its total GDP. Government of Ethiopia has developed an agricultural led industrialization strategy with the view to bring about sustainable growth. The percentage contributions of the agricultural, industrial and service sectors to the overall value added at constant basic prices during the last three years (2004/2005, 2005/2006, 2006/2007) averaged 46.5 %, 13.8%, and 40.8% respectively. As it is figured, the industrial sector contribution on the economical development is very low and it is a sheer fact that the industrial sector is at a very low development stage in penetrating international market. The share of textile and garment industries is very less in the export. Ethiopian government is on the move to develop this sector by giving it preferential treatment as it has high potential for growth, employment and exports, UNIDO [17].

Currently, in Ethiopia there are 50 medium and large sized textile and garment firms that employ roughly 22,500 workers. With exports of about 12 million USD, that is only making about 1% of Ethiopia's total export volume, and comparably small amounts of foreign direct investment, Ethiopia is not really present yet on the global map of textiles, Ministry of trade and industry – MOTI &

ECBP[22]. The general overview of the three sub-sectors (Cotton, Textile and Garment) is discussed briefly as follows.

2.1 Cotton sub-sector

Cotton plantation has a long historical development in Ethiopia. Traditionally farmers grew cotton of the backward species by household. In some places, cotton is still grown as a perennial plant and thus its yield largely relies on rain water. Meanwhile, the products were mainly for the handicraft industry to weave cloth and to satisfy the needs of the Ethiopian people for clothing. Since the 1960s, the government proposed to promote cotton cultivation and made favorable land policies to meet the raw material needs of the domestic textile sub-sector and therefore the mass production has started. With the development of cotton farms during the last 30 years, the cotton sub-sector has made a contribution to Ethiopian national economy in creating employment opportunities especially for rural labor-force, and earning foreign exchanges through exports, Du Yuzhou[18]. A summary of SWOT analysis (table 1) can give the general overview of existing situations of Ethiopian cotton sub-sector.

Table 1: Strength, weakness, opportunities and threats of cotton sub-sector

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> ➤ Suitable weather conditions ➤ Abundant fertile land ➤ Advantage of low labor cost ➤ Abundant water resources ➤ The sector is in the priority list of the government program. 	<p style="text-align: center;">Weakness</p> <ul style="list-style-type: none"> ➤ Absence of scientific research and development ➤ Lack of integration ➤ Lack of skilled human resources ➤ Insufficient irrigation works ➤ Poor market information channel ➤ Poor quality and productivity ➤ Poor infrastructure
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> ➤ Vast international and regional market ➤ Potentials for expanding cotton planting area ➤ Potential of high trainable labor force ➤ Potential to increase yield per unit area 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> ➤ Stiff global competition ➤ Limited capacity of capital for infrastructure ➤ Commitment to continuous change

2.2 Textile sub-sector

Ethiopian traditional cloth (local woven fabric) produced by hand loom has also a long historical development. People make clothes for traditional Ethiopian dressing from the cotton supplied by small holder farmers, using home-spun yarns. This traditional cottage industry is inherited and continues upto now, making an important contribution to satisfying people's requirements for traditional textile products, Du Yuzhou[18].

Diredawa Textile Mill, the first integrated textile mill established by foreign capital in 1939, marked the starting point of modern textile sub-sector. Currently, there are nine integrated large-scale textile mills, four yarn and thread factories, and four blanket factories in Ethiopia. Only four of these factories are privately owned. The aggregate capacity of these factories is 120 million square meters of fabric and 32,000 tons of yarn per year. Most of the factories have become obsolete due to aged machineries and equipments. They are operating under capacity due to many factors MOTI [23]. A summary of SWOT analysis (table 2) can give the general overview of existing situations of Ethiopian textile sub-sector.

