



Contents

1.	INNOVATION	2	7.5.13	Technology and Human Resources for Industry – THRIP	14
2.	PREFACE	2	7.5.14	Co-operatives Technical Assistance Fund	14
3.	MISSION	2	7.5.15	Co-Operatives Advisory Board.....	14
4.	OBJECTIVES	2	7.5.16	The SEDA Technology Programme (Godisa Trust)	14
5.	ADMINISTRATION	2	7.5.17	Other Institutes, Agencies, Foundations and Funds	14
6.	INTERNATIONAL TRADE & ECONOMIC DEVELOPMENT	4	7.5.18	Industrial Development Zones	15
6.1	Real Exchange Rate	4	7.5.18.1	COEGA	15
6.2	Equitable Trading	4	7.5.18.2	East London IDZ.....	15
6.3	Tariffs	5	7.5.18.3	Richards Bay IDZ.....	15
6.4	Digital Economy	5	8.	CONSUMER AND CORPORATE REGULATION	15
6.5	International Trade Development.....	5	9.	ENTERPRISE ORGANISATION.....	15
6.6	African Economic Development	6	9.1	Business Process Outsourcing.....	15
6.7	International Trade Administration	6	9.2	Staple Food Fortification.....	16
6.8	Southern African Customs Union	6	9.3	Television & Film Production.....	16
6.9	South Africa- European Free Trade Area	7	9.4	Sector Development.....	16
6.10	Other Preferred Trade Agreements	7	10.	ENTERPRISE DEVELOPMENT	17
7.	ENTERPRISE & INDUSTRY DEVELOPMENT.....	7	11.	TRADE & INVESTMENT IN SOUTH AFRICA	17
7.1	Wholesale and Retail.....	7	12.	MARKETING	17
7.2	Financial Institutions	8	13.	AFRICAN TRADE PARTNERSHIP & PARTICIPATION	18
7.3	Stock Exchange	8	14.	TRANSIT TRADE	18
7.4	Savings.....	9	15.	SOUTH AFRICAN INDUSTRY ONLINE	18
7.5	Industry	9	16.	CIPRO	18
7.5.1	ASGISA.....	11	17.	THE SOUTH AFRICAN NATIONAL ACCREDITATION SYSTEM (SANAS)	18
7.5.2	SABS.....	11	18.	THE SOUTH AFRICAN QUALITY INSTITUTE (SAQI).....	18
7.5.3	National Industrial Participation Programme	11	19.	IMPLEMENTATION	19
7.5.4	Khula Enterprise	11	20.	THINK TANK	19
7.5.5	IDC.....	11			
7.5.6	Economic Empowerment of Poor People.....	12			
7.5.7	Chemical Sector Development.....	12			
7.5.8	Metals	12			
7.5.9	Tourism	12			
7.5.10	Textiles and Clothing	13			
7.5.11	Carbon Sequestration	13			
7.5.12	Technical and Regulatory Support	13			



Trade & Industry Policy

January 2014

1. INNOVATION

- Fresh thinking
- New ideas
- Design
- Building models
- Possible Research and Development in conjunction with Think Tanks

2. PREFACE

COPE's

3. MISSION

The mission of the Congress of the People is to ensure that the citizens of South Africa have access to government departments that are integrative, responsive, facilitative, transparent, democratic, accountable, innovative, and flexible.

4. OBJECTIVES

COPE's policy on Trade and Industry requires that South Africans, in even larger numbers than at present, have facilitated access to sustainable economic activity in order that they can become economically self sufficient and thereby they in turn can create employment for other South Africans. For this to happen, people in the country must be assisted through education to understand how the South

African economy works and what economic opportunities and potential exist within the economy for people to exploit in a sustainable manner. COPE will support the development and maintenance stable, predictable, competitive, equitable and socially responsible environment for investment, enterprise and trade for all participants. By doing so COPE will ensure that South Africa achieves accelerated economic growth to support employment creation and greater equity.

5. ADMINISTRATION

A COPE led administration will require that proper verification procedures be put in place to ensure that qualifications of applicants are checked for accuracy and non falsification and that due diligence is exercised in respect of what is claimed on a CV. All managers, as part of continuous growth, will be required to participate in an ongoing skills training programme to be undertaken in conjunction with a university providing long distance education. The need to fully understand the PFMA cannot be overemphasised. The PFMA seeks to promote a sustainable financial management culture in the public sector and to ensure that an effective use of government resources occurs. The monitoring devices allow for the measurement of outputs and of value received. COPE recognises that if the PFMA is being fully implemented, greater delivery will occur and wasteful and futile expenditure will not occur. All managers will also need to be thoroughly familiar with the Promotion of Access to Information Act, the Prevention of Corrupt Practices Act, the Financial Intelligence Centre Act and the Protocol on Corporate Governance in the Public Sector.

COPE undertakes to integrate the provisions of all of the above in a handbook for administrators so that the challenges regarding corporate governance are eliminated



and the best risk management practices are employed. All administrators, importantly, should only be able to continue in service on the basis of sound ethical and democratic conduct and if these are compromised in any way whatsoever it will be untenable for the administrator to remain within the service. Any appointment to any post within the government administration, at every level, will require a thorough knowledge of all of the above Acts and the Protocol on Corporate Governance in the Public Sector.

In the COPE led administration democracy, innovativeness, flexibility, responsiveness, transparency, accountability, integration, and delivery will have to be demonstrated. A pen pushing and paper shuffling bureaucracy will have to yield to implementation. Each year in January, the Minister must place in front of the relevant Portfolio Committee a report that must evaluate how successfully the provisions of the PFMA and other applicable legislation and protocols were implemented within the full sphere of its influence. If corrupt practices had come to light or if futile and wasteful expenditure had occurred, the Portfolio Committee will have to ascertain who was culpable and require such a person or persons to come before it and to answer questions.

