



MINISTRY OF FINANCE  
REPUBLIC OF SOUTH AFRICA

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# SPEECH BY DEPUTY MINISTER OF FINANCE

## KEYNOTE ADDRESS BY DEPUTY MINISTER OF FINANCE, ASHOR SARUPEN, AT THE BLSA REFORM TRACKER LAUNCH

DATE: 14 August 2025

### Opening

Good morning, ladies and gentlemen, and thank you for the opportunity to address you today. I would also like to thank Business Leadership South Africa for the invitation to speak at this important event. Today's launch of the Reform Tracker provides an opportunity to reflect on the importance of policy reforms in South Africa, to take stock of progress, and to consider the path ahead.

### The Genesis of Operation Vulindlela

Operation Vulindlela was launched in October 2020 against the backdrop of deep structural constraints that had, for too long, held back South Africa's economic potential. Our starting point was a clear and deliberate diagnosis: we undertook a root-cause analysis of why our growth had remained stubbornly low for over a decade. This analysis identified a handful of binding constraints that were holding back investment, limiting competitiveness, and undermining productivity across the economy.

The conclusion was that if we could tackle these constraints head-on, we could unlock significant private sector investment, drive job creation, and place the economy on a more inclusive and sustainable growth path.

From the outset, Operation Vulindlela was designed to be pragmatic. It is a joint initiative of the Presidency and the National Treasury, drawing on a small but dedicated technical team embedded in both institutions. The model was to work alongside line departments, providing targeted capacity, problem-solving support, and political momentum to accelerate delivery.

Departments remained accountable for implementation, while OV's role was to clear bottlenecks, maintain focus, and ensure reforms stayed on track.

### Phase I: A Platform for Growth

Phase I of OV focused on five priority areas where reforms could deliver high economic impact:



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- Energy security and electricity market reform
- Freight logistics reform
- Water-use licensing and bulk water infrastructure delivery
- Release of high-demand spectrum and modernisation of telecommunications
- Reform of the visa regime for skills, tourism, and investment

These were not chosen at random. Each was the result of detailed economic analysis showing that weaknesses in these areas were at the heart of South Africa's low growth trap.

The results of Phase I are clear. In energy, the removal of the licensing threshold for embedded generation opened the way for over 14,000 MW of private generation projects to register with the National Energy Regulator. In telecommunications, the successful auction of high-demand spectrum after more than a decade of delay is already enabling lower data costs and network expansion. In water, licensing turnaround times have been cut from more than 300 days to under 90 days. In freight logistics, third-party access to the rail network and reforms at key ports are under way. And in visas, a new points-based system for critical skills has been designed, alongside digitisation of visa processes.

### A Moment of Reflection

As Phase I ended, we convened a workshop with departments, the Presidency, National Treasury, and partners to reflect honestly on our progress, our lessons, and the road ahead. The message was clear: while much had been achieved, the work was far from done. The enabling conditions created by Phase I reforms now needed to be deepened into systemic change, and there were other priority areas where reform was urgently needed.

### Phase II – Deepening and Expanding the Agenda

Phase II of Operation Vulindlela was approved by Cabinet in March 2025 under the Government of National Unity established in the prior year. It builds on the achievements of Phase I, deepening reforms in the original priority areas while expanding into new domains that are essential for growth and inclusion.

The expansion of the agenda reflects the recognition that to more fully unlock South Africa's economic potential, we must also address:

- Local government capacity and basic service delivery



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- Spatial integration and housing delivery
- Digital public infrastructure

A distinctive strength of Operation Vulindlela has been its disciplined approach to tracking and reporting progress. Quarterly update reports are published, providing a transparent, evidence-based view of where reforms stand, what has been achieved, and where challenges remain. These reports are not simply internal documents. They are a public accountability tool, and the Reform Tracker launched today draws directly on this body of work. This ensures that government, business, and the public are working from the same set of facts, and it reinforces the shared responsibility for delivery.

### Partnership and Delivery

One of OV's defining features has been the consistency of the core team and the sustained commitment of implementing departments. This stability has allowed us to maintain institutional memory, build trusted relationships, and keep reforms moving despite political and administrative changes.

We are now working closely with departments to finalise detailed delivery plans for each Phase II reform. These plans will set clear milestones, assign responsibilities, and define the support needed from OV to remove obstacles. This is the hard work of reform, aligning capacity, resources, and accountability to ensure delivery.

### Economic Rationale and Impact

Reforms are not an academic exercise. They are the most direct route to raising South Africa's potential growth rate, increasing competitiveness, and creating jobs. As the Q1 2025/26 OV report sets out, the benefits of reforms are already being felt in areas like new energy investment and improved efficiency in key freight corridors.

Research by the Bureau for Economic Research suggests that fully implementing the original Phase I reforms could raise South Africa's potential GDP growth rate by around 1.5 percentage points above the baseline of approximately 2 percent. Treasury is undertaking its own modelling to estimate the combined impact of Phase II reforms on growth, investment, and employment. This evidence will be critical in maintaining political will and securing the sustained effort required for reform.



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### Role of the BLSA Reform Tracker

The BLSA Reform Tracker will complement OV's own public reporting. Transparency matters because it allows citizens, investors, and social partners to hold us accountable. By providing an independent view of reform progress, the Tracker will strengthen the culture of delivery that OV seeks to embed in government.

### Closing

The reforms we are implementing now will define our economic trajectory for the next decade. They demand persistence, collaboration, and an unwavering focus on outcomes. Operation Vulindlela is a vehicle for that focus, which is pragmatic, data-driven, and relentlessly geared toward unlocking growth.

We are grateful for the partnerships that have made this possible, including with Business Leadership South Africa, whose support has been invaluable. Together, we can maintain the momentum needed to turn reform commitments into tangible improvements in growth, jobs, and service delivery.

Thank you.