

MAKE LOCAL YOUR BUSINESS

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UNEMPLOYMENT IN NUMBERS – Q1 OF 2021





The unemployment rate in South Africa: **32.6%;** (highest level of unemployment for SA)

The number of unemployed: **7,2 million** people

Discouraged work seekers: 3,1 million people + 1 million (other reasons for not searching)

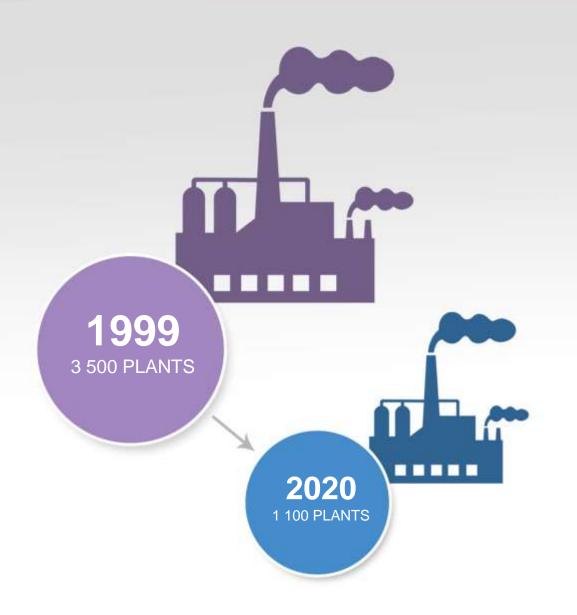
The expanded definition of unemployment, including people who have stopped looking for work: 43,2% (11,4 million people)

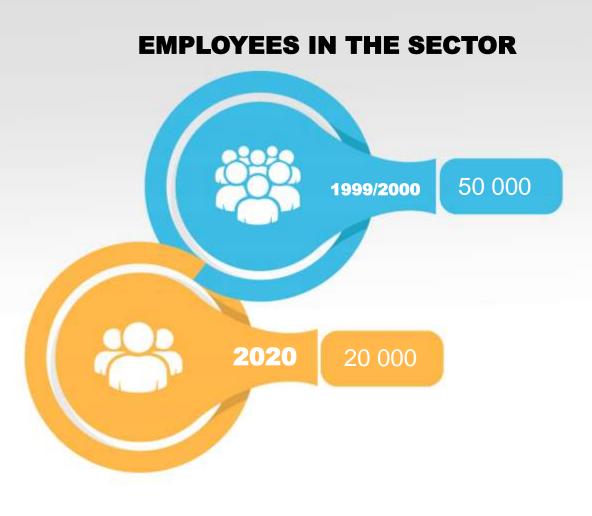
Youth unemployment: in excess of 60%

Total Population: 59 million people (estimated)

