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APPAREL EXPORT GUIDE MARKETING TO U.S. BUYERS



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The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

Apparel Export Guide

Marketing to U.S. Buyers

The **West Africa Trade Hub** (WATH) prepared this Export Guide of best practices for West African businesses that intend to export apparel products to the United States, Europe and other western markets.

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Note: If you have any feedback or suggestions to improve the Export Guide, we would like to hear from you. We expect to update it regularly.



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I. Overview

While apparel manufacturing has not historically been a major contributor to the national economies of West Africa, garment manufacturers have recently pursued opportunities to penetrate the U.S. market under the African Growth and Opportunities Act (AGOA).



This guide provides practical information for apparel exporters of all sizes who are serious about the research, work, and investment required to succeed in today's globally competitive apparel market. It is not, however, for those who believe they can export to the United States by hand-carrying suitcases of clothing to sell casually in the U.S. Such an approach is not profitable, and it violates the terms and conditions of travel visas to the United States.

This guide presents general information about the U.S. marketplace and global competition. It outlines specific information about regulatory requirements for garments sold in the United States, product quality and testing, manufacturing efficiency, factory certification, connecting with U.S. buyers, qualifying as a supplier, financial considerations, and market advantages under AGOA. The guide also contains an extensive list of further resources and a glossary of apparel manufacturing terms.

A World Market for Manufactured Apparel: Global Competition, the Must-Haves, and the New Competitive Issues

Global Competition. Under the Multi-Fiber Agreement (MFA), apparel quotas limited the number of units of each specific type of garment a country could import from another specific country each year. U.S. market needs regularly exceeded the quotas of individual countries. As a result, U.S. manufacturing companies routinely shifted their production capacity to those countries having available quota for high-demand garments. In addition, U.S. buyers often based purchase decisions on available quota at least as much as—or even more than—on quality, price, or delivery times. Buyers simply demanded that producers within a quota-available country meet the international standards for quality, price, and delivery.

On January 1, 2005, the Multi-Fiber Agreement expired, lifting apparel quotas for nearly all products for World Trade Organization (WTO) member countries. U.S. buyers were no longer forced to travel the globe in search of available quota, but rather were able to consolidate sourcing with manufacturers that offered the best combination of product and service regardless of country. Although the United States has, with WTO permission, instated a few *Safeguard Measures* limiting the number of units of specific types of garments that can be imported from specific countries (mainly China), most apparel products no longer face import volume restrictions or quotas.

Asia, and in particular China—with large, efficient, low-cost factories and easy access to raw materials, reasonable to very good infrastructure, and good access to shipping routes—has been well-poised to take the greatest advantage of the elimination of apparel quotas. African apparel manufacturers must recognize that their competition now comes not from their neighbors, but from the Asian producers including China, Cambodia, Vietnam, Bangladesh, India, and Pakistan. (Because Vietnam is not yet a WTO member, it still faces some quota restrictions, though it is expected to gain membership soon).

Because U.S. buyers routinely insisted that foreign suppliers meet their quality and price demands, high quality and low prices are no longer competitive advantages in the global apparel marketplace, but rather are required for entry into the market. Growing consumer pressure has forced most U.S. buyers to also require suppliers to meet international standards for worker treatment and workplace conditions. Increasingly, good working conditions, like high quality and low prices, are no longer a competitive advantage but a ticket to entry, without which a manufacturer will effectively not be allowed in the marketplace door.



Although preferential trade acts or agreements, such as AGOA, are praised for offering tariff advantages for certain countries, the proliferation of such agreements over recent years has effectively diluted the advantage any single preferential trade act or agreement offers. Other notable agreements covering apparel imported into the United States include the North American Free Trade Agreement (NAFTA), the Central American Free Trade Agreement (CAFTA), Caribbean Basin Initiative (CBI), U.S. Israel Free Trade Agreement, and the Morocco Free Trade Agreement.

The Must-Haves. It is widely believed that the keys to competitiveness in the apparel market are high product quality, low price, and internationally acceptable workplace conditions. These three factors are no longer competitive points of differentiation. Instead, they are “must-haves,” now expected of all suppliers as basic requirements for every manufacturer wanting to supply the international market. A sub-Saharan African apparel manufacturer must have high quality, low price, and internationally acceptable workplace conditions in order to attract the interest or orders of the international clothing buyers.

The New Competitive Issues. The two bases on which apparel producers now compete for the global market, discussed in detail on pages 12 – 14, are:

1. speed to market, and
2. being a full package supplier.

The Size of the U.S. Apparel Market

In 2004, the United States imported over U.S. \$83 billion in apparel. Only two percent was sourced in sub-Saharan Africa. This represents a tremendous market for garment manufacturers.

Key Market Segments

The U.S. apparel market is broadly divided into two main categories: 1) mass market, and 2) specialty apparel.

The mass market, which covers a very wide range of consumers, is further divided into:

- **Branded** (those carrying nationally or internationally recognized brand names) and
- **Private label** merchandise (also known as “house brands” because they are sold in individual company’s stores).

Because of the large volume of goods sold in the mass market, supplying apparel retailers in this category generally requires very large production, short delivery times, close proximity to ports and international shipping routes, and very low prices.

Specialty markets, or niche markets, are more narrowly focused. Specialty markets include work apparel and uniforms (further segmented into military, prison, health care workers, food service workers, athletic teams, etc.), Afro-centric clothing (that which draws from traditional African fabrics or styles for its design inspiration), bridal wear, and other special purpose clothing. While some specialty clothing—such as certain types of health care workers' uniforms—requires high-tech fabrics and or ultramodern apparel finishing techniques, specialty markets provide important opportunities for African manufacturers who may not have the production capacity to meet mass market needs.

Opportunities for Sub-Saharan African Apparel Producers



The U.S. apparel market provides challenging but potentially rewarding opportunities for sub-Saharan African garment producers. U.S. commercial buyers seek global suppliers who can **reliably** and **consistently** deliver high quality goods, at competitive prices, and with short lead times. Increasingly, as they consolidate their sourcing with a smaller number of suppliers, they also seek apparel producers who are vertically integrated and/or have strong relationships with yarn and fabric manufacturers, design houses, garment washing or processing operations, and have access to good shipping services.

Direct Supplier. Most high-volume buyers will contract only with producers having a proven history of reliable supply. It is difficult for a first-time exporter to attain such high-volume contracts. However, many orders considered small by U.S. standards are still quite large by sub-Saharan Africa standards. African manufacturers' key advantages over Asian producers, as a direct supplier in the mass market, are 1) the ability to take small mass market orders unacceptable to 5,000-worker factories, 2) proximity to the East Coast of the United States, and 3) duty-free entry of goods.

Subcontractor. Opportunities exist for first-time exporters or small companies to subcontract to the primary contractor supplying high-volume buyers and/or to work together in associations or producer groups to meet the demand for larger volume.

Niche Markets. Additional opportunities exist for sub-Saharan African garment manufacturers to sell directly to commercial buyers serving niche markets or selling specialty clothing. Sub-Saharan African producers are perhaps the best placed to supply high-quality distinctive Afrocentric clothing utilizing traditional fabrics, decorative motifs, or specialty techniques such as some types of decorative embroidery.

AGOA. Apparel opportunities for sub-Saharan African producers are enhanced by the African Growth and Opportunities Act. AGOA provides duty-free entry of manufactured apparel from AGOA-eligible sub-Saharan African countries holding a textile VISA. (See www.agoa.gov for further details.)

Fashion Design/Boutique Production and Cottage Industry/Mass Manufacturing

Fashion designers, boutique (small producers, less than fifty workers, not highly automated) and cottage industry (homework) producers, and mass marketers each have a unique place in the supply chain serving the U.S. market.

Mass manufacturers can target medium to large buyers on their own. **Boutique producers** and **cottage industries** may target small niche markets, specialty boutique stores, and/or become specialty (embroidery, batik, etc.) subcontractors to larger manufacturers.

Fashion designers, even with small production facilities, will have great difficulty accessing the U.S. market directly, in part because of a generally different fashion taste and aesthetic in the U.S. than is usually found among even the best African designers. However, fashion designers wanting to target the U.S. market can approach specialty boutiques (particularly those offering Afro-centric collections) in such multi-ethnic cosmopolitan cities as Washington, Atlanta, New York, Chicago, and Los Angeles. In this case, the same or higher quality of design and construction is expected of fashion designers as is required of other manufacturers. The ability to market electronically is critical, as very small orders cannot support the high travel costs of in-person selling.

