



MANUFACTURING SUBSECTORS

Clothing, footwear, leather and textiles

December 2017

Industrial policy aims to promote diversification and tailor interventions to the needs of individual manufacturing industries. To support evidence-based policymaking, TIPS has completed a series of notes on the main manufacturing subsectors in South Africa. These notes provide information on the contribution to the GDP, employment, profitability and assets, the market structure and dominant producers, major inputs and international trade. They bring together data from Statistics South Africa, Quantec and Who Owns Whom to provide a more detailed overview of each sector.

This note summarises key data and information on the clothing, footwear, leather and textiles subsector as of December 2017. It will be updated as information becomes available.

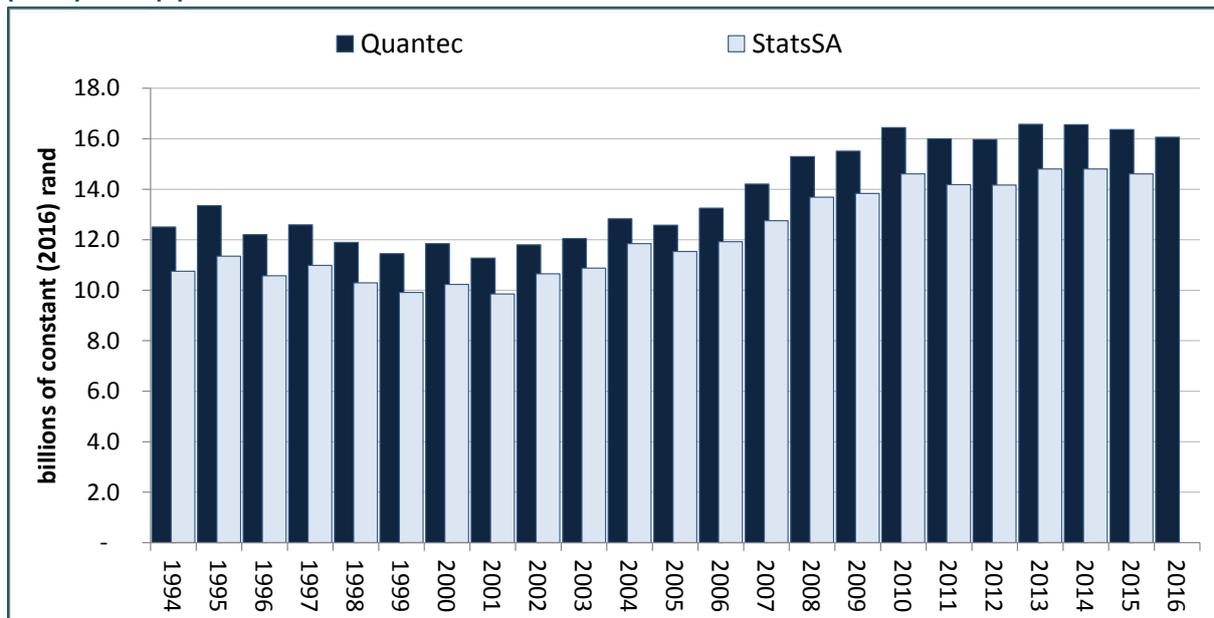
Clothing, footwear, leather and textiles (CTFL) comprises the chain from synthetic and natural inputs to final clothing and shoes. The leather and textiles production are distinct, but both clothing and shoes now largely make use of synthetic inputs from the chemicals industry. Relatively few shoes today are made mostly from leather.

1 Contribution to GDP

Data for the contribution of manufacturing industries to the GDP (that is, for value add by industry) comes from two sources: the GDP data published by Statistics South Africa, and Quantec, which develops estimates based on the Statistics South Africa figures for sales, production and employment by industry and sub-industries. Both datasets show the same trends for CTFL, although the Statistics South Africa figures are consistently lower than the Quantec estimates.

CTFL saw an unusually sharp decline from the opening of the economy in 1994 through 2001, with the contribution to the GDP dropping over 1% a year in this period even as the rest of manufacturing stabilised. It grew at over 4% a year from 2001 to 2010, then levelled out. From 2014, both sources show a decline at around 1% a year.

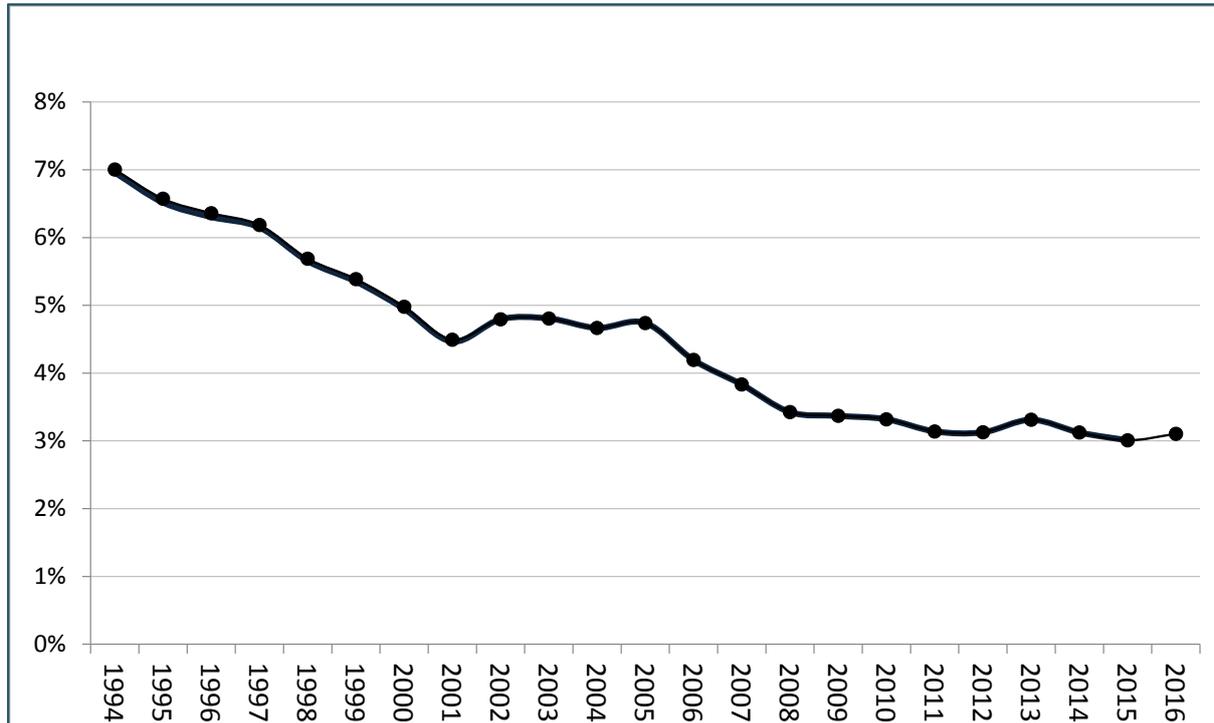
Graph 1. Value added in clothing, footwear and textiles, 1994 to 2016, in billions of constant (2016) rand (a)



Note: (a) Deflated by calculating the deflator used in the sources from figures in current and constant rand, and then rebasing to 2016. Source: Statistics South Africa, GDP P0441. Annual quarter and regional revisions. Q4 2016. Excel spreadsheet. Series on manufacturing subsectors in current and constant rand. Downloaded from www.statssa.gov.za in September 2017; and Quantec EasyData. Standardised regional data. Database in electronic format. Series on value added in current and constant rand. Downloaded from www.quanis1.easydata.co.za in September 2017.

These trends meant that the share of CTFL in manufacturing value added has dropped for most of the past 20 years, falling from 7% in 1994 to around 3% from 2011 to 2016. The figures from Statistics South Africa and Quantec are identical.

Graph 2. CTFL contribution to manufacturing value added (a)

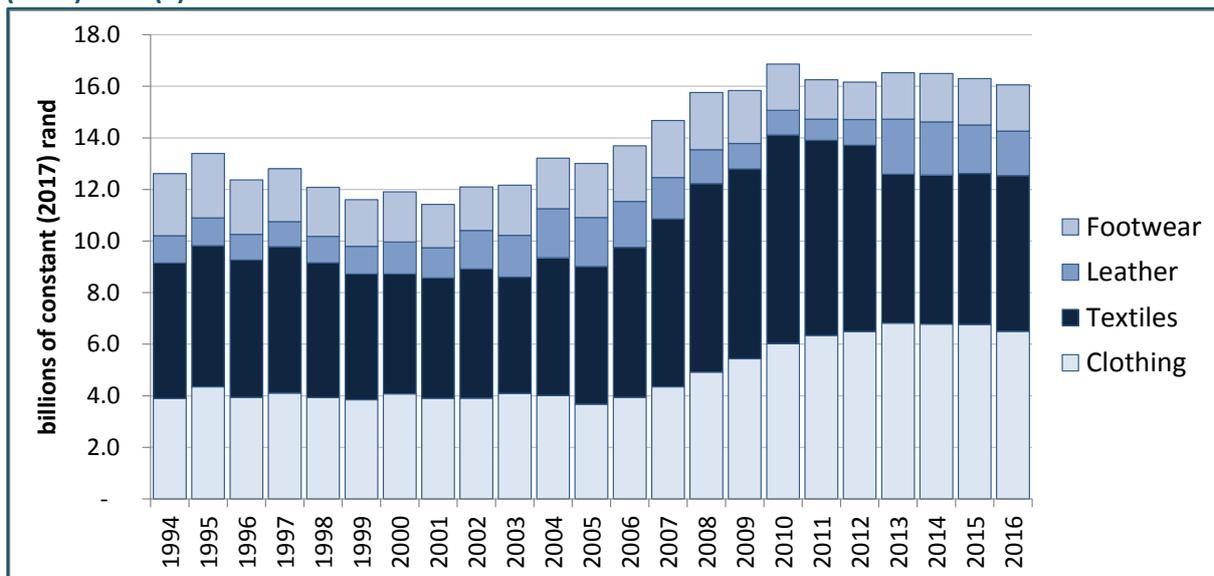


Note: (a) Only Quantec provides an estimate for 2016. Source: Calculated from Statistics South Africa, GDP P0441. Annual quarter and regional revisions. Q4 2016. Excel spreadsheet. Series on manufacturing subsectors in current rand. Downloaded from www.statssa.gov.za in September 2017; and Quantec EasyData. Standardised regional data. Database in electronic format. Series on value added in current rand. Downloaded from www.quanis1.easydata.co.za in September 2017.

