

The moderate growth in the second quarter of this year accompanied by lower levels of loadshedding has been a positive signal for the country. There remain several hurdles on the electricity front but there is fortunately light at the end of the tunnel. The past quarter has however seen ongoing challenges at Transnet. This institution is critical to an effectively functioning economy, and improving its performance is a priority.

These challenges take place against an increasing number of climate disasters, and ongoing measures by our trade partners that aim to reduce their carbon footprint. These measures and the implications for South Africa are discussed in several papers that TIPS has produced over the past few months. There have also been a series of dialogues held to debate and share ideas on these measures.

South Africa remains a highly energy intensive country. Over and above loadshedding and the response to trade measures, the need to shift to renewables and reduce our emissions is becoming increasingly urgent. The industrial opportunities that arise from that shift are discussed in the draft South African Renewables Energy Masterplan (SAREM). TIPS continues to remain involved in this masterplan, which will make an important contribution to South Africa's industrial policy.

Localisation is also gaining prominence as a feature of South Africa's approach to industrial policy. During the past quarter TIPS published a paper on localisation in order to contribute to the discussion and deepen our understanding of South Africa's localisation strategy. These issues were discussed at a recent TIPS Development Dialogue.

In September, TIPS was once again involved in co-ordinating the annual APORDE and IPPM training programmes. These initiatives bring together academics, researchers, policy makers and civil society to explore different ideas and approaches to economic development in Africa. This year over 17 different African countries were represented at APORDE and IPPM. Concurrent to the training, we held several public dialogue seminars.

We look forward to concluding the year with a number of seminars and events, including a Development Dialogue on the battery value chain, and publishing a research report on the opportunity for local production of Vanadium Redox Flow Batteries.

Saul Levin
Executive Director: TIPS

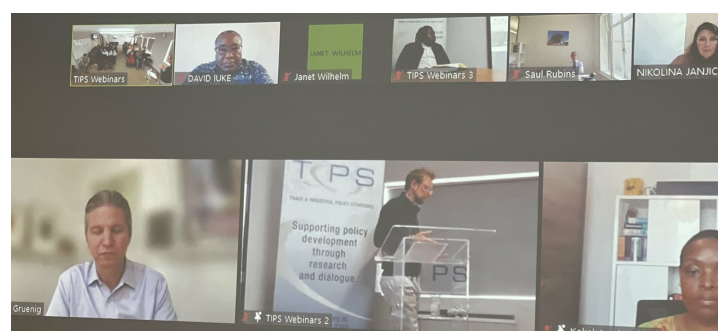
DEVELOPMENT DIALOGUES

Small Business in the Economy



The TIPS Development Dialogue held on 1 June 2023 provided a chance to explore the latest evidence on the role of small business in the South African economy, including the impacts of the COVID-19 pandemic and loadshedding. Watch the video on the [TIPS YouTube](#) channel. Copies of the video and presentations are also [available here](#).

Carbon Border Adjustment Mechanism (CBAM) - Global South Perspectives



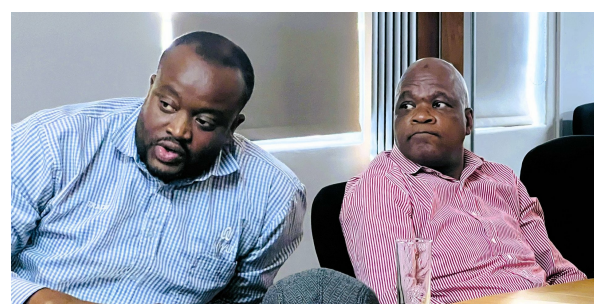
This dialogue held on 25 July 2023 focused on issues arising from the introduction of green trade (climate change) policies, specifically looking into Carbon Border Adjustment Mechanism (CBAM) and how global south countries (including BRICS) can respond to these issues. Watch the video on the [TIPS YouTube](#) channel.

Localisation - When does it make sense?



This Dialogue held on 29 August 2023 engaged on the latest evidence on the effectiveness of localisation strategies in easing constraints faced by local producers when competing with foreign suppliers. Copies of the [video](#) and presentations are also [available here](#).