Alternatively, fashion designers with strong and up-to date computer skills and expertise in apparel CAD software may wish to develop partnerships or working relationships with mass manufacturers in order that mass manufacturers more closely approximate full package suppliers (see more details under The New Competitive Issues, page 14).



II. Must-Haves: Quality, Price, & Workplace Conditions

Quality

Quality Standards. The quality of manufactured apparel has risen so consistently across manufacturers around the world, that high quality is no longer a major competitive issue; it is a requirement, even at the low-cost end of the market. U.S. buyers now accept only very high levels of product quality, no matter how low a price they are paying. Most buyers will expect a manufacturer to follow detailed product specifications the buyer may provide. Products that do not conform to these standards are likely to be rejected upon receipt, and will be returned at the supplier's expense. General standards of quality include:

- **Fabric grain.** Garment pieces must be cut straight on the grain unless the design features a bias cut. Off-grain components are unacceptable.
- **Fabric quality.** Fabrics must be free of stop marks, slubs (unless an integral part of the fabric design), color variation, holes, tears, thin spots, missing threads, grease spots, and stains. Fabric must not be dimensionally skewed (off-square). Width must not vary over the fabric length.
- **Matching stripes, plaids.** Stripes and plaids should match at seams, patch pockets, and shirt plackets unless design features otherwise.
- **Directional prints/patterns.** Fabric prints or structure (weave, knit) with a one-way (directional) characteristic should be cut so all garment pieces are oriented in the proper direction.
- **Linings, interlinings.** Supplemental fabrics such as linings, interlinings, and interfacings, should be compatible with the primary fabric in weight, fiber content, texture, color, and quality. These components will generally be specified by the buyer. Linings featuring brand names or brand logos must not be used without prior permission of the trademark owner. Doing so without proper authorization may subject the producer to legal trademark infringement proceedings and may result in seizure of the producer's goods upon arrival in the U.S.
- **Seam finishes.** Commercial buyers generally require overlocked/serged seams; unfinished seams are unacceptable (they will ravel).
- **Stitch type, stitch length** (stitches per inch/cm). Both the type and length of stitch will generally be specified by the buyer, and may vary according to the part of the garment in question.
- **Embroidery.** Paper must not be used to back embroidery fabrics. Its stiffness is unacceptable and residual paper may stain fabric during laundry or dry cleaning.
- **Buttonholes, zipper installments, button attachments, belt loops.** The quality of the workmanship of buttonholes, zipper installments, button or belt loop attachments are easily overlooked by garment manufacturers, but are just as important to buyers as the main construction. Careless workmanship here will be rejected. (It should be noted that stitched buttonholes not made by an automated buttonhole machine generally do *not* meet U.S. quality standards, and cost a producer heavily in terms of quality, efficiency, and cost.)
- **Findings** (zippers, buttons, snaps, buckles, hook and pile closures, etc.). Must match international quality standards and usually must follow buyers' specifications. No substitutions may be made without buyer approval in advance.



Quality Testing. U.S. companies may test and/or require the supplier to test and provide documentation of fabric and/or garment quality. Those companies that expect suppliers to test may

require in-house (in-factory) testing laboratories. If there are a number of companies within close proximity they can consolidate resources to buy the necessary equipment and share the testing facility. Increasingly, however, U.S. companies require a supplier to use outside testing companies.

Two international testing companies that are frequently used by both U.S. and European buyers are SGS and Intertek Labtest, Inc. One or both have testing labs in Morocco, Egypt, and South Africa where manufacturers can send fabrics and garments for testing.

Outside testing, however, is not a substitute for in-house quality assurance and inspection. Regardless of customer requirements, apparel manufacturers should conduct regular fabric and garment quality inspections and should keep track of defects by fabric/garment lot and defect type. Only in this way can apparel manufacturers reduce costly off-quality.

Outside testing is generally much more expensive than testing in-house, but it may be necessary to meet buyer requirements, further substantiate in-house test results for characteristics such as flammability, and is especially justified in cases where specialized testing equipment or chemicals are cost prohibitive or not readily available to the garment manufacturer.

Examples of fabric or garment characteristics a U.S. company might test (or require the supplier to test) include:

- **Fabric quality** (breaking and/or tear strength; abrasion resistance; pilling; crocking; color fastness to light, washing, dry cleaning, chlorine, and/or perspiration; shrinkage; color relative to buyer specification; shade variation within and across rolls; and flammability).
- **Findings (buttons, zippers, fasteners) quality** (performance under repeated use; color fastness to light, washing, dry cleaning, chlorine; resistance to breaking force).
- **Quality of construction** (seam strength; needle cutting).

Standardized Test Methods. Two bodies that have developed standardized test methods widely accepted by the U.S. apparel buyers are the American Association of Textile Chemists and Colorists (AATCC) and the ASTM, originally known as the American Society for Testing and Materials. Even when individual retailers have their own test methods, such test methods are usually based, at least in part, on AATCC or ASTM methods. AATCC test methods and information on purchasing testing equipment and supplies may be obtained through the AATCC website (www.aatcc.org). ASTM test methods and related training may be accessed at their website (www.astm.org). The JC Penney website also has useful overviews of selected quality testing procedures, including photographs of some tests in process (www.jcpenney.com, search: *quality assurance*).

Independent Testing Services. Two internationally recognized independent testing and third-party certification companies used by many U.S. buyers are Intertek Labtest (www.intertek-labtest.com) and SGS (www.SGS.com). Both have facilities in Africa. Manufacturers can send fabric, accessories, and/or garment samples to these laboratories for testing. Request details in advance on costs, required sample sizes, and delivery time for results for each specific type of test.

Color. Color is an integral part of the design of apparel. It is also one of the major sources of quality problems. Misinterpretation or miscommunication of color can easily become a major cause for dispute between manufacturers and buyers. As a result it is important that manufacturers and buyers take careful steps to avoid color-related problems.

Buyers of mass-market apparel will sometimes provide fabrics and findings to the apparel manufacturers (known as “Cut Make Trim” or CMT). In this case, the buyer accepts responsibility for fabric quality including color. However the manufacturer should notify the buyer immediately of

any fabric quality problems encountered during production. Alternatively the buyer may specify both the fabric and supplier the garment manufacturer must use for that particular buyer's order(s).

If the manufacturer is responsible for procuring the fabrics and/or findings (threads, zippers, buttons) it should consider the following steps to minimize color-related quality problems:

- Working closely with the buyer in advance to establish clear color specification and tolerance ranges (limits on the acceptable difference in shade from the specified color) and make those specifications and ranges readily available to all employees who make color-related decisions).
- Testing the color visual acuity (ability to distinguish small differences in color) of all employees who make color-related decisions.
- Having a work-station designed for color evaluation, equipped with a properly maintained three- or five-light box for accurate viewing under various types of light (daylight, fluorescent, incandescent, etc.)



Further information, training, and equipment is available from organizations listed under "Color" in Annex I, Resources/Further Information.

In some cases, it may be appropriate for manufacturers and buyers to identify specified colors using a standard color identification system such as Pantone® (www.pantone.com). Such systems eliminate confusion over linguistic or cultural differences in names individuals may assign to a color.

Improving Product Quality. Improving product quality is generally not difficult, but requires deliberate and ongoing attention, and it requires the commitment of every individual within the manufacturing company, from the person who cleans the floors to the most senior manager.

For export-quality apparel, it is important to source fabrics and findings from reliable suppliers, not from a small trader selling unmarked goods in the local market. Fabric lot numbers should be checked on all incoming fabric. Absence of lot numbers may indicate that fabric has been reworked (usually for quality problems such as off-shade dyeing) and/or repackaged (re-rolled). Receiving many different dye lots in the same shipment of one type and color of fabric may also indicate that the supplier has sent leftovers, ends of runs, or poorly matched rolls. Particular care should be taken in these cases to check fabric quality and shade consistency.

