



MINISTRY OF FINANCE  
REPUBLIC OF SOUTH AFRICA

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## SPEECH BY MINISTER OF FINANCE

### OPENING REMARKS BY THE MINISTER OF FINANCE, MR ENOCH GODONGWANA, AT THE PRE-WEF BREAKFAST ENGAGEMENT WITH BUSINESS

11 JANUARY 2024

Honourable Ministers,  
The Governor of the South African Reserve Bank,  
Esteemed Colleagues,  
Programme Director,  
Ladies and Gentlemen, good morning.

#### Introduction

Thank you for taking the time to meet with us today to collectively prepare for the WEF Annual Meeting taking place in Davos next week.

This gathering gives us an opportunity, as *Team South Africa*, to construct a common message about our country; that we are taking to the international business community and other global shapers in Davos. The aim of my intervention therefore is to set the scene, and map out key economic factors that form the base for our common understanding and messaging in Davos.

The theme for this year's Annual Meeting, **Rebuilding Trust**, is quite apt, considering the complexity associated with the Domestic and Transnational headwinds we are facing. This theme will link together four interconnected thematic priorities, namely: **1) Achieving Security and Cooperation in a Fractured World; 2) Creating Growth and Jobs for a New Era; 3)**



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*Artificial Intelligence as a Driving Force for the Economy and Safety; and 4) A Long-Term Strategy for Climate, Nature and Energy.*

### **Delving into the Global Outlook**

Ladies and Gentlemen, the IMF in its recent World Economic Outlook cautiously reports that despite economic resilience seen earlier in 2023, economic activity still falls short of its pre-pandemic path. This is especially so in emerging markets and developing economies, with widening divergences among regions. Several forces are holding back the recovery. Some reflect the long-term consequences of the pandemic, the conflict in Ukraine, more recently the conflict in the Middle East, and increasing geoeconomic fragmentation.

Geopolitics is said to be one of the key drivers behind global volatility. Cyclical factors constraining global recovery include the effects of monetary policy tightening necessary to curb inflation, withdrawal of fiscal support amid high debt, threats to supply chains, and extreme weather events. In terms of the performance of our key trading partners, output in the Euro Area is poor, while the robust growth seen in North America is likely to moderate. China's growth performance is still weak, with few benefits for global commodity prices.

### **What then are the Possible Policy Responses to the Global Challenges We Face?**

Fiscal consolidation is needed to tackle soaring debt levels, while monetary policy should stay the course to bring inflation to target. Structural reforms remain crucial to revive medium-term growth prospects amid constrained policy space. The green transition, increasing resilience to climate shocks, and improving food security for millions of people



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require strengthened multilateral frameworks and adherence to rules-based platforms for international cooperation.

Likewise access to competitive international development finance, for Developing Countries, is imperative to ensure a successful green transition. This message of matching competitive financing for green transitions as well as working to attain the Sustainable Development Goals is a key message that we as Government are tabling in International Financial Institutions and key global economic platforms such as the G20.

Today provides a platform for an honest and frank discussion to enable government and business to align their message for Davos. As Government, we value this engagement. This is testament to the presence of my colleagues. We are encouraged that business holds the same view given the level of representation. We might not agree on all the policy issues however it is important that we find a common ground and that we speak as one voice in Davos.

### **The Common Message for WEF**

The National Treasury in collaboration with the Departments of Communication and Digital Technology; Health; Higher Education and Science and Innovation; Trade and Industry and Competition; the Ministry of Electricity; and BrandSA, prepared a Key Messages Document that Government and business can use as a guide for our engagement at WEF.

I would just like to highlight the following. The common message we are taking to the Annual Meeting is that South Africa remains open for business and is committed to creating a conducive environment.



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We remain steadfast in carrying out structural reforms to support and accelerate economic recovery. As Government, we remain resolved to deal with the energy and logistics challenges that are adversely impacting our economy.

We remain the gateway to Africa, and we encourage international investors to invest both in Africa and South Africa. The African Continental Free Trade Area provides further opportunities for South African businesses to expand and grow their business in Africa; and for international businesses to partner with South African businesses to increase their presence on the continent.

Many of you have been attending the Annual Meeting for many years now, and I'm sure you will agree with me that these issues are ones that current and potential investors in our country and continent are interested in.

### **In Conclusion**

In conclusion, let me thank the private sector for being a willing partner of government, in addressing the challenges we face towards unlocking economic growth.

As members of Team South Africa, we count on you to partner, support, invest; and collaborate with Government to ensure that domestically, we are all stakeholders for an inclusive and sustainable economy.

Marketing our country during WEF Davos is another great opportunity for our collaboration. I look forward to engaging with you, as our Ambassadors in Davos.

**Thank you.**