SOUTH AFRICA: FURNITURE INDUSTRY- CONTINUING DECLINE

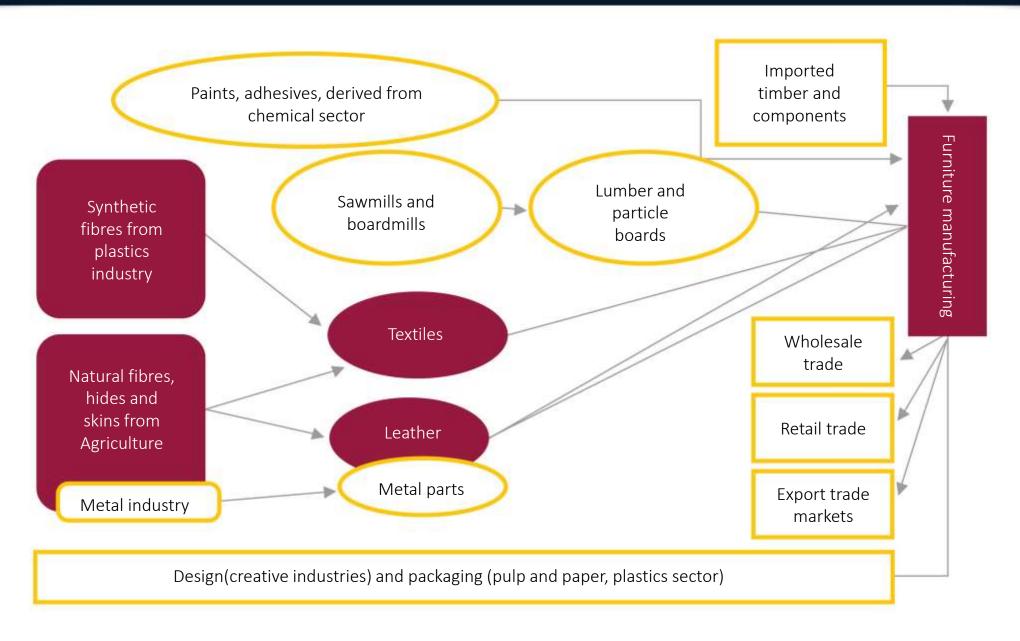






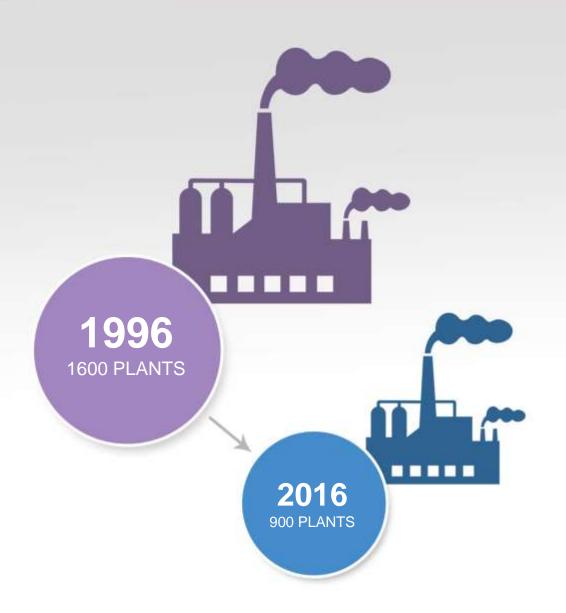
FURNITURE SECTOR VALUE CHAIN - MULTIPLIER EFFECT (FOCUS ON CTFL)

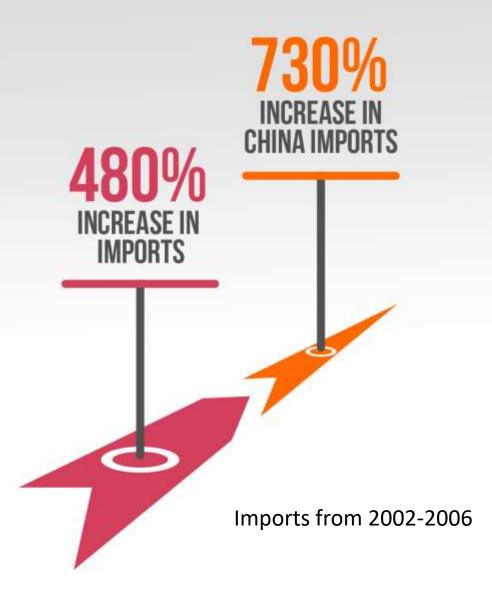




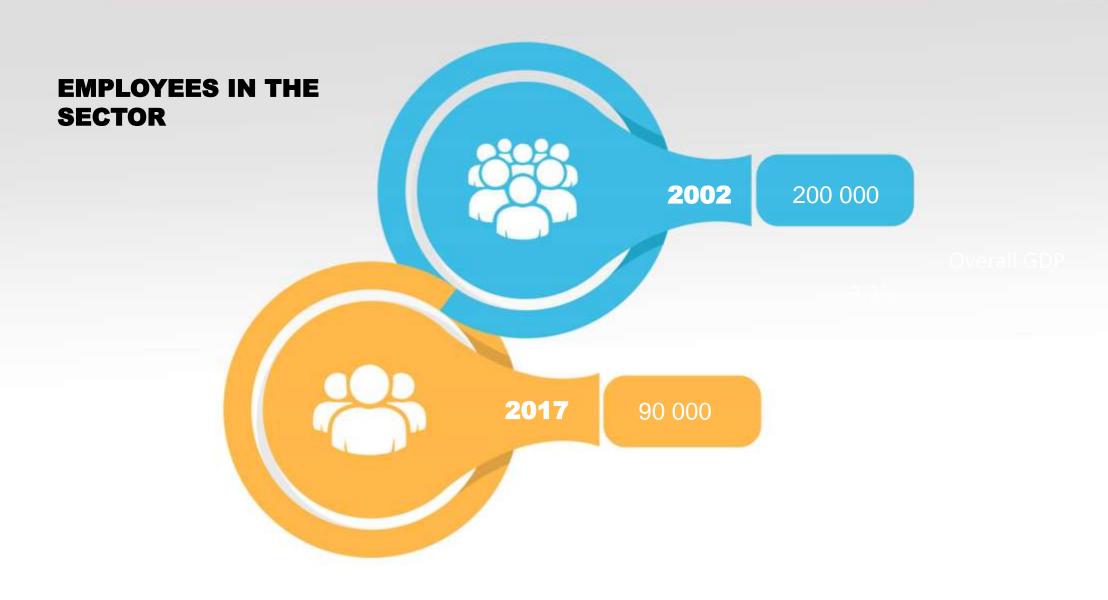
SOURCE OF MATERIALS: CTFL PLANTS & REASON FOR DECLINE





