

THURSDAY, 15 OCTOBER 2020

PROCEEDINGS AT JOINT SITTING

Members of the National Assembly and the National Council of Provinces assembled in a hybrid Joint Sitting at 14:03.

The Speaker took the Chair and requested members to observe a moment of silence for prayers or meditation and to remember those who lost their lives to the COVID-19 pandemic.

The SPEAKER: Hon members, the President has called for this Joint Sitting of the National Assembly and the National Council of Provinces in terms of section 84(2)(d) of the Constitution of the Republic of South Africa, read with Joint Rule 7(1)(b), in order to outline South Africa's Economic Reconstruction and Recovery Plan. I now wish to call the President to the podium.
[Applause.]

**ADDRESS BY THE PRESIDENT ON SOUTH AFRICA'S ECONOMIC
RECONSTRUCTION AND RECOVERY PLAN**

The PRESIDENT OF THE REPUBLIC: Speaker of the National Assembly Ms Thandi Modise, Chairperson of the National Council of Provinces Mr Amos Maseko, Deputy President David Dabede Mabuza, Ministers and Deputy Ministers, hon members of the National Assembly and the National Council of Provinces, members who are here in the House and those who are participating online, and fellow South Africans, I requested this sitting of the Joint Houses of Parliament to present the plan for the reconstruction and recovery of our economy and our country.

In contrast to the state of the nation address, at which we usually address the broad programme of government for the year, today I want to focus on the extraordinary measures we must take to restore our economy to inclusive growth following the devastation caused by COVID-19 to our people's lives and to our country's economy.

This is a plan that all of us as South Africans should work on together to build the economy of our country into an inclusive economy and into a new economy. The objectives of the plan are clear: firstly, to create jobs, primarily through aggressive infrastructure investment and mass employment programmes; secondly, to reindustrialise our economy, focusing on growing small businesses, and strengthening medium-sized and large

businesses; thirdly, to accelerate economic reforms to unlock investment and growth; fourthly, to fight crime and corruption; and, fifthly, to improve the capability of the state. All these objectives are linked to the vision of our country set out in the National Development Plan.

On this day, seven months ago, we declared a national state of disaster to confront the greatest health emergency that the world has known in more than a century. Since then, the coronavirus has infected more than 38 million people across the world and has been responsible for the deaths of more than a million people.

The reality that we must confront is that the pandemic will not be over soon. Globally, the number of new COVID-19 cases per day is currently at its highest level since the start of the pandemic. This has far-reaching implications in every area of human development, from education to health, from food security to poverty alleviation, from the empowerment of women to social stability.

The pandemic continues to cause severe damage to the global economy, affecting trade, investment, production, international travel and global supply and demand. No country – not even ours

- has been spared. No economy has been left unaffected.

This is also the case on our own continent. In South Africa, the pandemic has caused great hardship and suffering. In the 220 days since our first recorded case, more than 18 000 people have been confirmed to have died from COVID-19. The loss of these lives is not only devastating to the families who have lost their loved ones but also to the nation.

South Africa has over 700 000 confirmed cases. At present, 90% of those infected have recovered. As a result of the measures we took to delay transmission and to prepare our health facilities, we were able to withstand the massive surge in infections in the middle of July. At that time, new cases were being detected at an average rate of 500 an hour. This was a particularly dark time in the life of our country.

While the national lockdown in April had a significant impact on economic activity, the economic consequences of an uncontrolled surge would have been far worse. Owing to the dedication and sacrifices of millions of South Africans, we were able, in many ways, to limit the impact of the pandemic on the lives and livelihoods of our people.

For the past month and a half, even as we have significantly eased restrictions on movement and social and economic activity, the average number of daily cases has remained relatively stable at less than 2 000 cases.

But it is far too soon to declare victory over this virus. The World Health Organisation warns that many countries have had a significant resurgence in infections following four to eight weeks of low transmission.

