



SUCCESS STORY

Hippo Knitting

Material World New York's African Pavilion creates sales for Southern African firms



Photo: Southern Africa Trade Hub

An increase in orders for basic items, such as these t-shirts, has resulted in increased employment opportunities at Hippo Knitting in Maseru, Lesotho.

USAID Southern Africa Trade Hub's support for the participation of Hippo Knitting in the Material World show in New York has resulted in increased employment for workers in Lesotho. Material World is one of the premier trade shows held annually in the United States bringing together buyers and producers in the apparel industry.

In late September 2006, the Southern Africa Trade Hub sponsored Maseru-based Hippo Knitting to participate in the Material World Trade Show in New York. Hippo Knitting capitalized on the opportunity to showcase and network and realized success. A New York retailer has placed an order for 2007 valuing \$1.9 million, and three additional North American companies have visited Hippo Knitting facilities since the trade show.

This new business is a welcome upswing. Since the expiration of global apparel quotas under the Multi-Fiber Agreement (MFA) on January 1, 2005, African producers have struggled to maintain U.S. market share in garments. The United States Trade Representative reported that overall AGOA textile and apparel imports dropped quickly, by as much as 12 percent, in 2005. This changing landscape is particularly significant for Lesotho, where in just five years AGOA preferences have spurred industry growth and rendered apparel and textile manufacturing the country's largest formal sector employer.

Hippo Knitting, a 2000 upstart employing nearly 800 workers, is among those affected. Since early 2005, the facility has been forced to reduce its production capacity by 45 percent. The \$1.9 million order will help to mitigate, as the company will revive capacity by 10 percent to meet the demand, creating 160 jobs in the process. The Material World Trade Show played a key role in this renewal of confidence, providing the company with a face-to-face opportunity to prove its business savvy and product quality.

Grace Lin, representing Hippo Knitting management thanked the Hub, saying, "This trip has been quite amazing for our factory and Lesotho has done so well. We thank the USAID Trade Hub for their assistance; we would not have been able to do this without your support!"