

**BUDGET VOTE ADDRESS BY HON. PARKS TAU, MINISTER OF TRADE,
INDUSTRY AND COMPETITION FOR THE 2026/2027 FINANCIAL YEAR ON 23
JUNE 2026 AT THE NATIONAL COUNCIL OF PROVINCES, CAPE TOWN**

HOUSE CHAIRPERSON,
CHAIRPERSON OF THE SELECT COMMITTEE,
HONOURABLE MEMBERS,
DEPUTY MINISTERS,
MEC's,
DISTINGUISHED GUESTS, AND
LADIES AND GENTLEMEN.

SYMBOLS OF DEVELOPMENT IS WHAT SOUTH AFRICA NEEDS NOW.

Since the establishment of the 7th administration, we have been hard at work as a nation and as a continent. It is these two years that solidified our foundation of planning so that South Africa becomes the provider of a dynamic ecosystem where innovation thrives, industries diversify, and global partnerships flourish.

HONOURABLE MEMBERS,

The adoption of the Industrial Development Strategy (IDS), charts the direction of our growth path. South Africa is re-industrialising through diversification, decarbonisation and digitalisation.

Firstly, our **diversification** strategy, illustrated through a butterfly, demonstrates our ability to expand South Africa's productive base beyond traditional resource-intensive activities by deepening value addition, fostering new industrial sectors, strengthening agro-processing, services, regional value chains, and diversifying export destinations.

In diversifying trade, the department is increasing the capacity of South Africa's exporters by providing integrated export awareness, training, coaching and mentorship, incubation and acceleration interventions. The department is activating increased exports of value-added products such as industrial machinery, chemicals, automotive components, pharmaceuticals, electro-technical components and goods, as well as aerospace and defence equipment. These expanded baskets of products are being advanced in Africa as the basis of our global engagement, with existing markets such as the UK and Europe being pursued as part of renewed strategic engagements, while also being introduced to growing and emerging markets such as China through the CAEPA initiative as well as Turkey, Brazil, Egypt and Southeast Asia amongst others.

Export promotion initiatives will be further advanced by appointing foreign economic representatives (FERs) and placing them in strategic and priority foreign offices to secure increased exports and investment.

The department will develop a nationally anchored non-tariff barrier platform, and deliver increased trade finance and investment instruments, including through implementing the Afreximbank Country Programme following South Africa's accession to the Bank.

HONOURABLE MEMBERS,

Our 12 designated Special Economic Zones (SEZ) - nine of which are operational, hosting 224 investors across R31.7 billion in cumulative investment and supporting more than 28,000 jobs - are the spatial infrastructure through which the IDS becomes symbols of inclusive spatial transformation.

South Africa's pharmaceutical and vaccine manufacturing capacity is anchored by Aspen Pharmaceuticals in the Eastern Cape and Biovac in the Western Cape. These two are the expression of a deliberate sovereign industrial strategy. South Africa now

manufactures vaccines, active pharmaceutical ingredients and medicines within its own borders.

Adjacent to it, VSL Manufacturing has commissioned a R750 million automotive components facility at full production scale, next to the Isuzu assembly plant in Gqeberha. VSL is 51 percent black female-owned and it is a graduate of the Black Industrialists Scheme. Its establishment is proof that transformation and industrial competitiveness are not competing objectives but can be mutually inclusive.

This transformational symbol is being replicated at sector scale through the Automotive Industry Transformation Fund (AITF). The AITF is a collective Equity Equivalent Investment Programme (EEIP) under the B-BBEE framework. It is a R6 billion commitment from our leading OEMs, namely BMW, VW, Mercedes-Benz, Ford, Isuzu, and Toyota, deployed to fund the entry and growth of black-owned and black women-owned enterprises across the automotive value chain.

In Gauteng, South Africa's investment book tells us that in the Vaal, there is a start-up of a chemical production plant that will utilize the latest membrane technology to produce chlor-alkali products at a total cost of R2 billion. The proposed Afro-Zonke Chlor-Alkali manufacturing operation will be producing 50 000 metric tons per annum chemical products. Let us not forget about Gauteng's cutting-edge 3,000-square-metre facility that is ready to support clean energy innovation by transforming PGMs into high-performance catalyst precursors, catalysts, and Membrane Electrode Assembly (MEAs') designed to meet the demands of both electrolyser applications and automotive and stationary fuel cells. This state-of-the-art operation, equipped with the latest technology, this facility offers production capacity, delivering up to 4 tons of premium catalysts and 18 million MEAs annually.

