dti Budget Vote Address delivered by Dr Rob Davies, Minister of Trade and Industry, in the National Assembly
20 April: 14h00.

Madam Speaker,
Honourable Members
Director-General and officials of the Department of Trade and Industry and the Council of Trade and Industry Institutions
Leaders of organised Business and Labour
Distinguished guests

It is common cause that we meet at a time when our economy is facing enormous challenges. We are all aware of the impact of the global commodity price weakness, the domestic challenges related to electricity and the ongoing drought.

We are also aware that South Africa is not alone in facing these challenges. China, the world's largest economy based on purchasing power parity, has not met its recent growth target and has experienced substantial stock market turmoil. Moreover, Brazil, Russia and Canada are in recession while Australia experienced growth of 0.6% in Q4 of 2015 – exactly the same as South Africa.

The Prime Minister of the United Kingdom has had to cut short his holiday to attempt to find a solution to the UK's steel crisis. The UK's steel sector is battling to remain afloat amid a global steel glut and, a few weeks ago, Prime-Minister David Cameron called on UK industry to support British Steel through buying local! I want to assure Honourable Members that the South African government has been taking no holiday on this issue and remains seized with working to ensure that we retain increasingly competitive primary steel making capacity in this country.

Madam Speaker, the circumstances we find ourselves in require that we re-double our efforts to radically transform our country's economy. We can no longer afford to be a country that relies on the production and export of primary commodities. We need to continue working to bring about structural changes at two inter-related levels: first, we need to place our productive sectors firmly at the heart of a new growth path that will move us up the value chain - and second, we must significantly broaden the base of economic participation. These are commitments of the NDP and provide the only plausible basis on which to secure higher rates of <u>inclusive</u> growth.

The 9 point plan spells out the interventions planned by government in this regard and several of these speak directly to the work of the dti. Today I will address just some of these, starting with "the implementation of a higher impact IPAP".

Madam Speaker, in a few weeks' time we will release the 8th iteration of our Industrial Policy Action Plan (IPAP) covering the period 2016/7-2018/9.

Just one of the important transversal policy levers identified in IPAP is local procurement. Thus far we have designated more than 16 sectors or products where public entities are required to procure from products produced in this country. These include rail rolling stock, work wear and uniforms, and furniture.

The three latest designations came into force on 21 October 2015. These are conveyance pipes, transformers and steel sub-structures.

I am happy to report that we are now beginning to see real impact of these commitments to local procurement in a number of industries:

For example, in Clothing, Textiles, Leather and Footwear – after having set a 100% local content requirement – we have seen the re-introduction of products where local production had been discontinued. These include technical fabrics, protective footwear, protective fabrics and chambray fabrics. The value of public procurement of locally produced clothing and textile products recorded by National Treasury increased from R264m in 2013/14 to R479m in 2015/16 – an increase of 82%. This intervention, supported also by our Clothing and Textile Competitiveness

Improvement Programme has contributed to turning this sector around, and we are now applying the lessons learnt in Clothing and Textiles to the Leather and Footwear sector, where the initial results are very encouraging with 4 new factories have opening in the last six months: Ariana Footwear, Prizm Footwear, Safety Boys, and Mystic Eyes are fully operational.

A second example of successes from designation is bus bodies. This has led to the local manufacture and assembly of more than 700 bus bodies. Busmark 2000 received an order to assemble 700 buses for the City of Cape Town. Mercedes-Benz SA was successful in a tender to provide 134 buses for phase 1B of Johannesburg's Rea Vaya BRT system. Volvo SA won a tender to provide 40 new vehicles to the City of Cape Town for its extended MyCiti bus routes. And MAN is supplying 80 new commuter buses to Great North Transport, Limpopo's largest public transport operator. Alongside the rejuvenation of our bus industry for the various Bus Rapid Transit (BRT) systems, we have been able to leverage a substantial increase in medium- and heavy commercial vehicle exports. In 2012, South Africa exported just R1.3bn of these vehicles. By 2014, this had almost tripled to R3.7bn and we expect the performance in 2015 to have improved further. Not too long ago we were advised, even in this House that productive activities such as the manufacture of bus bodies were ‘not worth saving’. We are glad we ignored that advice.

