

MAKE LOCAL YOUR BUSINESS



*Eustace Mashimbye
CEO: Proudly South African*

TRIPLE CHALLENGE – FROM BACK IN 1998



UNEMPLOYMENT IN NUMBERS- Q4 OF 2018



The unemployment rate in South Africa:
27.1%;

The number of unemployed: **6.14 million**
people

The labour force: **22.67 million people** and
those detached from the labour force is :**15.47**
million

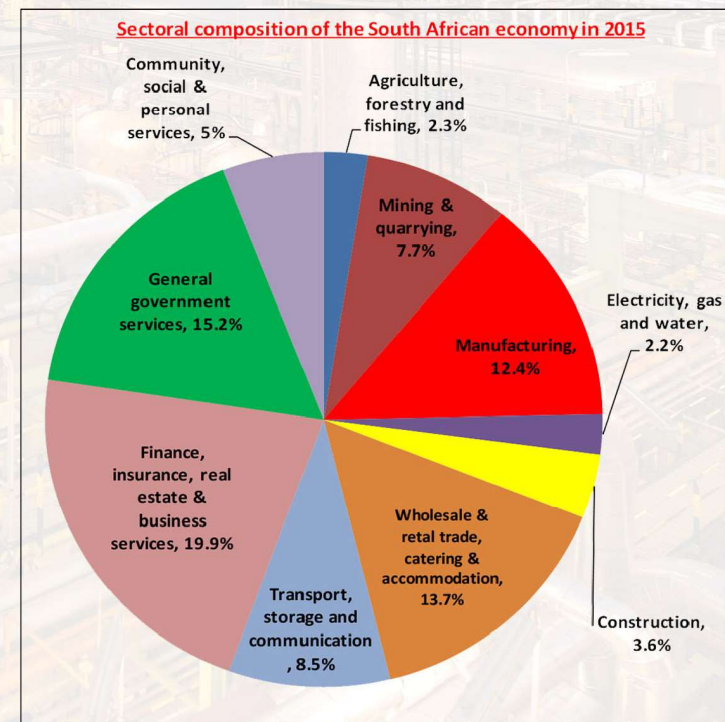
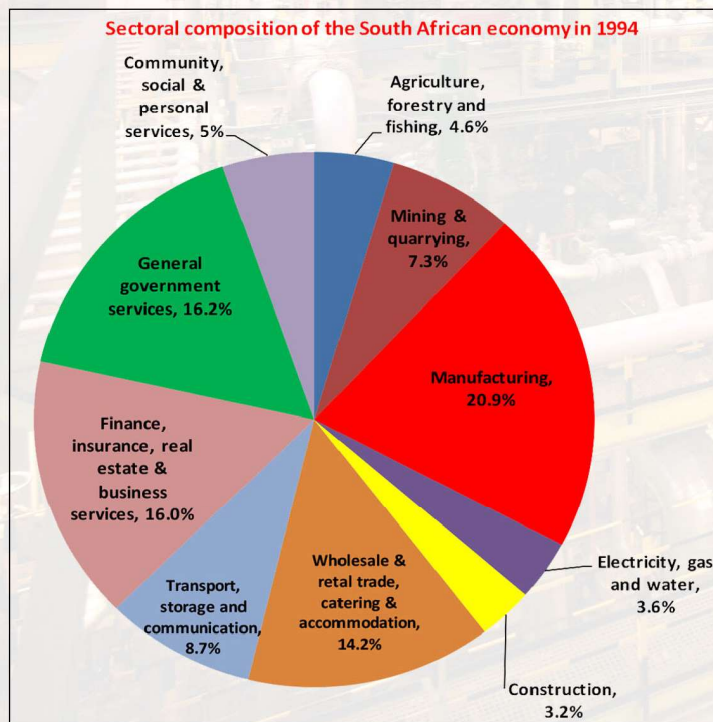
The expanded definition of unemployment,
including people who have stopped looking for
work: **37%**

By genders: women (**29.5 percent**);

Youth unemployment: **54.7 percent**, which is
highest level since Q2 2017

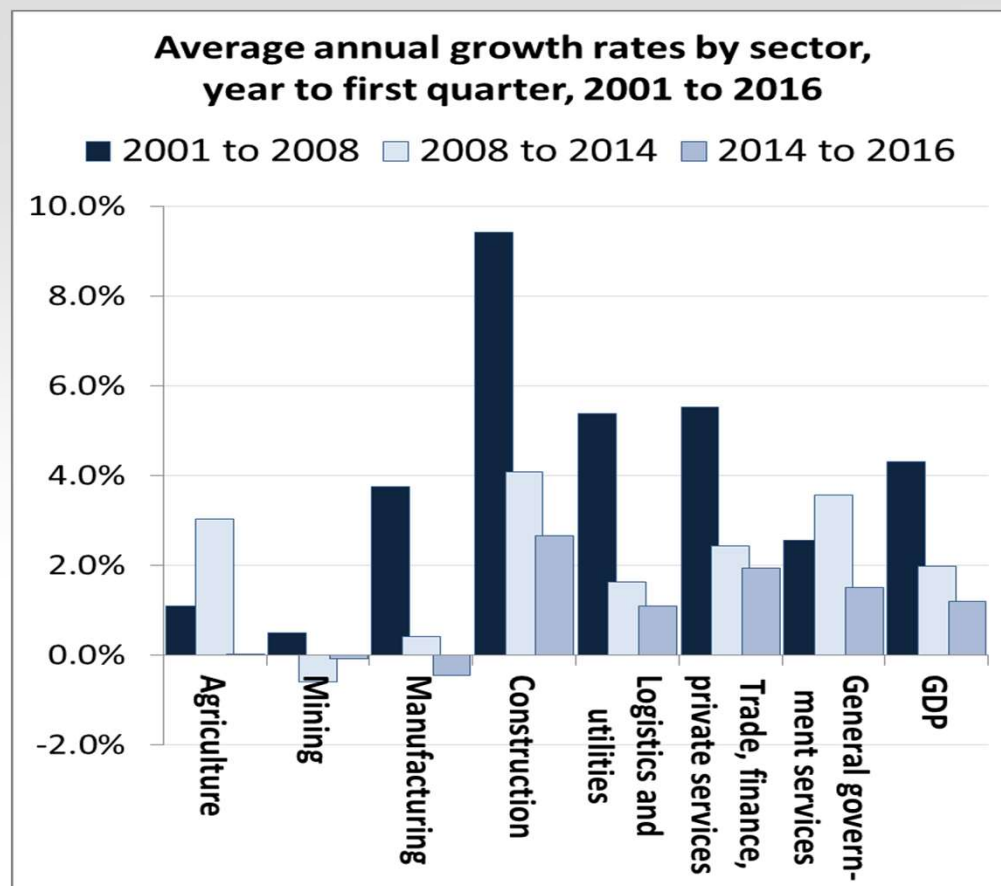
RSA: INDUSTRY VALUE ADDED AND GDP (CONSTANT 2010 PRICES)

