

Industrial Policy in Context: An Overview of NIPF and IPAPs

INTRODUCTION

This policy brief provides a summary of nine Industrial Policy Action Plans (IPAPs) published from 2007 to 2018. The National Industrial Policy Framework (NIPF) set out the strategic direction for South Africa’s industrialisation. The NIPF was a framework for IPAPs, aiming to support labour-absorbing and value-adding industries while shifting from commodities reliance and promoting inclusivity of historically disadvantaged people. IPAPs were annual strategies that set out specific actions for priority industries, particularly in the manufacturing sector.

The Department of Trade, Industry and Competition (the dtic) replaced IPAPs with Master Plans in 2019 to drive the country’s industrialisation. The dtic highlighted three reasons for the shift towards Master Plans: to create platforms to engage with industry stakeholders to implement industry support measures; to pivot resources and capacity by scaling a few priority industries that would have a positive socioeconomic impact; and to co-ordinate government across departments and entities to implement industrial policy (dtic, 2024a).

Multiple manufacturing industries were prioritised in the nine IPAPs, with eight industries consistently prioritised over IPAP iterations. Prioritising multiple industries in IPAPs limited the focus on labour-intensive and scalable industries envisioned by the NIPF. This brief looks at the performance of priority industries, noting that the outcomes of the different industries varied significantly. In most cases, they did not reach key targets for growth and localisation, although arguably the results would have been worse in the absence of industrial policy measures.

INDUSTRIES PRIORITISED IN THE IPAPS

Industries prioritised in all nine IPAPs are shown in Table 1 (page 2). Priority industries across all IPAPs are metal fabrication, capital equipment and transport; agro-processing; pharmaceuticals, chemicals, plastics, cosmetics and medical devices; clothing, textiles, footwear, and leather (CTFL); automotive; forestry, timber, paper and pulp, and furniture; green industries; and business process devices (BPS).

DEVELOPMENTS IN THE MANUFACTURING SECTOR

IPAPs sought to improve the manufacturing sector’s contribution to the GDP. Graph 1 on page 2 compares South Africa’s manufacturing value added to GDP compared to Upper-Middle-Income-Countries (UMIC) excluding China. South Africa’s manufacturing contribution to GDP was declining from 2004, declining from 16% in 2008 after the first IPAP was published in 2007 to 12% in 2012, then plateaued. This level of contribution to GDP does not measure up to the contribution achieved by UMIC. The graph shows that manufacturing’s contribution to GDP declined during the same period in UMIC, South Africa, however, experienced a severe decline in comparison.

Manufacturing gross value added (GVA) contribution to national GVA has been declining from a 23% high in 1994 to 14% in 2018. The manufacturing sector’s GVA reduced by 3% between 2007 and 2018. Priority industries including agro-processing; CTFL; chemicals, pharmaceuticals, and plastics; metals (including machinery and equipment); automotive; and forestry, furniture, wood and paper contributed 70% on average while other manufacturing industries contributed 30% over the same period. Despite the 5% decline in manufacturing GVA of priority industries, agro-processing GVA grew significantly by 41% during this period. Other manufacturing industries’ GVA grew by 4% between 2007 and 2018. GVA in priority industries increased by 11% from 2019 to 2023 after Master Plans were adopted.

