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THURSDAY, 18 MAY 2017

PROCEEDINGS OF EXTENDED PUBLIC COMMITTEE - NATIONAL ASSEMBLY

CHAMBER

Members of the Extended Public Committee met in the National Assembly Chamber at 14:03.

The Acting Chairperson (Ms L M Maseko) as Chairperson took the Chair and requested members to observe a moment of silence for prayers or meditation.

The CHIEF WHIP OF THE MAJORITY: Chair, I have just been informed that there are so many guests who are trying to get in at the visitors gallery. We were then requesting that since there were some difficulties and challenges in processing them, can we have about five to 10 minutes so that they are allowed to come in. This is the people's Parliament, so, there are many who are still outside trying to flock in. That's all we are requesting and of course the decision is yours. It's just a request. Thank you very much.

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The ACTING CHAIRPERSON (Ms L M MASEKO): Thank you very much for your proposal Chief Whip. I think we are pressed with time and we will ensure that the staff facilitates their entrance as quick as possible but do believe that we should continue and thank you very much for understanding.

APPROPRIATION BILL

Debate on Vote No 25 – Economic Development:

The MINISTER OF ECONOMIC DEVELOPMENT: Hon Chairperson and members, colleagues in Cabinet, guests in the gallery from business, union representatives, regulators and agency heads and fellow South Africans at their home, 100 years ago, a boy was born in a village along the banks of the Mbhashe River, who as he grew up was a shepherd and a stick fighter and later a lawyer and a fighter for freedom. On this day, 10 May, 24 years ago, that same individual took his oath of office as the first democratically elected President of South Africa.

As he took office on that day, he spoke about justice, peace and the triumph of the human spirit. He also spoke about the very practical needs of the people when he said: "Let there be

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work, bread, water and salt for all.” These words of Madiba sum up the focus of economic development.

It is therefore my pleasure to present to parliament a Budget of R1,1 billion for the new financial year. The Budget will be distributed as follows: R282 million for the Competition Commission, to do its work to open up the economy for all; R240 million raised from the construction industry, for the new Tirisano Fund, to finance transformation, including support for black artisans and engineers, small builders and infrastructure; R229 million for the Small Enterprise Finance Agency to make loans available to small and micro enterprises under the leadership of Minister Zulu; R140 million to the department to unblock investment, provide oversight of agencies and support the alignment of policy; R102 million for the International Trade Administration Commission, to pay for the trade investigations and systems needed to support our import and export controls; R35 million for the Competition Tribunal; R30 million for a Steel Competitiveness Fund, to rejuvenate the steel industry, which lies at the foundation of any nation’s industrialisation; and R15 million for the PICC to monitor the spending and construction in the state’s infrastructure plan.

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One year ago, during the previous Economic Development Budget, the country's growth rate was only 0,3%, only 51 000 new jobs had been created and our development prospects looked bleak.

The country faced a series of rating agency downgrades.

Statistics SA data suggested we were in a technical recession; concerns about state capture and corruption weighed high, with credible evidence of public resources diverted to the pockets of corrupt individuals.

Today we see a new optimism, spirit and confidence in the economy – what President Ramaphosa called “a year of change, a year of renewal, a year of hope.” Growth last year was better than had been projected, with GDP growing by 1,3%. Statistics SA’s revised growth figures for first half of last year, showed that the economy in fact did not contract and a technical recession was avoided.

The economy created 102 000 new jobs over the year. The international ratings agency Moody’s affirmed our investment grade rating and upgraded their outlook on the state of our economy and the fiscus. Business confidence is at its highest in three years, and consumer confidence as measured by the Bureau of Economic Research, BER, is at its highest. There is

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a Judicial Commission on state capture and law enforcement agencies are beginning to prosecute persons implicated.

The output of the South African economy is now R4,7 trillion and it employs nearly 16,2 million people. However, unemployment remains very high, with about 6 million mainly young South Africans needing jobs.

In this context, I want to provide the House with a report on work done by the economic development entities over the past year and since this is the last Budget to be presented to Parliament in this administration - the next Budget will be tabled after the general election, I will also cite some examples of progress over the last four years and set out additional steps we will take to address economic inclusion in the year ahead.

In the limited time, we will not be able to cover all the work in the past year. I will focus on a few areas: the big agreements we reached in merger proceedings with Old Mutual and Chevron; the practical ways to help empower small and black businesses; the development ideas we contributed on inclusive growth, the 4th Industrial Revolution and the fight

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against corruption; efforts to deepen African integration, new investment that created jobs and opportunities; work to support the country's infrastructure programme; and steps taken to deal with cartels and abuse by dominant firms and the co-ordination of trade and other measures.

Ideas matter enormously in a country's development. Last year, we hosted two key conferences and commissioned research to quantify the potential costs of corruption on the economy. The first conference was on inclusive development and industrialization, in which Professor Joseph Stiglitz, the Nobel Laureate, engaged a group of South Africans to identify strategies to grow jobs in the economy. The second was a symposium on the 4th Industrial Revolution, looking at the challenges and the opportunities, which is now shaping our focus and thinking.

We publicly released the results of the economic modelling exercise that quantified the damage that corruption and state capture can do to the economy. We provided Parliament with research on trade links with other African countries, including Kenya, Mozambique and Zimbabwe and the results of a survey on the waste or circular economy detailing its

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potential to create jobs and of successful projects that we were doing in the economic development family.

We devoted a big part of our resources to competition matters, so that we can open up and strengthen the economy. The authorities and the department engaged firms during mergers on protecting jobs, supporting small businesses and the growth of black farmers, local industries, opening up fridge space in spaza shops to small bottlers and locating company headquarters in South Africa.

In the last four years, more than 65 000 jobs were protected through merger conditions or agreements with the government. Commitments were made to create a further 7 400 new jobs.

The Ministry and commission have been involved in a number of competition matters, from mergers to cartel settlements and since 2010, about R11,6 billion has been mobilised either for the government revenue through penalties or development funds committed to help small, black or local businesses in transactions involving Old Mutual, Walmart, Afgri, Pioneer, Coca-Cola, AB InBev, Chevron and the construction industry; and fines levied on ArcelorMittal, food and construction

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firms.

A further R11 billion was committed by three companies for new investment in their operations as a result of these agreements. One them will see R6 billion invested in upgrading the Milnerton oil refinery here in Cape Town to make fuels environmentally safer.

Let me give a few examples of what the agreements mean. Ntombi Khathwane who produces Afrobotanics hair products and Sbu Msomi, a mosaic stone producer, have expanded their businesses and now sell their products in Game and Builders Warehouse. Shakiel Parker, a black industrialist now sells noodles in Game and Makro and is expanding his factory from 25 workers working part-time to 175 workers working full-time. According to the company, it now has the single biggest noodle line capacity on the African continent. Eugene Havenga of Umlilo Charcoal in North West is now exporting to Walmart stores in Chile, New Zealand, the UAE and Zambia.

All of them are beneficiaries of the Walmart Local Supplier Fund set up after the government secured a localisation condition in the Walmart merger. Over the past few years,

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Massmart has sourced R800 million worth of goods from these SMMEs and black South Africans and they expect to grow these suppliers to about R1 billion per annum within the next 5 years.

Kethiwe Mhlaba and Barathi Naidoo are two young workers from KZN, who both started as sewing machinists, this year, in Celrose factory in Tongaat. They are part of 500 new jobs created when Edcon, South Africa's largest fashion retailer, increased its sourcing of local clothing for their Summer Wear, from 42% a year ago to 53%, a result of an agreement made during merger proceedings with the department. These are practical examples of how we are transforming. [Applause.]

Coca-Cola South Africa, last year, bought more local grapes for the Grapetiser drinks and more local glass bottles for its beverages, creating jobs in supplier industries. Two rival buyers emerged to buy the Caltex business in South Africa. They both agreed to expand black ownership of the company and ensure that the majority of service-stations are owned and operated by local entrepreneurs. If the Chinese company, Sinopec, wins the bid, they will also sell South African goods

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in the shops across the Sinopec garages in the People's Republic of China.

Last year, we engaged Old Mutual on a proposed transaction that subject to full shareholder approval, will see the company coming home from London, use the JSE as its primary stock listing and make Joburg the global headquarters or its biggest businesses and through the engagement, they agreed to bring high-level finance jobs from London to South Africa, commit to a new fund of half a billion rand for developing small businesses, ensure that no jobs are lost as a result of the homecoming and take their own BEE shareholding to best-in-class in the industry.

In each one of these cases, the efforts of these companies to increase local procurement and invest in South African entrants to their supply chains has resulted in new jobs, opportunity for young, small, local businesses to grow, showing the transformative power we are bringing into the economy through the operation of the Competition Act.

The Competition Commission also undertook investigations into abuse of dominance in a number of sectors, including

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pharmaceuticals, port and rail, school uniforms and market inquiries into number sectors. I want to report on the work of the IDC, which does not receive any money from the Treasury for its basic mandate but uses the income from its investment portfolio to finance new investments and make loans to companies. The Ministry appoints the board and CEO, sets the investment, development and jobs target and evaluates the IDC's performance on a quarterly basis.

Over the past four years, the IDC facilitated roughly R130 billion of fresh investment of which R58 billion is from its own funds and the rest from its private sector partners. This helped to boost the country's GDP, strengthen our industrial capacity and over the last four years, create or save some 85 000 jobs. For the past 12 months, the provisional results show IDC investment approvals of R16,9 billion with 29 000 jobs created or saved.

At the same time, we have refined the IDC mandate to ensure that the growth is transformative and inclusive, drawing in more black South Africans, young people and women.

IDC approvals to black-empowered companies amounted to

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R35 billion over the last four years. Since 2015, we focused more on black industrialists, who run their own businesses rather than simply black investors getting say 10% share in an existing business.

Three years ago I set special investment targets during the Budget Vote for the IDC, which would focus on black industrialists and women and youth empowered businesses, and we are on track to meet or to beat those targets. Last year, the IDC approved R7,7 billion in funding to 108 black industrialists. This investment helped Mr Phillip Mulungo, who employs more than 100 people to expand production of charcoal for the European export market using alien invasive species cleared in the Boland area.

Martha Letsoalo is cofounder of the Heartfelt Project in Marabastad in North West, which uses traditional handcraft skills to create products designed predominantly out of felt and beads, providing employment for 30 other women in the area. She benefited from the women empowered programme of the IDC that approved R2,2 billion last year.

