Secondhand Clothing Markets

An overview in Uganda and the United Republic of Tanzania

SMEP | Sustainable Manufacturing and Environmental Pollution Programme

UN trade & development UNCTAD

UK International Development

Partnership | Progress | Prosperity

Inroduction

Globally, the $1.7 trillion clothing industry employs over 300 million people across the value chain and plays a crucial role in industrialization, trade, development, and social value creation. The surge of global fiber production increased 7% rising from 116 million tonnes in 2022 to 124 million tonnes in 2023, with clothing accounting for more than 60% of the total textile consumption, Approximately 80 billion new clothing items are produced and consumed globally each year, the fashion industry is one of the most polluting sectors globally, accounting for approximately 2 to 8 percent of greenhouse gas (GHG) emissions.

Pathways of Used Textiles Diverted From Disposal in the U.S.
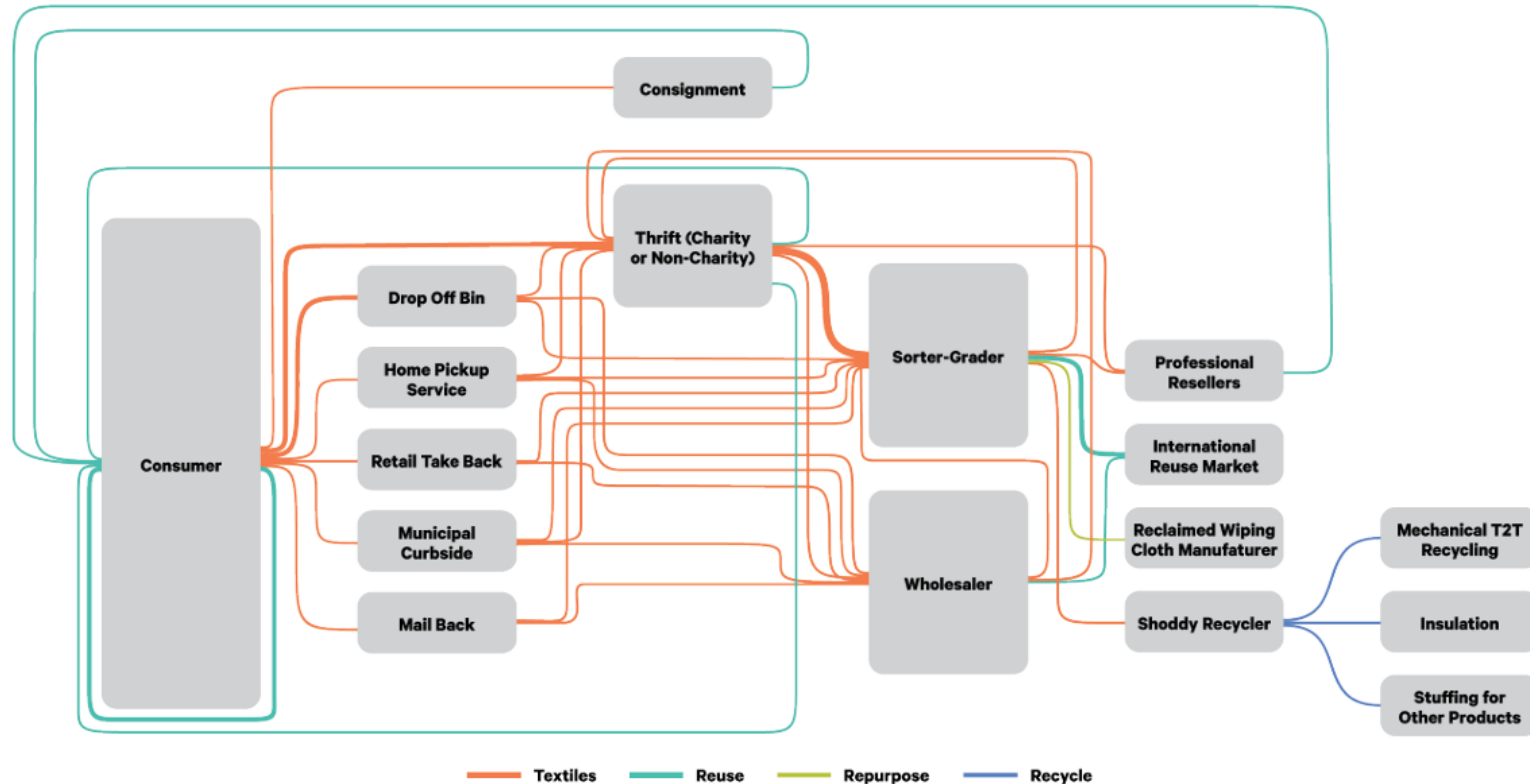
Source: Fashion for Good and Resource Recycling Systems (RRS). 2024. Sorting for Circularity USA: A Commercial Assessment of Fibre-to-Fibre Recycling in the U.S. Fashion for Good.
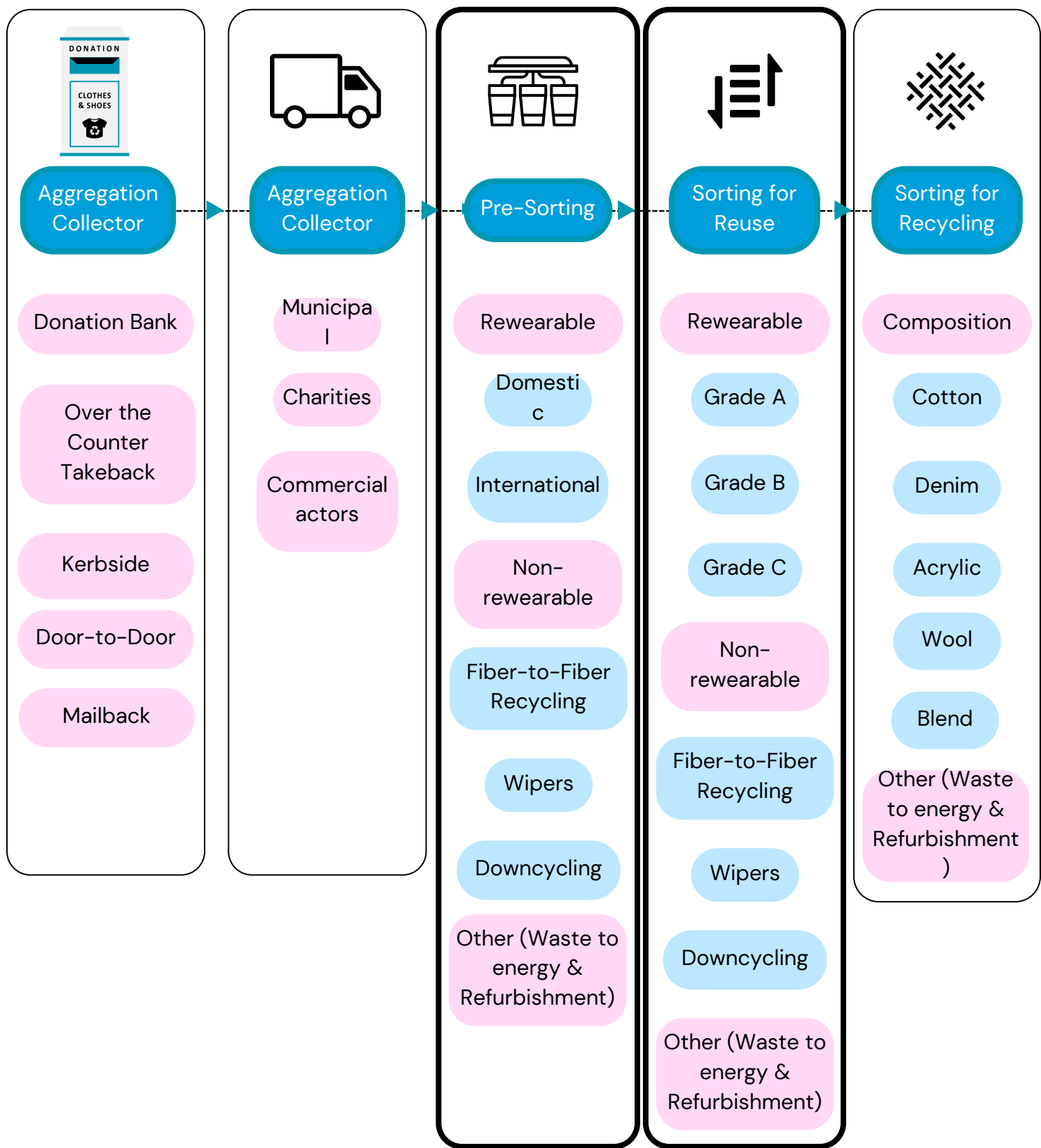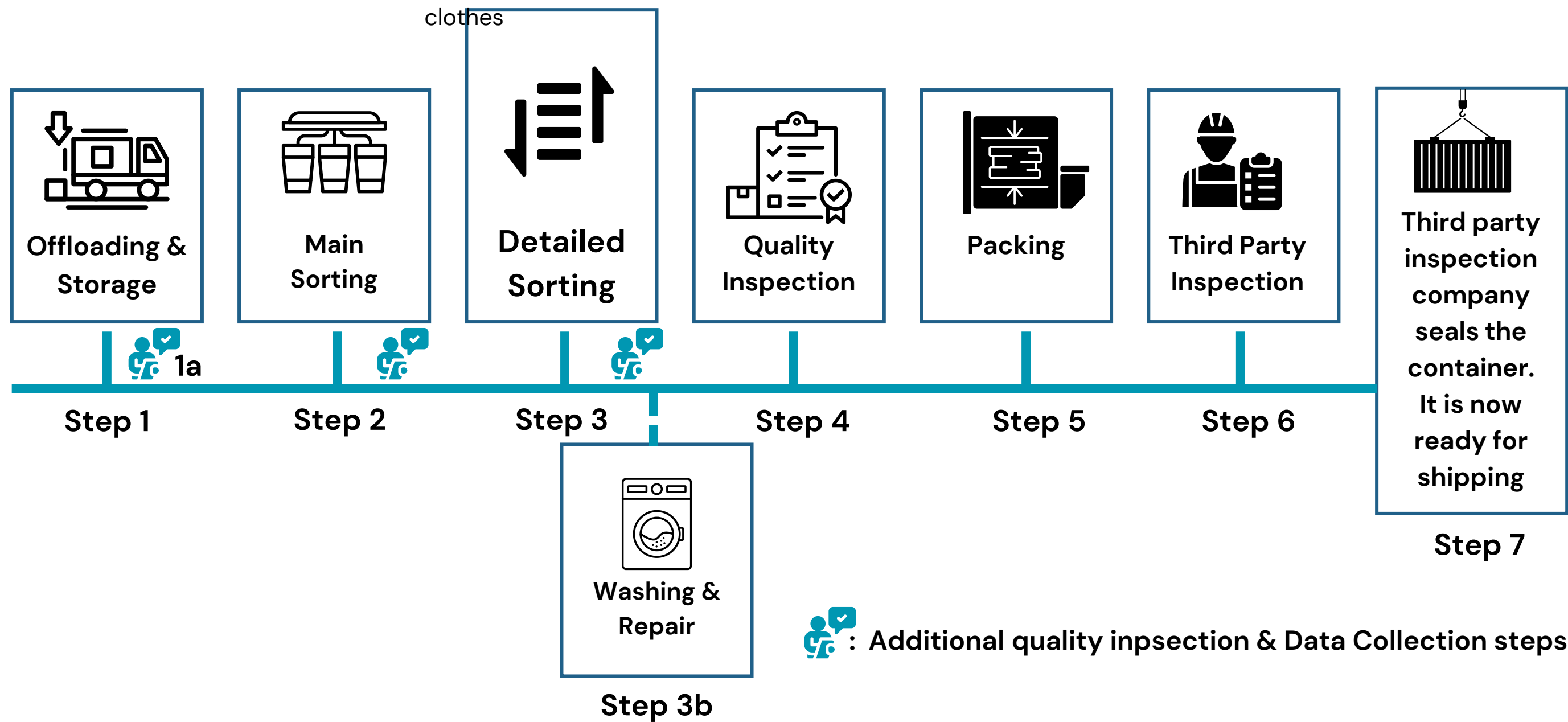
The path to circularity