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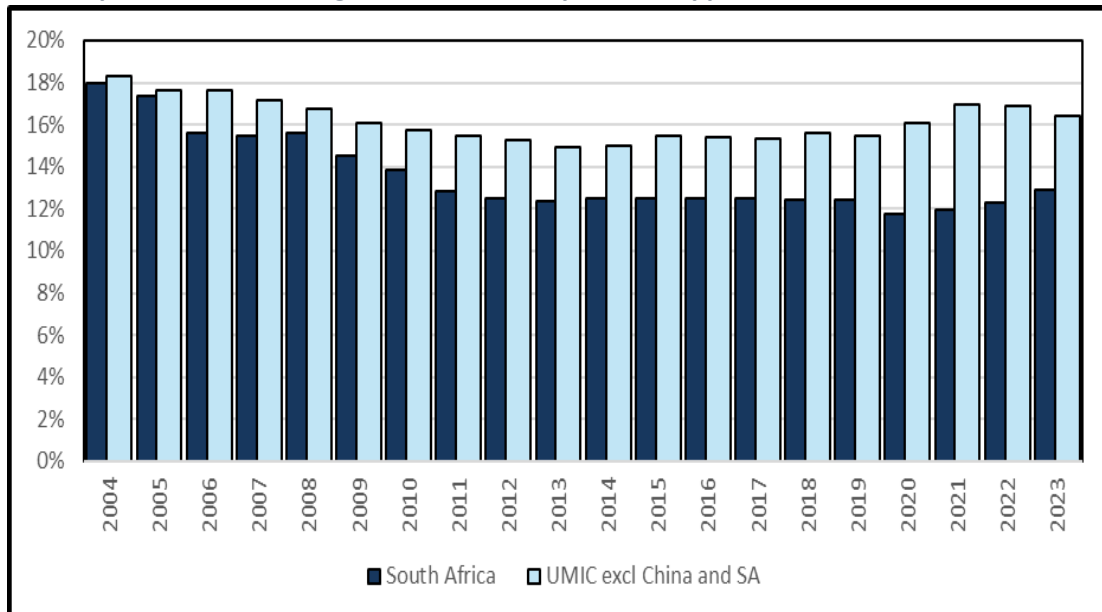
Table 1: Priority industries in the IPAPS, 2007 to 2018

INDUSTRY PRIORITISATION	PRIORITY INDUSTRIES
9	Metal fabrication, capital equipment and transport; Agro-processing, Pharmaceuticals, Chemicals, Plastics, Cosmetics, Medical devices
8	Clothing, textiles, leather, and footwear; Automotives; Forestry, timber, paper and pulp, and furniture; Green industries
7	Business process services
6	Aerospace and defence
5	Ship/Boatbuilding; White goods/electro-technical industries
4	Biofuels; Cultural and creative industries
3	Downstream minerals beneficiation; Primary minerals beneficiation and construction; advanced manufacturing/materials
2	Mineral beneficiation; Aquaculture; upstream oil and gas; Nuclear energy; Gas industrialisation; IT Equipment; Marine manufacturing and associated services industry
1	Tourism; Diamond beneficiation and jewellery; Resource based industries; Electrical and telecoms cable industry; Sawmilling sector; Set top box; Software industry; Renewable energy; Water metering systems; Water and sanitation

Source: Authors' compilation from Industrial Policy Action Plans, 2007 to 2018.

Similar to manufacturing GVA, the sector's contribution to total formal employment declined from 16% in 1994 to 10% in 2018. Total formal employment in 2007 was 10.7 million and 12.2 million in 2018 compared to 1.3 million and 1.2 million in the manufacturing sector over the same years. Manufacturing employment declined the most in 2009 after the global financial crisis of 2007/08. Priority industries such as metals (including capital equipment); agro-processing; forestry, furniture, wood and paper; chemicals, pharmaceuticals; automotive; and CTFL contributed 83% to manufacturing employment and other manufacturing industries contributed 17% on average between 2007 and 2018. Formal employment in priority industries declined by 6% between 2007 and 2018. Formal employment in the agro-processing industry grew by 15% between 2007 and 2018 while CTFL declined by 36% over the same period. Formal employment in priority industries increased by 4% from 2019 to 2023.

Graph 1: Manufacturing value added compared to Upper-Middle-Income countries



Source: Calculated from World Development Indicators. Series on GDP and Manufacturing value added. Accessed at databank.worldbank.org in August 2024.

The South African Automotive Master Plan was published in December 2018. The industry's gross value added declined by 7% between 2019 and 2023; however, formal employment increased by 5% during this period. Commercial vehicles produced surged by 5% over the same period, increasing from 283 000 in 2019 to 296 000 produced in 2023.

