Colloquium on South Africa's Industrial Development Strategy (IDS) 2026

PRESENTATION TO THE PORTFOLIO COMMITTEE ON TRADE, INDUSTRY & COMPETITION

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A NEED FOR A REVISED INDUSTRIAL DEVELOPMENT STRATEGY IN SOUTH AFRICA

ECONOMIC CHALLENGE

- Weak growth path rooted in premature de-industrialisation.
- Low rates of fixed investment.
- Investment has lagged middle-income peers.
- Manufacturing's share of GDP fell sharply — 21% (1994) to 13.6% (2025).
- Persistent concentration of economic power.
- Exports stay concentrated in commodities, keeping the economy resource-based.
- Rising import penetration is eroding local value-addition and jobs.
- Rising administered prices are lifting production costs across sectors.

WHY A REVISED STRATEGY

- **Global and domestic structural shifts** require a more adaptive, execution-oriented industrial policy.
- **Competition** is increasingly shaped by regulatory, technological and investment dynamics beyond cost.
- **Two structural transitions** now drive economic change:
  - **Climate:** decarbonisation and carbon-border measures reshape competitiveness, market access and investment.
  - **Digital:** digitalisation is a decisive determinant of firm- and sector-level competitiveness.
- **GAIN priority:** strengthen coherence and alignment across policy objectives, instruments and delivery.
- **Industrial Development Strategy (2026):** coordinated, feasible policy packages that fix coordination failures and help firms invest and upgrade.

INDUSTRIAL DEVELOPMENT STRATEGY ALIGNMENT WITH GAIN

Three pillars of the framework

Growth and Inclusion Strategy (GAIN) was developed by the Presidency, National Treasury and **the dtic** to coordinate an “integrated economic growth strategy”.

Growth and Inclusion

ECONOMIC REFORM	PUBLIC SERVICE REFORM	INDUSTRIAL POLICY REFORM
Fix the fundamentals	**Build a state that delivers**	**Pursue new areas of growth**
Maintain a clear and stable macroeconomic framework	Build the capability of the state to deliver on its developmental mandate	Position South Africa as a leading player in the green economy
Implement economic reforms for growth	Strengthen local government and improve the delivery of basic services	Implement a forward-looking industrial policy that creates jobs
Accelerate infrastructure investment	Harness digital transformation as a driver of growth and inclusion	
Support employment, entrepreneurship and productive livelihoods	Fix the basic education system and improve learning outcomes	

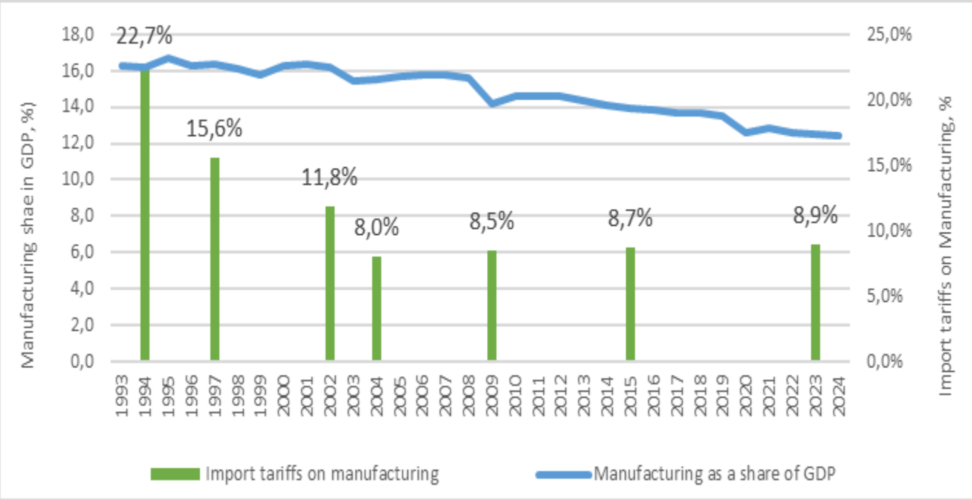
GAIN establishes a whole-of-government framework for aligning plans and initiatives, while providing a coherent growth narrative for South Africa.

AREAS OF GROWTH IDENTIFIED IN GAIN

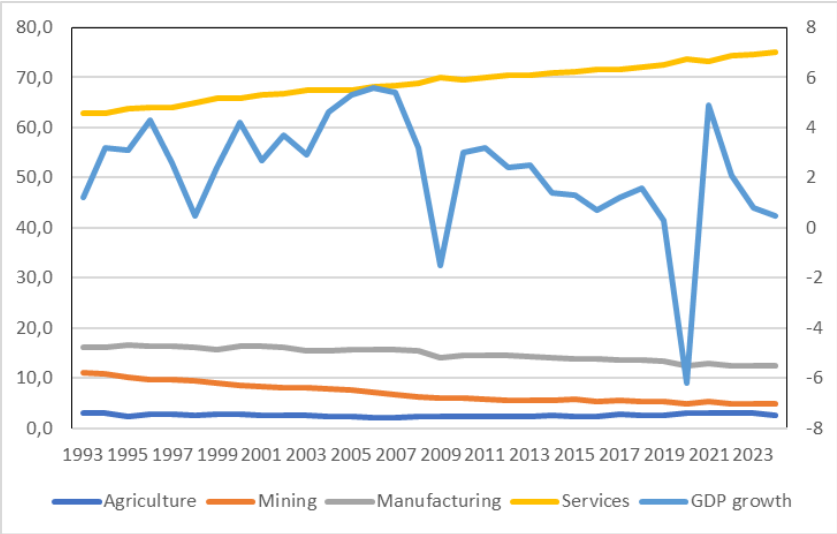
- Sectors should be targeted based on their **employment and output multipliers**, as well as their **potential for future growth** given technological change.
- Sectors are targeted on their ability to increase **value addition** and improve growth of the manufacturing sector.
- Sectors that would help the economy sustain existing jobs whilst others will create employment on a large scale.
- Sectors that would help us move up the **technological frontier** and improve **foreign exchange earnings.**

Agriculture	Digital services	Tourism	Mining	Autos and machinery
Opening access to new export markets and scaling up finance to commercial and small-scale farmers. Pursuing regulatory reform and providing industrial support to enable hemp & cannabis, energy crops, and next-generation agri-business	Expanding incentives for digital services and building digital infrastructure such as data centres, while growing the export of financial and professional services to the rest of the continent and globally	Establishing a National Air Access Programme to activate new tourist flight routes, implementing the Electronic Travel Authorisation system, and establishing eco-tourism zones in Biodiversity Offset Areas	Expanding investment in exploration, production and beneficiation, increasing output, and implementing the critical minerals strategy to exploit strategic endowment of critical minerals such as platinum, manganese, chrome ore and vanadium	Transitioning the automotive manufacturing industry to new energy vehicles through appropriate incentives, EV charging infrastructure and other support, and expanding production of machinery for the mining industry where South Africa is competitive

Manufacturing as a share of GDP and import tariffs



Sectoral Composition of the South African GDP (%) (1993-2024)