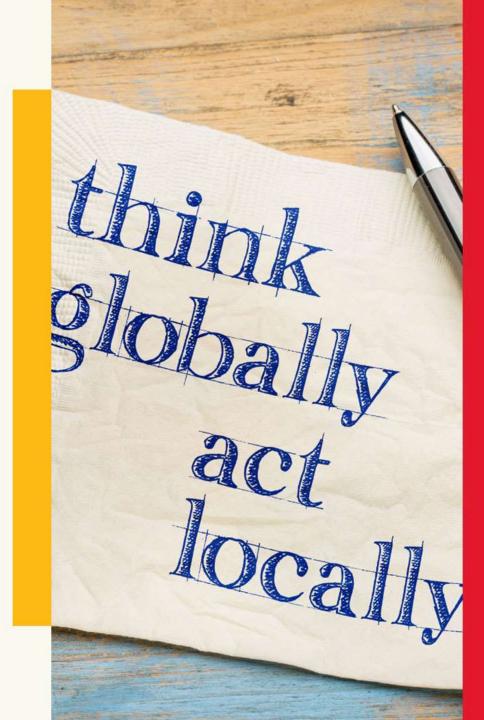






BUY LOCAL GLOBAL PHENOMENON.

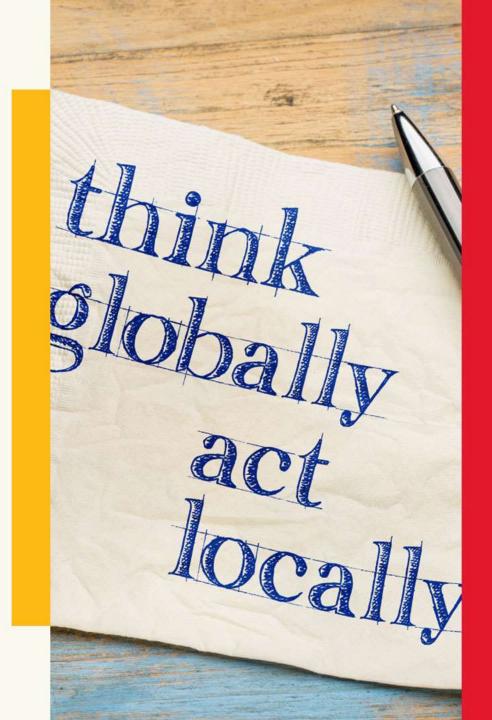
- Buying Local is a tried and tested phenomenon all over the world;
- Buy Local campaigns exist for countries, regions and even towns, and are present in countries such as:
 - Australia (Australian Made campaign)
 - USA (Legislated and also enforced by the new President)
 - UK (Keep it Local UK)
 - Philippines (Buy Local, Go Lokal)
- On the African continent, the Proudly SA campaign has been instrumental in assisting the following countries with setting up their Buy Local campaigns:
 - Buy Zambia
 - Buy Swazi
 - Buy Malawi
 - Buy Zimbabwe
 - Mauritius (exploratory discussions)
 - Tunisia (exploratory discussions)





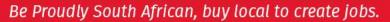
BUY LOCAL GLOBAL PHENOMENON. (US case study)

- 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).
- President Biden signed an Executive Order to strengthen "Buy American" provisions to encourage the federal Government to purchase goods and services from U.S Companies in his 1st week in office
- Biden's briefing to joint houses during April 2021, confirmed the focus on local procurement/buy local focus by the US government





