

SOUTH AFRICAN TRADE AND INDUSTRIAL POLICY DEVELOPMENT

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for

Tralac Alumni

09 September 2011

Outline

- Challenges
- Introduction
- Key trading partners
- Africa and international agenda
- The Good, The Bad and The Ugly
- Way forward

Challenges

- Regional integration, trade and industrial policy challenges have been mentioned by previous speakers at this conference.
- However, my question is so **WHAT?** since we have been talking about challenges after our decolonization in early 1950's.
- My advice will be to focus on “what not need to be done and eliminate what not need to be done” by Tom Ryan, Professor at UCT, GSB
- Again, Institutions such as Tralac need to keep up with the current new generation trade issues and capacity African people where possible

Introduction

- S.A broad development strategy is to promote and accelerate growth that generates sustainable decent jobs in order to reduce poverty and extreme inequalities.
- The National Industrial Policy Framework (NIPF) is the central component of S.A trade policy
- NIPF seeks to encourage value added labour absorbing industrial production and diversify the economy from its current over-reliance on traditional commodities.
- It further states that S.A fundamental approach is that tariff policy should be decided primarily on a industry by industry basis, dedicated by the needs and imperatives of the industry e.g. Wheat Industry.

Key trading partners

- S.A exports are destined for developed markets, primarily within E.U as well as USA.
- China and India are today key destinations for S.A exports.
- S.A also export agricultural products (e.g.. grain) to SADC

Africa and international agenda

- Bilateral commercial agreement with USA (Trade and Investment Framework Agreement after a failed SACU-USA FTA)
- SA-EFTA
- SADC, COMESA, EAC TFTA
- DOHA,etc

The Good, The Bad and The Ugly

- **The Good**

Increases the level and sources of factor productivity growth in S.A

- **The Bad**

Nature of political economy that leads to policies that are confusing and difficult to implement

- **The Ugly**

High cost of doing business in S.A which will discourage both domestic and international investments

Way forward

- The importance of collaboration with involved stakeholders (Department of Economic Development and the dti on IPAP2 implementation, Dirco on our foreign policy, Organized business e.g BUSA as well as with its regional bloc).
- Aligning the policy with pro-poor objectives especially for poverty reduction.
- Trade policy needs to be complemented with a clear industrial policy that develops new economic activities.
- S.A need to be strategic especially when tackling new generation issues e.g. Services negotiations (SADC Finance and Investment protocol).

Thank you very much Tralac for your invitation!!!

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