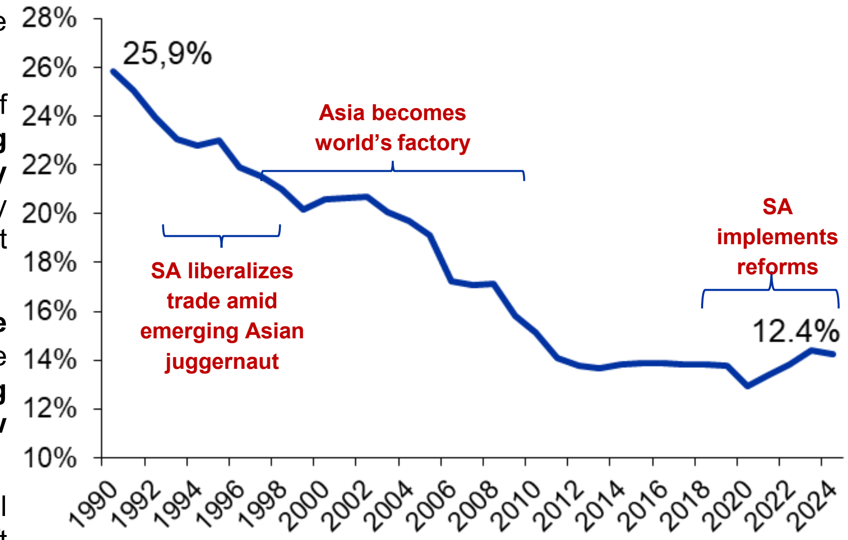


Source: the dtic

- Trade liberalisation, reduction of tariffs, declining budget allocations for industrial development, increasing administered prices, and unreliability of electricity and water supply services over the years have contributed to the changing structure of the South African economy, whereby the contribution of productive and tradable sectors has declined, and the share of the services sector has increased.

Economic context

- GAIN's proposed **industrial policy priority is to stabilize manufacturing**, in particular the steel and ferroalloy sectors. The manufacturing sector has stabilized since 2012 but there is a **risk of further deindustrialization** if we do not address challenges.
- Skills-biased technological change has made the traditional path of manufacturing-led growth untenable. In South Africa, the **manufacturing sector's contribution to GDP has declined from 21% in 1994 to 12,4% by 2024**. We risk becoming stuck in a middle-income trap, where legacy industries, significant barriers to entry and exit, and high market concentration hamper economic diversification and growth.
- A new approach to industrial policy is needed to **target labour-intensive sectors with a high potential for future growth**, where South Africa can be globally competitive. This requires **protecting and sustaining our existing industrial base**, while **expanding into new areas of opportunity, new products and services**, with higher levels of diversification and productivity.
- We have a **narrow window of opportunity** to respond to technological changes and disruptions caused by artificial intelligence and the global shift towards renewable energy sources, before other countries overtake us.

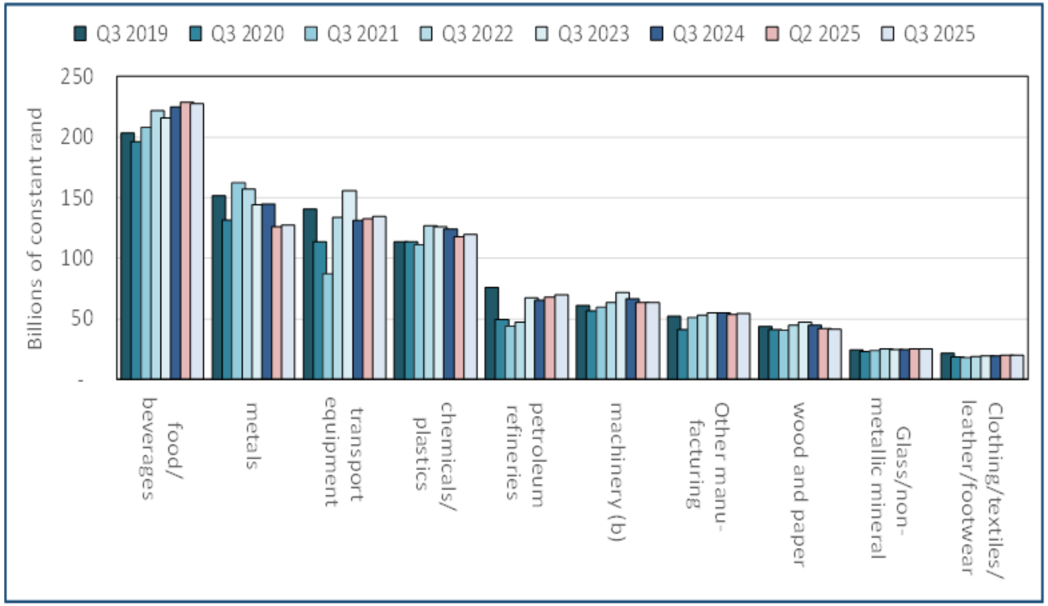


- The core aim must be to **accelerate growth in value added, exports, investment and consequently tax revenues**. This in turn requires a combination of **sector-specific interventions** (such as the automotive masterplan) and **cross-cutting policy tools** that aim to remove barriers to – and directly enable – private sector investment in growth-generating industrial capabilities.
- Compliance with existing **environmental standards is a pre-condition for competitiveness** and credibility in future-facing industrial policy.

THE PERFORMANCE OF THE MANUFACTURING SECTOR IN SOUTH AFRICA

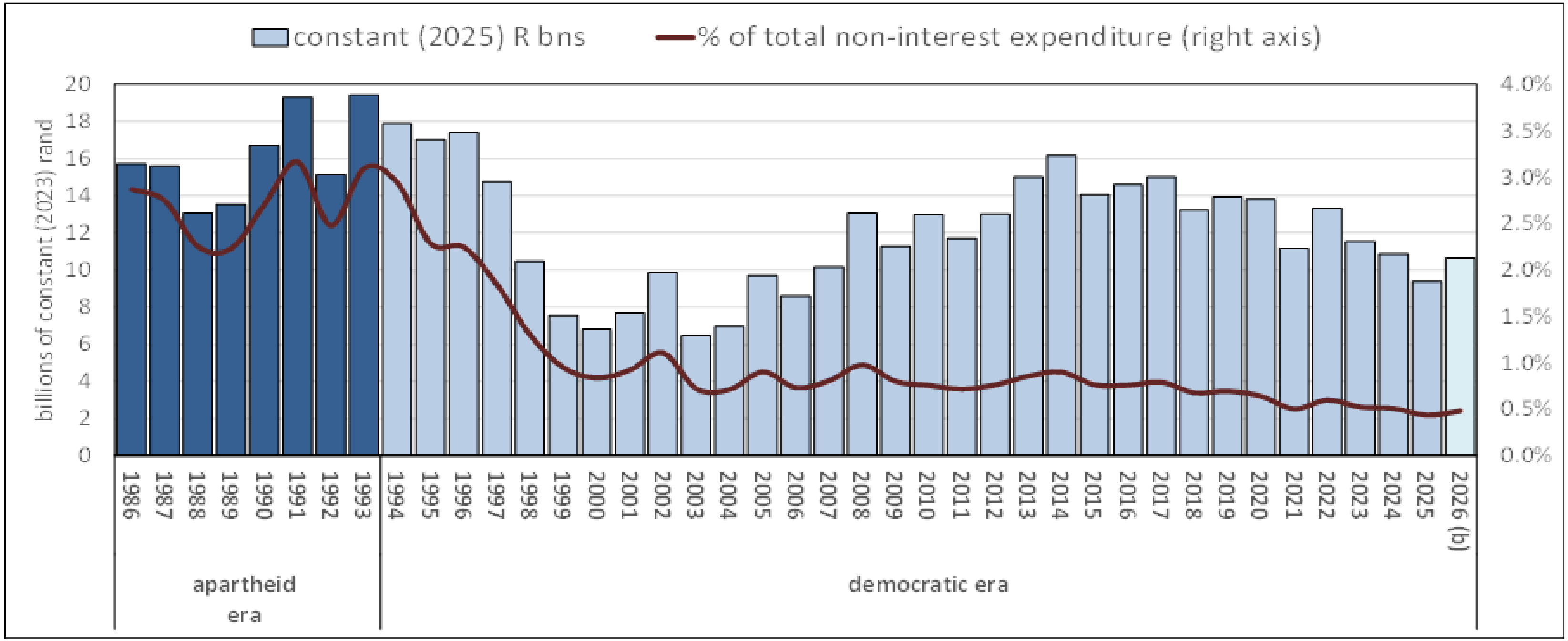
- The manufacturing remains a critical driver of economic growth in South Africa, accounting for approximately 13% of GDP, employing 1.6 million people, and serving as a cornerstone for industrialisation, job creation, and export revenues.

