

REPUBLIC OF SOUTH AFRICA

REGIONAL INDUSTRIAL DEVELOPMENT AMENDMENT BILL

*(As amended by the Select Committee on Economic and Foreign Affairs (National Council
of Provinces))*

(SELECT COMMITTEE ON ECONOMIC AND FOREIGN AFFAIRS)

[B 14B—98]

REPUBLIEK VAN SUID-AFRIKA

WYSIGINGSWETSONTWERP OP STREEKNYWERHEIDS- ONTWIKKELING

*(Soos gewysig deur die Gekose Komitee oor Ekonomiese en Buitelandse Sake (Nasionale
Raad van Provinsies))*

(GEKOSE KOMITEE OOR EKONOMIESE EN BUITELANDSE SAKE)

[W 14B—98]

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GENERAL EXPLANATORY NOTE:

- [] Words in bold type in square brackets indicate omissions from existing enactments.
- Words underlined with a solid line indicate insertions in existing enactments.
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BILL

To amend the **Regional Industrial Development Act, 1993**, so as to change the name and composition of the Board; to alter the objects and functions of the Board; to change the emphasis with regard to the application of programmed from regional application to uniform application throughout the Republic; and to alter the short title; and to provide for matters connected therewith.

BE IT ENACTED by the Parliament of the Republic of South Africa, as follows:—

Amendment of section 1 of Act 187 of 1993, as amended by section 23 of Act 11 of 1995

1. Section 1 of the Regional Industrial Development Act, 1993 (hereinafter referred to as the principal Act), is hereby amended by the substitution for the definitions of “Board”, “concession” and “incentive”, respectively, of the following definitions:

“ ‘Board’ means the [**Regional Industrial Development Board**] board established by section 2;

‘concession’ means any assistance given to [au **industrialist**] a manufacturer in the 10 form of a subsidy or rebate in accordance with a programme;

‘incentive’ means a cash amount granted to [**an industrialist**] a manufacturer in accordance with a programme.

Amendment of section 2 of Act 187 of 1993, as amended by section 24 of Act 11 of 1995 and section 26 of Act 46 of 1996

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2. Section 2 of the principal Act is hereby amended—

(a) by the substitution for subsection (1) of the following subsection:

“(1) There is hereby established a juristic person to be known as the [**Regional Industrial**] Manufacturing Development Board.”;

(b) by the addition to subsection (2) of the following paragraph:

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“(d) three members designated by the Minister, one of whom has adequate expertise, knowledge or experience with regard to tax matters, one of whom had adequate expertise, knowledge or experience in small, micro and medium manufacturing enterprises,

and one of whom has adequate expertise, knowledge or experience |
in labour and employment matters.”; and

(c) by the addition to subsection (3) of the following words:

“and must request nominations from the relevant member of the
 Executive Council of each province.”.

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Substitution of section 4 of Act 187 of 1993

3. The following section is hereby substituted for section 4 of the principal Act:

“Objects of Board

4. The objects of the Board shall be to promote [industrial] manufac-
 turing growth by way of incentives or concessions with regard to **[regional]** 10
 requirements within the framework of the economic policy of the
 Republic.”.

Amendment of section 5 of Act 187 of 1993 as amended by section 27 of Act 46 of 1996

4. Section 5 of the principal Act is hereby amended—

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(a) by the substitution for subsection (1) of the following subsection:

“(1) The Board shall formulate recommendations on policy in respect
 of all [regional industrial] manufacturing development programmed
 and shall submit such recommendations to the Minister for approval.”:

(b) by the substitution in subsection (2) for paragraphs (a) and (c) of the following 20
 paragraphs, respectively:

“(a) with the approval of the Minister, and shall, by direction of the
 Minister. develop, manage, administer and implement any **[re-
 gional industrial]** manufacturing development programme estab-
 lished in terms of section 10 or deemed to have been so established, 25
 including any matter referred to in section 2 *1ter* of the Income Tax
 Act. 1962 (Act No. 58 of 1962):

(c) with due regard to all rules, regulations, instructions and directives
 of the Public Service and the Treasury, make recommendations to
 the Director-General in respect of the conclusion, amendment or 30
 cancellation of any agreement between the Department and any
[industrialist] manufacturer;”;

(c) by the substitution in subsection (3) for paragraph (b) of the following
 paragraph:

“(b) investigate or cause to be investigated any irregular conduct by [an 35
 industrialist] a manufacturer in respect of incentives or conces-
 sions and, if after such investigation it appears necessary, institute
 legal proceedings or cause legal proceedings to be instituted against
 such [industrialist] manufacturer;”.

