



2018 STATE OF THE NATION ADDRESS KEY MESSAGES

President Cyril Ramaphosa delivered the State of the Nation Address (SoNA) to a joint sitting of the two houses of Parliament on Friday, 16 February 2017. The president updated the nation on the implementation of the Programme of Action based on the National Development Plan (NDP).

He also outlined a number of short and medium term plans and interventions aimed at fostering a positive environment to ensure greater growth, investment and job creation.

SoNA is instrumental in instilling a new sense of revival and optimism across the nation. It is a blueprint which charts the way forward in building a non-racial, non-sexist, democratic and prosperous society for all.

The address was followed by a debate in the National Assembly on 19 February 2018. The budget will be delivered by the Minister of Finance on Thursday 22 February.

KEY MESSAGES	SUPPORTING STATEMENTS
<i>Join us as we chart a new course for our nation.</i>	<ul style="list-style-type: none">• During the State of the Nation Address President Cyril Ramaphosa spoke of the need for partnerships.• We call on business, labour and our social partners to join us as we work towards a better South Africa for all.• We call on ordinary South Africans across our nation to do their part in fostering a renewed spirit of hope.• By working together we can tackle the triple challenge of poverty, inequality and unemployment.• Together we can ensure that we build a non-racial, non-sexist, democratic and prosperous society for all.
<i>The State of our Nation is strong.</i>	<ul style="list-style-type: none">• South Africa remains a stable democracy based on the will of the people.• Our governance, judicial, political and social institutions operate according to the rule of law and are bound by the Constitution.• Our social assistance programmes provide support to the poor and most vulnerable in our midst.• We are committed to ensuring that all South Africans are afforded an opportunity to live their dreams.

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<i>Growing our economy and creating jobs is a priority for government.</i>	<ul style="list-style-type: none"> • Since the start of the current Parliament, our public employment programmes have created more than 3.2 million work opportunities. • The President highlighted a number of interventions to grow the economy, attract investment and create jobs. • The announcement of the upcoming Jobs Summit to align the efforts of all sectors behind the imperative of job creation is a positive step. • A planned Investment Conference to market investment opportunities in the country will also take place. • The Youth Employment Service to place unemployed youth in paid internships will support efforts to advance the economy.
<i>Together we can bring about a spirit of hope and renewal.</i>	<ul style="list-style-type: none"> • Government is working hard to address concerns about political instability and is committed to ensure policy certainty and consistency. • Business confidence among South African companies has improved and foreign investors are looking anew at opportunities in our country. • Some financial institutions have identified South Africa as one of the hot emerging markets for 2018. • This year, we will be initiating measures to set the country on a new path of growth, employment and transformation. • Government along with our social partners will collaborate in building a social compact which will benefit all South Africans.
<i>We are working to address unemployment.</i>	<ul style="list-style-type: none"> • At the centre of our national agenda in 2018 is the creation of jobs, especially for the youth. • We are going to embark on a number of measures to address unemployment. • We will make a major push this year to encourage significant new investment in our economy. • We will seek to re-industrialise on a scale and at a pace that draws millions of job seekers into the economy. • We are going to promote greater investment in key manufacturing sectors through the strategic use of incentives and other measures. • To further stimulate manufacturing, we will forge ahead with the localisation programme, through which products like textile, clothing, furniture, rail rolling stock and water meters are designated for local procurement. • We have already spent more than R57 billion on locally-produced goods that may have been imported from other countries.

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<p><i>Government interventions in the economy are beginning to bear fruit.</i></p>	<ul style="list-style-type: none"> • Special economic zones remain important instruments we will use to attract strategic foreign and domestic direct investment and build targeted industrial capabilities and establish new industrial hubs. • The process of industrialisation must be underpinned by transformation. • Through measures like preferential procurement and the black industrialists programme, we are developing a new generation of black and women producers that are able to build enterprises of significant scale and capability. • We will improve our capacity to support black professionals, deal decisively with companies that resist transformation, use competition policy to open markets up to new black entrants, and invest in the development of businesses in townships and rural areas. • Our most pressing challenge is youth unemployment. • Young South Africans will be moved to the centre of our economic agenda. • We continue to draw young people in greater numbers into productive economic activity through programmes such as the Employment Tax Incentive. • Working in partnership with business, organised labour and community representatives, we are creating opportunities for young people to be exposed to the world of work through internships, apprenticeships, mentorship and entrepreneurship.
<p><i>Our social assistance programme provide dignity and a sense of hope.</i></p>	<ul style="list-style-type: none"> • We have taken measures to reduce the cost of living, especially for the poor. • Government's free basic services programme currently supports more than 3.5 million indigent households. • More than 17 million social grants are paid each month, benefiting nearly a third of the population.
<p><i>Our interventions in education are changing lives.</i></p>	<ul style="list-style-type: none"> • Education is key to break the cycle of poverty. • Our early childhood development programmes prepare learners for the world of education. • Today we have nearly a million children in early childhood development facilities. • We are seeing improvements in the outcomes of our basic education system. • The matric pass rate increased from 60.6 percent in 2009 to 75.1 percent last year. • There are currently almost a million students enrolled in higher education, up from just over 500,000 in 1994.