Table 2: Strength, weakness, opportunities and threats of textile sub-sector

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> ➤ Abundant cotton resources ➤ Abundant trainable labor force ➤ Increased domestic market ➤ The sector is in the priority list of the government program. 	<p style="text-align: center;">Weakness</p> <ul style="list-style-type: none"> ➤ Poor quality of labor force ➤ Poor productivity ➤ Limited variety & low quality of products ➤ Low market concept unclear market role ➤ Lack of skilled human resources ➤ Suffer from loss and low market share ➤ Poor market information channel ➤ Poor infrastructure ➤ Old machineries and equipments
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> ➤ Vast international market ➤ Global textile relocation ➤ Potential of trainable labor force 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> ➤ Stiff global competition ➤ Limited capital for infrastructure ➤ Commitment to continuous change

2.3 Garment sub-sector

The industrialization of Ethiopian garment manufacturing started in the 1950's. In 1958, an Italian took the lead to establish Addis Garment Factory. In the 1990's, with the development of free market economy, private investment had increased in garment sub-sector and in the mean time more than 30 garment factories have been established. A summary of SWOT analysis (table 3) can give the general overview of existing situations of Ethiopian garment sub-sector.

Table 3: Strength, weakness, opportunities and threats of garment

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> ➤ Abundant labor resources ➤ Gradual increase of domestic market ➤ The sector is in the priority list of the government program ➤ Relatively increased number of investment 	<p style="text-align: center;">Weakness</p> <ul style="list-style-type: none"> ➤ Poor quality of labor force ➤ Limited variety & low quality of products ➤ Low market concept unclear market role ➤ Absence of market networking ➤ Lack of skilled human resources ➤ Poor productivity ➤ Insufficient export incentives ➤ Poor infrastructure
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> ➤ Vast international market ➤ Global garment firm relocation ➤ Potential of trainable labor force 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> ➤ Stiff global competition ➤ Limited capital for infrastructure ➤ Commitment to continuous change

Overall, the cotton, textile and garment sub-sectors are facing up high battle and currently almost all of textile manufacturing firms in the decline; they are not able to cover the cost of production. The main problem of textile and garment sector is not only its low contribution in terms of output and employment but also its lower capacity and productivity to compete in the stiff international market. This is the formidable challenge for policy makers and other concerned bodies.

3. COMPETITIVENESS OF ETHIOPIAN TEXTILE AND GARMENT INDUSTRY

Today, there is an intensive and unprecedented international competition in textile and garment industry. This poses new challenges for an emerging textile and garment industry in Ethiopia. The firms are not in a position to compete in the international markets due to the problems such as: ineffective and inefficient management structures, high staff turnover (mainly due to low wages and unattractive working conditions), lack of marketing and market knowledge, unawareness of international requirements, lack of experience in dealing with international client, limited capability of own design and product development, low productivity and limited quality awareness as well as quality management structure. Even though, the Ethiopian government has an ambitious vision of putting Ethiopia on the global map of textiles by increasing exports by 2010 to 0.5 billion US\$, which would mean a compound annual growth rate of approximately 41%, MOTI & ECBP[22]. Achieving this goal means to adapt to the requirements of the international market while at the same time the gap between the existing basic capabilities of the Ethiopian industry and the increasingly sophisticated demand of the international market is widening.

Tackling these problems, Ethiopian textile and garment manufacturing firms should play a role in economic development. This could be done if there is a structural transformation that marks

transition from primitive low productivity state to one that is dynamic, sustainable, and diversified. Having a large gap between the current highly globalized competition of textile and garment products and our current situations, the issue is not simply manufacturing the products but the government and all concerned bodies should work hard and to create enabling environment where the sectors can move by their own dynamics in the long run.

3.1 Role of value chain in competitiveness of Ethiopian textile and garment industry

The current situations of manufacturing firms in developed and developing countries shows that their future performance will be totally dependant on components such as: supply chain of organizations, outsourcing of parts and subassembly, knowledge capitalism and branding. The value chains could be global, national, regional, or local. Global value chains are those with activities taking place in many countries on different continents. In the case of garments, this may mean that design takes place in London or New York, fabric is sourced from China, trim and other inputs are made in India, and assembly takes place in Mauritius.

