

Calls for South Africans to buy local to reignite growth

If South Africa is to adopt the right localisation policy at a larger scale, about 3.2 percentage points could be added to the country's annual GDP, says President Cyril Ramaphosa.



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This policy would include manufacturing 10% of goods locally, as well as supplying 2% of goods that African countries buy from outside the continent. The President said this when he released the country's recovery plan during a joint sitting of Parliament on Thursday.

South Africa currently imports goods worth around R1.1tn, excluding oil, each year. "If we were to manufacture just 10% of these goods locally, it is estimated that we could add 2 percentage points to our annual GDP.

"The rest of Africa currently imports R2.9tn worth of manufactured goods from outside the continent each year. If South Africa were to supply just 2% of those goods, it would add 1.2 percentage points to our annual GDP," he said.

The President also said that if the country is to succeed in reaching a target of R1.2tn in new investment by 2023, it could add around 2.5% to the country's annual GDP.



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Prioritising local procurement

The President said social partners have agreed to prioritise a range of consumer and industrial products for local procurement.

He said together with business and labour, government will soon publish localisation targets for goods in areas like agro-processing, healthcare, basic consumer goods, industrial equipment, construction materials and transport rolling stock.

“We will enforce government policies to ensure that all public infrastructure projects use locally-made materials, including steel products, cement, bricks and other components.

“We will support the efforts by organised business. We are planning to establish supplier development programmes for large companies and in key sectors.

“We welcome the commitment by trade unions to ensure their investment companies increasingly invest in companies that buy from local manufacturers.”



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The President said social partners have also agreed to support a massive 'buy local' campaign for this festive season, with a particular call to support women-owned enterprises, small businesses and township enterprises.

“We call on every South African to contribute to our recovery effort by choosing to buy local goods and support local businesses. This is one way that each and every one of us can contribute to building a new economy,” said President Ramaphosa.

Inclusive economic policies to empower women-owned enterprises, curb GBV

The President said a central pillar of the work in the transformation of the economy is to create space for new black and women entrants, and take deliberate steps to change ownership and production patterns.



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He said economic growth cannot be realised without the inclusion and active participation of women.

“Among the other measures we have outlined, we will be working with women-empowered companies to progressively reach our target of directing at least 40% of procurement spend to such enterprises.

“This is also a vital part of our programme to end gender-based violence and femicide, which is fuelled by gender inequality, particularly economic disparities between men and women and gender-non conforming persons.

“In addition to these priority interventions, we will create enabling conditions for a competitive, inclusive and fast-growing economy,” he said.

View the full [*Economic Reconstruction and Recovery Plan here*](#).

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