COPE policy will be totally, totally intolerant of Qualified Audit Reports. The administration must engender financial and legal compliance every moment of its functioning in order that ethical and efficient governance prevails. Where there is total compliance with the PFMA and the other requirements, by the management, there cannot arise situations where the Auditor General has to issue a qualified report. Qualified reports should lead to consequences for senior administrators.

In line with what is happening in the private sector, the public sector should follow new management styles that are being advocated by researchers. Charles Handy, for

example, advises that 'We used to think that we knew how to run organizations. Now we know better. More than ever they need to be global and local, small in some ways and big in others, to be centralized some of the time and decentralized most of it, workers to be autonomous and more of a team, and managers delegating'. Henk Volberda, while he is clearly addressing the business sector in his statement, is stating a point that is just as relevant for the public sector. He records that the 'Changing competitive environments are forcing companies in almost every sector to re-examine their organizational form. The new flexible firm facilitates creativity, innovation, and speed, while maintaining coordination, focus and control'. These ideas are even more relevant in state departments.

The modern administrator should be knowledgeable and especially so in respect of Information Technology. Within the management there should be ample provision for each manager to be able to act autonomously provided that professional standards and norms and values are strictly adhered to without exception. The personal commitment from a manager to serve the cause of the people of South Africa, faithfully and honestly, should be the benchmark striven for.

COPE recognises that a lack of democracy, transparency and accountability are bedeviling the administration of departments with intimidatory tactics often being used to silence individuals and to achieve conformity. In such a climate corrupt practices occur. COPE would like to secure the autonomy of the manager and make sure that democracy, transparency and accountability prevail.

A COPE led administration will use the ICT forum that each Department will manage to encourage South Africans to expose corruption and inefficiencies. Those who are accused will be allowed due process and if found guilty, will have their services terminated and no exception will be



made. Best practices in fighting corruption will be adopted after Parliament annually reviews the question of corruption within the administration. On all such occasions, an MP who does not belong to the ruling party will chair such a meeting and be responsible for finalising the report to Parliament. Parliament will have to act decisively on the report with all MPs being freed to act on their conscience and not according to party lines determined in a caucus.

Administration must allow for an optimal amount of decentralisation while ensuring that the unity of direction and purpose is always kept in clear focus. The implementation team must always work in close co-operation with the organisational team so that goals and targets are met according to prioritisation and time frames. The procedures for execution must be innovative, legal, transparent and synergistic. Quality control and financial management must be in place. The target for the service, if the target is identifiable, must evaluate the quality of the service as well as the value for money that was derived from it. This is very important.

COPE will require that administrators utilise staff potential in the fullest way possible so that morale, team spirit, initiative, synergy and drive are all boosted.

Effective integration is essential for effective government. Mutually reinforcing policies are essential to allow improved service delivery. An integration manager must regularly focus on inter-level and inter-departmental integration so that national, provincial and local government operate seamlessly and efficiently. The integration manager must also help to align the efforts of NGO's, the community and other stake holders so that optimal synergy will obtain. It is an absolute imperative that this happens and is seen to be happening.

COPE believes that all administrators should see their duties as exceeding those set out in the closed list deriving from the PFMA. The PFMA is there to ensure fiscal and ethical good behaviour which has become so much of a problem in the present time. Managers, who engender trust and set high standards of ethical, transparent and democratic behaviour for themselves, need not to be constrained by the requirements of the PFMA.

6. INTERNATIONAL TRADE & ECONOMIC DEVELOPMENT

6.1 Real Exchange Rate

COPE believes that it is very important to establish what the real exchange rate has to be at any given moment by developing more reliable estimation techniques. Every country should prevent its currency from being significantly overvalued. It is obvious that if exports increase and tourism booms, foreign exchange earnings increase. A COPE led government will encourage the development of a reliable estimation technique to better manage the country's currency valuation.

6.2 Equitable Trading

COPE will pursue the strengthening of trade and investment links with Africa, the southern hemisphere economies and with other economies to achieve equitable multilateral trading. Developing regional and continental integration and co-operation in line with the New Partnership for Africa's Development (NEPAD), will be given considerable impetus by concluding bilateral trade and investment agreements with fellow African countries and through institutional capacity building.



6.3 Tariffs

COPE will encourage greater public participation in effectively managing South Africa's tariff regime in collaboration with the International Trade Administration Commission (ITAC). The issue of customs tariffs, import control permits, export control permits and duty credit certificates will be regularly discussed on the Department's ICT forum to allow for a fair and transparent system to evolve which will not operate to the detriment of anyone.

6.4 Digital Economy

South Africa has to engage immediately in developing an adequate encryption system so as protect all government records as well as the records of ordinary citizens. Addressing the need for guaranteeing individual privacy and advancing electronic commerce will allow the digital economy to grow to its full potential. South Africa must request the universities to propel the study of cryptography and encryption to the front. The rapid increase in the use of telecommunications media, such as E-mail, data transfer, and electronic purchases, requires protection through encryption. The increasing use of wireless cellular telephones connected to digital equipment will also lead to an increasing need for encryption of signals. Secure computer facilities is essential for the individual as well as for business to facilitate the electronic transfer of funds.

Encryption will allow strategic partners to have secure access to corporate databases, intellectual property owners to protect trade secrets, blueprints, designs, and operational records, information providers to protect knowledge, artists to protect their artistic and cultural products, developers to protect their software.

COPE will lead South Africa in finding digital solutions that will prevent criminal misuse while supporting international institutions, legitimate business, institutions, and individuals. The supply side of electronic commerce will

have to be thoroughly investigated to ensure that suitable support is given to the telecommunications industry and to software developers.

Under a COPE led government the digital and communications economy will be considerably expanded.

6.5 International Trade Development

The development of international trade promotes economic development and leads to poverty reduction. COPE will in addition to other efforts, also promote opportunities for small businesses and facilitate trade for them via market research, providing expert knowledge, and offering operational assistance. COPE will also make optimal use of arts & culture to promote trade; and support the expansion of student intake for courses at higher education and training centres in the various fields of international trade.