- The sector is dominated by food and beverages, steel and metal products, it also contributes to high-income jobs, research and development, and technological innovation.



Source: Stats SA, the dtic

THE BUDGET ALLOCATION TO THE DTIC PRE AND POST APARTHEID SOUTH AFRICA



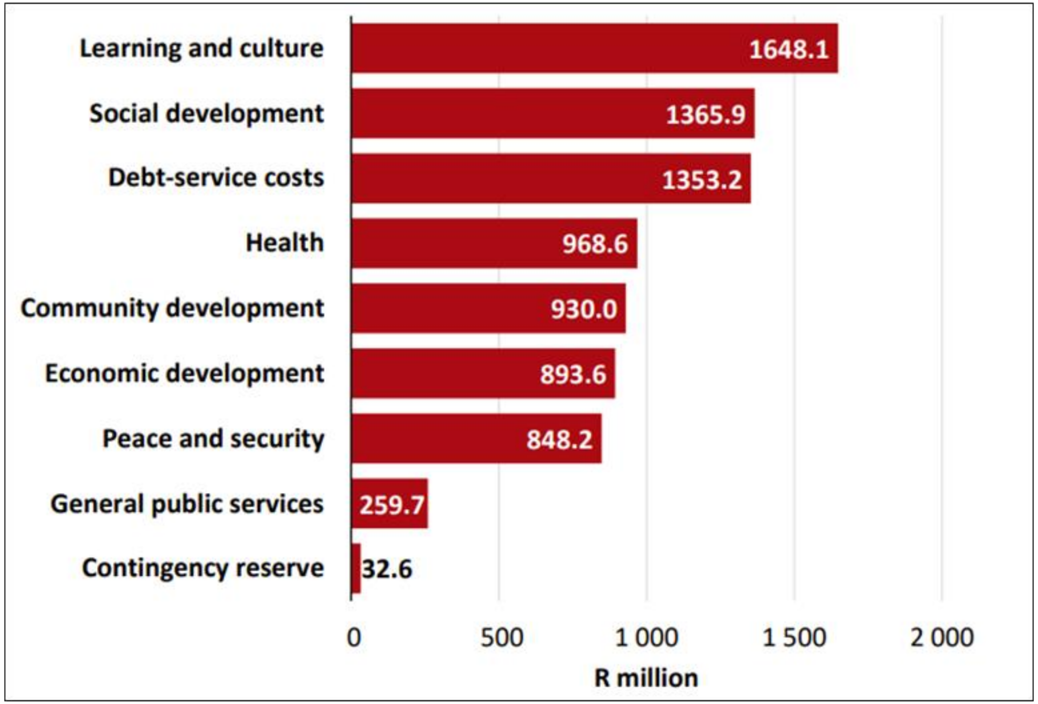
Source: National Treasury, TIPS

- South African Government during the apartheid era prioritised investments in carbon and capital-intensive extraction and commodity-based sectors of the economy such as steel, petrochemicals, aluminium industries, and associated value chains **(referred to as the Mineral Energy Complex).**

- Strong trade ties were formed with European commodity markets, whilst other regions in Africa, Asia, and the Middle East not prioritised.

- The scale of industrialisation in South Africa has been impacted by a decline in **the dtic**'s total budget over the years.

2026/27 MTEF CONSOLIDATED GOVERNMENT EXPENDITURE (R billion)



Source: National Treasury, TIPS

- The 2026 MTEF prioritises the social sector, which is made up of education, health and social services; and accounts for about 60% of non-interest spending and has been like that for years.
- This reflects the Government's commitments for income redistribution and reduction of poverty and inequality.
- Targeting pro-poor industrial investments in labour-intensive and export-oriented sectors as well as skills development programmes can yield employment multipliers, thereby creating jobs and reducing poverty.

THE IMPLEMENTATION OF MASTERPLANS

- The Masterplans are action-oriented sector-wide policy implementation documents targeted towards boosting local jobs and developing local value chains.
- The South African Government has been utilising sector-specific Masterplans as a significant instrument to promote inclusive economic growth and tackle unemployment.
- **the dtic** is currently implementing eight Masterplans and one Masterplan has recently been launched. A range of industrial policy tools are utilised aimed to grow and develop export capabilities, regain domestic market share as well as create and sustain employment in the economy.

The following slides provide information on the achievements and impact of the following Masterplans:

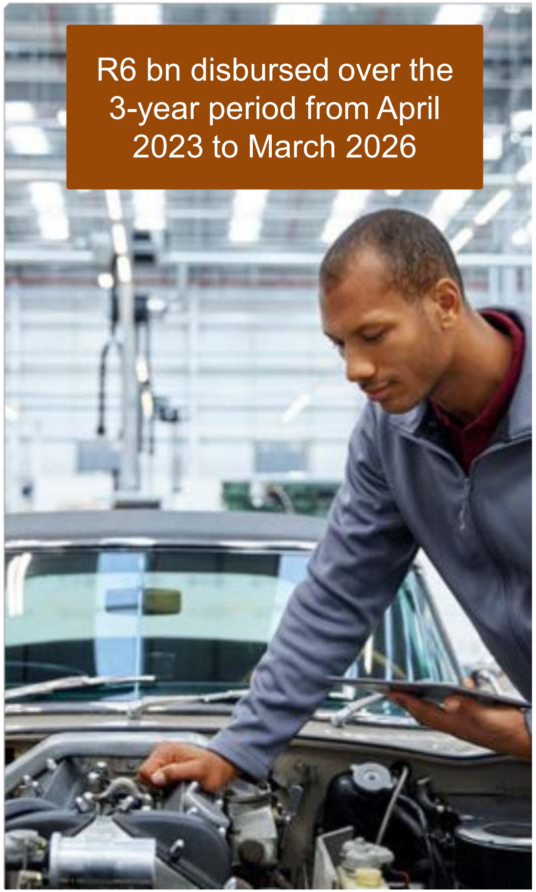
1. Retail-Clothing, textiles, footwear and leather
2. Sugar
3. Furniture
4. Poultry
5. Automotive
6. Steel and metal fabrication
7. Medical devices
8. Cannabis and Hemp
9. Global Business Services (GBS)

