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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY QUESTION FOR ORAL REPLY

ORAL QUESTION 217

Mrs Y N Yako (EFF) to ask the Minister of Trade, Industry and Competition:

Whether he and/or his department intends to commission the manufacturing of personal protective equipment through a state-owned company; if not, why not; if so, what are the relevant details? NO1545E

REPLY

About three months ago, at the onset of the COVID-19 pandemic, National Government identified the shortage of PPEs as a key challenge and mobilised state and private sector resources to fill the gap.

Over a period of the three months, the country expanded its medical-grade face-mask manufacturing capacity from about 6 million masks a month to about 12 million masks. Two new companies were started up and a third is expected to commence operations next month.

The efforts to produce or encourage localisation involve four types of ownership or partnership arrangements:

- Private sector firms
- State-owned entities
- Firms with both private and state-owned equity
- Partnerships between private and state-owned entities.

The state-owned entity, the IDC has thus far made R535m available for a range of essential Covid-related products, in partnership with among others youth and women empowered businesses and black industrialists. This is giving opportunities to many community entrepreneurs to develop a market that can supply not only South Africa but also other parts of the continent.

IDC subsidiaries like Sheraton Textiles, Colibri, Celrose, Eddels and Glodina, which are majority state-owned businesses, also made cloth face-masks for a period when there was a clear shortage.

Aside from masks, the state has also been active in fostering manufacture of other critical products.

SASOL, in which the IDC has a shareholding, dedicated more than 15m litres of ethanol per month to the SA market for the production of sanitisers.

In addition, we have also sought to address the shortage of other critical medical and pharmaceutical products which will be needed to fight the disease. This has included the establishment of a National Ventilator Project to locally manufacture mechanical ventilation apparatus like Continuous Positive Airway Pressure (CPAP) ventilator machines, and the securing of supply lines for critical medicines both domestically and from abroad.

The CSIR, which is a state-owned entity, designed a local CPAP ventilator and is currently bidding to manufacture CPAPs for the public health system.

The entrepreneurial developmental state incentivises, facilitates, and supports innovation. Creating industries of excellence of not just one producer, but with clusters, is important as we drive greater regional integration.

The state can play an important role in developing PPE manufacturers locally, as evidenced by the role of the IDC and other entities referred to above. Trade policy, industrial funding and social dialogue all plays a role. In the case of the IDC, this is funding provided to the industry from the state directly.

Recent months have seen the clothing industry contributing to the fight against Covid-19 by ensuring healthcare workers are properly equipped when dealing with patients. Several fashion and workwear manufacturers have moved to producing surgical and isolation gowns, coveralls, overshoes and other types of PPE. Workwear producers are producing scrubs and coveralls for hospitals. Two Clothing companies have moved from making fashion and school-wear respectively to making surgical and isolation gowns for the healthcare sector, currently producing 8 million gowns.

In summary, Government has encouraged both state-owned entities and privately owned firms to support the national effort to produce personal protective equipment.

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