Value chain is important to identify the role of the participants or actors in the chain. Hence, the actors in the value chain of Ethiopian textile and garment manufacturing firms could be presented by categorizing into three levels: macro level, meso level and micro level. The actors in macro level are: Ministry of Trade and Industry (MOTI), Ministry of Agriculture and Rural Development (MOARD), Ministry of Education (MOE), Ministry of Capacity Building (MOCB), Ministry of Infrastructure (MOI), Ethiopian Agricultural Research Organization (EARO) and Ethiopian Investment Commission (EIC). In meso level, Quality and Standard Authority of Ethiopia (QSAE), Chamber of Commerce, Textile and Apparel Institute (TAI), professional and sector associations, regional governments, universities are the main actors. And finally at the micro level the concerned firms (Cotton, Textile, and Garment) sub-sectors are found. Ministry of Trade and Industry is the focal institution for promoting and implementing the strategic program. All of them are interconnected by value chain as shown on figure 1 below. For effective implementation of the strategic development to achieve competitiveness, all of these concerned organizations should work hard in the value chain.

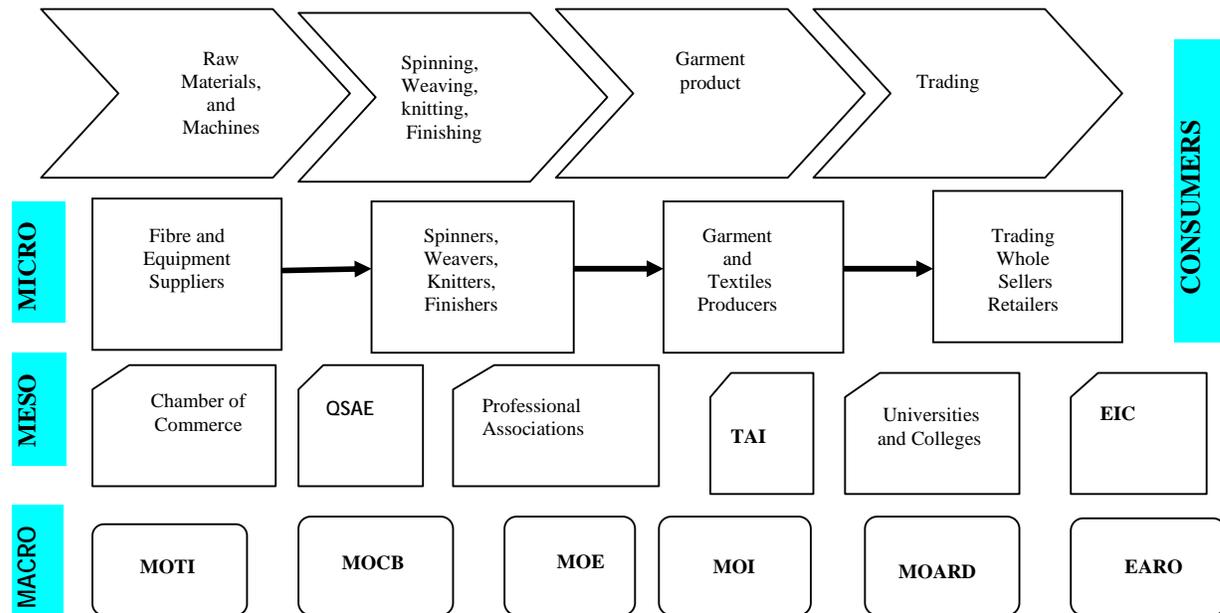


Figure 1: Main actors of Ethiopian cotton, textile, and garment value chain

Ethiopian government is following a policy of agricultural development lead industrialization and articulated priority industrial sector like textile and garment, leather, etc. This strategy is fundamentally right because of its forward and backward integration; but in effect the sub-sectors do not develop. Therefore, an effort should be done by the government and a radical change (paradigm shift) is required to give immediate solution for the existing problems. The main focus of the government enhancing the textile and garment firms' competitiveness must be on providing efficient infrastructure, skilled manpower and enabling environment for foreign investors, and so on.

