**UNREVISED HANSARD**

**MINI PLENARY - NATIONAL ASSEMBLY FRIDAY, 24 JULY 2020**

[**VOTE NO 39 – TRADE, INDUSTRY AND COMPETITION**](https://www.youtube.com/watch?v=yJubzcFuAoQ)

**FRIDAY, 24 JULY 2020**

***PROCEEDINGS OF MINIPLENARY SESSION – NATIONAL ASSEMBLY***

Members of the mini-plenary session met on the virtual platform at 10:00.

Mr F D Xasa, as Chairperson, took the Chair and requested members to observe a moment of silence for prayer or meditation.

The Chairperson announced that the virtual mini-plenary sitting constituted a meeting of the National Assembly.

**APPROPRIATION BILL**

Debate on Vote No 39 – Trade, Industry and Competition:

The MINISTER OF TRADE, INDUSRTY AND COMPETITION: House

Chairperson, hon members, fellow South Africans, these are the toughest and most painful of times for many fellow citizens. [Inaudible.]

... Deputy Ministers Gina, Majola and I laid out a six-point programme of work for the Department of Trade, Industry and Competition, or the DTIC, over the next five years. Before the onset of the COVID-19 pandemic, we had made solid progress in each of these areas, despite significant economic headwinds.

First, we undertook to support improved industrial performance, dynamism and competitiveness of local companies, through a series of sectoral master plans designed to build resilience in the domestic economy. To date, together with the leaders of business and labour, we have forged consensus on the master plans to grow jobs and production in four sectors: auto production, clothing and textiles, poultry, and sugar. But this is not only talk; it is action too, as implementation is happening. From July last year, Sars seized 550 shipping containers of illegally imported and undervalued clothing and footwear to protect local industries and entrepreneurs. In February this year, we increased tariff protection for poultry farmers against unfair foreign competition, protecting the local industry and local jobs. In March, local retailers committed to buying 80% of their sugar locally over the next year ... [Inaudible.] ... whilst local farmers and millers agreed to price restraints in this period.

Second, we committed last year to expanding markets for our products and facilitating entry to those markets through trade measures that will build our resilience in relation to global economic shocks. To illustrate progress: We concluded an agreement with the UK to maintain access for South African-made goods in their market following Brexit; and we reached a new record of almost 390 000 locally made cars that we exported to the rest of the world. Thousands of jobs were sustained in the making of those cars in factories in Uitenhage, Nelson Mandela Bay, eThekwini, Buffalo City and Pretoria.

In addition, we have worked hard to build the African Continental Free Trade Area, AfCFTA, as the foundation for our long-term growth. Deputy Ministers Majola and Gina, and I met with fellow African Union Ministers to consider the terms of this vast new market, to set up the new Secretariat in Ghana headed by a South African, Wamkele Mene, and to propose a switch-on date for the new agreement.

Third, last year we aimed to significantly increase levels of investment in the economy. In November at the Investment Conference, 71 investors pledged more than R364 billion in fresh investment. Amazon announced they would create 3 000 new jobs

through moving back-office work to SA. We opened a new half-a- billion-rand localised processing plant at Toyota and a new cellphone factory at Dube TradePort. In addition, PepsiCo committed at least R5,5 billion in investment in the food sector with 3 000 extra jobs planned.

Commitments by the Industrial Development Corporation, IDC, in projects for the year amounted to almost R12 billion, creating or sustaining more than 12 000 jobs. To improve the ease of doing business, we launched the BizPortal that enables a young entrepreneur to go to one website, register his or her company, register for tax, get his or her BBBEE certificate, register for UIF, get his or her domain name, and even open a bank account - all in a few hours; no queuing.

Fourth, we undertook to promote economic inclusion and transformation. The black industrialist programme received a boost through the R6 billion transformation fund announced by the auto industry as part of their commitment to government. A draft report, which will be released this coming week, will show that approximately R100 billion has been mobilised for investment in black-empowered enterprises in the past 10 years through the work of the DTIC and its agencies.

These efforts have been complemented by giving more meat to the “broad-based” part of transformation, and I cite two examples. To boost worker empowerment in companies, a major deal was agreed to between PepsiCo and the Department of Trade, Industry and Competition in February this year. This was part of the conditions for competition approval for the purchase of Pioneer Foods. The company will finance a Workers Trust that will hold 13% equity or shareholding for 10 000 workers and have a worker representative on the board of the new company that combines Simba and Pioneer Foods.

To boost community access, I requested the Competition Commission to undertake a market enquiry into data prices, which resulted in prices of prepaid data bundles coming down more than 30% with savings of more than R5 billion annually for Vodacom, MTN and

Cell C customers. This will provide broad-based access to data for all South Africans: students, youth and communities, and provide greater access to digital platforms like e-commerce.

Transformation also means bringing more women into the economy as owners of their own businesses. In the past five years, the IDC has invested nearly R12 billion in more than 165 women-empowered businesses. In addition, the construction settlement agreement

pioneered by government fostered the growth of emerging women- owned firms in the sector like Motheo Construction, founded by the late Dr Thandi Ndlovu.

Fifth, we committed to promoting more equitable spatial and industrial development through special economic zones, or SEZs. In November, we launched the Tshwane SEZ with commitments by nine manufacturers. The projected investment amounts to approximately R3,6 billion, with a potential 6 700 direct jobs – the first buildings will be completed next year and the first firms are expected to start operations in early 2022.

Sixth, we committed to taking steps to enhance the capability of the state and its impact, including through partnerships. Since then, we have used expertise from the private sector to drive different master plan processes, we have worked with business and labour to launch the Solidarity Fund, we have co-ordinated a common database for medical supplies, and we have developed joint COVID-19 response plans in many sectors. We have used ministerial panels to bring to bear the knowledge and expertise available across society to help develop smart solutions.

In all these actions, we had increased the resilience of our economy by rebuilding our industrial base and restoring our trade position. And then COVID-19 struck. Today’s session thus takes place in very different circumstances from last year’s Budget Vote, here and elsewhere in the world. South Africa is now truly in the grip of the pandemic, with a surge in cases and a devastating impact on communities, firms and workers. Both lives and livelihoods are being lost.

In the weeks before our lockdown started, some businesses were already closing because their global supply chains were disrupted. As the scale of the pandemic became clearer and governments across the world introduced lockdowns to limit movement to save lives and flatten the curve of infection, demand for goods and services dramatically decreased, creating a toxic cocktail that is devastating people’s lives across the world.

But South Africans are resilient and in spite of the difficult hand we have been dealt, citizens, firms and government have responded in a way that has mitigated the risks and protected those vulnerable to the impact of the coronavirus.

