

Standing Committee on Appropriations

Briefing on the 2026 Appropriation Bill

2 June 2026



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

the dtic - together, growing the economy

the dtic Customer Contact Centre: 0861 843 384

the dtic Website: www.thedtic.gov.za



PURPOSE

- To brief the Standing Committee on Appropriations on the 2026 Appropriation Bill.
- The presentation will:
 - Provide an overview of the Department's Incentive Programme and the allocations made under the 2026 Appropriation Bill.
 - Provide an assessment of the impact of the Incentive Programme following the injection of funds for the advancement of technological innovation in manufacturing.
 - Report on jobs created, investment leveraged, and localisation achieved through the manufacturing and innovation incentives.
 - An outline of the Department's forward-looking plans to sustain manufacturing-led growth and diversify support, including responses to recent global trade developments.

PRESENTATION OUTLINE



- 01** | Introduction
- 02** | Overview of the budget from 2022/23 to 2028/29
- 03** | 2025/26 Incentive Programme Performance Reporting
- 04** | 2026/27 Incentive Programme Performance & Appropriation Matrix
- 05** | Fiscal Constraints on Industrial Incentives
- 06** | Key trade interventions implemented to grow and diversify export
- 07** | Department's response to global trade developments [Annexure]

Section

1

Introduction

This section will cover:

- **the dtic**'s vision, mission and values
- Strategic Narratives Driving the APP 2026/2027
- Overview of **the dtic**'s incentive programmes
- 5 Core Incentive Clusters

the dtic's vision, mission and values

Vision



A dynamic and globally competitive South African economy built on the full potential of all citizens

Mission



the dtic working with its entities, will achieve inclusive economic growth by coordinating and enabling government wide interventions to:

- Promote structural transformation;
- Achieve stronger industrialisation;
- Transformation in terms of skills for the economy and enterprise development;
- Increase trade, investment and exports; and
- Promote the ease of doing business

Values



the dtic's values are:

1. Operational excellence;
2. Intellectual excellence;
3. Quality relationships;
4. Integrity, transparency, professionalism, ownership, leadership and teamwork.

2030 Impact Statement

Driving inclusive economic growth through sustainable industrialisation and job creation for a globally competitive South Africa

2025 - 2030 Outcomes

1. Re-industrialisation
2. Job creation
3. Transformation
4. Capable state

2026/2027 will consolidate delivery and accelerate economic impact

Strategic Narratives Driving the APP 2026/2027

1. Implement of the Industrial Development Strategy for guiding industrialisation and localisation in South Africa.
2. Expand domestic manufacturing capacity by 0.6%.
3. Increase investment by R750 Billion (R3 Trillion over 5 years).
4. Targeting R154 billion in exports to Africa in priority industrial sectors linked to implementation of the AfCFTA.
5. Expanding South Africa's Trade Footprint through Market Access, Integration and Trade Diplomacy.
6. 20% increase in ownership by black-owned enterprises in priority sectors (Agri-BEE, Forestry, Financial Services, Tourism and ICT).
7. Revised B-BBEE regulations published for implementation.
8. Above 100 000 Employment creation through **the dtic** interventions (SEZ's, GBS, Incentives, Exports, Transformation and Competition).
9. Revised B-BBEE regulations published for implementation.
10. R4 billion disbursed to enterprises that comply with the latest B-BBEE Act.

Cross-Cutting Enablers:

- Omnibus Bill on the ease of doing business and red tape reduction for investment acceleration.
- Regulatory reforms in the following areas to regulate and deal with societal issues:
 - National gambling (regulating online gambling; online gambling advertising)
 - Liquor (e-Commerce)
 - National credit (Affordable credit)
 - Companies regulation (ease of doing business)
- Reduced turnaround times and streamlining of processes **by the dtic entities**.
- Interventions to improve the ease of doing business by regulatory entities to ensure increased investment, through **the use of the matrix or methodology**.
- **Illicit trade curtailed** through efficient tracking regulations facilitating, strengthened tracing of illicit trade.

the dtic's economic and industrial strategy context summarised by a SWOT Analysis

Strengths

- Resilient manufacturing, mining and agriculture sectors
- Availability of critical mineral resources and abundant solar radiation position SA to benefit from green industrialisation if decisive policy action is taken now
- Internationally competitive agro-industrial (fruit, meat, processed foods, mohair, wool, hemp and cannabis) and autos value-chains
- Sophisticated financial services sector and strong service sectors in areas such as mining, civil and construction engineering, communications technology, tourism and hospitality
- Growing, youthful population eager to acquire skills and start a business

Weaknesses

- Economic structure that exposes SA to volatile commodity cycles
- Domestic consumer market too small to encourage world-scale investments
- Rising cost of doing business in SA and growing infrastructure gaps and inefficiencies in rail, ports, roads and water
- Under-investment in R&D, commercialisation and innovation by both public and private-sector
- High levels of concentration limit entry of dynamic, new firms and SMMEs
- Significant regulatory barriers and red-tape which is constraining investment and growth
- Exposure to global trade volatility and trade diversion risks in a small, open economy
- Slowing public-sector investment that doesn't 'crowd-in' private-sector investment
- South Africa is a relatively open economy, with few barriers to illegal and illicit imports, which makes domestic firms vulnerable to disruptive imports and global demand and supply imbalances

SWOT

Opportunities

- AfCFTA market for food, autos, mining equipment, and financial services is massive
- Digitally-savvy, youthful population eager to enter the Digital and Knowledge Services sector
- Emerging sectors such as green industries, critical minerals and biotech, which could leverage off SA's natural resources and manufacturing capabilities
- Focusing government support, including R&D, to catalyze innovation in priority sectors such as digital, consumer goods, industrial energy and defense
- Improve utilisation of existing Preferential Trade Agreements and enhance market access

Threats

- Global decarbonisation interventions and protectionism, which may affect SA disproportionately
- Geo-political tensions and 'trade wars' which may constrain exports, limit inward investment and expose SA to global surplus production of key products such as steel
- Economic instability that negatively affects businesses
- Heightened competition from other regions, which may offer better incentives, lower costs or more developed infrastructure to divert investment from SA
- Climate change and Environmental risks, i.e., natural disasters, floods and long-term resource constraints, which may disrupt key sectors such as agriculture, mining and infrastructure.

Driving Industrial Growth: Overview of the dtic's Incentive Programmes...

Aligning Allocations under the 2026 Appropriation Bill to National Industrial Priorities

DRIVING INDUSTRIAL GROWTH. DELIVERING NATIONAL PRIORITIES.

The **Incentive Branch (IB)** of the **dtic** drives industrial growth through a portfolio of incentive and financing programmes, including strategic partnerships with:



OUR PURPOSE

To grow sustainable, competitive enterprises that support national priorities and inclusive economic development.



Partnering. Investing. Growing South Africa.

Building industries.
Creating jobs.
Strengthening communities.

OUR INCENTIVES ADVANCE KEY ECONOMIC DEVELOPMENT PRIORITIES



INCREASING EMPLOYMENT

Creating more jobs and opportunities for South Africans.



TRANSFORMATION

Building an inclusive economy that empowers all South Africans.



LOCALISATION

Strengthening local industries and supply chains.



GREEN TECHNOLOGY

Supporting innovation for a greener, more sustainable future.



REGIONAL SPREAD

Promoting balanced growth and development across all regions.



COMPETITIVENESS

Building globally competitive and resilient enterprises.



Through targeted incentives and strategic partnerships, the IB fuels sustainable industrial growth that drives **prosperity for South Africa** – today and for generations to come.

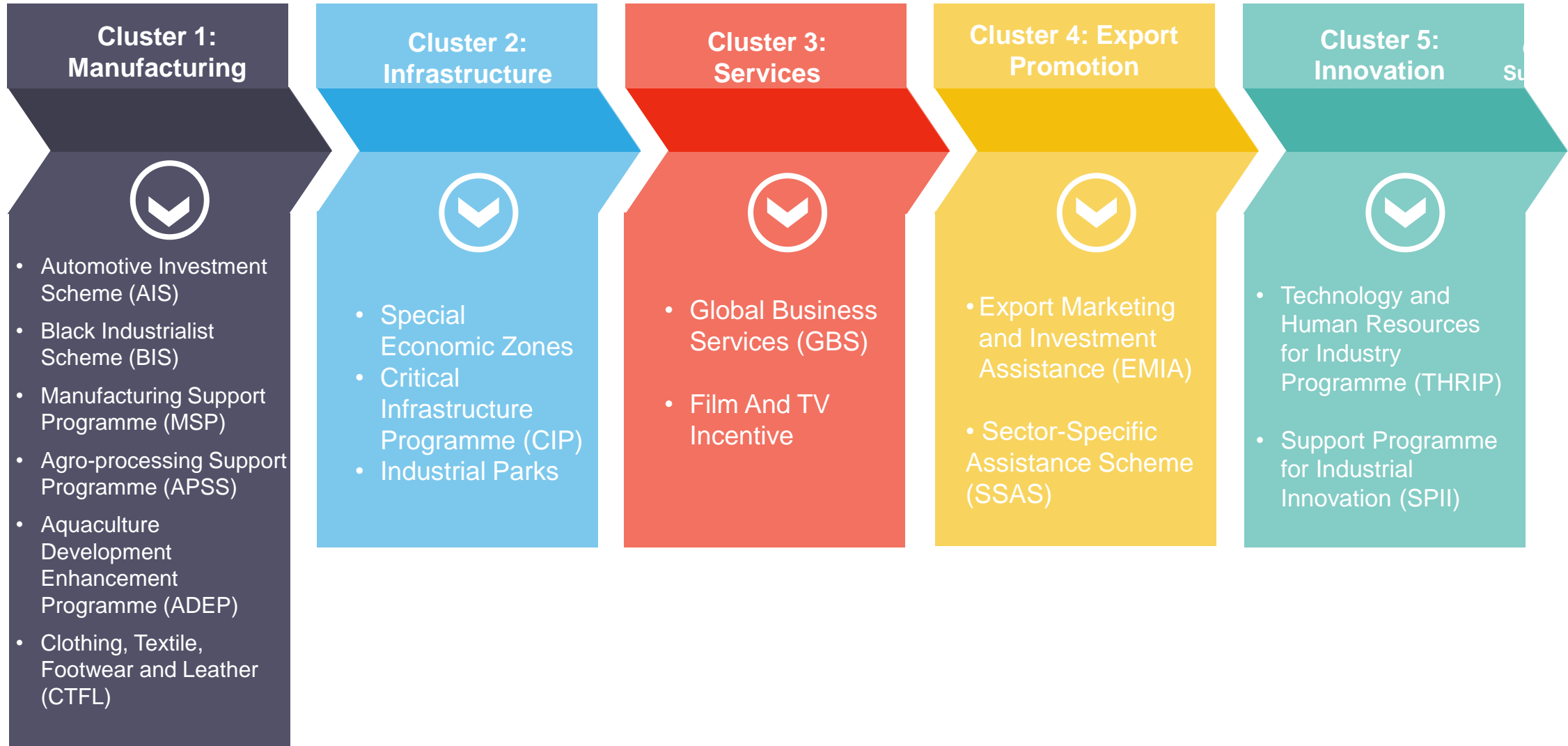


the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

...that Drives Industrial Growth Through Strategic Support Under Five Core Clusters