Aggregation Collector
- Donation Bank
- Over the Counter Takeback
- Kerbside
- Door-to-Door
- Mailback

Aggregation Collector
- Municipal
- Charities
- Commercial actors

Pre-Sorting
- Rewearable
- Domestic
- International
- Non-rewearable
- Fiber-to-Fiber Recycling
- Wipers
- Downcycling
- Other (Waste to energy & Refurbishment)

Sorting for Reuse
- Rewearable
- Grade A
- Grade B
- Grade C
- Non-rewearable
- Fiber-to-Fiber Recycling
- Wipers
- Downcycling
- Other (Waste to energy & Refurbishment)

Sorting for Recycling
- Composition
- Cotton
- Denim
- Acrylic
- Wool
- Blend
- Other (Waste to energy & Refurbishment)

Illustration: Sorting facility operational procedures for second hand clothes

Offloading & Storage	Main Sorting	Detailed Sorting	Quality Inspection	Packing	Third Party Inspection	Third party inspection company seals the container. It is now ready for shipping
Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7

1a

Washing & Repair

Step 3b

: Additional quality inpsection & Data Collection steps

5 Characteristics stated by traders on grading criteria

Characteristics	Description
Appearance	Vibrance of coloring, absence of fading, visual and presence of stains.
Condition	Physical state of the clothing, such as wear, shape and tear.
Fashion	Current trends and branding of the clothing.
Functionality	The clothing's ability to serve its intended purpose effectively. For example, a functional zipper, intact buttons, and appropriate sizing contribute to the overall utility of the item.
Perceived Durability	Perceived durability relates to the expected longevity and ability of the clothing to retain its quality over time.

To examine the perception of SHC grades across the supply chain in Uganda and Tanzania, qualitative research through interviews with sorting facilities, importers, distributors, retailers and vendors identified five characteristics that contribute to the quality of a piece of clothing, namely: appearance, condition, fashion, functionality and perceived durability.

The EAC standard (EAS 356:2024)

The shipments must undergo Pre-Export Verification of Conformity (PVoC) before export, ensuring compliance with national quality requirements. A fumigation certificate from a recognized authority in the exporting country must accompany each consignment. The certificate must specify the type of fumigant used, and only approved chemicals such as cypermethrin, permethrin, tetramethrin, and d-cis/trans-allethrin are permitted. Methyl bromide and phostoxin are strictly prohibited as fumigants. EAC member states designate third-party inspection agencies, such as SGS, to conduct inspections at the supplier's premises before shipment. Additional random inspections may be carried out upon arrival at the port of entry.

Uganda and Tanzania Fact Sheet

	Uganda	Tanzania
Gross National Income (GNI) per capita	$980	$1299
Average daily income	$2.68	$3.55
2022 SHC imported clothing volume	94 million kilogram	86.3 million kilogram

Sample size and boundaries

Characteristics	Uganda	Tanzania
Importers	18	35
Retailers	598	651
Vendors	312	405
Total	928	1091

4 markets surveyed:
Owino Market, Uganda
Kariakoo, Tanzania
Karume, Tanzania
Ilala, Tanzania

244,500 total pieces sampled
The survey aimed at understanding the bale composition, perceptions on quality of materials received and their sorting criteria.

The linear supply chain in Uganda and Tanzania

Unit purchase in	Container of bales	Bales	Bales	Pieces
Unit sold in	Bales	Bales	Pieces	Pieces

SORTING FACILITIES

IMPORTER

1. Importers source SHC clothes from sorting facilities globally
2. Importer's collaborative approach with sorting facilities to ensure quality control
3. The sorting facilities label the bales with the importers brand name
4. Importers ensure regulations and compliance of the SHC clothing

DISTRIBUTORS

1. Distributors acquire bales in varying quantities from importers and play a crucial role in the second-hand textile supply chain by acting as intermediaries between importers and retailers.
2. Procure from multiple importer's to meet the market demand

RETAILER

1. Retailer is defined as an individual or business that acquires bales of second-hand clothing from importers or distributors then sell the pieces of clothes individually to resellers and end consumers.
2. Retailers specialise in one category of clothes

VENDORS

1. Vendors purchase individual pieces from retailers and resell them directly to consumers
2. Variety of vendors purchase clothes at different price points to meet the customer demand

CONSUMERS

A consumer of clothes is an individual who purchases clothing items for personal use rather than for resale or production purposes

BALE CARRIER

TAILORS

A combination of quantitative and qualitative approaches was employed for data collection.

The research adopted a cross-sectional design, incorporating government engagement, primary data collection, and a comprehensive desk review to achieve the study's objectives. A combination of quantitative and qualitative approaches was employed for data collection.

