

# South Africa

## 1. Industrial strategy

South Africa's industrial policy, shaped by its post-apartheid attempt to strengthen its economy, seeks to align the country's development priorities with sustainable and digital development goals and to take advantage of Africa's growth potential.<sup>1</sup>

During apartheid, the country was heavily reliant on mining and the upstream processing of minerals. Other industries including electricity, rail, steel, and telecommunications, also developed during this period, often through state-owned enterprises<sup>2</sup>. The apartheid-era economy was also shaped by its implementation of strategic tariffs. Such measures succeeded in protecting domestic industries, but undermined economic efficiency and prevented diversification<sup>3</sup>.

After apartheid, South Africa implemented the **1996 Growth, Employment, and Redistribution strategy (GEAR)**<sup>4</sup> which involved extensive trade liberalization. However, while certain industries that had previously benefitted from active support during apartheid grew under GEAR, sudden tariff elimination damaged infant industries and contributed to employment losses<sup>5</sup>.

South Africa's first formal industrial policy, developed in 2007 through the **National Industrial Policy Framework (NIPF)**<sup>6</sup> and its accompanying **Industrial Policy Action Plan (IPAP)**<sup>7</sup>, sought to address the structural weaknesses left by GEAR. The 2007 NIPF highlighted the following:

- A need for diversification and further industrialisation;
- the creation of a knowledge economy;
- a shift towards tradable labor-absorbing goods and services; and
- the inclusion of historically marginalized populations in the industrial economy<sup>8</sup>.

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<sup>1</sup> Department of Trade, Industry and Competition (Republic of South Africa), 'Industrial Policy and Strategy Review: Transforming Vision into Action' 2 <<http://www.thedtic.gov.za/wp-content/uploads/dtic-industrial-policy-review.pdf>> (*The Government of South Africa*, 2024) accessed 10 April 2026.

<sup>2</sup> Nimrod Zalk, 'Industrial Policy in a Harsh Climate: The Case of South Africa' in José M Salazar-Xirinachs, Irmgard Nübler and Richard Kozul-Wright (eds), *Transforming Economies: Making Industrial Policy Work for Growth, Jobs and Development* (ILO 2014) 327, 330.

<sup>3</sup> *ibid.*

<sup>4</sup> Department of Finance (Republic of South Africa), 'Growth, Employment and Redistribution: A Macroeconomic Strategy' <[https://www.gov.za/sites/default/files/gcis\\_document/201409/gear0.pdf](https://www.gov.za/sites/default/files/gcis_document/201409/gear0.pdf)> (*The Government of South Africa*, 1996) accessed 10 April 2026.

<sup>5</sup> Zalk (n 2) 333.

<sup>6</sup> Department of Trade and Industry (Republic of South Africa), 'National Industrial Policy Framework' <<https://www.thedtic.gov.za/sectors-and-services-2/industrial-development/national-industrial-policy-framework/>> (*The Government of South Africa*, 2007) accessed 10 April 2026.

<sup>7</sup> Department of Trade and Industry (Republic of South Africa), 'Industrial Policy Action Plan' <<https://www.thedtic.gov.za/sectors-and-services-2/industrial-development/national-industrial-policy-framework/>> (*The Government of South Africa*, 2007) accessed 10 April 2026.

<sup>8</sup> Department of Trade, Industry, and Competition (Republic of South Africa) (n 6) 6-7.

