State of Kenya's Fashion Industry | sleeping giant

State of Kenya's
Fashion
Industry | sleeping giant

CONTENTS

Acronyms

MSME Micro small medium enterprises
NGO Non-Governmental Organization
NITA National Industrial Training Institute
SEZ Special economic zone
TVET Technical and Vocational Education and Training

Acknowledgement

Deepest gratitude to Viffa team that worked tirelessly to bring the report to fruition. A big thank you to all entrepreneurs who participated in the survey as well as key experts who shared their expertise.

Study Methodology

Study tool

Online & Telephone survey
Expert Interviews

Sample Design

Purposive {Counties; Nairobi, Machakos, Kiambu, Kisumu, Mombasa, Nakuru} Random {Within counties}

Sample Size

101

Introduction

The Kenya Vision 2030 identified the textile and clothing sector as the driver of Kenyan industrialization. The sector comprises 22 large foreign owned companies operating in the Export Processing Zones (EPZs), 170 medium and large companies, 8 ginneries, 8 spinners, 15 weaving and knitting companies, 9 accessories manufacturers and over 75,000 micro and small companies, including fashion designers and tailoring units.

It spans the Fibre to Fashion (F2F) value-chain (cotton cultivation, ginning, spinning, weaving, knitting, dyeing and finishing, garment and accessories manufacturing)

The fashion industry in Kenya provides direct value to consumers through garments, costumes, uniforms as well as value to other industries , especially sportswear, safety wear and smart wear where clothing can be functional and even lifesaving.

Viewing fashion through this expanded lens allows us to see its potential role in advancing individuals, businesses and Kenya's economy and culture as a whole.

Viffa in partnership with Akinyi Odongo KENYA TM and Metta conducted an exploratory study to establish the current state of micro small players in the fashion sub sector. Specific objectives of the study are;

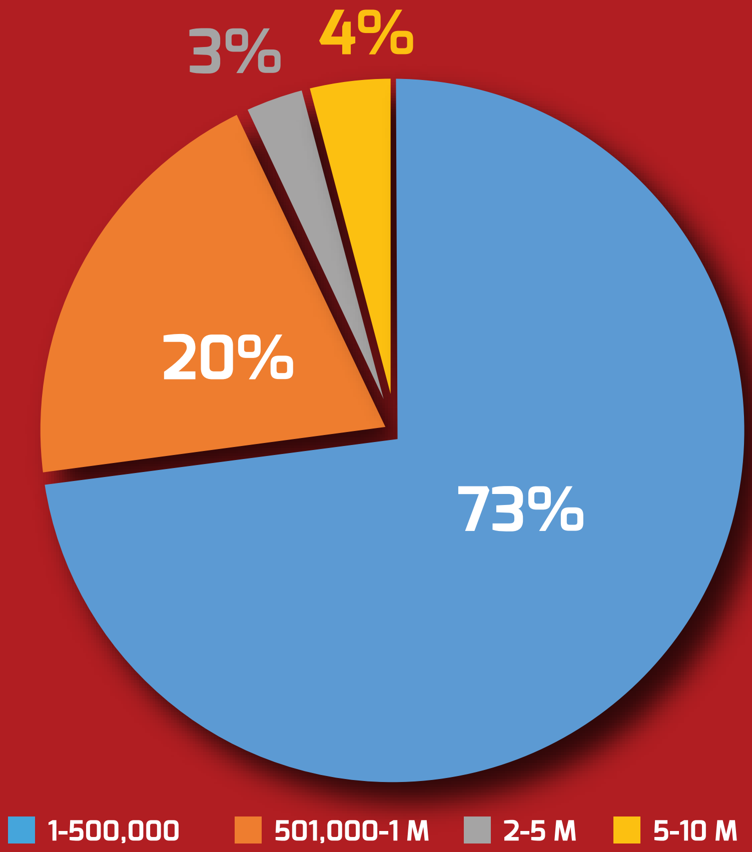
1-Establish current demography of MSMEs in fashion
2-Establish operational practices of MSMEs in fashion
3-Establish challenges faced by MSMEs in fashion

Results

Sub sector distribution

- Tailor
- Designer
- Pattern Maker
- Fashion Illustrator
- Jewelry Designer
- Stylist
- Blogger/Content creator
- Photographer
- Consultant
- Leather Products
- Fashion Writer
- Fashion News
- Artist and culture strategist

