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NEWS
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South Africa Says Build Local. The Orders Say Otherwise.

South Africans understand patriotism.

We see it whenever our national teams compete. People from every background stand together, wear the colours and celebrate what this country can achieve.

But patriotism cannot end when the final whistle blows. It must also influence how we spend our money, award major projects and decide whether South Africans will manufacture the equipment our country needs.

South Africa cannot celebrate the country on Saturday and export its jobs on Monday.

THE PUBLIC COMMITMENT IS CLEAR

The message from the highest levels of government is not ambiguous.

The Minister of Trade, Industry and Competition, Parks Tau, has said:

> **"We must build local, buy local, and support local."**

He described localisation as a national imperative for employment, industrial development and economic sovereignty. The DTIC reports that R86.6 billion in locally manufactured goods and services was procured during 2025/26, with a target of R100 billion for the current financial year. Its five-year strategic target is R500 billion in procurement from local manufacturers.

The Department of Electricity and Energy has been equally clear. In Parliament, the Deputy Minister stated:

> **"SAREM is not simply an energy document; it is an industrialisation framework."**

She added that South Africa cannot remain only a consumer of renewable-energy technology. It must become a manufacturer and supplier within the value chains shaping the global economy. The department has identified approximately **4 000 renewable-energy components** with **local manufacturing potential**, representing an estimated market of around **R60 billion.**

The IDC, which has funded renewable-energy projects and manufacturing facilities, describes its role as strengthening South Africa's industrial capacity and supporting sustainable economic growth. Eskom says its new renewable projects will support localisation, supplier development, employment creation and inclusive economic growth.
The policy direction is unequivocal. Government has committed to localisation, industrialisation and substantial public investment.

The question is why these commitments are not consistently translating into orders for South African manufacturers.

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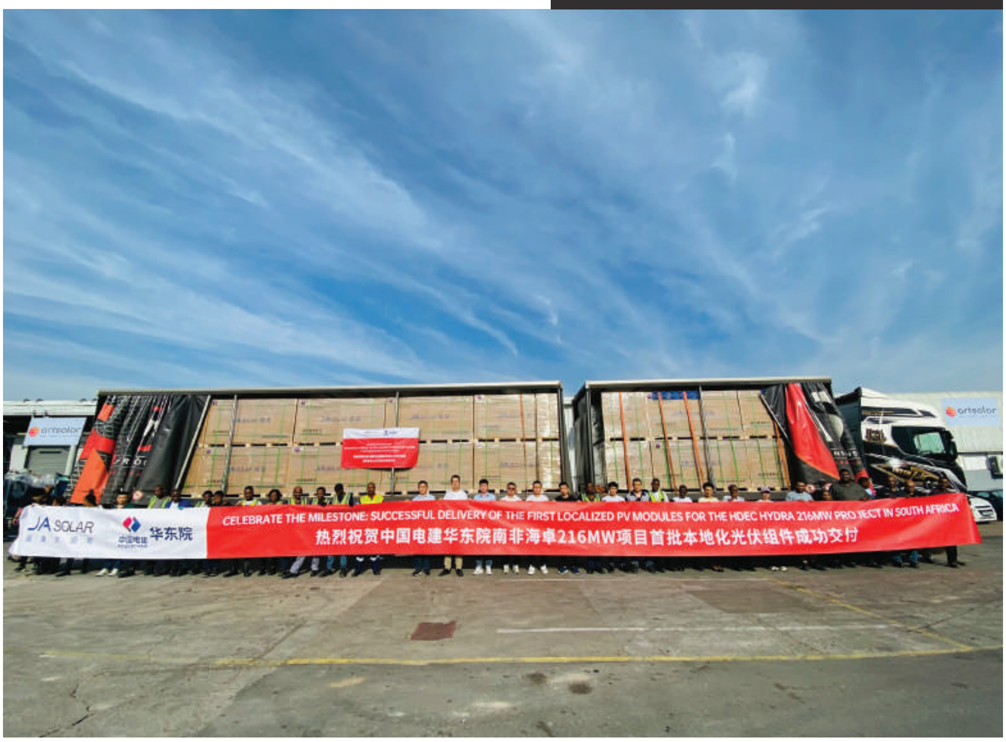
PICTURED BELOW: JA Solar has successfully delivered the first locally produced DeepBlue 4.0 Pro modules for the 216MW Hydra Project - marking the first-ever n-type module manufacturing breakthrough in the country.



