



**the dti**

Department:  
Trade and Industry  
REPUBLIC OF SOUTH AFRICA

## NATIONAL ASSEMBLY

### WRITTEN REPLY

#### PARLIAMENTARY QUESTION 395

**DATE OF PUBLICATION: 26 JULY 2019**

**Mr D W Macpherson (DA) to ask the Minister of Trade and Industry:**

(1) (a) What amount has been spent to date on the Industrial Parks Revitalisation Programme run by his department, (b) what concessions by provincial or local governments for businesses that have invested in the parks have been secured to date, (c) what incentives are available for businesses that (i) are conducted in the parks and (ii) want to invest in the parks, (d) what investment promotion is done by his department for businesses in the parks, (e) what support does his department provide to businesses that have invested in or plan to invest in the parks and (f)(i) what new businesses have invested in the parks since the programme began and (ii) to what value;

(2) whether there is a business plan available for the programme; if not, why not; if so, will he provide Mr D W Macpherson with a copy of the business plan? NW1367E

#### **Reply:**

I am advised by the Department that the industrial parks initiative will be scaled up, based on work that has been done to date; and I have been furnished with the information that follows:

To date (until 31 March 2019) the Department of Trade and Industry (**the dti**) has spent R 511 million on the Industrial Parks Revitalisation Programme.

No concessions have been made available from provincial or local government as yet.

The Revitalisation Programme was instituted because of insufficient resources available at local and provincial government to maintain the Industrial Parks. **the dti** has been facilitating annual symposia involving all the Industrial Parks as well as the local municipalities and provincial representatives, to strengthen collaboration across the different spheres of government, including the development of future funding models for the sustainability of the Industrial parks. Concessions and other forms of support from local and provincial governments are envisaged to form part of the funding models. However modalities for such funding still requires appropriate consultation.

There are no special incentives available to business in Industrial Parks, other than the suite of incentives available to businesses through **the dti**. A number of workshops have been hosted by **the dti** in Industrial Park to raise awareness of these incentives. The Department is also considering the viability of extending some of the incentives available to investors in the Special Economic Zones to existing and potential investors in Industrial Parks.

Investment promotion for the Industrial Parks falls under the investment promotion drives for Special Economic Zones, as well as the investment promotion services provided by **the dti** in general. The Department is currently developing an investor handbook for the various Industrial Parks, and an investment promotion trip has been planned to parts of Asia for October 2019.

Support is provided to businesses in Industrial Parks by Invest SA. This complements the work done by various provincial agencies.

**the dti** has also initiated the Resource Efficiency and Cleaner Production Programme whose objective is to optimize the use of water and energy and thus improve the competitiveness of the businesses in Industrial Parks.

An exercise is currently underway to obtain a list of the new businesses that have invested in the Industrial Parks. This will be made available when completed.

The revitalization of the Industrial Parks was initiated following a call by the President to address the infrastructure needs of the rural and township industrial economy. The implementation of the programme was informed by a scoping exercise in 2015 which was followed by a detailed assessment conducted in 2016. Funding is awarded to applicants based on successful applications by the respective Industrial Parks. In this context therefore, no business plan has been drawn up at national level to support the industrial parks, as each park has to operate with its own business plan and this has in the past been associated with provincial and local government. **The dti** initiatives have been aimed at improving existing industrial parks. However, as the Department increases its level of support for industrial parks, it will be necessary to ensure that the business plans for individual parks are improved, so that the social and industrial return increases.

The program is a developmental initiative with the objective of decentralizing industrialization and improving the industrial capacity of the rural and township economy.

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