Deploying **economic levers** across 5 clusters



Section

2

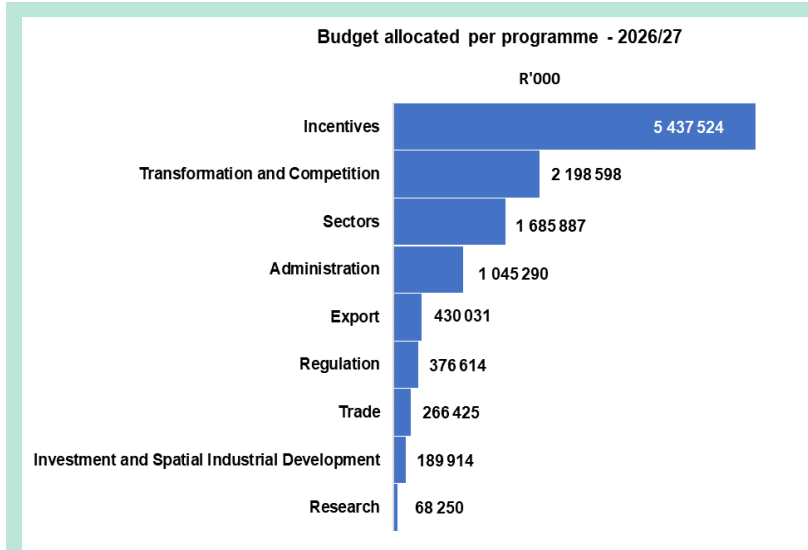
Overview of the budget 2022/23-2028/29

This section will cover:

- Allocated Budget over the MTEF
- Budget Distribution by Categories
- Summary of budget allocated to the APP performance targets in the 2026-27 fiscal year
- Incentive budget across six clusters over five financial years from 2022-23 to 2026-27
- Incentive Budget - Percentage Share Breakdown
- Incentive Cluster Budget – Composition over 5 years (2022-23 – 2026/27)

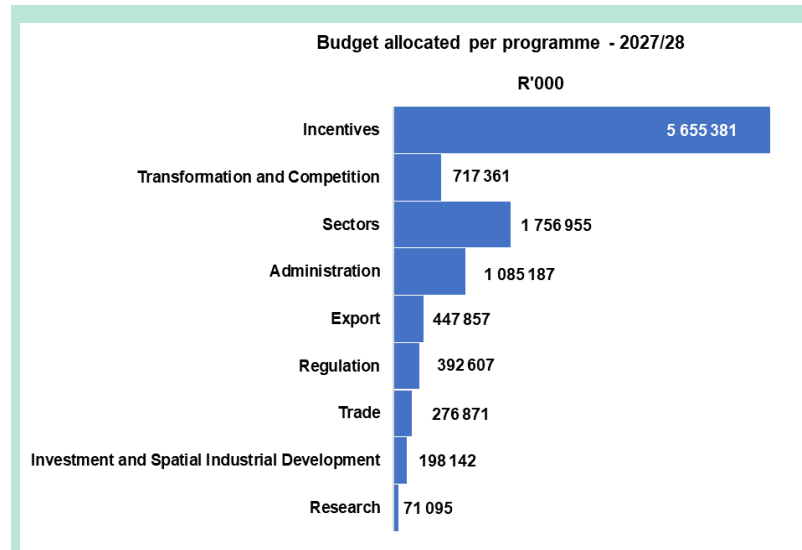
Budget – R33.2 billion has been appropriated over the medium term

Financial Year 2026/27



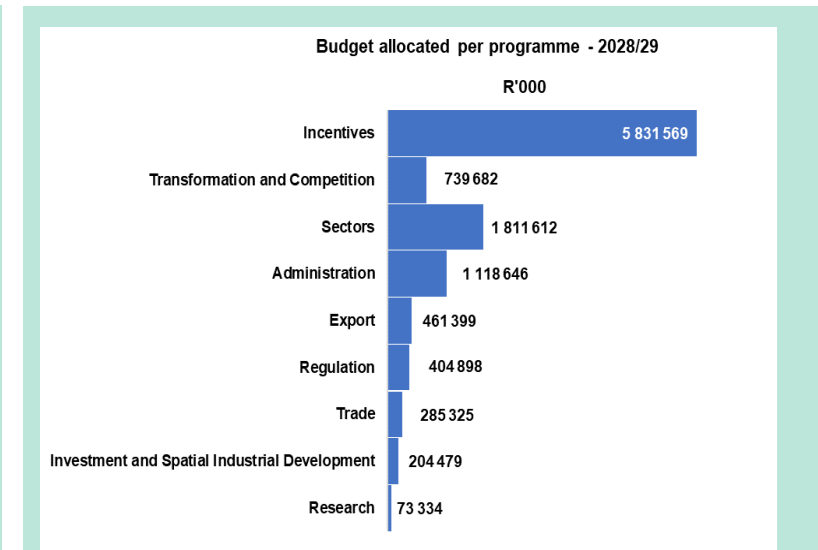
R11.69 billion

Financial Year 2027/28



R10.6 billion

Financial Year 2028/29



R10.9 billion


**Administration budget includes accommodation expenditure of just over R350 million per year.

1. 2026 MTEF continued to be prepared under **constraint fiscal environment**
2. Funding pressures to be considered through **reprioritisation within department's existing baseline.**
3. **Marginal decrease (i.e. -0.6%)** of the department's total expenditure from R11.1 billion in 2025/26 to R10.9 billion in 2028/29.

2026 MTEF Budget Allocation – Programmes & Economic Classification

	Audited outcome	Audited outcome	Audited Outcome	Adjusted Appropriation	Medium -term expenditure estimate			Average growth rate (%)	YOY Change
Rand thousand	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2025/26 - 2028/29	
Programmes									
Administration	759 928	816 925	848 713	1 069 471	1 045 290	1 085 187	1 118 646	1,5%	
Trade	222 660	252 006	237 079	315 692	266 425	276 871	285 325	-3,3%	
Investment and Spatial Industrial Development	152 115	138 635	147 111	159 409	189 914	198 142	204 479	8,7%	
Sectors	1 730 513	1 574 173	1 312 230	1 534 105	1 685 887	1 756 955	1 811 612	5,7%	
Regulation	331 511	346 173	345 911	407 261	376 614	392 607	404 898	-0,2%	
Incentives	5 363 088	5 431 108	4 251 220	5 230 216	5 437 524	5 655 381	5 831 569	3,7%	
Export	397 829	416 725	339 688	385 274	430 031	447 857	461 399	6,2%	
Transformation and Competition	1 533 894	1 415 632	1 767 922	1 962 634	2 198 598	717 361	739 682	-27,8%	
Research	48 237	49 251	37 118	64 587	68 250	71 095	73 334	4,3%	
Total for programmes	10 539 775	10 440 628	9 286 992	11 128 649	11 698 533	10 601 456	10 930 944	-0,6%	
Economic classification									
Compensation of employees	1 046 434	1 042 235	1 004 243	1 118 311	1 240 598	1 294 447	1 333 127	6,0%	
Goods and services	603 502	644 372	646 593	971 998	849 407	884 864	913 738	-2,0%	
Interest and rent on land	0	81	281	0	0	0	0	0,0%	
Transfers and subsidies	8 884 530	8 692 786	7 600 217	9 028 483	9 588 946	8 401 864	8 663 169	-1,4%	
Payments for capital assets	4 118	60 700	18 405	9 857	19 582	20 281	20 910	28,5%	
Payments for financial assets	1 191	454	17 253	0	0	0	0	0,0%	
Total economic classification	10 539 775	10 440 628	9 286 992	11 128 649	11 698 533	10 601 456	10 930 944	-0,6%	

Negative Growth Rate

 **-0.6%**

Marginal decrease of the department's total expenditure from R11.1 billion in 2025/26 to R10.9 billion in 2028/29.

