

# MANUFACTURING

## Clothing, Textile, Footwear and Leather

The South African retail, clothing, textiles, footwear, and leather (R-CTFL) industry is of great importance to the South African economy. The value chain generates an estimated R74 billion in Gross Value Added, or 1.7% of domestic GDP. while approximately 210,000 jobs (1.33% of total South African employment) are also presently sustained within the value chain. Government support has had some impact on improving capabilities and performance in certain areas, and over the last few years the value chain's decline has been moderated. Though the manufacturing portion of the R-CTFL value chain has still performed sub-optimally and manufacturing in the sector remains non-dynamic with limited impact on gross value add (GVA). Formal employment in the CTFL manufacturing sectors has stabilised at approximately 90,000 since 2013, following a decline in employment in the prior decade.

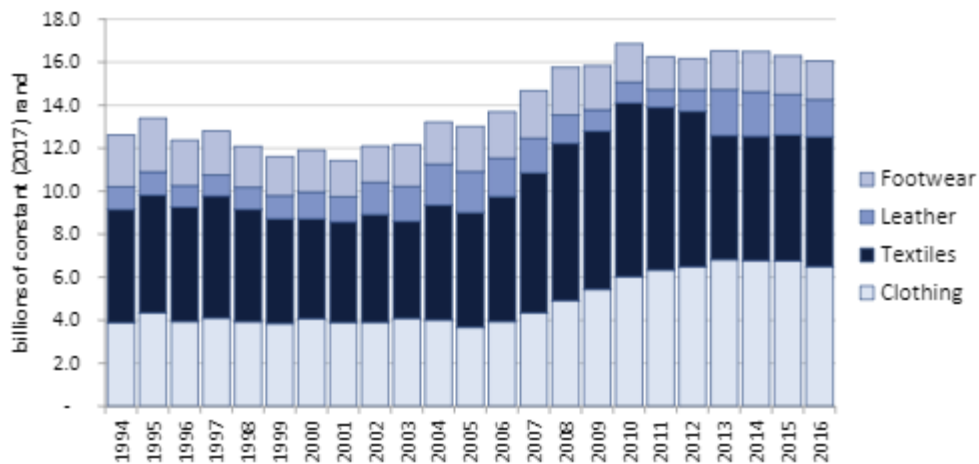
An estimated 120,000 of these jobs are in the retail portion of the value chain, with 90,000 across the various South African CTFL manufacturers supplying into the domestic retail market. The R-CTFL value chain's employment potential is substantially greater than indicated in these figures, with an estimated 165,000 foreign manufacturing jobs sustained by South African CTFL retailing activities.

The highest concentration of clothing manufacturing activity is in the Western Cape, followed by KwaZulu-Natal and Gauteng. Manufacturers of higher value-added garments are predominantly located in Cape Town, which is regarded as the country's fashion and design capital. Therefore, the industry is highly valuable and could promote increased economic growth and recovery within the province if the necessary interventions are put in place. Key sub-sectors within the sector include:

- Agents/design houses
- Clothing manufacturing companies
- Formal retailers
- Informal retailers
- Suppliers of raw material inputs such as textiles and yarn

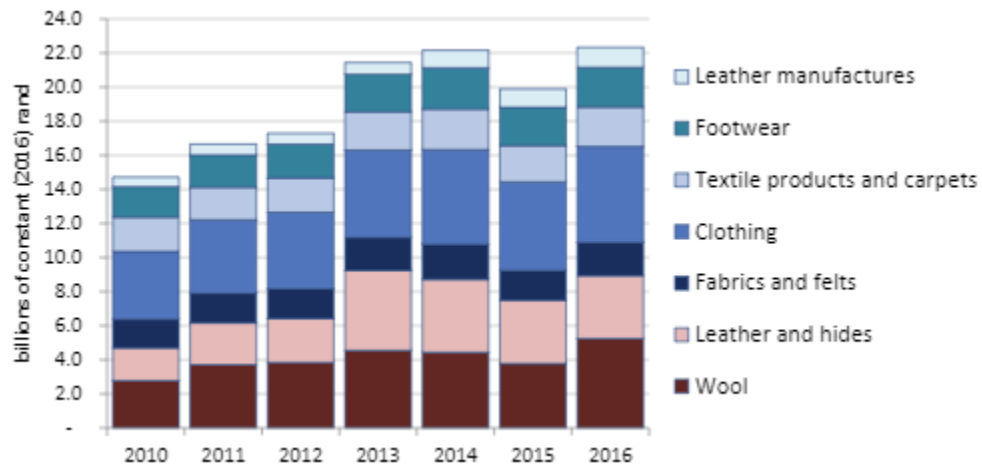
The Textile and clothing industry has not seen a massive increase from 1994 till 2016. This might be an indication that the industry is underdeveloped as it has not expanded its contribution to the GDP of the country.