According to Quantec estimates, clothing and textiles each account for around 40% of CTFL value added, with the remaining 20% split equally between leather and footwear. Quantec finds that footwear was the weakest sector in growth from 1994 on. In contrast, although the textiles industry accounted for around half of the decline in production from 1994 to 2001, with clothing it showed the strongest growth from 2001 to 2010. Clothing and leather accounted for most of the decline from 2013 (see Graph 3).

The Quantec estimates for leather fluctuate substantially. In large part, this likely reflects the fact that leather now feeds largely into the auto industry, with its fortunes dependent on shifts in incentive schemes and demand.

Graph 3. Gross value added by clothing, textiles, footwear and leather in billions of constant (2017) rand (a)



Note: (a) Deflated by calculating the deflator used in the sources from figures in current and constant rand, and then rebasing to 2016. Source: Quantec EasyData. Standardised regional data. Database in electronic format. Series on value added in current and constant rand. Downloaded from www.quanis1.easydata.co.za in December 2017.

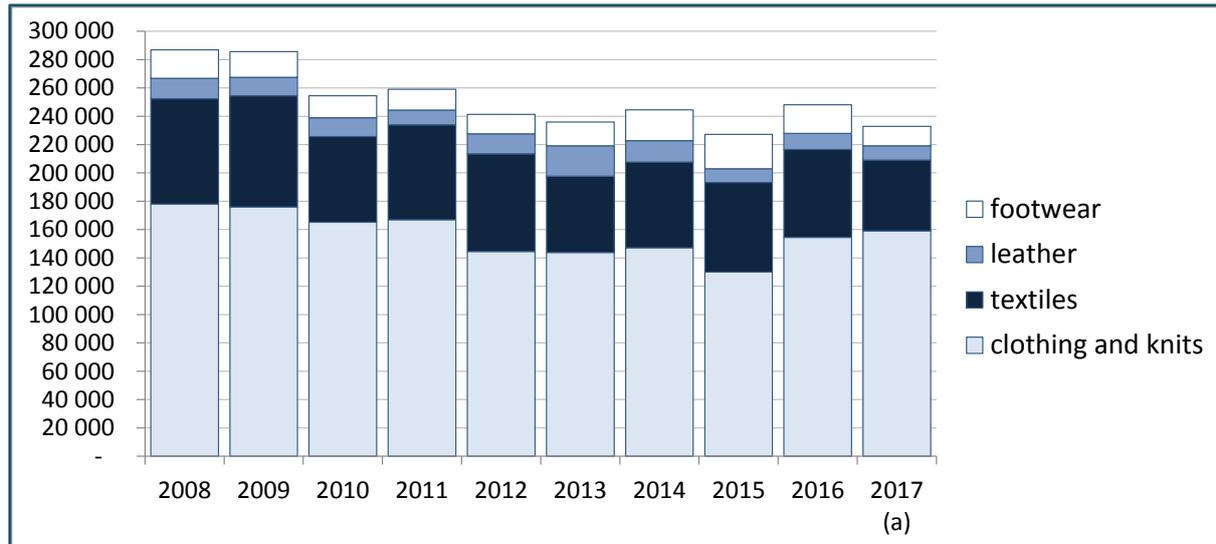
2 Employment

Employment data provided in this section draw on Statistics South Africa’s Quarterly Labour Force Survey, which was introduced in 2008. Its annual figures, in the Labour Market Dynamics, are averages of the quarterly findings. This methodology is used to derive annual data for total employment by industry in 2016 and the year to the third quarter of 2017.

On average, textiles provided a quarter of employment in CTFL from 2008 to the third quarter of 2017, while clothing accounted for just under two thirds. Leather contributed one in 20 jobs in the industry, and footwear one in 15.

According to the data, employment in CTFL dropped by 2% a year from 2008 to 2017, even in years when the industry reported growing production. From 2015 to the third quarter of 2017, clothing employment recovered somewhat, but the other three subsectors continued to see job losses.

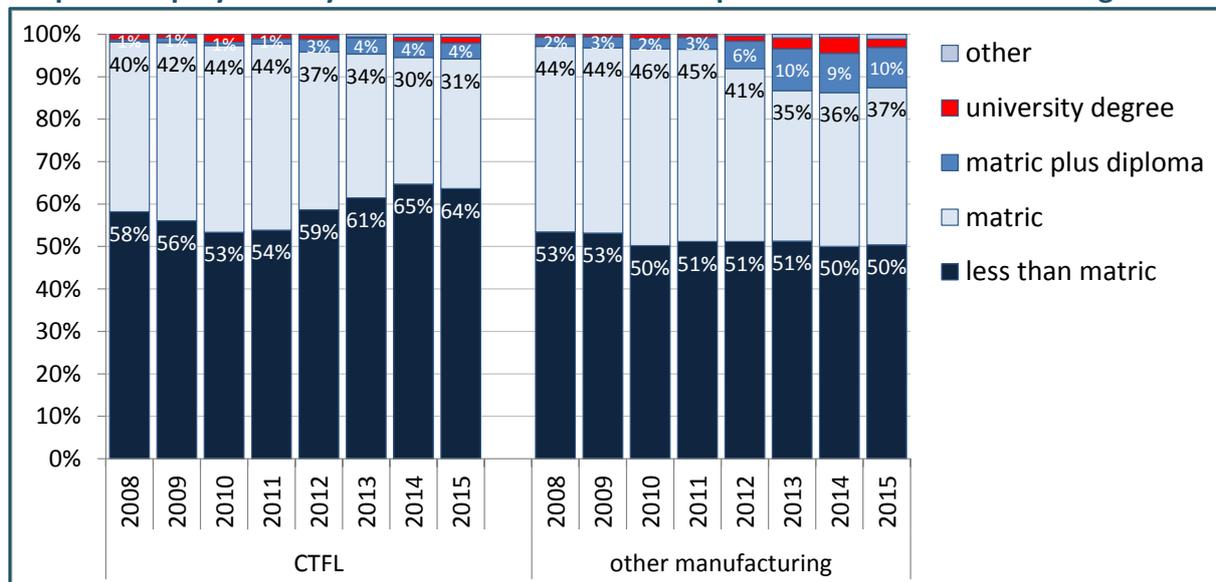
Graph 4. Employment in CTFL to third quarter 2017 (a)



Note: (a) Calendar years except for 2017, which is the year to the third quarter. Source: Calculated from Statistics South Africa. Labour Market Dynamics. 2008 to 2015. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in September 2017; and Quarterly Labour Force Survey. Q1 2016 to Q3 2017. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in December 2017.

Education levels in CTFL were considerably lower than in the rest of manufacturing. In 2015, 64% of workers in the industry did not have matric, compared to 50% in the rest of manufacturing. Only around 5% had a post-secondary degree or diploma, in contrast to over 10% in other manufacturing industries.

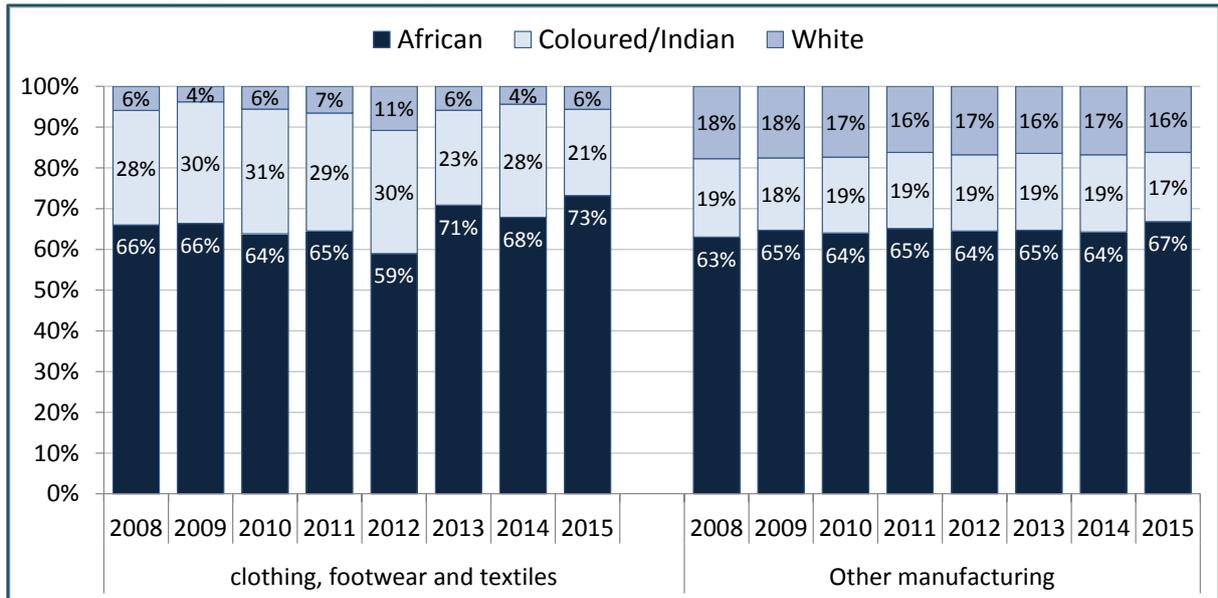
Graph 5. Employment by education level in CTFL compared to other manufacturing



Source: Statistics South Africa. Labour Market Dynamics. Relevant years. Series on employment by industry and education. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in September 2017.

