the dti
Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

# PARLIAMENTARY QUESTIONS
# NATIONAL COUNCIL OF PROVINCES
# MARCH 2014 - MARCH 2019

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| **1** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**31.**<br><br>Mr F Adams (ANC-WC) to ask the Minister of Trade and Industry:<br><br>(1) To what extent has the trade between South Africa and China as a result of their strong bilateral relations grown since 2012;<br>(2) to what extent has the participation of Chinese companies in the various sectors in South Africa such as renewable energy, mining, banking, manufacturing, rail infrastructure and others increased since 2012;<br>(3) whether he will make a statement on the matter? CW56E<br><br>**[MARCH 2014]** | **RESPONSE:**<br><br>Two-way trade between South Africa and China continues to grow. Since 2009, China has been South Africa's single largest trading partner. Bilateral trade increased from R205 billion in 2012 to R270 billion at the end of 2013; a 32% increase. According to our trade figures, the trade balance favours China, and with South Africa's trade deficit with China increasing from R36 billion in 2012 to R38 billion in 2013. The composition of our bilateral trade remains a concern for South Africa. Over 90% of South Africa's top 10 exports to China are in raw materials while 100% of our top 10 imports from China are manufactured products.<br><br>The South African and Chinese governments have recognised that this structure of trade is not sustainable and have agreed to work together to correct the situation in two ways: first, to work together to promote value added exports to China and to increase inward investment from China.<br><br>There is indeed scope to expand South Africa's exports to China in value added manufactured products. The Chinese economy continues to register strong growth rates, and as China moves to re-orient its economic development strategy away from reliance on exports and inward investment to one based more on domestic consumption and the development of its interior, economies that can supply that demand will obtain growing markets for their exports.<br><br>**the dti** has compiled a list of top ten value-added products for export to China. The selection of these products was part of a concerted effort to ensure that as the overall quantum of exports to China grows, we also expand our exports of higher value manufactured products. Subsequently, these products were part of the trade exhibitions held in Beijing and Shanghai in November 2011. According to information available, the exhibitions generated approximately R8 million of exports sales during the events, and approximately R400 million in export sales were committed for the 12 months after the exhibitions. In October 2012, we held exhibitions in Shanghai and Beijing and exports sales of R362 million at the event and R531 million for future exports were reported. Furthermore, SA expo was held in three cities in China in September 2013, where-in a total exports sale at the event was R2, 6 million and R396 million were committed for the next six months after the exhibitions.<br><br>Coming off a low base, Chinese investments in South Africa continue to grow. In 2008 the Chinese Bank, Commercial Bank of China Limited (ICBC) acquired a 20% stake in Standard Bank, marking the single largest single Chinese investment in Africa. Between January 2003 and January 2014 a total of 38 FDI projects were recorded. These projects represent a total capital |

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| | | investment of ZAR13.33 billion which is an average investment of ZAR350.48 million per project. During the period, a total of 10,992 jobs were created.<br><br>These investments are spread across the Metals; Automotives; Communications; Financial Services; Food & Tobacco; Chemicals; Industrial Machinery; Construction; Engines and Turbines and Transportation sectors. The China African Development Fund (CAD Fund) also reported that there are ongoing joint investment projects, particularly in the mining, financial, appliances and ICT sectors. |
| **2** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**55.**<br><br>Mr K.A Sinclair (COPE-NC) to ask the Minister of Trade and Industry:<br><br>Whether the black economic empowerment targets as envisaged by the Government since the dawn of democracy and the launch of this programme have been achieved; if not, why not; if so, what are the relevant details?<br>CW98E<br><br>**[2014]** | **RESPONSE:**<br><br>The purpose of B-BBEE is to ensure sustainable transformation of the economy, and meaningful participation of black people in the mainstream of the economy, in order to achieve inclusive shared equity, growth and job creation. The Codes of Good Practice for B-BBEE were gazetted and implemented since 2007, and to date, slow pace of transformation and implementation of the Codes has been registered. The economy is still lagging behind in achieving the set targets of the Codes of Good Practice.<br><br>This is evident by the 2011 census which shows that South Africa is still characterized by a significant high income gap between white headed households and black headed households. Black headed households had an average annual income of R 60 613 in 2011, while on the other hand the white headed households earned on average six times more a year at R 365 134 per annum. Looking at the comparison based on gender the census revealed that female-headed households earned on average R 67 330 in 2011, compared to R 128 329 for their male counterparts.<br><br>Furthermore, the second B-BBEE baseline study that **the dti** conducted in 2012/13 shows that there has been a modest improvement in each of the elements of the B-BBEE scorecard by legal form, size, province and industry. The study shows that 33% of surveyed large enterprises had zero (0) Black Ownership and only 9% of enterprises had more than 90% Black Ownership. This reflects poorly on the level of penetration of Black Ownership within large enterprises.<br><br>The Government's assessment of the cause of the lack of transformation revealed that it was amongst others due to circumvention of the policy (and that is known as Fronting), and the lack of will to transform from certain sectors of the economy. And therefore Fronting and lack of Monitoring and Reporting on B-BBEE compliance are one of the reasons that the Executive introduced the establishment of the BEE Commission in the B-BBEE Amended Act which was assented to by the President on 27 January 2014.<br><br>In order to ensure that B-BBEE contributes to economic growth and job creation the Amended B-BBEE Codes have been aligned to the key policies of Government such as the Industrial Policy, National Development Plan and the New Growth Path.<br><br>They will contribute towards an increased in number of entrepreneurial activities amongst Black people through access to markets and supplier development opportunities. In addition, they will enable Black entrepreneurs to build competitive business institutions that create wealth while contributing towards job creation and socio economic development of the country. |

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| **3** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**167.**<br><br>Mr G Michalakis (DA-FS) to ask the Minister of Trade and Industry:<br><br>Whether he has considered the ratification of the United Nations Convention regarding the Contracts for the International Sale of Goods; if not, why not; if so, what are the relevant details? CW225E<br><br>**[2014]** | **RESPONSE:**<br><br>The Convention has not been ratified. A regulatory impact assessment can determine whether ratification should be recommended. **the dti** will look into this and respond to the member directly, in due course. |
| **4** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR ORAL REPLY**<br><br>**198.**<br><br>Ms L Mathys (EFF-Gauteng) to ask the Minister of Trade and Industry:<br><br>(1) Whether his department has any plans to deal with land challenges facing areas targeted for Special Economic Zones; if not, why not; if so, what are the relevant details; | **RESPONSE:**<br><br>(1) The **dti** regulates and supports the planning, development and management of special economic zones. The entities that apply for licences for a special economic zone are responsible for identifying and securing the targeted areas where development is envisaged. It is also implicit in the legislation, Section 23 of the SEZ Act 14 of 2014, that the role of the Minister of Trade and Industry who has to decide whether to approve or not approve an application for SEZ designation; is different from that of an agency applying for designation. The agency applying for designation should demonstrate control of the land earmarked for designation; while the Minister has to provide clear regulatory framework and guidelines that outlines both procedural and substantive elements critical for informing designation decisions.<br><br>(2) The efforts of the national government in revitalising township economies are at the moment coordinated by the Economic Development Department. The Gauteng Provincial Government has also launched an initiative on the revitalisation of township economies. The **dti** will contribute to the revitalisation of township economies through its various programmes including but not limited to; promotion of industrial development initiatives, promotion of black industrialists, support for industrial infrastructure, and financial incentives that are available to investors and businesses. |

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| | (2) Whether he will provide details regarding revitalisation of the township economy in Gauteng that will help erode apartheid legacy in the townships (details furnished); if not, why not; if so, what are the relevant details;<br>(3) Whether this revitalisation is an encroachment of the Mall Economy in the townships in the name of developing townships; if not, what is the position in this regard; if so, what are the relevant details;<br>(4) Whether the Malls are (a) owned by blacks who live in the townships and (b) tentacles of white monopoly capital spreading into the townships to crash black small businesses; if not, who owns these Malls; if so, what are the relevant details?<br>CO370E<br><br>**[2014]** | (3) While the development of township malls will contribute to the revitalisation of township economies, such a development pattern is unlikely to yield the kind of development outcomes South Africans in general and in particular those in townships; aspire to. Therefore, the revitalisation of township economies will require a multifaceted approach that will over time, strengthen innovation systems in townships. Some of the required measures are support for small, medium and micro enterprises including cooperatives, industrial and enterprise infrastructure, integrated development planning, technical education and training.<br><br>(4) The **dti** does not, at this stage, have full details of who owns which mall in the various townships. However, available studies by other entities suggest that while the big financial institutions and property development firms own a larger proportion of these malls; there are malls that are owned by black investors and investment firms. While increased ownership by blacks is desirable; the integration of township entrepreneurs and enterprises in the supply chains servicing the malls is more likely to generate better development outcomes. |
| **5** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR ORAL REPLY**<br><br>**163.**<br><br>Mr W.F Faber (DA-NC) to ask the Minister of Trade and Industry: | **RESPONSE:**<br><br>South Africa, Mozambique, Swaziland and Seychelles are all members of the Southern African Development Community (SADC) Free Trade Area. In addition, South Africa and Swaziland are members of the Southern Africa Customs Union. As such, there is no need for further bilateral trade agreements. Furthermore, all these countries are parties to the ongoing Tripartite Free Trade Agreement (TFTA) negotiations which is a stepping stone towards a Continental Free Trade Agreement. The Tripartite FTA will build on what already exist in SADC, in terms of preferences. This implies that there are no further tariff negotiations between them in the Tripartite negotiations.<br><br>The Department has also signed in 2005 a Memorandum of Understanding (MoU) on Economic Cooperation with the government of Mozambique. The objective of the agreement is aimed at promoting technical cooperation and capacity building. |

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| | Whether his department has signed any agreement with member countries of the East 3 Route; if not, what is the position in this regard; if so, what is the current value of investment by the department?<br>C0334E<br><br>**[2014]** | In relation to the current value of investment by the department, the department does not invest but signs agreements that will create or enhance the trade and investment environment for companies doing business in the continent in line with our trade and industrial policies. This is also supported by incentives such as the Capital Project Feasibility Fund which assist potential investors to carry out feasibility studies on possible investment projects. |
| **6** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR ORAL REPLY**<br><br>**197.**<br><br>Mr L.G Mokoena (EFF-FS) to ask the Minister of Trade and Industry:<br><br>(1) Whether, in view of the rapid de-industrialisation of the country's economy, his department has any plans to stop this decline and place South Africa on a path of rapid industrial growth; if not, why not; if so, (a) what plans and (b) what are the further relevant details;<br>(2) whether these plans support the recent announcements by the Minister of Finance indicating that the country will privatise further; if not, what is the position in this regard; if so, what are the relevant details?<br>CO369E **[2014]** | **RESPONSE:**<br><br>(1) Plans for the industrial development of South Africa are set out in successive iterations of the Industrial Policy Action Plan (IPAP). The IPAP is a set of interlocking and mutually supportive cross-cutting and sector specific programmes which provide an economic rationale for each key action plan (KAP) and identify the lead and supporting department for each KAP. In keeping with previous practice IPAP 2015/16 – 2017/18 will set out such plans in detail for the financial year; aligned to the Medium Term Expenditure Framework (MTEF). This iteration of IPAP will be launched in April 2015.<br><br>(2) Questions related to the plans of the Minister of Finance, the Honourable Nhlanhla Nene MP, including those relating to announcements in his Medium Term Budget Statement (MTBS) should be directed to the Minister of Finance. For its part the Department of Trade and Industry (**the dti**) has no plans for the privatisation of any state entities falling under its jurisdiction. |

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| **7** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR ORAL REPLY**<br><br>**157.**<br><br>Mr J.W.W Julius (DA-Gauteng) to ask the Minister of Trade and Industry:<br><br>(a) What impact does the low number of international flights to and from King Shaka International Airport has on foreign investment at the Dube Trade Port in KwaZulu-Natal and (b) what is the nature of such impact?<br>CO328E<br><br>**[2014]** | **RESPONSE:**<br><br>(a) Dube Trade Port is a multi-modal logistics platform located adjacent to the Air Cargo Terminal at King Shaka International Airport. It also has direct road access via the N2 and R102 to the Port of Durban 30km south of the site and the Port of Richards Bay to the North. This combination of air, sea and road infrastructure is complemented by a 26ha industrial zone and has proven attractive to foreign investors, testament to which is the recent decision by Samsung Electronics to locate a television manufacturing plant in the Dube Trade Port.<br><br>According to the 60 Master year of the King Shaka International Airport and Dube Trade Port, the following is outlined:<br><br>• In the baseline phase, the airport has capacity to carry 25 (Code C) domestic aircraft, 2 international aircraft (Code D, E and F) and 2 Cargo Aircraft (Code 4F)<br>• In the short term phase (5 to 10-year growth), the airport is expected to increase its capacity as follows: 30 domestic aircraft, 4 international and remaining with 2 cargo aircraft.<br>• In the medium phase, by 2035 it is expected that cargo aircraft will increase to six (6).<br>• King Shaka International Airport cargo terminal currently has capacity for 105,000 metric tons, and has a long term expansion capacity to increase to 1 million metric tons of cargo per year.<br>• There are currently no restraints to capacity handling. The airport can adequately handle the current passenger and cargo volumes, as well as have adequate expansion to increase in the future.<br>• The DTP IDZ hopes to increase its investment value and with the assurance of the IDZ/SEZ incentives, investment is expected to increase, leading to increase in both passenger and cargo volumes. This should influence expansion decisions by DTP and the cargo terminal as well as King Shaka International Airport.<br><br>(b) As international and regional flights increase from the airport this is expected to further enhance the competitive advantages of the project. To date over R 900 million of foreign and domestic investment has been attracted to Dube Trade Port and the current number of international and regional services is not regarded as a limitation to future investment. **The dti,** Dube Trade Port, Trade and Investment Kwa - Zulu Natal have not come across investors who have raised the low level of international flights to King Shaka International Airport as a concern. Investors such as Samsung prefer landing at ORT and have their board meetings in Johannesburg and then take a regional flight to the plant locations. |