- Retail-Clothing, Textile, Footwear & Leather is a labour-intensive sector with predominantly women workers and entrepreneurs
- Sugar and Poultry deal with food security and rural development
- Automotives is a major earner of foreign exchange for South Africa and platform for advanced manufacturing
- Steel is at the heart of the country’s industrialisation drive with links mining, construction, automotives, packaging etc.
- Furniture labour absorbing dominated by family-owned enterprises
- Medical devices deal with SMME’s and the promotion of exports

Development of SMMES and localisation cut across each Masterplan

KEY DELIVERABLES | MANUFACTURING INCENTIVES

APRIL 2023 TO MARCH 2026



23 000
New jobs

38 000
Jobs retained
(2025/26)

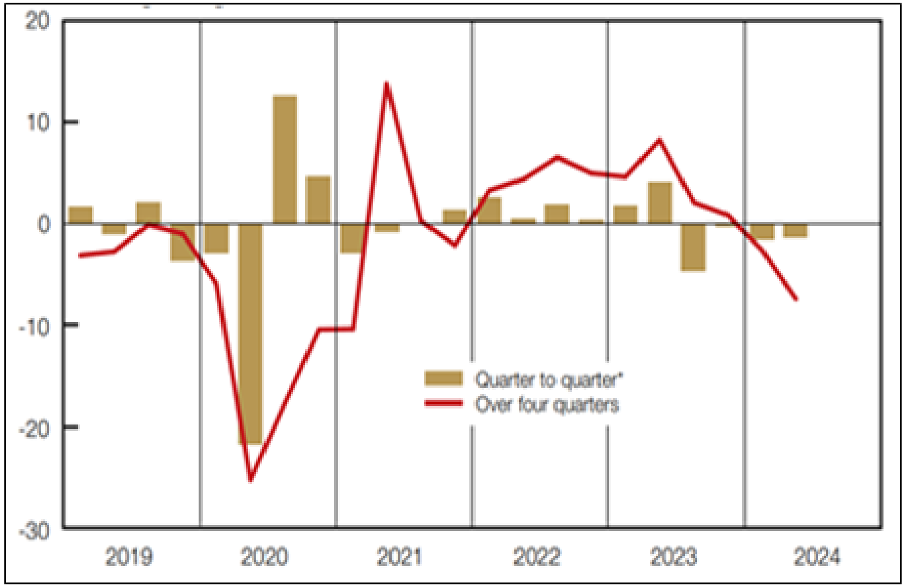
R16 bn
Local additional output

R3.9 bn
Import Replacement

Over the **3-year period (April 2023 to March 2026)**, incentives enabled the **first-time local production** of key automotive components in South Africa. These included brackets, cable ducts, HVAC components, metal press parts, exhaust rear mufflers, machined flanges as well as body, frame and bumper parts — **strengthening localisation** and **reducing import dependence**.

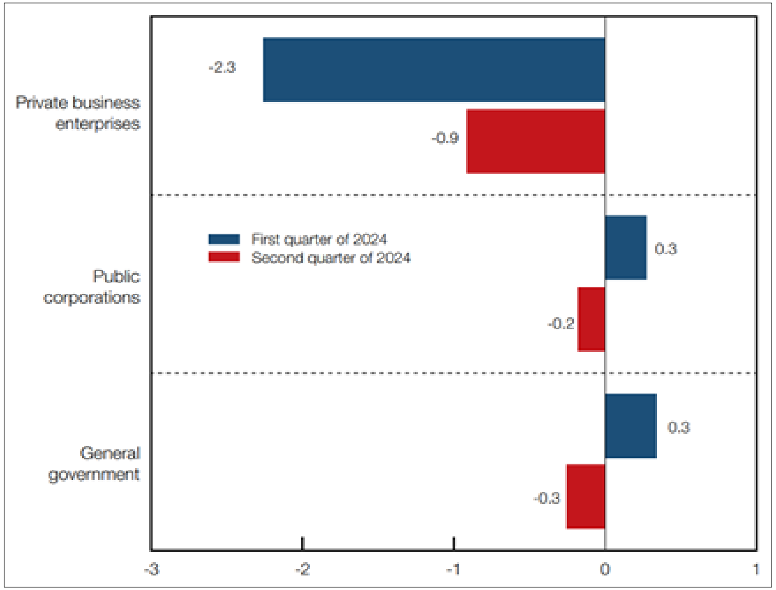
GFCF: Gross Fixed Capital Formation

% Change in real GFCF (2019-2024)



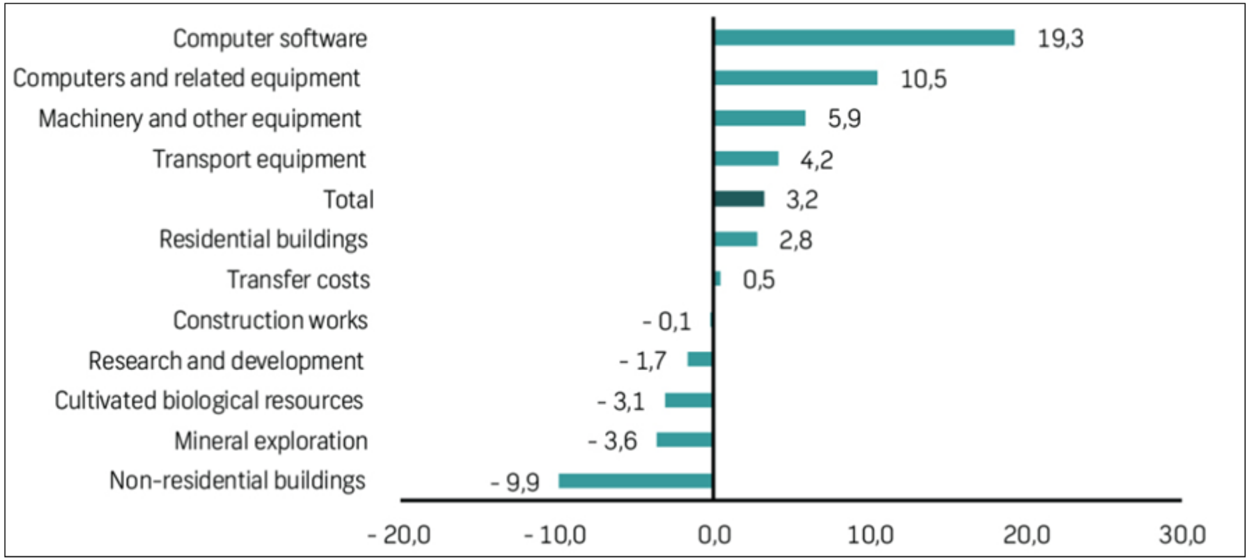
Source: Reserve Bank; Stats SA

Contributions to GFCF (2024)



- Since the global financial crisis, slower growth in capital spending has coincided with structural shifts in investment patterns, particularly a sharp decline in manufacturing's contribution to GFCF from 20.1% in 2000–2009 to 14% in 2018–2024, placing pressure on the country's industrialisation agenda and affecting broader economic sectors.
- Investment by public corporations play a catalytic role in infrastructure development.
- 250 fully funded infrastructure projects worth R231 billion are planned for 2025/26, which are expected to stimulate construction activity and increase demand for key inputs such as cement and steel.