The survey instrument was designed to capture a comprehensive view of the SHC market, incorporating both multiple-choice and Likert scale questions to assess perceived quality ratings of different grades (A, B, C) and their associated economic values.

To ensure accuracy and traceability, the survey was conducted using paper questionnaires, each assigned a unique identification code. After the fieldwork, responses were manually entered into Google Forms for efficient aggregation and analysis. A verification process was implemented to cross-check digital entries against scanned images of the original paper questionnaires, ensuring data accuracy.

Approach: A Harmonized System (HS) Code 6309.00.10 was examined

HS 6309: Worn clothing and clothing accessories, blankets and traveling rugs, household linen and articles for interior furnishing, of all types of textile materials, including all types of footwear and headgear, showing signs of appreciable wear and presented in bulk or in bales, sacks, or similar packings (excluding carpets, other floor coverings, and tapestries). This code is further divided into:

- HS 6309.00.10: Worn items of clothing
- HS 6309.00.30: Worn items of footwear
- HS 6309.00.90: Other worn items

HS 6310: Sorted and unsorted used rags and textile scraps.

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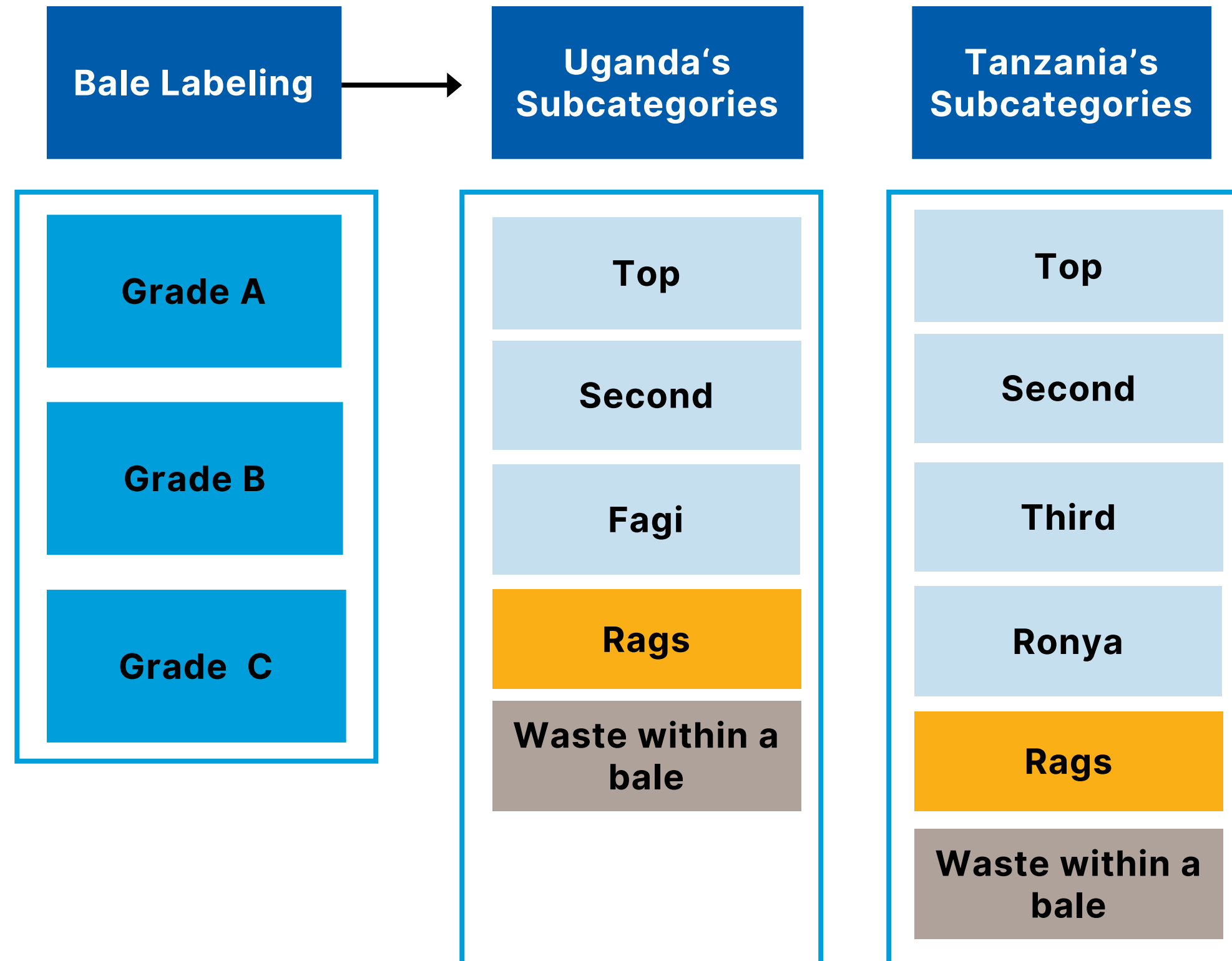
Baseline grading results
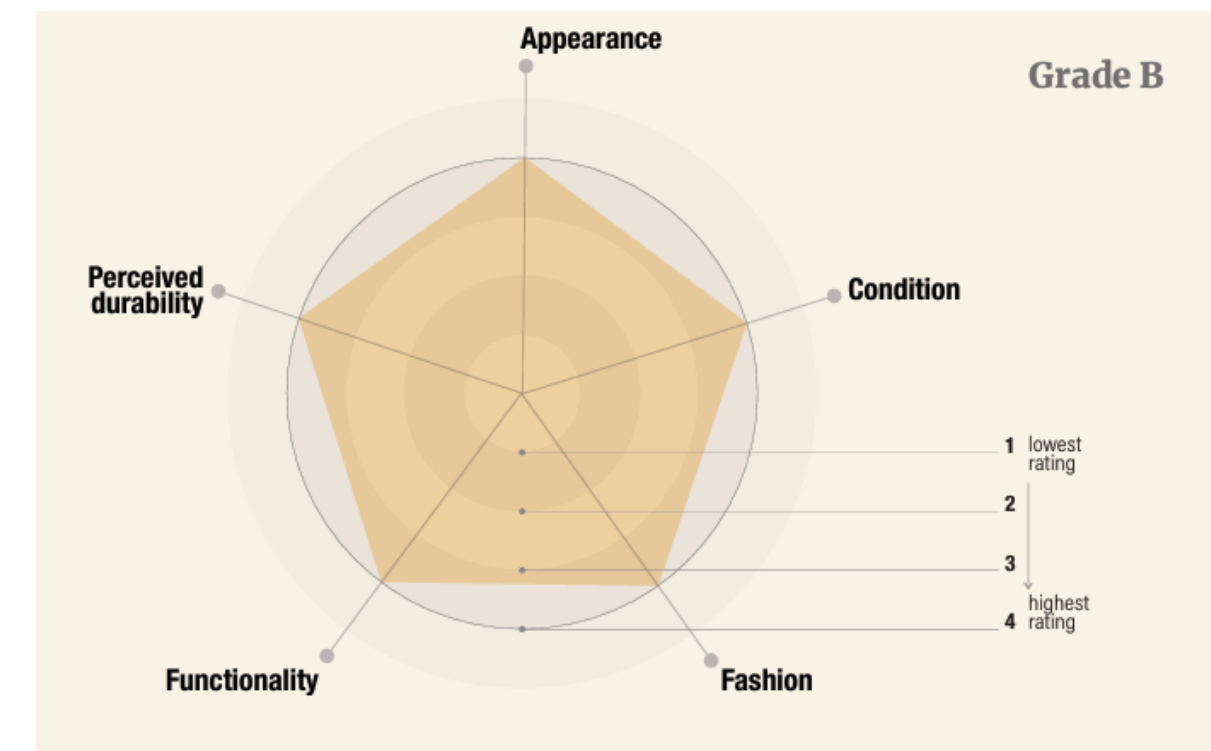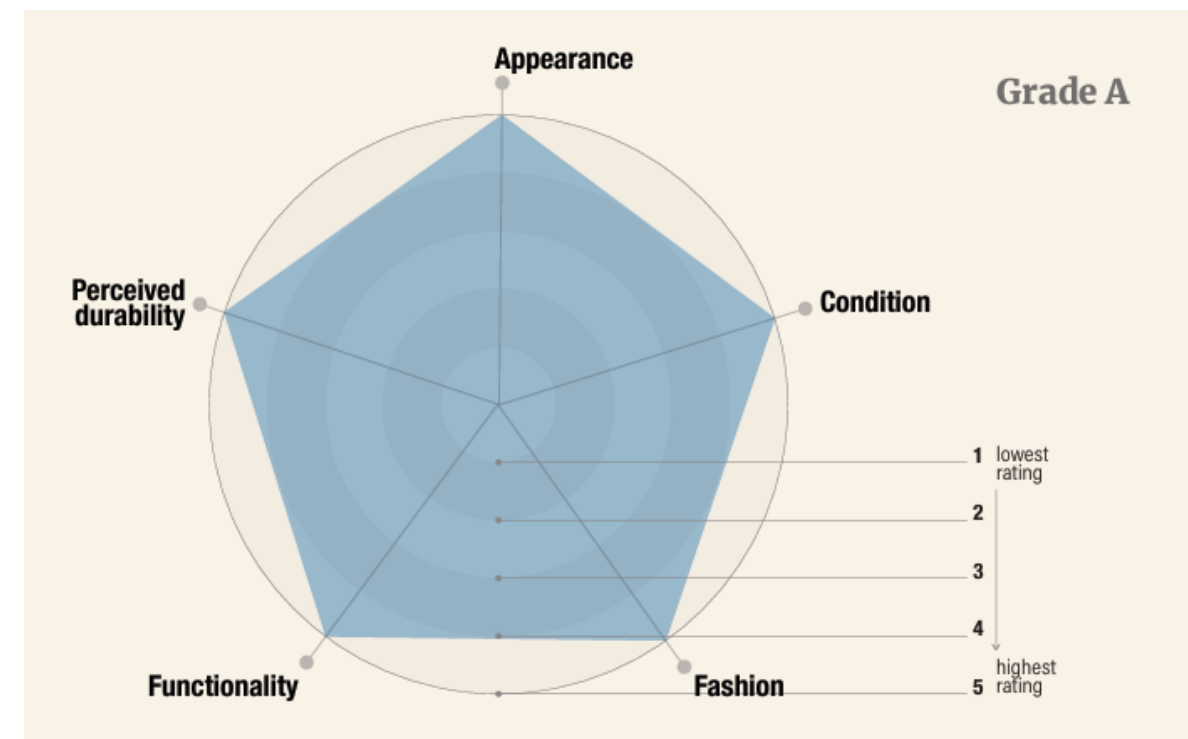
The five characteristics are the components of 'quality' defined by traders
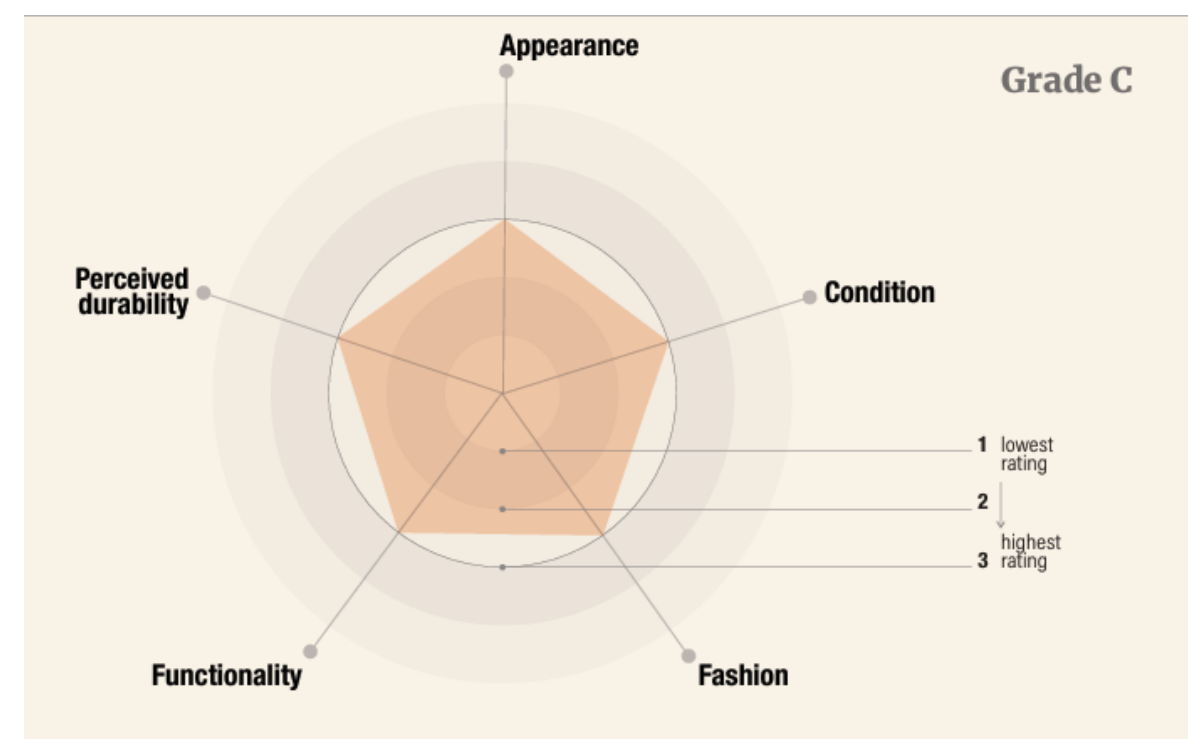
The quality of the clothing is the most significant factor influencing the economic value of each bale, with higher-grade clothing consistently commanding premium prices. When asking traders what are the key characters that determine quality they stated appearance, condition, fashion, functionality, and perceived durability.