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| **8** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**3.**<br><br>Mr G Michalakis (DA-FS) to ask the Minister of Trade and Industry:<br><br>(1) On what grounds have certain prospectuses of property syndications (names furnished) been approved by his department;<br>(2) Whether any irregularities pertaining to the said property syndications have been reported to his department at any stage by the Financial Services Board; if not, what is the position in this regard; if so,<br>(a) At what stage,<br>(b) What were the details of the irregularities reported and<br>(c) What action has been taken by his department in each case? CW3E<br><br>**[2015]** | **RESPONSE:**<br><br>**According to the response received from the Companies and Intellectual Property Commission (CIPC):**<br><br>(1) There are no specific grounds on which a prospectus, including property syndications may be approved. However, the Companies Act 71 of 2008 concisely provides grounds on which a prospectus would not be approved. The CIPC is mandated to vet prospectuses thoroughly and ensure that the content adheres to the Act in all aspects.<br><br>(2) CIPC received a request for an investigation on the Pickvest/Highveld Syndication 15 – 22 companies in 2013.<br><br>In respect of Orthotouch Limited, CIPC proactively requested information in June 2014 following media reports regarding failure to produce financial statements.<br><br>(a) Pickvest/Highveld Syndication 15 – 22 companies were already under business rescue.<br>(b) The complaint was on the conduct of the business rescue practitioner, failure to provide Annual Financial Statements and failure to hold Annual General Meetings.<br>(c) Based on the information received from Orthotouch Limited, it was clear that the Companies Act was not complied with. In October 2014 CIPC issued a compliance notice to the directors of Orthotouch Limited to bring the company's conduct in line with the Companies Act.<br><br>The complainants were further advised to approach a Court as per Section 139 of the Companies Act that provides for the removal and replacement of a practitioner. |

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| **9** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**4.**<br><br>Mr G Michalakis (DA-FS) to ask the Minister of Trade and Industry:<br><br>What mechanisms are in place to prohibit a business rescue practitioner (BRP) to register as a director of the same company over which he has been appointed as a BRP? CW4E<br><br>**[2015]** | **RESPONSE:**<br><br>**According to the response received from the Companies and Intellectual Property Commission (CIPC):**<br><br>There is no outright prohibition in the Companies Act. However, such can be reported to CIPC to assess against the principle of corporate governance and other related principles in the Act. |
| **10** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTIONS FOR WRITTEN REPLY**<br><br>**84.**<br><br>Mr W.F Faber (Northern Cape: DA) to ask the Minister of Trade and Industry:<br><br>(1) Whether any (a) investigations have been launched and/or (b) research has been conducted into the detrimental impact of South Africa's electricity crisis on | **RESPONSE:**<br><br>1) In December last year cabinet announced the establishment of the "energy war room" following the power outages. The energy war room is housed at the Presidency and chaired by the Deputy President, Mr. C. Ramaphosa and meets weekly to discuss and implement government's 5-point plan on energy. The five-point plan entails implementing Eskom's maintenance and capacity improvement programme; introducing new generation capacity through coal; entering into cogeneration contracts with the private sector; introducing gas to power and accelerating demand side management. **the dti** meets investors on a daily basis; investors take long term view on such investment decisions. Where there are short term challenges, the investment promotion unit within **the dti** works with investors and inter governmentally unblocks and resolves such challenges. Such energy challenges for example have been resolved for Nestle in Harrismith and Tshwane. To date we have been able to find solutions and this has not had a detrimental impact on investment.<br><br>2) **the dti** meets the manufacturing circle, industry associations, foreign chambers, organized business, bilateral government meetings and investors on a regular basis. Energy matters are also discussed in the monthly Industrial Policy Action Plan meeting and where they are major issues of concern they are escalated to the energy war room such as the loading shedding in the Langerberg municipality in the Western Cape was effecting the canning industry production of peaches for export. **the dti** |

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| | foreign investment prospects in the country; if not,<br>(2) whether his department is planning to (a) launch such investigations and/or (b) conduct such research; if not, why not; if so, (i) when will the information be made available, (ii) what are the details of the (aa) investigations and/or (bb) research conducted to date and (iii) what are the key findings in each case?<br>CW115E<br><br>**[2015]** | continues to support companies both financially and non – financially to upgrade their plants including energy infrastructure as well as to be more energy efficient. |
| **11** | **NATIONAL COUNCIL OF PROVINCES<br>QUESTION FOR WRITTEN REPLY**<br><br>**195.**<br><br>Ms E.C van Lingen (Eastern Cape: DA) to ask the Minister of Trade and Industry:<br><br>What process should any (a) business, (b) banking institution or (c) other legal entity follow to retain its black economic empowerment (BEE) status when the prescribed share issues to qualify for BEE have (i) matured and (ii) been sold by the rightful BEE owners over the specified period? **[2015]** | **RESPONSE:**<br><br>**1. If the black partner decides to sell the shares the following will apply:**<br><br>In terms of the Amended Broad–Based Black Economic Empowerment (B-BBEE) Codes, a measured entity (any legal entity) is allowed to recognise a portion of black ownership after a black participant has sold their shares subject to the following criteria:<br><br>a) The black participant must have held their shares for a minimum period of three years;<br><br>b) Net value / vesting of shares must have been created in the hands of black people; and<br><br>c) Transformation within the measured entity must have taken place, using the B-BBEE recognition level from the period of entry of black participants to the exiting period.<br><br>If the Measured Entity meets the abovementioned criteria it will continue to score up to 40% of the points under the ownership scorecard for a period of three years after the shares were sold. This applies if the shares were sold to people who are not BEE beneficiaries (non-Black). |

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| | | However, if the same shares were sold to black beneficiaries, and all other measurement principles and conditions of the ownership element are met, the entity can continue to score full points.<br><br>**2. Whereas, the Financial Service Sector Code (FSC) specifies that for only the banking sector the application of the 'once empowered, always empowered' principle is allowed on the basis that:**<br><br>The principles for this matter for the FSC are different from the Generic Codes. In the event of a black participant electing to sell the shares and realise the net value attributable to those shares, when those shares have become eligible for sale or transfer, any such dilution, will for the purposes of the FSC not result in a dilution of the percentage of black ownership for the Measured Entity. In other words, the Measured Entity will continue to score points.<br><br>B-BBEE participants should be encouraged to sell the realization shares to other black participants and where possible, a measured entity should attempt to provide assistance to B-BBEE participants to sell to other B-BBEE participants<br><br>In conclusion companies have to re-empower if their black ownership is diluted, black ownership should always be maintained. |
| **12** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**252.**<br><br>Mr W.F Faber (Northern Cape: DA) to ask the Minister of Trade and Industry:<br><br>(1) (a) Which industries are targeted for the development of black industrialists and (b) what criteria are used for the identification of each sector in each industry;<br>(2) (a) what criteria will apply to identify the proposed | **RESPONSE:**<br><br>(1) (a)(b) The focus is to promote black participation in the manufacturing sector and related support services. The targeted industries will be finalised once the policy framework has been approved by Cabinet.<br><br>(2) (a)(b) The Department is in the process of drafting a policy framework that will stipulate amongst other matters a suitable criterion. The policy framework will be formally presented to Cabinet during this financial period for approval.<br><br>(3) Ownership structure requirement as a criterion will form part of the above mentioned policy determination process. |

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| | industrialists and (b) who will be responsible for the identification;<br>(3) whether any provisions will be made for the employees in terms of share issues in each case; if not, why not; if so, what are the relevant details?<br>CW344E<br><br>**[2015]** | |
| **13** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**288.**<br><br>Mr W.F Faber (Northern Cape: DA) to ask the Minister of Trade and Industry:<br><br>(1) Whether, with regard to the agreement between South Africa and the United States of America (USA) to allow the duty-free importing of chicken from the USA under the Africa Growth and Opportunity Act, 2000 (AGOA), this agreement will affect South Africa's poultry industry negatively in terms of revenue losses and job opportunities; if not, what is the position in this regard; if so, (a) how much revenue is expected to be lost and (b) how many job opportunities will be affected; | **RESPONSE:**<br><br>(1) In order to secure AGOA for the next 10 years for South African products such as cars, base metals, wines, macadamia nuts, citrus, etc., the South African poultry industry agreed to allow market access for US bone-in chicken cuts into the South African market. The negotiations between South Africa and the United States of America to find an acceptable quota for bone-in chicken pieces were aimed at preserving the benefits accruing from AGOA in the South African economy. This includes 62000 jobs created in the sectors that are currently benefitting from AGOA. South Africa through the National Agricultural Marketing Council (NAMC) conducted impact analysis on the production, employment, amongst other economic indicators. The position of government was to try to minimise the potential loss of employment opportunities as well as the impact on production. Estimates indicate that the quota given to the US would result in a decline in production of between 3-4% whilst approximately 6500 jobs (both direct and indirect) will be affected in the poultry sector. While there may be potential job losses due to the agreement reached on the quota, it is important to note the overall benefit of AGOA to the South African economy, especially the AGOA beneficiary sectors highlighted above.<br><br>(2) The agreement with the US will waive anti-dumping duties on a quota of 65 000 tons of bone-in chicken pieces in the South African market. It is important to note that SA poultry producers are 'protected' from foreign imports by a 37% ad valorem import duty on bone-in imported chicken. As such, the US will still be liable for the Most Favoured Nation (MFN) duty of 37%. Any export above the quota will have to pay anti-dumping duties of 9.40c/kg. Therefore, these measures should assist to prevent dumping of chicken in the South Africa market. Furthermore, South Africa has recently imposed anti-dumping duties on bone-in chicken pieces from Germany, the Netherlands and the United Kingdom.<br><br>South Africa will continue to impose anti-dumping duties against any trading partner if after following due process ITAC discovers that there is a basis to do so.<br><br>(3) Government, together with South African poultry industry are currently considering measures to support the domestic poultry industry. In addition, the chicken agreement with the United States also provides the US poultry industry to work with the SA |

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<tr><td></td><td>(2) whether there are any alternative options available to prevent chicken dumping on South Africa in order to save AGOA; if not, what is the position in this regard; if so, what are the relevant details;<br><br>(3) whether he has commissioned and/or conducted any research to establish mechanisms to assist South African poultry farmers to prevent our own producers from (a) closing their businesses and (b) losing job opportunities; if not, why not; if so, what remedial plans are in place in this regard? CW380E<br><br>[2015]</td><td>government towards the development of the poultry industry in SA, in particular the historical disadvantaged individuals. This is likely to include capacity building opportunities, in particular skills and technology transfer and investment by the US in South African poultry industry.<br><br>Furthermore, the Department is working with the poultry industry to open market access opportunities for South African poultry in markets such as Middle East. This will ensure that we offer new market opportunities which will promote production and job creation within the sector.</td></tr>
<tr><td>14</td><td>NATIONAL COUNCIL OF PROVINCES<br>QUESTIONS FOR WRITTEN REPLY<br><br>401.<br><br>Ms C Labuschagne (Western Cape: DA) to ask the Minister of Trade and Industry:<br><br>What are the (a)(i) names and (ii) contact details of the (aa) owners and (bb) Board members of a certain deregistered company</td><td>RESPONSE:<br><br>a) Name of the company- Technospect<br><br>(aa) (i) Owners and (ii) contact details<br><br><table><tr><td>Owners: Name & Surname</td><td>Contact details</td></tr><tr><td>Mowlana, Abdurasiet</td><td>32 Glenferrie Road<br>Crawford<br>Cape Town<br>7780</td></tr><tr><td>Jacobs, Nezaam</td><td>55 Rokeby Road<br>Crawford<br>7780</td></tr></table></td></tr>
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<td>(details furnished), (b) dates of (i) registration and (ii) deregistration of the said company and (c) reasons for deregistration?<br><br>[2015]</td>
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<table>
<tr><td>Gumede, Justice Zifakazele Solomuzi</td><td>56 Ravenswood Road<br>Parklands<br>7440</td></tr>
<tr><td>Mallick, Moegamad Naashied</td><td>3 Greenway<br>Pinelands<br>Cape Town<br>7405</td></tr>
<tr><td>Jacobs, Mogamat Shafic</td><td>NO. 3 Dudgeon Road<br>Rondebosch<br>7700</td></tr>
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(bb) Names of Board Members
CIPC does not register the board members, thus they do not have such information and the information is held by the Company.
(b) (i) Date of registration
Technospect was first registered on 30/06/2008.
(b) (ii) Date of deregistration
Technospect was deregistered on 24/02/2011.
c) Reasons for deregistration
It was deregistered due to the non-filing of Annual returns and this information was published on the government gazette notice 201115.
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<td>THE NATIONAL COUNCIL OF PROVINCES<br>QUESTION FOR ORAL REPLY<br><br>209.<br><br>Attraction of international investment</td>
<td>RESPONSE:<br><br>The reports on alleged incidences of government corruption has not had an effect on international investment. The investment promotion unit at the Department of Trade and Industry currently has a healthy pipeline of potential investments worth R 31 billion for quarter two as of September 2015. Global companies such as Unilever opened their first Ice Cream factory on the African continent in South Africa taking their total investment in the country to R 4 billion in new plants and expansions. According Unilever CEO, Mr. Paul Pollman, South Africa received four plants from a shortlist of 30 potential global locations identified. Last week I</td>
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| | Mr J.W.W Julius (Gauteng: DA) to ask the Minister of Trade and Industry:<br><br>Whether the widely reported incidences of government corruption have had any observable impact on the attraction of international investment required to create the much needed jobs in South Africa as stipulated in the National Development Plan; if not, what is the position in this regard; if so, what are the relevant details?<br>CO613E<br><br>**[2015]** | visited BMW to celebrate the JD Power award of quality for best performing plant globally. BMW is now preparing to ramp up its plant for the production of a new 3 series in 2018. Similarly, Mercedes Benz, Toyota,<br><br>Samsung and others are expanding their operations in South Africa. This is a clear indication of the confidence investors have in the country. The World Economic Forum's Global Competitiveness Index 2015 (GCI) has just ranked South Africa number 49 out of 140 countries using indicators measuring factors that drive productivity and prosperity. South Africa moved up seven places from 56 as per the 2014 GCI report. |
| **16** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR ORAL REPLY**<br><br>**211.**<br><br>Mr M Khawula (KwaZulu-Natal: IFP) to ask the Minister of Trade and Industry:<br><br>(1) Whether South Africa has taken any steps to protect the SA Steel Industry against the (a) cheap imports and (b) rising costs; if not, why not; if so, what steps;<br>(2) to what extent will the impact of cheap imports of steel | **RESPONSE:**<br><br>1) **the dti** is fully cognisant of the extremely adverse conditions in the global steel market characterised mainly by significant oversupply, declining demand, increased imports and which, taken together with other domestic factors, constitute a threat to the viability of the domestic steel sector. It must be noted that underinvestment and inefficiencies by the dominant steel producer, contributed to a series of plant failures since 2004. These failures contributed to the decline in competitiveness of steel produced by the dominant steel producer. This fact contributed to the current situation which was exacerbated further by virtue of a trend in which downstream users adapted to the requirements of importing steel including with respect to import supply chains, lower prices and higher quality steel.<br><br>a) Taking into account the current steel crisis and very serious threat to the SA industry, government has taken a number of steps to develop an integrated set of both supply-side policy support and industry reform measures that would have to be adopted to achieve the objective of a sustainable steel industry in SA, inclusive of the specific needs and interests of both the dominant steel producer; the small steel producers and the downstream steel intensive manufacturing sectors. These measures are outlined below |