Menzi Thabede of Fearless Films in Gauteng and Bianca Isaac of

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3 Days To Go in KZN are youth entrepreneurs in the film industry financed by the IDC. Last year, the IDC approved R1,1 billion of funding to youth entrepreneurs. [Applause.] The best tribute we can pay the extraordinary life of uMama Nontsikelelo Albertina Sisulu is to provide opportunities for young people in the economy.

There were challenges with two major IDC investments last year, namely, Foskor, which makes fertiliser feedstock and Scaw Metals which makes steel products. While the IDC is still working on turning Foskor around, it has now sold the majority stake in one of the three Scaw businesses to private investors to give the business stronger opportunity fresh capital. The efforts of the department have led to significant empowerment of black South Africans. Let me give a few examples. Through our agreements: black shareholding in Appletiser went up from zero to 21% with new shareholders Stephen Dondolo and Excellent Madlala; black shareholding in Coca-Cola South Africa will go up from 11% to 30%, including provision for shares to workers in the company; black shareholding in Chevron South Africa will go up to at least 29%; black shareholding in the construction business of Murray & Roberts is now 100% through the sale of the business to a black-owned

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consortium.

Three of South Africa's largest construction companies with nearly R30 billion in local annual turnover will now work with seven black construction firms to up their own turnover – firms like that of Dr Thandi Ndlovu, who owns and manages her own construction company. I think Mike Wylie's partner is here today. [Applause.]

ITAC worked closely with the Department of Economic Development and the DTI to support the steel industry – a matter I referred to in last year's Budget Vote. I am pleased to advise hon members that one outcome of those interventions has been the reopening of Highveld Steel Complex as a new industrial hub in Mpumalanga, with steel making, training, mining equipment repairs and coal storage all taking place on the premises and hundreds of workers back at work. In fact, I think the CEO is here today – Johan is here today. [Applause.] In fact, the industrial complex is now Africa's only producer of railway lines.

In the infrastructure space, the Department of Economic Development provides the technical backbone for the work of

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the Presidential Infrastructure Co-ordinating Commission, PICC. It collects data on what the state is doing; it unblocks obstacles to rolling out new infrastructure, like helping Eskom to get servitudes for transmission lines over property belonging to Ekurhuleni Municipality. We have also identified opportunities because infrastructure must drive industrialisation, like minibus production and the new rail facility in Mpumalanga.

For the year ahead, we will focus on four major programmes: Firstly, to deepen economic inclusion through the Competition Act, youth measures, social partner agreements and worker empowerment advocacy; secondly, to boost investment in infrastructure and industrial development; thirdly, to support South African jobs by increasing localisation in the economy; and lastly, to prepare our economy for the new technology wave that is called the 4th Industrial Revolution.

In December last year, we gazetted a Competition Amendment Bill for public comment. We provided information on high levels of economic concentration in different sectors of the economy and noted the damaging effects of economic concentration when it leads to economic exclusion. The Bill

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provides clear and practical mechanisms to address high levels of concentration that excludes small business and black South Africans from the mainstream economy. It gives the competition authorities powers to impose remedies to address problems in the structure of the economy and to promote economic inclusion.

The Bill also deals also with practices by dominant firms which lead to excessive prices, price discrimination against smaller players and other abusive and anticompetitive practices. It is a major reform of the 20-year-old Competition Act. We received more than 60 submissions and the proposed changes. I would like to thank all organisations who took the time to write to us. We are engaging the Nedlac parties – business and labour over the past few months. It is our plan to finalise a Bill through Cabinet for submission to Parliament for consideration, this year.

In the year ahead, the competition authorities will investigate 100 cases of cartel conduct; they will consider about 400 mergers; and take on additional cases on abuse of dominance. I expect to receive and table in Parliament, this year, the outcome of three very significant market inquiries

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into private healthcare, grocery retail, which includes shopping malls and spaza shops and into communication data costs. Public hearings will be held, this year, on public passenger transport and the cost of communication data.

To promote inclusion, the IDC has committed to funding at least R1 billion a year to youth empowered enterprises and at least R1,5 billion to women empowered firms, and if the off-take is strong, we also draw on the wider resources of the IDC. I will be working with them to increase the targets but money alone is not sufficient. The IDC has therefore introduced a Youth Pipeline Development Programme providing for pre and post-investment support to ensure more young South Africans succeed. The department will monitor progress on the commitments in the Youth Employment Accord.

To address deep levels of inequality, the government will engage with business and labour and also the IDC on measures to promote greater worker ownership of shares in enterprises and inclusion of workers on the boards of companies, so that we build our own inclusive South African economic model and deepen partnership in the economy.

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To boost investment, President Ramaphosa announced a target of US\$100 billion of investment commitments over the next five years.

I wish to welcome Mcebisi Jonas here today, one of the investment envoys of the President and previous Deputy Minister of Finance, who will work very closely with us. [Applause.] To improve investment in infrastructure, we plan to conclude an infrastructure investment agreement with major banks and insurance companies over the next 12 months. We will also finalise discussions with the BRICS New Development Bank and other foreign-banks with a presence in the local market. There is a call for Mcebisi Jonas just to stand up for people to see you. [Applause.]

We will focus on the efforts to transform the construction industry with three large construction companies finalising transformation plans and we will also bat for South African firms on the African continent.

The PICC technical unit will provide support and assistance to infrastructure departments to help increase our supply of water and support the expansion of transport, both road and

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rail links. To improve investment in industrial development, the IDC will over the next five years, target R110 billion of new investment, with significant sums going to black industrialists, youth-empowered enterprises and firms with large women ownership. We must do more to promote economic inclusion and township enterprises. I will work with the IDC and colleagues, like Minister Zulu and Davies in Cabinet, Minister Nene to bring a package of support, which will go to township enterprises, to bring funds to entrepreneurs in townships.

To illustrate our practical plans on investment, I want to point to factory expansions that are financed or supported by the Department of Economic Development entities: This month in May, we will officially open the new CISCO steel plant in Cape Town, which uses scrap metal procured through the Price Preference System administered by IDC- new factory. In June, construction of an ice cream manufacturing facility in Polokwane will begin; In July, the Beijing Auto Industrial Group, BAIC, expects to produce its first semi-locally assembled vehicles from its new auto-plant in Nelson Mandela Bay. [Applause.] In August, construction will start on a facility to manufacture building insulation. In September,

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Beijing Automotive Works, BAW, will produce its fully assembled taxis from its expanded plant in Gauteng.

[Applause.] In October, production will begin of specialised tubing for the auto industry from the KAPELA factory. In November, Brewster Craft will commence brewing products from their facility west of Johannesburg. In December, expansion of the 2Ten Hotel in Sibasa, Limpopo Province will support tourism infrastructure. [Applause.] In January, Rietfontein Agri Partners are expected to begin milling of maize at their new mill in the Free State. [Applause.] In February, construction of a fresh water aquaculture and processing operation for Karoo Catch in Graaf Reinet will be completed. [Applause.] In March, BAIC expects to produce its first fully locally assembled vehicles in Nelson Mandela Bay. In April, construction of the vanadium-based battery factory for Bushveld Energy will begin. So, that's just a little snapshot of the next 12 months, taking a few examples in the limited time.

To support local procurement, we have engaged a number of retailers including Shoprite-Checkers, Edgars and Jet through Edcon and Game, Dion, Makro and Builders Warehouse through Massmart and we will conclude procurement agreements with

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other retailers shortly.

Last year, H&M, the world's second largest clothing retailer marketed a sweatshirt with offensive language. When we engaged H&M in the weeks that followed, we noted that they imported everything in their stores in South Africa. Following their apology and as part of reorienting H&M's worldview of Africa, we have proposed that they atone very practically by sourcing goods from South Africa, made by South African workers.

[Applause.] They will have a procurement team in the country within the next few weeks to visit potential local suppliers and we look forward to a constructive engagement. [Applause.]

We are working with Ministers Gordhan and Nzimande to ensure that Transnet and PRASA implement policies ...

[Interjections.]

Mr C MACKENZIE: On a point of order! Apologies to the Minister for interrupting a well delivered speech. I rise in terms of Rule 59 referring to conduct of visitors in the gallery. I will request House Chair that you instruct our visitors that while we welcome their attendance, they also behave appropriately. Thank you, Chair.

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The ACTING CHAIRPERSON (Ms L M Maseko): Order! I am aware of that and I will make a ruling when the Minister is finished. I couldn't interrupt the Minister. Please continue, Minister.

The MINISTER OF ECONOMIC DEVELOPMENT: ... We are working with Ministers Gordhan and Nzimande to ensure that Transnet and PRASA implement policies towards local procurement of rail lines and trains. The department itself will contribute to localisation, for example, previously it's linked up black-owned Naledi Foundries, whose CEO Sibusiso Maphatiane is here today. Can I just see if he could stand? He is probably struggling to still come in. His factory and Transnet met and the result of that has been a local order for 6 000 forged wheels, which were previously imported from China and now made here in South Africa. [Applause.]

Through the department working with the Coega IDZ, we displaced transformers which were previously imported and are now buying locally made transformers. Through a discussion with one of the large companies and the government, we facilitated a new production line for the production of non-alcoholic beer. Through that engagement, Eskom and SAPS are

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now buying locally produced textiles from an Eastern Cape factory. [Applause.]

This year, we have begun a request by sugar growers to increase the import tariffs on the sweet substance ...
[Interjections.]

Dr M J FIGG: Chairperson, on a point of order! I also again apologise for disrupting the Minister. Can we please, the guests in the gallery ... [Interjections.]

The ACTING CHAIRPERSON (Ms L M Maseko): I did say I will make a ruling. The Minister is almost finished. You couldn't ...
[Interjections.]

Dr M J FIGG: Can you make a ruling now, Chair?

The ACTING CHAIRPERSON (Ms L M Maseko): I will make a ruling just now. The Minister ... [Interjections.]

Mr T RAWULA: Chair, on a point of order! Chair, you are disrupting the House. The Rules are clear that the gallery must not participate. So, what is it to wait for? There is

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nothing to wait for. This is a matter of urgency. You cannot allow the gallery to participate. You are disrupting the House. [Interjections.] Please, don't do that.

The ACTING CHAIRPERSON (Ms L M Maseko): Hon members, I am aware of that. Okay, seat down, hon member! Don't be excited about making a ruling. Visitors in the gallery, thank you very much for coming. We welcome you. We are excited that you are here but according to the Rules, you are not supposed to participate in the when the Minister or anybody is speaking. So, don't clap, don't shout, don't whisper and just don't do anything. So, we welcome you and thank you very much.

