

1

OPENING OF PARLIAMENT 2001  
ECONOMY AND EMPLOYMENT



**Media Briefing by Mr Alec Erwin, Min of  
Trade and Industry, on behalf of Economy  
and Employment Sector, 13 February 2001**

The objectives we seek to achieve are moving  
the economy onto a high-growth path,  
increasing its competitiveness and efficiency,  
raising employment levels and reducing poverty  
and persistent inequalities.

President Mbeki



# Integrated Framework

<b>Increasing competitiveness</b>	<b>Energy, Transport and Telecommunications</b>	<b>Specific actions have been determined for implementation by national, provincial and local government in 2001</b>
<b>Growth Sectors</b>	<b>Export Sectors, Tourism, Agriculture, Information and communication technologies, and Cultural industries</b>	
<b>Cross-cutting issues</b>	<b>Infrastructure, Technology, Human Resource Development, and Access to Finance</b>	
<b>Key performance areas</b>	<b>Growth, Employment, SMMEs, BEE, and Competitiveness</b>	



## Increasing Competitiveness

### •Energy:

- Managed liberalisation of ESI and EDI
- Development of gas industry
- Development of hybrid mini-grid

### •Transport:

- Rail
- Sea Ports
- Airlots and Airports
- Roads

### •Telecommunications:

- Policy and regulation
- IPO
- E-Commerce
- Government shareholding



## Energy—Increasing Competitiveness

- Managed liberalisation of the electricity supply industry through the introduction of IPPs into a regulated environment
- Managed liberalisation of the distribution sector through:
  - EDI Restructuring Proposals
  - Establishment of National Holdings Company
  - Ringfencing distribution businesses
  - Establishment of REDs



## Energy—Increasing Competitiveness

- Development of the gas industry through Gas Trade Agreement, construction of pipeline with Mozambique and Gas Bill in Parliament
- Promotion of a mini-grid electricity system through pilot projects



# Transport—Increasing Competitiveness

## **Airline frequencies and Airports**

- Increasing airlift to and from South Africa to promote tourism and exports and reduce airfares
- Development of the King Shaka Airport through finalising feasibility study



## Sea Ports

- Competitive port operations and tariffing regime supported by infrastructural investment and concessioning of commercial sea port through:
  - Finalisation of commercial ports policy to separate port operations, port development and regulatory functions
  - Investment in infrastructure in Richards Bay, Durban and Coega (R3.5bn over 3-year)
  - Establishment of IDZs at the above nodes
  - Concessioning of port operations
  - Kaserne dry dock operations upgrading in Gauteng



## Rail

- Strategic shift from road to rail and the establishment of more efficient rail network through:
  - Finalisation of rail infrastructural model for Spoornet
  - Investing in rail infrastructure
    - Freight rolling stock
    - SARCC rolling stock and signaling
    - Upgrade of rail infrastructure between Durban and Gauteng
- Efficient policing of road freight haulage with immediate effect



## Road

- Investment in road infrastructure in key SDIs, rural nodes and trans-frontier conservation areas
- Commence planning and implementation for construction and upgrading of rural roads
- Upgrade border road systems
- Provide critical taxi infrastructure



# Telecommunications

## Increasing Competitiveness

- Policy and Regulation
  - Government is committed to managed liberalisation to bring down costs and improve efficiency and competitiveness of the economy and attract new entrants through providing regulatory certainty in the first half of the year
- Initial Public Offering for telecommunications where we seek to:
  - Encourage domestic and Foreign Institutional Investors
  - Educate and encourage retail investors (in particular Black people)
  - Black Economic Empowerment
- Encourage E-commerce through regulatory certainty
- We will rationalise Government Shareholdings in this sector



## Growth Sectors

- Agriculture
- Export Sectors
- Tourism
- Information and communications technologies
- Cultural industries



# Agriculture

- Rehabilitation of state-owned infrastructure and increasing competitiveness
- Disposal of 669 000 ha of state-owned land in all nine provinces
- Establishment of joint ventures for farmer settlement in established high-value and export orientated sub-sectors
- Enactment of critical legislation for disease control and enhancement of points of entry control systems



## Export Sectors

- Prioritised 4 key sectors: Agro-processing, automobiles and components, mining technology and minerals beneficiation, and clothing and textiles
- Upgrading international marketing services and making International Marketing Council operative
- Push for reform of the global trading system through:
  - A new round of WTO negotiations
  - Strengthen links with G-South countries
  - Open up new trade negotiation offices



## Tourism

- Match marketing efforts of competitor countries and open up new markets through:
  - Expansion in 6 key markets
  - “Celebrate South Africa”
  - “Circle of sunshine”
  - India marketing campaign
  - Launch of integrated approach to new markets
- Invest in critical tourism infrastructure
  - Improve route signage
  - Build road infrastructure in key tourism corridors
  - Build local information centres



## Tourism

- Training for service excellence
  - 3000 learnerships
  - SA Tourism Institute
  - Tourism month
  - Welcome Campaign
- Tourism product development through:
  - GKG transfrontier
  - Pondoland national park
  - R500m and IDC investment in Port St. Johns
  - Cradle of Human Kind visitor centre
  - Land acquisition for Addo and Vhembe/Dongola parks



# Tourism

- Building tourism enterprises through:
  - 4000 new black-owned enterprises with R450m in transactions
  - Commercialisation of national parks
  - Lumbombo SDI investment deals in 14 sites (R700m)
  - Bushmans River game reserve (R200m) by IDC



# Information and Communications Technologies

- Stimulate the usage of ICTs in the provision of services to citizens
- Restructure existing ICT research institutions to underpin service delivery and development of local industry
- Fund schools, ICT and Internet connectivity as part of infrastructure
- Form government—business ICT council
- Establish International ICT Council and hold inaugural meeting
- Amend immigration laws to attract ICT skills



## Cultural Industries

- Improved quality control and marketing of SA crafts through:
  - Establishing craft export council
  - SA Design Week
  - Strategy for financial craft development and marketing
- Prioritise recommendations of the music industry task team, attract investment for the film industry and develop SA as a location for foreign film production



## Cultural Industries

- Develop commercial opportunities whilst retaining authenticity and protecting national heritage through:
- Building new heritage infrastructure:
  - Freedom Park
  - Robben Island
  - Mandela Museum phase 2 at Qunu



## Cross-cutting issues

- Human Resource Development (refer to Integrated HRD Strategy)
- Infrastructure (contained in inputs on input cost sectors and growth sectors)
- Access to Finance
- Technology and Research and Development