A third example is the steady progress being made in the production of locomotives locally. The R50bn Transnet contract for the building of 1,064 locomotives is a case in point. Locomotives are being built at Transnet Engineering’s plants in Koedoespoort, Pretoria and Durban. We have seen the IEC Holden assemble the first SA-made AC Traction motors, demonstrating rapidly improving local capabilities. Furthermore, China North Rail is working with MTU (a local company) to assemble advanced diesel engines locally. On the 4th of March 2016, the Gibela Rail Consortium took the first steps in building a factory at a cost of R1bn in Ekurhuleni. The factory when fully operational will employ 1,500 people directly and we are positive that these investments will create a viable platform for South African firms to export into Africa.

Needless to say, this factory would not exist without the implementation of local procurement policy.

A fourth example is the designation of ship and boat building under the Oceans economy Operation Phakisa. As a result, SA Ship Yards (SAS) won a tender of R1.4bn to build seven Tugboats for Transnet National

Ports Authority (TNPA). The contract has to date created approximately 200 new jobs and more than 60 apprentice artisans and mine engineers are being trained. More than R700 million has been earmarked for the Supplier Development agreement entered into by SAS and Transnet's local suppliers, employees and graduates. In addition Vee Craft was awarded a tender worth R23m to build workboat ferries for the Navy and Smit Amandla Marine partnered with Damen Shipyards Cape Town to build two new vessels in an overall investment package worth R150 million.

Madam Speaker, I have visited many of these factories in the past year and can report that these Government contracts have created a mood of optimism on the shopfloors and factories. Industries that appeared to have no future and where assets were being run-down prior to being sold for scrap have been revitalised and long-term investments – including in machinery, people and skills – are being made which augur well for these industries' future.

How much investment? Well, across the dti's main incentive schemes (the AIS, 12i, CIP, Film, MCEP & ADEP) R57.1 billion rand in private-sector investment is being leveraged as a result of the dti having provided incentive support during the last financial year of approximately

R10bn (on-budget R4bn + R6bn in 12i tax allowances). This support is provided to a wide range of local and domestic companies, one thousand seven hundred and seventy in the last financial year to be exact. Put differently, **the dti** approved support to about 7 new or established firms every single working day in 2015.

Significant though these achievements are, the industrial sector in South Africa remains characterised by far too few black entrepreneurs. It is impossible to build an inclusive and stable society when some sectors and industries remain largely untransformed, and where established sectors are perceived as monopolising access to government resources. This is why our Black Industrialist Programme is such an important initiative of Government. We are harnessing the resources – both on the supply and the demand-side – across Government and its Agencies to support black industrialists who have the potential to grow, invest and create jobs. In the coming year, we will focus on supporting qualifying Black Industrialists through access to funding, incentives, soft loans, market access, procurement opportunities, training and capacity building, matchmaking and information sharing, research and innovation, assistance to meet quality standards, productivity enhancement support, and economic infrastructure. This support will be provided through collaboration with DFIs, SOCs, the CSIR and SABS, and other private and public institutions.

About 50 applications have already been received and are being considered by the department, covering sectors such as Agro-processing, Chemicals, Cosmetics, Pharmaceuticals, Mineral beneficiating sectors, Oil & gas, Automotive, Rail, Clothing & Textiles, Green Energy, Capital Equipment, and ICT. We are grateful for the many messages of support we are receiving from the private-sector and – increasingly – firm offers to collaborate and partner with Government to make the Black Industrialist Programme a success.

Honourable Members, another component of the 9 point plan that speaks directly to the work of the dti is encouraging private sector investment. There are numerous initiatives being undertaken in this regard. The relative difficulty or cost of doing business can be an important constraint on investment and business confidence. One of the costs of doing business which Business has raised quite sharply with the dti was the time and number of processes to be completed to register a company at the Companies and Intellectual Property Commission (CIPC). I am pleased to be able to report to this House that we have fundamentally re-engineered the way the CIPC operates over the last few years. Whereas it was a common complaint that registering a company could take more than a month, for a straight-forward company registration where the name of the company is not already in use, the process can be completed in just a few hours.

Furthermore, the CIPC has partnered with all the major banks and just last week I launched the partnership with Nedbank to provide business registration facilities within their branches. I want to emphasise that it is no longer necessary to travel to the CIPC offices to register a company. Company registration can now be done at branches and online through banks as well as at CIPC's self-service Terminals so far installed in four Provinces or on-line through the CIPC website. Already in the past year, 300 000 businesses were formally registered at the CIPC. 88% of these applications were received through online channels.