When global supply chains broke down and we could not buy ventilators and PPE elsewhere in the world, we needed to show our resilience by falling back on our own enterprisingness and innovativeness. We scaled up the local manufacture of basic COVID-

19 supplies, quickly ramping up production of medical-grade masks from 6 million to 13 million units a month. These companies included locally owned ones and local workers produced the masks that protected our health care workers.

This week, the first units of a locally made ventilator machine, a

continuous positive airway pressure device, or CPAP, is being assembled at factories, with 20 000 units that will be produced in record time, led by capable teams drawing in some of South Africa’s best science capabilities.

I previously briefed the portfolio committee on the wide range of measures we have taken to deal with the crisis, from support to businesses through funding, to securing scarce medical goods.

As an example, we issued regulations and directions to fight price hikes during the pandemic and thus far the Competition Commission has levied stiff penalties on 28 firms to the value of more than R16 million. Our intention was to ensure that no one was able to

exploit the crisis to profit from other people’s pain and

suffering and add further pressure to tight domestic budgets.

The lesson is that when confronted with a challenge, we found the will, the innovation and the industrial capacity to do the job. We proved as South Africans that we can be resilient. Now we must recognise the historical moment and the opportunity it provides.

We must build even greater resilience by making “strategic localisation” a major policy goal.

As a result of the impact of COVID-19, we must carry out our responsibilities within an even more constrained environment and faced with a triple whammy: The DTIC budget has been cut quite substantially, with R1,8 billion taken off as a result of the need by the state to reprioritise resources; and agencies who rely in part on income from the public or their investment holdings have had sharp reductions in their income and resources, while, at the same time, the needs of firms and workers have grown as a result of the damage caused by the pandemic.

There are no easy answers and we are faced by what some call a “perfect storm”. Yet it is precisely in this most difficult moment that we as South Africans will need to find our resilient core.

To repair the damage of COVID-19 and reconstruct the economy to create more jobs, bring more young people into entrepreneurship and increase economic inclusion, we need to think boldly and implement smartly.

This requires better co-ordination, fresh thinking and a different way of working, which is why I have engaged talented persons inside and outside the public sector to enrich our thinking. One team is looking at ideas on the just-transition to a greener economy, and proposals to leverage local procurement and advance regional integration. Another team is looking at enhancing worker empowerment at company level.

President Ramaphosa spoke about the wider Economic Reconstruction and Recovery Plan that is being developed, within which the DTIC will play its role. This wider plan includes investment in infrastructure-driven growth through the building of bridges and roads and clinics, and renewable energy plants, which will bring more young people into jobs; and the greater use of locally made inputs of steel, cement and machinery can enable that infrastructure investment to stimulate growth in manufacturing.

Township and rural enterprises must be scaled up. For example, our digital hubs programme, working with the private sector, including Microsoft, seeks to take entrepreneurship and skills development into townships, given the challenges that many unemployed young people have in travelling to metro areas to apply for jobs or attend skills development courses.

Our film and TV production provides pathways for young people to enter the workplace and to let us tell our story, as Africans, of our struggles for freedom and our efforts at development and growth. At the same time, the tectonic shifts in economies towards greener industries provide opportunities. For example, Toyota’s announcement that they will build Africa’s first hybrid vehicle in South Africa within 18 months is a step towards that; as can be investing more in removable energy. This provides an opportunity for the beneficiation of key mineral resources like vanadium.

The industrial age is not over, but it will be profoundly reshaped by digital technologies, greener industries and industrial agility. South Africa must find its niche in this new environment.

There can be no return to the “old normal”, nor should there be. It was not fit for future purpose. Established industries, though

critical to our economy, will not be able to create the millions of jobs required.

To prepare for the post-COVID world, we will strengthen efforts around reconstruction and recovery, including broader pacts with workers and businesses, focused on saving as many firms and jobs; identifying new opportunities; embracing digital technologies to recover and change; and addressing economic inclusion with greater urgency.

As a first step, every directorate of the DTIC and every agency will prioritise saving firms and jobs, and report on a monthly basis on their impact. Wherever possible, the DTIC institutions will be asked to reallocate resources to this goal. Work will be reorganised to support the district development model to get more bang for each rand we spend.

We will streamline approval processes for funding from the Industrial Development Corporation, the National Empowerment Fund and the DTIC so that we avoid duplication, and consider a common back-office for smaller DTIC agencies, covering some finance, ICT and human resource functions. We must draw on resources of social

partners, such as competition market enquiries and the equity equivalent programme.

Building on the solid progress of last year, but adapting our strategy in light of the historic moment created by the pandemic, each of the six priority programme areas will now be recalibrated to save lives and protect livelihoods.

The first priority programme area is to strengthen economic dynamism, we will complete two new master plans: one for furniture which will employ many more small-scale artisans; plus, another for the steel industry, the very foundation of our industrialisation, employing nearly 250 000 people. The department’s mandate is not only about producing new master plans; it will also be the focus of master plans for autos, clothing, sugar and poultry.

The second priority programme area is to help pivot the economy from its reliance on imports to greater levels of local manufacture. In that regard, we will finalise at least three new agreements on localisation and supplier development, following discussions with CEOs at fast-food producers, hardware stores, grocery retailers, food and consumer goods manufacturers, and

clothing, textile, footwear and leather retailers and manufacturers. This is partnership in action.

The third priority programme area is that of trade: to provide trade support to local firms, both in the domestic market and for exports, we will complete talks with the European Union on trade access, strengthen the actions against illegal imports – smugglers, beware: we will crack down further on customs fraud on imported goods, building on early successes by Sars – and we will seek agreement to enable the AfCFTA to commence trade by the start of 2021.

South Africa is well positioned to become a major supplier of industrial goods and value-added services to the continent. That’s a point that Deputy Minister Majola makes. A combined push from

the IDC and the Export Credit Insurance Corporation of SA, the ECIC, can contribute to this. We will develop tangible targets to guide the work of South Africa’s foreign economic representatives stationed at embassies, focused on export promotion and investment enhancement. Economic diplomacy is essential to building resilience.

The fourth priority programme area is to do with investment. We will focus on consolidating the presence of firms which have existing operations and help those which made investment pledges to bring projects to fruition. New areas for investment include deepening our production of PPE, medical equipment and pharmaceuticals.

The fifth priority programme area is on transformation: our efforts will go to providing non-financial support to black industrialists to complement the funding. Over the next five years, we will mobilise or commit very large sums in funding for black industrialists and firms. Women-empowered businesses – Deputy Minister Gina is doing great work for us here – and worker empowerment must become a stronger focus. Transformation includes addressing high levels of economic concentration and helping to build stronger, agile and small- and medium-sized businesses.

