



MINISTRY OF FINANCE  
REPUBLIC OF SOUTH AFRICA

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## **MEDIA STATEMENT**

### **STATEMENT BY THE MINISTER OF FINANCE**

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Over the past few weeks, I have worked with the National Treasury to deliver a Budget that reinforces South Africa's fiscal credibility and outlines the measures we will take to improve economic growth and tackle our challenges of poverty, inequality and unemployment.

In the current climate of uncertainty in the global and domestic economy, it is necessary that we strengthen business and investor confidence so that the poor do not suffer as a result of our failure to act coherently in matters of national interest, as business, labour and government.

I am grateful for the support I have now received from the ANC and its determination to ensure that vital state institutions such as the Treasury and the South African Revenue Service (SARS) are not adversely affected by the kind of actions we've seen in the last week.

There is a group of people that are not interested in the economic stability of this country and the welfare of its people. It seems they are interested in disrupting institutions and destroying reputations.

I want to publicly state my version of events in relation to a letter I received from the Hawks on Thursday 18 February 2016, informing me that I must answer three pages of questions, keep the letter confidential and not interfere with "state witnesses", without indicating who such witnesses are. I believe this was meant to intimidate and distract us from the work that we had to do to prepare the 2016 Budget.

I did not make any public statements on the Hawks letter, deliberately. My intention was to ensure that nothing would jeopardise government's reaction to the Budget and our efforts to create a better climate for investors.

However, immediately after the Budget was tabled, the Hawks letter and questions were maliciously leaked to the media, together with misinformation about what might or might not have transpired at discussions that followed receipt of the letter, including the ANC caucus meeting in Parliament yesterday. I am therefore compelled to clarify the following issues:



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- The letter from the Hawks is an attempt by some individuals who have no interest in South Africa, its future, its economic prospects and the welfare of its people.
- If necessary, I will take appropriate legal action to protect myself and the National Treasury from whatever elements seeking to discredit me, the institution and its integrity.
- In presenting the 2016 Budget to the ANC caucus in Parliament yesterday, I did not make any reference to the current difficulties that we are experiencing at SARS.
- I was appointed as Minister by President Jacob Zuma and I serve at his pleasure. Together with the team at the National Treasury, we have always sought to put the national interest and our economic interests above the distractions from those who try to intimidate our work by running public disinformation campaigns.

I can categorically state that the Hawks have no reason to “investigate” me.

I want to state a few simple facts about the National Research Group (NRG) that was established in SARS during my time as Commissioner:

- The NRG, and subsequent investigative units, were legally constituted and approved at ministerial level.
- It has done commendable work in disrupting activities in the illicit economy and raising revenue from high risk sectors of the economy.
- Its finances were approved transparently in the normal way of SARS budgeting processes and was audited by the Auditor General every year.
- SARS ensured at all times that the NRG functioned within SARS legal and policy framework and within the laws of our country.
- In assisting other law enforcement agencies in combating crime, among others the following were recorded between 2007 and 2013:
  - tobacco seizures of more than R2 billion,
  - drug seizures of more than R5 million,
  - recovered outstanding customs duties of more than R500 million
  - assisted in raising tax assessments of more than R200 million against defaulting taxpayers, and
  - assisted with the preservation of assets of more than R100 million.

In due course, the truth will indeed prevail. I will not make further public statements on these matters at this stage.

**Issued on behalf of the Ministry of Finance**

**Date: 26 February 2016**