However, during the late 2000s and 2010s, the South African economy experienced major volatility due to a number of factors, including the global financial crisis, the stalling of export-driven growth in the early 2010s<sup>9</sup>, and state capture<sup>10</sup>. A “**Reimagined Industrial Strategy**” was developed in 2019 which focused on Masterplans for individual industries, including automotive and furniture, as well as retail, clothing, textile, footwear, and leather.<sup>11</sup> A recurring characteristic of these masterplans was their facilitation of exchanges between various market players, through the development of special economic zones, for example, and not only a focus on top-down governmental incentives such as subsidies.<sup>12</sup>

The pandemic prevented full implementation of the 2019 strategy, as the government was forced to pivot towards crisis management during this period<sup>13</sup>. However, the country eventually moved beyond this; the 2024 industrial strategy, constructed in line with the government’s National Development Plan 2030, identified fifteen anchor initiatives<sup>14</sup> that encouraged industrial growth and ensured the benefits of such growth were widely distributed. The initiatives focused on:

- **A rapid increase in investment and infrastructure spending.** Initiatives prioritized green industrialisation and tradable, labour-absorbing goods and services, as well as the localisation of production more generally.
- **The expansion of trade with Africa in the context of the African Continental Free Trade Area (AfCFTA).**
- **The coordination of industrial policies across different administrations.** The creation of a formal Industrial Policy Council was proposed to help support alignment of industrial strategy between successive administrations.
- **The growth of current government industrial programs.** Such programs included the Competition Commission’s market inquiries, industry-specific Masterplans, and spatial industrial programs. These spatial initiatives were based on South Africa’s experience with special economic zones and involved the creation of industrial policy partnerships between certain secondary cities, which could enable industrial concentration beyond the major urban points.<sup>15</sup>
- **Investment in South Africa’s skills base.** This emphasized the importance of a flexible workforce in the context of artificial intelligence.

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<sup>9</sup> Zalk (n 2) 340–41.

<sup>10</sup> Department of Trade, Industry and Competition (n 1).

<sup>11</sup> *ibid*, 3.

<sup>12</sup> *ibid*.

<sup>13</sup> *ibid*, 28–29.

<sup>14</sup> *ibid*, 7–9.

<sup>15</sup> *ibid*, 112.

- **Direct support for South African businesses.** This would involve the implementation of measures that addressed rising production costs and broader assistance through the digital transition.

South Africa also expressly links its trade policy to its industrial development, which contains, among others, an express reference to the use of tariff policy to drive, or at least support, industrial growth.<sup>16</sup> In this context, South Africa aims to develop an export-oriented trade policy, not only seeking market access but also the attraction of foreign investment.<sup>17</sup> The latter goal is notable given that South Africa's current domestic foreign investment law is focused primarily on the protection of existing investment, rather than its attraction<sup>18</sup>. Both the objective of seeking market access and encouraging foreign investment reflect South Africa's broader effort to move beyond its post-apartheid economy.

## **2. Legal status of subsidy disbursement**

South Africa does not have a general framework act that regulates, and/or limits, the disbursement of subsidies. However, there are a few specific provisions that have an impact on the subsidy policy of the state and the government's priorities in subsidisation. For instance, the Protection of Investment Act 2015 removes from the scope of national treatment any entitlement of a foreign investor to a subsidy granted by the South African Government, empowering the state not to extend such advantages given to domestic producers to foreign investors.<sup>19</sup> Otherwise, the state acts through specific policies and sectorial acts. For instance, the National Land Transport Act contains a series of provisions on subsidies, although most pursue non-industrial policy goals (public accessibility to transport services, traffic decongestion etc.).<sup>20</sup>

## **3. Digital (development) strategy**

The overarching framework of South Africa's digital development policy is the **National Integrated ICT White Paper of 2016**<sup>21</sup>. The document envisions a "people-centered, development-oriented, and inclusive digital society" and identifies twelve specific objectives<sup>22</sup>, which can be grouped as follows:

- **Equality, accessibility, and social development.**
- **Economic growth and investment.**

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<sup>16</sup> Department of Trade, Industry and Competition of the Republic of South Africa, "A Trade Policy for Industrial Development and Employment Growth", <[https://www.thedtic.gov.za/wp-content/uploads/SA\\_Trade\\_Policy.pdf](https://www.thedtic.gov.za/wp-content/uploads/SA_Trade_Policy.pdf)> accessed 29 September 2024, 2-3.

<sup>17</sup> *ibid*, 5.

