



# Collection and Sales of Second-hand Clothes

## Supporting the local economy

Second-hand clothes sales have supported some of the African countries through employment creation, revenue collection and increasing household income. The clothes have given many people access to quality affordable clothes. Trading in second-hand clothes in Africa is becoming a recognisable part of the economy.

Members of Humana People to People in Africa who include ADPP Angola, ADPP Guinea Bissau, ADPP Mozambique, DAPP Malawi, DAPP Zambia and Humana People to People-Congo, D.R., have for years operated second-hand clothes retailing and wholesale centers. The clothes have supported a thriving and ever growing trade in second-hand clothes. Hundred thousands of people who cannot afford to purchase new clothes are afforded an opportunity to buy quality and durable second-hand clothes at a cheap price.

DAPP Malawi started selling second-hand clothes in 1995 and has expanded the business to now having 14 retail shops and 11 wholesale outlets spread across Malawi. The second-hand clothes sale employs more than 300 people who directly earn a living through regular income.

Moses Chibwana, the Acting Country Director for DAPP Malawi, acknowledges the impact of the second-hand clothes sales on Malawi's economy. According to Moses Chibwana, DAPP Malawi's establishment of the second-hand clothes was done at a time when Malawi's government was privatizing state enterprises in the mid 1990ies. Many workers had just lost their jobs. Many found new opportunities in starting own small businesses. Selling second-hand clothes became a major part of other families sustainable livelihoods.

***“The second-hand clothes has a positive impact on the economy. When the clothes arrive, many players are involved who pay government taxes. People who take part in the whole process from port of entry clearance, transporters, traders, form a chain of connected services contributing to the growth of the economy. There is creation of employment to many people who are managing to meet daily needs of their own families,” says Moses***

DAPP Malawi's second-hand clothes trade supports many traders and has created a diverse business value chain system. The sorting center, an entry point of the clothes from Europe is where sorting, processing and repackaging is done. Currently the sorting center employs 53 people. They sort on average of 2,500 tonnes of second-hand clothes per year.

Tatyana Naeva is the Sorting Centre Manager for DAPP Malawi's second-hand clothes in Blantyre. Over the years the sorting

center has gone to assist the local economy to grow through creation of business opportunities.

***“Throughout the years we have established quite a good connection with different local business suppliers. We decided to improve our sorting center through supporting local business entities in Malawi. As an example we opted not to import packaging materials from Europe but work with local Malawian suppliers as part of supporting local businesses,” says Tatyana.***

***“We got a very stable supplier whom we are working with in sourcing the packaging materials for us. We have as well gone on to do the same in the areas of electrical supplies, heavy-duty machinery specialists, local electricians, food-catering companies, logistics and freight companies. The diverse businesses form a business supply chain which support our daily activities,” explains Tatyana.***

The customers who buy the second-hand clothes from DAPP Malawi second-hand wholesale outlets constitute both formal and informal traders. A customer who starts buying a single bale weighing 15kg or 45kg makes on average 10-15% profit after meeting production costs. Such customers may buy three to four bales twice per week. DAPP Malawi staff engage the customers in developing entrepreneurship skills, in marketing, profit calculation, savings and how to make sound investments.

Angellina Ngwira is the Wholesale Commercial manager and is responsible for selling bales to customers who go and resell. She has noticed the far-reaching transformations, which are brought about by second-hand clothes in the local economy.

***“Second-hand clothes is valuable to the economy of Malawi as they are in high demand in the country. A lot of Malawians engage themselves in selling second-hand clothes. It supports employees with a stable income, achieving economic self-reliance, and it supports real-estate owners with income through rent. So in this way it is boosting the economy of Malawi, balances a range of areas of the economy from job creation to financial stability, complementing the government efforts of making people attain self-reliance,” says Angellina.***

Many customers over the years has grown their own business moving from seling on open markets into formal retail shops, others made savings, invested in children's education, bought assets and constructed modern houses.