

# LOCAL CONTENT POLICY/DESIGNATION AND THE NEW PPPFA REGULATIONS

## PRESENTATION TO MDMSA PROCUREMENT OF MEDICAL DEVICE CONFERENCE

30 May 2019



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# CONTENT

- **Role of Industrial Policy Action Plan (IPAP)**
- **Procurement Levers**
- **Rationale for the Designations**
- **PPPFA and it's Regulations (PPR 2017) on Local Content**
- **Updated List of Designations**
- **Local Content Declaration Documents**
- **Calculation of Local Content**
- **Exemption Process**



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# POLICY CONTEXT

- South Africa has been experiencing **severe decline** in the manufacturing sector and in its employment levels. This can be attributed to the **importation** of high value added products into the country. As a way to address this decline, through the industrial policy's Industrial Policy Action Plan (IPAP) government has designated specific sectors for local production with minimum Local Content thresholds
- It is designed to address the decline in our industrial and manufacturing capacity, contribute to job creation and increase the economy's ability to produce more complex and higher value-added products with greater efficiency
- **IPAP 2018** is the tenth iteration and the last one of the 5<sup>th</sup> administration. It provides an opportunity to reflect on the successes of IPAP and the constraints to its optimal implementation.
- It is informed by the vision set out for South Africa's development provided by the National Development Plan (NDP)
- The core to South Africa's industrial policy is the objective of transforming the racially skewed ownership, management and employment profile of the economy

## KEY OPPORTUNITIES IN PUBLIC PROCUREMENT

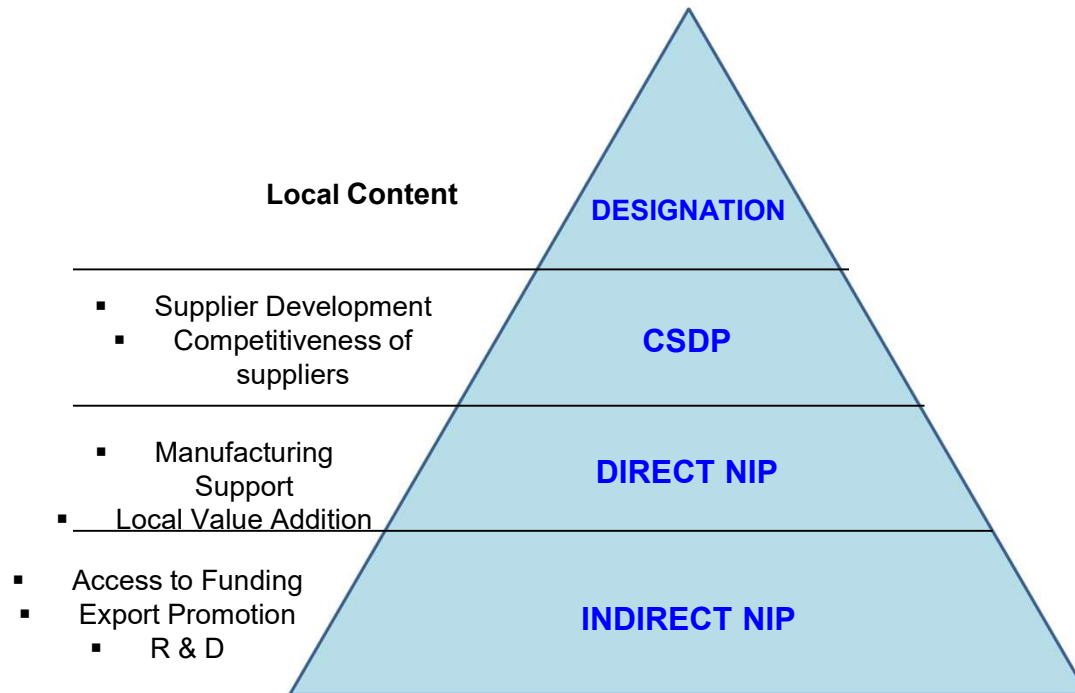
- ❑ SA is committed to spending more than R800 billion on various infrastructure programmes over the medium to long term, this spend is anticipated to grow exponentially.
- ❑ An important strategic approach in South Africa's industrial policy is to use government's leveraging muscle as a "**large buyer**" that can influence how much is locally manufactured.
- ❑ Given this magnitude, public procurement provides opportunities for government to:
  - **Stimulate domestic manufacturing capacity**
  - **Attract foreign direct investment**
  - **Increase levels of industry competitiveness**
  - **Create export markets** for locally produced goods
  - **Contribute to job creation or retention**



