

# A stitch in time

By [Claire Bisseker](#)

25 May 2009

Retailers and manufacturers in the clothing and textile industry have at last agreed to work together to test the commercial feasibility of sourcing more apparel and fabric locally.

The industry is experiencing factory closures and job losses because of the economic downturn.

At the industry's annual Stellenbosch imbizo on 8 May 2009, all major retailers were present for the first time, including Cape Union Mart, Edcon, Foschini, Mr Price, Pep, Truworths and Woolworths, along with clothing and textile makers. Previous imbizos were often marred by the mistrust that has typified relations along the sector's supply chain.

At the 2008 imbizo, retailers had decided to fund a study of leading international retailers such as Zara (based in Spain) and Sweden's H&M. These two source substantially more locally than from the East, but still manage to compete effectively in major markets.

The results of the research, undertaken by B&M Analysts, were presented at the recent imbizo. They showed that Zara was able to turn a garment around in 22 days (from the day it was ordered to the day it was put on the shelves) against 142 days for the average SA manufacturer. To get the same garment out of China takes a domestic retailer 167 days on average — but then it is at least 30% cheaper, so most SA retailers source a sizeable proportion of their goods from the East.

Justin Barnes, chief facilitator of the Cape and KwaZulu Natal clothing and textiles clusters and chairman of B&M Analysts, found that if SA retailers could secure lead times of 56 days from domestic manufacturers, the local industry would have a chance. "It's not about competing with China on cost, because you can't, but on speed and on flexibility," he explains.

Barnes believes that securing short manufacturing lead times is the key to reversing the long-term decline of the clothing and textile industry. The clothing and textile makers have been working on quick-response capabilities for some time.

According to Michael Lawrence, executive director of the National Clothing Retail Federation, SA has some very good manufacturers, and retailers are committed to developing local supply chains. He says local sourcing gives retailers greater control over supply, and the flexibility to modify orders and monitor quality.

Barnes expects each retailer to allocate a small portion of purchases to test the benefits of sourcing locally using quick response techniques.

Says Barnes: “We're trying to break the vicious cycle where manufacturers won't upgrade because retailers won't buy locally, and so manufacturers keep downgrading to save costs, further eroding competitiveness.

“We aren't trying to mislead the retailers as to what's possible. It may very well mean spending money at a manufacturing level, and it could take up to 18 months to test the various quick-response models. But there is a major unrealised opportunity here, and we have to experiment.”

A key feature of the plan is that it does not undermine the retailer commercially — unlike the Chinese clothing quotas, which were intended to benefit manufacturers and textile mills at the retailers' expense, thus driving a wedge between them. By getting retail back on board, the imbizo achieved a breakthrough.

Lawrence says the relationship between clothing manufacturers and retailers is strong at the moment. “There was a little blip called quotas, but it's passed now and we're continuing to build on our relationships with local suppliers.

“But we don't apologise for asking for international best practice. We do that with the intention that the consumer, who is becoming increasingly discerning, gets good value for money.”

*Source: Financial Mail*

*Published courtesy of*



For more, visit: <https://www.bizcommunity.com>