

**THURSDAY, 10 OCTOBER 2019**

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***PROCEEDINGS OF THE NATIONAL COUNCIL OF PROVINCES***

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The Council met at 14:01.

The Chairperson took the Chair and requested members to observe a moment of silence for prayers or meditation.

**ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS** - see col 000.

**NO NOTICES OF MOTION OR MOTIONS WITHOUT NOTICE**

(Announcement)

The CHAIRPERSON OF THE NCOP: Order, hon members. In accordance with Council Rule 247(1) there'll be no notices of motion or motions without notice.

Before we proceed to questions, I would like to take this opportunity to welcome the President.

**QUESTIONS TO THE PRESIDENT**

**THE PRESIDENT OF THE REPUBLIC:****Border control/security**

1. Ms S Shaikh (Limpopo: ANC) asked the President of the Republic:

Whether, in light of the concerns that were raised regarding border control and security to deter illegal immigration, the proliferation of drugs and various forms of cross-border crimes, the Government is developing any mechanisms and processes in order to strengthen border control; if not, why not; if so, what are the relevant details?

CO240E

The PRESIDENT OF THE REPUBLIC: Chairperson of the National Council of Provinces and hon members, over the years, government has put in place various measures to strengthen border control around our country. These interventions culminated in the decision to establish the Border Management Authority, BMA, which would take responsibility for all functions that are related to the management of our very broad borders. The Border Management Authority Bill was introduced to Parliament during the term of the fifth administration and is currently under consideration here in the NCOP.

It is envisaged that the authority will be responsible for border law enforcement functions at the ports of entry around our country. In anticipation of the establishment of the BMA, transitional

arrangements have been put in place to strengthen the overall co-ordination and management of role-players at the ports of entry and the borderline environment.

Once established, the BMA will ensure a more efficient processing of people as well as goods that move into the Republic around the 72 ports of entry into South Africa. It will strengthen our capacity to address border threats that could undermine the country's security, and social and economic development.

Another mechanism is the border policing strategy to ensure effective and efficient combating of transnational crimes and other crimes within the border environment. The strategy is being implemented in phases.

In addition to the police and Home Affairs, the SA National Defence Force, SANDF, plays a critical role at the various ports of entry. Through the National Security Strategy, the SANDF has developed a long-term strategic view focused on specific threats to the sovereignty of the Republic and the authority of the state. As part of this strategy, 15 army subunits have been deployed for border safeguarding. However, more still needs to be done in this regard. The deployment of personnel needs to be augmented with resources such as hi-tech equipment to cover such an extensive borderline, be it on land, at sea or in the air.

We also continue to sustain long-range maritime and air patrols, particularly in the Mozambique Channel and extend such patrols to the West Coast. The SANDF is working with those countries that share borders with South Africa through bilateral defence and security arrangements, to improve co-ordination.

Government has deployed a significant amount of resources and put in place extensive measures to control our borders, but the extent of the challenges and the sheer length of our land and sea borders mean that much more still needs to be done. The BMA represents a paradigm shift that will elevate South Africa's border control to a new level of effectiveness.

The challenges of illegal migration and cross-border crime require a range of responses. Central among these is a better management of our borders and ports of entry, but as the recent attacks on both our own nationals and foreign nationals demonstrated, there is also a need for more effective and consistent policing within South Africa, improved engagement with affected communities and co-operation with countries from which many of the foreign nationals come. A good example of the latter is the agreements reached with the government of the Federal Republic of Nigeria during the state visit of His Excellency President Buhari last week. For example, the two countries agreed to establish a joint warning mechanism that will enable us to share information and also to respond to concerns

that may be raised with a view to ensuring that we avoid the type of situation that we experienced a few weeks ago.

Through the application of a range of complementary measures, I am certain that we will be able to address issues of illegal migration, drug and human trafficking, and other cross-border crimes. These measures are all meant to ensure that we indeed create a much safer environment for the people of South Africa. Thank you very much.

[Applause.]

Ms S SHAIKH: Ndi masiari [afternoon] hon President.

The PRESIDENT OF THE REPUBLIC: Ndi masiari a vhudi [Good afternoon.]

Ms S SHAIKH: Hon President, thank you for your response with regard to the border control and security measures that are in place, as well as the indication of the number of SANDF units that are at the border. This is indeed a measure or a sign that our borders are being managed.

However, in light of the tensions that have arisen on the continent following attacks on foreign nationals within our borders, has government started engaging other countries on the continent to develop a comprehensive way of managing immigration? If not, why not, and if yes, what are the relevant details? Thank you.

The PRESIDENT OF THE REPUBLIC: We have started a number of initiatives to engage with a number of role-players on our continent as well as within our own country. In our own country we are doing quite a lot to engage with diaspora fora that represent a number of nationals from other countries. We are engaging in discussions with them at a number of levels.

As you well know, I have sent envoys to a number of countries on the continent to go and explain more fully and comprehensively what happened in our own country, and also our own position in terms of setting out our values and what we stand for. In doing so, we have found great reception from a number of countries where our envoys went. They understood precisely what happened and also understood the steps that we were taking.

In the course of doing all that, we as a Cabinet felt that we should have a fact-finding mission that will come to our country and work together with a number of other people, including the Human Sciences Research Council, HSRC, to find out exactly what really happened. This we want to do with a view of avoiding these types of incidents in future.

We have also engaged with a number of our own people in discussions as well as with various communities where foreign nationals are currently residing. All of this will culminate in a process where we

will be able to have a much clearer position in as far as handling the issue of migration.

Migration is a huge challenge on the continent, and may I add, globally, and the continent itself is in the course of discussing this matter. However, it has to be discussed much more speedily. The problem, of course, is that as there are reactions from nationals against migrants from other countries, there are always issues of competition for resources and services, and when that happens, it sometimes manifests itself through violence, which was actually a bad type of manifestation in our own country.

So, all these matters have to be discussed, and as we discuss them we are also going to rely on the wisdom of a number of people; leaders across the board – religious leaders, community-based organisation leaders, as well as sporting leaders, because our sports were also affected in all this when our sporting teams were prevented from going to play in other countries. So, we are utilising a multifaceted approach to address this problem and challenge. We think we are making good progress. We think once the fact-finding mission also finally starts its work, it will find that there is fertile ground in as far as information sharing and giving is concerned, and they should be able to come up with what I would regard as good recommendations. So, we are on a good, good course to addressing this challenge. Thank you very much.

Mr M DANGOR: Mr President, thank you very much. Resulting from the wrong perceptions, many people died in Gauteng, with most of the people who died being locals and not foreigners as such.

What programmes has the Presidency and the state put in place to address nonracialism, nonsexism and democracy in South Africa to promote the society that we all want?

The PRESIDENT OF THE REPUBLIC: Part of the work that we are doing is aimed at addressing precisely what I call fault lines. They are fault lines that manifest themselves through racism and even tribalism. During the course of these events we also saw the ugly face of tribalism rearing itself, and as you correctly say, hon Dangor, there were a number of people who died. Most of them were South Africans, while only two foreign nationals died, which we are truly sad about because there should never really be any loss of life. Violence that results in the injury of persons and the loss of life can never really be justified. It is for this reason that we are insisting that there needs to be more tolerance and understanding, and we need to be promoting the values that are enshrined in our Constitution; those of nonracism, even nonsexism and nontribalism. There should never be any form of prejudice that will be exercised or perpetrated against others.

It is for this reason that we are embarking on a process, a campaign really, of engaging all and sundry; as I said religious

organisations and a number of political organisations as well, so that we are all at one in as far as condemning violence and intolerance, and promoting more and more that as South Africans we should be embracing one another. Indeed, we should also embrace foreign nationals.

What we are also saying is that ... and this was so clearly and well articulated during my meeting with President Buhari because he said that he calls upon those from other lands, that when they come to South Africa they must obey the laws of the country, and similarly we say South Africans must also obey the laws of our country. If we can all commit ourselves to doing that, then everything becomes a lot easier. It basically means that if you're a trader you should trade within the parameters of the laws of South Africa. You should not be an illegal trader. If, for instance, you obtained a visa to come into the country, you should not suddenly just melt away and run away from the authorities in complete disregard of the laws of the country.

So, the rule of law is therefore important. It's another important aspect that we would like everyone to adhere to. We want to inculcate this as much as we possibly can and spread a message to all our people, including those from other lands, to observe and abide by the rule of law. If we do that, we are also in a greater position of promoting the values of nonracialism, nonsexism, nontribalism and also nonregionalism because regionalism also seems

to come into play in all this. So, we want all those very negative attributes to be obliterated from the face of South Africa so that South Africans are able to live in peace with themselves but also side by side with those from other foreign countries. Thank you very much. [Applause.]

Mr S F DU TOIT: Chair, through you, hon President, you mentioned that tribalism took place during the recent violent outbreaks in South Africa. I want to know whether you agree with your Cabinet members, Ministers Naledi Pandor, Mapisa-Nqakula and Mr Bheki Cele, that the recent outbreaks of violence were merely criminality and not xenophobia. Thank you.

The PRESIDENT OF THE REPUBLIC: Yes, I am on record as saying that South Africans are not xenophobic. We are not, and the acts that took place were, sort of, driven by criminality. Some of them were so criminal that people attacked certain shops and stores. Some of it was with the view of stealing the goods that are sold in those stores and to take them for resale elsewhere in other stores. Now that is sheer criminality and whoever the store owner could've been, whether it could've been a South African or a non-South African ...

So, those are acts of sheer criminality and that is precisely what we are totally against.

As it manifested itself, it did so in a way that looked like attacks were being levelled against foreign nationals, but inherently it was not to attack foreign nationals. It mutated into that. However, what it then did was to position us very negatively to the world. The pictures that were shown to the world were that South Africans were attacking non-South Africans. They were attacking foreign nationals. We were at pains to say that we condemn criminality, but as it mutated and manifested itself in the form of targeting foreign nationals, we condemned that too. It was for that reason that I sent envoys out, and when I sent envoys we explained precisely this picture. That is why the police then acted and arrested more than 280 or so people who were involved in acts of criminality. Those people will be charged and brought to book for their acts of criminality that they perpetrated. Thank you.

Mr G MICHALAKIS: Mr President, the vast majority of Zimbabwean and Congolese nationals in South Africa are here because of political instability in their own countries. The great majority of them are good people. Their leaders, however, are not. Yet, over decades your government has made more effort, through your soft diplomacy, to be kind to these ghastly leaders than kind to the people of those countries.