<sup>18</sup> Protection of Investment Act (Act no. 22 of 2015, Official Gazette, Vol. 606, No. 39514).

<sup>19</sup> *ibid*, Sec. 8(4)(c).

<sup>20</sup> National Land Transport Act (Act no. 5 of 2009, Official Gazette, Vol. 526, No. 32110).

<sup>21</sup> Department of Telecommunications and Postal Services (Republic of South Africa), 'National Integrated ICT Policy White Paper' GN 1212, GG 40325, 3 October 2016, 4

<[www.gov.za/sites/default/files/gcis\\_document/201610/40325gon1212.pdf](http://www.gov.za/sites/default/files/gcis_document/201610/40325gon1212.pdf)> (*The Government of South Africa*) accessed 10 April 2026.

<sup>22</sup> *ibid*, 19–20.

- **User protection and privacy.**
- **Environmental protection.**
- **Innovation, competition, and technological neutrality.**
- **Transparency and accountability.**
- **Open access.**

Predating the White Paper, SA Connect was adopted in 2013 and provides a pathway towards nationwide access to accessible broadband<sup>23</sup>. While its initial efficacy was limited due to a lack of funding<sup>24</sup>, R710 million has been allocated in the 2025/26 budget to promote the project<sup>25</sup>.

In the context of the White Paper, supplementary strategies have been introduced to support its implementation. **The National Artificial Intelligence Policy Framework of 2024**<sup>26</sup> helps promote the ethical development of AI. **The Digital Transformation of Government Roadmap 2025**<sup>27</sup> sets out a two-stage plan for the complete digital transformation of governmental operations. South Africa’s **“National Digital and Future Skills Strategy”** has also been developed with the objective of ensuring the advancement of the digital skills in mind.<sup>28</sup> In particular, it pursues the development of a comprehensive ecosystem that brings together academia and the private sector, including the creation of tech hubs and incubators, to push the digital development agenda.<sup>29</sup>

#### **4. Main Constitutional Provisions**

South Africa’s current constitution came into force in 1997<sup>30</sup>, and has since been amended. The provisions most relevant to South Africa’s industrial and digital strategy are as follows;

- **Section 14 (Privacy)** guarantees the right to privacy, forming the constitutional basis for the integration of data protection principles in industrial and digital policy<sup>31</sup>.

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<sup>23</sup> Department of Communications and Digital Technologies, 'SA Connect' <<https://www.dcdt.gov.za/sa-connect-document.html>> accessed 10 April 2026.

<sup>24</sup> Portfolio Committee on Communications and Digital Technologies, 'Broadband Accessibility and SA Connect: USAASA Update' <<https://pmg.org.za/committee-meeting/29677/>> (Parliamentary Monitoring Group, 22 January 2020) (unofficial record) accessed 10 April 2026.

<sup>25</sup> Parliament of South Africa, 'Communications Minister Allocates R710 Million to SA Connect Programme in 2025/26 Budget' <<https://www.parliament.gov.za/news/communications-minister-allocates-r710-million-sa-connect-programme-2025-26-budget>> (11 July 2025) accessed 10 April 2026.

<sup>26</sup> Department of Communications and Digital Technologies (Republic of South Africa), 'South Africa National Artificial Intelligence Policy Framework' (25 October 2024) <<https://www.dcdt.gov.za/sa-national-ai-policy-framework/file/338-sa-national-ai-policy-framework.html>> accessed 10 April 2026.

<sup>27</sup> Republic of South Africa, 'South Africa's Roadmap for the Digital Transformation of Government' <[https://www.gov.za/sites/default/files/gcis\\_document/202505/south-africas-roadmap-digital-transformation-government.pdf](https://www.gov.za/sites/default/files/gcis_document/202505/south-africas-roadmap-digital-transformation-government.pdf)> (2025) accessed 10 April 2026.

