

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 1

TUESDAY, 23 MAY 2017

*PROCEEDINGS OF MINI-PLenary SESSION OF NATIONAL ASSEMBLY -
NATIONAL ASSEMBLY CHAMBER*

Members of the mini-plenary session met in the National Assembly Chamber at 14:00.

The House Chairperson Ms A T Didiza took the Chair and requested members to observe a moment of silence for prayer or meditation.

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon members, good afternoon. I would like to welcome the Minister, the Deputy Minister, as well as the senior officials from the Department of Trade and Industry, welcome the Minister's guests who are here in the House who are not the guests of Parliament, you are most welcome.

As I welcome you I want to just give you some few House rules which I am not sure whether the department had given you that when you are here as our guests, you can listen and enjoy the

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 2

debate but you cannot participate on what is happening on the floor here.

When there is something exciting either by the Minister, Deputy or other speakers that they are saying in their debate you can only smile no clapping of hands. But if there is something you don't like no booing. You can just make some gestures, you know with your face but not your hands. [Laughter.] So, those are the rules otherwise enjoy the debate.

APPROPRIATION BILL

Debate on Vote No 34 - Trade and Industry:

The MINISTER OF TRADE AND INDUSTRY: House Chairperson, hon members, thank you very much. In an input to the portfolio committee earlier this year, I argued that the Department of Trade and Industry's, dti, contribution to the promotion of a higher level of more inclusive economic growth must involve intensifying our efforts to promote Radical Economic Transformation in two inextricably interlinked ways.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 3

Firstly, it must involve redoubling our efforts to fundamentally change the colonially defined structure of our economy as a producer and exporter of primary commodities through industrialisation and moving up value chains.

Secondly, it must involve intensifying efforts to promote greater inclusion of historically disadvantaged black people in positions of ownership, management, leadership and control, particularly but not only in the productive economy.

On 8 May this year, we launched the 2017-18 to 2019-20 the Industrial Policy Action Plan. This is the 9th iteration of our three-year rolling implementation plan to support industrial development and I sincerely trust that by now we have all accepted the necessity and imperative each financial year to identify the actions we intend to take as government to move progressively to implement higher impact industrial policies.

Key features of this year's IPAP include: a stronger emphasis on the most job creating sectors and job rich industries such as clothing and textiles, agro-processing, and component manufacturing.

UNREVISED HANSARD

MINI-PLENARY - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 4

Secondly, redoubling our efforts to raise aggregate domestic demand for locally manufactured products through localisation of public procurement and persuading the private sector to also support localisation and local supplier development.

Thirdly, by building a stronger system of industrial finance and incentives to support and secure higher levels of investment in the productive sectors of the economy. Fourthly, by beginning to reposition our economy and prepare for the challenges and opportunities arising from the impending disruptive technological changes of the fourth industrial revolution.

One of the flagship programmes within IPAP is the black industrialist programme. This we launched in March 2016 when we said we would seek to support 100 black industrialists over the then Medium-Term Expenditure Framework, MTEF period, and ending in March 2019.

I am happy to be able to report that as of now we have approved 46 projects run by black industrialists, with government agencies, including the dti, the Industrial Development Corporation, the Public Investment, Corporation and National

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 5

Empowerment Fund deploying over R2 billion in financial support on top of R122 million in incentive grants from the dti.

Our support has allowed these black industrialists to undertake investment projects for the total value of R3,7 billion, projected to create more than 8,000 direct jobs and close to 12 000 indirect jobs. As we have indicated earlier, we have now decided to accelerate the implementation of the programme to support the 100 black industrialists. Instead of reaching this milestone by March 2019, as originally intended, we now seek to reach this target by the end of the current financial year, that is, by March 2018.

I need to stress that those benefitting from this programme have passed through a rigorous test to ensure that they are genuine manufacturing entrepreneurs who have met the identified criteria of ownership and personal leadership, who have placed their own funds at risk in developing their businesses.

These black industrialists are a welcome reminder of South Africans' tenacity and unbowed spirit, even in the challenging economic circumstances. Enterprises benefitting from this fund include Yekani Manufacturing, which is an electronics

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 6

manufacturing company, in the Eastern Cape that manufactures, among other things, these computers, IPAP for schools - in this case KwaZulu-Natal. [Applause.]

Yekani is represented in the gallery today by its CEO, Dr Siphwe Cele. I don't know if he is there if he could stand if he is please, there he is. [Applause.] Also present here today is the United Industrial Cable. This is a specialised, industrial cable manufacturer of copper and aluminium cables for industrial, Mining, Transportation and Power Utilities for underground and aerial installations, they produce products like this.

They are represented here today by the Managing Director Mr Andy Matakanye. If he is here can he stand please. [Applause.]

There is also K9 Pet Foods which is also represented here by its managing director, Ms Candice Steward. We were there on Friday and we saw how our support programme have assisting them to being a small to a medium size business. They produce pet foods like this for Woolworths and their partnership. I can personally testify that my dogs love it. Thank you very much. [Applause.]

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 7

Finally, with us in the gallery we have Micro Finish; which manufacturer valves guides based in Pine town in KwaZulu-Natal and various valves. This one here is a unique product; it's a valve for locomotive. It is fully manufactured here in South Africa for the first time. [Applause.] It is a quality product and they are represented here in the gallery by Mr Brian Naidoo. If he is here can he please stand. There hi is. [Applause.]

I also invite you, hon members, to visit the exhibition which is taking place here in the Old Assembly Chamber where there are others who are showing that these black industrialists are really entrepreneurs, really active in the productive economy.

Hon Chairperson, our efforts to achieve more inclusive and higher levels of industrial development take place against the backdrop of continued challenges in the global economy. I am not going to go through those in any details.

I think it suffice to say that Anthony has spoken of the new Low Moor the new Low Moor being the sluggish economic growth coupled with wide in equalities and they are calling in response to this for a new global compact to promote inclusive growth.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 8

As hon members know, the performance of the South African economy in 2016 was sluggish, this was in part due to the global conditions, it was also impacted on by the droughts. The slow recovery in the mining sector as a result of the falling commodity prices; this year we are likely to see a slightly higher level of growth, but we also have to contend with issues of low levels of confidence by consumers and by investors.

Let me just say that the performance of the manufacturing sector last year was erratic due to the impact of draught on the agro processing value chain and also the severe challenges we have had to face in the steel sector as a result of the global over production of steel. I am pleased though to report that progress has been made in implementing IPAP programmes.

With regard to the nine point plan, which is government's programme to promote high levels of development, we are tasked with co-ordinating the implementation of three components; the higher impact IPAP, advancing mineral beneficiation and scaling up private sector investment.

As well as the Black Industrialist programme to which I have already referred; revitalising industrial parks and special

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 9

economic zones, can both be identified as programmes that can assist in promoting greater inclusion in manufacturing production. Many of these programmes have leveraged significant investments supporting job creation or retention in various parts of the manufacturing economy.

It is important to state that the jobs and investment that have taken place would not have been possible without a deliberate effort by our government to support our industrial development in a number of ways. This was acknowledged in a recent report by the World Bank entitled, South Africa Economic update, released in January this year.

This report supported public industrial financing as a tool to strengthen industrial development and argued that investment tax incentives had discernibly benefitted South Africa by encouraging investment in a number of value-added sectors.

It further states that the investment generated by tax incentives far exceeded government's foregone revenue. A case in point is Aspen Pharmacare's investment of around, R3 billion, a new high tech, manufacturing capability over the past 18 months which has led to the introduction in South Africa of new complex

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 10

technologies such as high potency oncology production, creating global export platforms. This is a good example of how IPAP and our country's industrialisation programmes are working.

In reporting on the automotive sector we must note with deepest regrets and concern the General Motors announcement that it is exiting South Africa. This was explained to us and also in their statement, as fundamentally deriving from dynamics within the company itself. The models of the company was produced in South Africa are no longer the focus of General Motors activities going forward and their withdrawal from South Africa has also been matched by withdrawals from other destinations, including Australia, India and Indonesia.

General Motors announcement, it needs to be said, has taken place against the background of a number of significant announcement of investments and the automotive sector. Partly these have been supported by our amendment in 2014 of the Automotive Investment Scheme which allowed an additional 5% qualifying investors in the auto component sector where more of the jobs were created.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 11

This, together with the certainty we provided to the automotive OEMs have led to a number of investments, as I mentioned. These investments include: Beijing Automobile International Corporation's multibillion rand investment in a vehicle manufacturing plant in Coega, which is set to create 2,500 direct jobs.

The plant will manufacture pick-up trucks, SUVs and sedans for the African market. And it is likely to have an initial capacity to produce about 50,000 cars, trucks and sports utility vehicles.

Toyota SA opened a R6,1 billion assembly line to produce the Fortuner and Hilux. R1,9 billion of this will go towards supplier tooling, R1,4 billion to in-house tooling and the rest to in-house facilities and buildings to cater for new press machines. The project attracted five new international suppliers, while creating around 2,000 jobs in the supply chain.

