**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**FRIDAY, 27 MAY 2022**

**DUE DATE: 10 JUNE 2022**

**2098. Mr M J Cuthbert (DA) to ask the President of the Republic:**

Whether, with reference to his reply to question 479 on 16 May 2022, he has found that the Government’s rejection of the Centre for Development and Enterprises report entitled *The Siren Song of Localisation* undermines the Government’s commitment to an evidence-based policymaking approach as envisioned by the National Policy Development Framework; if not, what is the position in this regard; if so, what are the relevant details?

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**REPLY**

Government is committed to the implementation of the Economic Reconstruction and Recovery Plan, which is a series of measures to accelerate economic recovery and create employment. The plan was developed with important contributions from social partners and expert advisers through bodies like the Presidential Economic Advisory Council.

Localisation is one of several tools in the Economic Reconstruction and Recovery Plan to improve the dynamism of the economy, promote investment, develop new markets, transform the economy, promote equitable spatial development and contribute to the development of a capable state.

Localisation is pivotal in stimulating growth and transformation. It is about creating an enabling environment for inclusive growth, deepening the country’s industrialisation base and creating targeted transformation measures. It seeks to expand the economy to include more participants and to ensure that more parts of the population, including women, young people, black South Africans and the rural poor, can contribute to and benefit from growth.

The government’s approach is to make use of the entire policy toolkit including industrial policy, trade policy, localisation policy and social policy to drive growth.

We have already seen some of the results of this approach. In agro-processing, we have seen an investment of R1.7 billion by the SA Poultry Association as part of the Poultry Master Plan. In the automotive sector, we have seen a R3 billion investment by Ford Motor Company of South Africa and a R10 billion investment by Mercedes Benz to expand plants in Port Elizabeth and East London. In primary minerals processing, Komatsu SA has made a R300 million investment in an engine remanufacturing plant.

We have seen significant success in the textile industry where government has implemented 100% designation, requiring entities such as the South African National Defence Force (SANDF) to purchase all of its uniforms from local producers.

While the evidence suggests that our localisation efforts are on the right path, the challenge of growth and employment is nevertheless challenging and complex. Contributions to the public discourse on how we improve our efforts, including those by the Centre for Development and Enterprise, should be encouraged and welcomed.