PERFORMANCE OF PRIORITY INDUSTRIES

Automotive

The automotive industry receives substantial support and has established platforms for engagement with dominant companies. The country has established the automotive assembly industry, which includes seven local original equipment manufacturers (OEMs) operating in Special Economic Zones (SEZs). These SEZs offer tax incentives and supportive industrial policy instruments (Moshikaro-Amani, 2024). The industry's main objective was to produce 1.2 million vehicles by 2020, having produced 534 490 commercial vehicles in 2007 (OICA, 2024).

The Motor Industry Development Programme (MIDP) which supported the automotive industry was under review from 2007. The aim was to mitigate policy constraints faced by the industry, such as insufficient local content in components and incongruence with international trade obligations (the dtic, 2007). The Automotive Production and Development Programme (APDP) replaced the MIDP in 2010. Policy instruments of the APDP included tariffs and a production incentive volume assembly allowance. The APDP aimed to improve policy certainty, automotive component manufacturing, and South Africa's competitiveness in the global market.

Competitiveness improvement initiatives in the automotive industry were implemented under the Automotive Supply Chain Competitiveness Improvement Initiative, which was centrally placed to coordinate efforts aimed at growing value addition along the value chain (the dtic, 2016). The 2018 IPAP planned to develop the South African Automotive Master Plan, aiming to provide renewed focus, coordination and alignment of OEMs and suppliers in the areas of localisation and Black supplier development (the dtic, 2018).

The APDP was introduced in 2013, with its main aim to raise volumes to 1.2 million per annum by 2020 and diversify and deepen the components supply chain (the dtic, 2014). The automotive industry produced 631 983 commercial vehicles in 2019 and 447 218 in 2020 (OICA, 2024). The production trend, despite the sharp decline in 2020 indicates that the automotive industry was not in line to reach the 1.2 million vehicles production target.

The South African Automotive Master Plan was published in December 2018. The automotive industry's GVA declined by 7% between 2019 and 2023, however, formal employment increased by 5% during this period. Commercial vehicles produced surged by 5% over the same period, increasing from 283 000 in 2019 to 296 000 commercial vehicles produced in 2023 (OICA, 2024).

The industry formally employed 104 000 people in 2007 and 94 000 in 2020. The automotive industry's GVA declined by 18% between 2007 and 2018 while trade balance remained negative over the same period.

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Support for the metals, capital equipment and transport industry aimed to reduce import leakage, coordinate procurement with government and state-owned enterprises, and improve levels of capital investment.

Metal fabrication, capital equipment and transport

Metal fabrication, capital equipment and transport are a cluster of industries including: metal products excluding machinery; machinery and equipment; other transport equipment; and electrical machinery and apparatus. Basic iron and steel and basic non-ferrous metals are sub-industries that are not part of the cluster of industries, but underpin supply with associated challenges, especially around pricing (the dtic, 2010). These industries are critical for industrialisation and the manufacturing sector's competitiveness because they produce products, applications, and services used in the entire economy including infrastructure programmes, construction, general engineering, mining, automotive and packaging (the dtic, 2010).

The National Tooling Initiative (NTI) is a national, multistakeholder initiative that is structured as a Public-Private Partnership (the dtic, 2010). The NTI aimed to raise the competitiveness of the Tool, Die and Mould industry through skills development, job creation, technology development and adoption, enterprise development and export promotion (the dtic, 2016). The NTI also aimed to reduce reliance on imported tooling. The Intsimbi Future Production Technology Initiative was launched in June 2018, replacing NTI to deal with a lack of tooling development support which resulted in critical products being imported from the Far East (the dtic, 2018).

The National Foundry Technology Network (NFTN) is an initiative by the dtic and the industry that seeks to revitalise the industry through skills development and enterprise development. The programme seeks to prevent the erosion of the industry (the dtic, 2018). Challenges faced by the industry included production inefficiencies and cost competitiveness; high product development and tooling costs which restrict penetration into key industries such as automotive; inconsistent interpretations of environmental legislation by municipalities; and lack of adequate electricity infrastructure and inflated energy pricing (the dtic, 2018). Policy instruments used by the NFTN included training, technology transfer and diffusion of technology to reduce import leakage, increased investments, and enterprise development.

