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Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## **THE NATIONAL ASSEMBLY**

### **QUESTION FOR WRITTEN REPLY**

#### **QUESTION NO. 537**

**PUBLISHED: 26 FEBRUARY 2021**

#### **Mr M J Cuthbert (DA) to ask the Minister of Trade and Industry**

- (1) (a) On what date was the SA Trade Policy and Strategy Framework last revised and/or updated and (b) what are the relevant details thereof;
- (2) whether he has found that the SA Trade Policy and Strategy Framework accurately reflects the nature of the current South African economy and global economy at large; if not, what is the position in this regard; if so, what are the relevant details;
- (3) whether his department has a trade policy review mechanism in place, with clear terms of reference; if not, why not; if so, what are the relevant details thereof?      NW593E

#### **REPLY**

The Trade Policy and Strategy Framework (TPSF) document was published in 2010 and represents South Africa's broad approach to trade policy and strategy, following extensive consultations between government and stakeholders in NEDLAC. An update was issued in November 2012, largely focused on updating trade data. The DTIC website now contains regularly-updated and comprehensive trade data on a monthly basis, the latest reflecting the position as at January 2021, which includes trade import and export values for all trading partners.

The TPSF is premised on objectives set out in the National Development Plan to promote and accelerate economic growth along a path that generates sustainable, decent jobs in order to reduce the poverty and extreme inequalities that characterise South African society and economy. It outlines how trade policy and strategy in South Africa can make a contribution to meeting the objectives of upgrading and diversifying the economic base in order to produce and export increasingly sophisticated, value added products that generate employment. Trade policy should support industrial policy.

The TPSF aims to ensure that we preserve the policy space to pursue national objectives while leveraging the benefits of more integrated regional and global markets. This has also informed our approach to a range of trade-related policy areas.

The TPSF recommended strengthening the institutional arrangements for trade policy making in South Africa. Ongoing efforts have been undertaken to improve coordination and consultation within government and between government and stakeholders in Parliament, NEDLAC, research institutions and academia. This work is ongoing.

The TPSF is broadly framed in policy and strategy terms. While there have been changes in the value of trade and rankings amongst trade partners as well as changes in the content of bilateral trade, the strategic thrust and overall orientation of the TPSF to support industrial development in SA remain relevant. The core principles and approach set out in the TPSF continue to offer importance guidance in approaching international trade from an industrial development and transformation perspective.

Application of trade policy needs to be agile, taking account of changes in the trade and policy environment – for example, the position of the previous US Administration on trade matters, the decision of the UK to leave the European Union, the opportunity to expand trade with the rest of the African continent and the impact of the Covid-19 pandemic on SA national priorities. The policy is reviewed regularly internally and the manner in which it is applied and adjusted are set out from time to time by statements made by the Executive Authority, including in Budget Votes, other statements in Parliament and at the World Trade Organisation. The following trade interventions illustrate how the Trade Policy and Strategy Framework is applied and adjusted to circumstances.

- **2011:** Negotiations of the SACU-MERCOSUR Preferential Trade Agreement (entered into force in December 2018)
- **2011:** Adoption of modalities at the Tripartite Free Trade Agreement Summit to promote regional trade between SADC, EAC and COMESA.
- **2014/15:** Engagement and agreement with US and SA on poultry quotas and its relationship with continuation of AGOA benefits by SA
- **2015:** Decision to launch negotiations leading to the conclusion of the African Continental Free Trade Area (AfCFTA).
- **2015:** Engagements with the US Trade Representative on the extension of AGOA (followed with annual Ministerial meetings of the AGOA Forum in 2018 and 2019).
- **2017:** Trade negotiations initiated with the UK in July 2017 following the UK's decision to exit the EU.
- **2018:** Review of the SACU-EFTA Free Trade Agreement
- **2018:** Signing of AfCFTA agreement and ratification by SA Parliament

- **2015:** Conclusion of negotiations with the EU to update trade arrangements (the agreement that flowed from this, the SADC-EU EPA, entered into force in September 2016).
- **2019:** Negotiations on a new Economic Partnership Agreement (EPA) concluded with the UK in September 2019 at which time a Ministerial Statement was delivered in the National Assembly. The new EPA entered into force on 1 January 2021.
- **2019:** Review of outcomes and issues in SA-US trade relationship - bilateral Ministerial meetings held with the United States Trade Representative (USTR) and the US Department of Agriculture in December 2019 on broad trade policy issues and bilateral trade challenges and opportunities.
- **2019:** Development of integrated approach at sector level on trade, competitiveness and procurement matters for poultry industry and clothing, textiles, footwear and leather products
- **2019/20:** AfCFTA: Development of a country approach on specified Rules of Origin and SA submission (through SACU) of offer on tariff reduction
- **2020:** Trade policy adjustments to take account of Covid-pandemic: trade-related regulations issues; and proposal submitted at the WTO for a Waiver of specific provisions of the Trade-related Aspects of Intellectual Property Rights to overcome shortfalls in the equitable supply of affordable COVID-19 vaccines.
- **2021:** integrated approach between trade and a range of policy areas, including industrialisation, transformation, building a capable state and local economic development set out in the DTIC Annual Performance Plan for 2021/22 tabled in Parliament in March 2021.

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