<sup>28</sup> Department of Communications and Digital Technologies of the Republic of South Africa, “National Digital and Future Skills Strategy” GN 513, GG 43730, 23 September 2020 <[https://www.gov.za/sites/default/files/gcis\\_document/202009/43730gen513.pdf](https://www.gov.za/sites/default/files/gcis_document/202009/43730gen513.pdf)> (2020) accessed 21 April 2026, 1.

<sup>29</sup> *ibid*, 13.

<sup>30</sup> Constitution of the Republic of South Africa, 1996.

<sup>31</sup> *ibid*, s 14.

- **Section 22 (Freedom of trade, occupation, and profession)** protects the right of individuals to freely choose a trade, occupation, and profession<sup>32</sup>.
- **Section 24 (Environment)** guarantees the right to an environment protected by legislation that “secure[s] ecologically sustainable development...while promoting justifiable economic and social development”<sup>33</sup>.
- **Section 195 (Basic values and principles governing public administration)** states that public administration must be “development-oriented” and involve the “efficient, economic and effective use of resources”<sup>34</sup>.
- **Schedule 4, Part A** identifies trade, industrial promotion, urban and rural development, and regional planning and development as areas of both national and provincial competence<sup>35</sup>.

## 5. *Main regulatory provisions and policy developments*

Specific regulatory regimes support the execution of South Africa’s industrial and digital development strategies. Several notable provisions are outlined below:

Sustainability:

- Climate Change Act 22 of 2024<sup>36</sup>; and
- Electricity Regulation Amendment Act 38 of 2024<sup>37</sup>.

Economic Transformation, Competition, and Investment:

- National Land Transport Act.<sup>38</sup>
- Competition Act 89 of 1998 (amended 2018)<sup>39</sup>;
- Broad-Based Black Economic Empowerment Act 53 of 2003<sup>40</sup> (B-BBEE Act);
- Special Economic Zones Act 16 of 2014<sup>41</sup>; and
- Public Procurement Act 28 of 2024<sup>42</sup>.

The Digital Market:

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<sup>32</sup> *ibid*, s 22.

<sup>33</sup> *ibid*, ss 24(b)(iii).

<sup>34</sup> *ibid*, ss 195(1)(b), (f).

<sup>35</sup> *ibid*, sch 4 pt A.

<sup>36</sup> Climate Change Act 22 of 2024 (SA).

<sup>37</sup> Electricity Regulation Amendment Act 38 of 2024 (SA).

<sup>38</sup> National Land Transport Act (n 20).

<sup>39</sup> Competition Act 89 of 1998 (as amended by Competition Amendment Act 18 of 2018) (Republic of South Africa)

<sup>40</sup> Broad-Based Black Economic Empowerment Act 53 of 2003 (Republic of South Africa).

<sup>41</sup> Special Economic Zones Act 16 of 2014 (Republic of South Africa).

<sup>42</sup> Public Procurement Act 28 of 2024 (Republic of South Africa).

- Protection of Personal Information Act 4 of 2013 (POPIA)<sup>43</sup>;
- Cybercrimes Act 19 of 2020<sup>44</sup>;
- National Data and Cloud Policy 2024<sup>45</sup>; and
- Electronic Communications and Transactions Act 25 of 2002<sup>46</sup>.

## **6. WTO status, schedules of commitments, and exemptions from the GATS MFN treatment provision**

South Africa has joined the G20 and seems to slowly shed its developing country status; it was the first African country to hold the G20 presidency<sup>47</sup>. However, it still benefits from certain preferences from economies such as the EU or Japan.<sup>48</sup>

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## **7. Plurilaterals**

In the context of the WTO, South Africa has historically been critical of plurilateral agreements<sup>49</sup>. In public submissions, it has asserted that Joint Statement Initiatives (JSIs) extend beyond the WTO's mandate, sideline the interests of developing nations, and undermine the importance of consensus in the context of international trade agreements<sup>50</sup>.