The field research found that bales are labeled according to the highest proportion of clothing grade the bale contains, but it also includes items of lower grades.

Subcategories based on economic value and market demand

Bale Labeling	Uganda's Subcategories	Tanzania's Subcategories
Grade A	Top	Top
Grade B	Second	Second
Grade C	Fagi	Third
	Rags	Ronya
	Waste within a bale	Rags
		Waste within a bale

a. Bales are labeled according to the highest proportion of clothing grade the bale contains, but it also includes items of lower grades.

b. After bales are opened, items are further sorted into subcategories based on economic value and market demand.

c. Fagia (Ronya) acts as the consolidation point for slow turnover items, representing the lowest rating for wearable clothing before being designated as rags and waste.

d. Rags are reusable but not fit for wearing.

Condition and appearance are the key factors downgrading wearable to non-wearable clothing

Primary Downgrade Factor: 61.7% of 1,408 respondents identified condition as the main reason for downgrading items from "fagia" or "Ronya" to rags.

Key Distinction Factor: 80.3% of 1,313 respondents highlighted a combination of appearance and condition as the primary determinant between wearable clothing and waste.

Example this cotton t-shirt is considered as rags

Waste items are usually beyond repair and are typically disposed of. These include clothing that is torn, appears old, heavily faded, or stained beyond restoration.

Rags are items with the lowest economic value, often sold for the lowest prices. The primary distinction between fagi and rags is based on whether the clothes show wear and tear, damage, or extensive signs of use.