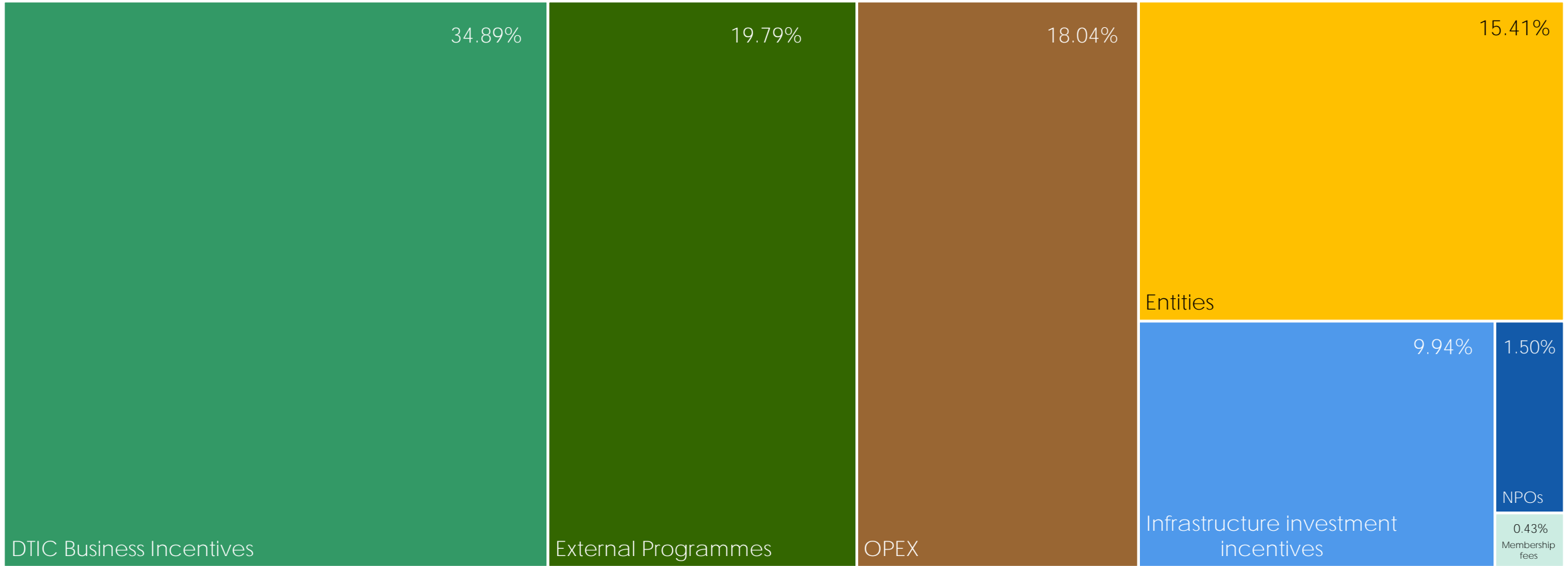
Programme with significant decrease

-27.8%

Significant decrease in allocations to the *Transformation and Competition* programme over the medium term due to a once-off allocation to the programme for the Social Employment Fund.

Current Year (2026-27) budget distribution by categories

■ DTIC Business Incentives ■ Infrastructure investment incentives ■ Entities ■ External Programmes ■ NPOs ■ OPEX ■ Membership fees



01 | In the 2026/27 financial year, the incentives programme and its industrial financing partners (Industrial Development Corporation and the National Empowerment Fund) will provide industrial financing in the form of grants and loans.

02 | Disbursements, from incentives to projects will focus on expanding the reach of industrial finance to SMMEs, women and youth-owned enterprises and to under-supported districts. This will include industrial financing through the Special Economic Zone and Industrial Park incentives to support projects outside of the 5 main metros that require Infrastructure development.

03 | 15.41% of the 2026/27 budget is allocated towards the department's entities (i.e. Standards Institutions, Regulators and 1 Development Finance Institution) for the execution of their mandates.

04 | 19.79% of the 2026/27 budget for external programmes, includes a once-off allocation for the Social Employment Fund.

Summary of budget allocated to the APP performance targets in the 2026-27 fiscal year

Programme	MTDP Strategic pillars supported	Link to APP indicators	Estimated Expenditure 2026/27 R'000
Incentives	Driving inclusive economic growth, job creation, and transformation by strengthening industrial capacity and expanding strategic sectors	54-58	5 437 524
Transformation and Competition	Accelerating economic transformation and inclusive growth through black economic empowerment, job creation, and youth training	68-75	2 198 598
Sectors	Driving inclusive economic growth, re-industrialization, and job creation through targeted localization, decarbonization, and strategic sector development	34-46	1 685 887
Export	Goal of achieving rapid, inclusive, and sustainable economic growth through export-led industrialization, regional integration via AfCFTA, and structural transformation	59-67	430 031
Regulation	Strengthening the regulatory environment, enhancing ease of doing business, and promoting economic transformation to drive inclusive growth and job creation in South Africa	47-53	376 614

Summary of budget allocated to the APP performance targets in the 2026-27 fiscal year ~cont.

Programme	MTDP Strategic pillars supported	Link to APP indicators	Estimated Expenditure 2026/27 R'000
Trade	Driving inclusive growth, accelerating industrialization, and expanding export market access through deepened regional integration and strategic trade agreements	11-26	266 425
Investment and Spatial Industrial Development	Accelerating inclusive economic growth and reducing unemployment by driving industrialisation, regional industrial development, and foreign direct investment	27-33	189 914
Administration	Driving inclusive economic growth, reducing poverty, and building a capable, ethical, and developmental state through the transformation of public procurement and improved operational efficiency	1-10	1 045 290
Research	Accelerate inclusive economic growth, job creation, and industrial development within South Africa's ESIEID Cluster by providing evidence-based monitoring and evaluation	76-81	68 250

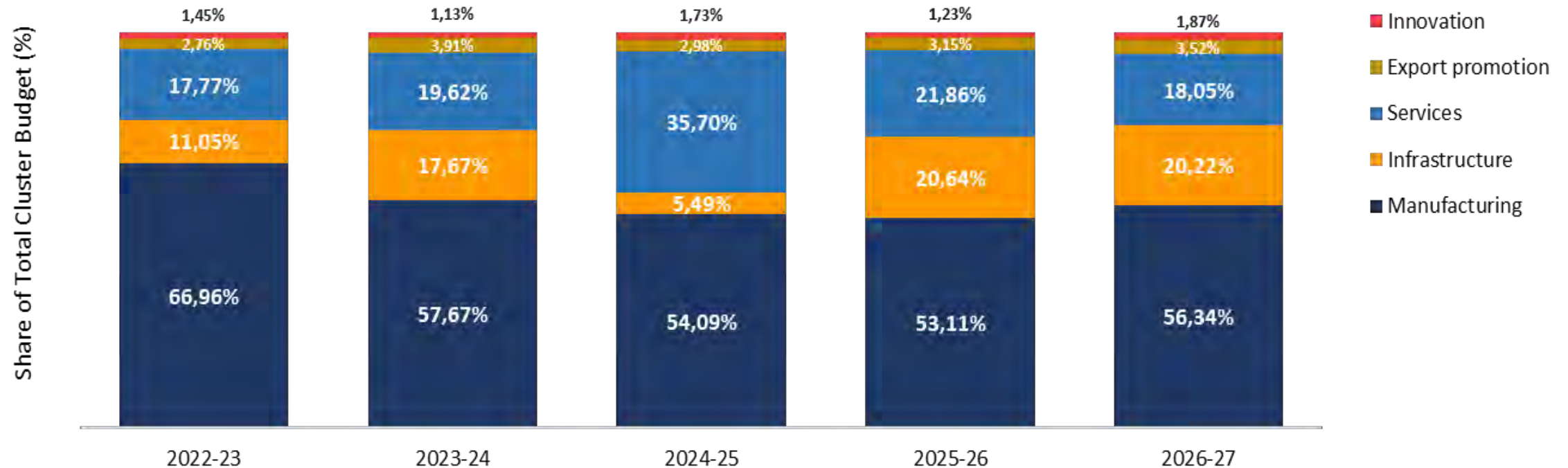
Incentive budget across five clusters over five financial years from 2022-23 to 2026-27

Manufacturing remains the **largest cluster** by volume across all years despite its overall negative growth trend

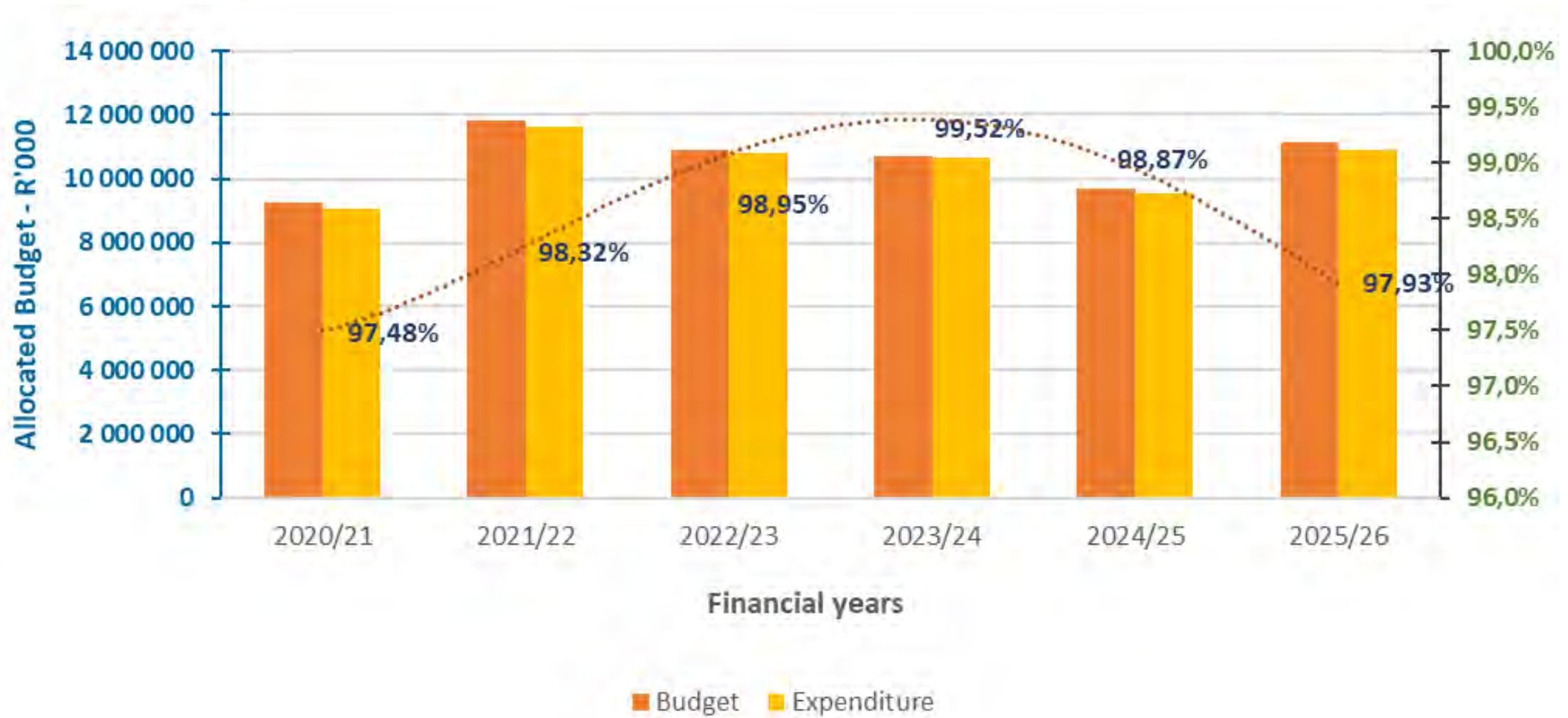
Cluster	Audited Outcome			Unaudited Outcome 2025/26	Budget 2026/27	Growth rate (%) 2022/23 – 2026/27
	2022/23	2023/24	2024/25			
Manufacturing [<i>Automotive Investment Scheme (AIS), Black Industrialist Scheme (BIS), Manufacturing Support Programme (MSP), Agro-Processing Support Programme (APSS), Aquaculture Development Enhancement Programme (ADEP) & Clothing, Textiles, Footwear and Leather Growth Programme (CTFLGP)</i>]	3 723 352	3 346 990	2 329 427	2 873 041	3 240 792	-3.41%
Infrastructure [<i>Special Economic Zones Critical Infrastructure Programme (CIP) Industrial Parks</i>]	614 568	1 025 471	236 462	1 116 628	1 162 910	+17.29%
Services [<i>Global Business Services (GBS), Film and TV Incentive</i>]	988 300	1 139 042	1 537 440	1 182 679	1 038 405	+1.24%
Export Promotion [<i>Export Marketing and Investment Assistance (EMIA) Programme</i>]	153 360	227 182	128 520	170 354	202 450	+7.19%
Innovation [<i>Technology and Human Resources for Industry Programme (THRIP), Support Programme for Industrial Innovation (SPII)</i>]	80 771	65 500	74 576	66 726	107 735	+7.47%
TOTAL	5 560 351	5 804 185	4 306 425	5 409 428	5 752 292	0,85%