We have a duty to provide them with asylum and yet Home Affairs officials seek bribes to issue documents. However, not a single one

of them has been fired for this. They do exist. They want bribes in order to give the necessary documents to these asylum seekers.

When will your government start taking a strong stance against these human-rights violators in the interest, not only of our own country, but also of the people of those countries that are our friends?

Thank you.

The PRESIDENT OF THE REPUBLIC: With your permission, hon Chairperson, it seems to be a double-barrelled question.

With regard to the first part, I should say that last week I spent more than six hours with the Department of Home Affairs. It was a valuable six hours where they explained to me the work that they are doing. I was hugely impressed with the commitment, the patriotism and the loyalty that the majority of the civil servants who work for the Department of Home Affairs displayed, not only during the presentations that they put forward to me but in me just observing some of the work that they are doing.

One of the things that they have done is to set up an anticorruption unit – or do they call it a countercorruption unit – within the Department of Home Affairs. It is dedicated to investigating corruption. It has been able to identify a number of officials – and there are not many – who participate in corrupt activities. It's an ongoing process. I asked them what they do with them. They

discipline them, and if the disciplinary process results in them being dismissed, so be it. I am told that some are even charged.

So, I found that to be quite refreshing coming from a government department, where a government department demonstrated that, indeed within its own environment, it is seeking to deal with corruption; recognising that there is corruption. The Minister informed me about another grouping of workers or civil servants that was also going to be dealt with because they had been found to be perpetuating or practising corrupt activities.

With regard to the care that we demonstrate to asylum seekers, we have been informed by the UN High Commissioner for Refugees that we are among the very few countries that have a very clear policy that we put in place, because they have found as they examined us, that indeed when it comes to giving due care to those who seek asylum and refuge in our country, we do subscribe and actually implement the precepts that are put out at international level.

We should do that because when people leave their countries because their countries are at war or involved in war, or there is strife, once they present themselves at our borders in South Africa, we are duty-bound, in terms of international conventions, to receive them, accept them and start processing them. The processing is arduous but we have set up offices that do precisely that. There are reception centres that are aimed at doing precisely that.

Our policy internationally is to promote human rights. We promote human rights and we seek to work with various countries in the world, various organisations and indeed, various leaders as well. From time to time we do engage various leaders if there are challenges and problems that have a negative impact on human rights. It may well be that some may want us to stand on rooftops, on the top of mountains and shout and scream, and condemn certain individuals or leaders. We exercise engagement; we exercise an approach of discussing matters with a whole variety of leaders, with a view of having an impact and an influence. This is an approach which we believe works best. It is tried and tested, and we have seen quite a lot of success that is taking place on the continent.

The continent is on the move with regard to the observance of human rights and practising democracy, and this is an Africa that is developing and moving forward. Some people may like it; some people may not like it, but Africa is moving forward. Thank you very much.  
[Applause.]

### **Feedback on Eskom crisis**

2. Mr D R Ryder (Gauteng: DA) asked the President of the Republic:

Whether, following his appointment of Deputy President David Mabuza in February 2019 in his capacity as Leader of Government Business to head a Cabinet Committee to look into the crisis at

Eskom, the Deputy President reported back to him regularly on the matter; if not, what is the position in this regard; if so, (a) what are the recommendations and (b) what are the further relevant details?

CO234E

The PRESIDENT OF THE REPUBLIC: Hon Chairperson, due to the urgent need for government to stabilise Eskom and deal with energy demands of the country, especially in the wake of load shedding, the Deputy President David Mabuza was appointed in February 2019 to lead the special Cabinet committee on Eskom.

Prior to the elections in May 2019, the Deputy President regularly apprised Cabinet on the work of the committee, covering such issues as consultations with organised labour on the separation of functions at Eskom, improvements in coal supply, measures to address Eskom's financial difficulties and progress made by the Eskom technical review panel.

With the reconstitution of all ministerial committees and Cabinet committees at the start of the sixth administration, there is no longer a special Cabinet committee on Eskom. Instead, Eskom is now a standing item on the Cabinet agenda where the Minister of Public Enterprises apprises Cabinet on the progress that we are making in Eskom's turnaround efforts in particular on cost curtailment, revenue growth and functional restructuring.

On plant performance, Cabinet receives reports on the implementation of the nine-point recovery programme which aims to fast-track improvement in generation performance and plant availability. Under this programme coal stock days have improved and are currently above the required minimum of 20 days. Government has taken bold steps to shore up Eskom's finances and also to lay the basis for longer-term sustainability. This is necessary because Eskom does not generate sufficient cash from operations to cover its interest payments, debt repayments and capital expenditure requirements. Eskom's financial challenges are mainly due to unsustainable operating costs caused by expensive coal contracts, high headcount, overall operating inefficiencies, high debt service costs, corruption in procurement and the excessive cost of the construction of Medupi and Kusile.

In the Budget Speech in February 2019, the Minister of Finance allocated R69 billion to Eskom over the next three financial years. In July, the Minister of Finance presented a Special Appropriation Bill for additional funding of R59 billion for the 2019-20 and 2020-21 financial years to further assist with the going concern situation of Eskom and other financial challenges. Government has proposed a range of conditions to be imposed on Eskom in order to receive this additional funding. These conditions establish certain requirements with respect to the entity's finances, operations and governance.

It is broadly accepted that Eskom's current structure is outdated. As announced in the February 2019 state of the nation address, Eskom is in the process of being restructured into three separate subsidiaries. The restructuring of Eskom will be detailed in the Special Paper on Eskom which is planned for release later this month. Over and above the financial recovery, the newly appointed chief restructuring officer is developing potential solutions for Eskom's debt. The process to appoint a new Group CEO will also soon be concluded. The board of directors of Eskom will be strengthened with additional members with the relevant technical expertise to lead the turnaround strategy for Eskom. Much progress has been made to stabilise Eskom since the load shedding earlier this year. With the publication of the Special Paper on Eskom and the implementation of its recommendations, we will shift from crisis management to sustainable recovery for Eskom. I thank you. [Applause.]

Mr D R RYDER: Through you, Mr Chair, thank you Mr President for your answer. Sir, similar to your appointment of Mr Mabuza, we knew you were the Deputy President and the Leader of Government Business. President Zuma appointed you in December 2014, and I quote: "...specifically for overseeing the turnaround at Eskom". And that was in 2014. I believe that you have failed the country and that you should shoulder the blame for the situation that we find ourselves in.

Minister Gordhan is on record having said that Eskom was a state capture project. You are complicit. Why didn't you intervene to save Eskom and the country's economy when you had the chance and you were given a full responsibility to do so?

The PRESIDENT OF THE REPUBLIC: Was that the question? [Laughter.] Okay. So, I was the leader of the state capture project. It's very nice. Well, I guess one should be quite direct in answering the question because the hon member is hallucinating a little bit. In indirect answer, I think what we have been observing with what have been happening at Eskom is that we have been dealing with a really deep-rooted problem of corruption and state capture. In my own sense, if there was an entity of government that was totally and completely captured, it was Eskom. It was easy to capture because they were able to see how big it is. It is the biggest corporation in our country that generates revenue that is far above many other companies in our country. Once they set their eyes on Eskom as a target, they went in with a great deal of effectiveness. Quite a lot of what was happening there was hidden and it is only coming to light now through the various commissions that are now under way.

Even as we had the war room, we could see there were challenges and they seemed to be more technical as well as financial. But it had to take a lot of digging and in the end, finally find that some of the suppliers were overpaid. Quite a lot of money was being siphoned out without even invoicing and all that.

Let us pay tribute where tribute is due. Let us pay tribute to the work that the various commissions are doing to fathom exactly what has happened in Eskom. In the end Eskom will be completely repositioned because much of what we have been doing over this time was to seek to reposition it.

It is very easy to point fingers and to find people who are to blame. My own approach is that, let us all work together to try to reposition Eskom. Eskom is too big to fail and it is far too important to fail and it is far important to do finger pointing.

What we now need to do is to reposition Eskom and look at the restructuring that is ongoing. What I outlined here is something that we should all applaud and say we can now see the light of day, and we can see that something is being done. We are going to appoint a CEO; we are going to appoint add and augment the board, and we are going to deal with the debt. We are dealing now with the operation aspects, the technical aspects. We are working hard to complete the two power stations. And we also have to deal with the challenge of nonpayment. A combination of all these give rise to a challenge that all of us should face up to and address with a view to finding solutions. If ever there was a time, this is not the time for finger pointing. This is time of trying to bring good ideas together to solve the problem. Thank you very much, Chairperson. [Applause.]

Tatana S M GANA: Tatana Presidente ndza swi twa leswaku lowu a hi nkarhi wa ku lava ku kuma mikutlunya, kambe ndzi lava ku kambisisa swin'wana... *(Translation of Xitsonga paragraph follows.)*

[Mr S M GANA: Hon President, I know that this is not the time to score political points, but I want to establish something ...]

... especially with the document that comes from the Treasury that Minister Mboweni had been spearheading. One of the suggestions in that document is that Eskom should sell some of its coal-fired power stations. I want to check with you whether you agree with this. As the President do you agree that some of Eskom's coal-fired power stations should be sold off on auctions, and what are you going to do about this?

Also, if it's going to be actioned can you please give us a way in which your leadership and your Presidency is going to make sure that this becomes a success so that at the end of the day, we solve our energy crisis.

Ndza khensa, Mutshamaxitulu. [I thank you, Chairperson.]

PRESIDENTE WA RIPHABILIKI: Mutshamaxitulu, na mina ndza khensa swinene. Xivutiso lexi xi ta endla leswaku hi kota ku vulavula na ku twanana kahle leswaku Eskom hi yi yisa kwihi. *(Translation of Xitsonga paragraphs follows.)*

[The PRESIDENT OF THE REPUBLIC: Chairperson, I also thank you very much. This question will enable us to engage and come to an agreement with regard to where we are taking Eskom to.]