Left-skewed pricing bell curve indicating prevalence of lower-cost items
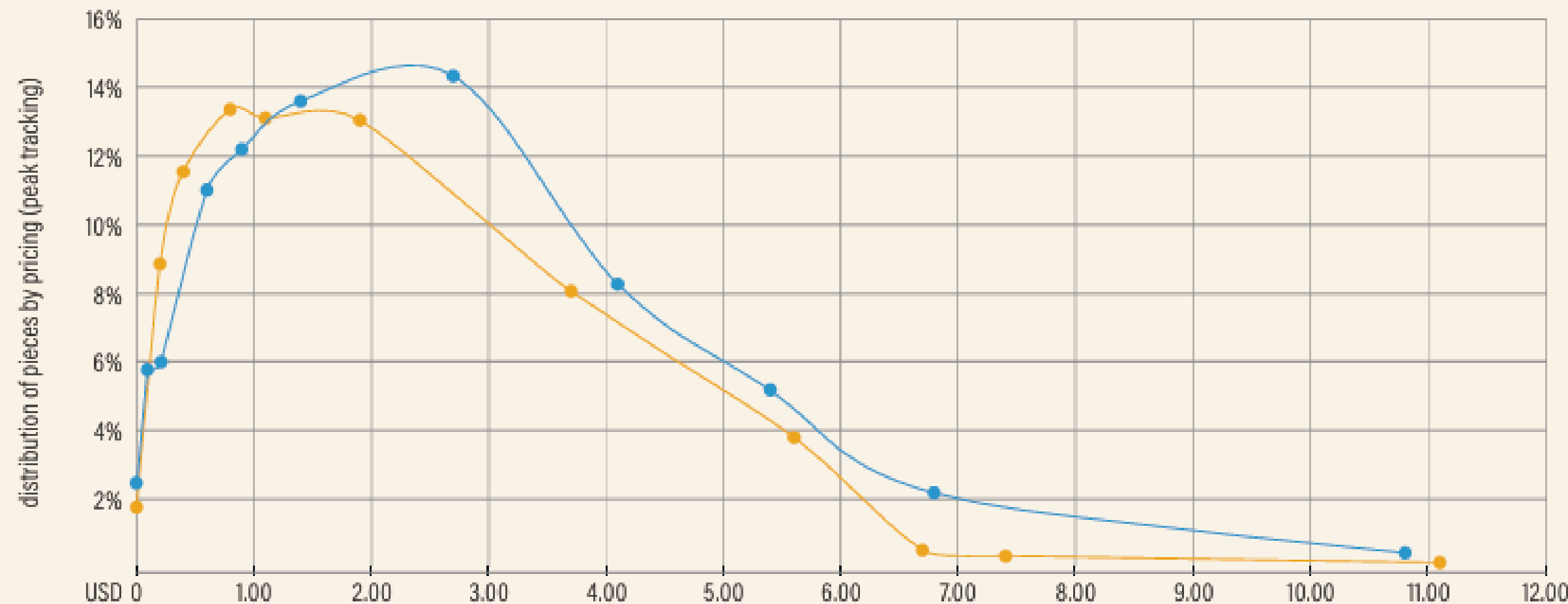
← Figure 2. SHC price distribution by bale percentage in Uganda and Tanzania

The price distribution of secondhand clothing (SHC) per piece for all Grades in both Uganda and Tanzania shows a left-skewed bell curve pattern, indicating a prevalence of lower-cost items. (UNCTAD, Full Cycle Resource, 2024)

Comparison of pricing distribution within a Grade A bale between Tanzania and Uganda

← Figure 3. Comparison of grade A bale pricing distribution between Tanzania and Uganda

* The price distribution of secondhand clothing (SHC) per piece for Grade A shows that pricing is market dependent. (UNCTAD, Full Cycle Resource, 2024)
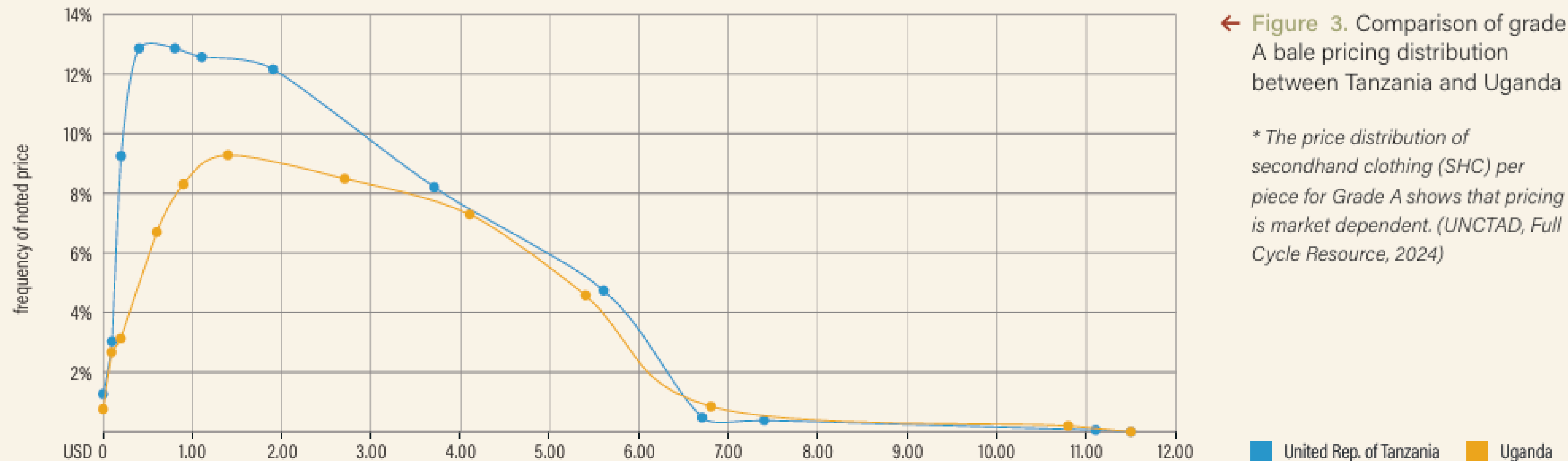
a. Pricing on pieces of clothing is market dependent and there are differences in the subcategory distribution within each market, reflecting unique local demand and purchasing power dynamics
b. The price distribution of second-hand clothing (SHC) per piece for Grade A demonstrated pricing on pieces of clothing is market dependent.

