national planning commission

Department: The Presidency REPUBLIC OF SOUTH AFRICA

RECASTING MASTERPLANS AS DELIVERY INSTRUMENTS TO ACCELERATE INCLUSIVE GROWTH AND EMPLOYMENT OUTCOMES

EXECUTIVE SUMMARY

Over 21 sector masterplans have been developed since the initial launch in 2019 under the Re-Imagined Industrial Strategy. While several masterplans have been incorporated into the 2024-2029 Medium-Term Development Plan (MTDP) and departmental Annual Performance Plans, considerable critique has been expressed about their quality and efficacy, whether they will produce transformative gendered or equitable outcomes, and whether they have translated into significant gains for the relevant sectors and the economy overall.

A year into the current administration, an opportunity exists to consolidate learnings about the masterplans and drive impact through the masterplan system. This is a critical juncture in the current administration, as the New Industrial Policy is being formulated, and economic growth and employment are falling short of targets.

This advisory identifies key challenges and provides recommendations to amplify masterplan outcomes in a way that meaningfully contributes to the kind of inclusive growth and employment that will make our economy more competitive and resilient. The National Planning Commission's (NPC) primary interests in relation to achieving the aspirations of the National Development Plan are based on the following factors:

- Sectors are important enablers of economic development and work opportunities.
- Enhancing the capacity of the state is crucial to unblock constraints and optimise sectoral opportunities.
- Masterplans provide the opportunity to expand and redistribute power, resources and opportunities across race, gender, and class.
- Masterplans require institutionalisation, including coordination, in order to drive delivery.

The NPC has engaged with numerous sectors on the functioning and outcomes of the masterplans. In addition to an in-depth study and engagement in relation to the Agriculture and Agro-Processing Masterplan, there has been interaction with the Presidency, Department of Trade, Industry and Competition (DTIC) and other departments on masterplans, as well as engagements with business and labour sector representatives on the impact of masterplans. This culminated in a roundtable discussion on 19 August 2025, where masterplan and industrial policy thought leaders, role-players and implementers from within government, business,

labour, and academia provided strategic input on the nature of the problem and proposed ways to strengthen the masterplan system for inclusive growth and employment in future.

This advisory consolidates the input received into a tangible proposal that involves the following high-level recommendations:

1. Drive inclusive growth and employment as the primary objective of masterplans.
2. Identify and drive critical actions in priority sectors.
3. Provide for the coordination and delivery of sectoral priorities across government.
4. Improve the implementation of masterplans by:
    - 4.1. Financing, resourcing and capacitating masterplans,
    - 4.2. Mainstreaming employment and skills development into masterplans,
    - 4.3. Ensuring participation of sector stakeholders who will focus on priorities that will promote sector investment, and
    - 4.4. Ensuring delivery through clear accountability, agile adaptation and rigorous outcomes-based monitoring and evaluation.

INTRODUCTION

Masterplans are intended to drive industrial development in specific sectors. The selection of masterplan sectors has been somewhat haphazard, without clear criteria to indicate the rationale for the initiation of a masterplan. Of the 21 masterplans developed, eleven are hosted by the DTIC, with the remaining ten within various other departments.[1]

Typically, masterplans start with a comprehensive situational analysis, which informs an implementation plan that should then be implemented, with regular monitoring and evaluation.

Masterplans vary according to sector context and needs. Strong masterplans have clear and targeted implementation plans, jointly developed with clear accountability links into sector and departmental plans. Key elements frequently include supply-side unblocking, demand stimulation, policy, regulatory or administrative enhancements, transformation, and skills and capability building.

While government usually initiates a masterplan, it is often with the support of the business and labour representatives in the sector. However, the process to develop, implement and monitor a masterplan requires the participation of business, labour and the lead government department, as well as other relevant departments in the full process.

