



the dti

DEPARTMENT:
TRADE AND INDUSTRY
SOUTH AFRICA

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CUSTOMISED SECTOR PROGRAMMES : STATUS

(DRAFT)

Presentation before the Portfolio Committee: Trade and Industry

Tuesday, June 20, 2006
the dti Campus
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Customised Sector Programmes and the Customised Sector Programme process

- 1) The Customised Sector Programmes were announced in 2002 as part of the Microeconomic Reform Strategy and is a central element of the Government's draft Industrial Strategy.
- 2) They are designed to build a dynamic partnership between industry and government to achieve the common goal of sustainable competitiveness, exports and investments as well as employment and equity in the global environment for specific priority sectors.
- 3) The flexible nature in which each Customised Sector Programme is developed takes into account the sensitivities of each industry sector.
- 4) The aim of Customised Sector Programmes is for Government / business / labour to identify new opportunities and strategies for success, and remove impediments to growth
- 5) As of May 2006, there were 13 industry based Customised Sector Programmes in various stages of development and implementation. Of these, 9 are being developed, 4 are being implemented and none have been completed.

Government / Business / Labour Partnership

1. Customised Sector Programmes are demand driven with the impetus for change driven by Government / business / labour partnerships.
2. Customised Sector Programmes place particular emphasis on identifying the actions that Government / business / labour partnerships will take to realise their full potential. Accordingly, Customised Sector Programmes' prime focus is to encourage sectors to develop solutions to their problems without recourse to government funding (funding is on a principle of sharing with the acceptance that contributions can be both monetary and human).
3. The industry representatives charged with responsibility for developing and implementing Customised Sector Programmes have attracted high calibre people broadly representative of the sector.
4. The Government supports Customised Sector Programmes through the provision of a secretariat to assist with the development and implementation of the Action Agenda, acting as a catalyst for change through a whole-of-government commitment to Customised Sector Programmes, and by bringing the Customised Sector Programmes to the government for approval.

Customised Sector Programme Development

- 1) Development of Action Agendas is conducted in four distinct stages.
 - a) Prioritisation of sectors
 - b) the identification of impediments to growth
 - c) the development of priorities for reform; and
 - d) Implementation
- 2) As of May 2006, there were 13 industry based Customised Sector Programmes in various stages of development and implementation. Of these, 9 are being developed, 4 are being implemented and none have been completed. Slide 5 has a list of the 13 Customised Sector Programmes at each stage.
- 3) These 13 Customised Sector Programme sectors account for 36% per cent of gross domestic product (GDP), employ 28 per cent of South Africa's total employment, contribute 72 per cent to South Africa's export earnings, attract 20 percent of South Africa's fixed investments (2005 data).

The Customised Sector Programme Process

1. The Customised Sector Programme process requires stakeholders to undertake a thorough examination of the strengths, weaknesses, opportunities and threats surrounding their particular sector. From this analysis it is expected that the sector will develop a strategic plan and vision for the sector.
2. It is accepted that **the dti** must at least develop a “Version 1 of Customised Sector Programmes” before engaging in a discussion with other stakeholders.
3. Once the Customised Sector Programme has been agreed between Government and business and labour, an implementation group is charged with having to implement the key action programmes within the agreed time- frame, usually up to five years. These groups report annually to the Minister for Trade and Industry on the progress of implementation and at the end of the implementation period undertake an evaluation of the outcomes and achievements of the Customised Sector Programme.

Status of Customised Sector Programmes as of May 2006

Completed (0)	Approved by the dti and in implementation phase (4)	Developed and awaiting approval by the dti (9)
None	Chemicals (demonstration pilot) Tourism Business Process Outsourcing Metals	<ol style="list-style-type: none"> 1. Textiles and Clothing 2. Agro-processing 3. Film 4. Craft 5. Aerospace, Rail and Marine 6. Automotives 7. Footwear 8. Capital Equipment 9. Electrotechnical services

These 13 Customised Sector Programme sectors will increase, from its current levels, employment by 7 %, investment by 13 %, and exports by 37 %.

Attention Areas

Risk	Mitigation
Misalignment of priority sectors between the Presidency and the dti will lead to non-delivery of construction, retail, community and social services, and ICT / Telecommunications strategies and programmes highlighted by the State President during his State of the Nation Address on 11 February 2005	Engaging the Presidency
Some of the identified key action programmes may not be implemented owing to lack of resources (finance and human)	Sequencing implementation
Lack of coordination across spheres of government will lead to duplication of efforts	Establishing institutional arrangements at sectoral level
Lack of in-depth sector knowledge and cultured formal qualifications are clearly inhibiting factors.	Working with a South African university to develop and deliver a customised training programme for existing and new officials.