IMPORTANCE OF LOCALISATION





Retain/Create Jobs

Skills development

Economic development

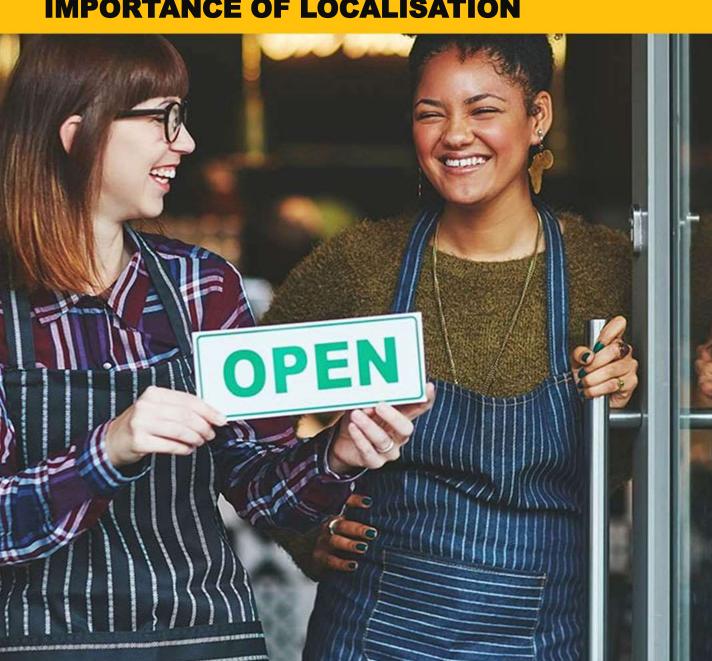
Empowerment

Improved living standards

Infrastructure development

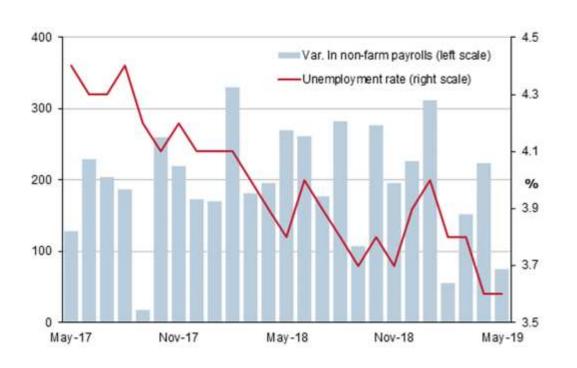
Increase the GDP

Balance of trade- increase exports decrease imports



UNEMPLOYMENT IN THE USA, INCLUDING TRENDS (Pre-Covid-19)





The **US** unemployment rate stood at 3.6 percent in **May 2019**, unchanged from the previous month's 49-year low.

The number of **unemployed** stood at 5.9 million.

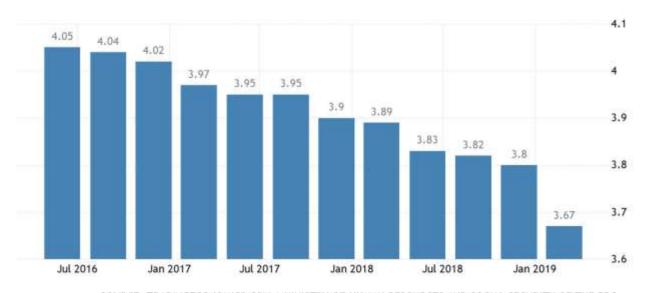
The number of employed rose stood at 156.8 million.

Population total: estimated 329 million



UNEMPLOYMENT IN CHINA, INCLUDING TRENDS (Pre Covid-19)





SOURCE: TRADINGECONOMICS.COM | MINISTRY OF HUMAN RESOURCES AND SOCIAL SECURITY OF THE PRC

The current **population of China** is estimated to be 1,420,231,517 (1,4 billion people)

Unemployment Rate in China decreased to 3.67 percent in the first quarter of 2019;

Unemployment Rate in China averaged 4.09 percent from 2002 until 2019, reaching a record low of 3.67 percent in the first quarter of 2019.



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 national localisation agenda - the Local Procurement Accord signed in October 2011 and now with the Economic Recovery and Reconstruction Plan



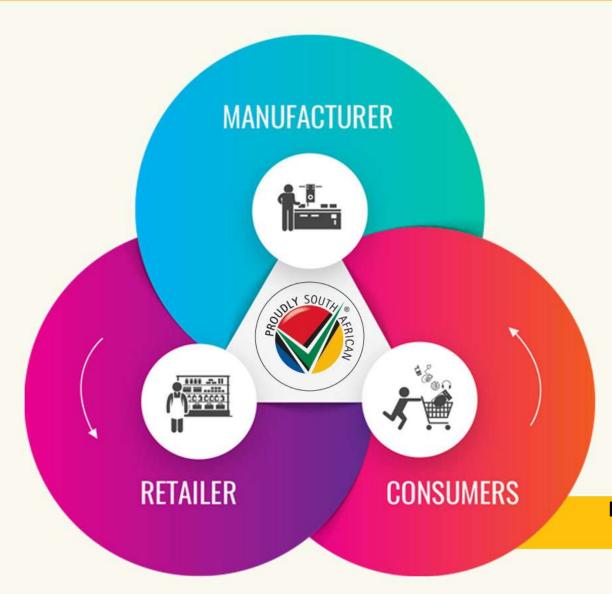


Preferential Procurement Education: Public Sector

Consumer Education: Private Sector

Consumer Education: General Public Promote
accessibility of
locally made
Products and
Services





