

ITEMS Draft 2
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**STATEMENT
BY**

**AMBASSADOR XOLISA MABHONGO,
PERMANENT REPRESENTATIVE OF THE REPUBLIC OF SOUTH AFRICA**

**38TH SESSION OF THE
INDUSTRIAL DEVELOPMENT BOARD
UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION**

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**STATEMENT BY THE REPUBLIC OF SOUTH AFRICA TO BE DELIVERED
AT THE 38TH SESSION OF THE UNIDO INDUSTRIAL DEVELOPMENT
BOARD, 24-26 NOVEMBER 2010**

Mr. President,
Distinguished Delegates

On behalf of my delegation I would like to congratulate you, Mr. President together with all the members of your Bureau, on your appointment. South Africa has full confidence in your ability to steer the deliberations towards a fruitful outcome. I offer you the full support of my delegation throughout the course of the Industrial Development Board.

My delegation would also like to thank the Director-General, Dr. Kandeh Yumkella for his opening statement and for UNIDO's continued support to promote industrial development on the African continent. UNIDO has been a constant supporter of the African Union spearheading various initiatives on the continent that have contributed to industrialisation of the continent.

With regard to the agenda before us, this delegation associates itself with the Statements of the African Group and the Group of 77 and China, whilst taking the opportunity to submit the following additional comments:

Mr President,

Agenda Item 4: Implementation of the medium-term programme framework- Regional Programme for Africa

1. The South African delegation wishes to take note of document IDB.38/12 and wishes to express its appreciation for the excellent cooperation and diversification efforts in Africa and other developing regions.
2. My delegation wishes to express its gratitude to UNIDO for its support for the African Industrialisation efforts through CAMI and other fora. As the current chair of CAMI, South Africa has collaborated with UNIDO and other partners to initiate work on the development of the Implementation Strategy for the Action Plan for Accelerated Industrialisation Development of Africa, which have now formed the basis for sectoral development strategies. We equally wish to express gratitude to UNIDO for the other programmes being pursued in the continent.

Mr President

Agenda Item 8: UNIDO support in fostering local pharmaceutical industry in developing countries

1. The South African delegation takes note of document IDB. 38/15 and wishes to express its appreciation to the Secretariat for the preparation of the document.
2. South Africa welcomes and supports the global project initiative undertaken by UNIDO in partnership with the Government of the Federal Republic of Germany that has sought to strengthen the local production of essential generic drugs in developing countries, with the specific emphasis on the promotion of small and medium enterprises (SMEs), business partnerships, investment and South-South cooperation.
3. The South African Cabinet in 2007 adopted the National Industrial Policy Framework which set out our Government's broad approach to industrialisation. In February 2010 Cabinet approved the revised Industrial Policy Action Plan which focuses on among others, scaling up and broadening existing interventions to promote production of critical medicines specifically and the pharmaceutical sector in general.
4. The current priority of Government is to achieve security of supply and upgrading of our technology. It is in this context that work is underway to promote local manufacturing in a manner that does not disrupt the roll-out of critical medicines.
5. Whilst the South African pharmaceutical market is only 0,35% of the global market, it is also the world's largest market for anti-retrovirals. Currently, there are 900 000 AIDS patients receiving anti-retroviral treatment (ART) in South Africa, of which 800 000 are in the public sector and 100 000 in the private sector.

Mr President

6. Key opportunities thus exist for South Africa to explore domestic production of active pharmaceutical ingredients for key ARV's; local production of reagents for AIDS/HIV diagnostics, under license; domestic production of vaccines under license; domestic production of biological medicines such as erythropoietin, monoclonal antibodies and vaccines and lastly, removing regulatory barriers and constraints to clinical research in South Africa. The current market is R2 billion per year but the potential market size could be between R4 billion to R5 billion per year.
7. The lack of key skills in new drug design, pharmaceutical formulation and pharmaceutical biotech as well as the excessive supply of

graduates with conventional skills and knowledge remains a challenge for the expansion of our industry.

8. South Africa will restart production of vaccines to supply the domestic market estimated at R1, 2 billion. This intervention is to achieve security of supply and upgrading of technology .
9. In order to strengthen our Pharmaceutical Industry, South Africa could thus benefit largely from shared expertise and lessons learnt from other projects or initiatives undertaken by UNIDO in partnership with countries and international organisations with relevant experience.

Agenda Item 9: UNIDO activities in the field of energy and environment

1. The South African delegation takes note of document IDB.38/16 pertaining to UNIDO's activities in the field of energy and environment.
2. South Africa commends UNIDO for its increased and strategic focus that it has given the global renewable and sustainable energy agenda, pertaining to all thematic areas under the Green Industry Initiative in order to enhance synergies and impact.
3. The increasing concerns pertaining to carbon emissions and climate change will continue to impact on the economic landscape of our countries, introducing both opportunities and threats. As we are on the eve of the COP16 meeting which is scheduled to take place in Cancun, Mexico, allow me to share my country's contribution to the renewable energy subject from a sustainable and development focus, as all our governments will meet to discuss and seek solutions to the challenges of climate change and global warming within the context of sustainable development.

Mr President

4. From the South African Government's side, renewable energy, energy efficiency and demand side management policies have been developed to enhance sustainable use of scarce energy resources.
5. South Africa recently hosted the "Launch of the Turning of Science-Improving Access to Energy in Sub-Saharan Africa Publication for the African Science Academy Development Initiative Conference" on 9 November in Cape Town. During this launch the importance of the need for human resource development, the enhanced role of women, people with disabilities, as well as youth in the energy sector was underscored.

6. As renewable technologies become more affordable in future, it will be important for these technologies to be locally produced so that jobs and skills can be created to improve the quality of life of our countries. Developing countries need to start having a stake in the products we consume.

Mr President

7. South Africa on 28 October 2010 hosted a Solar Park Investor Conference, marking the beginning of a progressive shift towards clean and renewable energy technologies in our country. The Solar Park Project was formulated in October 2009 when an agreement was signed between the Department of Energy (DOE) and the Clinton Climate Initiative. The prefeasibility study that was commissioned has demonstrated that the Northern Cape in South Africa has the highest radiation level in the country and is most suited to host a solar park.
8. The South African Government has commenced with the feasibility study. Meanwhile, the recently released Draft IRP2010 makes reference to the 7200 MW worth of renewable energy power that can be realised in the next two decades of the project. Furthermore, the government has set itself a target of 1100 MW worth of power in the first phase of the solar park as well as committed to the installation of 1 million solar water heaters over the next five years. It is expected that this goal will be increased to 5.6 million units by 2020.
9. As South Africa contributes towards the low carbon economy footprint and Clean Energy Ministerial Initiatives, the Solar Park initiative positions South Africa well as an active participating government in the Global Wind and Solar Atlas endorsed at the Washington Clean Energy Ministerial Meeting of July 2010. This has created an opportunity to make use of international experience by supporting the global scaling-up of renewable energy technologies.
10. In conclusion, the South African Minister of Energy, Ms Dipuo Peters, last week at the African Science Academy Development Initiative Conference, encouraged other African states and the developing world to join South Africa in supporting UNIDO's call to declare 2012 as the year of Energy Access.

I thank you.

South Africa

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8. In conclusion, the South African joins the international community in supporting UNIDO's call to declare 2012 as the year of Energy Access and also encourages UNIDO to intensify efforts and exploit synergies with other partners in implementing activities in the field of energy and environment.

I thank you.