Incentive Cluster Budget – Composition over 5 years (2022-23 – 2026/27)

Manufacturing consistently receives the largest share of the incentives budget, but contracted sharply in 2024/25. In the same year (2024/25) infrastructure dropped to its smallest share of the budget, while there was growth for Services.



6-year comparison of the department's spending against the allocated budget



Section

3

2025/26 Incentive Programme Performance Reporting

This section will cover:

- 2025/26 Incentive Programme Performance Reporting

IB Key Deliverables | Overview Performance Reporting

April 2025 to March 2026

APPROVALS

Insight into business performance over the next 2–5 years and their potential contribution to the economy

R4.2 billion total approved by the Incentives Branch

R31.2 billion projected investment over 2–5 years

DISBURSEMENTS

Current impact of industrial funding on the economy

R5.03 billion total disbursed

6 000+
Permanent new jobs

3 800+
Digital new jobs

R11.7 billion in service exports

R1.4 billion support to enterprises outside five main metros

R688 million support to Black Industrialists & black-owned businesses

R612 million financial support to SMMEs, women & youth-owned businesses

In 2025/26, projects in Gauteng and KwaZulu-Natal accessed the most funding with 57% and 58% respectively disbursed to projects located in SEZs

SOUTH AFRICA

9 PROVINCES – DISBURSED FUNDING



- R1.4 billion was disbursed to enterprises outside of the five main metros.
- Through marketing mechanisms and review studies, the Branch will attempt to improve the uptake in those provinces and districts with low participation.
- However, to note that voluntary uptake of incentives are inherently difficult to budget for as uptake depends entirely on the businesses.

PROJECTS LOCATED IN MULTIPLE PROVINCES

DISBURSEMENTS

Gauteng and KwaZulu-Natal	R6.97m
Gauteng and Western Cape	R76.24m
Gauteng, KwaZulu-Natal and Western Cape	R65.07
KwaZulu-Natal and Western Cape	R145.2m
KwaZulu-Natal, Western Cape, Gauteng and Eastern Cape	R5.86m
Western Cape and Eastern Cape	R82.35

IB 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**.

Funded manufacturing exports reached 6 continents and 25 African countries over the three-year period (2023/24 -2025/26)



Exports as reported by manufacturing beneficiaries amounted to **R160 billion** over the 3-year period (2023/24-2025/26). Exports to Africa amounted to **R6 billion** over the same period, with the automotive industry accounting for the highest value of exports to African countries and globally.

 **6 Continents covered**

Europe	Austria, Baltics, Belgium, Croatia, Cyprus, Denmark, France, Germany, Gibraltar, Greece, Italy, Lithuania, Luxembourg, Malta, Netherlands, Nordic, Poland, Portugal, Russia, Spain, Switzerland, Turkey, United Kingdom
Asia	China, Hong Kong, India, Indonesia, Japan, Malaysia, Maldives, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, United Arab Emirates
Oceania	Oceania: Australia, New Zealand
South America	Argentina, Brazil, Chile
North America	Bahamas, Canada, East Caribbean, Mexico, United States of America
Africa	Angola, Botswana, Benin, Burundi, Cape Verde, Democratic Republic of Congo, Egypt, eSwatini, Gabon, Ghana, Ivory Coast, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Nigeria, Senegal, Seychelles, Tanzania, Uganda, Zambia, Zimbabwe

IB Key Deliverables | Innovation Incentives disbursements leading..

April 2023 to March 2026



R157 m

Disbursed to 36
projects

THRIP



9

Completed Research
Projects



R49 m

Disbursed for 34
projects

SPII



10 completed

7 commercialised

The Technology and Human Resources for Industry Programme (THRIP) and the Support Programme for Industrial Innovation (SPII) continue to strengthen South Africa's innovation ecosystem by supporting applied research, technology development and the commercialisation of locally developed innovations.

THRIP supports applied research in science, engineering and technology, while SPII funds the development of innovative product and process **prototypes** aimed at improving industrial competitiveness and accelerating commercialisation.

...to Commercialised Innovations



LOGISTICS & SECURITY

CIT Advanced Online Locking

High-security locking solution engineered specifically for Cash-In-Transit (CIT) transport vehicles Restricts operational cargo access using route & location-based remote verification.



SUSTAINABLE INFRASTRUCTURE

Eco-Materials & Housing Tech

Local, sustainable platforms engineered to pioneer eco-friendly materials and construction processes.

- **Industrial Waste Bricks:** Reduces landfill burden using green materials.
- **Earth Block Compression:** On-site mobile machinery for low-cost housing.



DATA & CLOUD INTELLIGENCE

SaaS & Deep Analytics Suites

Automated software and digital environments targeting workflow, cost optimization, and market intelligence.

- **Survey Insights:** Automated analytics on customer insights across finance, education & retail.
- **AI Procurement Cloud:** ML models identify major enterprise cost savings.



SME EMPOWERMENT

Enterprise Growth Platforms

Commercial technologies designed to actively foster commercial sustainability, agility, and local enterprise growth.

- **Real-time BI:** Performance monitoring combined with active mentorship.
- **Modular Cold-Chain:** Energy-efficient refrigeration for retail spaces.

Government Support Impact: Fostering economic diversification, commercialising locally developed technology, and establishing modern, sustainable platforms to elevate global competitiveness.

STRATEGIC IMPACT

Section

4

2026/27 Incentive Programme Performance & Appropriation Matrix

This section will cover:

- 2026/27 Incentive Programme Performance & Appropriation Matrix

2026/27 Incentive Programme Performance & Appropriation Matrix

Incentive Cluster / Sub-Programme	2026 Appropriation Bill Allocation (Input)	Key Performance Indicator (KPI) (Output)	2026/27 Annual Target (Outcome)	Efficiency / Linkage Metric (Impact)
Manufacturing Incentives (AIS, ADEP, APSS, BIS and MSP)	R2.7bn	<ul style="list-style-type: none"> Rand value of investment secured through industrial financing programmes 	<ul style="list-style-type: none"> *R35bn of investment secured through industrial financing programmes 	<ul style="list-style-type: none"> **For every R1 spent by incentives, investment of R8 will be generated by the project
Infrastructure Support (SEZ Fund, CIP private, CIP Public)	R1.16bn	<ul style="list-style-type: none"> Rand value disbursed to enterprises that comply with the latest B-BBEE Act Number of new jobs created by beneficiaries of disbursed funds 	<ul style="list-style-type: none"> *R4bn disbursed to enterprises that comply with the latest B-BBEE Act *7 000 new jobs created by beneficiaries of disbursed funds 	<ul style="list-style-type: none"> R5.2 billion disbursed to enterprise that are B-BBEE compliant and promoting transformation across the incentive clusters
Export Promotion (EMIA Scheme - EMIA & SSAS) #	R202 million			<ul style="list-style-type: none"> ***1 new job will be created by funded manufacturing projects for every R370 000 disbursed
Innovation Support (THRIP, SPII)	R107.7 million			
Services Incentives (Global Business Services, Film incentive) #	R1.03bn			<ul style="list-style-type: none"> ***1 new job will be created by funded CIP projects for every R107 000 disbursed
	R5.2bn			

[All incentive clusters contribute to the above targets. This excludes the 7 000 new jobs created through GBS, which are reported separately on the next slide. Additional targets relating to these incentive clusters are presented on the next slide.]

