



Wes-Kaapse Provinsiale Parlement
Western Cape Provincial Parliament
IPalamente yePhondo leNtshona Koloni

MINUTES OF PROCEEDINGS

STANDING COMMITTEE ON FINANCE, ECONOMIC OPPORTUNITIES AND TOURISM

Friday, 9 June 2023 (09:00), Virtual via MS Teams

ATTENDANCE

Members:

Democratic Alliance

Murray, C (Chairperson)
Sileku, I
Van der Westhuizen, A

AI JAMA-AH

Brinkhuis, K

Apology

Nkondlo, N (ANC)

The following persons were in attendance:

Department of Economic Development and Tourism

Mr R Toefy, Deputy Director-General
Ms Ilse van Schalkwyk, Chief Director

Wesgro

Ms J Scheltema, Chief Marketing and Innovation Officer
Mr S Gcwabe, Chief Financial Officer
Ms K Bosman, Head: Strategy and Advisory

Department of Agriculture

Ms B Matoti, Director: Agricultural Education and Training
Mr T Morokong, Senior Agricultural Economist

Western Cape Provincial Parliament

Ms Z Adams, Procedural Officer
Ms L Cloete, Senior Procedural Officer
Ms M Mrubata, Committee Assistant

1. Welcome and attendance

The Chairperson opened the meeting and welcomed the Members, officials from the Department of Economic Development and Tourism, Wesgro, the Department of Agriculture, and the members of the public.

The Chairperson explained the rules of engagement for virtual meetings, and proceeded to the briefings.

2. Briefing by the Department of Economic Development and Tourism and Wesgro

Officials from the Department of Economic Development and Tourism and Wesgro briefed the Committee on their efforts to engage with the Department of International Relations and Cooperation, and their counterparts, on the African Growth and Opportunity Act (AGOA) and the challenges they may have experienced.

The Committee discussed the information presented.

3. Briefing by the Department of Agriculture

Officials from the Department of Agriculture briefed the Committee on their efforts to engage with the Department of International Relations and Cooperation, and their counterparts, on the African Growth and Opportunity Act (AGOA) and the challenges they may have experienced.

The Committee discussed the information presented.

4. Committee Matter – Response from the Department of Trade, Industry and Competition on the request to brief the Committee on AGOA

The Chairperson informed the Members that a request had also been sent to the Department of Trade, Industry and Competition (DTIC) to brief the Committee on the economic challenges posed by not being part of the AGOA, their efforts to engage on AGOA, and the provisions of AGOA that should be expanded to support the economy, especially in the Western Cape.

After a number of follow-ups with the DTIC, they responded that they were unable to brief each province separately on AGOA, but that they would request that the NCOP's Select Committee on Trade and Industry, Economic Development, Small Business Development,

Tourism, Employment and Labour (the Select Committee) set up a meeting on AGOA, and invite all the provinces to the meeting.

The Chairperson noted that South Africa's relationship with the United States was strained due to a number of political factors, such as the military exercises in Durban, and an unclear policy position in respect of the Russia-Ukraine war.

The Chairperson was also concerned that the Department of International Relations and Cooperation (DIRCO) did not brief the Committee at this meeting. DIRCO was invited to brief the Committee. Initially, the Minister of International Relations and Cooperation submitted an apology indicating that she could not attend, but that DIRCO would brief the Committee. DIRCO then responded to say that they were unable to brief the Committee, but that they hoped the DTIC would be able to adequately brief the Committee since AGOA fell within their mandate.

It was clear that AGOA would have a profound impact on the Western Cape, especially in the agricultural sector. According to legislation, this was a competence that the Committee was also a responsibility of the Provincial Legislature. Therefore, the Committee had a right to meet with the DTIC and ask them about information related to AGOA. The Chairperson indicated that it was unacceptable that the Committee was unable to receive this information directly, and that it was directed to the National Council of Provinces.

The Chairperson then proposed to reinvite the DTIC to brief the Committee on AGOA. It was also noted that a briefing on AGOA would be held by the Select Committee; however, this was not sufficient. The Chairperson further proposed that the Committee should write to the NCOP and the DTIC to request that the Members of Provincial Legislatures receive full speaking rights at the NCOP level to ask pertinent questions that relate to AGOA so that the provincial committees could fulfil their legislative competencies.

The Members agreed to the Chairperson's proposals, indicating that in the spirit of cooperative governance, the Legislature has always welcomed and accommodated national departments when they have requested cooperation with the Legislature.

5. Resolutions/Actions

5.1 The Committee RESOLVED the following:

5.1.1 To reinvite the Department of Trade, Industry and Competition to brief the Committee on the AGOA matter;

5.1.2 To thank the Department of Economic Development and Tourism, Wesgro and the Department of Agriculture for their presentations, which clearly showed that AGOA was of extreme importance to the Western Cape in terms of job creation, and food prices, which were closely affected by international trade;
their leadership in turning around the Port of Cape Town in respect of its inefficiencies;

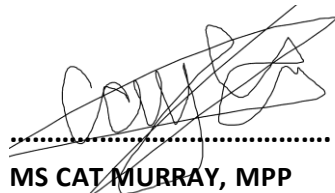
5.1.3 To note the job losses that would occur from the possible termination of AGOA, particularly in the agricultural sector (estimated 136 000 jobs losses);

- 5.1.4 To welcome the efforts made by the Department of Economic Development and Tourism, the Department of Agriculture, Wesgro and the exporters of goods for their efforts to grow the export market, noting the number of years it took to build those export relationships, and establish trust in those products and reliability of supply in order to develop an international/export market;
- 5.1.5 To commend the Minister and the Premier for their trade mission to the United States, in efforts to strengthen those bilateral ties.

5.2 The Committee REQUESTED the following:

- 5.2.1 A report from the Department of Economic Development and Tourism breaking down the price elasticity, the tariffs that would apply should AGOA be scrapped, and the typical export costs to the United States – the report should focus on the five biggest products exported to the US (taken from different categories, such as manufactured goods, agricultural goods, etc.), breaking down the typical tariffs that the US would ask other countries outside of AGOA; and
- 5.2.2 The AGOA Exporter Insights Survey that Wesgro conducted as well as the employment numbers that they identified.

The meeting adjourned at 11h11.



MS CAT MURRAY, MPP

CHAIRPERSON: STANDING COMMITTEE ON FINANCE, ECONOMIC OPPORTUNITIES AND TOURISM

Date: 23 June 2023