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The Opportunity Is Already Here

South Africa is preparing for one of the largest electricity infrastructure programmes in its history.

Under the current **Integrated Resource Plan 2025**, Eskom Green has identified 17 high-priority renewable and storage projects expected to contribute approximately **6GW by 2030**. Its broader development pipeline could reach **32GW by 2040.**

The South African Renewable Energy Masterplan, or SAREM, is built around renewable-energy deployment of at least **3GW a year**, increasing to **5GW a year by 2030**. It notes that this level of stable demand should be sufficient to support economically viable local component manufacturing.

SAREM aims to:

- **Increase solar local content from 45% to 50% of total project value.**
- **Increase manufacturing investment from R2.5 billion to R15 billion.**
- **Grow employment in renewable-energy and storage manufacturing from approximately 2 500 to 25 000 jobs by 2030.**

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These targets should translate into busy factories, expanding suppliers and thousands of South Africans entering skilled and semi-skilled employment.

South African Demand Is Creating Work Elsewhere.

SAREM records that South Africa imported R31 billion in solar panels between 2010 and 2022.

In just the first nine months of 2023, a further **R17 billion in solar panels** was imported. During the same nine-month period, South Africa imported another **R17 billion in inverters** and **R28 billion in lithium-ion batteries.**

This is not a market without demand. The demand exists. The money is being spent. The equipment is being purchased. The problem is that too much of this demand is creating production, technical experience and industrial growth outside of South Africa.

SAREM itself acknowledges that much of the renewable-energy industrial capability developed during the earlier procurement rounds has become dormant or has been lost.

It states that the sector has relied primarily on imports and that local solar-module production capacity has at times been mothballed.

The money leaves South Africa.

The unemployment remains here.

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PICTURED ABOVE: Image taken in the ARTsolar factory in Pinetown, Kwa-Zulu Natal, South Africa. ARTsolar is a manufacturer, assembler, tester, and distributor of solar-related products, and provides world-class solar products that are internationally and locally certified.

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ARTsolar Answered the Country's Call

ARTsolar invested because South Africa repeatedly committed itself to localisation, renewable-energy industrialisation and job creation.

According to the company's records, more than **R500 million** has been invested over time in South African manufacturing operations, equipment, technology, product certification, quality systems and skills development.

More than **550 direct South African jobs** have been created and supported during the company's operating history.

The IDC publicly supported ARTsolar's development of a **325MW solar-module manufacturing facility**, specifically equipped to supply public renewable-energy programmes. At its launch, the upgraded facility was expected to create more than **200 direct jobs** (factually created **340 jobs**), approximately **1 100 indirect jobs**, and sustain almost **100 jobs among local service providers.**

The investment was made.

The machinery was installed.

International product standards were met.

South Africans were trained.

Yet ARTsolar continues to await meaningful orders from public programmes in which local-content requirements and commitments were included.

This is not simply a company problem. It exposes a national economic contradiction. One public institution funds manufacturing capacity. Other public programmes create enormous demand. Local content is included in procurement requirements.

Yet imported equipment enters the projects while the South African production line remains underutilised.

THE COST OF NON-COMPLIANCE IS A SOUTH AFRICAN JOB

Non-compliance is often discussed as though it were a technical problem involving tender wording, calculations and exemptions.

The real cost is far more direct.

It is the worker who loses a job.

It is the technician who does not gain experience.

It is the engineer whose skills are not developed.

It is the local supplier who receives no order.

It is the family that loses an income and the community that loses the spending generated by that salary.

