

## Briefing Note: Industry Master Plan methodology

The relaunch of industrial policy from early 2019 included proposals for Master Plans for priority industries. In South Africa, this approach is characterised by the three main elements:

1. Agreement between government and leading businesses in the industry on a very short list of key strategic interventions while establishing a platform for regular, constructive high-level engagements.
2. An in-depth economic analysis to identify both strengths and challenges facing the industry, resolve disagreements about the facts, and identify opportunities to strengthen and grow the industry.
3. Extensive, evidence-based engagement between government and leading companies in the industry to test proposals and agree on actions.

The Master Plan approach sets a framework for constructive engagement and implementation that can respond to changing circumstances and evidence. It is not about pressuring the partners into unrealistic commitments, but rather building relationships between government and industry, establishing a common vision and direction, with a platform for on-going collaboration and course correction.

A Master Plan aims above all to accelerate growth in the industry while upgrading its technological base and competitiveness. It should also support socio-economic aims when viable and reasonable. For instance, it does not make sense to expect highly capital-intensive metals refineries to generate large numbers of jobs directly. Still, taken together, the Master Plans as a group must promote more inclusive industrialisation or the project will not retain stakeholder support.

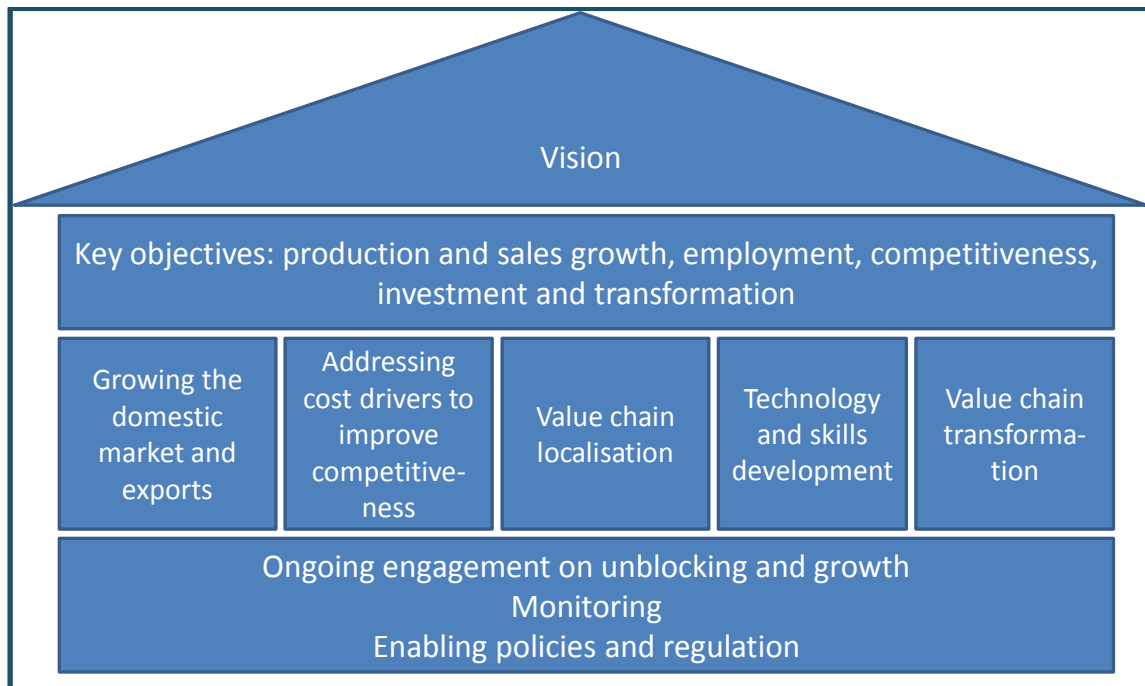
The completed Master Plan is a concise, focused strategic document that briefly itemises key interventions and actions to unlock growth and achieve other national aims for the industry. That is effectively the tip of an iceberg, since the plan builds on:

- In-depth analyses of the industry in South Africa and globally, typically undertaken by outside experts;
- A scenarios exercise to project the impact of the Master Plan on targeted outcomes given different levels of growth in the overall economy; and
- An evaluation of proposed interventions in terms of their costs, benefits and risks to different stakeholders.

The Master Plan should address each of the pillars shown in Figure 1. To be effective, it has to set up a structure for high-level engagement and oversight. That means the parties must set aside

sufficient personnel and time. Experience shows that delays in obtaining mandates and dealing with disagreements are significant risks for the implementation of industrial policy measures.

**Figure 1. Elements of the Master Plan**



In short, the finalisation of the Master Plan for an industry is just the first step in the process. The core challenge is to ensure that the engagement platforms established support ongoing monitoring with collaborative and innovative engagement over how to unblock and strengthen key initiatives and respond to changing economic conditions.

For a more detailed discussion of this topic see Policy Brief [Master Plans for industrial policy](#).