Annual Turnover Distribution

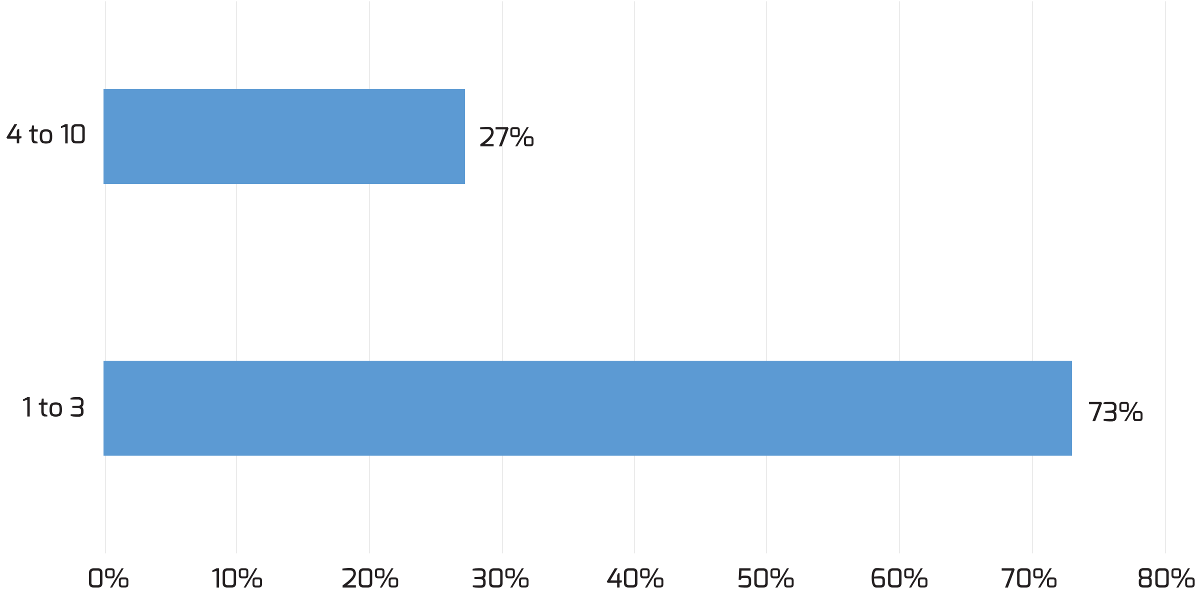


Insight

73 percent of respondents indicated an annual turnover of less than Ksh 500,000, 20 percent between 500,000 to 1 M Ksh, 3 percent 2-5 M Ksh and 4 percent 5-10 M Ksh.

Stakeholders in the fashion sub sector must consider interventions that will enable entrepreneurs in the sector scale from micro to medium size

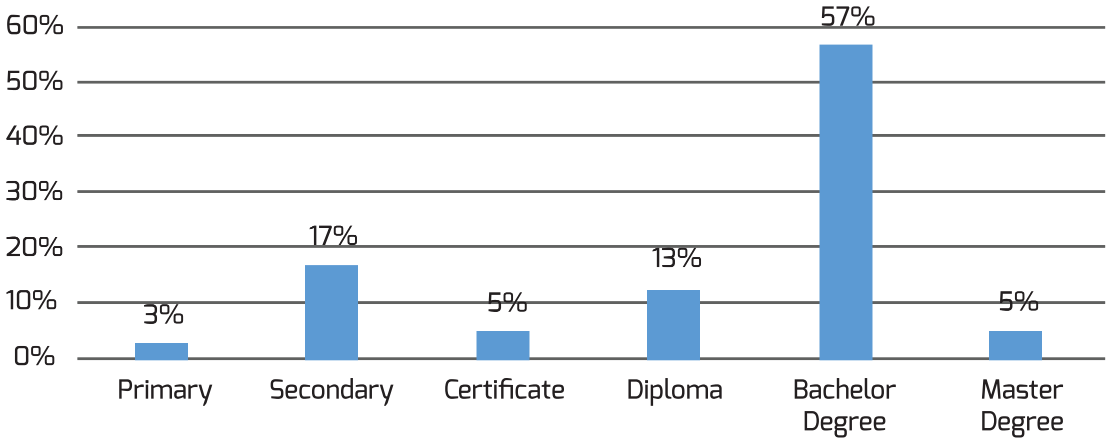
Number of employees (Either fulltime or part-time)