The World Health Organisation has also advised us that South Africa is now entering a phase that requires high vigilance and heightened readiness to respond. Rather than easing our prevention efforts - including social distancing and observing health protocols - we must further intensify all these measures to reduce new cases to less than 1 000 a day. Coronavirus will remain part of our lives for some time to come, and therefore we need to adjust to this new reality and this new normal in all areas of our lives.

Our health system must remain adequately staffed, equipped and financed to ensure that we continue to save lives. We must rebuild, repair and restore our country not after COVID, but right now in the midst of COVID. Our country had immense

challenges for a number of years before the coronavirus hit us. The pandemic has worsened the many challenges that we were facing as a nation and as a people. Poverty and inequality have continued to deepen, threatening many South Africans with hunger and a sudden loss of income. Our economy, like other economies, has contracted sharply, many businesses have closed and many jobs have been lost.

Notwithstanding these challenges, we were duty-bound to respond as a government and as a nation to this pandemic in a way that demonstrated our care for the lives and livelihoods of South Africans.

Our response to the pandemic has therefore been swift and has, in a number of ways, been three-pronged: firstly, a robust health response; secondly, social and economic relief; and, now, economic recovery. As we anticipated the impact of the pandemic on the livelihoods of our people, we responded by implementing a massive social and economic relief package to support companies, workers, households and individuals in distress.

We announced a relief package which, with a total value of R500 billion or around 10% of our GDP, is the biggest on the African continent and compares favourably with other countries

in the G20. Relative to the size of our economy, our social and economic relief response to COVID-19 is roughly on par with that of countries like Canada, Spain, the United States and Australia.

Through the special COVID-19 grant and the top-up of existing grants, close to R40 billion in additional support has been provided directly to more than 17 million South Africans from poor households. Studies have shown that these grants have been vital in reducing the impact of the pandemic on levels of poverty and hunger.

The evidence suggests that the expansion of social protection has kept more than 5 million people above the food poverty line during the past six months. The special COVID-19 grant, in particular, represents a significant achievement, reaching more than 6 million unemployed people in a short space of time. More than 960 000 companies have benefitted through the UIF wage support scheme and through the grants and loans provided by various government departments and public entities. More than 4 million workers have received R49 billion in wage support, helping to protect these jobs even while companies were not able to operate. In addition to those businesses that have received direct support, many more companies have benefitted from tax-

relief measures worth in the region of about R40 billion.

The SA Reserve Bank acted swiftly to support the economy and to protect our country's financial system, by reducing interest rates to their lowest level in more than 50 years. With a view to protecting jobs and saving companies from bankruptcy, we introduced another important intervention in the form of the R200 billion Loan Guarantee Scheme. This scheme has thus far provided R16 billion in low-interest loans to almost 12 000 businesses.

Banks have together provided an additional R34 billion in debt relief to individuals and businesses. Nonetheless, as far as I'm concerned, this is far short of what is needed, what is possible and what should be done.

We are therefore working with the banks to ensure that more companies are able to access this assistance as they resume their operations and that the full potential of this scheme can be realised.

I had a conversation with the leaders of the various banks in our country and I expressed the view very strongly that we do need to review how this scheme is being taken up by various

companies. I expressed to them that they should not be setting up barriers to companies accessing this scheme. We must make this scheme simple. Yes, all due diligences must be observed, but it is these companies that employ our people and we would like them to continue funding them so that they can continue employing people and employ even more people. I am certain that the banks will come back with a refined scheme working together with Treasury.

The combined effect of the measures taken by government and its social partners has been to preserve our country's economic capacity and lay the foundation for a more rapid recovery.

Despite these vital interventions, however, the damage caused by the pandemic to an already weak economy - to employment, to livelihoods, to public finances and to state-owned enterprises - has been colossal. More than 2 million people lost their jobs in the second quarter of this year.

Our economy contracted by 16,4% when compared to the previous quarter. National Treasury expects a significant shortfall in revenue collection. This economic shock is unprecedented in our country, and it will take an extraordinary effort to recover from it. As even the darkest of clouds have a silver lining, we

need to see this moment as a rupture with the past and an opportunity to drive fundamental and lasting change. It is an opportunity not only to recover the ground that we have lost over the course of the pandemic, but to place the economy on a path to growth.

