

'Let's fight galamsey in textile industry'

By Timothy Ngenbe

HOW will you feel if you defied early morning dew or the scorching sun to plant your crops only for someone to harvest them when you least expected it?

What if you went through thick and thin to create and nurture your ideas only for a foreigner to steal and implement those ideas at your expense? I guess you will be more than disappointed and disheartened.

This is exactly the ordeal players in the local textile, leather and garment industry go through in the hands of illegal operators (galamseyers) who tamper with the weighing scale and outsmart the system.

The galamsey operators in the textile manufacturing sector, just like their counterparts in the small-scale mining sector, have dealt a devastating blow to the once buoyant textile industry.

Their nefarious activities, ranging from pirating of registered designs, illegal importation of pirated Ghanaian textiles prints and smuggling of articles, continue to stifle the growth of local textile companies and throw many people out of business.

The illegal operators source the pirated goods from countries such as China, Thailand, India, the Netherlands, United States, and Nigeria. Among the textiles imported into the country are calico, khaki fabrics, prints and finished textiles and garments of kinds.

Modus operandi

While players in the local textile manufacturing industries commit their time, money and other resources to building their brands, the galamseyers deprive them of the fruits of their labour by importing products that bear

the patent designs, logo and trademarks of local textile industries. They are also engaged in copying tickets and labels, including the Ghana Standards Board logo, and marks and imitation of original designs.

Their modus operandi is well rehearsed such that they are able to evade duties on imported African Textile Prints and under-declare imports, under invoice and inadequate labelling information as part of their scheme to deprive the country of the needed revenue.

Due to the fact that the 'galamseyers' do not incur the high cost of production, they sell their products in the local market at a cheaper price to sway the consuming public in their direction.

Dwindling fortunes

Information sourced from the Ministry of Trade and Industry (MOTI) shows that the textile manufacturing sector, which employed more than 25,000 of the labour force in the mid 1970s, accounting for 27 per cent of the total manufacturing employment while operating at 60 per cent plant capacity, has drastically dwindled.

Currently, the sector employs less than 2,000 workers while the 16 large and medium-sized textile companies that were established in the mid 1970s have collapsed.

Only four of such companies, the Ghana Textile Manufacturing Company (GTMC), Akosombo Textile Limited

(ATL), Ghana Textile Product (GTP), and Printex have survived.

However, in August 2016, the GTMC, located in Tema, folded up, leaving the last 700 of its workers to their fate. The other three which are still in the system are a pale shadow of themselves.

Textile exports used to be a major source of foreign exchange for the country, raking a peak of \$179.7 million in 1994. This has declined significantly over the years due to the galamseyers in the system and other unfavourable conditions.

Even though some national economic policies including the Textile and Garment Cluster Network, Textile and Garment Training Centre and other administrative procedures have

been rolled out over the years, the activities of the pirates continue to be a wet blanket to a revamp of the sector.

Task force

After several calls to action, including negotiations, petitions and consultations initiated by the Textile, Garment and Leather Employees Union (TGLEU) and other stakeholders, the MOTI set up the Task Force on Seizure and Destruction of Pirated Ghanaian Textile Design in August 2010.

The task force, made up of personnel from the National Security, Custom division of the Ghana Revenue Authority (GRA), MOTI, Ghana Union of Trade Associations (GUTA) and other stakeholders, was given the mandate to

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curb the menace of illegal importation of pirated Ghanaian Textiles Prints.

Under the Trade Related Aspects of Intellectual Property Rights (TRIPR) Agreement of the World Trade Organisation (WTO), governments have the mandate to prevent infringing goods from entering the channel of commerce. They are also not to allow such goods to be re-exported.

In line with this, the task force, as of the end of January 2015, embarked on six separate exercises leading to the seizure and destruction of a total of 9000 pieces of pirated Ghanaian textile designs.

The last of these exercises was on January 28, 2015 at the Tema Municipal Assembly Land Fill site at Kpone.

The monitoring mechanisms the task force carried out held the activities of the illegal operators in check and gave hope to players in the local textile manufacturing industry.

However, since the changeover in the country's political administration, the operations of the task force has stalled, giving space for the galamseyers to lace their boots and relaunch their nefarious activities.

Reaction

In an interview with the *Daily Graphic* ahead of the celebration of the 2017 edition of Workers Day, the General Secretary of TGLEU, Mr Abraham Koomson, bemoaned the devastating footprints piracy had left in the textile industry.

He called for urgent steps to be taken to revive the anti-piracy task force to save the textile industry from collapsing, arguing that "we are not saying that people should not import textiles, but the tendency to always steal our logos, designs and evade tax is crippling the local industry."

TGLEU and other players in the local textile industry want the government to clamp down on the galamseyers in a manner that will create a level playing field for effective competition. They want the government to come out with a clear strategy to tackle the menace head on.

Way forward

The textile and garment industry has the potential to reclaim its past glory, especially within the context of the government's industrial transformation agenda.

Despite the allegations that some members of the task force were benefiting from the exercise, it is important to revamp the task force and review its operation to ensure efficiency and accountability.

As the government implements its industrialisation policy aimed at empowering local businesses to create employment opportunities and generate wealth, pragmatic steps ought to be taken by the MOTI to tackle piracy head on.

While government is called upon to roll out punitive regimes to crack the whip on pirates in the textile industry, it is also important for the local manufacturers to do proper market segmentation.

This will ensure that they meet the need of the various classes of customers in terms of the quality and prices of their products.

Stakeholder engagement is also key because if trees stand apart they cannot rub.

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• Mr Abraham Koomson, President of TGLEU, explaining a pont during an interview