***THURSDAY, 11 JULY 2019***

***PROCCEDINGS OF THE MINI-PLENNARY – NATIONAL ASSEMBLY***

The House met at

The HOUSE CHAIRPERSON (Mr M L D Ntombela) took the Chair and requested members to observe a moment of silence for prayers and meditation.

**APPROPRIATION BILL**

Debate on Vote 34&25 – Trade and Industry and Economic Development

The MINISTER OF TRADE AND INDUSTRY: Hon House Chair, hon members workers, business representatives and agency heads who are present here today, fellow South Africans, it is an honour to present the budgets on Trade and Industry and Economic

Development today. This is the portfolio’s first Budget Vote in the new administration, and I will take a few minutes to highlight our approach for the next five years and for this year.

The two departments will be merged into the new, renamed Department of Trade, Industry and Competition. The Departmental merger process will be completed by March next year, bringing together 17 agencies with the capacity to provide targeted industrial and transformation funding, regulate the consumer and corporate environment to foster a vibrant business ecosystem, and open up the economy for real, inclusive growth. The combined resources must be used to achieve the goals of the Freedom Charter, the governing party manifesto and the National Development Plan, NDP.

Our debate takes place in a tough domestic economic environment and with increasingly uncertain and fragile global growth, which require us to do more to change our performance and outcomes.

The message from South Africans to all political representatives during the election campaign was: step up practical delivery;

fix the slow implementation; and focus on jobs, growth and economic inclusion.

We will have to work very hard, as government, and as business and workers to speed-up the journey to a strong, growing economy that creates decent work and entrepreneurial opportunities for many more South Africans, particularly young people. There are no quick fixes if we want to build a high-growth, high- employment, high-inclusion economy. We are faced with these challenges but also have many and considerable strengths we can build on and the support of South Africans to change our country narrative and to succeed in spite of the odds.

President Ramaphosa spoke in his state of the nation address of a re-imagined industrial strategy that will be one of the centre-pieces of rebuilding the economy. An industrial strategy

is the set of broad policies and measures undertaken to lift the rate of economic growth, stimulate specific economic activities including through promoting technology and innovation, to achieve what economist Dani Rodrik calls, structural change. The role of industrial policy is to unleash private investment and

energise the state to boost economic growth and inclusion. This is an essential part of building investor confidence and the platform for job-creation.

We will refocus our industrial strategy over the next number of years, as a central pillar of economic recovery, through doing things differently. It is about good ideas but in our context it is also about good implementation. Implementation will be more disciplined but also increasingly responsive and collaborative. The merger of the two departments is part of building a capable state, able to do what it says it will do, focusing on practical actions, breaking policy paralysis and co-ordinating across the state to ensure a good fit between incentives and outcomes such as jobs and youth opportunities.

We will speed up decision making, create a more agile state and inject a sense of urgency in the work of government. The forward-looking industrial strategy, which I have spoken about, must be complemented by an appropriate macro-economic policy, other micro-economic interventions to ensure that we have the infrastructure – including affordable energy prices – and the

skills to grow output and employment; and social pacts to ensure we address social inequalities and job creation.

I want to outline six areas that we will focus on; and two cross-cutting themes that will define our approach. First, we want to expand markets for our products and facilitate entry to those markets. The single biggest initiative is the African Continental Free Trade Area, AFCFTA, which will connect 1,2 billion people into a single bloc where locally made products will be traded between countries, with minimal tariffs. These agreements lay the basis for increased trade between African countries and can cement the continent’s position as the next growth frontier.

The implementation phase was launched on Sunday, at a Special AU Summit meeting in Niger, after 54 countries signed the agreement and 27 countries have now ratified it. It is intended to come into effect next year on 1 July 2020. The Agreement will fundamentally change and reshape the South African economy.

Already, exports to other African countries support about

250 000 South African jobs and it is the fastest-growing part of our manufactured exports.

For the period of this administration, there is an enormous amount of work to bed down the modalities and the benefits of the AFCFTA. Deputy Minister Majola will provide more details while I will highlight a few key features. Starting immediately, we will finalise a tariff schedule, listing products covered by the AFCFTA; and the rules of origin which sets out what qualifies as a locally-manufactured article. The outstanding rules of origin that is not yet been finalised include clothing and textiles, autos and sugar. We will engage business and labour at National Economic Development and Labour Council, Nedlac on these areas. The tariff schedule as well as the rules of origin and finalise agreements between all countries by the end of this year. So, it is quite a farce and an expeditious process.

Over the period of this administration, we will develop agreements. Agreements on expanded trade in services; investment protections for African companies operating in each others’

markets; on strengthened competition policy on the continent and on trade-related intellectual property rules.

This is the work of a generation, a truly historic mission, to realise the dream of generations of African leaders to build a single, prosperous and united Africa. To realise these gains, we must address many challenges too, including building strong domestic and Africa-wide customs administrations; developing swift payment systems between countries; proper infrastructure connecting African countries each other; and getting South African industry to be AfCFTA-ready through competitiveness- enhancing programme.

It will need a ‘Team SA’ approach, an approach between business, labour and government. We cannot afford to be distracted by small disagreements when the opportunity to positively transform our industrial landscape is in front of us. Beyond the African continent, we seek to increase the volume of exports but also to address the composition of those exports to shift from simply selling raw materials to the rest of the world and importing finished or consumer goods.

As it is said, Africa does not produce what it consumes; and Africa does not consume what it produces. We must correct this, and engage with large trading partners like China and the EU to change the patterns of trade, and work with local businesses and public agencies to promote beneficiation. I welcome the announcement by Minister Gwede Mantashe to allocate R850 million to a beneficiation programme and we will strongly partner with his department and Science Councils to take these products to market.

Over the next few weeks, we will concentrate on finalising terms of an agreement between South Africa and the United Kingdom in case of a no-deal Brexit to protect South African exports and jobs. We will engage the United States around African Growth and Opportunity Act, AGOA and point to the mutually beneficial impact of that programme.

Hon members, I have spoken about the exports but the domestic market is also important. International Trade Administration Commission, ITAC is currently investigating trade applications in a number of products like poultry, combined refrigerator-

freezers, plastic resins and metal screws. We will refocus our trade policy so that tariff relief that is offered to domestic companies is accompanied by clear, enforceable commitments to invest more, expand output, create jobs and transform. In short, trade relief must be part of a package of reciprocal commitments to upgrade and improve industrial performance.

We must respond proactively to the threat of a global trade war and the slowdown in growth in most of our major trading partners. Building the African Continental Free Trade Area and making our trade-promotion efforts more effective and strategic is therefore critical. We will work with other countries to sustain the rules-based trade order while maintaining policy space needed for South African and African industrialisation.

The second focus of our work is to support improved industrial performance, dynamism and competitiveness of local companies. The President announced in the state of the nation address that we would develop a number of master plans to help create conducive conditions for industries to grow. This will include assisting companies to improve their industrial capacities and

sophistication, focusing more on export orientation, and reclaiming domestic market space lost to imports. A key constraint to growth is electricity pricing. We are working with Ministers Mantashe and Gordhan to lower the cost structure of Eskom for more affordable electricity tariffs, particularly for priority sectors which need to be boosted to create jobs and inclusion. The master plans will be action-oriented, implemented through working with labour and business community and implemented in stages, so that we can move with speed.

In the steel industry, we will this year launch a support programme for new plant and equipment in metal fabrication. We are meeting investors on the development of foundries and steel mini-mills, including measures to enable beneficiation of scrap metal. We will make the R1,5 billion Steel Industry Competitiveness Fund more attractive and easier to use. The clothing textiles and footwear sector has a support system in place that stabilised the industry over the past eight years and saved thousands of jobs. To promote local fashion and jobs in the industry, we will finalise an industry master plan, containing proposals dealing with the future of the incentive

scheme, trade measures to address illegal imports and value- chain competitiveness. We start discussions with the industry during July to build consensus on a sector social pact. [Applause.]

In the chemicals value-chain, as a first step of the Master Plan, we are mobilising South African companies to supply R8 billion worth of goods and services for the Golfinho Gas

project in Mozambique, partly underwritten by our Export Credit Insurance Corporation, ECIC. In plastics, we will partner with domestic manufacturers to identify opportunities for import replacement.

The new Auto Master Plan aims by 2035 to increase local content very significantly, from 39% to 60%; to double the annual car- production in South Africa; expand employment to 220 000 workers and create a R2,5 billion fund to support black industrialists in the sector. We will now also engage the industry to bring next generation car manufacturing to South Africa, such as electric or hybrid vehicles. Agriculture and agro-processing provide enormous opportunities for growth. We are now the

world’s second largest citrus exporter and beef exports are rising. We are prioritising export markets where we can grow, enabling new black farmers and small-scale farming to expand. We are looking at a revamped agro-processing competitiveness fund will be launched shortly.

The poultry industry is a significant job creator and we will work with producers to strengthen competitiveness in order to keep consumer prices down. We will consider the recommendations that come from the trade authorities’ investigation into unfair poultry trade practices. We will engage the sugar industry to address its challenges, related to a combination of imports and lower demand.

The third focus is to improve the levels of investment in the economy and help to achieve the target set by the President in state of the nation address last year. The Department will use its budget and resources to support the Investment Conference scheduled for 5-7 November this year and to facilitate implementation of commitments. We will send a number of export missions to other countries, showcasing South African made

products and helping local companies to land new orders, including the Shanghai Expo in November this year and the Dubai Expo in October next year.

Invest SA will be supported and upgraded to be a stronger one- stop shop to unblock obstacles to investment projects getting off the ground. The IDC will be refocused to provide a greater level of investment promotion services, including support to break into new export markets particularly the AfCFTA and becoming the centre of industrial knowledge in government. The Industrial Development Corporation, IDC has the capacity to be more than just a bank. The Corporation will be repositioned to be an initiator and facilitator of industrial development opportunities, with a mandate to manage programmes, unlock investment and growth and use its deep industrial knowledge-base more actively.