Workers in CTFL were somewhat more likely to be African than in the rest of manufacturing, while a much smaller proportion was white. In 2015, Africans constituted 73% of employment in CTFL, compared to 67% in other manufacturing. Whites made up just over 5%, compared to over 15% in the rest of manufacturing.

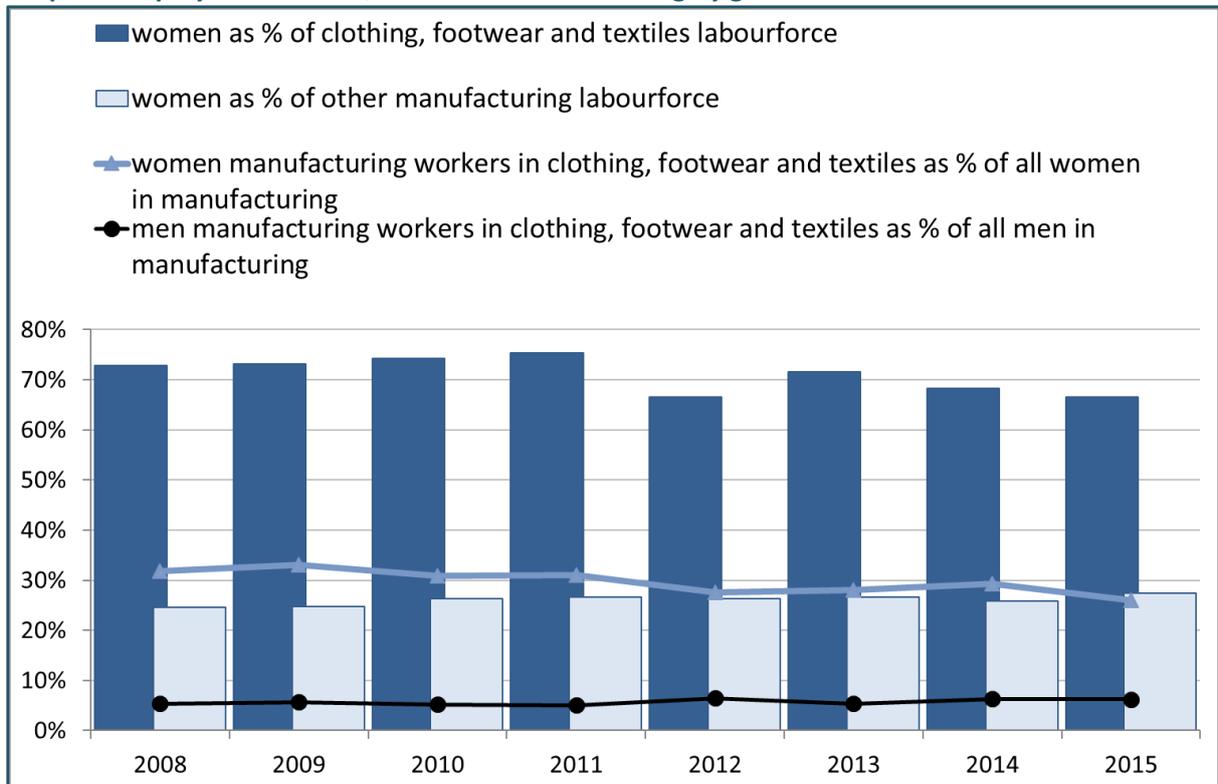
Graph 6. Employment in CTFL by race



Source: Statistics South Africa. Labour Market Dynamics. Relevant years. Series on employment by industry and population group. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in September 2017.

In South Africa, as globally, clothing production was a major employer of women. Some 70% of the CTFL labour force in South Africa were women, more than twice the share in the rest of manufacturing. One in four women employed in manufacturing were women, compared to one in 20 men.

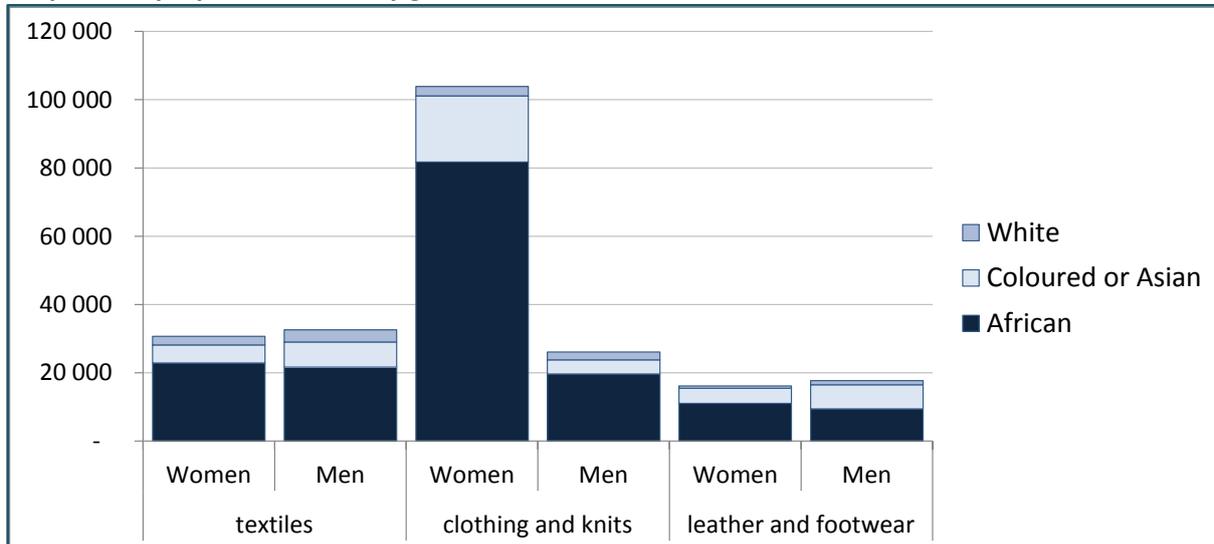
Graph 7. Employment in CTFL, and other manufacturing by gender



Source: Statistics South Africa. Labour Market Dynamics. Relevant years. Series on employment by industry and gender. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in September 2017.

As Graph 8 shows, in 2015 in textiles, footwear and leather women made up around a third of total employment, the same as in manufacturing as a whole. In contrast, African women alone constituted two thirds of employment in clothing production.

Graph 8. Employment in CTFL by gender, race and sub-sector, 2015

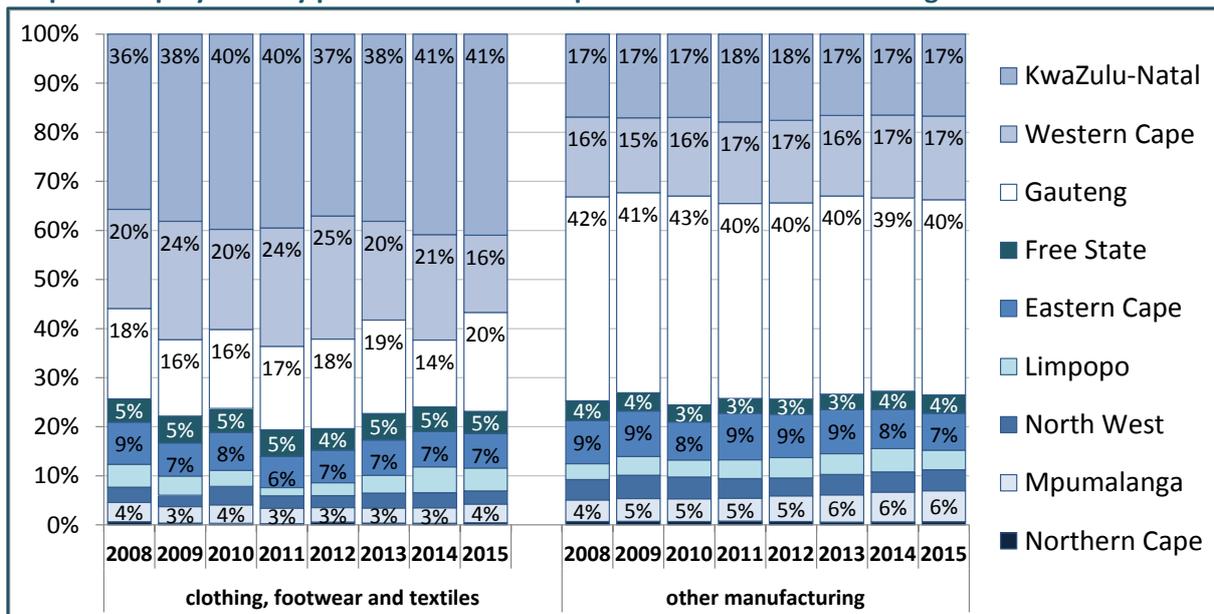


Source: Statistics South Africa. Labour Market Dynamics. 2015. Series on employment by industry, race and gender. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in September 2017.

