



**– International Fund for Agricultural Development –
– Scouting and Sharing Innovation in Western and Central Africa –**

– Processing cotton into hygienic and sanitary products –

I. Background

1. Name of innovation

Processing cotton into hygienic and sanitary products

2. Country – Region

Bobo Dioulasso, Burkina Faso

3. Organization

Société Industrielle de Transformation du Coton
[Industrial Cotton Processing Company] (SITCO)

4. Who is the innovator?

Herman Dabiré, Eric Songré and Oumarou Iria

5. Actors involved

- Development actors
- German Agency for Technical Cooperation (GTZ)
- Promoters

6. Implementation date

1st week after receipt of funding

7. Type of innovation

Technological and practical

II. Key issues

8. Summary

The project entails the establishment of a local cotton processing unit for sanitary and hygienic products. Two ranges will be offered to customers:

- The sanitary range, composed of compresses, bandages and cotton wool: these items are used mainly in medical care and in case of accident (first-aid boxes), but also for cleaning office and household equipment, maintaining machinery etc.
- The hygienic range, composed of paper tissues, table napkins, tampons and sanitary pads: such products are used for blowing one's nose or cleaning oneself, and also for cleaning various types of equipment and furniture.

The target market is mainly in Burkina Faso, and by extension the West African Economic and Monetary Union (WAEMU) starting in the fifth year of production. It is an expanding market, for demographic growth and modernization mean that the inhabitants of Burkina Faso are getting into the habit of using such items.

Our products have a variety of competitive advantages: low prices in comparison with the competition; high-quality products produced from an abundant and less expensive raw material (cotton).

By processing local cotton into hygienic and sanitary products, the project represents a new venture for Burkina Faso. The hygienic products at present found on the domestic market are imported and made of cellulose rather than cotton. The use of cotton in our products makes them more resistant and uniform, and highly absorbent. Cotton ginning companies in Burkina Faso (Sofitex, Fasocoton, Socoma etc.) supply us with our raw materials. Preliminary discussions with these companies indicate that our orders will enjoy favourable credit conditions and delivery times.

At present there is only one production unit for hygienic products in Burkina Faso, Sogic, but it uses cellulose as its raw material. Within the subregion, Côte d'Ivoire also has a factory, Satoci, producing paper tissues. In the sphere of sanitary products, there is Sopab in Benin, which is the sole supplier of WAEMU's medical purchasing offices. Ghana, which is not a member of WAEMU but is one of Burkina Faso's neighbours, also has a factory specializing in the production of toilet paper and sanitary pads. Apart from Sopab, all these companies use cellulose as their raw material.

Burkina Faso does not yet have any processing unit for sanitary products, and Sopab in Benin is the only company in the subregion that manufactures sanitary products, using cotton as its raw material. It supplies various countries in the subregion and is basically without competition in this field.

9. What issues does the innovation address?

Our project will counter the lack of industrial infrastructure in Burkina Faso's cotton value chain, which is the country's primary source of foreign currency. It will thus boost the industrial sector and help to redress the balance of trade by reducing imports.

10. Key success factors for replication

The factors entailed in the success of our project can be summed up under various headings:

- Constant increase in the country's population (an average annual growth rate of about 3 per cent)
- Increased household consumption of goods and services, particularly hygienic and sanitary products
- The many needs continually expressed by actors in the health sphere (hospitals, clinics, health districts, pharmacies etc.) for compresses, bandages, cotton wool etc.
- Local availability of the raw material
- Quality of anticipated investments, using an automated production technology
- Professional qualifications of the staff, particularly the three promoters, who will all participate in managing the project (advanced training in management, accounting and finance, and industrial technology and maintenance)

11. Main results

The economic and environmental impacts that implementation of this project could already have include the following:

- Creation of added value for Burkina Faso's cotton sector
- Reduction in imports (leading to an improvement in the balance of trade)
- Participation in growth of the gross domestic product
- Contribution to taxes (VAT, profit tax, trading licence, employer's apprenticeship tax)
- A new outlet for ginned cotton
- Generation of an average annual turnover of CFAF 3.6 billion and an average annual added value of CFAF 355 million
- Creation of at least 30 new jobs
- Use of electric machines that produce no polluting gases
- Biodegradable nature of the products and their waste products and wrapping, thus entailing no ill effects for the environment

12. Target groups

Our mission is "to participate in the health and hygiene of households' and individuals' living conditions by offering them cotton-based hygienic and sanitary products".

The main activities of the SITCO company, which is responsible for managing the project, will be the production and marketing of hygienic and sanitary products. At the start, the target market will mainly be in Burkina Faso, with potential customers basically comprising actors from the health-care sphere:

- Purchasing offices for medicine and other health products
- Medical laboratories
- Pharmacies and dispensaries
- Hospitals and medical centres
- Clinics

A secondary target market is that of supermarkets, large shops and even households.

13. Difficulties encountered

Access to finance

14. Financial aspects

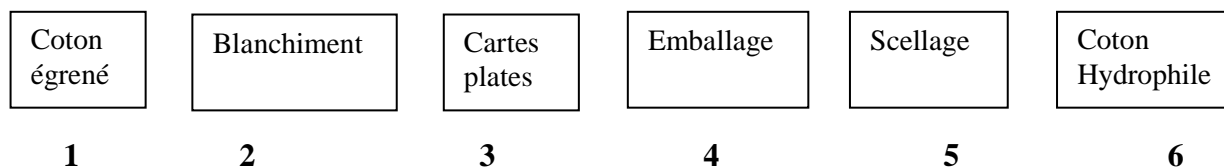
The internal rate of return is 54 per cent, a relatively high figure because investment costs are low in comparison with the cash flow generated. Analysis of our financial statements indicates good results, militating in favour of the project's viability (see the various annexes). Our project will have two phases:

- The first phase will cover the first five years and be confined to products from the sanitary range, especially cotton wool; the total implementation costs of this phase will be CFAF 203,312,500;
- The second phase, involving production of other sanitary and hygienic products, will start in the sixth year and be financed by the resources generated during the first phase.

III. Technical summary

15.

Ginned cotton is delivered to the production line, where it is bleached and kept in pressurized bales. It is drawn out by a conveyor, which turns it into flat cards before final processing, after which it goes for packaging. Depending on the customer's requirements, the cotton wool may be pre-cut, perforated or normal (folded). Cotton wool production may be automated, semi-automated or manual. The end product is packaged in 50–1,000 gr bags (zigzag) or 50–200 gr bags (normal).



IV. Follow-up

16. Key contacts

Name	Organization	E-mail
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17. Internet link

sitcoheo@yahoo.fr

18. Key documents (document title + link or contact or other details)

- Registre de commerce [Trade register]. BF BBD 2007 B 267
- Identifiant Financière Unique (IFU) [Tax number]: 00011447R