Services and Industrial Policy



This dialogue held on 3 October 2023 unpacked the role of the service industries in inclusive industrialisation in South Africa. Watch the video on the [TIPS YouTube](#) channel. Copies of the video and presentations are also [available here](#).

Launch: Just Transition Transaction Framework

Tips launched research on the Just Transition Transaction Framework: A First Iteration. The Webinar held on 17 August 2023 introduced the content of the framework and the process for improving the framework overtime through learning by doing and evidence collection and analysis. Copies of the [video](#) and presentations are also [available here](#).

Upcoming Dialogues:

Batteries Value Chain - 18 OCT 2023

Medical Devices - 23 OCT 2023

TIPS Imports localisation and supply chain disruption study
TIPS Imports localisation and supply chain disruption study is a quarterly report that seeks to identify goods from the list of imports identified in the Import Tracker report that South Africa could possibly viably manufacture. Each quarter focuses on five manufactured items from the list of imports in the corresponding quarter's Import Tracker report.
Available here: [Fourth Quarter 2022](#)

TIPS IMPORT TRACKER

The Import Tracker is a quarterly analysis of import trends, providing an overview of import patterns and a look at causes of surges in manufacturing imports and their likely impact on industry. Fourth Quarter 2022 is available at [Import Tracker](#).

Quarter 1 2023 is available at [Import Tracker](#).

For previous issues: [Import Tracker](#)

EXPORT TRACKER

The Export Tracker provides updates on export trends, and identifies sectors and products that are performing well and those that are lagging.

Quarter 4 2022 is available at [Export Tracker](#).

Quarter 1 2023 is available at [Export Tracker](#).

Previous issues: [Export Tracker](#)

FDI TRACKER

The FDI Tracker monitors inward foreign direct investment projects. It reports on new FDI projects, analyzes these, and adds them to an ongoing list of investment projects.

Quarter 4 2022 is available at [FDI Tracker](#).

Quarter 1 2023 is available at [FDI Tracker](#).

Previous issues: [FDI Tracker](#)

TIPS IN THE MEDIA

- [SA to push for AfCFTA to be central to Agoa](#) - (Sunday Times 02 October 2023) by Khulekani Magubane

- [Inequality still at the heart of SA agriculture](#) - (Business Day 19 April 2020) by Neva Makgetla (TIPS)

- [SA's green steelmaking: A matter of utmost urgency](#) - (Business Day 19 April 2020) by Michelle Gumede

For more articles: [TIPS in the News](#)

[Listen to the Tips Podcast Series here](#)

THE REAL ECONOMY BULLETIN

TRENDS, DEVELOPMENTS AND DATA

SECOND QUARTER 2023

The latest edition of the TIPS Real Economy Bulletin - Second Quarter 2023, provides a review of quarterly trends, developments and data in the real economy, together with a comprehensive analysis of the main manufacturing industries and key data in Excel format. Available here: [The Real Economy Bulletin - Second Quarter 2023](#)

Read the briefing notes accompanying this bulletin here:

- **Briefing Note 1:** [TIPS report on localisation](#)

- **Briefing Note 2:** [Internal migration and industrial policy](#)

- **Briefing Note 3:** [The APORDE programme on development economics](#)

Read the previous issue here: [The Real Economy Bulletin - First Quarter 2023](#)

Read the briefing notes accompanying this bulletin here:

- **Briefing Note 1:** [Why inflation targeting does not work in a highly unequal country](#)

- **Briefing Note 2:** [Carbon Border Adjustment Mechanism \(CBAM\) – A challenge and an opportunity for developing countries](#)

IPPM 2023



The Industrial Policy for Policy Makers (IPPM) training programme took place in September 2023, alongside the annual APORDE programme. This year's IPPM theme was: Financing Industrialisation in Africa. It is aimed at senior government officials from across Africa and was held in Gauteng in South Africa.

More about the programme, [available here](#).