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| | products have on labour force in the country?<br><br>**[2015]** | The following supply side measures are being implemented to provide support and protection to the industry:<br><br>• **Trade remedy measures:** The Independent Tariff Administration Commission (ITAC) recommendation for tariff increases on galvanised and coated steel product lines have been approved. In addition, a number of other applications for tariff protection and anti-dumping duties are in the pipeline and will be given urgent consideration in the context of a set of conditions set out below and which are the subject of urgent and on-going consultation between all the stakeholders. **The dti** has indicated support for the various applications subject to independent assessment, due diligence and review by ITAC. Where applications are received and processed by ITAC for the downstream industry, the dti will consider and support such applications on their merits and with reciprocal conditions.<br><br>• **Designation /localisation** – government has indicated support for the localisation of locally produced steel for state procurement and government infrastructure spend subject to cost competitiveness and affordability. Construction/structural steel, rebar and steel conveyance pipes are being considered for designation<br><br>In this context it is important that the independence and integrity of the processes underway involving ITAC and the Competition Commission, be respected. Working within these parameters and in close collaboration with the Economic Development Department (under whose authority both institutions fall), **the dti** will ensure that supply side protective and support measures are conditional on a competitive pricing policy, increased levels of maintenance and investments, a potential rebate system that will support downstream manufacturers as well as transformation and BBBEE commitments. Announcements in this regard will be made in due course.<br><br>b) The steps taken by government to support the industry with respect to costs are the following:<br><br>• Processes have reached an advance stage to secure a competitive iron-ore advantage for local steel producers. **the dti** and DMR will define the conditions for the allocation of a mining right which if effected will provide a significant cost advantage for local steel producers. To ensure that the iron-ore price advantage does benefit the downstream users, **the dti** and EDD are negotiating a local steel price based on a basket of domestic prices in countries we compete with in steel intensive sectors subject to a minimum and cap on the margin.<br><br>• In September 2013 a Price Preference System was introduced, compelling all SA scrap dealers who wished to export scrap metal, to offer this firstly to local users at a pre-determined price less 20 percent. Export permits are only granted when ITAC is satisfied that there have been no offers from local users. Although this measure was widely supported, there have been challenges with the current system including resistance and circumvention by scrap dealers. Government is therefore examining options to introduce further measures to curtail the unencumbered export of scrap metal, cognisant of South Africa's obligations |

under the World Trade Organisation and its bi and multi-lateral trade agreements. An announcement in this regard will be made in due course.

- Due to support provided by the National Cleaner Production Centre (NCPC-SA), an initiative of government, AMSA reported savings to the value of R176 million in June 2013 due to effective management of energy use at its Saldanha plant. AMSA estimates that savings of R362 million will be realised by 2016.

(2) In keeping with a range of other countries the impact of the global steel crisis on the domestic economy, including with respect to employment retention is serious. Current market conditions coupled with other factors including ageing, uncompetitive plants have had the following impact on jobs in the primary steel industry. To date, 3 steel mills have filed Section 189 (Labour Relations Act) Notices for the partial closure of plants. These are;

- AMSA Vereeniging:
  Vereeniging melt shop and the potential closure of the forge. All the remaining rolling mills (small section, rolled profiles, pipes and tubes) will be supplied with Newcastle material; the remaining operations will be absorbed under the management of Newcastle. The potential affected people are 388 of which 264 are AMSA employees and the rest contractors. To minimise the effect AMSA will consider:
  - whether employees can be ‘re-located’ elsewhere in AMSA
  - an early retirement option
  - a voluntary separation scheme, and
  - a “training layoff” scheme if retrenchment is required.

- Highveld Steel and Vanadium
  The company is under business rescue and the plant has been put under maintenance with 1000 jobs cut. Indications from the potential new investor and the business rescue process currently under-way is that the jobs will be restored when the plant is operational.

- Cape Gate
  The company is in discussions with the unions and no official numbers of potential job losses have been reported as yet.

In summary Government is working closely with all stakeholders to secure and upgrade existing domestic steel production capacity; protect downstream steel intensive manufacturers and retain employment in order not to lose South Africa’s strategic steel capabilities, which are essential to the reindustrialisation effort.

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| **17** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR ORAL REPLY**<br><br>**222.**<br><br>Mr C.J de Beer (ANC – Northern Cape) to ask the Minister of Trade and Industry:<br><br>(a) What is the success rate of Special Economic Zones in increasing economic (i) production and (ii) investment in the provinces they are located in, and<br>(b) What is the contribution of the province they are located in? CO626E<br><br>**[2015]** | **RESPONSE:**<br><br>There is overwhelming evidence that where effectively implemented, special economic zones play a critical role in the attraction of foreign direct investment, increasing value added exports, accelerating growth and industrialisation and job creation. In the South African context, the use of special economic zones is relatively a new practice. At this stage of the evolution of SEZs in the country, we are not yet in a position to report on all key performance measures. Consequently, we are not yet in a position to report on the contribution of SEZs and SEZ enterprises to the economic output of provinces and districts.<br><br>We do have information and data on investment performance. During the ten-year period of the IDZ Programme (up to 2012) and prior to the introduction of the new SEZ incentives package; Coega attracted a total of 20 investors with a total investment of R1, 4 billion. During the same time, East London IDZ attracted 19 investors with a total investment portfolio of R1 billion.<br><br>However, since the new policy and incentives package (2 years); Coega has already attracted 8 new operational investors with total investment value of R1, 3 billion. East London IDZ has also attracted 9 new operational investors with a total of R465 million. In addition, Coega has 22 secured but not operational investments projects valued at R8, 1 billion; while East London IDZ has 5 secured but not operational investment projects valued at R141 million.<br><br>Additionally, the total investment pipeline (not yet secured but negotiations underway) in all IDZs stands a total of 100 projects with a value of R101, 6 billion broken down as follows: Coega has 4 projects with a projected value of R48, 3 billion, Dube TradePort has 12 investment projects with a projected value of R6, 2 billion, East London IDZ has 48 projects with a projected value of R22, 5 billion; Richards Bay IDZ has 9 projects with a projected value of R10, 5 billion, and Saldanha Bay has 27 investments with a projected value of R14,1 billion.<br><br>It is quite clear that the SEZs are now attracting more investments which will result in more value added exports, higher and faster growth, a more regionally diversified industrial economy, and also more and more jobs for our people. Our key challenge now is to translate the investment pipeline into operational investments.<br><br>With regard to the contribution of provinces to SEZs, provinces are expected to contribute the operational costs of SEZs while **the dti** mainly contributes infrastructure development costs (capex). |
| **18** | **THE NATIONAL COUNCIL OF PROVINCE**<br>**QUESTION FOR ORAL REPLY**<br><br>**225.** | **RESPONSE:**<br><br>(1) The SEZ Programme is an important tool of our industrial policy and when fully implemented, the programme will drive foreign and domestic investment attraction to targeted regions, support efforts to expand the manufacturing sector as a catalyst for broader industrial and economic development, regional diversification of our industrial economy and the creation of jobs.<br><br>The key policy levers of the SEZ Programme include the provision of tax and infrastructure incentives to qualifying investments in the zones, speedy and cost-effective services for investor support through the One Stop Shop. All these anchored by strong |

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| | Mr M.I. Rayi (ANC – Eastern Cape) to ask the Minister of Trade and Industry:<br><br>(1) Whether there is policy consensus around the key players needed to take part in the implementation of the Special Economic Zones (SEZ) Programme; if not, why not; if so, what are the relevant details;<br>(2) Whether the current delays in the finalisation of the SEZ regulations indicates the lack of consensus among the key players that are needed to drive and differentiate the programme; if not, what is the position in this regard; if so, what are the relevant details?<br>CO629E<br><br>**[2015]** | partnerships across national, provincial and local spheres of government in the planning, development and management of SEZs, and provision of other critical inputs.<br><br>In all these, there has been strong consensus among key players at national, provincial and local spheres, NEDLAC, the Economic MinMEC, existing operators of IDZs and others. The **dti** will continue to work with all key players to drive implementation, especially the attraction of manufacturing investments and creation of jobs. In addition, **the dti** will continue to draw lessons from practical experiences during implementation to guide continuous improvements in policy and strategy; should this be necessary.<br><br>(2) The current delays in the finalisation of the SEZ regulations have nothing to do with lack of consensus among key stakeholders. As indicated earlier, all key stakeholders are agreeing on the policy direction on the SEZ Programme. Rather, the delay is mainly due to administrative processes and requirements in relation to the procurement of external service providers to undertake the vetting of the Draft SEZ Regulations. This quality control process is now almost complete I will soon be in a position to release the SEZ regulations in order to operationalise the SEZ Act. |
| **19** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR ORAL REPLY**<br><br>**240.**<br><br>Mr E.R Makue (Gauteng: ANC) to ask the Minister of Trade and Industry:<br><br>(1) Whether the Government has considered the key factors that contributed to the decline in the manufacturing sector since 1993; | **RESPONSE:**<br><br>(1) Government has considered the factors that contributed to the contraction of the manufacturing sector over the last three decades. An analysis of these factors is set out in the National Industrial Policy Framework (NIPF); the New Growth Path (NGP) and the National Development Plan (NDP). Notwithstanding differences in emphasis, all these documents outline a range of factors which underpin this contraction and point to the centrality of the manufacturing sector, as a critical pillar of broader economic growth.<br><br>In summary these historical factors include the following. The democratic government inherited an economy characterized by deep-seated structural fault lines, many of which have stubbornly persisted, long into the democratic transition. These include the fact that the major drivers of manufacturing were energy dependent and intensive resource-processing core sectors such as Eskom (electricity); SASOL (petro-chemicals); Iscor and Columbus (steel); Telkom (telecommunications); Sappi and Mondi (Paper) and so forth. In addition, the manufacturing sector was characterized by very high levels of concentration (and therefore a lack of competition in many sectors); high levels of inter-penetrating ownership and horizontal integration from mining into |

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| | if not, why not; if so, what are the relevant details;<br>(2) whether the Government has devised any interventions to (a) expand the sector and (b) ensure that it continues to (i) contribute to the economy and (ii) assist the nation to achieve its objectives of economic expansion and transformation; if not, why not; if so, what are the relevant details? CO644E<br><br>**[2015]** | manufacturing and finance and high levels of protection and import substitution, occasioned by the isolation of the apartheid state. By the 1980's privatization, corporate restructuring and financialisation occurred, often at the expense of maintaining the production and manufacturing base of the economy, including and especially with respect to investment, which should have contributed to the diversification of the manufacturing base of the economy (away from energy intensive processing sectors) and to raise competitiveness and export readiness. Capital flight, poorly designed industrial policies such as the Bantustan decentralisation model; an education, skills and labour market system which were based on apartheid exclusion; very high levels of unemployment, inequality and exclusion – all these and other factors contributed to and served to deepen the structural problems of the economy in the period leading up to the democratic transition.<br><br>In the initial 'post-apartheid period' and under prevailing circumstances a range of other factors also contributed. These were inclusive of off-shore listings and the unbundling of diversified conglomerates; widespread trade-liberalisation; 'narrow' industrial policies; privatization especially in the steel sector and weak regulatory mechanisms with respect to utility and private sector input costs. These interventions were not able to sufficiently address the structural fault – lines of the economy as set out above. Furthermore, the impact of these factors was heightened by low levels of infrastructure investment, (especially with respect to economic infrastructure such as the rail and port system) and low levels of investment in the production sectors of the economy (Agriculture, Mining and Manufacturing). In turn these and other factors gave rise to a consumption driven, credit and import import-intensive growth path in which the financial sector has grown at twice the rate of the production sectors of the economy.<br><br>In addition, in conditions of a global commodity boom, portfolio flows linked to high mineral prices and 'hot money' flows linked to high relative interest rates, South Africa's macro-economic policy was unable to address the challenge of a volatile currency which has been both under and over-valued with consequences for investment and exports. Other serious constraints include sharply escalating and bunched up electricity prices and supply constraints; the high cost and inefficiencies in the freight rail and ports systems; ongoing high 'private sector' input costs such as steel and plastics and skills mismatches and shortages.<br><br>These and other factors were exacerbated from 2008 onwards by a massive external shock in the form of the global financial crisis and great economic recession; which followed This resulted amongst others, in sharply weakened demand from traditional markets. The effects of the great recession have continued to impact the economy in 'waves' – the latest being very soft demand and low prices for commodities and overproduction and decreased demand in the global economy, leading in the case of the global steel glut to serious consequences for the domestic economy.<br><br>(2) The interventions by government to reverse the contraction of the manufacturing sector and re-industrialise the country have been set out in detail in seven successive iterations of the Industrial Policy Action Plan (IPAP).<br><br>These focus on the need to bring about significant structural change in the economy, reverse the threat of deindustrialisation and strengthen and diversify the manufacturing base - especially in value-adding, labour-intensive and strategic 'spill-over' sectors. |