We are therefore presenting before this Joint Sitting of Parliament and the country a reconstruction and recovery plan to drive growth that is inclusive and growth that is also transformative. The South African Economic Reconstruction and Recovery Plan builds on the common ground established by the social partners - government, labour, business and community organisations - through intensive and detailed consultations over the past few months.

It is informed by the work of Cabinet's economic cluster working together with government departments and Cabinet itself and draws on the contributions of the leading economists who make up the Presidential Economic Advisory Council.

From the government side, leading the economic cluster, I would like to thank Minister Kubayi-Ngubane and Minister Gwede Mantashe who have steered our work in reaching this point.

[Applause.] I wish to applaud the remarkable efforts,

particularly from our social partners in the National Economic Development and Labour Council, Nedlac, in reaching consensus on the actions required to rebuild our economy, and the firm actions that all social partners have committed to to contribute to the country's recovery.

We know from the examples of several other countries that social compacts are essential to effective and sustainable growth and development. As we implement this plan, government remains committed to the agreements reached through the Nedlac process.

Hon members, the work that we have embarked upon to rebuild our economy after the devastation of the coronavirus is, in the end, guided by Vision 2030 of the National Development Plan and by the programme that was outlined at the beginning of the 6th democratic administration, in which we set out the key priorities to drive change and transformation in our country. The depth of the crisis caused by the pandemic has indeed sharpened our focus and our determination to address the challenges that face us.

The creation of jobs is at the centre of the Reconstruction and Recovery Plan. We must get our people back to work, back into their jobs, jobs that were lost in the pandemic. We are

determined to create more employment opportunities for those who were unemployed before the pandemic or who had given up looking for work.

This means unleashing the potential of our economy by, among other things, implementing necessary reforms, removing regulatory barriers that increase costs and create inefficiencies in the economy, securing our energy supply, and freeing up digital infrastructure.

This plan directly responds to the immediate economic impact of COVID-19 by driving job-creation and expanding support for vulnerable households. We aim to do this primarily through a major infrastructure programme and large-scale employment stimulus, coupled with an intensive localisation drive and industrial expansion.

The interventions outlined in this plan will: achieve a sufficient, secure and reliable energy supply within two years; create and support over 800 000 work opportunities in the immediate term to respond to job losses; unlock more than R1 trillion in infrastructure investment over the next four years; reduce data costs for every South African and expand broadband access to low-income households; reverse the decline

of the local manufacturing sector and promote reindustrialisation through deeper levels of localisation and exports; and resuscitate vulnerable sectors, such as tourism, which have been hard-hit by the pandemic.

According to the modelling done by the National Treasury, the implementation of this plan will contribute an additional 1,7% to the baseline of 1,3% economic growth, bringing average growth over the next 10 years to about 3% per annum. Our recovery will be propelled by swift reforms to unleash the potential of the economy and will be supported by an efficient state that is committed to clean governance. This will be transformative. This will be inclusive. This will be digital, green and sustainable, and it will invest in our human capital to lay the foundations for the future.

The Economic Reconstruction and Recovery Plan recognises that to support a rapid economic rebound, South Africa needs to focus on a few high-impact interventions and ensure that they are executed swiftly and effectively. When we looked very closely at what needed to be done, we realised that we could have had up to 54 areas of interventions. But we decided that we needed a few in terms of which there would be swift implementation and in which we would be able to see sustained progress, and that is

the route that we have chosen.

The reconstruction and recovery plan has four priority interventions. Firstly, we are embarking on a massive rollout of infrastructure throughout the country. Infrastructure has immense potential to stimulate investment and growth, to develop other economic sectors and to create sustainable employment both directly and indirectly.

We have developed a robust pipeline of projects that will completely transform the landscape of our cities, towns and rural areas. By the end of June 2020, we had 276 catalytic projects with an investment value of R2,3 trillion. Moreover, a list of 50 strategic integrated projects and 12 special projects was gazetted in July 2020.