The MINISTER OF ECONOMIC DEVELOPMENT: ... This year, we have requests by sugar growers to increase the import tariffs and we will convene a meeting with the industry drawing in black and white farmers, as well as industrial users of sugar, to identify ways of supporting local farming whilst keeping prices down. We will work with Minister Zokwana and Davies.

The 4th Industrial Revolution is reshaping the economic storyline of the future and as South Africans, we need to prepare for it, to shape it and to ensure it promotes

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development. It will change many parts of our economy, from retail and banking, to how goods are produced in factories, distance learning and the provision of medical care. At the base of this development is artificial intelligence.

In December last year, we had a symposium and what came out of this is that we should not focus on building a 20th century economy when competitors are building the economy of the future. And with this, there are a number of things we will be doing here.

Hon members, as I draw this comment or conclusion, I know that the Budget for the Department of Economic Development of almost R1,1 billion can support our efforts at greater economic inclusion if we use it to leverage wider partnerships in the economy with business and labour and open up economic opportunity for the restless ... [Time expired.] Thank you very much, hon Chair. [Applause.]

Ms M S KHAWULA: On a point of order, Chair!

The ACTING CHAIRPERSON (Ms L M Maseko): Can I address you again in the gallery? I did indicate ... [Interjections.]

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Ms M S KHAWULA: On a point of order, Chair!

The ACTING CHAIRPERSON (Ms L M Maseko): I am still speaking. I have noted you. I have made a ruling to you visitors in the gallery. I did indicate that you are not allowed to clap, to whistle and to stand up when one of the members is speaking. You are not allowed to participate. We welcome and thank you but please, don't do that again because we have made a ruling. Thank you.

IsiZulu:

Nk M S KHAWULA: Yebo ke. Bengithanda ukusho ukuthi angazi noma badelela wena yini ngoba bakhuziwe kodwa balokhu bephinda. [Ubuwelewele.] Okubuhlungu abakwenzayo akudlalwa ibhola lapha. Ngicela ubize ama-bouncer abakhiphe ngempela. [Uhleko.] Ayikho indaba yabo lana asizile ukuzodlala lapha. [Uhleko.]

THE ACTING CHAIRPERSON (Ms L M MASEKO): Thank you very much Mam' uKhawula, you did give a second warning. We will now call upon hon Coleman. [Applause.]

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Hon Coleman, before you start. Another indication is that you are not allowed to take photos, whether with your camera or cellular phones, it is prohibited. Thank you.

Ms E M COLEMAN: Hon Chairperson, hon Minister Patel and other Ministers and Deputy Ministers present here, hon members, Director-General, Mr Tom, the Industrial Development Corporation, IDC, Board Chairperson - Mme Busi Mabuza, Leadership of our Economic Regulatory Bodies- Messers: Thembinkosi Bonakele, Norman Manoim and Meluleki Nzimande, the media and esteemed guests in the gallery in particular the Business and the Trade Union Leadership and members of the public at large. I speak here on behalf of a team across the political spectrum that, through this process, has displayed a cordial and a general acknowledgement of the progress made by the department.

Hon Chairperson, the portfolio committee interacted with various stakeholders during the course of the 2017-18 financial year. We have managed through oversight meetings to bring matters raised during those interactions to the attention of the Economic Development Department, EDD, and the public entities. We are happy to report that they've managed

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to incorporate those issues in their plans and we've seen that changing the focus of these entities into more people oriented and responsive entities. This, members, gives us the hope that South Africa is on course with respect to addressing socioeconomic challenges confronting the country and the plight of the poorest of the poor.

The committee is fairly happy with the progress made and the plans put forward to enable both the department and its entities to continue addressing the economic challenges faced by the country. We are pleased that they followed in their plans what the ANC has resolved on in our December Elective Conference, in particular, in the areas of fast tracking industrial and entrepreneurial development, protecting the local industries against anticompetitive behaviour and dominance.

Based on this, on behalf of the ANC, I speak in support of the Budget Vote for the Economic Development Department today.

[Applause.]

In the Conference resolution, it says:

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The ANC's vision for the South African economy is guided by the Freedom Charter's clarion call that the people shall share in the country's wealth. The ANC is committed to building a more equal society, in which all can find decent work and enjoy a sustainable livelihood.

In welcoming the Budget of the department and its entities, I wish to point to this, which provides the framework for all our efforts. We note that the global economic situation directly impacts on the South African economy. The global macroeconomic outlook has improved steadily since this time last year. All of South Africa's major trading partners are seeing signs of improvement in their economies, most notably in Sub-Saharan Africa.

This improved global outlook comes at the time when local investor sentiment is also improving. Though better than previously thought, and certainly moving in the right direction, these levels of growth will not be sufficient to create all the jobs needed to support the country's growing population, particularly for the youth and especially young black women.

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It is against this context that the work of the Hon Minister, the department and the portfolio of agencies in the EDD family is very important in unblocking the engines of economic growth, and helping to create opportunities for new businesses to thrive which will in turn create the jobs needed to support our young population.

The committee appreciates the work done in coordinating the efforts of the economic regulators, development finance institutions, the Presidential Infrastructure Coordinating Commission, PICC, technical unit and the department. In the last year there has been continued and excellent progress made towards re-orientating competition policy towards employment and development outcomes. The IDC plays an important role in the space of economic development. We are pleased to see that the IDC has made significant progress in meeting the investment targets which the Minister had set for them in 2015 during his Budget Vote, particularly those for youth-empowered and women-empowered businesses.

The committee hopes to see the Minister setting new and more ambitious targets for the IDC once these existing targets have been met.

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We do take note of the focus on corruption and the successes in the fight against it, and we want to urge that we keep the focus on clean governance, because if we drop our guard, this problem can come back and hurt the economy and jobs.

[Applause.] Therefore the call by His Excellency the President to deal harshly with corruption both in the public and private sectors is warmly welcomed.

The global economy is changing rapidly. The 4th Industrial Revolution will impact strongly on our economy. As many experts have said, this is not just a technological revolution, but a productivity revolution as well. South Africa's economy needs to respond with leadership to the requirements of this new economic age, and equip our young people with the skills needed to contribute and compete. The department should lead the process that will see the country successfully navigate the waves of change that the 4th Industrial Revolution brings. This may require policy guidelines, and coordination with relevant stakeholders in and outside of government to bring innovation to the forefront.

The Symposium on the 4th Industrial Revolution which the Minister hosted in December last year, was an excellent first

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step in bringing some of South Africa's most creative thinkers together to consider these challenges, and we hope to see more of this in the future. We also commend the IDC for resolving to finalise a strategy on the 4th Industrial Revolution as they will also have a very important role to play in providing capital and support to South Africans that are ready to do so. In addition, the department must coordinate the strengthening of relations between our agencies, other government institutions across the board and the institutions at the forefront of innovation in the country. In this case, the Council for Scientific and Industrial Research, CSIR, and the SA Bureau of Standards, SABS, Design Institute come to mind, with the latter strategically designed to bring our youth's innovative ideas to life. We'd like to see these ideas supported financially and otherwise in order to encourage local content development.

The Competition Commission must also be supported in its role in ensuring an environment which allows small businesses and historically disadvantaged South Africans an opportunity to compete.

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The committee has expressed serious concern at the fact that the Commission's plans for the year speak to a need to scale back on some of the important work it has been known to do so well. This is because of a lack of resources, both human and especially financial. These include the all-important market inquiries, which have proven quite useful in unearthing unethical and uncompetitive behaviour in the economy.

The committee also looks forward to receiving the Competition Amendment Bill for processing during this year. We expect that the amendment of this important piece of legislation will further add to the responsibilities of the Commission. One of the recommendations we make is that the review of the organisational structure at the commission is supported and prioritized as a result. We have also urged the Minister to continue interacting with the National Treasury on this, with a view of securing improved allocations over the Medium Term Expenditure Framework, MTEF, period.

There are some areas we want the Minister to focus on. I am not going to name them but those who will follow my speech will go through them.

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Hon members, in the year in which as a country we celebrate the centenary of one of the martyrs of our struggle in uMama Albertina Sisulu, it is important for us as public representatives to raise all the issues that speak to the struggle to build an equitable society, a struggle which includes the total emancipation of women of our land.

As President said in his 2018 state of the nation address:

Through her leadership, she embodied the fundamental link between national liberation and gender emancipation. As we mark her centenary, we reaffirm that no liberation can be complete and no nation can be free until its women are free.

We have urged our developmental finance institution to ensure that the available resources are used to bring women everywhere, in urban and rural areas, into the fold of economic activity in our country. The spirit of renewed hope in our country means that the intergovernmental relations must be improved continuously so as to achieve the common goal of improving the lives of our people through a thriving economy.

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In conclusion, the committee reports that it has noted and appreciated the commitment that further trade studies will be undertaken on continental and regional trade. We support the Economic Development Department. Thank you. [Time Expired.]
[Applause.]

Dr M J CARDO: Hon Chairperson, President Ramaphosa has assured the South African nation that a new dawn is upon us. He announced in his state of the nation address, and I quote:

We are embarking on a new path of growth, employment and transformation.

But with growth forecast at just 1,5% this year, over nine million South Africans unemployed and declining business confidence levels this new dawn looks set to be a false dawn. It is, in fact, only the brief blinding flash of Ramaphoria. And soon it will be eclipsed by the persistent, malignant forces of darkness, namely, corruption, cronyism and capture that are part and parcel of the ANC's political culture.

The prince of darkness, Jacob Zuma, has been banished to Nkandla. There he turns his R1,5 million worth of cattle

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gifted to him at taxpayers' expense by the is-he-or-isn't-he premier of the North West. But Zuma's legacy – state plunder, mismanagement of public finances and economic decline – still casts a gloomy shadow over the country and over much of his Cabinet. And it will continue to do so until the sun sets on the ANC government and we see the dawning of hope and change under the DA.

It is the role of the Economic Development Department to bring coherence to economic policy-making and implementation across state departments. The Economic Development Department, EDD, must promote inclusive infrastructure-led growth, and tackle unemployment by accelerating job creation. In other words, it must duplicate the functions of countless other departments in the economics cluster.

President Rampahosa has promised to review the number of national government departments in order to, and I quote: "To ensure the most efficient allocation of public resources".

He should commence this process of fiscal fat-busting by applying his liposuction vacuum to the Economic Development Department. Its billion rand budget offers some easy pickings.

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The Economic Development Department was one of a number of new departments fathered during the Zuma administration in a fit of fiscal incontinence and without much thought to family planning.