In line with developments elsewhere in the world, and in order to develop a competitive edge, COPE will promote the establishment of Centres of Excellence in conjunction with Technicons and colleges to provide programmes for specialised workforce education and training throughout the country. These centres, like their counterparts elsewhere, will serve as a point-of-contact and resource hub for industry trends, best practices, innovative curriculum and professional development. Funding through the SETA reserves will be explored. Companies will be encouraged to retrain their present staff as well as to recruit staff in excess of their needs for training so that future vacancies can be rapidly filled and expansion undertaken when opportunities become available. Those who receive training and do not get immediate employment will nevertheless improve their suitability for other openings. The possibility of skills export into SADEC and Africa will also be explored.



The surplus training of students in all fields will be promoted as opportunities are often made by the resources that exist in a country, as much as they exist by what is already present in place. COPE undertakes to support the recruitment of 100 000 suitable unemployed young people for training in all aspects pertaining to economic development, tariffs, customs and international trade.

6.6 African Economic Development

South Africa must in consultation with other African countries develop further protocols and agreements to stimulate African economic development. With the steady depletion of oil reserves and Africa's abundant availability of solar radiation, opportunities are begging in the field of generating solar power. COPE will substantially expand the growth of South Africa's solar industry and work to forge links with successful companies for technology transfers. As this field will also require a vast number of trained people, COPE will support the recruitment and training of a large number of young South Africans, as fee paying and non fee paying students, to become proficient in the field. When African countries have an assured and abundant supply of cheap electricity, produced in an environmentally safe way, African economic development can begin in earnest.

6.7 International Trade Administration

COPE recognises the importance of proactively and innovatively administering trade in and out of South Africa. The ITA must work assiduously to create economic opportunities for South African workers and companies by promoting international trade and by helping to open up foreign markets in compliance with national and international trade laws. The need for government to support South Africa's commercial interests at home and abroad is a responsibility that has to be fully discharged.

A COPE led administration will also work to launch a Sustainable Manufacturing Support Service at once, to allow the public and private sectors to work together to shift manufacturers to use cleaner and more energy-efficient technologies that are environmentally sound. South Africa must enhance its competitiveness through sustainable manufacturing.

6.8 Southern African Customs Union

COPE will thoroughly interrogate the Economic Partnership Agreements (EPAs) agreed to with the European Union so that the pro-development, across-the-board conditions, can be fully leveraged for the benefit of workers in South Africa and Southern Africa. The European offer of the best treatment offered to any other industrialised or developing country or region, without expecting identical concessions from SADC, will need to be explored in practical terms to gauge what opportunities are available through it which have not yet been taken up. .

COPE will also investigate the whether the Southern African Customs Union (SACU) Customs tariff have now been aligned to the satisfaction of all members and whether there are unresolved issues needing to be finalised.

The importation of cereals, grains, and other EU products free of duty at world market prices must be analysed both against the benefit to the consumer as well as the impact on the farmer.

COPE will examine whether the establishment of the Free Trade Area involving a substantial number of countries in southern Africa, has any real prospects of materialising. If it has, the implementation of deeper regional and global integration programmes will be settled as soon as possible as it is not in the interest of South African workers for the matter to be left in abeyance indefinitely. Countries of the region that are immediately ready to adopt integrated



industrial development policies and to support that with appropriate legal instruments should begin to do so. Room will be left for other countries to join when they were ready. The countries that share a common vision should establish an effective secretariat and thus allow the Free Trade Area to see the light of day.

COPE will hold an ICT forum to engage with all stakeholders to bring to the fore the issues that need to be grappled with and settled.

6.9 South Africa- European Free Trade Area

South Africa under a COPE led administration will immediately convene a think tank comprising many role players to map out the additional ways in which it can promote exports of its agricultural, industrial, fish and marine products. In abiding by the rules of origin, and mutual administrative cooperation on customs matters, COPE will strive to ensure that sanitary and phyto-sanitary measures, which are applicable to products for export, are also applicable for the local market. Standardising best practices will yield both health and economic benefits greater than is to be expected.

South Africa, as part of the Southern African Customs Union, will have to gradually eliminate import duties over a period not exceeding nine years, with different phase-down modalities for different products. COPE will want to ensure that local producers have enough time to implement strategies to deal with cheaper imports. The need to keep a wary eye on processed agricultural products from Europe that qualify for export subsidies should not be allowed to benefit from the agreement.

COPE will explore similar agreements with all other major trading countries to enjoy increased market access.

Trade agreements that have been bilaterally reached allow for some of the difficulties encountered in the Uruguay, "Seattle" and Doha Rounds of multilateral trade negotiations to be overcome. GATT/WTO regulatory failures have also led nations to bilateral route. The issues of labour, environmental matters, and competition can also be properly addressed.

6.10 Other Preferred Trade Agreements

COPE will continue negotiations with China, India, the USA, Nigeria, and the Mercosur countries to finalise or refine trade agreements. All of these matters should be thrown open for discussion so that all developments are properly assessed and best value obtained out of them.

7. ENTERPRISE & INDUSTRY DEVELOPMENT

7.1 Wholesale and Retail

The involvement of a vast number of individuals in the wholesale business, the retail trade, health services, recreational, cultural and sporting activities, repair and personal service activities, hotels & restaurants, communication, and health services is essential to the health of the economy. The present distribution and management of services excludes many people in our country who find it hard to get a foot in because of historical factors. The development of malls in South Africa, unfortunately, has exacerbated the situation of exclusion because of the near impossible conditions of entry. The answer therefore will have to lie in substantially modifying the mall concept so that mass marketing could occur through broader ownership and direct participation.