3 Location

Statistics South Africa provides information on employment by province. As the following graph shows, KwaZulu-Natal was the largest employer in CTFL. Two out of five CTFL workers were in the province, compared to only a fifth of other manufacturing employees. The second largest employer was the Western Cape. Gauteng accounted for only around a fifth of CTFL employment – about half its share in other manufacturing.

Graph 9. Employment by province in CTFL compared to other manufacturing



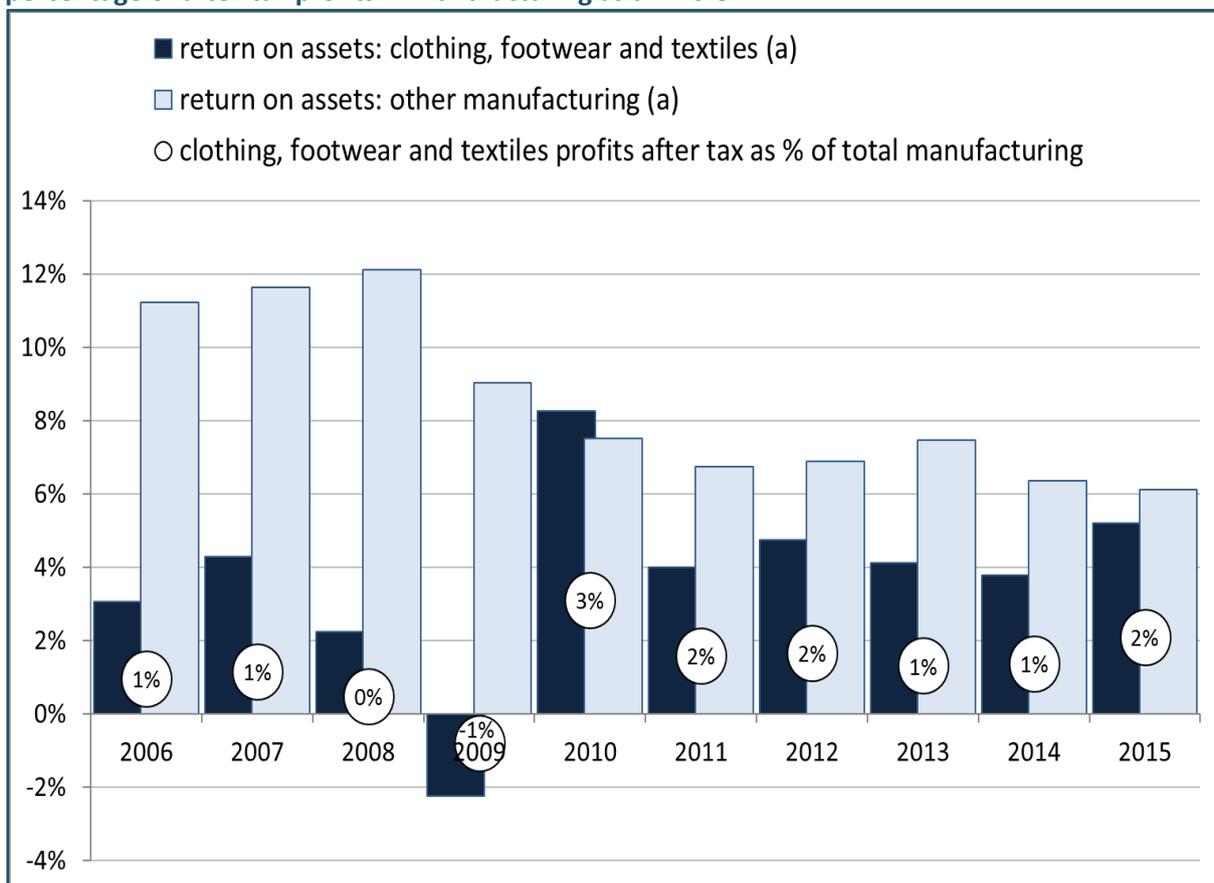
Source: Statistics South Africa. Labour Market Dynamics. Relevant years. Series on employment by industry and province. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in September 2017.

The location of manufacturing can also be understood in how it was embedded in apartheid geography. To this day, only a tenth of manufacturing employment is in the former so-called “homeland” regions, where around a quarter of the population lives. In the case of CTFL, around 17% of total employment was in the former “homeland” regions from 2008 to 2015. In part, the relatively large share of CTFL in these areas reflects efforts by the apartheid regime to encourage investment in the industry in former so-called “border” regions.

4 Profitability and assets

From 2008, the after-tax return on assets in CTFL averaged 4% a year. That was half the rate than it was for the rest of manufacturing, where returns averaged 8% a year. CTFL provided around 1% of all manufacturing profits.

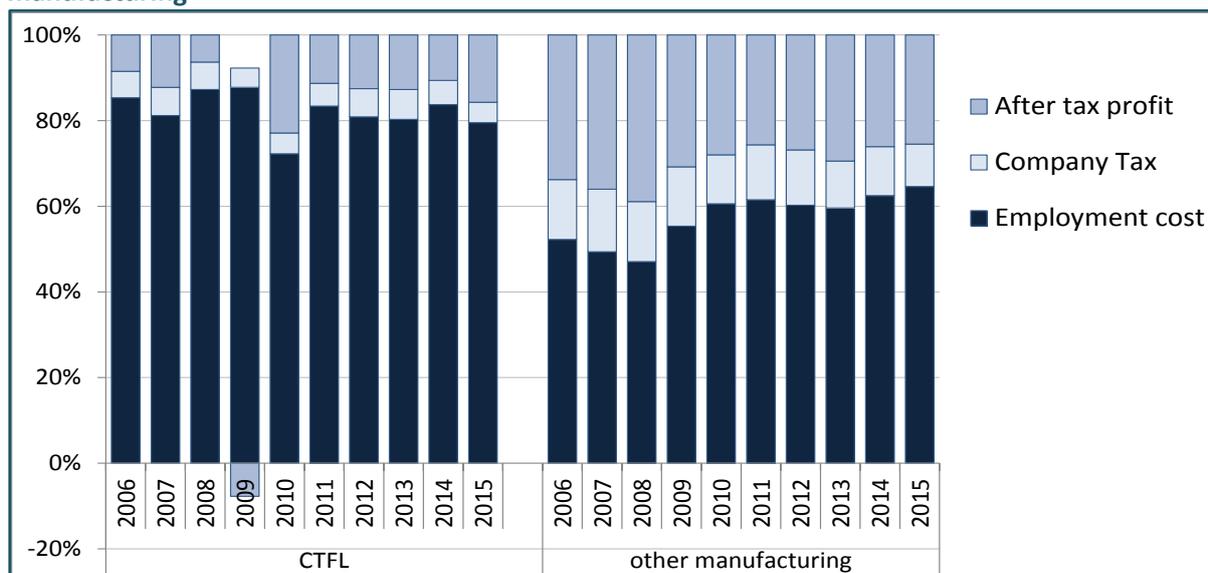
Graph 10. Return on assets (a) in CTFL, and other manufacturing, and after-tax profits in food as percentage of after-tax profits in manufacturing as a whole



Note: (a) Profits before taxes and dividends less company tax as percentage of total assets. Source: Calculated from Statistics South Africa. Annual Financial Statistics. Disaggregated Industry Statistics for relevant year. Excel spreadsheet. Downloaded from www.statssa.gov.za in September 2017.

As Graph 11 shows, between 2008 and 2015 employment costs averaged 84% of income in CTFL, compared to 59% in the rest of manufacturing. In 2015, according to Statistics South Africa’s labour market survey, the median wage for a formal employee in CTFL was R3 000. Of major manufacturing industries, only wood and paper had lower median pay. After-tax profits in CTFL were only 10%, in contrast to 29% in other manufacturing industries. Company taxes accounted for an average of 6% of income from CTFL, compared to 12% for the rest of manufacturing.

Graph 11. Share of remuneration, profits and taxation in income from CTFL compared to other manufacturing



Source: Calculated from Statistics South Africa. Disaggregated Industry Statistics for relevant year. Excel spreadsheet. Downloaded from www.statssa.gov.za in September 2017.

The value of CTFL assets climbed by 5% from 2008 to 2015, while the assets in the rest of manufacturing rose 61%. As a result, the share of CTFL total manufacturing assets fell from 4% to 3% over this period.

Graph 12. Value of total assets in CTFL, and other manufacturing in billions of constant (2016) rand (a)

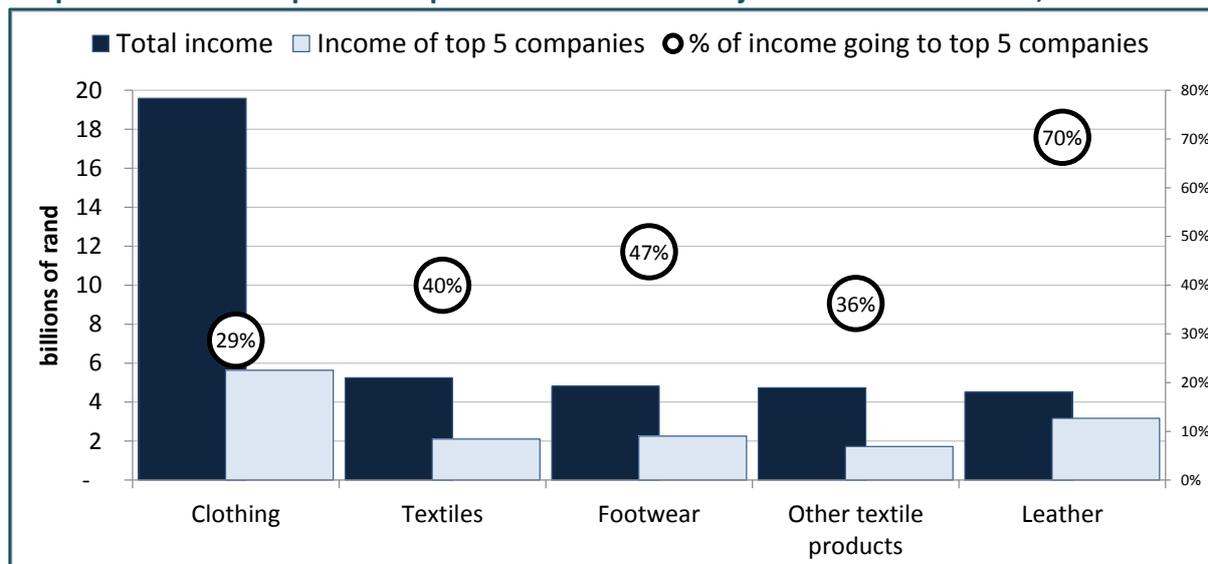


Notes: (a) Deflated with CPI. Source: Calculated from Statistics South Africa. Disaggregated Industry Statistics for relevant year. Excel spreadsheet. Downloaded from www.statssa.gov.za in September 2017.

