



MINISTRY OF FINANCE
REPUBLIC OF SOUTH AFRICA

**SPEECH BY MR ENOCH GODONGWANA, MINISTER OF FINANCE AT THE
NATIONAL INVESTMENT DIALOGUE**

**TOPIC: INVESTMENT CHALLENGES AND OPPORTUNITIES IN SOUTH
AFRICA AND THE CONTINENT**

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Programme Director

Fellow panelists including: Mcebisi Jonas, Razia Kahn, Isaac Mhlanga, Collin Coleman and Stavros Nicholau

Ladies and Gentlemen.

INTRODUCTION

Thank you for the opportunity to share my thoughts on the occasion of this National Investment Dialogue.

Let me start by indicating that at the center of our country's economic reconstruction and recovery plan is the goal of building a new, fast growing, more inclusive economy; propelled by greater levels of public and private sector investment.

We are very clear that the challenges of poverty, unemployment and inequality will only be effectively addressed through higher levels of inclusive economic growth. Specifically, our recovery plan calls for the mobilization of both public and private sector investment to drive an infrastructure-led recovery.

The plan envisages new investments in energy; water and sanitation; roads and bridges; human settlements, health and education; digital infrastructure and public transport. We also need investment particularly domestic investment.

I know a number of people when we talk about investment they think of foreign investment. I want to recall a meeting in which the ANC invited Iraj Abedian. In that meeting Iraj said something interesting in that a lot of South Africans are sitting with money in the bank which is un-invested. This is not because they like to do so.

He cited a number of examples where companies were not investing their money because a conducive environment for them was not created by government. In this regard, our part as government as must be of necessity to build a conducive environment for greater and sustained investment into our economy.

What we are grappling with is the instrument that we can use to enable the private sector to invest in public infrastructure. Last week we met with the Association for Savings and Investment South Africa (ASISA) and we agreed on working together to develop an appropriate instrument that will enable the private sector to participate in the delivery of infrastructure.

Critical to that conducive environment are the necessary structural reforms that we must implement.

First among these is the reform of our electricity supply industry. Since 2008 we have spent most of our time trying to fix Eskom, without fixing electricity supply. It is my considered opinion that the electricity supply industry must be completely overhauled and we must reduce our dependency on Eskom.

The second issue is what we are dealing with in so far as the issue of the spectrum. It is a matter which has been a problem because for more than 12 years, we have had 11 Ministers each with his or her own policy and undermining the need for auctioning spectrum and making cheap data available to the economy.

The third area is to follow global trends on greening our economy, and again we should not anchor this on Eskom's reforms. There must be a national effort to green this economy.

Fourthly is the need to improve our logistics capacity.

Fifthly is the need to pay attention to the generally the cost of doing business in South Africa. I'm told that to have your zoning license it takes 80 days in some municipalities but it takes two years in some.

The regulatory burden has got to be changed!

Thank you.