

# National Treasury Designation for Locally Produced Cement

*National Treasury has officially designated cement which means that from November 4 this year, imported cement will be prohibited on all government-funded projects.*

Bryan Perrie, CEO of Cement and Concrete SA (CCSA), the consolidated concrete and cement association, says that National Treasury has issued a circular to all relevant state departments of the new ruling regarding the Preferential Procurement Regulations.

The designation prescribes that all organs of state must, from November 4 this year, stipulate in tender invitations that only SA-produced cement, produced with locally-sourced raw materials, will be allowed for use on all public sector construction projects. In addition, National Treasury has stipulated a 100% threshold for both standard and masonry cement.

Perrie said the cement industry, which had lobbied for state protection against cheaper imported cement for several years now, is delighted at cement designation. "This is an important ruling to protect a sector vitally important for the national economy. Furthermore, it has come at the right time given the multi-billion rand infrastructure projects planned by the government over the next three years," he stated.

The government last year announced 50 strategic infrastructure projects and 12 unique projects as the initial phase of a wide-ranging infrastructure spending program to aid post-pandemic recovery efforts.



Perrie added: "The designation of cement will assist in protecting the local cement industry from unfair competition. In countries such as Kenya, for one, rampant imports have all but destroyed local cement production. Furthermore, although cheaper, imported types of cement reaching South Africa may conform to regulatory standards, South African cement producers must comply with a Mining Charter, transformation targets, and social and labor plans, all of which importers do not have to comply with. In addition, local producers are subject to Carbon Tax which the importers are also exempt from."

The designation of cement will apply to all projects entered into by State entities, including National, Provincial, and Local Authorities and State-owned enterprises.

Cement & Concrete SA has also applied for a Sunset Review of the anti-dumping tariffs imposed on Pakistani cement in 2015. An investigation in this regard has been initiated by the SA International Trade Administration Commission (ITAC).