



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

MINUTES OF PROCEEDINGS

STANDING COMMITTEE ON FINANCE, ECONOMIC OPPORTUNITIES AND TOURISM

Friday, 13 October 2023 (09:00), Virtual via MS Teams

ATTENDANCE

Members:

Democratic Alliance

Murray, C (Chairperson)

Sileku, I

Van der Westhuizen, A

African National Congress

Nkondlo, N

Al Jama-Ah

Brinkhuis, K

1. Welcome

The Procedural Officer welcomed the Members and spoke to the rules of engagement for virtual meetings.

The Committee proceeded to the first agenda item.

2. Discussion on the way forward for the engagement on the African Growth and Opportunities Act

The Chairperson reminded Members that multiple invitations had been sent to Minister E Patel and the Department of Trade, Industry and Competition to brief the Committee on the African Growth and Opportunities Act (AGOA). All of the invitations issued to Minister Patel had been declined or were left unanswered.

Further engagements with the Minister led to the joint committee meeting on AGOA on 26 September 2023, hosted by the National Assembly and National Council of Provinces; however, this meeting was cut short abruptly due to a clash with a House sitting. The Members were unable to exhaust their questions and requests for information.

Correspondence was then sent to the Minister and Chairperson of the Select Committee on Trade and Industry, Economic Development, Small Business Development, Tourism, Employment and Labour indicating the Committee's dissatisfaction with the abrupt ending to the meeting. The Chairperson of the Select Committee responded that they would not be having another meeting on AGOA as they were satisfied with the briefing. The Minister was also invited to brief the Committee at the WCPP on 13 October 2023. The Minister did not respond to this request.

The Chairperson requested that Members provide proposals on the way forward on the AGOA matter.

Member van der Westhuizen noted that the abrupt ending to the joint meeting on AGOA was unfortunate as there were a few questions he wanted to ask. He further noted that AGOA was of extreme importance to South Africa and its neighbouring countries, and especially to the Western Cape's agricultural sector. It did not bode well that the Committee's invitations were not responded to. It seemed that the Committee's request to follow up on the briefing of 26 September 2023 was being evaded as if the Committee was not entitled to that information.

Member Nkondlo noted her dissatisfaction with the Committee meeting during the Annual Report period, where Members of the Opposition were already stretched thin while attending all the Annual Report deliberations. She asked that the Committee minimise its meetings during the Annual Report period. Member Nkondlo asked the Chairperson which questions were not answered by the Committee, and whether these questions could not be addressed through a request for a written response.

The Chairperson noted Member Nkondlo's concern regarding the Annual Report period, indicating that this would be taken into consideration in the future. The Chairperson further noted that the unanswered questions were around how jobs would be impacted by AGOA. This information had not been forthcoming. Information was also needed around trade, possible graduation from AGOA, foreign trade policy, and how the Western Cape is positioned in terms of trade with the US, one of its biggest trade partners.

Member Sileku asked if the Committee could look at the timeline of the correspondence between the Committee and the Minister.

The Chairperson informed Members that the Committee first engaged with the Minister in May 2023. There were over 30 documented communications including invitations, reminders, responses and rescheduling between May and October 2023. The Chairperson further noted that the last invitation to the Minister requested a follow up meeting with him and the Department of Trade, Industry and Competition on the information presented on 26 September 2023, as well as additional information on the impact of jobs on different sectors and industries in the Western Cape should AGOA not be renewed or if the country graduates from AGOA, what the trade situation currently looks like with the US, how South Africa can improve trade relations with the US and how it can expand on utilising AGOA, and what national government is doing in terms of bilateral trade with the US in case AGOA is not renewed or if the country graduates from AGOA.

Member Nkondlo noted that there was job shedding within the agricultural sector irrespective of AGOA, but she did not see the Committee going out of its way to engage with the agricultural sector on this matter, or with government to see what they were doing to address this challenge. She further noted that Minister Patel had indicated, in the meeting on 26 September 2023, that there was a commitment to save AGOA, and that engagements would take place at the AGOA Summit and with the Southern African Development Community.