There is a paper that is currently in discussion. I don't know whether you are one of those who did make any submissions because there are 754 submissions that were made to the paper that was released by the Treasury. Working through all those submissions and, indeed, one of the proposals that were put up there is that we should consider selling off some of the power stations. We have to decommission a number of power stations. You might know that some of our power stations are more than 37-years-old. Once a power station reaches that life and begins to move towards 40 years and more than that, it has reached the end of its life and has to be closed. In closing it, we have another challenge to deal with the ramifications of the closure of those power stations. We now have to deal with an issue called a just transition because they have to be closed and you cannot stop that. You then have to look at where those power stations are located: the workers who work in those power stations; the communities around those power stations have settled and they have built; do you want those towns to become ghost towns or not; and what are we going to do with giving the people around those power stations and workers a just transition and migration forward. Clearly, this gives rise to a number of proposals.

In selling of power stations, we have to ask ourselves which power stations will be sold. Are you going to sell the ones that are closing or are you going to sell the new ones? In my book, you are not going to sell the new power stations because they are the ones that are the crown jewels of Eskom. Who will buy the old and aging power stations? You may never find a buyer because they are aging and going to close. Unless somebody comes forward and say I will buy this power station and I would want to operate it for the next 20, 30 or 40 years; I will breathe life into it and give the people around that power station a new lease of life; I am an entrepreneur and I know how to sweat this asset and involve communities; and I will involve workers as part of this scheme. Now you are looking at a different proposition. But inherently, we are saying we are not in the business of selling power stations, no. Which power station will we sell?

As we have been looking at the restructuring of Eskom, we have been saying that, firstly, we are not privatising Eskom. Eskom will be calved into three entities, and one entity will be generation. We have also been saying that in generation we have realised that already there are quite a number of other generators of electricity - a number of other entities are already generating electricity. Some are doing it through renewable energy, wind power, sun power and some are doing it through biomass. So, there are quite a number of other generators. But in the end, Eskom will remain the main generator of electricity and that must remain state-owned. While you

accommodate a number of generators we will generate electricity and sell it into the grid. You should also have a grid company that deals with transmissions. And that too must be state-owned.

Distribution is another entity that needs to be looked at because a number of municipalities are already distributors of electricity. So, you already have different types of architecture when it comes to distribution. Eskom is the main player in distribution but there are a quite a number of municipalities that also distribute. This whole ecosystem of generating electricity needs to be looked at in its fullness and totality.

What I like to make it clear is that we are not privatising Eskom. We are going to be looking at smart partnerships that can be struck. It is possible that we can have smart partnerships with other entities on certain aspects of Eskom. The smart partnerships is what we would promote whilst the state continues to have full control over transmission, and yes, on parts of generation.

The state will continue to play a role in distribution. That is the architecture that is playing out. But the main important aspect is that we want partnerships with the private sector. The private sector is going to play a key role with us as we restructure this electricity behemoth that we have. It is when we involve the private sector that we would be able to modernise and embrace renewable energy technologies because they are coming at us fast and furious.

We also have to be responsive to climate change. Climate change is coming at us and the private sector is the main player in climate change technologies and we are also saying that Eskom must also play a role in climate change technologies. It must not be left behind. It is for this reason that we say Eskom is just too big to fail. It is too important for us to ensure that it succeeds. Thank you, hon Chairperson. [Applause.]

Mr D R RYDER: On a point of clarity, Chair. Can I just ask, does that mean, yes, Mr President?

The CHAIRPERSON OF THE NCOP: No, please sit.

Cllr T B MATIBE: Ri khou livhuwa phindulo dze ra nekedzwa nga Muphuresidennde. (*Translation of Tshivenda sentence follows.*)

[We thank the President for the answers he has given us.]

[Interjections.]

Ms C LABUSCHAGNE: Chairperson, I rise on a point of order. The Rules make provision for a point of clarity. Why can't we make a point of clarity on something that is in the interest of the nation?

The CHAIRPERSON OF THE NCOP: Please, proceed, hon Matibe.

Cllr T B MATIBE: Ndo livhuwa Mudzumatshidulo. Muphuresidennde, zwine ra wana musu ri tshi khou tshimbila na vkhethelo hashu nga mafhungo a Eskom ndi uri zwine vhadzulapo vha khou lila ngazwo ndi zwa uri: mudagasi u khou dura. Ri fanela u sedza uri sa muvhuso, ri na pulane naa dza u thusedza kha hezwo zwithu.

Ri khou dovha hafhu ra livhuwa phindulo ye vha nekeda kha mafhungo a u dzudzanyulula Eskom. Tshinwe tshine ra fanela u sedza hafhu ndi tsha uri musu ri tshi khou ita mushumo uyu wa u dzudzanyulula Eskom, vhashumi vha do kwamea zwingafhani? Nahone izwi zwothe zwi do thusa hani u alusa ikonomi ya Afurika Tshipembe? Ndo livhuwa.

MUPHURESIDENNDE WA RIPHABULIKI: Mudzumatshidulo, ndi a livhuwa Vho Matibe, ri khou lingedza nga ndila dzothe uri ri vhee Eskom vhuimoni havhudi uri i kone u bvela phanda na u ita mushumo wa ndisedzo ya mudagasi Afurika Tshipembe lothe na kha mashango o fhambanaho a tshipembe ha Afurika. Ri khou lingedza u i tikedza, ri vhone uri na vhashumi vho takala. *(Translation of Tshivenqa paragraphs follows.)*

[Cllr T B MATIBE: Thank you, Chairperson. Hon President, what we notice when we visit our constituencies regarding Eskom is that the communities are complaining about expensive electricity. We, as government, must ensure that we have put plans in place to assist in this regard.

Thank you again for the answer you gave regarding the restructuring of Eskom. Another thing we must also look at is, while we are restructuring Eskom, how the workers are going to be affected; and also how it is going to assist the growth of the South African economy. I thank you.

The PRESIDENT OF THE REPUBLIC: Chairperson, thank you. Hon Matibe, we are doing all we can to turn around Eskom so that it can continue to supply electricity to the entire South Africa and also to various countries in Southern Africa. We are putting in effort to assist it and also ensuring that the workers are happy.]

As I was saying about the issue of the just transition that we are looking at and as we now know, I think it has become much more clearer also to a number of working people that as these power stations age - and it happens all over the world - they are built to last a number of years. The problem is that the older they become the more expensive they become and they are to run. The breakages become even more frequent and you spend much more money to keep them going. They come to a point where their lives come to a dead end.

In answering your question, what we need to do is to collectively define what just transition is. This is a conversation that we say should be embarked on. We need to define what just transition is. Just transition is a buzz word around the world and we are saying let us define what just transition is. It has to have key elements.

These elements have to be the socioeconomic future of the places where those power stations are. Quite a number of them have become towns. What is the socioeconomic future for them? We need to plan around that but in an inclusive way. We also need to look at what happens to the workers who have been working in those power stations. Are we going to reskill or upskill them and are we going to open up new opportunities for them? Are we going to look at all those areas as new centres where renewable can actually be developed? And if there are, what ways are we going to embark on to reskill those workers so that they could immediately migrate.

Other countries have done so successfully. They have been able to create more jobs where coal-fired or fossil-fuelled power stations have closed down and new sources of energies have come up. More jobs have been created. It is a difficult task and it's not going to be easy and that is what we need to say to our people. What we are saying is that all of us must embark on a process to define what just transition is and to work towards that transition.

I am one who is strong in ensuring that we should never get to appoint where we have not spent time in defining what just transition is, and what that just transition will be in terms of taking care of the ordinary people who work in our power stations and in the towns that were created around those power stations in the eventuality that those power stations would be closed. Thank you, hon Chairperson.

Nk L C BEBEE: Sihlalo weNdlu, ngibingelele kuMongameli ohloniphekile, ukudlondlobala kwalezi zikweleti zika-Eskom ikhona okuyingqinamba enkulu evimba ukuthi kube nozinzo ekusebenzeni. Mongameli ohloniphekile, ngabe uHulumeni unalo yini iqhinga angasiza ngalo ekuqoqeni izikweleti komasipala nakubahlali abahlomulo ngqo ku-Eskom? Nokuthi, kungenzeka yini ukuthi kube namathuba omsebenzi ukuze kuliwe nale ngwadla yokuntuleka kwemisebenzi? Ngiyabonga, Sihlalo.

UMONGAMELI WEZWE: Sihlalo ohloniphekile, ngibonge kakhulu kulowo mbuzo owubuzayo ngoba eyona nkinga enkulu esinayo wukuthi umphakathi, abantu bakithi abasebenzisa ugesi banoku ngakhokhi imali uma bewusebenzisile lowo gesi. Bayawusebenzisa ugesi kodwa uma sekufanele ukhokhelwe bavele bamele kude bathi, hhayi, imali asinayo. Lokho kwenza ukuthi u-Eskom - lo owenza ukuthi sibenawo ugesi - ungabe usaba nayo imali yokwenza lo gesi futhi kungakhoke isikweleti sika-Eskom silokhu sikhuphuka siya phezulu. Uma izinto zingashintshi siziyeka zibe nje kuzofika isikhathi lapho i-Eskom ngempela isikweleti sakhona sizoba sikhulu kakhulu nayo futhi i-Eskom izoba senkingeni yokungakwazi ukwenza ugesi, kube mnyama la eNingizimu Afrika. Manje akufanele ukuthi kuze kufike kuleso sigaba. *(Translation of isiZulu paragraphs follows.)*

[Ms L C BEBEE: House Chairperson, greetings to the hon President. The escalation of Eskom's debt is a major obstacle preventing stability in operations. Hon President, does the government have a

strategy to help in collecting debt from municipalities and residents who benefit directly from Eskom? Is it also possible that there will be job opportunities in order to fight this rampant unemployment? Thank you, Chairperson.

The PRESIDENT OF THE REPUBLIC: Hon Chairperson, I'm very much thankful for the question asked because the biggest problem we have is that the members of the public, our people who use electricity, do not pay after having used it. They use electricity but when they have to pay, they stand at a distance and say, no, we don't have the money. Therefore, Eskom will no longer have money to produce this electricity and Eskom's debt will continue to increase. If things don't change and we just let them be, there will come a time when Eskom's debt will be too big and Eskom will be unable to generate electricity. South Africa will be in darkness. Now, it must not get to that stage.]