- The manufacturing sector's contribution to SA GDP declined sharply from 20.9% in 1994 to 12.4% by 2015, whilst the mining sector's share increased marginally from 7.3% to 7.7%.



Source: the dti, compiled from the StatsSA and SARB databases

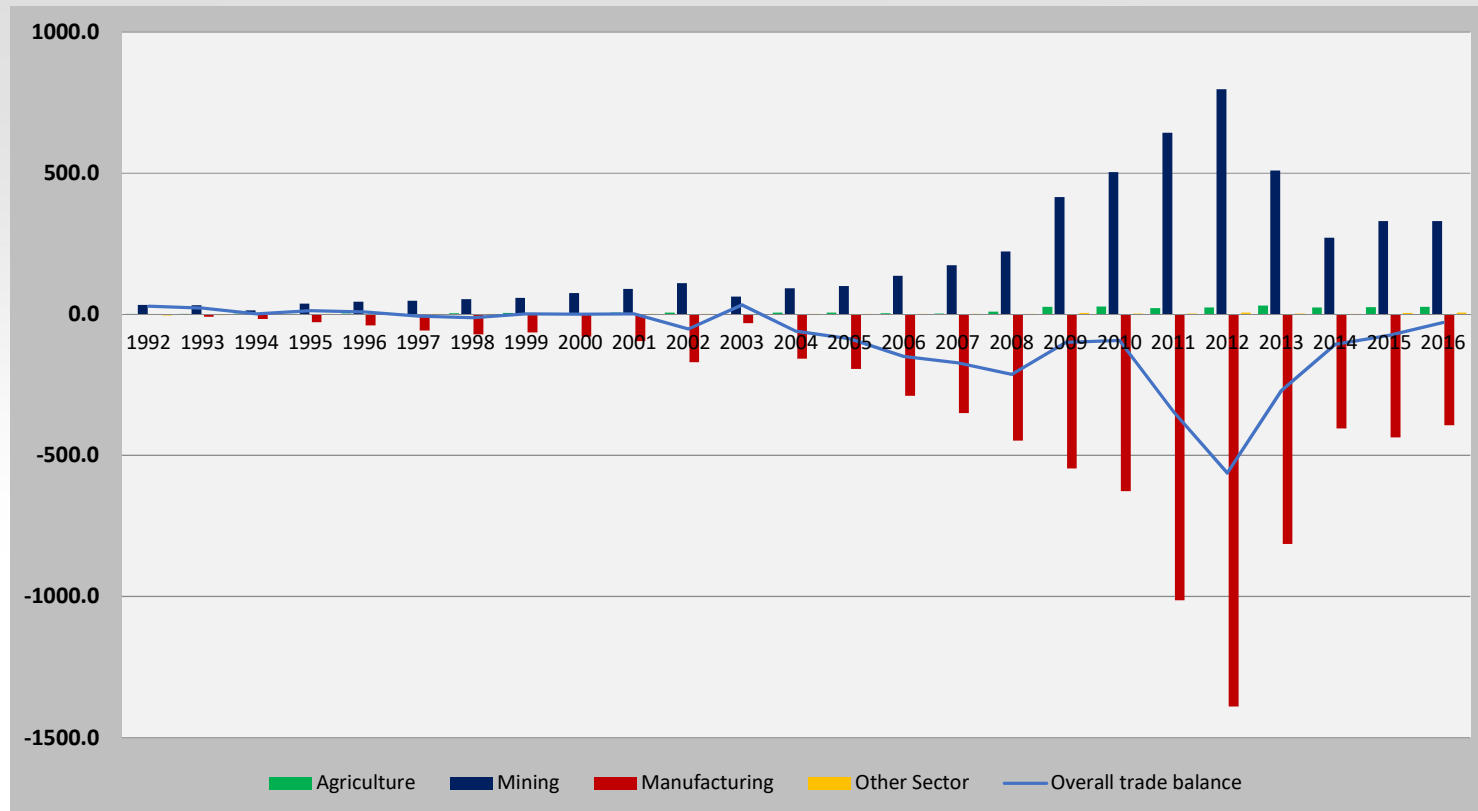
- All economic sectors saw a slowdown from 2014 to 2016, but in volume terms mining and manufacturing saw a fall in output
- Mining's growth downplays the impact of boom and bust on earnings, despite falling volume
- Stimulus effort shows in relatively rapid growth of government services from 2014 to 2016, but slower growth since then is reducing impact
- Overall, share of productive sectors has declined with slower growth



