



CLOTEX has emerged as a very important component in regional sectoral transformation. Originating from the various initiatives in the formal clothing and textile industries in the mid 1990's. The formal sector has taken a real beating during this period, placing a further burden on CLOTEX to assist with development of our industry at grassroots level.

The year under review has indeed been a challenging yet exciting period for the board and staff of CLOTEX. In the light of continuous improvement and development it was essential to implement the following in our organisation:

1. The implementation of project programmes connected to sustainability
2. Ownership to enhance responsibility, credibility, relevance and forward thinking of staff members
3. Organisational focus and emphasis on internal and external customers
4. The development of a strategic three year Business Plan

Staff turnover is evident in every organisation as experienced by CLOTEX and this is due to various factors such as better prospects or resistance to change. Despite staff changes and constraints during the past twelve months, the CLOTEX team has shown a spirit of motivation, tenacity and passion in their respective efforts to effect growth in the SMME sector.

The major advantages of SMMEs lie in their potential for innovation, flexibility, low start-up cost, rapid development and the distribution of risk. SMMEs can further alleviate the unemployment problem in our country, provided they are given a suitable platform which minimises bureaucratic controls. With due respect to the efforts mobilised by Local and Provincial Government I do believe that, partnerships, alliances and developmental processes, especially in the clothing manufacturing industry, can only be effective by collaboration and cohesion between technical bodies, SMME support organizations, key industry players and government. We all need to co-operate with each other and overcome the current fragmented approach.

With the assistance of an independent consultant, CLOTEX under the directorship of its Board developed a strategic Business Plan that will guide the company towards

a more structured approach to assist the declining industry, and also to create an environment in which more entrepreneurs will emerge within the clothing and textile industry.

CLOTEX has thus geared itself into six main divisions:

1. Mentoring
2. Training
3. Future Business Development
4. Project Management
5. Database/ Information Supply
6. Clustering/ Benchmarking of SMMEs

Our mentoring division has played a crucial role in the transference of technical skills and practical productivity improvements. During the past twelve months we successfully:

- (i) Implemented workplace layout and production systems
- (ii) Due to various interventions we increased productivity, quality and decreased reject percentages
- (iii) We improved individual skills through performance based simulation exercises
- (iv) Strong increase in orders due to improvement efficiency levels.

Our training division changed its approach from the normal ad hoc training programmes to projects/needs driven training in close conjunction with accredited training institutions and recognised Service Providers. CLOTEX also managed to deepen and strengthen its technical skills training outside the CBD area and concentrated in transferring skill in Beaufort West, Caledon, Paarl, George and Worcester.

The accreditation as a National and Provincial Service Provider to the Department of Labour has allowed CLOTEX to explore creative ways around various initiatives.

CLOTEX involvement with companies covered the full spectrum of SMME's, ranging from entrepreneurs to grouping of 5 - 20 employees and 21 - 50 being the next highest. A few companies are in the bracket of 51 - 120. These companies are primarily Cut Make and Trim (CMT).

PROPOSED NEW PROJECTS FOR 2006:

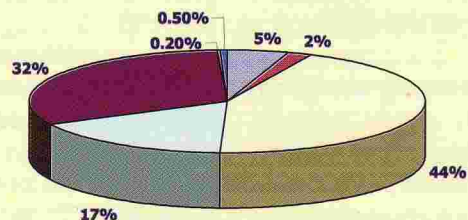
1. The piloting of a linkage programme with a major Design House
2. The identification and benefits of a Broad Based Black Economic Empowerment linkage programme with a major retailer
3. Undertaking a study that is based on the supply of work between Design Houses and CMT's
4. Work with businesses and to educate workers on the impact that high levels of absenteeism is having on companies and the industry

The successful outcome of our future activities can only be achieved with the support of our Board and Staff as well as all the relevant stakeholders and partners within the transformation process. The informal sector is here to stay and we should hold hands to level the playing fields and to grow the economical viability of our country.

In conclusion - a special thanks to the Board and Executive Committee. To Mr Stuart Gottschalk your commitment in these busy times are highly appreciated and also to the staff of CLOTEX, as well as active partners for your contribution and support during the year 2004.

A. APPOLLIS

The following table shows results for January 2004 - March 2005



ASSESSMENTS CONDUCTED	COMPANIES MENTORED
JOBS RETAINED	ADVICE/REFERRALS
SMME'S TRAINED	FORUMS HELD
PROJECTS MANAGED	