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# FOUR TIER APPROACH TO PROCUREMENT: CABINET APPROVAL



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## PROCUREMENT LEVERS

- **Government purchasing power** through public procurement contributes between 15% and 25% to GDP (value that is extracted from large scale procurements)
- **National Industrial Participation Programme (NIPP)** **Imported Content => US\$10 million**
- **Defence Industrial Participation (DIP):** managed by Armscor and applicable to all defence procurement. **Imported Content => US\$2 million**
- **Competitive Supplier Development Programme (CSDP):** managed by DPE in conjunction with State Owned Companies (SOCs) .
- **Designation & Local Production**
- **The Renewable Energy Independent Power Producer Procurement Programme (REIPPPP)**
- **The Local Procurement Accord**



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# 2017 PREFERENTIAL PROCUREMENT REGULATIONS ON LOCAL CONTENT

- Preferential Procurement Policy Framework Act (PPPFA) was enacted in 2000, and its Regulations promulgated in 2001
- Local Content Regulations came into effect on 7 December 2011 through the 2011 PPPFA Amended Regulations. They are still applicable in the 2017 Public Procurement Regulations
- **Section 8: Local Production and Content**
- Empowers **the dti** to designate specific industries/sectors for local procurement by organs of state.



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# 2017 PREFERENTIAL PROCUREMENT REGULATION ON LOCAL CONTENT

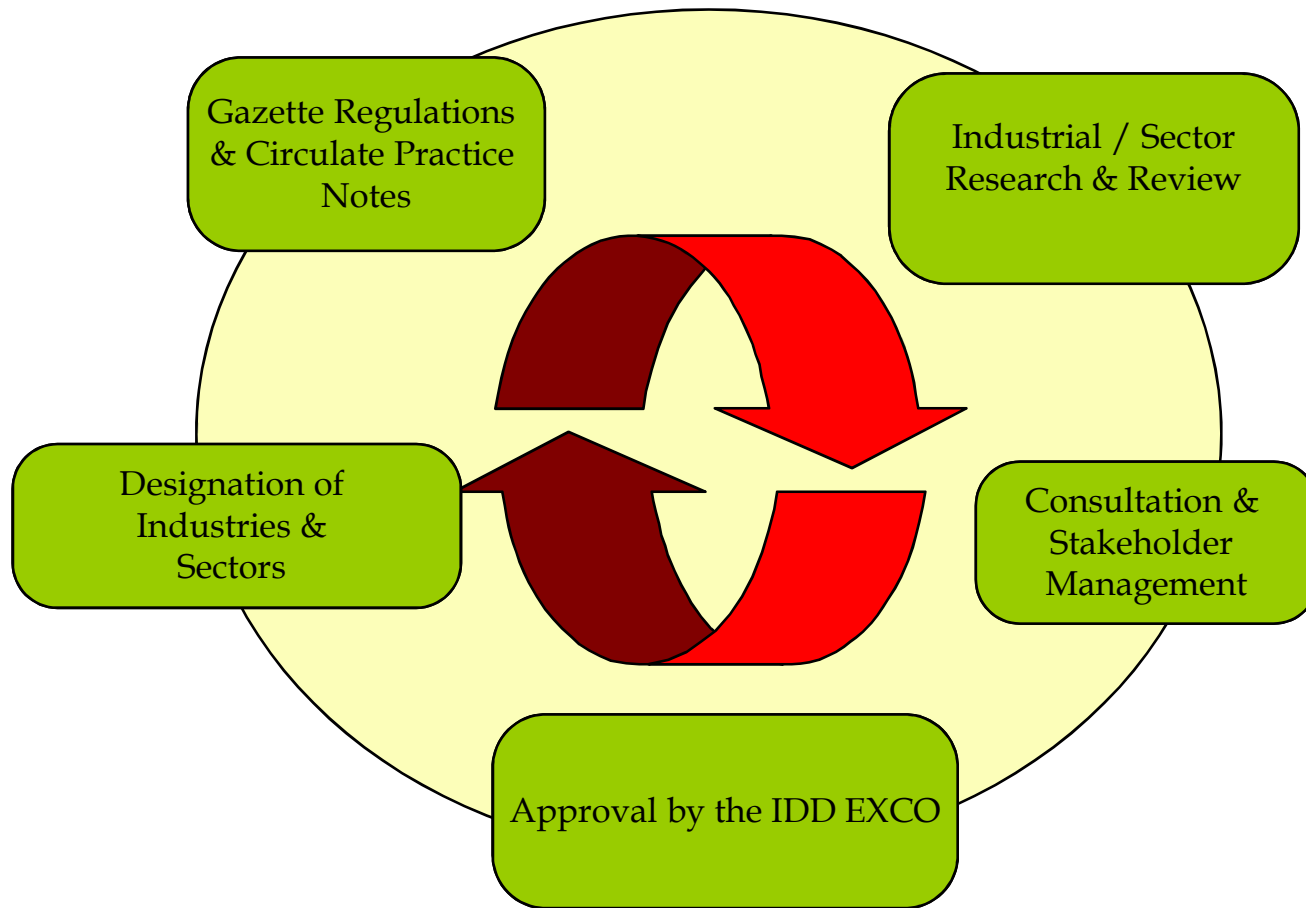
- **Regulation 8 (1):** empowers **the dti** to designate specific industries/sectors, where only locally manufactured products that meet the stipulated minimum threshold for local content will be considered.
- **Regulation 8 (2):** organs of state must include local content in their bid invites
- **Regulation 8 (3):** National Treasury must inform organs of state **via circular**.
- **Regulation 8 (4):** allows organs of state to “**self designate**” provided they consult with the dti and National Treasury
- **Regulation 8 (5):** bid that fails to meet the required local content is unacceptable
- **New regulations allow the National Treasury to issue circulars and guidelines**