Quantec: Gross value added by clothing, textiles, footwear and leather

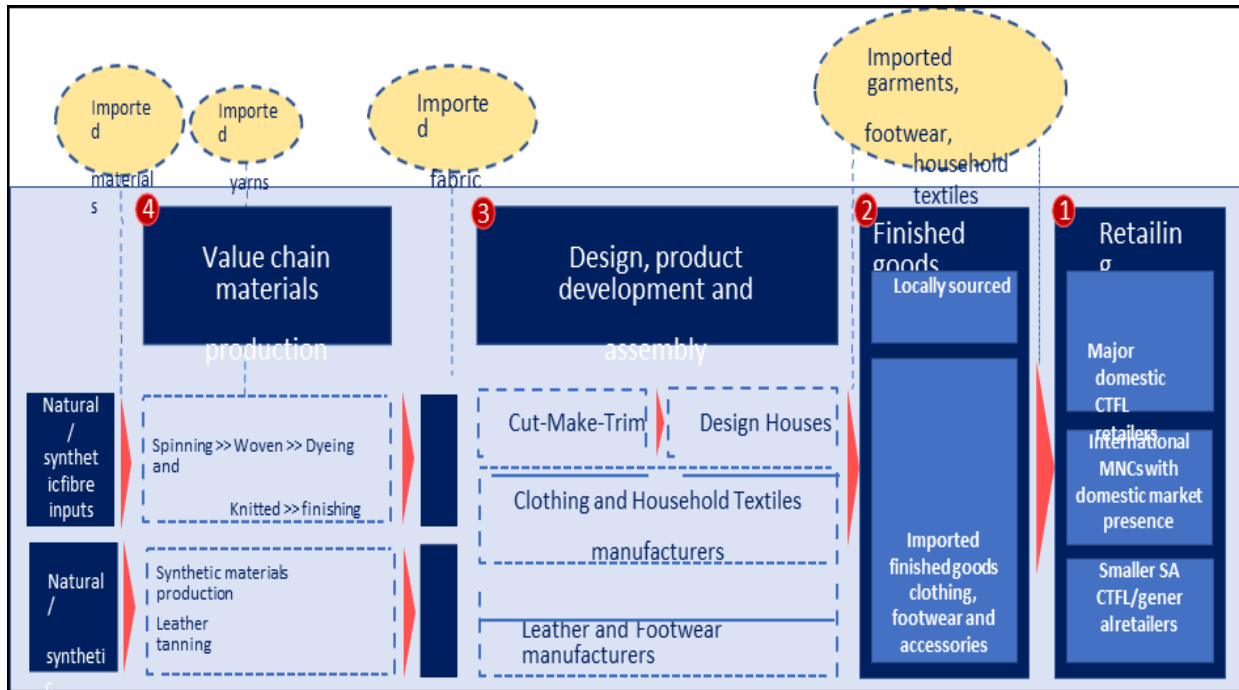
Textiles and clothing seem to form the biggest part of the industry as indicated in the figure above. Technology and globalisation play a major part, especially in the clothing and textile industry. An increase in exports was seen for the major CFTL products between 2010 and 2016. An increase in this industry is expected to continue for many years to come as the world changes.



With the COVID pandemic, people made a change to online shopping and this opens up many opportunities for expansion and exports within the industry. South Africa has a lot of labour and talented entrepreneurs that need to use this opportunity to start a business or expand their footprint all over the world. South Africa has plenty of resources to support this expansion and contribute to the success of the industry. The industry is still underdeveloped and has the potential to create multiple job opportunities.

## Clothing and Textiles Manufacturing Value chain

The clothing and textiles manufacturing value chain is complex and non-linear comprised of a variety of intricate network of components. An overview of the value chain is visually illustrated below:



**Simplified Retail CTFL Value Chain**

Within the above value chain, several key networks exist across the primary, secondary, and tertiary sector. The key networks identified include the raw material network, intermediate good network, production network, export network, and the marketing network.

[Link to Clothing and Textile master plan](#)

For more information e-mail:  
 DEDAT.SectorSupport@westerncape.gov.za