

POLITICS TODAY



AN EXECUTIVE BACKGROUND BRIEFING FOR PROGRESSIVE BUSINESS

PROGRESSIVE LEADER 11

Address by President Zuma at PBF launch of Progressive Leader magazine election edition on 12 March 2014

This wonderful occasion of launching the election edition of the popular Progressive Leader magazine, produced by the ANC Progressive Business Forum, has brought us together on the eve of the rising of the fourth parliament of the democratic South Africa.

ANC Members of Parliament have worked hard over the past five years, processing legislation that is intended to transform the lives of our people for the better. They have also been busy providing oversight over government departments in the various portfolio and select committees.

We congratulate our MPs for their hard work and for contributing to the good story that the ANC is telling this year, as we celebrate 20 years of freedom and democracy.

We are very happy to be meeting with the business community this evening, as you are the core constituency of the ANC Progressive Business Forum. It exists because of you.

We have found your support invaluable in the past five years and also since the dawn of freedom.

We look forward to continue working with you, as we take South Africa forward in the new term of the ANC government.

Yesterday we had the honour to present to the country, the 20 year Review.

It is a factual account which proves that indeed South Africa is a much better place to live in now than it was before 1994.

It provides facts and figures of what has been achieved in all aspects and outlines what else needs to be done to take the country forward.

The Review is a formal documentation of our good story. I urge you to read and be inspired by what South Africans have done since 1994. It also honestly outlines the challenges, mistakes and what we must do further to take our country forward.

The lives of millions of our people have improved, and South Africa is indeed a better country to live in now than it was before 1994.

For that, we thank all South Africans for their hard work, dedication and commitment to make South Africa a better place.

Since 2009, we have done a lot of work together to fight poverty, unemployment and inequality, despite the global economic recession.

We have created more jobs than before. Employment is now higher than it has ever been, at 15 million people.

More than 1 trillion rand has been invested in national infrastructure projects, compared with 451 billion rand in the previous five years.

More of our people have been lifted out of extreme poverty. Our social grants, received by over 16 million people, are one of the critical instruments in poverty alleviation.

Let me emphasise that the grants beneficiaries are primarily orphans and vulnerable children, senior citizens, persons with disability and military veterans.

Nearly 500 informal settlements have been replaced with quality housing and basic services, thus providing our people with dignified housing. More is to be done in the area of sanitation and water provision in the next term.

Teacher education has expanded. The number of new teacher graduates doubled from 6,000 in 2009 to 13,000 in 2012.

With regards to health, our country is now a success story due to the remarkable HIV and AIDS turnaround since 2009.

The average life expectancy increased to 60 years in 2012 due to the HIV prevention and treatment interventions we introduced in 2009.

The number of babies born HIV positive was reduced by 66% saving thousands of babies, through the successful prevention of mother to child transmission programme.

I would like now to share with you progress made in the area of trade and industry, over the past five years, as we have a very good story to tell in that field.

Since 2009, we have entrenched industrial policy as one of the central pillars of our government's economic policy development, taking its guidance from the National Development Plan and the New Growth Path.

We have also been successful in the deployment of a range of new procurement policy instruments.

One of these is the localisation of procurement.

As a result, equipment such as the power pylons for rail, bus bodies, canned vegetables; textile, clothing, leather and footwear, pharmaceuticals, set-top boxes for digital television migration as well as furniture products have been designated for local procurement.

Due to the success, we will extend localisation in the next term of government.

The ANC wants the State to progressively buy at least 75% of its goods and services from South African producers and support small enterprises.

We have also done well in promoting and protecting the country's automotive sector, which is a valuable source of foreign direct investment.

We are pleased with the progress in the growth of this sector and welcome all the major investments that have been made.

These include the following;

1. The 180 million rand investment in a new plant by the company Friedrich Boysen gmbh in 2012.

2. We welcome the recruitment drive by Mercedes Benz SA for 600 new positions in preparation for the production of the new C-class in our country.

3. The Beijing Automotive Works company invested 196 million rand in a taxi assembly plant for the South Africa-Sub-Saharan markets last year.

4. Toyota SA opened a new Ses'fikile taxi assembly line in Durban in 2012, along with a new 363 million rand investment in a parts distribution warehouse. This is reported to be the largest in Africa.

5. The Chinese company, First Automobile Works, began the construction of a truck plant at the Coega IDZ in the Eastern Cape Province, in 2012.

We are also pleased with successes in the textile and clothing sector.

The development of the Clothing and Textiles Competitiveness Programme has, in just over 2 years, resulted in a remarkable turnaround in the sector.

Production has stabilised, and the job losses, which had become a common feature of the sector, have been comprehensively reversed.

More than 12 000 new, decent permanent jobs have been created in a sector that was otherwise dying.

To sum up this good story in trade and industry, I am also very pleased to inform you that all our investment incentives in the various industries, have facilitated approximately 143 billion rand in investment creating about 144 thousand jobs, from 2009 to 2012.

In the new term we want to enhance our focus on small businesses, as these are the engines of job creation.

We want to create an environment that supports both informal traders and entrepreneurs for them to be able

to develop their small businesses into larger businesses.

The Davis Tax Committee interim report on how the tax system affects small and medium-sized enterprises will be published soon for public comment.

This may further enhance government's efforts to reduce the compliance costs and the regulatory burden experienced by this very important sector.

To indicate practical support for small business, let me also use this opportunity to share the good story of the partnership between the Foundation of African Business and Consumer Services (FABCOS) and the department of trade and industry.

Last year this partnership facilitated the launch of an agro-processing investment worth 1.2 billion rand to assist in growing sustainable SMMEs.

Government is aware of the need to take such partnerships forward.

On economic transformation, the Broad-Based Black Economic Empowerment (B-BBEE) Amendment Act has been passed.

The new law includes the introduction of a new statutory body - the B-BBEE Commission that will monitor and evaluate the policy.

It also introduces the regulatory framework for the verification industry which helps to prevent fronting.

On foreign relations, our country remains committed to deepening regional integration in Sub-Saharan Africa through a Tri-partite Free Trade Agreement, working with existing regional trading areas such as Comesa, the East African Community and SADC.

The integration will create large regional markets as a base for industrialization and will also enable the development of beneficial infrastructure in the region.

Going forward, our work will be guided by the ANC 2014 Manifesto, the

National Development Plan, Industrial Policy Action Plan and a wide range of government policies.

We will focus on some of the following areas in Trade and Industry specifically;

1. We will expand industrialisation and promote investment in the productive economy.
2. We will promote youth co-operatives and youth enterprises.
3. We will provide support to small business and co-operatives.
4. We will strengthen Broad-based Black Economic Empowerment.

5. We will further contribute to the African agenda for industrialisation and regional integration.

As you have heard, Government has done a lot to create a conducive climate for business to thrive.

All these initiatives will translate into stronger domestic growth and more jobs, if the private sector responds appropriately, by increasing investment, production, exports and employment.

Private sector investment accounts for 63 per cent of total investment. In addition, the private sector employs 77 per cent of all working South Africans.

We therefore need active private sector participation in boosting inclusive growth to eradicate poverty and unemployment.

We will engage the private sector more in the new term. We need to work together, as well as with labour, to take South Africa forward to prosperity.

Let us take the good story to every corner of our country.

South Africa is a much better place to live in now than it was before 1994 and it is thanks to all your hard work and your contribution.

To keep the story alive and greater, let us go and vote ANC on the 7th of May to take South Africa forward.