In December of 2025, however, South Africa dropped a block it had made eleven times against the formalization of the Investment Facilitation for Development (IFD) Agreement; it did not provide a reason for the reversal<sup>51</sup>.

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<sup>43</sup> Protection of Personal Information Act 4 of 2013 (Republic of South Africa).

<sup>44</sup> Cybercrimes Act 19 of 2020 (Republic of South Africa).

<sup>45</sup> Department of Communications and Digital Technologies (Republic of South Africa), 'Publication of the Final National Data and Cloud Policy ' GN 2533, GG 50741, 31 May 2024 <[https://www.gov.za/sites/default/files/gcis\\_document/202406/50741gen2533.pdf](https://www.gov.za/sites/default/files/gcis_document/202406/50741gen2533.pdf)> (2024) accessed 10 April 2026.

<sup>46</sup> Electronic Communications and Transactions Act 25 of 2002 (Republic of South Africa).

<sup>47</sup> Department of International Relations and Cooperation (Republic of South Africa), 'Remarks by President Cyril Ramaphosa to the African Heads of State and Government' (*DIRCO*, 21 November 2025) <<https://dirco.gov.za/remarks-by-president-cyril-ramaphosa-to-the-african-heads-of-state-and-government-in-johannesburg-south-africa-21-november-2025/>> accessed 10 April 2026.

<sup>48</sup> Department of Trade, Industry and Competition of the Republic of South Africa, "Market Access. Trade Agreements" <<https://www.thedtic.gov.za/sectors-and-services-2/1-4-2-trade-and-export/market-access/trade-agreements/>> accessed 29 September 2024.

<sup>49</sup> Shamel Azmeh, 'Developing Countries and Joint Statement Initiatives at the WTO: Damned if You Join, Damned if You Don't?' (2024) 55 *Development and Change* 375, 377.

<sup>50</sup> *ibid*, 387.

<sup>51</sup> Rashmi Jose, 'The WTO Investment Facilitation Agreement in the Run-Up to the 14th Ministerial Conference' (*International Institute for Sustainable Development*, February 2026) <<https://www.iisd.org/articles/policy-analysis/wto-investment-facilitation-agreement-mc14>> accessed 10 April 2026.

Outside of the WTO, South Africa was the fifth member of BRICS, joining prior to the group's major expansion<sup>52</sup>

### **8. (Regional) economic treaties to which the state is a signatory**

The economic treaties most significant to South African industrial policy are described below:

**The Southern African Development Community (SADC) Protocol on Trade (1996)**<sup>53</sup> is an agreement made to support the reduction of trade barriers between its sixteen member countries<sup>54</sup>. It envisaged the creation of a free trade area, something that has been realized today by twelve of SADC's sixteen members, including South Africa<sup>55</sup>.

South Africa is also part of the **Southern African Customs Union (SACU)**, which involves a common external tariff and revenue pool. The SADC and SACU have independent trade agreements, as follows:

- SACU–US Trade, Investment and Development Cooperation Agreement (TIDCA)<sup>56</sup>
- SACU–EFTA Free Trade Agreement<sup>57</sup>
- SADC-EU Economic Partnership Agreement<sup>58</sup>
- SACUM-UK Economic Partnership Agreement<sup>59</sup>
- SACU–MERCOSUR Preferential Trade Agreement<sup>60</sup>

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<sup>52</sup> South African Government, 'South Africa and BRICS' <<https://www.gov.za/about-sa/brics>> accessed 10 April 2026.

<sup>53</sup> Protocol on Trade in the Southern African Development Community (SADC) Region (signed 24 August 1996, entered into force 2000) <[https://www.sadc.int/sites/default/files/2021-11/Protocol\\_on\\_Trade1996.pdf](https://www.sadc.int/sites/default/files/2021-11/Protocol_on_Trade1996.pdf)> accessed 10 April 2026.

<sup>54</sup> Southern African Development Community, 'Trade' <<https://www.sadc.int/pillars/trade>> accessed 10 April 2026.

