



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR ORAL REPLY

QUESTION NO. 206

DATE OF ORAL REPLY: 17 NOVEMBER 2021

Mr Inkosi R N Cebekhulu (IFP) to ask the Minister of Trade, Industry and Competition:

- (1) Whether he has commissioned an assessment of the business sentiment the deployment of members of the SA National Defence Force across the Republic may have, particularly in areas of doing business like malls where it sends a message of political instability and lack of business confidence in the country that will obviously attract negative sentiments among role players in international trade and industry who are interested in doing business in the Republic; if not, what are the reasons that it was not considered necessary to undertake such an assessment prior to the deployment; if so; what are the relevant details;
- (2) whether the Government has taken any steps to manage and mitigate perceptions of instability in the Republic that might affect international trade and investment; if not, why not; if so, what are the relevant details? [NO2318E]

REPLY

The Department conducted a survey of businesses affected by the unrest that took place in parts of KZN and Gauteng during one week in July 2021. The survey focused on the extent of damage incurred, the period anticipated to recover their operations, whether they were insured and basic details on their business, such as sectors they were involved in. The survey did not cover business sentiment, as other private sector bodies conduct such surveys.

To address perceptions of instability that affects international trade and investment, Government met with global and local business leaders to communicate the steps that were taken to address the instability and protect citizens and property; engaged diplomatic missions to address concerns of investors; assisted local firms to resume their operations; and took steps to show that the business environment is stable.

The Economic Recovery Fund by the dtic supported local firms to recover. To date, more than R2,5 billion has now been approved to 165 applicants, covering 386 business premises or sites of operations. These companies employ more than 18 000 jobs. Of the approved sum, more than R1,2 billion has already been paid out to the affected firms.

The department also gazetted an exemption to the Competition Act in order to enable businesses to coordinate their efforts in securing food, medicines and essential goods. Affected manufacturers could make use of a special rebate facility that enabled them to import goods, not available temporarily due to supply-chain disruptions, free of import duty.

Sentiment is based in part on opportunities. The ongoing global recovery, together with high commodity prices, will continue to underpin exports, while low interest rates and income growth is likely to support consumer spending. Infrastructure investment and the rising rate of vaccination will also have a positive impact on sentiment and growth.

The Intra-Africa Trade Fair being hosted in KZN is an opportunity to show that the province is open for business and to attract the attention of investors. The launch of local production of the new Corolla Cross vehicle from October 2021, in a large Toyota plant in KZN, shows the resilience of firms based in the province.

It is important that rule of law must underpin efforts to market further opportunities in South Africa so as to attract new investment and enable job creation and inclusive economic growth.

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