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| | | Interventions are predicated on the state supporting, nurturing and defending industrial development in a manner where the state largely 'steers but does not row'<br><br>Thus successive IPAP documents set out a range of cross-cutting inter-locking and mutually supportive policy interventions. These include the following policies and supportive programmes:<br><br>competition; industrial financing and incentives; procurement; technical infrastructure (Standards, Quality Assurance and Metrology); developmental trade; demand side skills; innovation and technology; special economic zones; regional industrial integration and so forth. All these are predicated on stronger developmental conditionality's and reciprocal obligations from beneficiaries of state support in areas such as competitiveness upgrading, employment retention and creation, investment, export support and so forth.<br><br>In addition, a wide range of programmes across the key sectors of the economy set out sector specific policies to support industrialisation and competitiveness in these sectors. Two prominent examples of this are in the automotive and clothing, textile, leather and footwear sectors where industrial policies have registered significant success.<br><br>In summary it is clear that where industrial policies are the subject of robust research and design; intensive stakeholder engagement and collaboration and are adequately resourced, they have achieved significant positive impacts. Policy coherence and programme alignment across government will continue to be critical success factors in the long-haul process that is required to achieve re-industrialisation, in the face of continued turbulence and headwinds in the global economy. |
| **20** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR ORAL REPLY**<br><br>**245.**<br><br>Extension of company registration services<br><br>Dr Y.C Vawda (Mpumalanga: EFF) to ask the Minister of Trade and Industry:<br><br>What action is he taking to extend company registration | **RESPONSE:**<br><br>**According to the response received from the CIPC:**<br>The action taken to extend CIPC services to Thohoyandou and other towns as an example is part of its access strategy. The CIPC will be embarking on a process of rolling out our self-service technology to all corners of SA.<br><br>Interested third parties who provide registration services in all provinces will have to register for the service and will have to verify themselves through fingerprint scanning which positively identifies individuals using the technology. This process will enable CIPC to have a record of all users of its systems and they will then be able to provide registration services as per the terms and conditions of CIPC system usage.<br><br>In this way the registration services of the CIPC will be made available in a simplified and faster service delivery manner, by empowering individuals throughout SA to utilize these services. |

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| | services to areas such as Thohoyandou, Musina, Mutale, Makhado, Bethulie, Beversfontein, Mmabatho, Keiskammahoek, Gatyana and other rural areas? CO649E<br><br>**[2015]** | The CIPC is also partnering with Transnet via its business hubs as well as chambers of commerce in the various provinces to roll out its services. To date, registration services have been rolled out in Pretoria, Johannesburg, Cape Town and Saldanha. Later this year, East London, Durban, Polokwane and De Aar will come on board.<br>Through this partnership strategy, the CIPC will continue to rollout self-service registration service throughout the country in a phased approach.<br><br>The CIPC has also partnered with Banks in that Business bank opening can be combined with the registration of a company to provide a one stop shop service.<br><br>Current banks that are using the service is FNB and Standard Bank. ABSA and NEDBANK are in the final stages of coming on board.<br><br>This therefore gives the CIPC a further access channel and footprint throughout SA as the banking branches now provide Company registration services as well, without extra costs being incurred.<br><br>A work programme of action of Provinces and a plan of launching in Provinces and its rural areas will be provided in due course. |
| **21** | **THE NATIONAL COUNCIL OF PROVNCES**<br>**QUESTION FOR ORAL REPLY**<br><br>**223.**<br><br>Mr C.J de Beer (Northern Cape: ANC) to ask the Minister of Trade and Industry:<br><br>1) Whether his department has taken any actions to promote industrialisation in the municipalities and provinces; if not, why not; if so, what actions;<br>2) what other (i) programmes and (ii) incentives are in place to draw investments to municipalities and provinces? CO627E<br>**[2015]** | **RESPONSE:**<br><br>1) **the dti** works closely with Provincial Departments as well as the Municipalities to implement various sector development programmes to enhance competitiveness, promote export development and attract investment across all priority sectors of the Industrial Policy Action Plan.<br><br>2) The Special Economic Zones (SEZ) programme and the Critical infrastructure programme aim to support development of economic infrastructure in collaboration with provincial departments and municipalities. The Special Economic Zones (SEZ) programme specifically promotes balanced regional industrial growth by fostering the development of more competitive and productive regional economies in South Africa. The SEZ fund that is administered by **the dti** supports investment in value-added and export-oriented manufacturing industries and services in the economic zones. Through the Critical Infrastructure programme in particular, **the dti** supports infrastructure development in distressed municipalities and revitalisation of government owned industrial parks. |

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| **22** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**484.**<br><br>Mr C.J de Beer (ANC – Northern Cape) to ask the Minister of Trade and Industry [*222]<br><br>(a) What is the success rate of Special Economic Zones in increasing economic (i) production and (ii) investment in the provinces they are located in, and<br>(b) What is the contribution of the province they are located in? CO626E<br><br>**[2015]** | **RESPONSE:**<br><br>There is overwhelming evidence that where effectively implemented, special economic zones play a critical role in the attraction of foreign direct investment, increasing value added exports, accelerating growth and industrialisation and job creation. In the South African context, the use of special economic zones is relatively a new practice. At this stage of the evolution of SEZs in the country, we are not yet in a position to report on all key performance measures. Consequently, we are not yet in a position to report on the contribution of SEZs and SEZ enterprises to the economic output of provinces and districts.<br>We do have information and data on investment performance. During the ten-year period of the IDZ Programme (up to 2012) and prior to the introduction of the new SEZ incentives package; Coega attracted a total of 20 investors with a total investment of R1, 4 billion. During the same time, East London IDZ attracted 19 investors with a total investment portfolio of R1 billion.<br><br>However, since the new policy and incentives package (2 years); Coega has already attracted 8 new operational investors with total investment value of R1, 3 billion. East London IDZ has also attracted 9 new operational investors with a total of R465 million. In addition, Coega has 22 secured but not operational investments projects valued at R8, 1 billion; while East London IDZ has 5 secured but not operational investment projects valued at R141 million.<br><br>Additionally, the total investment pipeline (not yet secured but negotiations underway) in all IDZs stands a total of 100 projects with a value of R101, 6 billion broken down as follows: Coega has 4 projects with a projected value of R48, 3 billion, Dube TradePort has 12 investment projects with a projected value of R6, 2 billion, East London IDZ has 48 projects with a projected value of R22, 5 billion; Richards Bay IDZ has 9 projects with a projected value of R10, 5 billion, and Saldanha Bay has 27 investments with a projected value of R14,1 billion.<br><br>It is quite clear that the SEZs are now attracting more investments which will result in more value added exports, higher and faster growth, a more regionally diversified industrial economy, and also more and more jobs for our people. Our key challenge now is to translate the investment pipeline into operational investments.<br><br>With regard to the contribution of provinces to SEZs, provinces are expected to contribute the operational costs of SEZs while **the dti** mainly contributes infrastructure development costs (capex). |

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| **23** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**485.**<br><br>Mr M.I. Rayi (ANC – Eastern Cape) to ask the Minister of Trade and Industry: [*224]<br><br>What lessons have been learnt from the operations of the existing Industrial Development Zones that will inform a robust business model which will take into account the extent and variation of economic development from province to province (details furnished)?<br>CO628E<br><br>**[2015]** | **RESPONSE:**<br><br>Before the introduction of the SEZ Programme to replace the IDZ Programme, only 4 IDZs were designated between 1998 and 2012 (Coega, East London, OR Tambo International, and Richards Bay). However, OR Tambo International IDZ was never operational. The review of the IDZ Programme which included identifying best practice from other parts of the world produced a wealth of lessons for **the dti** with respect to the planning, development, operations and management of special economic zones. The key lessons in relation to the operations and management of IDZs include the following:<br><br>(1) The importance of a competitive incentives package that enables local zones to compete with zones in other jurisdictions. One of the reasons for the modest performance of IDZs before the introduction of the SEZ Programme was just this lack of a competitive incentives package.<br><br>(2) Strong political and technical leadership is critical to ensure that zone operators can manoeuvre through the twists and turns of the global investment environment, while creating enabling conditions to targeted investors and industries.<br>(3) Unflinching focus on the core business of the IDZs/SEZs to avoid distractions. The core business of IDZ or SEZ operators is the attraction of investments and provision of investor support services such as infrastructure development, and other services. When other critical inputs that are not the responsibility of the IDZ operators are required (and there will always be many of these requirements); the relevant agencies have to be robed in to provide those inputs. For example, incubators can support the IDZ in strengthening linkages between key investors and SMEs in the host regions. But the management of incubation services is not the function of the SEZ/IDZ operators. Relevant agencies must undertake this function. The IDZ operators cannot and should not take over the functions of other development agencies.<br><br>The role of SEZ operators are the same across all provinces. The only differences relate to the sectoral focus and regional conditions in which development takes place. It is therefore important to develop a strong collaboration between national, provincial and local agencies so that their efforts are synergised and coordinated. |
| **24** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR ORAL REPLY**<br><br>**168.**<br><br>Industrial Policy Action Plan: incentive packages<br><br>Mr B.G Nthebe (North West: ANC) to ask the Minister of Trade and Industry: | **RESPONSE:**<br><br>The 12I tax allowance and the recently launched MCEP loan facility are available to support sectors prioritised in the IPAP. In addition, we are now shifting the point of focus towards the kinds of sector specific incentives whose success has been clearly demonstrated in the Automotive, Clothing **the dti** and Textile, Aquaculture, Film Productions and Business Process Service Sectors. Work is currently underway to finalise an Agro processing Incentive Programme to stimulate employment creation and retention, investment and supplier development. This programme will be announced once funding is secured through the Medium Term Budget Process. |

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| | (a) What incentive packages will be offered to other sectors prioritised in the Industrial Policy Action Plan, especially the agro-industrial sector (details furnished) and (b) what are the time frames for such incentives?<br><br>**[2016]** | |
| **25** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR ORAL REPLY**<br><br>**179.**<br><br>Support for 100 Black industrialists<br><br>Mr J.J Londt (Western Cape: DA) to ask the Minister of Trade and Industry:<br><br>(a) How many applications were (i) received and (ii) approved for the support of 100 Black industrialists targeted for support by his department, (b) how much has been budgeted for this initiative and (c) how many job opportunities have been created since this initiative started? CO441E<br><br>**[2016]** | **RESPONSE:**<br><br>The department set a target of 100 Black Industrialists for the Medium Term Expenditure framework period. 22 Black Industrialists with projects that will create approximately 1000 jobs have been approved for support. The response to the Black Industrialist policy is overwhelming. The department has received 270 applications of which 130 are currently being processed between the department and the DFIs. 80 applications are currently with applicants for additional information. 14 have been rejected for non-compliance with the Black Industrialist Policy. The Black Industrialist programme is a cooperative programme between **the dti** and the Development Finance Institutions. So far over R23billion has been set aside for this programme. |

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| **26** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR ORAL REPLY**<br><br>**191.**<br><br>Black industrialist funding programme<br><br>Ms T J Mokwele (North West: EFF) to ask the Minister of Trade and Industry:<br><br>(a) How many applications for the black industrialist funding programme were rejected as a result of fronting, (b) what are the names of the companies whose applications were rejected and (c) what actions has he taken against these companies to ensure that they do not continue fronting?<br>CO455E<br><br>**[2016]** | **RESPONSE:**<br><br>A number of applications were referred back for additional information including ascertaining black ownership as per the B-BBEE Act. The B-BBEE commission has been enlisted to assist with verification of black ownership and operational control particularly on complex ownership structures. |
| **27** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR ORAL REPLY**<br><br>**178.**<br><br>Mr J.J Londt (Western Cape: DA) to ask the Minister of Trade and Industry: | **RESPONSE:**<br><br>**the dti**, through ITED, has had engagements with the British High Commission on trade negotiations with the UK. Discussions have emphasized the need to negotiate a trade agreement with the UK that will build on the Economic Partnership Agreement (EPA) in order to limit disruption in SA's market access into the UK. This is the principle that has and continues to be communicated so as to already define the scope for our discussions. Minister Davies is also due to meet with the British High Commissioner in order to further emphasize the point.<br><br>In addition, the South African High Commission in London has also engaged the Foreign & Commonwealth Office and the Department of International Trade. The SA high Commission will pursue further meetings with officials in Foreign & |

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| | Whether, with reference to the decision by the United Kingdom (UK) to leave the European Union, his department has taken any steps to ensure that South Africa is the leading country in Africa regarding trade negotiations with the UK; if not, why not; if so, what are the relevant details?<br>CO440E<br><br>**[2016]** | Commonwealth Office and Department of International Trade to ensure SA is prioritized for negotiations and to remain abreast of developments surrounding Brexit.<br><br>Negotiations with the UK will be undertaken through the Southern Africa Customs Union (SACU) in order to preserve the common external tariff.<br><br>It should be noted that the UK has not yet submitted the Article 50 notice that will trigger their exit from the European Union and that the UK can't start negotiating trade agreements with third parties before this is done.<br><br>There are therefore ongoing discussions with the UK in this regard. |
| **28** | THE NATIONAL COUNCIL OF PROVINCES<br>QUESTION FOR WRITTEN REPLY<br><br>**311.**<br><br>Questions for oral reply transferred for written reply in terms of Rule 246(4):<br><br>Mr J.M Mthethwa (KwaZulu-Natal: ANC) to ask the Minister of Trade and Industry:<br><br>Whether he will provide details on the (a) interventions and (b) investments that have been made at the Highveld Steel in Mpumalanga; if not, why not; if so, what are the relevant details?<br><br>**[2017]** | **RESPONSE:**<br><br>Highveld Steel was placed under Business Rescue in 2016. The business rescue process falls under the Economic Development department (EDD) and is managed through the Industrial Development Corporation. (IDC). Therefore, questions related to Highveld Steel and the business rescue process should be directed to the Economic Development Department. |

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| **29** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR ORAL REPLY**<br><br>**312.**<br><br>Questions for oral reply transferred for written reply in terms of Rule 246(4):<br><br>Mr S.G Mthimunye (Mpumalanga: ANC) to ask the Minister of Trade and Industry:<br><br>(1) What are the reasons for the (a) closure and (b) relocation of factories at Ekandustria in the recent past;<br>(2) whether any plans are in place to curb the closures and relocations in order to save jobs; if not, why not; if so, what plans? CO433E<br><br>**[2017]** | **RESPONSE:**<br><br>(1) The reason for closure and relocation of factories at Ekandustria can be attributed to various factors including economic conditions influenced by global economic pressures. The infrastructure of the industrial park has also deteriorated over time and other factors that comprise inadequate security features including poor lighting, open and uncontrolled access as well as poor governance structures, poor state of infrastructure such as the internal roads, electricity and water hamper productivity.<br><br>Unlike in the past there are currently no incentives to attract and keep investors in the industrial parks. These factors coupled with recent labour unrest experienced at Ekandustria has resulted in interrupted business and has had a negative impact on the factories in the Industrial Park. Some of the companies have chosen to consolidate and relocate closer to their suppliers and to bigger markets so as to reduce the costs of doing business while others have recognised the current revitalization underway and opted to remain.<br><br>(2) **the dti** is currently working on improving the enabling environment in the Industrial Parks and as such has developed a structured programme for the revitalization of industrial parks. The programme focuses on both the physical infrastructure and other support requirements of the Industrial Parks. Ekandustria is currently undergoing revitalization that includes Security Upgrades including fencing, installation of gates and guard houses, replacement of roofs of existing buildings and the refurbishment of the Waste Water Treatment Plant.<br><br>The main objective of the Program is to create favourable conditions for the Companies to operate in the parks thus attracting inward investments and creating jobs. The current work covers the first phase of revitalization. Further revitalization will include completion of the replacement of roofs, electrical repairs, the installation of high mast lights and the installation and repair water infrastructure.<br><br>**the dti** is also developing Standard Operating Procedures to support the management of the Industrial Park to adopt international best practices. |
| **30** | **NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR ORAL REPLY**<br><br>**324.**<br><br>Questions for oral reply transferred for written reply in terms of Rule 246(4): | **RESPONSE:**<br><br>The Energy and Metallurgical Zone within the Musina-Makhado SEZ is a major industrial development initiative that comprise at least 8 major industrial plans and the capacity to create over 21 000 jobs in the region. Most of these jobs are technical and artisanal in nature and as such, most people to be employed in this initiative would need to have such critical skills. While there is no quota established for workers from the local communities; the key stakeholders in the Musina-Makhado SEZ are working together to ensure that the communities around Musina-Makhado benefit the most from these initiative. Accordingly, education, training and skills development is a major priority for the SEZ support system in this region. |

