



**the dtic**

Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## THE NATIONAL ASSEMBLY

### QUESTION FOR ORAL REPLY

#### QUESTION NO. 295

**DATE OF ORAL REPLY: 4 MAY 2022**

**Mr M Tshwaku (EFF) to ask the Minister of Trade, Industry and Competition:**

With regard to the Trade Policy Statement that was released by his department in May 2021, which reflected his department's policy objectives for international trade in the wake of the COVID-19 pandemic and the opportunities that stemmed from the signing of the agreement on the African Continental Free Trade Area, what are the details of the progress made by his department to fulfil the policy objectives, particularly in as far as the building of industrial capacity in the Republic and the continent is concerned?

NO1810E

#### **REPLY:**

The Trade Policy Statement issued in May 2021 emphasised the importance of a strategic and calibrated policy approach to SA's trade policy, geared to supporting our manufacturing development and employment objectives. The Statement sets out a comprehensive set of objectives that require integrated and detailed ongoing interventions.

The approach requires that as we seek to expand SA's exports of higher value-added products and achieve scale economies and competitiveness, we also preserve jobs and sectors that may be vulnerable to increased import competition. The Department consults actively with industrial interests through NEDLAC. Following the consultation, the country mandate has guided SA's negotiations in the African Continental Free Trade Area (AfCFTA). The AfCFTA negotiations have registered significant progress over the past year by finalising rules of origin for a significant number of tariff lines. When

operationalised, SA will obtain new export opportunities for its industrial products into markets in the countries of North, West and East Africa.

This requires continued efforts to strengthen coordination with SARS to monitor imports and eliminate illicit trade and under-invoicing of imports that damage the economy in terms of lost revenue, jobs and industrial capacity.

In parallel, the African Union has undertaken work to support African industrialisation. This has been focused initially in three areas: i) studies to determine value chain development to add value to African commodity production; ii) policies to strengthen technical specifications and quality of African products; and iii) the development of an integrated strategy for an African fashion industry value chain.

**The dtic** has continued to develop and strengthen a range of support measures to promote South African exports. These include providing support through the Export Marketing and Investment Assistance scheme allowing firms to participate in export and investment promotion initiatives, such as the Intra-Africa Trade Fair, which was hosted from 15 to 21 November 2021 in partnership with the Kwazulu/Natal Provincial Government. More than 80 South African companies were supported by government to participate in this event and showcase their products and services to companies. Additional support is also provided through focused market research and analysis identifying market and product opportunities for South African exporters, and mechanisms through which the department can assist companies in addressing non-tariff barriers they might face when exporting. These support measures will be provided on an ongoing basis as the AfCFTA agreement is operationalised and fully implemented.

These efforts at the continental level are underpinned by ongoing work to support industrialisation and investment in SA in critical sectors. Social compacts between government, business and labour guide this work through Masterplans. The Masterplans include coordinated efforts to strengthen the legislative and regulatory environment in the various sectors and, along with incentives and related interventions to attract and facilitate new investment, can contribute to building SA's industrial production base and create new employment.

There are also considerable opportunities for building industrial production and capabilities in SA. Opportunities include the beneficiation of our considerable mineral resource base by producing and supplying inputs and components in value chains such as electricity, water, transport and digital communications; and production that supports the transition to a lower carbon-intensive economy such as components for solar and wind power, and the development of the hydrogen economy.

SA has considerable industrial capabilities and advantages that can be strengthened. Already, 25% of SA's global exports are destined to Africa, most of which comprise higher value-added products. Our efforts at the national level to strengthen and expand industrial production will be supported by operationalisation of the AfCFTA, which will open up a range of new export opportunities across Africa.

**-END-**