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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

Question No. 4537

Mr T M Langa (IFP) to ask the Minister of Trade, Industry and Competition:

- (1) (a) What criteria and verification processes are used to determine eligibility for South African suppliers listed on the (i) Shop Proudly SA and (ii) Market Access Platforms and (b) how is the (i) integrity and (ii) localisation of products monitored over time;
- (2) (a) what measurable targets have been set for the eCommerce platforms in terms of (i) localisation impact, (ii) job creation and (iii) market access by 2026 and (b) how will his department track and publicly report on the performance? NW5095E

REPLY

(1)

(a) (i) and (ii)

In order to be eligible to list on the Shop Proudly SA and Market Access Platforms, the companies, irrespective of their size, have to be registered with the CIPC and SARS, and have to be accredited members of Proudly South African.

About Proudly South African

Proudly SA is the country's Buy Local Advocacy campaign, registered as a non-profit company as per the Companies Act.

Membership and qualifying criteria

In order to qualify for membership, a prospective applicant is required to meet the membership criteria, relating to local content, quality, environmental standards and fair labour practices.

With regards to -

- **Local Content**, the applicant shall demonstrate that at least 50% of the final cost of production is incurred in South Africa and there must be a “substantial transformation” of any imported material;
- **Quality**, the applicant shall prove that the product or service is of a high quality (for example, the product or service should hold an ISO accreditation or have a certificate of any other accreditation organisation as determined by the applicable Regulator responsible for the industry in question);
- **Fair Labour Practices**, the applicant shall demonstrate compliance with current labour legislation and adherence with fair labour practices; and
- **Environmental Standards**, the applicant shall demonstrate compliance with environmental legislation and adherence with production processes that are environmentally friendly and acceptable. This includes, inter alia, recycling methods, waste management, carbon footprint reduction.

If accepted as a member, the member will pay a membership fee, the value of which is determined by annual turnover in accordance with the thresholds shown below, with the majority of the companies currently listed on the platforms paying R500 or R1 000 per annum membership fees.

Membership Category	Classification	Annual 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

It is clear from this application process that only companies that have been audited, approved and verified as being duly registered in the country and selling high quality

locally made products are authorised to affiliate with Proudly SA and amongst other membership benefits, list and sell their products and offering on both eCommerce platforms.

(b) (i) and (ii)

In order to ensure continued compliance with the set criteria, every member company is subjected to a renewal process which entails submission of certificates and/or official documentation pertaining to the same qualifying criteria for membership, as they did when they joined.

(2)

(a) (i), (ii), (iii) and (b)

(i) *Localisation impact*

As localisation is one of the levers identified for driving economic recovery and growth, Proudly SA seeks and secures localisation commitments and/or pledges from individual corporates, associations and industry bodies to support the Buy Local Campaign, taking into consideration imperatives such as competitiveness and security of supply.

These localisation commitments/pledges from individual companies and representative bodies are done through implementing one or more of the following mechanisms:

- (aa) Introducing procurement practices and policies aimed at increasing local procurement spend within their respective supply chains, by favouring locally made products over imported products, as best as possible.
- (bb) Increasing levels of local content in raw materials and/or components utilised in production processes and in their respective value chains.
- (cc) For retailers (physical and online) it could be to give more “shelf space” and/or to “target more” local manufacturers, as possible suppliers.
- (dd) For Enterprise/Supplier Development Programmes, this can be in the form of including localisation conditions for companies that are benefitting from companies’ ESD programmes.

Since 2018, Proudly SA has secured 75 localisation commitments from individual corporates and industry bodies, which has garnered a value between R6-8 billion.

The Market Access Platform (MAP) has therefore been introduced as the tool through which participating corporates can find vetted local companies from which to source their required locally produced goods. MAP can also be used by corporates to record, monitor and report on their localisation commitment pledges, and to utilise the platform as a procurement tool to reach preferential procurement and localisation targets. The platform includes the segmentation of suppliers according to elements of preferential procurement such as B-BBEE designation and category of persons such as youth-owned, black-owned, black women-owned, women-owned, disability-owned, military veteran-owned, as well as township and rural-owned businesses.

Tracking/reporting: Proudly SA members who have given localisation commitments, are requested to voluntarily report their progress to Proudly SA, of which such progress will be announced at the annual Proudly SA Buy Local Summit and Expo in March annually, and is reported on in its quarterly and annual reports (available on the Proudly SA website).

(ii) Job creation

Proudly SA has included on its application collateral for membership, the number of people employed by each company. This will be revisited henceforth during the renewal application process so that those members listed on these platforms can report on their respective job retention/creation following their listing on the platforms. Therefore, for year 1, Proudly SA will focus on its members retaining the currently listed jobs by virtue of their participation in the platforms. This number will be used as a base for determining progress made in subsequent years.

Tracking/reporting:

The companies listed on the platforms will be given an opportunity to include their job retention/creation figures when they renew their Proudly SA membership, and year on year progress will be monitored and reported on from Year 2 onwards. The current year (Year 1) will be considered as the baseline year, since the platforms are new.

(iii) Market Access

In-line with the voluntary nature of the corporate and industry-level localisation commitments/ pledges, the companies listed on the *Market Access Platform (MAP)*,

will voluntarily report on orders received through their participation on the Market Access Platform.

Tracking/reporting:

Efforts will be made to solicit and secure this information from the companies listed and the reported information will be used as a baseline for Year 1, and a measurable target of 20% will be set for Years 2 and 3 in terms of procurement opportunities or sales orders generated through the MAP platform.

Tracking/reporting:

On the contrary, all sales information for Shop Proudly SA will be readily available on the system each year.

Since Shop Proudly SA is a new site, the sales for Year 1 (1 July 2025-30 June 2026) will be used as a baseline, and will in year 2 strive for a 20% increase in sales on the platform when compared to year 1. The 20% will then become the measurable target for Years 2 and 3, both in terms of sales generated on the platform, as well as increase in the number of participating companies listed on the platform.

(b)

The above achievements will form part of the department's Annual Performance Plan from the next financial year and will be reported on in the department's quarterly and annual reports, together with the rest of the departmental performance information.

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