Madam Speaker, working with the private-sector, we have identified a range of regulatory processes which – while in many cases necessary to protect our natural resources and citizens – could be simplified and decision-making speeded up. This has led us to establish a new division within **the dti**. The One Stop Shop or 'InvestSA' is a specialised unit that offers a suite of services that will fast-track, unblock and reduce red-tape in government for all investors. InvestSA is supported by an Inter-Ministerial Committee chaired by the President which will, amongst others, provide clarity and certainty on South Africa’s economic policy, identify and package investment projects, promote partnership between government and the private sector, and coordinate a One Stop Shop for investors to grow our attractiveness as an investment destination.

At an operational level, the One Stop Shop will be staffed by regulatory decision-makers from relevant Government Departments and Agencies. This will integrate and co-ordinate Government decision-making across its regulatory entities with transparent processes and firm turnaround times so as to speed up decision-making, communication with investors and ultimately unlock pent-up investment.

Madam Speaker, our SEZ programme has been bolstered with the addition of a major new initiative to revitalise our Local Industrial Parks. Ten State-owned Industrial Parks located in under-developed and former ‘Homelands’ have been identified for revitalisation. We cannot simply continue to lament that South Africans are not entrepreneurial enough without investing in the infrastructure which all business but especially township business needs to be able to operate.

For this reason, we have contracted the Development Bank of Southern Africa (DBSA) to oversee the infrastructure implementation phase with the first phase involving security infrastructure upgrading, fencing, street lighting, top structures and critical electricity requirements. We will be investing R189 million covering six industrial parks in this financial year. Two of the parks - Seshego Industrial Park in Limpopo and Botshabelo Industrial Park in the Free State are near completion of the first phase of the revitalisation program and will be launched in May 2016.

This initiative is a critical element of our inclusive growth imperative and we are pleased to report that other National Departments such as the Departments of Small Business Development, Rural Development and Land Reform, Economic Development and some Provinces such as Gauteng, are working closely with **the dti** to make our townships and Industrial Parks hives of economic development. The more equitable provision of economic infrastructure to under-developed areas is a key tenet of our inclusive growth strategy.

Honourable members, we have continued to make advances to deepen trade and economic relations with the world. The State Visit of President Xi Jinping – the 2nd in just a few years – has ushered in a new era of Sino – Africa relations with China committing US$ 60 billion towards Africa. One part of this sizable funding commitment was the announcement to create the US$10bn China - Africa industrial capacity cooperation fund to support investments into value-adding sectors including manufacturing, hi-tech, agriculture, energy and infrastructure by Chinese firms in Africa. The fund was launched in January 2016.

China also increased its capitalization of the China Africa Development Fund (CADF) from US$ 5 billion to US$ 10 billion for Africa.

Government has also concluded the negotiations on poultry, beef and pork with the United States – “the three meats” – bringing to a close several months of discussions with the United States on the terms required to secure South Africa’s position in the African Growth and Opportunity Act (AGOA) for the next 10 years. The first shipment of poultry (frozen chicken legs) arrived at the Port of Durban and was cleared by the Port Health Authorities.

The negotiations with the US to secure AGOA have been complex and arduous. We would have failed in our duty to protect South African businesses and consumers had we simply agreed to the demands as originally put rather than undertaking negotiations. I am confident that South Africa has negotiated the best possible deal – in very difficult circumstances – to secure AGOA access at the lowest possible cost to our Agricultural sector.

Turning to the region, we have played a prominent role in championing developmental integration in our Africa regional economic integration initiatives. By this I mean that we are not only focused on the mercantilist benefits of regional trade. Rather we seek to create mutually beneficial partnerships which will secure Africa’s long-term development, by developing regional industrial capacity, stimulating infrastructure development, expanding skills development, and creating the conditions for Africa to embark on a growth trajectory based on regional beneficiation of its natural resources.

The current global downturn and depressed commodity prices have painfully reminded us that Africa must deepen its industrial base and beneficiate or remain forever vulnerable to volatile global commodity prices. As Angola approaches the International Monetary Fund for bailout funds due to the collapse in oil prices, we must stress that intra-Africa trade anchored by beneficiation and local manufacturing is essential to our long-term development. Consequently, South Africa strongly supports regional and continental efforts to build more industrialised and diversified economies and reduce Member States' over-dependence on the export of primary products.

