

FEEDBACK SUMMARY

BACKGROUND

The imperative to arrest the slowdown of the South African economy and rise in the rate of unemployment has never been as stark as it is now.

Measures to stimulate economic growth must include policies and interventions that will result in the re-industrialisation of the manufacturing sector and support for increased demand for locally made products and services. In addition, those local products and services must find space on retailers' shelves.

The objective of the workshop was to engage and consult with retailers on wide ranging issues that will assist them to contribute to an increased localisation drive in their sector, and to make a meaningful contribution to the SA economy to help stimulate economic growth and job creation.

Retailers were invited to engage in a consultative process driven by Proudly South African (PSA), the Manufacturing Circle (MC), the Department of Trade and Industry (the dti) and the Consumer Goods Council of South Africa (CGCSA).

Inputs from all stakeholders will be used to develop a Retail Action Plan and to craft an industry commitment that will represent a balanced approach that will benefit all parties.

This was the first engagement to obtain inputs from key stakeholders and looked at broad brush stroke issues.

Patricia Pillay, CGCSA Executive Industry and Regulatory Affairs, opened the discussion by welcoming all parties and reading the Competition Disclaimer.

PRESENTATIONS

The following presentations were delivered to set the context for discussion:

- Trade and Industrial Policy Strategies (TIPS), Saul Levin (Executive Director) - TIPS Real Economy Bulletin and Import Tracker, Q1 2019
- Manufacturing Circle, Philippa Rodseth (Executive Director)- MC Overview and Tomato Value Chain
- Proudly SA, Eustace Mashimbye (CEO) - PSA Overview
- Department of Trade Industry and Competition (DTIC), Thandi Phele (Deputy Director-General of Industrial Development) - Industrialisation Policy Overview
- Distell, Lyndon Isaacs, Group Procurement Manager - Case Study

KEY DISCUSSION POINTS

Comment and discussion followed the presentations, and key points were noted below:

- The retail value chain is complex and extensive and represents hundreds of thousands of jobs.
- Without supporting local producers, the potential for job losses increases, and impoverished consumers do not make good customers. Ultimately, the imperative to buy from local farmers, textile factories is in retailers' own self-interest.
- The first step is to understand the challenges that retailers face (to include consumer choice based on cost and quality of product) and cost of operations (retail stores and distribution) and the basis upon which purchasing decisions are made.
- This will assist in identifying opportunities to approach solutions differently, with the support of consumer advocacy campaign work from PSA, consideration of policy frameworks by the dti and achieving economies of scale in the manufacturing supply chain supported by the MC.



NEXT STEPS

- It was agreed to engage the retailers in one-on-one sessions where confidentiality can be protected and challenges or impediments they face in order for them to implement localisation for different categories of products with a focus on import replacement and inclusivity programmes.
- Part of this process will involve identifying the top 10 or so selling items that retailers are importing and identify those with a local alternative, at a price that suits the retailer and ultimately the consumer.