



**the dtic**

Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## **THE NATIONAL ASSEMBLY**

### **QUESTION FOR WRITTEN REPLY**

#### **QUESTION NO. 3251**

**Ms C Makhubele (MK) to ask the Minister of Trade, Industry and Competition:**

(a) What policies has his department implemented to ensure sustainable growth in the manufacturing sector and (b) how does his department plan to balance the need for mechanisation with the creation of job opportunities for (i) unskilled and (ii) semi-skilled workers? NW3724E

#### **REPLY:**

- (a) The Department is working on a new Industrial Policy, which is aimed at bringing about a structurally transformed economy through a dynamic and globally competitive manufacturing sector. The Industrial Policy presents a multi-pronged approach to grow a sustainable manufacturing sector as it is a critical engine of economic growth, employment, exports, and technological innovation. The Policy places emphasis on addressing binding constraints, especially in network industries, which are critical for lowering the cost of production in the manufacturing sector. Also, it looks to stimulate demand linked to structural reforms (electricity, rail and water, ports, telecommunication) through, targeting government procurement with the aim of boosting production for both local and export opportunities, and creating jobs in the associated manufacturing supply chains in order to drive reindustrialisation.

Furthermore, **the dtic** continues to support the manufacturing sector through various policies that are within the ambit of the Department. This includes the social compact approach, through eight (8) Master Plans, which has proven

effective in leveraging private sector investment; improving localisation of supply chains; and investment in transformative supplier development programmes.

In addition, we are seeking to diversify and expand South Africa's global trade footprint through our Export Strategy that has identified 22 priorities; cover key markets in Africa, the European Union (EU), the Middle East and the BRICS.

This is coupled with the Developmental Trade Policies on, such as, – tariffs; anti-dumping measures; safeguards; rebates; export taxes; and standards, which are deployed in a selective and strategic manner; as well as leveraging on the Trade Agreements to defend domestic industrial capabilities against unfair trade practices.

All these interventions are deployed to unlock manufacturing potential; facilitate industrialisation; create and retain jobs; and drive sustainable growth of the manufacturing sector.

(b) (i) & (ii)

In the context of growing the manufacturing sector, skills development is essential to fostering economic growth; innovation; and competitiveness in any economy.

The productive capabilities required to produce goods and services in a globalised economy are becoming increasingly sophisticated when it comes to industrialisation and even the labour-intensive activities / sectors are being affected. The Department has taken cognisance of the need to ensure that job creation efforts can also support unskilled and semi-skilled workers.

The Department plans to deploy a balanced approach in the prioritisation of sectors for support. There is a deliberate effort to strike a balance between high-tech; capital-intensive; highly competitive activities, with more labour-intensive, often less productive industries that generate employment on a mass-scale.

This is to respond to the efforts to improve competitiveness whilst we absorb the surplus unskilled and semi-skilled labour that the economy possesses.

**-END-**