



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 6713

Dr S S Thembekwayo (EFF) to ask the Minister of Trade, Industry and Competition:

What strategies does his department have in place to increase the participation of the Republic in (a) regional and (b) global trade? NW7506E

REPLY:

(a), (b)

The Department of Trade, Industry and Competition (**the dtic**) has adopted a comprehensive trade diversification strategy to strengthen South Africa's participation in regional and global trade.

A central element of this approach is the acceleration of market and product diversification through a "butterfly strategy." This strategy prioritises the implementation of the African Continental Free Trade Area (AfCFTA), while expanding export initiatives to priority established and emerging markets globally, including in the Americas, Europe, Asia and Middle East. The approach seeks to broaden exports geographically and by product category, increase value-added manufacturing, and leverage trade agreements and diplomatic engagements to enhance market access and competitiveness.

In addition to expanding opportunities, it also aims to strengthen resilience in South African exports so they can withstand changing global market conditions and reduce risks from over-concentration in too few markets. In advancing trade diversification, the following elements are being pursued:

- **Product diversification:** Identification of high-value products and sectors with export potential.
- **Market diversification:** Expansion into new regions and economies to reduce concentration risk.
- **Value addition and industrial upgrading:** Shifting from raw commodity exports to higher-value processed goods.
- **Sector diversification:** Promoting a balanced production structure that supports exports across multiple sectors of the economy.

Our diversification drive builds on trade agreements that South Africa has concluded with countries in European Union, European Free Trade Association, Mercosur, and the African continent through the Africa Continental Free Trade Area (AfCFTA). This ensures that SA exports can access over 90 countries globally.

In addition to preferential trade agreements, the Department has been engaging with key countries across the global to increase and diversify SA exports, and secure foreign direct investment. The department uses platforms such bi-national commissions as well as joint trade committees to enhance cooperation on promoting trade and reducing non-tariff barriers. In the current financial year, the department undertook a number of visits in pursuant of export diversification and securing investments, and this include to China, Japan, India, Turkey, Indonesia, Vietnam, Malaysia, Switzerland, the United Arab Emirates (UAE) and Egypt.

Alongside high-level engagements with key trading partners, as part of implementing trade diversification, the department undertakes export promotion initiatives, which include exhibitions and missions, to profile South African exporters as well as our product and services to international importers, buyers and distributors. Thus far, companies were funded to participate in around fourteen (14) exhibitions and outward selling missions this financial year.

Through these measures, **the dtic** aims to consolidate South Africa's role in regional integration and expand its footprint in global trade, driving industrialisation, job creation and sustainable economic growth.

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