

Title: Value Chains and the Institutional Imperatives in Regional Industrial Development: A Consideration of the Implementation and Impact of Defence Offsets in the Western Cape

Abstract

The paper explores select experiences within the Western Cape province regarding the implementation and impact of the South African defence offsets with specific reference to the NIP (National Industrial Participation) aspects. The research builds on earlier provisional research findings, is primarily qualitative in nature, and utilizes a range of in-depth interviews to explore the dynamics of the offset negotiations and decisions.

There are four focal areas:

- ✍ A short overall assessment of the NIP programme within the province;*
- ✍ An examination of the seeming lack of offset investment in emerging high-tech knowledge industrial sector in the region;*
- ✍ A short comparative study of the experiences of the Cape Town and Durban ship- and boat-building industry in regard to accessing NIP and DIP and other IP investments; and*
- ✍ The contribution of offset initiatives and investments in the jewelry and gold-beneficiation clusters in the Western Cape.*

These four areas are contextualized and considered within a discussion of new strategy and policy emphases on value chain integration on local, national and international levels as specified by the DTI's new IMS (Integrated Manufacturing Strategy). The question of the institutional coordination of and support for Industrial Participation and defence offsets at sub-national/provincial level is also discussed.

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