Another example, the tender for Supply, Maintenance and Financing of 150 commuter buses to Great North transport was awarded to Mercedes Benz SA and Marco polo as the bus builder.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 12

The approved total bid price including repairs and maintenance is R511 million over the next five years.

The current Automotive Production and Development Programme is due to run until 2020. And we are now engaged in an inclusive consultative process with all key stakeholders to develop an automotive Master Plan that will inform our motor industry programme thereafter.

In addition to sector specific incentives such as for autos, for Clothing and Textiles; and for Aquaculture, we also have various open architecture incentives such the Manufacturing Competitiveness Enhancement Programme, MCEP, and the 12 I tax incentive.

In the last financial year, we supported 270 projects in various manufacturing subsectors through the Manufacturing Competitiveness Enhancement Programme, MCEP. Our support attracted private sector investment to the value of R3,4 billion with over 62,000 jobs retained.

The 12-I tax incentive scheme supported 49 projects with a projected private sector investment amounting to R25,7 billion,

UNREVISED HANSARD

MINI-PLENARY - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 13

while the Aquaculture Development and Enhancement Programme supported 17 projects with a projected private sector investment of R383 million.

Through our support, we have been able to establish a competitive Business Process Service, BPS, sector in South Africa. We have been able to support the creation of 10 466 jobs, 90% of which are young people.

Hon members, since the local content designation of the clothing, textiles, leather and footwear sector as well as the introduction of the CTCP, significant improvements in terms of jobs, investment and exports have been realised in this sector that was written off by many just a few years ago.

Indeed, recent employment figures confirm an increase in employment in the sector from 137 816 people in 2014 to 143 719 in 2015, a net increase in 5 903 jobs. Real output at the same time grew 13,9%. Footwear production has increased to 2 million pairs in the first half of 2016 and employment in that subsector has continued to grow. Exports in the leather and footwear sector have also begun to increase.

UNREVISED HANSARD

MINI-PLENARY - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 14

The Agro-processing sector is an important labour-intensive sector, which I indicated already has been prioritised in the IPAP. Last year, we concluded the Economic Partnership Agreement with the EU, and this has provided an increased market access for some of our agricultural produce such as seafood, wine, canned fruit and sugar. Our partnership with the BRICS has also allowed our export to China of apples to grow by 70%.

On the domestic front, working with the private sector, we have been involved in the launch of a number of projects including the R100 million tomato processing plant in Tzaneen, Limpopo, which is producing tomato paste for the domestic and domestic market.

Given the importance of agro-processing for jobs and enterprise development, I am pleased to announce that we have set aside R1 million over the current MTEF period to fund a sector-specific incentive for the Agro-processing. The details of this are available on the dti's website.

And we are willing to receive applications for both Greenfields new investments as well as Brownfield expansions and we are

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 15

targeting - we are hoping to export 200 companies over the period that lies ahead.

The designation of sectors and products for local procurement remains one of the key policy levers at government's disposal. To date, we have designated more than 20 products with varying levels of minimum content thresholds. Going forward, we are planning to extend the designation of products to include the yellow metals sector, smart water meters: and fire trucks.

I am pleased to be able to report that while we do not deny that there are challenges pointing to the need to ensure greater reinforcement and greater consistency in the application of local content requirements, almost R2,6 billion worth of production value that would otherwise have gone to imports was locked into the local economy through designations.

Sectors which have benefitted, includes some textiles, clothing, footwear and leather; furniture; electrical goods, telecom cables; solar water heaters; and power transformers.

Hon members will be aware that our steel sector was negatively affected by the global glut of steel leading to the dumping of

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 16

low priced steel products in many markets across the world. The circumstances required us as government to intervene decisively to save jobs and the productive capacity that exists in the sector. We established an inter-departmental Steel Task Team which worked closely with the primary steel producers and the downstream industry.

A number of measures were put in place in addition to the independent determinations of the Competition Commission to fine Arcelor-Mittal and secure its commitment to investment in plant and equipment. These measures included moderate tariff increases for a range of primary steel products; the introduction of a new steel pricing mechanism monitored by a committee established under the auspices of the International Trade and Administration Committee, ITAC, commitments around investment and job creation.

Support for the downstream industry, which is the biggest job creator within the iron and steel, also includes a tariff review on a range of downstream products and my colleague, Minister Patel will announce further support measures for the downstream industry in the Economic Development Department Budget Vote taking place today.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 17

Our primary steel industry is still not out of the woods and the global steel market is still posing challenge. Our measures I can confidently state have gone a long way to ensure greater stability and that South Africa will continue to be a steel manufacturing country.

In 2016, G20 countries established the Global Forum on Steel Excess Capacity facilitated by the OECD. At recent meetings of the G20 and OECD Steel Committee held in March 2017, the Trade Union Advisory Committee to the OECD highlighted and it felt that SA' approach was an exemplary one.

Our policy intervention had not only included tariff and local procurement measures but also reciprocal commitments around job creation, investment, and upgrading.

We believe that implementation of Broad-based Black Economic Empowerment Act; including the trumping clause will contribute to addressing economic transformation. The Broad-based Black Economic Empowerment Commission established in terms of the Broad-based Black Economic Empowerment Act is now appointed and the office is up and running to assist in implementing the

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 18

Broad-based Black Economic Empowerment Act; strengthen the advocacy; and eradicate fronting.

Hon members, accelerating economic development in the townships and rural areas is critical in addressing unemployment, poverty and promoting inclusive growth. In this regard, the dti prioritised the revitalisation of industrial parks, the first phase of which focuses on building appropriate infrastructure to attract and retain investors. Thus far, 6 of the 10 targeted industrial parks have been revitalised at a cost of R278 million.

On advancing mineral beneficiation, government is committed to leverage the comparative advantage we have from the abundance of platinum. Whilst SA is a major supplier into the global market this is mainly at a primary level, with the current beneficiation of Platinum Group Metal, PGM, in SA standing at less at 15%.

What we have been doing over the years, is that we have been supporting few so many factory which is the frontier industry in the Platinum Group Metal, PGM, value chain.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 19

a number of companies have been exploring opportunities and Isondo launched a fuel cell plant on the sidelines of the Mining Indaba earlier this year.

Furthermore the dti, the Gauteng Industrial Development Zone (IDZ) and Impala mine are undertaking a feasibility to assess the viability of establishing a fuel cells industrial park at Springs.

Additionally, in partnership with the German government we hosted 58 delegates for a fuel cell bus workshop from 20 to 21 February 2017 in Cape Town. The purpose of the workshop was for German municipalities to share their fuel cell bus deployment learnings with their South African counterparts. Part of the outcome of the workshop is an undertaking to attract three South African metros to adopt or demonstrate if the fuel cell driven buses can actually work. We have also done work in the titanium value chain I won't have time to go into that.

South Africa is inextricably linked with the continent and in light of this the country's engagement in promoting developmental regional integration continues unabated. In the short time available, I will mention just two issues.

UNREVISED HANSARD

MINI-PLENARY - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 20

First, we have agreed with a number of our partners in the East African Community to target the completion of the tariff schedule negotiations between SACU and the members of the EAC by the end of July this year. This will be an important, commercially meaningful step, towards the implementation of the Tripartite SADC Comesa, East Africa Community Free Trade Area and a significant step towards our eventual goal of a Continental Free Trade Area, FTA.

Secondly, SADC has developed its road map towards its regional Industrial Development Action Plan. In August this year, South Africa will assume the chair of the SADC and I want to indicate that we will spare no effort to ensure that our Regional Economic Community is actually implementing its regional industrial programme before we hand over the chair next year.

Efforts to intensify exports and investment in Africa, has led to the establishment in the dti of Trade Invest Africa to lead our efforts to facilitate exports and investment to Africa across all sectors including services, while also developing source markets for South Africa's import demand.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 21

Companies that will be supported by Trade Invest Africa will be those that supports the voluntary Guidelines for Good Business Practice by South African Companies Operating in the Rest of Africa, to ensure that our private sector subscribe to principles of good corporate citizenship whilst flying the South African flag in the rest of Africa.

I must mention, Chairperson that this dti initiative has been well received and encouraged by the African Union as a positive framework to be used as a model by others.

The final component of the 9-Point Plan that we are responsible for is private sector investment. A key commitment of the 9-Point Plan was the establishment of an investment one-stop-shop, Invest SA, composed of the relevant regulatory staff across government. Invest SA already has physical premises in Pretoria and will be rolled-out to three Provinces in this financial year.

In concluding, I wish to use this opportunity to welcome Deputy Minister Magwanishe to the dti family and to thank him for his enthusiasm, and for the work that he has already done.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 22

[Applause.] I am sure he will be a very valuable member of our team.