To be fair, Minister Patel has been a devoted and conscientious guardian. But even though the Economic Development Department has yet to reach old age, it is time new dawn or false dawn for the department to go gentle into that good night. Its economic planning and co-ordination functions should go to Treasury, its support services to the Presidential Infrastructure Co-ordinating Commission should be delegated to the Presidency and its oversight of the Industrial Development Corporation, International Trade Administration Commission and competition authorities should be restored to the Department of Trade and Industry.

Of the department's R1,073 billion budget, nearly 90% is channelled to Programme 3: Investment, Competition and Trade. That is an almost 20% increase from last year's allocation. The bulk of it goes to subsidies and grants to the Industrial Development Corporation, IDC, the International Trade

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Administration Commission, ITAC, the Competition Commission and the Competition Tribunal.

President Rampahosa says we are going, and I quote:

To reindustrialise on a scale and at a pace that draws millions of job seekers into the economy.

It will never happen without root-and-branch labour law reform. He claims that the R23 billion IDC-sponsored black industrialists programme through it, and I quote:

We are going to develop a new generation of black producers able to build enterprises of significant scale and capability.

But if the ANC's black economic empowerment policy is anything to go by, the programme will produce a new elite of politically-connected billionaires at the expense of the poor. That is why we need to ensure that the IDC isn't abused, as it was in the case of the R250 million loaned to the Guptas to enrich cronies in the guise of transforming the economy.

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During his state of the nation address, President Ramaphosa said:

The ANC was going to use competition policy to open markets up to new black entrants.

The Minister has reiterated that commitment with reference to the Competition Amendment Bill gazetted in December 2017.

While the DA supports the Bill's objective of greater economic inclusion, the Competition Act is not the right tool for tackling those structural features of the economy that exclude black South Africans from participation. Making the economy more inclusive isn't about using a regulator to create a new market structure. Economic inclusion is about radically transforming our labour laws to create jobs. It is about improving access to capital and credit for unbanked entrepreneurs, cutting red tape for small businesspeople and growing the economy. None of this can be achieved by the competition regulators.

The Competition Amendment Bill is too ambitious. It puts too great a burden on the competition authorities to solve South Africa's economic problems. It gives them too much scope to

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encroach on the domain of other institutions. In particular, the proposed market inquiry provisions including recourse to forced divestiture as a remedy will, in the words of one competition law expert, give the Competition Commission the power, and I quote:

...to move parts of the economy around like pieces on a chess board.

As it is, the Competition Commission's human and budgetary resources are stretched to breaking point. We should not strain them further.

When President Ramaphosa finally unveils his reconfigured economics cluster, it must prioritise youth employment. This will require far more than the innumerable working groups, summits and accords convened in terms of the EDD's growth path and social dialogue programme. A DA government would assist young disadvantaged South Africans in finding work by introducing a jobseekers' allowance, rolling out a national job centres projects and introducing a national civilian service year. The DA will empower entrepreneurs with access to capital, infrastructure and skilled labour. And we will exempt

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small businesses from certain labour and black economic empowerment, BEE, laws to help them compete and create jobs. That is the best way to promote economic inclusion. This administration offers us the false promise of a new dawn. Let us work to ensure that the black, green and gold cock does not crow again in 2019. Thank you. [Applause.]

Dr S S THEMBEKWAYO: Chairperson, the EFF the EFF rejects the Department of Economic Development budget. During the whole of this Fifth Parliament we have always said that the creation of this department was misguided and it should be scrapped. We know we lead and the ruling ANC has no choice but to submit to superior ideological and administrative guidance. President Ramaphosa commigfient to reducing the size of Cabinet based on our superior logic.

As far as the economy is concerned, the EFF is going to provide decisive and clear leadership. We are going to amend section 25 of the Constitution to expropriate all land without compensation for many reasons including economic reasons. We are going to nationalize banks, mines and other strategic sectors without compensation for many reasons including economic reasons.

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The CHIEF WHIP OF THE MAJORITY PARTY: House Chair, can the hon member take a question?

Dr S S THEMBEKWAYO: Unfortunately, I can't take any question. I'm sorry. As of yesterday, the Parliament legal adviser has certified that the EFF's Private Member Bill to amend the Banks Act is inconsistent with the Constitution and legislative framework. We will lead the process to establish a state-owned bank for many reasons including economic reasons. We will establish not only one bank and not only national bank, but banks in all sectors. We will establish banks in construction sector for large commercial developmental properties; banks in financial sector to support transformation of the overall economy; banks in manufacturing and industrialisation sector; banks in stockvels for all people in rural areas, townships, suburbs and cities; and banks owned by national, provincial and local government. It's only then that the economic reasons for a state-owned bank will be evident.

Soon we will gazette our intention to introduce a Private Member Bill for the amendment of the SA Reserve Bank Act of 1989 as amended in 2010. We will lead the process decisively

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to nationalise the SA Reserve Bank for many reasons including economic reasons. We published a coherent position on a way forward for government to set up a sovereign wealth fund, and we encourage the Minister to read it. We are proposing these practical steps because instead of going out to look for private foreign investment which will benefit few, a sovereign wealth fund will provide much needed resources to invest in productive sectors that will create jobs.

To place the state at the centre of the economy, with control in particular of strategic sectors cannot happen when we have directionless and ideologically incapable individuals in such an important component of the state and society. All over the world, including by the biggest supporters of the neoliberal policies, there is a recognition that the world cannot continue with the economy that makes profit from selling money, world economy that makes profit from selling credit and world economy that makes profit from financial crisis. All over the world people are rejecting economic policies that are responsible for deep inequalities, unemployment and poverty.

Not in our name, not in our generation and not when we are here. Not one bank, not only national banks, but banks in all

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sectors. We will emancipate our people economically, and we have a clearer mission for economic freedom lives. We will start with land expropriation with compensation and state banks. Could I be protected, House Chair. [Interjections.] [Applause.]

The ACTING CHAIRPERSON (Ms Y N Phosa): Hon member, your time has expired.

Mr N S MATIASE: House Chair, I rise on a point of order.

The ACTING CHAIRPERSON (Ms Y N Phosa): Hon member, your time has expired.

Dr S S THEMBEKWAYO: Chairperson, Thank you for the opportunity provided.

Mr N S MATIASE: I've been raising my hand, House Chair.

The ACTING CHAIRPERSON (Ms Y N Phosa): Hon member, unfortunately the member has already left the podium.

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Mr N S MATIASE: Ek sê [I am saying], you must be careful, chief.

Mnu M HLENGWA: Sihlalo, sanibonani ...

English:

To say that the country has suffered economic challenges would be an understatement of the century, because for far too long the ANC has held this country and its economic progress to ransom. We remain a deepening economic crisis plagued by many issues which include for the most part an epidemic rate of youth unemployment, a lack of skills development in the sectors which may see our economy recover and far too many South Africans are struggling to make ends meet on a daily basis.

The employment rate has seen such a drastic decline over the years and consequently a rise in the number of people who have found themselves helpless and stuck in the trenches of poverty. The poverty line has shifted so many times and the levels of poverty have arisen tremendously throughout the years and yet inequality has persisted.

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Hon House Chairperson, it is the mandate of this department to promote the creation of decent employment through inclusive growth and they need to do exactly that. It is for this reason that we say any initiatives that places young people at the centre of the economic agenda must be supported and provided with the necessary impetus.

In order to generate economic growth in this regard we would like to urge government to see to it that its plans for education and skills development comes to fruition.

Hon Minister, one of the things that government has been selling to young people is that you must all be job creators. They must create job, create jobs and create jobs. That is all good and well and we encourage that culture of young people being entrepreneurs, but we must not leave education behind. For those jobs will need the necessary skills ... [Inaudible.] expertise to function. So, the mantra to say create jobs should not replace the mantra that education remains the cornerstone of an economy that is going to grow, particularly on the brink of the Fourth Industrial Revolution.

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Chair, while the relevance of this department, albeit an umbrella department is questionable, it must serve to promote economic opportunities and create an enabling environment for both local and international investment. Economic development should be in the driving seat and not remaining a mere backseat passenger in this current Cabinet.

I know Minister, you have really tried your best, but I think the fact that the department was split from trade and industry and then you came out with the economic development and then there was small business coming from trade and industry added to the confusion, and the reconfiguration of the executive which is going to take place. I had you say that this was your last budget speech and I hope that when you are the shadow Minister you will support me when I am the Minister.

[Interjections.] However, it is important that it is reconfigured.

To make effective strides in supporting local industries and target both rural and urban youth this department should embark on a very deliberate mission to revive rural and township economies in partnership with the very communities it wishes to serve.

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I am just surprised that some of you think it is not possible. You are in the opposition benches in the City of Johannesburg. The IFP was the king maker there. To not take the IFP seriously you run the risk of not taking yourselves being in government seriously.

IsiZulu:

Izinto ziyajika. [Ubuwelewele.] ... [Akuzwakali.] uyaguquka. Abantu banishaya ngekhadi elibomvu ngoba imisebenzi yenu yokufukula umnotho dololo! Abantu abasebenzi, intsha ayisebenzi nizothutha ngapha nihlale ngapha sithuthe ngapha sihlale ngapha ngoba ...

English:

... you have failed dismally. So whilst we support the budget hon Minister and your efforts we must be honest to the fact that the high-levels of unemployment are the biggest indictment that interventions have not worked. I thank you.
[Time expired.] [Applause.]

Mr N S MATIASE: House Chair, on a point of order.

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The ACTING CHAIRPERSON (Mrs Y N Phosa): Yes, hon member, what is the point of order?

Mr N S MATIASE: House Chair, I rise on Rule 91: That our member hon Thembekwayo under the pressure and screams from Jackson Mthembu ... [Interjections.]

Wish to state that she meant to say, "Expropriation of land without compensation."

The ACTING CHIEF WHIP (Mrs L S Makhubele-Mashele): On a point of order.

The ACTING CHAIRPERSON (Mrs Y N Phosa): Hon member, are you listening. The hon member who raised the point of order! Your point of order is not valid, because that part has long past! So, we cannot consider it now. [Applause.]

Hon member, I have ruled on this matter and I request that you sit down.

The ACTING CHIEF WHIP (Mrs L S Makhubele-Mashele): Hon House Chair, on a point of order.

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The ACTING CHAIRPERSON (Mrs Y N Phosa): Hon Whip.