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# DESIGNATION PROCESS FLOW



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# DESIGNATION METHODOLOGY

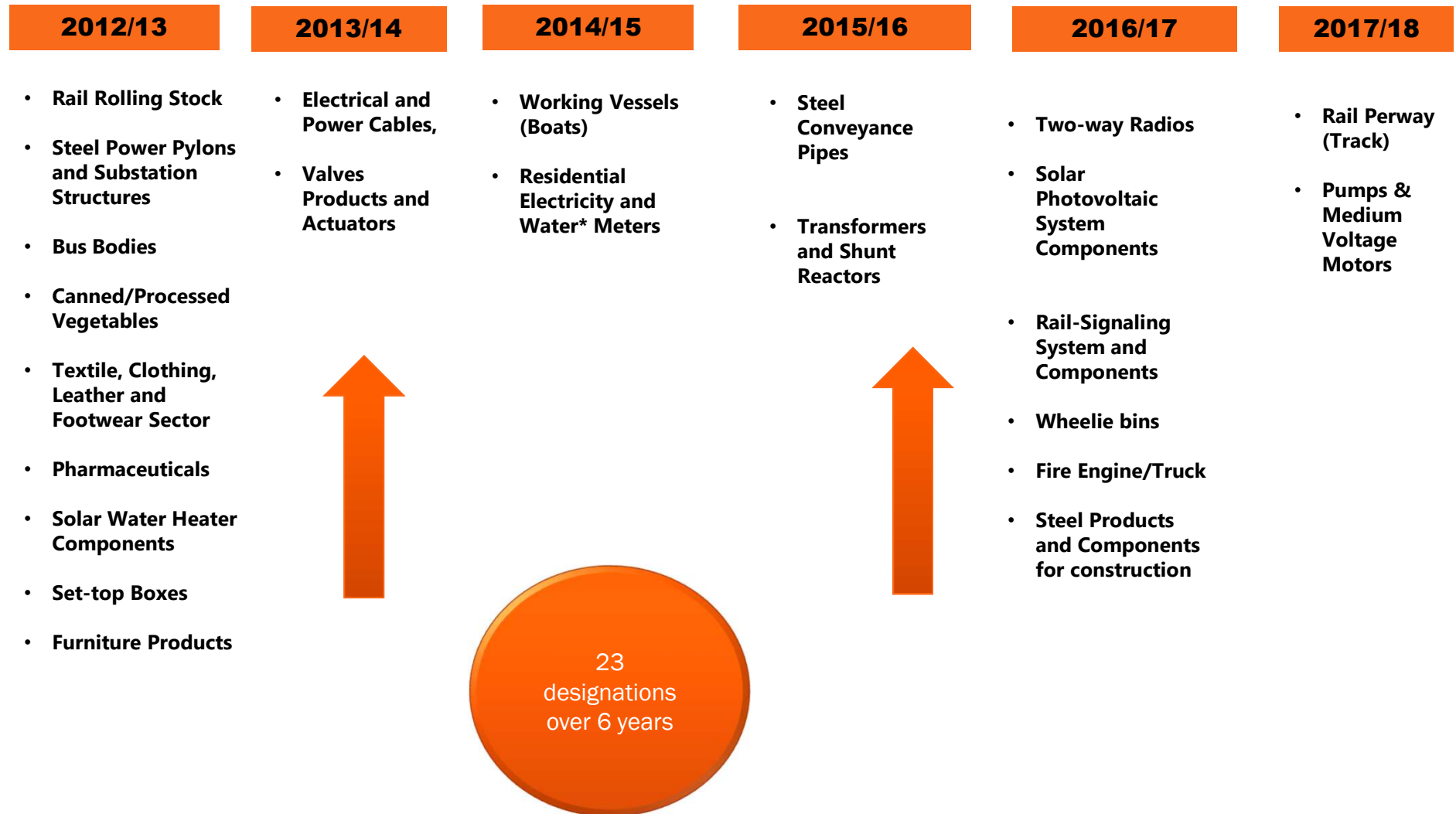
- Security of supply
- Significance of the sector / sub-sector / industry
- Government expenditure and entities consuming the product
- Industry structure and the level of competition
- Level of employment in the sector
- Export/Import trends
- Various modalities / proposals to limit price premiums, e.g.
  - Price benchmarking
  - ‘Deeming’ of certain primary intermediate inputs as local
  - Procurement direct from manufacturers where possible