*Aggregate target and includes incentives across the clusters. Based on 2026/27 numbers

**Aggregate for incentives (all manufacturing incentives, CIP, SEZ and Film) contributing to the R35 billion across the clusters. Based on 2026/27 numbers

*** Historic Data for the past 3 years used for projections with an annual increase of 5%

2026/27 Incentive Programme Performance & Appropriation Matrix

Incentive Cluster / Sub-Programme	2026 Appropriation Bill Allocation (Input)	Key Performance Indicator (KPI) (Output)	2026/27 Annual Target (Outcome)	Efficiency / Linkage Metric (Impact)
Services Incentives (<i>Global Business Services, Film incentive</i>)	R518.8 million	<ul style="list-style-type: none"> Number of new jobs created through the digital economy programme (GBS) Rand value of export revenue generated through the Global Business Services 	<ul style="list-style-type: none"> Target for GBS: 5 000 new jobs created through the digital economy programme (GBS) Target for GBS: R5bn export revenue generated through the Global Business Services 	<ul style="list-style-type: none"> On average, it will cost the incentive R103 000 to fund 1 new job R9.65 export revenue generated per R1 spent by GBS
Export Promotion (<i>EMIA</i>)	R202 million	<ul style="list-style-type: none"> Rand value of South African exports to targeted global markets by SMMEs funded by the dtic export support measures. Rand value of South African exports to targeted African markets by Black owned entities funded by the dtic export support measures. 	<ul style="list-style-type: none"> R700m of South African exports to targeted global markets by SMMEs funded by the dtic export support measures R70m of South African exports to targeted African markets by Black owned entities funded by the dtic export support measures 	<p>Export ROI: R8 in confirmed export orders generated per R1 of grant funding.</p> <p>Total Export Sales Generated in 2025/26: R764 913 716</p> <p>Total Expenditure: R91 363 530</p> <p>The EMIA scheme has received limited funding compared to its mandate to implement the market diversification strategy. As can be seen by the current ROI, expanding the funding will result in significant increases in exports and impact.</p>
Manufacturing (<i>CTFLGP</i>)	R507.7 million	<ul style="list-style-type: none"> Companies Supported Number of permanent jobs created and maintained in manufacturing 	<ul style="list-style-type: none"> 50 companies 2000 new permanent jobs 	±R30 000 per Job maintained and/or created.

Section

5

Fiscal Constraints on Industrial Incentives

This section will cover:

- Fiscal Constraints on Industrial Incentives

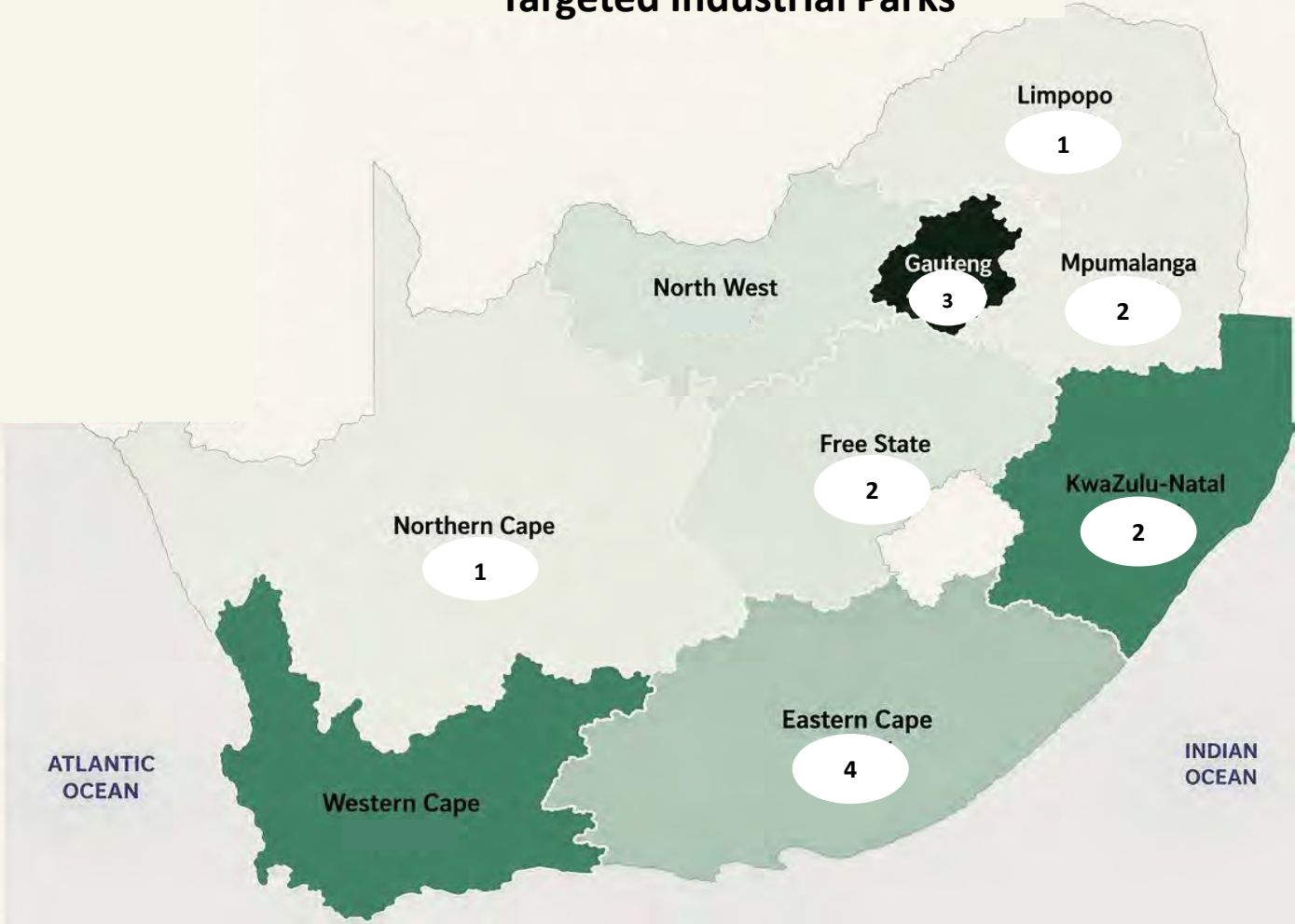
Fiscal Constraints on Industrial Incentives: Strategic Risks to Strategy Implementation ~ cont.

Incentive	Key Features	Current Status	Benefits of Additional funding and contribution to growing the economy
Film and TV	<ul style="list-style-type: none"> • Key in supporting growth within audio visual and creative industries. • Has contributed to investment attraction, skills transfer and tourism 	<ul style="list-style-type: none"> • Significant funding pressure – since past 2 years • Increased demand from both local and international production • Slows transformation objectives (i.e. it supports black emerging filmmakers, youth participation, and skills transfer within the creative economy) 	<ul style="list-style-type: none"> • Will attract large-scale international productions that bring substantial foreign direct investment into the economy. • has strong economic multiplier effect, with high local expenditure, being able to procure from local suppliers and vast opportunities in skills transfer. • the sector is expected to contribute significantly to direct and indirect job creation through the following services: production crews, technical, hospitality and tourism, transport, catering and construction and set design
Global Business Services	<ul style="list-style-type: none"> • Main instrument for supporting job creation, especially for the youth and attract export revenue 	<ul style="list-style-type: none"> • Critically underfunded • programme’s growth exceeded its current budget • risks losing jobs to competing countries with similar incentives • Risk of not being able to reach the 500,000 cumulative jobs by 2030 	<ul style="list-style-type: none"> • Require an estimated incentive of R2.2 billion to create the projected 25,000 new jobs with an estimated R26 billion in export revenue over 5 years.
Automotive Investment Scheme (AIS)	<ul style="list-style-type: none"> • Supports the continued growth and development of the South African automotive sector 	<ul style="list-style-type: none"> • Budget is insufficient to cover the high volume of applications. • Three applications were received from the OEMs since May 2024 with the projected Investment of more than R16 billion within an estimated grant amount R3.2 billion of which only 1 OEM was granted a proportional approval in 2025/26 financial year that subsequently created more than 300 jobs as at May 2026. 	<ul style="list-style-type: none"> • Additional funding would help South African auto companies compete with global counterparts to attract international investment • 14 375 jobs is to be retained and 252 new jobs were projected to be created by two (2) OEMs

R50.3 million financial support for the revitalisation of targeted industrial parks

SOUTH AFRICA

Targeted Industrial Parks



	Industrial Park	Province (Town/City)
1.	Ezakheni IP	Kwazulu-Natal (Mandeni)
2.	Madadeni IP	Kwazulu-Natal (Newcastle)
3.	Laborie IP (Ekurhuleni)	Gauteng (Ekurhuleni)
4.	Ga-Rankuwa IP	Gauteng (Ga-Rankuwa)
5.	Babelegi IP	Gauteng (Hammanskraal)
6.	Perseverance IP	Eastern Cape (Motherwell)
7.	Markman IP	Eastern Cape (Gqeberha)
8.	Elundini Agro-IP	Eastern Cape (Maclear/Elundini)
9.	Komani IP	Eastern Cape (Komani)
10.	Collins Chabane IP	Limpopo (Greater Giyani)
11.	Phuthaditjhaba IP	Free State (Qwaqwa)
12.	Botshabelo IP	Free State (Botshabelo)
13.	Kathu IP	Northern Cape (Gamagara)
14.	Ekandustria IP	Mpumalanga (Bronkhorstspuit)
15.	KaBokweni IP	Mpumalanga (Kabokweni)

Funding Cap: Up to R50 million per Park. As a result, budget augmentation is required.

Section

6

Key trade interventions implemented to grow and diversify exports

This section will cover:

- Trade interventions implemented to grow and diversify exports

Market diversification

In terms of markets, the department is implementing the “**butterfly approach**” based on the **Global Export Strategy**, which prioritises the implementation of the AfCFTA and unlocking opportunities in the rest of Africa as the foundation of our global engagements, with the ‘wings’ representing **additional export initiatives** in the rest of the world focusing on leading and established markets as well as new and emerging market opportunities.

Export initiatives will primarily focus on **27 priority markets**, while opportunities that arise in key additional markets will also be advanced.