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| | Ms B.T Mathevula (Limpopo: EFF) to ask the Minister of Trade and Industry:<br><br>Whether there is any agreement to ensure that a certain percentage of the 21 000 jobs that will be created as an outcome of the agreement between a certain company (name furnished) and the Limpopo Economic Development Agency which allows the said company to operate in the Musina-Makhado Special Economic Zone will be allocated to the residents of the Musina and Makhado areas; if not, what is the position in this regard; if so, (a) what percentage and (b) what are the further relevant details?<br>CO448E<br><br>**[2017]** | |
| **31** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR ORAL REPLY**<br><br>**308.**<br><br>Mr M.I Rayi (Eastern Cape: ANC) to ask the Minister of Trade and Industry:<br><br>Whether any measures are in place to ensure that his | **RESPONSE:**<br><br>The incentives provided by the department are an instrument of Industrial Policy not political patronage. They are intended to support investments in sectors prioritised in the Industrial Policy Action Plan. Requirements and qualification criteria are published on the dti's website to ensure fair access to information by all prospective investors. Political affiliation plays no role in this determination, hence none of the dti application forms, require an investor to disclose such.<br><br>The strength of any business case submitted to **the dti** is evaluated on the basis of the projected outcomes and intentions with the main focus on:<br>• Investment<br>• job creation<br>• transformation |

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| | departmental (a) funding, (b) incentives and (c) business support are provided to beneficiaries regardless of any political party affiliation; if not, why not, if so, (i) what measures and (ii) what are the relevant details?<br>CO429E<br><br>**[2017]** | • export promotion and competitiveness of the relevant incentive programme. |
| **32** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR ORAL REPLY**<br><br>**309.**<br><br>Ms M.C Dikgale (Limpopo: ANC) to ask the Minister of Trade and Industry:<br><br>(a) What is the effectiveness of the Industrial Policy Action Plan (IPAP) and (b) to what extent is the IPAP contributing towards Gross Domestic Product?<br><br>**[2017]** | **RESPONSE:**<br><br>**the dti** is one of the key Departments responsible for developing the Manufacturing sector. This is done with the support of a number of other Departments such as Economic Development, National Treasury, Small Business Development, Mineral Resources, Agriculture Forestry and Fisheries, and Rural Development and Land Reform.<br><br>Collectively, these Departments oversee implementation of Government's key economic interventions. One such intervention is IPAP, which is also a critical component of the 9-Point Plan.<br><br>It is very difficult to precisely calculate the effectiveness of an intervention such as IPAP, as it encompasses such a vast and wide-ranging economic terrain.<br><br>In addition, the terrain is dynamic and IPAP has had to adjust, and respond to changes in the global economic environment.<br><br>Notwithstanding these difficulties, we can point to a number of IPAP interventions, which suggest the magnitude of IPAP impact.<br>1. The Auto sector contains to see investment levels at record high; as Industry expects investment to reach R8.2bn in 2017.<br><br>In 2016, auto exports exceeded R177bn for the first time.<br>It is widely accepted that the success of the SA Auto sector is due to **the dti**'s provision of an appropriate incentive, and regulatory regime which encourages investment and growth of the sector.<br>By comparison, Australia's auto sector which a decade or two ago was much bigger than the SA sector, has just seen its last auto manufacturer close down for good.<br><br>2. In Clothing and Textiles, the dti has arrested the decline of the sector.<br>Through careful provision of both financial and non-financial support has assisted the sector to turnaround. |

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| | | It is important to highlight that when the DA was advising the Government to allow this “grandfather” sector to die, this Administration chose to intervene to save over 70,000 jobs. Additionally, 9000 new jobs were created.<br><br>3. In Agro-processing, the provision of Manufacturing Competitiveness Enhancement Programme (MCEP) has assisted, the sector to weather the impact of the Global Financial Crisis, and the sector has begun growing exports rapidly.<br>In 2016, the sector exported goods valued at over USD800m (Source: Agribusiness Chamber).<br>There are many other such examples in the:<br>• Metals sector<br>• Film<br>• Business Process Services<br>• Chemicals and others<br><br>The impact of interventions such as IPAP cannot be measured; only in terms of the contribution to GDP, jobs and exports.<br>Rather, IPAP is responsible for protecting, deepening and transforming a range of value-chains.<br>Some of which start in Mining, Agriculture and Services, but at some point have a Manufacturing dimension.<br>It is the deepening industrialization activities, the sustained creation of decent jobs, the improvement in employees’ skills and expertise, transformation of the sector, and continued growth of entire value-chains that represent the impact of IPAP on the South African economy. |
| **33** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR ORAL REPLY**<br><br>**310.**<br><br>Mr S.G Mthimunye (Mpumalanga: ANC) to ask the Minister of Trade and Industry:<br><br>Whether his department will consider initiating (a) planning and (b) developing a Special Economic Zone in the former KwaNdebele area of | **RESPONSE:**<br><br>Since the introduction of the SEZ Policy in 2013 and the SEZ Act No 16 of 2014; **the DTI** has worked with provinces and the Economic MinMEC to identify, plan and develop the new SEZ initiatives across the country.<br><br>The Economic MinMEC appreciated that while there are many regions across the country that could benefit from the SEZ Programme; the country does not have the resources and capacity to plan and develop many SEZs at a go.<br><br>Provinces then had to prioritize their regions for SEZ development.<br><br>In total, 10 SEZ initiatives were agreed to, but subject to feasibility and viability studies.<br><br>In the original list of proposals for new SEZs in Mpumalanga, the province had identified Nkomazi, Middleburg, Secunda and Bushbuckridge for SEZ development. |

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| | Mpumalanga (details furnished) in order to (i) mitigate economic distress of this former Bantustan and (ii) create black industrialist; if not, why not; if so, what are the relevant details?<br>CO431E<br><br>**[2017]** | Because of the capacity issues alluded to above, and the understanding on prioritization, Mpumalanga province had then preferred Nkomazi for development.<br><br>Currently **the dti** is still working with National Treasury to assess resource implications of the SEZ Programme, and then further determine the most appropriate way-forward with respect to 2nd round of SEZ roll-out.<br><br>Any other consideration to add on the agreed 10, will be dependent on the economic viability assessment as well as the availability resources for a 2nd round of SEZ initiatives.<br><br>Four of the 10 SEZ initiatives have passed the viability test. Next in line is Nkomazi and Rustenburg. |
| **34** | **THE COUNCIL OF PROVINCES QUESTION FOR ORAL REPLY**<br><br>**311.**<br><br>Mr J M Mthethwa (KwaZulu-Natal: ANC) to ask the Minister of Trade and Industry:<br><br>Whether he will provide details on the (a) interventions and (b) investments that have been made at the Highveld Steel in Mpumalanga; if not, why not; if so, what are the relevant details?<br><br>**[2017]** | **RESPONSE:**<br><br>Highveld Steel was placed under Business Rescue in 2016. The business rescue process falls under the Economic Development department (EDD) and is managed through the Industrial Development Corporation. (IDC). Therefore, questions related to Highveld Steel and the business rescue process should be directed to the Economic Development Department. |

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| **35** | **NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR ORAL REPLY**<br><br>**314.**<br><br>Mr J.J Londt (Western Cape: DA) to ask the Minister of Trade and Industry:<br><br>Whether his department has taken any steps to prevent job losses as a result of the scaling down of operations at the wind turbine factory which was set up by a certain company (name furnished) in the Atlantis Special Economic Zone (SEZ) that is emanating from his department's alleged delay in signing the SEZ declaration; if not, why not; if so, what steps?<br>CO438E<br><br>**[2017]** | **RESPONSE:**<br><br>**the dti** has noted with sadness the loss of jobs due to the scaling down of operations at a wind turbine factory, within the proposed Atlantis GreenTech SEZ.<br><br>Such job losses lead to untold suffering by workers, their families and communities.<br><br>The scaling down of operations, at the wind turbine factory in the proposed Atlantis GreenTech SEZ, was not due to any delay in designating or gazetting the proposed Atlantis GreenTech SEZ.<br><br>The **dti** did not in any way seek to deliberately or unduly delay the designation and gazetting of the Atlantis SEZ.<br><br>The delay in finalizing the application for designating the Atlantis SEZ was mainly due to a misunderstanding of some of the requirements for SEZ designation as outlined in the SEZ Act.<br><br>The following are some of the areas where there was non-compliance with the requirements of the SEZ Act:<br><br>(i) Land to be designated:<br>• The applicant wanted the entire Atlantis Industrial Area designated as an SEZ.<br>• Some of the land and properties in this industrial area belonged to various private property owners.<br>• Such a proposal was thus not workable, but it took time to resolve this issue with the applicant.<br>(ii) Land control:<br><br>• The original proposal was that the City of Cape Town would have control over the SEZ land, and thus make decisions about the use of the SEZ outside of the SEZ Entity established to manage the SEZ.<br><br>This was not compliant with the SEZ Act.<br><br>(iii) Financial model for SEZ operations:<br>• There was no proper financial model for the proposed zone as required by the SEZ Act.<br>• It took time to work out a proper financial model for consideration by the SEZ Advisory Board.<br><br>(iv) Institutional and governance framework:<br>• There was no clear governance and institutional framework for the SEZ.<br><br>(v) Clear investment pipeline and letters of commitment: |

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| | | • While the Atlantis SEZ now has a solid investment pipeline, it was not so in the beginning and thus the viability of the SEZ was difficult to test.<br><br>All these factors show that **the dti** never had any intention of stalling or hindering the designation of Atlantis SEZ.<br><br>There were purely technical factors that had to be attended to, before the finalization of the designation process.<br><br>At this stage, the Atlantis SEZ has been gazetted for public comments before final designation.<br><br>Public comments are now being consolidated and recommendations will soon be forwarded to the Minister for consideration before a determination for designation is made. |
| **36** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR ORAL REPLY**<br><br>**326.**<br><br>Mr M Khawula (KwaZulu-Natal: IFP) to ask the Minister of Trade and Industry:<br><br>Which sectors of the economy have (i) grown and (ii) declined in the last two quarters of 2017 and (b) how has such growth or decline affected the job market? CO450E<br><br>**[2017]** | **RESPONSE:**<br><br>According to StatsSA data, sectors that grew (+) and declined (-) in the first (January to March) and second quarters (April to June) of 2017, are as follows.<br><br>**Sectors that grew in both quarters**<br><br>- Agriculture, forestry and fishing grew by 23.1% in Q1 and 33.6% in Q2);<br>- Mining and quarrying increased by 13.1% in Q1 and 3.9% in Q2);<br><br>**Sectors that declined in the first quarter but increased in the second quarter**<br><br>- Electricity, gas and water declined 4.8% in Q1 and increased by 8.8% in Q2);<br><br>- Finance, real estate and business services declined by 1.2% in Q1 and increased by 2.5% in Q2<br><br>- Transport, storage, and communication declined by 1.6% in Q1 and increased by 2.2% in Q2<br><br>- Manufacturing declined 3.7% in Q1 and increased 1.5% in Q2;<br><br>- Personal services declined by 0.1% in Q1 and increased by 1.1% in Q2;<br><br>- Trade, catering and accommodation declined by 5.9% in Q1 and increased by 0.6% in Q2;<br><br>**Sectors that declined in both quarters.** |

- Construction declined by 0.8% in Q1 and by 0.5% in Q2
- General government services declined by 0.7% in Q1 and 0.6% in Q2.

**B: HOW THE JOB MARKET WAS AFFECTED**

**According to the Quarterly Labour Force Survey**

The job market was affected in the following way, according to sectors:
**Sectors where employment increased in both quarters**

- Electricity, gas, water supply increased by 10.8% in Q1 and by 1.6% in Q2;
- Finance, real estate and business services (+2.1% in Q1 and +0.7% in Q2);
- Manufacturing increased by 3.6% in Q1 and 0.5% in Q2

**Where employment increase in Q1 and decline in Q2**

- Mining and quarrying increased by 6.1% in Q1 and declined by 2.9% in Q2
- Transport, storage, and communication increased by 0.3% in Q1 and declined by 1% in Q2;
- Construction increased by 1.5% in Q1 and declined by 7.3% in Q2);

**Where employment declined in the first quarter but increased in the second quarter**

- Trade declined by 0.5% in Q1 and increased by 1.8% in Q2);

**Where Employment declined in both quarters**

- Agriculture, hunting, forestry, and fishing declined by 4.8% in Q1 and 4.6% in Q2);
- Community, social and personal services declined by 0.1% in Q1 and 0.3% in Q2).

It is important to note that the relationship between economic growth and the labour market is complex.

The current challenge for South Africa is to create appropriate conditions for a more inclusive growth-path which sustainably reduces unemployment, poverty and inequality.

This can be achieved through intensive implementation of the National Development Plan and the Industrial Policy Action Plan.

In 2015, Government introduced the 9-Point Plan (9-PP) to ignite economic growth and create decent employment.