The fourth focus is to promote economic inclusion. This means opening up and changing our market structure, both through industrial funding to new groups and through competition policy.

From tomorrow, the following changes to the Competition Act will come into effect, when a Presidential Proclamation is gazetted: Firstly, consumers and customers will have better protection against excessive prices by dominant firms in a market, with the law setting out clear criteria that the courts can apply to determine if a price is excessive. Secondly, the regulators will have powers to investigate and address high levels of market concentration where these keep small, micro and medium enterprises, SMMEs and black-owned enterprises out of the market. Thirdly, worker ownership of shares of companies will be promoted through a criterion on expanded ownership during mergers. Fourthly, small and medium businesses will be given a special status in merger criteria, market inquiries and exemptions. Fifth, larger businesses will have a more flexible exemptions regime in place to enable them to collaborate with each other to help expand South African production, exports, develop new technologies and grow the number of jobs. Finally, the Competition Commission will have additional resources, to facilitate more efficient operation.

By November this year, following the publishing of draft regulations and public consultation, we intend promulgation of sections of the Act that provide small businesses with remedies against price discrimination by dominant firms; or when dominant buyers abuse their power by imposing unfair prices and other trading conditions. We will process the outcomes of various market inquiries and give consideration to the recommendations from a data services market inquiry so that we can bring data prices down.

The digital economy is vital to a rejuvenated economy. To ensure that data prices fall and, working with the Minister of Communications, we will consider and implement relevant recommendations by the Competition Market Inquiry into data services, which are expected by September this year. We anticipate that there will be negotiation with the large cell- phone companies this year, to bring prices down. Grocery retail sector enquiry to ensure commercial centres provide space for small players in shopping malls and for spaza shops to combine to source more affordable goods.

Starting from the next financial year, we will open up priority sectors through various measures by the Competition Commission to initiate market inquiry, complete cartel investigations in the and initiate investigations into abuse of market power by dominant firms. An estimated R6 billion is expected to be raised in commitments from large companies to support development of SMMEs and black entrepreneurs through merger conditions and the Broad-Based Black Economic Empowerment Act, BBBEE equity- equivalence investment programme and this would be over the next years.

To enhance the growth of black industrialists, we will combine the efforts of the Department, the IDC and the National Energy Fund, NEF into a seamless and co-ordinated programme, supporting an additional 400 Black Industrialists’ projects with financial support of R40 billion.

The fifth focus is promoting more equitable spatial and industrial development. A pillar of our industrial policy is to develop new investment clusters through special economic zones, revitalisation of industrial sites and supporting business and

digital hubs. Deputy Minister Gina will outline in more detail the specific interventions we will make to develop high-growth nodes that can attract investment and progressively deepen the opportunities for South African investors, building partnerships over time with foreign investors and learning from how China and other countries developed their industrial capacity.

We will dedicate high-level human resources over the next few years to the Special Economic Zones, SEZ programme. Attracting investment require that we also address lawlessness and the destruction of property and unlawful disruptions of sites.

Communities must be critical partners, together with the work of the law-enforcement agencies to make it possible to build factories, to do production, sell and to employ South Africans.

The sixth focus area is to improve the capability of the state. This means being more responsive to the needs of industry; moving faster in making decisions and carrying out functions; co-ordinating better between government departments and agencies and creating a business-encouraging environment in which more investment and more job creation can take place.

The Companies and Intellectual Property Commission, CIPC is an illustration of what can be done, speeding up the registration of companies from many weeks to one day, and integrating systems across the Department of Home Affairs and SA Revenue Service, Sars. Yesterday, the CIPC received the Global Award in London for the most innovative service delivery framework in Africa and the Middle East. [Applause.]

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon Minister. I just I want to address our hon guests. Ladies and gentlemen in the gallery you are most welcome to be with us but you are not expected to participate by clapping hands. The best thing you can do under the circumstances is just to give us a smile. [Laughter.]

The MINISTER OF TRADE AND INDUSTRY: For those who cannot see, I see many smiles there in the public gallery. Part of a smart state is partnering with domestic businesses to invest more in innovation and R&D, as new techniques, new products and new distribution platforms can move South Africa up the value-chain and enhance job creation.

We will use private sector expertise to strengthen the implementation capabilities in the state. In many cases we will look to the private sector to carry the costs of experts. The two departments have proposed legislative amendments covering gambling, liquor regulation, consumer credit, special economic zones and company governance. I am commissioning a review and will make an announcement on the final legislative programme by mid-September this year.

Hon members, these six areas I have listed are not separate initiatives or programme silos. They will need to be done in combination in an integrated way, with one initiative reinforcing another. For example, increased African exports to the rest of the African continent require competitive businesses, a capable state, higher levels of investment, the AfCFTA and opportunities from factories in Industrial Parks. Let us connect these. There are two cross-cutting themes for these initiatives, the first partnership with the private sector and with workers with joint-commitments and reciprocity; not a state that either dictates or simply gives resources but one that

sparingly use national resources to help unlock the energy and enterprise of our people.

The second is to promote inclusion and transformation; opportunities for black and white youth; for women; for black industrialists. Inclusion also means making our government more accessible to communities, young entrepreneurs and new entrants. The departments and agencies will be asked to engage in community outreach programmes and road shows to publicise our programmes and to make it easier for people to use them. Go to the townships and publicise it.

The centre-piece of inclusion is job creation. Every agency, regulator and programme will be directed to review their procedures, systems and goals within the next 60 days, to see how they can enhance job creation. I spoke of partnership earlier.

The private sector is a key partner, not an opponent. Our actions will support local companies to grow and become more dynamic. Big is not bad. Large companies are an opportunity to

build globally-active corporations headquartered in South Africa. But we will ask corporations to ensure more South Africans benefit through higher levels of investment in factories, technologies, new products and SMME development; through promoting decent working conditions with skills enhancement; and through expanding exports and their presence on the African continent.

Workers too are key partners, not commodities, as our people are the very purpose of industrial development. We call on the business sector to avoid retrenchments and job losses wherever possible. [Applause.] We will support efforts working with Minister Nxesi, to improve the levels of worker skills and productivity, facilitate sufficiently flexible work arrangements to enable companies to grow and become bigger employers of labour, and build partnerships at workplace level that benefit workers and shareholders.

The role of the state is important in creating an enabling environment for entrepreneurs and workers to create wealth; in investing in sources of growth such as infrastructure, skills

development and technologies; and in ensuring that the fruits of economic activity is fairly distributed across society. To implement this vision over the next five years, we have considerable resources that should be focussed more sharply. Our people, our budget, the capital base of the IDC and NEF, the capacity of regulators and the resources that can be unlocked through private sector commitments should be used in a co- ordinated, transparent, expeditious and effective way.

In the state of the nation address debate in this august House a few weeks ago, I listed the immediate steps we will take in the first 100 days of this administration. When new investments will be launched? What we will do in each sector? I reaffirmed that starting from this month. We will carry these out, so that a sense of urgency is injected in our work. I conclude with the call to Khawuleza; Phuthuma; Hatlisa; Ons moet wikkel. Thank you very much. [Applause.]

Mr D M NKOSI: Chair of the session, Minister, Deputy Ministers, director-generals and the team, ladies and gentlemen, hon members, the Portfolio Committee on Trade and Industry tables

this Budget Vote Report which encapsulates Vote 25 on Economic Development Department and Vote 34 on the Department of Trade and Industry. This is the first Budget Vote of the committee on the sixth Parliament and I would like to thank members of the committee for the constructive engagement during this process.

For the 2019-20 financial year, the portfolio committee will oversee the budget allocation of just over R10 billion for the Department of Trade and Industry and over R1 billion for the Economic Development Department. The committee supports these budgets. The budget translates the priorities of this government into money that will be used by departments to deliver on the promises and to address the challenges of low economic growth, high unemployment and inequality in our country.

In the state of the nation address, President Cyril Ramaphosa emphasises the need for collective efforts to grow the economy and create jobs through; increased private investment by attracting both foreign and domestic investors, channelling investment and supports to the manufacturing sector, buying locally manufactured goods in order to stimulate local demand

and build competitiveness South African products to compete in the global value chains, strengthening the trade and investment relations with the rest of the African continent hence using opportunities brought by the African continental free trade area to improve intra-Africa movement of goods and services, capital and means of production; and developing cross-border value chains in sectors such as energy, mining and mineral beneficiation, manufacturing, infrastructure and agroprocessing within Southern African Development Community region.

The Industrial Policy Action Plan, Ipap, which aims to ensure industrialisation that creates jobs through its intentions such as Public Procurement, Industrial Financing, Special Economic Zones, Industrial Parks and African Industrial Development.

The Ipap maintains strong, creative and nuanced alignment with the broad vision of the National Development Plan, NDP, and the main drivers of the New Growth Path. The IPAP sectoral interventions focus on sectors such as; clothing, textiles, leather and footwear, automotive, metal fabrication, capital and rail transport equipment, mineral beneficiation upstream and

downstream, agroprocessing, biofuels, plastics, Pharmaceuticals, chemicals and cosmetics, business process services, cultural and creative industries, green industries, upstream and midstream oil and gas, nuclear energy and advanced manufacturing. The budget for the implementation of the Industrial Policy Action Plan bears evidence to its importance. For the 2019-20 financial years, approximately 80% of the budget is allocated to programme that implement the policy.

The Industrial Policy Action Plan has been in existence for the past 10 years with the objective of; promoting labour absorbing industries, diversify the economy by supporting the manufacturing sector, incentivising investment to raise manufacturing competitiveness, encouraging Technology skills absorption and diffusion of the commercialisation of the innovation, radical economic transformation through structural change in the economy and in patterns of ownership, management, participation and inclusion and finally contributing to African regional integration and industrialisation.

