WEEKLY ELECTRONIC NEWSLETTER \* THE DEPARTMENT OF INTERNATIONAL RELATIONS & COOPERATION







# **STATE OF THE NATION ADDRESS 2017**



# PRESIDENT ZUMA ANNOUNCES RADICAL ECONOMIC TRANSFORMATION

Radical economic transformation will be at the centre of government's priorities for 2017, President Jacob Zuma declared on Thursday night, 9 February 2017, when he delivered the State of the Nation Address in Parliament, Cape Town.









"Today, we are beginning a new chapter of radical transformation; the State will play a role in the economy to drive that transformation," the President said.

President Zuma said the Government anticipated an economic growth rate of 1,3% in 2017. However, unemployment remained a huge challenge, hence government's nine-point plan to reignite growth so the economy could create jobs. He said the time had come for the State to move a step further to ensure an overhaul of the economic structure of the country for the benefit of all citizens – not just a few.

President Zuma told the house that the skewed nature of economic ownership and leadership patterns needed to be corrected. There could be no sustainability in any economy if the majority is excluded, he said.

"In my discussions with the business community, they accepted these transformation imperatives. Today, we are starting a new chapter of radical socio-economic transformation. We are saying that we should move beyond words, to practical programmes."

The State will play a role in the economy to drive that transformation. In this regard, government will utilise to the maximum, the strategic levers that are available to the State," said President Zuma.

## Addressing unemployment

The President said that while indications were that South Africa had entered a period of recovery, the economy was still not growing fast enough to create the jobs needed.

The plans include:

- the establishment of a Invest SA One-Stop Shop
- taking advantage of tourism as a job driver

- scaling up the Expanded Public Works Programme (EPWP)
- using public infrastructure as a way to create work opportunities.

Government would use the nine-point plan announced in the 2015 State of the Nation Address to help speed up growth and employment.

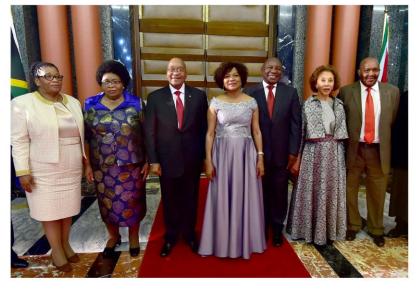
The key pillars of the plan include, among others, resolving the energy challenge, promoting agriculture and agro-processing, advancing beneficiation, and encouraging private-sector investment.

President Zuma said government had also identified tourism as a key job driver.

"We are thus pleased that our tourist arrival numbers for the period January to November 2016 increased to nine million, an increase of just over one million arrivals from 2015. This represents a 13% growth in tourist arrivals," he said.

- Source: SAnews.gov.za







# PRESIDENT ZUMA ON OR TAMBO

"In his honour, we have declared the year 2017, the Year of Oliver Reginald (OR) Tambo. It is the year of unity in action by all South Africans as we move South Africa forward together."



President Zuma said that the year 2017 has been declared the Year of OR Tambo.

"An illustrious son of our country, President Oliver Reginald Tambo, would have turned 100 years old this year, had he lived.

"This selfless patriot dedicated his adult life to a tireless pursuit of the liberation of our country and its people. He left a lasting legacy for all South Africans, and not only for his organisation, the African National Congress (ANC).

"We have the pleasure to host members of the Tambo family this evening, Mr Dali Tambo with his wife Rachel, and their son Oliver Tambo Junior."

It was the year of unity in action by all South Africans as we moved South Africa forward together, the President said.

He quoted the ANC struggle stalwart, who once said: "Working together as fellow South Africans, we have it within our power to transform this country into the land of plenty for all, where the nightmare of apartheid will just be a faint memory of the past."

## PRESIDENT ZUMA ON INTERNATIONAL RELATIONS

During his address to the nation, President Zuma said that Oliver Tambo set the tone for the country's foreign policy as early as 1977 when addressing the first Congress of the Angolan ruling party, the MPLA, when he said that: "We seek to live in peace with our neighbours and the peoples of the world in conditions of equality, mutual respect and equal advantage".

