# INDUSTRIAL MACHINE PARTS EXPORTS FROM KWAZULU NATAL

# 1. Description of the Industry

Many South African machinery producers have moved away from manufacturing, focusing instead on towards distribution. The outsourcing of manufacturing to local and international fabricators is generally because the margins associated with selling machinery are higher than those for manufacturing equipment, and is influenced by relatively high input costs, such as steel and labour. Nevertheless, there is some small local manufacturing capacity.

The competitors of local manufacturers and suppliers of capital equipment are numerous importers and distributors of international brands. Customer service is an integral part of the industry supply chain in South Africa and globally. Backup maintenance service includes making parts available in good time to minimise downtime, and training to familiarise clients with machines

# 2. Size of the Industry

Technology advances in capital machinery go hand in hand with efforts to achieve greater efficiency, automation and environmental outcomes in the mining and construction industries. Multi-disciplinary technologies are used to improve design efficiency, including materials science, manufacturing technology and information technology.

The industry is cyclical as it is affected by economic boom periods and the inevitable slowdowns that follow. Complete back-up service and availability of parts is critical to the sector's success. Lost production due to the lack of available parts and components can negatively affect the mining and construction clients of the equipment supplier sector. Distributors that wish to retain and grow market share need to focus on building and maintaining a comprehensive stockholding of parts, alongside the deployment of technicians and product support engineers to customers

### 3. Regulations

Draft revised machinery regulations were published for public comment in 2011 but have not yet been adopted. Among the changes was a proposal to extend automatic arresting devices to

every power-driven lifting machine. The draft regulations also proposed inspection of most categories of lifting machines by an inspector registered with the Engineering Council of South Africa; and regular examination of ropes and slings that form part of lifting machines, as well as lifting tackle.

### 4. Barriers to Entry

The Competition Tribunal, in its ruling on Invicta's acquisition of HPE, said the Competition Commission had submitted that barriers to entry in South Africa's capital equipment market were high, but were not insurmountable as there had been about nine new entrants in the market since 2006.

# 5. Product

Description as per product code: Parts of machinery for the industrial preparation or manufacture of food or drink, n.e.s

Produ ct &code	Trading partners	Barriers to entry					Trade	
		Tariffs			Non-Tariffs		Agreements	Ver Ledreter Dela
843890 Industrial Machine parts, food, drink preparation		Tariff Regime	Applied tariff	Total ad valorem equivalent tariff	Non Tariffs Measures (NTM) Code	Measures applied by importing country	Preferential tariff for SA	Key Industry Role Players
	Kenya	General Tariff	0%	0%	Non Recorded	Non Recorded	None recorded	Hudaco Industries
	Mozam bique	MFN duties (Applied) Preferential tariff for SA	5% 0%	5% 0%	- Non Recorded	Non Recorded	Rules of Origin	PartRite
	United Republic of Tanzani a	MFN duties (Applied)	2.7%	2.7%	Non Recorded	Non Recorded	None recorded	
	Ugan da	MFN duties (Applied)	0%	0%	Non Recorded	Non Recorded	None recorded	
	Zimb abwe	Non Recorded	Non Recorded	Non Recorded	Non Recorded	Non Recorded	Non Recorded	

# 6. Industry Associations

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