Over the past 10 years, there have been a number of successes. Public Procurement had 23 sectors products designated for local content and procurement. The Industrial Development Corporation provided finance worth R91,7 billion to Ipap sectors, the Department of Trade and Industry supported 14 226 enterprises through incentives amounting to R61 billion creating an estimated 670 994 jobs. The Technology Innovation Agency spent R1,6 billion on new technology developments which created 14 022 jobs. Special Economic Zones and Industrial Parks, attracted investment worth R10,3 billion which led to the creation of

55 000 jobs. In terms of sector specific successes in the automotive sector, Ipap interventions attracted over R40 billion in investment supporting 113 000 jobs and increasing automotive exports from R41 billion to R171 billion. Clothing and textiles leather and footwear, Ipap interventions contributed to the stabilisation of the clothing and textiles sector and supported

95 000 jobs. In agroprocessing, Ipap intervention attracted R4,6 billion worth of investments and supported 283 000 jobs along the value chain.

In the business process services, 16 000 young people trained under Monyetla with work placement rate of over 70% since inception. Black industrialist programme, led to the establishment of a R251 million pure nickel sulphate plants in the North West Province. While the Committee recognises the success of the Industrial Policy Action Plan including the recent development of the automotive master plan, it calls on the department to continue to prioritise the implementation of Ipap.

The challenges facing the economy require significant structural changes with a clear focus of the committee recognising that the Ipap includes; the imports, highlights the prices including electricity, water, gas, tariffs, dominance of attraction of ownership and control, lack of adherence to the compliance of the prescripts and destination, low demand and global trade wars which decrease domestic and global demand for domestically produced goods. Industrial domestic in South Africa ... Thank you very much. [Time expired.]

Mr D W MACPHERSON: House Chairperson, there is that old saying that you can’t keep doing the same things and expect different results, however that is exactly what our politics and economics have being doing for the last 10 years.

Bound up in reverence for economies like Zimbabwe and Venezuela as our true north to economic liberation from the shackles of western imperialism, our politics has morphed into a vehicle whose passengers are economic despots, who have learnt from oppressive and murderous dictators, where battles over state led growth, nationalisation of the Reserve Bank and nationalisation of land without compensation are becoming the latest quick fixes to settle internal factional battles.

However, in this quest to achieve economic freedom, which is nothing other than a proxy battle to regain access to state sponsored patronage for those that lost out after being removed from former political party’s and those that were defeated at conferences, there are very real and human consequences that are paid for by South Africa’s most vulnerable people. They are the face of the 10 million unemployed country men and women of whom

more than 50% are young people. They are the people, who are locked out of broad-based employment opportunities because they don’t have the right political connections. They are the very same people who lose their jobs because of load shedding, red tape, continued tax increases, crumbling and archaic infrastructure and unions who only protect the employed. These are the very people that the government mocks when they refer to them as ‘our people’ as if they have ever had their interests at heart and own like some latest purchase. The truth is that government has simply given up on the unemployed for whom life has become far too hard.

This is the human tragedy that we must fix as members of Parliament if we are to obey our oath we took before the nation. That’s why during last week’s first meeting of the portfolio committee, I was incredibly encouraged to hear Minister Patel talking about what needs to be done to get our economy growing and creating jobs. The Minister gave a commitment to truly come up with a package of solutions for the sugar industry, the majority of which are small scale black farmers which the committee abandoned at the end of the fifth Parliament by

outsourcing its responsibility to the previous Minister because they had no time. The reality is that those who have joined the unemployment queue since we as the committee met in March of this year were the ones that simply had no time.

The Minister spoke fondly about seeing evidence-based policy and legislation being developed that supports the goals of job creation which would signal a big shift from the hocus-pocus fairytale stuff that spews forth from Luthuli House wrapped up as in conference resolutions. The Minster spoke with great passion about partnering with the private sector to see investment in our economy, underpinned by a capable state that was able to spend infrastructure grants and create an environment that was conducive for private sector development to expand on the nearly eight out of ten jobs being created by it.

The Minister spoke with determination when he said that Broad- Based Black Economic Empowerment, BBBEE, had failed South Africa and required a rethink if we are to see truly broad based empowerment over the narrow ownership and control model being guarded at all costs. This is exactly what we were hoping to

hear from the Minister but not what his colleagues who sit next to and behind him were wanting to hear because it is these three issues that define and entrench the patronage networks that so many have worked so long to build and benefit from. Minister, you have a friend in the DA should you meaningfully wish to drive these reforms. We will back you when your colleagues will not. We will propose alternatives when they will install roadblocks. We will support you when they vote you down because you know as well as I do, they can’t stomach the thought of putting the 10 million unemployed South Africans before themselves.

If you truly want to embark on this journey, the DA proposes the following: table a manufacturing Bill that cuts corporation tax to 15% on the condition that a percentage of turnovers are invested in improving factory floor efficiency to drive down costs that assist to create jobs, amend the 1978 Sugar Act to allow farmers to diversify their farms in bioethenel as well as becoming power producers, finalise the ten-year over due Gambling Bill to regulate the multibillon rand online gaming sector which we don’t receive a single tax cent for, table a

comprehensive Credit Amendment Bill which protects low income South Africans from illegal credit, drives down the costs of credit as well as open the unbanked market to new players to build up a culture of repayment and a credit score, cut government regulation which is literally strangling hard working peoples businesses.

Should you and your department fail to table these Bills, then the DA will through private members legislation put them before Parliament. The DA leader, Mmusi Maimane has stated that the biggest reform we need to see is to scrap BBBEE and put an end to the rent seeking cost inflation and patronage network this system has become. We must develop a new model of empowerment that creates a shared future that all South Africans can be a part of, one that recognises real disadvantage, talent and opportunity and this is exactly what the DA is doing with passion and purpose. I believe Minister, that the time is now and we dare not miss this chance.

Hon members, it’s time to stand with those that have given up and given in and those that have been marginalised and discarded

because of bad economic policies and politics. If we give in to those that want to maintain the status quo- which is most of you

- we will have failed in our mission to build a better, more inclusive and more prosperous future. Minister, you said something interesting that you want to ensure that the Freedom Charter, the ANC Manifesto and the National Development Plan, NDP, speak to the legislation going forward. The problem is that they all contradict one another. In the Freedom Charter and the ANC Manifesto you want to expropriate property without compensation and prescribed assets but that is not what the NDP says. It talks about creating wealth and creating a future in securing property rights.

I am glad that you will be focussing on Angola but you need to tell the President to stop beating one of our biggest trading partners over the head and biting the hand that trades with us when he goes and say silly things like the United States is just jealousy with China over Huawei. Thank you very much. [Time expired.]

Ms Y N YAKO: [IsiXhosa], Hon Chairperson, we welcome the decision to do away with unnecessary department of economic development, even though we know that the decision to do away with that useless department under your leadership is not informed by any new found perspective on how to industrialise South Africa, go the economy and create jobs.

You are the Minister of economic development for a period of ten years, whole decade, a decade of oblivion, void vacuum. A decade literal of just nothing under your watch.

If can be a Minister of economic development when the world was right under the middle of financial crisis. It was already evident that over and above some limitations of developmental economics, you were also extremely naïve as the Minister.

Addressing a gathering under the “theme Africa’s Response to Global Crisis in 2010, you advocated for some misguided notions of social economy as a solution to global crisis and you said and I quote, “The social economy is based on an idea that instead of a trade off between economic and social values, there

can be a fusion and synergy between the two; that not all economic activities derive their rationale from the possibility to make a profit.”

While you tell yourself this, white monopoly capitalist continue to use your lack of political courage, decisiveness and direction, to consolidate their position.

But you were too busy with NDP, which warned you that it had no new ideas, no economic basis and it was just a delaying tactic. But what are the realities of the NDP and what are the failures of the NDP? The whole NDP idea is based on an annual GDP of 5.4% and during your decade of nothing, Mbeki grew the economy passed by 1.5% mark. You said to us by 2020, unemployment will be 14%. We have a tipping point right now of 27.6%. You promised an increase in employment from 13 million in 2010 to 24 million in 2030.At the rate at which companies like MultiChoice, mines, banks, retail shops, restaurants and all other sectors of the economy are retrenching workers currently, it is very alarming.

The same can be said about industrialisation, there is nothing we were importing as a country that we can say we are producing locally today. The free trade agreement that was signed recently must not be a launch pad for Europe and Asia products to move into the continent into our harbours.

We must move towards an Africa that produces and consumes locally manufactured products. Whilst you welcome the development as only a step towards an African sovereignty, over production and consumption of local goods, this by no eans that South Africa must go to Africa and become like Asia, China and America.

We need to change our industrial political policy strategy and focus on decentralized industrialised strategy with the capacity to produce enough for import to take advantage of the existing technology.

We must establish multiple economic zones in various regions in South Africa with tax benefits, on a strict condition that investors create real sustainable decent jobs.

The industrial development zones, we have now are failing to create not more that 15 000 jobs. The value of investment at the special economic zones in various parts of South Africa on beneficiation, agro-processing on part of South Africa and manufacturing must not be less than 500 billion.

To achieve this, government must ensure that a minimum of 80% of all goods and services, procured by the state, including all state owned companies, like Escom, Transnet,, SAA, Prasa, municipalities, hospital correctional services are funded.

We are also going to table a Private Member’s Bill to amend the MIPRGA to ensure that the minimum of 50% of all South African’s mineral resources are beneficiated locally. Processed and added to the value to the economy.

Majority of show spaces in South Africa, retail spaces including food by the way, comes through our ports. We even import tin fish, I wish your Minister of Finance was here, he would like to know that even the tin fish that he makes and he cooks fast in twitter is made, is not a made in South Africa.

Let us make sure that the majority of food in our retail shops that is consumed in South Africa, is produced and processed locally, including expanding shelve space to get as many local produced products is available.

