

Interview: Adv. Leslie Sedibe - CEO, Proudly South African, South Africa



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Adv. Leslie Sedibe, CEO of Proudly South African explains how the Proudly South African campaign aims to promote local products and services to ultimately address unemployment, and what his main expectations are for local pharmaceutical manufacturers.

Could you please introduce the Proudly South African organization to our readers, and more specifically what are the main objectives of this Campaign?

Through the National Economic Development and Labor Council (NEDLAC), the Proudly South African Campaign was launched in 2001 and supported by government, business, organized labor and community representatives. Contextualizing the organization's setup, Proudly South African followed the Presidential Job Summit of 1998 and was organized under the leadership of the former South African President Nelson Mandela. This Summit was focused on the socio-economic necessity to foster job creation. When apartheid ended in 1994, South Africa became part of the international community. When foreign brands were finally available to South African consumers, many industrial sectors experienced a rapid decline from a mid-term perspective, leading to significant job losses among South African companies.

In 2001, we agreed on the urgency to launch the Proudly South African Campaign that would firstly rekindle national pride and spread patriotism through South African society, and then use this

national pride to bolster the consumption of South African goods and services. We are also a membership-based organization in charge of evaluating and approving any new company seeking to append the “Proudly South African” label on their products. This mark obviously proves the origin of the products (50 percent of the product’s content should be manufactured in South Africa), and it is also a quality assurance measure, as our members strive to follow a Japanese-inspired zero-defect policy for their products. Lastly, our logo is a guarantee that the company offers fair working conditions to its employees, and that it is committed to the sustainable manufacturing of its products.

On a broader scale, we also look to attract foreign companies in South Africa. We obviously recognize the importance of foreign direct investment in our country and strive to spread the message that South Africa is open to business with a very stable democracy. On the other hand, we try to enhance local entrepreneurship because in most developed economies over 60 percent of jobs are created by entrepreneurs or family-owned businesses. Ultimately, we want to prevent a situation in which the government becomes the economy’s largest employer.

Speaking specifically about the health care industry, what are your main concerns as the CEO of the main organization promoting locally manufactured goods and services?

Firstly, regarding the HIV/AIDS burden facing South Africa, I implore the government to increase its financial support for locally produced drugs, rather than massively funding imports of foreign drugs. Producing drugs in South Africa could be done either by South African companies or by foreign companies that have established domestic manufacturing capacities in South Africa. We obviously need to import drugs that are currently not produced locally, but in parallel we should absolutely support our local manufacturers. If we continue to import drugs without ensuring that in the medium to long term we will be able to produce them locally, our money will always support overseas job creation rather than addressing South African unemployment.

Furthermore, regarding the current situation of the South African health care industry, we need to strengthen the nature of collaboration between the government and local drug manufacturers. The private sector should trust the government in its capacity to implement realistic policies, which will enhance local manufacturing. On the other hand, local manufacturers must be reliable in supplying public authorities with quality products and appropriate training, but also in paying their taxes and reinvesting their profits in the local economy.

In 2014, you organized the first release of the “Buy Local Summit”, and the next one is already set to be held in 2016. What has been the process leading to the creation of this

event, and how do you see the health care industry contributing to the next summit?

The first phase of the Proudly South African Campaign focused on bolstering patriotic pride of consumers and local manufacturers as well as raising the brand awareness of the Proudly South African quality label. The second phase of the Campaign is currently to transform that emotional pride into concrete economic results.

In December 2011, the National Treasury amended the Preferential Procurement Policy Framework Act for public tender calls—designating local procurement for certain designated industry sectors as compulsory. Furthermore, the Local Procurement Accord was also signed in October 2011 by the private sector, organized labor, communities, and government. This progressive and incremental movement will help fulfill the aspirational target of 75 percent local procurement content and create a platform for five million new jobs by 2020. Proudly South African decided to support and follow these two initiatives by organizing the Buy Local Summit in 2014 in order to stimulate and deepen the debate around the needs and expectations of South African manufacturers.

For the next Buy Local Summit we will pursue a more sector-focused approach to ensure that every strategic player across various industries is represented. The pharmaceutical industry is a designated sector of the Preferential Procurement Policy Framework Act, but it is also one of the eight priority sectors in the last iteration of the Industrial Policy Action Plan, which sets out in detail key actions and time frames for the implementation of industrial policy. Considering the importance of the pharmaceutical industry and its potential in creating jobs in South Africa, we definitely strive to ensure that this sector will represent one of the main attendees of our next Buy Local Summit.

What is your three years vision for the Proudly South African campaign?

We will firstly continue our campaign to ensure that South African consumers clearly understand the economic implications of buying South African products, while still enlarging our membership base, especially with a view to including players from more industry sectors. Secondly, we will partner with every key stakeholder to help build the right policy environment for local manufacturers as well as ensure that current legislation is correctly and strictly implemented. Thirdly, we will assist the government in any new industrial plan that should be launched. For instance, the South African Rand is currently devalued against other major currencies in the world, so it may be a unique occasion to develop South African capacities to both sustain our local consumption and increase our exports. Finally, on local procurement, we are also in on-going discussions with public authorities to ensure that prices of products are not the unique factor taken

into account for public tender calls, particularly in the health care industry.

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