The sixth priority programme area is on special economic zones, or SEZs. National government will play a stronger role in improved governance, advocacy and mobilising investment. The special unit at the Industrial Development Corporation and the Development Bank of Southern Africa will assist provinces to use the R4 billion budget over the next three years more effectively on SEZs and

industrial parks. We must nurture township and rural enterprises, and diversify the economic centres across our country.

To improve the capacity of the state, we will review the performance of the 17 public entities falling under the DTIC, identify opportunities to consolidate and merge some entities, address underperformance and, in the case of the National Lotteries Commission, promote greater transparency and improved governance.

We must find new ways to protect public resources so as to reassure the public that corruption will not get in the way of effective delivery – words and good intentions not enough.

Accordingly, I have asked the department to consider the establishment of a strong forensic and internal audit team that can undertake the required investigations of transactions by agencies where these are warranted.

COVID-19 has exposed the fragility in the global economy. The quest for competitiveness must be balanced with the need to nurture economic resilience, the ability of industries to respond to risks that an open and integrated world present: be they to

digital systems, or from climate change, or to food security or the spillover of trade wars raging elsewhere, or indeed from pandemics.

Africa must grasp this opportunity to redefine its role in the world – to break from its post-colonial history as simply a supplier of raw materials – and this crisis must provide the jolt for our efforts to industrialise our continent.

A profound reboot is now possible, as well as necessary. History suggests that from the greatest human crises, the greatest human advances can be made. So, in the darkest hour, we must prepare for a brighter future, at the heart of which must lie a new economy – fit for purpose, fair and just, and sustainable and resilient so that future shocks can be absorbed. We must lift our heads above the dark clouds to see this future, and work hard together to get it done. The achievements of the past year show what is possible. Now we must do more and act fast to seize the moment.

On behalf of Deputy Ministers Gina, Majola and me, we wish to thank those who drive so much of our work: the chairperson and members of the portfolio committee, Director-General October and the dedicated DTIC staff complement; the leadership and staff of

the 17 agencies which make up the DTIC family; facilitators of the master plans Harald Harvey and Lael Bethlehem; and our social partners, the business leaders and union representatives. Hon Chairperson, I wish to table the budget of just over R9,3 billion for the consideration of this House. I thank you.

Mr D M NKOSI: Chairperson, firstly, I want to refer to the statement made by the President on the national effort to contain the COVID-19 pandemic. He said:

Increasingly, we are hearing allegations about fraudulent UIF claims, overpricing of goods and services, violation of emergency procurement regulations, collusion between officials and service providers, abuse of food parcel distribution and the creation of fake non-profit organisations to access relief funding.

The month of July is a historic one for the ANC, the people of South Africa and the world at large. It’s the month that marks the celebration of the birthday of our first democratically elected president, Nelson Rolihlahla Mandela. As we mark Mandela Month, we are saddened by the passing of uBaba Andrew Mlangeni, the last of the remaining Rivonia trialists. He and his generation sacrificed

for the freedom we enjoy. We are humbled by, and are privileged to be, members of the organisation of uBaba Andrew Mlangeni, the ANC.

We stand before this august House to communicate our support, as the ANC, for the revised budget, Budget Vote 39 of the Department of Trade, Industry and Competition, or the DTIC. The revised budget was imposed on us by the reality of COVID-19 and the nationwide lockdown. The coronavirus pandemic has disrupted socioeconomic activity the world over.

We appreciate the many initiatives and interventions by the government to respond to COVID-19 and the lockdown. We agree with the government that central to our response to COVID-19 must be saving the lives of our people.

The budget of the department has been reduced by at least 16% from the original budget. This will obviously have an impact on the annual performance plans and strategic plans of the department.

Through the Portfolio Committee of Trade, Industry and Competition, we have engaged the department on the impact of the revised budget, appreciating the approach by the department to develop innovative ways of doing more with less in a smart South Africa.

We support this revised Budget Vote, because the department has correctly prioritised allocations to programmes which have the potential to grow the economy and therefore save jobs. This also includes measures to stimulate economic growth after the lockdown. Critical to these intervention measures is the implementation of the investment projects announced at the 2018-19 investment conferences. The department has correctly prioritised localisation to stimulate domestic productivity and thus grow the economy. We urge government departments and state entities to adhere to preferential procurement prescripts especially on localisation.

We also welcome the decision to focus on the steel master plan and the furniture master plan in this period. Quite understandably, the other master plans have been deferred to the next financial year. The department will continue with its support for the implementation of the special economic zones programme. This will also be done through the provision of technical support to provinces.

As part of advancing economic transformation, gender equity and youth empowerment, the DTIC will continue with the Black Industrialists Programme in this financial year. Some of the immediate measures developed by the DTIC, which we support,

include the initiative to reduce the transmission of the coronavirus within the department, that is among its staff component. There is also the alignment of the institutional capacity within the administration to mitigate the budget cuts. The DTIC has initiated a shared service model for its entities to ensure long-term sustainability through increased efficiencies and effectiveness.

Notwithstanding the reduced allocation of transfers to public co- operations and private enterprises, we welcome the continued support for greenfield investments, including infant industries, and brownfield investments and companies in distress in order to retain jobs and industrial capacity. We also welcome the initiative to enhance the domestic industrial finance system to crowd in more funding for enterprises and to streamline industrial support.

We are also encouraged by the progress made by the competition authorities in ensuring that, indeed, the cost of data falls. A number of cellphone companies have undertaken to reduce their data costs as a result of the finding of the market enquiry into the cost of data.

We welcome the undertaking of the department to scale up the Youth Employment Service programme as well as the empowerment of women- run businesses.

I just want to make a point, Chair, through you: one was actually seeing that the opposition, particularly the DA in the committee

... that the hon Macpherson was a person that may actually help a great deal in terms of a contribution in that he had questions for the Minister. But the way in which the party engaged at the committee, they missed the opportunity.

The other point which is quite interesting is that the hon Cuthbert, who is also a member, actually raised in the committee a vote of no confidence to the chair. But, I think, there is also a crowding in of the DA as well which might contribute negatively.

The hon Michael Waters actually proposed that we discuss two parliamentary replies to his questions and ... [Inaudible.]

The CHAIRPERSON (Mr F D Xasa): Your time is up, hon member.

Mr D M NKOSI: ... massive ... [Inaudible.] ... amount granted to what is only described as a questionable organisation. Thank you very much, Chair. It is most appreciated.

Mr D W MACPHERSON: Chair, I’m surprised that the Minister would even bring up the National Ventilator Project, because 20 000 of those ventilators were supposed to be ready in the first week of July and they have not built a single one. The project is so delayed that even the Western Cape health department has said that they are of no use now, because they couldn’t meet their own timeline. Isn’t this just a great example of how spectacular his failure of leadership has been during this crisis? It’s said that a crisis really reveals a person’s true ability to lead. Hasn’t that been very true for Minister Patel?