Specific steps that can enhance quality include:

- Communicating the importance of quality, each worker's role in achieving and maintaining high quality, and expectations of worker performance;
- Maintaining a clean and dry workplace, including storage rooms and shipping areas;
- Selecting and utilizing proper equipment for each cutting and assembly step;
- Providing the proper tools and training to each worker, and communicating management quality performance expectations;
- Planning and conducting an ongoing program of machine maintenance;
- Establishing agreed-upon quality standards with all fabric and finding suppliers before purchase, including procedures for rejecting/returning unacceptable goods;
- 100% inspection of all incoming fabrics to include, at a minimum:
 - Visual inspection by a trained inspector running every roll of fabric over a back-lit inspection frame to identify fabric defects such as holes, tears, stains, stop marks, and width variations, and to compare actual width and length to reported dimensions;

- Color shade check, compared to agreed-upon (or buyer imposed) shade tolerances under a five-light box;
- Rejection and return of all fabric not meeting agreed-upon quality standards;
- Full inspection of work in process and finished garments to include adherence to size specifications and assembly-related defects such as needle cutting;
- Recording defects by garment production lot, source (fabric, cutting, or assembly), type, and operator;
- Analysis of defect data to identify sources of quality problems;
- Corrective measures: **R**eplace (underperforming suppliers, equipment), **R**epair (ill-functioning equipment), **R**etrain (underperforming workers), and **R**eward (high performing workers).



Implementing even a few of these steps will result in improved quality, but each additional suggestion put into practice will yield significant improvements in product quality.

Price

Cost Management. Low cost is a manufacturing requirement. Cost management is therefore critical to being successful in the global marketplace for apparel manufacturing. While some countries/companies are known for maintaining or promoting low wages for garment workers, or for using forced (slave, indentured, prison) labor or child labor to gain competitive wage advantages, U.S. buyers are increasingly demanding that workers be paid a fair wage, and that underage workers not be employed at all. The U.S. Government bans import of any goods produced by forced labor. *Improving worker productivity and production efficiency are better ways to manage labor costs than pushing workers' wages down.*

Cost of Goods Sold (COGS). The first step in manufacturing costs and profitably reducing selling price is to accurately calculate the cost of manufacture or cost of goods sold for each and every product manufactured. In apparel manufacturing this involves carefully measuring the minutes required to produce a given product and breaking down the time for each discrete step in the cut and assembly process. Such times should be compared to industry standards for the same step in the same type of garment. Times exceeding industry standards should be flagged for reduction to bring overall costs in line with industry standards. Excessive times must be reduced without compromising product quality in any way.

Raw Materials Sourcing. In most manufactured apparel, fabric represents the single largest cost, followed usually by labor. Judicious reductions in raw materials costs can positively impact the cost of goods sold. However, a lower-cost fabric or trim may represent a false economy if it results in an overall reduction in manufacturing efficiency and/or product quality. The same is true for findings such as zippers, buttons, and other fasteners. Finally, a lower-cost supplier may not be the best choice if its quality or delivery is inconsistent and/or unreliable.

Even reliable suppliers occasionally make mistakes. It is advisable to: 1) negotiate quality standards in advance of purchase, 2) inspect all incoming raw materials for adherence to agreed-upon standards, and 3) submit all sub-standard inputs for replacement, price reduction, or reimbursement.

Furthermore, it is imperative to minimize raw material waste by optimizing fabric use through pattern layout, spreading only the number of fabric layers that can be cut accurately at one time, and by minimizing assembly workmanship defects.

Cost of Quality. Regardless of company size or production volume, off-quality or defective garments cost a manufacturer dearly. In the age of speed to market, they cost doubly: 1) the financial cost of wasted materials and labor that drive prices necessarily higher and/or profit margins lower, and 2) the increased production time (caused by reworks or remakes) necessary to produce and deliver ordered goods. Apparel producers that take significant and ongoing measures to reduce off-quality will likely see important improvements in manufacturing efficiency.

Efficiency in Manufacturing. As buyers increase pressure for lower prices while increasing emphasis on speed to market, efficiency gains in critical importance. Manufacturers must continually identify and evaluate opportunities to increase manufacturing efficiency, reduce downtime, and introduce new, more efficient technology.

Reducing Costs. Ways to improve efficiency and reduce costs include:

- Using an **assembly line** (many workers each preparing one particular part of a garment vs. one worker constructing an entire garment). This enables each worker to become a master of one individual step or technique, allowing the worker to be more efficient. It also eliminates worker movement back and forth between limited- or special-purpose machines. Less skilled (and presumably lower paid) workers are utilized for simpler tasks, more highly skilled (and presumably more highly paid) workers concentrate on more complex tasks.
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- Using **automated transport systems** or **unskilled materials handlers** to pass work-in-progress from one worker to the next in bundles.
 - Improving **workspace design** to minimize the movement required to perform the assigned task. Engineering **time-and-motion studies**, coupled with a careful workstation review will highlight wasted movement, which equals increased production time and excellent opportunities to improve efficiency and reduce cost.
 - Using work methods such as **Kanban** or **Just in Time** to balance manufacturing lines can enhance efficiency significantly by reducing operator downtime and/or reducing excess inventory.
 - Carefully managing **inventory** generally reduces the substantial costs associated with carrying excess inventory, reduces operator downtime due to lack of inventory, and reduces costs associated with damaged, soiled, or lost inventory, or erroneously replacing/reordering existing inventory.
 - **Automating/using technology** to reduce the amount of hand work in a given article, by increasing the use of machines and automated or semi-automated processes, often reduces the production cost and may improve the quality of construction. In very expensive garments, however, hand work can be a hallmark of high quality, provided it is done by highly skilled workers.
 - Use of technology in **spreading** and **cutting** is particularly easy and cost-effective in mass manufacturing without eliminating a large number of jobs. Another key point where technology can pay relatively quick dividends for mass manufacturers is in the design/patternmaking/marker steps through the use of CAD equipment and software. In

both cases, technology can significantly improve efficiency and substantially reduce fabric waste. Furthermore, U.S. buyers are increasingly requiring or giving much greater consideration to those mass manufacturers utilizing such technology.

- If considering **used equipment** when purchasing equipment to automate a process, it is important to balance the initial cost savings with a) the longer-term maintenance costs of the older equipment, and b) the lower relative efficiency as compared to new, more modern equipment.
- Investing in **power generators** if power losses are frequent and/or unpredictable.
- **Prioritizing opportunities** to reduce cost by their contribution to overall cost of goods sold, giving highest priority to those which make up the largest share of the COGS.

Workplace Conditions

In 1997, it was alleged that soccer balls being sold by Nike, Inc. for high prices in the U.S. had been manufactured by under-aged, poorly paid boys in Pakistan. When these allegations reached the U.S. news media, consumers were outraged. Nike stores and products were boycotted, and demonstrations were aired on the news, seriously damaging the company's reputation.

The event cost Nike substantially in lost sales and reputation. However, it drove the company to become a vanguard in the global effort to improve worker conditions in the apparel, athletic goods, and footwear industries. Nike now has one of the most highly regarded vendor codes of conduct and compliance programs of apparel companies worldwide.

The Nike experience also provided both an example and an incentive to other retailers and manufacturers for promoting good workplace conditions, and underscored the very high financial cost of failing to do so. As a result, most major U.S. clothing buyers, and many smaller buyers, now require suppliers to adhere to strict codes of conduct, and to allow both announced and unannounced visits by compliance officers. Examples of several vendor codes of conduct can be found at www.codesofconduct.org.

Third Party Certification. Some buyers prefer to use independent firms to inspect and certify manufacturing facilities as being compliant with a specific code of conduct or set of social responsibility guidelines. Two independent firms that provide such services, for a fee, are Intertek-Labtest (www.intertek-labtest.com) and SGS (www.sgs.com).



SA8000. Social Accountability International has developed a standard for workplace conditions and a system for independently verifying factory compliance. Visit www.sa-intl.org for details.

WRAP (Worldwide Responsible Apparel Production). In an effort to make sometimes contradictory vendor codes of conduct uniform across retailers, industry leaders developed the Worldwide Responsible Apparel Production, or WRAP, certification. Though not all U.S. buyers require WRAP (some have their own certification requirements and processes), a large number of buyers do require this certification. WRAP certification is based on commitment and adherence to 12 basic principles of humane workplace conditions and worker treatment. Certification involves conducting a self-assessment, registering with WRAP, Inc. and paying the registration fee, hiring a WRAP-accredited auditor to conduct a factory assessment, and correcting any noted shortfalls on a timely basis. Details on the principles, process, fees, and self-assessment handbooks are available at www.wrapapparel.org.