All of us need to know that when we use electricity there is a cost to it. We cannot just say Eskom and the government will carry the cost. We've embraced and accepted the principle of user-pay where the user of any service does pay. When we use our cellphones and talk for however long, we all know, and even a small child knows, that it costs money and you must pay. I always use this example. The same applies when it comes to electricity, the same applies when it comes to water and the same applies when it comes to a whole range of things. This culture has developed, wrongly so, amongst our

people that when it comes to electricity, the government will carry the can and we can continue using as much electricity as we can. That is a wrong culture. We want to change that culture. The boycott culture is over. We are no longer in the boycott period. Boycotts were used as an effective weapon during the days of the struggle and it paid dividends. It got us where we are. Part of the instruments we used were boycotts and now we must pay to take our country forward. If all of us as South Africans want this county to move forward, we have to pay our electricity bills just as much as we pay for our cellphone bills.

I don't just understand why you would pay to talk on a cellphone like what that cellphone was doing now. [Laughter.] Maybe there is no airtime in it. But I don't understand why we would pay for cellphones. I site cellphones because they are a new technology. We are all new payers to cellphones. Many years ago we didn't have cellphones and now we have them, and we know that there is a cost. We pay every month for our cellphones. Similarly, we must pay for our electricity and water.

As a government we are going to launch massive a campaign to encourage our people to pay. We are going to spread it throughout the length and the breadth of the country and call all South Africans to pay their charges. But because we are a caring government, we have even gone to say there would be those indigent families who would have some kilowatts that they will be exempted

from. But in the end all of us as South Africans must pay. It is our civic duty and responsibility to pay.

When it comes to creating jobs, we are working day in and day out to find ways of creating jobs. Part of the paper that was referred to earlier is aimed at doing precisely that - how we can remove constraints in our economy, how we can unlock the energy in our economy and get our economy going to make sure that we create more and more jobs. This is precisely what we are seeking to do. Thank you very much. [ Applause.]

The CHAIRPERSON OF THE NCOP: I just want to say two things. All of us know the Rules. Cellphones should be off. Secondly, please, raise your hand early as there are only four supplementary questions. Thank you very much. [Interjections.]

Mr S ZANDAMELA: On a point of order, Chair.

The CHAIRPERSON OF THE NCOP: Yes.

Mr S ZANDAMELA: Hon Mokause's hand was up. Can you correct this thing of selection of names, please?

The CHAIRPERSON OF THE NCOP: We will try to the best of our ability from the Chair to spread the questions amongst all of us as far as

possible. But don't assume that because you have raised your hand, your hand is one of the four. It may be late. [Interjections.]

Mr S ZANDAMELA: Chairperson, we are not assuming.

The CHAIRPERSON OF THE NCOP: Thank you very much. We will try our best.

Mr S ZANDAMELA: Yes, please.

The CHAIRPERSON OF THE NCOP: Thank you very much.

### **Review of Stimulus Package**

3. Mr K M Mmoiemang (Northern Cape: ANC) asked the President of the Republic:

(1) Whether the Government has reviewed the Stimulus Package as part of the strategies to revitalise and bolster job creation; if not, why not; if so, what are the relevant details;

(2) whether this includes concerted efforts to leverage opportunities that are presented by the 4th Industrial Revolution in order to create economic opportunities for rural communities and the youth; if not, (a) why not and

(b) when will the review take place; if so, what are the relevant details?

CO241E

The PRESIDENT OF THE REPUBLIC: In response to the country's first recession in nearly a decade, in September 2018, I announced an Economic Stimulus and Recovery Plan to ignite economic activity to restore investor confidence and to prevent further job losses and create new ones. Most of the measures announced in the plan now form part of the government's Medium-Term Strategic Framework to 2024. The government has been tracking implementation of the plan and has reported progress in the February and June state of the nation addresses.

In the reprioritisation of public spending to support growth and job creation, for example, the Land Bank has been allocated almost R4 billion over the Medium-Term Expenditure Framework period to support black commercial farmers.

An allocation of R600 million has been made to support rural and township entrepreneurs.

For critical posts in health, R28 billion has been allocated to a new Human Resources Capacitation Grant, with 2 888 posts already filled.

There have been additional allocations to public employment programmes. These have also involved industrial parks and municipal infrastructure.

More than 17 000 projects valued at over R174 billion are expected to be implemented by municipalities over the next three years.

As part of township revitalisation, 10 industrial parks have received new investments, including industrial parks in Botshabelo, Seshego, Isithebe, Komani, Vulindlela, Babelegi, Phuthaditjhaba, Ekandustria, Garankuwa and Nkowankowa.

Since the upgrade of infrastructure in the Botshabelo Industrial Park, for example, the occupancy rate has increased from 75% in 2015 to 82% in 2018 with 19 new investors attracted to the park.

Detailed work has been undertaken towards the establishment of the Infrastructure Fund, which includes elements such as blended finance, project preparation and strengthened accountability and transparency.

The government has set aside R5 billion over the medium term for blended finance proposals.

To ensure that young people in particular benefit from these and other stimulus measures, we have identified several growth sectors which have a high potential to absorb young people.

We are engaging with these sectors, including tourism and agriculture. Further work is underway through the enhanced industrial policy to encourage new models. The government has also stepped up its work to improve investment climate in our country.

Our inaugural Investment Conference which was held in October of last year drew commitments of R300 billion. We will host the second South Africa Investment Conference in November, and I encourage the provinces to work with Invest SA, the IDC and others to ensure that the regional opportunities are presented to investors as well.

There are several related initiatives by government to leverage opportunities presented by the Fourth Industrial Revolution.

In April this year, I appointed the members of the Presidential Commission on the Fourth Industrial Revolution. We have also published the final policy on licensing of high-demand spectrum.

Access to data is an important element of the Fourth Industrial Revolution.

The Competition Commission has been working with mobile network operators to look at how price-based competition in mobile markets can be improved.

At the time that I announced the stimulus and recovery package, the economic data showed that South Africa was in a recession. Since then the economy has grown. Though still not at the level that we wanted to grow, but we are beginning to see some green shoots.

Incorporating many of the measures that we are taking, the strategy that we are going to put out is expected to place our economy on a new trajectory of growth.

As I said, we will be coming out with clear details of how the Treasury paper that was published, including a whole number of other elements that have to be embarked upon to inject growth into our economy will converge into this strategy as we will be presenting it in the next few weeks ahead of the Medium-Term Budget Policy Statement. Thank you, Chairperson. [Applause.]

Mr A B GXOYIYA: Hon Chair, let me welcome the detailed response by the hon President. However, I need to say that it's sad that I didn't hear the mention of the Northern Cape in the list of projects that he has mentioned. I would have loved to hear the Northern Cape. However, the follow-up, hon President, is in relation to the

R15 billion that was set aside in the reprioritisation budget, particularly for infrastructure.

I want to check, hon President, if maybe the government has already identified priority areas where those projects will take place and also what that means in practical terms. As a follow-up as well, the President was in the Northern Cape not very long ago in the Heritage Day celebrations and the Premier of the Northern Cape was clear in terms of raising the challenges of the Fourth Industrial Revolution, especially with regard to the rural areas.

So, we want to check if there is any strategy or intentions to develop a strategy for connectivity in the rural areas so that we can be able to take ICT to the rural areas to ensure that people of the rural areas can have access, firstly, to jobs as well as to bring them into the main stream of the economy in the country.

Lastly President, in terms of the Investment Summit outcomes, we were happy to learn that the bulk of those investors are local investors. But we would be interested to hear the President's view on the assessment of the international investments. Thank you very much.

The PRESIDENT OF THE REPUBLIC: Chairperson, the Northern Cape may not have been mentioned in those projects. However, the Northern Cape stands out as a very special province in as far as our focus is

concerned. We are working very closely with the provincial government to identify the areas in which we can have rapid results and rapid growth. The provincial government and the premier are actively involved with us to develop the investment book for the Northern Cape. That investment book will identify all those areas where all these funds that we have said should be released for infrastructure and other projects should be able to go.

So, we are keeping a very close eye on developments of an infrastructure nature for the Northern Cape but also of a growth nature. Mining remains one of the key growth drivers for the Northern Cape. We are also looking at how mining as well as infrastructure can be utilised to generate more growth in the Northern Cape.

On the Fourth Industrial Revolution, particularly when it comes to the issue of connectivity, we are insisting that as we will release a spectrum, and have broader band, we want to focus more attention on the rural areas because they are often most neglected by operators, private sector and others. We are saying that is exactly where we want more focus to be because there should be no area or region in our country that is left behind.

With regard to international investors, last year when we held our Investment Conference, we had a very good mixture of both international and local. As you correctly say, the local were in

greater number, the companies that made commitments, and I am pleased to say that a number of those companies have lived up to the commitments that they have made. Some of them, international ones are also living up to it. In a few weeks' time, we will be launching a new investment that was announced at the Investment Conference and is made by an international entity which is very good.

We obviously want to be more and more attractive to international investment. Our indications are that South Africa continues to have the lion's share of the inflow of foreign direct investment into the African continent. Last year was a particularly good year for South Africa. We would like to bolster our positioning so that we continue to remain an attractive destination for investment.

For this reason, we are focussing on the ease of doing business. As you look at this paper from Treasury, it focuses on removing all the constraints, all the blockages and ensures that South Africa does become a country where there is ease of doing business. If we do that, we are then able to attract more and more investors to our country. Thank you very much. [Applause.]

Mr S F DU TOIT: Chair, thank you for the opportunity. However, I raised my hands on the previous question and then I was cut short and overlooked. I think there is a misunderstanding. Maybe it's someone else in this section. Thank you.

Mr J J LONDT: Hon Chair, Londt and Landsman are close enough. So, I will take that question. Thank you so much. [Laughter.] Hon President, since the stimulus package that was announced in September 2018, we have lashed from call to call to bail out state-owned enterprises. But there is still a gaping wound being left in our economy. We don't seem to be able to really make sure that these state-owned enterprises work as they should.

Hon President, there is a huge concern that I have in Mossel Bay in the Southern Cape. There is a third largest gas-to-liquid refinery in the world that is still operational. End of next year, it is going to close down. There are 1 500 jobs that we are going to lose and many more indirect jobs that we are also going to lose. I want to know what proactive steps you are taking to attract foreign investments or local investors specifically for PetroSA in the Southern Cape with the emphasis we have in supporting the rural economy. We think there is a building partnership with private companies. What are you doing with everything in your power to ensure that not a single job opportunity will be lost in that economic driver in the Southern Cape? I thank you.