In addition, the R18 billion Chartwell Data Centre Campus is under development, bringing global technology investment into South Africa, creating 1,400 jobs with 400 permanent positions, and establishing our country as the digital infrastructure hub of the African continent.

Clearly, South Africa is now attracting hyperscale investment because we have relative power stability, competitive connectivity, skilled labour, and a government that has made data infrastructure a national industrial priority.

In KwaZulu-Natal, we are pleased to announce the Nyanza Light Metals project at the Richards Bay Industrial Development Zone has started, symbolised with R15 billion of industrial infrastructure that is now in the implementation phase. Uniquely, this project is financed primarily by African and South African Development Financing Institutions. We should pride ourselves that South Africa's titanium mineral resources will be converted into high-value titanium dioxide pigment and in the process generating more than 2,400 construction jobs and 850 skilled operational positions, with 30 percent of employment reserved for women and youth.

The IDC's targeted support for Tongaat Hulett, validated by the recent withdrawal of liquidation proceedings, keeps an anchor industry intact and sustains the upstream and downstream employment base. Two hundred and fifty thousand livelihoods were secured as a result of this intervention by the dtic family.

Furthermore, the expansion of the Dube Tradeport SEZ unlocks over R2 billion across automotive components, clothing and textiles, pharmaceuticals and renewable energy. This province's industrial portfolio is broadening in multiple directions simultaneously.

In Mpumalanga, the Nkomazi SEZ is the AfCFTA translated into concrete action. DP World's inland port, integrated with the Port of Maputo through the Maputo Development Corridor, routes South African industrial output directly onto the continent. The NEF-supported Mpumalanga International Fresh Produce Market — valued at approximately R2 billion — integrates 150,000 small-scale and emerging farmers into formal agricultural value chains, supporting over 115,000 farm-level jobs and more than 1,600 SMMEs.

This is demonstrative of South Africa's commitment to working with our neighbours to achieve mutual prosperity for our people.

In the Free State, we are implementing our black industrialist programme that will result in the growth of the agriculture sector. We are working with industry, young black industrialists and farm growers to revitalise a very important industrial space and economy to the people of Maluti. The development of an apple pack house and apple juice concentrate plant will feed into the supply chain of Heineken Beverages. Likewise, the sugar and agro-processing value chain is protected and growing.

HOUSE CHAIR,

Through decarbonisation we are telling a story of transitioning industrial production toward low-carbon technologies, cleaner energy systems, and climate-resilient processes to safeguard export competitiveness, reduce vulnerability to carbon border measures, and unlock new green industrial opportunities.

As government, we are creating an environment where South Africa enjoys a significant competitive advantage in both critical inputs and in its existing industrial base. Some of the world's highest levels of solar radiation over vast tracts of land, combined with strong regional wind resources, coincide with mineral endowments that align directly with the objectives of the Just Energy Transition.

As you are aware, South Africa holds around 80% of the world's manganese resources, ranks among the top six iron ore producers globally, has a leading PGM resource, and has abundant reserves of rare earths, vanadium, and chrome, among others. These same renewable energy assets — low-cost, reliable, and carbon-neutral — are increasingly sought by global hyperscalers and technology companies seeking green-powered locations for data centre and digital infrastructure investment.

At the centre of these regional resources is the Northern Cape, which hosts most of them, and the province benefits from established infrastructure, access to global markets, and an industrial park. In partnership with Business Unity South Africa

(BUSA) and the Province, we are positioning the province to anchor a new generation of industrial clusters that combine:

1. critical minerals beneficiation,
2. renewable-linked manufacturing,
3. transmission infrastructure expansion,
4. green hydrogen production, and
5. data centre development.

Realising this potential however, requires a deliberate build-out of the enabling infrastructure — namely expanded grid capacity, transmission corridors, logistics and port connections, water systems, and fibre — sequenced to match the needs of priority projects and anchor investors.