To the Director-General, the staff of the dti, the agencies that report to us, whatever has been achieved has been achieved through our collective efforts. Finally, the chairs of the portfolio committee and select committee have been an invaluable source of support and we will continue to rely on your wisdom as we take forward our journey of steady but continuous improvement. I commend this budget to Parliament. Thank you.

The HOUSE CHAIRPERSON (Ms A T Didiza): Thank you very much, Minister. I notice that your speech has already provoked some members who are already in the debate to start asking questions and to interject. It is doing to be very interesting, indeed.

Ms J L FUBBS: Hon House Chair, hon members of this House, people of South Africa, colleagues and comrades, this is a demand-based budget that calls on the public sector and state-owned enterprises to buy local. The private sector should also become more patriotic. Put your country first. We can, and we must all work together to expand an inclusive economy. Indeed, profits

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 23

can be increased while bringing about radical economic transformation. [Applause.]

The Black Industrialist Programme is beginning to produce concrete results, for example, with the manufacture of syringes to service domestic and regional needs. Another example is the production of steel rail wheels by a company that is 100% black owned and managed. There we are! We can succeed. We can do it.

The first step ... [Interjections.] ... I suggest you look at the latest issues. The first step is the deracialisation of all sectors of the economy. K9 Petfoods is the first and only 100% black female-owned player in the production of pet foods.

[Applause.] I may add that I believe, Minister, this was certainly one of the black-owned female companies to have benefited from the Black Industrialists Incentive Scheme.

The most heartening issue to me is to learn that, finally, in our country, we have a 100% black-owned foundry, and it is not true that they are not producing anything. We learned, in fact, once we had conducted the oversight visit, we were alarmed. We wanted to know where the orders were. So, we invited the parastatals, the state-owned companies, and the relevant

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 24

organisations and asked where the tenders and the orders were that they'd already committed to.

As it turned out, that is one of the values of oversight - that we do go in there, that we do interrogate it, that it does alert. It alerts those who gave tenders to actually honour their commitments.

That particular company was the Naledi Inhlanganiso Group, which employs 320 people. Another company, Isipho Capital Engineering, received R41 million from the National Empowerment Fund, NEF, to acquire Smith Capital Equipment, a 42-year-old white-owned company that manufactures aerial platforms. In fact, they have done so well that they have outgrown the current location.

What are they doing? They are doing the design, fabrication ... [Interjections.] ... I wish I was. It would have made it easier! Due to the NEF's funding, Smith Capital Equipment has continued to support 75 employees, and this is why I raised this point. They also own shares in the business. The shares.

The DTI's driving mandate is the development of an enabling socioeconomic environment to create jobs.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 25

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon members! Even if we interject, can we try not to drown out the speaker so that we ... [Interjections.] ... no, no, no. We must allow the speaker to be heard. So, when we do interject, it does not distract. Continue, hon member.

Ms J L FUBBS: In the last two financial years, this has retained 38 000 jobs and created 11 600 new jobs. In all, at least 58 000 jobs were retained and 24 300 jobs supported.

We have, of course, heard from the Minister of the impending closure of General Motors, and yes, this is disappointing - a loss of 589 jobs. However, we believe that a Japan-based company, Isuzu Motors, is certainly considering the acquisition. They are not afraid. As a matter of fact, I would like to report more clearly on this, but I am unable to. [Interjections.]

The Department of Trade and Industry is now marching along the higher value chain to harness the processing and manufacturing sectors. Why? Because of its multiplier effect.

Industrialisation is supported by a strategic trade policy, productive investment, which we see coming in and the dedication, establishment of the one-stop shop, Invest South

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 26

Africa, also referred to by the Minister in his speech. This has been given a boost to the country's investment.

I think that all of us revere the late stalwart, member and president of the ANC and I actually ... [Interjections.] ... I wish you would read him, because he was a scientist, a teacher, and so on. The objective of the struggle, as set out in the Freedom Charter, was not simply, as he put it, political freedom - and this is important - but also economic emancipation.

[Applause.] This DTI makes it clear that political and socioeconomic liberation without a return of the wealth of the country to the people, especially the historically dispossessed, is inconceivable.

The Incentive Development and Administration Programme, with its proven track record of growing the economy and creating jobs, gets the largest budget allocation of R5,7 billion. It is driving transformation by insisting that successful applicants meet at least the broad-based black economic empowerment, BBBEE, minimum requirement of Level 4 - and yes, it is biased. It is biased towards higher levels of compliance.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 27

In terms of the Special Economic Zones and industrial parks, these are two examples of mechanisms which are being used to implement national economic policies. I know the hon Mantashe will speak to this further.

Local public procurement is a critical tool in driving demand-led industrialisation and can contribute positively to the economy. It is regrettable, Deputy President, that I have to point out the following. State-owned entities, SOEs, which should be the champions of the industrialisation drive, are hindering the localisation process. The noncompliance with local procurement policies and the broad-based black economic empowerment regulations by SOEs have put the brakes on the achievements of this policy, and I believe they should be dealt with harshly.

I also wish to congratulate the Broad-Based Black Economic Empowerment Commissioner, Ms Zodwa Ntuli, on her recent appointment. We have great faith in what she will be doing. I know that. [Applause.]

In addition to the alignment of the Industrial Policy Action Plan, Ipap, with the SADC Industrialisation Strategy and the AU

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 28

Agenda 2063, the Nine-Point Plan further supports Africa's vision to grow the continent through integration which fosters economic development and job creation. That includes revitalising the agricultural and agro-processing sector; adding value through beneficiation in the mineral value chain; and encouraging private-sector investment.

Trade remains one of the vehicles through which economic transformation can be accelerated, and I know the hon Van Schalkwyk will be telling us more about that. However, I thought I should mention the impact of the changes in the United Kingdom of Great Britain and Northern Ireland and those in the United States of America.

While they may remain of concern, generally, we know we are benefiting and can continue to benefit from the African Growth and Opportunity Act. We derive 60 000 jobs there, notwithstanding the fact that the United States gets 100 000 jobs - and I'm happy to tell President Trump that. We are also ready to negotiate new trade agreements, post-Brexit, that will further benefit South Africa.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 29

We welcome the initiative, Minister, of the Export Credit Insurance Corporation of South Africa in exploring the establishment of a South African export-import bank. We have long awaited a bank dedicated to trade. I would like to see this, and I know many of us would like to see this expedited.

There are certain areas we would like reviewed, however. The National Metrology Institute of South Africa, Namisa, does require its funding to be reviewed, because it looks after not only the standards, but is also concerned with the health and safety of all South Africans.

Before I forget, I may add that the ANC, having studied this budget and looked at our own policies, is entirely happy that it has the capacity in its resources to achieve the policies.

[Applause.] I wish to thank you and all the members of the committee for their application and the application of their minds to the budget. In addition, I wish to thank the members of the ANC study group for their advice in this matter. I thank you. [Applause.]

Mr G G HILL-LEWIS: Hon Chairperson, Mr Deputy President, hon members and colleagues, we meet at a very uneasy time for our

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 30

country. There is a very real sense that our miraculous project of building one nation with one shared future is slowly coming apart at the seams. Our crisis is impacting the daily life of our people. Life is getting materially harder for everyone. It is incredible that the previous two speakers have made no reference and they have painted a very rosy picture but made no reference to the obvious increasing struggle to make ends meet for ordinary South Africans.

Those who have work worry daily about the flagging economy and what it means for the security of their jobs and their family's livelihoods. Those nine million South Africans who do not have work know that each day as the economy gets worse, so do their chances of ever finding a job. As a father of a young daughter myself, I can only imagine the pain and anxiety of not being able to support your own family. However, that is the lived story of the growing number of South Africans. The profound sadness of our current situation is this; there is absolutely no good reason that we should be where we are today. However, in this truth also lie the seeds of our hope. For just as quickly as we have been brought to our knees as a country, so we can just as quickly rise to our feet again.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 31

We must act quickly to restore the hope of our 1994 generation. Now is not the time to give up on South Africa as the ANC and this government seem to have done. We who truly love South Africa must prepare to work together to defend her. The political tectonic plates are shifting everyday beneath our feet. Therefore, that means, colleagues that the DA is now preparing to be in government in 2019. [Applause.] We will govern because we see South Africa for what it can be, and what it will be and not what it is today. Our country's potential is vast, our human capital and talent is exceptional, our good-will towards one another as fellow South Africans is undiminished, and our natural endowments remain enormous. In government the DA will position the economy to compete on a global scale and not just compete, but to win.

We are optimists about our economy. We can grow much, much faster than we are growing now. We can create hundreds of thousands of new jobs. We can compete in the global tech and knowledge economy - our entrepreneurs and graduates are among the best in the world. There is absolutely no reason why investors should be leaving South Africa, like General Motors did last week. The bottom line is that no one leaves a growing prosperous economy.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 32

Under a DA-led government, investors will know that they will get a fair, predictable and open business environment. They will have certainty of policy and transparency of regulation. They will have a tax system that will require them to pay their fair share to be a part of our incredible country, but that will also reward them for innovation and entrepreneurialism. We want businesses investing and growing here in South Africa, because when business is healthy, jobs are being created. We understand that simple formula, and we understand how to make it happen in reality. There can be no pathetic excuses, Minister, for investors leaving South Africa. Own it and explain why it is truly happening and commit to fix it. Do not come to Parliament and make excuses.