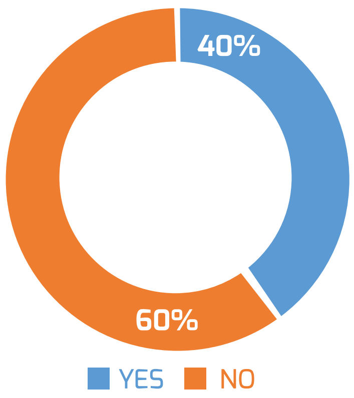
Insight

With an estimated 75,000 micro small enterprises in the sector; its likely that the sub sector employs between 225,000 and 750,000 people directly

Highest Education of Owner



Relationship Between Education and Fashion



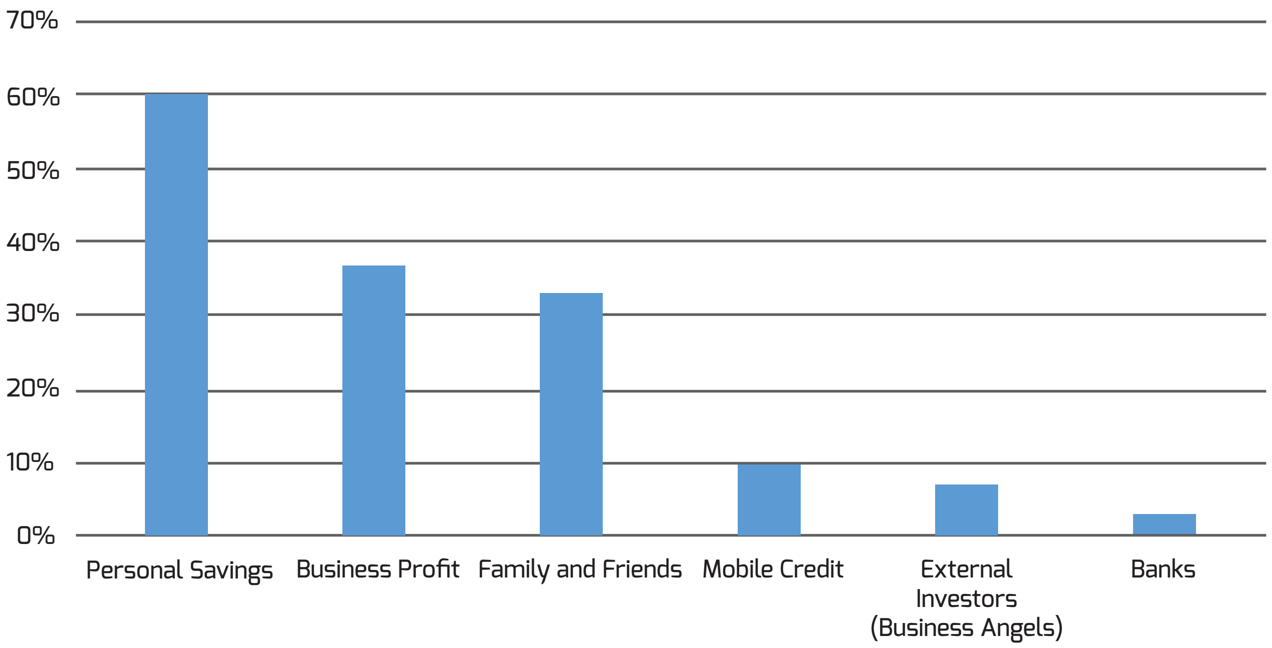
Mode of learning trade (Skill acquisition)

- Self Taught (Books, Internet)
- Formal Education
- Apprenticeship
- Government Agency (NITA)

Insight

Government through the TVET sub sector must include entrepreneurs in fashion for its recognition of prior learning initiate to help unlock the sub sector in accessing government work as well as export market

Major Source of Financing



Insight

Although savings, profit, family and friends are affordable sources of financing, they don't allow the entrepreneurs to invest in assets in form of equipment, technology and market intelligence that will enable unlocking of value that is within the capability of banks and investors

Awareness creation needs to be done on the potential of access to finance through the movable properties securities act as well as capacity building on business management and intellectual property