Significant market share needs to be secured for locally made products in all industries, however it is important for consumers to demand locally made products and services, in order for retailers to increase their levels of local content on their shelves

Proudly SA's role is to stimulate demand for locally made products (including SA wines)



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 FEE STRUCTURE



Since April 2017, membership fees have been reduced significantly.

Membership Category	Classification	Payable fee (excluding VAT)
NGOs/Startups/Crafters	Newly-established enterprises or enterprises with turnovers less than R5 million	R500.00
SMMEs	Enterprises with turnovers between R5 million & R10 million	R1 000.00
Silver	Companies with turnovers between R10 million & R30 million	R10 000.00
Gold	Companies with turnovers between R30 million & R50 million	R20 000.00
Platinum	Companies with turnovers between R50 million & R100 million	R50 000.00
Diamond	Companies with turnovers of R100 million & more	R100 000.00

Applicable Discounts:

2-year membership at 10%

3-year membership at 20%

Monthly payment plans are also available

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 dtic;
- Inclusion in Proudly SA's database of local products and services and private sector portals, housed on the Proudly SA website;
- Secured procurement opportunities (Local Procurement 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 consumertargeted campaigns, major events & expos;
- Proudly SA's extensive marketing strategy & activities – promote members' products & services;
- Participation in industry-specific portals —
 marketplace for local manufacturers vetted according
 to industry standards (procurement tool to drive
 local demand)
- Proudly SA's PR & communication platforms –
 newsletter, product booklet, social media platforms
 print & broadcast media; and
- special packages & pricing between other members.

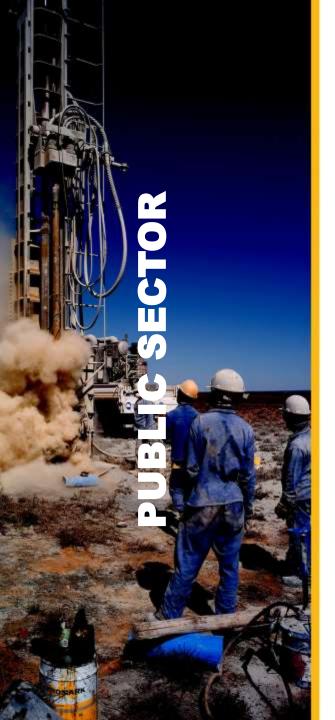




PUBLIC SECTOR - PRODUCTS DESIGNATED FOR LOCAL PROCUREMENT



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
24. Plastic Pipes	100%	2020
25. Air insulated MV Switchgear	50%	2020
26. Bulk Material Handling	85%	2020
27. Industrial lead Acid Batteries	50%	2020





Response from bidders.

(Govt buying from local producers)

GOVT.

Designated items

Help Government correct tenders where not compliant CSD Integration with Proudly SA database

Procurement opportunities advertised (Tenders/RFPs)

Identify manufacturers and send them tenders Tender monitoring (Track tenders of designated items)

PUBLIC SECTOR INITIATIVES





PUBLIC SECTOR FORUM

- Educate public sector procurement officials
- To ensure officials comply with applicable localisation procurement regulations
- Hosted (virtually) with all 9 provinces
- Presentation made to State Owned Enterprises Procurement Forum SOEPF) at least once per annum on localisation regulations;
- Aim is to also try reach all municipalities in the country



TENDER MONITORING

- A tender tracking and monitoring tool
- To monitor tenders for designated sectors in the public sector
- using keywords to search for tenders
- Currently linked to over 800 websites
- Assist all state organs with compliance to local content provisions of the PPPFA;
- Intervene when tender/RFP is issued
- Value-add for Proudly SA members (tenders send to local manufacturers)







Evaluation,
Monitoring &
Reporting
(Dashboard)

Secure LOCALISATION Commitments (Private Sector)

Buyers and Suppliers Transact Vetted Members
- Quality

- Local Content

Identify Items / Products for Localisation (Ring-fenced)

Corporates (and their Buyers) register on MAP

incl.

