

**Abstract:**

Kenya has enjoyed a relatively diversified economy (at least by SSA standards), with light manufacturing industries in particular playing a significant growing role. The rise of Asian competition (locally, regionally and on third-country markets), partly due to the erosion of trade preferences for clothing and footwear, has raised fresh policy challenges. The specific relevance of the clothing industry in the analysis of China's and India's impact on Africa is manifold: this is a low-skilled labour-intensive industry, and hence an avenue for African economies' diversification; the competition from Asian producers vis-à-vis the SSA clothing industry is felt at the local, regional and global level (on third-country markets): it is therefore direct and indirect; also, the Asian Drivers' impact on African clothing industries has both a trade and investment dimension while being competitive and complementary.