



MINISTRY OF FINANCE  
REPUBLIC OF SOUTH AFRICA

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## SPEECH BY DEPUTY MINISTER OF FINANCE

### KEYNOTE ADDRESS BY DEPUTY MINISTER OF FINANCE, DR DAVID MASONDO AT THE THIRD QUARTER OPERATION VULINDLELA PROGRESS UPDATE

30 January 2026

Good morning, and welcome to our third quarterly progress briefing on Phase II of Operation Vulindlela. We thank you all, members of the media, colleagues from the economics and business community, and our distinguished guests, for joining us today as we reflect on the progress made against individual reform actions during the third quarter of 2025/2026.

This update is not only an opportunity for the Operation Vulindlela team to reflect on its progress, identify constraints, and plan the work ahead to ensure our objectives are met. It is also an opportunity to report back to the public, thereby strengthening accountability and reinforcing confidence in Operation Vulindlela's ability to deliver on its mandate.

#### Operation Vulindlela Phase II

Phase II of Operation Vulindlela (OV) builds on the momentum created since 2020, when OV was established. Its continuation under the Government of National Unity reaffirms government's commitment to driving more rapid, sustainable, and inclusive growth by removing the structural barriers that have long constrained the economy. As you may recall, the second phase of OV builds upon and expands the priority reforms identified in the first phase and introduces new reforms that are expected to support economic growth, improve service delivery and strengthen state capacity.

The focus remains to transform the electricity sector; to modernise the freight logistics sector; to ensure reliable access to safe drinking water; to attract skills, investment and tourism; and to improve the delivery of basic services and infrastructure. Additionally, OV is supporting the creation of dynamic and integrated cities by addressing spatial inequality and promoting affordable housing, and harnessing digital tools to improve government efficiency, enable inclusion and support economic transformation.



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### Operation Vulindlela's delivery mechanism

Q3 has once again demonstrated how critical structural reforms are to our economic trajectory, and why we must continue to press forward with urgency. We recorded progress across several cross-cutting areas, from regulatory and policy improvements to institutional restructuring, and the expansion of private sector participation and investment. These shifts are not isolated achievements; they are part of a broader reform effort that is laying the foundation for a more competitive, resilient, and inclusive economy.

OV's contribution is not simply in producing reports or tracking milestones; it is in the tangible delivery of reforms that resolve long-standing blockages, accelerate implementation, and create enabling conditions for growth. OV does this by bringing coherence to a landscape that is often fragmented. Its coordination function ensures that departments and entities work together rather than in silos, and that problems are addressed systematically instead of reactively.

A key strength of OV is its ability to elevate issues to the right level of decision-making. When reforms stall, OV steps in to identify the root cause, convene the relevant actors, and drive solutions that are technically sound and institutionally workable. This is supported by a rigorous monitoring framework that tracks progress, flags risks early, and helps keep reforms on schedule. In doing so, OV reinforces accountability and transparency across the system.

### Quarterly progress

Over the past quarter, government has continued to make steady progress on key economic reforms.

In the electricity sector, important steps have been taken to strengthen competition and expand capacity, with additional renewable energy projects coming online and greater private sector participation being enabled. These reforms are helping to stabilise supply and reduce pressure on the economy.



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In freight logistics, a major milestone was reached with progress on port reform at Durban, unlocking new investment and modernisation. Work is also underway to open the freight rail network, which will support higher volumes and more reliable logistics for exporters.

Progress has also been made in the water sector, with preparations advancing to strengthen infrastructure delivery and regulation, supporting long-term water security for households and the economy.

Visa reform is beginning to deliver real results. Improved and digital processes have led to a marked increase in tourist arrivals from key markets, while new initiatives are strengthening South Africa's position as a destination for film, creative industries and high-value skills.

New reform areas are gaining momentum. In local government, work is progressing to strengthen financial management and the fiscal framework, alongside broad national engagement on the future of the local government system. Incentives are being introduced to support metros implementing key service delivery reforms.

Efforts to address spatial inequality are advancing through the development of an affordable housing model, while a dedicated unit has been established to fast-track priority infrastructure projects and unlock well-located public land for development.

Digital reform continues to improve access to government services and modernise payment systems, supporting a more efficient and responsive state.

### Why reforms are critical and need to maintain momentum

As we reflect on Q3 2025/26, we should remain cognisant of the fact that the economy cannot afford pauses or reversals in the reform programme. Structural reforms require consistency, collaboration, and a commitment to sustained execution. Whether we are dealing with energy, water, logistics, visas, digital infrastructure, spatial inequality or the efficiency of the state, every step forward strengthens the foundation on which growth and investment depend.



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OV has shown that when coordination is strong, when accountability is reinforced, and when leadership is aligned, reforms can and do move. Our task now is to maintain that momentum, deepen the progress already made, and ensure that these reforms translate into measurable improvements for households, businesses, and the broader economy.

We can confidently say that this past quarter saw the reform momentum continue.