These catalytic projects have been prioritised for immediate implementation with all regulatory processes fast-tracked - enabling over R340 billion in new investments. These projects are at various stages of the project life cycle.

Those that are already in construction will see the future phases brought earlier for implementation, including some human settlement projects, which have already received bulk financing

to unlock them. We are exploring the use of credit-enhancing instruments to unlock bulk water infrastructure and national road-improvement projects.

Our infrastructure build programme will focus on social infrastructure such as schools, water, sanitation and housing for the benefit of our people. We will focus on critical network infrastructure such as ports, roads and rail that are key to our economy's competitiveness. We have taken steps to remove the constraints that have, over time, hampered infrastructure delivery over a number of years.

To ensure that there is active implementation of our infrastructure build programme, we have established what we call "Infrastructure South Africa" and the Infrastructure Fund with the capacity to prepare and package projects. This is precisely what they are already doing. This approach is already encouraging private-sector investors to help us build capability for infrastructure delivery within the state and to develop blended financing models. The Infrastructure Fund will provide R100 billion in catalytic finance over the next decade, leveraging as much as R1 trillion in new investment for strategic infrastructure projects.

Several projects are already in construction. These include human settlement projects such as Matlosana N2 in the North West, Lufhereng in Gauteng, Greater Cornubia in KwaZulu-Natal and Vista Park in the Free State. Together, these represent an investment value of R44,5 billion.

In total, we have gazetted 18 housing projects to the value of R130 billion, which together will produce more than 190 000 housing units. Transport projects currently under construction include the N1 Polokwane and the N1 Musina with a total value of R1,3 billion.

Within the next six months we will embark on the modernisation and refurbishment of the commuter rail network, including the Mabopane Line in Tshwane and the Central Line in Cape Town; expand the national rural and municipal road rehabilitation and maintenance programme using local labour-intensive methods; and fast-track the implementation of gazetted strategic infrastructure projects through the approval of credit-enhancing instruments, the provision of bulk infrastructure and the speedy processing of water use licences, environmental impact assessments and township establishments; and adapt the infrastructure procurement framework to enable public-private partnerships and unlock new funding.

Our second priority intervention is to rapidly expand energy-generation capacity. We are accelerating the implementation of the Integrated Resource Plan to provide a substantial increase in the contribution of renewable energy sources, battery storage and gas technology. This should bring around 11 800 MW of new generation capacity into the system by 2022. More than half of this energy will be generated from renewable sources. In the immediate term, agreements will be finalised with independent power producers to connect over 2 000 MW of additional capacity from existing projects by June 2021.

The Risk Mitigation Power Procurement Programme will unlock a further 2 000 MW of emergency supply within 12 months. The process to implement Bid Window 5 of the renewable energy programme has already begun. We are taking further steps to enable power generation for own use. The current regulatory framework will be adapted to facilitate new generation projects while protecting the integrity of the national grid. Applications for own-use generation projects are being urgently fast-tracked.

The work of restructuring Eskom into the three separate entities for generation, transmission and distribution continues and will enhance competition and ensure the sustainability of independent

power producers going forward. To achieve this, a long-term solution to Eskom's debt burden will be finalised, building on the Social Compact on Energy Security recently agreed to by social partners. Through these measures, we aim to achieve a sufficient, secure and reliable energy supply within two years.

Our third key intervention is an employment stimulus to create jobs and to support the livelihoods of our people. Large-scale job interventions driven by the state and social partners have proven effective in many countries that have faced devastation from wars and other crises.

We have committed R100 billion over the next three years to creating jobs through public and social employment as the labour market recovers. This starts now, with over 800 000 employment opportunities being created in the months ahead.

The employment stimulus is focused on those interventions that can be rolled out most quickly and have the greatest impact on economic recovery. At the heart of the employment stimulus is a new, innovative approach to public employment which harnesses the energies and capabilities of wider society. It uses the considerable creativity, initiative and institutional resources that exist in our society to respond to local community

priorities.