Secondly, we will give black South Africans a real stake in the South African miracle. Redressing the economic injustice and inequity of the past is not just a nice to have, it is a moral imperative. Truly, being one nation with one future requires that we genuinely care about and work to truly empower black South Africans with access to capital and assets.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 33

The HOUSE CHAIRPERSON (Mr A T Didiza): Order, hon member, I wish to make the same announcement. Can we not drown the speaker even if we interject?

Mr G G HILL-LEWIS: That is fine, Chairperson, I am not in the slightest bit intimidated. At the same time, black economic empowerment that simply enriches a small group of well-connected cronies is so harmful to this project because it breeds resentment among black and white South Africans alike. This Minister has folded to the pressure of the powerful lobbyists in the department and close to the President, led by the likes of Jimmy Manyi that says that black economic empowerment, BEE, must constantly be tweaked to make it more concentrated in the hands of a few, well-connected cronies.

This is evidenced by the bizarre move to limit the ability of companies to offer shares to the black employees that work in the business. If ever there was a clear perversion of BEE - that was it. You must have courage, Minister. You should never have given Jimmy Manyi's personal lobby group - the Black Business Council - R7 million of public money - for them to punt their divisive and regressive vision of BEE cronyism. Not once in five years as your shadow Minister have I ever suspected you of

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 34

unethical or conduct, but that was the first time. You should have the courage to say no and you should never do that again. You should have the courage of your convictions because you know the vision of the BEE is divisive and wrong and you should do what you know is right.

The DA-led government in 2019 will face down the corrupt elite that want to use BEE as a scheme for legalised corruption. We want BEE that creates jobs and gives workers a real stake in the economy, not a BEE that turns a few friends of the President into instant billionaires. And we will make this simple commitment to black South Africans. Workers, the people who actually make a business run, should be able to share in the profits and decision making of their businesses. That is truly broad-based empowerment. Ordinary workers become part owners and having a stake in our country's shared success.

Thirdly, we will get all of government working together to achieve growth and job creation. In truth, whatever the Department of Trade and Industry says these days is largely ignored by other departments. The Department of Trade and Industry has a renewable energy strategy which the Minister spoke of which is completely undermined, ignored and

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 35

contradicted by Eskom. The result is the closure or withdrawal of many renewable companies. Thank you, Madam Chairperson. In the DA-led we will get government working to grow the economy and create jobs. Thank you very much. [Applause.] [Time expired.]

The HOUSE CHAIRPERSON (Mr A T Didiza): I will now call upon hon Nhlangwini. Just to advise hon members, on behalf of Parliament, congratulate hon Louw for her new status.

Ms E N LOUW: Thank you Chairperson. But I have been married for over two years. It's only now that I am using my new surname.

The HOUSE CHAIRPERSON (Mr A T Didiza): We didn't know and congratulations nonetheless. Over to you.

Ms E N LOUW: The EFF rejects Budget Vote 34 of the Department of Trade and Industry. Early in January this year, the President of the EFF and the incoming President of South Africa Commander in Chief, CiC, Julius Malema wrote a letter to you Minister regarding the dying poultry industry.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 36

In that letter, the EFF called on you Minister government and to take the following steps to prevent a complete collapse of the poultry industry. We called on you and government to treat the situation with the seriousness it deserve, seek financial relief to prevent job losses, and also impose a 50% tariff on all imported chickens.

We further called on you Minister and government to work with National Treasury to instruct government from provincial, municipalities to state owned entities to only buy local chicken. But because the ANC-led government is not decisive and had outsourced the function of managing the macroeconomic policy to local and foreign capital all we see is endless meeting. And by the time decisions are made, we will not have a poultry industry to speak of.

While developed countries like the United States of America, US, highly protect and subsidize their agricultural sector -Our agricultural sector is dying. Now, even Information and Communication Technologies, ICT, contribute more to Gross Domestic Product, GDP, than agriculture, which now only contributes just 2,4%. Our people are sitting with empty plates and going to bed with empty stomachs.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 37

Honourably Chairperson, by the Minister own admission during his contribution to state of the nation, sona, debate. It is well-established point that all countries that have become industrialised, without exception, have passed through a phase where they have supported and protected emerging industries.

But the Minister and the ANC-led government are failing to appreciate and implement this simple logic. A failure that has rendered state entities such as Industrial Development Corporation, IDC, and National Empowerment Fund useless and redundant.

It is now an opportunity to benefitiate from our local mineral resources. It is an opportunity for local industries to grow and create sustainable jobs, jobs that pay decent wages, jobs that will put food on the table, jobs that will put a roof over the heads of families, and jobs that will restore the dignity of a black child. Instead, in South Africa, we have new malls opening every weekend. And when they open, local stores and spaza shops are closed.

We don't ask where does these products in these shops in the malls come from - all we do is buy, and sometimes buy on credit.

UNREVISED HANSARD

MINI-PLENARY - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 38

If we still have the Zuma confusion in the ANC and more concerns in some key positions on what radical socio-economic transformation is, you hear different stories about radical transformation from everyone.

How can we even attempt to even engage on a debate on trade policies? When the budget debates were starting, we have had heard people calling on the bones of Oliver Reginald Tambo but OR Tambo is turning in the grave of what President Zuma is turning South Africa to be. When we do the secret ballot voting, please vote President Zuma out of office. Thank you.

Mr J A ESTERHUIZEN: Hon Chairperson, During this year's debate, as in most of Trade and Industry's debates in the past and almost certainly in the future, the issue of the importance of economic growth and foreign investment will be central, and rightly so.

South Africans, business, government, including this Department of Trade and Industry, DTI, the private sector, all working together have made sufficient progress on economic growth and structural reforms, but political instability has put us on a

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 39

slippery slope towards a self-perpetuating, vicious cycle of abject poverty and increasing inequality.

For DTI more directly, business and consumers are battling to cope in this low growth environment, while the spectre of additional interest threatens to curb constrained spending even further. This will affect our position on ease of doing business even further as South Africa's growth largely hinges on spending.

The National Credit Regulator is doing its best to protect consumers against exploitation and in communicating the perils and consequences of over-indebtedness.

In the real world, consumers are continuously driven in this current financial climate by feelings of anxiety about their ability to make ends meet, and this unfortunately drives them to even more desperate measures, especially in securing more debt and borrowing even more expensive money.

Government has started creating a new class of black industrialist through the DTI, but this has not really had the

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 40

intended effect or success. Creating a new elite isn't an obvious panacea for the jobless masses anyway!

Further regulation of the steel industry won't work either as there are always unintended and unforeseen consequences. The custom duty introduced last year already serves as a slow poison, killing the downstream industries.

Multinational motor groups were expected to invest approximately R8 billion in the local manufacturing operations this year. This will probably not happen as, apart from political instability, the Minister's policy enforcement, local content up to 60% from unskilled manufacturers, and the proposed empowerment code as it stands, is unworkable and will force this R50 billion vehicle manufacturing industry to reconsider, thus affecting the jobs of 200 000 people.

Through special economic zones and other measures, government desperately wants to create new jobs. But those intentions are crippled by policies and practices that were designed to achieve other political ends. Until we wipe those away we won't see any meaningful shift in the unemployment rate.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 41

The DTI must now realize that welfare policies only affect a selective few and do not positively promote economic growth or job creation.

Around us countries like Botswana adopted a pro-business and free-market-based approach. This department should be the grand advocate of business and market concerns within the collegial thinking of Cabinet, but it is not.

It tows along with the mindset of a welfare state which will never become a developmental state.

In conclusion, we believe that if we are honest about wanting to create a genuinely viable and internationally competitive industrial basis for our country, we must provide short-term incentives, subject to review and penalty clauses. I thank you.

Mr M L SHELEMBE: Chairperson, the core mandate of the Department of Trade and Industry is the facilitation of industrial development, the promotion trade, and guiding economic transformation in the increasing industrialisation process in South Africa. This department is also of great importance in its role as a one of the key drivers of national economic growth.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 42

The NFP welcomes the increased policy focus of the department on ensuring that ownership as well as management and control of the economy increasingly rest in the hands of black people. This policy focus is in line with the NFP policy on the equitable distribution of economic ownership in South Africa. The NFP believes that the department should accelerate the implementation of this policy position to ensure that historical injustices and unequal access to economic power is addressed.

In light of this policy position, the NFP also welcomes the Black Industrialist Programme which, we believe, will assist in our national quest for economic freedom for all.

Whilst concerned about the reduction in the budget for this very important government department from R10,28 billion in 2016-17, to R9,27 billion for the current fiscal year, we welcome the fact that the largest budget allocation of 62%, namely R5,7 billion, will go to the Incentive Development and Administration Programme.