Source: the dti , compiled from the StatsSA, SARB & TIPS databases

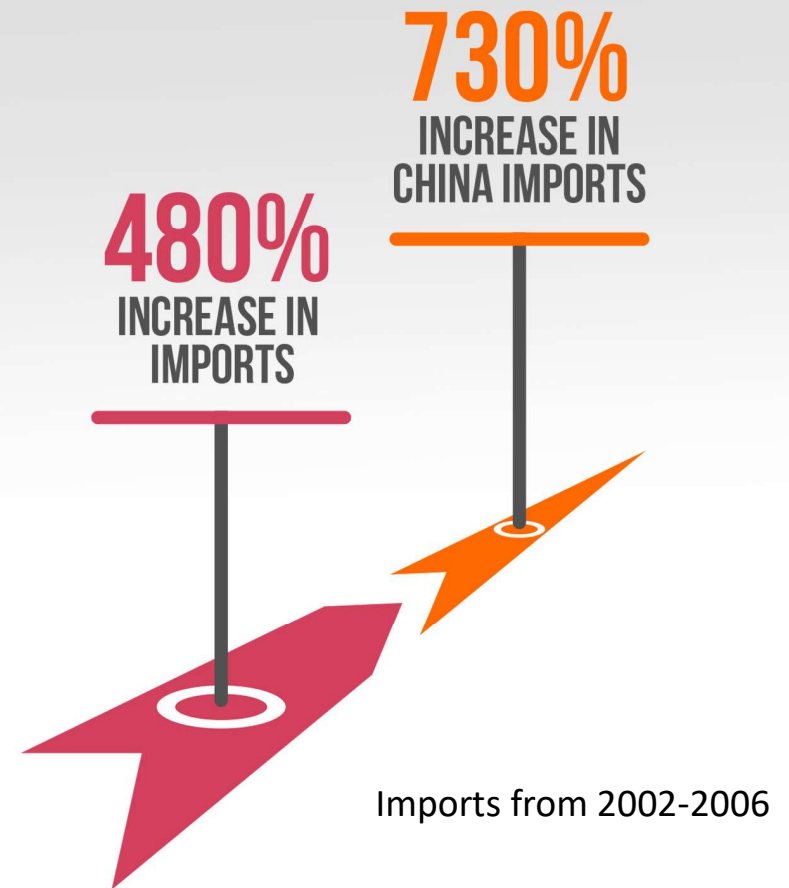
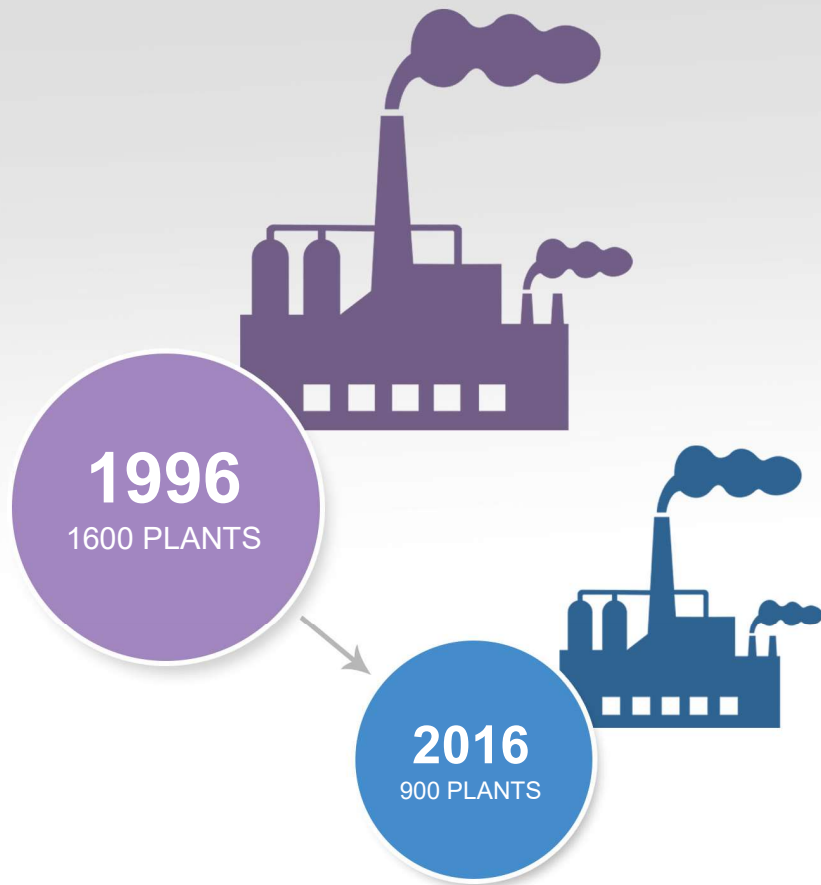
SA's TRADE BALANCE ACCORDING TO BROAD SECTORS