The current recommended institutional mechanisms for masterplans are threefold:

[1] The following masterplans were developed under the leadership of the DTIC: Retail Clothing Footwear and Leather, Steel, Automotive, Sugar, Poultry, Chemicals, Plastics, Furniture, Global Business Services and Med-Tech. The Cannabis and Hemp masterplan now also falls under the DTIC. Masterplans developed in other departments includes: SA Renewable Energy Masterplan, Agri and Agri-Processing Masterplan, Tourism, Digital Economy, Forestry, Creative Industries, Water Industrialisation, Jewelry, Aerospace and Defence and the Oceans Economy.

- There is a small Executive Oversight Committee, chaired by the Minister or Deputy Minister in the lead department, and consisting of captains of industry and senior trade union office bearers from the sector.
- This is supported by technical and implementation workstreams, including government, business and labour technical experts, and may include academics, industry experts and agencies, such as the CSIR.
- Project Management Offices (PMO), which are funded by either government or the private sector, or a mix thereof, serve as delivery units for implementation. Project management, data analytics, stakeholder management, and monitoring and evaluation expertise form part of a well-resourced PMO.

PROBLEM STATEMENT

Masterplans currently provide the only coherent mechanism for government to unlock sectoral opportunities and address specific sectoral constraints. This is necessary in order to unleash inclusive growth and the concomitant work opportunities. Masterplans also provide a mechanism for sector role-players to be part of sectoral development, from planning to implementation.

Despite the bold intentions and significant effort applied towards specific masterplans, the development and implementation of masterplans have been uneven, with various degrees of success and impact. The selection process for sector masterplans is obscure, and the strategy lacks coherence across lead actors, both within and outside of the state. There are also limited over-arching structures to coordinate, resource, evaluate and drive masterplan delivery for greater impact.

Specific concerns and recommendations are set out in more detail below.

RECOMMENDATIONS

1. Drive inclusive growth and employment as the primary objective of masterplans.

The problem: The economy is not growing, and while Operation Vulindlela assists with structural changes, there is little focus on supporting sectors to become engines of growth.

Industrial policy has been approached on the basis of varied priorities ranging from growth to dynamic competitiveness, export promotion, capacity building, inclusivity and transformation, localisation, and employment and skills development. Masterplans attempt to address too many issues.

There has been an absence of an overarching strategic objective underpinning industrial policy and masterplans in general. In addition, masterplans, particularly in non-DTIC departments, which do not carry an industrialisation mandate, have often served other policy priorities rather than addressing sector growth and employment. Masterplans cannot be overburdened by multiple priorities but should rather relentlessly focus on the core purpose of inclusive growth and employment. This requires building competitiveness, both domestically and globally, and specifically at the value chain level.

Recommendation:
Masterplans should be targeted sectoral instruments that drive inclusive growth through unblocking sectoral constraints and building competitive advantage. The primary objective of each masterplan should be clearly articulated as accelerating inclusive growth and work opportunities in that specific sector. Masterplans must redefine growth to include gender equity and access to finance and assets, redistribution of care work, and provide pathways for women and youth into decent work. This will enable masterplans to be categorised according to their growth or employment potential, and be differentiated in this regard, rather than adopting a 'one-size-fits-all' approach.

This should be aligned with the New Industrial Policy, currently under development, and the MTDP. The litmus test for masterplans should be whether they result in significantly higher levels of investment, growth and work opportunities for women and men in the economy.

2. Identify and drive critical actions in priority sectors

The problem: The criteria for the selection of sectors with masterplans are unclear. Some masterplans cover sunrise sectors such as digital, global business services, and tourism, while others cover traditional sectors such as clothing and textiles, automotive, and other industries in distress, such as steel and poultry. Some masterplans cover manufacturing and processing, such as Agriculture and Agro-Processing, whereas others split sectors, such as forestry and furniture. Some masterplans cover sectors, while others deal with sub-sectors such as sugar, cannabis and hemp, despite the overarching Agriculture and Agro-Processing masterplan.