This programme of incentives has yielded significant results over the past two financial years and we urge the department to maintain this positive momentum.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 43

The report tabled here today contains several pertinent observations and recommendations which we are in agreement with. In particular, the NFP supports the recommendation of the portfolio committee that the department develop stronger enforcement measures to ensure that local procurement policies as reflected in the Preferential Procurement Framework and the Broad-Based Black Economic Empowerment, BBBEE, legislation are implemented by all departments at all levels of government.

The NFP believes that we should not be paying lip service to such powerful instruments of equitable economic empowerment as BBBEE and the local procurement policies. We need to see these instruments of change in action – it is what our people want and what our people deserve.

To conclude, the NFP supports the report on Budget Vote 34. I thank you. [Applause.]

The DEPUTY MINISTER OF TRADE AND INDUSTRY: Chairperson, Ministers and Deputy Ministers, hon members, the Director-General and officials of the Department of Trade and Industry, the Council of Trade and Industry Institutions, leaders of

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 44

organised business and labour, and distinguished guests, good afternoon.

When we need to construct a bridge, we will find an engineer. When we need surgery, we will look for a surgeon. However, when we need to build an African economy that is competitive, integrated and benefits all her people, we need an agenda, driven by the voices and the minds of the African people, working with the peoples of the world. [Applause.]

For this agenda to be a success, we need to invest in our people, especially the young. In the 2016-17 financial year, the Itukise Unemployed Graduates Programme, supported by the National Skills Fund, working together with the private sector placed 1 000 interns and in-service trainees with private sector companies. Of these graduates, 75% found employment within 6 months, and 57% were permanently employed by the host companies. Encouraged by this, for the 2017-18 financial year, we are going to recruit more than 1 000 interns. [Applause.]

As the department working with the private sector, we are committed to investing in our human capital to advance Agenda 2063 because only a capable workforce will ensure that

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 45

Africa continues to be competitive. The department, through Trade Invest Africa, which is a division of the department, intends solidifying South Africa's links with the broader African economy. This is, of course, in line with the objective of the African Union and Agenda 2063 to accelerate political and socioeconomic integration on the continent.

Work is under way to facilitate outward investments and value-added exports to the continent. Trade and Invest Africa will assist South African businesses with all the necessary services related to trade and investment on the continent. These will include assistance with access to capital, assistance with access to markets and contracts, and assistance with nonfinancial support.

I am happy that amongst the companies operating in the SADC region is a black female-owned company called Boniswa Corporate Solutions, which is providing information and communication technology infrastructure, ICT, in the entire SADC region. This company was assisted by the National Empowerment Fund to realise its dreams. [Applause.] The current state of our economy should remind us of the art of possibility, amidst the impact of low commodity prices, moderate economic growth and volatile markets.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 46

We have redefined our trade and investment relationships with other countries, in order to arrest the reduction in the flow of investment into the country and the continent in general. As part of redefining our trade and investment relationships with the rest of the continent, we actively want to support our neighbours with their efforts to industrialise their own economies, so as to ensure their sustainability and their long-term growth. We want to move beyond just exporting to our neighbours to a mutually beneficial trading and investment relationship.

InvestSA, a division of the Department of Trade and Industry, has recorded an increase in the investment pipeline of projects worth about R58 billion over the 2016-17 financial year. Of these investments, a number is committed, with plant launches such as Sumitomo Rubber Industries in Ladysmith and Dursots in Tzaneen, amongst others. Despite the challenges of the moment, work is continuing.

We warmly welcome the 2017 A T Kearney Foreign Direct Investment Confidence Index, based on the views of global chief executive officers. The index ranks South Africa in the top 25 in the

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 47

world in terms of our economic prospects and investment landscape - this after a two-year absence. That is why, to date, special economic zones have attracted a total of R70 billion in private sector investment and created approximately 73 000 direct and indirect jobs. Hon Mantashe will discuss the subject in detail. Thus far, R278 million has been spent on 10 industrial parks, and our assessment is that these interventions are having a positive impact on entrepreneurs and industrialists operating in these parks.

As attested by Minister Davies, the Black Industrialist Programme is in motion. In just one year, we would like to report to fellow South Africans what some of these companies are doing and who they are. As already mentioned, K9 is a 100% black female-owned company; cofunded by the Industrial Development Corporation, IDC, DTI and Woolworths, it produces pet foods. It has been awarded a long-term contract by Woolworths stores. Woolworths used to import pet food from Australia, and they have now made a decision to purchase from this company at home. [Applause.] This is because the company meets all international standards in terms of the quality of their products. We would like to thank Woolworths stores for a good, patriotic business decision.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 48

Another company under the Black Industrialist Programme is Yekani Group, which is also 100% black owned. As a company in the manufacturing sector, it assembles smart meters, tablets and television decoders. This is the only manufacturer of tablets for use in classrooms approved by the Department of Basic Education. It has employed 400 people residing in Mdantsane in the Eastern Cape. The company is operating from a run-down industrial area. We will be moving them to an industrial development zone to ensure a suitable facility to manufacture their goods. [Applause.] As a country, it is crucial that we develop our own key industrial productive capacity. We will be unveiling others this year, as most will be commencing production. Furthermore, we will be strengthening collaboration with other provinces to ensure that black industrialists across the country are assisted with growing their businesses. We call upon companies in the private and public sector to join this initiative by providing black industrialists with access to markets.

In the film industry, the department has approved support to 115 films for the current financial year. In addition, we have submitted to Parliament the Copyright Amendment Bill and

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 49

Performers' Protection Amendment Bill. These Bills provide for the protection of, amongst others, musicians, writers and producers.

The beauty of our deeds as government can no longer afford to be seen in the bleeding of mankind. This is the reason for Africa's radical economic transformation. [Laughter.] In the process of liberating our economy, let us liberate our minds, for a seed never looks like a tree, but the tree is in the seed.

I would like to extend my gratitude to Minister Davies, the study group of the ANC, the director-general, and all officials of the department for their warm welcome. I would like to thank my predecessor Cllr Masina for his contribution to the work of the department. [Laughter.] We also acknowledge and appreciate the portfolio committee for their robust oversight. I would like to thank all members for their attendance. I ask that members support this Budget Vote. I thank you. [Applause.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Thank you, hon Deputy Minister. I thought you were going to continue and say "Cllr Masina, the Mayor of Ekurhuleni where hon Waters stays."

[Laughter.]

Adv A de W ALBERTS: Chairperson, Minister, and committee chairperson Fubbs, you know by now that we view this committee and the department as the most important in the country, as it is tasked with the management of business locally and internationally.

Afrikaans:

Dit is daarom dat ons nie kan bekostig om swak beleid te implementeer nie. Ons kan nie bekostig om te eksperimenteer met die mense van die land bloot ter wille van ideologiese oortuigings nie. Ons moet toepas wat werk. Ek wil vandag fokus op een spesifieke beleid wat enorme skade aan die land aanrig, naamlik swart ekonomiese bemagtiging, SEB. Die fiksasie op SEB en die skep van 'n handjie vol swart industrialiste skrik oorsese beleggers af. Die kredietgraderingsagentskappe het tydens ons afgradering verklaar dat een van die beweegredes daarvoor SEB self is, veral gegiet in die vorm van radikale ekonomiese transformasie.

English:

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 51

The gist of the matter is that broad-based black economic empowerment, BBEE, despite your examples, broadly does not work, simply because it is not broad based by any stretch of the imagination. It empowers a few individuals and criminalises white people.

Let me give you an example. The Public Protector conducted an investigation into the legality of the empowerment deal relating to the acquisition of Capitec shares and the selling thereof to the Public Investment Corporation, PIC, and Government Employees Pension Fund by a black consortium. No illegality was found in the transaction. However, if you read the report, one is overwhelmed with the sense that BBEE is a mere farce, for what you have here is a legally sanctioned transaction where a few black companies and trusts have made obscene amounts of money by merely being black and not having any skills or providing any value to the transaction.

This consortium could buy the shares from Capitec, for they were earmarked as BBEE shares. They could finance it, as they were politically significant individuals and could persuade the IDC to fund the acquisition without putting up a cent of their own. On the same basis, they could later persuade the PIC to buy the

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 52

shares at a higher value. This is nothing but mere speculation and has nothing to do with empowerment, yet it is not illegal.

What makes this transaction even more of a farce is that only a few connected individuals were made rich. Kaebetso Holdings with the highest share of 31,85% has only two shareholders, namely T Mahoele and T Nzama. The value of their joint shares in the consortium is R150 million each - this whilst thousands of black and white children are starving every night. However, if a white person had led this transaction and not enough black people were involved, he or she could have been charged with fronting and sent to jail. However, if a tiny group of black opportunists work together, they are hailed as empowered and great business people. If this is not institutionalised racism, what would you call it then?

