



• Monday, 30 September 2019 •

Dear Fellow South African,

Welcome to the first weekly message 'From the Desk of the President'. Each week, I will discuss some of the issues that interest and concern South Africans, and talk about the work we are doing in government to tackle these issues. I hope you will find it useful.

Almost everyone I meet in the country, whether residents of Lusikisiki or business leaders in Johannesburg, is deeply concerned about the state of the economy and the stubbornly high rates of unemployment. After a decade of low growth and deepening poverty, people are looking for signs of progress in tackling the many challenges confronting our country.

These concerns are real. This year, the economy will record growth that is lower than expected (and much lower than what we need). Government finances are stretched about as far as they can go, and several industries are looking at retrenching workers.

Much of the confidence that the country had 20 months ago has dissipated as the reality of the problems we face became clearer. This confidence was born out of the hope that we would quickly undo the damage that was done over a number of years. Implementing change does take time. The important issue is that we should move in a determined way to effect change while remaining irrevocably committed to rooting out state capture, corruption and malfeasance.

We collectively have a common task: to rebuild the confidence of our people, this time based not merely on hope and expectation of change, but on concrete things that make a difference in the economy, real actions that 'move the needle'.

I believe this is eminently possible. Despite the difficulties, South Africans from all walks of life are still moved by the spirit of Thuma Mina to become involved in fixing our country. They want to change the narrative of doubt to a narrative of opportunity not through clever spin, but through action. South Africans are ready to rise to the challenge.

Most of the people I speak to recognise that we have made progress in turning our country around. The changes that have taken place in many state-owned enterprises and in bodies like the NPA, SARS, the police and the State Security Agency give people confidence that we can restore the credibility and integrity of the State. It shows that we are serious about tackling corruption and ending state capture.

There has also been progress on the economic front. A year ago, we announced an economic stimulus and recovery plan in response to our economy's first recession in nine years. Since then we have embarked on several reforms to create a more investor-friendly environment. We have finalised a Mining Charter that has been broadly welcomed by the industry and finalised policy on the allocation of valuable broadband spectrum. We have and continue to make changes to our visa policies

Funds have been redirected to stimulate economic activity in areas where the majority of South Africans live. This includes finance to support black commercial farmers, the revitalisation of industrial parks in townships and the establishment of a Township Economy Fund. Government is also increasing the value of goods and services it procures from small business and cooperatives. Much work still needs to be done in many of these areas to ensure they have the effect on the economy we seek.

Building on the stimulus and recovery plan, government will finalise a clear economic growth strategy within the next few weeks. This strategy will draw on the many valuable contributions that have been made by South Africans on the discussion paper released by National Treasury.

Several parts of the growth strategy are already in place. These include how we can strengthen our reform programme, a revitalised industrial strategy in support of key growth sectors and the establishment of an Infrastructure Fund with a clear plan to revive infrastructure investment. Much work is underway to improve the ease and reduce the cost of doing business, as are efforts to restructure state owned enterprises and ensure that they perform better in meeting the country's needs. A clear strategy to place Eskom on a sustainable path of recovery is also being finalised.

All this work is taking place at a time when government's finances are under great strain, and there is very little room to increase spending or borrowing. This means that we need to spend our limited resources more smartly, get rid of wastage and shift more resources to infrastructure investment.

On the first Monday morning of each month, the Deputy President and I meet with the leaders of business, labour and the community sector to review the implementation of measures agreed at last year's Jobs Summit. Our continued focus is on job creation and how we can reduce the numbers of people who are unemployed.

It is clear that, as a country, we are taking firm action to grow the economy and create jobs. But we need to do more to turn things around. We need to finalise a comprehensive growth strategy that takes all the work being done to another level. I am certain that with the active involvement of all sectors of society, this will be achieved.

South Africans are ready to rise to the challenge.

Best wishes,

Cyril Ramaphosa



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