Promoting Local Cotton, Textile and Apparel Manufacturing in the Context of the Second-Hand Clothing Economy

June 2025 Special Report
East African Chamber of Commerce, Industry & Agriculture (EACCIA)
With the Support of:
Kenya Institute for Public Policy Research & Analysis (KIPPRA)

The development of the cotton-textile-apparel sub-sector is important for developing countries such as Kenya as an early phase of industrialization and learning for transitioning to more sophisticated medium and high technology adoption (Robertson, 2012; UNIDO, 2013; Lopez-Acevedo and Robertson, 2016).

The cotton-textile-apparel value chain offers employment opportunities with varied skill levels and absorbs a relatively large share of female employees. It provides immense opportunities for inclusive development (Malicha and Njoroge, 2020; Robertson, 2012).

Countries such as Vietnam and Ethiopia have recorded notable progress in leveraging on the cotton-textile-apparel sub-sector to advance the industrialization agenda. Policy attention in the sector is therefore critical as the sector is one of the most labour-intensive sectors in the manufacturing industry.

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The Medium-Term Plan (MTP) IV (MTP implementing the Kenya Vision 2030 emphasizes on improving the manufacturing of cotton textiles and apparels in the country by the year 2030.

Specifically, to enhance local production of cotton, there is need to mobilize cotton growers into cooperatives, and distribute certified cotton seeds to farmers through existing and established cooperatives.

There is also need to provide farmers with subsidized fertilizer and prioritize financial inclusion funds for the textile and apparels value chain (Government of Kenya, 2024). Further, the Bottom-Up Transformation Agenda (BETA) 2022- 2027 focuses on the textile and apparels value addition by establishing value addition centres (Government of Kenya, 2024).

The Government of Kenya has committed to reviving and providing extension services to cotton farmers to ensure there is an increase in the acreage under cotton, so that cotton lint could be sourced locally.

The activities outlined by the Government could, when implemented, see the linking of tailors with large entrepreneurs, schools, colleges, and uniformed forces while identifying unfair import trade practices threatening the textile and apparels industry (Government of Kenya, 2024).

Therefore, the Government's agenda demonstrates that the sector has the potential to create decent jobs for the expanding population of youth in the country and support the transition to a middle-income status by the year 2030.

The sector could create many employment opportunities in the cotton-textile apparel value chain. The Kenya Association of Manufacturers (KAM) notes that the textile and apparels value chain is also an important driver of inclusivity as it employs most workers who are women.

The textile and apparels sectors are currently dominated by locally manufactured textiles and imported used textiles. Kenya is a net importer of second-hand clothing due to the liberalization of its economy and constraints within the domestic textile industry, which reduce the capacity of local textiles to meet the demand.

The second-hand clothing sector plays a significant role in the economy by creating jobs, generating income and revenue for the government through taxes, and by providing affordable clothing (MCAK, 2024).

The supply and demand for newly manufactured textiles differ from those of used clothing. There is a significant price difference between the two products, with used clothes typically being cheaper.

Since the second-hand clothing industry and the locally manufactured textile industry operate as separate markets, the players in these markets do not compete with one another.

Both local manufacturing and second-hand clothing sectors support the Government's agenda on job creation. While textile manufacturers have a clear value chain that allows the Government to estimate potential job creation, there is a need to analyse the second-hand clothing value chain and determine how many jobs it creates to further support this agenda.

A study by the Institute of Economic Affairs (2019) noted that over 2 million Kenyans are directly employed in the second-hand clothing sector. As the Government implements initiatives to promote the manufacturing of textiles and apparels, fostering a co-existing relationship between manufacturers and the second-hand clothing market is crucial for job creation, especially for the growing youth population.

Very few countries rely exclusively on their own apparel manufacturing sectors. Globalization has facilitated the efficient allocation of production resources, with transnational specialization and economies of scale enhancing competitiveness.

A report by USAID on the second-hand clothing market in the East African Community (2017) indicates that while protecting emerging industries can promote diversification within the apparel sector, the manufacturing capabilities of EAC member countries, including Kenya, do not currently support a fully integrated and globally competitive apparel industry in the short or medium term.

Consequently, promoting local cotton, textile, and apparel manufacturing in the country is key in the context of the second-hand clothing economy.