These activities will be locally driven, allowing participants to earn an income while contributing to the prospects of their community. Traditional forms of public employment are being scaled up and new forms of public employment created to meet the immediate need.

We are going to expand our natural resource management programmes such as Working on Fire and Working for Water. We are going to create 300 000 opportunities for young people to be engaged as education and school assistants at schools throughout the country in order to help teachers with basic and routine work, so that more time is spent teaching and enabling learners to catch up from the time lost to COVID-19. [Applause.] This is a great opportunity for young people. And, having met a number of young people, this is something that we are looking forward to.

More than 60 000 jobs will be created for labour-intensive maintenance and construction of municipal infrastructure and rural roads. To support our health care system, an additional 6 000 community health workers and nursing assistants will be deployed as we proceed with the implementation of National

Health Insurance. Public employment will be expanded at provincial and city levels, contributing to cleaner, greener and safer public spaces and improved maintenance of our country's facilities.

In all of these programmes, we will ensure that recruitment is fair, open and transparent, and that opportunities are advertised widely. To assist young people who are unemployed to access these and other opportunities, we will soon launch the national Pathway Management Network as a platform for recruitment and other forms of support. Finally, the employment stimulus includes direct support for livelihoods and the protection of jobs in vulnerable sectors.

Support is being provided to more than 100 000 early childhood development practitioners and to 75 000 small-scale farmers whose production was disrupted by the pandemic. Grant-making programmes are being expanded in the creative, cultural and sports sectors, and funding has been allocated to protect jobs in cultural institutions such as museums and theatres.

More than 40 000 vulnerable teaching posts are being secured in schools which have lost income from fees. The implementation of the employment stimulus has already commenced. Each of these

work opportunities is fully funded and ready for implementation. The speed and urgency with which we are expanding employment programmes demonstrate our commitment to supporting those who are without work at this point in time. As these and other recovery measures are being rolled out, we need to do everything in our means to provide support to those in society who continue to face hunger and who also continue to face great distress.

We will therefore be extending the special COVID-19 grant by a further three months, so that we assist our people who are in distress. [Applause.]

We did announce that this special COVID-19 grant would come to an end after six months, but after having received a lot of representations from organisations that represent our people across the board and pending the full implementation of these measures, we realised that there would be a gap of some three months during which time we needed to give support to our people - continue the support that was given six months ago to extend this period to nine months. The stretched nature of our financial resources does make it difficult and impossible to extend this beyond the further three months.

The challenges that are being faced by our country from a fiscal point of view dictate that we would only be able to do this for the next three months. We know that there are discussions that are going on in our country about a basic income grant, and we say that those discussions should continue but we do need to rebuild our economy, we do need to reposition our economy so that it can be stronger and, in the near future, we should be able to engage in discussions about measures such as a basic income grant. What we are doing now is to maintain a temporary expansion of social protection and allow the labour market sufficient time to recover.

Our fourth key intervention is a drive for industrial growth. This is in the context of a steady decline in our manufacturing base over many years. To place our economy on a new trajectory, we are going to support massive growth in local production and make South African exports much more competitive. We will build on the work that was being done in several areas before the pandemic struck.

Through the first two South African Investment Conferences, we managed to secure pledges of around R664 billion in new investments. To date, about R170 billion of capital expenditure committed during those investment conferences has been invested

in projects for construction and for buying equipment that is essential to mining, manufacturing, telecommunications and agriculture.

Last year, South Africa recorded its first trade surplus with the European Union, driven by record exports of manufactured goods. Our country produced and exported more motor vehicles last year than in any previous year. [Applause.] And that records great progress about the capability of our manufacturing base. Our agricultural sector has continued to grow, with a bumper maize harvest and the expansion in many high-value crops. We have positioned South Africa as one of the most attractive destinations in the world for global business services.

