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MEDIA RELEASE

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TIMING OF SABS LOCAL CONTENT CERTIFICATION AGREES WITH GOVERNMENT'S PRODUCT DESIGNATION AND MASTERPLANS

The timing of the South African Bureau of Standards' (SABS) new Local Content Certification launch is befitting, particularly as it coincides with a new product designation and sector master plans some of which have already been approved by the Department of Trade, Industry and Competition (**the dtic**) and relevant stakeholders. The addition of cement to the list of 27 products that have been designated for local content and production in the public procurement system is pleasing. This was said by the Deputy Minister of Trade, Industry and Competition, Mr Fikile Majola during a SABS launch webinar today.

The SABS new certification scheme, which is going to be valid for five years and subject to annual surveillance audits, is different to the previous local content verification that had taken place under the amended Preferential Procurement Regulations (PPRs) that came into effect on 7 December 2020.

Majola explained that government had identified public procurement as a strategic policy instrument to re-industrialise South Africa by making local production mandatory in the procurement of certain goods in public procurement system.

"We believe this to be important because pragmatically, each time we – whether as government, citizens, businesses or communities – buy a product which is imported, we gift potential jobs, tax revenue, Gross Domestic Product and our industrial capabilities to our trade competitors," he said.

Majola further outlined that the SABS intervention was indicative of the commitment and progress that the government continued to make.

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"Localisation means that we can assist the productive sectors of our economy to continue to manufacture locally and the more the country moves towards localisation, the more decent jobs are created. The key to the improvement in our economic outlook has been rising export revenues and this will continue to support our economic growth. We have seen companies and countries that have a strong focus on environmental sustainability and governance (ESG) factors have been able to withstand adverse economic market conditions, and their performance record has outperformed those who do not focus on ESG," said Majola.

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