



*The first year of the second decade of CLOTEX has indeed been the beginning of a new era for CLOTEX, a year in which CLOTEX began a process of substantial change and growth. Notwithstanding the new projects and direction of CLOTEX, the Executive and Board are very determined that the programmes and projects that have laid the foundation of CLOTEX's success over the past ten years will not be neglected or abandoned, but enhanced where possible.*

During the past year, our various stakeholders, including our funders, have requested CLOTEX to deliver a new, higher level and more comprehensive range of services, and which I am very proud to confirm has been superbly carried out by the core CLOTEX employees and its team of very dedicated service providers.

Some of the components of the new dimension in CLOTEX going forward are:

- the development of a new 3 year strategic plan
- the development of a new website
- being entrusted with managing substantial project funding for both formal and SMME sectors of the industry
- being a part of new projects in partnership with both the NPI and CSIR
- the SMME mentorship programme
- working with the Tshumisano Trust and CPUT to develop and pilot an extremely exciting benchmarking programme for clothing SMME's in the Western Cape, which has already had requests to be replicated in other provinces in South Africa.

The mentorship programme has been a spectacular success, but with the limitation of only working with one SMME at a time. An external consultant has taken this mentorship process, combined it with benchmarking and a number of other projects, and enhanced and developed this into a Small Business Competitiveness Club initiative, which will enable CLOTEX mentors to input their expertise at a number of SMMEs at the same time, thereby dramatically increasing the expertise available to this industry sector.

A vital part of this programme is the learning component, both within the Club, but also available from external sources. The technology transfer from Professor Liekwig (Germany) via the Tshumisano Trust and CPUT has in a short space of time already enhanced this learning process at SMMEs.

We at CLOTEX are passionate about the opportunities these programmes offer SMMEs to upgrade their skills, and enhance their competitive position in the marketplace, provided they are prepared to commit some time, energy and a small amount of money to help us help their businesses. It is noticeable that those SMMEs that have committed to CLOTEX programmes are those that are surviving in an increasingly difficult economic environment.

These and other projects have dramatically enhanced the image and prestige of CLOTEX, and we have been fortunate to have the support and financial backing of the PGWC, the DTI, the DoL, Cape Town Unicity, WESGRO, the CSIR, and a number of other funders. This commitment and support has enabled CLOTEX to make a meaningful contribution to the well being and employment situation with a number of selected SMMEs in the Western Cape.

The very successful work that has been undertaken at SMMEs has been noticed in the formal industry; we have started working on specific projects with larger CMTs, formal manufacturers, and Design Houses - all of this work impacting positively on the SMMEs both directly and indirectly.

All the abovementioned work has been undertaken with the current organisational and human resource structure at CLOTEX, and this is not an adequate platform for CLOTEX to move forward over the next 3 years. Over the past 15 months, CLOTEX has saved over 1000 jobs in an industry that is losing 20 000 jobs a year - we need to restructure to enhance the management, marketing and production expertise we can give to this industry sector.

For the new Officers, Executive and Board this will mean a total review of the strategic and operational roles within the organisation, and the resources required to implement the new business plan.

The Trading House operations have been revitalised on a much more professional basis than previously undertaken, and there are major opportunities to work directly with retailers, all of these activities to enhance the economic competitive position of the small clothing manufacturer, while potentially starting an income stream to help fund CLOTEX's activities.

All of this growth has taken place because of the superb groundwork laid over the past three years by CLOTEX personnel, our past Chairman, Mr Yusuf Emeran, the Executive and Board who have guided CLOTEX on a path that is now starting to reap substantial rewards for its stakeholders and industry participants.

In this regard I wish to report, with a deep sense of regret, the passing away of our auditor of the past 10 years, Mr Eugene Malinaric - he gave wonderful advice and commitment with minimal cost to CLOTEX - his contribution needs to be recognised.

As a final comment, CLOTEX is succeeding because of the passion and commitment of its people, Averil Appollis and her team, the Executive and Board, supporters such as Premier Rasool, funders and supporters such as the CSIR, CAPEMAC, CPUT, SEDA, BERZACKS and many others, whose names are all recorded in this annual report.

This passion for the industry is now directly translating into maintaining and hopefully growing industry employment which will benefit all the citizens of our wider economic and social community.

I have had the privilege of being involved with CLOTEX from the start of its original meetings more than 10 years ago, and I hope to continue making a meaningful contribution to the organisation over the next year.

My very sincere thanks to all those people and organisations involved with CLOTEX for their support and help over the past year.

Stuart D. Gottschalk