

New Support Measures For The CTFL Industry: Information Pamphlet For Employers And Shop Stewards

Over the last year, at least five major new incentives and support measures have been introduced to assist clothing, textile, footwear and leather (CTFL) manufacturers.

The SA Clothing and Textile Workers' Union (SACTWU) would like to bring these measures to your attention with a request that your company takes steps to use them.

The five new schemes offer financial assistance or relief to businesses in the industry. They are (a) the Production Incentive, (b) Working Capital Loans, (c) the Competitiveness Improvement Programme, (d) the Manufacturing Investment Programme, and (e) the Training Layoff Scheme.

The schemes are only available to companies that comply with Bargaining Council agreements and labour laws.

Below find more details on each of these industry assistance schemes.

Production Incentive:

The Production Incentive (PI) is the industry's major new incentive. It is aimed at structurally changing the CTFL industry by providing funding assistance to invest in competitiveness improvement interventions.

The PI is an incentive equal to 10% of a company's Manufacturing Value Addition (MVA). It is administered by the Industrial Development Corporation's (IDC) Clothing and Textile Competitiveness Programme (CTCP) Desk, whose details are as follows:

- Joy Balepile, Programme Manager, CTCP Desk, IDC
- Tel: 011 269-3762
- E-mail: joyb@idc.co.za

Working Capital Loans:

In May 2010, the IDC introduced a new fund which lends working capital to local manufacturers at a preferential fixed rate. The fund is targeted at businesses that create and preserve permanent jobs.

More details can be obtained from:

- Willie Fourie, SBU Head: Clothing & Textiles, IDC
- Tel: 011 269-3973
- E-mail: willief@idc.co.za



Southern African Clothing and Textile Workers' Union

Competitiveness Improvement Programme:

The Competitiveness Improvement Programme (CIP) encourages interventions aimed at improving a company's people, processes and products. A grant to the value of 65% of the total cost of an upgrading initiative is available to individual companies. Clusters can claim a grant of up to 75%.

The CIP is administered by the IDC's CTCP desk, whose details are as follows:

- Joy Balepile, Programme Manager, CTCP Desk, IDC
- Tel: 011 269-3762
- E-mail: joyb@idc.co.za

Manufacturing Investment Programme:

CTFL companies wanting to invest in new plant, machinery or equipment or upgrade existing production capability can apply for the Manufacturing Investment Programme (MIP). Grants range from 15% to 30% of the investment, depending on the size of the investment.

Guidelines are available on the website of the Department of Trade & Industry (the dti) (www.thedti.gov.za) or from the contacts listed below:

- James Mahlangu, Assistant Director, the dti
- Tel: 012 394-1062
- Agnes Tsele, Director, the dti
- Tel: 012 394-1123

Training Layoff Scheme:

The Training Layoff Scheme (TLS) uses downtime as an opportunity to address the shortage of more specialised skills in the industry, and also provide a windfall to struggling companies.

It involves workers being trained and upskilled instead of being retrenched or going on short-time. Government pays half of workers' wages during the TLS while the industry Sector Education and Training Authority (SETA) funds the cost of the training programme.

For more information on the TLS, call the following numbers:

- CTFL SETA (KwaZulu-Natal & Eastern Cape): 031 702-4482
- CTFL SETA (Western Cape): 021 447-3373
- CTFL SETA (Gauteng & surrounds): 011 333-2556
- CCMA: 0861 16 16 16 or www.ccma.org.za