Afrikaans:

'n Laaste woord oor staatskaping: Die Gupta-gekoppelde maatskappy Regiments Capital het ook 'n reuse aandeel van 15% in die konsortium. Die ANC-gekoppelde Batho Batho Trust het 'n 20% belang in die konsortium met mnr Valli Moosa as een van die trustees. Dit klink baie voordelig vir die ANC.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 53

Ons moet aanvaar dat daar nog talle sulke sinnelose bemagtigingstransaksies bestaan. Kom ons wees eerlik met mekaar. Hierdie is niks anders as 'n rassistiese stelsel van kaderverryking wat niks te make het met die opheffing van armes nie en wat 'n groteske ingryping is op die menseregte van die armes van die land en alle witmense wat geregtig is op ekonomiese vryheid. In hierdie wêreld wen niemand behalwe die kaders. Dit is 'n skande.

Daarom sien ons daarna uit om deel te wees van 'n koalisieregering in 2019, want dan sal ons 'n regverdige, inklusiewe en nie-rassistiese ekonomie daar kan stel. Ek dank u.

Ms T P MANTASHE: Hon Chairperson, the Minister of Trade and Industry, hon Rob Davies and his Deputy, hon Members of Parliament, our guests in the gallery, fellow South Africans, good afternoon. The ANC supports Budget Vote 34 of the Department of Trade and Industry. [Applause.] We do so because the department implements policy imperatives of the ANC which seek to redress the legacy of the past and address challenges faced by South Africans, those of unemployment, poverty and inequality. Part of its mandate is to facilitate the creation of

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 54

decent employment, eliminate poverty and ensure inclusive participation in the economy.

Our late President Nelson Mandela said:

Freedom should not be understood to mean leadership positions or even appointments to top positions. It must be understood as the transformation of the lives ordinary people in the hostels and the ghettos; in the squatter camps; on the farms and in the mine compounds.

This statement remains true to South Africa today. That is why government continues to make efforts to encourage transformation of the South African economy. All South Africans should benefit from the wealth of this country and be involved in economic activities through employment as well as participating in the mainstream economy through ownership of businesses. No one should be excluded as was the case before the dawn of democracy.

One of the policies that the department is implementing that makes us to be excited in the ANC is the Broad-Based Black Economic Empowerment, BBBEE.

IsiXhosa:

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 55

Ukubonisa ukuba le...

English:

...policy of the ANC is progressive, in 2016, we established a commission that will ensure that there is no fronting on BBBEE businesses.

IsiXhosa:

Besisoloko sibabukele aba bangapha ekunxele besebenzisa abantu abantsundu, bebabeka ngathi ngabalawuli kanti abangabo.

English:

This commission is going to abolish that. Yes, our people have been abused by those who were advantaged and that commission is going to stop it and we will hear them wailing and shouting because for them the BBBEE is discriminating them. They think it is for the blacks but we are saying every Jack and Jill must benefit and participate in the economy of the country.

[Applause.]

The following companies that I am going to mention which benefited from the policy of the ANC, the one I have just mentioned, are the companies that are led by the black industrialists. Dti has supported 46 of them and 1 500 jobs have

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 56

been created with the injection of R1,5 billion from Dti to support them.

Through the black industrialist programme, R39,2 million has been set aside to assist black businesses in the manufacturing sector in the financial year 2017-18. The ANC welcomes the work of the National Empowerment Fund, NEF, in assisting these black industrialists. The NEF has deracialised a sector of the economy which has been dominated by white people by funding BusaMed a first black-owned hospital group. It has also funded Kenako Medical, black industrialist project which manufactures syringes and needles which are exported to the United Kingdom. We appeal to the Department of Health to procure these needles and syringes locally.

Kenako Medical is a black industrialist company that was approved for the incentives this year. It is said to create more than a thousand sustainable jobs in the Eastern Cape and the Eastern Cape's economy will never be the same. More than 300 people will be employed within the first year of operations and 75 matriculants will be enrolled in a learnership programme.

UNREVISED HANSARD

MINI-PLENARY - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 57

The Nciba Grain Group at Qokolweni in Mthatha will create up to 90 new jobs and contribute approximately R4,5 million per year into the local economy as a result of the BBBEE programme. The revitalisation of the industrial parks programme is creating jobs in and around townships and rural communities which our adversaries had thought it was not necessary. The lives of those people in the rural areas have changed for the better.

For the 2017-18 financial year, the department continues to revitalise industrial parks and designate special economic zones to ensure that economic activities take place closer to the people so that our people can participate and get jobs. Last year, the Dti spent more than R180 million for the upgrade of six industrial parks in five provinces.

People from the Eastern Cape will benefit from the Komani Industrial Park and those from Mthatha will benefit from the Vulindlela Heights Industrial Parks which were launched last year in 2016. In Queenstown, seven small micro medium enterprises were appointed as subcontractors at the value of R5,3 million when that industrial park was revitalised. The park employed 71 local labourers and 63% of the employment in that programme was the youth.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 58

So far, we invested R22,5 million into the revitalisation of the industrial park. In fact, all provinces are benefiting from this programme of the revitalisation of industrial parks. Gauteng has Babelegi Industrial Park in Hammanskraal; Free State has Maluti-A-Phofung in Tshiame in Harrismith which was relaunched in April; and KwaZulu-Natal has Isithebe Industrial Park in Mandeni which was relaunched again this year which will provide 20 000 job opportunities. The four parks launched in 2016, combined will employ almost 40 000 people.

In conclusion, this department has achieved a lot but we admit upfront that a lot still needs to be done to address the needs for our people and close the inequality gap. The private sector though needs to willingly buy in into government initiatives and meet government half way by supporting those black industrialist companies supported by the Dti. It cannot be correct that whilst the Dti is supporting the black industrialists, our state-owned companies fail to procure goods and services locally from these companies. The interdepartmental collaboration is essential.

Chairperson, the ANC, as I have said supports this Budget Vote.

I thank you. [Applause.]

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 59

Ms S R VAN SCHALKWYK: Hon Chairperson, hon Ministers and Deputy Ministers, hon Members of Parliament, DG and stakeholders of Trade and Industry, esteemed guests in the gallery, fellow South Africans, good afternoon.

The ANC supports Budget Vote 34 of the Department of Trade and Industry. The global economy is going through significant shifts that necessitate that we position ourselves as a country to take advantage of the dynamic global economy.

The ANC-led government has made significant strides to intergrade the South African economy into the global economy.

In 2012 the government adopted the Trade Policy and Strategic Framework document that has assisted not only to change the structure of our trade globally but has contributed to our strategic objective of industrialization and job creation.

The challenges facing the South African economy are structural and include poverty, inequality, and unemployment which leaves our people without jobs and unable to participate effectively in the economy.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 60

Furthermore, South Africa broadly remains mainly a producer and an exporter of primary products such as gold, platinum and others.

It is through changing the structure of the South African economy that inclusive growth will become possible. South Africa needs to change from a resourced based economy to one that focuses on the manufacturing sector.

The manufacturing sector employs a lot of people and contributes to the growth of other sectors. Inclusive growth cannot occur if those who are excluded are not given fair access to economic opportunities.

It is for this reason that the ANC-led government has been decisive in taking a strategic and development approach to trade policy. This approach ensures that tariffs are used as instruments for industrial development.

The industrial policy seeks to encourage and upgrade value-added, labour-absorbing industrial production, and diversify the economy to ensure that it does not depend purely on minerals.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 61

Hon Chairperson, mineral resources are important to the country's economy and exports, however, the manufacturing sectors creates more jobs not only in the sector but in other sectors as well.

The implementation of a high-impact IPAP to support broad-based industrialization and attract investment into the strategic sectors of the economy is of strategic importance to South Africa.

In order to achieve this objective, the government has focused on diversifying the export base, as well as export markets. Significant strides have been made as is visible from the diversity of our key trading partners which include China, US, Germany, Namibia, Botswana, Japan, India, and the UK.

With Africa's improved economic and growth prospects, an important priority is to advance developmental integration in Africa. This combines market integration, industrial and infrastructure development as concurrent pillars of the economic integration project.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 62

The priority for the ANC-led government is therefore to accelerate the negotiations of the Tripartite Free Trade Agreement, as well as, focus on the Continental FTA negotiations.

Hon Chairperson, over the past 16 years, South Africa's exports to other African countries have grown at an average annual rate of 9,7%, to \$21,7 billion; while imports from the continent have grown at an average annual rate of 19,1% to \$10,2 billion.

At 31%, the rest of Africa is a very important part of our global export basket. With more than 60% of those exports being manufactured goods, African integration therefore contributes to South Africa's industrial development and employment objectives.

Another key priority in the African continent is the increased focus on African industrialization, and the realization that South Africa's trade with the continent would have to be mutually beneficial. This supports the decision to establish the Trade Invest Africa unit in the Department of Trade and Industry. This will drive South Africa's trade relations with the continent through an outward investment-led strategy.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 63

It will also facilitate investment opportunities for the South African business sector, while contributing to industrialization of the continent. South African investment into the continent is of critical importance and can contribute to building productive capacity and promote Africa's development.