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| | | The 9-PP was introduced to mitigate the impact of the worsening global economic outlook, the widespread electricity shortages, and the impact of 2 and prolonged labour strikes (affecting the platinum mining and metal & engineering workers).<br><br>Significant progress has been made since the 9-PP was introduced.<br><br>a) The 9-PP has delivered a stable electricity supply and a growing reserve margin.<br>b) Through the work of the Nedlac Task Team, labour stability has risen substantially and social partners are finalising a national minimum wage, which will contribute to reducing poverty, by working towards eliminating 'starvation wages'.<br>c) Government has developed the concept of the Investment One-Stop-Shop to reduce the red-tape that investors face.<br><br>The President of the Republic of South Africa launched the national One-Stop-Shop at **the dti**'s Pretoria Campus and a few weeks ago launched the Western Cape Provincial One-Stop-Shop.<br><br>d) Government's decisive actions through the Industrial Policy Action Plan (IPAP) have had major impact interventions on sectors such as Autos and Clothing & Textiles.<br><br>Investment in the Auto sector remains at record levels while the Clothing & Textile sector has been stabilised, thereby retaining about 70,000 jobs and creating over 9,000 new jobs.<br><br>e) Good progress is being made in implementing the Agri-Parks programme and already, 11 Agri-Parks are at different stages of development, some are already operational and others are under construction.<br>f) We are making substantial progress with rolling-out the Black Industrialists programme.<br><br>We have supported 62 Black Industrialists, thereby unlocking over R4bn in investment and creating approximately 20,000 new direct and indirect jobs. |
| **37** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR ORAL REPLY**<br><br>**323.**<br><br>Dr Y.C Vawda (Mpumalanga: EFF) to ask the Minister of Trade and Industry:<br><br>What is the status of the rescue plan which was developed by the | **RESPONSE:**<br><br>The Department of Agriculture, Forestry and Fisheries is entrusted with looking at the rescue of the South African poultry industry.<br><br>In this regard, the dti is entrusted with the Development of Industry Specific Export Strategy.<br><br>The Agro-processing sector desk is working with TISA on developing a strategy. Poultry producers have been invited to participation in TISA led missions.<br><br>The Poultry Task Team is comprised of representatives from government, business and labour; and was established to address a wide range of complex problems in the domestic poultry industry. |

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| | inter-departmental task team that was set up by him in order to rescue the South African poultry industry?<br>CO447E<br><br>**[2017]** | The Task team has identified several work streams, for work to be undertaken over the short and long term, to address the wide range of issues affecting the poultry sector.<br><br>Steady progress has been registered.<br><br>Achievements to date include a 13.9% safeguard duty on imported products.<br><br>Work to investigate a further safeguard measure is being undertaken by ITAC in keeping with the due process requirements which apply to trade measures.<br>The Department of Trade and Industry launched a R1 billion agro-processing incentive to boost domestic investment including in the agro-processing value chain.<br><br>Procurement legislation has been used to raise aggregate domestic demand for poultry products, and an Instruction Note has been sent out by the National Treasury, instructing all state procurement agencies to use regulation 9 (4) of the amended regulations of the Preferential Procurement Policy Framework Act to procure locally produced poultry products.<br><br>On-going work related to the outbreak of avian influenza in Southern Africa, and sanitary and phyto-sanitary measures is a being undertaken by the Department of Agriculture, Forestry and Fisheries (DAFF).<br><br>Work to identify new investment opportunities for parts of the poultry value chain is being undertaken by the Department of Economic Development through the Industrial Development Corporation (IDC).<br><br>Announcements in this regard will be made in due course.<br><br>Finally, work is underway to increase South Africa's capacity to export poultry products to traditional and new export destinations, and to raise aggregate domestic demand.<br><br>This work is also being undertaken with the private sector and a progress report will be given in due course. |
| **38** | **THE NATIONAL COUNCIL OF PROVINCES<br>QUESTION FOR WRITTEN REPLY**<br><br>**239.** | **RESPONSE:**<br><br>Highveld Steel was placed under Business Rescue in 2016. The business rescue process falls under the Economic Development department (EDD) and is managed through the Industrial Development Corporation. (IDC). Therefore, questions related to Highveld Steel and the business rescue process should be directed to the Economic Development Department. |

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| | Mr J.M Mthethwa (KwaZulu-Natal: ANC) to ask the Minister of Trade and Industry: [*311] Whether he will provide details on the (a) interventions and (b) investments that have been made at the Highveld Steel in Mpumalanga; if not, why not; if so, what are the relevant details?<br><br>**[2017]** | |
| **39** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**240.**<br><br>Mr S.G Mthimunye (Mpumalanga: ANC) to ask the Minister of Trade and Industry: [*312]<br><br>(1) What are the reasons for the (a) closure and (b) relocation of factories at Ekandustria in the recent past;<br>(2) whether any plans are in place to curb the closures and relocations in order to save jobs; if not, why not; if so, what plans? CO433E<br><br>**[2017]** | **RESPONSE:**<br><br>(1) The reason for closure and relocation of factories at Ekandustria can be attributed to various factors including economic conditions influenced by global economic pressures. The infrastructure of the industrial park has also deteriorated over time and other factors that comprise inadequate security features including poor lighting, open and uncontrolled access as well as poor governance structures, poor state of infrastructure such as the internal roads, electricity and water hamper productivity.<br><br>Unlike in the past there are currently no incentives to attract and keep investors in the industrial parks. These factors coupled with recent labour unrest experienced at Ekandustria has resulted in interrupted business and has had a negative impact on the factories in the Industrial Park. Some of the companies have chosen to consolidate and relocate closer to their suppliers and to bigger markets so as to reduce the costs of doing business while others have recognised the current revitalization underway and opted to remain.<br><br>(2) **the dti** is currently working on improving the enabling environment in the Industrial Parks and as such has developed a structured programme for the revitalization of industrial parks. The programme focuses on both the physical infrastructure and other support requirements of the Industrial Parks. Ekandustria is currently undergoing revitalization that includes Security Upgrades including fencing, installation of gates and guard houses, replacement of roofs of existing buildings and the refurbishment of the Waste Water Treatment Plant.<br><br>The main objective of the Program is to create favourable conditions for the Companies to operate in the parks thus attracting inward investments and creating jobs. The current work covers the first phase of revitalization. Further revitalization will include completion of the replacement of roofs, electrical repairs, the installation of high mast lights and the installation and repair water infrastructure. |

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| | | **the dti** is also developing Standard Operating Procedures to support the management of the Industrial Park to adopt international best practices. |
| **40** | **NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**241.**<br><br>Ms B.T Mathevula (Limpopo: EFF) to ask the Minister of Trade and Industry:<br>[*324]<br><br>Whether there is any agreement to ensure that a certain percentage of the 21 000 jobs that will be created as an outcome of the agreement between a certain company (name furnished) and the Limpopo Economic Development Agency which allows the said company to operate in the Musina-Makhado Special Economic Zone will be allocated to the residents of the Musina and Makhado areas; if not, what is the position in this regard; if so, (a) what percentage and (b) what are the further relevant details? CO448E<br><br>**[2017]** | **RESPONSE:**<br><br>The Energy and Metallurgical Zone within the Musina-Makhado SEZ is a major industrial development initiative that comprise at least 8 major industrial plans and the capacity to create over 21 000 jobs in the region. Most of these jobs are technical and artisanal in nature and as such, most people to be employed in this initiative would need to have such critical skills. While there is no quota established for workers from the local communities; the key stakeholders in the Musina-Makhado SEZ are working together to ensure that the communities around Musina-Makhado benefit the most from these initiative. Accordingly, education, training and skills development is a major priority for the SEZ support system in this region. |

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| **41** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**83.**<br><br>Mr W.F Faber (Northern Cape: DA) to ask the Minister of Trade and Industry:<br><br>Whether he will undertake to make representations to the Constitutional Review Committee to ensure that intellectual property rights are excluded from any amendments to section 25 of the Constitution, 1996; if not, what assurances are in place to ensure that any amendments will not adversely impact on international investment into South Africa; if so, (a) what representations and (b) what are the further relevant details? CW125E<br><br>**[2018]** | **RESPONSE:**<br><br>The Constitutional review pertains to land reform and as such it is not envisaged that intellectual property rights will be implicated.<br><br>Having said this, it is important to note that South Africa has a robust intellectual property regime which is fully compliant with international standards as set out in international agreements such as the Agreement on Trade Related Aspects of Intellectual Property Rights. This will not change. The Department of Trade and Industry is also finalising the first phase of South Africa's Intellectual Property Policy that is reaffirming the protection provided in South Africa for Intellectual Property Rights while advancing South Africa's socio-economic development objectives as outlined in key policy documents of the national government. |

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| **42** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**227.**<br><br>Mr V.L Magwebu (Eastern Cape: DA) to ask the Minister of Trade and Industry:<br>Whether his department has awarded any tender contracts to certain companies (details furnished) in the past five financial years; if so, (a) what was the nature and/or purpose of the contracts in each case and (b) what was the cost of each contract?<br>CW323E<br><br>**[2018]** | **RESPONSE:**<br><br>**(a) (b)**<br><br>**the dti** has not awarded any tender contracts to any of the companies mentioned in the past five financial years. |
| **43** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**382.**<br><br>Ms N.P Koni (Northern Cape: EFF) to ask the Minister of Trade and Industry:<br><br>(1)(a) Which other companies submitted bids for the contracts that were awarded to a certain company (details furnished) by | **RESPONSE:**<br><br>**Response according to the CIPC:**<br><br>(1) (a) Contract 1: HT & Co and CA Recruitment; Contract 2: HT & Co, CA Recruitment, KPMG and Deloitte Consulting; Contract 3: HT & Co, CA Recruitment and Smith Grab & Associates; Contract 4: Altimax, Calculus and HT and Co; Contract 5: Calculus, HT & Co and Ernest & Young; Contract 6: HT & Co, Deloitte Consulting, PWC, Ernest & Young and KPMG (b) It was awarded in compliance of the old Preferential Procurement Regulations of 2001.<br><br>(2) (a)(b) The HDI, women, disability score was used in line with the old procurement prescripts of the PPPFA of that time.<br><br>(3) (a)(b)(c) All relevant documentation as required per procurement prescripts were obtained for the said company at the time. |

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| | the Companies and Intellectual Property Commission (CIPC) and (b) on what basis was the bid for the said company chosen; (2) whether Broad-Based Black Economic Empowerment (BBBEE) accreditation was used to determine who receives the contracts; if not, why not; if so, (a) what was the BBBEE score for each bidder and (b) on what basis was the contract awarded; (3) whether the CIPC was given any (a) company profile, (b) valid tax clearance and (c) BBBEE certificates for the said company; if not, why not; if so, what are the relevant details?<br>CW522E<br><br>**[2018]** | |
| **44** | **THE NATIONAL COUNCIL OF PROVINCES<br>QUESTION FOR WRITTEN REPLY**<br><br>**378.**<br><br>Ms T.J Mokwele (North West: EFF) to ask the Minister of Trade and Industry:<br><br>Whether the Companies and Intellectual Property Commission had any contract with a certain company (name furnished); if so, (a) how many contracts, (b) | **RESPONSE:**<br><br>**Response according to the CIPC:**<br><br>Yes (a) 6 (b) between 2010 and 2014 (c) Accounting services (d) There are no current active contracts (e) These were request for quotations and therefore no adjudication was necessary, because it was below the R500 000 threshold (f) R 496 170; R 191 520; R 137 500; R 195 000; R 52 000; R 175 560. |

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| | when was the said company awarded the contracts, (c) for what services, (d) when does each contract expire, (e) who adjudicated the awarding of the contracts and (f) how much was paid to the said company for each contract in each year?<br>CW518E<br><br>**[2018]** | |
| **45** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**383.**<br><br>Ms N.P Koni (Northern Cape: EFF) to ask the Minister of Trade and Industry:<br>Whether any irregularities occurred in the appointment of a certain company HTC as a contractor for the Companies and Intellectual Property Commission; if so, (a) what irregularities, (b) when was (i) the Board and (ii) his department informed of this and (c) what actions were taken to address the irregularities?<br>CW523E<br><br>**[2018]** | **RESPONSE:**<br><br>**Response according to the CIPC:**<br><br>There were no irregularities in the appointment and none identified through the regulatory audit process. |

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| **46** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**385.**<br><br>Ms B.T Mathevula (Limpopo: EFF) to ask the Minister of Trade and Industry:<br><br>(1) Whether any recommendations were made to the Companies and Intellectual Property Commission to subject a certain person Adv. Rory Voller, to disciplinary procedures; if not, what is the position in this regard; if so, what are the details of the recommendations;<br>(2) whether the recommended disciplinary procedures against the said person were implemented; if not, why not; if so, when?<br>CW525E<br><br>**[2018]** | **RESPONSE:**<br><br>**Response according to the CIPC:**<br><br>(1) No such recommendations were made.<br>(2) n/a |

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| **47** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**380.**<br><br>Mr M.M Chabangu (Free State: EFF) to ask the Minister of Trade and Industry:<br><br>Whether any irregularities occurred in the appointment of a certain company (name furnished) as a contractor for the Companies and Intellectual Property Commission; if so, (a) what irregularities, (b) when was (i) the Board and (ii) his department informed of this and (c) what actions were taken to address the irregularities? CW520E<br><br>**[2018]** | **RESPONSE:**<br><br>**Response according to the CIPC:**<br><br>There were no irregularities in the appointment and none identified through the regulatory audit process. |
| **48** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**379.**<br><br>Ms T.J Mokwele (North West: EFF) to ask the Minister of Trade and Industry: | **RESPONSE:**<br><br>**Response according to the CIPC:**<br><br>(4) (a) Contract 1: HT & Co and CA Recruitment; Contract 2: HT & Co, CA Recruitment, KPMG and Deloitte Consulting; Contract 3: HT & Co, CA Recruitment and Smith Grab & Associates; Contract 4: Altimax, Calculus and HT and Co; Contract 5: Calculus, HT & Co and Ernest & Young; Contract 6: HT & Co, Deloitte Consulting, PWC, Ernest & Young and KPMG (b) It was awarded in compliance of the old Preferential Procurement Regulations of 2001.<br><br>(5) (a)(b) The HDI, Woman, disability score was used in line with the old procurement prescripts of the PPPFA of that time.<br><br>(6) (a)(b)(c) All relevant documentation as required per procurement prescripts were obtained for the said company at the time. |

