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**BUSINESS UNITY SOUTH AFRICA**

MEDIA STATEMENT

IMMEDIATE RELEASE

INDUSTRIAL POLICY ACTION PLAN

Commenting on the Industrial Policy Action Plan BUSA says —

Quote:

The “scaled up” industrial policy action plan rests on seven pillars including the greater alignment between a range of support policies, like skills and innovation, focussed application of trade measures and judicious leveraging of procurement.

In comparison with the previous version, a much greater effort has been made to recognise and exploit synergies amongst the wide range of policy tools that are available to support industrial development. This is welcomed.

Disappointing is the absence of any interventions in respect of the hurdles that manufacturing faces in respect of access to cost effective and efficient freight infrastructure and regulatory environment. The impact of the increasingly congested road network and the failure to ensure a return of freight to the rail network as well as the ongoing regulatory hurdles in respect of plethora of licenses to operate are only mentioned in some sectors, even though these issues generally constrain manufacturing as a whole.

BUSA has long called for a review of preferential procurement to support both local manufacturing and transformation. The range of proposed new instruments in this regard, many of them reflecting suggestions from business over a number of years are welcome. BUSA looks forward to urgent implementation of the short term measures, which should be in place by the end of the first quarter.

The re-orientation of trade policy to “lock out unsafe and poor quality imports will locking in access to increasingly demanding export markets” is welcomed and at a sectoral level BUSA affiliates are committed to working with the Department and its technical regulatory infrastructure agencies to ensure the success of the new approach.

BUSA is encouraging its sectoral affiliates to scrutinise the sectoral elements of the plan and to engage with **the dti** directly on them.

BUSA would have preferred to see a stronger balance between direct government intervention at sector and firm level and the establishment of a more investor friendly environment. BUSA will be preparing for constructive engagement on the plan in Nedlac.

BUSA had expected the industrial policy action plan to provide input to the climate change response policy currently under development. Neither the Long Term Mitigation Scenarios which are understood to form the basis of the Government's climate change commitment nor the commitment itself are mentioned in the document. While the section on green and energy savings industries mentions climate change, the lack of recognition that all sectors will have to embark on a low carbon trajectory is worrying as BUSA had hoped that **the dti** would take a lead in transforming the economy to a low carbon economy.

Unquote.

22 February 2010