The PRESIDENT OF THE REPUBLIC: Hon Chairperson, the Minister of Mineral Resources and Energy, Minister Mantashe, is spending quite a lot of time talking to a number of players in the private sector. Some of the efforts that he is making are aimed at addressing precisely the challenge that the hon member has raised. With a view

to seeing how best the real problem that we are going to face when we run out of gas, how we will address that and whether we can restructure PetroSA in a way that will ensure that we either find a new resource or we don't lose the jobs that we could lose there. He is spending quite a lot of time and he said, "President, I am attending to this problem and I will come and brief you about the efforts that we can make in that regard".

So, the jobs of the workers in PetroSA remain prominent in our minds and in our heads. We will be seeking to do everything that we can. The challenge, of course, that we face is that the gas that was being exploited there is depleting and wasting resource. In order to ensure that you address the problem, you have to either find a new source to renew that so that the third largest refinery that you are talking about remains a valuable asset for the people of South Africa.

Therefore, we are quite aware of this challenge. We will be seeking to do that. I will be going there at some stage to go and see how best we can lend a hand in the challenge that our people are going to be facing there. Thank you very much. [Applause.]

Mr E R LANDSMAN: Chair, I think it is the sabotage of 'without land'. [Laughter.] Hon President, good day. I come from Danville, Mafikeng, in the North West. There is also another Danville in Gauteng. People from Danville in Mafikeng, would like to ask the

President whether the government, as part of the Jobs Summit, agrees to extend the Employment Tax Incentive for another 10 years. Has the government already worked out modalities for implementation of this as a government; if not, why not; if so, what are the relevant details?

Ek is Eric Landsman, Mnr President; 'n man sonder 'n land. [Gelag.]

Die PRESIDENT VAN DIE REPUBLIEK: Ek is baie bly om dit te hoor.

*(Translation of Afrikaans paragraphs follows.)*

[Mr E R LANDSMAN: I am Eric Landsman, Mr President; a man without a country. [Laughter.]

The PRESIDENT OF THE REPUBLIC: I am very glad to hear that.]

Yes, as part of the Jobs Summit undertakings, it has been agreed that the tax should be extended for another 10 years. This tax has been found to be very beneficial. It has yielded more benefits than we actually talk about because it has been able to bring in quite a number of young people into the job situation.

The modalities are what is now being reworked and refashioned as I know. But all that is going to come back to the Jobs Summit Presidential Committee. The Deputy President and I decided that we are going to focus on issues of job creation and that every first

Monday of the new month, we will go to the National Economic Development and Labour Council, Nedlac, bring together all those partners who were part of the Jobs Summit agreement so that we all get to hear the progress that is being made. May I say that the last meeting that we had recorded a lot of progress that has been made. It is progress that I was most impressed with because we are getting all the partners now to focus on various sectors of our economy and bring in sector players to come into the meeting and outline their own challenges and difficulties so that we find ways of addressing them without any waste of time.

One of the things that we addressed is the time that it takes for permits to be granted and we are now shortening all that. We had sector players who came and explained to us that the length of time that it takes to get water permits is far too long and we had the water people who came and explained why it should not take shorter ... We get them to make commitments that they will live up to. So, we have had wonderful sessions following the Jobs Summit process. This is where we all got a sense that we are beginning to move forward.

I insisted that I no longer want to hear about constraints, red tape, blockages and all that because it's usually talk, talk and talk. I said I want the specifics. If people are complaining about water licenses that take too long, we must bring the water license people to come and explain to us why it's taking long.

In a way, put their feet to the fire and say, why can't you cut it down? And we were very pleased to hear the water license people, for example - I am just choosing them - saying that they are now able to cut the water license application down quite considerably. Now, I have said to them, "bring me what you used to do in the past and what you are going to do". I want to see what the percentage is because I literally want 70% cut in waiting time if not more.

So, we are beginning to gain traction on issues that had been causing problems. I have challenged the private sector. I have said, "come forward with the issues that are causing problems". We want practical things. We just don't want newspaper headline talk. We want the things that now need to be done to turn the economy around. I believe we are arriving at that moment when we will turn this economy around, the real economy for that matter. Thank you very much. [Applause.]

Mong M S MOLETSANE: Mopresidente, o ile wa bitsa Seboka sa Mesebetsi; wa boela wa bitsa Seboka sa Matsete; wa boela wa kgetha baemedi ba kgethehileng ho tsa matsete ba etelletseng pele ke ntate Trevor, mme ... *(Translation of Sesotho paragraph follows.)*

[Mr M S MOLETSANE: Hon President, you called a Jobs Summit; again you called an Investment Summit; and you also chose a Special Investment Envoy led by Mr Trevor, and ...]

... all those efforts, which include your stimulus package, have not led to any improvements to the economy, job creation and reduction of poverty because your misguided mentality is that we will grow the economy through foreign direct investment with the state sitting on the sideline, not doing anything. Where have you ever seen economic growth without state playing the central role?

Ke a leboha. [Thank you.]

MOPRESIDENTE WA NAHA: Ke a leboha mohlomphehi. Ke e utlwile hantle ntho eo o e buang. (*Translation of Sesotho sentences follows.*)

[The PRESIDENT OF THE REPUBLIC: Thank you, hon member. I heard you clearly.]

Our state plays a key role in the economy of our country. The challenges that we have heard in terms of getting the state to play its best role have been challenges of state capture, where those entities that are meant to play the key driving role had been weakened. Our Eskom, which we were talking about earlier, has been weakened. But prior to it be weakened, Eskom was able to play a sterling role in driving the electricity project in our country. You will remember prior to 1994, very people in our country had electricity and Eskom was able to spread electrification connections throughout the length and breadth of our country and made it a point that many of our people have electricity. And similarly, Transnet,

which also plays a key role in our economy, has been able to lead modernisation efforts in a number of places where it operates our ports, freight, rail and so forth.

As regards the SA National Roads Agency, Sanral, which builds our roads, the country is what it is today in terms of road network largely because Sanral has played that key role. Sanral now faces challenges because of the debts that it carries for a number of reasons where there has not been sufficient payment. So, I can count quite a number. The state has been playing a key role in the economy of our country.

Now, we have reached the stage where our own resources as a state had become constrained, and because our resources had become constrained, the state which is supposed to play, yes, that key and leading role has been slowed down. The reason why we are trying to increase the capability of the state, and to reposition the state is to enable it to continue playing that very key and critical role. The state should be entrepreneurial. It should be an innovative state. It should be a leading state and be able to encourage the private sector to invest.

Now, 70% of our economy is a private sector-led. That's a reality that we cannot run away from. But the state playing that 30% role in our economy has been able to play a very critical role and the improvements that we see with housing, hospitals, water

reticulation, electricity, the roads and all that, who has done it? It's the state that has been leading the role. In doing so, it has actually been driving economic growth. The building of more than 4 million houses has happened because the state played that role. What came with it was economic growth, yes; manufacturing had to happen for bricks, cement and all that.

So, I think it's a fallacy to think that the state in our country is not playing a role. It has always played a role. The state wants to continue playing the role under this administration, and the state will play a leading role, an innovative role, an entrepreneurial role and it will show the way. But it will also be seeking to work with the private sector, and encourage the private sector to invest; we want to crowd the private sector in to invest as much as possible.

So, we see ourselves as a state that leads, but we see ourselves as a state that also works with other role players and particularly the private sector and labour. That's how we want the state to be seen and the role that it should play.

Jwale, ha o re mmuso ona ha o na karolo eo o e bapalang, ka nnete, ha ho na nnete mono. Ha ke batle ho bua ntho e tswileng tseleng ke re ke leshano, empa ha ho na nnete e felletseng mono. Ke a leboha.  
[Mahofi.] *(Translation of Sesotho paragraph follows.)*

[Now, when you say the state does not play any role, honestly that is not true. I don't want to say something out of order and say that's a lie, but that's not true at all. I thank you. [Applause.]]

### **Victims of Asbestosis**

4. Ms M O Mokause (Northern Cape: EFF) asked the President of the Republic:

Whether, with regard to the victims of asbestosis who even marched to the Union Buildings in 2018 for intervention regarding the relief that was due to them, particularly in the John Taolo Gaetsewe District Municipality in the Northern Cape (details furnished), any interventions have been made in this regard; if not, why not; if so, what are the relevant details?

CO246E

The PRESIDENT OF THE REPUBLIC: The Asbestos Relief Trust and the Kgalagadi Relief Trust were established following a settlement reached in litigation instituted by mineworkers and the Gencor group of companies.

These trusts facilitated compensation to qualifying mineworkers who suffered from asbestos-related diseases. The settlement in the amount of R650 million, which was made an order of court, was a private matter to which the state was not a party.

A group of aggrieved individuals, the Kgatelopele Asbestos Community, approached government complaining that they did not receive compensation from the Asbestos Relief Trust. Their complaint is premised on the role that they played during the litigation, in that their names were used in bringing the litigation, which led to the successful conclusion of the settlement.

The community has since approached the Department of Mineral Resources and Energy with a request for assistance. The department convened a meeting between the community and Mr Richard Spoor who was involved in the aforesaid litigation and settlement.

A memorandum of understanding was signed in which Mr Spoor undertook to assist the community to make submissions to the Asbestos Relief Trust and Kgalagadi Relief Trust to consider making payment to persons whose names were used to successfully conclude the settlement of claims.

Mr Spoor further undertook to finalise these submissions within three to six months from 20 August 2019 and to provide monthly updates to the department.

Since government has brought the parties together to facilitate a resolution to the matter, it is recommended that the relevant departments must be updated regularly by the parties on the progress to resolve this matter.

I believe this matter is being reviewed with a view to ensuring that it is resolved and that justice is meted out to the people who feel aggrieved at this point in time. Thank you, Chairperson. [Applause.]

Ms M O MOKAUSE: Mr President, the communities and the victims need urgent attention of government in this matter. This matter has been running for a very long time. We note the commitment towards this settlement and we also note that companies have taken responsibility. But Mr President, families, mothers and breadwinners have died and some of the victims continue to suffer without any compensation.

What role does government play in terms of regulating payments of these victims and the companies that are appointed to administer such funds? Their track record is dodgy and questionable like that of Richard Spoor Incorporated. These companies have actually admitted that they were at fault. What does government at this stage plan to do in taking action against these companies? We believe that these companies should be prosecuted and jailed because our people continue to suffer the fate. Thank you.

The PRESIDENT OF THE REPUBLIC: As I said in my initial reply, this matter was a result of litigation and it was instituted at a private level where government was not involved, and there was a settlement. Following that settlement things have not worked as well as they should have and an appeal has now been made to government.