COPE would like to encourage the development of a new type of unique mall that would incorporate both commercial



and residential segments in one locality; and allow a vast number of individuals, from all race groups, to participate as individuals with a variety of skills as one collective, subscribing to predetermined common high standards and rules. The participants in the business, if they choose to, will have accommodation in apartments above the shopping centre. The new type of mall will have a distinct South African characteristic and be much more than a superstore serving as an outlet for individually and South African produced goods. It would also accommodate on the vast trading floor tailors, repairers, artists, the small time publishers, the individual bakers, a host of individual retailers, crafters, framers, photographers, potters and so on.

Such stores will have the appearance of a mega store but will be owned by those who worked in it and will substantially be a 'proudly South African' store. Artists and cultural workers will have a share in the profits because they will allow such a centre to become a major tourist attraction. By aggregating and supporting the struggling retailers and service providers and micro manufacturers, government will be assisting in job creation. Management will be in the hands of competent professionals and rules for resolving dissension and conflicts among the many owners will be laid down at the very outset.

COPE will support the aggregation of businesses to unlock their potential and to enable many more people to find employment. The volume of traffic, the greater security, the unique variety of goods and services, and the infusion of arts and culture will make such centres viable for those who participate in it. The development of a prototype in any suitable area where the people are ready for it, will allow for the model to be refined and rolled out across the country.

Upon completion the owners will take possession and be responsible for arranging the finance to pay off for its construction.

7.2 Financial Institutions

COPE will be very keen to re-examine The Draft Task Group Report for The National Treasury and the South African Reserve Bank - Competition in South African Banking. While recognising the risk aversions of banks in lending to small, micro and medium enterprises it is important to find a win-win situation. Aggregating such businesses and placing them in an environment where economic success is guaranteed will allow for a healthier situation to arise. The issues raised in the report should be put out into the open for comment. They will include the following:

- Competition and profitability: A broad overview International comparisons of competition and profitability
- Economic concentration
- Simulation: Revenue, costs and competitiveness of banks
- Simulation: The possible role of second- and third-tier banks
- The payment system and competition
- Banking services to the unbanked
- Retail offerings to low- and high-income individuals
- Banking services for small and medium businesses
- Disclosure and corporate governance
- The legislative and regulatory environment
- The way forward
- Conclusions and recommendations

Any other matter that concerns either the financial institutions or businesses will be looked at by COPE.

7.3 Stock Exchange

COPE would like the JSE to examine the possibility of attracting more South Africans, as sector groups, to invest in the JSE so that they too could have a stake in a little of the wealth that is generated there. More importantly, as



shareholders they would then be entitled to vote on such items as the appointment of the board of directors, the company's accounts, the money paid to directors and other important issues.

COPE would also like to see all workers in companies listed on the Johannesburg Stock Exchange being included in a shares participation scheme.

COPE will invite South Africans to explore the possibilities that the JSE offers, in conjunction with all role players, so that innovative approaches are developed for the benefit of South Africa.

COPE will encourage family members and friends wishing to give a new born baby a birth gift, to get together and subscribe to one or more specially developed packages of shares listed and approved by the DTI with sufficient built in incentives from the government.

7.4 Savings

COPE recognises that raising national savings is vitally important for South Africa. South Africa does not save enough and a culture of saving has to be encouraged with all the incentives that government can offer. Growth in private investment will help to expand productive capacity and help reduce trade and current account deficits.

Increased savings will help to reduce mortgage costs and alleviate the tax burden of individuals.

COPE will investigate how families can be assisted to save and what inducements will need to be given. The spreading of financial literacy within communities is a very important task that will have to be undertaken. Educational, business, sports, religious, NGO, and community leaders will be enlisted to support the programme. A National Savings Programme, where saving is made simple and easy, will be

launched and will be overseen by a panel of bankers participating in it. The only role DTI will have is to help promote the scheme.

The establishment of a National Retirement Savings Account will offer incentives to people to save.

7.5 Industry

The movement toward an environmentally sustainable national economy will have to be mapped out as non-polluting, environmentally sustainable industries are likely to be intrinsically more labour intensive, more reliant on renewable resources, and more relevant in the next decade. Over and above that, COPE recognises that conserving resources to meet the needs of future generations is a moral issue that must be addressed with adequate gravity.

The growth of industries world wide attempting to turn solar radiation into electricity also requires that South Africa be positioned at the head of the pack. Sustainable industrial growth is crucially important to South Africa and it is therefore important to ensure that present investments have long lasting value. As the countries of the world begin to make increasing demands for products to be produced in an environmentally friendly manner, DTI will need to provide regular information to the different sectors on how to become environmentally friendly and compliant over a period of five years.

Under a COPE led administration, a Creative Industries Task Force will be established to ensure that new ideas flow into new products that are uniquely South African.

South Africa, as an emerging market, will also need to acquire front-end manufacturing expertise through industrial offset contracts and other forms of technology transfer. The value of the previously negotiated industrial



offset contracts, linked to the arms deal, will need to be thoroughly investigated to see whether technology transfer had indeed taken place to the extent that was promised and whether those that had made promises to get the contracts had fully delivered on those promises.

COPE will ensure that South Africa's industrial policy for high-technology industries will allow for synergy to be created between domestic firms and foreign companies. The role of SABS in guaranteeing standards for products produced in South Africa will be significant in allowing South Africa to build and keep its markets.

Expanding, co-funding and co-managing laboratories attached to universities and technicons, through the CSIR or independent of them, will be facilitated so that high-tech ventures, research, and development can gather pace and momentum. As these laboratories begin to multiply and expand, South Africa can become an even more powerful incubator of new industries than it is presently. The approach of universities to applied research will have to be democratically interrogated as South Africa pushes to become a nation of innovators.

Regional cluster based industries which are labour intensive and which can readily exploit abundant natural resources available in a given locality must be supported through research, ideas, facilitation, and aggregation of individuals and groups. Government's totally transparent and accountable role in being a co-partner in start up projects allowing for large scale and sustainable labour creation will have to occur. The manager of such a programme has to be a person who will have distinguished himself / herself in that field and not be a political appointee..