The ACTING CHIEF WHIP (Mrs L S Makhubele-Mashele): Hon House Chair, my point of order is: The hon Matiase is referring to the Chief Whip by name and he knows that the rules do not allow. He must refer to him properly in this House. So, he must refer to the hon member correctly. It is either Mr or hon; you cannot refer to him by his first name.

The ACTING CHAIRPERSON (Mrs Y N Phosa): Alright. Hon members, indeed it is unparliamentary to call a member by his name. So, let us conduct ourselves in a manner that will uphold the decorum of the House and refer each other as hon members.

Thank you, very much. I will now call upon hon member Mfulo.

Ms A T MFULO: Hon Chairperson, hon members, Ministers, guests in the gallery, good afternoon. I speak on behalf of the ANC to support the economic development budget. We have a very clear setting out where the money is going to and the Minister and the department has kept us as parliamentarians informed of progress every quarter. [Applause.]

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In 2011, Cabinet established the Presidential Infrastructure Co-ordination Commission, PICC, with a goal to do four things: Firstly, to co-ordinate, integrate and accelerate implementation of the construction programme. Secondly, to develop a single common National Infrastructure Plan that will be monitored and centrally driven. Thirdly, to monitor progress with implementation decisions. Lastly, to develop a 20 year planning framework beyond one administration to avoid a stop and start pattern to the infrastructure roll One of the areas of work for the department is to support the country's infrastructure plan, through the work it does for the Presidential Infrastructure Co-ordination Commission; that is one of them.

Hon members, infrastructure spending is the lever through which industrial development and economic growth can be sustained. This has been the ANC policy since the start of democracy in South Africa, and remains a key pillar of the ANC-led government's commitment towards sustainable economic growth. [Applause.]

I am happy to state that this story has begun and has changed radically for our people, though our job is not yet done

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because there are still a number of our people who need and deserve basic dignity through access to infrastructure.

In the last five years, we as a country spent R1 billion every working day on new infrastructure and the pace of delivery has improved due to better systems in government.

I am from the Northern Cape and in my parts of the province, we have seen solar power plants being built, especially in areas around Upington, Pofadder and the Namaqualand. I am glad that the Independent Development Corporation, IDC, has supported the projects financially but we need to make sure that the community trusts that are part of the solar projects begin to positively impact on poor people.

The number of houses with electricity is also increasing and access to broadband and the Internet is improving. Yes. We have a new university in Kimberley. This allows our young people to learn in their home province. [Applause.]

Hon members, you may not know it but the Northern Cape is also a centre of astronomy. The Southern African Large Telescope is in Sutherland and the Square Kilometre Array, SKA, is in

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Carnarvon. You know why was it possible, it is because the department has helped to boost local economic development in those areas. [Applause.]

So, in the next five years, the public sector will spend R1,5 trillion on new infrastructure as we prepare South Africa for new global economy, as defined by the Fourth Industrial Revolution and bring critical services to the people.

The 54th Conference of the ANC made an important point, when it resolved that a renewable emphasis must be placed on localisation, particularly linked to infrastructure projects and to procure by government and state-owned companies from the small businesses.

Therefore, the IDC should therefore be urged to do more to localise the production of trains and the components for solar energy, steel used in construction and other inputs.

I have a question to the Minister that says: We have these big companies that get tenders from government. Large tenders, but when it comes to subcontracting, that is where the challenge comes in. So we are asking that they must not be exploited by

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these big companies and how can we deal with foreign investors who are not transferring skills in our country?

We congratulate the work done to localise the production of taxis and buses, but we are not happy that some trains were imported from other countries when we have local production capacity. I urge this House to support this budget and thank you so much. [Time expired.] [Applause.]

Afrikaans:

Mnr A D ALBERTS: Voorsitter, die oorkoepelende boodskap wat ons vandag wil oordra is dat Suid-Afrika in die moeilikheid is en dat drastiese en rasionele optrede geregtig is. Die kritieke plek waarin die land hom bevind word baie goed verwoord deur die Direkteur-generaal van Tesourie, Mnr Dondo Mogojane, wat gister die volgende gesê het rakende staatskaping:

English:

We have to ensure that we take a stand. We are not a failed state, but we are on the verge of becoming a failed state and we were party to that.

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This is a bold and honest admission of guilt, but it is also a good starting point to start fixing what is wrong with the country.

Afrikaans:

Teen hierdie agtergrond moet die Minister en sy departement aan die volgende sake aandag gee:

Eerstens, is dit in die algemeen dat dit toegesien moet word dat die bewese beleid van vryemark toegepas word. Wen-lande soos die in Europa, die VSA, Suid-Korea en Singapoer pas dit toe. Daar was genoeg bloed in die geskiedenis en daar het genoeg bloed gevloeい om ons te leer dat die vryemark-stelsel die beste vermoë het om mense uit armoede te lig, in teenstelling met 'n gewone herverspreiding van rykdom wat ongelukig almal ewe arm maak;

English:

Secondly, there must be certainty that the Industrial Development Corporation, IDC, does not invest in and finance captured and opportunistic transactions in the name of Broad-Based Black Economic Empowerment, BBBEE. Examples of these are the financing of the acquisition of Capitec shares that were

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immediately sold on to the Government Employees Pension Fund, GEPF, by a few opportunistic individuals and the financing of the Shiva uranium mine on behalf of the Guptas. Today, those shares are not worth much. This must end!

Afrikaans:

Wat die wysiging op die Mededingingswet betref, moet die Minister sekerheid gee aan die private sektor oor watter bedrywe en watter maatskappye geoormerk word om opgebreek te word in kleine eenhede. Die sakewêreld het sekerheid nodig en die oordeelkundige toepassing van die nuwe magte is van kardinale belang om die ekonomie te beskerm;

English:

Lastly and most importantly, the Minister and his department must explain and provide certainty on the plans and effect on the economy of expropriation without compensation. This one simple phrase has already damaged the country's international reputation with a real effect on inward investment. Outward investment is more than inward investment in South Africa and that is a statistical fact.

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To be true, there can be no economic development if there is no certainty of property rights. It is as simple as that. This department must therefore explain how economic development will take within this environment of uncertainty.

Minister, you made mention of the Fourth Industrial Revolution, but without property rights the Fourth Industrial Revolution will decimate this country. I thank you.

Mr I A PIKININI: Hon Chair, hon Speaker, hon members, guests from trade unions, as well as businesspeople, in this year of our beloved icons, mama Albertina Sisulu and tata Nelson Rholihlahla Mandela, we will be inspired by the values they stood for.

This committee, together with the department, is making several strides in our fight to create jobs and provide our people with opportunity. Industrial development must be at the forefront of our efforts to grow the economy. Without it we cannot create the jobs which our people need or fight inequality. Industrial development is critical for South Africa's path to inclusive growth. In the conference hosted in November last year, Prof Stiglitz highlighted the importance

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of maintaining South Africa's industrialisation, with a focus on high value-add manufacturing, agriculture and the service economy. The conference decision also said:

Development finance institutions and the state bank should give greater emphasis to employment creation, empowerment, industrial diversification and development, small businesses and co-operatives, small-scale agriculture, micro-enterprises and local and regional economic development.

In order to increase industrialisation in South Africa, it is necessary that retailers, government and companies buy locally-made goods. The ANC's national conference in December laid out very clearly the importance of localisation and beneficiation. The National Development Plan's focal areas on economic transformation resolutions are as follows:

Firstly, placing emphasis on mineral beneficiation;

Secondly, support for women and youth-owned small businesses and co-operatives;

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Thirdly, the establishment of a state bank;

Fourthly, rural development and land reform; and

Fifthly, a supportive macro economic framework.

This initiative with the retail sector will be specifically important to ensure that South African manufacturers can grow. The apology by the retailer Hennes & Mauritz AB, H&M, for their offensive marketing is not sufficient to address what was a very hurtful comment. We must also send a message to H&M that Africa is not simply a consumer market. The clothing in their stores sold here in South Africa are all imported. It is time they wake up, smell the coffee and begin to source clothing for their local and international stores from local clothing factories.

In the Eastern Cape where I come from, I have seen the closure of clothing factories because many retailers simply source from countries which do not support workers' rights and fair wages. The industry in Dimbaza was destroyed before 1994. This deepens poverty. That is not responsible business. Surely that is not what responsible retailers want to do. We need a new

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model that Woolworths and Pep Stores must also follow so that they can source locally and help South Africa to industrialise.

However, we also welcome the work which the Ministry is doing with other government departments to ensure that more of the state's procurement can come from local suppliers. This was a matter highlighted by President Ramaphosa on Tuesday in this very House. We must put an end to government buying imported caps or t-shirts, and we hope all political parties will follow suit.

We must also commend the work of the IDC to support black industrialists, and women and youth-empowered businesses. Investment from the IDC is supporting community forestry projects like those in Makaula and Ludidi in the Eastern Cape, which, if it is successful, can employ hundreds of young South Africans in my province. However, I believe the IDC can still do more. We must do more to remove bureaucracy, speed up the time taken to make a decision on applications and ensure a smoother process for those South Africans ... industrial funding ... [Inaudible]. I think it is important that the

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Minister ... [Inaudible.]

Ms M S KHAWULA: Point of order, Chair.

The ACTING CHAIRPERSON (Mrs Y N Phosa): Hon member, take your seat. Hon member, on what rule are you rising?

Ms M S KHAWULA: Rule 84. [Laughter.]

The ACTING CHAIRPERSON (Mrs Y N Phosa): Okay, you may come in.

IsiZulu:

Nk M S KHAWULA: Cha, bengifuna ukuzwa ukuthi uMaKhawula wenzeningoba mina angihlali eMpumalanga Koloni ...
[Ubuwelewele.]

The ACTING CHAIRPERSON (Mrs Y N Phosa): Okay, hon member, your point of order is ...

IsiZulu:

Nk M S KHAWULA: ... uthole ukuthi benza lento nathi eziyenzayo siyi-EFF ukuthi azivalwe lezi zinkampani zaphesheya kuvulwe lezi zala?

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The ACTING CHAIRPERSON (Mrs Y N Phosa): Hon member, your point of order is not valid. You may proceed, hon member.

Mr I A PIKININI: I applaud the President's investment initiative to bring R1,2 trillion of fresh investment to South Africa in the next five years to help develop South Africa's industrial capacity. I wish his investment envoys and government officials all the best in their endeavours to bring home this investment.

A question to our able Minister. I'm glad that the IDC is taking clear steps to ... [Time expired.]

Mr A M SHAIK-EMAM: Thank you hon Chair. Allow me to start off by reminding my colleagues from the FF Plus that they indeed gave us a failed state. So when you talk about the fact that we have a failed state it came failed. That is what they gave us. [Laughter.]

