

***Industrial-, Trade- and
Tariff policy: From policy
to practice***

Rian Geldenhuys

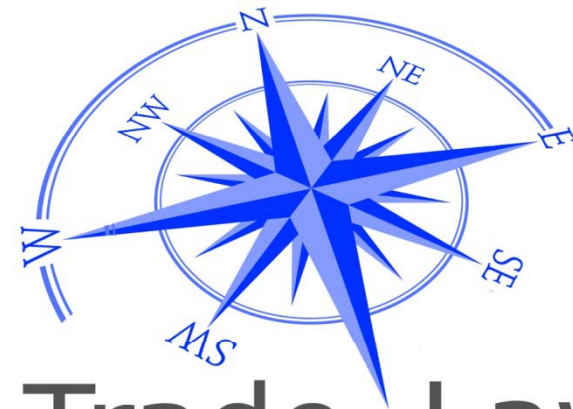
Director

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- IPAP2 has two underlying objectives
 - Increase beneficiation/value-addition
 - designed to address the decline in our industrial and manufacturing capacity – but doesn't specifically exclude agriculture
 - Creating employment
- These objectives are now prioritized due to structural challenges in the SA economy
 - SA growth less than our peers
 - Growth not driven by production
 - Unemployment never below 22.8%

IPAP2

- IPAP2 builds on 4 pillars around which interventions are built:
 - Industrial Financing;
 - Public Procurement;
 - Competition policy; and
 - Developmental trade policy

IPAP2

- IPAP2 identifies sectors which can contribute to growth in value-addition and employment creation.
- Three clusters identified:
 - New areas of focus – Agro-processing included
 - Scaled-up interventions in current IPAP sectors
 - Sectors with potential for the development of long-term advanced capabilities

- Agro-processing
 - Highly diverse group of sub-sectors and industries
 - Is the largest employer
 - Sector categorized in 3 broad sectors
 - Tariff policy to play a role here
 - National Food Control Agency – food security
 - Competition law concerns
 - Lining micro and macro economy

Trade Policy

- Trade Policy informs Industrial Policy
- Will be used selectively and strategically
- Trade Policy linked to Industrial Policy
- Reduce tariffs on inputs and retain or increase on high-value products
 - These amendments on case-by-case basis
 - ITAC to tackle these based on evidence

Trade Policy

- Agriculture included in Trade Policy
- Agriculture important as used in intermediary products
- Also important - provides 8% of employment
- Tariff policy for agriculture must be considered on case-by-case basis.

Trade Policy

- Promote South-South Trade
- Food shortages presents potential
- Problem with strategic nature of tariffs
- Tariff policy seems to be claw back of 1994