The development of Co-Housing complexes for the employees of a firm, fairly close to a factory site, will be explored and supported in order to help employees curtail

travelling costs, travelling time, housing costs, living costs, health costs and child care costs.

The extent to which present policies were able to create an enabling environment for competitiveness, equity, growth and job creation, will have to be subjected to intense scrutiny. After all, it is in the interest of South Africa to ensure that there has been growth and diversification in the manufacturing and tradable services according to the targets that were set out in the industrial policy action plan. The success of the broadening the national tooling initiative will also have to be evaluated.

In every country the fostering and growth of co-operatives and small, micro and medium enterprises through a truly enabling environment, good oversight and frequent facilitation through the DTI it self in the first instance and then through Khula, the Small Enterprise Development Agency (SEDA) and the South African Micro-finance Apex Fund (SAMAF) are crucially important and therefore the outcomes and results achieved by all of them will have to be examined.

South Africa has to maintain its industrial competitiveness through modernising and COPE will want to see how the Standards Act and the National Regulator for

Compulsory Specifications Act are succeeding in getting South African industries to set higher standards and to meet them.

COPE, in line with its policy of involving South Africans to take responsibility for their own future, will set up several industrial policy think tanks to contribute ideas. The use of District Industrial Strategies will allow for the economies of small towns that are now in decline to be revived and revitalised.



7.5.1 ASGISA

It was premised that ASGISA would require a growth rate of 4.5 initially and that in the second phase ASGISA would require a growth rate exceeding 6% of gross domestic product between 2010 and 2014. It was believed that sustained growth within the economy would allow for more economic opportunities to absorb labour, eliminate poverty, create equality, add greater value to our products and services, reduce production and distribution costs, and support the emergence and expansion of new businesses.

Currency volatility, depressed trading conditions, inefficiencies within the national logistics systems, lack of appropriate skills, price fixing, an inappropriate regulatory environment for small businesses, and deficiencies within state organisations were recognised as problems and even so they still persist in the present. COPE undertakes to deal decisively with those issues that are within the control of the country in order that the barriers are removed.

The development of infrastructure, mobilising of sector investment, establishing of skills improvement programmes and the sorting out of public administration issues will receive all the attention that these deserve so that they no longer impede growth and remain as perennial problems.

7.5.2 SABS

COPE recognises the South African Bureau of Standards as the leading standardisation authority in the whole of Africa. The surveillance it provides together with accreditation helps South Africa to maintain a competitive edge. COPE will ensure that issues of standards and technical regulations are properly resolved so that South Africa as well as the neighbouring countries can participate in international trade. It is envisaged that tariffs for many products will come down and that the emphasis will fall on regulatory matters and supply capacity in accessing new markets.

COPE will make certain that SABS is properly resourced to support an expanded role for Southern African countries in international trade. SABS will be encouraged to redesign its logo so that it stands out.

7.5.3 National Industrial Participation Programme

The NIP programme which has been in operation for several years was required to fast track investment in industries and to encourage collaborations among possible role players so that technological development and transfer could take place. COPE will interrogate to what extent and degree these fine ideas were implemented. NIP will under a COPE led administration be refined and revitalised as per our programme of implementation.

7.5.4 Khula Enterprise

COPE will want to access the extent to which Khula had facilitated access to credit for small, medium and micro-enterprises (SMMEs) through commercial banks, retail financial intermediaries and micro-credit outlets. A review of its work and achievements will enable COPE to decide on further measures.

Khula also has as its mandate to mentor and guide entrepreneurs in various aspects of managing a business. COPE will investigate how well this task was undertaken and what number of people in South Africa, who needed such support, actually got it.

7.5.5 IDC

COPE will undertake, together with the IDC, a ten year review to determine the strengths and weaknesses of the corporation over the past decade. By looking at the outcome COPE and all role players will examine the best way forward.



7.5.6 Economic Empowerment of Poor People

COPE will immediately address the economic empowerment of all poor people in order to meet the Millennium Development Goals. The lack of attention and resources devoted to poor women is a matter that warrants utmost attention. All poor people need to be assisted, as far as is possible, to own their own property, to have access to water and energy. The best way to wage a war on poverty is to advance poor people to enjoy their Constitutional rights, to have skills to operate in a market economy, to simplify legal and administrative requirements for them, and to hold their hands so that they can too become part of our complex economy.

Economic empowerment must encompass the vast majority of people on the ground. In order for a vast programme to succeed, it will require a vast effort. COPE will call on all who are in business in South Africa to mentor individuals, families or groups within their reach so that businesses can begin to spring up. All such start up business will require the simplest of formalities and be allowed the widest opportunity to market their products in specially designed community markets in town centres. Such markets will be funded from subsidies, donations, grants and loans. Beneficiaries will contribute sweat equity and receive daily allowances.

COPE will request the local council or businesses to provide the land, local architects to design the market, chartered accountants to manage the funds and building contractors to provide supervision, at substantially reduced costs. Each community market should be owned by those who will service it and must conform to their needs so that high standards of hygiene can always be maintained. The construction of such markets to combat poverty must be a joint effort in which everyone must be invited to contribute.

7.5.7 Chemical Sector Development

COPE will support the chemicals sector development strategy to increase competitiveness, exports, investments, employment and equity in the sector. The challenges and opportunities facing the sector will have to be speedily addressed with the participation of all role players. The key issue for COPE will be the extent to which good intentions were translated into action and into sustainable job opportunities.

7.5.8 Metals

South Africa is a producer of metals but COPE believes that South Africa has not utilised all of the opportunities available to it from an abundant resource to support the creation of industries and thereby the creation of sustainable jobs. This is an area that will receive substantial attention under a COPE led government.