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# PRODUCTS DESIGNATED FOR LOCAL PRODUCTION



## PRODUCTS DESIGNATED 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	<b>Per tender</b>	<b>07-12-2011</b>
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 Special	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

# PENDING DESIGNATIONS AND GUIDELINES

**2018/19**

- **Lead Acid Batteries**
- **Medium Voltage Switchgear**

**2019/20**

- **Plastic Pipes & Fittings**
- **Bulk Handling Material (Conveyance System Equipment)**

**2017/18**

- **Guidelines for Implementation of Regulation 8.4 (Non-designated products)**



4  
designations  
over 2 years



# PRODUCTS TO BE DESIGNATED

## Vehicles

- Yellow Metals
- Light Commercial Vehicles (Bakkies & Passenger)
- Waste compactors

## White Goods

## Medical Devices

- Sutures
- Condoms
- Face Masks
- Latex Gloves

## Window Glass

## Pharmaceuticals: ARV and TB (transversal tenders)

## Sanitary Pads



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# Current Self-Designations: Medical Devices

## Use of Regulation 8.4 of the PPPFA

- Male and female condoms, and lubricants – progressive procurement strategy in place
  - Bandages and Dressing – current Designation applied
  - Sutures – local content set
  - Crutches and Walking Aids – local content level set
  - Surgical Sundries – local content level set for certain items
  - Surgical gloves – local content level set at 50% based on import of raw material. One new company coming on-line in July of this year
  - Sterilisation related items – local content set for certain disinfectants
  - IV administration sets – local content level set
  - Rapid HIV tests and other diagnostics – set local content including at certain Provinces
  - Hospital beds and mattresses (RT24) – working on the local content level for transversal tender. Local manufacturer awarded the tender for the new 500-bed Pixley Kaseme Hospital in KZN
  - Therapeutic Rehabilitation Equipment (RT 54) – local content set on certain items
  - Mental Health Equipment (RT54) – local content set on certain items
- \* Currently working on designations of male and female condoms, latex gloves, surgical masks, sutures and on bringing local manufacture of syringes to South Africa etc.



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## REGULATION 4: PRE-QUALIFICATION CRITERIA

The Regulation is used to advance designated groups through:

- (a) Prequalifying tenderers in terms of B-BBEE Status level
- (b) Prequalification in terms of being an EME or QSE
- (c) Sub-contracting with the following designated groups:
  - i. An EME or QSE which is at least 51% Black Owned
  - ii. An EME or QSE which is at least 51% owned by black youth
  - iii. An EME or QSE which is at least 51% Black Women Owned
  - iv. An EME or QSE which is at least 51% owned by black people with disabilities
  - v. An EME or QSE which is 51% owned by black people living in rural or underdeveloped areas and / or townships
  - vi. A Cooperative which is at least 51% owned by black people.
  - vii. An EME or QSE which is at least 51% owned by black people who are military veterans



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## REGULATION 9: COMPULSORY SUBCONTRACTING