APORDE

The African Programme on Rethinking Development Economics (APORDE) took place recently with 33 participants from over 17 countries on the continent. APORDE is a training initiative of the Department of Trade, Industry and Competition, with the support of TIPS. For more about the programme go to [www.aporde.co.za](#)

Catch up on the Public Lectures:
- [Alice Amsden Memorial Lecture: Industrial Hubs and Late Development](#)

- [Generalisations about \(De\)Industrialization in Africa](#)

- [The \(Im\)possibility of African Development – Decolonising Development](#)

TIPS FORUM 2023

TIPS hosted its Annual Forum 2023 on 1-2 August under the theme 'Industrial policy in an era of global structural change: Implications for Southern Africa.' The forum offered an opportunity for policymakers, industry players, researchers, and stakeholders to participate in discussions on pertinent industrial policy issues to consider how industrial policy can support and drive structural change, and the implications for Southern Africa. More about this year's Forum is available on the Forum website [forum.tips.org.za](#)



Climate change and trade risk: South Africa's trade with the United States of America

South Africa's top five exports to the USA are platinum, motor vehicles, miscellaneous chemical products, ferro-alloys, and unwrought aluminum. Due to climate change policies in the USA, South African exports, such as chemicals and vehicles, face potential risks due to their carbon intensive nature and the move to e-mobility. This brief is based on a comprehensive review of the USA's climate change policy framework in relation to industries, as well as a review of South Africa's climate and trade risks.

COUNTRY BRIEF: USA

[Climate change and trade risk: South Africa's trade with the United States of America](#) – by Kiara Muthusame & Seutamele Maimele

RESEARCH AND POLICY BRIEFS

[Contrasting industrial policy during the COVID-19 pandemic and loadshedding](#) – Neva Makgetla (TIPS)

[Localisation and industrial policy: Scopes, debates and instruments](#) – Neva Makgetla, Saul Levin, Rapula Diale, Itumeleng Mokoena, Mbofholowo Tsedu and Kelello Mashiane (TIPS)

[Report: Services and inclusive industrialisation](#) – Neva Makgetla (TIPS)

[Responding to the European Union's Carbon Border Adjustment Mechanism \(CBAM\): South Africa's vulnerability and responses](#) – Seutamele Maimele (TIPS)



The Technological Change and Innovation System Observatory project aims to track and create awareness of disruptive innovation and discontinuous technological change by organisations in the public, private and not-for-profit sectors. This includes profiling technologies at the frontier.

Profile: [Prestige Clothing TFG company profile case study](#) gives you a glimpse of Prestige Clothing TFG manufacturing factory in Epping, Cape Town where a world of automated cutting machines, automated stitching machines, and increased digitalisation is emerging. It is these technological advances that have contributed to the success of this operation.

Profile: [Hi-Alloy Castings case study](#) showcases a foundries factory focused on transforming the company into a "foundry of the future" which is digital, intelligent, clean and green. With various initiatives to reduce costs and improve efficiency and competitiveness, including digitalising various functions with plans to look at some automation in the future as well as streamlining, improving and enhancing the pattern-making process.

See: [Technological Change and Innovation System Observatory](#)

UPCOMING TRAINING and WORKSHOPS

For information about the TIPS training courses in 2023, contact Rozale Sewduth at rozale@tips.org.za.

- [Trade Policy training](#) (module 3) | 30 Oct - 01 Nov 2023

- [Value Chains training](#) | 23 - 24 Nov 2023

- [Workshop](#): Growing the Start-Up Economy: Accelerating Local and Foreign Investment. | 02 Nov 2023

- [Workshop](#): CBAM - Iron and Steel | 02 Nov 2023

- [Workshop](#): CBAM - Aluminium | 14 Nov 2023

TIPS is an independent, non-profit economic research institution established in 1996 to support economic policy development.

TIPS undertakes quantitative and qualitative research, project management, dialogue facilitation, capacity building and knowledge sharing. Its areas of focus are industrial policy, trade and regional integration, sustainable growth, and a just transition to a sustainable inclusive economy.

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CELEBRATING

25

YEARS OF SUPPORTING POLICY DEVELOPMENT THROUGH RESEARCH AND DIALOGUE