



**the dtic**

Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## **THE NATIONAL ASSEMBLY**

### **QUESTION FOR WRITTEN REPLY**

#### **QUESTION NO. 1469**

**Mr S S Zondo (IFP) to ask the Minister of Trade, Industry and Competition:**

- (1) Given that his department plays a vital role in facilitating trade and ensuring market access for South African businesses, which are essential for driving economic growth and creating jobs, what strategies is his department pursuing to simplify trade processes and reduce red tape for South African businesses looking to export their products internationally;
- (2) how does his department intend to negotiate better trade agreements that will protect local industries, while expanding market access for South African products? NW1779E

#### **Reply:**

- (1) In order to simplify trade processes and provide market access for South African exporters, the department funds the participation of exporters in international exhibitions and missions to profile their products and services through the Export Marketing and Investment Assistance (EMIA) scheme. The department also undertakes capacity building and export training initiatives to expand the country's exporter base, including through the Global Exporter Passport Programme (GEPP), which trains companies to be export ready. Additionally, the department provides matching grants for Export Councils, established by groups of companies to improve communication and co-operation within different industrial sectors to enter international markets. The department is assessing improvements in these measures, as current initiatives to support export-led growth are inadequate.

Government to government engagements: South Africa, through **the dtic** or DIRCO, has a number of intergovernmental platforms that provide an opportunity to discuss challenges and/or opportunities for exporters. In this regard, prior to engagement in an intergovernmental platform with a foreign country, **the dtic** request inputs from export councils, industry associations and provinces, to ensure that issues of interest to our exporters are prioritised and attended to. This ensures

that a lot of unnecessary barriers that affect and increase costs for SA companies to export their products are either reduced or eliminated.

- (2) Legally binding trade agreements are reciprocal in nature. This implies that while preferential market access into another market is obtained, this is in exchange for preferential access into the home market. Therefore, the exchange of tariff concessions must be carefully calibrated to maximise export opportunities but also protect SA's sectors that are sensitive for industrial development and employment. The pursuit is to obtain market access for products that are of export interest to South Africa, in which South Africa has production/manufacturing capacity, and can sell competitively into the partner's market. This, however, has to be pursued while protecting South Africa's sensitive sectors, particularly job rich sectors, in order not to expose them to threatening levels of tariff liberalization.

An important aspect of trade agreements is the development of trade rules. These should create a level playing field but also maintain policy space to implement national development policy.

The government obtains a mandate from Cabinet when a new trade agreement is being planned. This is informed by consultations with the constituencies in NEDLAC, and also continuous consultations with industries and stakeholders throughout the negotiating process.

It should be noted that SA is a member of Southern African Customs Union (SACU). SACU members are compelled to negotiate trade agreements as a bloc, by virtue of it being a customs union and therefore maintains a common external tariff vis-à-vis non-SACU members.

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