As I indicated, government is now going to monitor the implementation of the agreement that has been arrived at. So, we will be an interested party to make sure that there is justice for our people. Had we been a litigant in the whole process, we would have been more actively involved right from the word go, but we were not and we only come in later when there were problems.

Now that the matter has been raised with us, we are now going to ensure that we keep close to this by getting updates and ensure that what has been agreed to and committed to does become something that is implemented.

But your point is well made. Our task as government obviously is to ensure that our people are not taken for a ride, they are not cheated, and they are not robbed of what is due to them, particularly people who have suffered in this way as a result of what happened in the mining industry - the asbestosis claims and all that. We are prepared and willing to follow that up. Thank you very much. [Applause.]

Mr A B GXOYIYA: Hon Chairperson, we just want to bring to the President's attention the importance of this particular matter and emphasise that indeed many lives have been lost and they continue to be lost. We also want to check with the President whether it is possible that as the Department of Mineral Resources and Energy gets updates they keep dynamic contact with those victims so that they

are also updated in terms of developments. We also want to take it further and check if there are possibilities of the Bar investigating this particular matter, particularly on the allegations of misappropriations of these funds by the parties in leadership? Those are the two things we wanted to check, President. Thank you.

The PRESIDENT OF THE REPUBLIC: Chairperson, the answer to that is yes. As I said in my initial reply, we want to be kept informed on this and we want to follow the money as it were and see exactly how that has been done because there are problems here. I think we need to wait for all the reports to be brought in.

We will communicate with the Ministry and ensure that the Minister does follow this up, which in a way should not be that difficult to do, particularly in view of the fact that lawyers and trustees who have been involved have said that they will give us updated reports. So, we will be waiting for those updated reports and where there is malfeasance and foul play then obviously those should be taken up with the various bodies whether it is the Bar or any other entity. Indeed if there is any crime that has been committed that needs to be followed up as well. So, I am confident that this matter, having come to light, will now be followed up at the Ministerial level and we will make sure that we get to the bottom of all this. Thank you very much.

Ms M N GILLION: Chairperson, Mr President has answered the question. I do not have a question but I would like to take this opportunity and thank you for the way in which you handled the situation of the people of the Northern Cape because this asbestos issue is really killing our people. Thank you. [Applause.]

### **Plans to reduce gender-based violence**

5. Ms C Labuschagne (Western Cape: DA) asked the President of the Republic:

With reference to his plans in the Joint Sitting on 18 September 2019 to reduce gender-based violence (GBV) through implementing legislative and policy changes, what mechanism will be put in place to professionalise and train the police and social services in order to improve the quality of investigations into GBV crimes and increase the conviction rate of offenders in courts? CO237E

The PRESIDENT OF THE REPUBLIC: Hon Chairperson and hon members, a vital pillar of our emergency action plan on gender-based violence is to strengthen the criminal justice system. This is to ensure that justice is served, perpetrators are held to account, survivors do not suffer secondary victimisation and that the law does act as a deterrent. In pursuit of these goals, members of the SA Police Service undergo training programmes to professionally assist victims of gender-based violence. This training includes programmes on

children and youth at risk, domestic violence, vulnerable children, victim empowerment and the first responder to sexual offences learning programmes. More than 5 000 members have been trained since April 2019.

In addition, there is an initiative to train and capacitate female SA Police Service members who are placed at client service centres on the sexual offences for investigators' learning programmes. This training is aimed at creating a conducive setting for gender-based violence victims, especially female victims, who find it difficult to report such crimes to male officers. In addition to these measures undertaken by the police, the Department of Social Development and the Department of Women, Youth and Persons with Disabilities have put in place a package of social services to improve investigations and increase conviction rates of offenders.

The government is providing funding to nongovernmental organisations, NGOs, operating in some police stations to provide counselling and psychosocial services to the victims of violence. Among other things, this is meant to enable victims to give quality statements and to reduce the number of cases which are later withdrawn by victims. The government is recruiting more social workers to reduce the huge workload for the police and social workers. The Department of Social Development is currently managing the Gender-Based Violence Command Centre which provides online counselling services such as trauma, debriefing and psychosocial

support. There is a toll free number that people can phone. The Gender-Based Violence Command Centre is the partnership with the private sector. It is imperative that other private sector institutions also work with the government to raise awareness of gender-based violence in this manner.

As outlined during the Joint Sitting of Parliament on 18 September 2019, we are committed to enhancing the safety of women in our country as a matter of urgency by making the necessary amendments to our laws and policies with a view to ensuring that perpetrators of gender-based violence are really brought to book. The government is making substantial additional funding available for a comprehensive package of interventions to make an immediate and lasting difference. These interventions are implemented across several departments as we speak, with monitoring and evaluation systems put in place to ensure fast and effective progress. I thank you.

Ms C LABUSCHAGNE: Thank you very much, Mr President, for the feedback on the mechanisms to improve the quality of investigations and convictions of gender-based violence offenders. As you well know that the Western Cape province implemented the new safety plan where they have appointed 3 000 new enforcement officers and 150 investigators to prepare dockets. Furthermore, each Minister has been assigned a safety priority for which they undertook to be accountable. So, Mr President, the Minister of Police, Mr Beki Cele, told the National Assembly last month that by 14 October, which is

next Monday, all police stations across this country will have sufficient rape kits. I would like to know from you, if you'll give us the undertaking today that there will be at least one rape kit for children and one rape kit for adults in each police station across the country by Monday 14 October.

The PRESIDENT OF THE REPUBLIC: Chairperson, the issue of rape kits was raised during the Joint Sitting. We realised that there were quite a number of police stations in our country that do not have the rape kits that are essential to ensure that we immediately address the question of rapes that are perpetrated against women and children. We are now on the drive to make sure that each police station - as you correctly say - does have its own rape kits. I will be monitoring this myself because it is a matter that was raised by women. The women of our country raised this with me and asked me as the President, to make sure that there are rape kits in all the police stations and it was my directive to the Minister that that should be the case. So, I will be following this up to make sure that it does indeed become a reality.

This is because it has been found that the police stations that do not have rape kits are not able to administer the necessary care to rape victims. This is a weakness that we want to address and we will make sure that it does happen indeed. So, yes, we will make sure that it happens. [Applause.]

Ms B T MATHEVULA: Mr President ...

... vaakatiko va le makaya leswaku va kota ku pfuneka va fanele ku famba mpfhuka wo leha hikuva titliniki na switichi swa maphorisa swa pfala na madyambu, xikombiso; xitichi xa maphorisa xa muganga wa le ka Dzumeri, eGiyani, eLimpopo, ehansi ka Masipala wa Greater Giyani yi pfula na nhlekanhi ntsena na madyambu ya pfala. Xana hi tihi tindlela leti mi nga ta ti tirhisa ku endlela leswaku switichi swa maphorisa na titliniki ti pfula vusiku na nhlekanhi leswaku vaakatiko va ta kota ku pfuneka ekusuhi? Ndza khensa. *(Translation of Xitsonga paragraph follows.)*

[... when people in the rural areas need help, they have to walk long distances because clinics and police stations are closed in the evening. For example, the police station at Dzumeri, Giyani in Limpopo under Greater Giyani Municipality is open during the day only, and it is closed in the evening. What are the means that you will employ to ensure that police stations and clinics are open day and night for residents to get help nearby? Thank you.]

PRESIDENTE WA RIPHABILIKI: Ndza swi twa. Ndza swi tiva leswaku ku na titliniki tin'wana leti ti nga pfuleki nimadyambu, ta pfala hi 17:00. Eka switichi swa maphorisa, xitichi xa maphorisa xin'wana na xin'wana xi fanele ku pfula vusiku ninhlekanhi. I xitichi xa maphorisa xa njhani xo kala xi nga pfuli nimadyambu? Ku na swilo swo tala leswi endlekaka nivusiku leswi vanhu va faneleke va ya pfuneka

eka tona. Hi ta swi langutisisa sweswo swa switichi swa maphorisa. Leswi swa titliniki na swona hi ta fanela ku swi langutisisa kahle hikuva tin'wana titliniki ta pfula nkarhi wo lehanyana. Tin'wana ndza swi tiva leswaku ti pfala hi 17:00. Lexi i xiphigo lexi vatirhi na mihlangano ya vona va faneleke ku tshama hansa va burisana hi xona hikuva loko hi endla leswaku titliniki tipfula vusiku na nhlekanhi, swi ta vula leswaku ku fanele ku va na ku tirha hi ku siyerisana kanharhu, nhungu wa tiawara hi ku ya hi nsiyerisano. Leswi swi vula leswaku ku ta fanela ku va na ku vulavurisana na mihlangano ya vatirhi valavo ku kuma xintshuxo eka mhaka leyi. Xosungula, leswaku xitichi xa maphorisa xi nga pfuli vusiku ninhlekanhi a swi tsakisi. Swa boha leswaku xitichi xa maphorisa xi pfula vusiku ninhlekanhi. Loko tliniki yona yo pfula ...

*(Translation of Xitsonga paragraph follows.)*

[I do understand. I am aware that there are certain clinics that close at 17:00. With regard to police stations, every one of them should operate day and night. What kind of a police station is it that does not operate at night? There are so many things that happen at night which people need help with. We will have a closer look at the issue of police stations. The issue of clinics also need to be given a closer look, since some of them are open for a longer period. I am aware that some of them close at 17:00. Employees and their unions have to sit down and deliberate on this issue, because when we allow them to operate day and night, it would mean that there would be three shifts of 8 hours each. This means that there

should be engagement with the employees' unions to find a solution to this. Firstly, the fact that the police station is not open in the evening is not good. It is compulsory that police stations should operate day and night. If the clinic opens ...]

... longer hours, that would be desirable.

Hi ta swi languta na swona. Ndzi kombela leswaku mi ndzi nyika ntirhokaya ndzi ya swi languta kahle, hi ta vona leswaku hi nga swi lulamisa njhani ... *(Translation of Xitsonga paragraph follows.)*

[We will also consider that. I request that you give me homework to go and have a proper look at it so that we can see how we can remedy it ...]

... particularly when it comes to gender-based violence cases, our people do need to know that they can run to a clinic and indeed to a police station at any time because a clinic and a police station must be places of refuge where our people can go to and be properly served. So, we will look at that and see how best we can ensure that there is a more opening.