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	<ul style="list-style-type: none"> Starting this year, free higher education and training will be available to first year students from households with a gross combined annual income of up to R350,000.
<p><i>Mining remains an important part of our economy.</i></p>	<ul style="list-style-type: none"> We need to see mining as a sunrise industry with limitless potential to create jobs and boost economic growth. With the revival in commodity prices, we are determined to work with mining companies, unions and communities to grow the sector, attract new investment, create jobs and set the industry on a new path of transformation and sustainability. This year, we will intensify engagements with all stakeholders on the Mining Charter to ensure that it is truly an effective instrument to sustainably transform the face of mining in South Africa. Government is extremely concerned about the rise in mining fatalities last year. We call on mining companies to work together with all stakeholders to ensure that mine accidents are dramatically reduced.
<p><i>Small business is the heartbeat of our economy.</i></p>	<ul style="list-style-type: none"> It is our shared responsibility to grow this vital sector of the economy. Ultimately, the growth of our economy will be sustained by small businesses. We will work with our social partners to build a small business support ecosystem that assists, nourishes and promotes entrepreneurs. Government will honour its undertaking to set aside at least 30 percent of public procurement to SMMEs, cooperatives and township and rural enterprises. We will continue to invest in small business incubation, and encourage business to do the same. The establishment through the CEOs Initiative of a small business fund – which currently stands at R1.5 billion – is an outstanding example of the role that the private sector can play.
<p><i>Agriculture remains a priority for government.</i></p>	<ul style="list-style-type: none"> Agriculture presents one of the greatest opportunities to significantly grow our economy and create jobs. Agriculture made the largest contribution, by a significant margin, to the improved growth of our economy in the second and third quarters of 2017. We are determined that expropriation without compensation should be implemented in a way that increases agricultural production, improves food security and ensure that the land is returned to those from whom it was taken under colonialism and apartheid.

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	<ul style="list-style-type: none"> • We will accelerate our land redistribution programme not only to redress a grave historical injustice, but also to bring more producers into the agricultural sector and to make more land available for cultivation.
<p><i>We continue to improve the quality of life of all South Africans.</i></p>	<ul style="list-style-type: none"> • We continue to make strides in the fight against HIV. • By scaling up our testing and treating campaign, an additional two million people are expected to access antiretroviral treatment by December 2020. • We call on South Africans to live healthy lives so that we can prevent lifestyle diseases such as high blood pressure, diabetes, cancer and cardiovascular diseases. • Government will shortly launch a cancer campaign, and calls on all sectors to unite with us to fight this disease. • The National Health Insurance Bill is ready to be processed through government and will be submitted to Parliament in the next few weeks.
<p><i>Government remains committed to fighting crime and corruption.</i></p>	<ul style="list-style-type: none"> • During the course of this year, the Community Policing Strategy will be implemented, with the aim of gaining the trust of the community and to secure their full involvement in the fight against crime. • We will ensure that police stations get additional resources to fight crime at community level. • This is the year in which we will turn the tide of corruption in our public institutions. • The criminal justice institutions has been taking initiatives that will enable us to deal effectively with corruption. • The commission of inquiry into state capture is critical to ensuring that its extent and nature is established, confidence in public institutions is restored and those responsible for any wrongdoing are identified. • We must fight corruption, fraud and collusion in the private sector with the same purpose and intensity. • We must remember that every time someone receives a bribe there is someone who is prepared to pay it. • We will make sure that we deal with both in an effective manner. • We urge professional bodies and regulatory authorities to take action against members who are found to have acted improperly and unethically.
<p><i>We will work to ensure a strong and capable state.</i></p>	<ul style="list-style-type: none"> • It is critical that the structure and size of the state is optimally suited to meet the needs of the people

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	<p>and ensure the most efficient allocation of public resources.</p> <ul style="list-style-type: none"> • We will therefore initiate a process to review the configuration, number and size of national government departments. • Many of our state owned enterprises are experiencing severe financial, operation and governance challenges, which has impacted on the performance of the economy and placed pressure on the fiscus. • We will intervene decisively to stabilise and revitalise state owned enterprises. • Government will take further measures to ensure that all state owned companies fulfil their economic and developmental mandates.
<p><i>Let us live Mandela's legacy in everything we do.</i></p>	<ul style="list-style-type: none"> • The 2018 State of the Nation Address launches government's commemoration of the centenary of the life of Nelson Mandela. • The celebration is a major milestone in the incredible story of Nelson Mandela and our nation's journey. • To celebrate Madiba's life, we need to stay true to his ideals, including his unwavering commitment to justice, equality and a non-racial South Africa. • All South Africans have a responsibility to promote freedom and defend our democracy in honour of Madiba's life-long commitment to these ideals.