(Rbn) 1992-2016

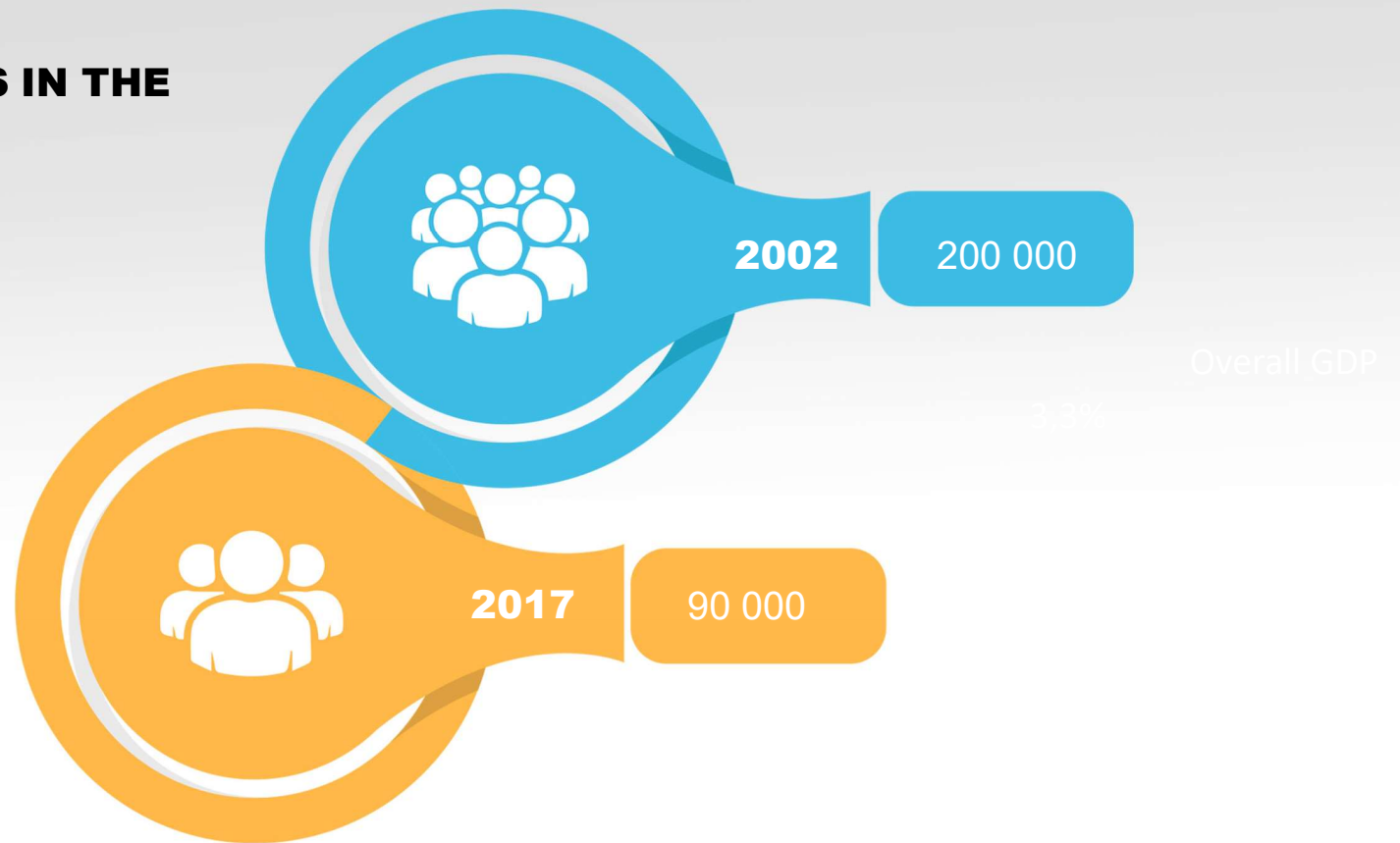


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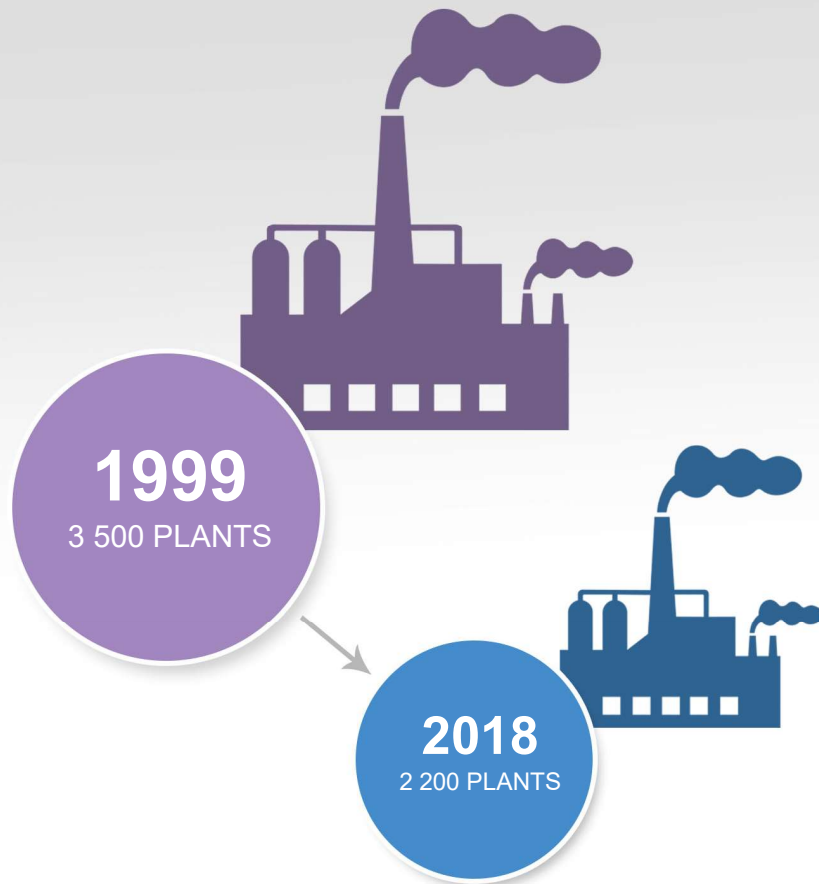
CASE STUDY: CTFL PLANTS & REASON FOR DECLINE