III. The New Competitive Issues

Speed to Market

In today's fast-paced marketplace, speed to market has become the new competitive point of differentiation between apparel producers supplying the U.S. market. Those offering the shortest order-to-delivery time will likely enjoy the greatest success.

Samples. In the speed-to-market competitive environment, buyers now routinely expect potential suppliers to turn around sample requests in as little as 48 hours.

Fabrics/Findings Sourcing. Close working relationships and/or strategic partnerships with reliable, high quality suppliers are vital for reducing wait time and achieving competitive speed to market.

Efficiency in Communication. Speed to market cannot be achieved without reliable electronic communication. Increasingly, buyers are demanding that standard electronic communication be further enhanced with specialty solutions such as product data management (PDM), product lifecycle management (PLM), communication technology, and Electronic Resource Planning (ERP) software that synchronizes data sharing across supply chain partners.

Efficiency in Manufacturing. Without efficiency in manufacturing, apparel producers cannot hope to compete in the new speed-to-market environment. Manufacturing efficiency requires efficiency in every step of the order processing, product cut and assembly, packing, and shipping. Several critical points that usually offer significant efficiency improvement opportunities include:

- Infrastructure and Equipment.** Breakdowns or sub-optimal performance in external and/or internal infrastructure, including transport, utilities, and communications, all cost dearly in the speed-to-market environment. Aged or ill-maintained equipment generally runs more slowly and inefficiently, has more breakdowns that result in operator downtime, and causes more quality defects. The temptation to purchase used equipment should be weighed carefully against these issues.
- Work Station and Work Flow Design.** Each and every movement a worker makes costs time, and increases the cost of goods sold, and hence selling price (or reduces profit margins if price remains unchanged). Minimizing wasted motion is key to increasing worker efficiency. Apparel manufacturers and operators are often surprised by the inefficiency of their individual and collective movements when performing routine tasks. Professional time-and-motion studies and workstation reviews by a trained apparel industrial engineer usually pay high dividends if resulting recommendations are followed closely.
- Training.** Training, periodic evaluation and upgrading, cross training, and/or retraining drives efficiency in manufacturing. However, trainers must have not only the requisite technical skills, but also the vital assessment and training skills. Trainers themselves should be retrained themselves periodically, to update their skills as equipment and/or techniques change.



- **Production Methods.** Production methods continue to evolve as fabrics, trims, and accessories change, styles evolve, equipment is upgraded, and new technology is introduced. It is vital that manufacturers wishing to compete globally stay familiar and relatively up-to-date with their selection and use of new equipment and technology. As other manufacturers around the world upgrade and modernize their equipment, those not following suit will be left behind as non-competitive.
- **Discipline.** Finally, manufacturing efficiency is dependent upon management and operator discipline to perform consistently as trained, with appropriate speed and attention to detail.

The Role of Quality. Because each defective component or product must be reworked and/or remade, off-quality plays a significant role in manufacturing efficiency. Reducing off-quality automatically improves manufacturing efficiency in addition to reducing overall product cost.

Relationships with Suppliers and Shippers. Building good working relationships with reliable high quality local and/or regional suppliers often results in improved deliveries and reduced down time due to wrong or late delivery.



In sub-Saharan Africa, shipping is one of the greatest costs in the apparel supply chain. While manufacturers can do little to improve the situation, they can make efforts for transport companies to be more responsive to their needs. For example, building relationships with transport companies can help improve shipping efficiency by taking advantage of back hauls instead of (or in the absence of) regularly scheduled transport, and consolidating shipments by coordinating with other manufacturers in the area.

Improving Speed to Market. Important steps manufacturers can take to improve speed to market include:

- Overcoming operator and machine downtime due to power outages through use of backup power generators and/or shifting operators to other value-producing work that does not require electricity.
- Establishing, communicating, and rewarding clear performance objectives (including on-time attendance, quality, and speed) for every worker, from order receipt through shipping.
- Establish and follow an ongoing routine maintenance schedule for all machines to keep all equipment in maximum operating condition.
- Stocking of key spare machine parts and adequate raw materials to reduce or minimize machine and operator downtime.
- Timely and proper repair and/or replacement of poorly functioning equipment.
- Building equipment investment into the annual budget to allow for upgrading of equipment and introduction of enhanced technology.
- Proper training, evaluation, cross-training, upgrading, and/or retraining of all operators on a periodic basis to ensure optimal speed and quality performance of all employees.
- Tracking and timely analysis of all quality defects to identify and eliminate causes of off-quality quickly.
- Developing good working relationships with suppliers, transporters, and shippers to reduce wait time.

Full Package Supplier

In an effort to improve supply chain efficiency, reduce and simplify their own workload, and reduce product supply chain management costs, U.S. buyers are increasingly favoring those suppliers that are vertically integrated from product design through raw materials production to finished garment processing. Such suppliers are referred to as “Full Package Suppliers.”

Approximating a Full Package Supplier. While not every apparel manufacturer can or should become a vertically integrated company with its own yarn and fabric manufacturers, in-house design teams, and garment processing facilities, every manufacturer can take the following important steps toward approximating a full package supplier:

- Identifying reliable, high quality suppliers, and building strong working relationships with them, thus effectively creating a seamless or nearly seamless supply chain for apparel buyers.
- Building computerized in-house design capabilities.
- Building good working relationships with specialty and further processors such as embroiderers, garment dyers, and garment washers.
- Incorporating use of ERP software to maximize information flow across supply chain partners.

IV. Export Requirements

Raw Materials Traceability

Illegal Transshipment. Transshipment involves shipping goods from one country to another via a third or intermediary country. Doing so to take advantage of trade agreements from which the originating country is exempt is illegal. According to the U.S. Customs and Border Patrol, illegal transshipment occurs when a false declaration of information is given in order to circumvent existing trade laws for the purpose of avoiding quotas, embargoes, or prohibitions, or to obtain preferential duty treatment.

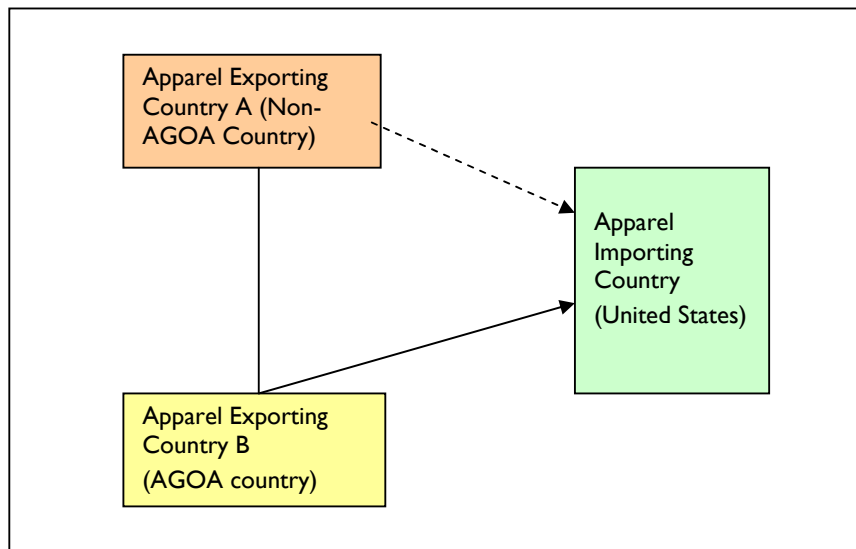


Figure 1: How Illegal Transshipment Takes Place

Raw Materials Traceability Documentation. Because duty-free entry of garments into the U.S. under AGOA is granted only to certain countries, and because some AGOA-eligible countries face restriction on the country of origin of the raw materials used to manufacture its AGOA-imported garments, United States law requires that apparel producers exporting to the United States under AGOA maintain detailed records of:

- Import, origin, and use of all fabrics and trims.
- Patternmaking and grading.
- Garment cutting and assembly.
- Raw materials and finished goods inventory.
- Employee work records, equipment inventory records.
- Packing and shipping records.

They are also required to video-record receipt of incoming fabrics and trims.

Furthermore, U.S. Customs and Border Patrol (USCBP) agents are required, under AGOA, to perform factory verification visits in at least five AGOA apparel-exporting countries each year. With such a small number of countries and companies exporting apparel under AGOA, odds are high that any given factory will receive a USCBP factory verification visit.

