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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 4566

Mr S I Gama (MK) to ask the Minister of Trade, Industry and Competition:

With reference to our seeming dependence on exporting raw materials while importing finished products, what specific targets has he set for local beneficiation and manufacturing, (b) how much progress has been made against the specified targets and (c) what concrete measures has he taken to ensure that the Republic (i) adds value to its minerals and (ii) develops domestic productive capacity rather than exporting jobs and importing finished goods?NW4912E

Reply:

(a) The Critical Minerals and Metals Strategy prioritises the Beneficiation of Minerals and the transition from the export of raw materials to local processing, intermediate products, and high-value manufacturing within South Africa. It focuses on minerals such as Platinum Group Metals (PGMs), manganese, vanadium, chrome, iron ore, titanium, and others of moderate-to-high criticality that are essential for the energy transition and digital technologies. Higher-value-added processing, minerals for battery manufacturing, hydrogen fuel cell-related activities, ferrochrome smelting revival, and titanium components are examples of catalytic interventions.

Both the Medium-Term Development Plan (2024–2029) and the Industrial Development Strategy (IDS) emphasise the need to process minerals so that value-added goods, and not raw materials, are exported. Proposals for processing quotas, export taxes, and conditionalities on beneficiation in relation to mining rights have been proposed in the IDS.



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(b) The Electric Vehicle (EV) White Paper and Automotive Masterplan have goals of developing a regional electric battery value chain, which includes refining, active materials, cells, packs, and temporary duty reductions on batteries for domestic-market vehicles in some proposals. Manufacturing Support Programme and other incentives provide financial support for capacity expansion or green technology in qualifying projects.

To support electric vehicle (EV) battery manufacturing and localisation, the International Trade Administration Commission (ITAC) has approved and gazetted a list of standard materials (inclusive of steel, aluminium, PGMs, copper, manganese), which forms part of South Africa's Automotive Production and Development Programme Phase 2 (APDP2). These are locally beneficiated raw materials (originating in SACU, and in some cases SADC) for EV batteries. These materials are critical for calculating local value addition for Production Incentive (PI) / Production Rebate Certificate (PRC) benefits in auto manufacturing in South Africa.

The Government also offers a 150% tax deduction for greenfield investments in EV and battery assets, customs duty rebates, and proposed rules to count regional battery minerals as local value-added content.

The other focus is on the expansion of Special Economic Zones (SEZs), dedicated to Mineral Beneficiation, with tax incentives and infrastructure support. The Cabinet approved the designation of Tubatse Fetakgomo SEZ, which is planned for the processing of chrome, PGMs, and related processing/manufacturing. Other SEZs are earmarked for further designation for the beneficiation of minerals.

In terms of investments and support of **the dtic**, Nyanza Light Metals is developing a major titanium dioxide (pigment manufacturing) plant in the Richards Bay Industrial Development Zone (RBIDZ). This is one of the flagship projects for local mineral beneficiation, import substitution, and advanced manufacturing within an SEZ, and aligns with broader efforts to move South Africa up the mineral value chain.



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(c) The stated policy objective of the government is mineral beneficiation at source and for green industrialisation and technological development; that will limit the exporting of jobs through unprocessed raw materials. Incentives, SEZs, skills development, R&D, localisation, and partnerships are critical for achieving that objective.

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