Let us put money as a country to manufacturing of glasses, of cuts, plates of spoons, furniture, light bulbs, washing products, soaps all things electronic. Building materials and take advantage of the young population in Africa.

Let us look at the rural development plan, which prioritises the growth in the industries and predominantly rural and neglected provinces, such as the Eastern Cape and Limpopo. Those and many rural communities in South Africa are crying for chance to be seen. That’s why any industrial policy divorced from the African economy is naïve like the NDP.

The development of African continent is inextricably linked with the development of South Africa. The same Africa could not celebrate political freedom without the political freedom of South Africa. We must not be just a gateway to Africa’s mineral

resources, instead we should inspire Africa to maximize socio- economic benefits from the abundance of natural and human resources.

But you must know that 1996 Eskari Project has regrouped and is no longer hiding the fact that, it is indeed deployed on half of white big business. We are aware of the park that was industrialization, which we have to fight as a country and therefore we reject this Bill.

Ms H A JORDAAN: Hon Chair ...

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Why are you rising, hon member?

Ms H A JORDAAN: Chair, it seems as if the interpreting service is only working in one language. As our colleagues in the EFF seemingly do not have a problem to listen to a speaker speaking in English, they will undoubtedly have a problem when it is interpreted into English. So, may I ask that that be fixed, please.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon member, the IT department has been made aware of the problem and has been told to fix it.

Please continue, hon Hlengwa.

Mr M HLENGWA: Hon House Chairperson and hon members, at the outset maybe it is good to ask the question: why was this department split up to begin with? As Cabinet bloated, so did unemployment. We are indeed coming from an era of nine wasted years which should not have happened. So, hon Minister, we really hope that the new dawn will be a new dawn.

We have been down this road before; of promises on one hand and perpetual policy changes and uncertainty on the other and the results have continuosly been the same – whether it has been GEAR, RDP, ASGISA, NDP and so on, unemployment has been on the increase and the majority of our people continue to find themselves living on poverty.

What do we have to show for all this promises and policies; high unemployment – 10million people are unemployed, dependency over development, corruption, inequality of epic proportion and poverty. All this on the watch of the ANC.

One of the biggest challenges has been corruption. As we deal and confront corruption in the public sector, whether it is here in Parliament, in other forums or even through the law enforcement agencies, the businesses, Minister, that you encourage to come to South Africa must also understand that we will apply the same no nonsense approach corruption in the private sector.

Our support for businesses is conditionally, allergic to corruption and the manipulation and looting of public funds through briberies, manipulation of tenders and so on.

Therefore, hon Chairperson, let me be very clear and I am glad that the gallery is full, I am sure there is a number of captains of the industry there. I want to be very clear that if the private sector is found to be complicit in any public sector

corruption, we will hesitate as this Parliament to call them to account for their role in the looting of public accounts.

So, corruption being a two-way street, all those involved must be held accountable because the revelations coming out of Bosasa are the clearest indication yet that this country is in trouble if we allow business to go rogue.

Hon Chairperson, it is common cause that the economy is at a standstill, mostly due to instability and the lack of decisive leadership in government. There is undoubtedly a lot of work that needs to be done to overcome the many issues. The economy needs a major boost. Inequality is still a major stumbling block and we still rank number one with the highest Gini coefficient.

This year marks a quarter of a century after our first democratic elections. According to the World Bank we were measured then as the world’s most unequal country and we unfortunately remain the world’s most unequal society today.

Equally as unfortunate is the fact that economic inequality remains largely based along the historical racial divide, worsened by intergenerational mobility that is relatively low and serves as a barrier to the reduction of inequality. We have a highly polarised labour market. On average, black South African households earn less than 20% of white South Africans’ earning.

Education, reskilling and jobs creation have a key part to play in South Africa’s future to ensure it closes racial and gender wage disparities and develops into a more competitive economy.

Chairperson, it is the direct mandate of this portfolio to promote the creation of decent employment through inclusive growth and it is high time that we see a performance outcome on those KPI’s. At the centre of the economic agenda the IFP in the main envisions young South Africans taking their rightful place in the economic trajectory of this country.

In order to generate economic growth in this regard we would like to urge the department to see to it that plans for

education and skills development are met if we are to produce the necessary knowledge and expertise which respond to the needs of the job market.

It is important, however, to ask whether there is political will on the part of the department in particular, but government in general as opposed to just debating these issues given the fact that we have been down this road before.

Hon Minister, while we wish you well in your endeavours, you cannot fault us for doubting yet again. The IFP welcomes the newly signed African Free Trade Agreement. While many details still need to be finalised, this is indeed a welcomed move.

Government should either shape up or ship out because the majority of our people are desperate for jobs. I thank you.

*IsiZulu:*

Nk N K F HLONYANA: Sihlalo, besisacela bandla utshele losisi we-FF Plus ukuthi i-Afrikaans ikhona kunombolo yokuqala.

*English:*

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon member, we are all hon members but I am sure ... [Interjections.] Hon members, I indicated that the IT people are looking into the problems that we have with regards to the gadgets.

The CHIEF WHIP OF THE OPPOSITION: Hose Chairperson, may I address you in terms of Rule 70? While you are looking into the IT perhaps you could look into this: My understanding of Rule 70 is when a member is ordered to leave a Chamber of this House, they are meant to withdraw from the precincts of Parliament. Can you confirm if that is the case and whether you intend to uphold this Rule in this House today.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon member, I do not understand you. Who are referring to?

THE CHIEF WHIP OF THE OPPOSITION: There are members on my left who were thrown and asked to leave a Chamber in E249 in the last debate during the debate of Public Enterprises. They were removed in terms of Rule 70 and therefore are meant to withdraw from the precincts of Parliament. Why are they still here?

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Okay, hon member, I will take advice of that and come back to you. [Interjections.] Hon members, order! Order, please! A member has raised a concern. I have indicated that we will look into the matter and respond later on. Can we just go ahead with the business of the day?

*Afrikaans*:

Mnr F J MULDER: Abg Huisvoorsitter, agb Minister Patel, Adjunkminister, lede van die Huis en almal teenwoordig, in die staatsrede van 20 Junie 2019 het President Ramaphosa sewe prioriteite uitgelig, en die sleutelprioriteit wat toegedeel is aan die Department van Handel en Nywerheid, in lyn met die Nasionale Ontwikkelingsplan, is ekonomiese transformasie en werkskepping, asook ’n beter Afrika en wêreld.

Wat die samevoeging van die Departement van Handel en Nywerheid en die Departement van Ekonomiese Ontwikkeling betref, bestaan daar nog heelwat onduidelikheid oor hoe die nuwe departement gaan funksioneer.

*English*:

House Chair, hon Minister Patel, the Department of Trade and Industry is a key department and Key player as far as the growth of the South African economy is concerned. This sixth administration of Parliament is probably the most critical administration since 1994. It is indeed a make or break term.

South Africa’s economy shrank in the first quarter of this year and investment confidence is at a disturbing low level. South African parastatals like the SABC, the SAA, Petro SA, Denel, SA Post Office and Prasa are bankrupt while Eskom, which is supposed to be the pulse of the South African economy, is staggering.

Through you House Chair, hon Minister, you have recognised that the impact of state capture, poor governance and corruption on industrialisation is devastating. I am referring to the recent study done by the Department of Economic Development that there was a loss of R27 billion and a loss of 76 000 jobs per year based on the assumption of a 10% overpayment on infrastructure. This had a lot of impact on a lot of family members as well.

Time will tell that income inequality, the Gini-coefficient, poverty and unemployment will not be addressed by BEE in the way that government rolled it out. The BBBEE resulted in black elite empowerment whereby wealth was redistributed rather than created.

South Africans, regardless of who they are, race or gender, should all be empowered economically. State departments should adjust their planned outcomes in conjunction with each other. Amongst others, state expenditure should be limited, state owned entities should be privatised, tax relieve should be offered to individuals and business to stimulate investment in the economy and create jobs.

The programmes and planned outcomes of the department as set out in the report before the House is noteworthy but, Minister, poverty, income inequality and unemployment will not be eradicated by the redistribution of wealth but only if – and there is a lot of ifs - the South African economy can grow; if state capture, corruption and poor governance stop; if electricity can be supplied to industry on a sustainable basis

If investment confidence is present If there is certainty about property-and water rights. If the SA Reserve Bank maintain it’s independent status Without these crucial elements present, the reindustrialization of the South African economy will remain a dream. House chair through you to the hon Minister. The Freedom Front plus will closely observe and monitor the department with it’s increased budget of more than R10 billion rand in the 2019/20 term and the department of Economic development department’s allocation of more than R1 billion. Thank you.

The DEPUTY MINISTER OF TRADE AND INDUSTRY (Ms N Gina): House

Chairperson, Minister Patel, Minister Kubayi who is here in the House, Deputy Minister Majola, Deputy Minister Mahlalela who is in the House, the chairperson of the portfolio committee, members of the portfolio committee, hon members, guests, good evening, the people of South Africa have just given us a fresh mandate during the May elections to defeat unemployment, poverty and inequality. They trusted us to transform the economy and grow the township and village economies amongst others as we committed in our manifesto. We cannot disappoint then, we have to make difficult choices and implement our industrial strategy

including the implementation of the Industrial Parks Revitalisation Programme; the implementation of the Special Economic Zones, SEZs, programme; and the Black Industrialist Programme amongst others. On Industrial Parks Revitalisation, 27 industrial parks have been earmarked for revitalisation. The Industrial Parks Revitalisation Programme is one of the programmes introduced by the government in an effort to revive township and rural economies by attracting investors and creating jobs. The first phase of this programme focuses on providing critical security infrastructure upgrades such as fencing, lighting, critical top structures and other electrical requirements. As we are all aware, security is a critical factor that investors consider when making their investment decisions.

Therefore, in addition to providing this security infrastructure, we will mobilise our communities around which these industrial parks are located to take an active interest in these parks. Communities must take collective ownership of these parks and protect them from criminal elements.