Now, when I went to the Home Affairs office - this is what I want to share - we found ... we opened a Home Affairs office in Maponya Mall in Soweto, and it is meant to work throughout the week and also the weekend. The workers and their unions felt that they needed to be

paid overtime to work on the weekend and felt that unless there could be an agreement that they will get their overtime, they wouldn't be willing to work. When the department did its own calculations, it found that this will be like almost permanent overtime and it would bring too much stress on its salary budget and felt that it could not easily accommodate it.

As it is now, the salary budget of the Department of Home Affairs is tilted way too high compared to what they should be able to do for capital investments. In talking to the unions, they said that if they don't agree to pay them overtime, then they won't work. As a result, this facility which I went to two or three years ago and found that it was absolutely a fantastic facility which is in a shopping mall, right in the township, a modern service facility which incorporates the various departments of government including the Department of Labour, the Department of Home Affairs, the Department of Social Development and many others, and now, I was told that it does not open over weekends. It actually militates against the intention that we had because the reason we opened it in a mall was that people go to the mall over weekends and that is when they have time to get government services. Now, it does not open. I have said that we then need to talk to the unions so that we get them to agree that they get time off. Those who are delineated to work over the weekend, are able to get time off during the week so that we work on a rotation basis rather than just have a facility like that closed completely because the state cannot pay overtime.

So, the issue that you are raising raises those types of issues that we need to discuss with our labour partners. We also need to talk to them, negotiate with them and see exactly how all of us can be committed to continue giving service to the people of our country. The matters that you have raised will be addressed and attended to. Thank you very much.

Ms M P MMOLA: Thank you, hon President, for your response. In light of the fact that it is a well-established fact that the gender-based violence pandemic in South Africa is rooted in an unequal power in gender relations - patriarchy, homophobia, sexism, harmful discriminatory beliefs and practices that continue to view women as sex objects and of less importance not only in our society but throughout the globe - what processes has the government put in place to address these proven root causes of gender-based violence, especially in building a new generation of men who respect women and treat them with the utmost dignity and value? I thank you.

The PRESIDENT OF THE REPUBLIC: I thank you, hon member, because you have just touched on the key issues that we need to address. Much of what we address are the after effects. We are dealing with the acts that have happened and manifested themselves through either rapes, killings, abuse of women and the total disregard of the importance and the dignity of women. We are saying it clearly that there needs to be a particular regeneration and culture change which will firstly need to focus on men and we need to look at them while

they're young boys and be able to inculcate particular orientation in them with the respect of women, the respect of the dignity of women and the role that they have to play in the society. However, clearly in society as well, we have to address this demon of patriarchy where men believe that they are the beginning and the end of everything that is good in the world and that they can own and control women.

We need to send a very clear message that there is no man who owns a woman. Women belong to no one and especially to no man at all. We need to be stressing that men must respect women, they must treat them with dignity and with a great deal of respect. However, we need to start this from the young men. There are number of organisations that have already started with this process that we need to strengthen, where they are focussing on young boys by trying to raise that level of consciousness to them. Clearly, we need to do it amongst older men as well. So, we need to launch a massive campaign amongst older men as well that they should know that gender-based violence will never be tolerated in South Africa.

We should do things that will act as a deterrent and that should prevent them from wanting to abuse women. That is why we are also focussing on the criminal justice system, to make sure that it is effective and efficient enough to act as a deterrent. That is why when the women of our country raised the issue of, if you rape, you must know that you get life sentence and life means life. If you

kill a woman, you must know that you will get a life sentence and life means life; it means that you will never come out of jail. So, hoping that, that in itself acts as a deterrent, we still need to do quite a lot of work amongst men, amongst young men and indeed the older men as well because that is where patriarchy is found, where men believe that they are much more superior than women.

So, it is a process and a struggle that we must embark upon. That is why we call on all society to join us in this to make sure that in the end the women of our country are given the dignity that they deserve and that their rights are also respected and promoted. Thank you very much. [Applause.]

Ms D C CHRISTIANS: Mr President, it is vital that we professionalise and train our police. However, the police to population ratio is an indicator of just how off-track we are at the moment. In South Africa the 2018 national ratio was almost half of the minimum acceptable level according to the United Nations, UN.

Unsurprisingly, these police stations with the highest police population ratios also have some of the highest crime statistics in our country. In your gender-based violence debate you promised to allocate R1,1 billion nationally to tackle gender-based violence. The Western Cape government has allocated R1 billion to just one province. The police don't have the capacity to fight crime. Do you honestly expect that R1 billion will be adequate for the nine provinces? Mr President, have you also given each of your Ministers

a specific target in this regard and will you measure to ensure that these targets are met? If they are not met, Mr President, will you hold them accountable? Thank you, Chairperson.

The PRESIDENT OF THE REPUBLIC: Hon Chairperson, clearly the R1 billion is not adequate. We conceded that and we concede it now. The issue came in between budgetary periods and we have said that we will aggregate this money from all the departments in government because there is money there that can be utilised for this task. That is precisely what we will do.

However, what this then does, is to lead us to looking at the budgeting process through different eyes because we are facing a massive crisis of gender-based violence in our country. We need to budget in a much smarter way but, utilising this R1 billion which we will be able to agglomerate from all the departments, we will be able to channel it for effective use. Of course, the Western Cape is utilising it more broadly for crime fighting. We want to allocate this amount of money for gender-based violence projects that we need to embark upon.

You are absolutely right that the ratio between population and the police is very ... we are one of the weakest in the world and that is where the real challenge for us is. We need to correct that. The Minister of Police has been raising this quite consistently and it is a matter that we are addressing right now.

Will we hold our Ministers accountable? The answer is, yes. We do expect our Ministers to act in accordance with the commitments that they have made and, in fact, in accordance with the plans that they have put in place and the agreements that they have also signed. So, they will be held accountable, and will be expected to act and make sure that what they have committed to is achievable.

However, at the same time all this has demonstrated the seriousness with which we need to approach this matter. I can assure everyone that we are now focussing on addressing the gender-based violence issue and we no longer view it as an issue that should be addressed by the women of our country alone. It is a broad societal matter and it is also being driven from the President's office. We will make sure that we do indeed gain some traction in this. Thank you very much. [Applause.]

### **Strategic economic interventions**

6. Mr S J Mohai (Free State: ANC) asked the President of the Republic:

Whether South Africa has developed any strategic interventions in order to protect the economy and domestic industries, like the manufacturing sector which is one of the most lucrative, from the raging trade wars that are increasingly creating unstoppable global transformation that will shape global trade relations and

the economies of many countries; if not, why not; if so, what are the relevant details?

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The PRESIDENT OF THE REPUBLIC: Hon Chairperson, trade tensions have contributed to uncertainty and slow growth in the global economy. This has negatively affected our own country and many other countries around the world. The decision by the United States to increase tariffs on steel and aluminium imports has had a direct impact on our own country.

In response, the Department of Trade, Industry and Competition has presented a series of submissions to the US authorities to exclude our goods and products from these duties, as South African exports do not pose a national security threat to the United States.

While South Africa has not obtained a country exemption, government's intervention has achieved important relief for the industry in the form of product-level exemptions on 36 steel and 161 aluminium tariff lines. We continue to raise our concerns about these duties with our US counterparts, particularly as it relates to the potential for job losses in South Africa.

More widely, we continuously encourage the large trading nations to seek resolution to their differences in appropriate multilateral trade forums and within the context of the rules-based trading system of the world.

In an effort to diversify trade towards the African continent, South Africa played a leading role in guiding negotiations around the establishment of the African Continental Free Trade Area, AfCFTA.

The South African government's approach is based on developmental and investment-led African economic integration. The AfCFTA will in time create a market of 1,2 billion consumers with a combined GDP of over \$3 trillion. As South Africa exports mainly value-added manufactured goods to the African continent, the AfCFTA represents an important additional source of export market development against the background of the trade tensions that are taking place amongst the major economies in the world.

The agreement will fundamentally reshape our own economy and, as expected, the economies of various other countries on our continent. Already, exports to other African countries support about 250 000 jobs and it is the fastest growing part of our manufactured exports.

We are working with other African countries to finalise the detailed modalities and benefits of the AfCFTA. Beyond Africa, we are working to increase the volume and address the composition of our exports, to shift from simply selling raw materials to the rest of the world and importing finished goods from various countries in the world.

South Africa, along with five other countries in the Southern African region, has concluded a new trade agreement with the United

Kingdom in the event of a "no-deal Brexit". Without such a trade agreement, a "no-deal Brexit" would have a negative impact on the South African economy, but more importantly, on the jobs and exports.

The UK remains one of South Africa's key trading partners. In 2018, the UK was the fourth largest destination for South African exports, with bilateral trade between the two countries amounting to more than R140 billion.

An exit in which the UK leaves the EU without any agreement of succession would add significant additional costs to the export and import of goods. This would impact a range of industries, including our motor vehicles and auto components sectors as well as our wine and food export. In some cases, this may lead to a loss of exports completely.

The new agreement will effectively replicate the terms of trade present in the existing SADC-EU Economic Partnership Agreement in respect of tariffs, quotas, rules, origin, and health and safety regulations.

This agreement is important for the thousands of South African workers whose jobs are dependent on particularly this trade, and for the investors who have utilised South Africa as an export base to the UK and the rest of the world.

So, these matters are being dealt with, and with the seriousness that they deserve, because we want to forestall any calamity that would descend on our own country and affect the livelihoods of our people. I thank you. [Applause.]

Mr S J MOHAI: Comrade President, thank you for your response and for providing context to the raging trade wars between China and the US, and thank you for noting the ongoing negotiations that cause very complex trade issues. In the light of the fact that China is our strategic partner in Brics, what role does South Africa and by extension, the African Union, envisage to play or is currently playing to mitigate the possible negative effects of the trade war? I am raising this within the context of African economies being vulnerable to these trade factors. Is there space for meaningful industrialisation, particularly the manufacturing sector that has the potential to create high levels of employment for many people? Thank you.

Mr G MICHALAKIS: Chairperson, on a point of order: I would just like to request that you rule that the Chief Whip addresses the President properly and not as Comrade President. This is not a Stalinist rally. [Laughter.]

The CHAIRPERSON OF THE NCOP: That is not a point of order.

The PRESIDENT OF THE REPUBLIC: Chairperson, I like the term comrade because comrade is a brother, a friend, an ally, and a fighter. [Laughter.] It is all those wonderful things. So, when somebody says comrade to me, it really tickles me. [Interjections.] It does tickle me.