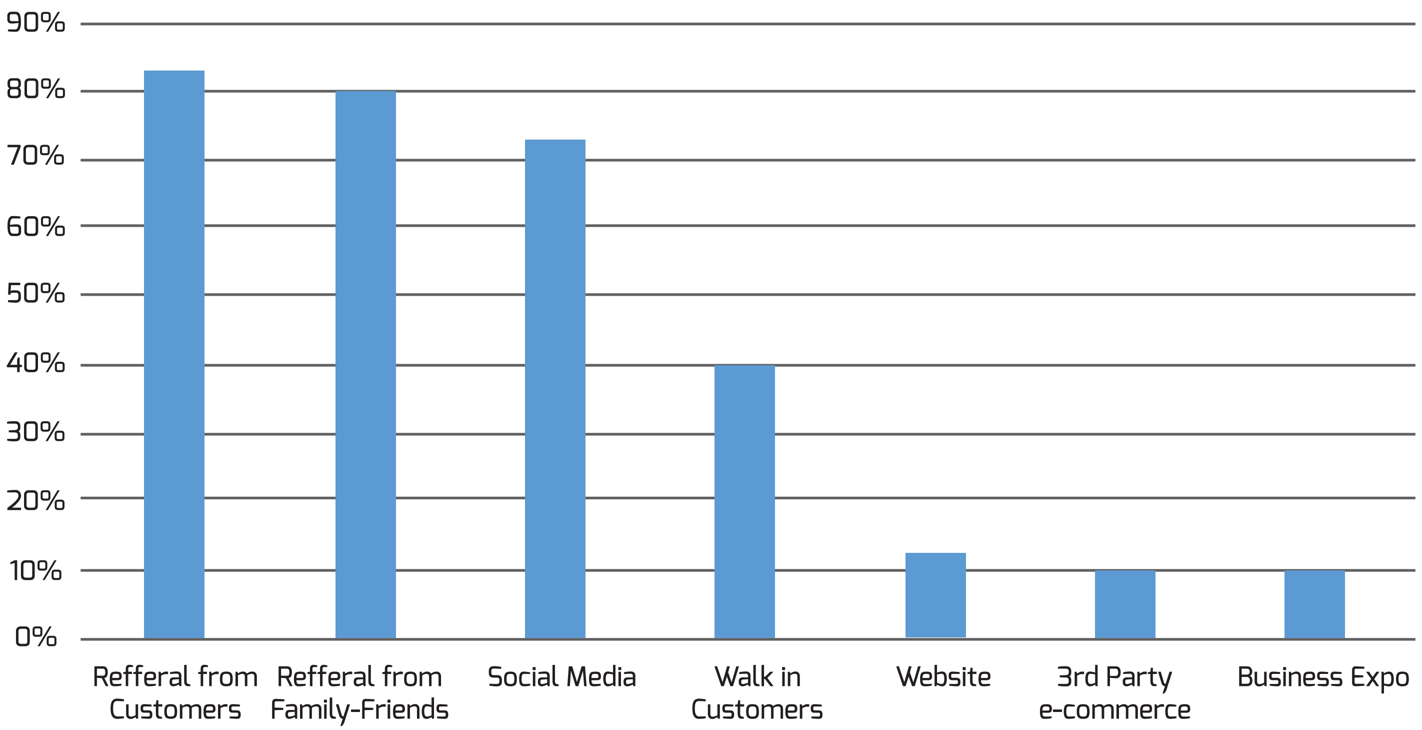
Main Market

- Local Residents
- Expatriates
- Local small businesses & Companies
- Export Market
- Government
- NGOs

Insight

Sector players In the fashion sub sector must plug into government strategy on special economic zones to ensure that SEZs are built to support the local textile ecosystem by exploring aggregation models as seen in coffee and tea sectors

Customer Acquisition



Insight

Stakeholders can consider establishment of a textile specific ecommerce platform that takes into consideration and manages the following risks that bear a cost element:

