THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 2213

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

(1) Whether his department has conducted any assessments of the impact of the current load-shedding schedule on small- and medium-enterprises (SMEs) within the manufacturing sector; if not, why not; if so, what are the relevant details of (a) the findings and (b) any measures being considered to mitigate the impact thereof;

(2) What are the further, relevant details of the progress that has been made in implementing the commitments made under the African Continental Free Trade Area agreement to support local industrialisation and export-led growth, particularly for emerging manufacturers in rural and peri-urban areas? NW2478E

REPLY:

1. (a) The Department has not conducted an assessment of the impact of load-shedding on SMEs within the manufacturing sector. However, the Department cooperated with the SA Reserve Bank (SARB) when it undertook a study on the impact of load-shedding on the SA economy as a whole (South African Reserve Bank Occasional Bulletin of Economic Notes OBEN/23/01). The SARB study estimates that GDP was likely reduced by between 0.7 and 3.2 percentage points. Similar studies were also undertaken by ABSA Bank, First National Bank, Intellidex and Investec. These studies estimated that GDP was reduced by between 0.4 and 4.2 percentage points.

1. (b) These studies have informed Government's response to the electricity crisis including the establishment of the National Electricity Crisis Committee (NECOMM) at the Presidency and a comprehensive set of interventions to increase electricity

generation especially by the private-sector; assist firms to obtain the necessary regulatory approvals to invest in self-generation as well as generation for the grid through **the dtic**'s Energy One Stop Shop; and assist Eskom to improve its energy availability factor (EAF). In addition, **the dtic** and the Industrial Development Corporation (IDC) launched the Energy Resilience Fund in 2023 which assists firms to make investments to mitigate the impact of load-shedding.

(2) Preferential trade under the AfCFTA was launched on 1 January 2021 subject to the finalization of the necessary legal requirements (domestic legislation and tariff phase down schedules) on products where we have agreed Rules of Origin.

South Africa gazetted the SACU Provisional Schedule of Tariff Concessions (Category A covering 90% of the tariff book) on 26 January 2024 and launched the start of preferential trade under the AfCFTA on 31 January 2024 at the Port of Durban. Following the gazetting of the SACU tariff offer, South Africa and SACU Member States are now able to trade preferentially with other AfCFTA countries that have finalized the necessary domestic legislation.

As of May 2025, 48 tariff offers have been verified by the AfCFTA Secretariat to be in accordance with the agreed modalities for tariff liberalization. Only six (6) Member States are still without offers, namely: Djibouti, Eritrea, Libya, Sahrawi Republic, Sudan and Somalia.

Currently, of the 48 adopted offers, the following 23 countries have started implementing preferential trade[1] under the AfCFTA:

> ***Algeria**, Botswana**, Cameroon, Egypt, Ghana, Kenya**, Mauritius, **Morocco,** Namibia, **Nigeria, Rwanda**, Tanzania, **Tunisia,** SA, Eswatini, Lesotho, **Burundi, Uganda,** Malawi, Seychelles, **the Gambia, Ethiopia** and Zambia*. The new market access for South Africa and SACU is to 13 non-SADC countries (in bold font).

South Africa and SACU member states' trade with Mauritius, Seychelles, Malawi, Zambia and Tanzania will continue under the SADC Trade Protocol and preferences.

[1] I.e. have gazetted or domesticated their provisional schedules of tariff concessions covering 90% of the tariff book (Category A).

As other countries implement their approved tariff offers, the countries will be added to the list of names in South Africa’s domestic legislation with whom preferential trade under the AfCFTA can take place.

Final implementation of the Schedules of Tariff Concessions will be undertaken when the remaining 10% category of the tariff books (7% sensitive products – subject to a longer period of liberalisation; and 3% excluded products) have been finalised. This is expected to be concluded by October 2025 for adoption by the African Union (AU) Summit in February 2026.

There will be even further opportunities on product coverage once the remaining 10% coverage of our tariff books is defined. These opportunities are further supported by Rules of Origin that should incentivise investment in our productive capacities underpinned by a “Made in Africa by Africa” approach. The agreed number of Rules of Origin (RoO) still amount to approximately 92.4%, with 7.6% of rules of origin remaining outstanding in the Textile and Clothing and Automotive products. Negotiations are underway to conclude the outstanding Rules of Origin by the next AU Summit in February 2026.

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