5 Market structure and major companies

According to Statistics South Africa’s Manufacturing Financial Statistics, in 2014 the share in total income of the largest five companies in CTFL was only 14%. That was substantially lower than the norm for major manufacturing industries, where the figure generally fell between 30% and 40%. Within CTFL, concentration was lowest in clothing, with the largest five companies controlling 29% of income. In other subsectors, the biggest five producers generally obtained 30% to 40% of income, except in leather, which was substantially more concentrated (see Graph 13).

Graph 13. Share of top five companies in income of major sub-sectors in CTFL, 2014



Source: Calculated from Statistics South Africa. *Manufacturing Industry: Financial, 2014*. Pretoria. Table 9, p 33, ff.

In 2015, the Labour Market Dynamics survey found around 5 000 formal enterprises (that is, employers and self-employed) in CTFL, compared to around 60 000 in manufacturing as a whole and 671 000 for the entire economy. The figure was too small to permit a meaningful analysis of trends. The survey found between 40 000 and 50 000 informal enterprises in CTFL, out of a total of 1,4 million across the economy.

The largest companies in CTFL are described below. This shows the following:

- The largest companies in the value chain in South Africa are the retailers, which both buy from domestic manufacturers and import finished products. The companies listed in the table have between 400 and 5 000 outlets; a number of smaller chains, with anywhere from a handful to hundreds of outlets, have been excluded because of lack of space. The chains import both low-cost products, mostly from Asia, and branded goods from the global North (some of which are produced elsewhere). Several of them have dedicated procurement subsidiaries in Asia. Two groups of chains are owned by Massmart and Steinhoff, which are entirely foreign-owned.
- In this context, the recent allegations of large-scale accounting fraud at Steinhoff, which owns Pep, Ackerman and Shoe City among others, seems likely to cause significant disruption in the clothing retail market in South Africa.
- Clothing and shoe manufacturers are mainly privately owned, often by companies or by their directors or managers. Exceptions are Levi's, Bata, Falke and Glencarol, which are all foreign-owned.
- Most clothing and shoe producers have between one and four factories and employ less than 500 workers, although around 20 manufacturers have between 500 and 3 000 workers. In terms of product, they fall into three main groups: producing regular clothing; manufacturing purpose-made clothes, including protective clothing and shoes as well as work and school uniforms; and acting as outsourced manufacturers for designers, known as cut, make and trim (CMT) enterprises. Virtually all clothing and shoe manufacturers sell their output mostly through major retail chains, with many linked to just one or two chains. A number also have their own stores.
- Work and uniform producers seem more likely to export overseas, but many companies sell across the region either through retail chains or directly.

- Most CMTs are not included in the table because they are too small. They play a central, although subordinate, role in the industry, however, providing key production competencies. CMTs range from fairly large formal enterprises to informal, home-based workers.
- A number of clothing producers have licences to produce overseas brands. For instance, 60% of Levi products sold in South Africa are locally produced. Some foreign brands, including for instance Adidas, Nike and Hi-Tec, have outlets in South Africa where they sell only imported clothing and shoes. Several of these brands import over a million pairs of shoes annually to South Africa.
- There are far fewer textile companies than clothing firms. Some specialise in industrial products, such as filters. Most produce synthetic yarns and fabrics, although a few process local wool.

Most observers argue that the large retailers and international brands have significant market power in the clothing industry. As a result, they are generally able to hold down prices to local producers, both by shifting to foreign suppliers and by using their dominance of local distribution networks.

In addition, there is some tension between textiles and clothing producers. The textiles industry has long sought protection from imports, while clothing producers argue that to compete with imports and on foreign markets they need a wider diversity of cloth as well as lower input prices.

Table 1. Major companies in CTFL, including retail chains

Company	Employees	Nature of Business
<i>Clothing</i>		
Trade Call Investments Apparel	3 000	Manufactures and distributes women's, men's and children's clothing for major retail chains. Owned by Southern African Clothing and Textile workers' Union (SACTWU).
Allwear	1 353	Manufactures school uniforms and men's wear for retail chains in SA and Botswana, Lesotho, Namibia and Swaziland (BLNS).
Celrose	1 200	Manufactures mid to high-end garments for retail chains.
Ninian and Lester	1 200	Manufactures underwear, active wear and circular knitted products. Imports raw materials from China, India and Mauritius and exports finished goods to Germany as well as supplying local retail chains.
Kingsgate Clothing	1 150	Sources, manufactures, markets and distributes men's, women's and children's clothing, school clothing and specialist uniforms for chain stores, independent retailers, companies and government.
SA Cloth CMT Specialists 1 CC	1 001	Manufactures women's clothing for retail chains.
Mathomo Manufacturing	1 000	Manufactures protective clothing.
Prestige Clothing	900	Manufactures and supplies underwear, blouses, shirts, and intimate wear. Owned by Foschini.
Hanes SA	862	Manufactures, markets and distributes women's and men's underwear. Has rights to several international brands.
House of Monatic	840 (estimate)	Designs, markets, manufactures and sells men's and women's formal, casual clothing and corporate wear as well as accessories in SA and Namibia. Has rights to several international brands.
Davinscot Tongaat	800	Manufactures, imports and distributes shirts for retail chains both locally and internationally. Has rights to a number of foreign brands.
Durban Overall	800	A cut, make and trim company that manufactures and supplies general and specialised women's and men's workwear and uniforms including for security, hotel, defence and other industries. Imports raw materials from China and exports finished products to America and African countries.
Glencarol	720	Manufactures hosiery and underwear for chain stores, with rights to several international brands. Irish owned.

Company	Employees	Nature of Business
Franz Falke Textiles	651	Manufactures men's and women's socks and hosiery for sale through retail chains. German owned.
Peter Blond and Associates	630	Manufactures women's clothing for retail chain labels.
Gina of Charles Street	622	Manufactures corporate wear and uniforms.
Junit Manufacturing	600	Manufactures men's and women's corporate clothing, promotional and sportswear such as tracksuits, windbreakers, t-shirts and golf shirts, and sleepwear.
Twin Clothing Manufacturers	574	Manufactures and wholesales boys' and girls' casual and party clothing and school uniforms for retail chains.
Time Clothing	550	Manufactures and distributes men's and women's clothing, including corporate wear, sportswear, school uniforms and security uniforms.
Kingspark Manufacturers	520	Manufactures women's and men's clothing.
SA Cloth CMT Specialists	500	Manufactures women's clothing for retail chains under its own brand.
A J Charnaud and Company	470	Manufactures, distributes and exports personal protective clothing for industries including hot metal smelting, firefighting, shaft sinking, electrical safety (arc flash) operations, mining and live-line work (high-voltage distribution lines) and specialised footwear.
Fields Wear	464	Manufactures and retails women's and men's clothing, school uniforms, military uniforms, body armour, fire retardant clothing and related products, mainly for government and mining. Accredited by UK standards agency and the South African Bureau of Standards (SABS).
Cover-Up Trading	450	Manufactures children's clothing for retail chains.
Levi Strauss SA	450	Manufactures and wholesales jeans, shirts, and jackets; 60% of all Levi jeans sold in SA are manufactured at its SA factory.
Pals Clothing	450	Manufactures women's, men's and children's formal wear, school uniforms, corporate wear, security uniforms and other clothing for retail chains. Has rights to international brands.
Singtex Clothing Manufacturers	423	Designs, manufactures and distributes babywear for retail chains.
Arwa	400	Manufactures hosiery and socks.
Lancashire Manufacturing Company	400	Manufactures school uniforms for local retail chains and export, mainly to the UK.
Jaff and Company	395	Manufactures men's and women's corporate clothing, formal attire, casual wear and protective clothing, and a cut, make and trim producers.
Canvas and Tent Manufacturing	389	Manufactures canvas tents, sleeping bags, water bottles and folding chairs for safari outlets and the government, with 60% exported to Botswana, Zambia and Namibia.
Zenzeleni Clothing	380	Manufactures protective clothing, uniforms and T-shirts for mines, Corrections, SAPS and Transnet. Owned by SACTWU.
Giraffe Clothing	374	Cut, make and trim manufacturer that supplies the Davinco group (see above).
Dawn at the Cottage	330	Manufactures women's leisure and high fashion clothing.
F and R Clothing Manufacturers	322	Manufactures children's clothing for sale to retail chains.
Radical Sports Gear	302	Manufactures sports clothing and footwear.
Al's Clothing	300	Cut, make and trim enterprise.