7.5.9 Tourism

In as much as tourism has been growing at a fast rate COPE believes that South Africa cannot just become another holiday destination with much of a sameness. The South African tourism business must be designed to give outsiders many more authentic cultural experiences. The Zulu, Xhosa, Sotho, Venda, old Dutch, old Malay, old Indian and other such cultural themes will be explored by a team of designers and the developed programme offered to stake holders to own, to modify and to develop. COPE envisages that co-operatives, trusts or companies will drive such development at speed to catch the 2010 World Cup.

The safety of tourists, the non exploitation of tourists and the support given to tourists will be fully examined with a view to making alterations and improvements.



All tourists leaving the country will be debriefed to obtain their criticisms and suggestions to evolve new strategies and to revise policies.

7.5.10 Textiles and Clothing

Under a COPE led government the textiles and clothing industry will be encouraged through incentives to decentralise from factories into homes. As in Vietnam, areas will be developed with two storey or three storey buildings alongside wide streets. The ground floor will support textile and clothing manufacture while the first and second floors will serve as the residential component. The design and arrangement will allow for considerable cost efficiency to be achieved and for a family or families to work together.

The tourism potential of such areas will be taken into account in the design and planning stage.

Other innovative ideas will also be explored so that the dormant skills of tens of thousands of skilled people can be harnessed at once. Those wishing to participate in such a scheme will be offered an opportunity to form a co-operative or company and to elect a steering committee to help drive the project forward at speed. Where local authorities are unable to process plans, companies will be able to utilise private professional companies to assist local authorities and local authorities will not be able to refuse any reasonable offer of support which will be paid for by a company.

COPE will encourage the formation of a United Textile Industry body to be formed.

7.5.11 Carbon Sequestration

COPE recognises that the issue of carbon sequestration is going to impact on all industries and that companies should be encouraged to migrate to cleaner technologies to remain sustainable. In the interim offsets should be explored for creating carbon sinks in rural areas. The kind of commercial plant built in Shady Point, Oklahoma to capture 200 tons of CO₂ a day from the plant's flue and then to liquefy it and sell it to the food industry should be fully explored.

Forest conservation and indigenous reforestation projects on degraded areas or unused land, very small or big, should be a priority. Educational institutions should be supported in every way possible to help this project become a reality.

All industrial, service and commercial plants should be required to plant trees to mitigate the effect of climate change caused by the technologies that they are using. This should be done through proper consultative channels so that every industry buys in to this programme. Product labels will allow the manufacturer or producer participating in the project to declare their involvement.

Geologic storage facility for carbon should be explored because South Africa has many unused mines that could potentially serve to store captured carbon. As the cost of carbon separation and sequestration becomes lower, new industries will emerge to take advantage of the credits. COPE will encourage that this happens as swiftly as possible.

7.5.12 Technical and Regulatory Support

Under a COPE led administration the DTI will have to implement systems which will allow for rapid delivery of technical and regulatory support. COPE's policies are being framed in such a manner as to unblock delivery so



that tens of thousands of jobs can be created. Where capacity is lacking, support from outside will have to be accepted so that the people are not held back from helping themselves.

Technical and regulatory support should be systemised so that these can be utilised simultaneously.

7.5.13 Technology and Human Resources for Industry – THRIP

This public and private sector partnership programme established to deal with the shortage of high-level technical skills for industry to improve the competitive edge of South Africa's industry through the development and diffusion of advanced technologies is laudable. The extent of its success and the ability to use it to transfer skills will need to be interrogated. COPE will want to ensure that every service that is available in South Africa spawns intended as well as unintended benefits. As such, it will be examined for further potential and wider applicability.

7.5.14 Co-operatives Technical Assistance Fund

COPE recognises the enormous potential of this Fund to provide proper technical support to co-operatives and thereby stimulate the creation of a great number of opportunities and jobs. The extent to which this has happened will have to be a responsibility of the Portfolio Committee to interrogate and to report on.

7.5.15 Co-Operatives Advisory Board

The advice of the board given to previous ministers will have to be looked at. It would have been pointless to create Boards and to use scarce resources without commensurate

benefit to the country. If benefits had arisen, COPE will have to evaluate these.

7.5.16 The SEDA Technology Programme (Godisa Trust)

The SEDA Technology Programme is responsible for technology transfer and business incubation. The extent to which it has succeeded in contributing to economic growth and job creation will have to be assessed. The number of small technology business that were supported will have to be looked at. COPE is concerned to use all the resources of the land to revitalise the economy and thereby to stimulate job creation.

7.5.17 Other Institutes, Agencies, Foundations and Funds

The National Productivity Institute, the Manufacturing Advisory Centre, the National Empowerment Fund, the Small Enterprise Development Agency, the South African Micro Finance Apex Fund, the National Research Foundation and the National Empowerment Fund all serve important functions. The question to resolve is whether they create sufficient synergy, critical mass and integration to offer services that are multiplying business opportunities and supporting jobs? COPE will want to ensure that the focus is expending resources to support business growth. How do the applicants to these bodies react? Have they been sent from pillar to post? Is decentralisation efficient and are the cumulative results good enough? COPE wishes to put these questions to all parties concerned so that whatever needs to be done can be effected for optimal results.



7.5.18 Industrial Development Zones

7.5.18.1 COEGA

Although COEGA is a reality, COPE will want to examine whether the size of expenditure by government, the tax and other rebates given to Alcan, and the pressure on ESCOM's dwindling power supply, were well advised. COPE will call a summit on COEGA and then determine a full policy to extract full value from the expenditure and to create the kind of sustainable jobs that the expenditure to date warrants.

7.5.18.2 East London IDZ

The East London IDZ which has the Automotive Supplier Park on it is also an expensive undertaking. The extent of the uptake by industries and the number of new sustainable jobs that were created will need to be looked at.