Labeling



Import into or sale within the U.S. of apparel products requires specific U.S. Government-mandated labeling. Individual garments must have a permanently attached label listing country of origin (manufacture), fiber content, and care (laundry) instructions using standardized language and internationally recognized symbols. Labeling requirements change periodically and garment manufacturers should check regularly for the changes in requirements. See

www.ftc.gov/os/statutes/textilejump.htm.

Increasingly t-shirt and other manufacturers are stamping labels directly onto the garment using heat transfer printing technologies.

Mislabeled merchandise may be barred entry into the U.S. at the port of entry, and producers/exporters may be fined. In the more serious cases, producing companies may be banned indefinitely from shipping any products into the U.S.

Export Documentation

For exports the following documentation will be required:

- A commercial invoice (prepared by the exporter)
- An Origin Certificate, duly completed and certified (by customs or Chamber of Commerce)
- A customs declaration, duly passed through customs (could be manual or electronic)
- Shipping documents (packing list and bill of lading/airway bill)

Note that under the Generalized System of Preferences (GSP) the EU countries expect customs to authenticate the Certificate of Origin while the U.S. will normally accept authentication from the Chamber of Commerce. Under AGOA, the Certificate of Origin for textile products and the commercial invoice has to be certified by customs only. Exporters will have to ensure that the original copies of the Certificate of Origin and/or the commercial invoice (under the AGOA rules) are available to the forwarding company during import clearance at customs.

Cargo Security

Since 2001, the United States Government has responded to heightened concerns regarding international terrorism and potential attacks on the United States. Such concerns include shipping of explosive devices and/or bioterrorism agents within seemingly legitimate cargo shipments. As a result, the U.S. Government has instituted greater security measures for incoming cargo, and now requires that all exporters comply with such regulations.

Cargo Security Requirements and C-TPAT. Since late 2001, selected international companies have been invited to participate in the Customs-Trade Partnership Against Terrorism (C-TPAT), designed to expedite the cargo security clearance process for known partners. However, all manufacturers and supply chain partners involved in exporting goods to the U.S. must comply with stringent and evolving security requirements mandated by the U.S. For latest details, contact a reputable international shipping agent or company, export agent, or certified U.S. Customs broker.

Other

Product Safety. The United States has certain government-mandated product safety regulations designed to protect the health and safety of its consumers. Of particular concern is the safety of infant apparel. Regulations may restrict or limit the types of fasteners, ties, or decorative add-ons that may be used in or on infant apparel. For further information, visit the U.S. Consumer Product Safety Commission website (www.cpsc.gov).



Flammability. Wearing apparel sold in the United States must meet federal flammability standards. Certain types of apparel, such as children's sleepwear, carry more strict U.S. Government-mandated safety requirements (for example, flame retardant finishes on children's sleepwear). In these cases, testing and documentation requirements imposed by the U.S. federal government are very extensive and very stringent. Further information is available at the U.S. Consumer Product Safety Commission website (www.cpsc.gov). Failure to comply with such requirements may be a federal offence in the U.S.

Such requirements change periodically and garment manufacturers should check regularly for any changes in the requirements. Because of the very stringent nature of the testing and documentation required, it is not recommended for most sub-Saharan African apparel manufacturers to consider these products.

V. Export Financing

Producing for export requires significant financial resources to support raw materials, labor, and overhead costs until post-shipping payment is received. African manufacturers must plan ahead to be prepared financially to take U.S. orders.

Decline in Use/Acceptance of Letters of Credit

The trend among U.S. apparel buyers is to move away from using letters of credit (LC or LOC). African manufacturers must build financial assets, strengthen banking relationships, and update their knowledge of the advantages, risks, costs, and mechanics of alternative payment methods. They must also develop their own financing options such as self-financing, buyer deposits, and bank loans.

Regardless of the trend of buyers, it is exceptionally difficult for African exporters to obtain pre-export financing without a valid irrevocable confirmed letter of credit. U.S. importers have declined to pay based on fraudulent excuses concerning quality and quantity. African exporters have sent inferior quality goods, insufficient quantities, and shipped late. At a minimum the LOC permits fair collection of foreign exchange, usually a scarce commodity in Africa. An LOC permits payment if documentation is in order and it provides a starting point for disputes. There are many applications for LOCs in the African market, which should be clearly stated to the buyer. The American buyer is only looking at the convenience of not having to negotiate an LOC, and not at the other advantages of assuring the proper documentation associated with payment risk and performance risks.

Unique pricing terminology: CMT (Cut Make Trim)

Pricing is normally based on a CIF (Cost, Insurance, and Freight) or FOB (Free on Board) context. In the apparel industry the buyer needs to assure the quality of raw materials. Textile fabrics of the quality or nature demanded by the U.S. market are not available in West Africa. The raw materials must be imported. In many instances, the buyer takes on the task of purchasing and shipping the raw materials to the African apparel production facility. With CMT the buyer pays a fee to the facility for sewing, trimming, and manufacturing the final goods. The finished goods are then shipped to the buyer.



VI. Marketing

Presenting Your Company

When preparing to meet with a potential buyer, apparel manufacturers should develop a one-page company profile, a limited number of product samples, a current price list, and delivery information. First-time suppliers should also be prepared to provide references or a list of current customers. Printed paper catalogs are not recommended because they are expensive and become obsolete quickly. Increasingly buyers expect electronic catalogs on CD-ROMs or mini-CDs.

All marketing materials aimed at the U.S. market must be in English. They should be carefully edited and proofread several times for spelling and grammar errors. It is recommended that they also be proofed by a native English speaker before printing. Standard marketing materials are listed below in descending order of importance.

Business Cards. Business cards destined for U.S. buyers must be in English and all information must be current. They should include full company name, address (including country), contact person, address, telephone (including country code, in parentheses), e-mail address, and website, if applicable. Because many U.S. buyers are not familiar with foreign names, companies may wish to include an applicable title such as Mr. or Ms. before the contact person's name, to indicate gender. A company logo can be included on the business card; however it is not advisable to include "clip art" or photographs on business cards, as they tend to detract from the professional quality. It is also best to use simple block letters, as script, italics, and fancy fonts can be difficult for many individuals to read and also tend to diminish the professional appearance of the card. Cards should be printed on plain, heavy card stock. Avoid shiny or heavily textured paper.

It is a wise investment to print the best quality and largest quantity affordable, and to take 250 – 500 to each trade show. Each time information becomes out of date or incomplete, cards should be reprinted, as crossing out information reflects poorly on the image of the company they represent. Foreign companies may wish to print business cards in the standard U.S. size (3 1/2" x 2" / 9 cm x 5 cm) so they easily fit into American buyers' business card holders. This reduces the likelihood of cards being misplaced or lost.

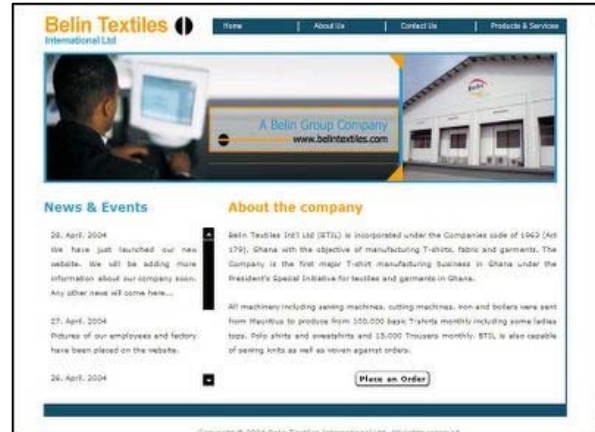


Company Profile. A company profile should include the registered company name and d.b.a. ("Doing Business As" name, if applicable), legal status, owners, management structure, physical address and locations of manufacturing sites, contact information including current telephone (with country code in parentheses), fax, e-mail address, and website. Capacity should be noted in terms of number of skilled and unskilled workers (note areas of expertise), number and specific type of machines, number of shifts worked (and hours per shift), daily/monthly production capacities and design capabilities. Profiles

should also list the countries or regions to which the company has exported, major customers, and the nearest shipping port. Include any third party or WRAP certification attained. Finally, profiles should include key strengths of the company, for example, design, on-time delivery, long runs or quick short-run turnaround times (flexibility), and/or core products (rather than a whole list of garments that could potentially be produced). State whether the company only does CMT (use of client fabrics) or, for example, has the ability to do their own fabric and trims buying (if the latter, have available a brief list of some of the major suppliers).