But also House Chair let me just also say something to our Minister Patel. You ought to have known better Minister Patel that when you have a good story to tell then you cannot get

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the applause because it is going to offend our friends on the left. [Laughter.]

No it is common knowledge; and you come here and you spent three minutes telling us so much of good stories and are offending them on the left. To my colleagues in the gallery this is what you call democracy because you are right you cannot come here and laugh but you can't shake your hands. You can't shout. You can't clap your hands. You can't do anything; but that's democracy anyway.

You know the President made one mistake. He told John to shut up he should have told the whole lot of them to shut up.

[Laughter.] [Applause.]

Hon Chairperson, allow me to first of all... [Interjections.]

Dr M J FIGG: I'm rising in terms of Rule 92. Chairperson, I want to refer to Rule 84, the member is supposed to refer to other members in a respectful manner. It is hon John Steenhuisen, not John.

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The ACTING CHAIRPERSON: Mrs Y N PHOSA: Hon member, may I please... [Interjections.] Okay.

Dr M J FIGG: Sorry, Chairperson! I'm not finished yet Chairperson. You can't use the word "shut up" it is unparliamentary. So he must withdraw.

The ACTING CHAIRPERSON: Mrs Y N PHOSA: Okay, hon member may I come back on this ruling because I think it doesn't apply on Rule 84, which talks about...[Interjections.] Okay let me come back on this rule before he finishes. Thank you very much.

Mr D W MACPHERSON: Chairperson, with due respect when the President use the word shut up he was immediately asked by the Presiding Officer to withdraw that comment. You cannot now wait and make a ruling later when just the other day the exact same ruling was made.

So I would ask that rule now and that the hon Shaik-Emam withdraw the comments.

The ACTING CHAIRPERSON: Mrs Y N PHOSA: Hon member, in terms of the procedures of the House I can postpone the ruling as long

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as I rule before the end of the sitting. So I have chosen to postpone I will rule later. Thank you very much. [Applause.]

Mr A M SHAIK EMAM: Thank you House Chair for point of clarity. I did not say they must shut up. I said the President should have told them all to shut up. [Laughter.] [Applause.]

AN HON MEMBER: You must shut up!

Mr A M SHAIK EMAM: Hon Chairperson, allow me first of all to commend the department for all the successes that have indeed spoken about, and they appears to be a whole lot of them...
[Interjections.]

The ACTING CHAIRPERSON: Mrs Y N PHOSA: Hon member, Emam may you take your seat. Hon member, on what rule are you rising?

Dr M J FIGG: My apologies, it is the same rule hon Chairperson. He used the word shut up again and it is unparliamentary. So I'm asking you to rule now.

The ACTING CHAIRPERSON: Mrs Y N PHOSA: Okay, hon member I am forced to make a ruling in terms of Rule 84. I think the word

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shut up is a bit disrespectful and unparliamentary. I will then request the member to withdraw the word shut up.

Mr A M SHAIK-EMAM: Thank you House Chair. I withdraw. Hon House Chair, while I'm commending the department for the very good work that they have done, I have a serious problem with that Minister. You spent three minutes in one year or three minutes every six months to come here and tell us all these good things you do.

I want to suggest that you do this in a co-ordinated fashion with the Department of Communication so South Africans can hear everyday about the good stories that we have to tell. What do we have to only hear about it once in a year?

[Applause.] We don't know about half the things you have told us today. It is because nobody is telling South Africans.

What the media is doing in South Africa today in collusion with my colleagues on the left, they are selling all the negative things and all the wrong things but not the good stories. That is why I want to suggest that we have a kin to be able to get this message across to ours. [Applause.]

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Hon Chair, due to time constraints, Minister one of the things that I have identified as a problem... [Interjections.]

The ACTING CHAIRPERSON: Mrs Y N PHOSA: Hon member, on what rule are you rising?

Dr M J FIGG: Again, I rise in terms of Rule 92. Hon Chairperson, Rule 59 was implemented just now and the members in the gallery were asked to keep quite. May I ask you to invoke Rule 60, and ask them to be withdrawn from the House sound hon Chairperson?

The ACTING CHAIRPERSON: Mrs Y N PHOSA: Well to the respected members of the community in the gallery, I appeal to you not to participate in the proceedings of the House. In case you fail to do that the Presiding Officer can request the security members to take you out of the House. So I appeal to you to co-operate with the Chair. Thank you very much.

Mr A M SHAIK-EMAM: Thank you Chair. This is what we call a gagging order of the apartheid days where you were not allowed to say anything and not allowed to do anything, basically.

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I mean it has come back again, and you can see what this is all about. The DA must get the opportunity to come here and insult and criticize and find faults in rather finding solutions. Now when there is a good thing they are not satisfied with that.

But be that as may hon Minister, one of the challenges that I have found is in the motor vehicle retail trade in the supermarket trading. Let me go in particular to the motor vehicle retail trade: There is collusion between a few people who own the entire dealership.

You would find that motor vehicles coming out for R500 000 today, tomorrow it is worth R300 000, by the time they even pay two years of instalments, the vehicles have got no value at all. I think the department must look into this thing because it is a very serious problem. [Applause.]

Hon Chairperson, 23 years or 24 years later this is what the problem is in the country at the moment. The economy is still to a very large extent in the hands of a few of the elite and the rich. We are one of the highest unequal societies in the

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world. I think it is the issue that we need to deal with. It is exactly the same thing... [Interjections.]

Mr C MACKENZIE: Just on a point of personal privilege I can assist the member. I'm not the elite that is on that side, more are more rich Chairperson. So if you can withdraw that comment I will appreciate it. Thank you.

The ACTING CHAIRPERSON: Mrs Y N PHOSA: Hon member, your point of privilege I think you are – I don't want to say you are abusing your point of privilege; but it is invalid.

Mr A M SHAIK-EMAM: Thank you hon Chair. Minister, I have alluded to you in terms of the problems in the motor trading, but it is exactly the same thing in the food chain. The food manufacturing industry is controlled by three or four.

The Supermarket chain is controlled by the very same three or four people. The banks are controlled by exactly the same three or four people. As a result what you are saying that the world is remaining in the hands of the few, it is time that we have to take it away from the rich and distribute it to the poorest of the poor; so that we can create a more equal society in South Africa.

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In terms of the job, Minister... [Interjections.] The NFP support the Budget Vote 25 of today. [Applause.] [Time expired.]

Ms C MATSIMBI: Chairperson, Minister Patel, hon Ministers and Deputy Ministers in the House, Members of Parliament, Cosatu guests and guests from other business, allow me to greet all South Africans in the centenary year of the birth of Madiba. Members, we meet under a difficult cloud, when we have just lost our icon, Mme Madikezela-Mandela and also Ntate Zola Skweyiya. They, their souls her soul rest in peace

The ANC supports the Budget Vote without seeking any signal as it is a right thing and a good thing to do. We need a strong International Trade Administration Commission, Itac, and a strong Department of Economic Development to drive our trade policy. I was pleased with the work that the department is doing to analyse our trade with different African countries. We have looked too often to the developed countries for our exports. Yet right here, on our continent, we have a very big market of one billion people. The Department of Economic Development is responsible for the overall direction that is given to Itac and I am happy that we are prioritising our

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local industries like clothing, food production and car manufacturing.

Last year, we heard of the efforts made to save the steel industry. As the hon Minister highlighted in his speech, the steel industry is critical to our industrial development. Tariffs have been imposed on a wide range of steel products, which is protecting South Africa from steel that might have been dumped from other countries. This was done as a partnership between the Department of Economic Development and the Department of Trade and Industry. They have also brought in the Industrial Development Corporation, IDC.

This protection has given space to companies to rebuild and protect jobs in South Africa. An example of this is the Highveld Steel, which situated in my province Mpumalanga.

The Highveld Steel, with the support from the IDC and the Itac and the officials from the Department of Economic Development, was able to restart production at the factory that had previously closed down, resulting in nearly 900 new jobs created. Highveld Steel has supported 300 local suppliers and the establishment of 9 startup black-owned business on site.

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The Steel Competitiveness Fund, which is also part of the Minister's budget, will also be very important in providing support to the steel industry from the negative effects of countries that are dumping their surplus steel in our market.

The lessons that we have learned from the steel intervention by the Minister has shown us as the country that we need to protect our own industrial base.

We now need to consider a similar intervention to deal with other sectors. The sugar industry is an example of one that has now come to government for support. But they have different interest in value chain. There are farmers, millers and the factories that use sugar and the retailers who sell sugar. Some of these are large businesses and some are small businesses. We encourage the department and Itac to carefully look at the best solution that can save jobs right across the farms and the factories.

For the year ahead, we must focus more on trade with the rest of African continent. The ANC policy is directed to build strong trade investment, tourism and political links on the continent and to build a single trade area across Africa. More

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of our exports of manufactured goods are now going to our neighbours and we are selling billions of rands of food, paper, electronics, cars and other articles to other African countries.

ITAC must continue to play its very important role in helping to industrialise our economy. We cannot afford to become only a nation of spaza shop owners. We must build the strong manufacturing industries of the future and trade policy must help to achieve this.

I welcome the appointment of a new Commissioner of Itac and as he could see in the portfolio committee, we expect a high standard of work.

As the ANC, we look forward to more jobs being created to young people through our development trade policies. As we welcome the call made by the President in his state of the nation speech where he encouraged us to heed the call quoting the late famous African jazz singer Bra Hugh, when he said, “Thuma Mina” and we say to the South Africans, Thumani i ANC in 2019 so that we can further better your life. I thank you.

[Applause.]

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Mr W M MADISHA: Chairperson, this new dawn has brought no sunshine. This new dawn is founded upon a nightmare, a nightmare of bad and corrupted governance; of state capture and the white-anting of state capacity; of wastage and looting; of a bloated, ineffective and uncaring civil service; of reckless fiscal mismanagement and rising levels of debt and of the destruction by the ruling party of investor confidence and economic growth.

The consequence of this decade of betrayal is that we wake to perfect storm of a government having to undo and reverse the damage done to the state, the fiscus and the economy by amongst means, having to implement broad austerity measures, fiscal consolidation and cutbacks on expenditure. The perfect storm in the face of rising demands upon government as a consequence of failing service delivery, rising unemployment, poverty and inequality as well.

Chairperson, crassly put, the question is: over what economic development has the Department of Economic Development presided over? We are in a cycle of economic stagnation and decline in real terms – created by the ruling party – that breeds unemployment, poverty and inequality.