Despite the weaknesses in our economy, despite the devastation caused by the coronavirus, these are some of the strengths on which we can build and strengthen the economy of our country. There are huge opportunities that we can seize through effective partnerships, targeted deployment of resources and the right policies and active implementation of our plans.

South Africa currently imports around R1,1 trillion of goods, excluding oil, every year. If we were to manufacture just 10% of these goods locally, it is estimated that we could add 2

percentage points to our annual GDP. The rest of Africa currently imports R2,9 trillion worth of manufactured goods from outside the continent every year.

If South Africa were to supply just 2% of those goods that the rest of the continent imports, it could add 1,2 percentage points to our annual GDP. So these are the opportunities that lie out there for us to grab. And, if we succeed in reaching our target of R1,2 trillion in new investment by 2023, it could add around 2,5% to our annual GDP. It is to realise this huge potential that the social partners have agreed to prioritise a range of consumer and industrial products for local procurement. During the course of our deliberations and discussions all the four components of our social partners realised that herein lay a great opportunity for our economy.

Together with business and labour, we will soon be publishing localisation targets for goods in areas such as agro-processing, health care, basic consumer goods, industrial equipment, construction materials and transport rolling stock.

We will enforce government policies to ensure that all public infrastructure projects use locally made materials, including steel products, cement, bricks and other components. We will

support the efforts of organised business. We are planning to establish supplier development programmes for large companies and in key sectors. We welcome the commitment of our unions to ensure that their investment companies increasingly invested in companies that bought from local manufacturers.

The Nedlac agreement commits all companies and government entities to publicly disclosing in their annual reports the value of procurement from local producers and on the steps taken to improve localisation. [Applause.]

The social partners at Nedlac have also agreed to support a massive Buy Local campaign for this festive season, with a particular call to support women-owned enterprises, small businesses and township enterprises. [Applause.] We call on every South African to contribute to our recovery effort by choosing to buy locally made goods and support local businesses.

An HON MEMBER: Government should do the same.

The PRESIDENT OF THE REPUBLIC: Yes, government will definitely do the same. This is one way that each and every one of us can contribute to building, to restructuring, to restoring and to rebuilding our economy and to also get us into the mode of a new

economy. Many countries that have seen exponential growth have relied on locally made goods, because locally made goods are not only lekker but are also about creating jobs in our own country. [Applause.]

A vital part of growing our industrialisation efforts are the sectoral masterplans, which bring all partners together to agree on specific measures to improve productivity, investment and competitiveness. Currently, there are a number of masterplans in place, which are in the automotive sector, in the clothing and textile sector, and in the poultry and sugar sectors.

We are now working to finalise masterplans in the digital economy, in forestry, in agriculture and agro-processing, in the creative industries, in aerospace and defence, in renewable energy, in steel, in metal fabrication and in furniture. We did say that one of the ways that we want to restructure our economy and to grow our economy was to focus on the various sectors of our economy, so that we no longer just talked about the economy in generalities. We must be focused and we must be able to ensure that all the key players in every sector of the economy are able to sit and collaborate over the growth plans of those sectors. We have already seen good results with various sectors like the automotive sector, the textile and clothing sectors,

and in the poultry and sugar sectors.

A central pillar of this work is the transformation of our economy, creating space for new, black and women entrants and taking deliberate steps to change ownership and production patterns. In promoting localisation and industrialisation, we will be focusing in particular on the development of small, medium and micro enterprises, including co-operatives.

This will take place alongside the development of rural and township economies. There are between 2,4 million and 3,5 million SMMEs in the country, with the largest number in the informal and micro sectors. They offer the greatest untapped potential for growth, employment and fundamental economic transformation.

Through a focused support programme, we will support small businesses' participation in the manufacturing value chain. This will include targeting specific products for manufacture by SMMEs for both the domestic market and for export. It will also include the provision of business infrastructure support, financial assistance through loans and blended funding, facilitating routes to market, and assistance with technical skills, product certification, testing and quality assurance.