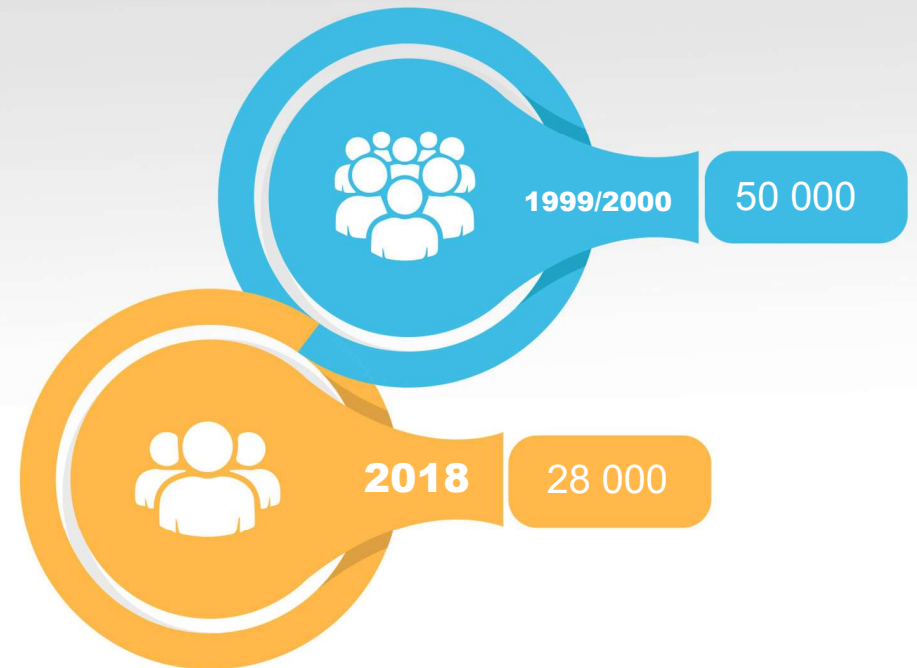
EMPLOYEES IN THE SECTOR



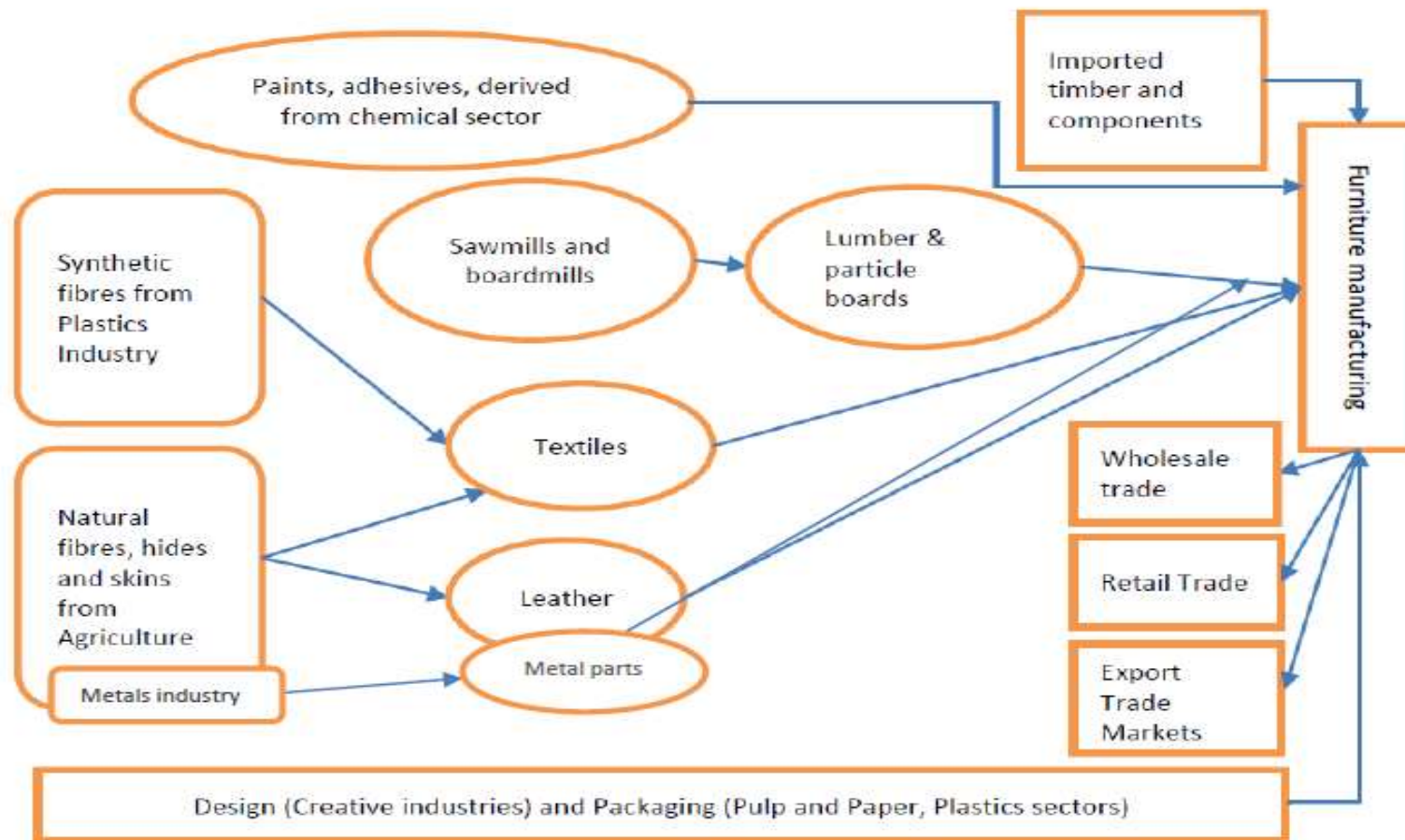
CASE STUDY: FURNITURE – CONTINUING DECLINE



EMPLOYEES IN THE SECTOR



FURNITURE SECTOR VALUE CHAIN - MULTIPLIER EFFECT



[Source: Adapted from FP&M Seta and Bravo Group Manufacturing]



MADE IN SA

- Buying Local is a tried and tested phenomenon all over the world;
- Buy Local campaigns exist for countries, regions and even towns
- The US has a Buy American Act (1933), Buy America Act (1982) and Buy America Improvement Act (2017) - all aimed at amongst other things, reviving their labour intensive sectors (incl. their automotive Sector and winning back the jobs they have lost over the years due to large number of imported cars).



OUR MANDATE



Proudly South African, the country's national **Buy Local** campaign, seeks to strongly influence **procurement** in public and private sectors, to increase local production, influence consumers to **buy local** and stimulate **job creation**. This is in line with government's plans to revive South Africa's economy so that millions of jobs can be created and unemployment can be decreased under the New Development Plan.

Formed through **NEDLAC**, Proudly South African fits hand-in-glove with the broader national developmental agenda and the Local Procurement Accord signed in October 2011.

PROUDLY SA FOCUS AREAS



Preferential
Procurement
Education:
Public Sector

Consumer
Education:
Private Sector

Consumer
Education:
General
Public

Promote
Accessibility
of Local
Products and
Services

WHO CAN BECOME A MEMBER OF PROUDLY SOUTH AFRICAN?



Any company or organisation of any size offering goods and/or services can become a member. Whether a commercial enterprise, NGO, sports team, professional body, educational institution, media house, or government entity – all qualify for membership, provided these criteria are met:



Local Content



Quality



Environmental Standards



Fair Labour Practices

Does your Company Qualify?



