

REPUBLIC OF SOUTH AFRICA

**REGIONAL INDUSTRIAL
DEVELOPMENT AMENDMENT
BILL**

(As introduced in the National Council of Provinces)

(SELECT COMMITTEE ON ECONOMIC AND FOREIGN AFFAIRS)

[B 14—98]

REPUBLIEK VAN SUID-AFRIKA

**WYSIGINGSWETSONTWERP OP
STREEKNYWERHEIDS-
ONTWIKKELING**

(Soos ingedien in die Nasionale Raad van Provinsies)

(GEKOSE KOMITEE OOR EKONOMIESE EN BUITELANDSE SAKE)

[W 14—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 programmes 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 definition of “Board” of the following definition:

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

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

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.”; and

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

“(d) three members, designated by the Minister, who have adequate expertise, knowledge or experience with regard to tax matters or small, micro and medium manufacturing enterprises.”.

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]** manufacturing growth by way of incentives or concessions with regard to **[regional]** requirements within the framework of the economic policy of the Republic.”

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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—

- (a) by the substitution for subsection (1) of the following subsection: 10
 “(1) The Board shall formulate recommendations on policy in respect of all **[regional industrial]** manufacturing development programmes 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 paragraphs, respectively: 15
 “(a) with the approval of the Minister, and shall, by direction of the Minister, develop, manage, administer and implement any **[regional industrial]** manufacturing development programme established in terms of section 10 or deemed to have been so established, including any matter referred to in section 21ter of the Income Tax Act, 1962 (Act No. 58 of 1962); 20
 (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 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: 25
 “(b) investigate or cause to be investigated any irregular conduct by **[an industrialist]** a manufacturer in respect of incentives or concessions and, if after such investigation it appears necessary, institute legal proceedings or cause legal proceedings to be instituted against such **[industrialist]** manufacturer;”.

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Amendment of section 10 of Act 187 of 1993

3. Section 10 of the principal Act is hereby amended by the substitution for subsection (1) of the following subsection: 35

“(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 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.”. 40

Substitution of section 16 of Act 187 of 1993

4. The following section is hereby substituted for section 16 of the principal Act: 45

“Short title

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

Transitional provision

5. A reference in any document or law to the Regional Industrial Development Board 50

must be regarded as a reference to the Manufacturing Development Board contemplated in section 2 of the principal Act.

Short title

6. 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 programmes 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 programmes 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.