

The Foschini Group to buy SA-made clothing

Clothing retailer The Foschini Group has agreed to buy garments from small local manufacturers, says Trade & Industry Minister Rob Davies.

By [Paul Vecchiato](#) 21 May 2012

Delivering his budget vote speech in Parliament on Friday, 18 May 2012, Davies described this as a major breakthrough in the revival of the local clothing and textile sector.

"This is precisely the sort of commitment to our local economy that we need from South African companies," he said.

Davies said that in spite of coinciding with the global economic crisis, the Clothing and Textile Competitiveness Improvement Programme had not only stalled employment losses in 2010 but also led to a modest increase in employment in 2011.

"In the circumstances, this is a remarkable achievement," he said.

He said that in the automotive sector, the transition from the Motor Industry Development Programme (MIDP) to the Automotive Production and Development Programme (APDP) by 2013 had largely been completed.

This, Davies said, would help to build sufficient confidence in SA's capabilities and policies, even in the midst of global stagnation, to support over R15 billion investment commitments from both assemblers and component suppliers.

"These include investments by major international companies such as Ford, VW and Daimler Chrysler.

"This has been accompanied by large increases in the number of vehicles assembled locally and by the production of component parts in SA," he said.

A third main area of progress, according to Davies, was the significant advances that had been made in the Business Process Services sector, with a number of foreign companies setting up operations in SA over the last year, and creating over one thousand new jobs.

He said a further set of approved projects would create approximately 11 000 jobs over the next three years.

Davies said the conclusion of interdepartmental work to reform the Preferential Procurement Policy Framework Act (PPPFA) regulations, which would enable his department to designate industries for public procurement by all public entities, including the state owned enterprises.

The first wave of designations including Buses, Rolling Stock, Power pylons, Canned Vegetables, Clothing, Textiles, Leather and Footwear, and Set Top Boxes was concluded in December 2011 and last month this was followed with the Oral Solid Dose designation in the health sector.

"Funding for these sorts of strategic interventions is crucial. Accordingly, I am pleased to record the fact that the IDC has made available R102 billion for industrial policy and the New Growth Path, including R10 billion

set aside at prime less 3% for five years," Davies said.

He said that of that amount, R25 billion had been earmarked for the Green Economy; R7.7 billion for agro-processing; R6.1 billion to support distressed companies; and R500 million for the energy efficiency fund

"In the same vein, inward investment in greenfield manufacturing plants by multinationals such as Unilever, Proctor and Gamble, Kimberley Clark, Nestle, FAW Motors, Kiran Global Silica and LG amongst others contribute to our vision of inclusive growth and a sustainable future," Davies said.

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