MEMBERSHIP FEE STRUCTURE – REVISED, AS OF 1 APRIL 2017

Membership Category	Classification	Payable fee
NGO's/Startups/Crafters	<ul style="list-style-type: none">Newly established enterprises or enterprises which with turnover of less than R5m.NGO's	R500.00
SMMEs	Enterprises with turnover between R5m and R10m	R1 000.00
Silver	Companies with a turnover between R10m and R30m	R10 000.00
Gold	Companies with a turnover between R30m and R50m	R20 000.00
Platinum	Companies with a turnover between R50m and R100m	R50 000.00
Diamond	Companies with a turnover of R100m and above.	R100 000.00

IMPROVED VALUE PROPOSITION: MEMBERSHIP BENEFITS

1. Use of **Proudly SA logo** – recognised endorsement of local content & quality.
2. **Access to Market Platforms:**
 - Free listing on **RSAMADE** – Proudly SA's official online store for B2C & B2B transactions;
 - First-hand access to **tender opportunities** designated for local content by the dti;
 - Inclusion in Proudly SA's **database of local products and services**, housed on Proudly SA website;
 - Secured procurement opportunities (FASA & localisation commitments)
 - Facilitation of **B2B opportunities** with other Proudly SA members; and



IMPROVED VALUE PROPOSITION: MEMBERSHIP BENEFITS CONTINUED..

Participation in & access to:

- annual Proudly SA **Buy Local Summit & Expo**;
- **Supply Chain Workshops**;
- **business & sector-specific forums** – networking & info-sharing;
- **joint promotions** with Proudly SA – consumer-targeted campaigns, major events & expos;
- Proudly SA's extensive **marketing strategy & activities** – promote members' products & services;
- Proudly SA's **PR & communication platforms** – newsletter, product booklet, social media platforms & print & broadcast media;
- annual **SA Premier Business Awards**; and
- **special packages & pricing** between other members.



OUR MEMBERS

PROUDLY
SOUTH AFRICAN 



OUR MEMBERS

PROUDLY
SOUTH AFRICAN 



OUR MEMBERS

PROUDLY
SOUTH AFRICAN 





ACCESS TO MARKETS

THROUGH MEMBERSHIP OF PROUDLY SOUTH AFRICAN

**CONSUMER TARGETED
MARKETS FOR
PROUDLY SA MEMBERS**



GROWING SHOPPING TREND



South Africa has over 18 million active online shoppers



Average online shopping time varies from 30 mins to more than 3 hours



Site content is completely dominated by foreign products



Reversing the gains of current re-industrialisation



1. Introduced a system to rival the existing online sites
2. Free listing on site as a member of Proudly South African
3. Offer high quality (vetted local products)
4. Retain jobs and possibly create new jobs (multiplier effects and impact on other industries/ sectors)

FLEA MARKETS/ TRADE FAIRS/ EXPOS



DSTV DELICIOUS (GROWING FLAGSHIP MARKET AND PARTNERSHIP

PROUDLY
SOUTH AFRICAN



- Proudly SA members are supplying the event (approximately 20)
- Members are selling/trading at the event (17 exhibitors at last year's event)

PUBLIC SECTOR TARGETED MARKETS FOR PROUDLY SA MEMBERS




4 No. 34350 GOVERNMENT GAZETTE, 8 JUNE 2011

No. R. 502 8 June 2011

**PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000:
PREFERENTIAL PROCUREMENT REGULATIONS, 2011**

I, Pravin J. Gordhan, Minister of Finance, acting in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000), hereby make the Regulations set out in the Schedule.

Signed at Pretoria on this 6th day of June 2011.



**PRAVIN J. GORDHAN
MINISTER OF FINANCE**

SCHEDULE

Contents

PART ONE: DEFINITIONS


1. Definitions
2. Application


PART TWO: PLANNING AND STIPULATION OF PREFERENCE POINT SYSTEM TO BE UTILIZED, EVALUATION OF TENDERS ON FUNCTIONALITY, PREFERENCE POINT SYSTEM AND BROAD-BASED BLACK ECONOMIC EMPOWERMENT STATUS, AWARD OF CONTRACTS TO TENDERERS NOT SCORING THE HIGHEST NUMBER OF POINTS AND THE CANCELLATION AND RE-INVITATION OF TENDERS

3. Planning and stipulation of preference point system to be utilized
4. Evaluation of tenders on functionality
5. The 80/20 preference point system for the acquisition of goods, works and / or services up to a Rand value of R1 million
6. The 90/10 preference point system for the acquisition of goods, works and / or services with a Rand value above R1 million
7. Award of contracts to tenderers not scoring the highest number of points
8. Cancellation and re-invitation of tenders

NEW GROWTH PATH: ACCORD 3

LOCAL PROCUREMENT ACCORD



 **economic
development**
Economic Development Department
REPUBLIC OF SOUTH AFRICA

PPPFA AND LOCAL CONTENT:

- Local Content Regulations came into effect on 7 December 2011 through. They are still applicable in the 2017 Public Procurement Regulations
- **Regulation 8: Local Production and Content**

the dti is empowered to designate specific industries/sectors.

- To give effect to government decisions on public procurement; sectors/products were and are being designated for local production

LOCAL PROCUREMENT OF NON-DESIGNATED SECTORS:

Regulation 9 (3) prescribes that “...where there is no designated sector, an organ of state may include a specific tendering condition for local procurement with a stipulated minimum threshold for local production and content. This should be in ***accordance with the specific directives issued for this purpose by the National Treasury in consultation with the dti***”.