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I must emphasise here that there is no question that unemployment in our country has gone beyond 40%. Poverty has risen and continues to rise on a daily basis. That is why when the works and the working class as a whole go out and strike even within the realms here of government. They are correct because they are hungry.

The ACTING CHAIRPERSON (Mrs L M Maseko): Hon Madisha, please take your seat. Hon Chief whip!

The CHIEF WHIP OF THE MAJORITY PARTY: House Chair, which statistics is hon Madisha using on unemployment?

The ACTING CHAIRPERSON (Mrs L M Maseko): On what point, Chief Whip, are you speaking on?

The CHIEF WHIP OF THE MAJORITY PARTY: Can you take a question?
The ACTING CHAIRPERSON (Mrs L M Maseko): Hon Madisha!

Mr W M MADISHA: During the same period, I must emphasise hon members, it is a fact that 8 300 000 matriculants left school

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– many with no prospect of ever having a decent job in their lives.

It is your department unfortunately, my comrade, hon EP, you have done well, I know, as a trade unionist but you are thrown to this realm of a problems. It is unfortunate that this department can't do anything, particularly under this political party. This party must go. [Applause.]

The ACTING CHAIRPERSON (Mrs L M Maseko): Hon Chief Whip, I thought that the look that hon Madisha gave you, just gave you the answer. So, I didn't want to pursue.

Mr S A TLEANE: Chairperson, greetings to you all, the ANC supports the Budget Vote of the Economic Development department. When the ANC was formed in 1912, many African countries sent representatives to this historic moment, thereby making it a continental affair. Since then, the ANC has always understood the particular role it has to play as a partner and not as big brother in the development of Africa in general and the Southern African Development Community, SADC region, in particular. All its succeeding conferences have resolved on striking partnerships with African countries, for

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economic co-operation and development. These partnerships are mutually beneficial to all participants.

In 2017 alone, the total value of exports and imports with Africa was R430 billion. We are also proud to indicate that more than a quarter of all South African exports went to African countries during the past year, despite the tough competition it faces from China and Germany. It is therefore not surprising that the major entity of the Economic Development department, the Industrial Development Corporation, IDC, has approved a whooping R2,4 billion for investment opportunities in the SADC region during this current year. Approval for funding for the rest of Africa for 2018 is R95 million. The IDC therefore remains a beacon of hope not only for our country, but for the rest of Africa, and their work must be highly appreciated. Phakama [Arise] President Cyril Ramaphosa, Africa beckons! [Interjections.] Phakama Minister Patel and Minister Davies, Africa beckons!

The ACTING CHAIRPERSON (Mrs L M Maseko): Hon Tleane, please take your seat.

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Mr M G P LEKOTA: Madam House Chair, when the ANC ...

[Interjections.] ... When the ANC ...

The ACTING CHAIRPERSON (Mrs L M Maseko): On what point are you standing on?

Mr M G P LEKOTA: I am standing on a point of order.

The ACTING CHAIRPERSON (Mrs L M Maseko): Oh, a point of order, okay. Let's hear your point.

Mr M G P LEKOTA: When the ANC was formed in 1912, not one other organisation existed in Africa. So, there were no representatives from any African country. Thank you.

[Interjections.]

The ACTING CHAIRPERSON (Mrs L M Maseko): Your point of order is not sustained. Hon Tleane, please continue.

[Interjections.] [Laughter.]

Mr S A TLEANE: These investments made by the IDC will help to create jobs for our brothers and sisters in the SADC region and the Rest of Africa, while also enhancing wealth creation in those countries. However, South African firms stand to

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benefit even more as the machinery, products and technical know-how required for this industrialisation will be sourced from South Africa. The more exports we send to recipient countries, the more we will be promoting localisation and creating more jobs for our people.

When the economies of neighbouring countries grow, food security is enhanced, to enable the African mothers to be nourished, so that their breasts can be full of milk, and for the young ones to suckle and grow. As a result of a condition put on a tin mine financing deal in the DRC that the IDC supported, South Africa has benefited directly with more than half a billion rand worth of orders placed in our country.

I don't want to steal the thunder from the hon Minister Ebrahim Patel. Minister, can you please shed more light on this beautiful development when you come back to the podium? The fight against the legacy of colonial oppression on the continent must be intensified by Africans themselves. Over the last year, the department has presented to the portfolio committee its insights into South Africa's trade relationship with other African countries. We want to encourage the department to continue this work, and to highlight

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vulnerabilities and opportunities for partnership and unblocking of obstacles.

Gauteng, where I come from, remains the industrial heartland of South Africa and of the continent as a whole. Our province is blessed with strong industrial capacity and deep expertise in financial and legal services which are very vital for African businesses and international businesses looking to invest in Africa. The efforts of the Minister through competition merger proceedings to ensure that the African headquarters remain in South Africa are very important for our integration with the rest of Africa and I wish to appreciate that our ANC-led government is standing up for our people. Once more, the ANC supports this Budget Vote. I thank you.

Amandla! [Applause.]

Mr P G ATKINSON: House Chairperson, twenty five years of democracy is enough time to determine whether economic performance of the past quarter of a century under the ANC government has delivered a better life for all South Africans or not. Whilst GDP has risen from US\$139,7 billion in 1994 to US\$349 billion in 2017, the past 10 wasted years of the Zuma administration has bought economic stagnation and growing

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unemployment. The 9,2 million unemployed South Africans have paid a high price for the populism and economic failures of the "Zuma years". This has resulted in a corresponding increase in service delivery protests by angry citizens who feel excluded and locked out of the economy.

The ANC's response to the damage wrought by the "Zuma years" has been to turn to more populist policies such as the EFF proposed land expropriation without compensation through an amendment of Section 25 of the Constitution. This proposal not only misses the real impediments to land reform but will create uncertainty among investors whom the President is keen on attracting to our shores. Quite how much could have been achieved in South Africa is put into perspective when once compares 25 years in West Germany between 1945 and 1970. West Germany transformed from a genocidal fascist dictatorship, bankrupted by war, to a successful liberal democracy with one of the largest economies in the world. The economy posted impressive GDP growth rates and low unemployment that were driven by market-friendly free market policies, a policy approach that forms a central part of the DA's economic policy suite. While many would question the relevance of the West German experience to the South African economy - I mention it

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because it had a brother state, East Germany whose economic policies most closely resembled an EFF dream and was a fraternal partner to the ANC.

The East German state followed all the policies the EFF and some in the ANC advocate for, from state banking institutions, land expropriation without compensation, infringement on property rights, as well as meddling commissars who controlled all aspects of a citizens life. At the time of German reunification in 1990, the East German state, which carried out EFF policies, was bankrupt. And it took the unified German state more than 25 years to repair the damage the EFF-type policies had wrought on the country's eastern provinces. It is always good when proposing new economic policies that evidence-based research is followed. Evidence of the East German example does not augur well for the EFF and some in the ANC.

To transform South Africa's economy, the Department of Economic Development must focus on economic forecasting that takes into account the knowledge-driven era we live in. The South Africa of 1994, with its associated limited internet access, no cellphones and no social media, is markedly

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different from the South Africa of 2018. We can be sure that the South Africa of 2044 will look even more different with the advent of the Fourth Industrial Revolution which will completely transform our economy and the skills required by those who wish to work in it.

The DA fully supports an increasing focus on the Fourth Industrial Revolution and is already implementing measures which will help usher us into this new era. The creation of innovation hubs by the DA government as well as the Western Cape's plan to roll out broadband internet at all schools is part of the greater plan to ensure that we prepare young South Africans for jobs of the future. We therefore support the Department of Economic Development on the priority placed on the Fourth Industrial Revolution. The IDC is also considering devising a strategy to assist businesses that will be operating in this new world.

The DA's plan to encourage the growth of 1 million new small business entrepreneurs is a realisation of the potential of these new technological advances and their ability to influence broad-based job creation opportunities that will benefit the many. This is juxtaposed against the ANC's elitist

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“Emerging Industrialist” programme run by the IDC, which really will only serve to benefit and enrich a fortunate few at the expense of a more broad-based development strategy for the many. The DA believes that new industrialists will grow naturally from the ranks of its proposed 1 million new entrepreneurs as an outcome of their successes in building businesses.

If our economy is to be truly successful in reducing inequality for all our citizens, then we need to provide relevant and improved education and training to our citizens. I would like to conclude by looking at another similar emerging economy that has got this right. South Korea has a similar size population to South Africa but an unemployment rate of 3,6% compared to South Africa’s 25,4%. In 1999 South Korea was number 28 out of 137 countries in the Global Competitiveness Index, two points behind South Africa that was sitting at 26. By 2018 South Korea remained at 26 and South Africa had slipped all the way to 61. Foreign direct investment inflows into South Korea amount for US\$12,1 billion in 2016 versus South Africa at US\$2,25 billion.

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The reason for the significant change in South Korea's fortunes over the last 20 years is not only because of the investor-friendly policies and investor certainty that the DA espouses, but one of the best educated work forces in the world. While there is no-fee free higher education at South Korea's 43 states and 180 private universities, the country ranks 25 out of 137 countries for higher education versus South Africa at 85.

The DA believes that the best antidote to inequality and unemployment in South Africa is the provision to our people of an improved education relevant to the coming technological changes, and access to higher education for those who qualify. This should not only provide greater access to employment but encourage entrepreneurs to come out and build job creating small businesses. South Korea has no problem in attracting new investment because it has skilled workforce attractive to investors. Lack of skills is one of South Africa's greatest drawbacks in attracting new industries. A focus on this problem will not only attract investment but will reduce inequality and provide a better life for our people. Thank you.

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Mr M A CELE: House Chairperson, Ministers and Deputy Ministers present, hon members, comrades and friends, guests in the gallery, can I start with the responses to some of the utterances that have been made here. I will start by saying that – informing this House – we have taken note of the comments by some of the opposition speakers but I am glad to know that in the portfolio committee they support the Minister's work and the effort of the entities that report to him and the deputy. Now, hon Dr Cardo comes here, he talks as if he is the President, in fact what he is doing is undermining his leader. If you listened very carefully he mentioned the President Ramaphosa more than five times of which that is what is expected from hon Maimane. Then we go to hon Atkinson, hon Atkinson is a gentleman. I can understand in the case of Dr Cardo, he is still young; he wants to be the leader of the DA. [Interjections.] That is why when he was here I said to myself, here is a leader of the future from the right wing. Then our hon Atkinson is reminding us where the apartheid system came from. The ideology came from Germany, meaning that he wants to go back to the apartheid system. [Interjections.] Now ...