Support for the metals, capital equipment and transport industry aimed to reduce import leakage, coordinate procurement with government and state-owned enterprises, and improve levels of capital investment. Support for the industry also intended to improve technological capacity and improve global competitiveness. NFTN could not adequately address import leakage which led to reduced orders for domestic foundries. The industry continued importing high-value-added products while exporting low-value products. Metals (including capital equipment) had the highest employment share of priority industries, employing 296 000 people in 2007 and 265 000 people in 2018. Metals (including machinery and equipment) GVA declined by 15% between 2007 and 2018.

The South African Steel and Metal Fabrication Master Plan was published in June 2021. Metals (including machinery and equipment) GVA surged by 17% from 2019 to 2023. Formal employment in metals (including capital equipment) increased by 9% over the same period.

Agro-processing

The agro-processing industry comprises a diverse group of sub-industries including food processing; beverages; aquaculture; horticulture; medicinal, aromatic and flavourants (the dtic, 2010). The industry has strong upstream and downstream linkages. Upstream links to agriculture's various farming models and products, while downstream links to products marketed across wholesale and retail chains (the dtic, 2010). Agro-processing is crucial for the South African economy because of its labour intensity and ability to absorb low-skilled workers.

The agro-processing industry in 2007 faced trade policy challenges that limited its global competitiveness. The dtic argued that the general tariff dispensation during this period ignored the

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global sensitivity of the agricultural sector, and local producers therefore had to compete against heavily subsidised producers and manufacturers from other countries (the dtic, 2007). The industry has since lobbied for import tariffs to counter global competition. The industry had fluctuating key action programmes in published IPAP iterations. At the same time, staff changes at the dtic contributed to inconsistent planning and implementation of programmes aimed at supporting agro-processing. Support for the industry aimed to create new sub-industries such as aquaculture to create jobs and increase exports. Fruits received the largest share of financial support in the industry to foster competitiveness in global markets.

Agro-processing has the highest contribution to manufacturing GVA of priority industries, growing by 41% from 2007 to 2018. Formal employment grew by 15% during this period, from 216 000 in 2007 to 248 000 in 2018. Agro-processing has a positive contribution to South Africa's balance of payments. Exports were dominated by fruits and nuts, growing by 148% between 2007 and 2018, revealing success in support of the fruits and nuts sub-industry.

The Agriculture and Agro-processing Master Plan was published in May 2022 by the Department of Agriculture, Land Reform and Rural Development. The industry's GVA surged by 17% from 2019 to 2023, while formal employment increased by 4% over the same period. Agro-processing continued its positive contribution to the balance of payments. Exports of fruits and nuts surged by 33% from 2019 to 2023.

Clothing, Textiles, Footwear and Leather

The early opening of the economy prior to 1994 contributed to the deindustrialisation of CFTL, due to global competition especially from Asia. The average manufacturing tariffs decreased from 28% in 1990 to 23% in 1994 and further to 8% in 2004 (Edwards and Van de Winkel, 2005). CTFL's contribution to manufacturing production over the years has shown signs of a steady decline from about 7% in 1994, 4.5% in 2001, and 3% in 2010 (Mawelela and Makgetla, 2019). The industry's contribution to manufacturing output plateaued at 3% between 2007 and 2018.

The industry was supported through the Duty Credit Certificate Scheme from 2001, which was partially successful. The industry, however, needed long-term sustainable support to improve its competitiveness. The 2007 IPAP recognised the challenges the industry was facing, such as low-cost imports from China, lack of skills upgrading and production processes, low levels of product design and innovation, and declining exports (the dtic, 2007). The dtic's support to the industry aimed to restructure the industry through a redesigned support scheme. The Clothing and Textiles Competitiveness Programme (CTCP) and the Production Incentive (PI) were proposed in the 2010 IPAP to support the industry.

