



MANUFACTURING CIRCLE

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The Manufacturing Circle Quarterly Communication provides a status update on activities conducted in relation to our objectives for the calendar year

STRATEGIC PROJECTS STATUS UPDATE

Strategic projects have been identified for implementation over the 2023 and 2024 calendar years. Workstreams are facilitated and project managed by the Manufacturing Circle according to defined outcomes, parties, deliverables and timelines. Where appropriate stakeholders are engaged on a collaborative basis to avoid duplication of efforts.



EXPORTS

TRADE INTERESTS REGISTRY (TIR)

- The TIR has been in development by Tutwa Consulting in cooperation with the MC over the course of this year. It is a web-based platform that companies can use to provide input to trade negotiations, report export barriers, receive alerts on trade trends, access relevant research, and inform policymakers of their priorities.
- Each individual member will have its own TIR dashboard to register products and markets that offer growth opportunities (expansion interests), threats to local markets (defensive interests) and existing trade that is crucial to core business (retention interests).
- When a negotiation, trade trend, or report impacts the products or markets identified as an interest, the company will receive a notification on their dashboard with the relevant information. Companies can then provide feedback directly on the platform.
- The MC will use the platform to systematically gather and organise information on members' priorities, views and concerns; and use this information to inform strategic planning and engagements with government.

- First phase of development work has been completed in addition to System User Acceptance Testing with MC Admin team as well as select MC Members was completed during Oct 2023.
- Enhancement Reporting and analytics features are currently in progress and the TIR Launch together with an awareness campaign will kick off as part of the Trade Roundtable in Feb 2024.

MANUFACTURING TRADE FORUM

- The Manufacturing Circle continues to participate in trade related discussions by way of its seat held at Nedlac's Trade and Industry Chamber and the Technical Sectoral Liaison Committee (Teselico).
- To enhance pro-active participation by our member companies to table both expansionary and defensive trade interests, a Manufacturing Trade Forum is in the process of being considered to engage on a bi-lateral basis with relevant trade negotiators. The TIR will provide inputs to enable discussions in this regard.



ENERGY

SAREM

- The Manufacturing Circle remains involved in the South African Renewable Energy Masterplan (SAREM) process with the view that effective implementation offers the manufacturing sector significant opportunity to address the current lack of sufficient energy supply, in addition to demand-side opportunities to provide manufactured product into a build programme.
- We have participated in the current round of discussions to address target setting including investment and local content. We emphasised increase in demand and government incentive support as prerequisites to aspirational targets being achieved.
- We anticipate finalisation of the document in the new year.

ESKOM

- MC continues to engage with Eskom's Distribution team to understand its Distribution Demand Management (DDMP) Incentive Programme and table and position industry's demand management and curtailment initiatives.
- The NCPC-SA's Industrial Energy Efficiency programmes have also been communicated to our member companies and communication channels with Eskom have been established. Improvement opportunities have been identified and are in the process of being implemented for various member companies.
- The role of municipalities in effectively enabling and administering demand management and curtailment is a critical area of focus being addressed in our pilot projects in the City of Ekurhuleni in the Wadeville, Springs and Spartan industrial hubs.



MUNICIPALITIES

- The MC is involved in implementing pilot projects in the City of Ekurhuleni (CoE) focusing on solutions to address municipality dysfunction including the state of electricity infrastructure and water.
- Specific progress in the following areas has been achieved:

SPRINGS

- An MoU between industry (represented by the Gauteng East Chamber of Commerce) and the City of Ekurhuleni (CoE) is being finalized.
- The initial scope focuses on the New Era and Fulcrum areas and addresses maintenance and repairs of specific electrical and water infrastructure assets.
- In parallel, the Chief Area Engineer (CAE) vacancy has been filled by the CoE which has created communication improvements between local Industry and CAE office.
- Furthermore, the Springs JVA substation repair project was rolled out and finalised in July 2023.

WADEVILLE

- The MC is working together with the National Treasury's Cities Support Programme (CSP) in Wadeville.
- The CSP is focused on achieving business retention in specific areas and the Wadeville industrial space revitalisation project is one such area.
- The MC's role has been facilitating industry's engagement with the CSP stakeholders to prioritise our needs across water and electricity infrastructure and security.
- To this end we have participated in two alignment and scoping sessions for project implementation in 2024.

A reference pack is currently being collated so that lessons learnt and models developed can be applied and implemented across industrial hubs in other areas.



STEEL

STEEL MASTERPLAN

- The MC has been actively involved in the Steel Masterplan Demand Implementation Working Group over the past two years to access opportunities in infrastructure, rail and mining and address blockages hampering implementation.
- The Eskom Transmission Execution Plan is a key area of focus motivating local industry's supply capabilities and capacity.
- We are however currently reviewing our future support and involvement given lack of positive tangible progress to date, compounded by concerns regarding the way in which certain policy related matters have been managed. We have tabled the importance of a complete review of objectives, deliverables, priorities, industry consultation and engagement, in order to apply resources in the interests of the steel industry in particular, and the manufacturing sector in general.

CARBON BORDER ADJUSTMENT MECHANISM (CBAM)

- CBAM, a carbon border tax on embedded GHGs of carbon-intensive products imported into the EU is a key area of focus.
- The impact on South African exports particularly in the steel and aluminium value chains is currently being assessed and addressed from both an industry and policy perspective.
- Participation in the TIPS CBAM awareness sessions held for the steel and aluminium subsectors has taken place and information and developments will continue to be shared.

GRID PROJECT

- The MC is involved in the GRID project as there are a number of stakeholders in the South African renewable energy sector that would benefit greatly from more detailed information about the SA national grid. Information about how the distribution and transmission networks are likely to develop over the short, medium and long term would allow these stakeholders to plan their capacity better and bid more competitively for contracts in the renewable energy economy. These stakeholders include the SA local manufacturing community, independent power producers and buyers of renewable energy.
- The purpose of the GRID tool is to clearly visualise the grid's capacity and how the capacity is likely to develop over time, under various scenarios.
- From a manufacturing perspective, the tool should allow users to understand the scale of procurements for grid components (transformers, transmission lines, capacitors, reactors, etc.) In various scenarios including current capacity, funded expansion capacity and future planned capacity.
- The project is in development phase and further information will be communicated accordingly.

ROUNDTABLE ENGAGEMENTS: 2024

These are closed sessions hosted at BLSA's Sandton offices offered on a first come, first served basis to member companies. Attendees also include guests with specific subject matter expertise. Each session focuses on a Strategic Project, providing members with an overview and status update on workstreams, and the opportunity to engage in comments and feedback.

Trade	6th February
Steel and Exports	9th April
Municipalities and Energy	4th June
Municipalities and Water	3rd September

For further information relating to any of these items please do not hesitate to contact jo@manufacturingcircle.co.za