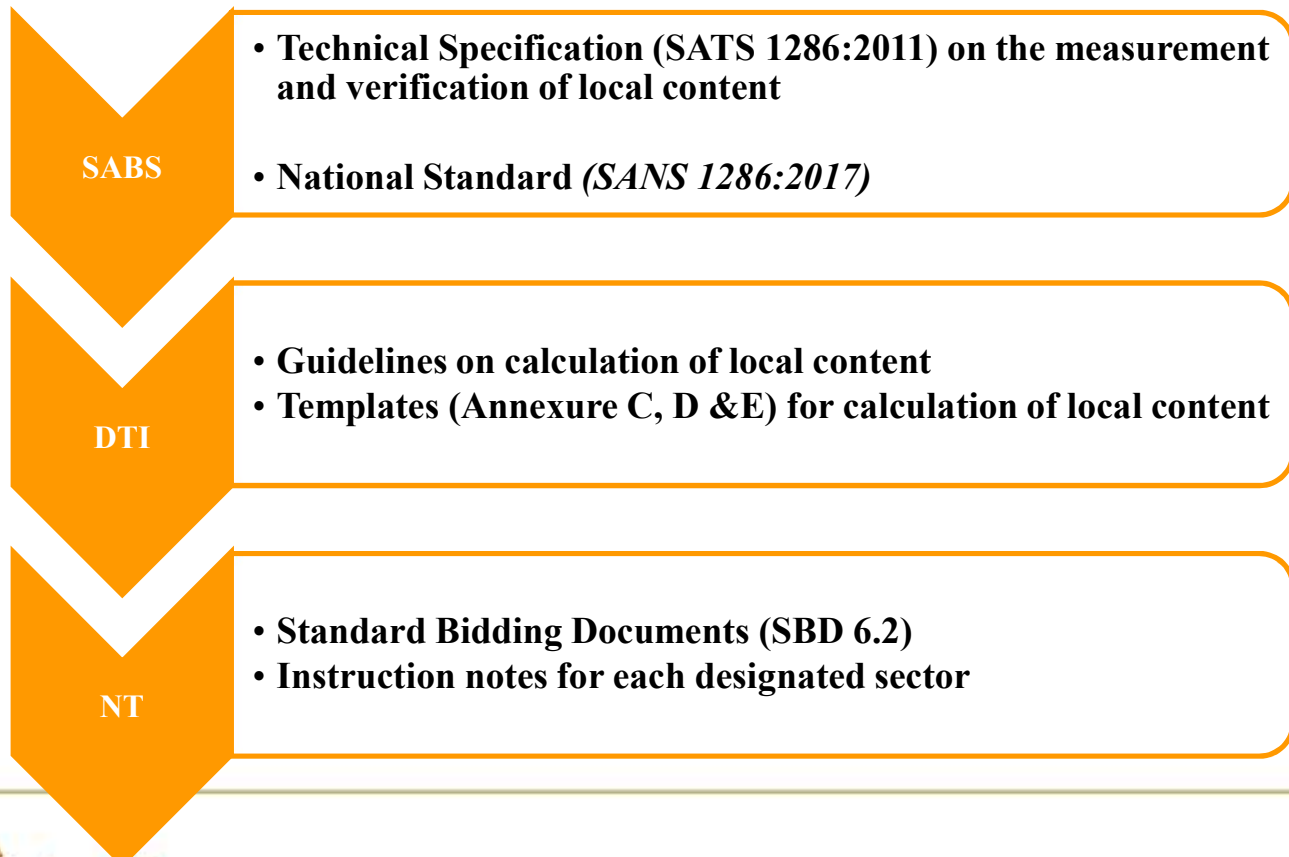
- New Regulation aimed at empowering designated groups especially in sectors where there is a lack of transformation.
- An organ of state must, in the case of selected tenders where it is feasible to sub-contract, apply compulsory sub-contracting to advance designated groups in contracts above R30 million.
- That organ of state must advertise such tender with a specific tendering condition that the successful tenderer must sub-contract a minimum of 30% of the value of the contract to-
  - (a) An EME or QSE;
    - (i) An EME or QSE which is at least 51% Black Owned
    - (ii) An EME or QSE which is at least 51% owned by black youth
    - (iii) An EME or QSE which is at least 51% Black Women Owned
    - (iv) An EME or QSE which is at least 51% owned by black people with disabilities
- The list of designated groups mentioned in sub-regulation (2)(i) – (vii) must be made available by the organ of state selected from amongst suppliers registered on the Central Supplier Database of the National Treasury.



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# LOCAL CONTENT DOCUMENTS



# LOCAL CONTENT CALCULATION

“Local Content” means that portion of the tender price which is not included in the imported content, provided that local manufacturing does take place within the borders of South Africa (SABS approved technical specification SANS 1286:2017)

$$LC = \left(1 - \frac{X}{Y}\right) \times 100$$

**Where:**

**X** is the imported content in Rand (ZAR)  
**Y** is the tender price in Rand (ZAR)

**Example:**

If the tender price (**Y**) is R100 and imported content (**X**) is R10, then:

$$LC = \left(1 - \frac{10}{100}\right) \times 100 = 90$$

- Prices referred to in the determination of **X** must be converted to Rand (ZAR) by using the exchange rate published by the SARB at 12:00 on the date of advertisement of the bid



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# LOCAL CONTENT REQUIREMENTS AND THE EXEMPTIONS

- ❑ Bids for all designated sectors/products must contain a specific bidding condition that only locally produced or locally manufactured goods, works and services with a stipulated minimum threshold for local production and content will be considered.
  - If the raw material or input to be used for a specific item is not available locally, bidders should obtain written exemption from **the dti** should there be a need to import such raw material or input; and
  - A copy of the exemption letter must be submitted together with the bid document at the closing date and time of the bid