The CTCP and PI assisted in stopping the steep decline in CTFL's GVA, with the industry's contribution to manufacturing production stabilising from the launch of the competitiveness programme and the production incentive in 2010. The industry's GVA, however, declined by 8% in 2011 and recovered by 8% in 2013, thereafter plateauing until 2018. IPAPs sought to increase job creation in the industry because of its labour intensity. Formal employment within the industry, however, declined by 36% during IPAP support, employing 135 000 in 2007 and 86 000 people in 2018. Support for the industry saved its manufacturing GVA in real terms but could not save nor increase the number of jobs in the industry. CTFL has grown its negative contribution to the trade balance. The industry has not managed to counter the competitiveness of Asian imports. The industry has not been as aggressive as the poultry industry in countering global competition, with poultry raising tariffs to as high as 82% while CFTL's tariffs are as high as 45%.

The Retail-Clothing, Textiles, Leather, and Footwear Master Plan was published in 2019. CTFL's GVA continued to decline, declining by 9% from 2019 to 2023, while formal employment declined by 12% over the same period. The industry continues to be dominated by Asian imports.

The clothing, textiles, leather, and footwear industry continues to be dominated by Asian imports.

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Pharmaceuticals, plastics, chemicals, cosmetics, and medical devices were clustered in the IPAPs. Each industry has its own value chains, constraints, and opportunities. The first three are most prominent within this cluster and constitute the focus of this overview.

The pharmaceutical industry was dominated by imports in 2007 and IPAP proposals for the industry promoted the domestic production of inputs and pharmaceutical products. Increased domestic production aimed to reduce the reliance on imports. Other issues the industry faced included incoherent state procurement, medicine licensing, and price administration. Various programmes aimed to support the industry, such as the designation of antiretroviral (ARV) production through a tendering process. Iterations from 2007 to 2012 aimed to kickstart the production of ARVs. Regulation inefficiencies and unpredictability of the tendering process constrained the industry, with the 2016 IPAP proposed to develop a pharmaceutical industry development plan.

The plastics industry was mainly downstream and labour-intensive. Downstream plastic fabrication required more competitive pricing of polymer inputs, skills development, support for firm and industry-level technical capabilities such as R&D, tooling, and stronger matching of final product demand patterns to intermediate plastic inputs (the dtic, 2007). IPAPs proposed to establish a project in 2007 focusing on increasing the polypropylene value-addition of products used in the automotive and packaging industries through polypropylene and polyvinylchloride beneficiation. The aim was to improve competitiveness and promote exports. In 2014, a plastic production and innovation cluster was planned to enable small to medium-sized plastic converters to develop economies of scale through sharing infrastructure, equipment, and knowledge (the dtic, 2014). The intention was to create a sustainable plastics cluster with access to markets and create jobs.

South Africa's chemical industry in 2007 was comprised of a well-developed upstream industry – basic chemicals and other chemicals, with the latter being labour-intensive. Support for the industry aimed to beneficiate minerals into products for exports, provide inputs into higher value-adding manufacturing and increase downstream beneficiation of polymers to create jobs (the dtic, 2007). Issues faced by the industry included the coordination of large capital-intensive projects.

Chemicals, pharmaceuticals, and plastics manufacturing GVA declined by 24% between 2007 and 2018. Formal employment in the industry, however, grew by 13% over the same period. The industry managed to increase its exports by 61% in 2018 from the sharp decline in 2009 after the 2007/08 financial crisis. The industry has, however, increased its negative contribution to the trade balance.

The Medical Technology Master Plan¹ was published in May 2024. The other industries within the cluster did not have published Master Plans at the time of writing. Chemicals, plastics, and pharmaceuticals GVA surged by 7% from 2019 to 2023, while formal employment increased by 5% over the same period. The industry continues to be dominated by imports.

Forestry, timber, paper and pulp, and furniture

Forestry, timber, paper and pulp, and furniture were prioritised across all IPAPs to create jobs and develop rural areas, particularly in primary processing including sawmilling and pulp production. IPAP proposals prioritised poor rural communities in KwaZulu-Natal and the Eastern Cape to increase plantations for 10 years from 2007 (the dtic, 2007). The dtic aimed to facilitate issuing of water licences to producers; 161 water licences were issued by 2011. From 2012, IPAPs shifted towards facilitating the issuing of afforestation licences in both provinces by supporting application processes to scale the industry's supply of raw materials and promoting downstream processing.

