



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION 4212

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

- (1) Whether he has found that the ideology of the Government's appointment of cadres from a certain political party (details furnished) and the policy of preferential procurement was responsible for the deindustrialisation, unemployment, inequality and corruption that has been serious failures in Government policy; if not, what is the position in this regard; if so,
- (2) whether he intends to review his department's policies that are undermined by these specified failures; if not, why not; if so,
- (3) whether he intends to set aside the policies of his department in favour of policies favouring industrialisation similar to those of economies that successfully grew their industries; if not, what is the position in this regard; if so, what are the relevant details? NW5495E

REPLY

Appointments made within the dtic-group are based on suitability of candidates for the job. In addition, the dtic-group has taken action to address any instances of corrupt and/or inappropriate financial behaviour, as evidenced by steps taken in respect of the National Lotteries Commission.

The reasons for deindustrialisation can inter alia be traced back to premature and sharp reductions in trade support to industry, following the binding offer made prior to 1994 by the National Party government during the global trade talks in the Uruguay Round of the Generalised Agreement on Tariffs and Trade (GATT). This was compounded by limited

supply-side measures to assist firms to strengthen their competitiveness, which is normally applied to assist with a transition from high trade protection, at about the time when China and other Asian exporters expanded their manufacturing output. A number of structural factors that have been highlighted previously, have also served to constrain manufacturing growth.

The focus on sector-specific growth strategies as contained in masterplans, access to large export markets, support for local firms and other elements of the reimagined industrial strategy, are aimed at reversing these trends. Preferential procurement policies have included support for procurement from local manufacturers, which have helped to lean against deindustrialisation pressures.

Government considers lessons from global best-practice and research and insights from policy-thinkers in adjusting policies to address the extraordinary challenges faced from the legacy of our past.

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