*IsiZulu:*

Sicela emiphakathini yethu, sicele ukuthi sibambisane nemiphakathi, sibambisane nabasebenzi ekutheni lolutshalomali olungaka uHulumeni alufakayo kulezi zindawo uma sihluleka ukuthi silugade, bazobaleka laba batshalizimali sibuyele futhi ebubheni singakwazi ukuphumelela nokuthola lokhu ebesikufuna singuHulumeni.

*English:*

In subsequent phases, we proceed to address issues that include compliance with regulatory requirements; engineering designs and the other construction of new and existing roads; bulk water supply and sewage treatment plants; upgrading electricity infrastructure in these parts. So, that is the programme that we are saying, we are going to be doing in the next phase.

Realising the significance of industrial parks in the township and rural economies, we are planning to revitalise 15 industrial parks this financial year. These industrial parks will provide crucial jobs to people who live in the adjacent townships and opportunities for township entrepreneurs to access services and production space. In addition, because of their location, workers will not have to travel long hours and spend a

significant portion of their income on transport just to get to their places of work. Through this intervention, we are undoing the injustices of apartheid-era spatial planning. This government took a long-term view on the future prospects of the South African economy and decided to introduce the special economic zones programme. This programme is designed to accelerate industrialisation in our country; attract foreign direct investors; facilitate the creation of decent jobs; facilitate the development and improvement of existing infrastructure; promote exports; and spread economic activity to the underdeveloped parts of the country. Indeed, there are successes with these programmes of which, hon Mantashe, when he comes here, will elaborate more on such successes. The Special Economic Zone programme remains an integral part of our investment drive.

Some of the investment pledges that were made during the Presidential Investment Summit in October 2018 have started putting the actual investments on the ground. These investments include MaraPhone, which is investing R1,3 billion at Dube Trade Port in KwaZulu-Natal. The investment is estimated to create

1 500 jobs over 5 years. It is expected that Maraphone will start its cell phone manufacturing - the first of its kind in South Africa - in September 2019. In addition, in the next 12 months, we plan to designate more SEZs, namely, the Automotive SEZ in Tshwane; another SEZ in Northern Cape in partnership with the Vedanta mine; and the 4IR Innovation Corridor SEZ. We will complete the Bulk Infrastructure and consolidation of investments for Musina-Makhado SEZ. We are currently working with the KwaZulu-Natal province to explore the establishment of the clothing and textile SEZ in that province. We expect that this initiative will complement the Clothing and Textile Master plan being developed by social partners in the sector. Ladies and gentlemen, the Black Industrialists Programme is making progress in advancing transformation in the economy. We are pleased to report that 50 Black Industrialists projected to invest R29,6 billion and create over 16 000 jobs were supported in the 2018-19 financial year.

We are pleased with the work of the Broad-Based Black Economic Empowerment, B-BBEE Commission in confronting noncompliance with the Broad-Based Black Economic Empowerment Act whether by

private- or state-owned entities, SOEs. The commission’s findings on Eskom for noncompliance with the Act are a clear indication of our commitment to zero tolerance on this type of behaviour. All organs of state and public entities are required by Section 10 of the Act to implement the Broad-Based Black Economic Empowerment Act, not only when they choose to do so. We have since referred the findings in this matter to the Minister of Public Enterprises and the Director-General of National Treasury for further consideration in line with the commission’s recommendations. In conclusion, despite important achievement and challenges facing the domestic economy are immense. Low levels of economic growth and investment; high levels of inequality; and high rates of unemployment continue to hold back our vision of an inclusive South Africa. We acknowledge these structural weaknesses and know that the magnitude of the economic challenges we face requires a new and stronger approach. We need to take extraordinary measures in order to realise the lofty aspirations outlined in the National Development Plan. It is for these reasons that the new approach and the implementation of the Industrial Strategy Minister Patel

spoke about at length, need to be prioritised by all government agencies and supported by all social partners.

We are saying, when we need to grow the economy of the country, it cannot be the government alone, yes, the Department of Trade and Industry will be spearheading that but we call upon all the private sector, labour, let us plan and go through this journey together so that we can grow the economy of our country together. Thank you very much, Chairperson. [Applause.]

Mr W M THRING: Chair, The ACDP welcomes the merger of the Departments of Trade and Industry and the Department of Economic Development, as this has the potential to enhance capabilities, leading to a more efficient use of available resources. We note the allocated 2019-20 budget of the Department of Trade and Industry at some R10,06 billion and that of the Department of Economic Development at R1,05 billion. The ACDP concurs that the strengthening of intra-African trade and the promotion of economic integration must form a key part of the strategic objectives of the departments. Africa is set to become the next economic growth point after China, and the protagonist role of

the DTI in unlocking the potential of industry and business in South Africa, is astronomical. The ACDP welcomes the comments made in the report of the Auditor-General for the departments 2017-18 financial year, when he said, “there is a growing trend of clean audits within the department.” However, in our pre- budget committee meetings, the ACDP – amongst the many concerns that we raised - raised the concern that the audit outcomes excluded the entities of the SA Bureau of Standards, SABS and the National Regulator for Compulsory Standards. Had these two entities been included, it would have led to a different audit outcome. The ACDP will continue to monitor and hold these entities to account. The ACDP also raised its concern over the failure to fully implement our beneficiation policies. This against the backdrop that South Africa’s total mineral reserves remain some of the world's most valuable, with an estimated worth of some R36 trillion in platinum, gold, iron ore and coal. And that R36 trillion is some seven times the value of our gross domestic product, GDP.

As a country, we are estimated to have the world’s fifth largest mining sector in terms of GDP value. We cannot continue to be

exporters of our precious raw materials, and importers of finished products, thereby creating jobs beyond the borders of South Africa. We must move away from being a consumerist society, to becoming producers and exporters of quality, finished products. Beneficiation should not remain a tag, a policy, a dream, beneficiation must become a reality. Failure to do so will relegate our almost 10 million unemployed to the pits of despair and despondency. Failure to implement beneficiation optimally, contributes to increased levels of poverty, inequality and unemployment, leading to a stagnant economy, with little or no local and foreign direct investment. A failure to deal with corruption and fraud, wherever it is found, is a crime in itself, because corruption hurts the poor, steals from the poor, destroys the poor, and if allowed to continue, will ultimately kill the poor. Those who are corrupt are enemies of the poor. If the DTI wishes to realise its Sustainable Development Goal of building resilient infrastructure, promoting inclusive and sustainable industrialisation and fostering innovation, then it must be known as an implementer and not just a dreamer. Thank you.

Mr M J CUTHBERT: Hon Chairperson, our beautiful country is on the brink of total economic collapse. The Gross Domestic Product, GDP, figures released for Quarter 1 of 2019 show that the South African economy has contracted by 3,2%; its worst performance in 10 years.

To add insult to injury, seven out of ten economic sectors found themselves in decline, including the former backbone of our economy, manufacturing.

Furthermore, exports are down by 26,4% and the much-vaunted South African automotive industry found itself on the receiving end of decline too.

The unfortunate reality is that this speech reads more like a eulogy to our once might economy than a parliamentary speech.

While Minister Patel has been making all the right noises in terms of private sector involvement and economic growth. The individuals he has surrounded himself with are questionable to say the least.

Let’s start with Deputy Minister Fikile Majola, who according to the parliamentary interests register for 2018-2019, accepted a BMW X5 worth R864 000 from National Education, Health and Allied Workers’ Union, Nehawu. This could never be a conflict of interest as we know how good unionists are at championing economic reform.

Moving on swiftly, we arrive at the Acting Director-General of the Department of Economic Development, Mr Monde Tom. Who according to the Sowetan, received a golden handshake of

R4 million from the Eastern Cape Provincial Government for having:

Been charged with negligence and with breaching statutory and contractual duties while in charge of provincial funds and; failure to exercise adequate control over the provincial budget in 2004-2005.

However, it did not stop there as Mr Tom later reappeared in a new scandal in which his team were found to have spent

R12 million on hotels and travel expenses during their tenure as members of the Limpopo intervention team.

It must also be noted that due to the imminent risks posed by five-star hotels and French champagne, Mr Tom also required a 24 hours-a-day security detail. Surely one couldn’t have mustered together a more eclectic group of growth-eating zombies around the decision-making table!

However, it is not all doom and gloom. There is a chance for economic revival, and no, we have not enlisted the services of Pastor Alph Lukau. Rather, the answer is in the DA, a party who truly champions economic growth and development.

Under a DA-led government the red carpet would be rolled out for business and the job-killing regulations enforced by the present day government would be relegated to the history books, where they belong.

Firstly, it would include a budget that prioritises incentives for both local and foreign businesses that choose South Africa as their investment destination.

In this respect, we support the department’s call for an increase in budget for incentives which have progressively declined in their share of the total budget since the 2016-2017 financial year from R6,89 billion to R6,02 billion.

Secondly, we would look at the feasibility of certain tariffs and surcharges which hamper international trade. As a market-led economy, South Africa should look towards developing comparative advantage in specialized sectors of the economy instead of trying to protect uncompetitive goods.

Thirdly, the department needs to interrogate the ease of doing business in our country as South Africa ranks 82 out of 190 countries across the globe. We should aim to compete with our African counterparts, Mauritius and Rwanda, who rank 20 and 29 respectively.

This requires the simplification of starting a business, registration with the relevant authorities and the revision of labour laws that are unashamedly anti-growth.

Lastly, we will be monitoring the commitments made by Minister Patel during his Sona response last month with a keen eye. In particular, his commitment to drop data prices within five months as it is well-documented that increased connectivity not only empowers job-seekers but serves as a major catalyst for growth.

We need to face the reality that our economy is on life support and only the DA can bring it back to life. I thank you.

And to the hon Boswell Wilkie sitting in the red suit, I appreciate your comments.

Mr H G APRIL: Hon Chair, I’m just checking, who is the hon Boswell Wilkie?