The President said that South Africa was honoured to chair the Southern African Development Community (SADC) starting from August 2017.

"We will utilise our tenure to fast-track the implementation of the SADC Industrial Strategy.

"We are accelerating the integration agenda through the implementation of SADC-Common Market for Eastern and Southern Africa-East African Community Free Trade Area.

"We will continue with our involvement in our mediation efforts, peacekeeping operations and peace-making initiatives in Lesotho, Democratic Republic of Congo, Burundi, Mozambique, South Sudan, Somalia and Libya. The South African National Defence Force represents the country well in the peacekeeping missions.

"Furthermore, trade with our traditional partners in the West remains a significant contributor to our economy.

"We will continue to partner with the United States and work together on issues of mutual interest such as the full renewal of AGOA (African Growth and Opportunity Act).

"We value our relationship with the People's Republic of China. China is one of South Africa's most important and key strategic partners. We recognise the PRC 'as the sole Government and Authority representing the whole of China'.

"South Africa reiterates its position and commitment to the 'One China Policy' and we consider Taiwan as an integral part of the PRC.

"At continental partnership level, the Joint Africa-European Union (EU) Strategy remains an important long-term framework for continued cooperation.

"The Economic Partnership agreement with the EU came into force in September 2016, thus providing new market-access opportunities for South African products.

"Almost all South African products, about 99% will have preferential market access in the EU.

"About 96% of the products will enter the EU market without being subjected to customs duties or quantitative restrictions.

"The Southern African Customs Union Mercosur Preferential Trade Agreement has also entered into force, providing preferential access to over 1 000 tariff lines. This is an agreement that promotes South-South trade.

"Our cooperative partnerships with other regions are bearing fruits. The Brazil, Russia, India, China and South Africa (BRICS) New Development Bank has recorded encouraging progress.

"We welcome the Goa BRICS Heads of State and Government decision to establish the BRICS Rating Agency so that we can assist each other in assessing our economic paths.

"We are also pleased with agreements with our BRICS partners in the field of agriculture. We will implement off take agreements on the export of pulses, mangos and pork to India.

"We will also export 20 000 tons of beef to China per year for a period of 10 years.

"We will continue to pursue the reform of the international system because the current configuration undermines the ability of developing countries to contribute and benefit meaningfully.

"This year marks the 50th anniversary of the occupation of Palestine.

"The expansion of Israeli settlements undermines global efforts aimed at realising the two-State solution and the Oslo Accord. We wish to reiterate our support for the Palestinian course.

"Similarly, we hope that the readmission of Morocco to the African Union should serve as a catalyst to resolve the Western Sahara issue.

"Let me add that South Africa will use Armed Forces Day on 21 February, 2017, to mark the Centenary commemorations of the tragic sinking of the SS Mendi, which left 646 soldiers dead in 1917.

# **SONA 2017 IN NUMBERS**

### **Economy**

- 1.3% the anticipated economic growth rate in 2017
- 0.5% estimated economic growth achieved in 2016

## Energy

Seven million – households that have been connected to the grid and now have electricity

# Water and sanitation

- 37% the national average of water losses in some municipalities
- 10 000 unemployed youth being trained as plumbers, artisans and water agents
- 15 000 the total number to be trained as plumbers, artisans and water agents by end of 2017

#### Education

- 173 the number of inappropriate school structures that have been eradicated since 2011
- 895 new schools that provide a conducive learning environment for children

## Science

- Eight African partners who supported South Africa to win the bid to host the Square Kilometre Array telescope
- R2 billion the cost of constructing the MeerKAT telescope
- 75% local content used to construct the MeerKAT telescope

## Roads

• R4.5 billion – the cost of the project to upgrade the Moloto Road

#### **Tourism**

- Nine million number of tourist arrivals for January to November 2016
- 13% growth in tourist arrivals

