

# A New Look for Textile and Apparel in SA

PRODUCTION: Timothy Reeder

South Africa's textile and apparel industry is in the midst of a huge period of revitalisation, with TCI Apparel one of the leading forces behind this charge. It sets out to create a collaborative, integrated ecosystem and enhance social and economic stability for South Africa in a market at risk of being dominated by a growing tide of imports.

### TCI APPAREL

The story of Trade Call **Investments Apparel** is one steeped in tradition and innovation, which began in 1957 with the formation of The Seardel Apparel Group by Aaron Searle, employing just 38 people at the outset. Growth of this entity was steady over the ensuing years and marked by many acquisitions along the way, before it achieved something of a zenith in 2003, with an annual turnover of R4 billion achieved by the combined efforts of its more than 20,000 staff in the clothing and textile sectors. Seardel produced top brands such as Nike, Adidas, Speedo and Triumph and locally was a major supplier to Woolworths, Edgars and Truworths, also exporting product internationally to major customers in USA, UK and Europe.

**INDUSTRY FOCUS: FASHION** 

In 2014, Seardel was acquired by TCI Apparel and has established itself as, in its own words, "an agile, progressive, forward thinking company." The acquisition came at a time when the former business was facing near certain closure, due to the availability of cheaper imports together with high duties on material, stacking up against a waning clothing and textile manufacturing industry.

Herman Pillay, current CEO of TCI Apparel, was approached by the South African Clothing and Textile Union in order to revitalise the company and, in so doing, save some 2300 jobs. He instantly recognised talent and passion in its employees, and was able to build up key support from retailers. Pillay spotted the opportunity to rework the business model and convince

more than 2000 employees to stay on board, in his quest to solidify TCI Apparel's standing in this potentially volatile market. "It was my job to convince the staff that, if they were to choose to remain with the company, then I would create for them a sustainable model," Pillay says. "I couldn't have asked for a better staff compliment we grew employment from 2260 on April 1st 2014 to 2930 to December of that year."

TCI Apparel has shown steady growth ever since, which has included an increase of its staff compliment by some 1700 employees. From its humble beginnings in South Africa, TCI has grown to become a global leader in apparel design and manufacturing, and is today the largest clothing supplier in the southern



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INDUSTRY FOCUS: FASHION TCI APPAREL

### //THE STAR KNITWEAR GROUP GIVES US ACCESS TO AN INTERNATIONAL CUSTOMER BASE AND OVERSEAS TRENDS//

hemisphere. It takes seriously the responsibility which comes with its position as a global leader in apparel design and manufacturing, leading the way with green efficiencies and minimising the environmental footprint of its many and varied operations.

Illustrative of this commitment is TCI Apparel's development of a state-of-the-art design centre in Cape Town, which is at the cutting edge of local design, interpreting future trends and making them customer relevant. Not only a global leader in apparel design

and manufacturing, TCI is also leading the way in the field of green efficiencies and of reducing its environmental footprint. Herman Pillay sums up the importance of these concerns to the company's future endeavours. "We have invested a large amount of money is this area our design centre is the first of its kind in South Africa to be green.

"We have planted many trees and plants around it to reduce our carbon footprint and employed a full-time horticulturist to ensure that the vegetable harvest is sufficient to nourish our staff. We do not discard any waste at the facility and all discarded food or vegetables that has passed its shelf life is recycled back to the vegetable garden in the form of compost." TCI Apparel is leading the way in redeveloping the textile and apparel value chain, in accordance with its key values of integrity, passion, community and sustainability.

The South African textile industry has found itself hit hard in recent years by the growing menace of cheap Chinese imports, and this year there was a renewed push to breathe life back into the once mighty South African garment sector. Over the last 15 years, an estimated 150,000 jobs have been lost in the industry in South Africa, historically one of the biggest clothing producers on the African continent. The South African Clothing and Textile Workers Union, Sactwu, hosted the 2016 Clothing, Textile and Leather (CTFL) Imbizo - a forum for discussion of policy. It said that despite significant investment and government support in recent years, the industry is still struggling to move from its current survivalist to the infinitely preferable expansionist mode. Leading industry thinkers came together at the summit to plan how best to maximise and grow the industry's export footprint.

Despite its challenges, however, Sactwu General Secretary Andre Kriel spoke of the recovery signs which are beginning to be seen in the industry today. "Our industry has stabilised, or certainly is stabilising, after many years of jobs losses. As a union we realised that we cannot relax now that things are on the up, rather we have to have a vision of where we want to lead the industry going forward. Exports seemed like an

obvious focus to have in our bid to grow the industry yet further."

Clothing and textiles is an industry which has received government investment totalling over R3 billion over the past three years. In spite of this, Herman Pillay described how South Africa needs more intervention in order to make a success of exporting its wares. He spoke of the pressing need to fix the supply chain for the industry to be able to export, before describing the acquisition by TCI Apparel Group of a stake in The Star Knitwear Group, based in Mauritius, last October, to bridge the gap in the export industry. "The Star Knitwear Group is a complete vertical operation, from fabric development to fabric knitting, fabric dying, fabric printing and also manufacturing," he said. The group is one of the largest knitwear suppliers to such top international brands as Top Shop and River Island in the UK, "which give us access to an international customer base, overseas trends and their trading strategies.

"The problem in South Africa is if you don't fix the supply chain and you don't have incentives to do exports, we will never be competitive enough to do it. If we want to be competitive the govern-ment needs to firstly lift the duty on imported fabric and logistically find a solution to get garments to the international market faster, such as preferential rates on air cargo," said Pillay of the current situation in the country.

It is what Pillay terms this,
"resistance to change," that he sees
as the most significant challenge
facing this South African industry
leader. "It is this very fear that
restricts our growth," he goes
on. "We have overcome many
challenges of indignation in the
past and our pioneers have fought
for freedom yet we have not fully

## //WE HAVE TO HAVE A VISION OF WHERE WE WANT TO LEAD THE INDUSTRY GOING FORWARD//

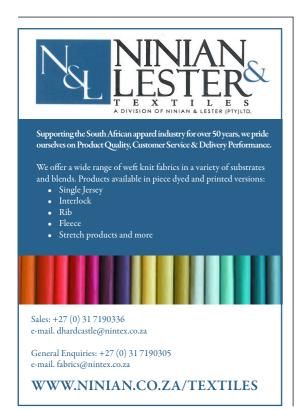
allowed this to truly liberate us socially and economically. This requires unconditional support from government in order for us as South Africans to elevate our country."

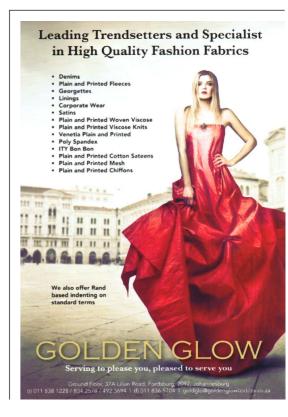
Pillay remains adamant in the opportunity he perceives in the country as a whole. "I think there is a lot of potential in South Africa. I believe in South Africa, and I believe that if we as South Africans make a concerted effort to look within then we can really make this a proud and stable nation. We can impact society in a positive

way. As business owners and entrepreneurs, if we place our focus on our homeland and on the people in our communities, the result of that will be unanimous with regards sustainability and stability in our economy."

### TCI APPAREL

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