



**the dtic**

Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## **THE NATIONAL ASSEMBLY**

### **QUESTION FOR WRITTEN REPLY**

#### **QUESTION NO. 3577**

#### **Ms E L Powell (DA) to ask the Minister of Trade, Industry and Competition:**

What tangible, time-bound action has his department taken to (a) prevent a collapse of the vital automotive industry which is a cornerstone of the economy supporting over 115 000 direct jobs and (b) expedite negotiations with the United States of America, coordinating with The Presidency, for a bilateral trade agreement to safeguard the economic interests of the Republic (details furnished)? NW4072E

#### **REPLY:**

- (a) Following engagements with the industry, **the dtic** has sought to strengthen its negotiating position with the United States of America (USA) with recent data and information from the industry whilst encouraging the industry to explore other markets for their products.

The increase in tariffs by the US on imported vehicles will impact negatively on South Africa's automotive exports, including component manufacturers. The preferential trade into the US market is important for automotive production in South Africa. South Africa benefits from duty-free access into the US market under AGOA. A considerable number of auto producers currently supplying automotive components and built-up vehicles will become less competitive, which might result in the loss of jobs across the value chain. **the dtic**, working with the industry is working on measures to mitigate the impact. This will entail diversifying the export markets, strategic investments in technology and efficiency improvements.

Furthermore, **the dtic**, in collaboration with some Special Economic Zones is intensifying its investment promotion drive to attract new vehicle manufacturers from China into the country so as to ensure the sustainability of the industry and create employment opportunities.

- (b) In order to expedite the negotiations with the United States of America towards a bilateral trade agreement to safeguard the economic interests, the dtic has made a proposal to the US for the negotiation of the Framework Agreement that aims to enhance mutually beneficial trade and investment relations. Bilateral negotiations between the two sides are expected to start soon on the basis of South Africa's proposal. Once concluded, the Framework Agreement will create a predictable trade environment and safeguards South Africa's market access into the US.

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