Member Nkondlo indicated that she was satisfied with the answers provided by the Minister during the joint meeting, and questioned whether this matter was about bringing the Minister to the Committee. She further noted that as a legislature, Members were able to address any further questions through their parties within the NCOP, who could raise these matters as a national level.

The Chairperson clarified that this discussion was taking place because the Committee still needed more information on the impact AGOA would have on jobs in the Western Cape. When the Committee met with the Department of Agriculture and the Department of Economic Development and Tourism, Members were informed that 140 000 jobs were on the line in respect of AGOA. These were jobs directly related to the agricultural sector, which did not include jobs indirectly impacted by AGOA. The Committee did not have these job figures. There were many requests for the Minister to brief the Committee on these job numbers and how industries would be affected; however, this information was not forthcoming from the Minister.

The Chairperson informed the Members that she had requested legal advice on the AGOA matter. The feedback was not given lightly, as the Committee used all rational efforts to engage with the Minister to acquire the relevant information it needed in respect of AGOA without undermining the Minister. Based on the efforts made and the need for further clarity on AGOA, the legal advice provided was that the Committee could proceed with a summons if it resolved to do so.

Member Nkondlo noted that the Chairperson had asked about the way forward but had already sought a legal opinion on the matter. She warned that the Chairperson should not embroil the Committee in matters that the Chairperson was dissatisfied with as this could be seen as abuse of power. Member Nkondlo further noted that the Minister had already indicated that he would engage with relevant industry players that were affected by AGOA. Member Nkondlo also questioned whether lack of responses to requests for information required a summons. She asked that the Chairperson share the legal opinion on the summons.

The Chairperson noted that there was no legal opinion; however, she had sought legal advice in the form of multiple conversations. Furthermore, the Chairperson took exception to Member Nkondlo's comment about whether she was abusing her power, as she was within her powers as a chairperson to seek legal advice on this matter. The Chairperson proposed taking a vote on the way forward.

Member van der Westhuizen indicated that it seemed the Committee had no other choice, following the lack of response from the Minister, but to move to the next step, which was to summons the Minister to acquire the information the Committee still needed on AGOA. He also had more questions about options for bilateral trade agreements and other related issues, which the Minister was responsible for.

Member Sileku noted his appreciated for the proactive steps the Chairperson had taken to seek legal advice on this matter before it was discussed in the Committee, as it was within the Chairperson's rights to do so.

Member Sileku seconded the proposal put forward by Member van der Westhuizen to move forward with the summons process.

Member Nkondlo indicated that the Chairperson's power was derived from the Committee, so she did not have powers outside of the Committee. It seemed strange that the Chairperson proceeded to get legal advice before the Committee agreed on the way forward on the AGOA matter. As a Member of a multi-party committee in provincial parliament, she did not support the Committee's decision to summons the Minister. Member Nkondlo stated that the Minister provided responses at the appropriate platform, which was the joint NA and NCOP meeting. She believed that the Minister provided sufficient information on the AGOA matter.

The Chairperson noted Member Nkondlo's concerns and indicated that she would conclude the meeting in order for Members to continue their preparation for the Annual Report deliberations.

3. Resolutions/Actions

The Committee RESOLVED the following:

- 3.1 To proceed with the summons process to acquire the information needed from the Minister on matters related to AGOA;
- 3.2 To send the information about the Western Cape Consumer Affairs Tribunal selection and interview process to Members via email, where the Committee would resolve on the composition of the panel using the "round robin" method; and
- 3.3 To send the draft minutes to the Members via email, where Members would consider and adopt the minutes using the "round robin" method.

The meeting adjourned at 10:00.



MS CAT MURRAY, MPP

CHAIRPERSON: STANDING COMMITTEE ON FINANCE, ECONOMIC OPPORTUNITIES AND TOURISM