Grade A Bale – sub-categories (Tanzania)
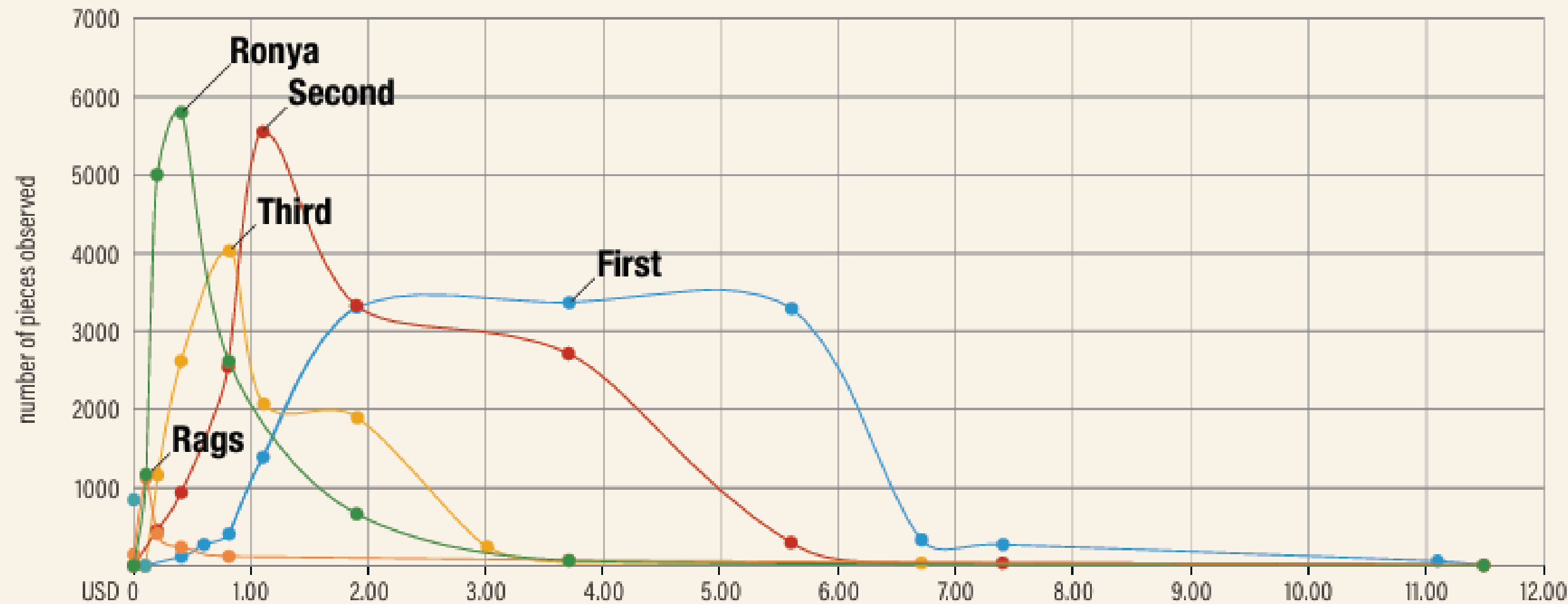
← Figure 4. Subcategories of grade A bale distribution in Tanzania

The chart demonstrates that the most frequently occurring selling price per piece of clothing within the Grade A bales declines as the quality drops from First to Second, Third and finally to Ronya and rags. (UNCTAD, Full Cycle Resource, 2024)

Sampled average bale (Tanzania)

Table 1. Distribution of subcategories of clothing pieces within an average bale Tanzania

	Low range	High range
First	33,601 – 26.4%	47,165 – 26.5%
Second	36,469 – 28,7%	52,006 – 29,2%
Third	26,306 – 20.7%	35,955 – 20.2%
Ronya	24,849 – 19.5%	34.076 – 19.1%
Rags	4,323 – 3.4%	6.310 – 3.5%
Waste	1,701 – 1.3%	2,755 – 1.5%
Total	**127,249**	**178,267**

← *Note*
The textile waste within a bale in the two sampled markets in Tanzania is estimated to range from 1.3 to 1.5 percent, while rags make up 3.4 to 3.5 percent. This means that 4.7 to 5 percent of a bale consists of items not classified under HS 6309.00.10

Economic mobility observed for both retailers and traders in Tanzania

Table 2. Examining economic mobility

Role in market	Retailer	Vendor
Below current role	328 – 61%	43 – 13%
At or above current role; or from outside of SHC industry	212 – 39%	296 – 87%
Total sampled	540	339

← Note
In the markets surveyed in Tanzania, 61% of current retailers have advanced from lower position within the value chain, demonstrating upward economic mobility (Table 2). In contrast, 13% of the vendors began in a lower position, while 87% entered SHC in their current position

Table 3. Timeline and percentage of traders who achieved economic mobility

Business type	Retailer	Vendor
0 to 1 year	2.7%	0%
1 to 3 years	8.5%	23.3%
3 to 5 years	40.2%	62.8%
5 to 10 years	70.4%	88.4%
10+ years	100%	100%

← Note
40.2% of current retailers progressed from being vendors within a period of 3 to 5 years. Over a period of 5 to 10 years, 70.4% of vendors became retailers. 62.8% of vendors progressed from being bale carriers to vendors within 3 to 5 years. Over a period of 5 to 10 years, 88.4% of bale carriers became vendors, indicating faster upward mobility

The majority of the vendors (239 out of 339) began their careers directly as vendors, while 43 started as bale carriers or ronya traders.

In Tanzania, about 61 percent of retailers began their careers in lower-value chain roles.

The typical income range for retailers is USD 147.7 to USD 221.6, while for vendors, it is USD 73.8 to USD 147.7, indicating a 50% increase in income for those moving from vendor to retailer status.

Motivation for entering SHC trade

Table 4. Motivations for entering the SHC trade

Reasons	Respondents	
Family business	48	4.6%
Finacial incentive	634	60.6%
Lack of other opportunities	219	20.9%
Personal preference	145	13.9%
Total sampled	1046	

← *Note*
Out of the 1,046 survey respondents in Tanzania, 81.5% entered the trade due to financial incentives or lack of other opportunities

Within the SHC trade in Tanzania, 99 percent of respondents said they believe in equal opportunities for men and women, with a similar share (98 percent) indicating that the trade financially benefits their family. The primary motivation for entering the SHC market is financial incentives (60.6 per cent), while 21 per cent entered due to lack of alternative employment opportunities

Questions?