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| | (1) (a) Which other companies submitted bids for the contracts that were awarded to a certain company (details furnished) by the Companies and Intellectual Property Commission (CIPC) and (b) on what basis was the bid for the said company chosen; (2) whether Broad-Based Black Economic Empowerment (B-BBEE) accreditation was used to determine who receives the contracts; if not, why not; if so, (a) what was the BBBEE score for each bidder and (b) on what basis was the contract awarded; (3) whether the CIPC was given any (a) company profile, (b) valid tax clearance and (c) BBBEE certificates for the said company; if not, why not; if so, what are the relevant details? CW519E<br><br>**[2018]** | |
| **49** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**386.**<br><br>Ms D.B Ngwenya (Gauteng: EFF) to ask the Minister of Trade and Industry:<br>(1) Whether the Companies and Intellectual Property Commission | **RESPONSE:**<br><br>**Response according to the CIPC:**<br><br>(1) Yes<br>(2) No<br>(3) No |

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| | (CIPC) has issued any tender to a certain company as part of the Extensive Business Rules Language initiative (XBRL); if not, what is the position in this regard; if so,<br>(2) Whether any of the executives of the said company are former employees of the CIPC; if not, what is the position in this regard; if so, what were their positions;<br>(3) Whether any of the current employees of the said company presided over the decision to award the XBRL tender to the company; if so, who?<br><br>CW526E<br><br>**[2018]** | |
| **50** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**384.**<br><br>Ms B.T Mathevula (Limpopo: EFF) to ask the Minister of Trade and Industry:<br><br>(1) (a) When was a certain person (name furnished) appointed as the Chief Technology Officer of the Companies and Intellectual | **RESPONSE:**<br><br>**Response according to the CIPC:**<br><br>(1) (a) 18 October 2012 (b) The person was identified through a head hunting process along with 3 other candidates. Mr. Kritzinger's appointment was provided for in the relevant prescripts of a public entity which is outside of the public service but within the public administration. The process was audited and the appointment was not irregular. (c) 3 other candidates were considered. (d) there was an interview panel that interviewed Mr. Kritzinger which consisted of the Chairperson of the CIPC Risk Committee, Chairperson of the CIPC Audit Committee, an External Subject Matter Expert, Human Capital, the Deputy Commissioner and the Commissioner (e) Mr. Kritzinger scored the highest (f) The salary is contained in our annual report of 2012/2013.<br>(2) (a) No irregularities occurred with the appointment (b) not applicable |

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| | Property Commission, (b) how was the said person identified, (c) which other candidates were interviewed, (d) on what basis was the said person selected, (e) what were the interview scores of other candidates and (f) what was the annual salary of the said person;<br>(2) whether any irregularities occurred with the appointment of the said person; if so, (a) what irregularities and (b) what actions were taken in this regard?<br>CW524E<br><br>**[2018]** | |
| **51** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**381.**<br><br>Mr M.M Chabangu (Free State: EFF) to ask the Minister of Trade and Industry:<br><br>Whether the Companies and Intellectual Property Commission had any contracts with a certain company (name furnished); if so, (a) how many contracts, (b) when was the said company awarded the contracts, (c) for what services, (d) when does each contract expire, (e) who | **RESPONSE:**<br><br>**Response according to the CIPC:**<br><br>Yes (a) 6 (b) between 2010 and 2014 (c) Accounting services (d) There are no current active contracts (e) These were request for quotations and therefore no adjudication was necessary, because it was below the R500 000 threshold (f) R 496 170; R 191 520; R 137 500; R 195 000; R 52 000; R 175 560. |

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| | adjudicated the awarding of the contracts and (f) how much is paid to the said company for each contract in each year? CW521E<br><br>**[2018]** | |
| **52** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**387.**<br><br>Ms D.B Ngwenya (Gauteng: EFF) to ask the Minister of Trade and Industry:<br>(1) Whether the Companies and Intellectual Property Commission's Extensive Business Rules tender which was issued to a certain company (name furnished) was in line with the guidelines and regulations of the National Treasury; if not, why not; if so, what are the relevant details;<br>(2) (a) who was on the bidding committee for the awarding of the tender, (b) which other companies bidded for the tender, (c) what were the scores of each company and (d) what were the reasons for the scores of each company;<br>(3) whether any conflict of interests was identified; if not, | **RESPONSE:**<br><br>**Response according to the CIPC:**<br><br>(1) Yes; it was within the guidelines and regulations of National Treasury. Furthermore, National Treasury reviewed the procurement process and all procurement documentation relating to the tender and provided guidance on the process. This was subsequently implemented. This was also audited by the Auditor-General.<br><br>(2) (a) The bidding Committees consist of the: Bids Specification Committee (BSC), the Bid Evaluation Committee (BEC) and Bid Adjudication Committee (BAC) (b) CoreFiling subcontracting Emitac Enterprise Solutions (Dubai) L.L.C; Itakane ICT (PTY) LTD (joint venture) with Dariel Solutions PTY LTD. ; Xpert Decision Systems (PTY) LTD (XDS) (EOH company ) subcontracting IRIS Business services limited (c) The tenders were evaluated and scored in line with the scoring criteria (d) The scoring was in line with the scoring criteria.<br><br>(3) No conflict of interest was identified according to the information received by CIPC. |

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| | what is the position in this regard; if so, (a) what conflict of interests and (b) how were they resolved?<br>CW527E<br><br>**[2018]** | |
| **53** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**374.**<br><br>Mr O S Terblanche (Western Cape: DA) to ask the Minister of Trade and Industry:<br><br>(a) How much has (i) China invested in the South African economy and (ii) South Africa invested in the Chinese economy for each of the past three financial years and (b) which industries in China has South Africa invested in?<br>CW514E<br><br>**[2018]** | **RESPONSE:**<br><br>(a) (i) Between January 2015 and September 2018, 23 projects from China have been recorded from 20 companies investing R 14,2 Billion according to FDI markets and our investment investment pipeline. These include investments such as BAIC, Hisense, New Hope and Yangtze Fibre Optic Cable amongst others;<br><br>(ii) Between January 2015 and September 2018, 3 projects from South Africa have been recorded from 3 companies investing R 2,5 Billion. These include SASOL, Imperial Logistics and Aspen Pharmacare.<br><br>(b) South Africa invested in the chemicals, logistics and pharmaceuticals sectors. |

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| 54 | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**436.**<br><br>Hon. Dr HE Mateme (ANC) to ask the Minister of Trade and Industry [*281]:<br><br>Whether in light of the recent ruling on marijuana, the department has looked at processes for the registration of marijuana related products, especially by big companies outside the Republic who might seek to exploit the situation and flood our people with various marijuana related products; if so, what are the details; if not, why not?<br><br>**[2018]** | **RESPONSE:**<br><br>**the dti** recognises the potential value to be derived from commercial value chains of Cannabis and related products. Thus it has undertaken research that seeks to understand, from an industrial policy perspective, the obstacles and opportunities for South Africa to become an active and innovative player in this growing market. **the dti** is still currently busy with a study on medical cannabis and the Department's activities in this space will be guided by the outcomes of the study.<br><br>The regulation of marijuana is not within **the dti'**s mandate nor control, as medical cannabis is still classified as a controlled substance and is regulated and controlled through the following Acts:<br><br>- The Medicines and Related Substances Act, 1965 (Act 101 of 1965)<br>- The Drugs and Drug Trafficking Act, 1992 (Act 40 of 1992)<br>- The Criminal Procedure Act, 1977 (Act 51 of 1977)<br><br>The issue of regulation of marijuana should be referred to the relevant Departments governing the above Acts. |
| 55 | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**437.**<br><br>Mr J.P Parkies (Free State: ANC) to ask the Minister of Trade and Industry: [*282] | **RESPONSE:**<br><br>(a) The SADC-EU Economic Partnership Agreement has been provisionally implemented since October 2016. It is now on its 3rd year of implementation and it is still too early to project its impact on the livelihood of the people. However, for South Africa, the objectives in negotiating the EPA was mainly to harmonise the trading regime in SACU vis-a-vis the EU, increasing agricultural market access and addressing some provisions in the Trade, Development and Cooperation (TDCA) between South Africa and the EU that limited our policy space. These objectives have been achieved.<br><br>The Agreement offers benefits in the field of Agro-processing (amongst others); a significant sector in the manufacturing pillar of our economy, a sector that contributes to employment creation for our people through increased market access into the EU. New market access opportunities presented by the EPA offers opportunities to increase in production. The Rules of Origin agreed in the Agreement also create opportunities for economic development and regional integration through the extended cumulation |

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| | What is the (a) status of the impact of Economic Partnership Agreements with the European Union on the livelihood of our communities and (b) long-term view of the Government on the Economic Development Fund? CO615E<br><br>**[2018]** | provisions. The EPA provides opportunities for the creation of value-chains within the region, this creates further opportunities for value-addition, beneficiation which are core elements for job creation and industrialisation. In negotiating the EPA, government ensured that it is underpinned by South Africa's development objectives. In its implementation, it will be critical to preserve the development dimension and to preserve the policy tools entailed therein so as to advance our development objectives.<br><br>The EPA further recognises the role of civil society in its implementation process. Engagements around the establishment of the Joint Monitoring Committee that will comprise of all key stakeholders are well underway and this initiative is set to ensure the sustainable development objective the EPA is based on.<br><br>(b) We are no aware of an Economic Development Fund but there is a European Development Fund (EDF), which is the main instrument for the EU's development cooperation with the African, Caribbean and Pacific (ACP) countries. The EDF is established within the framework of the ACP-EU Partnership Agreement – the "Cotonou Agreement". South Africa does not qualify for access to the EDF. South<br>Africa receives development cooperation from the EU through a bilateral envelop, the Development Cooperation Instrument (DCI).<br><br>Furthermore, the EU had provided funds to SADC EPA member states, including South Africa, to build capacity in the administration of the Agreement to ease the implementation of the EPA. South Africa acknowledges that to maximise the benefits that can be derived from the Agreement assistance is needed to ensure that our exporters are able to comply with the high technical standards of the EU – especially in the area of sanitary and phytosanitary standards (SPS) measures and this area have been highlighted to the EU in terms of use of development assistance funding.<br><br>It should be noted that although South Africa benefits from the EU Development funding, South African Government's long term development objectives and plans are not determined based on the European Union funding. The EU funding is normally used for short term projects. |
| **56** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**438.**<br><br>Mr S.J Mohai (Free State: ANC) to ask the Minister of Trade and Industry: [*283] | **RESPONSE:**<br><br>South Africa's domestic economic policy imperatives, in terms of trade, investment and industrial development aim to achieve the following strategic objectives:<br>(i) Increased exports, including in non-traditional products;<br>(ii) Increased direct investment, including from foreign sources;<br>(iii) Preservation of policy to pursue domestic imperatives in global economic relations;<br>(iv) Pursuing of investment-led trade with other African countries and advance development integration agenda as a regional integration approach within Africa; address the binding constraints to industrialisation; seek to explore the complementarities and opportunities to move up the value chain and so benefit from and contribute to development in Africa; |

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| | Whether South Africa has (a) identified and/or (b) developed priority issues to be advanced at international fora like the World Trade Organisation in order to build the country's capacity to address the triple challenges of (i) poverty, (ii) inequality and (iii) unemployment, especially among the country's youth; if not, why not; if so, what are the relevant details?<br>CO616E<br><br>**[2018]** | (v) Developing trade with dynamic/fast-growing countries of the South in a way that would ensure space for South African industry in their value chains;<br>(vi) Develop markets that would enable South African industry to move into advanced/higher-technology products;<br>(vii) Continuing of South Africa's multilateral engagements to reform the institutions and rules of global economic governance, notably in the WTO, in ways that assist to unlock the development and economic growth potential of developing countries.<br><br>Deriving from South Africa's economic policy imperatives, the following issues have been identified and are advance in international fora like the World Trade Organisation (WTO), G20 and BRICS:<br>• The need to maintain policy space in global engagements, in order to employ policy measures domestically in pursuit of the developmental state. It is necessary to recognize that the focus in global trade policy engagements is less on tariffs and trade measures, but increasingly on wider policy issues which could impact on domestic policy;<br>• The need to increase exports in products across the full range of skill, technology and employment intensity levels, including resources and agriculture based, in order to grow the manufacturing output;<br>• The need to increase exports of services.<br>• The need to open new markets and new terms of trade.<br>• The need to move manufacturing up the value chain to products that are higher in value and where global demand is fast-growing and less subject to price volatility.<br>• In support of a move up the value chain, the critical need to develop and grow the skills base, as well as the scientific, research and innovation base. Up-skilling and moving up the value chain is critical to respond to the changing global trade environment;<br>• The need to attract direct investment (both domestic and foreign) in productive capacity;<br>• The need to position South Africa as a partner in global value chains.<br><br>Furthermore, economic development of South Africa is interlinked with the development of the countries in the rest of Africa. This requires the development of mutually beneficial partnerships with the continent in its ambitions to industrialise. In this regard, South Africa pursues a development integration agenda that combines market integration with infrastructure and industrial development. It is supported by an investment led strategy into the African continent. Through its outward investment, South Africa will be contributing to industrialisation of the African continent. In this regard, South Africa in line with the development integration approach are broaden integration through the negotiations of developmentally centred FTAs that provide the necessary policy space to promote industrial development. In the context of increase in protectionism, especially among developed countries, the negotiations of African FTAs will create a bigger market that improves the African continent's prospects of boosting intra-African trade and attract investment.<br><br>In the WTO, The Doha Development Agenda (DDA) was launched in 2001 with a view to put the "needs and interest of developing countries at the heart of the work programme". This round of negotiations is not yet finalised. South Africa supports the view of the Africa Group in the WTO. The Africa Group have reiterated their commitment to the development mandate of the DDA and agreed that Africa should seek outcomes in trade distorting domestic support measures for agriculture, cotton, public stockholding, a Special Safeguard Mechanism (SSM) for agriculture, fisheries subsidies, special and differential treatment provisions and on LDC issues. These issues are the core of the developmental agenda and the issues of most importance to Africa countries. The |

Africa Group has further emphasised that whatever outcomes achieved at the multilateral level should not undermine or complicate the development integration agenda of Africa that focus on market integration, industrial development and infrastructure development.

It is without a doubt that the multilateral trading system (MTS) is facing unprecedented challenges. We are concerned by the systemic impact of unilateral measures that are incompatible with WTO rules and that put the multilateral trading system at risk.

In recent months there have been an increased call for reforms in the WTO. The aim of the proponents of these calls are to update the WTO rulebook to 'fill in' gaps to level the playing field. Proposals are centred around mainly the following issues:

- Narrowing the scope and application of Special and Differential Treatment (S&DT) given to developing countries and least developed countries;
- Adjusting the principle of consensus decision making;
- Regularising plurilateral agreements;
- Tightening rules on industrial subsidies and State Owned Enterprises (SOEs); and
- Strengthening rules on transparency and notification.