3.2 Strategic dimensions for global competitiveness of Ethiopian textile and garment industry

Globalization is non reversible phenomena of the 21st century. Nations have to endorse as early as possible; the sooner the better. Rather than protecting boundary, supporting local industries and building the competitiveness of them is better. Ethiopia is not an exceptional country and hence strategies and measures for the development of the firms' competitiveness should be prepared and implemented.

Therefore, based on the existing situations of the sectors (SWOT analysis), fundamental literatures as well as the data and information obtained from Ethiopian governmental and nongovernmental organizations mentioned above, the authors have outlined the following strategic dimensions (**D1** to **D10**) for global competitiveness of Ethiopian textile and garment manufacturing firms.

D1- Paradigm shift (for radical change)

Global business conditions are changing with higher velocity continuously. This implies that the rule of the game for competitiveness as well changes continuously. Darwin said “it is not the strongest who survive and it is not the intelligent who survive but the one who respond to change will survive”. Response to change encompasses individuals, organizations and a nation as a whole. Responding to change or change itself is totally dependent up on our paradigm. Our Paradigm is cultivated from our parent in child hood, education, books, films, and the society in which we live with.

An old long traditional industrial working trend has existed in textile and garment manufacturing firms for more than fifty years. Through time, individuals and the firms as a whole have adapted a traditional working culture. Most of the workers in these firms are not aware of the profitability and competitiveness of their firms. They are not ready to make a change. Similarly, the firms accept this trend and they do not have vision to change their firms. Most of the firms are not ready to practice the modern quality management philosophies such as total quality management.

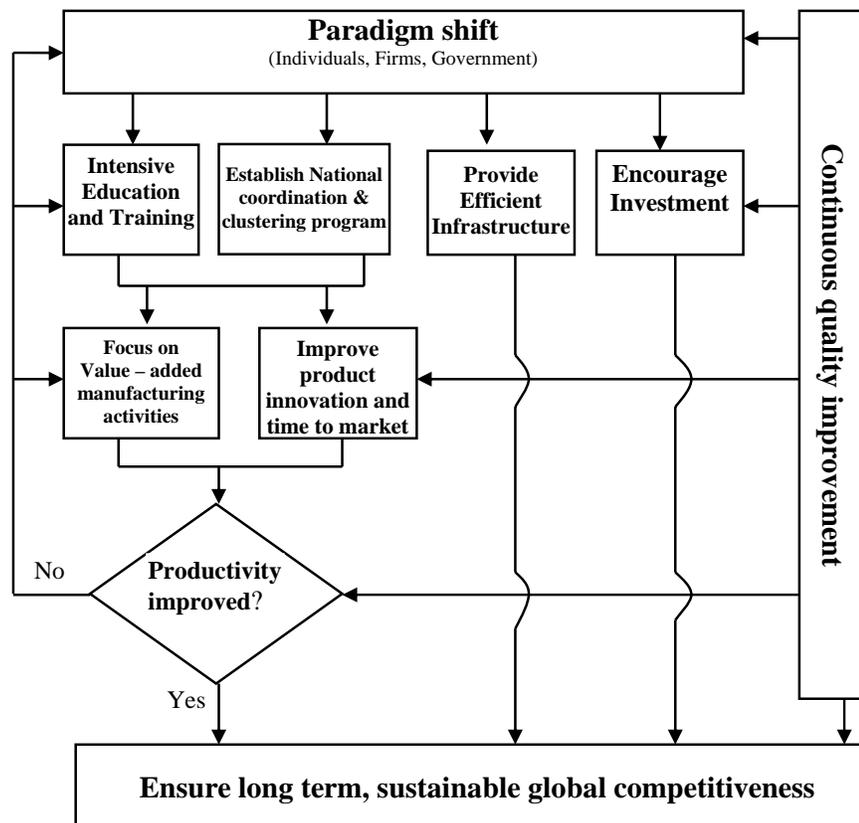


Figure 2 Proposed model for global competitiveness of Ethiopian textile and garment Firms

Paradigm shift is a continuous task that needs consistent updating to catch up the unprecedented global competition. Therefore, the Ethiopian government should work hard to bring a paradigm shift

in all levels of textile and garment manufacturing firms, considering it as one of the development strategy tool.