South Africa entered the first quarter of 2026 with **8.1 million officially unemployed people**. The official unemployment rate stood at **32.7%**, youth unemployment at **45.8%**, and the economy lost **345 000** jobs during the quarter. Against these numbers, bypassing a local-content commitment cannot be dismissed as an administrative oversight.
It is an economic and social failure.

The imported product still arrives. The project proceeds. The developer, contractor, adviser, importer and financier may all receive their returns.

But South Africa receives only a fraction of the economic value it was promised.

LOCAL CONTENT HAS BEEN PRIVATISED IN PRACTICE

Local content was created as a public industrial-development instrument. Its purpose was to ensure that public demand creates real production, skills and employment within South Africa.

Increasingly, however, the term appears to mean whatever private project participants decide it should mean.

Warehousing becomes localisation. Transport becomes localisation. Professional services become localisation. Limited handling or finishing is sometimes presented as though the designated product itself was manufactured locally.

These activities have value, but they cannot replace genuine production of the product that was intended to be made in South Africa.
The rules are public.

Yet their practical meaning, measurement and delivery are increasingly determined by private commercial interests.

When local content can be reinterpreted, diluted or bypassed without consequence, the designation becomes meaningless.

Compliance remains in the tender documents, while the manufacturing work disappears.

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THE PUBLIC MUST QUESTION THE NARRATIVE

PICTURED ABOVE: ARTsolar factory floor.

There are powerful commercial interests that benefit from imports. They are entitled to participate in the South African market and to express their views.

But the public should ask who funds campaigns that repeatedly portray local manufacturing as too expensive, impractical or harmful to the energy transition.
The price difference on a solar panel is always calculated.

The cost of the lost South African job is almost never calculated.

Any organisation presenting itself as an independent industry voice should disclose who funds it, whose products its members sell and who benefits when local-content requirements are weakened.

Industry bodies and experts should be helping South Africa make localisation work. Their expertise should build local supply chains, develop partnerships and improve competitiveness.

It should not be used to find increasingly sophisticated ways around local production.

A MODEST PREMIUM CAN CREATE FAR GREATER VALUE

A locally manufactured component may sometimes cost more than an imported product produced at enormous scale in a country that strongly supports its own manufacturers. But a solar module is only one component of a large infrastructure project. A reasonable local-manufacturing premium, spread across the full project cost and a tariff lasting 20 years or more, can have a limited effect on the final electricity price.

PICTURED ABOVE: ARTsolar staff member.

The national return begins immediately. Workers earn salaries. Local suppliers receive orders. Skills are developed. Taxes are collected. Production volumes increase, and local manufacturers become more competitive.

That is not wasteful expenditure. It is an investment in South Africa's productive capacity.

There is also a harder question.

Where a project was priced and awarded on the basis that local content would be delivered, was the cost of that obligation already included in the tariff?

If local content was priced into the project but cheaper imported equipment was ultimately used, South Africa may have paid for localisation without receiving the promised jobs and industrial benefits. The private transaction retains the saving.

The public carries the loss.

THE ORDERS MUST NOW FOLLOW

This is not an argument against international technology, investment or trade. South Africa needs all three. International manufacturers should be welcomed and encouraged to partner with South African factories, transfer knowledge and manufacture locally where credible capability exists.

But the renewable-energy transition cannot be considered fully successful if South Africa provides the sunlight, land, grid access, public procurement and long-term revenue while most of the manufacturing value is created elsewhere. Our institutions have said the right things.

The DTIC says build local. The energy department says the transition must industrialise the country. The IDC says it exists to strengthen industrial capacity. Eskom says its projects will support localisation and employment. SAREM targets 25 000 manufacturing jobs.

The projects are coming. The funding is being mobilised. The demand already exists.

The question is why the orders are still not reaching South African factories.

Localisation will not be measured by mission statements, conferences or percentages written into tender documents.

It will be measured by **production lines running, suppliers receiving orders and South Africans reporting for work.**

South Africa has the projects. South Africa has the factories. South Africa has the people.

The orders must now follow.