

Manufacturing in the Western Cape and the potential for Intra Africa Trade

Manufacturing is the second biggest sector in the Western Cape and contributes about 15% to the South African manufacturing sector output. The province's agro-processing sector has shown resilience during these tough economic times, and its renewables and green tech industries have received significant investments in the past five years. The Western Cape's real economy is dominated by manufacturing and commercial agriculture. The manufacturing sector in the Western Cape is supported by multi-national corporations who have chosen the region to take advantage of the economic opportunities of the local economy as well as those in the rest of Africa. The region has attracted major investments from corporations including Kimberly-Clark, Tellumat, Hisense, EXAR, GlaxoSmithKline and General Electric to name just a few. Government incentives In recognition of the importance of supporting the manufacturing sector, the South African government has established various incentives for manufacturing investors. These include the s12i Tax Incentive and the Manufacturing Competitiveness Enhancement Programme (MCEP). Western Cape high-growth opportunity sectors The following high-growth opportunity sectors have been identified for investment in the Western Cape manufacturing sector:

- manufacturing of components for renewable energy and the green economy;
- oil and gas components;
- medical devices;
- aerospace (Square Kilometre Array telescope project);
- niche manufacturing.*

(*Source: Wesgro)

The annual Manufacturing Indaba Western Cape will be hosting a focused discussion around growing the export market for Western Cape manufacturers into Africa. The buying power of Africa's middle class continues to grow resulting in more demand for products and services across the continent. Trade between African countries has the greatest potential for building sustainable economic development and integration.