PROCUREMENT BILL WILL GO A LONG WAY IN FULFILLING THE CORE OBJECTIVES OF THE MASTER PLANS, SAYS COMMITTEE CHAIRPERSON

[PARTICIPATE IN PARLIAMENT](https://www.parliament.gov.za/participate-parliament)» NEWS

The delegation of the Department of Trade and Industry appeared before the  Portfolio Committee on Trade and Industry to present progress on the finalisation of its master plans that are aimed at bringing about inclusive industrial development and job creation in various sectors of the South African economy.

The department said there are four master plans that have been finalised that include: poultry, sugar, textiles, leather footwear, sugar and automotive master plans. According to the Deputy Director of the Department, Ms Thandi Phele, these plans are meant to reconstruct and give effect to the economic recovery plan’s trajectory that has been recently launched to much optimism.

At the heart of these plans, she said, is the social compact that serves to ensure that they get a buy-in from critical partners and relevant stakeholders as much as possible, “if they (these plans) were to be successful”.

This, she added, is meant to ensure that “we move away from a state-centric developmental approach. But more importantly, it is meant to harness a broad range of expertise to promote sustainable production capabilities to stimulate economic growth and job creation”.

Reporting on current projections of the various master plans, she said the Poultry Master Plan is on course to save 54 000 jobs and create 3 600 new jobs, and to drive the export numbers of white meat more vigorously than ever before.

She said to date, there have been well over “R365 million investments in this sector, which led to an accumulated R1.14 billion against the R1.7 billion which was projected initially”.

She further reported that the value chain of the Retail, Clothing, Textiles, and Leather Footwear Master Plan is now estimated at R74 billion, and is projected to create 212 000 jobs, 120 000 of which will come from the retail sector.

These projections, she said, have been boosted by the Buy Local Campaign which increased the purchase of local brands. “The media campaigns that we embarked on are aimed at ensuring that we reach the 65% purchase rate of local products. This has been supplemented by our campaign to combat illegal imports. We have since institutionalised our enforcement mechanisms in this regard, we now have a dedicated rapid response team that deals with illegal imports,” she said.

The Auto Manufacturing Master Plan has been boosted by the R15.8 billion committed by Ford to the Tshwane Auto Hub and R10 billion investment by Mercedes-Benz to this sector. “These developments are set to improve the competitiveness of our car production capacity from 600 000 to 1.2 million cars in 2024,” she said.

The Sugar Industry Master Plan is perceived as a critical intervention in rural development. As such, it is targeting the 19 300 black growers and has set aside R1 billion to support transformation in this industry, to make it more inclusive.

**Engagement**

The committee asked the department how the master plans will ensure that small and medium-sized enterprises (SMEs) are part of the industrial landscape. In response, the Director-General of the Department, Mr Lionel October, said: “SMEs are a critical component of these master plans. For instance, the clothing and footwear sector is dominated by these entities.”

He further added that the same can be said about the auto industry which mostly manufactures car parts. “These are sectors that would be required to comply with rules and regulations that govern our localisation policy.”

On what will happen to those who don’t comply with this policy, he said: “We have put some measures in place such as a hotline to ensure that there is compliance and matters related to those who breach this policy will be taken up by the relevant entities.”

Regarding the localisation policy, the department told the committee about the forthcoming Procurement Bill which, according to it, will state explicitly not only its regulations, but sanctions to those who don’t comply.

“What are the ideological foundation of these master plans, and why they prioritise social compact so much?” asked Mr Dean Macpherson, a Member of the committee.

The Chairperson of the committee, Mr Duma Nkosi, said: “To have a protected growth, we need to design a local procurement instrument. It’s only when we have such an instrument that the ideal of the localisation of production can be realised.”

He added: “The Procurement Bill is one such instrument and will go a long way in fulfilling the core objectives of these master plans. The localisation of both production and procurement. The two are inseparable if these plans are to achieve their desired goals.”

Furthermore, Mr Nkosi said: “We would like these plans to be implemented, and not remain as ideas, but to be implemented. It is one thing to come up with plans, it is another to ensure that they get implemented. We have heard of many plans before that never see the light of day. Our interest now is to see these plans implemented, that is what matters to us as a committee.”