

TFG to beef up local manufacturing

By [Nqobile Dlodla](#)

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Fashion retailer TFG wants to locally manufacture 30 million pieces of clothing a year within four years as it increasingly turns away from global supply chains, its CEO said after the company swung to a half-year headline profit.



Source: Getty

South African retailers, some of which are still heavily reliant on offshore manufacturing, are grappling with delays in international supply chains which have been compounded by a cyber attack at freight logistics operator Transnet that brought local ports and rail to a standstill.

The owner of British womenswear brands Hobbs and Whistles and the local Foschini clothing brand has fared better than its competitors as it has been bringing production closer to home over the past five years by expanding its own factories and buying new ones.

Today, TFG sources 72% of its clothes locally, with offshore accounting for 28%, down from just over 40% four years ago, most of it from China.



TFG's Prestige clothing leads the way as largest local apparel manufacturer in South Africa

TFG (The Foschini Group) 27 Aug 2021



Quick turnaround capabilities

TFG CEO Anthony Thunström told analysts that the 30 million units it is aiming for by the company's 2026 financial year will be manufactured on a quick turnaround basis to improve lead times. It is also increasingly looking to extend its quick turnaround manufacturing capabilities for its non-clothing lines.

"All of these quick response advantages were clearly important in the past but never more relevant than now, Thunström said, citing disruption in far East supply chains and shipping rates up 400% from a year ago.

The clothes, homeware and jewellery retailer is planning to invest a further R575m over the next three to five years to build local manufacturing capability.



TFG returns to profit, resumes dividend

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TFG swung to a headline earnings per share profit of 393.4 cents in the six months ended 30 Sept up from a loss of 83.3 cents in the same period last year, and grew sales by 51.8% to R19bn as it recovered from Covid-19 restrictions which forced store closures across its markets.

It declared an interim payout of 170 cents per share after pausing dividends last year.

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