Decarbonisation

- Battery Value Chains and Beneficiation of Critical
- Minerals Green Economy

Diversification

- Cannabis and Hemp
- Clothing, Textile, Footwear and Leather (CTFL)
- Agro-processing
- Steel, Metal Fabrication and Aluminium sector
- The Global Business Services (GBS) sector
- Automotives industry
- Chemicals
- Plastics sector
- Cosmetics sector
- Oceans Economy

Digitalisation

- Pharmaceuticals, Vaccines and Medical Technologies
- Electro-Technical industries and White Goods
- Aerospace and Defence
- Digital Economy

Key trade interventions implemented to grow and diversify export

To unlock the markets for SA exports

- 1 Concluded the Clean Trade and Investment Partnership with the EU, unlocking approximately €12 billion for decarbonisation and industrial projects. 45 have been identified bankable projects to facilitate implementation.
- 2 Secured EU derogation on electric vehicle (EV) rules of origin, enabling exports of South African EVs and hybrids.
- 3 Deployed key trade instruments, including tariff reviews and inclusion of EVs and critical minerals under the Automotive Production and Development Programme.
- 4 Signed the CAEPA to unlock duty-free treatment, and discussions on a proposed Semiconductors MoU.
- 5 Successfully engaged with China aimed at ensuring the finalisation of a bilateral trade MoU on the exchange of top 100 export products.
- 6 Negotiations initiated with various partners to expand market access.
- 7 Export initiatives will primarily focus on **27 priority markets**, while opportunities that arise in key additional markets will also be advanced.
- 8 Ascension to Afreximbank unlocking access to extended financial support from the Bank.

THANK YOU



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

the dtic - together, growing the economy

the dtic Customer Contact Centre: 0861 843 384

the dtic Website: www.thedtic.gov.za



ANNEXURE



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

the dtic - together, growing the economy

the dtic Customer Contact Centre: 0861 843 384

the dtic Website: www.thedtic.gov.za



Section

7

Department's response to global trade developments

This section will cover:

- Global trade, Geopolitics & Trade flows
- **SA's** trade agreements
- Status of trade relations and trade negotiations
- Trade Diversification
- World Trade Organisation: MC 14

Current challenges with global trade



2025 brought a significant shift in global trade policy:

- America First Trade Policy that saw use of tariffs for various reasons (unfair trade/ trade deficit, drugs, forced labour)
- Shift away from a rules-based multilateral trading system towards trade policies advancing **national security imperatives, economic resilience strategies, and domestic industrial policy priorities.**



This shift has been reflected in the extensive use of unilateral trade measures, increased tariffs, rise in trade barriers, investment screening mechanisms, often justified on geopolitical grounds in view of rising geopolitical tensions- leading to inaccessibility of traditional markets.



These unilateral actions create fertile breeding ground for trade wars, which have a disproportionate impact on developing countries. **Trade wars have a welfare-reducing impact globally.**



Further weakening of the MTS:

- Trade under WTO rules declined from 80% to 72% since start of 2025.
- Disregard of the core principles of global trade such as the most favoured nation treatment (principle of non-discrimination) and special and differential treatment and to a certain extent consensus decision making that has been the core of the MTS.



Trade strategy must respond to shifts in global trade - SA is implementing a Butterfly Strategy that aims to diversify export markets to promote resilience



Targeted approach to trade negotiations, including vehicle for trade liberalisation: no one-size-fits-all

Summary of Trade Flows

SA Global Trade Balance

+202 billion



SA Global Imports (Goods): R1.9 Trillion

EU China India Middle East USA



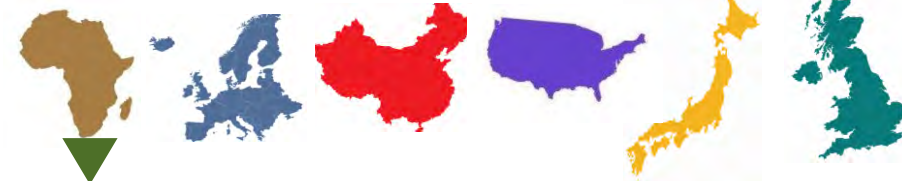
Africa: R175 bn
(9.3% of SA's global imports)

EU @ 23%; China @ 23%; India @ 7%; Middle East @ 12% and USA @ 7%

Africa @ 9.3%

SA Global Exports (Goods): R2.1 trillion

Africa: EU China USA Japan UK



To Rest of Africa: R557 bn (26.7% of SA's global exports) – SACU/ BELN: R208 bn

EU @ 19%; China (@11%); USA: 7%; Japan @ 5% and UK @ 5%

Slight increase of the trade surplus from R197 bn in 2024 to R202 bn in 2025

SA Trade and Potential Trade with the rest of Africa

SA exports (2025)

SA to the Rest of Africa:
R556.7bn

Of which:

- To SADC incl SACU:
R469.1bn
 - To SACU: R207.9bn
 - To SADC excl SACU:
R261,3bn
- To Africa excl SADC:
R87.5bn

SA potential exports/ unrealised potential to Rest of Africa

Potential - SA to Rest of Africa:
R1.1 trn over the MTEF (2030)

The products with greatest export potential from South Africa to Africa are:

- Minerals, metals & products thereof,
- Mineral resources,
- Machinery & electronic equipment,
- Vehicles, and
- Chemicals

SA imports (2025)

SA from the Rest of Africa:
R175.1bn

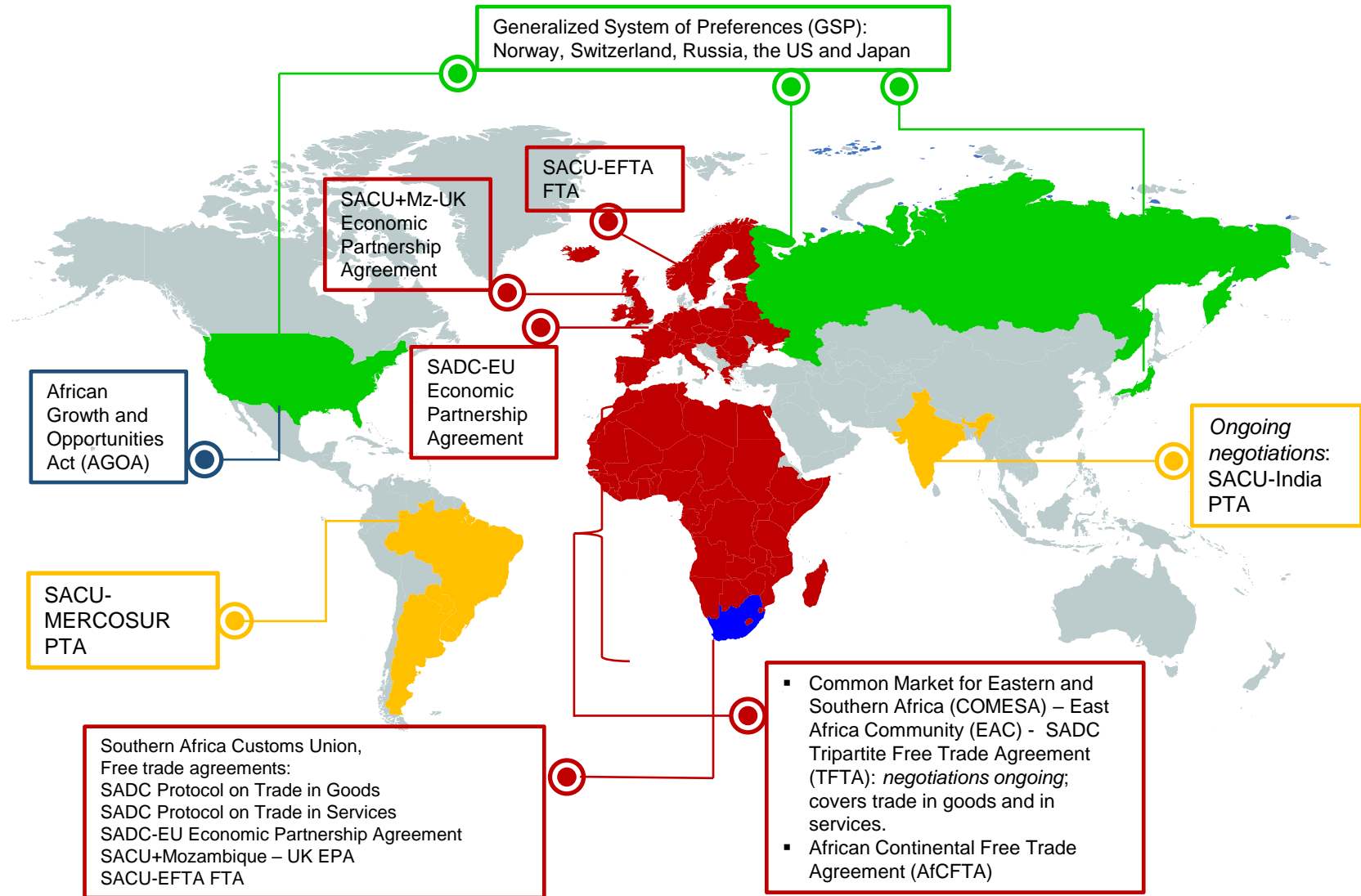
Of which:

- From SADC incl SACU:
R117.2bn
 - From SACU: R76,2bn
 - From SADC excl SACU:
R41.0bn
- From Africa excl SADC:
R57.9bn

Source: International Trade Centre TradeMap and Export Potential Map
Average 2025 exchange rate: R17.88/\$

SA Trade Agreements

Reciprocal, legally-binding trade agreements to which SA is a party, cover 90 countries, with a combined GDP equal to 28% of world GDP; and 29% of world population.



Ongoing trade negotiations: African Economic Integration and African Continental Free Trade Area (AfCFTA)

Background to the AfCFTA

Trade in goods

- 25 countries gazetted PSTCs or begun preferential AfCFTA trade
- SA gains new market access in 14 non-SADC countries viz: Algeria, Cameroon, Egypt, Ghana, Kenya, Morocco, Rwanda, Tunisia, Burundi, Gambia, Nigeria, Ethiopia, Sierra Leone, and Uganda
- SA implemented AfCFTA in January 2024
- 100% of Rules of Origin are finalised, including autos, clothing, and textiles.
- Next step: State parties to submit tariff offers for the remaining 10% of tariff lines (7% sensitive, 3% exclusions).

Trade under the AfCFTA

- SA cumulative exports, from SA beyond SADC, under the AfCFTA amounted to R 2.6 bn.
- These SA exports were destined for Ghana, Kenya, Egypt, Rwanda, Cameroon, Uganda, Nigeria, Tunisia and Algeria.
- SA's cumulative imports under the AfCFTA, up to February 2026, amounted to R2.1 billion.
- These SA imports originated from 12 countries: Algeria, Burundi, Cameroon, Egypt, Ethiopia, Ghana, Kenya, Morocco, Nigeria, Rwanda, Tunisia, Uganda.