advertising tenders Identity suitable Company(ies)

on Proudly SA database and in partnership with industry bodies and dtic sector desks

(LIST ON MAP)

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)



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



(e.g. Sourcing of sugar and other raw material from local farms by Coca Cola Beverages SA; SAB and more



Increased local content levels in retail spaces



(CTFL Retailers - TFG, Mr Price; Furniture Retailer - Lewis Stores; FMCG Retailer - OBC increasing local content levels on their shelves



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



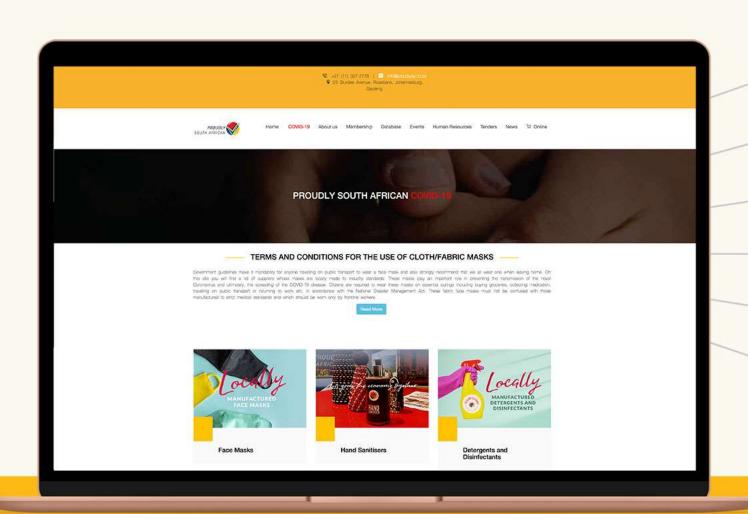
(Introduce Franchise Association of SA companies to Proudly SA black owned SMMEs)

PROUDLY SA COVID-19 RESPONSE

(ONLINE PORTALS)







CLOTH FACE MASKS

HAND SANITISERS

DETERGENTS & DISINFECTANTS

FACE SHIELDS

MEDICAL PPEs

CAPACITY FOR MORE PORTALS

MEDICAL PPE PORTAL





The medical PPE portal will only be accessible to the private and public hospital procurement departments to increase the demand for locally-manufactured products.

The portal is non-transactional but is a place where procurement officers can source compliant,

The portal is non-transactional but is a place where procurement officers can source compliant, approved, locally-manufactured medical PPIs. To get a sense of the functionality of the portal, wist Proadly SRS COVID-19 portals on www.proadlysa.co.za

Who is eligible to register: Local manufacturers of

- Disposable/Plastic Aprons
- Disposable/Isolation Gowns.
- Surgical Masks
- FFP2 Respirators
- SANTRIA-Licensed Sanitisers
- Non-sterile Examination, or Sterilo and Non-sterile Surgical Gloves that have been vetted by Business South Africa in accordance with the National Department of Health and SAHPRACNICS specification.



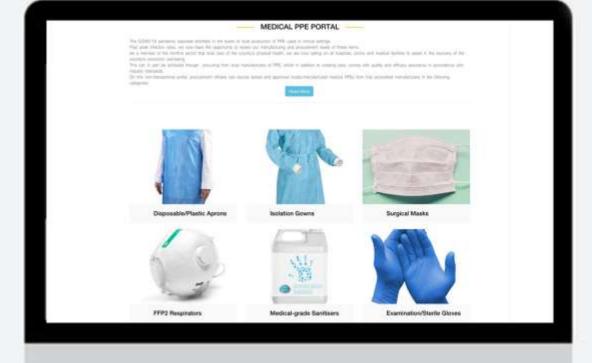






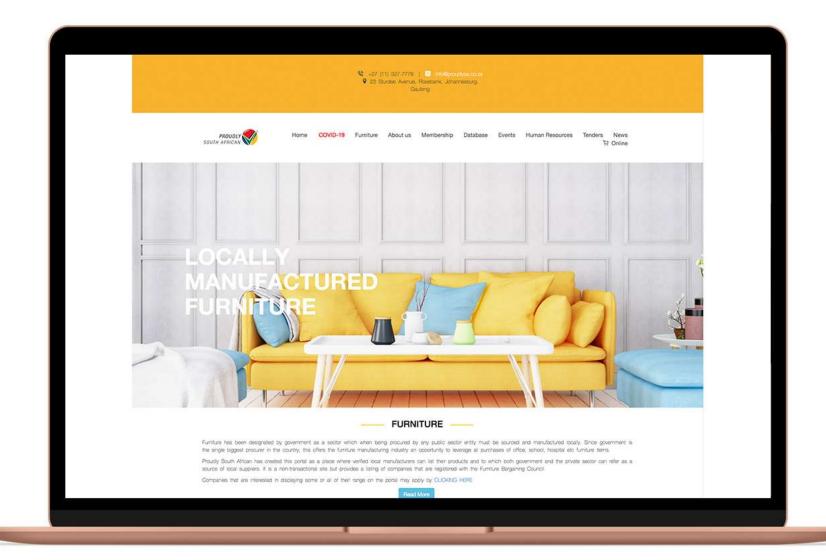
For more information and to register as a vendor