¹ Includes Medical Devices and In Vitro Diagnostics (the dtic, 2024b).

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Proposals for green and energy-saving industries emerged in the 2010 IPAP. The rationale behind prioritising green industries was forthcoming threats and opportunities shaped by rising climate change concerns.

Small-scale sawmillers lacked production efficiency skills, which resulted in high operational waste, and the industry was supported through a skills and technology upgrading programme from 2007 to 2015. Succeeding IPAPs supported small-scale sawmillers through various programmes to promote moving up the forestry value chain.

The furniture cluster was planned to be established in 2010 to consist of small furniture manufacturers in the Eastern Cape, KwaZulu-Natal and Gauteng to group manufacturers to improve the quality and quantity required by retailers (the dtic, 2010). The furniture design programme from 2014 sought to support high-level design skills development that would assist in addressing market failures, promote specialisation and improve productivity (the dtic, 2014). Support for the industry aimed to improve competitiveness, increase value-add and develop skills. The dtic reported in 2017 that the industry still faced skills shortages including furniture designers, wood machinists and machine operators (the dtic, 2017). The industry did not improve its competitiveness because of the high costs of speciality wood inputs and the high costs of tooling.

Forestry, wood, paper and furniture GVA declined by 5% between 2007 and 2018. The forestry value chain had limited intended outcomes through IPAP support from 2010 to 2015. In 2016, the proposal for programmes included the Furniture Competitiveness Programme intended to stabilise employment and increase jobs by 2% annually (the dtic, 2016). Formal employment, however, declined annually by 2% in 2016 and 2017 then increased by 3% in 2018. The industry formally employed 222 000 people in 2007 and 198 000 people in 2018, an 11% decline during this period. The forestry value chain has managed to sustain a positive contribution to the trade balance. Exports are mostly dominated by paper and paperboard followed by furniture.

The Furniture Industry Master Plan was published in 2021, and the Forestry Master Plan was published in 2020. Forestry, wood, paper and furniture GVA increased by 8% from 2019 to 2023, while formal employment increased by 4% over the same period.

Green industries

Proposals for green and energy-saving industries emerged in the 2010 IPAP. The prioritisation of green industries was driven by emerging threats and opportunities shaped by increasing climate change concerns. This was permeated by eco-protectionism from industrialised countries through tariff and non-tariff measures such as carbon taxes and restrictive standards (the dtic, 2010). These measures consequently posed threats and opportunities to carbon-intensive manufacturers to access global markets.

The National Solar Water Heating (SWH) Programme and manufacturing and installation were planned to be rolled out in 2010. The intervention started by developing a phased approach to SWH production to increase the local market size and allow sufficient lead times for manufacturers to upscale (the dtic, 2010). Despite intentions to increase production, the programme did not take off because of challenges such as surging SWH imports and inferior quality installations.

In 2010, the Renewable Energy Independent Power Producer Programme (REIPPPP) was developed by the South African government to contract Independent Power Producers (IPPs) to supply energy to the national grid (the dtic, 2018). To develop the local wind and solar industry, local content requirements of renewable energy projects were increased, with financial support through the Industrial Development Corporation funding the 12I tax rebate, and the dtic incentives. IPPs were selected through a bidding process to acquire contracts to supply renewable energy. By 2018, 6422 megawatts (MW) of electricity was procured from 112 energy producers in seven bidding rounds while 3162 MW of electricity generation capacity from 57 IPP projects had been connected to the national grid; and 16 991 GWh of energy was generated by renewable energy sources procured through REIPPPP, with 44 of 57 projects being operational for more than a year (the dtic, 2018).

The intended outcomes for green industries throughout IPAP include the transfer and adoption of new technologies, skills development, attracting investment, and policy development. Green industries have been undergoing infant development that does not see infant-industry protection through trade policy measures. Green industries use localisation as a policy instrument to build local industrial capacity without moving away from engaging in global markets. The local industry, however, still imports most inputs.

Business process services has not been able to reach 100 000 jobs as forecasted; the industry has created below 30 000 jobs since the inception of financial and non-financial support.

