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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 5164

Mr M C Masina (ANC) to ask the Minister of Trade, Industry and Competition:

According to Stats South Africa the economy has contracted in the last quarter after experiencing three quarters of marginal growth as a result of a decline in manufacturing amongst other factors, what (a) is the strategy and programme of his department to reverse the decline in manufacturing and ensure investment in the sector and (b) steps has his department taken to ensure the reduction of structural inflation through reducing high regulated tariffs in electricity, water, freight logistics and fuel costs which are critical inputs to make the economy of the Republic more competitive through reducing the cost of doing business? NW5571E

REPLY:

(a) Strategy and programme to reverse the decline in manufacturing

The Department of Trade, Industry and Competition (**the dtic**) continues to implement a range of trade and industrial policy measures to support industrialisation, safeguard productive capacity, and create employment. However, the Department recognises that economic growth due to increased investments and industrialisation is a shared responsibility requiring stronger collaboration among all spheres of government, business, labour, educational institutions, and civil society.

The recently approved Industrial Development Strategy (IDS) provides the overarching policy and strategic framework for industrial development and takes cognisance of the need for investment, sustainable job creation and economic transformation. It places the manufacturing sector at the centre of industrialisation and recognises the need to boost

domestic production. It focuses efforts on building local industrial capability through dynamic and competitive firms and sectors. It aims to protect existing industries like steel, automotive, clothing and textiles, and mining, while building future growth in agro-processing, the digital economy, and green economy. It also targets sectors that support economic sovereignty (health and aerospace) and job creation, especially for youth, such as tourism and global business services. Overall, it balances strengthening and rebuilding supply chains in traditional industries as well as developing new growth areas.

A key pillar of this effort is the implementation of nine Sector Master Plans covering the automotive; clothing and textiles, leather and footwear; sugar; poultry; steel and metal fabrication; medical devices; global business services; furniture; and hemp & cannabis sectors. These Master Plans provide established platforms for cooperation between government, business and labour, supporting investment, localisation, competitiveness, industrial expansion, and job creation.

Our industrial ambitions are further strengthened by strategic international trade and investment partnerships. Through initiatives such as the South Africa-European Union (SA-EU) Clean Trade and Investment Partnership (CTIP), we are positioning South African industry to benefit from emerging green value chains, increased investment flows, industrial cooperation, technology transfer, and enhanced market access. These partnerships are helping to ensure that South African firms remain competitive in a rapidly changing global economy, particularly as demand grows for low-carbon and sustainably produced goods.

At the continental level, collaboration with institutions such as Afreximbank is creating new opportunities for industrial financing, export expansion, value chain development, and greater participation in intra-African trade under the African Continental Free Trade Area (AfCFTA). These initiatives are helping South African firms access new markets across the continent while contributing to Africa's broader industrialisation agenda and economic integration.

Green industrialisation is a key thrust of our industrial strategy and a major source of future growth. South Africa's abundant renewable energy resources, industrial capabilities, and strategic mineral endowment position us to become a globally competitive producer of green

products and technologies. Across multiple sectors, investments are being directed towards cleaner production processes, renewable energy integration, circular economy initiatives, and the development of new green industries that will create jobs while reducing carbon emissions.

The IDS looks to expand opportunities for SMMEs and black-owned enterprises through localisation and procurement prescripts and by embedding transformation objectives across value chains. It supports broader participation by linking industrial development to skills development, regional inclusion through Special Economic Zones (SEZs), and supplier development, while also crowding-in investment through incentives and infrastructure. Together, these measures ensure that industrialisation generates widespread employment, reduces inequality, and enables more inclusive participation in the economy.

(b)

The South African Government has initiated several regulatory reforms through Operation Vulindlela (OV) to create a conducive environment for investment and business development, thereby supporting economic growth. Operation Vulindlela, which is a joint initiative between the Presidency and National Treasury, aims to transform network industries, such as - electricity, water, transport, and digital communications to make these sectors more competitive and efficient. These network industries are the basis of economic growth and are essential to creating a globally competitive economy by reducing the cost of doing business in the country. Operation Vulindlela and the Growth and Inclusion frameworks link the industrial policy to stronger fundamentals, capable public institutions and new sources of growth.

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