# Social development

17 million – people receiving social grants, mainly older persons and children

#### **Employment**

- Two million work opportunities created by the Expanded Public Works Programme (EPWP) since 2014
- Six million target of EPWP work opportunities by the end of March 2019
- One million EPWP work opportunities benefiting the youth
- 61 000 work opportunities created through the environmental programmes such as Working for Water, Working for Wetlands, Working on Fire and Working for Ecosystems
- 60% young people who benefited from environmental programmes such as Working for Water, Working for Wetlands, Working on Fire and Working for Ecosystems

#### Health

14 – the number of years for implementing the National Health Insurance in three phases

#### Inequality

- Five the ratio of white households earning more than black households
- 10% the number of the top 100 companies on the Johannesburg Stock Exchange owned by black South Africans
- 72% the representation of white people at top management level by 2015/16
- 10% the representation of African people at top management level by 2015/16
- 4.5% the representation of coloured people at top management level by 2015/16
- 8.7% the representation of Indian people at top management level by 2015/16
- 67.6% male representation at top management level by 2015/16
- 32.4% female representation at top management level by 2015/16

#### **Procurement**

- R500 billion amount spent by the State a year to buy goods and services
- R900 billion government's annual infrastructure budget
- 30% compulsory amount of business to be subcontracted to black-owned enterprises by big contractors
- 10 number of years in jail for cartels

## Housing

- Four million houses built by government since 1994
- R7 trillion the value of the property market in South Africa
- R1.5 trillion the value of the subsidised property sector in South Africa
- 22 number of entrepreneurs supported by the Black Industrialists Programme
- R100 million to be invested by the Department of Public Works in 2017 on critical capital and maintenance programmes to modernise harbours.

# Agriculture and land reform

- Eight million hectares of arable land that have been transferred to black people
- 9.8% percentage of the eight million hectares of arable land in South Africa that have been transferred to black people
- 82 million total hectares of arable land in South Africa
- 19% decline in households involved in agriculture between 2011 and 2016
- 2.9 million number of households whose involvement in agriculture declined in 2011
- 2.3 million number of households whose involvement in agriculture declined in 2016
- 13 approved proposals for the Strengthening the Relative Rights of People Working the Land programme (50-50 programme)

- 921 number of farm dweller households benefiting from the Strengthening the Relative Rights of People Working the Land programme (50-50 programme).
- R631 million value of the Strengthening the Relative Rights of People Working the Land programme (50-50 programme) benefitting farm dweller households
- 90% land claims settled through financial compensation
- 450 black smallholder farmers expected to benefit from government's commercialisation support programme
- R2.5 billion amount made available for the provision of livestock feed, water infrastructure, drilling, equipping and refurbishment of boreholes, auction sales and other interventions
- R500 million funding provided by the Industrial Development Corporation and the Land Bank to distressed farmers to manage their credit facilities and support with soft loans.

## **Higher education**

- R600 000 the combined family income of students who will not face fee increases at universities and Technical and Vocational Education and Training colleges in 2017
- R32 billion the amount government has reprioritised to support higher education
- R122 000 the National Student Financial Aid Scheme threshold considered too low by students.

## **Anti-corruption**

- 98% compliance levels with parole and probation conditions achieved by the Department of Correctional Services
- 389 asset forfeiture cases completed by the Asset Forfeiture Unit (AFU)
- R349 million the value of asset forfeiture cases completed by the AFU
- 326 freezing orders obtained by the AFU
- R779 million the value of freezing orders obtained by the AFU
- R13 million the amount recovered in cases where government officials were involved in corruption and other related offences in 2016.

# Foreign trade

- 99% South African products that will have preferential market access in the European Union (EU)
- 96% South African products that will enter the EU market without being subjected to customs duties or quantitative restrictions
- 1 000 tariff lines being provided preferential access Southern African Customs Union Mercosur Preferential Trade Agreement
- 20 000 tons of beef to be exported to China per year for 10 years
- 10 number of years to export 20 000 tons of beef to China per year.
- Source: Government Communications

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