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## THE EXEMPTION PROCESS

- If the quantity of materials and/or products cannot be wholly sourced in South Africa, **the dti**, in consultation with the procuring entity, will grant exemption on a case-by-case basis
  - *Specifications, designs, standards, material availability, technological choices and volumes are the main causes of exemptions*
  - Bidders must clearly indicate in their bids the quantities of material and products to be supplied and the level of local content for each product
- **the dti** will revert back to the bidder within 48 hours either with a response or an acknowledgment that the request is being considered
- If an exemption is requested on the product that has already being exempted, then **the dti** takes 48 hours to process the request
- In certain instances, **the dti** consults with the industry, especially if the exemption is volume-based and/or based on the particular type of material. That can take up to a week to revert back to the bidder



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# THE EXEMPTION PROCESS

For Exemption Letters, bidders are to state the following in the request:

- Procuring Entity/ Government Department,
- Bid Number,
- Closing date,
- Item(s) for which the exemption is being requested for,
- Description of the goods, services or works for which the requested exemption item will be used for ( attach detailed specification for item),
- Reason for the request.

Attention to:

Dr Tebogo Makube

Chief Director: Industrial Procurement Unit

Email: [TMakube@thedti.gov.za](mailto:TMakube@thedti.gov.za)

Tel: 012 394 3927



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## POST AWARD REPORTING: BIDS REPORTED FROM MARCH 2015 TO SEPTEMBER 2018

Designated Products	Signed Standard Bidding Documents Submitted to the dti	Total Value per Sector	No. of Companies Verified	Tender Value Verified	% Verified: (total verified/ total value)
		R'000		R'000	
Textiles & Clothing Products	525	2 469 457	2	624 417	0.25
Furniture Products	182	154 352	-	-	-
Electrical & Telecom Cables	62	1 754 244	3	257 810	0.15
Canned & Processed Vegies	23	697 950	-	-	-
Valves & Actuators	22	296 567	-	-	-
Rail Rolling Stock	4	49 547 227	-	-	-
Set top boxes*	1	4 300 000	3	600 000	0.14
Power Pylons	11	2 253 000	3	740 212	0.33
Solar Water Heaters	13	446 253	12	303 055	0.68
Steel Products	14	349 911	-	-	-
Busses	3	806 600	1	132 481	0.16
Working Boats & Vessels	5	4 299 195	-	-	-
Transformers	42	4 480 000	-	-	-
Construction	25	176 271	-	-	-
<b>Total</b>	<b>932</b>	<b>71 854 756</b>	<b>24</b>	<b>2 657 975</b>	<b>0.04</b>

\* One tender but different suppliers appointed as a panel by USAASA

Source: Dept of Trade & Industry & SABS: Local Content databases, 2018



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## REMEDIES FOR NON-COMPLIANCE

- ❑ A crucial aspect of **Local Content is its verification**, and the South African Bureau of Standards (SABS) has been appointed the verification agency for Local Content in SA

### Section 14 of the PPPFA Regulations: Remedies

- **14. (1) An organ of state must, upon detecting that a tenderer submitted false information regarding BBEE, Local Content or any other matter:**
  - (a) inform the tenderer accordingly;
  - (b) give the tenderer an opportunity to make representations within 14 days
  - (c) if it concludes, after considering the representations that false information was submitted – disqualify the tenderer or terminate the contract in whole or part and if applicable claim damages from the tenderer.
- **14. (2) An organ of state must inform the National Treasury of any actions taken.**
- **14. (3) The National Treasury must decide whether to restrict the tenderer for 10 years and publish on website a list of restricted suppliers**

# SBD 6.2

<b>Stipulated minimum threshold for local content (paragraph 3 above)</b> <b>Local content % (as calculated by SATS 1286)</b>	<b>Bid price excluding VAT (Y)</b>	<b>R</b>
	<b>Imported content (X)</b>	<b>R</b>
	<b>Stipulated minimum threshold for local content (paragraph 3 above)</b>	<b>%</b>
	<b>Local content % (as calculated by SATS 1286)</b>	<b>%</b>

This declaration is a prescribed document which includes the local content calculation.



NB The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.

I, the undersigned, ..... (full names), do hereby declare, in my capacity as ..... of .....(name of bidder entity), the following:

(a) The facts contained herein are within my own personal knowledge.

(b) I have satisfied myself that the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286.