Our regional trade integration efforts have already had an impact; the Continent is now the destination for 30% of South Africa’s total exports. More importantly, our trade with the Continent is in value-added products and has been growing while our trade with our traditional partners has stagnated. It is no exaggeration to say that our Manufacturing sector would be in dire straits had Government not consciously decided to focus on developing the African market a decade ago.

As we continue to improve our support to exporters trading with Africa, I am pleased to announce that the Africa Export Council commenced operations on the 1st of April 2016. This – our first – multi-sectoral Export Council will ensure that we provide targeted and customised support to manufacturing and service exporters trading on the Continent. Linked to this, we continue to develop our export credit offering so that South African exporters and especially those operating in the capital goods sector are able to compete on an equal footing with the many global players who are also operating in this space.

Honourable Members, I am happy to report that in June 2015 we launched the Tripartite Free Trade Area (T-FTA) signifying the conclusion of negotiations on the legal text that underpins the T-FTA. We are on track to create a market of over 600 million people with a combined GDP of over US$1trillion. The T-FTA is the building block for the establishment of the Continental FTA that will embrace the entire continent with a market of 1, 3 billion people and a combined GDP of over US$2trillion.

On infrastructure, a number of corridors and infrastructure projects have been identified to facilitate inter-connectivity and facilitate the movement of goods and services.

The benefit of the relatively weak Rand has been undermined by weak global demand, nevertheless, **the dti** directly facilitated R5.5 billion worth of exports in the 2015/16 financial year through undertaking 31 National Pavilion exhibitions, 26 Trade Missions and 5 high-level Investment and Trade Initiatives (ITIs). Associated with these events, 1,138 companies received financial assistance through the Export Marketing and Investment Assistance Scheme (EMIA).

With regard to implementing the National Exporter Development Programme (NEDP), important strides have been made during 2015/16 in aligning our export work with Provincial stakeholders and the larger export community through signing and implementing 6 Memoranda of Understanding (MoUs) with Provinces as well as 19 Agreements with Export Councils. The resultant greater coordination contributed to 1,558 potential exporters being trained to become exporters. In addition 1,437 clients were also assisted through the Department's Export Help Desk with 816 trade leads being disseminated.

In this financial year, and cognisant of our fiscal constraints, **the dti** will undertake 25 National Pavilion exhibitions, 5 Investment and Trade Initiatives and 1 Special Project mission towards facilitating a targeted R3.5 billion of exports, with 1,000 companies financially assisted through EMIA.

The Integrated National Export Strategy was launched on the 23 March to guide our various export promotion undertakings with the aim of diversifying markets for value-added South African exports in identified IPAP sectors. Against this backdrop, in the 2016/2017 period **the dti** will focus on implementing the Export Promotion and Development Action Plans that have been articulated in the INES. These plans include the operationalisation of the National Export Advisory Council (NEAC) which will be tasked with enhancing coordination issues across government and the private sector in the implementation of the INES in order to improve the issue of competitiveness and removal of unnecessary barriers faced by exporters.

In addition to this a Services Export Strategy that is aimed at assisting South African firms to integrate into global supply chains of multinational firms, by actively promoting subcontracting in power, infrastructure programmes and the built environment will be launched.

Madam Speaker, Honourable Members, turning to the dti's regulatory programme. The National Gambling Policy was approved by Cabinet in February 2016. The National Gambling Amendment Bill will be tabled before Cabinet for approval on 18 May 2016 and later before Parliament in July 2016. Capacity will be built for enforcement of the policy, while support will be provided to people who are addicted. Illegal gambling activities will be dealt with harshly and coordination of policies and legislation at national and provincial levels will be strengthened.

With regard to the Liquor Policy, I have taken this Cabinet and its accompanying Bill will be tabled before Cabinet in May 2016; and before Parliament in July 2016. Once the process has been finalised national, provincial and municipal liquor authorities will apply policies, legislation and strategies in combatting alcohol abuse in a harmonised manner.

The Copyright Amendment Bill will be tabled in Cabinet for approval on 18 May 2016; and in Parliament on July 2016. When the legislative process is completed, the creative industries, in particular the music sector, will greatly benefit.