7.5.18.3 Richards Bay IDZ

While it is estimated that over twenty thousand new jobs were to be created, COPE will examine what is going in as scarce resource and what is coming out as direct benefit to the economy and to the unemployed. COPE wishes to see rapid job creation.

8. CONSUMER AND CORPORATE REGULATION

In order for an economy to prosper efficient, fair, coherent, predictable and transparent rules and regulations must exist. Access to redress must be swift and efficient. COPE will examine whether such a situation obtains and if not, what measures will need to be taken to inspire confidence and investment in South Africa.

Of very great importance to COPE will be the extent of economic opportunities for historically disadvantaged citizens that were created through DTI's programmes.

The Companies Act, the Companies Commission, the Consumer Protection Act, the Consumers Commission, the Competition Act and the Intellectual Property Laws Act must come before the Portfolio Committee to see whether any of these acts had any unintended consequences or were working opposite to what was intended.

The Portfolio Committee should also hold public enquiries on the following: Competition Authority, The National Gambling Board, The National Lottery, Consumer Protection, National Credit Regulator, National Consumer Tribunal, Estate Agency Affairs Board, Competition Tribunal, Micro Finance Regulatory Council, National Credit Regulator, Public Corporations, World Intellectual Property Organisation, Pyramid Schemes.

COPE will also be very keen to effectiveness of the Liquor Act.

9. ENTERPRISE ORGANISATION

The use of incentives to stimulate and facilitate the development of enterprises that support investment, job creation and district economic development will be applied, monitored, reviewed and refined.

9.1 Business Process Outsourcing

South Africa is well placed to meet the need of companies seeking to decreasing cost and improving efficiency. The global BPO is worth about US\$130-billion a year. There are many business processes such as providing customer care, operating a call centre, providing financial services, undertaking after-sales services, managing data capture, designing websites, preparing software and administering benefits.



The business-process-outsourcing industry can cater for many multinational corporations. South Africa has, however, to provide cheaper bandwidth and lower telecom costs for leased lines so that Business Process Outsourcing can become a big provider of sustainable jobs. South Africa has time zone advantage, speakers who are fluent in standard English, and quality infrastructure.

A COPE led government will undertake to develop this industry without any delay. Its approach of integrated multi-level service will ensure that all relevant role players will be brought together and given the support to expand this industry to the limits of its potential. If 100 000 jobs can be created, many people will have decent jobs.

9.2 Staple Food Fortification

While the addition of micro nutrients has been in practice for a while COPE will also support using biofortification. This development in agriculture allows for staple foods to be carriers of micronutrient through the use of best traditional breeding practices and modern biotechnology. This is a one time investment. COPE will thoroughly canvass this idea to determine its acceptability.

9.3 Television & Film Production

COPE supports the revised film and production incentive because of its multiple benefits to South Africa. The growth of the film industry already provides employment for many but South Africa has not even reached one percent of global production. This basically means that the television and film industry can be expanded five fold because we have everything that it takes to support a viable film industry.

The Football World Cup should be excuse enough for South Africa to pull out the stops so that at least 100 000 people can find openings in the industry in the short term. The Football World Cup needs to serve as a catalyst.

COPE recognises that if government gives a solid lead the industry will begin to take off. There are enormous opportunities for documentaries given that we enjoy such diversity of flora, fauna and humanity. To begin with, COPE will support the training of script writers, producers, technicians and set makers. The development of studios will also be supported. Getting South Africa to write and submit scripts will not take any more effort than merely announcing that and then providing prize money. Deficient scripts can be amended by expert writers and with a pile of scripts producers can be encouraged to contemplate production.

In order to assist those who do not have resources, loan of equipment from firms specialising in such services can be facilitated through subsidies. Like wise use of studio facilities should be facilitated. COPE believes that this is an area of high growth and will therefore sweep away all obstacles to grow the industry by leaps and bounds.

9.4 Sector Development

The private sector is normally assigned to generate sustainable jobs and to grow the economy. The problem is that in considering job creation poverty alleviation is left out of the equation. Self-employment opportunities in agriculture, finance, energy, ICT, environment, the rural environment, the social sector, security, furniture, aquaculture, biotechnology, engineering, water, tourism, health, sports and recreation exist but those who need the service as well as those who are keen to provide that service are neither trained nor connected.

Under a COPE led administration such a service would come about immediately through the use of a dedicated server which would be updated hourly. Tips, ideas, stories, notices and other relevant information will be carried on the site.



All listings will be on a sector by sector basis. The database will contain the curricular vitae of all applicants and it will screen undesirables from using the service.

The possibility of work for 100 000 people could be opened up by creating a national register of those who are unemployed, underemployed, or not suitably employed.

10. ENTERPRISE DEVELOPMENT

The issue of preferential procurement to support micro enterprises, as well as to encourage the buying of locally-made goods and locally-provided services where quality and scale match the demand, need constant revisiting so that the situation on the ground matches policy directives.

The involvement of District Committees, made up of leaders from different fields, is crucial in allowing enterprise development to expand.

The needs of small farmers and entrepreneurs are for infrastructure, technical skills, business knowledge and access to markets. The District Committees must look for innovative ways to help both micro enterprises as well as the small and medium-sized ventures to access grant-funding, create partnerships, and to diversify. This requires that they know what niche markets are available.

Proactive strategy that will allow owners to maximise their equity by contributing to building and equipment costs, will enhance creditworthiness.

The development of community markets should be seen as one dimension of this question. COPE is committed to ensuring optimal enterprise development in South Africa.

11. TRADE & INVESTMENT IN SOUTH AFRICA

COPE recognises that there are many markets in Africa, the East and in South America which still need to be explored and developed. The need to attract higher levels

of direct investment is very much of an imperative and COPE will therefore keep a sharp focus on this.

COPE will examine the achievement of the department's network of foreign offices in respect of their success in promoting awareness of investment opportunities in South Africa. The following will be under the spotlight: investment promotion and facilitation, export development and promotion, trade leads, international operations, export answers, e-commerce, SMMES, export market and investment assistance.

