

Brands should help combat smuggling in clothing and textile manufacturing sector

Although smuggling illegal clothing and goods are not as high profile as trafficking rhino horn or narcotics, it still comes with a hefty price tag. In just 72 days between 1 January and 14 March this year, Customs made 320 busts of goods worth over R206m. The Sars Tactical Intervention Unit made a further 23 busts worth R23m.



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Those are just the consignments that are discovered. There are many more that enter the country undetected, or get in under circumstances such as under-invoicing, false declaration of goods or through third-party countries that have lower duty tariff access to South Africa.

Ongoing struggle

Clothing and textiles that make their way into the market using any of these methods unsurprisingly have a massive impact on local clothing and textile manufacturers and resellers because the illegal imports are typically sold at a lower price and undercut the earning power of the local industry.

“There is a huge market in illegal cheap clothing being smuggled into South Africa, which has catastrophic implications for the industry as a whole through the loss of import duty taxes, as well as the livelihoods of the people who work in the sector,” says Mike Salomon, Barron commercial director. “The scary part is that the flow of these goods continues to grow every year, making it an ongoing struggle.”

Although several interventions have been implemented over the years – such as the price-reference system introduced by the government, business and labour in 2009 to enable customs officials to more easily identify fraudulent invoices on clothing imports – these solutions have largely failed to stem the flood in this illicit trade.

Combating illegal imports

However, because the clothing and textile manufacturing sector plays such a critical role in South Africa’s economy, it is essential that industry players in both the public and private sectors carry on finding and implementing solutions to address the challenge.

“That being said, it makes it seem like a high-level problem beyond the control of the average man on the street or business, especially if it is small or medium-sized,” says Salomon. “But brands can play an important role in helping to turn the tide on the problem, especially as we live in an age that places considerable focus on being responsible corporate citizens.”

Increasingly, the value that people associate with a company’s products or services is determined by their own personal values, how they see brands living up to those values and whether they are behaving ethically. This has widespread implications for brands regardless of the industry they operate in, which makes it essential that they ensure they support companies and suppliers that can prove they prioritise ethics and responsibility.

In the promotional branding sector, this broadly means selecting a business that is able to showcase its commitment to local manufacturing and strengthening the country’s clothing and textile sector.

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