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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR ORAL REPLY

QUESTION NO: 2158

Mr T M Langa (IFP) to ask the Minister of Trade, Industry and Competition:

Given the urgent need to drive inclusive economic growth and job creation through industrialisation, particularly in underdeveloped provinces, (a) what specific strategies has his department adopted to stimulate industrial development beyond the traditional economic hubs and (b) how will his department ensure that the initiatives lead to sustainable and locally anchored manufacturing capacity? NO2167E

REPLY:

- (a) The National Development Plan (NDP) and the Reconstruction and Recovery Plan for the South African economy informs the Medium-Term Development Plan (MTDP) and Industrial Policy, which prioritise inclusive economic growth and job creation

At the centre of industrialisation is the importance of balancing economic growth with equitable opportunity. The industrial policy prioritises localisation of manufactured products and minerals within the borders of the country in order to limit import-dependence and for the beneficiation of critical minerals.

The Industrial Policy targets investment in labour-intensive industries such as clothing, textiles, leather and footwear, agro-processing, furniture; which have high labour absorptive rates. The Policy also targets interventions in high value manufacturing and emerging sectors - the green industrialisation, particularly, the manufacturing of electric vehicles, green hydrogen, renewable energy as well as pharmaceutical products and vaccines. These sectors will create sustainable jobs while addressing environmental and health challenges.

The Industrial Policy also prioritises skill development programmes, which are aligned to industrial needs. This is done through the Vocational Education and Training (VET), which is critical for skilling the workforce and addressing economic and social challenges, especially for students who cannot access higher educational institutions.

The Policy also targets spatial and local economic opportunities through the new model of SEZ & Industrial Parks and investment facilitation programmes. Linked to this is support for catalytic industrial initiatives within townships, focusing on job creation, industrialisation, and private sector partnerships. This will be facilitated through collaboration with provinces and developmental agencies to promote industrialisation at the local level.

- (b) Leveraging of the Transformation Fund and the strengthening of B-BBEE legislation to deepen and broaden economic participation through funding, enterprise and skills development programmes are central to economic and industrial development.

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