the dtic
Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 3272

Ms PP Mngadi, MK Party to ask the Minister of Trade, Industry and Competition:

Without referring to investment summits or public-private partnerships, what are three concrete examples where his department has used decisive, state-led industrial intervention to reverse deindustrialisation and expand productive employment? NW3400E

REPLY:

The Department has concluded an Industrial Development Strategy (IDS) which was recently adopted by Cabinet to direct the country's industrial policy agenda. The strategy is a strategic response to a rapidly changing and exceptionally difficult global and domestic economic environment. It aims to respond to the country's economic challenges, which include de-industrialisation, slow growth, declining industrial capacity, dwindling investments in the economy's productive sectors, structural transformation and transition, and backlogs in infrastructure. It is anchored by pathways of decarbonisation, diversification, and digitalisation which seek to position South Africa as a leading player in the global economy through a forward-looking industrial policy that creates jobs, support export resilience and growth. **the dtic** has implemented a range of measures aimed at supporting industrialisation, safeguarding productive capacity, and preserving jobs.

Firstly, it has implemented sectoral master plans in industries such as automotive, steel, poultry, global business services and clothing and textiles, using measurable localisation targets, incentives, and regulatory tools to stabilise production, deepen value chains, and protect jobs. For instance, at a firm level, direct engagements as a whole-of-government approach with strategic companies such as ArcelorMittal South Africa and Tongaat Hulett to stabilise operations, preserve jobs, and secure value chains, while also facilitating negotiated energy pricing arrangements for energy-intensive industries like smelters to improve cost competitiveness. The Global Business Services (GBS) industry through the GBD incentive supports continue to generate export revenue through high-value services including accounting, finance, human resources, online education and cloud-based technical support. The sector is not only creating employment opportunities and reinforcing South Africa's growing position in the digital economy but are also equipping young people with critical digital skills using digital platforms and artificial intelligence to enhance service delivery and global competitiveness.

Secondly, it has strategically deployed trade policy instruments, including tariffs and anti-dumping measures, to shield vulnerable domestic industries from unfair import competition, thereby enabling local firms to regain market share and sustain employment. Linked to this is the leveraging of preferential trade and investment agreements such as African Continental Free Trade Area (AfCFTA), South African-European Clean Trade and Investment Partnership (CTIP) and China-Africa Economic Partnership Agreement (CAEPA) to expand market access and support export-led growth, alongside targeted trade measures such as safeguard duties, anti-dumping actions, and localisation policies to protect domestic industries from unfair competition. Efforts to diversify export markets, are through **the dtic**'s "butterfly approach" as well as negotiating trade agreements with other jurisdictions to diversify our export markets such as the implementation of the AfCFTA as previously mentioned and unlocking opportunities in the rest of Africa as the foundation of our global engagements.

Thirdly, it has enforced localisation through public procurement designation, requiring state entities to source specified products locally at defined thresholds, creating guaranteed demand for domestic manufacturers and supporting the growth of small and medium industrial enterprises. For example, the work of **the dtic** in implementing localisation is evident in the R86.6 billion in locally manufactured goods and services procured in the 2025/26 financial year.

These interventions are complemented by broader industrial financing, infrastructure investment, and structural reforms aimed at enhancing resilience and sustaining long-term industrial growth. On the industrial financing front, the Department is strengthening Development Finance Institutions by restoring their core focus on industrial development, while simultaneously advancing a supportive regulatory environment aimed at lowering the cost of doing business. For example, the Export Credit Insurance Corporation is partnering on an investment drive with South Africa's five biggest banks which will improve export financing by scaling export risk insurance cover, supporting outward investment on the continent and supporting industrialisation. Collectively, these interventions reflect a deliberate shift toward active industrial policy, strengthening domestic productive capacity and supporting sustained, job-rich industrial growth.

Furthermore, **the dtic** has prioritised the development of strategic Special Economic Zones (SEZs) based on the comparative and competitive advantages of various regions. The SEZs are designed to propel the Country towards a high-impact industrial path, which is characterised by a wider scope of economic multipliers that will, in turn, result in reduced unemployment and inequality rates.

Currently, 13 designated Special Economic Zones (SEZ) are spread across eight of South Africa's nine provinces, supporting strategic sectors such as automotive manufacturing, renewable energy, agro-processing, pharmaceuticals, advanced manufacturing, and petrochemicals. The newest SEZ is the recently designated Fetakgomo Tubatse Special Economic Zone (FTSEZ), which will serve as an industrial hub that offers strategic, national and regional economic advantages, attracting targeted investments in mining, mineral beneficiation, energy, agriculture, and automotive sectors.

To date, despite the challenging global and domestic economic climate, the SEZ programme has continued to demonstrate resilience and tangible impact. Operational SEZs, namely, Coega SEZ, East London SEZ, Richards Bay SEZ, Dube Trate Port, Maluti-a-Phofung SEZ, Saldana Bay IDZ, O.R Tambo SEZ, Atlantis SEZ and Tshwane Automotive SEZ have collectively attracted 224 investors investing over R31.7 billion that created over 28 821 permanent jobs.

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