At the beginning of this pandemic, the DA and I pledged to support and assist the Minister and this government in response to President Ramaphosa’s call to put party politics aside and put the country first. I genuinely believed that Minister Patel would also uphold his end of the President’s call, but the truth is that he has spent every day since then doing exactly the opposite.

He has used the state of disaster to try to win favour within the ANC by implementing plans and policies that would make even communists in the Kremlin blush. All of this was done at the expense of hardworking South Africans: from his flip flops on e- commerce where he believed he was the sole arbiter of fairness, to

desperately relying on Minister Dlamini-Zuma to cure his legal nightmare after he decided to ban the sale of hot food, thereby making life even more difficult for frontline health care workers who relied on the sale of hot food after hours as well as his crazy and insulting regulations on what clothes people can buy and how they should wear them. It was like Minister Patel was determined to make himself a national lampoon and he has exceeded all expectations in doing so.

He has displayed complete ignorance when it comes to understanding how an economy works – that you can simply designate a percentage of workers for a factory line to return to work would even embarrass a first-year economics student. Under his watch he has left low-income South Africans to fend for themselves by approaching loan sharks to find credit.

The DA wrote a comprehensive proposal on how the Minister could make credit available to the millions of people who needed it by invoking section 11 of the National Credit Act. That was in April. To date, he has steadfastly refused to even engage with us on the proposal. So what has he done instead? He has commissioned a secret plan to use the Disaster Management Act and strong-arm credit lenders to expunge the credit records of South Africans

retrospectively from 1 April until the state of disaster ends. While this may seem like an act of altruism from Minister Patel, what this will do, in fact, is increase the cost of credit and hamper access to credit for South Africans as lenders will simply refuse to make funds available if there is no recourse regarding people who cannot repay their debts. And Minister Patel will do all of this by bypassing Parliament and legislation which should be rejected by every Member of Parliament and credit providers.

But why would he do all of this? Well, it’s simple. Minister Patel has to reach into the populist pit of ideas to repair his public image, battered by his own hand. What better way, then, to mislead the public into thinking that they can lend money, not pay it back and do so without consequences?

Minister Patel has been very quiet when it comes to the alcohol ban. Did you support this, Minister? Do you support President Ramaphosa using workers in this industry as pawns for your government’s complete failure to build health care capacity in every province outside the Western Cape? I’m also told that multinational companies in the alcohol industry have been trying to secure meetings with you to discuss this, only to be rebuffed at every opportunity. Why is this, Minister Patel?

Let me tell you some home truths, Minister. You and your party got us into this mess before we even got to the COVID-19 pandemic. The truth is that for as long as President Ramaphosa and you have a job, millions more will never find one. That you and President Ramaphosa believe that the ANC should be at the forefront of our economic recovery is wrong, misguided and suicidal.

It’s time to get out of the way and let businesses, big and small

– the hardworking men and women of this country – lead us to economic growth. Stop choking them with your Soviet-style regulations and red tape, and stop using BBBEE as a front for corruption to enrich the politically connected and COVID-19 tenderpreneurs. You have spoken much about corruption; you’ve spoken much about ending corruption. Put your money where your mouth is and do something about it.

The truth is that for as long as we have an ANC government and a Minister who are prepared to put the interests of their party first, ahead of those of the millions of people who have lost their jobs – 3 million and counting – South Africa will continue to chug along a course of desperate destruction.

Now, the chairperson, Mr Nkosi, has spoken at length about my and Mr Cuthbert’s contributions to the committee. We have been the only ones who have been fighting to expose corruption when it comes to the National Lotteries Commission, which my colleague Mr Cuthbert will speak to just now.

If Mr Nkosi spent half of his time obsessing about the DA and about me and Mr Cuthbert as he did about good governance, about rooting out corruption and rooting out maladministration, maybe things would be a little bit better for a lot more people in this country. I thank you.

Ms Y N YAKO: Chairperson; and the Trade, Industry & Competition department; the EFF rejects the Department of Trade, Industry and Competition’s Budget Vote. Mr Ebrahim Patel has stood in front of Parliament and the country for the past 10 years to present Budget Votes of the Department of Economic Development and now of the Department of Trade, Industry and Competition. Every year he tells us about non-existent industrial capacity. He imagines some industrial capacity and thinks it exists.

The Minister came to the committee and said South Africa had the capacity to manufacture ventilators with a potential surplus for

export to the rest of the continent. This is not true. There is no capacity in South Africa. The reality is that South Africa does not have either industrial policy or the manufacturing capacity.

We are a country that does not produce what we consume on a daily basis and we continue to rely on imports every day for everyday things including the most basic things. We are still exporting raw mineral resources and agricultural produce only to buy finished goods made out of our own mineral resources and agricultural produce.

The Minister of Health, Dr Zwelini Mkhize, told the Portfolio Committee on Health that 90% of PPE was imported from other countries. So we are importing ventilators and relying on other

... [Inaudible.] ... nations. We are importing PPE and begging for donations. We are importing masks, gloves, aprons and overalls.

You were too arrogant to listen when we told you time and time again that there were no believable and practical plans that would lead to industrialisation, job-creation and the redistribution of wealth to the majority of our people. Our economy is concentrated in the hands of a few and even at a time of a pandemic they can do as they please without serious consequences.

Dischem was fined R1,2 million for hiking the prices of masks. There are companies that have hiked prices by more than 500%. The Competition Commission received more than 1 000 complaints about price-hiking including that of food. These are the consequences of an economy controlled by a few on the basis of the exploitation of the majority.

The only practical step to take in order to deal with this level of greed is to arrest directors of companies and send them directly to jail. There is no use in negotiating with greedy people who are not even ashamed of hiking prices during COVID-19.

There is still no believable and practical plan to deal with the ACBS and the NCRS. There is still no believable and practical plan to reimagine industrial zones into zones that produce food and create jobs. There is still no believable plan to invest and co- ordinate state buying power. As a result, the government is failing to use its own buying power to influence industrialisation. There is still no clear plan on how to transfer ownership of our wealth as a country to companies owned and controlled by women and the youth.

While the Minister continues to imagine the non-existent industrial capacity of our people, our people remain unemployed. Companies continue to retrench people including companies that pledged finance at the investment and jobs summit, convinced to do so by Mr Ramaphosa.

The EFF is the only political party that has put on the table a practical and believable industrial strategy. Only a South Africa that is a state-led industrial land will work for us. So, therefore, the EFF does again reject the Department of Trade, Industry and Competition’s adjusted budget. Thank you.

