



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 1014

DATE PUBLISHED: 18 MARCH 2022

Inkosi R N Cebekhulu (IFP) to ask the Minister of Trade, Industry and Competition:

- (1) How is the clothing and textile industry currently performing and contributing to the economy;
- (2) whether he has found that the performance of the clothing and textile industry has been compromised by (a) load-shedding, (b) cheap imports, (c) uncompetitive tariffs and (d) labour issues; if not, why not in each case; if so, what are the relevant details in each case;
- (3) what (a) number of companies have accessed The Clothing and Textiles Competitiveness Improvement Programme and (b) percentage of the total number of companies does this represent? [NW1260E]

REPLY

The latest available data shows that domestic clothing, textile, footwear and leather (CTFL) manufacturing sales (for 2021) totaled R58,8 billion.

The sector has been affected over the past three years by a range of factors, including

- declines in consumer spending during the early phase of the pandemic, affecting particularly products like clothing
- load-shedding (as an example, the textile industry in the Standerton region reported 250 power dips).
- Cheap imports accompanied by under-invoicing and illegal trade practices

- The July 2021 unrest that resulted in damage to factories and stores in two provinces.

The capacity utilisation of the South African CTFL manufacturing sectors decreased from 75% to 62% and employment and output has been severely affected.

To remedy this, the dtic has

- Stepped up efforts to encourage local procurement and production, with a change in the focus of the competitiveness programme and stronger commitments from the retail sector
- Rolled-out a relief package for firms affected by the July 2021 unrest, which included clothing producers
- Worked closely with SARS and other agencies to address under-invoicing, with some successes achieved
- Partnered with firms to consider energy-mitigation measures, and
- Introduced a special rebate (reduction of duties) on certain imported fabrics

The Department introduced a Clothing Textile Competitiveness Programme (CTCP) in 2009 to stabilise employment and improve overall competitiveness for the sector.

A total of 531 firms utilized the programme, including 354 SME clients and about 10% women owned companies. This represents 37% of qualifying firms.

-END-