

**MINI PLENARY: ADDRESS BY HON. PARKS TAU, MINISTER OF TRADE,
INDUSTRY AND COMPETITION, BUDGET VOTE 39 DEBATE FOR THE 2026/2027
FINANCIAL YEAR ON 26 MAY 2026, NATIONAL ASSEMBLY, CAPE TOWN**

Thank you, House Chairperson,
Honourable Members,
Social partners in the gallery,
Distinguished Guests, and
Ladies and Gentlemen.

As we celebrate Africa Month, the AU's commemorative theme entitled, "Unity, Integration and Development", resonates with the dtic's budget vote 39, centred as it is on ***Transformation as a moral, constitutional and economic imperative for everyone in the country.***

We readily admit that the local and international context in which we are operating is complex and very challenging. The global environment has been deeply unsettled by the ongoing Middle East War and its associated disruptions to supply chains of energy, fertilizers and petrochemicals. As a net oil importer, South Africa faces real recessionary risks and threats to our industrial competitiveness.

Amidst these headwinds and as this budget vote will indicate, we are turning the corner as a country, and as the dtic, our work remains central to this momentum.

As we turn the corner guided by the Portfolio Committee, I would like to acknowledge and thank the Chair of the Portfolio Committee, Honourable Mzwandile Masina for helping us to remain on course. Budget vote 39 is a living testimony that it is possible to work together and build a stable dtic family that protects industry as we face headwinds.

HOUSE CHAIRPERSON,

In his 2026 State of the Nation address, His Excellency President Cyril Ramaphosa told the nation,

"we are working to revive growth by creating conditions for firms to invest by maintaining a clear and stable Macro-Economic Framework, investing in infrastructure that works, creating a conducive regulatory framework that supports growth and enables competition, and a focused and forward-looking Industrial Policy.

Our policy environment is now consistent and forward-looking. Cabinet recently adopted the **Industrial Development Strategy (IDS)** which directs the country's industrial policy agenda. This strategy recognises that the structure of South Africa's economy is transforming. We are clear that this strategy is about:

1. Positioning South Africa as a leading player in the green economy.
2. Implementing a forward-looking industrial policy that creates jobs.
3. Using trade policy to support export resilience and growth.

Our pathways of decarbonisation, diversification, and digitalisation anchor the Industrial Development Strategy thereby reflecting the reality that South Africa cannot compete in the world of the future using the tools of the past.

Under the leadership of the Director-General Mr Simphiwe Hamilton, I would like to thank Dr Tebogo Makube, Ms Zukiswa Kimani, Mr Fanie Gagiano and Ms Pamela Mondliwa for their tireless work in pulling together the IDS.

HONOURABLE MEMBERS,

Allow me to paint a picture demonstrating partnership.

1. **On Africa:** It is this Parliament that approved South Africa's ascension as a sovereign member (Class A shareholder) of the Afreximbank, thus unlocking investment opportunities.
2. **On the European Union (EU):** The CTIP and the Global Gateway initiative are starting to bear fruits with EU investment in clean energy and in the pharmaceutical sector. This financial instrument is benefiting several provinces

including the three Cape Provinces in the context of transitioning to our green hydrogen ambitions. These include projects in Prieska, Coega and Saldhana Bay.

3. **On the United States of America (US):** to date AGOA is extended resulting in the protection of jobs. I must also emphasise that when one clears through the noise, our trade with the US remains strong. Exports from South Africa have increased from R238 billion in 2024 to R260 billion in 2025 with over 89% of these under the Most Favoured Nation principle.
4. **On China:** South Africa has begun trading under the China-Africa Economic Partnership Agreement (CADEPA) framework and as of 1 May 2026, we enjoy duty-free access to the 1.4 billion strong market in targeted sectors. Our aim is to change the composition of trade with China from exports comprised mainly of commodities (93%) to significantly increasing manufactured and value-added products.
5. **On MERCOSUR:** our preferential trade agreement (PTA) remains one of the most significant areas of potential expansion. We are finding areas of interest for South African exporters and are working on complementarities with our South American counterparts.
6. **On the Gulf Cooperation Council (GCC):** we are unlocking investments in agriculture, oil and gas, mining, capital equipment and chemical equipment with members of the GCC.

HONOURABLE MEMBERS,

Crossroads are not places to collapse, they are places of choice. It is against this backdrop that we are reminded of the words of Ambassador Nozipho Mxakato-Diseko, former co-chair of the UN Secretary-General's Panel on Critical Energy Transition Minerals when she said:

South Africa must approach its critical minerals with the wisdom of a father guarding the future of the most beautiful bride in the village. These minerals are not assets to be handed over to the first bidder at the gate, but a national inheritance to be stewarded with care, strategy and purpose.

In this way, our critical minerals become a platform for inclusive growth, green industrialisation, innovation and the circular economy.

