



**MINISTRY OF FINANCE
REPUBLIC OF SOUTH AFRICA**

STATEMENT ON BRITISH GOVERNMENT'S DECISION TO CUT AID TO SOUTH AFRICA

The facts surrounding the decision by the British government to cut aid to South Africa and my role in those discussions have twice been misrepresented and deliberately distorted by The Times of London in reports published on 1 and 2 May 2013.

I have been in London since Monday and spent the whole day at The Times CEO Summit on Tuesday. At no stage was I approached by The Times to comment on what the newspaper intended to publish. The fact that the Times chose to report twice on this matter without asking me for comment is unacceptable under any press code.

I deny that I, at any time, agreed to the cutting of aid after 2015. The facts are as follows: I was first informed of the British government's new aid strategy in July last year by Andrew Mitchell, then Secretary for International Development.

We had a cordial and constructive conversation about Britain's new aid strategy. Mr Mitchell demonstrated a sound understanding of South Africa's position and developmental challenges. Equally, I noted, but did not agree with Britain's new aid strategy. I indicated that we needed to debate South Africa's development challenges.

My first conversation with the current Secretary for International Development, Justine Greening on this matter took place in March, during which she repeated the British government's new stance on development aid to South Africa. She indicated that we can work together on projects in Africa, amongst other possibilities. I indicated that we need to debate her government's approach to development aid whilst noting the new policy. We agreed that our officials would discuss the possibility of a joint statement at the WEF-Africa to be held in Cape Town next week.

After I had accepted the invitation to speak at The Times CEO Africa summit in London, Ms Greening's office requested a meeting and her officials discussed the possibility of a joint statement at the WEF-Africa conference. I agreed to the meeting, but National Treasury officials could not agree with Greening's office on any joint statement.

On the morning of Tuesday the 30th April 2013, I read media reports quoting what Ms Greening was going to announce that day. I was surprised to read the statement: "I have agreed with my South African counterparts that South Africa is now in a position to fund its own development." There was no such agreement.

At no stage did I agree to the cut in aid, a point which I repeated to Ms Greening when we met on Tuesday this week.

After perusing her statement that she intended to base her press conference upon, I once again pointed out that any reference to an agreement with the new strategy would be incorrect. She agreed to leave out the reference to such an agreement.

At not stage did I agree with Britain's decision to cut aid as claimed by Ms Greening when she spoke at the Times CEO summit and at a subsequent media conference.

South Africa has for years had a special relationship with the people of Britain. During the apartheid era, the people of Britain opened their hearts and their purses to assist in the anti-apartheid struggle. The manner in which the current British administration has chosen to end its financial aid to South Africa is therefore, regrettable. What further deepens our disappointment is that it would appear that the rushed announcements seem to be linked to this week's local government elections.

**Issued on behalf of Pravin Gordhan
Minister of Finance**

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