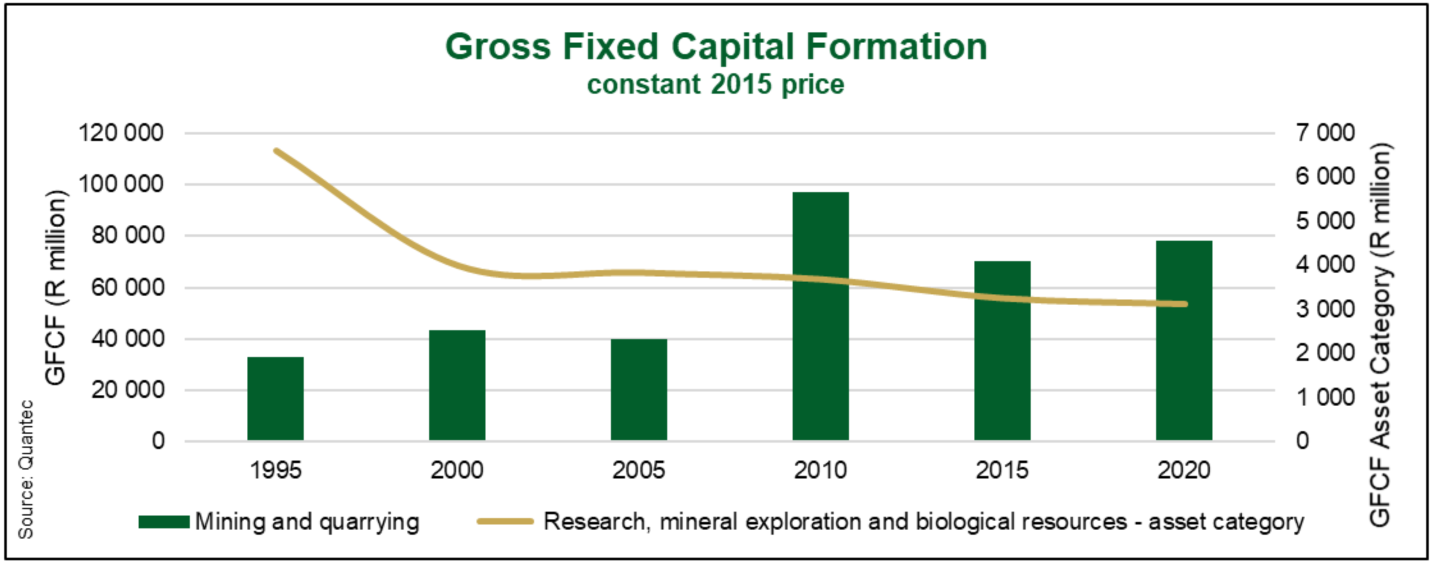
INVESTMENT OUTCOMES IN CAPITAL & EQUIPMENT IN SOUTH AFRICA (2021-2023)



- Since 2019, Fixed Investment by the construction sector has experienced rapid growth, averaging 7.5% per annum between 2020 and 2023. By the end of 2023, fixed investment by this sector was 33% above its pre-pandemic level of R12.8 billion.
- Fixed Investment by the agriculture, forestry, and fishing sector grew by 2.0%, sitting 7.4% above its 2019 level, while the transport, storage, and communication sector experienced 1.8% average growth and settled 4.7% above its 2019 level by the end of 2023.
- **However, Fixed Investment declined in the rest of the other five sectors, including mineral exploration.**

Source: Stats SA; FNB Economics

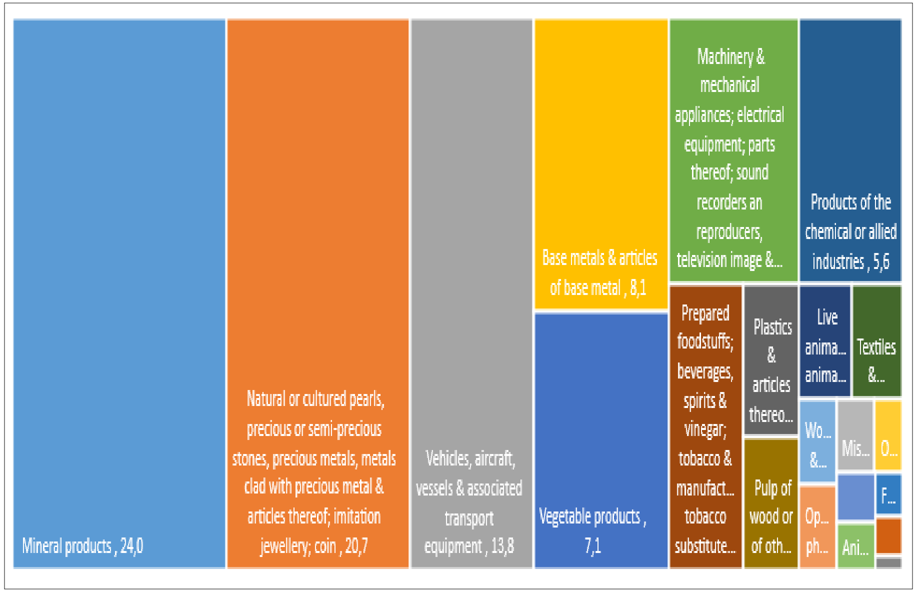
Infrastructure and Capital Investments in South African Mining