(c) The local content has been calculated using the formula given in clause 3 of SATS 1286, the rates of exchange indicated in paragraph 4.1 above and the following figures:

Bid price, excluding VAT (y)	R
Imported content (x)	R
Stipulated minimum threshold for Local content (paragraph 3 above)	
Local content % , as calculated in terms of SATS 1286	

If the bid is for more than one product, a schedule of the local content by product shall be attached.

(d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286.

(e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 13 of the Preferential Procurement Regulations, 2011 promulgated under the Policy Framework Act (PPFA), 2000 (Act No. 5 of 2000).

**SIGNATURE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**WITNESS No. 1** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**WITNESS No. 2** \_\_\_\_\_ **DATE:** \_\_\_\_\_

# ANNEX D

SATS 1286.2011

## Details of the Tender & Tenderer

**EXAMPLE**

(D1)	Tender No.	GP 00111	
(D2)	Tender description:	30 and 60 seater commuter bus	Note: VAT to be excluded from all calculations
(D3)	Designated Products:	Buses	
(D4)	Tender Authority:	Gauteng Purchasing Department	
(D5)	Tendering Entity name:	Unibody Bus Builders (Pty) Ltd	
(D6)	Tender Exchange Rate:		

### Exempted imported content

**A. Exempted imported content**

Tender Item no's	Description of Imported content	Local supplier	Overseas supplier	Value as per Commercial Invoice	Exchange Rate	Imports	port of entry	locally incurred landing costs & duties	Total landed cost excl VAT	Tender Qty	Exempted Imported value
(D7)	(D8)	(D9)	(D10)	(D11)	(D12)	(D13)	(D14)	(D15)	(D16)	(D17)	(D18)
GP 00010	Drive Train	MBSA	MB - Germany	\$12 000	R 7.00	R 84 000	R 8 000	R 4 000	R 96 000	400	R 38 400 000
GP 00011	Drive Train	MBSA	MB - Germany	€ 18 000	R 9.00	R 162 000	R 10 000	R 8 000	R 180 000	200	R 36 000 000
(D19) Total exempt imported value											R 74 400 000

This total must correspond with Annex C - C 21

### Imported by Tenderer

**B. Imported directly by 1**

Tender Item no's	Description of Imported content	measure	Overseas supplier	Value as per Commercial Invoice	Exchange Rate	Imports	port of entry	locally incurred landing costs & duties	Total landed cost excl VAT	Tender Qty	Total Imported value
(D20)	(D21)	(D22)	(D23)	(D24)	(D25)	(D26)	(D27)	(D28)	(D29)	(D30)	(D31)
GP 00010	Instrumentation	Each	Gearmax USA	\$2 000	R 7.00	R 14 000.00	R 1 500	R 750	R 16 250.00	400	R 6 500 000
GP 00010	Air conditioner	Each	Benteler Ger	€ 500	R 9.00	R 4 500.00	R 1 000	R 500	R 6 000.00	400	R 2 400 000
GP 00011	Instrumentation	Each	Gearmax USA	\$3 100	R 7.00	R 21 700.00	R 1 750	R 800	R 24 250.00	200	R 4 850 000
GP 00011	Air conditioner	Each	Benteler Ger	€ 350	R 9.00	R 4 950.00	R 1 250	R 600	R 6 800.00	200	R 1 360 000
2) Total Imported value by tenderer											R 15 110 000

### Imported by a 3<sup>rd</sup> Party

**C. Imported by a 3rd part**

Description of imported content	Unit of measure	Local supplier	Overseas Supplier	Value as per Commercial Invoice	Exchange Rate	Local value of imports	Freight costs to port of entry	locally incurred landing costs & duties	Total landed cost excl VAT	Quantity Imported	Total Imported value
(D33)	(D34)	(D35)	(D36)	(D37)	(D38)	(D39)	(D40)	(D41)	(D42)	(D43)	(D44)
Sheet steel	tonne	Arcelor SA	Arcelor Belgium	€ 500	R 9.00	R 4 500.00	R 250.00	R 50.00	R 4 800.00	100	R 480 000
Hinges	each	Ramsar Ga	Hineri GA	€ 100	R 17.00	R 1 700.00	R 10.00	R 5.00	R 1 715.00	1 200	R 90 000
Steel tubing								R 45	R 6 345.00	4	R 25 380
Other - nuts and bolts											R 1 620
j) Total Imported value by 3rd party											R 597 000

### Other forex payments

**D. Other foreign currency payments**


Type of payment	Local supplier making the	Overseas beneficiary	Foreign currency value paid	Tender Rate of Exchange	Summary of payments
(D46)					Local value of payments
Royalty payment for use of patent	Unit				(D51) R 70 000
Annual licence fees - prorated	Unit				R 315 000
Engineering support	MBS				R 108 000
					R 0
(D52) Total of foreign currency payments declared by tenderer and/or 3rd party					R 493 000

### Total imported content

(D53) Total of Imported content & foreign currency payments - (D32), (D45) & (D52) above

R 16 200 000

This total must correspond with Annex C - c 23



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# ANNEX E

The tenderer is required to provide details of local content used to deliver the tender.