The National Treasury's 2019 'Economic Transformation, Inclusive Growth and Competitiveness' paper emphasised the need for prioritisation and rationalisation of interventions within industrial policy. At the time, there were thirteen sectors, each with multiple interventions under the Industrial Policy Action Plan. The paper noted, correctly, that this was likely to limit the impact of the respective interventions because there are limited resources, both in terms of budget and personnel. It concluded that there would be a bigger impact if it were targeted only at the areas where the greatest gains could be made.

The Reimagined Industrial Strategy masterplans perpetuate this challenge. Despite the aim of identifying a few priority sectors, the result was 21 sector masterplans. Too many masterplans dilute efforts and limit government's ability to strategically focus and achieve results in key growth-stimulating and employment sectors. As a result, generic government interventions in areas such as trade negotiations, investment stimulation, and incentives are insufficiently focused on where they can make the most impact.

Recommendation:
Use objective criteria, such as competitiveness, contribution to employment and exports, and the related evidence to identify priority interventions in critical sectors and the priority masterplans that will drive inclusive growth and employment. Consideration must be given to a mix between sectors that are critical and in distress, as well as future-focused sectors.

This will require an objective evaluation of sectors and sub-sectors with the most potential for short-to-medium term growth, as well as an understanding of how to unlock inhibitors to growth and work opportunities at scale in each sector.

It must take into account the support and capacity of industry parties, and the quality of the masterplan. The Presidential Youth Employment Intervention study, which identified high-potential sectors for work opportunities, should be used to contribute to sector identification in relation to job creation potential. The project currently underway by the DTIC Minister's Industrial Think Action Tank can contribute to establishing priority sectors and sub-sectors based on objective, transparent criteria in relation to inclusive growth and employment.

Critical interventions and masterplans should not be prioritised in perpetuity. The sectors should be periodically assessed to determine prioritisation based on updated sector development prospects and clearing of inhibitors to growth and employment.

3. **Provide for the coordination and delivery of sectoral priorities across government.**
The problem: Sector development cannot happen in a silo. Despite the intention to ensure that masterplans bring together key enablers and interventions for the sector, there are limitations to how this has been implemented. Key dependencies with other departments require coordination and cooperation, with careful prioritisation and sequencing to unlock. The peer coordination model has been ineffective, as any given department, such as the DTIC, has little authority over another. Also, the proliferation of masterplans undermines efforts to focus attention on the sectors that require the most attention.

Currently, coordination is weak. It fails to identify and unblock priority inhibitors when multiple departments are required to cooperate. A number of illustrative coordination challenges are set out below:

- There is limited collaboration with the DTIC on those masterplans located outside the department to ensure that industrial levers, relating to investment, trade agreements and tariffs, incentives and industrial finance, competition policy, macro-economic policy, etc, are incorporated.
- Collaboration between the DTIC and National Treasury on incentives and industrial development occurs too late in the process, making the system slow and unresponsive.

- Dynamic competitiveness is inadequately supported through a combination of sector, Competition Commission, and DTIC intelligence and collaboration.
- Skills development plans are developed with limited industry collaboration, future insight and collaboration between industry, the Department of Higher Education and Training (DHET), and Sector Education and Training Authorities (SETA).
- Employment plans are poorly linked with the Department of Employment and Labour (DEL), without using active labour market policies to target high employment potential sectors.
- The Departments of Science and Innovation, Digital Communications and Technology, as well as the Presidential Climate Change Commission, should be working with high-potential sectors for future competitiveness and growth.
- Except during the Covid-19 pandemic and some isolated arrangements, infrastructure, transport, water, energy, and digital communications departments seldom address or directly interact to unblock constraints in particular sectors. They should be focused on priority sectors, to enable growth and employment.

The success of Presidency-led coordination in programmes, such as Operation Vulindlela projects, the Presidential Youth Employment Intervention, and Infrastructure South Africa, demonstrates superior models of coordination and delivery by working with departments that have the mandate for operationalisation and implementation.