Trade in services

- 50 Member States have submitted initial services offers in the 5 priority sectors (financial, communications, transport, tourism and business services).
- 5 EAC State Parties gazetted their adopted Schedules of Specific Commitments. SA's schedule submitted to the AfCFTA Secretariat and awaits approval.

Protocols

Protocols on Competition Policy, and on Women and Youth in Trade have been ratified. SA in the process to ratify Protocol on Digital Trade. Protocols on Investment and IP will also be ratified once approved.

SACU & SADC Update

SA current Chair of SACU and SADC



SACU: Priorities

Development of common approach to diversify trade relations with third parties in a manner that preserves the CET.

Transformation of SACU beyond an arrangement held together by a CET and Revenue Sharing Arrangement towards a Reimagined SACU: joint implementation of projects- including by establishing a regional funding mechanism; unified engagement in trade negotiations with third parties; resolution of trade disruptions, including the import bans; development of regional value-chains.



SADC: Priorities

Address non-implementation of FTA commitments

- Host SADC Industrialisation week that aims to identify regional value-chain opportunities.
- Trade in services.

Bilateral Cooperation Agreements in Africa



- South Africa has 76 trade and investment cooperation agreements or memorandum of understanding on economic cooperation with various African countries.
- Provide a platform to cooperate on trade and investment initiatives and to resolve non-tariff barriers.

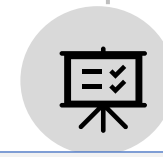


These agreements or MoU's are non-binding and focus on cooperation.

- They support economic cooperation, strengthen bilateral ties, and advance regional integration across trade, investment, industry, infrastructure, and the private sector.
- Enhance collaboration in key sectors of mutual interest.
- Build and sustain technical cooperation identified during implementation.



The MoUs also establish forums, such as the Joint Trade and Investment Committees (JTICs) between South Africa and bilateral partners to deliberate on trade, investment, industrial and technical cooperation areas.



The JTICs are also used as a platform to address and strive to resolve issues of concern to each party including market access and non-tariff barriers.

Review of Agreements with the EU, UK, EFTA

Priorities:

- Leverage the reviews to improve market access.
- Resolve market access issues for specific export interests: agriculture and green products (e-SAF, hybrids and EVs).

EU & UK: over 90% utilization of these agreements;

- Leverage the reviews to expand market access for specific products of export interest – mainly agriculture and green products (e-SAF, hybrids and EVs).
- Although SA is exporting more industrial products to the EU, it is still mostly in the automotive sector - need to diversify SA's export basket to include more variety to penetrate the EU market.
- A priority of the SA Government is to move to a more sustainable trade that promotes local value addition, including processing of minerals at close to source, and move SA up the value chain.
- **Challenges in implementation:**
 - Rise in environmental protectionism with negative impact on exports - CBAM, deforestation, methane regulation
 - Rise in more trade restrictive SPS and TBT measures, including on citrus, horses, game meat, poultry, steel, automobiles, wine certification.
 - On citrus – concerns on EU measures related to citrus black spot (CBS) and false codling moth (FCM) - dispute ongoing at the WTO.
 - Engagements continuing to safeguard SA export into the EU in view of 50% tariff through Article XXVIII of the GATT.

EFTA: SACU has duty free access for industrial products, new opportunities for market access are in agriculture; however, it should be noted that EFTA would want access into our industrial sector in exchange for agriculture market access – engagements ongoing to find landing zone.

Further development in SA-EU Trade

The 8th SA-EU Summit launched the negotiations of the Clean Trade and Investment Partnership (CTIP) on 13 March 2025. As part of CTIP package, the Summit agreed on resolution of cumulation for Electric and Hybrid Vehicles batteries and Sasol sustainable aviation fuels.

CTIP aims to support economic growth, sustainable development, industrialisation, beneficiation of critical minerals at source, partnerships with local industries and a just decarbonisation agenda.

During 2025, the EU has announced a Global Gateway Investment Package of €12 billion.

Invest-SA identified 45 projects to be considered under the Investment Package. The Parties will have further discussions and agree on mutually beneficial projects.

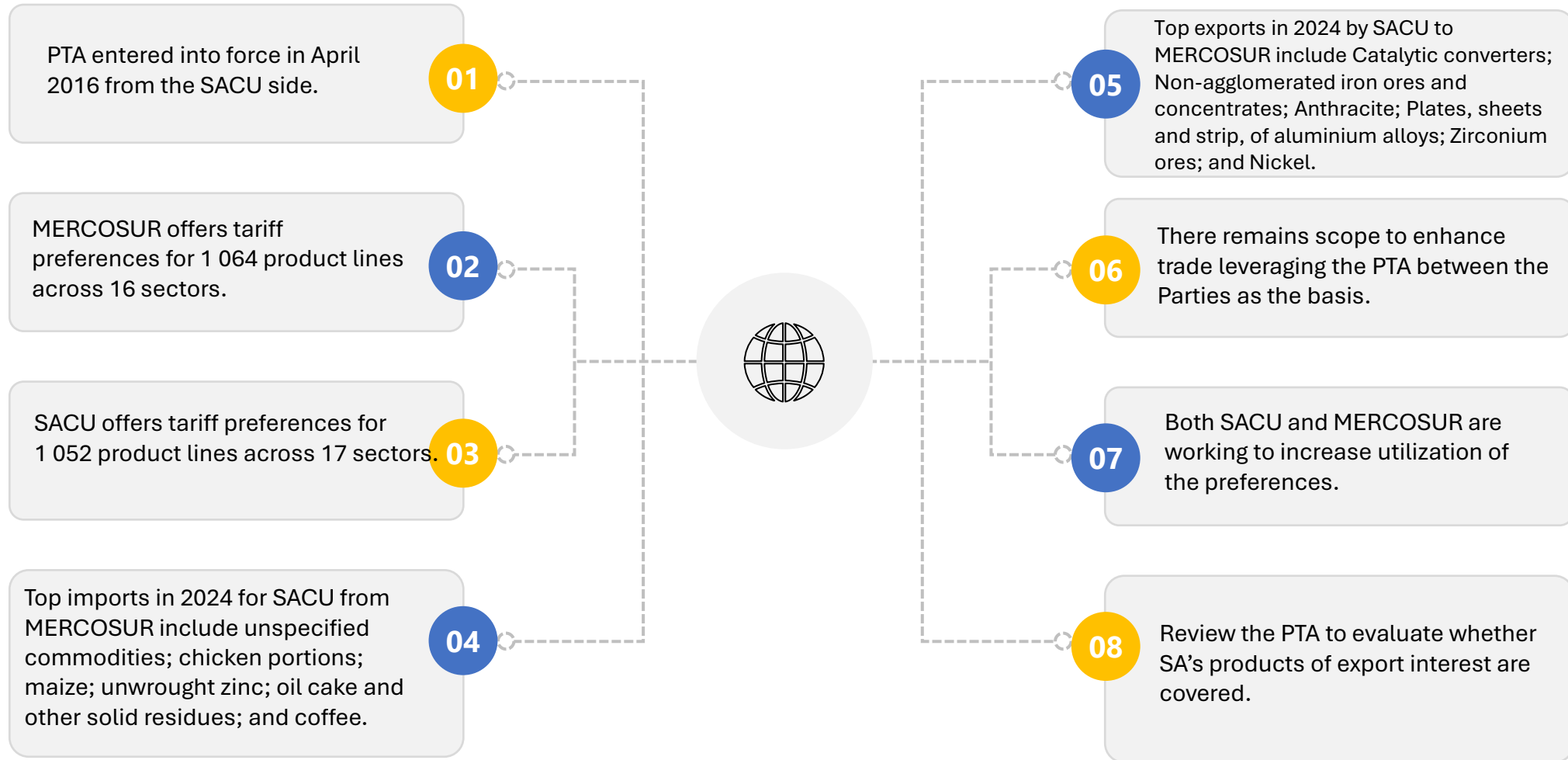


On EVs and plug-in hybrid vehicle batteries, the Parties agreed on a derogation from the Rules of Origin of the EPA, as it pertains to batteries, for 3 years with extension by 2 years upon SA's request. This will allow development of local battery manufacturing capacity.

A commitment was made to find short- and long-term solutions to enable SA exports of sustainable aviation fuel, but a mutually agreed short term solution is not yet agreed.

The listing of South Africa as eligible to export shelf-stable composite products can assist with increasing the exports of agro-processed goods to the EU market.

Implementation of the SACU-MERCOSUR Preferential Trade Agreement (PTA)



China-Africa Economic Partnership Agreement for Shared Development (CADEPA)

- - In February 2026, South Africa and the People's Republic of China signed the CADEPA - structured framework to deepen bilateral economic cooperation.
 - Flexible, modular approach to cooperation; priority areas include: Trade; Inclusive development; Supply chains and investment and Digital trade.
- ---

 - Unilateral preferential scheme effective from 1 May 2026:
 - ✓ This entails zero-tariff on 100% of tariff lines with countries it has diplomatic relations with.
 - ✓ Access to the preference is conditional on meeting the prescribed rules of origin, including product-specific requirements, and on submitting a valid Certificate of Origin, for customs clearance in China.
 - ✓ **the dtic** has issued a statement on 30 April 2026 as soon as the information became available and **the dtic** Export Help Desk stands ready to assist traders that require support to access the market.
 - ✓ China will host a seminar on 18-23 May 2026 on the implementation of the unilateral access scheme.
 - ✓ For products already in the water, the importer will have to pay a deposit, following submission of the relevant documents, the deposit can be refunded.
 - ✓ Priority is to leverage this unilateral access which is available for a limited period to enable conclusion of the Early Harvest Agreement (EHA).
- ---

 - In the interim, the Early Harvest Agreement (EHA):
 - ✓ China indicates constraints in sustaining unilateral preferential treatment on a permanent basis due to WTO rules;
 - ✓ Necessitates a reciprocal framework between China and African partners;
 - ✓ Central mechanism under CADEPA to advance market access;
 - ✓ Represents a phased approach to deeper trade integration.
- ---

 - Process: Consultations ongoing on the EHA both with domestic stakeholders and with regional partners.