The ANC-led government has managed to successfully negotiate and implement a new trade agreement with the EU that has managed to address challenges presented by the TDCA and gives South Africa and regional partners some policy space to advance the developmental agenda.

As from the 1 October 2016, the Economic Partnership Agreement was implemented total trade between SA and EU increased from R 150 billion in 2000 to R 588 billion in 2016.

SA exports to the EU increased from R 64 billion to R250 billion over the same period. Over 40% of our exports into the EU are manufactured thus contributing to change the structure of our trade with the European Union. However, we know that more needs to be done.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 64

We have also been relatively successful to leverage the Africa Growth and Opportunity Act, AGOA, with the United States to boost our exports of value-added products.

In addition, South Africa has a Free Trade Agreement with the European Free Trade Association, EFTA which comprises of Iceland, Liechtenstein, Norway and Switzerland.

The Trade balance between South Africa and EFTA is in South Africa's favour, with a positive trade balance of R4, 25 billion in 2016.

South Africa's membership of Brics has been one of the key strategic partnerships of the democratic South Africa and is a key platform for promoting South-South trade and investment.

South Africa's participation in the Brics may provide opportunities to build its domestic manufacturing base, enhance value-added exports, promote technology sharing, support small business development and expand trade and investment opportunities.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 65

Hon Chairperson, the government will continue to work with the industry to leverage the opportunities presented by these agreements to advance our objectives.

The ANC-led government, through the different trade initiatives, is ensuring that progress is made towards the realization of the Radical Socio Economic Transformation in our lifetime. I thank you. [Applause.]

Mr D W MACPHERSON: Thank you Chairperson. Boy, you know things are bad when you are celebrating trade agreements with Lichtenstein and Iceland. [Applause.]

Chairperson, today's department's budget must be viewed in the context of a country that is in serious trouble. The Minister will have us believe that this 'trouble' is brought on by international 'headwinds' but in fact these 'headwinds' are the result of a force of nature that has wreaked destruction, misery and havoc wherever it has made landfall in South Africa, that headwind and force of nature is called 'Hurricane Zuma'.

You see, with a hurricane, it sucks all the moisture from below in a swirling vortex of wind, knocking over everything in its

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 66

path. It blows over the most solid structures in its search for more moisture and desire to cause more destruction in its ever growing need to feed its ever-hungry vortex of wind. The strongest man-made buildings are simply no match for it.

People are left destitute after the storm has past, having to rebuild their lives from scratch. This is what Hurricane Zuma has done to our economy with the weather man, Minister Rob Davies standing by with an umbrella and raincoat, telling everyone that the storm will pass and that it's only a few rain drops, all while being blown over by this force of nature.

Chairperson, the reality is that with any storm, there are measures you can take to prevent damage to the population. While the department came up with a credible Manufacturing Competitive Enhancement Programme in 2012 with a budget of R5 billion, since then the Minister has rung his hands at every opportunity when questioned about what happens after 2017-18.

Instead, he has constantly told me he is 'talking' to Treasury. If the government could implement half of what it was constantly speaking to other people about, maybe things wouldn't be as bad as they are.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 67

While the DA supports MCEP and what it has achieved, it has not been without its serious problems, including insufficient funding, lack of forward planning, delays in application approvals and in some cases, withdrawal of approval letters after businesses bought their new machines.

The DA has advocated for a longer term view to be taken towards incentives including new sector-specific ones, namely: an agriculture and SMME programme. I am glad that the portfolio committee has finally decided to do something about it by engaging with the DTI and Treasury.

We know that incentives work, one only has to look at the success of the independent power producers market to understand how much the advancement in green technology has benefited South Africa.

Yet today, there is still a raging war between Eskom and government in adding new generation into the grid in spite of the Cabinet resolution. Again the Minister has made commitments to deal with this by talking to his colleagues in Cabinet. More talking, more excuses, no action.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 68

Chairperson, in November 2016, Minister Davies responded to a question I posed to him after the NPA charged then Former Minister of Finance, Pravin Gordhan, about how this would affect international investor confidence.

Minister Davies responded by saying that investors were looking for 'policy certainty and a comfortable experience'. Since that rather optimistic response, we have shown our investors complete policy uncertainty in the form of "Radical Economic Transformation," a policy straight out of Saxon world intended to benefit the connected and the few.

It is a policy that suits whatever narrative the ANC politician rattling it off at a campaign rally deems necessary. Investors have been treated to an uncomfortable and bumpy plane ride through "Hurricane Zuma," piloted by Captain Rob Davies.

This is evident in General Motors' decision to withdraw from South Africa. In their statement issued last week, they were explicitly clear that 'continued or increased investment in manufacturing in South Africa would not provide the GM with the expected returns of other global investment opportunities.'

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 69

With 2000 jobs on the line, "Hurricane Zuma" continues to rain destruction with the hapless Captain of Trade and Industry Airways, unable to navigate around or through this devastating storm. Chairperson, there is only one answer to all this mess and that is to show this uncaring and incapable government the door.

We say to the business community, big and small, investors, SMME's and entrepreneurs, hang in there. A brighter day is coming in 2019, free of turbulence, free of torrential downpours, one were the DA will partner with you to build your business and create jobs.

We just ask that you keep your seatbelt fastened and continue to believe in South Africa with us.

The hon Mantashe proudly spoke about the BEE Commission that is going to stop fronting - well, you know is it not amazing that Cash Paymaster Service, CPS a company to have found, to have faked and fronted its BEE credentials by no less through the Constitutional Court was re-awarded a contract by your government to issue Sassa again; your government.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 70

The hon Fubbs then comes to tell us, 'well you know the private sector must be more patriotic and put South Africa first - if only you could tell that to your President and he could do the same. I thank you. [Applause.]

Mr A J WILLIAMS: Hon Chairperson, hon Ministers, hon Deputy Ministers, hon members, guests and friends in the gallery, and most importantly, my fellow South Africans, who actually are my employer, yesterday I had the unfortunate opportunity to witness private sector incompetence in real time. The blue bank - and we all know whom I'm talking about here to - failed to transfer monies because they said their systems were offline. I enquired about their back up systems and they said they didn't have one.

I think that the incompetent blue bank is now a risk to state security. All one needs to do is to switch off their internet, then the blue bank turns into a parking lot, and our money disappears until the internet is put back on again. This is a serious problem because we and the rest of South Africa continue to pay banking service fees and yet they cannot guarantee us reliable services.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 71

Two years ago, I stood before this hon House and I discuss the desired economic transformation, in particular the need for the private sector itself to embrace transformation. Well, here we are some 730 days later, and there has been very little effort to transform made by the private sector.

Outside in the streets, the people are calling for economic transformation. Inside parliament, the majority are calling for economic transformation. The World Bank and the International Monetary Fund are calling for economic transformation. Yet, there seems to be very little happening. I suspect that the apathy to transform on the part of the private sector is rooted in the attitude of entitlement, that some who have been in control of our economy since before 1994 seem to have.

It is time to speed up economic transformation. We, as a nation, can no longer just talk about transformation. The private sector needs to understand that this nontransformative path is unsustainable and eventually those that have nothing will rise up and force economic transformation.

In 1994 the social compact that was established between 'the haves and the have-nots' was rooted in the establishment of a

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 72

democracy and the redressing of the massive gap between the black and white people. Well, 23 years later the economy remains in the hands of the minority. Nowhere else in the world is like this; only in South Africa. It is the only country in the world where the minority controls the majority of the economy. Our private sector seems not to care about the future of this beautiful country. They only care about protecting the advantages that they got from the apartheid government. This advantage is being protected and defended by the pro-colonialists and apartheid collaborators in this very House.

The private sector must take real steps to move economic transformation forward; not just with regard to ownership but also through procurement. Our private sector can, if they really wanted to move transformation forward ... [Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Order! Hon Williams, can you take a seat? What is the point of order, sir?

Mr D W MACPHERSON: Chairperson, I just need a point of clarity: When the member was referring to apartheid collaborators, was he referring to the Deputy Minister of International Relations?

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 73

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon member! Can you proceed?

Mr A J WILLIAMS: Chairperson, when I was talking to an organisation that collaborated with the apartheid government, I was referring directly and unapologetically to the DA! [Applause.] [Interjections.] The private sector has the ... [Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon Williams. Can you take a seat? What's the point of order, sir?

Mr C MACKENZIE: Chair, just on the point of order: I think the member is misleading the House. Perhaps he was talking to the Democratic Party and not the Democratic Alliance. Thank you.

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon members. Can we allow the speaker to finish his debate?