The HOUSE CHAIRPERSON (Mr M L D NTOMBELA): Hon member, you are out of order. Thank you very much.

Hon members, order please. See, at times it becomes very difficult as the chair to get involved in a particular dispute between members, especially when a member is afforded the courtesy of making a maiden speech. It is to try and moderate the attacks, but if a member also goes on an offensive, then open himself up to counter-attacks. So, do consider, do think about that members.

Ms J HERMANS: Hon House Chairperson, Ministers and Deputy Ministers present, hon members, the director-generals and your team, comrades and friends and most importantly, our guests in the gallery.

The ANC supports Budget Vote 25 and 34 of Economic Development and Trade and Industry.

I will be speaking on the entities of the department. But let me just share with my friends on my left. I heard a man saying on

the radio this morning, we want Parliament to be united so that we can get things done in this country. It was a clear and simple cry from citizens for political maturity and a vision of a government united to build a better South Africa. And I wish the Sixth Parliament can remember that as we deliberate.

The ANC welcomes the budget allocated to the entities of the department to ensure that they support the mandate of the department. In particular, the ANC supports the transfer to National Metrology Institute of South Africa, NMISA, of

R150 million for its operations. NMISA is critical as it forms the foundation to ensure that measurements performed nationally are accurate and internationally acceptable.

The ANC also welcomes the additional funding to the value of R129 million for capital expenditure. One of the challenges NMISA faces is ageing infrastructure and had for a long called on the committee for additional funding for infrastructure upgrades.

Further, the ANC welcomes and supports the continued budget support for the infrastructure upgrades in the medium-term.

Over the past five years, NMISA has performed well by meeting all its targets and has had an unqualified audit. This is applauded. [Applause.]

The role played by the National Regulator for Compulsory Specifications, NRCS, is essential for public health and safety, environmental protection and fair trade. The role of the NRCS is to develop compulsory specifications and technical regulations that producers, retailers and importers need to comply with to ensure that products are safe.

The NRCS develops and administers compulsory specifications for these sectors. For instance, they ensure that food that we eat is safe to eat and that cars that we drive are safe.

Over the past five years, one of the key challenges for the NRCS was the timely issuing of Letters of Authority, LOAs, particularly in the electro-technical sector.

The ANC welcomes the progress made by the NRCS over the past two years to ensure that it eradicates the backlog of LOAs and that LOAs are processed faster.

The NRCS has had a technical qualification which led to qualified audit opinions. Due to inadequate systems for revenue collection from levies. The ANC welcomes progress made by the NRCS working with the Auditor-General to resolve this matter.

The ANC also welcomes the development of an IT system as a long- term solution to improve the estimation of revenue from levies and to automate its operations.

The South African Bureau of Standards, SABS, develops, maintains and promotes voluntary national standards. It is the government entity responsible for the local content verification in relation to government procurement of designated products. It also houses the design institute.

This institute has been actively involved in nurturing young designers and innovators to develop their ideas into marketable

products. However, due to poor governance by the Board, the former Minister speedily removed the Board and placed them under administration. The co- administrators have presented a turnaround strategy to Parliament, which the ANC welcomes and supports.

The ANC welcomes the budget allocations to the Department of Trade and Industry, DTI’s, consumer protection entities, namely the National Consumer Commission, NCC, the National Credit Regulator, NCR, and the National Consumer Tribunal, NCT.

Consumer protection has been one of the critical areas of the mandate of the department that includes regulation for consumer credit.

The NCC’s role in broad consumer protection cannot be understated. It ensures compliance with the Consumer Protection Act. The NCC has been working with Independent Communications Authority of SA, ICASA, to address the expiry of data vouchers. It is also responsible for monitoring and overseeing recalls of consumer goods that are found to be defective or unsafe, such as

the Ford Kuga recall and the recall of cold meat products during the listeriosis outbreak.

With respect to audit outcomes by the Auditor-General, the NCC has improved from qualified audits with findings in 2015, 2016, and 2017 to an unqualified audit in 2018. This is greatly welcomed as a sign of improvement in the management of the NCC.

The NCC will receive a budget allocation of R58,3 million for 2019-20, a significant decrease from the R69,6 million in the previous financial year.

The ANC acknowledges the fiscal constraints and the need to do more with less. Therefore, it supports this budget allocation.

The ANC looks forward to the Committee Bill on Debt intervention, the National Credit Amendment Bill, to be enacted and implemented by the National Credit Regulator and the National Consumer Tribunal. This Bill will alleviate the burden of low-income earners who are trapped in debt, well, that means they are over-indebted, by giving them access to a free debt

review type intervention to rearrange their debt. This will make it more affordable for these individuals to pay off their loans. [Time expired.]

The DEPUTY MINISTER OF TRADE AND INDUSTRY (Mr F Z Majola): Hon

Chairperson, Minister Ebrahim Patel, Minister Kubayi Ngubane, Deputy Minister Gina, Deputy Minister Mahlalela, Chief Whip of the Majority Party, directors-general and other officials, leaders of the different agencies, leaders of business and labour and distinguished guests, today, the Department of Trade Industry and Competition team led by Minister Patel, is presenting its first Budget Vote of the sixth administration as part of government’s collective effort to eradicate the scourge of poverty and unemployment faced by our people.

This Budget Vote takes place during a very difficult and challenging period. Our people continue to endure socioeconomic hardships. The economy contracted by 3,2% in the first quarter. The youth unemployment rate rose to 55,2% with the overall unemployment rate rising to 27,6%. The masses of our people remain trapped in poverty. Criminals terrorise our communities.

Women and children are the biggest victims of gender-based violence.

Hon members, I make reference to these challenges to underline the fact that we shall overcome. We shall overcome because we are the resilient people of Nelson Mandela, Oliver Tambo, Kwame Nkrumah and many other giants of the African continent. Indeed, we are the generation that shall reaffirm Africa’s rise from the ashes as we pursue our vision of the Africa we want.

Hon Chair, it felt great to have led a delegation to the 8th meeting of African Ministers of Trade in Ethiopia last month. It was again a humbling experience to be part of the delegation led by Minister Patel to the assembly of heads of state of the African Union held in Niamey, Niger last week to witness the historic moment of the official launch of the operational phase of the African Continental Free Trade Area, AfCFTA.

The launch of the AfCFTA in Kigali, Rwanda in March last year was a milestone that marked Africa’s commitment to the creation of an integrated and diversified market of approximately US$3,3

trillion with a projected population of 1,2 billion people. To date, 54 countries have signed the agreement. All member states are required to submit their initial tariff offers by September 2019. The effective date of trade of the AfCFTA is July 2020.

Minister Patel, there is no doubt that the establishment of the AfCFTA can be a game changer for the local economy, providing a massive market for South African goods and services. South Africa is already the largest contributor to intra-Africa trade, accounting for approximately 23% of intra-Africa trade in 2018 with a value of R515,5 billion. South Africa’s National Development Plan, NDP, 2030 and the Industrial Policy Action Plan are fully aligned with the objectives of AfCFTA and the aspirations of the African Union’s Agenda 2063.

Hon members, we must be prepared to confront our challenges inspired by the words of our forebear, Pixley ka Isaka Seme, who at 113 years ago, standing distinctively in the hallowed chambers of the University of Columbia, boldly challenged Africa to a new way of thinking, the beginning of a new dawn when he said and I quote:

Yes, the regeneration of Africa belongs to this new and powerful period! By this term regeneration I wish to be understood to mean the entrance into a new life, embracing the diverse phases of a higher, complex existence.

Hon Chair, we are now turning our focus to one of our strategic provinces. The Gauteng province, which currently accounts for a third of the country’s gross domestic product, GDP, and ranks as Africa’s sixth largest economy has a huge potential to cement its position as South Africa’s principal economic driver by mounting the most comprehensive response to the social conflict our country faces. In this regard, we want to make sure that the creation of new cities in Gauteng is about the remaking of the decaying industrial and historic towns such as Vereeniging, Vanderbiljpark, Nigel, Krugersdorp, and Bronkhorstspruit into smart and integrated spaces weaved into an urban area called the Gauteng City-Region.

This is an objective we want to achieve during this administration. We will support Gauteng on the following industries and sectors with huge employment potential:

automotive, capital equipment and rolling stock manufacturing; agroprocessing, food and beverages; finance and retail; logistics and warehousing; and green economy. In KwaZulu-Natal the province has a unique feature, as it shares its borders with three neighbouring countries of Mozambique and eSwatini.

The government will focus on the strategic sectors of manufacturing, agriculture, oceans economy and other sectors to strategically position KwaZulu-Natal as a leading investment destination and make the province a trade gateway within the Southern African region and the rest of the continent. The two special economic zones, SEZs, of Richards Bay and Dube Trade Port are key catalysts for foreign direct investment. We are excited that in April the province hosted the first SEZs conference to examine the functioning of SEZs and identify the key interventions required to improve their operations.

We are also pleased to announce that the Richards Bay Industrial Development Zone in the province of KwaZulu-Natal will soon be paving the way for the construction of a R1,3 billion Palm Oil

Refinery which will boost the economy of Richards Bay, Empangeni and uMhlathuze. [Applause.]

Minister Patel, our budget must respond to the challenges faced by our people. We must reach out to the men and women of Imizamo Yethu settlement who are confronted by poverty. We must inspire the young people of Evaton and Mitchells Plain to dare to dream.

Communities of Vereeniging, Vanderbijlpark, Nigel, Krugersdorp and Bronkhorstspruit must continue to believe in the Gauteng City-Region with more job opportunities. The rural communities of KwaZulu-Natal must believe they can transcend their challenges. We must continue to build a continent in order to achieve our solid objective of the Africa we want. We dare not fail. I thank you. [Applause.]

*IsiZulu:*

Nk S M KHAWULA: Cosi, cosi yaphela inganekwane.

*English:*

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon members, order!