Isizulu:

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... bengingafuni ukuthi ... [Ubuwelewele.]

The ACTING CHAIRPERSON (Mrs L M Maseko): Please take your seat.

Dr M J FIGG: Hon Chairperson, I have a point of order. The member in the podium is casting aspersions on the hon Cardo. [Interjections.]

The ACTING CHAIRPERSON (Mrs L M Maseko): Hon Figg, that point it is not casting aspersion. [Interjections.] It is a compliment actually. Hon Cele, please continue.

Mr M A CELE: Chairperson, I did not want to say anything about hon Hlengwa ...

Isizulu:

... ngaphandle kokuthi ngisho ukuthi usemncane akawazi umlando kahle ngoba kuneminyaka eyishumi nesishiyagalolunye okufuneka awubheke kusukela ngo-1975 ukuya ku-1994 abheke ukuthi kwenzekani la evela khona kule minyaka eyishumi nesishiyagalolunye bese ebheka manje sekuwu-ANC obusayo ukuthi kwenzekalani.

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The ACTING CHAIRPERSON (Mrs L M Maseko): Hon Cele, please take your seat.

Mr M HLENGWA: House Chairperson, on a point of order: I rise in terms of Rule 85 madam Chair, I got no problem with the hon Cele trying to remind me of whatever but what I do have a problem with is if we descend this Parliament into an ageist Parliament where we are told that we are young. There is no space for ageism in this Parliament.

The ACTING CHAIRPERSON (Mrs L M Maseko): Thank you hon Hlengwa. Hon Cele, please continue.

Mr M A CELE: Then ... [Interjections.] hon Thembekwayo, we were listening when you were talking. The resolutions that you were talking about are of the ANC and you know it. All of what you were saying comes from the ANC. [Applause.] Then I wanted to say something about the Competition Commission to say that the work that they are doing we are really pleased with and it must be said that the Competition Commission has won an international award for the work that it is doing. [Applause.] And also to say that there are many jobs that have been saved

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through the Competition Commission as the Minister alluded to.

[Interjections.]

Isizulu:

Abakini abadilivayo. [Ubuwelewele.]

English:

I think we must thank the Minister and say well done because we have been able to save 19 681 full-time jobs and also 23 949 part-time jobs in the Edgars Group. If this Competition Commission was not around those jobs were not going to be saved. Our people would have been left outside starving. And also at Coca-Cola where they increased black-ownership and getting the Anheuser-Busch InBev, AB InBev, to agree not to retrench workers. That is very pleasing to us as the ANC and we are appealing to the government that they must put more money to the Competition Commission because we can see the work that is done by the Competition Commission. Thanks.

[Applause.]

The MINISTER OF ECONOMIC DEVELOPMENT: Hon House Chair, thanks to all the speakers who have contributed even those we disagree with. Hon Coleman's suggestion that we should set

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more ambitious targets for the IDC in the light of the enormous challenges that the country faces is excellent, and I am going to take that on board and follow it up. Hon Hlengwa, the suggestion you have made that the skills and education must be the centre piece of our contribution is well made. In fact, the fee-free higher education is an enormous boost of putting investment in young people, in building that one very important resource that is critical to industrial development and that is the education and skills in the economy.

Hon Shaik Emam, thank you for the examples you have given on collusion. Commissioner Bonakele is present today in the House and I think he took very careful note of what you said, and of course where we get credible evidence we will follow up and investigate. So, thank you for that. Hon Matsimbi makes a very important point that in our development trajectory we can't aim at South Africa being simply a nation of spaza shops. We must aim for black South Africans to come into the mainstream economy to run mines, big farms, large factories, huge hotels and so on. That's when you begin to unlock the talent pool of all South Africans to grow this economy. This economy must draw on black South Africans and white South Africans. It is

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an economy that can grow by bringing more people who have been historically excluded into the mainstream.

Hon Pikinini makes a point around local procurement and I am going to follow up the suggestion he has made with regard to both the textile industry that has lost jobs, but also more broadly his call on retailers to partner with government and manufacturing to grow the economy and jobs in South Africa.

Hon Mfulo, I think you have hit the nail on the head with the proposal that we must look at the challenges of subcontractors. The problem that many small construction companies have is the power imbalance, and part of what we are doing now in the big construction companies having a requirement to build the turnover of the smaller subcontractors, is to change that power dynamic and transfer skills and opportunity to many of the smaller players. We are certainly going to follow up the challenge that you have put to us.

Hon Tleane makes mention of the example of the IDC investment in a tin mine in the DRC, and it is an example that came up in the portfolio committee. What we did there was that we put a condition to our support that procurement must be from South

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African suppliers rather than suppliers drawn from Germany, South Korea or China. In fact, it is done very well and to date, more than R170 million worth of procurement has come from South Africa. Over the next 12 months we estimate that it would probably be about another R300 million worth of investment.

Hon Atkinson, thank you for the comments on the Fourth Industrial Revolution and for appreciating the work that the IDC is doing to begin to look for opportunities there for our country. Hon Cele reminds us of something very important. In our competition authorities, i.e the Commission, Tribunal and Competition Appeal Court, we have world-class institutions. South Africans need to be proud of institutions that work and hold people to account, and are, in fact, now being emulated elsewhere in the world. I have had calls from people from other parts including the United States and Europe, who want to know our example of competition because they see that we have found a better blend than traditional competition policies do between competition and public interest. Let us celebrate that. Let us say that the Commission, Tribunal and courts have done very well there. [Applause.]

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Parliament is a House of democracy and there are many people who have come here today to listen to the debate. They may be surprised by some of the rough language but that's how democracy is, to give everybody the opportunity to set out their store. Of course, we need to bear in mind that there is an election coming up soon and therefore, every party would want to say why they should be in government. But even when that is so, when we have progress as we can show substantially with our work on competition; as we can show very clearly with industrial investment; as we can show so clearly to township residents who, 24 or 25 years ago, had no electricity and most townships were dark townships, today they have electricity. Those are successes we can all celebrate as South Africans.

My call to the opposition would be to celebrate with us the many things we achieving as a country even when you hold us to account on what we still need to do. What we saw today was a really interesting example. In the one corner - and hon Cardo was very constructive in our portfolio committee - but hon Cardo today articulated a view that I would put on the one extreme in society; a view which says, cut labour laws, limit black economic empowerment and simply use the free market; and magically, everything will happen.

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On the other side, we have in the other corner the hon Thembekwayo who says, implement wide scale nationalisation without compensation. Just go out and confiscate land. And there, different to that, is the ANC position of maturity which says, we need transformation that is bold and urgent; let us use the legal instruments and transform the society within the constitutional framework; create jobs for our people; localise things in the economy; create opportunities for young people to come in; ensure that there are lights in the township; ensure that there is water; and do all the things that ensure young people in rural areas can have access to school. That vision in the Freedom Charter and which is set out in the ANC policies – I think you can see – is neither of the two extremes.

Hon Atkinson makes an interesting example of West Germany. I think we can learn from the rest of the world as there are valuable lessons out there. However, I'll also point out, in addition to points made, that West Germany when it was West Germany had strong labour laws, and today's Germany had strong labour laws. They had strong trade unions. They had arrangements where workers would even sit on the board of the large companies in Germany. They had very strong protections

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for ordinary people and they made a success because they built partnerships.

If you look at the new dawn and what President Ramaphosa has put on the table, it's a call for partnership. It's a call to get organised labour, the business community and government working together. So, when we look at the examples out there, we can see that those examples mirror what we are now doing as South Africa, and it really confirms for us that there is a way in which we can build the economy in the conditions of decent work with the labour practices.

Hon Thembekwayo urges us to read the EFF platform. We have done so and particularly the proposal on the sovereign wealth fund. I would say to hon Thembekwayo that I would happily give her a copy of the New Growth Path. It was adopted by Cabinet in 2010, and 2010 is many years ago. In it, it raises the issue of a sovereign wealth fund. Therefore, come home and, in fact, support the policies of government because those policies are powerful policies. Let me raise this issue.

Mr S N MATIASE: House Chair, on a point of order: Can the Minister sit down?

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The ACTING CHAIRPERSON (Mrs L M Maseko): No, no, no! You can't say that! You are out of order! Hon Matiase, on what point or rule are you rising?

Mr S N MATIASE: I rise on a point of order.

The ACTING CHAIRPERSON (Mrs L M Maseko): Okay, let us hear your point of order.

Mr S N MATIASE: Talk is cheap; money buys whiskey.

[Interjections.] Minister, what have you been waiting for if you have such a noble idea from 2010?

IsiXhosa:

ILUNGU ELIHLONIPHEKILEYO [off the mic]: Hayi suka!

English:

Mr S N MATIASE: What have you been waiting for? Why have you not implemented that?

The ACTING CHAIRPERSON (Mrs L M Maseko): That is not a point of order, hon Matiase.

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The MINISTER OF ECONOMIC DEVELOPMENT: I'll take that as a question and the answer is very simple. All sovereign wealth funds which have been launched anywhere in the world have to be aligned to the commodity cycle. We have looked at sovereign wealth funds in Chile, Norway, Singapore and so on.

[Applause.] When the time is ripe, we will launch it. You don't do that when your commodity prices are coming down. That is really the answer I want to give.

Hon House Chair, I would like to come to the two last remarks. The one is to say that we have the principal of Heathfield High here with a number of economic students and I would just like to welcome them and ask the House to support these young people who are looking at the study of economics. I hope out of them may be many people who can contribute to the work of government in future. [Applause.]

I also want to indicate that Madiba's demand that there be work, bread, water and salt is what motivates us. What we have set out here is a practical achievement of how we can, in fact, move forward. I would like to thank my colleagues in the Economic Cluster, who have worked with us to improve the lives of our people: Deputy Minister Masuku, the heads of agencies,

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Chairman Moloi [16:09:08], Commissioner Bonakele Nzimande, Dr Thom and the staff of EDT, Anita Loots and the PICC staff, and hon Coleman and the members of the portfolio committee for the excellent work that all members of the committee have done. Thank you very much for this enriching debate. Thank you.

[Applause.]

The ACTING CHAIRPERSON (Mrs L M Maseko): Guests in the gallery, please! Hon members, you are reminded that the debate on Human Settlements Budget Vote will take place at 16:15 in the Old Assembly Chamber, and the debate on Communications Budget Vote will take place also at 16:15 in Committee Room E249.

Debate concluded.

The mini-plenary session rose at 16:11.