

BUDGET VOTES

Vote 39: Trade, Industry and Competition

Hon. Inkosi Cebekhulu, MP

24 July 2020

Honourable Members, as we are heading into the storm of the Covid-19 pandemic, our country's economy is undeniably vulnerable. We have heard from the Minister of Finance that South Africa's economy is expected to contract by **7.2% in 2020**. This will be the largest contraction in 90 years.

South Africa has not been immune to the onslaught of the coronavirus and the demand for the country's exports has been seriously impacted.

Honourable Members, on consideration of the Department of Trade, Industry and Competition' Supplementary Budget and briefings by the Department on their new Annual Performance Plan, the IFP remains highly concerned about the fact that **38 000 jobs** were lost in the first quarter of 2020.

It is additionally concerning that there is an increase in unemployment of youth and women specifically. This fact cannot simply be pushed aside. It requires urgent intervention.

The IFP strongly believes that there should be an intense focus on reviving small factories in rural areas, to absorb job-seekers and balance the opportunities available in developed cities and towns.

The fact that South Africa's manufactured imports from BRICS remain four times higher than that of exports on average, also speaks directly to Government policies and obstacles in growing local industries.

With the Department's **budget reduction of R1.77 billion** and its inevitable constraints on the Department's programmes, the IFP supports the focus on "expanding and deepening South Africa's industrial opportunities" and the focus on "localisation".

In conclusion, Honourable Members, the IFP supports the budgetary adjustments but we urge the Department to work together with local industries, and to develop, support and maintain what we already have as building blocks to support our economy.

Now, more than ever, we need to remove policy uncertainty and conflicting Government agendas.

I thank you.

Contact:

Hon. Inkosi Cebekhulu, MP

082 975 5107