Madam Speaker, as I conclude, I must address the doomsayers amongst us especially those who enthusiastically contribute to the perception that investments are no longer reaching our shores. The facts are that leading global multinational companies continue to invest billions in the South African economy. In the words of the National Association of Automobile Manufacturers of SA (NAAMSA): “Capital expenditure by the seven major vehicle producers over the last five years amounted to over R24bn. Investments of this magnitude confirm the commitment of multi-national auto corporations to SA.” In October 2015 BMW announced a new investment of R6bn, just two weeks ago Ford announced a R2.5bn investment. And it is not only in the auto sector.

On the 14th of March 2016 we launched the R 2 billion Japanese Sumitomo Rubber Industries, a two-phased project which will have a huge impact in stimulating economic growth and job opportunities in the KZN province but more importantly poverty alleviation in Ladysmith (Uthukela District Municipality) through skills development programmes that will be geared for the youth. Also significant is that, phase 2 will replace the import of truck tyres which will be produced in the Ladysmith factory. This investment is expected to create a further 300 jobs bringing the employment to 1,200 which is significant for the local area.

Unilever has invested R 4 billion in state of the art plants across the country. These new investments also contribute to sustainable development, are energy-efficient, water-neutral and reduce the carbon footprint. Similarly, other companies such as Nestle, Proctor and Gamble, Samsung, Hisense, and Johnson & Johnson, all announced significant investments

Indeed, as a matter of fact, this year we will make a number of further announcements on new investments, expansions and launches from domestic and foreign investment. In May we will launch the MPACT PET Recycling plant in Wadeville and Dursots Food's tomato processing plant in Modjadjieskloof in Limpopo. In April and May, Ford and Toyota will launch their new vehicles destined for the local and export markets.

The Han Noi company of China is undertaking a feasibility study to invest US$3,9bn in metallurgical technology, processing, steel plant, mining construction and energy in the prospective Musina Special Economic Zone.

Honourable Members, the dti is tasked with co-ordinating 3 of the priorities in Government's 9-Point Plan to ignite growth and create jobs.

In the coming year, we will intensively implement the Higher-Impact IPAP, the Beneficiation programme and the partnership with the private-sector to unlock investment. These activities all contribute to higher – and critically important – more *inclusive* economic growth.

All the work I have been discussing is underpinned by the efforts of related development finance and regulatory bodies - namely, the Industrial Development Corporation, the National Empowerment Fund, the Council for Scientific and Industrial Research and the dti's technical infrastructure institutions - as well as the cooperation of those SOCs that occupy a central place in our industrialisation effort. To the staff of all these institutions and to our own dedicated dti people – on whom all this work rests - I offer on behalf of government as a whole our sincerest appreciation.

The work of the dti is also supported by the oversight of the Parliamentary Portfolio Committee and the Select Committee of the National Assembly and the National Council of Provinces. To the Chairpersons, the Hon Joan Fubbs and the Hon Eddie Makue, as well as honourable members of the Committee, I express my sincere appreciation for your support.

All the work of the dti is also supported by the Ministers and Departments of the Economic Sectors and Employment and Industrial Development Cluster. Allow me to also express my sincere appreciation to these Ministers and their respective departments.

We re-affirm our common goal of taking the inclusive industrialisation of South Africa to a new and higher level.

I commend this budget to the House.

I thank you.

Appendix

1. FDI

The business press has reported widely on a supposed sharp decline in Foreign Direct Investment (FDI) in 2015 according to a preliminary UNCTAD report. This report was based on estimates for the last quarter of 2015 as the Reserve Bank (SARB) only released the final 2015 figures on the 8th of March this year.

According to the SARB, South Africa recorded a negative direct investment in Q1 and Q2 of 2015. This outflow of capital was due to foreign parent companies reducing their equity holdings in their South African subsidiaries. The transactions included:

- The sale of Glaxo's share in Aspen (R 10,5 billion)
- Brait sold 37,1 per cent of its stake in Pepkor to Steinhoff (R 26,4 billion)
- ENRC sold 13 per cent of its stake in Northam Platinum (R 2,5 billion)

Madam Speaker, we must make clear here that these transactions are not the same as the disinvestments we saw before the dawn of democracy in SA. Not one of these companies has indicated that they are disinvesting because of something SA has done. These transactions result from global private companies making strategic decisions – in many cases due to regulatory changes or changing circumstances in their home markets. Barclays Plc's decision to sell Barclays Africa is another such transaction and as has been reported is not due to any particular policy change in SA. Indeed as the Barclays SA CEO has stated publicly, Barclays SA's profit metrics are significantly better than Barclays Plc is able to achieve in the UK.

