



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTIONS FOR WRITTEN REPLY

QUESTION NO. 2322

Mr R W T Chance (DA) to ask the Minister of Trade, Industry and Competition:

- (1) With reference to the government's stated policy of localisation and local procurement, what steps has his department taken to track government procurement from 2020 to date with a view to measure (a) the percentage of tenders awarded to local manufacturers of goods in comparison with the percentage of tenders awarded to importers of competitive goods and (b) Broad-Based Black Economic Empowerment scores of the local manufacturers as compared to importers;
- (2) whether similar research has been conducted on private sector procurement of local goods as compared to the imported goods; if not, why not; if so, what are the relevant details? NW2437E

REPLY

- 1) (a) There is no percentage of tenders awarded to local manufacturers of goods in comparison with the percentage of tenders awarded to importers of competitive goods. It should be noted that Department of Trade, Industry and Competition **the dtic** does not have sight of all tenders awarded by procuring organs of state. Currently, there is no system in Government that captures and consolidates the overall awarded tenders. However, **the dtic** tracks government procurement to monitor tenders awarded to suppliers that meet local content and production requirements. Accordingly, the local content



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declaration reports submitted to **the dtic** as part of the post award reporting by procuring entities, indicate that a total of **R51.8 billion** worth of tenders with designated products for local content and production were awarded between April 2020 and March 2026 (see Table 1 below). The table depicts government expenditure supported local manufacturers in value chains spanning from steel products, clothing and textiles, and furniture to meters, cables, transformers and valves.

Table 1: Post Award Reporting from April 2020 to March 2026

Designated Products	Tenders for the period April 2020 to March 2021	Tenders for the period April 2021 to March 2022	Tenders for the period April 2022 to March 2023	Tenders for the period April 2023 to March 2024	Tenders for the period April 2024 to March 2025	Q1 Tenders for the period April 2025 to June 2025	Q2 Tenders for the period July 2025 to Sept 2025	Q3 Tenders for the period Oct 2025 to Dec 2025	Q4 Tenders for the period Jan 2026 to March 2026
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Textiles & Clothing Products	14 462	17 209	50 692	55 367	16 976	69 566	97 466	347 121	18773
Furniture Products	12 482	9 032	17 829	39 706	228 868	4 956	56 726	7 249	7413
Electrical & Telecom Cables	91 378	127 409	36 454	368 386	18 674	14 150	4 034	3 849 163	858821
Canned & Processed Veggies	-	-	-	2 973	-	-	-	-	-
Valves & Actuators	943	-	194 808	79 755	4 046	1 424	1 458 590	31 885	108221
Rail Rolling Stock	247	-	4 175	2 127 001	284 455	-	-	-	-
Set Top Boxes	-	-	-	919 285	-	-	-	-	-
Power Pylons	-	-	-	-	-	-	-	-	-
Solar Water Heaters	10	-	-	1 450	-	-	399	-	-
Steel Products	382 569	481 667	164 747	333 071	53 861	297 761	1 692 076	16 096	13394
Busses	-	-	-	-	-	-	507 394	-	-
Working Boats & Vessels	-	-	-	-	-	-	9	-	-
Transformers	1 920	2 143	1 722	16 398	-	-	412 657	-	-
Construction	-	-	1 354 881	1 640 639	5 732 873	4 242 687	6 482 651	375 902	10906
Prepaid Meter	146	-	2 125	-	44 981	-	-	-	456
Two-way Radio	19	-	101	-	-	-	-	-	294
Wheellie Bins	790	836	731	170	-	-	1 068	-	-
PPE	283 734	288 909	4 342	178 318	4 579	4 855	144 584	179 421	2975
Others (HVAC & Water Tanks)	124 256	-	416 108	621 644	280 551	1 540 560	1 265 745	10 120 977	6584293
Total	912 955	927 205	2 248 715	6 384 163	6 669 864	6 175 959	12 123 399	14 927 814	7 605 546

Source: the dtic and SABS: Local Content databases, 2026

the dtic has implemented a range of measures to enable the tracking of local procurement within the public procurement system. Firstly, **the dtic** designates specific sectors and products for local production with prescribed minimum local content thresholds. In this regard, compliance is measured at a product level, with bidders required to declare and substantiate the level of local content in accordance with approved methodologies. This provides a standardised basis for tracking localisation in procurement. Secondly, organs of state are required to report to **the dtic** on tenders awarded that include local content requirements. These reports enable the Department to monitor the extent to which localisation



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is being applied across public procurement, including the inclusion of designated products and adherence to stipulated thresholds.

Thirdly, **the dtic**, in collaboration with relevant institutions such as the South African Bureau of Standards (SABS) and Proudly South African, has established verification and monitoring mechanisms to assess compliance with local content requirements. The SABS Local Content Verification Unit applies standardised formulas and processes to validate supplier declarations, while additional oversight is exercised through audit processes and tender monitoring. It should be noted that, while these measures provide a comprehensive framework for tracking local procurement, measurement is currently undertaken primarily at a product and tender level rather than as a single aggregated percentage of total public procurement expenditure.

(b) There are no records of Broad-Based Black Economic Empowerment (B-BBEE) scores of the local manufacturers as compared to importers. The reason being that B-BBEE scores are not determined by whether a company is a local manufacturer or an importer, but by the extent to which it contributes to transformation across the elements of the B-BBEE scorecard. Compliance with the B-BBEE framework is required for all companies operating in South Africa, irrespective of whether they are involved in local manufacturing or importation. Specifically, in terms of section 10 of the B-BBEE Act, such compliance is a requirement when organs of state and public entities undertake procurement, or issue licenses, concessions, incentives, grants and investment schemes.

While compliance is decentralised to each organ of state and public entities, the B-BBEE Commission is continually engaged with them as well as with National Treasury as custodian of the centralised public procurement system, with the aim to strengthen collaboration in promoting compliance with transformation policies and for data sharing for monitoring. Such collaboration is necessary because the current localisation tracking system primarily focus



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on measuring local production and content in procurement transactions. The system does not typically capture or report the B-BBEE status levels of awarded suppliers. Introducing a mechanism to link localisation tracking with verified B-BBEE compliance data would enhance the analytical value of procurement reporting by enabling a more comprehensive assessment of both localisation outcomes and transformation impact across supply chains.

- 2) There is no research that directly compares private sector procurement of local goods versus imports in the same manner as public procurement monitoring system, mainly due to data constraints and the absence of regulatory reporting requirements. Unlike the public sector, there is no mandatory reporting framework for private sector procurement. Therefore, there is limited availability of comprehensive, comparable national data, and most studies rely on trade statistics, firm-level surveys and input-output modelling.

the dtic started following up on private sector local procurement spend in April 2025 for the various sectors. To date, about R5 billion local procurement was reported by private sector in the Electro-technical and Metals industries.

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