



# MANUFACTURING CIRCLE

EMPLOY . PRODUCE . PROSPER

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

## OBJECTIVES

### DEMAND SIDE INTERVENTIONS

#### EXPORTS

- Identify opportunities for export-led growth and import replacement
- Communicate the impact of trade agreements and tariffs on manufacturing operations

#### STEEL

- Manage the Steel Masterplan Demand Implementation Team to identify project opportunities across:
  - o Infrastructure
  - o Renewable energy
  - o Engineered products
  - o Mining equipment
  - o Rail

#### LOCALISATION

- Identify localisation opportunities for products and components within value chains

### SUPPLY SIDE MEASURES

#### ELECTRICITY

- Address electrical infrastructure challenges in Sedibeng/Emfuleni Local Municipality according to what needs to be fixed and how this can be done

### STRUCTURAL FIXES

#### MUNICIPAL SERVICE DELIVERY

- The Electricity Forum-What Next: develop a case study within a municipality to address ways to improve electrical infrastructure service delivery



## BusinessDay

### PHILIPPA RODSETH: Proposed procurement regulations a body blow to manufacturing

Every organ of state may now decide how to measure economic and industrial development in issuing tenders

[click here to read the article >>>](#)

## Q1 ACTIVITIES

### DEMAND SIDE INTERVENTIONS

#### EXPORTS

- Manufacturing Circle Trade Survey conducted in March, assisted by the Tutwa Consulting Group
- Information gathered will guide us in identifying opportunities for export-led growth and import replacement. We will also be better enabled to communicate the impact of trade agreements and tariffs on member's manufacturing operations
- The survey will also inform our planning for the Export Forum to be held in October 2022
- A good response rate was received, analysis is currently being finalised for distribution in due course

#### STEEL

- Manufacturing Circle South African Renewable Energy Material Demand Study finalised and distributed in February
- Steel Master Plan Local Demand Workstream meetings continue to be chaired by the Manufacturing Circle on a monthly basis

#### LOCALISATION

- Opportunities for localisation continue to be assessed together with BUSA's newly appointed Localisation Project Manager
- Current areas of focus comprise steel, medical products and clothing, textiles, leather and footwear

### SUPPLY SIDE MEASURES

#### ELECTRICITY

- Energy Interventions Roundtable to review energy interventions in the manufacturing sector

### STRUCTURAL FIXES

#### MUNICIPAL INFRASTRUCTURE

- Municipality Interventions Workshop to agree on the main challenges with a view to establishing a pilot project to implement solutions

#### POLICY

##### Discussion paper on R&D Tax Incentive, S11D of the Tax Income- Tax Act (1962)

- Manufacturing Circle submitted comments in February to the Department of Science and Innovation and National Treasury
- We provided a detailed motivation that investment in R&D in general, and incentivisation in particular, remains a critical element for the competitiveness and sustainability of the manufacturing sector

#### Draft Preferential Procurement Regulations (2022)

- Manufacturing Circle submitted comments in April to National Treasury
- We noted our concerns regarding the omission of any mention of local content and offered to avail ourselves for further discussion to drive the collaborative approach required to develop and implement a practical solution to leverage public procurement

## INVESTMENT

We acknowledge a significant number of manufacturing sector investment announcements at the fourth South African Investment Conference (SAIC) to include the following Manufacturing Circle member companies:

- Aspen Pharmacare
- Ardagh & Consol Glass
- BT Industrial
- Saint-Gobain
- SA Steel Mills

We will continue to communicate the importance of addressing supply side challenges faced by our sector, an important item in enabling fulfilment of these pledges



## NEW MEMBERS

In our ongoing drive to grow our voice and strengthen our position we welcome the following new companies:

- BBF Quality Safety (Beier Group)
- Cemza
- Botash



## DATES TO DIARISE

- May 2022 (Date TBA) Medical Manufacturing Roundtable
- 24-25 June 2022: France-SA Business Forum
- 29 June 2022: Electricity Forum- What Next

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