Hon Mohai, yes, the important thing for us is to make sure that we consolidate our alliances with those with whom we share common views and vision. In this case, China as part of Brics, happens to be falling in that category. We not only do that because we also belong to Brics, but also because we have the same views and objectives. And we subscribe to the principles of a multilateral system in the world and the rules-based system where we are able to co-operate and collaborate more effectively in multilateral organisations and share views, and where there is no unilateralism.

When it comes to how we can further boost our own economic growth situation, obviously, we look forward to the associations that we have around the world and Brics is one of those. Indeed, the African Continental Free Trade Area Agreement stands out as one that is going to be beneficial to South Africa in the form of helping us to further industrialise or to reindustrialise. What this does is that it opens up the market of almost \$3 trillion where we have the platform, foundation and capability to play in.

We are more industrialised than our sister countries on the continent and we believe that we can, as we trade together - they trading with us and us trading with them - exchange knowledge, technologies and even investments. We would like to see them investing in South Africa and us investing in their countries and the rest of the continent. We would like to see them build factories here and elsewhere on the continent, making goods that can be traded throughout the entire continent.

So, we see this as a great opportunity for South Africa, our companies and our government to sharpen its own diplomatic capability, as we deal with other countries. In many ways that is what fuelled our decision to send envoys into the rest of the continent, following the events of the past few weeks in our own country.

We were seeking to reposition ourselves as a trusted partner that can deal with the continent at a number of levels. Obviously, our intention is to protect our own interests as a nation and a country but as we do so, we also want to promote the interest of the rest of the continent. It is for that reason that we were able to enter into this free trade agreement, so that we can work together with the rest of the countries on our continent. Thank you. [Applause.]

Mr W A S AUCAMP: Hon President, with regard to the strategic interventions in our economy and domestic industries, I would like

to point out that the extreme drought in the Northern Cape that has been prevailing for the last five years has reached a pinnacle. The people are really suffering there. This drought will lead to job losses of more than 62 000 jobs. If we don't receive higher than expected rainfall very soon, more than 1 million cattle would have starved by the end of this year in the Northern Cape. I am not talking about sheep and wildlife. So, that is only cattle. The farmers in the Northern Cape are really suffering.

The Northern Cape is in desperate need of strategic interventions, to protect the economy and the farming industry.

Die boere in die Noord-Kaap is die ruggraat van die ekonomie in die Noord-Kaap en daardie boere het nodig dat u die Noord-Kaap spoedig as 'n droogterampgebied verklaar. My vraag is: Wanneer gaan u dit doen? (*Translation of Afrikaans paragraph follows.*)

[The farmers in the Northern Cape are the backbone of the economy in the Northern Cape and those farmers need you to speedily declare the Northern Cape a disaster area due to drought. My question is: When are you going to do it?]

How can we then ensure the required budget and legislation to action this mitigating effect on this drought that we so desperately need?

Die boere in die Noord-Kaap het u vandag nodig. Hulle het nodig dat u so spoedig as moontlik hierdie droogte in die Noord-Kaap tot 'n droogterampgebied verklaar. Dankie. (*Translation of Afrikaans paragraph follows.*)

[The farmers in the Northern Cape need you today. They need you to declare the Northern Cape a disaster area due to the drought as soon as possible. Thank you.]

The PRESIDENT OF THE REPUBLIC: Chairperson, the Deputy President visited the Northern Cape a few days ago. He gave me a report that was not pleasing at all - the drought has a devastating effect. We are going to discuss that report more fully to see what interventions can be made. We will also discuss it with the government of the Northern Cape and the premier. We are well aware of the dire situation in the Northern Cape that will affect jobs. You were saying 63 000 jobs, but it will also affect a number of livelihoods. So, we are well aware of that.

U wil weet wanneer ek dit gaan doen. Ons sal nou eers in die regering mooi praat. (*Translation of Afrikaans paragraph follows.*)

[You want to know when I'm going to do it. We are first going to discuss the matter in government.]

Thereafter, together with the Northern Cape government, we will see what measures that we will be able to put in place. Thank you very much for raising the matter. [Applause.] [Interjections.]

Mr S ZANDAMELA: President, since 1993, to be precise, the manufacturing sector was contributing about 23% to the GDP. Today, in 2019, the manufacturing sector is contributing about 13% to the GDP. By the look of things, by 2030, it might contribute only about 5%. That is because of two reasons: firstly, the failure of government to protect the manufacturing sector; secondly, the failure of government to stimulate the domestic demands for the goods that are being used on a daily basis by people.

As government, we continue to buy some of these domestic things from countries like China, India, etc. Why is government not establishing a manufacturing company that will cater for those domestic goods that we use on a daily basis? As government, we even buy linen for our own hospitals from China. Why is government not establishing a manufacturing company, especially in the rural areas where there is a huge demand for goods and high unemployment rate? Thank you.

The PRESIDENT OF THE REPUBLIC: Chair, clearly, the manufacturing sector in our country is under a lot of stress. You are correct that the contribution by the manufacturing sector has gone down over the many years, but so have others. Mining used to be at a high level

and it has also gone down. Mining is supported by manufacturing. As soon as mining goes down, manufacturing will also go down.

We have seen tertiary going up, but at the same time, we have all been saying that we need to reindustrialise our country. When we reindustrialise our country, it will mean that manufacturing will be reboosted and we will be able to see firms making goods that are bought in the local market.

Now, our market is a small market in the broader scheme of things, but at the same time, we need to focus on manufacturing and also export. We should be looking more at making goods that can be exportable. It is for this reason that we are saying that the African Continental Free Trade Area Agreement offers us a \$3 trillion market almost on our doorstep that we can exploit. That then calls for precisely what you are saying - boost the manufacturing sector, support the firms and companies that can manufacture goods.

For this reason, we are supporting the Black Industrialist Programme. It is black industrialists who we are bringing into the industrialist sector and we are helping them to turn into manufacturers.

We are also focusing on small and medium enterprises that are manufacturing oriented. If you look at various countries like

Germany, almost 67% of their firms are small firms, but they are manufacturing firms. They are not big mega firms, but they drive the economy of that country. That is precisely what we believe that we should do.

Government should act as a facilitator. It should facilitate, act as an enabler and as a regulator. Government should also provide the necessary incentives to let others be the real actors.

You cite a very good example of bed linen in hospitals. There is a company that government has supported that is run and managed by people with disabilities and they make bed linen for most of the hospitals. A number of provinces were no longer buying from it. We are now turning them around. They used to employ quite a lot of people. Then they went down. They are now being rebooted. We are supporting them more and more now, so that we buy linen locally.

The issue is localisation. We want to focus more and more on localisation to have goods that are made in South Africa, so that we are able to get more and more South Africans to buy.

The issue of demand in our market is low. One of the ways in which government can stimulate demand is to pump money into the economy. Last year, you will recall, when we introduced the economic recovery and stimulus package, we said that it is a package with South African characteristics because we did not have the billions and

billions that other countries have to pump money into the economy in one fashion or the other which stimulates growth immediately.

For us to do so, we will have to go and borrow. Right now, our resources are so stretched. Our needs, which we are supporting now, are so numerous and, in fact, if we want to pump money into the economy, we will have to borrow. Once we do that, our borrowing goes higher up, our interest rates also go up and deficit becomes unmanageable. Then we are downgraded and it just leads to more and more problems.

However, from an economic point of view, you are absolutely right that government should be able to stimulate demand. Right now, we don't have the resources. Last year, you will recall, we reprioritised the budget of various departments and took money from this department, channelled it to supporting the farmers, the township businesses, and the industrial parks. That money was meant to stimulate demand, but it was redirected. It was not money that was going directly into the pockets of people so that they can have a disposable income to buy goods that are made in our factories.

So, this happens because of the economic challenges that we are facing. Your economic logic is absolutely correct to a point, but we need much more leeway, which we don't have right now. Thank you.

[Applause.]

Mr I NTSUBE: Chairperson, allow me to also join members in welcoming the President's intervention in positioning our economy in the global trade. When everything is said and done, we would like to ask if there is monitoring and evaluation of the impact of these interventions on youth, women and people living with disabilities, and if not, why not and if so, what are the relevant details? Thank you.

The PRESIDENT OF THE REPUBLIC: Chairperson, yes, there is a focus on monitoring and evaluation. We are focussing our attention on what needs to be done for young people, particularly in terms of getting them to be players in the economy. We have accepted that we are facing a crisis where many of the young people in our country are unemployed and we therefore need to do something. We have decided that we are going to come up with a number of initiatives and measures to bring more and more young people into the world of work. We are therefore, in the Presidency, working on a number of measures, some of which will be implemented soon and in no time.

When it comes to the empowerment of women, we have said that we want women to be properly empowered and every programme that we embark upon should have the women empowerment element, not forgetting people with disabilities.

So, all this is being focused on and the monitoring and evaluation will be focussing on making sure that we do take positive actions in

all these matters because we should not carry on, knowing very well that we have a major problem around these three. People with disabilities need jobs; they need to be properly economically empowered.

The Department of Women, Youth and People with Disabilities is focussing on that. We also want it to be a much broader societal responsibility. It should not only be balkanised in that Ministry; it should be something that all of society, various institution focus on.

We would like to see people with disabilities being employed and we are not seeing that happening. I am calling on companies in the private sector as well as the public sector to employ people with disabilities because they need that economic empowerment as well.

Similarly, the empowerment of women should be much broader than just being the responsibility of the Department of Women, Youth and People with Disabilities. When it comes to the youth, we are embarking on a number of programmes. The National Youth Development Agency is doing phenomenal work and they need to be supported because they have proven that they can reach out to young people, they can come up with innovative programmes for young people, and they have a good outreach process that impacts thousands and thousands of young people. So, all these matters are being addressed

and looked at on a continuous basis. Thank you very much.

[Applause.]

The CHAIRPERSON OF THE NCOP: As the President takes his seat, let me just give a word of appreciation to the Premier of North West and the Speaker of North West. I see Jeremiah Ndou from Limpopo is here. To the MECs and other special delegates from all the provincial legislatures who are with us, a word of appreciation to you. We should all really also appreciate the time that the President has taken to be with all of us and we want to thank the President for availing himself to answer our questions. [Applause.]

See also **QUESTION AND REPLIES**.

The Council adjourned at 16:36.

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