



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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TO **:ACCOUNTING OFFICERS OF ALL NATIONAL DEPARTMENTS
AND CONSTITUTIONAL INSTITUTIONS**

**:ACCOUNTING OFFICERS OF ALL MUNICIPALITIES AND
MUNICIPAL ENTITIES**

**:ACCOUNTING AUTHORITIES OF ALL SCHEDULE 2 AND 3
PUBLIC ENTITIES**

:HEAD OFFICIALS OF ALL PROVINCIAL TREASURIES

SUPPLY CHAIN MANAGEMENT

LOCAL PRODUCTION AND CONTENT AS ANNOUNCED BY THE MINISTER OF TRADE AND INDUSTRY

1. DESIGNATION

1.1 The circular issued on 8 December 2011 is hereby withdrawn in its totality with immediate effect.

1.2 The Minister of Trade and Industry has designated the following sectors/sub-sectors/industries to which the minimum thresholds for local content should apply:

Sector/Sub-sector/Industries	Minimum threshold for Local Content
Buses (Bus body)	80%
Textiles, clothing, leather and footwear	100%
Power Pylons	100%
Canned / processed vegetables	80%
Rolling Stock	65%

1.3 The Departments of Trade and Industry, Economic Development and the National Treasury are refining instructions, circulars and guidelines for the implementation of the prescripts in respect of the designations and the determination of the value of local content. Instructions will be issued in due course.

2. APPLICABILITY

- 2.1 This circular applies to all national and provincial departments, constitutional institutions, public entities listed in schedules 2 and 3 to the PFMA and municipalities and municipal entities to which the MFMA apply.

3. DISSEMINATION OF INFORMATION CONTAINED IN THIS CIRCULAR

- 3.1 Heads of provincial treasuries are requested to bring the contents of this circular to the attention of accounting officers and supply chain management officials of their respective provincial departments.
- 3.2 Accounting officers of national and provincial departments are requested to bring the contents of this circular to the attention of accounting authorities and the supply chain management officials of Schedule 3A and 3C public entities reporting to their respective executive authorities.
- 3.3 Accounting officers of municipalities and municipal entities are requested to bring the contents of this circular to the attention of the supply chain management officials of their municipalities and municipal entities.
- 3.4 Accounting authorities of Schedule 2, 3B and 3D public entities are requested to bring the contents of this circular to the attention of the supply chain management officials of their public entities.

CONTACT INFORMATION

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J A N BREYTENBACH

CHIEF DIRECTOR: NORMS AND STANDARDS

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