SACU-INDIA Preferential Trade Agreement (Ongoing)

In May 2025, India submitted the Terms of Reference (TOR) to resume the negotiations for a Preferential Trade Agreement (PTA) with SACU.



1

Following several rounds of negotiations, the ToRs were finalised and adopted on 8 April 2026, during the SACU and India Senior Trade officials meeting.

2



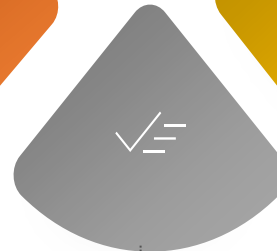
The parties are to sign the ToRs on the margins of the 4th India-Africa Summit in New Delhi, India, 30-31 May 2026.

3



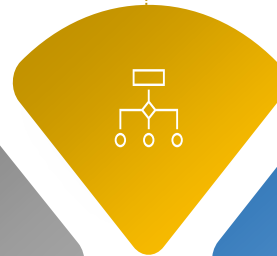
4

Namibia, as the coordinator for the SACU-India PTA will sign on behalf of SACU.



This will be followed by the exchange of requests lists and offers.

5



6

It is anticipated that the 1st round of negotiations will take place in July 2026.



SACU's internal preparation ongoing, including internal SACU Roadmap for negotiations, definition of the parameters and principles for formulation of a draft Tariff Offer, national consultations, and regional engagements to finalise the draft Offer.

7



US Tariffs Against Foreign Imports



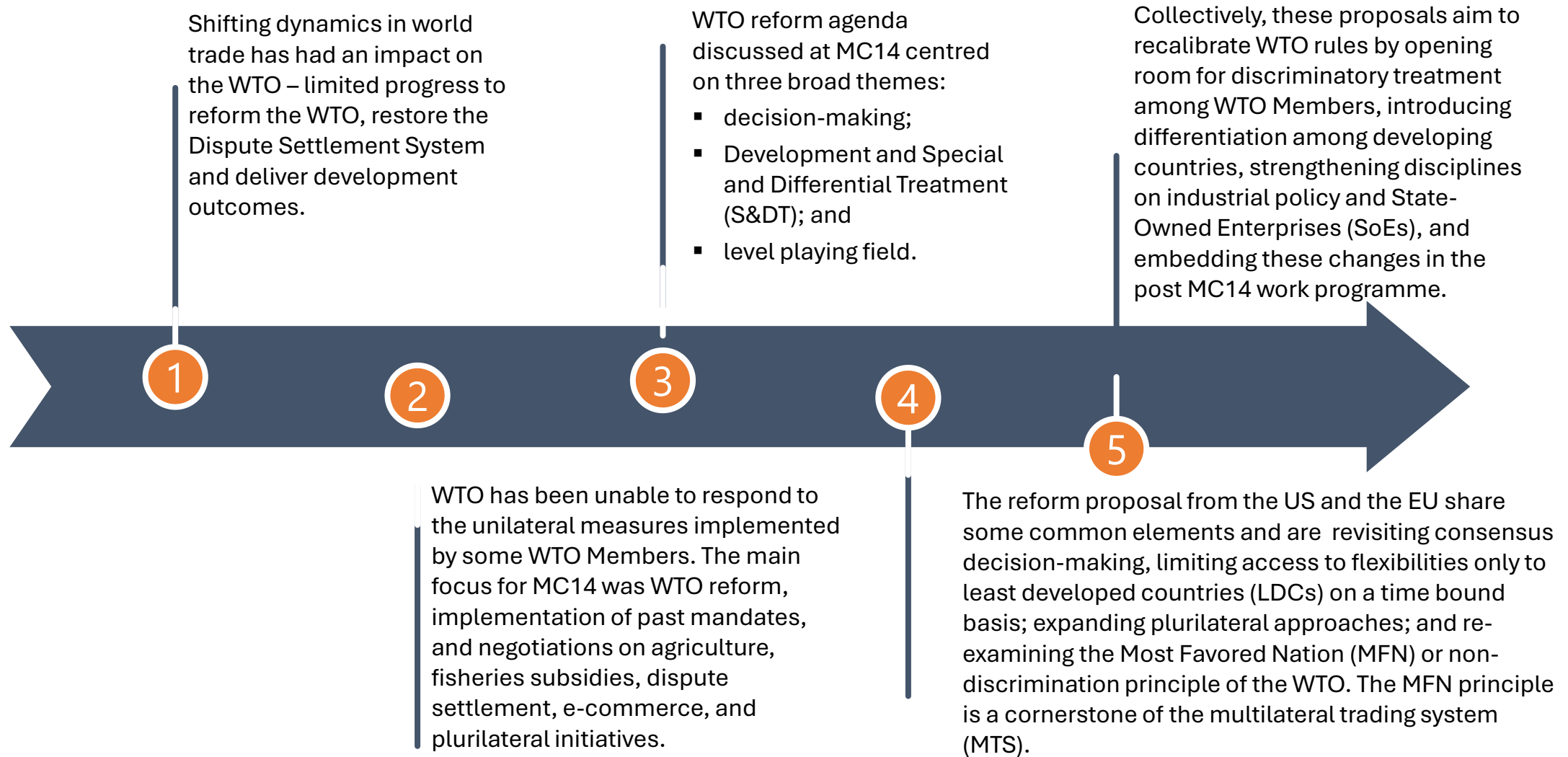
- US implemented the reciprocal tariffs against all trading partners, with SA facing a 30% tariff in order to deal with “trade deficit, unfair trade practices, and lack of reciprocity”.
- Selected products were exempted: semiconductors, lumber articles, certain critical minerals, certain agriculture products, stainless steel scrap and energy and energy products.
- The reciprocal tariffs were implemented using the **International Emergency Economic Powers Act (IEEPA)**, which authorize the US President to regulate international commerce.
- AGOA was also extended for a year until 31 December 2026.
- On 20 February the US Supreme Court ruled that the “reciprocal tariffs” were unlawful. The reciprocal tariffs were set aside by the US courts in March 2026.
- US implemented a temporary 10% global tariff on most imports to address balance of payment challenges under **Section 122 of the Trade Act of 1974**. These tariffs may remain valid for up to 150 days, unless extended by Congress.
- On the 12 March, US communicated that it will be initiating an investigation under **Section 301 of the US Trade Act of 1974** into laws, policies, and practices of 60 trading partners, relating to the perceived failure to impose and effectively enforce prohibitions on the importation of goods produced with forced labour.
- SA responded to the US communication paving the way for bilateral consultations between SA and the US currently scheduled for May 2026.
- SA made a submission outlining its legal framework to deal with forced labour and prohibitions that currently exist in domestic legislation.

Modernisation of AGOA



- On 29 April 2026, the US published a Federal Register requesting comments on modernization of AGOA.
- This is part of forthcoming Congressional consideration of AGOA reauthorization, where the USTR is expected to provide recommendations to Congress on reforms and modernizations to AGOA. The comments are due by 15 May 2026.
- The US raised concerns on a number of countries including South Africa on issues such as:
 - few exporters under AGOA (SA, Nigeria and Kenya) and that some countries maintain barriers to US agricultural exports (SA Angola, Ghana, Senegal, South Africa, Tanzania, and Nigeria).
 - Many AGOA beneficiary countries opened their markets to other developed economies, including Economic Partnership Agreements with the European Union, while limiting market access to the United States through tariff and non-tariff barriers.
- South Africa through **the dtic** provided comments on its views towards the AGOA modernisation process which included:
 - Renewal of AGOA for at least 15 years
 - Removal of annual eligibility review to at least 3 years
 - Readiness to engage on reciprocal arrangement, but no country graduated until a reciprocal arrangement is concluded
 - Enhancement of rules of origin to enable cumulation in support of the African Continental free Trade Agreement objectives
 - Include additional indicator of Gini Coefficient, in addition to the current focus on GNI per capita
 - Focus on trade issues, not non-trade issues
 - Advocated against graduation in view of the disruptive impact on regional value chains
- The office of the USTR will compile all comments received and make recommendation to the USTR. Thereafter, engage Congress on renewal of AGOA, with a view to attach the renewal bill to appropriation bill before end of September 2026.

WTO - MC 14



MC 14 OUTCOMES



MC14 approved the following decisions:

- The Ministerial Decision on the Work Programme on Small Economies to promote integration of small economies into the global economy;
- The Ministerial Decision on Enhancing the precise, effective, and operational implementation of S&DT in the application of the SPS and TBT Agreements.



MC14 could not agree on critical issues that will now be further discussed in Geneva.

These include:

- The draft Yaoundé Ministerial Declaration on WTO Reform and Work Plan;
- The draft Ministerial Decision on Electronic Commerce;
- The draft Ministerial Decision on the Moratorium on TRIPS Non-Violation and Situation Complaints;
- The draft Ministerial Decision on Fisheries Subsidies;
- The LDC package.

MC – 14 Outcomes (cont.)



There were good discussions on WTO Reform, although inconclusive. There was agreement to undertake further discussions in Geneva.



The two moratoria (e-commerce and Non-Violation and Situation Complaints) and the e-commerce work programme will expire at the end of March 2026.



There was no consensus to integrate the Investment Facilitation for Development Agreement into the WTO Framework – with concerns raised on the systemic challenges with the integration of plurilaterals into the WTO, while prepared to consider guardrails.



There was no outcome on agriculture reform which continues to be an issue of interest for Africa in view of its implications on food security.

Acronyms

CBAM	Carbon Border Adjustment Mechanism
AfCFTA	Africa Continental Free Trade Agreement
AGOA	Africa Growth and Opportunity Act
AU	African Union
EPA	Economic Partnership Agreement
EU	European Union
GSP	Generalised System of Preferences
MFN	Most Favoured Nation
NEDLAC	National Economic Development and Labour Council
SACU	Southern African Customs Union
SADC	Southern African Development Community
SSA	Sub Saharan Africa
TFTA	Tripartite Free Trade Agreement
UK	United Kingdom
US	United States of America
WTO	World Trade Organization