Often masterplans remain at the national level without filtering into, or being informed by, the local level, thereby failing to deal with implementation challenges and opportunities as they arise. There is currently no structured mechanism for engagement with relevant provinces and local municipalities.

Recommendation:
Critical interventions in priority sectors require a short-term 'Operation Vulindlela delivery unit' approach, housed in the Project Management Office in the Presidency, together with a better capacitated DTIC approach. To give effect to coordination and delivery imperatives, the following institutional mechanisms are recommended:

1. Constitute a **Presidential Panel on Industrial Development,** with the Minister of DTIC as the lead Minister. The Presidential Panel should include Ministers essential to enabling interventions in priority identified sectors, as well as individuals from outside of government with strategic industrial policy or masterplan expertise.
2. Establish a full-time **Industrial Development Technical Coordination Office** housed in the Presidency that will focus on a few critical interventions in priority sectors to drive economic change. The technical coordination office should implement the overarching strategy and be mandated to support the implementation of a small number (5 – 7) of selected masterplans for a limited time, with a targeted set of deliverables.
3. Adopt a more systematic and coordinated approach to masterplans in general, which should be led by the **DTIC**, to address issues in section 4 below, to resource and strengthen them. Where necessary, critical matters can be escalated to the Technical Coordination Office and Presidential Panel.

4. Improve the implementation of masterplans

Masterplans are not functioning like a well-oiled machine. To become engines of growth, they need strengthening in four key areas set out below. The overarching management of the system should be coordinated through the DTIC.

4.1 Finance, resource, and capacitate masterplans

The problem: Financing is a significant constraint facing all masterplans. Plans are developed in the absence of budgets and resources to implement them. The National Treasury is seldom in the room when masterplans are developed, and related industrial financing, incentives and illicit trade measures accordingly receive little traction. Within DTIC, only 12% of its total budget goes towards economic development – the future focused work.

Within departments, there is limited capacity to work on masterplans. Dedicated staff, focused on delivery, data analytics, stakeholder engagement, monitoring, evaluation, reporting and importantly, communication are seldom available to drive the implementation of the masterplan. Often the functions are allocated to junior staff, and de-prioritised in relation to competing priorities.

Recommendation:
Masterplans should have an operating budget. In addition, implementation plans must be costed, and the necessary government financiers and enabling departments, such as the National Treasury, and development finance institutions should be involved in developing and implementing the plan. This should be complemented by private sector financers, including sectoral, bank and non-bank financers as well as multinational development agencies and similar institutions.

Masterplans must be capacitated as mini-delivery units with clear accountability structures and timelines, insulated from departmental day-to-day functions. Private partners should be enlisted to co-resource masterplan delivery units.

4.2 Mainstream employment and skills development into masterplans

The problem: While masterplans present an important opportunity for sector job creation, none of them except for the Global Business Services sector, have an associated employment plan. Masterplans will benefit from a real-time skills demand and supply side study, which can then form the basis of identification of gaps and a mechanism to transition people, especially youth, into employment and work opportunities. Despite SETA-led research, a forward-looking skills plan that drives the development of demand-led skills is generally absent.

Recommendation:
Mainstream employment into refreshed priority masterplans. The International Labour Organisation programme, Productivity Enhancement for Decent Work, provides a framework for mainstreaming. Phase 2 of the South African intervention should focus on the implementation of all active masterplans. This includes:

- Asserting the importance of sectoral skills planning in SETA planning, accessing SETA funding for skills development, and working closely with PSET institutions and service providers in the development of masterplans.
- A focus on unblocking barriers to work opportunities.
- Improving sectoral pathways for youth participation by understanding opportunities to scale it, lowering barriers to entry, leveraging active labour market policies in DEL and demand-led skilling, and enhancing self-employment and entrepreneurship.
- Deliberately executing sector strategies to translate Public Employment Service and EPWP opportunities into sector employment.
- Incorporating plans for expansion of digital capabilities, including AI capabilities for the sector.
- Ensuring a deliberate focus on planning for, implementing interventions related to, and monitoring the equitable participation of women in employment, ownership and leadership.

