

SoNA-in-Brief

State of the Nation Address by President Jacob Zuma, 9 February 2017, Parliament, Cape Town

In this 23rd year of freedom, government's mission remains the quest for a united, democratic, non-sexist, non-racial and prosperous South Africa.

Guided by the National Development Plan (NDP), government is building a South Africa that must be free from poverty, inequality and unemployment.

Job creation

The Nine-Point Plan aims to reignite the economy to be able to create much-needed jobs.

Boosting economic growth

The interaction between government, business and labour, known as the CEO Initiative, has enabled the country successfully avoided credit-ratings downgrades, which would have had a significant impact on the economy.

Stable labour market

South Africa's labour-market environment is showing signs of stability, owing to cooperation by social partners. The agreement on the national minimum wage has been concluded.

Resolving the energy challenge

By February 2017, nearly seven million households had been connected to the grid and now have electricity.

Eskom's Build and Maintenance programmes have helped to ensure stability and an end to load-shedding. As part of the energy mix, renewable energy includes electricity generation from gas, nuclear, solar, wind, hydro and coal. Government is expanding the Independent Power Producer Programme to other sources of energy, including coal and gas, in addition to renewable energy.

Eskom will sign the outstanding power purchase agreements for renewable energy in line with the procured rounds.

Water and sanitation

- Government is working hard to ensure reliable bulk-water supply in the various areas of the country to support economic growth while increasing access to vulnerable and rural municipalities.
- As part of the War on Leaks Programme about 10 000 unemployed youth are being trained as plumbers, artisans and water agents to curb high water losses. More will be recruited this year to reach the total of 15 000.
- Through the Accelerated Schools Infrastructure Delivery Initiative, government is building modern schools and replacing mud structures and

other inappropriate buildings.

- To promote investment, government has established InvestSA, an investment one-stop shop nationally and will open provincial centres in KwaZulu-Natal, Gauteng and the Western Cape.
- Government departments must avoid undue delays and unnecessary red tape, such as the issuing of licences to visas that should make it easy to do business in South Africa.

Educational achievements

South Africa has shown the largest improvement of 87 points in mathematics and 90 in science in the Trends in International Mathematics and Science Study and the Southern and East African Consortium for Monitoring Educational Quality.

Science and technology

The Square Kilometre Array (SKA) telescope and its precursor the MeerKAT telescope continue to make important contributions to socio-economic development in South Africa.

The Department of Science and Technology's technology localisation strategy has ensured that the R2-billion MeerKAT telescope is constructed with 75% local content. This has helped to boost job creation in the Northern Cape and diversify the economy by creating artisan and maintenance jobs, and promote science as a career of choice.

Road infrastructure

The South African National Roads Agency Limited has started with the planning phase of the R4.5-billion project to upgrade the Moloto Road. A railway line is also under construction.

During 2016, South Africa signed a cooperation agreement with the People's Republic of China (PRC) to build the Moloto Rail Development Corridor.

Operation Phakisa

The ongoing Operation Phakisa Big Fast Results Methodology in the ocean economy, health, education and mining sectors was launched in 2014 to unlock growth in implementing the NDP.

The South African Navy also participates in the Operation Phakisa project and is preparing to host the government garage concept for all state-owned vessels in Simon's Town near Cape Town, including the maintenance and repair of government-owned vessels.

Tourism

Tourism is a key job driver. Tourist arrival numbers for January to November

2016 increased to nine million, an increase of just over a million arrivals from 2015, representing a 13% growth in tourist arrivals.

Poverty-alleviation programmes

The Expanded Public Works Programme has since 2014 created more than two million work opportunities. The target is to create six million work opportunities by the end of March 2019. More than a million of the work opportunities have been taken up by the youth.

Social grants now reach close to 17 million people, mainly older persons and children.

Environmental programmes such as Working for Water, Working for Wetlands, Working on Fire and Working for Ecosystems have created more than 61 000 work opportunities. More than 60% of the beneficiaries are young people.

Dealing with drugs and substance abuse

Government is working with society to fight social ills such as drugs and substance abuse. In addition to law enforcement, treatment and prevention services will also be provided.

The Department of Social Development is building new public treatment centres in the Northern Cape, North West, Limpopo, Free State and the Eastern Cape.

Better healthcare for all

The National Health Insurance, which is aimed at moving South Africa towards Universal Health Coverage, will be implemented in a 14-year period in three phases. The country is in the midst of the first phase, which is the preparatory phase, which started in 2012.