Amendment of section 10 of Act 187 of 1993

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5. Section 10 of the principal Act is hereby amended by the substitution for subsection
 (1) of the following subsection:

“(1) In order to promote and support **[regional] manufacturing growth and
 development within the framework of the economic policy of the Republic, the
 Minister may, taking into account [of regional] manufacturing needs, on the 45
 recommendation of the Board and with the concurrence of the Cabinet, by notice
 in the Gazette establish, amend, revoke or substitute a programme for [regional
 industrial] manufacturing development in terms of which assistance from funds
 appropriated annually by Parliament for this purpose, may be granted to
 [industrialists] manufacturers by way of incentives or concessions.”.**

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Amendment of section 11 of Act 187 of 1993

6. Section 11 of the principal Act is hereby amended by the substitution in subsection (2) for paragraph (b) of the following paragraph:

“(b) perform any investigation with a view to obtaining information which is necessary in order to establish whether [an industrialist] a manufacturer qualifies for the grant of an incentive or concession in accordance with any programme instituted in terms of this Act, or deemed to have been instituted in terms of this Act.”. 5

Substitution of section 15A of Act 187 of 1993

7. The following section is hereby substituted for section 15A of the principal Act: 10

“Application of Act

15A. As from the coming into operation of the Land Affairs General Amendment Act, 1995, the provisions of this Act shall apply in the whole of the national territory [referred to in section 1 of the Constitution of the Republic of South Africa, 1993 (Act No. 200 of 1993)].” 15

Substitution of section 16 of Act 187 of 1993

8. The following section is hereby substituted for section 16 of the principal Act:

“Short title

16. This Act shall be called the [Regional Industrial] Manufacturing Development Act, 1993.”. 20

Transitional provision

9. A reference in any document or law to the Regional Industrial Development Board must be regarded as a reference to the Manufacturing Development Board contemplated in section 2 of the principal Act.

Amendment of Act 187 of 1993 25

10. The principal Act is hereby amended—

- (a) by the insertion after the words “he” and “his”, wherever they occur, of the words “or she” and “or her”. respectively; and
 (b) by the substitution for the words “chairman” and “vice-chairman”, wherever they occur, of the words “chairperson” and “vice-chairperson”, respectively. 30

Substitution of long title of Act 187 of 1993

11. The following long title is hereby substituted for the long title of the principal Act: “To establish the [Regional Industrial] Manufacturing Development Board; to provide for the establishment of programmes for [regional industrial] manufacturing development; and to provide for matters incidental thereto.”. 35

Short title

12. This is the Regional Industrial Development Amendment Act, 1998.

**MEMORANDUM ON THE OBJECTS OF THE REGIONAL
INDUSTRIAL DEVELOPMENT AMENDMENT BILL**

1. The abovementioned Bill seeks to amend the Regional Industrial Development Act, 1993 (Act No. 187 of 1993), so as to give effect to the new development programmed in which the emphasis has changed from a regional application to one of uniform application throughout the Republic and from industrial development in general to manufacturing development.

2. Since the new programmed provide for tax holidays as well as support for small, micro and medium enterprises it is necessary to appoint members to the Board with specific expertise in these fields. The Bill seeks to make such provision.

PARLIAMENTARY PROCEDURE

3. The Department of Trade and Industry and the State Law Advisers are of the view that this Bill must be dealt with in accordance with the procedure established by section 76(1) or (2) of the Constitution since it falls within a functional area listed in Schedule 4 to the Constitution, namely industrial promotion.