This focus on employment mainstreaming requires collaboration between the lead department, DTIC, and the DHET and DEL, particularly in priority employment masterplans for greater impact.

4.3 Ensure participation of sector role-players focused only on priorities - driving up sector investment

The problem: There is an inconsistency in the way that masterplans are implemented. Some masterplans do not have functioning Executive Oversight Committees that include industry and labour. Some do not have steering committees or technical structures that enable regular participation by the constituencies. Where masterplans are too government-heavy, they tend to be driven by policy, with limited consideration of what will make the sector more investible for growth. Where masterplans are dominated by industry, they can become too focused on what government can do, rather than stimulating industry's contribution to growth and investment. Finally, there are far too many priorities contained in masterplans, making them unfocused and incapable of delivery.

Recommendation:
The success of masterplans depends on ongoing commitment and involvement of key role-players, including business and labour representatives in the sector. They should specifically include women's voices through women's organisations, feminist researchers, and informal worker associations, as may be relevant to the sector.

Masterplans are tools of industrial democracy for labour and business, giving them agency, voice and influence to drive sector growth strategies. Sector role-players should be included in masterplan delivery plans, implementation, and monitoring through structured participation in Executive Oversight and technical committees. Where necessary, capacitation may be required for role-players to participate actively.

- Business participants can assist in ensuring that implementation plans are oriented to drive investment and growth. Care should be taken to ensure that business participation enhances competitiveness and investment in the sector.
- Labour should be cognisant of expanding formal employment and increasing opportunities for self-employment, as well as opportunities for decent work in start-ups and the informal economy.

4.4 Ensure delivery through clear accountability, agile adaptation, and rigorous outcomes-based monitoring and evaluation.

The problem: Many masterplans lack implementation plans with clear delivery targets, timelines and accountabilities. There are limited consequences, if any, for failing to deliver. In some instances, masterplan outcomes are vague and not easily measurable. Instead, procedural targets, such as the number of meetings, are included, instead of outcome-based targets. There is also limited evaluation of the interventions that will deliver the most impact. Many masterplans lack the prioritisation of investment-led growth and employment interventions. For example, many masterplans target increased exports, but few address barriers to regional and international market access. Additionally, many masterplans favour protection from international competition, rather than pushing the industry to become globally competitive.

An all-of-government view of masterplan performance is not available despite efforts by the Department of Planning, Monitoring and Evaluation (DPME) to implement the 2022 Cabinet decision to develop a Masterplan Dashboard. A pilot of five masterplans has now been concluded, but this has not been integrated into the normal government reporting cycle.

The masterplans were envisaged to be dynamic; however, this has not been the case as no major revisions have been made to the majority of masterplans, despite significant changes in conditions and underperformance. One outlier sector, which has displayed agile adaption, is the tourism sector. The Tourism Sector Recovery Plan was developed to address post-Covid-19 sector recovery. The sector plan is now being revitalised into the Tourism Growth Partnership Plan to drive growth and jobs in the sector. Despite the global policy shift towards greener production and the rise of digitisation, many sectors have failed to adapt to green industrialisation or conduct digital technology and AI impact analyses and the related adaptation. Global trade pressures and the impact thereof on international competitiveness place exports and industries at risk.

Recommendation:
Effective monitoring mechanisms must be established to track progress, adapt and provide timely feedback to role-players and stakeholders. Masterplans must be outcomes-based with clear interventions and targets that focus on growth, investment, exports, competitive advantage, and employment measures. The interventions need to be specific, measurable, realistic and achievable within a set time. Monitoring and evaluation must include gender-disaggregated data and gender impact assessments.

Government should ensure accountability by incorporating masterplan outcomes, including those pertaining to gender equity targets, into Ministerial performance agreements, and Annual Performance Plans and strategies. The DPME Masterplan Dashboard should be developed for priority masterplans to ensure that this is incorporated into regular government reporting cycles. Business and labour sector role-players should monitor commitments and build in accountability mechanisms.

