

NATIONAL ASSEMBLY
QUESTION FOR ORAL REPLY
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Mr D J Maynier (DA) to ask the Minister of Finance:

Whether with reference to the statement by the President on the implementation of the State of the Nation Address on 11 August 2015 and the nine point plan to ignite growth and create jobs, he has found that it is not all doom and gloom in South Africa; if not, what is the position in this regard; if so, what are the relevant details?

NO3734E

REPLY:

There is no doubt that South Africa faces significant constraints to faster growth. The second quarter growth number was -1.3 per cent q/q saar. This highlights that insufficient electricity supply, low private investment as well as high unemployment continue to hamper growth. Falling commodity prices, slowing growth in some of our trading partners and volatility in capital flows and the exchange rate add further challenges.

Many of these challenges will not be addressed overnight. The impacts of progress are likely only to be visible over the medium to long term. However, Government remains focused on implementing the nine point plan.

Medupi's additional 794MW has raised electricity production and improved our electricity availability factor; Eskom received the promised R23bn to further facilitate the build program. We continue to seek ways in which to engage the private sector to help meet our investment challenges; the Renewable Energy IPP being the most successful. The ports tariff structure is being realigned and port infrastructure modernized; Transnet's rail modernization programme continues. Work continues on the priority areas identified by Cabinet in January 2015 for SOC reform.

Furthermore, Cabinet approved the introduction of Socio Economic Impact Assessments (SEIAs) as of 1 July 2015, reflecting government's commitment to evidence-based policy making and enhanced coordination and communication. Thirty three departments have been trained in applying SEIAs. So in the face of all the challenges, I can say without fear of contradiction that there are countless things that work in this country;

- (i) Several of incidents (public and private) in the road, rail, energy and other networks are on track, and will unlock the potential of our economy.
- (ii) Government, business and labour interest to find solutions to labour relations and other problems. The President met leaders of business across all sectors early in August.
- (iii) SA continues to be respected across the globe for its transparency in budgeting and financial governance

(iv) Microeconomic policy frameworks remain robust. This has been acknowledged by rating agencies, OECD, IMF to name a few.