We are reviewing our Automotive Production Development Plan (APDP2), with a view to stimulate new investments in South Africa and supporting the growth of our component manufacturers.

The work of the dtic in implementing localisation is evident in the R86.6 billion in locally manufactured goods and services procured in the 2025/26 financial year. For this current financial year, our target is R100 billion in localisation. This is possible through collaboration with our social partners.

With regards to the systemic challenge of dealing with the illicit economy, which costs the South African economy an estimated R700 billion equating to roughly 10% of GDP, critical intervention is being made by one of our entities, the National Consumer Commission. As a measure to protect consumers from illicit trade in the economy, in this financial year, we will publish a Track-and-Trace mechanism on goods. The mechanism will mainly target illicit trade in tobacco, alcohol, food, and consumer appliances.

HOUSE CHAIRPERSON,

Transformation as a moral, constitutional and economic imperative is evident in our investment drive.

The 2026 South African Investment Conference (SAIC) secured the highest-ever value of investment commitments since its establishment in 2018.

Domestic firms led the charge, with two-thirds of investments coming from South African companies, which signalled a strong confidence in the local economy. That is domestic confidence!

The conference formally launched South Africa's second investment mobilisation drive, targeting R3 trillion in new investment by 2030. In the 2025/26 financial year alone, the dtic secured R647 billion in investment against an annual target of R450 billion.

HOUSE CHAIRPERSON,

Transformation as a moral, constitutional and economic imperative is evident in our spatial development initiatives.

Despite the challenging global trading environment, the country's SEZ Programme continues to make a meaningful contribution towards attracting fixed capital investments. To date spatial transformation efforts have resulted in 224 operational Investments to the value of more than R31 billion resulting in 28 821 active jobs created. Deputy Minister Zuko Godlimpi will elaborate on the work of our SEZ programme.

LADIES AND GENTLEMEN,

As we work to address the imbalances of the past as demanded by our predecessors, we are creating Development Finance Institutions that return to their industrial development mandates, while simultaneously creating a conducive regulatory environment aimed at reducing the cost of doing business.

The Export Credit Insurance Corporation is partnering on an investment drive with South Africa's five biggest banks which will improve export financing by scaling export risk insurance cover, supporting outward investment on the continent and supporting industrialisation.

In the steel sector, for instance, the Industrial Development Corporation is taking strategic steps to stabilize the industry, which is vital for our broader manufacturing base. Meanwhile, the ferrochrome support package is breathing new life into plants that had been struggling under cost pressures. The National Empowerment Fund, for example, has supported hundreds of MSMEs, with a strong focus on black industrialists and women-led enterprises.

Lastly, strengthening our technical infrastructure institutions is saving lives, protecting our economy and building industries. Our entities are playing a pivotal role in reshaping the economy, moving beyond isolated interventions to become catalysts for structural change.

The National Gambling Board is strengthening enforcement, working with partners like the Financial Intelligence Centre and NSFAS to protect consumers and ensure that growth never comes at the expense of our people. A Verified Operators Web Portal has been established — giving the public a reliable, centralised list of licensed operators across South Africa. We are also advancing the National Gambling Amendment Bill to give national government enhanced powers to tackle illegal online gambling, address advertising proliferation, and enforce consistent standards across provincial boundaries.

HOUSE CHAIRPERSON,

The Competition Commission, through its merger and settlement interventions, we have committed R42-billion to economic transformation — including R40.8-billion in supplier and procurement commitments. The work of the commission has saved over 11,000 jobs.

A landmark study conducted by the B-BBEE Commission in partnership with the B-BBEE Advisory Council and the Competition Commission — assessing over 28,000 certificates across a decade — confirms that B-BBEE compliance steadily increased following the 2013 amendments. Black ownership achievement rose from 50 percent of target in 2013 to 86 percent in 2023. Enterprise and Supplier Development rose from 19 percent to 66 percent. Skills Development from 17 percent to 61 percent.

Yesterday I visited the Biovac Institute which is a public-private partnership that is black-owned, managed and controlled and has become a world class vaccine manufacturing facility. The funding raised through various Development Finance Institutions will see Biovac expand its end-to-end vaccine manufacturing facility in Cape Town, enabling it to produce up to 40 million vaccines ready for global export.

HOUSE CHAIRPERSON, LADIES AND GENTLEMEN,

In conclusion, the resilient spirit of South Africans to never give up or give in when facing challenges, both local and international, can never be underestimated.

The dtic and its entities have been entrusted with consolidated resources amounting to approximately R130.6 billion over the medium term to advance South Africa's

industrialisation, economic transformation, and investment agenda. South Africans can be assured that we will guard these resources as would the father of the most beautiful bride in the village.

I would like to thank Deputy Ministers Zuko Godlimpi and Alexandra Abrahams for their continued support. I would also like to thank the heads of all our entities and staff at the dtic family.

House Chairperson, I hereby table the Budget Vote 39 for the 2026/2027 financial year.

I thank you.