Mr M G MAHLAULE: Hon Chair, this side, the hon member Khawula left that seat there to go and do what she did there so that she can leave afterwards.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon member, that is not a point of order.

Mr M G MAHLAULE: We know that you can’t stand up and just speak on the microphone without recognition. [Interjections.]

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Order, hon members! Hon member, you are not assisting, please, order! Hon members, may I get your attention, please. My attention has been drawn to a number of members who are currently present in this Chamber, but who were removed from the Budget Vote debate on Public Enterprise earlier on. In terms of Rule 70(2), a member ordered to leave the Chamber must immediately withdraw from the precinct of Parliament - so says our Rules.

Members removed or ordered to leave the Chamber are not supposed to in the venue today. I am therefore asking the following

members to leave the Chamber in terms of the Rules as indicated above: Hon Ngwenya, hon Sonti, hon Khawula, hon Thembekwayo, hon Madlingozi, hon Hlonyana - if I pronounced it correctly, and hon Yako.

Ms N K F HLONYANA: Chairperson, Chairperson ...

The HOUSE CHAIRPERSON (Mr M L D Ntombela): I would request you to hold on for a while hon member because I am addressing you regarding a Rule.

Ms N K F HLONYANA: No Chairperson, the problem is that you are naming people who were not even on that committee.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon member

Ms N K F HLONYANA: They were not even in the House. They were not even on that committee.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon member, I am making a ruling. Could you please give me a chance? Hon members

whose names were called are kindly requested to vacate the House. [Applause.]

UNIDENTIFIED MEMBER: We can’t be subjected to your lies.

Ms N P SONTI: Chairperson! Chair! Chairperson, Chair ...

*IsiXhosa:*

... ooh yini ndicela undimamele kaloku Sihlalo. Sihlalo, siyakuthanda kodwa ubukhe wasiyeka sabakhona. Sowubuphela nomsebenzi. Siyabulela. Nisale kakuhle.

Ms P T MANTASHE: Hon Chairperson, hon Minister, Deputy Ministers present here, the Trade and Industry family, hon members, our guests in the gallery, good afternoon. In his Sona, on the

20 June 2019, the President of this country recognised the challenges facing the economy of this country, and that to address these challenges would require a significant structural change with a clear focus on the productive sectors of the economy. He outlined seven priorities, which I am not going to mention because the Minister has done so already. But one of

them touches on the mandate of the Department of Trade and Industry which is economic transformation and job creation and a better Africa and a better world.

The committee has been consistently doing oversight over the department to see whether their activities respond to this call. Although the department has many programmes that seek to address the concerns of the country, my speech today will dwell much on evaluating the impact that the implementation of the Special Economic Zones, SEZs, and Industrial Parks had on the economy of this country.

One of our tasks is to ensure through these initiatives, that we create an inclusive economy so that we can address the inequalities of the past. And, it is for that reason that we applaud the department for the creation of these Special Economic Zones and the Industrial Parks; as a tool to achieve industrialization that leads to job creation in the South African economy.

The committee acknowledges and welcomes the continued drive by the Department of Trade and Industry to designate and support Special Economic Zones and Industrial Parks given positive impact to job creation, especially in the former homelands where I come from.

I want to Table to this august House exactly the benefits that we have ripped as a country out of the Special Economic Zones. Coega Industrial Development Zone, IDZ, in the Eastern Cape, has

45 investors currently who have invested R11,5 billion and created over 7 815 direct jobs. The East London SEZ, in the Eastern Cape, has 32 investors who have invested approximately R4,6 billion and created 3 993 direct jobs. Dube TradePort SEZ, in KwaZulu Natal, has 39 investors who have invested

R1,8 billion and created 3 508 direct jobs. Richards Bay SEZ in KwaZulu Natal has two operational investors with investment worth R32 million and has created 97 direct jobs. The Saldanha Bay SEZ, in the Western Cape, has 12 investors who have invested R3,0 billion. Five of these investors include joint investment projects between South African and international investors, with the rest being 100% local of South African projects. [Applause.]

In 2018, the Atlantis SEZ, in the Western Cape, was designated focusing on the manufacturing of green technology components and services and is expected to create over 1 400 jobs in Atlantis. Currently, it has four investors who have invested approximately R68 million and created 324 direct jobs. Also designated in 2018, is the Musina-Makhado in Limpopo, which was also designated focusing on metallurgical processing, petro-chemical and logistics and nine investors committed with R14,1 billion investment.

Early year, the Nkomazi SEZ, in Mpumalanga, was designated focusing on agro-processing, warehousing and logistics. Whilst we appreciate and applaud these achievements as the committee, we also raised our concerns with the department when we looked at the budget. We have observed the declining allocation for the investment for South African programmes, the InvestSA. We are worried because we say we want to invite more investment in the country, but how are we going to do it with the decreased budget investment on this item?

We are very delighted that together with the department, we have established the Broad-Based Black Economic Empowerment, B-BBEE, Commission, and the R6l,7 million for this commission is welcomed by the committee. However, the committee is concerned that the allocation would be insufficient for the commission.

Yes, we understand that it is not an entity as yet, hence, we are pleading that it be given the freedom to be an entity on its own so that it can continue to enforce the B-BBEE quotes for all businesses in the country.

We understand that many people do not like this policy of the ANC and in the committee we had a long discussion about it. But I can assure the South Africans and the ANC in particular; that this policy is here to stay because it has not yet achieved what it was created to do. [Applause.] The B-BBEE Commission is so critical, and if we were in a position to do that, we would request that it be allocated more budget, Minister.

We understand, applaud and acknowledge that the inclusive economy must encapsulate the employment of those people that were previously disadvantaged, especially youth, women and the

disabled. The IFP, we will be on our toes to check whether those young people, especially boys, will not be molested, Comrade Hlengwa.

We also applaud the department for the Black Industrialist Programme and we are happy that 50 more will be created in the next financial year. We also questioned the department on the suspensions within the department and they have responded to our satisfaction.

Chairperson, I develop goose bumps when hypocrisy is displayed in this House. Hon MacPherson, it is highly regrettable. The hon Macpherson is the same man ... [Time expired.] [Laughter.] [Interjections.]

Mr A M SHAIK EMAM: Hon House Chair, Minister, Deputy Ministers, colleagues, guests in the gallery, allow me to congratulate you Minister and your team, on your appointments. Indeed, I think we are convinced that you will do a good job in turning South Africa into an economic hub so that more jobs will be created.

But let me address one or two challenges Minister, one of the challenges the fact that ... I know the President spoke about locally manufactured goods in his Sona – good – very great idea. The problem is what I have picked up is that many departments are working in silos. There is no co-ordination between different departments and that seems to be a problem. The same thing with Basic Education and Sports, they don’t want to talk to each other so nothing happens, there is no development and they are doing exactly the same thing.

This department has a very important role to play in job creation and stimulating this economy. Now, when I say different departments’ I will a good example, if you talk about locally manufactured goods, which I have mentioned before. We have at the moment, and Mozambique in my understanding is a free port, for whatever it means. And from there, a lot of fake goods come into South Africa. Our streets are flooded with fake good. We can say what you want but it is flooded and there is very little or nothing happening about it. The police are doing nothing about, Home Affairs is doing nothing about it and it impacts on the economic development in the country.

How is your manufacturing industry going to be enhanced when all this fake cheap goods are coming in? So, there needs to be co- ordination between the different departments in being able to deal with it. I will give you one example, there is a lady that I have met and I sent her to different departments, the Department of Rural Development and the Department of Environmental Affairs. She has this plant that can grow in the Eastern Cape, it grows very well. To export, I promise you Minister, she couldn’t get anywhere with all the departments.

Too much of red tape or she doesn’t know the right people in the right places, that is the difficulty. Only one company, so called foreign monopoly capital in this country, exports that plant and that is why I think there appears to be some kind of monopolistic control.

But let me come very quickly to another issue, and I have spoken previously on the issue of price fixing in South Africa, remember? This economy is still controlled by certain people – three or four people only. You know if you look at the retail sector; food, motor vehicle, the mining sector is exactly the same; all these sectors are controlled by these three of four

people. Now let me give you a good example, go to Pick n Pay, Shoprite, Spar and the whole lot of them and you will find the goods are exactly the same price, 2Kg rice, exactly throughout the board, everywhere. That is price fixing in South Africa. The NFP supports but the Competition Commission must do something about this. [Time expired.] [Applause.]

Dr M J CARDO: Hon Chairperson, I would like to congratulate Minister Patel for conquering the commanding heights of the Department of Trade and Industry. This was indeed an impressive new dawn raid, launched from the small but redoubtable outpost of what was once the Economic Development Department. But as he surveys his expanded empire, Minister Patel should pay particular attention to one of his more worrisome wards. I am referring, of course, to the search-and-seizure happy Competition Commission.

It is time, Minister, to seize the moment and answer some searching questions. For the Commission recorded deficits of R78 million in 2016/17 and R69 million in 2017/2018. Its irregular expenditure ballooned to R126 million over the

previous two financial years. And the Commission is mired in allegations of corruption, patronage and anti-competitive procurement practices.

I first requested an independent inquiry into these allegations exactly almost a year ago today. This followed parliamentary questions that I submitted to Minister Patel. His answers revealed that Ndzabandzaba Attorneys, whose principle partner Anthony Ndzabandzaba used to work in the cartels division at the commission, received R72 m in payments from the Commission between January 2015 and August 2018. NdZabandzaba’s firm was channelled 70% of all cartel cases outsourced by the commission in that period.

According to the Auditor—General, R42 million or one third of the Competition Commission's irregular expenditure went to Ndzabandzaba Attorneys over the past two financial years. It seems that Mr Ndzabandzaba is at the centre of a patronage network at the Competition Commission, the overlapping strands of which extend to dawn raids, forensic services and legal work.