Business processing services

BPS was identified as a priority industry in the Accelerated and Shared Growth Initiative of South Africa (ASGI-SA) because of its labour intensity and projected rapid growth that would present opportunities for Broad-Based Black, Economic Empowerment (BBBEE) and small business development (the dtic, 2007). South Africa's BPS industry was forecasted to create 100 000 jobs and contribute R1 billion in GDP to the economy (the dtic, 2010). The BPS incentive programme was planned to be rolled out in 2010 to overcome the costs of telecommunications, with the state acting as a catalyst to drive investment from key competitor countries (the dtic, 2010). The aim was to create jobs and scale the industry.

Training to develop skills within BPS was a complementary programme to the BPS incentive from 2010. The programme aimed to develop talent initiatives that covered training needs from entry-level to supervisory level that would be capable of operating BPS businesses. The Monyetla Work Readiness Programme was launched in 2006 in partnership with the National Skills Fund, the Jobs Fund, and the industry, with training grants offered to the industry assisting over 16 000 young people to gain training (the dtic, 2018).

BPS has not been able to reach 100 000 jobs as forecasted; the industry has created below 30 000 jobs since the inception of financial and non-financial support. The dtic's Global Business Services Incentive has supported most of the jobs created in the industry.

CONCLUSION

This overview of the NIPF and IPAPs reports that there were eight main manufacturing industries prioritised in IPAPs from 2007 to 2018: automotive; metal fabrication, capital equipment, transport; agro-processing; CTFL; chemicals, pharmaceuticals, plastics, cosmetics and medical devices; forestry, timber, paper and pulp, and furniture; green industries, and BPS. At the same time, multiple industries were listed intermittently in IPAPs, thus receiving varying support. Findings reveal that the focus on multiple industries at the same time limited the focusing of resources to scale a few priority industries, such as the eight priority industries, or industries that would be both labour intensive and have spillovers to other industries. The analysis shows that despite industrial policy support to improve the global competitiveness of domestic industries, they generally have not been able to be globally competitive. Outcomes would, however, be worse without industrial policy support.

While the eight priority industries contributed the most to manufacturing production and employment, the manufacturing sector did not vastly improve its contribution to national outcomes. Lack of governmental coordination indicates the limitations in implementing industrial policy measures to support industries, indicating the importance of government coordination in creating and implementing transversal support.

From an industry perspective of the eight priority industries:

- The automotive industry could not achieve its objective to produce 1.2 million vehicles by 2020.
- Metal fabrication, capital equipment and transport could not reduce import leakage.
- Agro-processing contributed positively to South Africa's balance of payments through the growth of exports, particularly to the global market. The industry demonstrated its labour intensity as it created formal employment.
- The clothing, textiles, footwear and leather industry experienced a steep decline in production and employment following the opening of the economy. Production stabilised after the implementation of IPAP support measures. However, the industry continues to be dominated by Asian imports.
- The pharmaceuticals, chemicals, and plastics cluster of industries had a negative trade balance. Small-scale production and global competition limited the cluster's growth, with pharmaceuticals lacking the technological capacity to grow in the global market.
- The forestry, timber, paper and pulp, and furniture saw paper and paperboard contribute the most to a positive trade balance. The cluster's impact on rural development, however, appears to be limited despite the prioritisation of rural economic development, which is critical for inclusive growth, particularly for small and medium enterprises.

Eight manufacturing industries were prioritised in IPAPs from 2007 to 2018: automotive; metal fabrication, capital equipment, transport; agro-processing; CTFL; chemicals, pharmaceuticals, plastics, cosmetics and medical devices; forestry, timber, paper and pulp, and furniture; green industries, and BPS. Outcomes would, however, be worse without industrial policy support

- Green industries were prioritised to facilitate the country's reduction of carbon-intensive inputs into manufacturing, and to maintain access to global markets as they started to limit access through carbon taxes and standards. The industry continues to import inputs into green industries products.
- Business process services could not reach its intended target of creating 100 000 jobs. The dtic's Global Business Services Incentive has supported job creation in the industry.

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