D2- Intensive education and training

The education level of the labor force is in general low, which make it difficult to execute the firms' product quality, productivity, and management at different levels and so on. Almost in all textile and garment firms only 3 % of the total employees have a diploma and above.

Ethiopian government is expanding educational institutions such as TVET (Technical and Vocational Education Training) colleges to fulfill the demand of technical skills by industries including textile and garment manufacturing firms. This program is encouraging. But the implementation process is not yet effective. Moreover, intensive training of the existing staff (top management, middle management, and shop floor workers) in the sector is also very essential. Therefore, Ethiopia shall focus on three issues: First, the capacity of education and training has to be increased in order to meet current as well as future needs for qualified employees. Second, the quality of the current education and training has to be improved significantly to match the requirements of a competitive firm. Third, new fields like product design and development (which is not yet introduced to textile and garment firms), marketing, and others have to be established in order to cope up with the trends of the international market.

D3- National coordination and clustering in textile and garment firms

Ethiopian textile and garment sector has not formed a complete industry system at national level. There is no comprehensive coordinating and supporting management organizations for textile and garment industry. Because of this shortcoming, textile and garment industry did not become a powerful unity and each firm fight for itself, so the self development ability is very weak. Even the concept of competition and self-optimization is not yet understood by those firms.

On the other hand, the concept of industrial cluster is not yet clearly seen by the textile and garment firms. The formation of industrial cluster is the internal rule for the development of industry structure under the circumstances market open up and it promotes the competition and cooperation of different dimensions. The preliminary form of industry cluster is important to those which produce similar products.

D4- Provide efficient infrastructure

In order to build a successful competitive economy there is a need to develop a workforce with capabilities in business, technology, innovation, production and services, and international market development. Moreover, infrastructures such as road, electrical power supply, telecommunication, networking, and others should be sufficiently available.

The infrastructure in Ethiopia is not yet well developed. Currently, there is an effort by the government to develop and expand the infrastructures such as road, telecommunication, electrical power, and networking. Despite the government effort to improve the country's road network, Ethiopia's road transport infrastructure is relatively weak. For instance, the percentage of the paved roads for the year 1996 is 15 percent and it is by far below from other African countries EEA [20].

Therefore, the government has to invest in infrastructure, areas in which the private sector is likely to under-invest. Moreover, free and export-oriented economy, low tax system, sufficient finance and banking support, transportation infrastructure, global trading information network, and information technology & telecommunication infrastructures are all essential to enhance global competitiveness of the sector.

D5- Encourage investment in textile and garment industry

The industrial development strategy should accept and put into practice the idea that the private investor should be the engine of national industrial development. The strengths of the foreign investor include possession of high capital accumulation, worldwide marketing networks, advanced technology and modern management. All of these possessions are what we absolutely lack and can be exploited to enhance our industrial development. Moreover, the current global trends show that the labor-intensive manufacturing firms such as textile and garment are shifting or relocating to the developing countries to use the advantage of cheap labor workforce. Hence, the investment opportunity on developing countries is increasing from time to time.

Having cheap unskilled labor resources, Ethiopia can have a competitive advantage. But the government has to work hard to change this cheap unskilled labor force through education and training and create an enabling environment for investment to attract large foreign capital investors. Providing skilled manpower is one of the fundamental factors to create a conducive environment for investment. On the other hand, a domestic capitalist has a high capital shortage, at least in the short-run. He/She has also difficulties in entering the foreign market since he/she lacks worldwide marketing networks and problems in competing of increasing productivity since his management capability is limited. Hence, encouragement of local investor is necessary since it is the base for the development of future textile and garment firms.