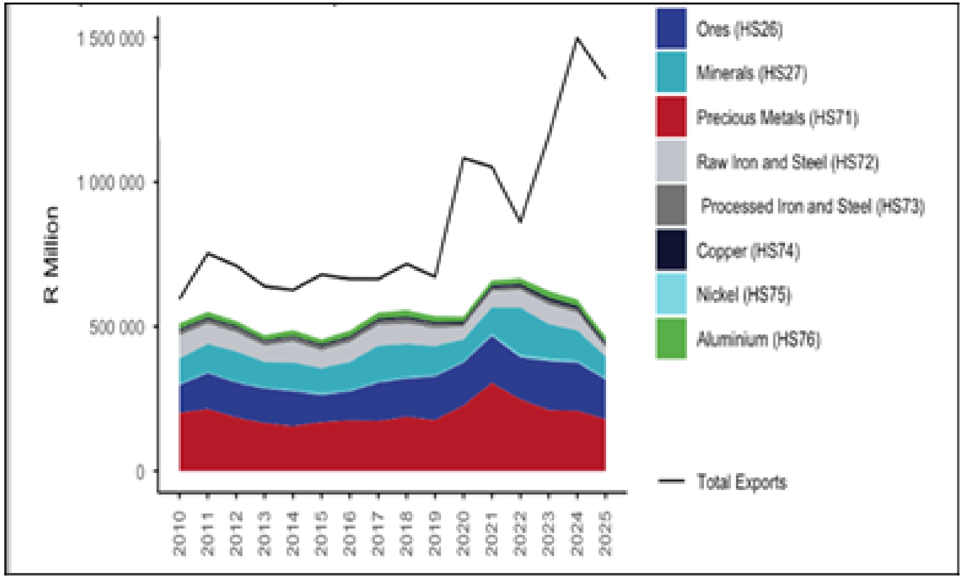


- The total GFCF in mining was R80 billion in 2024. The total GFCF growth was 7% in 2023, which decreased from 10% growth in 2022.
- The asset category was around R3 billion in 2024, that is inclusive of investment and expenditure in mineral exploration, research, capital and equipment.

Source: Stats SA; DPMR

Composition of South Africa's exports





Source: Stats SA; SARS; Codera Analytics

- South Africa's export basket is dominated by natural resources and minerals.
- Main destinations are China (especially minerals), the US, Germany, and India.
- Most manufactured exports go to Africa.

ANCHORS OF INDUSTRIAL DEVELOPMENT: PATHWAYS FOR GROWTH, JOB CREATION, AND INCLUSION

Pathway 1: Decarbonisation

Advancing low-carbon economy through clean technology investments, developing energy transition infrastructure

- Optimising **investments** linked to the decarbonisation of the economy
- **Autos:** Reforming the support measures for the automotive industry
- Optimisation and decarbonisation of the **steel value chain**
- **Mining** linked to **Critical Minerals and Beneficiation**
- Leveraging **energy investments** for industrial development

Pathway 2: Diversification

Industrial value chain development, export diversification, strengthening SMME & innovation ecosystems, regional industrial development, trade partnerships

- **Agriculture linked to Agro-processing**: value addition, food processing, agri-industrial development
- **Health Industries**: pharmaceuticals, biotechnology, medical manufacturing
- **Services**: tourism, finance, logistics, business services
- **Security Industries**: Aerospace and defence
- **New trade partnerships** for industrial development

Pathway 3: Digitalisation

Improving digital infrastructure and connectivity; data and innovation ecosystems; advancing digital skills development; promoting digital technologies

- **Digital economy**: ICT infrastructure development, software development, trade in digital services
- Building industrial capacity through **Capital Equipment**
- **technology & innovation**, associated sectors, including techno parks

Critical enablers: electricity, water, telecommunications, logistics, red tape reduction, ease of doing business

Industrial Policy Instruments: Industrial finance (Tax Incentives, Grants, Concessional Loans), Trade Measures, Special Economic Zones, Trade Agreements (AGOA, BRICS, CAEPA, CTIP), Export Promotion, Investment Attraction, Public Procurement, Skills Development, Competition Policy (public interest provisions).

GUIDING PRINCIPLES FOR CHOICE OF PRIORITY SECTORS FOR INDUSTRIAL DEVELOPMENT

The Choice of Industries is Based on Technology Intensity Classification

HIGH TECHNOLOGY
- Energy investments (decarbonisation-aligned)
- Electronics & telecommunications
- Health manufacturing – pharma, vaccines, devices
- Petrochemical, gas & refinery investments
- Defence materials – military, security, migration
- Beneficiation of minerals (local value addition)

MEDIUM-HIGH TECHNOLOGY
- Electrical machinery
- Motor vehicles, trailers & semi-trailers
- Chemicals (excluding pharmaceuticals)
- Transport equipment & rail rolling stock

MEDIUM-LOW TECHNOLOGY
- Basic & fabricated metal products
- Building & repairing of ships and boats
- Rubber & plastics products
- Coke, refined petroleum & nuclear fuel
- Other non-metallic mineral products

LOW TECHNOLOGY
- Circular economy & recycling
- Wood, pulp, paper, printing & publishing
- Food, beverages & tobacco
- Textiles, leather & footwear

Source: OECD classification of industries, by technology intensity category

SUPPORT MEASURES AND ENABLERS OF INDUSTRY POLICY

Sectoral or Vertical Interventions	Transversal or Horizonal Interventions
1. Steel industry.	• Incentives
2. Investments in green industrialisation	• Fiscal transfers
3. Support for the smelters	• Investments (network industries, R&D)
4. Automotives	• Public Procurement
5. Agro-industry value chain	• Stable administered prices
6. Mining linked to the beneficiation of critical minerals	• Leveraging trade relationships
7. Local manufacturing of health products	
8. Defence materials	
9. Digital economy	
10. Services	

RESOLVING BINDING CONSTRAINTS FOR HIGHER GROWTH

- **High Cost of Production** in the South African Economy – Administered Prices
- **Electricity Security of Supply:** Reliability, Costs and Access
- **Petroleum Refinery**: Input Costs, Importation of Refined Oil Products, Balance of Payment Challenges, Competition and Carbon Taxes
- **Gas supply challenges:** Measures to avoid the gas cliff, find alternative supplies, infrastructure investments
- **Rail Sector:** Reliability and Costs - Release of the Rail Network Statement and Transnet's Turnaround strategy
- **Telecommunications:** Data Costs and Access
- **Water Security of Supply:** Reliability, Costs and Access – Failing Infrastructure
- **Infrastructure and Logistics**: Reliability, Cost and Access

CRITICAL ENABLER: SCALING UP INVESTMENTS IN THE ENERGY SECTOR

Full Value-Chain Investment

Generation, transmission, distribution and storage to secure supply and meet JET targets.

Diversified Mix – IRP 2025

Gas-to-power and nuclear alongside renewables: accelerate GASIPPPP, the Nuclear New Build and PBMR, and revive refinery capacity.

R1.5 Trillion JET Funding

JET IP investment for decarbonisation, skills development and economic diversification.

100+ GW Renewables Pipeline

Hybrid solar, wind and battery projects, green hydrogen and private generation in development.

Storage & Distributed Generation

Battery storage (BESS), rooftop solar and independent transmission projects opening.

Execution & Local Value

Faster procurement, grid upgrades and clear PPAs, driving local supply chains, STEM skills and jobs.

Diversified R1.5-trillion investment driving energy security, decarbonization, and local jobs.

CRITICAL ENABLER: PREFERENTIAL ELECTRICITY TARIFFS FOR THE INDUSTRIAL SECTOR

High Energy Cost Burden

Electricity is 30-60% of operating costs; tariff hikes erode competitiveness and drive closures.

Knock-On Economic Impact

Higher costs squeeze margins, cut jobs and deter new industrial investment.

Municipal Tariff Variation

Wide tariff differences across municipalities create uneven, unpredictable input costs.

Targeted Tariff Deals

Negotiate tariffs with smelters and steel producers tied to local value, jobs and exports.