It is important to contextualise some of the successes we have had in building an investor-friendly environment.

Amongst others, we have finalised the Protection of Investment Act, which aims to balance the rights and obligations of investors and government while also preserving the right of government to regulate in the public interest. Investors domestic and foreign will be treated equally on the basis of the principle of non-discrimination and substantial protection of investor rights, based on the Constitution. I am pleased to announce that South Africa is ranked no.10 globally for the protection of investors.

2. Incentives

(i) MCEP

In May 2012, we introduced the Manufacturing Competitiveness Enhancement Programme to assist South African manufacturers to enhance their productivity, international competitiveness and job retention. Today I can report that more than 900 projects have been supported through this scheme. In the period April 2015 to December 2015, 232 entities were approved for funding and a total of 52 466 jobs were sustained.

(ii) APDP

Manufacturing sector remains critical to our economy given its multiplier effect, job creation and inclusive growth capability. The review of the APDP and the policy certainty we have created has grown the auto sector significantly. The number of units of vehicles produced grew from 388 442 in 1995 to 615 658 in 2015. The APDP has leveraged private-sector investment of over R25, 7bn over the last 5 years. As a result South Africa has become an international player in the autos sector with all the major OEMs producing locally.

The year 2015 was notable for a steady stream of new investments in the autos sector as OEMs increased their investments in the South African plants. The OEMS often explicitly acknowledged the support they received under the Automotive Production and Development

Programme (APDP) as a critical lever that encouraged them to invest more in SA.

Highlights of the year included the following:

- In February 2016, German motor company Daimler announced its decision to make South Africa the regional base for its new global truck and bus strategy. This is expected to bring significant business to Mercedes Benz SA and ultimately result in new investments in its East London plant. Making SA the new Southern African regional base will set South Africa up as the service base for all Daimler brands in SA, Namibia, Botswana, Swaziland, Lesotho, Mozambique, Zimbabwe, Zambia and Malawi.

- BMW Group South Africa has announced an investment of R6 billion into its Rosslyn Plant in Pretoria, earmarked for the production of the next generation of the BMW X3, which will be sold locally and exported internationally.

- An Iveco-Larimar joint venture has started producing trucks and buses on its R600 million production plant in Rosslyn. This plant will assemble CKD kits of Iveco trucks and buses and is expected to employ 1,000 workers.

- In March 2015, Toyota Motor SA started CKD production of the Quantum minibus in its Durban facility. The project cost was R500 million, with 270 direct jobs created and a further 50 new components to be sourced locally.

- Volvo has invested R60 million in a regional parts and distribution centre in Benoni, Ekurhuleni. This facility will consolidate all their logistical operations in Sub-Saharan Africa.

- In December 2015, Beijing Automobile International Corporation announced an investment of R11 billion in a completely knocked down (CKD) vehicle manufacturing plant in South Africa. The investment will create about 2,500 direct jobs and 7,500 indirect jobs.

(iii) 12i

Section 12i Tax Allowance Incentive was launched in July 2010 to promote and support investment in new manufacturing projects that utilise new and unused manufacturing assets; as well as for the expansion and upgrading of existing industrial projects.

Between April 2015 and January 2016, 26 projects with an investment value of R9.5 billion were approved. The support was extended to companies in a wide range of sectors such as steel, agro-processing, oil and gas, boatbuilding, chemicals, cement, paper, plastics and food and beverages.

(iv) BPS incentive

With regard to BPS incentive, 10 new projects were approved in the 2015/16 financial year with a 5 year projected Export Revenue of R5, 7 bn. Through government support, the industry has sustained 10,997 jobs.

SEZs & IDZ

During the financial 2015/16, we designed the Maluti-a-Phofung IDZ as an SEZ. Maluti-a-Phofung is aimed at bolstering logistics efficiency along the key trade routes such as the Gauteng-Durban port corridor and Bloemfontein–Cape Town corridor. The main industries it will serve include agriculture, agro-processing, automotive and logistics.