

# More industrial parks to be built

CAPE TOWN: Government has announced plans to upscale the revitalisation of local industrial parks to 20 locations.



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Chairing a media briefing of the Economic Sectors, Employment and Infrastructure Development cluster, Rural Development and Land Reform Minister Gugile Nkwinti said the roll out of the industrial parks will be a further boost to sectors such as clothing, textiles, footwear and agro-processing, which have been showing signs of recovery in recent months.

The announcement forms part of government's progress and programme of action in implementing the Nine Point Plan.

"Going forward, we will upscale the revitalisation of local industrial parks from four to 20 locations. All these industrial parks are located in former homelands or are adjacent to large townships," the minister said.

He said from inception of the Clothing and Textiles Competitiveness Programme in 2010 and March 2015, a total of R3.7bn was approved to support private sector investment.

The programme has helped to save 68,000 jobs as well as in creating 6,900 new jobs. Minister Nkwinti said 22 new factories in the leather and footwear sector have been opened.

The sector has been successfully stabilised and is steadily regaining domestic market share and is growing in terms of exports.

Nkwinti said the rolling out of more industrial parks is good news for township businesses.

“This intervention will unlock economic activities and link small township businesses into established domestic and global Original Equipment Manufacturers (OEMs) supply chains.

“It will also focus particularly on labour intensive sectors such as clothing, textiles, footwear and agro-processing,” he said.

## **SA attracting investment in automotive sector**

The minister said, meanwhile, that government’s commitment to reindustrialise the economy was bearing fruit and that South Africa has provided policy certainty time and again by timeously reviewing the Automotive Production Development Programme.

He said the success of the programme was demonstrated by over R25bn in private sector investment, which has been leveraged over the last five years.

“Investments of this scale are approved only after rigorous feasibility studies by private sector investors and these investments need to be profitable, not just in the short-term but critically in the medium- and long-term.

“These partnerships are with the private sector, the IDC [Industrial Development Corporation] and state-owned entities,” Nkwinti said.

In the second half of 2015, major new investments were announced by Beijing Auto Works amounting to R12bn, BMW to the tune of R6bn and Volkswagen amounting to R4.5bn.

He said this showed that global multinationals had confidence in the South African economy and its advanced industrial capabilities.

Nkwinti said government has developed strong partnerships with the private sector in renewable energy generation.

These partnerships have unlocked private sector investment in excess of R194bn.

“Our insistence on local content within the Renewable Energy Independent Power Producer Programme (REIPPP) has ensured that contracts of over R21 bn have been allocated to local suppliers.

“A further R65bn is expected to be contracted from local suppliers in the next two years.”

In order to strengthen South Africa’s potential in rail manufacturing, the African Union has designated the country as the rail production hub for the continent.

The Department of Trade and Industry has partnered with Grindrod for the production of locomotives with 80% local content.