Current Price List. One of the first things a potential buyer will request is a price list. It should include the printing date of the price list, samples presented, prices in U.S. dollars unless disallowed by local law (local currency may be quoted in addition to U.S. dollars), FOB (specify city), validity period of prices quoted (often six months), payment methods accepted, payment terms, and delivery terms. For the U.S. market, price lists must be in English. They should also include full contact details (see Business Cards/Company Profile).

Website. Increasingly U.S. buyers of all sizes are using the Internet and Web searches to identify potential new suppliers. As a result, it is becoming increasingly important for manufacturers targeting the U.S. market to have websites. However, as with business cards, a website can reflect either positively (if the site is attractive, informative, up-to-date, and professional) or negatively (if the site is out-of-date, cluttered, has grammar or spelling mistakes). While websites can be an important and cost effective way to present your company to U.S. buyers, they should only be set up if you can afford to maintain them with current information.



Seek professional design assistance to incorporate strategically selected key words, to select a well-established and reliable host, and to subscribe to an optimizing service that promotes the site in search engines via key words. For the most professional image, invest in professional photographs and avoid the temptation to surround products with flowers, decorative objects, or other distracting embellishments.

CD-ROM. CD-ROMs and mini-CDs offer up-to-date, convenient, and inexpensive ways to present photo images of your products and factories for distribution at trade shows and other promotional or sales events. As with all other marketing materials, they should be in English and free of spelling and grammar errors.

Printed Catalogs. While printed catalogs were once popular, they are no longer recommended for most manufacturers. Printed catalogs are expensive to design and print, usually thrown away as soon as a potential buyer packs his/her luggage to travel home from a trade show, and they quickly become out of date. Printed catalogs have been generally replaced by electronic catalogs on CD-ROMs and/or websites.

Market Research

Market research is an important tool for any manufacturer targeting the United States. Fashion magazines, U.S. retailers, industry publications, and some color resource suppliers provide a wealth of important information on the U.S. market, free of charge, at their websites. Retailer and wholesaler websites also provide critical sources of information such as specific buyer requirements, procedures for qualifying as a potential supplier, vendor codes of conduct, and more. Any time a manufacturer visits the United States for a trade show or any other purpose, s/he should also make a point of visiting a variety of clothing retail stores, particularly including those of her/his target buyer(s). During such visits, manufacturers should study the variety and mix of products offered, product quality, retail prices, display methods, and quality/price points of other

retailers in the immediate and general area. All are clues to the marketing and pricing strategy of the retailer.



Trends. Fashion magazines are generally the best source of information on current and near-future fashion trends. Manufacturers for whom trends are important should regularly check such sites as www.just-style.com, www.fairchildpub.com for WWD (Women's Wear Daily), Menswear, and other magazines, www.instyle.com, www.vogue.com, www.elle.com, and www.harpersbazaar.com. Some magazines offer free subscriptions to e-mail lists on current industry and/or fashion trends.

Retail Pricing and Sizing Guidelines. Manufacturers supplying the mass market should watch price trends and actual retail prices by regularly visiting websites of such well-established retailers as Banana Republic (www.bananarepublic.com), Eddie Bauer (www.eddiebauer.com), GAP (www.gapinc.com, www.gap.com, www.gapkids.com), JC Penney (www.jcpenney.com), J Crew (www.jcrew.com), Land's End (www.landsend.com), The Limited brands (www.limited.com), Macy's (www.macys.com), Old Navy (www.oldnavy.com), Talbot's (www.talbots.com), Target (www.target.com), Victoria's Secret (www.victoriasecret.com) for swimwear and lingerie, Wal-Mart (www.walmart.com), and others. Remember that retail prices must generally be divided by a number ranging from five to nine to determine approximate FOB or ex-works prices. Some sites, such as JC Penney, also have detailed sizing guidelines that can be useful for designers and boutique manufacturers.

Potential Buyers. A buyer's website is often an excellent source of information on the process for qualifying as a potential supplier, vendor codes of conduct, contact information, and other details useful in developing a strategy for targeting that company. Any manufacturer who attempts to speak with a potential buyer without first visiting the buyer's website will be quickly dismissed as unprofessional.

Connecting with Potential Buyers

Apparel producers can make contact with potential buyers in a variety of ways. They include:

Trade Shows. Exhibiting at trade shows can be the most efficient way to meet potential buyers actively seeking suppliers. Manufacturers should take care to select the proper show for their products and production capacity. Professional company presentation and multiple appearances at these shows are vital to ensuring maximum success. Making a commitment to more than one show is important, as buyers will note a first attendance, take a closer look the second time, and feel that a company is serious by the third time. Some well-known apparel trade shows include ASAP (www.asapshow.com), FAME (www.fameshows.com), MAGIC (www.magiconline.com) and Material World (www.material-world.com).



Internet B2B (Business to Business). Increasingly, buyers are using the Internet to research potential suppliers and vice-versa. Some do so by conducting web searches while others utilize

online matching services. Examples include the U.S. Government's Minority Business Development Agency's Phoenix program (www.mbda.gov). Another B2B website is www.bidmix.com. Small specialty producers may wish to explore use of auction sites such as eBay, where one-of-a-kind and very small volume products can be sold (www.ebay.com).

Sales Representatives. Engaging a professional sales representative can be a good way for manufacturers to gain market entry, particularly for foreign producers for whom face-to-face meetings in the U.S. are both difficult and expensive. Before attempting to engage a sales representative, it is important to make a mental commitment to a long-term relationship



(conditional upon objectives-based performance), determine specific quantifiable objectives, and determine available budgetary resources. Request and carefully check references for any sales representative under consideration before beginning negotiations, then negotiate tasks, performance criteria, and the method, rate, and timing of compensation.

Many salespeople seeking new lines to represent will advertise in industry publications and/or trade show exhibitor packets. Such publications do not guarantee quality of work or reliability.

Showrooms. Large manufacturers may choose to rent a temporary or permanent showroom in one of the many merchandise marts located in major U.S. cities. Such showrooms allow suppliers to display their products for a greater period of time than trade shows allow, but visitor traffic to such showrooms is generally slow outside of trade show periods, and the cost of renting and staffing such a showroom is very high.

Qualifying as a Potential Supplier

Apparel manufacturers wishing to become suppliers to (produce for) major U.S. companies must generally be “qualified” (approved) by the company before they will be given an order. The qualification process is generally a straightforward effort to determine the capacity, suitability, and stability of the producer in relation to the needs of the buying company. U.S. companies seeking a new contract or subcontract supplier may ask potential suppliers for the following types of information. Specialty shops and small retailers buying from small producers may require less detailed information.

- **Production capacity.** Number of skilled workers, and types of skills represented. Number of unskilled workers. Number and types of machines. Energy source and back-up energy sources. Number of days per standard work-week and shifts worked. Number of units produced per week.
- **Closest port and transport links from factory to port.** Frequency of ships calling, ship routing and travel time (often go through West Europe; shipment changes vessels). Also, if apparel shipped by container, can containers be loaded, inspected, and sealed at the factory gate (to avoid loading/unloading trucks, reloading container, etc.)?
- **Legal status and financial stability.** U.S. companies may ask potential suppliers for specific legal and/or financial documents to assess the legal status and the financial stability of a potential supplier.
- **Workplace conditions.** Workplace conditions will generally be evaluated by site visit. Such visits may be unannounced, particularly after a potential supplier has been initially qualified. Conditions to be evaluated include (but are not limited to) use of child or forced

labor, lighting and ventilation in the factory, temperature/humidity controls, existence of fire or other safety hazards, availability of safety equipment such as fire extinguishers, sprinkler systems, and emergency exits, cleanliness of break areas and toilet facilities for workers, on-time payment of fair wages, appropriate working hours, workers' rights to free assembly and collective action, and existence of a written company policy manual.

- **Vendor Codes of Conduct.** Increasingly, U.S. companies are developing codes of vendor (supplier) conduct and requiring that potential and current suppliers agree to adhere to the buying company's code as written, or to other certification such as SA8000 or WRAP. For links to codes of conduct for leading U.S. apparel companies including GAP, Inc., Levi Strauss, Inc., and Nike (English and French), visit www.codesofconduct.org.