PRODUCTS DESIGNED FOR LOCAL PRODUCTION

Designated Products	LC Threshold	Date
1. Rail Rolling Stock	65%	16-07-2012
2. Power Pylons and Substation Structures	100%	16-07-2012
3. Bus Bodies	80%	16-07-2012
4. Canned/Processed Vegetables	80%	16-07-2012
5. Textile, Clothing, Leather and Footwear Sector	100%	16-07-2012
6. Certain Pharmaceutical Products	Per tender	07-12-2011
7. Set-top Boxes	30%	26-09-2012
8. Furniture Products	85-100%	15-11-2012
9. Electrical and Telecom Cables	90%	08-05-2013
10. Valve Products and Actuators	70%	06-02-2014
11. Working Vessels (Boats)	60%	01-08-2014
12. Residential Electricity Meters and Water Meters	90%	01-08-2014
13. Steel Conveyance Pipes, Pipe Fittings and Specials	80-100%	28-09-2015
14. Transformers and Shunt Reactors	10-90%	28-09-2015
15. Two Way Radio Terminals	60%	30-06-2016
16. Solar PV Components	15-90%	30-06-2016
17. Rail Signalling System	65%	30-06-2016
18. Wheelie Bins	100%	18-08-2016
19. Solar Water Heaters	70%	19-07-2012
20. Fire Fighting Vehicles	30%	21-11-2016
21. Steel Products and Components for Construction	100%	13-01-2017
22. Rail Perway (Track) Infrastructure	90%	13-11-2017
23. Pumps & Medium Voltage Motors	70%	12-12-2017

TENDER MONITORING SYSTEM

OPPORTUNITY TO TENDER

Dear valued Proudly South African member

In accordance with our value proposition exclusively available to Proudly South African member companies, we hereby share first-hand access to a tender opportunity in your sector and/or region.

Please notify us should you successfully be awarded the tender attached.

Our best wishes accompany you!

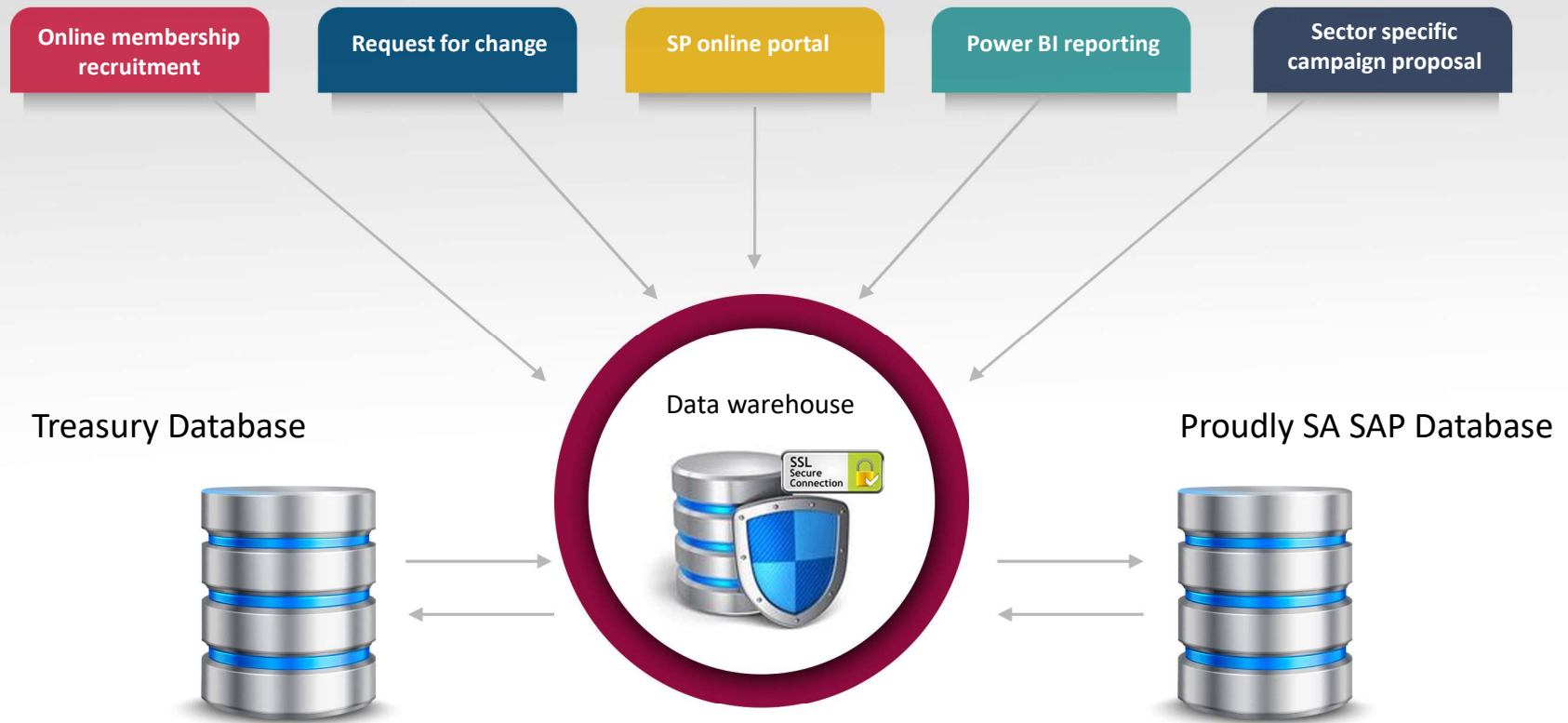
[CLICK TO DOWNLOAD TENDER DOCUMENT](#)

[Download Tender Document](#) | [About Proudly South African](#) | [How To Register](#) | [Contact Us](#)

PUBLIC SECTOR PROCUREMENT DESIGNATIONS – TENDER MONITORING FUNCTION:

- A public sector tender monitoring tool (similar to SACTWU – clothing and textiles);
- To monitor tenders issued by all organs of the state and advertised on online websites;
- Continuously search for tenders issued for designated products (sectors) using keywords;
- Currently linked to over 763 websites (entity websites and NT mandatory online platforms/sites);
- Assist all state organs with compliance to local content provisions of the PPPFA;
- Intervene when tender/RFP is issued (with the dti's Industrial Procurement Unit) and not after the tender is awarded or contracts are issued;
- Value-add for Proudly SA members as they will be notified of tenders related to their offerings (and in their areas of operation – locality);

MIGRATION WITH THE CENTRAL SUPPLIER DATABASE



CSD and Proudly SA database integration map

PUBLIC SECTOR PROCUREMENT FORUMS



- Aimed at educating procurement officials and those tasked with procurement/buying in the public sector on the local content provisions,
- To ensure that procurement officials comply with applicable localisation procurement regulations;
- Hosted in all 9 provinces, in partnership with the dti and the provincial ED/Treasury departments;
- Presentation made to State Owned Enterprises Procurement Forum at least once per annum on localisation regulations;
- Through SALGA, to reach all municipalities in the country (MOU in place)