This is divided into the following broad categories:

- 1) Local products
- 2) Manpower
- 3) Factory overheads
- 4) Admin O/H's and mark-up

**EXAMPLE** SATS 1286.2011

## Annex E

### Local Content Declaration - Supporting Schedule to Annex C

<i>(E1)</i> <b>Tender No.</b>	GP 00111	<b>Note: VAT to be excluded from all calculations</b>
<i>(E2)</i> <b>Tender description:</b>	30 and 60 seater commuter bus	
<i>(E3)</i> <b>Designated products:</b>	Buses	
<i>(E4)</i> <b>Tender Authority:</b>	Gauteng Purchasing Department	
<i>(E5)</i> <b>Tendering Entity name:</b>	Unibody Bus Builders (Pty) Ltd	

Local Products (Goods, Services and Works)	Description of items purchased	Local suppliers	Value
	<i>(E9)</i>	<i>(E7)</i>	<i>(E8)</i>
	Sheet Steel	Arcelor	R 34,000,000
	Fabric for seats	Galvenor Textiles	R 7,750,000
	Fabric for headlinings	Galvenor Textiles	R 1,250,000
	Welding consumables	ABR Supplies	R 250,000
	Tyres and wheels	Dunlop	R 1,000,000
	Hardware items (nuts, bolts, rivets etc.)	Various local suppliers	R 500,000
	Laser cutting services	Red Hot Cutting	R 245,000
	Other goods & services (small items)	Various	R 5,000
	<b><i>(E9)</i> Total local products (Goods, Services and Works)</b>		R 45,000,000 50%

<i>(E10)</i> <b>Manpower costs</b>	(Tenderer's manpower cost)	R 20,000,000	22%
<i>(E11)</i> <b>Factory overheads</b>	(Rental, depreciation & amortisation, utility costs, consumables etc.)	R 15,000,000	17%
<i>(E12)</i> <b>Administration overheads and mark-up</b>	(Marketing, insurance, financing, interest etc.)	R 9,400,000	11%
	<b><i>(E13)</i> Total local content</b>	R 89,400,000	100%

**This total must correspond with Annex C - C24**

**Signature of tenderer from Annex B**

\_\_\_\_\_

Date: \_\_\_\_\_



# ANNEX C

## Local Content Declaration - Summary Schedule

<b>Tender No.</b>	GP 00111	<b>Note: VAT to be excluded from all calculations</b>		
<b>Tender description:</b>	30 and 60 seater commuter bus			
<b>Designated product(s)</b>	Buses			
<b>Tender Authority:</b>	Gauteng Purchasing Department			
<b>Tendering Entity name:</b>	Unibody Bus Builders (Pty) Ltd			
<b>Tender Exchange Rate:</b>	USD <input type="text" value="R 7.00"/>	EU <input type="text" value="R 9.00"/>	GBP <input type="text" value="R 12.00"/>	
<b>Specified local content %</b>	80%			

Tender item no's	List of items	Tender price - each (excl VAT)	Exempted imported value	Tender value net of exempted imported content	Imported value	Local value	Local content % (per item)
(C8)	(C9)	(C10)	(C11)	(C12)	(C13)	(C14)	(C15)
GP 00010	30 Seater commuter bus	R 250 000	R 96 000	R 154 000.00	R 25 000	R 129 000.00	84%
GP 00011	60 Seater commuter bus	R 400 000	R 180 000	R 220 000.00	R 31 000	R 189 000.00	86%





## Local Content Documents Websites

The following are downloadable from the following National Treasury Website:-

<http://www.treasury.gov.za/divisions/sf/sc/PracticeNotes/default.aspx>

- ✓ Standard bidding document (SBD / MBD 6.2)

*Latest version published by the National Treasury*

*Should forms part of the bid document for all designated products*

- ✓ Instruction notes for each of the designated sectors/products

The following are downloadable from the following **the dti** website:-

[http://www.thedti.gov.za/industrial\\_development/ip.jsp](http://www.thedti.gov.za/industrial_development/ip.jsp)

- ✓ SABS technical specification

*Standard approach for the calculation of local content*

- ✓ Guidance document for calculation of Local Content

- ✓ Annex C, D & E for declaration of Local Content %

**THANK YOU**



**the dti**

Department:  
Trade and Industry  
REPUBLIC OF SOUTH AFRICA