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1. INFORMATION ON RAIL ROLLING STOCK DESIGNATION

1.1 The stipulated minimum threshold percentages for local production and content for the different classes of Rail Rolling Stock are as follows:

Classes of Rail Rolling Stock	Local Content Threshold
Diesel Locomotives	55%
Electric Locomotives	60%
Electric Multiple Units (EMU)	65%
Wagons	80%

1.2 To ensure that local production and content is discharged on manufacturing activities, the following components which have been designated must be included in bid invitations:

No	Component/Activity	% local content (3-5 years)	% local content (6 years and above)
1	Assembly of locomotives and EMU	100%	100%
2	Car body: - Car body shell - Door system - Windows - Seats (for coach interior) - Lighting - Grab pillars and rails - Interior gladding - Cable and wire - Safety equipment - Pipe works and ducts	100%	100%
3	Bogie: - Bogie frame - Motor suspension unit - Wheel sets and wheel components - Axle and axle boxes - Bearings - Bolster	100%	100%
4	Coupling equipment - Coupler body - Coupler hook	100%	100%
5	Suspension - Shock absorbers and Dampers	100%	100%



No	Component/Activity	% local content (3-5 years)	% local content (6 years and above)
6	Heat, Ventilation and Air conditioning - Fabrication - Power Coating - Heat Exchangers - Fans - Compressors - Refrigeration components - Electrical components - Fasteners	60%	70%
7	Braking system	70%	80%
8	Alternators	90%	100%
9	Traction motors	65%	80%
10	Electric systems	80%	90%

- 1.3 The timeline, 3-5 years, is for the purpose of ramping-up capability development in areas where the local industry does not have installed capacity. In areas where capability and capacity exists, the ramp-up phase does not apply and local content thresholds must therefore be achieved onset (i.e. day one).
- 1.4 All primary steel related products: flat products (plates, coils and seamless tubes) and long products (rounds, forged, angles, sections and wire related products) are included in this designation and must be manufactured and sourced locally. This is to support and sustain the existing local steelmaking capacity.
- 1.5 All castings and forgings related products made of ductile iron, aluminum, stainless steel, and mild steel, relating to the assembly and manufacture of Rail Rolling Stock (systems and components as indicated in 1.1 and 1.2) are included in this designation and must be manufactured and sourced locally. This is to support and sustain the existing local foundry industry and the creation of additional castings and forging capabilities.
- 1.6 In this designation, imported input raw materials (i.e. magnetic/electrical steel, copper rod, copper sheet, aluminium billet, resin, glass roving and thermoplastics sheets) used for the fabrication of Rail Rolling Stock (systems and components) are deemed as locally manufactured input materials. These inputs should be imported in raw material form for further fabrication in South Africa.
- 1.7 Furthermore, imported finished components (i.e. Light emitting diodes (LED) filaments, Insulated-gate bipolar transistor (IGBT), diodes, paper and boards for insulation, rotating machine bearings and wheel bearing parts (seal, seal wear ring, roller, cage, grease bearing outer ring and



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cone) are deemed as local. These finished components should be imported for systems integration and assembly in South Africa. This is to cater and allow for the importation of finished components that are not produced locally due to issues of economies of scale and technological solutions.

- 1.8 The imported input raw materials and finished components indicated in 1.6 and 1.7 used for the assembly and manufacture of Rail Rolling Stock will be deemed to have been sourced locally for the purposes of calculating local content.
- 1.9 For further information, bidders and procuring state organs may contact the Metal Fabrication, Capital and Transport Unit within the Department of Trade Industry and Competition (**the dtic**) at telephone 012 394 1356/3138/3522 or email localcontent@thedtic.gov.za.