Making AGOA Work for You

Sub-Saharan African manufacturers should recognize that even today many U.S. buyers are not familiar with either the provisions of AGOA, or the current list of AGOA apparel-eligible countries. Manufacturers must be prepared to explain the advantages AGOA affords a buyer purchasing their specific product vis-à-vis importing the same product from other countries not enjoying duty-free entry into the U.S.

Manufacturers in AGOA apparel-eligible countries are advised to research U.S. tariffs for their products when imported from several other countries, particularly Asian countries, and to show potential buyers the cost or duty differential.

Manufacturers may also want to revise their product mix to maximize the AGOA advantage by producing those garment types that carry the highest tariffs when imported into the U.S. from Asian countries.



Managing Contacts

Contact information, such as business cards of potential buyers met at trade shows or via the Internet, is the equivalent of gold in the marketing process. However, it is only as good as the effort put forth to organize it in a useful fashion, and to “work” the contacts by maintaining communications and building a relationship. Manufacturers may wish to organize all contact information in easily searchable computer files. Several companies sell software dedicated specifically to the purpose of organizing and managing contact information. It may be a worthwhile investment for medium to large manufacturers.

Many larger U.S. sales representatives rate their sales contacts as “A”, “B”, or “C” leads, depending upon the likelihood and potential size of future sales. They will put the greatest effort into maintaining contact with those believed to have the greatest potential (A and B leads), with less effort invested in those deemed to have less potential (C).

It is particularly important to send an e-mail thank you note within three to five days following contact at a trade show, and to send a notice of future exhibition (including hall / booth number, if available) two to four weeks prior to exhibiting at future trade shows and industry events (include an invitation to stop by the booth to see new products). Notify leads of new products, expansion or upgrading of facilities, addition of significant personnel. It is also wise to notify A (and possibly B) level leads three to five weeks ahead of any travel to the U.S., and offer or request to meet at the buyer's office. In the latter case, state a clear purpose (deliver the samples just requested, deliver the latest CD of new products, etc.) for the meeting, and suggest one or two alternate dates.



Keep a written record of all dates and communication with each contact. This serves as a management tool for follow-up, as well as a tool for determining which leads no longer justify certain levels of effort. In short, however, the most critical point is to maintain and build contact to build and strengthen relationships, confidence, and eventual sales.

Appendix I. Resources/Further Information

The following companies, organizations, and institutions provide information and services useful to the apparel industry.¹ Most charge for their services but are widely recognized in the industry. Please see specific websites for detailed descriptions. They are grouped below by subject.

Color

Color Association of the U.S. CAUS is a membership organization and the oldest color trend forecasting service in the U.S. It issues color fabric-swatched forecast booklets.

www.colorassociation.com.

The Color Marketing Group, Inc. CMG is a not-for-profit, international association of 1,700 Color Designers involved in the use of color as it applies to the profitable marketing of goods and services. CMG provides a forum for the exchange of non-competitive information on all phases of color marketing: color trends, design influences, merchandising and sales, and education and industry contacts. Trend forecasts are available for purchase by non-members. This site includes information on CMG, membership, and purchase of its color trend forecasts. www.colormarketing.org.



Gretag Macbeth™. Gretag Macbeth is a color systems and software company whose purpose is to quantify, communicate, and stimulate color alternatives and provide color solutions to all markets for which color is mission critical. www.gretagmacbeth.com.

Pantone, Inc. Pantone, Inc. is a world-renowned authority on color and provides systems and technology for the selection and accurate communication of color across a variety of industries including textiles and apparel. PANTONE® is a standard language for color communication from designer to manufacturer to retailer to customer. www.pantone.com.

Industry Associations, Continuing Education for Industry Professionals, Technical Assistance

American Apparel and Footwear Association. AAFA is the national trade association representing apparel, footwear, and other sewn products, companies, and their suppliers. www.americanapparel.org.

Fashion Institute of Technology. FIT is a public institution of higher education in New York City. It offers degree and non-credit courses in fashion, design, technology, and other related areas. Some short courses are offered. www.fitnyc.edu.

¹ The West Africa Trade Hub neither endorses these organizations nor guarantees their services. Other organizations may offer similar products or services.

International Executive Service Corps. IESC is an American not-for-profit organization using private sector volunteers to provide technical assistance for economic growth around the world. www.iesc.org.

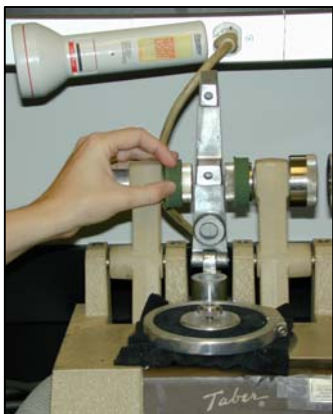
North Carolina State University. The NCSU College of Textiles offers a wide selection of short courses and professional seminars for apparel and textile industry professionals from around the world. This web site includes information on NCSU College of Textiles short courses and continuing education. www.ncsu.edu.

TC2. A member-driven not-for-profit organization that provides solutions for the apparel and related soft goods industries specializing in technology development and supply chain improvement. Offers educational seminars and consulting services. www.tc2.com.

West Africa Trade Hub (WATH), The West Africa Trade Hub is a USAID-financed center established to enhance West Africa's trade competitiveness. WATH focuses on areas that will enhance the potential of West African producers to sell to the U.S. market. This website includes useful resources and links to other sites. In English and French. www.watradehub.com.

Quality Testing

AATCC. The American Association of Textile Chemists and Colorists. AATCC is an industry association that seeks to promote increased knowledge of the application of dyes and chemicals in the textile industry. AATCC also standardizes test methods for the U.S. textile and apparel industries, including those for colorfastness, shrinkage, and other measurements routinely utilized to determine and quantify fabric performance. This site includes information on the organization, membership, how to obtain AATCC test methods and necessary equipment or supplies, and a world calendar of events. www.aatcc.org.



ASTM. The American Society of Testing and Materials. ASTM International, originally known as the American Society of Testing and Materials, is one of the largest voluntary standards development organizations in the world. It is a source for technical standards for materials, products, systems, and services. ASTM also offers training in textile standards and testing, and offers 30 – 45 minute online courses. www.astm.org.

Intertek Labtest. Intertek Labtest is an international provider of testing and inspection services to the textile, apparel, and other industries. ITS has three offices in Africa—Casablanca, Cairo, and Cape Town—and others worldwide. Further information is available on their website (www.intertek-labtest.com).

SGS. SGS is an international inspection, verification, testing, and certification company covering soft lines (textiles, apparel, and other soft goods) and other industries. www.sgs.com.

Trade Matching Services, Trade Shows, Buyer Contacts

ASAP. The ASAP Global Sourcing Show is the world's largest garment and textile sourcing trade show produced by the Cyber Merchants Exchange. It brings together leading manufacturers from around the world in one venue to meet potential buyers. www.asapshow.com.

FAME. Fashion Avenue Marketplace Expo. www.fameshows.com.

MAGIC. Large trade show featuring branded and unbranded apparel and accessories produced in and outside the United States. Held twice a year in Las Vegas. www.magiconline.com.

Material World. The Material World trade show offers a venue for textile and apparel manufacturers and buyers in all aspects of the sewn-products industry from design to delivery. www.material-world.com.

SIAO. Salon International de l'Artisanat de Ouagadougou/The International Arts and Crafts Fair, Ouagadougou. In French and English. SIAO is a large international show of African artisan products and hand-woven textiles, held alternate years in Ouagadougou, Burkina Faso. The fair includes an exhibitor section for export sales. www.siao.bf.

U.S. Government Regulations

Africa Growth and Opportunities Act (AGOA). For details on this trade legislation, visit www.agoa.gov.

C-TPAT (Customs-Trade Partnership Against Terrorism). Frequently asked questions, and other details available at this site. www.cbp.gov/xp/cgov/import/commercial_enforcement/ctpat/ctpat2006/

Department of Commerce, Office of Textiles and Apparel. otexa.ita.doc.gov.

United States Consumer Product Safety Commission. This U.S. Government body sets federal regulations concerning safety of consumer products including wearing apparel. www.cpsc.gov.