**PRIVATE SECTOR
TARGETED
MARKETS FOR
PROUDLY SA MEMBERS**



- REWRITES
- N4 - N6
- Human Resource Management
- Tourism
- Mechanical Engineering
- Electrical Engineering
- Civil Engineering
- Marketing
- Junior & Senior Bookkeeping
- Financial Accounting
- Office Administration
- Secretarial Skills

LOCALISATION COMMITMENTS FROM THE PRIVATE SECTOR

01

Commitments to increase local procurement from large corporates;

e.g. Jobs Summit commitments from banks to buy local furniture only)



02

Increased local content levels in retail spaces

(Edcon increasing local content from 38% in 2015 to 53% in 2018)



03

Increase of local content usage (raw materials, components, etc.) in production processes;

(e.g. Sourcing of sugar from local farms by Coca Cola Beverages SA)



04

Lobby market access support for SMMEs that manufacture local products and services;

(Introduce Franchise Association of SA companies to Proudly SA black owned SMMEs)



BUY LOCAL EXPO (Our “Flagship” Market place)

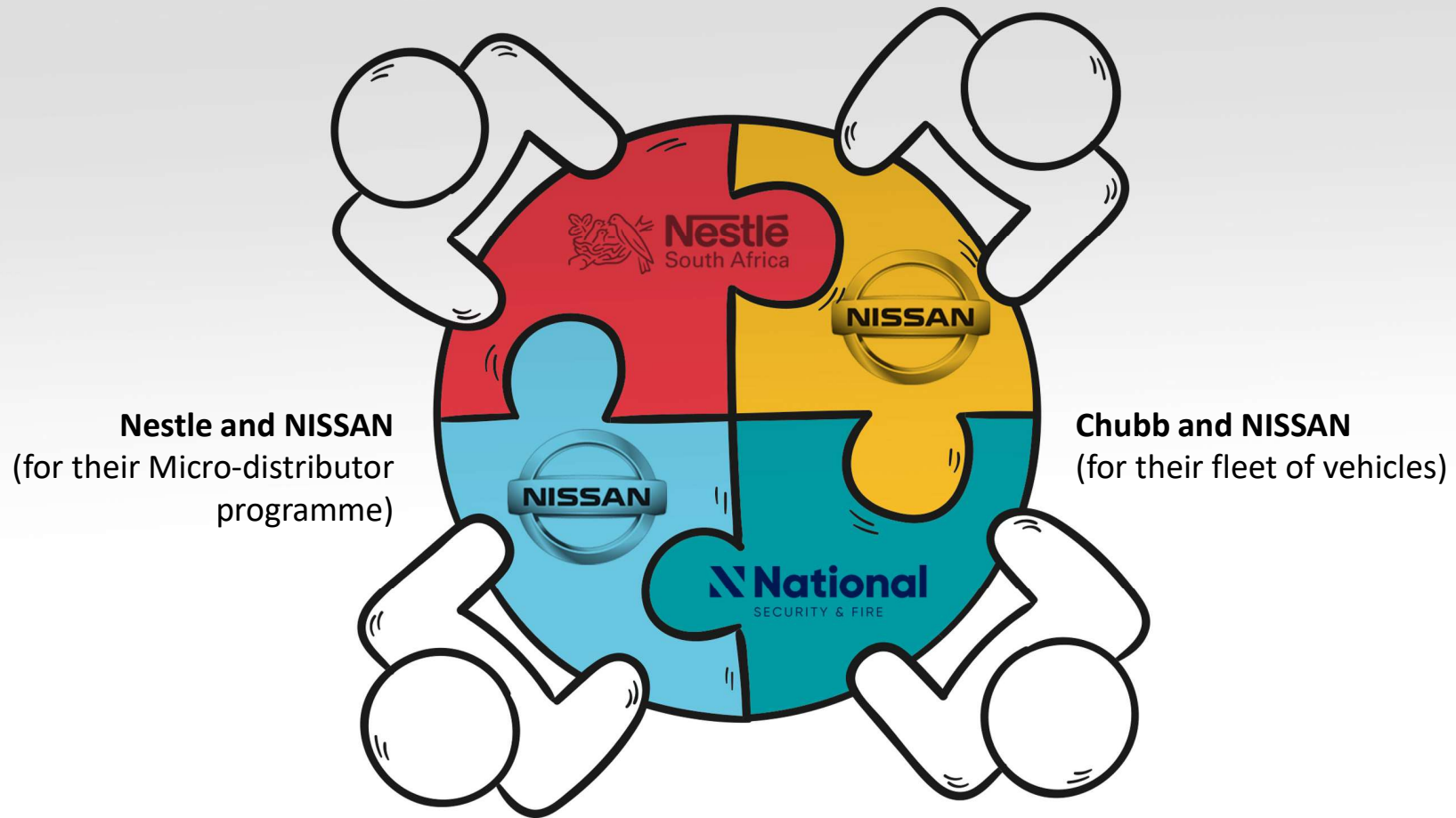


Buyers at the Expo in 2019:

- Buyers meet Exhibitors (Whoova App)

Targeted buyers invited include those from:

- CIPS (Chartered Institute of Procurement and Supply)
- SOEPF (State Owned Enterprises Procurement Forum)
- CGCSA – Retail buyers (FMCG and Furniture)





HOW DO CONSUMERS KNOW IT'S PROUDLY SOUTH AFRICAN OR EVEN MADE IN SA?

Companies that are members of Proudly South African can use the Proudly South African logo – the circle and tick in the colours of the national flag.

The logo is a registered trade mark and denotes quality. In case there is any doubt about where the product you are buying is made, check the Label of Origin which all products for sale in this country are obliged to carry.

If it doesn't say **Made in South Africa**, then find an equivalent that is.

MEMBERS MUST USE THE LOGO (and correctly)!!





www.proudlysa.co.za | [@ProudlySA](https://www.instagram.com/ProudlySA) | 011 327 7778

THANK YOU