

US/AFRICA AGOA FORUM 24 – 27 AUGUST 2015, LIBREVILLE, GABON

CIVIL SOCIETY ORGANIZATION 25TH AUGUST 2015

NOTES OF THE INVITED GUEST:

**NAME: Mr. Sekhulumi Ntsoaole Ntsoaole
FORMER MINISTER OF TRADE OF THE KINGDOM OF LESOTHO and HEAD OF
AU DELEGATION FOR REAUTHORIZATION OF AGOA – JANUARY 2015**

I would like to first of all thank the Civil Society Organization for inviting me to be a member of their panel during this great Forum on the African Continent.

Secondly I want express my gratitude to the AU Trade Ministers who entrusted me (when I was Minister of Trade in Lesotho) with the responsibility of leading a delegation of ministers to lobby the US authorities for reauthorization of AGOA.

Last but not least, I wish to thank the Government of the United States of America, particularly President Barak Obama for extending AGOA for a period of 10 years.

I believe and hope that within this 10 years period, Africa will take advantage of this extension to accelerate economic growth through manufacturing and value chains to an extent that when the preference expires, Africa will be in a position that will make her an equal trade partner with the United States and other parts of the world.

What does the extension of AGOA mean to Africa?

1. The extension provides prospective investors with certainty and predictability and hence creation of additional value chains and enhanced activity and increased national income
2. This development will have a catalytic effect for additional investments in the form of knit fabric mill that requires huge investment and longer pay back period to become a financially viable investment.
3. The extension provides more opportunities for local clothing and textile factories to be established and get linked to local exporting companies
4. When this happens the local manufacturers will overtime build skills and secure independent orders from the region (SADC and SACU). Regional markets are not dependent on AGOA and therefore more sustainable
5. The extension further provides opportunities for Lesotho handicrafts industry to be fully developed in order to meet export production standards. It should be recalled that much as tapestries and handicrafts qualify for duty free entry into the US Markets, production standards and economies of scale has so far been an inhibitor.

6. Finally Lesotho has developed an AGOA response strategy in order to ensure that it takes full advantage of this extension in sectors and industries in which Lesotho has identified a comparative advantage ¹

BASOTHO OWNED ENTERPRISES

| NAME OF COMPANY | PRODUCTS | EMPLOYMENT |
|--|--------------------------------|------------|
| 1. Tlotliso Holdings (Pty) Ltd (subcontracted – US market) | Knit wear – sweaters, pants | 251 |
| 2. Industrial Garments Manufacturers (IGM) – (Subcontracted – US and local market) | Conti-suits – overalls (woven) | 162 |

SKILLS TRAINING CENTRES

- In order to accelerate indigenization of textile and garment industry Lesotho, with the initial help of the World Bank under the Private Sector Competitiveness Project started in 2010
- The initiative is now supported by the Lesotho Government with the 2015/2016 budget of \$107,692 (M1.4 Million)
- Since 2010 the centres have produced 1,200 graduates
- Skills offered
 - Basic sewing
 - Machine mechanics
 - Computing skills (Clerical)
 - Welding

Handicrafts Quality Program:

- This initiative is also supported by the World Bank through Private Sector Competitiveness Project
- These are known as Creative Industries Empowerment Program
- They provide technical assistance on product development and market identification
- 40 handicrafts producers trained to date

The program also:

- Serves to secure niche markets
- Maintains Micro scale production
- Currently exporting samples
- Handicraft cooperatives are encouraged as main point of reference
- Future plan is to build competitive handicrafts industry

¹ S'khulumi Ntsoaole / US/AFRICA AGOA FORUM 24 – 27 AUGUST 2015

Challenges

- Limited financial resources to support graduates willing to start business and Introduction of new programs
- Training provided so far is still inadequate to provide all required skills

Recommended Support:

- Financial support for graduates
- Technical support should be enhanced and be more comprehensive