Eskom Affordability Balance

Keep tariffs affordable for industry while still funding Eskom's build programme.

Stakeholder Engagement

Work with DEE, DMPR and NERSA on preferential tariffs and wheeling arrangements.

Affordable, targeted electricity tariffs keep energy-intensive industry competitive and fund Eskom.

IMPLEMENTATION PLAN: SUPPORT MEASURES FOR THE STEEL INDUSTRY

Investment Choices

Weigh blast furnace vs electric arc routes and finalise the AMSA transaction.

Iron Ore Industrialisation

Leverage local iron ore and Direct Reduction Iron (DRI) to build lower-carbon primary steel.

Downstream & Stainless

Grow downstream fabrication and stainless steel to add value and jobs.

Trade Defence

Review tariffs and deploy safeguards and anti-dumping duties against import surges.

Price & Scrap Measures

Use the Price Preference System and scrap export tax to secure feedstock.

Procurement & Exports

Treat steel as strategic: accelerate the Procurement Act and AfCFTA exports.

A coordinated investment, trade-defence and procurement package for competitive & low-carbon steel.

IMPLEMENTATION PLAN: SUPPORT MEASURES FOR THE AUTO SECTOR

Import Protection

Maintain import duties and favour CKD over SKD to deepen local assembly.

Investment Attraction

Draw new OEMs and CKD via APDP2 and ad valorem tax adjustments.

EV Support Extension

Extend support to PHEVs and Range Extender EVs and lower VAT to spur EV uptake.

Regional EV Value Chains

Build EV component value chains across the SACU region.

Battery Manufacturing

Localise battery cell and pack manufacturing for electric vehicles.

Market Access

Use state procurement, AfCFTA and EU/UK trade to open EV markets.

Protect local production while accelerating EVs, batteries and new export markets for autos.

IMPLEMENTATION PLAN: INTERVENTIONS IN THE BENEFICIATION OF CRITICAL MINERALS

Preferential Mining Rights

Allocate mining rights preferentially to projects that beneficiate locally.

Beneficiation Incentives

Offer targeted incentives to process minerals into higher-value products.

Targeted Minerals

Focus on priority critical minerals with strong downstream potential.

Processing Partnerships

Form partnerships to build local refining and processing capacity.

Cost Competitiveness

Secure affordable electricity to make beneficiation globally competitive.

SEZs & Value Chains

Anchor value chains in SEZs like Fetakgomo Tubatse and Bojanala.

Beneficiate critical minerals through rights, incentives, partnerships and competitive green zones.

IMPLEMENTATION PLAN: SUPPORT MEASURES FOR THE LOCAL MANUFACTURING OF HEALTH PRODUCTS

Demand-Side Levers

Aggregate demand for HIV, diabetes and cardiovascular medicines to anchor local production.

Sector-Focused SEZs

Use SEZs like Coega and Atlantis to cluster health manufacturing.

Targeted Incentives

Provide targeted incentives to attract pharmaceutical investment.

API Development

Build active ingredient and biologics capability onshore.

Pooled Procurement

Coordinate African Pooled Procurement Mechanism (APPM) and SADC pooled procurement for scale.

Continental Alignment

Align with the African Medicines Agency on standards and access.

Strengthening local health manufacturing via demand, SEZs, incentives, API development and pooled procurement.

CRITICAL ENABLER: ADDRESS TRADE-OFFS IN THE FINANCING OF INDUSTRIAL DEVELOPMENT

Tax Incentives & Allowances

Reinstate Section 12I and similar allowances (about R900m) for industry.

Investment Allowances

Offer investment allowances and credits to lower the cost of capital.

Tax Holidays & R&D

Use tax holidays and R&D credits to reward innovation and scale-up.

Direct Spending

Fund infrastructure and industry directly where markets fall short.

Finance & Green Support

Blend concessional finance and green support for the transition.

Conditionality & Capacity

Tie support to outcomes and build capable delivery institutions.

Balance tax and spending tools with outcome-based conditions and capable delivery institutions.

TAX INCENTIVES FOR INDUSTRIAL GROWTH

- Governments deploy tax incentives such as reduced corporate income tax rates, accelerated depreciation, and R&D deductions to stimulate industrial growth. These tools lower capital and operational costs, encouraging businesses to expand, innovate, and create jobs.

- **Consider differentiating the benefits of Section 12B tax incentive,** which offers accelerated capital allowances for businesses investing in assets used to generate electricity from renewable energy sources, especially solar PV, wind, solar, biomass and hydro powered energy sources. The design of tax offset mechanism must incentivise local production. Imported machinery or assets could be subjected to a 50% deduction, while those locally made would retain the existing benefit at 100%. A similar differentiation could be considered on assets generating more than 1MW.

- **The reinstatement of Section 12I Tax Allowance,** which used to support large-scale manufacturing investments (greenfield/brownfield) with allowances up to R900 million for qualifying projects, plus training support.

- **The reinstatement of Section 12J of the Income Tax Act,** which was used to stimulate the economy by encouraging individuals, trusts, and companies to invest in small and medium-sized enterprises (SMMEs) and junior mining companies via approved Venture Capital Companies (VCCs).

TAX INCENTIVES FOR INDUSTRIAL GROWTH

- **Expansion of the Section 13(I) of the Income Tax** (No. 58 of 1962) to incentivise the private sector through deductions to invest in new and unused manufacturing plants. Investors can claim a percentage of the building or purchase price (excluding land) as a deduction against their taxable income annually.

- In order to incentivise businesses to process (beneficiate) raw or unprocessed minerals domestically before exporting them, the Government imposes an **export tax for mineral beneficiation** in certain critical minerals like chrome, manganese, vanadium.

- **The recycling of carbon tax revenues** in order to assist decarbonisation programmes like the adoption of green technologies in order to lessen the economic impact of the taxes levied on energy intensive sectors.

- **Exemption of both the IDC and ECIC** from the Corporate Income Tax in order to facilitation industrial development.

- **Extending the preferential 15% Corporate Income Tax (CIT) rate to all 13 Special Economic Zones (SEZs)** will serve as a powerful tool to boost South Africa's global competitiveness and attract higher levels of strategic Foreign Direct Investments (FDIs)
  - **Only 12% of SEZ businesses have claimed the 15% corporate tax rate.** Eligibility rules are complex, the rate applies to only the original six zones, and the 2031 Sunset Clause introduces investor uncertainty.

- **Use the OECD/G20 Pillar Two (GloBE) rules for Global Minimum Tax (GMT)** to attract incentivise the multinational enterprises (MNEs) to pay a minimum effective tax rate of 15% on profits in strategic sectors identified in the IDS.

THE ROLE OF STRATEGIC PROCUREMENT IN DRIVING INDUSTRIAL DEVELOPMENT

- Designate products for local production and content, especially where the Government is the biggest consumer.

- In the request for proposals (RfPs) for transversal tenders, include conditions which will compel success bidders to implement industrial development programmes as part of the conditions of contract (e.g. battery manufacturing by the supplies of motor vehicles).

- More offset projects to moderate the economic impacts of imports. That must be included in the RfPs.