Masterplans should be regularly iterated, reviewed and adapted to drive competitiveness in fluctuating economic and social conditions. In the face of green industrialisation and digital innovation, masterplans require agile and strategic adaptation to ensure industrial competitiveness and sustainability. Similarly, industrial levers such as trade measures and incentives require adaptation in order to remain relevant and impactful.

CONCLUSION

The opportunity to drive growth and jobs through critical priority sector-based interventions is a significant one, particularly given current economic headwinds. Masterplans form a vital role within industrial policy and have a significant contribution to make towards the achievement of the 3.5% growth rate and employment targets in the MTDP. The recommendations set out in this advisory present an opportunity, which, if properly executed, can propel priority sectors to enhance their contribution to the South African economy.

Implementing these recommendations requires a coherent and orchestrated approach, a concerted institutionalised effort, and strong delivery mechanisms coordinated by the state, and delivered in partnership with key role-players, such as the business and labour representatives in sectors.

RECOMMENDED INDICATORS TO MONITOR THE IMPACT OF THIS ADVISORY

	Area	Indicator
1	**GROWTH (SECTORAL)**	
	Economic Growth	Sector real value-added growth rate (annual % change in above)
2	**COMPETITIVENESS**	
	Domestic Competitiveness	Real per-capita productivity per worker (Rand value added per worker)
	Domestic Competitiveness	Unit labour cost trend (average labour cost per unit output as an index, ideally at sectoral level)
	Global Competitiveness	Export market diversification index- Herfindahl-Hirschman Index (HHI)
3	**EMPLOYMENT (DISAGGREGATED BY GENDER)**	
	Contribution to Overall Employment	Sector share of total formal employment (% of formal employment from the sector)
	Employment Capital-Intensive Sectors	Sector share in capital-intensive sectors (manufacturing, infrastructure, tech, etc)
	Employment Growth	Net annual employment change (# of jobs created minus jobs lost annually)
4	**EXPORTS**	
	Contribution to Exports	Sector exports value(R million and % of national exports)
5	**CAPACITY BUILDING & SKILLS DEVELOPMENT (DISAGGREGATED BY GENDER)**	
	Capacity Building	Share of trainees/interns/apprentices placed into sector employment in the past 12 months (% trainees placed in full-time employment in the sector)
6	**INCLUSIVITY & TRANSFORMATION (SECTORAL)**	
	Inclusivity and Transformation	Share of ownership and management by historically disadvantaged persons (HDPs) - % ownership and management by HDPs
	Inclusivity and Transformation	Female workforce and management share in the sector (% of female workforce and management)
	Inclusivity and Transformation	Youth workforce and management share in the sector (% of youth workforce and management)
	Inclusivity and Transformation	Persons with disabilities (PWDs) workforce and management share in the sector (% of PWDs workforce and management)
	Spatial Inclusion	Employment per province

7	**INVESTMENT**		
		Investment	Business confidence outlook on sales, investment and hiring
		Investment	Purchasing Manager's Index (activity in manufacturing and services is a leading indicator of next quarter's investment)
		Investment (sectoral)	Private sector capital expenditure (amount businesses are spending on long-term assets reflects business confidence and future output potential).
		Investment (sectoral)	Annual gross fixed capital formation in the sector (amount invested in sector physical assets like buildings, machinery and infrastructure as a signal of long-term productive investment).
8	**INSTITUTIONALISATION**		
		Coordination and Delivery	Dashboard: identification and unblocking of priority reforms
		Delivery	% Programme Management Capacity secured
		Leadership Engagement	Masterplan Executive Oversight Committee Meetings effectively constituted and operating
		Stakeholder Participation	Business and labour participation through various structures, including a disaggregation by gender
		Budget	Masterplans costed with associated budget and resource allocation
		Employment & Skills	% delivery of employment mainstreaming plan
		Agile Adaption	Annual review and refresh of masterplan top priorities