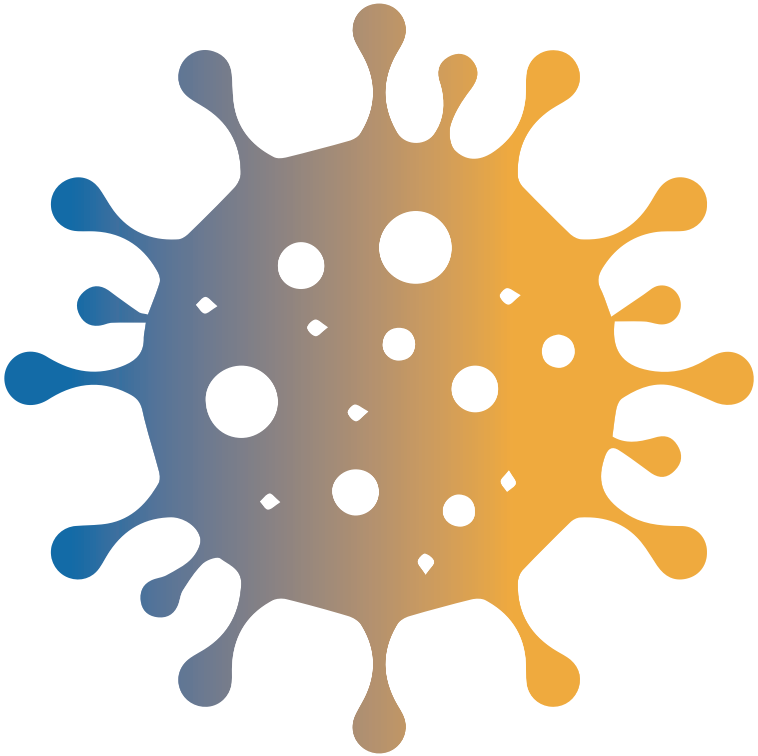
- Logistics
- Storage
- Quality control

Similarly, the platform must allow for feedback from entrepreneurs to improve on interventions either policy or non-policy

Challenges Faced

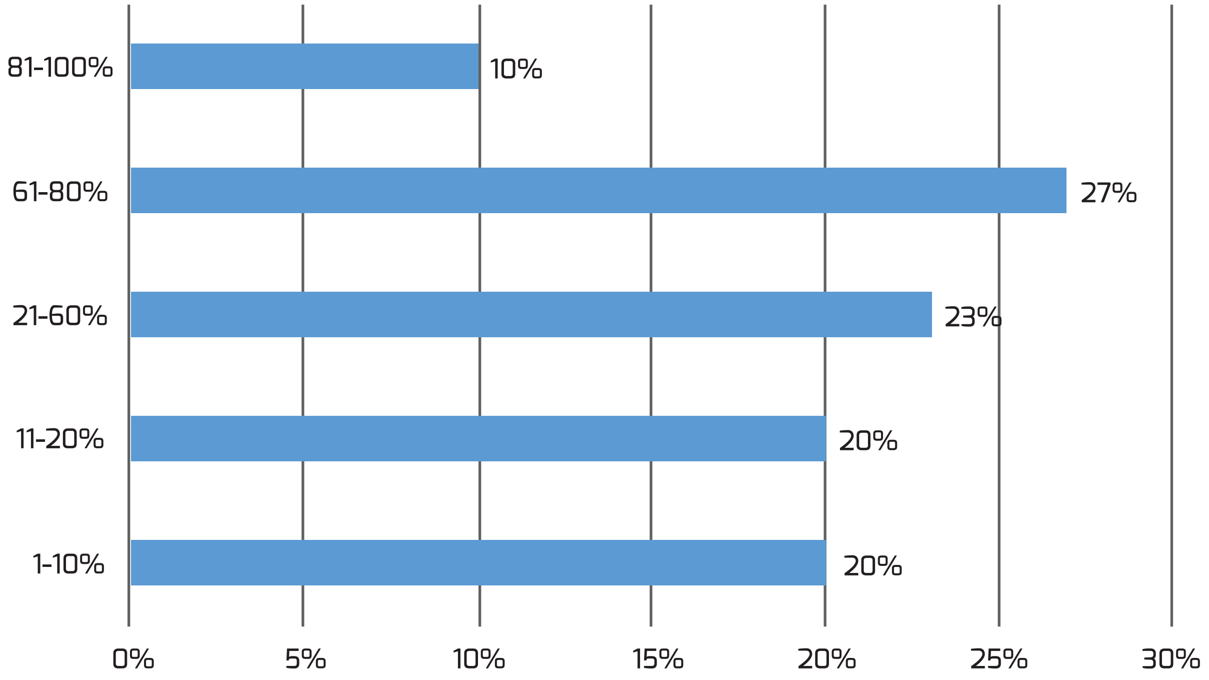
- Access to finance
- Access to market
- Raw Materials
- Regulation
- Skills

Effects of COVID 19



- Reduced Revenue
- Shifted to e-commerce
- Business Diversification
- Retrenched Employees
- Closed shop
- Sold Business Assets
- Relocated shop to new area

Degree of utilization of local Raw material



Insight

20 percent of respondents indicated that they used be between 1-10 percent of raw materials manufactured and sourced locally from companies such as RIVATEX among others. Similarly, another 20 percent indicated using between 11-20 percent local raw materials.

Support subscription

- Chama Group
- Association (KAM,KNFJKA etc)
- SACCO
- Training Insitute (METTA)
- None

2021 Aspirations

Viffa Consult

Partners:

Akinyi Odongo
KENYA™

METTĀ

thank you

Viffa Consult
One Padmore Place
George Padmore Road
P.O.Box 35320-00200
Tel No 0723982528