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Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

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R1.2 BILLION ALREADY SPENT IN AGRO-PROCESSING. MORE TO COME – MINISTER DAVIES

The Minister of Trade and Industry, Dr Rob Davies says his department will continue to support agro-processing, in which it has already spent R1.2 billion since 2009, because it is one of the manufacturing sub-sectors identified in the Industrial Action Policy Plan as a vehicle for value-addition to the country's agricultural products.

Minister Davies was speaking to businesspeople and workers at the Callie De Wet Hall in Robertson, Western Cape today. He was on a one-day visit to the Langeberg Municipality which also included a whirlwind tour of two companies as part of the Department of Trade and Industry's (**the dti**) Taking **the dti** to Factories Campaign.

The campaign is aimed at affording the department's leadership an opportunity to interact with manufacturers and exchange ideas on their contribution to the industrialisation efforts and identifying opportunities, challenges and constraints which the department could assist in unblocking in order for the businesses to grow and create employment for the nearby communities.

"It is not by incident that since 2009 we have, as a department in the period we have supported agro-processing industries to the tune of R1.2 billion. Agro-processing is a



critical element of our Industrial Policy Action Plan. Agro-processing is important because when you have an existing agricultural activity and you add value to the crops produced, through agro-processing that's where the real income and real job opportunities lie," said Minister Davies.

Minister Davies emphasised the importance of agro-producing by citing a KMPG report release in May this year indicating that Africa produced and exports US\$ 6 billion worth of coffee. The coffee is then turned into products outside of the borders of the continent and sold for a total of US\$100 billion, meaning US\$94 billion of the value is captured outside the continent.

"So the promotion of agro-processing which will add value to our agricultural products is an extremely important stream of industrialisation, not just in our country but across the African continent at large. This is underscored by the identification of a number of directions by the African Ministers of trade that this continent needs to move along if we are going to industrialise. One of those is to provide more support to agro-processing industries," said Minister Davies.

He added that the establishment of agro-processing industries assists in driving agricultural production in areas where there is no pre-existing agricultural production. One of these is the packaging industries which he said were able to grow and flourish because of progress in agro-processing.

"Agro-processing is the subsector where we have deployed the largest chunk of our financial resources. Our Manufacturing Competitiveness Enhancement Programme (MCEP) is another evidence of the importance that we attach to agro-processing as a department. This is a programme through which we say to manufacturers: while we support you with trade remedies, defending your share of the local market through developmental approach to tariffs, and the work that we do in trade negotiations, we think that your future actually lies in raising your competitiveness," explained Minister Davies.



Prior to addressing businesspeople and workers, Minister Davies visited Unipack, a fruit packaging company, and Robertson Winery.

CAPTION: Minister Davies with some of the Robertson Winery workers

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