Inkosi R N CEBEKHULU: Chairperson, Minister and hon members, South Africa is not immune to the endemic that has spread all over the world and brought down economies of the world. The first world countries have been hit hard and South Africa is experiencing the same. Small industries in the former homelands were left unattended by the democratic government of the day which resulted in people moving to big cities and towns with the hope of getting job opportunities, only to end up building shacks or temporary homes on land that is not suitable for residential purposes.

It is good that the department developed policies and regulatory frameworks to promote the development of industries. For those underdeveloped areas like townships where the majority of the poor resides, continues to live in poverty and underdevelopment. The blame shall always be put on the doors of apartheid, but let’s refocus on reviving those small factories in rural areas to absorb jobseekers and balance the developed cities and towns opportunities.

The department should be making it a priority to develop, support and maintain what we have as a building block. For example, the sugar industry, the sugar mills are struggling these days but instead of supporting the small cane growers to feed the sugar mills, South Africa will import more sugar from countries overseas. Trade barriers should be considered to protect our industry. While promoting and supporting new entrants to the industry, we must guard against products of substandard, the case in point, the face masks and sanitisers that are manufactured and which are of a poor quality and are exposing the consumers unnecessarily.

Chairperson, it is important to point out ...

*IsiZulu*:

... uma umuntu ebuka ingcindezi ebonakala ezimbonini kwaSithebe, eMandeni, eZakheni, eMnambithi nasezindaweni ezahlukene babe nezinkinga abantu esifundazweni sakwaZulu-Natali nakwezinye izifundazwe lapho belahlekelwe khona amathuba emisebenzi.

Njengamanje abantu baphenduke izimpula zikalujaqa ngolimi esingalusho. Nohulemeni futhi uyabonakala ekhuthaza ukuthi kuyothengwa izimpahla emazweni angaphandle ... [Akuzwakali.] ... ezweni lakithi kusizwe abasebenzi bethu abasebenza ngendwangu ukuze bakwazi ukuthunga nokukhiqiza izimpahla ezisezingeni elihle nelilungileyo kunalena esiyithengayo eqhamuka emazweni angaphandle ikakhulukazi evela eShayina la kuphuma khona impahla engekho ezingeni elihle. Kuhle ke Sihlalo siyiqembu le-IFP siyaseseka le sabiwomali. Ngiyabonga Sihlalo.

Mr F J MULDER: Hon Chair, Minister and members, the Department of Trade Industry and Competition as the most significant role-player and job creating department, is mandated to create a diverse and globally competitive economy through industrialisation which is characterised by inclusive growth and development, decent employment and equity for all South Africans. This must now inevitably be achieved with the 16% decreased budget amounting to R1,77 billion from R11,08 billion to R9,31 billion for the 2021

financial year. The solution to this challenge lies in the department’s ability to achieve more with less. Without making the same mistakes as in the past, the FF Plus has already engaged with the Minister on this matter and we will continue to do so.

Chair, the outbreak of COVID-19 couldn’t have come at a more inconvenient time in South Africa. At the outbreak of the pandemic, the South African economy was already on the verge of collapse. The South Africa as an investment destiny downgraded to junk status, to poor governance, state capture and corruption of the ANC government. It is common knowledge that firm stunts had to be taken to find a balance between the protection of lives than to win time in preparation for the COVID-19 virus to peak. Instead of declaring a state of emergency to prevent a disaster and be accountable, the government declared a state of disaster depriving South Africans of the rights to earn an income and destroyed the economy with clumsy and irrational lockdown regulations.

Hundreds of thousands of South Africans have already lost their jobs and thousands of well established businesses and employers have closed their doors permanently, not due to the coronavirus, but of continuous irregular and irrational regulations. Time will

... [Inaudible] ... the unconditional banning of the tobacco and

alcohol products resulted in nothing else than the destruction of one’s proud South African and international reclaimed icons, providing jobs to more than a million people in the value chain.

Chair, instead of recognising these clumsy mistakes, at least we trust it was not done deliberately, the ANC reversed the blame shifting politics strengthening the policy of entitlement as the last resort and relay for its own failure. The establishment of a culture of entitlement will have a similar detrimental result than the culture of non-payment for services which is of course ... [Inaudible]... legacy of the ANC.

Chair, last night President Ramaphosa addressed the South Africans on how public money will be protected by the already underfunded Special Investigating Unit. Public money belongs to the South African taxpayers who have been looted, alienated and are gradually distancing themselves in mistrusting the state. Hon Minister Patel knows that a command and control approach doesn’t work, but rather less regulation and trust in the private sector. Cabinet collegiality is often not rational. South African taxpayers cannot continue to fund irrationality. The FF Plus does not support this adjustment budget. Thank you Chair.

Mr W M THRING: Hon House Chair the ACDP believes that the Department of Trade Industry and Competition, is one of the most departments needed for the growth and development of our economy, yet, it has received a significant decrease its budget allocation, despite the mandate that it has to carry out. The Department of Trade Industry and Competition is mandated to create a diverse and globally competitive economy through industrialisation for all South Africans. To implement this mandate, the Department of Trade Industry and Competition provides a policy and regulatory framework to promote the development of industries, ensuring the inclusive participation of all people in economic activities and to attract and facilitate investments as well as to promote international and regional trade, supported by its various incentives.

The Department of Trade Industry and Competition’s budget as tabled in February 2020 was some R11,08 billion for the 2020-21 financial year. This will decrease by R1,77 billion to

R9,31 billion. The decrease of 16% of the original budget. Industrial financing and industrial competitiveness are just two of the programmes mostly affected by this adjustment with a downward adjustment of 19,8% and 17% respectively. The

...[Inaudible] ... downward adjustment for these two programmes is

just over R2 billion which will definitely hamper our mandate to grow the economy through industrialisation.

Hon House Chair, there can be no doubt that our economy is in trouble. It was downgraded to junk status and already in recession prior to COVID-19. Our debt to gross domestic product, GDP is now expected to reach over 80%. Our budget deficit some 12% and the unemployment may surpass 50% with some 3 million expected to lose their jobs post COVID-19. Our gross fixed capital formation has dipped by some 10% showing a reduced investment in infrastructure projects. The looting must stop. Entities like the National Lotteries Commission, NLC must come clean in revealing its beneficiaries. The SA Broadcasting Corporation, SABC, the SA Bureau of Standards, SABS and the National Regulator for Compulsory Specifications, NRCS also must be held accountable for the poor condition of these entities.

The ACDP in preparing to govern has made the following recommendations to grow our industrial space: We need to create more beneficiary refining sites to maintain resource value change in South Africa. We need to grow our domestic markets to support local manufacturing output. We need to reduce our reliance on supply chains from heavily affected and vulnerable countries. We

must revisit business models and risk strategies to improve their resilience. We have to remove race base and other policies which create policy and political uncertainty. We must accelerate connectivity to invest in e-learning and telemedicine.

