

Industrial policy is working

The Industrial Policy Action Plan (IPAP) is working, President Jacob Zuma said on Tuesday. "What government has achieved, so far, through the implementation of previous annual versions of IPAP shows that the policy is working," said the president.



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IPAP is a product of the Economic Cluster of government. It is published annually as a way of openly sharing with all stakeholders the thinking processes that underpin the ongoing adjustment and strengthening of government plans and the modification of its focus areas and instruments.

Investment in manufacturing

Updating the nation on progress made since the State of the Nation Address (SONA) in February, the President said that government support has taken the automotive sector from the production of 356,800 units in the year 2000 to over 566,000 units in 2014.

This support has grown auto exports from 11,000 units in 1995 to over 270,000 units in 2014. "As a result 300,000 jobs have been created in the automotive sector," said the President.

In addition, significant investments have also been made in key manufacturing sectors such as the auto sector, agro-processing and electronics.

"A few examples include R5 billion by Mercedes Benz, R3 billion by Ford, R4 billion by Unilever in four plants over the past four years and R228 million from SAMSUNG."

Clothing and textiles

The President added that the country has experienced a strong turnaround in manufacturing exports. Auto exports amounted to R115 billion in 2014 which is 12.7% of total exports in the country.

Meanwhile, government's intervention aimed at arresting the decline of the clothing, textiles, leather and footwear sector resulted in the retention of jobs in the sector. By the end of March this year, a total of R3.7 billion in support of the private sector had been approved since the inception of the Clothing and Textile Competitive Programme in 2010.

Since 2009, government, through the Department of Trade and Industry (the dti) has also supported agro-processing industries, to the value of R1.2 billion through various schemes.

Unlocking the potential of black entrepreneurs

President Zuma said there was a need to further scale up industrial development in the country. "In this regard, among interventions, we have introduced the Black Industrialists Programme which is designed to transform the manufacturing sector and unlock the potential of black entrepreneurs."

Initial funding of R1 billion has been secured from the Department of Trade and Industry for the current financial year, and R23 billion from the Industrial Development Corporation for the next three financial years.

With regards to infrastructure development, government and public agencies have invested just over R1 trillion in infrastructure between 2009 and 2014.

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