United States Customs and Border Patrol. U.S. Customs sets and manages all federally mandated requirements for goods imported into the United States and its territories. Details on import documentation, product requirements, tariffs, cargo security, and other import-related issues can be found at www.customs.gov/xp/cgov/import.

Workplace Conditions, Social Audits, Third Party Audits

Business for Social Responsibility. BSR is a global non-profit membership organization that helps member companies achieve success in ways that respect ethical values, people, communities, and the environment. BSR provides information, tools, training, and advisory services to make corporate social responsibility an integral part of business operations and strategies. www.bsr.org.

Social Accountability International. SAI is a non-governmental, international, multi-stakeholder organization dedicated to improving workplace conditions and communities by developing and implementing socially responsible standards. SAI developed a standard for workplace conditions and system for independent verification (SA8000). www.sa-intl.org.

WRAP. Worldwide Responsible Apparel Production. WRAP is an independent non-profit corporation dedicated to the certification of lawful, humane, and ethical manufacturing throughout the world. WRAP has developed twelve principles for responsible apparel production. www.wrapapparel.org.

Appendix 2. Glossary of Terms

Abrasion resistance. The ability to retain surface integrity and smoothness when rubbed by a rough object.

CAD (Computer Aided Design). The use of computers and specialized software in the design and product development process.

Care label. A clothing label specifying the most appropriate laundry/dry cleaning methods, and indicating any methods or agents that should be avoided. Originally a cloth label permanently attached in the seam of a manufactured garment; some manufacturers now print care label information directly onto the garment, as in the case of many t-shirts.

CIF (specified location). Cost, Insurance, and Freight. The selling price including all shipping and insurance costs to the location specified.

CMT (Cut Make Trim). Buyers of mass-market apparel will sometimes provide fabrics and findings to the apparel manufacturers. The buyer pays a fee to the facility for sewing, trimming, and manufacturing the final goods. The finished goods are then shipped to the buyer.

Code of Conduct. A document outlining expected behavior and workplace conditions. CofCs are generally developed to help ensure that employers provide safe and appropriate working conditions. Codes of Conduct may be imposed on a producer by its customer(s), or may be enacted voluntarily.

Colorfastness. Retention of color under exposure to light, water, perspiration, or other agents.

Crocking. Undesirable transfer of color from one article to another by abrasion or physical contact.

ERP (Electronic Resource Planning). Software that synchronizes data across supply chain partners to reduce time wastage and communication-related errors, and enhance supply chain efficiency.

ExWorks. The price of a product at the factory, excluding any transport costs.

FOB (specified location) (Free on Board). Includes the price of the product itself plus all shipping costs to the location specified, usually the port from which the product is shipped.

Full package supplier. A clothing manufacturer or supplier offering a full range of sourcing services including yarn and fabric supply, design capabilities, garment assembly, and further processing such as over-dyeing, washing, and heat or chemical treatments.

JIT (Just in Time). A manufacturing practice in which components or products are produced and delivered just in time for the next step in the production or supply chain. JIT minimizes inventory in order to minimize costs and provide flexibility for style changes.

Kanban. Japanese method of scheduling assembly line work to minimize operator downtime and maximize production efficiency. Used effectively in apparel manufacturing.

Light fastness. Retention of color under exposure to light.

Line balancing. Organization and scheduling of individual workers, machines, and workflow to reduce delays and downtimes caused by one worker in an assembly line waiting for another to complete a prerequisite task.

Machine stop/stop mark. Quality defect appearing like a line, thin spot, or shade difference across the width of a woven or knitted fabric. Caused each time the loom or knitting machine stops.

Metamerism. The difference in appearance of a color under different types of light.

Needle cutting. Undesirable holes in the fabric adjacent to a seam caused by the use of the incorrect type or size of needle.

PDM (Product Data Management). A product-focused approach to data management, using specialized software to group together all information related to a specific product or group of products. This software allows multiple users to access data simultaneously, depending on varying levels of access permission. PDM is one component of PLM.

Pilling. The formation of tiny ball-like accumulations of loose fiber, caused when a knit fabric is rubbed repeatedly.

PLM (Product Lifecycle Management). Software that manages data for a particular product or group of products throughout the supply chain. PLM software incorporates PDM software.

Private label. Merchandise sold under the brand name of a specific retailer.

Quota. A restriction on the quantity of a given product that may be legally imported into a country during a specified period of time. Usually exporting-country specific.

Raw materials traceability. The process of identifying the source of fabric and/or yarn used to produce a specific garment within a specific shipment, through comprehensive record-keeping throughout the raw materials receiving, garment manufacturing, and shipping processes.

Safeguard measure. Quotas instituted by the World Trade Organization, at the request of individual countries or country blocks, to limit the volume of a specific product that may be imported into a specific country by another specific country, for a specific period of time. Safeguard measures are designed to protect the domestic industry or market from an influx of low-cost product.

Seam slippage. Undesirable shifting of yarns adjacent to a seam, weakening the fabric and garment at that point.

Slub. A thick place in a yarn, caused by a greater accumulation of fiber or accumulation of thicker fiber in one spot, or by a failure to draw and twist the fibers properly during the yarn-formation process. Slubs are generally considered a yarn quality defect, and if woven or knitted into fabric, they become a fabric quality defect. However, occasionally, slubs will be designed into a yarn for aesthetic purposes. Slubs in sewing thread will cause thread breakage in the sewing machine, resulting in garment quality defects and reduced production efficiency.

Social responsibility. The policy and action of ensuring legally compliant, humane, and ethical working conditions.

Speed to Market. The time it takes—from a buyer's initial request for samples—for a manufacturer to deliver finished goods to the buyer's receiving point or distribution center.

Tear strength. The amount of force required to tear a fabric at the point where a small cut has been made.

Tensile strength. Also known as breaking strength. The amount of force required to break the yarns in a fabric.

Time-and-motion study. Exercise in which an industrial or process engineer observes one operator for an extended period of time, noting and timing each and every discrete movement to identify inefficient movement and wasted time. Time and motion studies are important tools in improving manufacturing efficiency and worker productivity.

Traceability. (See Raw materials traceability)

Washfastness. Retention of color during laundering.

Appendix 3. U.S.Apparel Tariffs

2000 U.S. Tariffs on Commonly Imported Apparel			
	Product	Category	Tariff
Knitwear	M/B cotton shirts	338	20.2%
	W/G cotton blouses	339	20.2%
	M/B MMF shirts	638	33.0%
	W/G MMF blouses	639	33.0%
	M/B cotton sweaters	345	18.2%
	W/G cotton sweaters	346	18.2%
	M/B cashmere sweaters	445	5.4%
	W/G cashmere sweaters	446	5.4%
	M/B wool sweaters	445	16.4%
	W/G wool sweaters	446	16.4%
	M/B MMF sweaters	645	32.9%
	W/G MMF sweaters	646	32.9%
	M/B linen or ramie sweaters	838	6.0%
	W/G linen or ramie sweaters	838	6.0%
	M/B cotton underwear	352	7.6%
	W/G cotton underwear	352	7.8%
	M/B cotton undershirts	352	18.3%
	M/B MMF underwear	652	15.3%
	W/G MMF underwear	652	16.0%
	M/B cotton pajamas	351	9.1%
	W/G cotton pajamas	351	8.7%
	M/B MMF pajamas	651	16.4%
W/G MMF pajamas	651	16.4%	
Woven Apparel	M/B cotton shirts	340	20.2%
	W/G cotton blouses	341	15.8%
	M/B wool shirts	440	18.9%
	W/G wool blouses	441	18.6%
	M/B MMF shirts	640	26.5%
	W/G MMF blouses	641	27.6%
	M/B cotton trousers/shorts	347	17.0%
	W/G cotton slacks/shorts	348	17.0%
	M/B MMF trousers/shorts	647	28.6%
	W/G MMF slacks/shorts	648	29.3%
	M/B wool trousers	447	18.2%
	W/G wool slacks	448	15.0%
	M/B cotton underwear	352	6.3%
	W/G cotton underwear	352	11.5%
	W/G MMF underwear	652	15.7%
	M/B cotton pajamas	351	9.1%
	W/G cotton pajamas	351	9.1%
	M/B MMF pajamas	651	16.4%
W/G MMF pajamas	651	16.4%	