**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**FRIDAY, 26 AUGUST 2022**

**DUE DATE: 9 SEPTEMBER 2022**

**2472. Mr A M Shaik Emam (NFP) to ask the President of the Republic:**

Given the state of the economy, high levels of poverty, joblessness, poor living conditions, corruption at all spheres of government, service delivery protests and the closure of both big and small businesses, what plans does the Government have to (a) address the failures of previous plans and policies and (b) engage all role players to forge a new path to prosperity?

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**REPLY**

There are several reasons for the severe economic challenges our country is experiencing today. The accumulated legacy of colonialism and apartheid has been compounded by the effects of state capture and corruption, by the devastating COVID-19 pandemic, by an energy crisis that has lasted for more than a decade, and now by global instability.

The Economic Reconstruction and Recovery Plan (ERRP), crafted in partnership with social partners at NEDLAC, is government’s response to these economic challenges. Since it was launched in October 2020, this plan has helped to restore some of the jobs that were lost, support vulnerable households and firms, and place the economy on a path to growth.

The plan includes the following key areas of intervention:

* A massive rollout of infrastructure, which will be achieved by unlocking new public and private infrastructure investment through building capability in Infrastructure SA and the Infrastructure Fund, reviewing procurement frameworks, and providing catalytic funding through blended finance instruments.

To date, 34 out of 50 strategic infrastructure projects are in implementation stages, accounting for R281 billion out of a total budget of R340 billion.

* Achieving energy security, by improving Eskom’s performance and rapidly expanding generation capacity through a diverse energy mix.

In addition to the measures in the ERRP, in July 2022, I announced further measures to ensure Eskom achieves an acceptable energy availability factor, to accelerate the procurement of new capacity from renewables, gas and battery storage, facilitate greater private investment in generation capacity and transform the electricity sector.

While government is accelerating and expanding its power procurement programme, there are currently over 80 private generation projects, with around 6,000 MW of capacity, at various stages of development.

* An employment stimulus to create jobs and support livelihoods through public and social employment.

Since its inception in October 2022, the Presidential Employment Stimulus has created over a million work and livelihood opportunities for unemployed South Africans. Of the participants, over 80% are youth and over 62% are women.

* Renewed support to grow South African businesses, by pursuing new areas of growth through industrialisation, localisation and export promotion, helping SA businesses to thrive and expand.

As part of this work, master plans have been finalised in eight industries – clothing, textiles, footwear and leather, poultry, sugar, automotive, furniture, steel, tourism and forestry – resulting in total investment commitments of R82.5 billion and the creation of 6,500 jobs.

The 4th South Africa Investment Conference in March 2022 raised investment pledges to the value of R332 billion. This brings the total value of investment commitments since 2018 to over R1.1 trillion.

* Implementing economic reform measures to reduce the cost of doing business, lower barriers to entry and create a more competitive and inclusive economy.

Some of the progress to date includes the auction of high-demand broadband spectrum, the identification of possible private sector partners for container terminals at the Durban and Ngqura ports, enabling third-party access to the freight rail network, clearing the water use licence backlog and significantly improving turnaround times, publishing a revised Critical Skills List and completing a comprehensive review of the work visa system.

Given the severe economic and social challenges our country is facing, government has been working with social partners towards consensus on the key tasks that we need to undertake together to address these challenges.

Underpinned by the ERRP, negotiations are underway through NEDLAC to finalise a ‘Framework for a Social Compact in South Africa’. This will form the basis for a broader engagement with all stakeholders and all South Africans on decisive actions to address unemployment, poverty and inequality.