Economic growth cannot be realised without the inclusion and active participation of women. Among the other measures we have outlined, we will be working with women-empowered companies to progressively reach our target of directing at least 40% of procurement spend on such enterprises. This is a great opportunity that we are opening for women-led and owned businesses. [Applause.]

This is also a vital part of our programme to end gender-based violence and femicide, which are fuelled by gender inequality, particularly economic disparities between men and women and gender-nonconforming persons. In addition to these priority interventions, we will create enabling conditions for a competitive, inclusive and fast-growing economy.

We are fast-tracking reforms to reduce the cost of doing business and lower barriers to entry. The current timeframes for mining, prospecting, water and environmental licences must and will be reduced by at least 50% to facilitate new investment. The Upstream Petroleum Resources Development Bill will be finalised to unlock our country's enormous untapped potential in upstream oil and gas reserves.

Although international tourist travel is likely only to recover

in the medium term, our efforts are now focused on implementing an efficient e-visa system and extending visa waivers to new tourism markets. To support tourism over the peak season that is coming, we will shortly publish an expanded list of countries from where resumption of international travel will be permitted, which will be supported by targeted marketing in partnership with the private sector. We urge all South Africans to continue to explore their country in support of the tourism recovery process as tourism is one of the sectors hard-hit by the COVID-19 pandemic.

We will shortly publish the revised list of critical skills, occupations in high demand and priority occupations to enable highly skilled individuals to be speedily recruited, and expedite the issuing of special skills visas to support local firms.

We are promoting greater private-sector participation in rail, including through granting third-party access to the core rail network and the revitalisation of branch lines.

We will establish a single economic regulator in transport as a matter of urgency to promote competition and efficiency. Work is under way to improve the efficiency and capacity of the ports of

Durban, East London, Ngqura and Cape Town.

The release of high-frequency spectrum by March 2021 and the completion of digital migration will, in the end, reduce data costs for firms, households and individuals. This process is being managed, as we know, by the Independent Communications Authority of SA, Icasa, and will promote transformation, reduce costs and increase access.

We are developing innovative new ways to provide low-income households with access to affordable, high-speed internet through connection subsidies for broadband and support for public Wi-Fi hotspots.

Decisive action against crime and corruption is essential to inclusive growth. Criminal elements in our country have taken to the illegal occupation of construction sites and soliciting protection money from businesses. Now, this will come to an end ... [Applause.] ... because it is impeding economic growth. To combat these practices, a Joint Rapid Response Team at national and provincial levels will respond to the problem of violent disruptions at construction sites and other business activities.

A well-functioning revenue service is central to our economic

recovery programme. The turnaround at the SA Revenue Service has begun in earnest, and significant areas of tax evasion and tax fraud have already been identified. The Revenue Service is rebuilding its capacity to reverse the decline, to improve compliance and to recover lost tax revenue.

We are working on clamping down on the illegal economy and illicit financial flows, including transfer pricing abuse, profit shifting, VAT and customs duty fraud, under-invoicing of manufactured imports, corruption and other illegal schemes. The decisive action we have taken to prevent, detect and act against COVID-related corruption will strengthen the broader fight against crime.

The Special Investigating Unit has made significant progress in probing allegations of criminal conduct in all public entities during the national state of disaster. The work of the SIU continues, and it will also continue here if you wish in Parliament. [Laughter.] [Interjections.] The outcomes of the investigations will be made public once all the due processes have been completed. Law enforcement agencies are being strengthened and provided with adequate resources to enable the identification and swift prosecution of corruption and fraud. [Applause.]

We wish to assure all South Africans ... I would like to assure all South Africans, if there ever was doubt, that there will be no political interference - I repeat: there will be no political interference - with the work of our law enforcement agencies.

[Applause.] I will make sure that there is none, because it is only when there is no political interference that we are able to observe the rule of law and strengthen all our agencies in the criminal justice system. We will continue to strengthen the framework to ensure that political office bearers in all spheres of government do not do business with the state, and we welcome the agreement at Nedlac that all social partners will act decisively against corruption and fraud in their own ranks.