Mr A J WILLIAMS: The private sector has a real opportunity to buy locally produced products in order for us as a collective to build our economy. We need to work together on this many jobs could be created if the private sector bought local products from our local manufacturers.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 74

This ANC-led government cannot expect the private sector to procure locally without the state doing the same thing. Now, this is where the SOEs must play their part. However, there is very little political will on the part of some government institutions and some SOEs. This is isn't acceptable!

An example of how a SOEs has failed to procure locally: In 2014, Transnet awarded four contracts for the procurement of 1 064 locomotives. To date, based on the locomotives already delivered to Transnet for testing and acceptance, and despite ...

[Interjections.]

Mr I M OLLIS: Chairperson!

The HOUSE CHAIRPERSON (Ms A T Didiza): Order! Hon member, what's the point of order?

Mr I M OLLIS: Chairperson, on a point of order: Is it parliamentary for the hon member to score an own goal?

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon member: That is not a point of order. Proceed, hon Williams.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 75

Mr A J WILLIAMS: To date, based on the locomotives already delivered to Transnet for testing and acceptance, and despite installed local capacity to manufacture these products, the following key systems and components are imported: Traction motors; alternators; spring gear wheels; and pinions. How can this be? How is it possible that state-owned enterprises have allowed this to happen?

There is also an emerging trend among municipalities and water boards when it comes to the procurement of conveyance steel pipes and valves. There is the noticeable move by the state procurers towards a supply and lay arrangement in contracts. This has an effect of not only increasing the cost of products for government, but it cuts the margins for local pipe and valve manufacturers. This cannot continue!

The entire executive need to monitor local procurement processes that are taking place within our country, expose noncompliance and also look into measures that can be taken against those government institutions and SOEs that continue not to comply with the regulations. It is totally unacceptable that these government institutions and state-owned enterprises are ignoring the local procurement regulations.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 76

Where there is capacity and capability of local companies to produce needed products for the state, the SOEs and government must procure locally. Let us take this opportunity to caution state-owned enterprises and government institutions that fail to procure locally where possible, that the days of you running amok with the people's money are coming to a rapid end.

Those that continue to import while there are local produces must be summoned to appear before this portfolio committee to explain their actions. We, as parliament, need to put in place serious consequences for those that fail to procure locally.

This ANC-led Government is spending R5,7 billion on incentive, development and administration. This is R1,1 billion less than the previous financial year. The department will continue to support manufacturing competitiveness, broaden the participation of black industrialists, and support the services industry in increasing investment.

The incentive scheme for 2016-17 financial year retained 38 000 jobs and created and supported 116 000 new jobs. This incentive programme must be used to promote local procurement by the

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 77

private sector and as a vehicle to create demand for locally manufactured products.

Hon Hill Lewis says that the DA is the answer. Well South Africa, if you want people that are anti-transformation and pro-colonialist government, then you must vote for the DA. If you people of South Africa want a government that stands against Broad-Based Black Economic Empowerment, yes you must vote for the DA. If you people of South African want anti-employment equity legislation removed and also want labour fundamentally removed completely, then yes you must vote for the DA.

We regard to General Motors, it is also closing factories in Australia. So, the DA must not be opportunistic because General Motors' move has nothing to do with this government, but it has to do with General Motors' strategy as a company itself.

There has been much talk about radical economic transformation, but what is this radical economic transformation? Radical transformation is not about transforming the economy from one that is owned by monopoly capital that is predominantly white to a monopoly capital that would be black. No, radical economic transformation is about the redistribution of the wealth to include everyone. [Applause.]

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 78

It's about inclusion all races, all classes and all genders in our economy. If we as a nation, a collective, do not address the inequalities between races, between genders and between classes, we will face a situation where those that have been marginalised will address this inequality by themselves, and they will do it in a violent way.

These contradictions - those being race, gender and class - are the core of radical economic transformation. We must not be dislodged from this transformative path by those that push the concept of white monopoly capital, as if black monopoly capital would be any better. Radical economic transformation must benefit all South Africans, not just a privileged few people.

It is only through working together as a collective nation - where business, civil society and government work together in order - that we can build a fantastic nation. We must do this together through Radical Economic the National Democratic Revolution. It is only through working together that we can do more. I thank you. [Applause.]

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 79

The MINISTER OF TRADE AND INDUSTRY: Chairperson, let me start off by thanking many of the hon members for their useful contributions. I want to say that we will engage in detail with the comprehensive and welfare of our report on the budget of the Department of Trade and Industry, DTI, which was adopted by the committee on 19 of this month. We will engage without, I think a number of members that made speeches that are referred to aspect of this.

I just want to say couple of points about the General Motors issue. I just want to say that we are concerned at the prospects of job losses. We are concerned that General Motors has made this decision and when they came and communicated it to us, it was really a fate accomplish, we were given the information. But let me say that I think that the idea that this is fundamental to do with development in South Africa is completely in this place.

Now, the hon Hill-Lewis says that no one leaves a growing and prosperous economy. Allow me to ask then why then has General Motors decided that it will not manufacture nor export Chevy or Chevrolet motor vehicles to India, which is the fifth largest motor market and also which is in economy the fastest growing economy in the world, 7%. That announcement was made on 18 May.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 80

It has everything to do with General Motors repositioning its brand. What it manufactures in South Africa has been Chevy sports. The other car that it manufactures in South Africa, Opel, is also exiting - is exiting by selling that particular product to a French company now.

So, I think that we must just get a few facts on the table. When Isuzu takes over, we will be looking to engage with Isuzu to see how many of those jobs can we actually save. What can we do to make the environment conducive to Isuzu, which has been in a joint venture with General Motors up to now, but will now take over the factory to make that a good experience for Isuzu and to work with him creatively and constructively? But I think that to blame this on the government is with respect, is a little bit like saying that the drought in the Western Cape is the result of inability of the DA to resolve the issue of the Neo Stage of Colonialism with the Premier of the Western Cape. It is not really related. I think there is a logical inconsistency there.

At least we also heard to the question of Black Economic Empowerment. I reject with absolute and total contempt the idea that in the DTI we have been perusing Black Economic Empowerment, which is involving handing over our resources to

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 81

well connected political people. I think that is an insult to the people who are introduced in the gallery and insult to the people who are introduced in the gallery and insult to people who have put their lives to and their efforts into developing manufacturing operations in this country.

One of the things that we see now is, we all suppose to be waiting for 2019. There is going to be coalition government taking over. The DA, the EFF are going to be in this coalition. We had to die another thing. It is going to be the EFF minus with a plus on it. There are also going to be part of it. But I think the biggest myth that I have heard today is the idea that there will be some kind of Black Empowerment that will be better and that will be actually directive resources of any productive people.

Well, you know, go and read madam Colonialism book and see what happened when the DA in the past decided to vote for the first time in this House for Black Economic Empowerment and then Renai donate when the Bill went to the National Council of Provinces.

The madam walks and tells the court and say I made a mistake. There we have an episode of we didn't know whether it was to be or not to be or to d or not to d because they talk about

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 82

developmental economic empowerment. I think the reality is that at this lot ever got into government, they will think any idea of promoting inclusivity in this economy. I think that we all need to understand that.

Last then, the hon Louw is talking about the Poultry Industry. She says that ... let me say what we done in the Poultry Industry already. We have introduced a provision of safeguard tariff, which arises from the renegotiation that we introduced the renegotiation of the Economic Partnership Agreement with the European Union. They are very unhappy about this. We said that their provisional duty is not at adequate level. We are waiting a report from the International Trade Administration Commission on the actual final duty that will be imposed. I have been saying, I am saying this unashamedly.

We are not going to allow imports to wipe out the Poultry Industry. Even though there are other issues and the Task Team that we will establish is going to look at this and other issues. We are not going to allow the imports of spare parts from other countries to smash local poultry production in South Africa. That's why we have the Task Team in place and we are committed to work with the industry on that.

UNREVISED HANSARD

MINI-PLenary - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 83

So, I think that just to say my way of conclusion. Thank you very much everybody else. Our commitment as a department is to continue to push for the industrialisation of the county. We are not oblivious to the idea that we have domestically impose challenges in South Africa. We have a lower level of consumer and of investor confidence. What we are doing is, we are doing our best to try to ensure that those things improve in the interests of the majority of the people in this country and in the interest of increasing growth. Thank you very much.

[Applause.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Order! Thank you very much, Minister. This brings the debate to an end, which was very robust, indeed even some permutations of 2019; however, it was a budget debate. I want to remind members that the debate on Transport Budget Vote will take place in this Assembly at 16:15. The debate on Police, including Independent Police Investigative Directorate Budget Vote will take place at 16:15 in the Old Assembly and the debate on Arts and Culture Budget Vote will take place at 16:15 in Committee Room E249. Thank you very much. This concludes the debate and the business of this mini-plenary session.

UNREVISED HANSARD

MINI-PLENARY - NATIONAL ASSEMBLY CHAMBER

TUESDAY, 23 MAY 2017

Page: 84

Debate concluded.

The mini-plenary session rose at 15:50.

UNREVISED HANSARD