

A plan to nowhere

by **Dean Macpherson MP** – DA Shadow Minister for Trade, Industry & Competition

House chairperson, the Department of Trade, Industry and Competition has become the department of masterplans.

There is a masterplan or the prospect of a masterplan for every economic problem that exists in South Africa.

They are hypnotic in their promise of prosperity, and the Minister and his deputies are their three-piece band, playing a seductive tune of vision and success, but that can only last so long or until the lights go out.

Our country has seen it all and many a snake oil salesman has come before us with wizardry and illusions.

RDP, GEAR, ASGISA, the 9-point plan, Operation Phakisa, the NDP, the Economic Reconstruction and Recovery Plan and now the master plan.

However, we are told that this form of plans is different, it is the plan of all plans, a plan so divine and inspired, it could only have come from on high, and therefore it is the one which will finally work.

We just need to give it a little bit more time and a lot more money.

Because trillions of Rands and 27 years later haven't been quite enough.

But let me tell you Honourable Members, it is a plan that leads to nowhere.

And what does the ANC have to show for all these plans?

- Record unemployment
- Record inequality for black South Africans
- Record poverty levels for black South Africans
- Record malnutrition amongst black children

If you want to understand what the net result of all these plans have been since 1994, it is the simple truth that life is getting worse for all South Africans and black South Africans particularly.

And don't take my word for it, let me tell you the story of Sandile Mkhwanazi, a young black wine farmer in the Western Cape.

A year ago, Mkhwanazi predicted his business would collapse, not because of the Covid-19 pandemic, but because of the ridiculous alcohol bans this government enforced because they stole all the money that should have been used to build up the healthcare system.

He simply could not get rid of the 35 000 bottles of wine he was ready to sell when the ban arrived. Along with Mkhwanazi, another 25 black and coloured farm workers lost their jobs.

No master plan was there to save Sandile.

Think about this, BEE and then BBBEE has been around for over two decades. Flagship plans and programmes of the ANC to reduce inequality and create jobs for black South Africans.

The truth is, they have had EXACTLY the opposite effect.

It has made black South Africans more unequal because BEE has only sought to put more money in the hands of the politically connected at the expense of ordinary black South Africans.

And what has the ANC's response been? Well, President Ramaphosa said we need to "intensify" BEE.

That should do it!

He's also a big fan of the Black Industrialist Programme. Another plan of course, which has seen money funneled to the ANC's most faithful.

Another plan is that of localisation. Much spoken about but little understood.

It's the new buzz word in cabinet these days, much like the "4th industrial revolution" was in 2019.

Don't you remember how ANC speaker after ANC speaker used to say the phrase in the hope that it would magically bring it about?

Well now we have localisation. If we say it enough times and designate enough products, then surely it will just happen?

That's according to the Minister of Small Business who has recommended to Minister Patel that he designates 1000 products for 100% local content including wedding dresses, cat and dog food, furniture, electrical appliances, sexual enhancing boosters and other bizarre things.

This is utterly insane and the type of logic which will only drive the cost of goods and services through the roof.

Just yesterday, Intellidex released a report that said localisation is only possible under certain conditions and they include most importantly, policy certainty to ensure production pipeline continuity which is next to impossible with this government.

They further warned that this could lead to price increases of up to 20%.

For the last two years I have been warning against this anti-competitive practice of tariff protection which is much loved by Minister Patel and which only leads to price increases for consumers.

The poultry industry is a great example because, multibillion Rand, JSE listed companies have managed to extract huge tariff increases on imported chicken, of which we have to import because we don't produce enough all the while, local chicken prices have been rapidly increasing.

Just this morning Astral said "I think there is some headroom to move up prices over the next few months".

More pain for more South Africans.

Any guess to how government will fix this? Yes, you guessed it, a masterplan. Just what they need.

Steel prices have soared over last few years while big monopolies continue to receive tariff protection because they are unwilling to modernise and compete with open markets.

What's the solution? Another plan of course, the steel masterplan.

And no, that's not an ANC book on how to crook the country.

So, what's the solution?

For starters, we need the government to stop messing around and start vaccinating people.

It's not good enough to be vaccinating 7000 people a day.

Most of you in this budget vote will be long gone by the time your name gets called up if we continue at this rate.

We simply can't afford to have an economy limping along because of ANC state incompetence.

Secondly, we need to stop picking winners and losers in the economy.

Whether it be sugarcane, poultry, steel, auto's, clothing and textiles, we don't need master plans, we need coherent government policy that drives competition, lowers costs and broadens market access.

But in order to do that, we need this government to decide what it wants, to either be an inward, protectionist focused economy or one that is outward focused to compete internationally.

We need to be an economy that is for the many, and not for the politically connected under the guise of BEE and the black industrialist programme.

We don't need economic reservations for those that are already fabulously wealthy.

We need government entities to treat everyone fairly and stop propping up state monopolies.

The competition commission has no problem with monopolies like SAA, Eskom and now the Post Office trying to snuff out competition on small packages.

Honourable members, the choice is now ours.

We can continue on a plan to nowhere or we can choose a plan to prosperity, but the later won't come from this government or this minister.