HOUSE CHAIR,

Lastly, **digitalisation** symbolises our efforts to embed digital technologies across industries to raise productivity, enable innovation, improve scale and coordination, and position South Africa competitively in digital services and knowledge-intensive activities.

In Global Business Services (GBS), South Africa competes directly with India and the Philippines for international business process outsourcing — and we are winning contracts. We are winning them not only in Johannesburg and Cape Town, but increasingly in Polokwane, in Emalahleni, in George. Our GBS incentive reforms are deliberately routing investment toward smaller towns, so that young people outside the main metros can enter the digital services economy without leaving home.

The Digitalisation pathway is, at its foundation, a generational investment. The data infrastructure being built today, the Business Processing Operations sector being

scaled, the digital manufacturing capabilities being embedded across our industrial base.

HONOURABLE MEMBERS

75 national government incentives exist in South Africa. These incentives tell a story of:

1. South Africa's structural reforms and infrastructure investment plan, which demonstrates our ability to create investment opportunities aimed at expanding the infrastructure base of the country to spur economic growth and industrialisation.
2. A country that is advancing its National Development Plan target of achieving 30% of gross fixed capital formation to GDP by 2030 by positioning South Africa as a key preferred African investment destination.
3. A Government helping companies to grow, and in turn, create jobs. Beyond supporting businesses with growth capital, private equity firms actively help companies develop good governance, innovate and access new markets.
4. A country that offers a variety of incentives. We have Corporate Income Tax Incentive; Building Allowance; Employment Tax Incentive; Customs and Excise Incentive and Value-Added Tax Incentive.

The Department continues to place youth employment and skills development at the centre of its industrialisation agenda. Through the Youth Employment Service (YES) Programme, 8,347 young people were trained during the financial year, while a further 51 interns under the age of 35 will commence placements within the dtic from 1 July. In addition, the National Empowerment Fund (NEF), in partnership with BANKSETA and W&RSETA, provided training and work-integrated learning opportunities to 502 young beneficiaries across the country.

Building on these achievements, the Annual Performance Plan (APP) targets the creation of more than 100,000 employment opportunities through a range of interventions, including 6,000 opportunities through Special Economic Zones (SEZs), 1,275 through export promotion initiatives, 5,000 through Global Business Services (GBS), and 7,000 linked to incentive disbursements.

Furthermore, the Small Enterprise Fund's planned R1.5 billion in disbursements during 2026/27 is expected to support approximately 50,000 job opportunities, while the YES Programme is targeting a further 55,000 employment opportunities, underscoring government's commitment to expanding economic participation and creating pathways into sustainable employment, particularly for young South Africans.

HOUSE CHAIR,

The Social Employment Fund (SEF) is a symbol of youth development. In the 2025/26 financial year, the SEF reached 94,480 participants. Sixty-eight percent of them are young people. The programme works through locally rooted, community-based organisations — because when employment programmes are embedded in community institutions, they create not only income, but the social infrastructure those communities need to absorb the investment that follows.

The impact at ground level is both visible and measurable. More than 812,000 learners and children have been supported through education and early childhood development initiatives. Over 1.6 million meals have been delivered and more than 4.2 million kilograms of food and produce distributed to vulnerable households. More than 211,000 households have received health and care services, including over 299,000 household visits.

The SEF reflects something important about how we understand the relationship between industrial policy and social policy. They are not separate instruments operating in parallel. They are complementary layers of a single strategy: industry creates the formal economy; the SEF ensures the informal and transitional economy is not abandoned while industry scales.

IN CONCLUSION

In the 2025/26 financial year, the dtic and its entities attracted R647 billion in investment against a target of R450 billion — exceeding the target by 44 percent. At

the Sixth South Africa Investment Conference in March 2026, R415 billion in new investment projects was recorded. Our ambitious R3 trillion investment mobilisation drive to 2030 is on track. These are the inflows that finance every factory, every SEZ, every skills programme, every community employment initiative this House has heard described today.

Lastly, allow me to express my gratitude to Deputy Ministers Zuko Godlimpi and Alexandra Abrahams for their partnership and dedication in executing this mandate. My appreciation to Director- General Simphiwe Hamilton and the entire dtic family — in every entity and every province — for their commitment to implementation that this budget reflects.

I hereby table Budget Vote 39.

I thank you.