Government has welcomed the recommendation of the Health Ombudsperson to urgently review the National Health Act, 2003 (Act 61 of 2003) and the Mental Health Care Act, 2002 (Act 17 of 2002) to ensure that certain powers and functions revert to the Minister of Health.

Socio-economic transformation

- Government has acknowledged the slow pace of transformation in the workplace and the implementation of affirmative action policies, as required by the Employment Equity Act, 1998 (Act 55 of 1998).
- The 2015/16 statistics submitted to the Employment Equity Commission show that the representation of whites at top management level amounted to 72% while African representation was at 10%. The representation of coloureds stood at 4.5% and Indians at 8.7%. At the level of gender at senior management level, males remain dominant at 67.6% and females at 32.4%.

- Radical socio-economic transformation includes legislation, regulations, licensing, budget and procurement as well as Broad-based Black Economic Empowerment charters.

Procurement

The State spends R500 billion a year buying goods and services, in addition to the R900 billion infrastructure budget, to achieve economic transformation.

New regulations will make it compulsory for big contractors to subcontract 30% of business to black-owned enterprises.

Legislation to criminalize the cartels and collusion – which squeeze out small players and hamper the entry of young entrepreneurs and black industrialists – came into effect on 1 May 2016 and it carries jail sentences of up to 10 years. The Competition Act, 1998 (Act 89 of 1998) will be amended in 2017.

Housing

Government has since 1994 provided more than four million houses. The housing sector in South Africa is valued at approximately R7 trillion, with the subsidised sector being valued at R1.5 trillion. However, less than 5% of the sector is owned or managed by black people and Africans in particular.

The Department of Human Settlements will publish a draft Property Practitioners Bill for public comment with the purpose of establishing a more inclusive, representative sector, towards radical economic transformation.

Government will this year address the delays and backlogs in the registration and issuing of title deeds to beneficiaries of housing projects funded by the capital subsidy.

Black Industrialists Programme

The development of the Black Industrialists Programme, which has since supported more than 22 entrepreneurs, will ensure the direct involvement of black people in business and owning factories.

Programmes to modernise harbours

The Department of Public Works will invest about R100 million this year to modernise harbours. The programmes will also continue generating revenue from letting state-owned harbours and coastline properties, which will benefit black-owned SMMEs.

Information and communications technology (ICT)

Government will also continue to pursue policies that seek to broaden the participation of black people and SMMEs, including those owned by women and the youth, in the ICT sector. Government plans to lower the cost of data.

Mining

The Mining Charter, which seeks to recognise the internationally accepted right of the State to exercise sovereignty over all the mineral and petroleum resources within South Africa, is being reviewed.

It is also aimed at helping the country to deracialise the ownership of the mining industry to ensure its sustainability.

Government continues to pursue direct state involvement in mining. The Mining Company of South Africa Bill will be presented to Cabinet and Parliament during the year.

The Minerals and Petroleum Resources Development Amendment Bill was sent back to Parliament in order to address issues relating to the public consultation process undertaken by provincial legislatures.

Government continues to work with other stakeholders to combat illegal mining to save lives and to prevent the trafficking of precious metals and diamonds. It also places great emphasis on the health and safety of mineworkers.

Agriculture and land reform

Only eight million hectares (ha) of arable land have been transferred to black people, which is only 9.8% of the 82 million ha of arable land in South Africa.

There has also been a 19% decline in households involved in agriculture from 2.9 million in 2011 to 2.3 million households in 2016.

Government will use the Expropriation Act, 1975 (Act 63 of 1975) to pursue land reform and land redistribution, in line with the Constitution.

The reopening of land claims is also still on hold because the Restitution of Land Rights Amendment Act, 2014 (Act 15 of 2014) was declared invalid by the Constitutional Court. The Constitutional Court found that the public consultation process facilitated by the National Council of Provinces and some provincial legislatures, did not meet the standard set in the Constitution.

Government will continue to implement other programmes such as the Strengthening the Relative Rights of People Working the Land programme, also known as the 50-50 programme.

By February 2017, a total of 13 proposals had been approved, benefiting 921 farm dweller households at a value of R631 million.

Government has appealed to land claimants to accept land instead of financial compensation. Over 90% of claims are currently settled through financial compensation, which perpetuates dispossession and also undermines economic

empowerment.

Government has committed itself to support black smallholder farmers and will implement a commercialisation support programme for 450 of them.

Women have been encouraged to consider farming. The 2016 Female Farmer of the Year was Ms Vanecia Janse from the Koukamma Municipality in the Eastern Cape.

Drought relief

To mitigate the drought, government has provided R2.5 billion for livestock feed, water infrastructure, drilling, equipping and refurbishment of boreholes, auction sales and other interventions.

