



MINISTRY OF FINANCE
REPUBLIC OF SOUTH AFRICA

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SPEECH BY MINISTER OF FINANCE AT NEDBANK TOP EMPOWERMENT CONFERENCE

OPENING

My fellow Cabinet colleagues, chairpersons, CEOs, EXCO members, and honoured guests, good morning, *Sanibonani, Molweni*.

We gather during a period when South Africa marks three important events that define our distinctive history as a nation.

It is a privilege and an honour to be afforded this opportunity to address this important gathering. We gather here while South Africa marks three important events that define our distinctive history as a nation.

First, we commemorate the 70th anniversary of the Women's March to the Union Buildings in 1956. Implicit in the demands was the struggle for gender equality. Sadly, gender imbalances remain a challenge and continue to manifest themselves in many ways in our society. In the second quarter of 2025, the unemployment rate stood at 33.2%, but the figures show that women continue to carry a heavier share of this burden. The unemployment rate for women was 35.9%, compared with 31% for men — a gap of 4.9 percentage points.

Second, we commemorate the 50th anniversary of the 1976 students' uprising. Again, using the labour market lens, while the unemployment rate stood at 32.9% in the second quarter of 2024, youth unemployment was at 45.5%.

Third, we celebrate 30 years of democracy in our country, with a Constitution anchored in human rights. It is one of the few constitutions that entrench the progressive realisation of socio-economic rights.



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MACROECONOMIC OUTLOOK

As we celebrate three decades of democracy, we must ask ourselves how far we have progressed on this important task. Against this background, and while addressing the complex domestic and global challenges facing the South African economy, we should do so with this transformative agenda in mind.

Since the Global Financial Crisis, the global economy has been punctuated by a number of shocks, such as pandemics, climate change, and geopolitical conflicts. The recent conflict in the Middle East has triggered sharp increases in energy prices, renewed inflationary pressures, and fueled expectations of tighter monetary policy.

The IMF argues that, although these variables have been affected, this has not been in ways that signal a global slowdown. According to the World Bank, global growth is projected to slow to 2.5% in 2026, from 2.9% in 2025.

On the domestic front, in the Budget Speech, we projected 1.6% growth in 2026 and 1.8% over the medium term, reaching 2% by 2028. We are in the process of assessing our baseline numbers for the Medium-Term Budget Policy Statement on 21 October 2026. Like the global economy, the South African economy is demonstrating some resilience, as the first-quarter figures show.

Our four pillars — macroeconomic stability, structural reforms, infrastructure investment, and building state capacity — are beginning to bear fruit. The change in outlook from stable to positive by both S&P and Moody's, and the upgrade by Fitch, are a recognition of the effectiveness of these pillars. We must remain focused on macroeconomic stability, but it is an insufficient condition for growth on its own.

Reforms must go beyond the matters on the Operation Vulindlela agenda. Over the past decade, fixed investment has remained well below the National Development Plan's target of 30% of GDP. As a share



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of GDP, fixed investment declined to 14.2% in 2024, from 14.8% in 2023, with private-sector investment accounting for 10.1% of GDP against the public sector's 4.1%.

Fixed investment has not yet returned to pre-COVID-19 levels. Accordingly, in the Budget we proposed R1 trillion in infrastructure spending over the medium term, with R249 billion allocated for the current financial year. The distribution is as follows: SOEs, R445.5 billion; provinces, R217.8 billion; and municipalities, R205.7 billion.

Government cannot grow investment alone – as such, we have streamlined the PPPs because we know that when we are aligned, investment flows. This is already showing up in five straight quarters of GDP growth.

We also argue that weak economic growth, inefficient public investment management, and limited state capacity have contributed to weak public investment, while policy uncertainty, supply-side constraints, and waning investor confidence have contributed to weak private investment. Structural transformation is also necessary, because our economy has always been dominated by large corporations, which has suffocated small and medium businesses. Working with the World Bank Group, we are developing an excellent strategy for SMMEs.

GROWTH AND INCLUSION

Against this background, government has set clear priorities to enable integration:

- Modernising infrastructure financing to unlock growth.
- Streamlining regulatory processes to reduce barriers for SMMEs.
- Strengthening fiscal discipline to ensure sustainability.
- Embedding empowerment into every layer of policy not as compliance, but as strategy.

These interventions will complement existing efforts.



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Inclusion also depends on the right skills. Significant resources are already being invested in training and development, but these efforts must be aligned with the needs of the future economy.

Digital skills, artisan trades, and green economy capabilities must take priority. There is little value in preparing people for industries that are no longer growing. At the same time, inclusion must move beyond compliance and certifications. It must be visible in real economic participation through contracts, procurement opportunities, and thriving enterprises.

We must move from fragmented, siloed approaches to integrated ecosystems where government, business, and communities work together in alignment.

Competitiveness in this new era will also depend increasingly on digital capabilities. Efficient customs processes, real-time tracking, and interoperable platforms are no longer optional they are essential for enabling the seamless movement of goods and services in a global economy.

Transformation, therefore, cannot be treated as a box-ticking exercise. It is a strategic imperative. It must be designed to attract investment, build enterprises, expand ownership, and create meaningful impact. When empowerment is real, it not only transforms individual lives but also strengthens communities and drives national growth.

The country's critical minerals programme must be designed not just for extraction, but for processing, manufacturing, and moving up the value chain – as we agreed at the G20 Summit that there must be beneficiation at source.

OPPORTUNITY

If growth is the engine and inclusion the fuel, opportunity is the road – certain shifts are vital.

First, from the grant to the enterprise. Grants keep people alive. Enterprises give dignity. Our 2025/26 budget allocated R2.918 billion to Small Business Development, with R1.908 billion going to SEDFA for lending and investment. We must tilt policy toward equity and ownership.



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Competitiveness increasingly depends on digital layers, including smart customs systems, digital tracking, and interoperable platforms that allow goods to move with speed and transparency.

As we conclude, the task before us is clear. We must build an economy that is fiscally sound, socially just, and globally competitive, an economy that grows, is inclusive and empowering.

Ke a leboga. Thank you.