



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

NATIONAL COUNCIL OF PROVINCES

QUESTION FOR WRITTEN REPLY

QUESTION NO. 1007

Ms M Kennedy (Limpopo: EFF) to ask the Minister of Trade, Industry and Competition:

(a) What specific industrial policies his department has in place to encourage job creation for the youth in South Africa and (b) what are the relevant details in this regard?
CW1132E

REPLY:

- (a) Currently, a suite of interlocking and cross-cutting industrial policy tools are being deployed across the economy to foster re-industrialisation and arrest the decline in productive sectors. These include, amongst others:
- Industrial finance and incentives to boost investment;
 - Targeting government procurement to raise aggregate domestic demand with the aim of boosting production for both local and export opportunities; and creating jobs in the associated supply chains in order to drive reindustrialisation;
 - Leveraging and strengthening B-BBEE legislation to deepen transformation with a focus on previously disadvantaged groups, inclusive of youth;
 - Competition and regulation policies focussing on developmental outcomes that provide opportunities for black entrepreneurs, youth, women and small, medium enterprises; and
 - A scaled-up social compacting approach through eight (8) Master Plans to assist the economy in leveraging private sector investment; deepening local

supply chains; driving growth; and creating much needed jobs in South Africa. Skills development is integral to realising the broad objectives of the Master Plans and this is seen as conduit to improving job opportunities for the youth; through partnerships with industry, training institutions and authorities. For example, Master Plans such as, - Steel, Autos and Furniture have work streams and programmes aimed at increasing inclusion by creating opportunities for the youth.

With regards to the GBS Master Plan – it is a departmental policy aimed at creating youth employment opportunities by attracting more foreign offshore jobs to be delivered from South Africa.

It also promotes youth employment within the Global Business Service (GBS) sector by encouraging companies to prioritise youth employment. This objective is supported through various initiatives, including **the dtic** GBS incentive. One of the key requirements of this incentive is that beneficiaries whose activities are primarily non-complex must employ and retain a minimum of 80% youth. Furthermore, employers are encouraged to adopt and support platforms such as the “SayYouth.mobi” platform and to implement impact sourcing strategies when recruiting talent, to try and include our excluded youth.

- (b) This initiative is driven through various strategic partnerships, including one with the Harambee Youth Employment Accelerator, who provide training and support to our youth, and Business Process Enabling South Africa (BPESA), which represents some of the largest offshore companies operating in the country. **the dtic** has a Memorandum of Agreement with these organisations to implement the GBS Master Plan.

In addition, the IDC has specific industrial measures and tools aimed at encouraging job creation for the youth in South Africa. These focus on advancing youth empowerment, supporting youth-led businesses, and enhancing funding for youth entrepreneurs.

The IDC has implemented a range of programmes aligned with national frameworks and IDC aligns its policies with relevant government directives, including:

1. IDC Founding Act of 1940: Focuses on facilitating, promoting, and financing new industries and modernizing existing ones to meet South Africa's economic requirements.
2. 7th Administration's Medium-Term Development Plan (MTDP): Guides sector development opportunities.
3. Draft Growth and Inclusive Strategy (GAIN): Emphasizes economic reform, public service reform, and industrial policy reform to create jobs and position South Africa as a leader in the green economy.
4. Just Energy Transition Investment Plan (JET-IP): Supports green economy initiatives, including renewable energy and green hydrogen projects.
5. South Africa Automotive Masterplan (SAAM2035): Encourages the transition to new energy vehicles and deepens the automotive value chain amongst others

These policies are designed to promote inclusive and sustainable industrialisation, with a strong emphasis on youth empowerment.

The IDC's corporate mandate includes funding youth-empowered enterprises as part of its broader goal to foster inclusive economic growth;

- The IDC's strategic objectives also include supporting black industrialists and youth entrepreneurs in gaining access to ownership, management, and control of industrial enterprises.
- The Department of Trade, Industry and Competition (**the dtic**) has emphasised the importance of masterplans that include youth employment and retention strategies. These masterplans are referenced as essential components of youth employment.

Relevant details include:

- Youth Pipeline Development Programme: This initiative aims to empower youth with business skills and opportunities.
- GRO-E Youth Scheme: A targeted program to support youth-led businesses.
- Funding Support: For the 2025/26 financial year, R7.4 billion has been allocated to black industrialists and youth businesses, with R1.5 billion specifically earmarked for youth.
- Strategic Partnerships: Collaborations with state-owned companies (SOCs) and the Department of Trade, Industry, and Competition (**the dtic**) to implement youth-focused programs effectively.
- Supportive Enabling Environment: Non-financial support models for youth entrepreneurs and community participation initiatives.

These measures and policies are designed to foster entrepreneurial development, create sustainable employment opportunities, and ensure inclusive economic participation for the youth.

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