



**DEPUTY MINISTER
TRADE, INDUSTRY AND COMPETITION
REPUBLIC OF SOUTH AFRICA**

Private Bag X84, Pretoria, 0001 • the dtic Campus, 77 Meintjies Street, Sunnyside 0002 • Tel: (012) 394 1480, Fax: (012) 394 0337 • www.thedtic.gov.za
Private Bag X9047, Cape Town, 8000 • Tel: (021) 464 2820, Fax: (021) 465

26 May 2026

**BUDGET VOTE SPEECH 2026/27
DEPUTY MINISTER ZUKO GODLIMPI, MP**

Honourable Speaker,
Honourable Minister and Deputy Minister,
Honourable Members,

The global economy is entering a period of profound uncertainty marked by geopolitical conflict, trade fragmentation, supply-chain disruption and growing competition for investment and industrial capacity.

In this environment, countries that fail to build productive industrial economies will fall further behind.

For South Africa, the challenge is not simply growth. It is where that growth happens, who participates in it, and whether industrialisation reaches the communities historically excluded from productive economic activity.

The South African economy remains spatially divided, where industrial activity, investment and infrastructure remain concentrated in a few economic centres while large parts of our country remain on the margins of productive activity.

That is why the spatial dimension of industrial development has become central to the work of the dtic. Because industrialisation must reach where our people live.

Over the past months, we have spent time in KwaZulu-Natal and the Eastern Cape engaging directly with businesses operating in industrial parks, SEZs and manufacturing sectors.

And one thing became very clear.

- The productive potential exists.
- The entrepreneurial capability exists.
- The industrial infrastructure base still exists.

But these ecosystems require coordinated support from the state to unlock growth, investment and jobs.

That is why government is repositioning Industrial Parks and SEZs as anchor points of regional economic development.

Industrial Parks must become productive industrial ecosystems supporting localisation, supplier development, manufacturing expansion and exports.

And SEZs cannot operate as islands disconnected from the broader economies around them. The future of our SEZ programme depends on the strength of the surrounding regional economy and the productive ecosystems feeding into them.

Speaker,

Last week, we heard the concerns raised by businesses and investors in Industrial Parks such as Vulindlela, Dimbaza and Fort Jackson in the Eastern Cape.

The message is clear: localisation, reliable infrastructure, industrial financing and stronger integration into regional supply chains are essential for growth and job creation.

That is why government is working to ensure that Industrial Parks increasingly form part of the supply chain supporting the OEMs and manufacturers located in the East London IDZ and Coega.

We are deliberately repositioning development finance so that industrial financing reaches township industrialists, rural producers, young innovators and manufacturers operating outside the traditional centres of economic activity.

Because if industrial financing remains concentrated in a few economic centres, then spatial inequality will simply reproduce itself.

Speaker,

Government's intention is to systematically scale these industrial ecosystems so that they become globally competitive and capable of leveraging opportunities presented by the African Continental Free Trade Area and other export markets.

The AfCFTA presents enormous opportunities for South African manufacturing. But we cannot take advantage of continental markets if our productive capacity remains narrow and spatially concentrated.

That is why we are working to strengthen the integration between SEZs, Industrial Parks, logistics infrastructure, localisation programmes and export-oriented industrial development.

Industrialisation cannot be delivered by one department acting alone. It requires a capable, coordinated and responsive state.

Municipalities must ensure that roads, electricity, water and bulk infrastructure operate as enablers of investment and economic growth.

Provincial authorities managing Industrial Parks must strengthen governance, maintenance and facilities management, while positioning these parks as centres of industrial incubation, skills development and enterprise growth.

Law enforcement agencies must work with businesses and park management to combat cable theft, vandalism and the destruction of industrial infrastructure, which government regards as economic sabotage against jobs and productive capacity.

Speaker,

This integrated approach also informs government's work in the sugar industry.

Government is working closely with growers, millers, workers and financiers to protect jobs, sustain industrial capacity and secure the long-term future of the sugar industry.

During our recent visits to sugar mills across KwaZulu-Natal, we were encouraged by the reopening of the Gledhow Mill, which demonstrates continued investment and confidence in the industry despite the current challenges facing Tongaat Hulett.

Government remains committed to the implementation of Phase 2 of the Sugar Master Plan, while continuing to defend the domestic industry against unfair competition from cheap deep-sea imports and distortive imports from neighbouring producers.

But, we insist, long-term sustainability also requires diversification. The future of sugar lies not only in sugar production, but also in biofuels, energy generation and broader agro-industrial development, particularly in the context of global energy insecurity and volatile oil markets.

Ultimately, our task is to build a more spatially inclusive industrial economy, where Industrial Parks and SEZs drive regional growth, industrial financing reaches the periphery, and local businesses participate meaningfully in supply chains and export markets.

That is the work government is undertaking. To build an industrial economy that is more productive, more spatially inclusive and capable of creating work and opportunity where our people live.

I thank you.