

PRESS RELEASE: IMMEDIATE

The SA Clothing and Textile Workers' Union (SACTWU) congratulates National Treasury on the new centralised tender portal, etenders.gov.za, which is supposed to 'go live' today. It is a major step forward towards a more effective and more transparent tender system. For SACTWU, the etender portal is a significant first step. However we believe that even greater benefits can be attained if procurement itself - particularly of clothing, textile, footwear and leather (CTFL) products – are centralised. We urge National Treasury to adopt this practice for CTFL products without delay.

At present, State procurement is an extremely decentralised activity in which many hundreds of different public institutions are enabled to procure goods and services. Up until now these institutions have advertised their tenders in a chaotic array of media - on websites, newspapers, provincial bulletins, and the government tender bulletin. It has been an extremely challenging task for any interested party (whether a business wishing to supply government or a trade union wishing to monitor government spending) to simply determine at any moment in time exactly what kinds of goods and services the State requires. It has also not been possible to track how and to whom tenders are awarded, since this information is very poorly published.

The opacity of the system has allowed irregularities to flourish. Apart from wasting public resources, job creation has been stifled. For instance, while particular products such as CTFL products have been designated for mandatory local procurement by the State, the lack of transparency of tender information has created many gaps which are exploited either by public institutions or by suppliers. As a result, the State continues to buy many imported CTFL products, and the policy directive for the State to buy local is not creating as many local jobs as it could.

By bringing tender information together in one space, the etender portal is likely to bring efficiency and integrity to the tender market. Both are positive outcomes. From SACTWU's side, we will be monitoring whether tenders from all public institutions are indeed being published on the etender platform, and will be alerting National Treasury to instances where this does not happen.

However more needs to be done.

Government needs to ensure that State procurement conforms to local procurement requirements, where applicable. It also needs to ensure that when it buys goods which are locally made, the products are made in factories which comply with the regulated minimum wages and conditions of work. If not, public money will be channelled to companies which practice illegality, and government will be failing in its duty to support the Rule of Law. Such outcomes can best be achieved through having much greater control of public procurement, and this in turn requires greater centralisation of procurement.

In addition:

The ANC's 2014 election manifesto also states as follows: Working together with all partners,

we will run public campaigns to promote local procurement. This needs to be implemented.

The manifesto also states as follows: A centralised process, with stakeholder representation, will be established to adjudicate on major tenders in all spheres of government. This also still needs to be implemented, and is now urgent.

Issued by
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If further comment is required, kindly contact SACTWU's Mr Simon Eppel, on office number 021 4474570 or cell number 083 652 3559