The Industrial Development Corporation and the Land Bank have provided R500 million to distressed farmers to manage their credit facilities and support with soft loans.

Women emancipation

Government continues to mainstream the empowerment of women in all government programmes and prioritises women's access to economic opportunities, particularly to business financing and credit.

Funding higher education

In addition to paying the fee increase for the 2016 academic year, government has settled all debt owed by the National Student Financial Aid Scheme (NSFAS) students and extended the coverage to larger numbers of students than ever before.

Government has provided funds to ensure that no student whose combined family income is up to R600 000 per year will face fee increases at universities and Technical and Vocational Education and Training (TVET) colleges in 2017.

All students who qualify for NSFAS loans, and who have been accepted by universities and TVET colleges, will be funded. The university debt of NSFAS qualifying students for 2013, 2014 and 2015 academic years has been addressed. Government has reprioritised R32 billion within government baselines to support higher education.

Fighting crime

Police will increase visible policing and use certain specialised capabilities such as the tactical response teams and national intervention units in high-crime areas.

Other national crime-fighting measures will include the establishment of specialised units, focusing on drug-related crime, taxi violence and firearms and

the enhanced use of investigative aids such as forensic leads. The police will also enhance the use of the DNA database in the identification of suspects.

Justice and correctional services

The Department of Correctional Services has been turning prisons into correctional centres, and consequently compliance levels with parole and probation conditions have improved to reach 98%. The country has reduced the number of children in correctional centres.

The High Court Division in Limpopo was opened in November 2016 and the Mpumalanga High Court will be completed in 2017 to, realise the goal of a high court in every province.

Fighting corruption

The Asset Forfeiture Unit completed 389 forfeiture cases to the value of R349 million and obtained 326 freezing orders to the value of R779 million. A total of R13 million from government officials involved in corruption and other related offences in 2016.

Relations with Africa and the world

Starting from August 2017, South Africa will chair the Southern African Development Community (SADC) and use its tenure to fast-track the implementation of the SADC Industrial Strategy.

The country is accelerating the integration agenda through the implementation of the SADC-Common Market for Eastern and Southern Africa-East African Community Free Trade Area.

South Africa will continue with its involvement in mediation efforts, peacekeeping operations, and peacemaking initiatives in Lesotho, Democratic Republic of Congo, Burundi, Mozambique, South Sudan, Somalia and Libya.

Trade with traditional partners in the West remains a significant contributor to the economy. The country will continue to partner with the United States and work together on issues of mutual interest such as the full renewal of the African Growth and Opportunity Act.

China is one of South Africa's most important and key strategic partners, and the country recognises the PRC 'as the sole government and authority representing the whole of China'. It is committed to the 'One China Policy' and considers Taiwan as an integral part of the PRC.

The Joint Africa-European Union (EU) Strategy remains an important long-term framework for continued cooperation. The Economic Partnership Agreement with the EU came into force in September 2016, thus providing new market access opportunities for South African products.

Almost all South African products, about 99% will have preferential market access in the EU. About 96% of the products will enter the EU market without being subjected to customs duties or quantitative restrictions.

The Southern African Customs Union's Mercosur Preferential Trade Agreement provides preferential access to over 1 000 tariff lines to promote South-South trade. The BRICS New Development Bank has recorded encouraging progress.

The Goa Brazil, Russia, India, China and South Africa (BRICS) Heads of State and Government meeting decided to establish the BRICS Rating Agency to assist one another in assessing economic paths.

South Africa will implement off-take agreements on the export of pulses, mangos and pork to India. The country will also export 20 000 tons of beef to China per year for a period of 10 years.

Occupation of Palestine and Western Sahara issue

This year marks the 50th anniversary of the occupation of Palestine. The expansion of Israeli settlements undermines global efforts aimed at realising the two-state solution and the Oslo accord. Government has reiterated its support for the Palestinian cause.

South Africa also hopes that the readmission of Morocco to the African Union (AU) should serve as a catalyst to resolve the Western Sahara issue.

SS Mendi

The Armed Forces Day on 21 February 2017 will be used to mark the centenary commemorations of the tragic sinking of the SS Mendi, which left 646 soldiers dead in 1917.

International Albinism Awareness Day

The Constitution of the Republic of South Africa of 1996 accords equal rights and dignity to all South Africans. The United Nations proclaimed 13 June as International Albinism Awareness Day, which will be used to raise awareness and eliminate the discrimination or harm that compatriots with albinism are subjected to in some areas.

The full speech is accessible on www.gov.za and www.thepresidency.gov.za