

High import duties hamper local clothing manufacturing sector

Adele Mackenzie

A clothing manufacturer has issued a strong call for tax relief on imported fabric to prop up the faltering sector.

He said while there was government will to protect the local clothing and textile industry from an influx of cheap clothing imports, high labour costs and duties on raw materials were also making the local industry uncompetitive.

“We’ve lost ground to the rest of the world,” said Christopher Kinross

of Kinross Clothing. This despite government intervention on cheap clothing exports from China and India that has brought “some stability”.

He stressed that more had to be done to promote competition and create jobs. “There is no doubt that there is a will to help the industry... but the problems go beyond the influx of imports,” said Kinross.

One of the main challenges facing the industry is a tax on importing raw materials essential for manufacturers.

“We pay 22% duty on imported fabrics. If they remove that duty, our businesses could grow in a spectacular fashion,” he said.

Years of talks to remove the duty have been unsuccessful and there are no quotas on clothing imports. The textiles and clothing sector contributes 3.3% to the nation’s overall economic output – and is heavily reliant on domestic consumption.

Foreign investment in apparel has repeatedly bypassed South Africa and

instead gone to Lesotho, Swaziland and Madagascar, among other African nations.

“We pay wage levels that are relatively high for clothing manufacturing countries,” said Kinross. As much as 45% of sector income was spent on labour costs, he added.

Only textile businesses that agreed to pay a minimum wage set by the government qualified for official assistance, explained Kinross.

The support for the industry has been running

for six years, supporting 505 beneficiaries and distributing R5.3bn, according to a spokesperson from the Department of Trade and Industry (dti) He said that minister Rob Davies had agreed that whatever needed to be done to protect the local industry would be done

“But it should be in the interests of industry development and to improve the local supplier base,” he added.

The arrival of giant international “fast fashion”

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