

## Schedule 4

### Industrial Procurement

The revised Preferential Procurement Policy Framework Act (PPPFA) regulations which came into effect on the 7 December 2011 empower the Department of Trade and Industry (**the dti**) to designate industries, sectors and sub-sectors for local production at a specified level of local content.

The following industries, sectors and sub-sectors have so far been designated for local production with minimum local content thresholds.

| <b>Industry/sector/sub-sector</b>         | <b>Minimum threshold for local content</b> |
|---|--|
| Buses (Bus Body)                          | 80%  |
| Textile, Clothing, Leather and Footwear   | 100%                                       |
| Steel Power Pylons                        | 100%                                       |
| Canned / Processed Vegetables             | 80%  |
| <b>Pharmaceutical Products:</b>           |  |
| OSD Tender                                | 70% (volumes)                              |
| Family Planning Tender                    | 50% value                                  |
| Rail Rolling Stock                        | 65%  |
| Set Top Boxes (STB)                       | 30%  |
| <b>Furniture Products:</b>                |  |
| Office Furniture                          | 85%  |
| School Furniture                          | 100%                                       |
| Base and Mattress                         | 90%  |
| Solar Water Heater Components             | 70%  |
| Electrical and telecom cables             | 90%  |
| Valves products and actuators             | 70%  |
| <b>Residential Electricity Meter :</b>    |  |
| Prepaid Electricity Meters                | 70%  |
| Post Paid Electricity Meters              | 70%  |
| SMART Meters                              | 50%  |
| <b>Working Vessels/Boats (All types):</b> | 60%  |
| Components                                | 10% - 100%                                 |

To access the practice notes to the above designated sectors, please go to [www.treasury.gov.za](http://www.treasury.gov.za)

Other industries, sectors and sub-sectors are still being considered for designation. Once a thorough research and consultations have been concluded a decision to designate will be communicated to the public.

Please note that the Minister of Finance has approved the attached instructions relating to the amendment of:

Declaration Certificates for Local Production and Content for designated sectors (SBD 6.2 and MBD6.2); and

National Treasury Instruction on: Invitation and evaluation of bids based on a stipulated minimum threshold for local production and content for Valve Products and Actuators

These instructions will be effective from the date of issue and can be accessed on the [National Treasury website](#).

The standard bidding documents (SBD 6.2 or MBD 6.2) must be completed in line with the requirements of the SABS approved technical specification number [SATS 1286:2011](#) and the [Guidance Document for the Calculation of Local Content](#) together with the Local Content Declaration Templates

[Annexure C](#): Local Content Declaration - Summary Schedule,

[Annexure D](#): Imported Content Declaration - Supporting Schedule to [Annexure C](#) and

[Annexure E](#): Local Content Declaration - Supporting Schedule to [Annexure C](#).

All these documents are important for the calculation, measurement and verification of local content.

[SATS 1286:2011 Edition 1](#)

[Guidance Document for the Calculation of Local Content](#)

Annexures C, D and E - Download in [\[PDF\]](#) or [\[XLS\]](#) format.

Examples of completed annexures

[Buses](#)

[Canned vegetables](#)

[Preferential Procurement Regulations, 2011](#)

For local content related enquiries, please call the helpline on +27 (12) 394 1435.

For technical enquiries please contact Ms Cathrine Matidza:

Director: Fleet Procurement

Tel: +27 (12) 394 5598

E-mail: [cmatidza@thedti.gov.za](mailto:cmatidza@thedti.gov.za)

For local content enquiries or complaints, please send an e-mail to [localcontent@thedti.gov.za](mailto:localcontent@thedti.gov.za)