<sup>55</sup> *ibid.*

<sup>56</sup> Cooperative Agreement between the United States of America and the Southern African Customs Union to Foster Trade, Investment and Development (signed and entered into force 16 July 2008) <<https://ustr.gov/trade-agreements/other-agreements/southern-african-customs-union-sacu>> accessed 10 April 2026.

<sup>57</sup> Free Trade Agreement between the EFTA States and the SACU States (signed 26 June 2006, entered into force 1 May 2008) <<https://www.sars.gov.za/legal-counsel/international-treaties-agreements/trade-agreements/efta-sacu/>> accessed 10 April 2026.

<sup>58</sup> Economic Partnership Agreement between the European Union and its Member States, of the one part, and the SADC EPA States, of the other part (signed 10 June 2016, provisionally applied from 10 October 2016) [2016] OJ L 250/1.

<sup>59</sup> Economic Partnership Agreement between the Southern African Customs Union Member States, Mozambique and the United Kingdom (signed 9–16 October 2019, entered into force 1 January 2021) <<https://www.sars.gov.za/legal-counsel/international-treaties-agreements/trade-agreements/sacum-uk-epa/>> accessed 10 April 2026.

<sup>60</sup> Preferential Trade Agreement between the Common Market of the South (MERCOSUR) and the Southern African Customs Union (SACU) (signed 15 December 2008 and 3 April 2009, entered into force 1 April 2016) <<https://www.sars.gov.za/legal-counsel/international-treaties-agreements/trade-agreements/mercosur-sacu/>> accessed 10 April 2026.

Finally, **South Africa is a signatory of the African Continental Free Trade Agreement (AfCFTA)**<sup>61</sup>. This treaty creates synergies in cross-development and implementation of industrial policies throughout the African continent, reflecting how the South African industrial strategy seems to be more broadly premised on a deeper integration within a regional trade framework.<sup>62</sup>

**9. Proceedings initiated against the state, or by it, before international fora for the adoption/implementation of industrial policy measures (e.g., before WTO panels, the WTO's AB)**

South Africa has been a respondent in five WTO DS proceedings. All of them relate to the imposition of anti-dumping duties (for instance, anti-dumping duties on pharmaceutical products from India,<sup>63</sup> or anti-dumping duties on Portland Cement from Pakistan<sup>64</sup>). None of the proceedings initiated against South Africa have gone beyond the consultations phase. In one of them, initiated by Indonesia, the complainant withdrew its complaint after South Africa amended the legal framework that allowed for the imposition of anti-dumping duties.<sup>65</sup> At the same time, South Africa has initiated two proceedings against the European Union, both regarding the importation of citrus fruit from South Africa.<sup>66</sup> South Africa requested consultations in July of 2022 and in April 2024<sup>67</sup>. In July of 2024, a panel was requested and established, but it has not yet been composed<sup>68</sup>.

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<sup>61</sup> Department of Trade, Industry and Competition (Republic of South Africa), 'AfCFTA' <<https://www.thedtic.gov.za/sectors-and-services-2/1-4-2-trade-and-export/afcfta-2/>> accessed 10 April 2026.

<sup>62</sup> Department of Trade, Industry and Competition of the Republic of South Africa (n 1), 4.

<sup>63</sup> WTO, South Africa – Anti-Dumping Duties on Certain Pharmaceutical Products from India (DS168).

<sup>64</sup> WTO, South Africa – Provisional Anti-Dumping Duties on Portland Cement from Pakistan (DS500).

<sup>65</sup> WTO, South Africa – Anti-Dumping Measures on Uncoated Woodfree Paper (DS374).

<sup>66</sup> European Union – Measures Concerning the Importation of Citrus Fruit from South Africa (DS613) (panel established 26 July 2024); European Union – Additional Measures Concerning the Importation of Citrus Fruit from South Africa (DS624) (panel established 26 July 2024).

<sup>67</sup> *ibid.*

<sup>68</sup> *ibid.*