Company	Employees	Nature of Business
Nilaflex	300	Designs and manufactures baby clothing.
Sweet-Orr and Lybro	300	Manufactures protective clothing for mining, automotive, other manufacturing and petrochemical industries.
Prikell Clothing	290	Manufactures women's, men's and children's underwear. Licenced for an international brand.
Triton Clothing Manufacturers	270	Manufactures men's, women's and children's underwear. Has two factories.
Tideway Trading	259	Manufactures unisex clothing exclusively for two retail chains.
Twilight Clothing Manufacturers	255	Manufactures school clothing.
Beier Envirotec	250	Manufactures technical textiles, non-woven felt and screen cloth, filtration materials and screens for the automotive, engineering, filtration, footwear, geotextiles, medical and protective clothing industries.
7 Trees Clothing	250	Manufactures fabrics for retail chains.
Blazing Fortune Trading 62	250	Prints and embroiders t-shirts, caps and beanies.
City CMT	250	Cut, make and trim enterprise specialising in women's clothing.
Mclver Apparel	250	A cut, make and trim factory for women's and children's sleepwear and underwear for retail chains.
Shiva Clothing	250	Manufactures infants' clothing for retail chains.
Summer Sunshine Trading 37	244	Manufactures clothing.
Kinross Clothing	243	Manufactures men's and boy's clothing.
Ebenhaeser Breifabrik	240	Manufactures knitwear for schools for supply to wholesalers.
Jonsson Workwear	240	Designs, manufactures and distributes men's and women's workwear for retailers and its own outlets in SA and Namibia.
Market Demand Trading 597	235	Manufactures clothing.
Bambazani Clothing	230	Manufactures women's fashion clothing.
Starfair 27	225	Manufactures clothing.
Gerli Clothing	218	Manufactures clothing.
Ni Shang Trading	212	Manufactures clothing.
K-Way Manufacturers	210	Manufactures outdoor clothing, camping equipment, climbing gear and rucksacks, as well as casual clothing for sale through retail chains.
Kishugu Clothing	203	Manufactures protective clothing.
Powerhouse Clothing	202	Designs men's and women's casual clothing such as t-shirts, track suits, caps, socks and underwear, which are manufactured through cut, make and trim factories.
Textiles and yarn		
KAP	19 000 (group)	As part of diversified manufacturing conglomerate, produces carpets and other textiles for vehicles as well as manufacturing knitted and woven jacquard fabrics for the mattress industry. Also weaves, dyes and finishes yarn into textiles, and then manufactures bath towels, linen and nappies for retail chains and government institutions.
SA Bias Industries	2 250 (group)	Through subsidiaries, manufactures printed and woven labels, narrow fabric products and trimmings for SA clothing producers.
Gelvenor Consolidated Fabrics	1 070	Manufactures high-technology industrial, technical and specialised textiles; plastic woven fabric for agriculture, mining and manufacturing; and protective workwear and uniforms, which it designs, manufactures and distributes.

Company	Employees	Nature of Business
Tai Yuen Textile Co (SA)	800	Manufactures cotton and polyester textiles used by cut, make and trim enterprises.
Good Hope Textile (Da Gama)	645	Weaves, dyes, prints and finishes fabric, including Sishweshwe, for work wear, government tenders, contracts, home sewing, fashion clothing, curtaining and upholstery industries. Imports around 20% of fabrics from Pakistan and China, and exports about 5% of its products to other African countries.
Belgotex Floorcoverings	595	Manufactures flooring including carpeting for the domestic and international markets, including in Middle East, Europe, Australia and across Africa.
Aranda Textile Mills	500	Manufactures yarn, blankets and throws from wool and acrylic for chain stores and independent retailers throughout Southern Africa, America and Europe. Blankets go mostly to informal retail.
Standerton Mills	500	Manufactures yarn and woven industrial fabrics and furnishings; dyes raw cotton; supplies yarn to the textile industry.
South African Fine Worsteds	450	Manufactures fine-worsted yarn and cloth made from wool for clothing manufacturers and retailers locally and internationally. Has two factories.
Alnet	430	Manufactures, distributes, and markets polyethylene, nylon, polyester, and cotton netting and cordage for the fishing, agricultural, mining, retail, military and other industries.
Spring Romance Properties 34	360	Manufactures fabrics and trims and offers branding services including embroidery, sublimation, heat transfers and screen printing as well as producing sports and lifestyle clothing and socks. Most products are sold in SA, but it exports fabric to Namibia and occasionally to Europe and the US.
Pres Les	300	Manufactures linen, comforters, bedding accessories, curtains and bathroom accessories.
Prilla 2000	300	Manufactures yarns for knitters, weavers and other textile manufacturers in Southern Africa, Europe, Mauritius and Madagascar. Owned by the Industrial Development Corporation (IDC).
Associated Spinners	270	Manufactures acrylic, open-end yarns for blankets, fine weaving yarns for upholstery and outdoor furnishings, and chenille yarns.
Coralline Investments	270	Manufactures polypropylene yarn and fibre for shade cloth, netting and HDPE ski-ropes mainly for industry and agriculture.
Nettex	250	Manufactures curtaining, knitted curtaining and upholstery textiles, including dyeing and printing.
Svenmill	250	Manufactures woven and warp-knitted fabric for home furnishings, clothing and industrial uses.
Yarntex	225	Manufactures yarns for home and industrial use locally and for export to the UK, Australia, New Zealand, Canada, Mauritius, the US and neighbouring countries.
SA Polypropylene Yarns	220	Among other activities, manufactures and distributes of polypropylene yarns for textile manufacturers.
Stucken and Company	210	Processes, dyes, spins and trades wool and mohair, and, on a small scale, karakul. Has a boutique weaving mill for premium natural fibres.
Footwear		
Bolton Footwear	1 300	Manufactures and imports footwear for retail chains, including both men's and women's shoes. Has four manufacturing plants.
BBF Safety Group	1 100	Manufactures and sells safety footwear. Has four factories.

Company	Employees	Nature of Business
Bata SA	984	Manufactures and imports men's, women's and children's footwear and bags for sale in SA and export to other African countries. Sells to retail chains and has 62 outlets.
Eddels Shoes	610	Manufactures and markets men's and women's footwear.
Green Cross Manufacturers	600	Manufactures, imports and retails women's, men's and children's footwear and accessories as well as shoe-care and foot care products in SA and southern Africa. Has a factory and 30 retail outlets in SA.
Dick Whittington Shoes	410	Manufactures and imports footwear for wholesalers, retailers and government.
Fast Fox Footwear	403	Manufactures women's and children's slippers and leather shoes mainly for Woolworths. Also has 11 retail outlets.
Rexview Investments	400	Manufactures school shoes, with recycled material for soles.
Palm Footwear Manufacturers	350	Manufactures school shoes for retail chains. Has one factory.
Labora Shoes	300 (estimate)	Manufactures synthetic women's and men's casual shoes for retailers. Has two factories.
Onshelf Investment Seventy Three	267	Manufactures safety boots and school shoes for sale through retail chains.
Michelle Footwear	244	Manufactures women's and children's leather shoes for retail chains as well as its own outlets.
Corrida Shoes	200	Manufactures leather shoes, handbags and accessories for retail chains and its own shops.
Shezi Industrial Holdings	180	Manufactures gum boots, dual density safety boots and combat boots for the agriculture, general, mining, forestry and food processing industries.
Retail		
Shoprite Holdings	140 000 (group)	Has over 2 500 outlets across Africa that sell clothing and textiles in addition to food.
Massmart Holdings	48 000 (group)	Owns retail chains, including Game, that sell clothing, footwear and furnishings, among others. Has 412 stores across Southern Africa as well as in East and West Africa. Owned by Wal-Mart.
Edcon	44 000 (group)	Retails clothing, footwear, furnishings and other products through over 1 500 Edgars, Boardman, Jet and CNA outlets in SA and neighbouring countries. Owns Edcon (Shanghai) Trading Company as well as other Asian subsidiaries.
Woolworths Holdings	43 000 (group; 32 000 in Africa)	Owns retail chains operating in 14 countries across Africa and Australasia, including 286 clothing and general merchandise stores in SA and the rest of Africa (as well as around 200 food-only outlets). Through its Australian subsidiary, owns Woolworths (Hong Kong) Procurement and other Asian subsidiaries.
Steinhoff Africa Retail	42 500 (group)	Through Pepkor owns retail chains, including Pep, Ackermans, John Craig and Shoe City, that sell clothing, shoes and other products through 3 341 outlets across Southern Africa; also has 331 outlets in Australia and New Zealand and over 1 000 stores in Eastern Europe, France and the UK. Also owns furniture retail chains (Poco, Russells, Bradlows and Rochester) as well as Incredible Connection and HiFi Corp. German-owned but parent company is managed mostly by SA team.
Foschini Group	22 800 (group)	Retails clothing and furnishings through Foschini, @home, Donna-Claire, DueSouth, Markham and other chains. Has over 2 200 stores, with 176 in Africa outside of SA and more than 650 in Europe, America and Asia.

