**NATIONAL ASSEMBLY**

**QUESTIONS FOR WRITTEN REPLY**

**2377. Dr C P Mulder (FF Plus) to ask the Minister of Trade and Industry:**

Whether, given the sluggish South African economy and low projected growth, he will consider collecting evidence-based data around economic models that work and that do not work, from some special economic zones, in collaboration with the Minisiter of Labour, attempting to relax labour regulations and in that limited geographic space to determine whether it does not result in more job opportunities; if not, why not; if so, what are the relevant details?NW2720E

**RESPONSE:**

Since the introduction of the new Special Economic Zones Policy and the introduction of a new package of incentives for SEZ investments; the overall investment performance of South Africa’s special economic zones has improved significantly. For example, total secured investments in the 4 operational IDZs increased from R19, 7 billion at the beginning of the 2016 to R41, 2 billion at the end of October 2016. In addition, the total investment commitments from the not yet operational zones (including the newly designated) stands at over R70 billion. The **dti** is confident that this improved investment performance of South Africa’s special economic zones will soon translate into a stronger contribution to GDP, value-added exports and employment.

In implementing the SEZ Programme, **the dti** is aware that continuous learning and innovation have to be, and are; central to our efforts to improve the performance of all special economic zones. Therefore, there are lessons from both the domestic and international experiences in the planning, design, development, management and operations of special economic zones. When the time is right, department will review both the SEZ Policy and its instruments; taking into account all the lessons from both the domestic and international experiences.

However, **the dti** does not have any intention to introduce a different labour market policy in special economic zones. There are no indications that the current labour market policy has negative impact on the performance of our special economic zones.