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| Combined Budget Votes Address to the NCOP by the Deputy Minister Fikile Majola, M.P. 24 July 2019 |
| Honourable Chairperson  Minister Ebrahim Patel Minister Ntshavheni  Deputy Minister Gina Members of the NCOP Distinguished guests   This budget vote debate takes place when our country is confronted by severe challenges and our people continue to endure the persistent triple challenge of inequality, poverty and unemployment.   In the midst of these challenges we want to re-iterate our message of hope that as resilient patriots we shall overcome.   Our immediate task is to grow the economy and create jobs. In order to realise this remarkable accomplishment we must extend our focus beyond the South African market of 57, 73 million population and expand to the African market with a projected population of 1, 2 billion people.   In this regard, one of the major milestones towards achieving economic sustainability for the continent is the establishment of the African Continental Free Trade Area (AfCFTA) which Minister Patel referred to.   The AfCFTA is one of the AU’s Agenda 2063 flagship projects which is aimed at enabling Africa to significantly boost intra-Africa trade. It is intended to improve economies of scale, promote regional integration and place Africa on a sustainable industrialization trajectory.  The AfCFTA was unveiled in March 2018, in Kigali Rwanda. In June 2019 the 8th African Union Ministers of Trade (AMOT) meeting took place in Addis Ababa (Ethiopia) as part of the roadmap for the completion of the negotiations on the AfCFTA.   The meeting was followed by the extraordinary summit of the African Heads of State and Government. This summit took place in July 2019 in Niamey, Niger to witness the historic moment of the official launch of the operational phase of the AfCFTA.  These remarkable events marked Africa’s commitment to the creation of an integrated and diversified market of approximately US$2.5 trillion.   To date, 54 countries (with the exception of Eritrea) have signed the Agreement. All member states are required to submit their initial tariff offers by September 2019. The effective date of trade of the AfCFTA is July 2020.   The establishment of the AfCFTA can be a game-changer for our economy, providing a massive market for SAn goods and services. South Africa is the largest contributor to intra-Africa trade, accounting for approximately a quarter of intra-Africa trade in 2018 with a value of half a trillion rand in goods traded with other African countries.   Honourable members,  The survival of our economy is dependent on the consolidation of African integration to forge ahead to a new way of thinking, the beginning of a new dawn and a step closer to the Africa We Want.   Another significant milestone worth mentioning is the recent signing of 93 trade agreements between South Africa and China valued at an estimated R27 billion. This marks a realisation of our economic development objectives in line with the existing comprehensive strategic partnership agreement of 2010, and the eight major commitments made at the Forum on China–Africa Cooperation (Focac).  Honourable Chairperson,  Galvanised by the vision of President Cyril Ramaphosa and our manifesto, we will continue to strengthen our work together with our provinces to achieve our mission to grow the economy and create jobs.   The Special Economic Zone programme is one of the strategic tools that will help us realise our economic objectives through industrialization. The purpose of this programme is to among other things focus on a comprehensive long-term planning that is coordinated across and within the various spheres of government and key agencies; Creation of new Industrial hubs and to attract foreign direct and domestic investments.  To this end, government has designated ten (10) SEZs in Seven (7) provinces. Some of these were designated as IDZs and (as such) are presently in the process of transitioning their institutional, governance and ownership structures in compliance with the requirements of the SEZ Act.  In Gauteng, the OR Tambo Industrial Development Zone aims to develop land around the OR Tambo International Airport in order to stimulate economic development. This multi-site development consists of several industry-specific precincts and will be developed in phases over a 10 to 15 year period.  The Coega Industrial Development Zone (IDZ) in Eastern Cape is the largest in Southern Africa. It is strategically located on the east-west trade route to service both the world and African markets. The IDZ has attracted investment in the agro-processing, automotive, aqua-culture, energy, metals logistics and business process services sectors.    The East London Industrial Development Zone (ELIDZ) remains one of the country’s leading specialised industrial parks characterised by innovation, efficiency, growth and sustainability. The ELIDZ offers growth oriented companies a specialised manufacturing platform, innovative industrial and business solutions access to new markets.   The Musina/Makhado SEZ in Limpopo comprises two geographical locations that address unique industrial clusters. The site in Musina targets the light industrial and agro-processing clusters and the Makhado site is a mineral beneficiation complex.    A third site has been identified to target the petro-chemical industries. This SEZ is strategically located along the N1 North-South route into the Southern African Development Community (SADC), very close to the border between South Africa and Zimbabwe. This makes it the location of choice for investment in the mineral beneficiation, agro-processing and petro-chemical industries.  It forms part of the Trans-Limpopo Spatial Development Initiative (SDI) and has been developed as part of a greater regional plan to unlock investment and economic growth, and address the development of skills and employment.    The Nkomazi SEZ in Mpumalanga is conceptualized as an “Agro-Processing Hub” that will be supported by mixed services such as warehousing and logistics. The targeted value chains that will underpin economic activity within the proposed Nkomazi SEZ include secondary and tertiary stages of processing among others, citrus fruits; sub-tropical fruits; aromatic plants/herbs; ground and tree nuts and sugar cane.    Complementing the SEZs programme is the structured programme for the revitalisation of the industrial parks located in old industrial areas across the country. These parks are recognised as catalysts for broader economic and industrial development.   Going forward we will focus on the following identified future industrial parks; In Gauteng we have identified Orlando West IP, Eldorado IP, Pennyville IP and Winterveld IP. In Eastern Cape we have identified Forth Jackson IP, and Butterworth IP. In Mpumalanga we have identified Kabokweni IP and Siyabuswa IP.      Honourable members,   Informed by our immediate tasks, working with the province of Gauteng we shall focus our energies on the finalization of the business case for the proposed Science and High-Tech SEZ in Ekandustria (Bronkhorstspruit); designation of the Automotive SEZ in Tshwane and investment promotion for the OR Tambo SEZ.  In Limpopo, the focus will be on finalising the planning for bulk infrastructure and consolidation of the signed investments for the Musina SEZ and the finalisation of the business case for the proposed Tubatse SEZ in Burgersfort.   We shall continue to ensure that the incentive package offered by the SEZ programme is available for companies in these zones which among others include: Reduced 15 % Corporate Tax incentive; Employment Tax Incentives; Vat free and Duty free for companies located in Custom Controlled Areas and Infrastructure Support.  As I conclude, we draw courage and inspiration from the words of the extraordinary son of the soil, Isithwalandwe-Seaparankwe, Nelson Rolihlahla Mandela when he says; “Sometimes, it falls upon a generation to be great. You can be that great generation. Let your greatness blossom.”   I thank you! |