Our treasury-led development of local training platforms to link suppliers and buyers must be implemented. We must get free data or reduce data costs for all South Africans. There has to be continuous engagement in all sectors including the religious sector to grow our economy. The ACDP does not say that it is the only party that has made recommendations, but amongst the other opposition parties. The ACDP is one of those parties that makes

... [Inaudible]... committed to change in this economy. The ACDP does not support this adjustment budget. Thank you Chair.

Ms R M MOATSHE: Hon House Chairperson, hon Minister Patel, Deputy Minister, Chairperson, hon Duma Nkosi, hon members good morning. In our interactions with the Department of Trade, Industry and Competition, we raised a number of questions. Among these questions was, what programmes has received the relative big cut in budget reallocations? And what then did the department initiate as mitigating measures to fill the gabs? We concluded with the

question of future outlook for industrialisation and economic growth following the global pandemic and nationwide lockdown.

We are comforted by the manner in which the department has responded to the COVID-19 and lockdown. Confident that measures initiated will protect and sustain jobs, as well as stimulate economic growth. These initiatives by the department are the basis for our support for this revised budget vote.

There are a number of programmes which have received high percentage of budget cut in relative terms. These programmes are: the industrial financing, industrial competitiveness and growth, the export development promotion and outward investment, consumer and cooperate regulations, as well as the programme on spatial industrial development and economic transformation. Obviously, these programmes form the core mandate of the Department of Trade, Industry and Competition, DTIC.

A number of mitigating factors have been developed to ensure that the department will continue to implement its re-emerging industrial strategy, notwithstanding the budget reprioritisation.

Among these initiatives is the allocation of R500 million, to finance COVID-19 intervention by the department. The calls for economic transformation is one of the commitment we made as the ANC in our election manifesto. The programme of special economic zones and the black industrialist programme are aimed at creating an inclusive economy for the benefit of all South Africans, especially the historical marginalised groups, the women, youth and persons with disability. These programmes will continue to be the part of DTIC’s plan.

Given that we are swimming in an unchartered water, it is understandable that the DTIC had prioritised some master plans and defer some master plans for the next financial year. The prioritisation of the sugar, steel and furniture master plan is a step in the right direction, given the job creation capacity of this sector and the growth potential.

We are in agreement that to stimulate economic growth, we need to be aggressive on the localisation programme. In the Fifth Parliament the then Portfolio Committee on Trade and Industry had [Inaudible.] on challenge on both public and private sector in complying with the localisation prescript. It became clear in the

hearing that among other challenges is the issue of lack of compliance with localisation prescript.

The commitment by the DTIC to monitor the adherence and compliance with localisation, especially in the state - will not have come at the right time.

We welcome the establishment of the target as a way to respond to the economic disruption caused by the COVID-19 pandemic, in particular the economic recovery programme is one such intervention. Under this programme, the saving and expansion of job creation as well as the retaining of protecting industrial asset, will be implemented.

Also, the transfer of R500 million to the Industrial Development Corporation, IDC, National Empowerment Fund, NEF, and Skills Initiative for Africa, SIFA, to provide immediate distress funding to companies producing personal protective equipment is a step in the right direction.

The initiatives have adequately responded to the question, which informed our interaction with the DTIC as part of the budget process. The ANC supports. Thank you.

Mr M J CUTHBERT: Hon House Chairperson, there’s no denying that South Africa finds itself in the most desperate economic and health circumstance since the great depression of the late 1920s and human immunodeficiency virus, HIV, Acquired immunodeficiency syndrome, Aids denialism in the early 2000s.

Statistics South Africa, Stats SA latest quarterly labour force survey...Chair it keeps on interrupting and taking my speech away, keep in bringing it back to this, I am not sure why.

Hon House Chairperson, there’s no denying that South Africa finds itself in the most desperate of economic and health circumstance since the great depression of the late 1920s and the onset of human immunodeficiency virus, HIV, Acquired immunodeficiency syndrome, Aids denialism in the early 2000s.

Statistics South Africa, Stats SA latest quarterly labour force survey revealed that unemployment stood at 50,1% as per the standard definition for the first quarter of 2020. The South African Reserve Bank, the National Treasury and the International Monetary Fund, IMF, estimate that we will lose anywhere between three to seven million further jobs once the full impact of the world’s longest lockdown is calculated.

Moreover, the South African consumer confidence index, reported in early July 2020, that consumer confidence stood at -33 points, at its worst in 35 years.

Let me be crystal clear, the dire economic circumstances we find ourselves in, are not solely the bi-product of COVID-19 pandemic, but 26 years of poorly devise economic policy, cadre deployment and large scale corruption. However, for the purposes of this debate, let us bring it closer to home. What has transpired at the National Lotteries Commission over the last few years, could not be described as anything but criminal. The DA has tirelessly fought over the years, to have the list NLC grant beneficiaries released.

We believe there’s significant evidence in the public domain that reveals how certain members of the National Lotteries Commission, NLC, hierarchy and their associates have used grant funding to line the pockets at the expense of the [Inaudible.] Each time an investigation has been instituted, the NLC [Inaudible.] both the trail and the jury despite being the defendants in each case.

Questionable so, they have cleared themselves of any wrongdoing each and every time.

All the while, [Inaudible.] the public and Parliament from scrutinizing the lists of beneficiaries over the past years as well as the most recent COVID-19 Relief Fund. Each and every step of the way, the ANC members of the portfolio committee have added and bettered the NLC in executing their crime. Buying into their outlandish conspiracy theory supported by the NLC and wilfully misinterpreting the NLC’s Legislation.

Only after the DA sought a legal opinion which found that the NLC, had acted unlawfully and subsequently lay criminal charges against their board, did Parliament tabled their own legal opinion, which arrived at the similar conclusion. Suddenly the ANC had the road to [Inaudible.] moment and proclaimed themselves as champions of accountability and transparency. All the while, Minister Patel acted as a caretaker, instead of dealing with corruption in his own ranks.

The latest example of this, being the list of COVID-19 Relief Fund beneficiaries, which were to be provided to him and subsequently to the committee by 17 July 2020. Minister, where is the list? We have recently seen two key witnesses in the [Inaudible.] investigation, cars being torched by criminals and several journalists have received death threats. Minister, what will it

take for you to act? There’s no other option but to fire the NLC Board with the immediate effect. Failure to do so will only confirm that you are in fact a caretaker of corruption.