The internet site 'alibaba.com' is worthy of emulating to promote South African business.

12. MARKETING

COPE wishes to make it easier for business people to access the products and services of the DTI in order to influence further growth and development. An outreach programme, where departmental officials will meet entrepreneurs at the district level, will be implemented. Focussed attention will be given to raising investment levels, increasing labour absorption, broadening economic participation, and increasing competitiveness.

Further investments will be sought for solar energy, environment mitigation, clothing, food, transport, equipment, metals; automotive components; chemicals, plastic, pharmaceuticals; forestry, pulp and paper, tourism, and furniture.

COPE supports a broadening of participation in economics and in equity holding. Emphasis will shift from BEE to the economic empowerment of the poor people of South Africa so that a broader segment of South Africans will benefit. The empowerment of poor women will receive greater support than ever before.



13. AFRICAN TRADE PARTNERSHIP & PARTICIPATION

COPE will immediately work to conclude free trade agreements with African countries to cement economic cooperation and integration among the countries of Africa. The use of a building block approach will allow for a steady join of hands in tapping the vast opportunities of Africa. Trade in goods, provision of services, tourism, legal alignment, security and investment facilitation will be some of the issues for discussion

14. TRANSIT TRADE

COPE recognises that substantial fraud is committed in respect of transit trade. Traders will declare that imported goods are in transit to a neighbouring country but are in fact off loaded and the payment of duty is avoided with a loss of revenue to the state.

COPE will require that a transit trade monitoring programme be implemented. This will require the payment of a transit bond and the sealing of containerised shipments using a secure customs seal. Each container will have a barcode affixed and if the seal is intact at the border, the transit bond will be released after duty has been paid in the destination country.

This is an area that will need to be thoroughly reviewed. Round tripping is another practice that will have to be kept in focus.

15. SOUTH AFRICAN INDUSTRY ONLINE

The creation of an online trade platform will enable buyers to look through the different categories to source goods, equipment and services. Agricultural Products, Chemicals, Components, Electrical Products, Environmental, Digital Products, Electricity, Energy & Power, Furniture, Hardware, Instruments, IT, Laboratory, Light Industry, Machines,

Materials, Medical, Motor Vehicles, Paints, Petrochemicals, Recreational, Software, Textiles, Tourism and Transportation, amongst others, will be listed.

COPE will strive to have all South African products and service listed on the site SABS approved.

16. CIPRO

COPE would like to look inside the operation of CIPRO to ascertain what was going on there. The fact that that CIPRO has had several disclaimers from the Auditor General is perturbing. It should never be happening.

17. THE SOUTH AFRICAN NATIONAL ACCREDITATION SYSTEM (SANAS)

COPE recognises that in the era of globalisation it is imperative to maintain standards. The South African National Accreditation System (SANAS) serves as the single national accreditation body that gives formal recognition to laboratories, certification bodies, inspection bodies, proficiency testing scheme providers and good laboratory practice test facilities.

COPE would like to investigate whether the appropriate levels of skill were present in SANAS and that South African can rest assured that the accreditation system is indeed functioning in a credible manner.

Under a COPE led administration it will be necessary for the Portfolio Committee to keep abreast of developments in SANAS.

18. THE SOUTH AFRICAN QUALITY INSTITUTE (SAQI)

The South African Quality Institute (SAQI) is the national body that co-ordinates the quality effort in South Africa. SAQI's mission is to play a leading role in establishing and sustaining a national quality infrastructure that serves the



economic system and makes South African trade competitive both locally and internationally. It also provides technical support to SMMEs and industry through promoting quality and standards and implementing systems.

COPE will be interested to understand how SAQI was working and what impact it was having in promoting South African business, improving quality and creating jobs.

19. IMPLEMENTATION

COPE wishes to have the best possible policies to serve South Africa, it is important for an implementation plan to be created and for management to buy into it. To begin with, implementing new policies will require that management gives consideration to processes, systems and integration. The biggest failure of government has been its inability to get departments to act in a co-operative and integrated manner to deliver lasting and sustainable solutions. This problem has to be addressed decisively once and for all.

COPE has been concerned to keep what has been developed and is working in place so that there is continuity and stability. At the same time it is equally concerned about real benefits from investment and government's ability to expand training and work opportunities for the people of South Africa. The lay out of its policies makes it a whole lot easier for a portfolio committee to carry out its oversight duties. It will test each structure against the target it sets, the resources it consumes, and the output and outcomes it achieves.

All policies, very importantly, have to be assessed for the impact that they have on people, processes and systems. COPE will require that its policies be subjected to intense scrutiny in order that efficiency is enhanced considerably and that the return on investment is clearly evident.

The management of the DTI as well as of each of the entities under its influence will need to develop and submit

an implementation plan, a time frame and a list of the people who will be managing it. If relocation and redeployment is required, the plan will specify how this will be done. The communication strategy will have to be fully developed, tested and explained.

The administration will indicate where the project office will be established to allow for optimal oversight to take place. Concentrated focus will be given to quality, budget issues, monitoring processes, verifying results and rectifying anything that was being incorrectly done. Project plans will need to be updated on a monthly basis and submitted for approval to the relevant role players.

Documents relating to the implementation process and changes to process and system workflows will be maintained to facilitate oversight.

20. THINK TANK

A think tank made up of government officials, academia, role players in society, investors and NGO's should use the ICT forum to hold an annual discussion and debate each January on issues of policy, integration, governance, management, strategy, economics, corruption, science, technology and any other issues of relevance. The Think Tank will function outside the immediate sphere of government and be headed on a rotational basis by anyone who is outside of government. The Department and the entities will use a democratic and transparent process to elect a Visionary Task Team to participate in the think tank.

Its findings will be submitted to all political parties to consider and take up.