**Address by (MP) Cde Fikile Majola on the Budget Vote Debate of the Department of Trade, Industry and Competition**

Honourable House Chairperson
Minister Patel
Deputy Minister Gina
Honourable Members
Leaders of Business and Labour
Distinguished guests

Today we have an opportunity to reflect on how far we have come since the onset of the pandemic; Covid-19 which forced us to declare a national state of disaster in March 2020.

The pandemic has compelled us to constantly search for new ways to navigate the challenging circumstances confronting us in order to save lives and livelihoods.

We have demonstrated our resilience as a nation. Our collective efforts, as we continuously defy the consequences of the devastating pandemic, have shaped how our economy responds. In this regard, we would like to acknowledge the sterling leadership of President Ramaphosa in our combined national effort against the pandemic.

Honourable members

As I begin, I would like to borrow from the words of one of the greatest and true sons of our beloved continent, Kwame Nkrumah when he said, “It is clear that we must find an African solution to our problems, and that this can only be found in African unity.

Divided we are weak; united, Africa could become one of the greatest forces for good in the world.”

We recall these wise words because of the daunting task currently facing our continent, the creation of the African Continental Free Trade Area, the AfCFTA, which I shall return to later.

The Economic Reconstruction and Recovery Plan driven by the Re-imagined Industrial strategy places emphasis on Master Plans as key drivers to attract investment, build capable local industries and create jobs.

The completed and signed masterplans signal the collective commitment of all social partners in ensuring success in their respective industries. The process to finalise more master plans is currently underway.

The Steel and Metal Fabrication masterplan is now completed. This Masterplan will guide the stabilization and progress of the industry.

Guided by the objectives of the Steel masterplan, Deputy Minister Gina and I haveinitiated a process to work with critical stakeholders in the West Coast to revive the Industry. This will see the revival of direct jobs, indirect and induced jobs in the West Coast and South Africa as a whole.

The Automotive Masterplan commits to double production from 600 000 cars to 1.2 million cars and double employment in the automotive value chain from 112 000 in 2015 to 224 000.

Following the adoption of the Poultry Masterplan in 2019, we are seeing positive developments towards increasing localisation. In this regard, additional 1 million birds were produced per week in 2020 (growth of 5% in volume) and we have seen the reduction of total value of imports by 17% in 2020 compared to 2019.

Honourable members,

The Tshwane Automotive Special Economic Zone (SEZ) is a key launch pad towards developing Tshwane as the first Automotive City in the African continent.

This project has surpassed government’s localisation policy imperatives and has empowered 45 percent local businesses in the construction phase, qualifying it as a model project for localisation.

Since 2014, Localisation has been a key component of Government’s economic policy to build and protect local industrial capacity. Many of the World’s largest economies including the United States, China, India and countries in the European Union are doing the same to actively protect and promote their domestic firms through a range of policy measures.

Honourable members, Government continues to enhance its integrated approach through integrated planning and implementation at a local space, in order to achieve high-level impacts in line with the District Development Model.

As the dtic, we are working together with the Gauteng Provincial Government and Sedibeng district municipality to integrate all the potential economic development activities that will underpin the sustainability of the new district economic development model and achieve the reversal of deindustrialisation.

We aim to achieve this through the collective efforts of national government, the private sector, SOEs and universities to direct infrastructure initiatives and human capital development interventions.

Through these collaborative efforts of the three spheres of government in the Western Corridor, we are making progress in diversifying the West Rand economy from reliance on mining to include bus-manufacturing, agri-business and agro-processing, renewable energy and tourism. Similar initiatives are underway in other provinces.

Honourable Chairperson
We are taking steps to raise the profile of the Black Industrialist Programme as part of our overall transformation objectives.

The Black Industrialist Scheme (BIS) addresses the low representation of black industrialists with majority ownership and provides the support they need to transform their organisations into viable, sustainable enterprises that address the twin national priorities of local economic development and economic inclusivity.

The BIS incentive invested more than R4 billion in projects owned by black industrialists, about 20% of which were accessed by black female industrialists.