And as for Mr Nkosi, our level of engagement is directly related to the way in which he is handling this matter. If he didn’t it fit to cover up corruption, try and solve this process at every single stage, then there will no need for us to fight in the way we have, so it’s your conduct Mr Nkosi, not our conduct that is problem. I thank you.

Ms J HERMANS: Thank you Chair. In the past year, the Department of Trade, Industry and Competition has ... [Inaudible.] ... outlined to Parliament its strategic plans and its annual plans. This is to indicate concrete plans on what the department will implement in the current financial year and what it will implement in the five- year electoral period.

There has been noticeable progress in the implementation of the commitments made by the department. For instance, we have witnessed the launching of the Tshwane Automotive Special Economic Zone, SEZ. This SEZ will boost industrial activities in the

Tshwane area and thus create jobs and add to economic growth. It will also advance the Automotive sector Masterplan objectives.

Again, the successes of the competition authorities have not gone unnoticed. The call by South Africans for the fall of data has finally been realised. The major network operators were found to have higher prices by the Competition Commission. Subsequently, an agreement has been reached with the network operators which will include the price cut on the cost of data.

We are highlighting these achievements not as a way of beating our own drums but to appreciate that the Department of Trade, Industry and Competition has lived up to the commitments it made before this Parliament. The reality is that the COVID-19 pandemic has disrupted the further implementation of most of the commitments made by the Department of Trade, Industry and Competition. This is very understandable given the reality of our day. With the unavoidable budget cut to the Department of Trade, Industry and Competition and the reprioritisation, our interest is in how the Department of Trade, Industry and Competition will find its way around these restraints to implement its industrialisation mandate.

Quite correctly, we need to lay a foundation for economic ... [Inaudible.] ... the future of our country beyond the lockdown. We need to develop strategies and innovative ways of rebuilding our economy. This requires the identification of short-term to medium- term interventions. [Inaudible.] ... the economy is down, as in the case of our economy, economics teaches us that in that period of economic decline it is prudent to implement countercyclical measures to stimulate growth.

We urge that the incentive programmes of the Department of Trade, Industry and Competition be channelled in the direction of countercyclical measures. We also note and welcome the undertaking by the Department of Trade, Industry and Competition that it will reprioritise funding allocations to support firms in distress to sustain current productive capacity and jobs, and firms that can expand their productive capacity and create new jobs. We understand the disruption caused by COVID-19 to the finalisation and implementation of the African Continental Free Trade Area, AfCFTA. However, we are of the firm belief that inter-Africa trade is needed now more than ever before. We urge our government, and in particular the Department of Trade, Industry and Competition, to find alternate ways of carrying forward the process of the economic integration of Africa through the AfCFTA.

Going forward, we will monitor how the Department of Trade, Industry and Competition implements its economic recovery programme, which includes encouraging investment in the health care, pharmaceutical and agricultural food production sectors to ensure stability in supply chains; also, the investment in the renewable energy sector, ... the investment in infrastructure to stimulate growth, as well as unlocking regulatory barriers and improving the ease of doing business in South Africa.

It is so unprogressive that the DA will use this platform to vilify Minister Patel. It shows that you are out of step with the rest of South Africa because sectors and experts have mentioned Minister Patel by name for the good work he has been doing during this pandemic. We know that there has been widespread consultation with various sectors at every stage and level that we have passed through during the pandemic.

Also to the DA, broad-based black economic empowerment, BBBEE,

101. The purpose of BBBEE is to address the legacy of apartheid and to promote the economic participation of black people in the South African economy. [Interjections.] To South Africans, please note that the DA does not stand for economic inclusivity and that they do not believe that black South Africans must participate in

the economy. It is also rich that the EFF speaks about the arrogance of the ANC-led South African government ... [Interjections.] ... whereas they have cornered the arrogance corner in totality. They must just shred these brilliant plans that they say they have for South Africa because they will never govern this country. The ANC supports Vote No 39 ... [Inaudible.] [Interjections.]

The MINISTER OF TRADE, INDUSTRY AND COMPETITION: Thank you very

much Chairperson ... [Interjections.] ... and I’d like to thank hon members for a number of very warm comments made, the advice offered and the constructive criticism. I found a number of the comments valuable, such as hon Cebekhulu’s comments on the sugar industry that employs large numbers of South Africans. We’ve now put up a compelling plan to try to turn the fortunes of the industry around. I found hon Herman’s focus on the regional economy helpful. Africa remains a continent of enormous potential and it is a significant market. It’s a partner to South Africa and it’s an area where we will be putting more of our efforts in. I found hon Thring’s comments on beneficiation to be spot-on. It is an area where we need to use the mineral base of South Africa to greater advantage. Now, these comments — and they are some of a number — contrast very sharply with the comments from the DA. I

had hoped that the DA would provide thoughtful comment on what government has done to date, offer us some constructive criticism where we can do better as a country, provide support where we are making progress, and furthermore, help us to unite all South Africans in fighting this pandemic. I had hoped; I had hoped in vain.

Instead, hon Macpherson ... [Inaudible.] [Interjections.] ... showed us the damage that prolonged lockdowns can have on our psyches. The five minutes were used in one unrelenting attack on the character of the chairperson and myself, not even pausing to come up for breath. It’s time to get out a bit more ... [Interjections.] [Inaudible.] ... to offer ideas. I cannot find

... [Inaudible.] [Interjections.] ... disagreement, but there was no ... [Inaudible.] [Interjections.]

Hon ... [Inaudible.] ... raised the concern about local capability and industrial capacity, and if we take away the political posturing ... [Inaudible.] [Interjections.] ... we can agree on the importance of South Africa learning a critical lesson out of the pandemic, and that is that we need to have stronger capacity in areas like health ... [Inaudible.] ... production; basically have a number of different face masks. You have the top standard

one, which is the ones that are used by health care workers — they are called the filtering facepiece, FFP3; the N95 — that’s a technical standard that’s set. There are other standards. There are the normal surgical masks. Then there is the cloth face masks. We surveyed what South Africa’s capability was and we worked with local industry and increased our capacity in the middle of the pandemic. With all the challenges and disruptions to the supply chain, we increased it from 6 million units a month to 12 ...

13 million units a month.