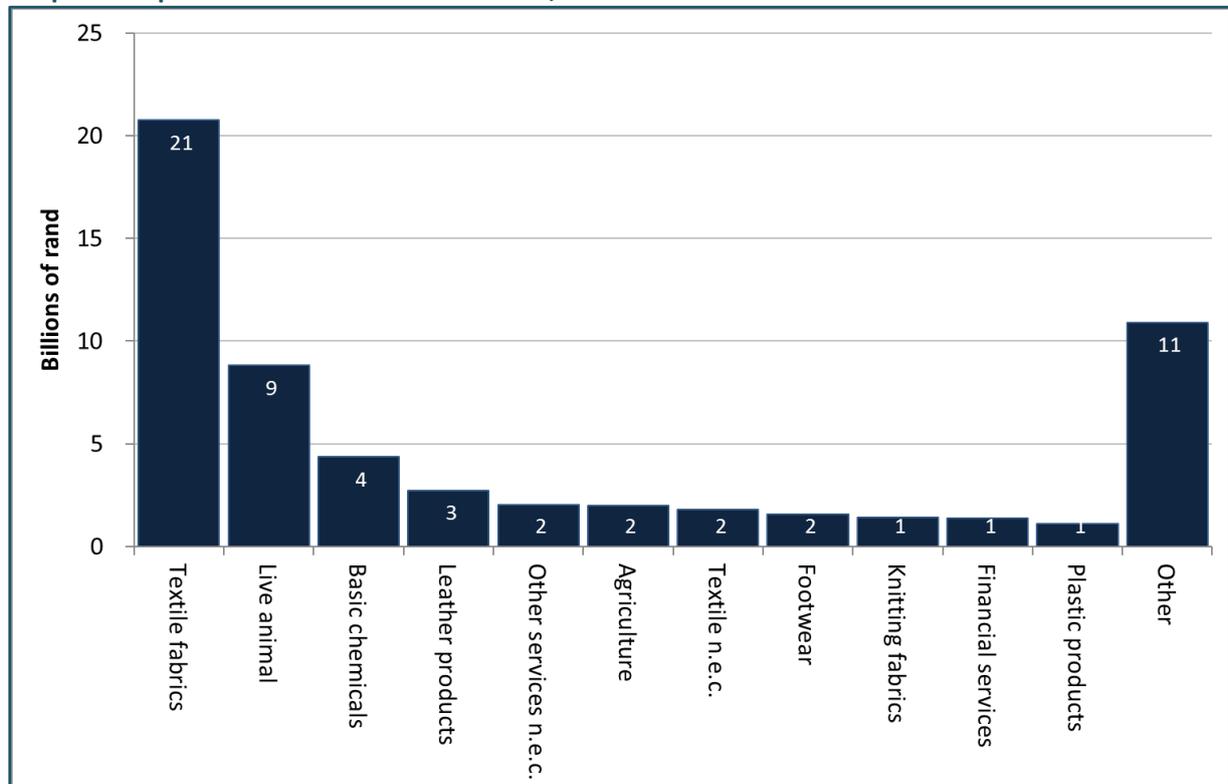
Company	Employees	Nature of Business
Mr Price Group	18 000 (group)	Retails clothing and furnishings through 1 200 MRP, Miladys and Sheet Street outlets, mostly in SA but also in other parts of Africa and Australia.
Truworths International	12 000 (group)	Retails clothing and footwear through 723 outlets in SA and around 50 in other African countries, mostly Truworths, Identity and smaller specialist chains such as Naartjie. Also retails branded and other shoes through 108 stores and concessions in department stores in the UK, Ireland and Germany.
Blue Falcon 188 Trading	2 500	Operates a total of 497 outlets in SA and neighbouring countries for branded clothing and footwear, mostly imported, including Adidas, Linea Italiana and Nike.
Rage Distribution	2 400	Retails footwear, clothing, bags and accessories for men, women and children through 520 outlets.
Cape Union Mart International	1 300	Retails clothing and footwear as well as other hiking and camping accessories through almost 300 Cape Union Mart, Old Khaki and Poetry outlets in SA, Botswana and Namibia.
Retailability	400	Retails men's, children's and women's clothing, shoes and accessories through 450 outlets, including Legit, in SA and other Southern African countries.

Source: Who Owns Whom. Report generator. Companies in CTFL. Downloaded in December 2017.

6 Major inputs

The main inputs into CTFL are textiles, live animals, basic chemicals and leather products, which constituted around 60% of total inputs. In constant rand, the value of inputs remained almost unchanged from 2012 to 2015.

Graph 14. Inputs into CTFL in billions of rand, 2015



Source: Calculated from Statistics South Africa. Statistics South Africa, GDP data in excel format, Fourth Quarter 2017. Use Tables. Downloaded from www.statssa.gov.za in October 2017.

7 Trade

South Africa ran a significant deficit in CTFL, with imports around three times as large as exports. As a result, in 2016 CTFL accounted for around 2% of South Africa's total exports, but 5% of imports. From 2010 to 2016, CTFL imports also grew around twice as fast as exports.

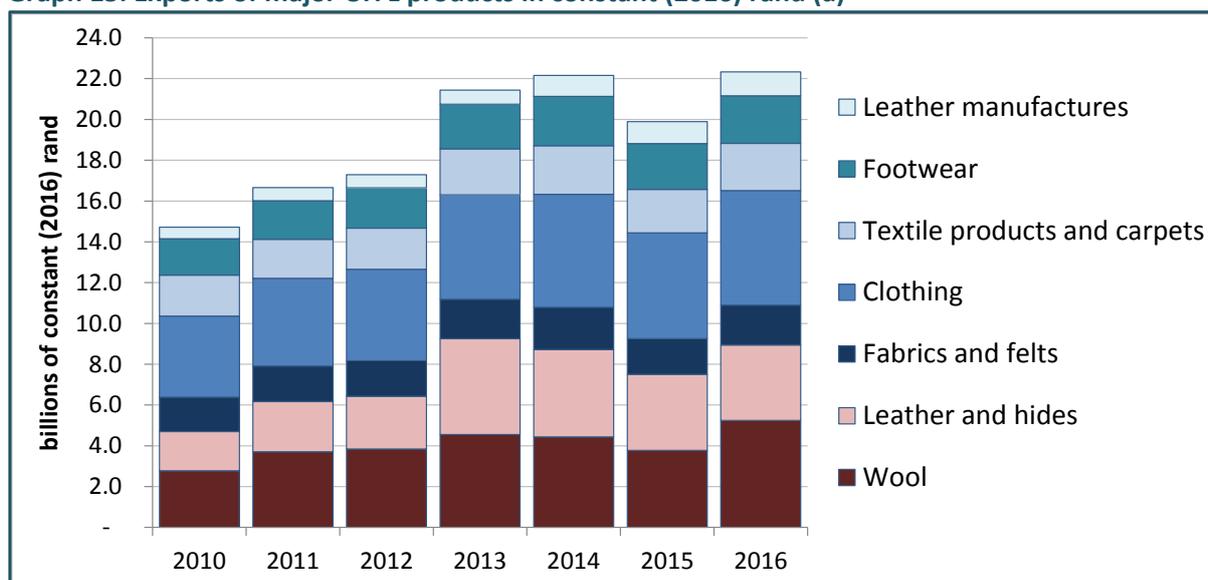
Total CTFL exports reached R20 billion in 2016. They accounted for 2,1% of South Africa's exports in 2016, up from 1,6% five years earlier. Two fifths of the total comprised wool and leather – that is, relatively unbeneficiated commodities, while a quarter was clothing. Fabrics, footwear, other textile products such as home furnishings and tarpaulins, and leather manufactures (mostly bags) accounted for the rest.

CTFL exports over the past six years were affected by the divergent impact of the commodity boom on basic inputs compared to more highly manufactured goods.

Wool and leather saw rapid growth during the commodity boom, which ended in 2011/12, then levelled out. Exports of wool and leather grew respectively 18% and 35% a year from 2010 to 2013. For the following three years, wool exports climbed 5% a year while leather shrank 8% annually.

In contrast, exports of more highly manufactured CTFL products grew more slowly during the commodity boom. While their growth also declined when it ended, the effect was less marked than for wool and leather. Clothing climbed 6% a year in the total period from 2010 to 2016, and footwear 5%. In contrast, fabrics and textile products rose just 2% a year on average.

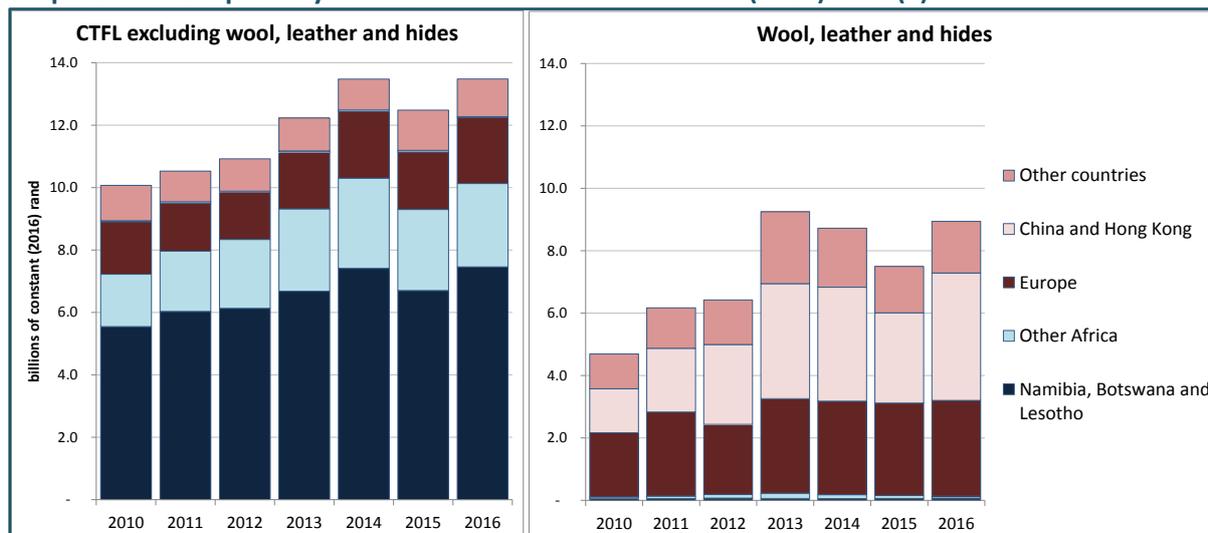
Graph 15. Exports of major CTFL products in constant (2016) rand (a)



Notes: (a) Deflated using CPI. Source: Calculated from ITC. TradeMap. Electronic database. Series on South African exports of fibres, textiles, clothing, leather and footwear etc. in rand. Downloaded from www.trademap.org in December 2017.