D6- Focus on value-add manufacturing support activities

Modern competition is dynamic. New technology, products, markets, and management concepts are constantly emerging to change an industrial competitive advantage. Hence, it is necessary to identify and focus on the value-added activities. Therefore, Ethiopian textile and garment manufacturers shall focus their manufacturing efforts on the value-added activities such as research and development, product design and development, international marketing. For instance, networking the firms market

to the international market is necessary. Research and development plays a role to innovate new products.

D7- Develop competencies in product innovation & time to market

The typical problems facing with Ethiopian textile and garment industry are limited variety of fabric and garment products, poor product design and development, long production lead time and others. On the other hand, the need of customer is continually growing that requires new textile and garment products. Therefore, to cope up with the new demand of their customers, the firms should produce a variety of textile & garment products that satisfy their customers. Moreover, the design and manufacturing groups of textile and garment firms should interact and work together to produce new products and to shorten the production lead times.

D8- Concentrate on productivity improvement

Productivity is a measure of how effectively resources are used to produce various goods or services. Productivity is increased by producing more with the same amount of resources or by producing same amount with fewer resources, Shahram [26]. In short, productivity is the reduction or elimination of wastes. And waste is anything other than minimum amount of equipment, materials, parts, and working time that are absolutely essential to production.

Ethiopian textile and garment industry has been exercising a traditional old production system for more than half of a century. These firms are not able to use their resources effectively. For instance looking labor productivity in garment sub-sector, one operator produces 5 polo-shirts per shift but the international benchmark is 20 to 24 polo-shirts per operator per shift. The major causes for low productivity on those firms are: low skill of the operators, old machineries and equipment, poor quality of raw materials, poor facilities and infrastructure, more idle time, poor handling of materials, and others, Du Yuzhou[18].

To tackle the problems and improve the productivity of those firms, a coordinated and well organized system among the actors (at macro, meso, and micro level) mentioned above in the value chain should be in place. Some of the major problems such as lack of skilled manpower and infrastructure has to be tackled by the government and private sectors. And the other problems could be approached by using some modern management philosophies (such as just-in-time manufacturing, business process re-engineering, lean production) and scientific methods like production planning and control etc. Productivity improvement centers at national, regional, and organizational levels shall take an initiation to coordinate all the actors in the chain to make it effective.

D9- Continuous quality improvement

Quality has become one of the most important drivers of the global competition today. Intensifying global competition and increasing demand for better quality by customers have caused more and

more companies to realize that they will have to provide high quality product and/or services in order to successfully compete in the marketplace.

In Ethiopian textile and garment industry, the quality awareness is very low. Most of the firms do not even clearly identify their customers. They produce their products without considering customer needs/requirements. The production system is traditional and it is not quality and market-oriented.

Since 2005, the Ethiopian government identified the problem of the firms and established TAI (Textile and Apparel Institute) at national level under Ministry of Trade and Industry to address the issues. The objective of this institute is to build up the capacity of managers and workers by delivering training in managerial and technical aspects so that they could be competent in the international market. This is a good start and it shall be effective in a short time.

High effort is required to bring this industry to the era of quality. To meet the challenges of global competition in textile and garment industry, it is necessary to exercise and implement the methodologies of continuous improvement and /or radical improvement. There are many methodologies of continuous improvement. The two that can be adapted to the Ethiopian condition are briefly discussed below.

i- Total quality management (TQM): To meet the challenge of this global competition, textile and garment industry shall invest substantial resources in adapting and implementing total quality management (TQM) strategies. TQM is a holistic management philosophy aiming at continuous improvement in all functions of an organization to produce and deliver commodities or services in line with customers' needs or requirements by better, cheaper, faster, safer, easier processing than competitors with the participation of all employees under the leadership of top management. The frequent decline of textile and garment industry in customer satisfaction due to poor quality could be solved using this tool.

ii- Just-in-time (JIT): is another Japanese method to improve quality continuously. It is a manufacturing philosophy which leads to producing the required items, at the required quality and in the right quantities at the precise time as they are required. It is an approach to achieve excellence in elimination of waste. JIT is used in garment industry in reducing production lead time since garment products have a short product life cycle.

