Deputy Minister Fikile Majola on Special Economic Zones

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Special Economic Zones will play critical role in Economic Recovery Plan

The Deputy Minister of Trade, Industry and Competition, Mr Fikile Majola says the Special Economic Zones Programme will play a critical role in the implementation of South Africa’s economic reconstruction and recovery plan. Majola was addressing Members of Parliament belonging to the  Select Committee on Trade and Industry,  Small Business Development, Tourism, Employment and Labour, on progress of the implementation of the Special Economic Zones and the Industrial Parks Revitalisation Programmes which are both driven by the Department of Trade, Industry and Competition (the dtic).

“The Special Economic Zones Programme is expected to play a very significant role in supporting the implementation of the country’s economic and recovery plan. This is due to the fact that the SEZ Programme is at the core of the reimagined industrial strategy, which is purposefully structured to stimulate local and foreign direct investments. The SEZs are also going to play an important role in the African Continental Free Trade Agreement as we position our country to become a vibrant manufacturing hub of the  African continent,” said Majola.

Majola indicated that the implementation process of the SEZ programme requires collaborative efforts from all spheres of government to ensure that the roll-out of the programme was efficient, integrated and well-coordinated.

“It is only through cooperation at national, provincial and local government levels that we can successfully build an inclusive economy.  Inter-governmental relations, both horizontally and vertically, are important in us achieving the set objectives of the reimagined industrial strategy. The efforts of pursuing a coordinated framework through the District Development Model approach has presented an opportunity for the creation of a balance ecosystem for an integrated development,” added Majola.

He expressed his delight at the fact that the implementation of the new intergrated approach of ensuring that national, provincial and local government work together and share responsibility for the implementation of the SEZ programme was bearing fruits. He said the Tshwane Automotive Special Economic Zone clearly illustrated the positive impact of the implementation of this approach.

“The success of the Tshwane Automotive SEA has reignited the desire and the vision to turn the Gauteng city region into a single multi-tier and integrated SEZ. This is one of our recent shining examples of successful SEZs, joining the likes of Coega, Dube Trade Port and East London SEZ,” added Majola.

MPs learnt from the dtic presentation that despite the devastating impact of the rampant COVID-19 pandemic on economies throughout the world, the value of private investments in the South African SEZSs  increased by R1.8 billion from March 2019 to March 2020 from R17.7bn to R19.5 billion.  The number of  operational investments   increased from 129   to 143 in the same period.  It is expected that the number and value of operational investments will increase by almost R10 billion  when the next financial year ends.