The divergent trends for commodity and manufactured exports also emerged for destination countries. Wool and leather went primarily to China, Europe and the US, while three quarters of manufactures ended up in Africa.

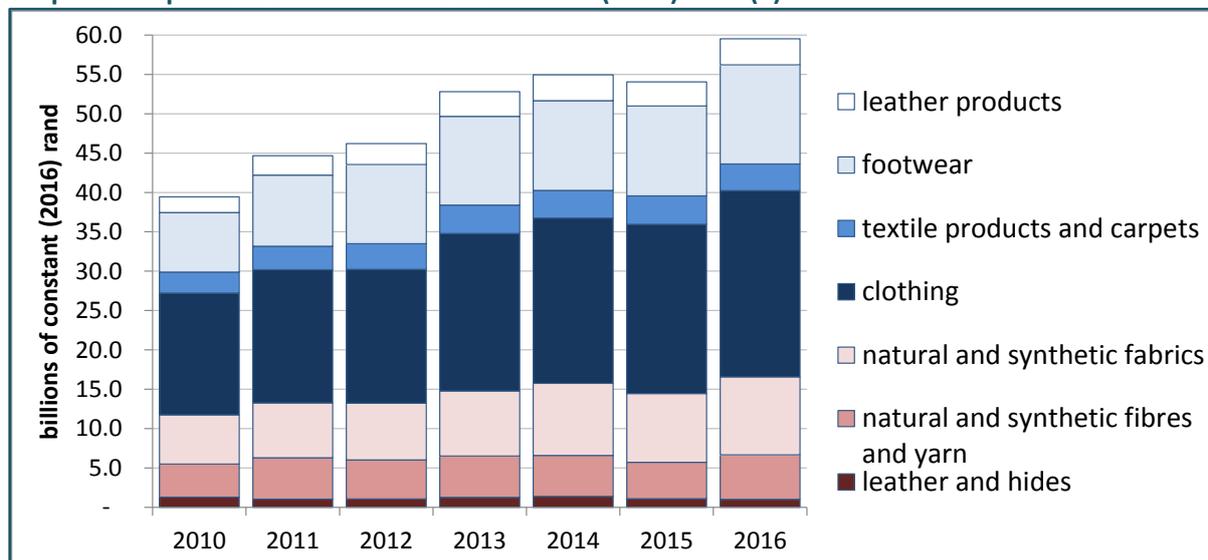
Graph 16. CTFL exports by destination in billions of constant (2016) rand (a)



Notes: (a) Deflated using CPI. Source: Calculated from ITC. TradeMap. Electronic database. Series on South African exports of CTFL. Downloaded from www.trademap.org in December 2017.

CTFL imports totalled almost R60 billion in 2016, around three times the value of South African CTFL exports. In constant rand, they climbed at 7% a year from 2010 to 2016, slightly faster than imports. Clothing constituted about 40% of imports, footwear 20%, and other textile and leather products just over 10%. Fabric, fibres and leather made up the remaining 30%. While most of South Africa’s CTFL exports of raw materials consisted of wool and leather, three quarters of fibre and yarn imports were synthetic products.

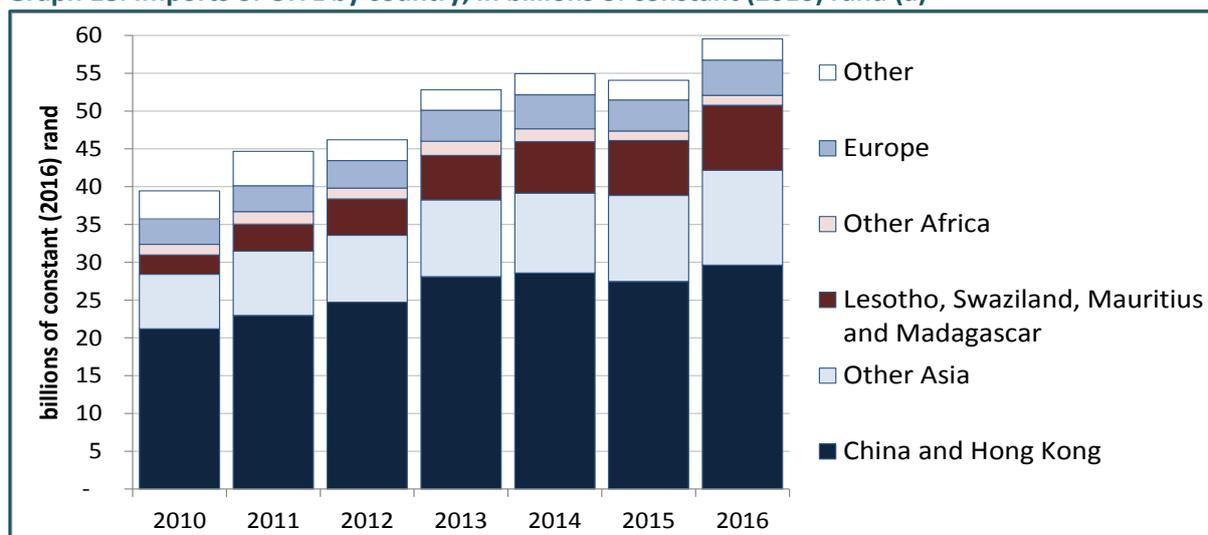
Graph 17. Imports of CTFL in billions of constant (2016) rand (a)



Notes: (a) Deflated using CPI. Source: Calculated from ITC. TradeMap. Electronic database. Series on South African imports of CTFL. Downloaded from www.trademap.org in December 2017.

China dominated South African imports of CTFL from the early 2000s, accounting for half of the total by 2016. From 2010 to 2016, however, it lost market share to four African countries – Swaziland, Lesotho, Mauritius and Madagascar – as well as other Asian countries, led by Vietnam.

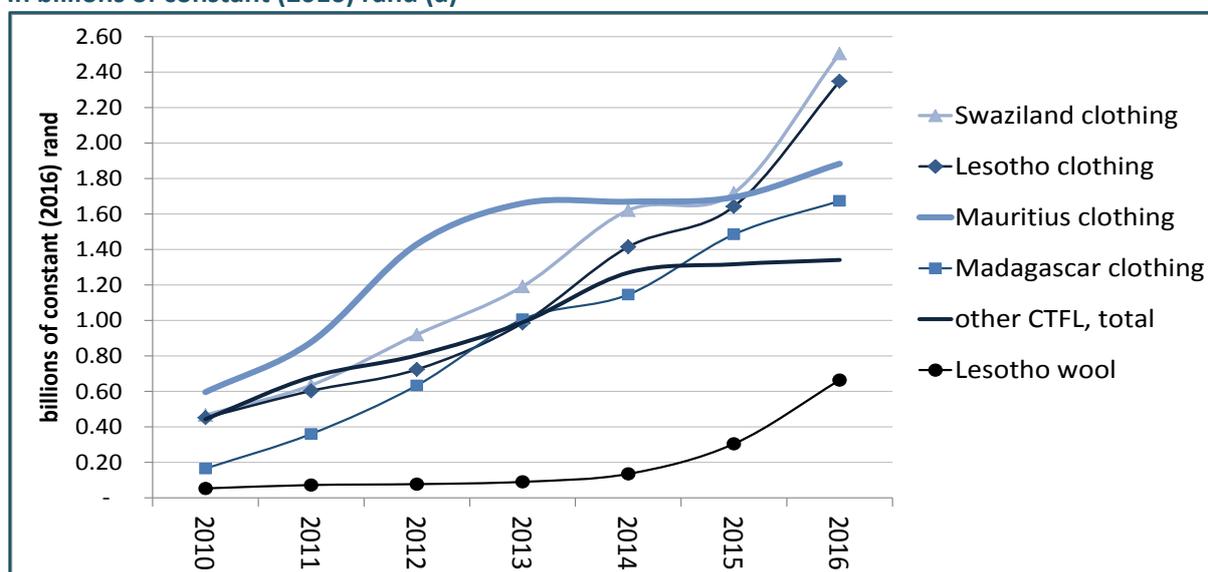
Graph 18. Imports of CTFL by country, in billions of constant (2016) rand (a)



Notes: (a) Deflated using CPI. Source: Calculated from ITC. TradeMap. Electronic database. Series on South African imports of CTFL. Downloaded from www.trademap.org in December 2017

Swaziland, Lesotho, Mauritius and Madagascar increased their share in total South African CTFL imports from 6% in 2010 to 14% in 2016, growing an average of 22% a year. This trend apparently resulted mainly from the depreciation of the rand against major trading currencies, which made African suppliers more competitive. The countries involved are not major importers of CTFL from other countries. In clothing, they have a large balance of trade surplus with South Africa.

Graph 19. Imports of clothing and other CTFL from Swaziland, Lesotho, Mauritius and Madagascar in billions of constant (2016) rand (a)



Notes: (a) Deflated using CPI. Source: Calculated from ITC. TradeMap. Electronic database. Series on South African imports of CTFL. Downloaded from www.trademap.org in December 2017.

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