Ebrahim Patel calls it a day after 15 years

Trade, industry & competition minister Ebrahim Patel is to retire from the national executive in the weeks ahead, becoming the second minister to announce he will quit and heralding sweeping changes to the economic cluster.

The decision by Patel to call it a day after 15 years as an instrumental figure in SA's economic policy approach comes months after his counterpart in the public enterprises department, Pravin Gordhan, said he would not be available to return to the national executive.

In an exclusive interview with Business Day on Thursday, Patel expressed his desire to prioritise "a time for reflection" and his family, stating that he would no longer be available to return to office.

"This will be the last term in cabinet. There is a time for everything in life. Having served 15 years, I think one must now step back," Patel said.

The ANC has been haemorrhaging votes at the polls in recent years, reflecting widespread discontent among the electorate over everything from load-shedding, structural unemployment and corruption to an economy that has hardly grown for years.

The party is expected to remain in government, albeit via a coalition with smaller parties, if the snapshots of public opinion are anything to go by. But if the ANC loses its electoral monopoly at a national level, SA would enter uncharted territory.

SA is likely to enter this reshaped political landscape with two new ministers in the economic cluster, reflecting the ANC's desire at its last elective conference — and evidenced in its parliamentary list — to have a change of guard in the upper echelons of political office.

It is unclear what the business reaction to Patel's departure will be or what effect a new appointment at the helm of trade & industry will have on SA's economic policy.

Patel will leave behind a mixed legacy. SA's manufacturing industry is showing signs of revival thanks to protectionist policies, and the prices of everything from school uniforms to internet data have fallen thanks to the Competition Commission, an antitrust watchdog under his department.

His detractors have blamed him for the poor performance of the economy, arguing that policies such as localisation and master plans in various sectors have hammered importers and protected inefficient businesses at the expense of faster economic growth.

"We have had to grow the economy but also deal with asset and income inequity. The economy is significantly more transformed than it was 15 or 30 years ago. We have made enormous progress given the constraints we faced.

"Undoubtedly, unquestionably there has been success, though there is a tendency for the narrative to focus on not [having done] enough, we need to do more," Patel said.

On industrialisation, he has argued that the world had changed and orthodox economic policies were no longer applicable. Industrial policy was back on the agenda.

Commenting on the country's deindustrialisation, Patel noted that "the actual real value of manufacturing output has gone up between 2019 to today but manufacturing's share of GDP declined until about 2012 and since then remained fairly constant. That was a result of our very fast de-liberalisation of the labour market without increasing supply and that created job losses ... We have made progress in [countering that] in recent years."

Free trade

Among what he regards as his achievements and those of his team during his period in office is the conclusion of the African Continental Free Trade Area agreement to promote intra-African trade.

He also pointed to building an inclusive and transformed economy through the promotion of black industrialists and worker share ownership schemes; and the use of the Competition Act to deal with cartels and monopolies which undermine the competitiveness of the economy.

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