

## New factory to stimulate job creation for W Cape youth

PRETORIA: Economic Development Minister Ebrahim Patel has lauded the opening of a technology manufacturing factory in the Western Cape, saying the investment will improve job prospects, especially for the youth.



Officially opening the Hisense R350 million TV and fridge factory in Atlantis on Thursday, 6 June 2013, Patel said since the adoption of the National Growth Path (NGP), the South African economy had created over 600,000 new jobs.

The minister said the opening of the factory showed optimism for the future.

The NGP identifies areas in the economy that have the potential for creating employment on a large scale.

The Department of Trade and Industry's Manufacturing Investment Programme has given the Chinese manufacturer a R26.8 million cash grant, while the Industrial Development Corporation (IDC) signed a MoI with Hisense Company of China and the China-Africa Development Fund (CAD Fund), encompassing finance for the expansion of the company to cover the assembling of air conditioners and other products.

Government has committed to a programme to widen and deepen markets as well as to promote greater social equity for all South Africans.

"To the people of Atlantis, this factory brings hope that the burden of poverty and unemployment that ravaged the people of this area for years can be reversed," he said, adding that the factory would help to reverse the net job losses experienced in the first three months of the year.

"Nationally, it helps us to realise our vision of re-industrialising the South African economy and strengthening the manufacturing sector," Patel said.

Latiefa Ganieldien, a mother of three who had previously been retrenched, has now been employed by the factory. Andrea Koopman, 24, has also been employed. Koopman is a new entrant to the labour market after completing a college diploma.

Patel said it was appropriate that the factory opened in June, national Youth Month, for the majority of employees (over 60%) were young people.

Patel said the rolling out of the massive National Infrastructure Plan -- with a projected expenditure of R4 trillion -- would also serve as a stimulant for the coming 20 years.

"This programme, with over 120 projects nationally, is employing over 150 000 people and growing."

## Improving local producing

Meanwhile, South Africa's trade with the continent was growing.

In 2012, South Africa imported US\$175 million worth of televisions and projectors from China.

"What is important is the number has been dropping, as we ramped up local production. This is 19% lower than in 2008 and 34% lower than in 2011," he said.

South Africa's imports of TVs from all countries, including China, dropped in 2012. It was 34% lower than 2008 and 29% lower than in 2011.

The country had managed to increase its exports of televisions to other countries by 77% from 2011 to 2012.

In 2012, South Africa exported US\$94 million (R770 million) worth of televisions.

"This drop in imports and increase in exports has resulted in a drastic improvement in our trade deficit in televisions from \$334 million in 2008, to US\$172 million in 2012," Patel said.

Nine out of 10 TVs exported were going to the African continent.

"South Africa has, at the same time, increased its exports of televisions to the rest of Africa, with nine of our top 10 destinations being African countries, and almost 90% of our exports going to other African countries."

"This is the result of a dedicated effort by the government to revive the local electronics sector," said the minister.