

The Role of SEZs and Industrial Parks in the Manufacturing Industry

African governments are required to implement innovative approaches to industrial policy such as Special Economic Zones (SEZs) and industrial park, representing instruments of industrial development.

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Johannesburg, 19th October 2021; Sustainable Development Goal 9 was formulated and adopted in view of Africa's inefficacy to industrialize. This policy intends to 'build resilient infrastructure, promote sustainable industrialization and foster innovation'. Industrial development is recognised as one of the nation's top priorities, therefore various emerging opportunities abound for Africa to industrialize. To seize such opportunities, African governments are required to implement innovative approaches to industrial policy, one of which is an increased focus on the role of Special Economic Zones (SEZs) and industrial parks as instruments of industrial development.

Industrial Parks and SEZ's are two of the spatial interventions identified by the South African government and are subsequently aligned with global approaches. Industrial spaces can be leveraged as catalysts for socio-economic development. All things considered, such spaces are recognised as enablers and are therefore often managed as such, and not for rent-seeking purposes. Moreover, industrial parks and SEZs effectively lend themselves as spaces for piloting and experimentation of new technologies and different approaches to industrial development, as well as for community and environmental programmes owing to the nexus between these three aspects.

Industrial parks and SEZs, as well as related industrial spaces, have the potential to grow the economy because owing to the opportunities for employment and establishing new businesses and value chains. This consequently develops the tax base and local economic activity which is critical in facilitating social development. The myriad of interventions established through industrial spaces support industrial and economic development, the transition to smart cities and transformation to a green economy as well as facilitate adoption of 4th Industrial Revolution solutions. What's more, such interventions provide a platform for widespread engagement of multiple stakeholders that supports win-win outcomes serving economic, social and environmental interests. Accordingly, industrial parks and SEZ's have the propensity to provide increased value, assuming the necessary planning and implementation is pursued proactively.

There are currently an estimated 4000 industrial zones globally (SEZ's, EPZ, FTZ's etcetera), evidently demonstrating the validity of such mechanisms. There is, however, debate as to the success of these zones and research has subsequently identified multiple success factors, such as governance, enabling regulatory frameworks, location and types of services offered. Suffice it to say, it remains worthwhile to explore the learning gained in executing such spaces and the

impact on supporting economic activities in a sustainable manner that support positive industrial, social and environmental outcomes.

The Special Economic Zones and Industrial Parks Programmes of the Department of Trade, Industry and Competition (the dtic) will play a critical role in the effectuation of South Africa's economic reconstruction and recovery plan. This ultimately stems from the SEZ Programme representing the core of the reimagined industrial strategy, which is purposefully structured to stimulate local and foreign direct investments.

Notwithstanding the catastrophic impact of the COVID-19 pandemic on global economies, the value of private investments in the South African SEZs saw a R1.8 billion increase from March 2019 to March 2020, while the number of operational investments rose from 129 to 143 in the same time frame. It is projected that the number and value of operational investments will increase by almost R10 billion when the next financial year ends.

Industrial Parks and Special Economic Zones represent a key feature within the conference of the upcoming and eagerly awaited **Manufacturing Indaba**. The virtual conference and exhibition, to be hosted between 22 – 26 November 2021, is set to assemble international industry experts to address technological innovations and evolving trends, while seeking actionable solutions to pressing challenges. The platform will empower thought leaders to exchange ideas, insights and experiences and serves to raise awareness of emerging opportunities within the realm that is manufacturing.

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About the Manufacturing Indaba

Manufacturing activities boost the value generated in an economy by creating activity further along value chains, from raw materials to finished products. African governments have recognised that a resilient manufacturing sector paves the way for a nation to provide a quality standard of living for its citizens.

Supporting the growth of manufacturing in Africa, the 8th edition of the Manufacturing Indaba will be hosted from the **22 – 26 November 2021** as a virtual event.

The Manufacturing Indaba is the business meeting of choice for manufacturers!

MEDIA REGISTRATION FOR THE CONFERENCE (No cost)

<https://manufacturingindaba.co.za/register-conference-jhb/>

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