- The Government to provide offtake contracts unlock innovative products, Research & Development.

CONSIDER REFORMING THE RULES OF PUBLIC PROCUREMENT IN ORDER TO ATTRACT INVESTMENTS IN THE STRATEGIC SECTORS UNDER THE OWNERSHIP OF THE STATE

- Consider the IDC and DBSA playing a greater role in the ownership and financing of strategic sectors under the ownership of the Government (e.g. AMSA's transaction, Foskor).

- That will enable development finance institution to attract equity and technical partners without undergoing stringent public procurement rules.

- Allow potential investors to approach the Government through unsolicited bids to invest on their own or co-invest with the Government in strategic sectors identified in the IDS. That will require the reforms of both the Public Procurement and Public-Private Partnership rules.

IMPLEMENTATION PLAN: EXPANDING AND DIVERSIFYING EXPORTS

Export Credit Agency

Establish an export credit agency to finance and de-risk exporters.

Maximise Trade Agreements

Increase utilisation of existing agreements from 85% toward 90%.

Diversify Markets

Grow the base of active export markets beyond the current 27.

China Partnership

Deepen the China trade partnership through CAEPA.

EU Clean Trade

Leverage the Clean Trade and Investment Partnership with the EU.

Green Value Chains

Build green, low-carbon value chains for future export demand.

Expand and diversify exports through trade finance, smarter agreements and clean partnerships.

Focus areas: Coordination and Alignment of Industrial Policy Instruments

Coordination & Implementation of Industrial Policy Instruments

Mobilisation of Industrial Finance: Leveraging capital markets, tax incentives, grants, concessional loans to support investments

Leveraging Trade: Leverage FTA, AfCFTA, BRICS+ group, AGOA, G20
- Measures to deal with Illicit Trade

R&D: Tech development, diffusion and transfer
- Intellectual Property – inventions, patents, copyrights etc.

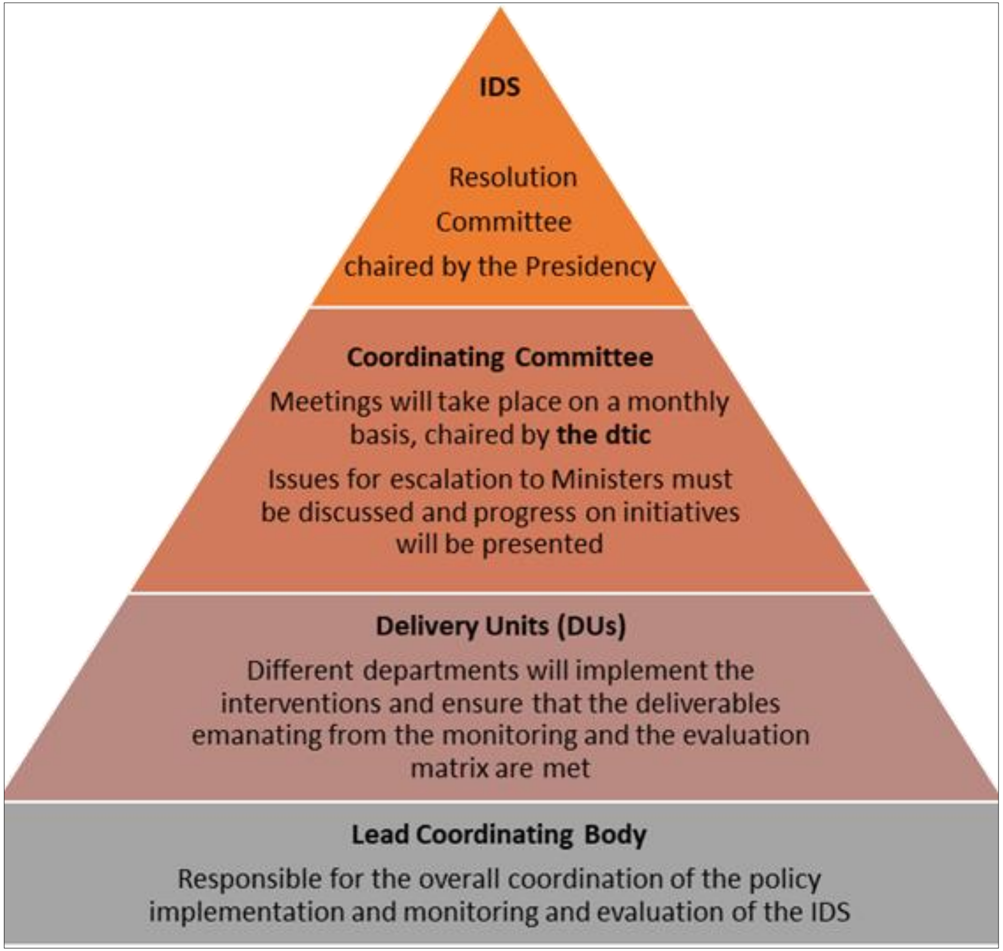
Role of Municipalities and Local Government: Providing economic infrastructure and municipal services to established businesses - access to reliable, affordable infrastructure of adequate quality

Public Procurement: Finalisation of Public Procurement Regulations
- Strategic procurement framework targeting key infrastructure projects, social spending programmes

Competition policy: strategic use of market enquiries, Mergers & Acquisitions, leveraging public interest consideration to foster inclusion, market access and address concentration

Racial and Spatial Transformation: Transformation Fund, new SEZs and Industrial Parks model linked to Township economy development

Skills Development: Optimize critical skills work for new growth sectors such as green technologies, high tech, digital



The way in which industrial policy is designed and implemented in different countries varies and is mainly driven by the following approaches:

- Top-down/centralized approach. Requires multi-sectoral expertise.
- Bottom-up/decentralized approach.
- Mixed/multi-layered systematic approach. This approach runs the risk of incoherence and different institutions undermining each other.

INPUTS RECEIVED DURING CONSULTATIVE PROCESS

Internal to the dtic

- Trade branch
- Exports Branch
- Incentives Branch
- Regulation Branch
- Transformation and Competition Branch
- Competition Commission

Government

- Presidency
- National Treasury
- Department of Mineral and Petroleum Resources
- Department of Science, Technology & Innovation
- Industrial Development Corporation
- DGs ESIEID Cluster
- Nedlac Trade and Industry Chamber
- KwaZulu-Natal Dept of Economic Development, Tourism and Environmental Affairs
- City of Cape Town
- eThekwini Municipality

External

- The Digital Council
- Clothing and textile industry
- White Goods industry
- Cannabis & Hemp industry stakeholders
- e-Platform Africa
- Tourism Business Council of South Africa
- Cable Association
- Takealot and Naspers
- Energy Council

Academia

- Prof Marianna Mazacutto
- University of Cape Town – Development Policy Research Unit
- Prof Simon Roberts – University of Johannesburg
- University of Johannesburg – Centre for Competition, Regulation and Economic Development
- Prof Hajoon Chang – School of Oriental and African Studies, UK

ITAT members

- Prof Kenneth Creamer
- Donald McKay
- Wandile Sihlobo
- Ann Bernstein
- Tanya Cohen

Thank You