To illustrate the success of this scheme let me highlight one of the supported black industrialists by the dtic over this period, the Toronto Group (Pty) Ltd. The group will manufacture charcoal for the export market (Europe) and has also activated carbon for water treatment and purification.

Construction of the facility is 55% complete and the project is scheduled to go live by August/September 2021. All procurement during construction has been 100% local, 30% from black suppliers.

Honourable members,

In terms of the need to advance the quest for inclusive growth across our economy, we acknowledge the catalytic role the National Empowerment Fund (NEF) has championed as the agency of government mandated to grow meaningful black economic participation.

Government is pleased with the strides the NEF has made in attracting over R8.8 billion in third party funding demonstrating the entity’s capacity as a catalyst for unlocking economic value.

Over the past year the dtic allocated over R640 million to the NEF for the support of businesses that have been at the forefront of fighting the COVID-19 pandemic, for women empowerment, for economic distress and for manufacturing enhancement.

Honourable members,

Let me focus on the achievements we have made on the negotiations and implementation of the African Continental Free Trade Area (AfCFTA) over the last 12 months and I will also touch on what remains to be done.

The AfCFTA brings us a step closer to realising the historic vision of an integrated market in Africa – and creating a basis for increasing intra-African trade.

There is general concern that Africa’s share of world trade is small - estimated at 3%.

Intra-regional trade is also relatively small: between 16%-18% compared to intra-Asian trade at 52%, intra-North American trade at 50% and intra-EU trade at 70%.

The COVID-19 pandemic in March 2020 disrupted our work programme. However, negotiations restarted in September 2020, with SA chairing the meetings of both AMOT and COM. There was an intensive process leading to the 5 December 2020 Summit.

The Summit took into account that AU Members are at different stages of readiness to operationalize preferential trade. Not all had ratified; or submitted tariff offers; and not all rules of origin were agreed. To date agreement on the rules of origin has reached 86% of all tariff lines.

The 5 December 2020 Summit provided the legal framework to allow AU Members/Customs Unions (CUs) to agree to operationalize preferential trade amongst them in a somewhat flexible manner.

The process of assessing and verifying tariff offers is currently underway. To date, thirty-six (36) countries have submitted their instruments of ratification. In SACU, Botswana is yet to ratify the Agreement but it has indicated that other SACU Members can move ahead while it completes its internal processes.

In parallel, negotiations are ongoing on rules of origin and working towards increasing the tariff offers (from the current level of 86%) to 90%. We hope to complete this work by June 2021.

Honourable members

The AfCFTA provides opportunities for South Africa / SACU to export to North, West and East Africa. Intra-African trade is largely in value-added manufactured products and over three quarters of intra-African trade takes place within regional trading blocs.

South Africa will benefit from the opening of trade in East, West and North Africa as a result of the operationalisation of the AfCFTA.

During 2020, South Africa exported R11.6 billion of goods to the Rest of Africa.

A recent study by the World Bank estimates that when implemented effectively, by 2035 the AfCFTA is set to lift 30 million Africans out of extreme poverty and 70 million from moderate poverty.

The remarkable progress would not have been achieved without the unwavering leadership and commitment of member states across the continent including our own country.

South Africa chaired the African Ministers of Trade (AMOT) since September 2020 and was vice-chair of the Council of Ministers from November 2019; and chaired the structure since January 2021.

Very soon, we will be commemorating and acknowledging the successes of the African Union, I would like to pay homage to one of Africa’s true sons, the man who was widely known as ‘Mwalimu’, Julius Kambarage Nyerere.

As Africans, we should remember his words when he said: “Unity will not make us rich, but it can make it difficult for Africa and the African peoples to be disregarded and humiliated…My generation led Africa to political freedom. The
current generation of leaders and peoples of Africa must pick up the flickering torch of African freedom, refuel it with their enthusiasm and determination, and carry it forward”.

Honourable Chairperson, as I conclude, let me join DM Gina in appreciating the guidance of Minister Patel, the support from our team of officials and lastly, extend our gratitude to the former Director-General, Mr Lionel October for his unwavering support.

I thank you