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**THE PRESIDENCY: REPUBLIC OF SOUTH AFRICA**

Private Bag X1000, Pretoria, 0001

**NATIONAL ASSEMBLY**

**QUESTIONS FOR WRITTEN REPLY**

**QUESTION NO: 1076**

**Date Published: 15 April 2016**

**Ms D Carter (Cope) to ask the President of the Republic:**

(1) Whether the Government has begun to remove the red tape and ease regulations as requested by business leaders and in line with his promise to make South Africa a business-friendly destination for investors (details furnished); if not, why not; if so, what progress has the Government already made in attracting investors;

(2) Whether he will make a statement on how the Government intends to ensure economic policy certainty underpinned by full adherence to the rule of law?

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**Reply:**

Government is committed to promoting the ease of doing investments in the country through cutting red tape and ensuring that processes move quicker than what has become the normal. We are prioritising that process more this year.

We have held meetings with business with the common purpose of reigniting growth and also to promote the easing of red tape. Earlier this year, Working Groups were established between Government and Business to address these challenges and opportunities, under the leadership of the Minister of Finance Mr Pravin Gordhan and the President of Business Unity SA, Mr Jabu Mabuza. The group reported back as follows at the last session between government, business and labour;

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The task team has focused on improving engagement and trust with economic stakeholders on key areas of interest to identify blockages to production and employment. It has looked at how to further improve the systems and capacity for assessing the impact on growth, investment and employment of proposed and existing regulations. Other matters include to reduce delays and unnecessary red tape around authorisations needed for investments and to work towards improving regulation and to reduce the burden of importing core and critical skills needed for the economy.

At an implementation level, the Department of Trade and Industry is tasked with the overall coordination on investment and has established a division, *Investment South Africa* as of 1 April 2016 to be the focal point for all investors. At present the red tape, unblocking and fast tracking are being facilitated and managed by Investment South Africa as a One Stop Shop. The National One Stop Shop will be launched in Quarter 3 of this financial year. The One Stop Shop will focus on permits, licensing and registrations across government.

We welcome the recent investments which have been announced in the country. These include the investment by Toyota for a new Toyota Hilux and Fortuner manufacturing plant in Prospecton, Durban. This was made possible through the support provided by the Department of Trade and Industry which has attracted investments of over R25 billion in the automotive industry in the past five years. This investment will support more than 4 000 jobs with total employment in the plant already exceeding 8 000 jobs.

Toyota injected of R6.1 billion investment into South Africa's manufacturing industry and the country's local vehicle production. BMW has also announced the construction of a R6 billion a new, state-of-the-art body shop. The expansion will enable BMW to produce and export the next generation of the BMW X3. This demonstrates that the Rosslyn Plant is highly competitive within the global BMW production network both in terms of cost of production and quality.

In another investment, the Minister of Trade and Industry recently launched a R100 million Dursots & All Joy Tomato Processing Plant in Modjadjiskloof near Tzaneen. Dursots has embraced supplier development as a mechanism to encourage 15 black emerging famers into the value chain.

To support the upgrade and expansion of the rail locomotive programme, Gibela Rail Transport consortium has commenced building a one billion rand factory at Dunnottar in, Ekurhuleni. The factory will be utilised to manufacture trains for PRASA.

Aberdare Cables launched its new production line in Pietermaritzburg. The production line will produce cables for PRASA and Transnet locomotive build programme. The Investments Inter-Ministerial Committee which is chaired by the President continues its work, supported by business, to remove obstacles to doing business in the country.

South Africa remains an attractive investment destination and Government is committed to improving our investment climate.