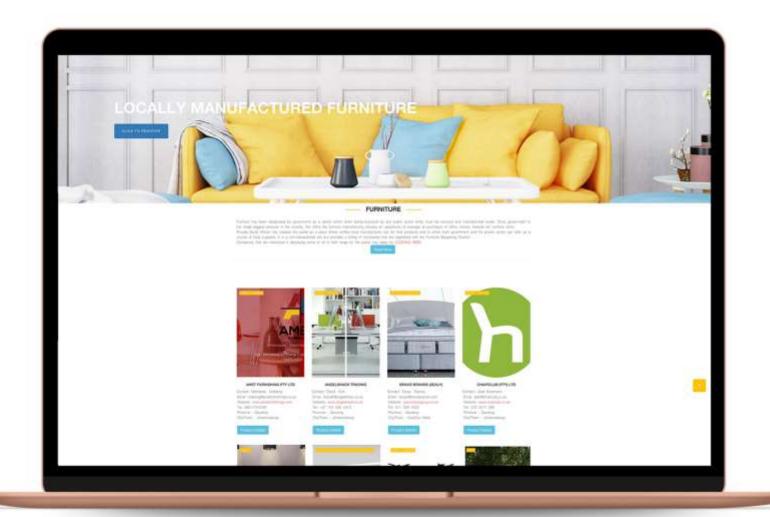
FURNITURE PORTAL





FURNITURE PORTAL



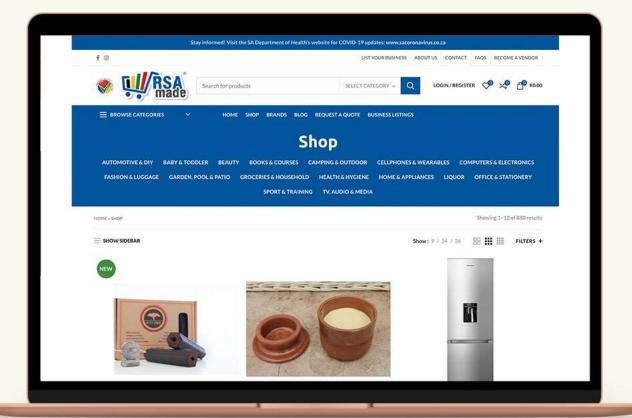


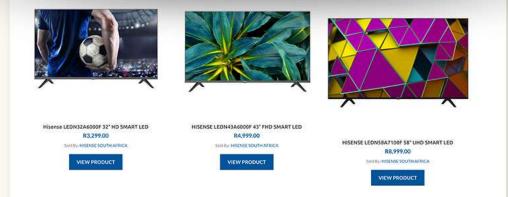
Portal:

- A collaboration between Proudly SA and the dtic
- A database of local manufacturers of a full range of furniture items
- Non transactional
- Accessible to consumers, the public and most importantly, the private sector



ONLINE SHOPPING: www.rsamade.co.za





Be Proudly South African, buy local to create jobs.







