

Govt could curb imports in favour of more 100% local goods

Small Business Development Minister Khumbudzo Ntshavheni says the department is in talks with the Department of Trade, Industry and Competition to designate more products under the 100% local content category to support SMMEs in the local manufacturing sector.



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The Minister said this when Ministers in the economics sector replied to oral questions in the National Council of Provinces (NCOP) on Tuesday. Ntshavheni said South Africa runs an open economy, which means it competes internationally and products are allowed to be in the country.

However, the Department of Trade, Industry and Competition designates certain products for 100% local content, which means that products that are produced in other countries in certain categories cannot be allowed into South Africa because the products that must be in the country are those products that are produced locally.

“For instance, we are working with the Department of Trade, Industry and Competition to designate more products for 100% or 80% local content to minimise the entrance of other products in the country. In addition, we are working with SA Revenue Service and customs to make sure that those products that are designated for 100% local content are not allowed in our shores to protect local companies.”



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She said the department’s primary responsibility as a department is to ensure that SMMEs in this country who are operating in the manufacturing space can produce products that are of good quality which are also competitive in terms of pricing to ensure that products that are made outside of the country do not find traction with our consumers.

Support for youth, women-owned SMMEs in manufacturing

The Minister said, meanwhile, that the Department of Small Business Development has been supporting SMMEs in manufacturing through the SMME-Focused Localisation Framework.

This includes the Small Enterprise Manufacturing Support Programme, which is aimed at providing financial and business development support to small enterprises in the manufacturing industries sub-sectors.

She said through the Small Enterprise Development Agency (Seda), the department supports a total of 23 manufacturing-based incubators in the chemicals, steel and stainless steel-based metals, aluminum which has metal fabrication, biofuels, clothing, footwear and leather, food, bakery and confectionary, tech hardware and furniture manufacturing.



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“These manufacturing incubators, for the period under review, have supported 737 manufacturing SMMEs that generated 267,886,172 in total revenue and sustained 527 manufacturing-based jobs and created 1,364 new jobs.

“To ensure that SMME manufacturers continuously produce high-quality products, the Seda Conformity Assessment Programme supported a total of 207 manufacturers for product testing, certification, design and quality management and different national SANS [national standards] and international standards organisation compliance.”

Ntshavheni said the Seda Technical Assistance Programme supported a total of 684 manufacturers with product and process technology to the value of R15 million. From the 2019/20 financial year to date, the Small Enterprise Finance Agency (SEFA) has disbursed R68m to youth-owned enterprises and disbursed R167m to women-owned enterprises in the manufacturing sector alone.

“Cooperatives operating within the manufacturing sector produced clothing and textiles, bricks and blocks, ice, toilet papers, bakery and confectionery products, cosmetics, steel, arts and crafts.

“Through the Cooperatives Incentive Scheme, a total of 118 cooperatives with 77 majority-women beneficiaries and 18 majority-youth beneficiaries were supported to the value of R34.5m.”