We took the ventilator project ... It’s a fascinating example of South African know-how and ingenuity being used. Before the COVID crisis we did not produce any ventilators. Initially we tried to

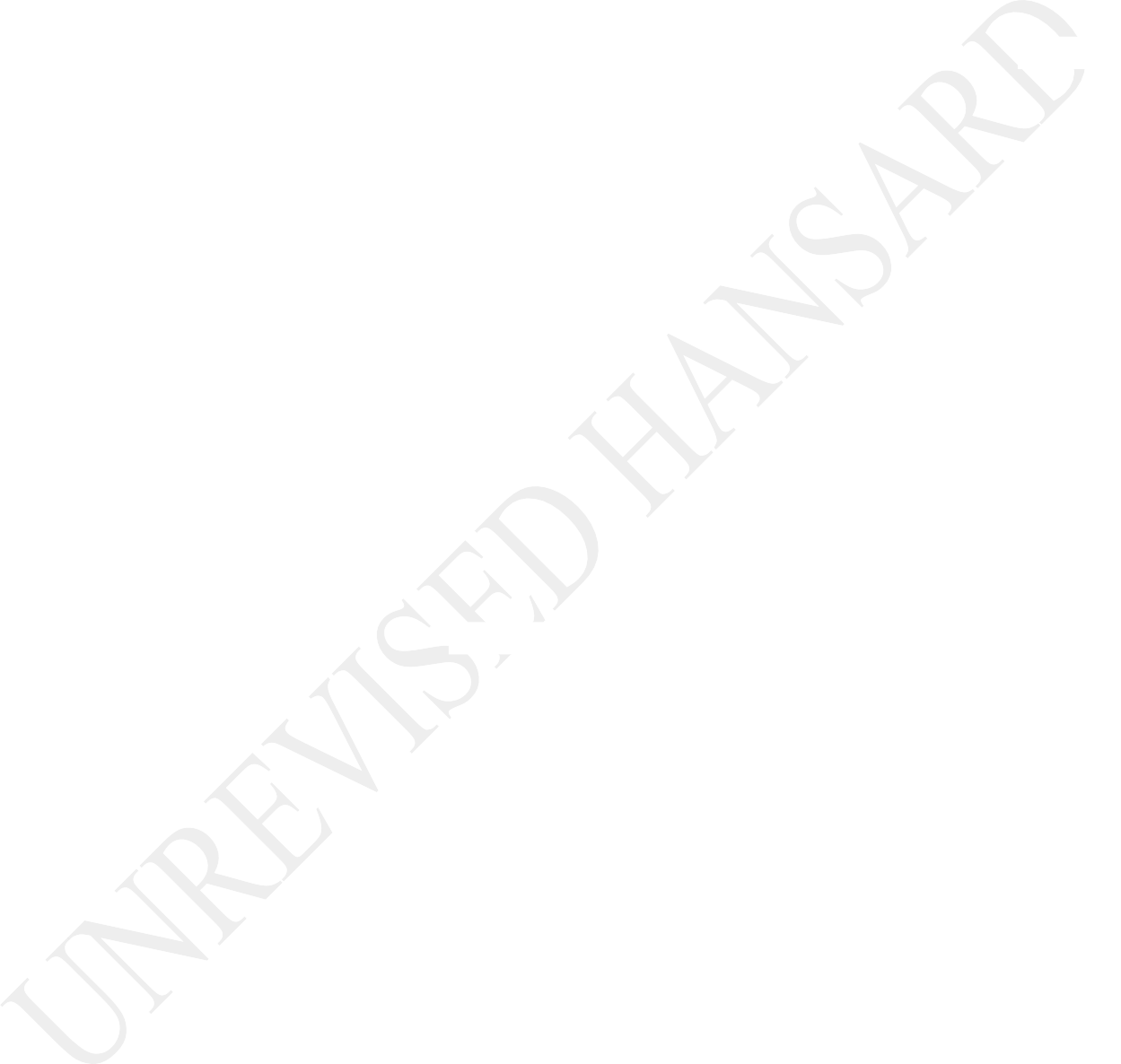
...

An HON MEMBER: We still don’t.

The MINISTER OF TRADE, INDUSTRY AND COMPETITION: Private hospitals

and public hospitals tried to buy ventilators on the global market and we saw, as the USA, the UK, and many, many other countries saw, that the global market for ventilators was absolutely flooded with demands from countries for these units. Every country

struggled. The UK tried to launch a ventilator project in the middle of the crisis.

South Africa brought together some of our top scientists in the SA Radio Astronomy Observatory, Sarao — the people who run the Square Kilometre Array, SKA, and we said to them we want to put out a call for proposals. Can we do something in the middle of the crisis to build a local ventilator? [Inaudible.] ... be a challenging task because these ... from inception to conclusion.

We said to them we don’t have that amount of time. Do your very best.

So what we did was to call for proposals. Designs came in from many, many South Africans. Sarao then took them through a lab condition, tested each of these, sent them to hospitals to be tested on-site and thereafter we went through the process of regulatory approval to make sure that we get the necessary approvals. We worked with the Solidarity Fund to try to get funding. Of course, each of these took time during the course of the pandemic while the country was, for part of that period, in lockdown.

To the enormous credit of South African innovators, they are now getting to the point where those ventilators are being put together. Let’s recognise that and acknowledge it. Hon Macpherson, Ministers don’t produce ventilators. We don’t make them. We provide an environment in which South Africans with enterprise and innovation can in fact do that and do it in record time.

Let me turn next to the issue that’s come up. Hon Mulder says, well, we recognise that we have got enormous challenges and hon Cuthbert says ... [Inaudible.] ... it’s one of the greatest crises since the Great Depression. Regrettably, the hon members then tried to say, hang on, this is actually just ... [Inaudible.] ... fault. According to the World Bank, the world is suffering the worst global recession since World War 2. The ANC has nothing to do with that. According to the Bank of England, the UK is suffering the worst recession in 300 years. The ANC has nothing to do with that. According to the International Monetary Fund, IMF, China is showing the slowest annual growth since the death of Mao Zedong. The ANC has nothing to do with that. According to official statistics, the USA now has the highest unemployment ... [Inaudible.] ... that it has faced since the Great Depression. The ANC has nothing to do with that.

So ... [Inaudible] ... to these examples to say, it’s easy to take cheap shots ... difficult conditions, and what the opposition can do is, if they have no ideas, remain silent. If they have ideas and sensible ideas, raise them in a constructive way.

While I may not agree with everything that has been said, let’s take some of the ideas of hon Thring. He’s offered some ideas. [Inaudible.] ... how can we try to support greater levels of localisation? How can we recognise the vulnerabilities in supply chains? He speaks as if he is a member of the official opposition. He points to e-learning that must be promoted and I recognise the importance of reducing data costs ... [Inaudible.] ... and from

1 April this year data prices came down by an average of 30% for Vodacom, MTN and others, on the prepaid bundles, saving consumers billions of rand.

Hon Moatshe made the point about the budget being cut. [Inaudible.] It’s a theme that’s also being picked up. I will come back to the committee and indicate the kind of things we are going to do under these difficult conditions. Thank you all for the contributions made.

An HON MEMBER: Malibongwe!

Debate concluded.

The mini-plenary session rose at 11:20.