Market access opportunity for members

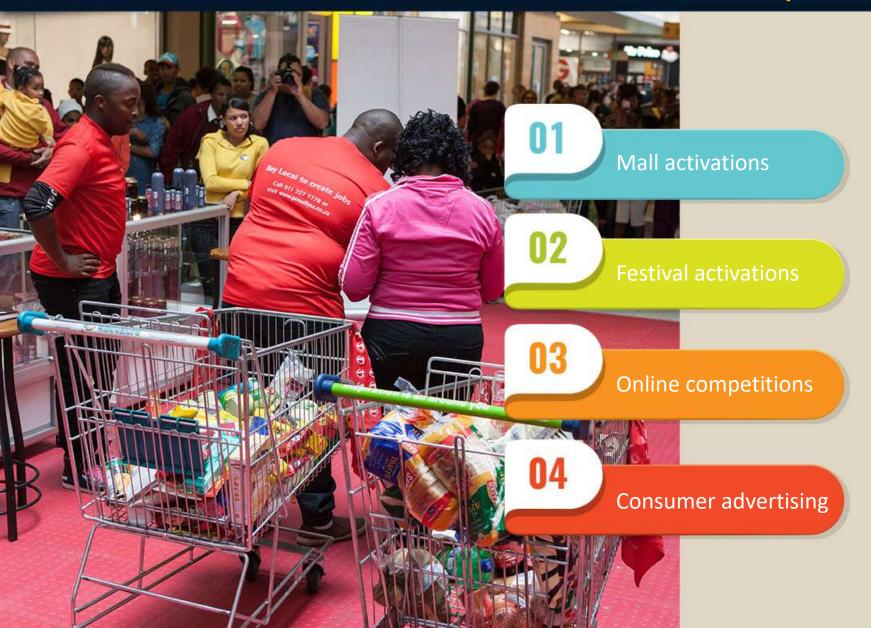
Free listing on site as a member of Proudly South African

Offer high quality (vetted local products) to consumers

Retain jobs and possibly create new jobs for these local producers

CONSUMER EDUCATION DRIVE (Pre-Covid-19 era)



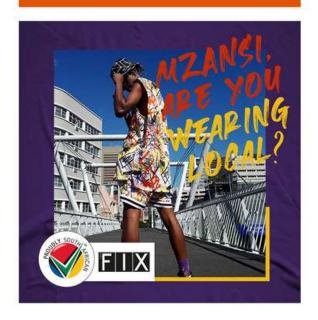


- University activations
- Consumer expos
- Labour Mobilisation
- 08
 Sports events

SECTOR SPECIFIC CONSUMER EDUCATION CAMPAIGNS

A SOUTH PERICAN

CTFL SECTOR



EXACT





POULTRY SECTOR















HOSPITALITY SECTOR





FESTIVE SEASON CAMPAIGNS (CONSUMER EDUCATION)



Festive Season



Back to school



Black Friday



GAME TIME ADVERT EXECUTION (ROLL-OUT OF GENERIC CAMPAIGN)











ONLINE/ DIGITAL ROLLOUT





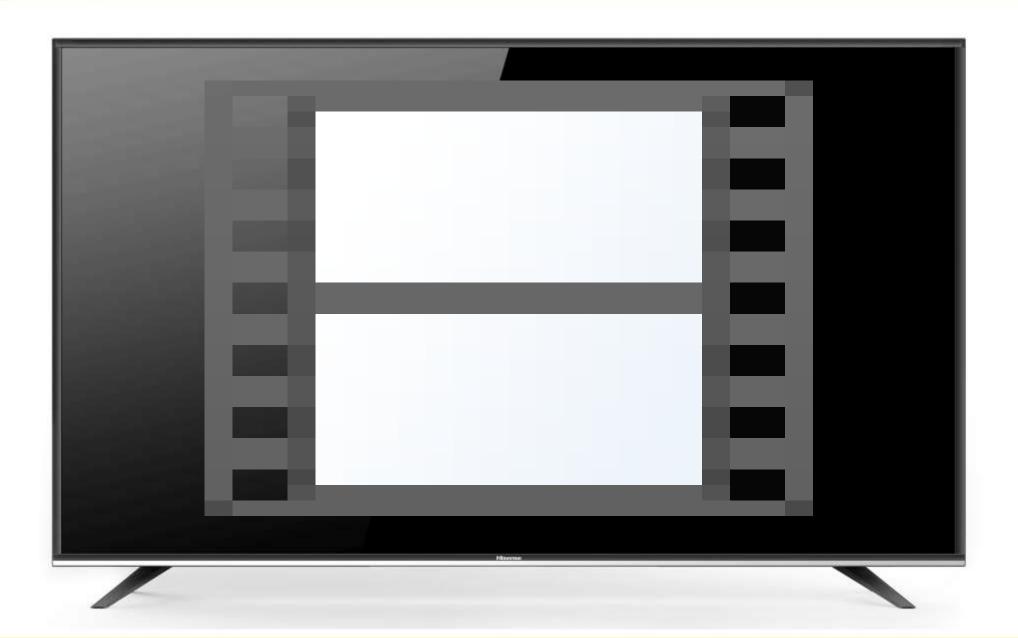






2020 GAME TIME CONSUMER EDUCATION CAMPAIGN







THE SECOND HALF IS IN YOUR HANDS, MZANSI

THANK YOU











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