South Africa's views are that all these have the potential to ultimately reduce/eliminate the flexibilities available to developing countries to enable them to put the policies in place to increase their development opportunities. In global discussions, South Africa is therefore calling for the need to advance a development-centred MTS that promotes inclusive growth and effective participation of all countries in international trade. We are indicating that S&DT has been a defining feature of the MTS and is an integral part to the WTO. This is in recognition of differences in levels of development of the member states of the WTO. The setting of uniform multilateral rights and obligations among a deeply diverse set of nations will not work.

South Africa is therefore putting forward a position that reflection is needed with a view to ensure that the multilateral trading system promotes inclusive growth and sustainable development. There is a need to safeguard and strengthen the multilateral trading system. In this regard, we are advancing the view that:

- the multilateral trading system needs to promote inclusive growth, promote integration of developing countries in the global economy and sustainable development;
- global trade rules should facilitate effective participation of all countries in the multilateral trading system and should provide the necessary flexibilities specially to developing and least developed countries to participate in global trade;
- development should remain at the core of all the issues discussed in the WTO;
- there is a need to preserve policy space to promote structural transformation, diversification and industrialization in developing countries;
- there is an urgent need to address trade distortions and inherent imbalances, especially in agriculture;
- special and differential treatment for developing countries should be an integral part of all the issues discussed in the WTO in order to maintain the trade-development nexus; and

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| | | • the importance of a functional and effective dispute settlement mechanism in promoting a rules-based multilateral trading system and in promoting transparent and predictable trade relations among Members. |
| **57** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**439.**<br><br>Mr S.J Mohai (Free State: ANC) to ask the Minister of Trade and Industry: [*284]<br><br>Whether the Government has reviewed various trade undertakings that were made at the World Trade Organisation with a view to shifting South Africa's new policy towards (a) increasing its manufacturing capacity and (b) creating a global market for its products in order to (i) create jobs and (ii) address (aa) poverty and (bb) unemployment; if not, why not; if so, what are the relevant details? CO617E<br><br>**[2018]** | **RESPONSE:**<br><br>South Africa's WTO commitments are binding in terms of sections 231 (2) and 232 of the Constitution of the Republic of South Africa. Nevertheless, at the eleventh WTO Ministerial Conference which took place from 10 to 13 December 2017 in Buenos Aires, Argentina, South Africa did not agree to the initiation of binding discussions on what is referred to as the 21st century challenges to trade, which including e-commerce, investment facilitation and proposed norms for small firms as part of the WTO work programme to negotiate new rules on these issues. It is Governments view that WTO Members should first resolve the existing challenges such as the unfair Agriculture subsidies, food security and high tariffs in the developed world on certain agricultural products, which are part of the ongoing Doha Round negotiations that began in 2001 with a 'development agenda' for improving the trading prospects of developing nations), before considering new issues.<br><br>Although South Africa has not revised any of its WTO commitments, South Africa is participating in the WTO as a developing country and is driving a developmental agenda in the WTO, which will not only support our own economic development, but that of the region and Africa.<br><br>In addition to the development position which South Africa is supporting and advancing in the WTO, **the dti** has various initiatives for increasing the country's manufacturing capacity and, creating a global market for its products in order to create jobs and address poverty and unemployment.<br><br>Firstly, there is the Industrial Policy Action Plan (IPAP) which is firmly entrenched in Government's overall policy and plans to address the key challenges of economic and industrial growth and race based poverty, inequality and unemployment.<br><br>IPAP2018 focuses on the following 10 key themes which inform the work of the dti and act as a roadmap for the wider industrial effort:<br><br>1. Grow the economy;<br>2. Strengthen efforts to raise aggregate domestic demand - mainly through localisation of public procurement and intensified efforts to persuade the private sector to support localisation and local supplier development;<br>3. Step up South Africa's export effort;<br>4. Create and reinforce policy certainty and programme alignment;<br>5. Strengthen ongoing efforts to build a less concentrated, more competitive economic and manufacturing environment in which barriers to entry for new entrants are lowered;<br>6. Build a stronger system of industrial finance and incentives to support and secure higher levels of private sector investment in the productive sectors of the economy and grow exports; |

7. Press ahead with technology-intensive, value-adding beneficiation projects which fully leverage SA's comparative resource endowment advantage into a global competitive advantage;
8. Optimise technology transfer and diffusion and, working closely with the Department of Science and Technology, further ramp up the effort to commercialise 'home-grown' R&D in key sectors;
9. Support the further strengthening of energy-efficient production and carbon mitigation efforts and measures in a manner that allows for sustainable adaptation by all the energy-intensive sectors of the economy, and
10. Understand, grasp and prepare for the foreseeable effects of the Digital Industrial Revolution and emergent disruptive technologies, collaboratively adapting SA's productive and services sectors to meet the challenges, including those relating to employment displacement.

Looking back over the first ten years of IPAP, we can point to significant areas of achievement at scale in various sectors - most notably, in Automotive Sector, Clothing, Textiles Leather and Footwear (CTLF), Business Process Services (BPS), Film Production and Boatbuilding.

In order to step up South Africa's export effort, the Southern African Customs Union (Botswana, eSwatini, Lesotho, Namibia and South Africa) has concluded free trade agreements with the Southern African Development Community in terms of the SADC Trade Protocol, the European Free Trade Association (EFTA) consisting of Iceland, Liechtenstein, Norway and Switzerland which is currently being reviewed, the Economic Partnership Agreement with the European Union, the recently signed Tripartite Free Trade Agreement between the Southern African Development Community (SADC), East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA), the recently signed African Continental Free Trade Area and the preferential trade agreement with MERCOSUR, the Mercado Común del Sur (Southern Common Market) which is an economic and commercial group of countries in South America comprising Argentina, Brazil, Paraguay and Uruguay.

South African exports are further encouraged through the preferential access granted by the United States under the African Growth and Opportunity Act (AGOA) and the Generalised System of Preferences (GSP). GSP is also provided by the EU for some products not covered by the EPA and for some exports to Canada and Japan.

Furthermore, to create jobs and to address poverty and unemployment, **the dti** and its agencies provide various incentives and support programmes. In addition, the International Trade Administration Commission of South Africa makes recommendations for my consideration to support local industry through the adjustment of tariffs and the introduction of trade remedies to counters unfair trade. South Africa has adopted a developmental trade policy to ensure that tariffs are used as a policy tool to support industrial development.

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| **58** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**457.**<br><br>Mr O.S Terblanche (Western Cape: DA) to ask the Minister of Trade and Industry: [*302]<br><br>(a) What in light of the fact that his department is responsible for industrial policy and the policy certainty that is required to promote structural transformation (details furnished), (a) what actions has he taken to remove the obstacles of policy uncertainty, (b)(i) which and (ii) how many policies (aa) have been updated to date and (bb) must still be updated and (c) what are the time frames for implementation in this regard? CO635E<br><br>**[2018]** | **RESPONSE:**<br><br>a. Domestic and foreign investors sometimes point to specific policies or legislation that undermine policy certainty. However, it is often the combination or accumulation of multiple policies and legislation that, over time, creates the most acute levels of policy uncertainty.<br><br>It is with this in mind, that the President and Cabinet as a whole are seized with addressing three policy areas that have been consistently highlighted by the private-sector as creating policy uncertainty.<br><br>These are (i) the Mineral and Petroleum Resources Development Act (MPRDA) amendment Bill; (ii) the allocation of high-demand spectrum; and (iii) the visa regulations for tourists travelling with children.<br><br>(i) After extensive consultation with the private-sector and other stakeholders, Cabinet has decided to withdraw the MPRDA from the Parliamentary process.<br><br>(ii) After extensive consultation with the private-sector and other stakeholders, Cabinet has outlined the process through which spectrum will be allocated and the associated timeframes.<br><br>(iii) After consultation with the private-sector and other stakeholders, Cabinet approved changes to the tourist visa regulations designed to clarify the circumstances under which tourists travelling with children will be required to provide unabridged birth certificates.<br><br>In all three cases, Cabinet's intervention has improved policy certainty and has generally been positively received by the private-sector and especially investors.<br><br>b. (i) MPRDA Amendment Bill; allocation of spectrum; and visa regulations for tourists travelling with children.<br>(ii) Three critically important policies and pieces of legislation.<br>aa. Three critically important policies and pieces of legislation.<br>bb. It is not possible to specify at this point if other policies or legislation require amendment as these decisions are influenced by consultation with stakeholders, and changes in the economic environment in South Africa, and in comparator economies.<br><br>c. It is not possible to specify this at present. |

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| **59** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**458.**<br><br>Mr L.V Magwebu (Eastern Cape: DA) to ask the Minister of Trade and Industry: [*303]<br><br>(1) What mechanisms his department have in place to prevent illegal imports in the textile industry;<br>(2) Whether his department has considered implementing minimum prices for the textile industry as the current policy of imposing duty per value is not working if not why it so what are relevant details;<br>(3) What action is his department taking to assist the industry in order to ensure its survival?<br><br>**[2018]** | **RESPONSE:**<br><br>(1) The Department of Trade and Industry (**the dti**) is part of the stakeholder forum which is chaired by SARS which include SACTWU, Industry Associations, ITAC, etc. The Reference Price Policy was introduced by Customs to combat illegal imports and due to its success over the last few years the reference price concept is now being introduced in the footwear sector.<br><br>(2) The Retailer-Clothing, Textiles, Leather and Footwear Master Plan study which was commissioned by **the dti** is looking among other things at the effectiveness of the duty system and alternative instruments which can be utilised.<br><br>(3) **the dti** established the Clothing and Textiles Competitiveness Programme to assist the textiles industry in order to ensure its survival. This programme has seen the stabilisation of the textile, clothing, leather and footwear sectors and new jobs being created in the sectors totalling 10 017 decent sustainable jobs. |

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| 60 | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**459.**<br><br>Mr L.V Magwebu (Eastern Cape: DA) to ask the Minister of Trade and Industry: [*304]<br><br>(1) What action is his department taking to drive localisation in the textile industry through the value chain;<br>(2) Whether his department is conducting any audits to ensure that localisation through the value chain takes place; if not, why not; if so, what are the relevant details?<br><br>**[2018]** | **RESPONSE:**<br><br>(1) The Department of Trade and Industry (**the dti**) designated the Textiles Clothing Leather and Footwear sectors in July 2012 at a stipulated minimum threshold of 100% for local content and production through the PPPFA Regulations (the 2011 Preferential Procurement Regulations and the revised Regulations of 2017) to be implemented by all organs of state. **the dti** has also established vertical economic clusters which cater for the value chain from fibre up to retail in the sectors mentioned above. The department works closely with SACTWU and Proudly SA in order to enhance the impact required on localisation. An automated system has been established to track advertised tenders on tender e-portal and other media of advertisement, the tenders are followed up to ensure compliance. **the dti** has commissioned a study in collaboration with South African retailers to find ways of increasing the retailers' procurement of their garments from the local manufacturers thereby increasing localisation in the local retail stores.<br><br>(2) Work on verification of local content recently commenced with the appointed local content verification agent, South African Bureau of Standards (SABS). Local content verification is part of the monitoring process and is aimed at identifying the gaps on the implementation of the local content policy. The ultimate goal is to ensure that objectives of localisation are realised.<br>Sixteen companies are prioritised for local content verification in the Textiles Clothing Leather and Footwear sector from October to December 2018. None of the audits are completed as yet and the results will be made available as soon as the outcomes are finalised. |
| 61 | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**460.**<br><br>Mr L.V Magwebu (Eastern Cape: DA) to ask the Minister of Trade and Industry: [*305]<br><br>(1) Whether there are any companies that are not paid within 30 days after invoicing his | **RESPONSE:**<br><br>(1) the dti pays all valid invoices received within 30 days of receipt.<br><br>(2) The department does not audit the entities reporting to it; however, each entity is audited by either the Auditor General of South Africa or by private audit firms. |

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| | department; if not, what is the position in this regard; if so, what are the relevant details;<br>(2) whether his department is auditing entities reporting to it regarding payment of suppliers to ensure that they are paid within 30 days of invoicing; if not, why not; if so, what are the relevant details?<br>CO638E<br><br>**[2018]** | |
| **62** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTION FOR WRITTEN REPLY**<br><br>**461.**<br><br>Dr Y.C Vawda (Mpumalanga: EFF) to ask the Minister of Trade and Industry: [*306]<br><br>What action is his department taking to ensure that G4S pays out dividends that are owed to thousands of employees in accordance with its<br>(a) commitment and<br>(b) broad-based black economic empowerment conditions for operating in South Africa?<br>CO639E<br><br>**[2018]** | **RESPONSE:**<br><br>**(a) & (b)**<br><br>The Office of the B-BBEE Commission ('the Commission') was established in terms of Section 13 B of the B-BBEE Act, and counts amongst its functions detailed in Section 13F(d) of the same Act, *'to investigate, either of its own initiative or in response to complaints received, any matter concerning broad-based black economic empowerment'*. The Commission has confirmed that the G4S matter is under consideration in line with regulation 15 of the B-BBEE Regulations, and the Commission is not in a position to communicate on this matter at this stage as this may prejudice the complaint process and the parties thereto.<br><br>Section 13B(3) provides that the *Commission 'must be impartial and perform its functions without fear, favour or prejudice'*. As such, the Department of Trade and Industry cannot intervene in any on-going investigations of the Commission. |

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| **63** | **THE NATIONAL COUNCIL OF PROVINCES**<br>**QUESTIONS FOR WRITTEN REPLY**<br><br>**465.**<br><br>Mr M Khawula (KwaZulu-Natal: IFP) to ask the Minister of Trade and Industry: [*310]<br><br>Whether, in the past four and a half years of the fifth Parliament, his department had any formal dealings and/or transactions with any companies which are owned by a certain family (name furnished); if not, what is the position in this regard; if so, (a) at what value and (b) what are the further relevant details? CO643E<br><br>**[2018]** | **RESPONSE:**<br><br>There are no links to the requested information on our current financial systems. Only particulars of companies are recorded on the departments systems and not the details of company directors or family names. |
| **64** | **[2019]**<br><br>*** ZERO NCOP PQS FROM JAN TO MARCH 2019** | **RESPONSE:**<br><br>**N/A** |