In February this year, National Treasury indicated that a forensic audit of these and other irregularities was underway. In fact, Treasury announced that it had put on hold an amount of R125 million set aside for the Competition Commission to investigate cartels, pending the completion of the audit.

Minister Patel has tried to play down the forensic audit; he

promised that an independent panel led by Malatji Kanyane Attorneys would investigate procurement concerns. But the truth is that this panel was actually established to assess the competition authorities capacity to implement the Competition Amendment Act. So the Minister is clouding the issue.

Minister, we need to know the outcome of the forensic audit; Who conducted it? What is their forensic expertise? What will happen to those who turned the Competition Commission into a patronage trough for their comrades? In a confidential letter from National Treasury to the Director-General of the Economic Development Department dated 18 December 2018, a copy of which I have seen; the objectives of the forensic investigation are set out in detail. They include, and I quote verbatim “determine what measures the commission has taken to recover...irregular

expenditure from the officials responsible and if any disciplinary steps have been taken; determine whether procurement of service providers when it relates to legal services and cartel investigations was done in accordance with Constitution; determine the financial positions of the executive management within the commission and whether individuals received any benefits from service providers; determine the source, ﬂow and destination to service providers for payments from the commission; and where benefits from service providers were received by persons within the commission, determine how the transactions were accounted for. seize the day, Minister, right now, and tell us the answers!

Mr S H MBUYANE: Hon Chair, Ministers and Deputy Ministers, Chief Whip of the Majority party, hon Members, comrades and friends, fellow South Africans. The African National Congress supports the Budget vote 25 and 34. We dedicate this budget debate to our struggle icons who have shone our path to freedom. It was on this day that the MK high Command was arrested in Liliesleaf Johannesburg in 1963. These heroes of our people have vowed to achieve freedom in their lifetime.

Today as South Africans, we must always remember that the freedom we enjoy as some of people on my left sometimes take that freedom for granted, that freedom was not free. People had endured long prison terms, Tata Walter Sisulu, Raymond Mhlaba, Govern Mbeki, Lionel Bensteyn, you can count them. Many have lost their lives and again many are a without trace, may their revolutionary souls rest in perfect peace.

Hon Members, we have come far since 1994 in making remarkable progress in building a new nation in which all South Africans have equal rights and broadening opportunities. We have done much to meet people’s basic needs, to reduce poverty and to transform a devastated economy that was build to serve the interest of the colonial masters. We have gathered here today on the occasion to debate on trade and industry and Economic development budget vote,

As a point of departure as the AN C is that budget vote is an instrument to finance the implementation of the policies of the majority party in government Broad-based black economic empowerment is defined in the act as the economic empowerment in

all black people, including women, workers, youth, people living in rural areas, with disabilities and people living in through diverse but integrated socio-economic strategies.

Hon Chairperson, the policy is meant to capitalise on the huge buying power of government and state-owned entities and use it to stimulate economic growth, spending this money on locally produced goods will increase demand and expand local suppliers leading to economic growth. The Black Industrialists Programme facilitates inclusive growth, therefore, contributing to broadening economic development and contributing to Radical Economic Transformation.

The DA in its election manifesto for the recent national and provincial election, made some interesting policy proposals which deserve some scrutiny. They talk about a dream of South Africa for all”. fair enough. Let’s ask the question of what does the DA mean when they talk of South Africa for all? If by ALL, they mean all people of South Africa, black and white, how does the DA intends to create a South Africa for all when the majority of black people are poor? The DA is against the BBBEE

Vote 25 Economic Development and Vote 34 Trade and industry: Creating Inclusive Growth

Hon Members, there is a strange thing happening in the Western Cape, the majority of people who are poor are blacks and coloured, Why? When it rains in the Western Cape, places which experience flooding and damage to property and loss of lives are areas of blacks and coloured, Why? Most of the crimes in the Western Cape happens in townships where our poor people live, again we ask Why? The only logical answer to the questions we posed above is that blacks and coloured people in the Western Cape are not a priority to the DA government in the Western Cape.

The DA talks about tackling inequality in their manifesto. What is interesting is that DA does not tell us how are they going to tackle inequality? Hon Chairperson, they argue that BBBEE is corrupted and benefits the connected few only . . . This is an indication of a narrow understanding of what the BBBEE mean, 20. But maybe the DA must tell the Nation, how many black people

have been empowered by the DA Administration in the Western Cape?

As the Portfolio Committee on Trade and industry we will be the force behind our government, and through our oversight role ensure that targets are met, corruption is dealt with ensure that there is compliance with BBBEE legislation and that all designated product are sourced locally. The ANC support the Budget Vote 25 and 34.

Thank You Chairperson.

The MINISTER OF TRADE AND INDUSTRY (Mr E Patel): Thank you very much House Chair, colleague, Minister Kubayi Ngubane, hon Members, I wish to thank my predecessor, Rob Davies who laid a very strong policy basis in the DTI that we could build on. I also wish to thank specifically Deputy Ministers Ms N Gina and Mr T R Majola, both Directors General Lionel October and **Dr ……..**

and their staff, the Heads and Boards of the agencies that are here and regulators; and very importantly, social partners, workers and the business community. I would also like to thank

the members of the portfolio committee led by chairperson, hon Nkosi.

We had a debate on the two budgets. In the limited time, I would like to respond to a few of the issues that have come up. I would like to start by saying that, hon Mcpherson says, scrap BEE or BBBEE and in the portfolio committee that I addressed, I was asked about how far we are with BEE. I made the point that we’ve gone through phases, in 1994, we all saw as a society the need for transformation and the first phase of BEE, looked at individual share ownership, typically 3%,5%,8% of someone else’s company. That was to bring black South Africans who had been out of the economy, into the economy.

The second phase was to broaden this by bringing in community groups and others. That’s where the term Broad Based Economic Empowerment came in. The third phase was quiet a fundamental shift, to promote the idea of black industrialists. Black South Africans forming their companies, growing those companies, learning, battling in the market place and growing wealth for our economy. I pointed out that we need to rethink if we are

getting broad based empowerment. How do we make sure that we do the necessary changes so that the broad based goal is fully realised.

Hon Macpherson tries to contrast that with the views of the members of the African National Congress, ANC, but I’m happy that we have full support of the ANC. In fact the manifesto of the ANC says “Promoting worker ownership adds to broad based black economic empowerment by distributing wealth to broader sections of our people”. That is what we are calling for.

Broaden that base, bring more South Africans in, share the wealth of the country.

Hon Macpherson talks about the human tragedy of unemployment and I agree. Every unemployed person should be given an opportunity to earn a wage, to form an enterprise so as to be an entrepreneur.

In the last 5 years, the economy created just over 1.2 million new jobs. What the ruling party manifesto says to us is, do even better. How do we do that? There are a number of things, just to

recap, we have placed industrial strategy at the centerpiece of economic revival and it has a core component job creation, it includes a number of ‘Is’, the ‘I’ for Integration of the African continent, the ‘I’ for investment in productive sectors and infrastructure, the ‘I’ for innovation and using the digital economy as a driver, the, ‘I’ for inclusion; bringing in young people, women, black industrialist to benefit and to create the jobs that we are looking for.

Hon Macpherson **t**alks about the gap between the Freedom Charter, the National Development plan, NDP, in the manifesto. I see them as being a lot more consistent and coherent, for example, the freedom charter says that people shall share in a country’s wealth and it calls for a national minimum wage. The NDP calls for firm commitment to a national standard of living to be progressively realised.

The manifesto of the ANC goes one step further and says implement this specific national minimum wage in the period of this administration. The freedom charter also talks about the rights of the people of Africa to independence and close co-

operation. The NDP talks about implementing focus regional integration strategy. The manifesto, calls for the creation of the continental free trade area which will boost inter-African trade “build a bigger market over a billion people and unlock industrial and infrastructure development”. What the government does is to sign that agreement, which is consistent with the freedom charter, the NDP and the manifesto. Then we bring it to Parliament for endorsement

Hon Thring makes the point that the AFCFDA should be the strategic focus of the department, we agree. We are going to devote more resources, more energy and more commitment to make sure that we can get this free trade area working. I also liked the emphasis hon Thring raised on the need to promote beneficiation policies. We introduced a scrap metal regulation that will use local scrap metal. We are now piloting a platinum fuel cell project that uses local platinum. There are a number of projects like this, including the development of battery technologies that was referred to by hon Nkosi.

Hon Cuthbert makes a number of points. I think it was regrettable that the hon member chose to describe government officials and members of Parliament as growth eating zombies or as Boswell walking in a red suit. Surely we’ve gone past primary school yard insults. We are adult. The society looks up to us to give leadership. If one has good ideas, raise those ideas.

Insults don’t constitute a debate. Hon Cuthbert also says that the South African economy is at a brink of a total collapse and only the DA can save it. The DA had an opportunity to put its views to the people of South Africa. It did not do well in the election. In fact it said to South Africans; we want to rule and South Africans said no we would like the ANC to constitute the government of the day.

Hon Cuthbert says: don’t protect uncompetitive goods. At the same time hon Macpherson says, please support the sugar industry. That’s what we like, a pragmatic approach that deals with the problems. Perhaps, hon Cuthbert will get a little bit of help from his colleague to put the realities of the industry forward to him. Hon Yako made a number of points, the tone was strong but I liked a few things that she said. I liked the fact

that she read our speeches. That helps a lot, there are more speeches hon Yako.

I like the fact that she praises the ANC government for the African free trade area. I also like the fact that she supports a souped up special economic zone. However, I’m of the view that we need to move beyond slogans and hon Hermans referred to an appeal of a South African on radio this morning that we should rise above parties and ship and become real leaders in Parliament.

May I conclude by saying to hon members, that, we can do better. We don’t need to be a high school debating society and I would like to particularly say that we have economics students from Whitfield High School. I’m sure the members of the House would like to appreciate their attendance. Thank you very much.

Debate concluded.

The mini-plenary rose at 21:17.