

DESIGNATION of steel products and components FOR CONSTRUCTION

Well done to all involved!

National Treasury has published an instruction note that from the 1st of February 2017 steel products and components for construction have been designated. The SAISC started the process with powerlines in 2009 and applied for designation of power station steelwork in 2012. Many people and government departments have been involved and we need to thank the dti for their help and support.

What does this mean?

It means that government buyers must specify only locally produced steel products and components on government projects.

A brief summary of the designated products is summarized in the tables below left.

This is an important break-through for our Industry as it recognizes the major role played by the Steel Construction Industry in developing the country and achieving job preservation and job creation.

The dti acknowledges that the designation instrument is only as strong as the level of compliance by departments and SoCs. Detailed compliance guidelines have now been produced in collaboration with the National Treasury, which will guide the auditing and reporting frameworks.

We need to work with the dti to ensure, training and capacity building are done with institutions that lead public procurement and strategic sourcing and monitoring and evaluation is necessary. This has started to bear fruit in the power line industry under the guidance of POLASA.

It is clear from the above that the work the SAISC had been doing for some time to create awareness and appreciation for the contribution our industry is making and can make has now borne fruit. Our products, namely "Fabricated Structural Steel" can typically achieve a 100% local content requirement and therefore contribute meaningfully to meeting local content targets on other products such as harbour cranes, etc.

All government buyers will not fall over themselves to now insist on buying South African and we as an industry will have to make every effort to hasten compliance. Any suspected import of fabricated structural steel has to be reported and investigated. Although mines and others are not bound by "designation", it provides a strong basis from which to encourage private industry to support local industry.

Our industry dare not relax, as the underlying assumption is that we will improve competitiveness and maintain high levels of engineering excellence and quality. Our members must redouble their export efforts as this is the best proof of competitiveness and productivity.

Table 1a: MINIMUM LOCAL CONTENT FOR STEEL VALUE-ADDED PRODUCTS

Steel Construction Materials	Components	Local Content Threshold
Fabricated Structural Steel	Latticed steelwork, reinforcement steel, columns, beams, plate girders, rafters, bracing, cladding supports, stair stringers & treads, ladders, steel flooring, floor grating, handrailing and balustrading, scaffolding, ducting, gutters, lanunders, downpipes and trusses	100%
Joining/Connecting Components	Gussets, cleats, stiffeners, splices, cranks, kinks, doglegs, spacers, tabs, brackets	100%
Frames	Doors and windows	100%
Roof and Cladding	Bare steel cladding, galvanised steel cladding, colour coated cladding	100%
Fasteners	Bolts, nuts, rivets and nails	100%
Wire Products	All fencing products: all barbed wire and mesh fencing, fabric/mesh reinforcing, gabions, wire rope/strand and chains, welding electrodes, nails/tacks, springs and screws	100%
Ducting and Structural Pipework	Non-conveyance tubing fabricated from steel sheeting and plate with structural supports	100%
Gutters, Downpipes and Launderers	Fabricated materials made from sheeting associated with roof drainage systems	100%

Table 1b: MINIMUM LOCAL CONTENT FOR PRIMARY STEEL PRODUCTS

Steel Construction Materials	Local Content Threshold
Plates (> 4.5mm thick and supplied in flat pieces)	100%
Sheets (< 4.5mm thick and supplied in coils)	100%
Galvanised and Colour Coated Coils	100%
Wire Rod and Drawn Wire	100%
Sections (Channels, Angles, I-Beams and H-Beams)	100%
Reinforcing Bars	100%