D10- Ensure long-term, sustainable global competitiveness

Based on the existing local and international situations of competitions, continual upgrading of the internal capabilities of textile and garment manufacturing functions is essential. It is necessary to devise methods which enable the firms to compete. Focusing on customer requirements, the market share of the firms should increase continuously. Forms of competition may be on the ability to meet delivery due dates, low cost, product quality, after sales service, diversity of product features and

others. Choosing the best of those systems and satisfying the customer could ensure sustainable global competitiveness.

Generally, if the government and the concerned community are committed to work hard by focusing on the above dimensions of global competitiveness for the firms, ultimately there will be a change and possible to come to the positions of the best competitors in the world. The proposed three-step development strategy of the cotton-textile-garment sub-sectors shown on table 4 describes the coordinated development plan in short (up to 2 years), medium (up to 5 years) and long (up to 10 years).

Table 4 Coordinated development of cotton-textile-garment sub-sectors

Sub-sectors	Cotton sub-sector	Textile sub-sector	Garment sub-sector
Time span			
Short term	<ul style="list-style-type: none"> • Raise production capacity of farms • Improve irrigation facilities • Improve cotton grade • Improve yield per unit area. 	<ul style="list-style-type: none"> • Ensure competitiveness of the existing firms. • Deliver orientation and training • Improve productivity & quality • Encourage Investors 	<ul style="list-style-type: none"> • Raise firms' competitiveness • Promote processing of trade • Attract more investment • Improve quality and Productivity
Mid Term	<ul style="list-style-type: none"> • Enlarge planting area. • Improve technical level of planting area • Improve human resources • Ensure continuous improvement 	<ul style="list-style-type: none"> • Further enhance production capacity (productivity) • Improve technical level all round • Ensure continuous improvement 	<ul style="list-style-type: none"> • Enhance capacity • Improve human resources • Ensure continuous improvement
Long term	<ul style="list-style-type: none"> • Speed up construction of irrigation area • Establish information network of cotton market. • Ensure continuous improvement 	<ul style="list-style-type: none"> • Promote formation of industry cluster • Develop support firm • Better infrastructure • Ensure continuous improvement 	<ul style="list-style-type: none"> • Perfect industry policy • Improve investment • Ensure continuous improvement

4. CONCLUSION

Globalization is non reversible phenomena of the 21st century. Nations have to endorse as early as possible; the sooner the better. In this era of globalization, markets and competitors are all becoming global. And there are several sources of competitiveness, such as productivity, quality, delivery time, customization, etc. What differentiates winners from losers is that winners are better able to consistently provide products and services that are competitive with regard to quality (better), price (cheaper), time (faster), and agility.

The current global situations of textile and garment industry shows migrating of those manufacturing plants from developed countries (such as Europe, Japan, USA) to developing countries (including Asian, Latin America and African) because of tremendous differences in production costs especially

the labor cost. Hence, Ethiopia may have a chance to use this opportunity if the existing textile and garment firms are improved.

To satisfy the growing global market, the traditional products and related manufacturing strategies are clearly not enough. The firms therefore need to pay more attention to their internal capability building and new patterns of manufacturing system. Hence, to seize the global market opportunities in this 21st century, Ethiopian textile and garment manufacturing firms should work hard to implement the stated dimensions of global competitiveness with strong support of the government.

The sector has many advantages. It saves capital, it employs large labor force, and it uses agricultural outputs as inputs and creates the opportunity to be internationally competitive. The potential of labor resources and potential to expand planting area of cotton will use to compete in low-cost production era. Overcoming the existing major problems, Ethiopia has to have a radical and dramatic change in every standard or measurement of national competitiveness for the sector. This could be achieved by throwing away our old long trend paradigm at all levels through hard work and commitment for change. The authors believe that change or paradigm shift will not come overnight. It will take some time. The span of time to bring the required change may be long or short depending on our commitment to work hard intensively. Therefore, the Ethiopian government should work hard to bring a paradigm shift at all levels of textile and garment manufacturing firms, considering it as one of the development strategy tool.

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