



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 5079

Ms K A Christie (DA) to ask the Minister of Trade, Industry and Competition:

- (1) With reference to the reply of the Minister of Planning, Monitoring and Evaluation to question 1102 on 22 May 2025, what are the findings of his department regarding challenges in (a) Botshabelo, (b) Phuthaditjhaba and (c) Thaba Nchu Industrial Parks;
- (2) how does he intend to revise the ownership and management model to ensure effective governance and financial management in the specified parks;
- (3) whether he will appear before the Portfolio Committee on Planning, Monitoring and Evaluation to explain his solutions and implementations of the recommendations of the Department of Planning, Monitoring and Evaluation; if not, why not; if so, what are the relevant details? NW5686E

REPLY:

- (1) In general, all state-owned industrial estates went through a similar fate of serious disinvestments and deindustrialisation, post the 1994 dispensation. This was largely attributed to the mass exodus of manufacturing companies, mostly of overseas origin.
 - (a) Challenges in relations to Botshabelo, constitute of, but not limited to the following: aging infrastructure, poor maintenance on existing factories and overall industrial site maintenance, revenue generation from taxes & rates collected not allocated back to service the park, skeleton staff to manage and operate the park efficiency, persisting socio-economic pressures arising from

unemployment growth, and no sufficient investments or tenants occupation absorbing inflationary escalations to sustain the park;

- (b) Phuthaditjhaba IP is located in an electrically-unstable region, poor water reticulation infrastructure and sanitation, decaying critical infrastructure inside and outside the park, majority of non-compliant or poor adherence to labour laws by some employers, poor rental collections due to erratic electricity provision, aging infrastructure on factories and road property, low park occupancy that cannot sustain the park; and
- (c) Thaba Nchu factories face high levels of decayed infrastructure, high or unaffordable electricity rates for MSMEs, high local community agitation towards criminal behaviour due to high unemployment, and the park having no anchor or significant cluster of companies to carry the load of sustaining the park.

- (2) Discussions with provincial agencies and affected municipal owned parks have advanced to the drafting stage of a co-governance and management agreement. The draft proposal speaks to a systematic co-governance model involving appointed private and public officials to provide strategic oversight on governance, leadership and installation of sustainable financial management for parks.

The following industrial parks have been consulted and are working with **the dtic** on these protocol agreements: Uppington IP (NCEDA), Isithebe & Ezakheni IPs (iThala FDI), Nkowankowa & Seshego IPs (LEDA) and Matjhabeng EIP (Municipality & LDA).

Other provincial agencies have been equally apprised of the proposed model. Governance structures will comprise of private sector and organised strategic stakeholder participation. Roll-out of this framework of the governance model will be extended to all prioritised and **the dtic** funded industrial parks. Other lessons have been learnt from interactions and working relationships with private owners in KZN (Isithebe), MP (Ekandustria), GP/NW (Babelegi), GP/Ekurhuleni (Wadeville/Alrode Industrial), GP/Tshwane (Rosslyn Auto Park), EC/Qqeerha (Markman and Perseverance IPs), and lately, GP/NW (Garankuwa IP) – all demonstrated their business confidence in continuing operations at these industrial parks.

Institutional technical capacity building support is also being provided by UNIDO, SECO, GIZ and WB through their contractual partnership agreement with **the dtic**.

The process of consultation and using the first piloted parks as benchmark, is earmarked for completion by end of Q4 2025/26.

- (3) The Minister seeks to achieve a collaborative and decisive outcome for getting the industrial parks to perform as labs of excellence for transformation and inclusive growth. Appearance before the Portfolio Committee on Planning, Monitoring and Evaluation will give **the dtic** an opportunity to expound on progress of highlighted developments, as mentioned above, which address recommendations of the DPME assessment report.

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