[Applause.] Now, this is an issue which came up quite strongly at the Nedlac level, and it was most heartening to hear all the partners at Nedlac underscoring precisely this point. The Public Procurement Bill will be fast-tracked and transversal contracts put in place for large-volume items.

We will soon finalise and begin implementation of the new National Anti-Corruption Strategy, which will improve transparency, monitoring and accountability in government and across society.

Through these actions, we will ensure that every rand of public

expenditure is spent productively to benefit our people and support our recovery effort. Have faith that we have now turned the corner and that things are going to be done differently.

[Applause.] All of these actions will be taken within a supportive macroeconomic framework, which balances the need to restore fiscal sustainability with economic growth.

A critical pillar of this plan is the fiscal framework that will be outlined by the Minister of Finance when he delivers the Medium-Term Budget Policy Statement in about two weeks' time. Among other things, this framework will provide a path of fiscal consolidation; it will also speak to our efforts for debt reduction and reprioritisation that are supportive of growth and recovery.

We cannot sustain the current levels of debt, particularly as increasing borrowing costs are diverting resources that should be utilised for economic and social development. That is why we are urgently implementing the economic reforms that we have agreed to with our social partners at Nedlac to unlock investment, stimulate economic activity and generate revenue for the fiscus.

In reducing government expenditure, we are ensuring that the

funds that are reprioritised towards poverty alleviation, infrastructure investment, support for economic development and fighting crime and corruption are there to do precisely that.

We are also reducing the reliance of SOEs on the fiscus by intensifying efforts to stabilise strategic companies, accelerating the rationalisation of SOEs and, where appropriate, identifying strategic equity partners for some of our SOEs. I envision a stage at which, like what other countries have done such as China and Singapore, some of our well-performing SOEs can even be listed to bring in fresh capital so that they can develop even further.

It is clear that implementation is really going to be the key in giving effect to this recovery and reconstruction plan. This requires a much more effective and efficient state, with greater co-ordination and integration among national, provincial and local government.

Through the District Development Model, we are beginning to see progress in the alignment of the work of different spheres. To ensure focused and urgent implementation of the plan, dedicated capacity is being created in the presidency to drive progress and support departments and agencies in the implementation of

their mandates.

To fast-track the delivery of economic reforms, Operation Vulindlela will be implemented as a joint initiative of the presidency and the National Treasury, reporting directly to the President on a regular basis. It will work closely with Cabinet's economic cluster to ensure that the priority interventions and key enabling reforms are implemented rapidly and continually, as well as effectively, and that those responsible for their implementation are held accountable.

A National Economic Recovery Council, comprising relevant members of Cabinet, will provide political oversight and enable rapid decision-making. As we now continue to manage the coronavirus down, the National Council for Economic Recovery will now come into its own to enable all the various tasks and interventions that we have identified to be properly implemented.

The Department of Planning, Monitoring and Evaluation remains the backbone of government reporting on the five-year Medium-Term Strategic Framework. This will take place alongside the implementation arrangements which have been agreed to among the social partners at Nedlac. We will be releasing the Nedlac

Social Partner Economic Recovery Action Plan and the Social Compact for Energy Security. These contain very significant measures that we will be working on with social partners to ensure that we do implement them.

A Presidential Working Committee, chaired by the President, will meet regularly to receive reports from each social partner on the extent to which it has implemented its commitments. It will be supported by the Economic Recovery Leadership Team and working groups on particular areas of the recovery plan.

Fellow South Africans, in the aftermath of a fire, green shoots begin to emerge. The ashes that will have formed enrich the soil, and new life takes root to replace what was lost. Our country is emerging from one of the most difficult periods in living memory. South Africans have suffered and have made great sacrifices, sharing in this hardship with people all over the world.

But, as South Africans, we have a deep reservoir of resilience that we can draw upon. We have endured much during this period, but we have always emerged stronger and much more united. We stand together at a crucial time in the history of our country. It is necessary that we should stand together. Our ability to

reignite our economy rests on the decisions we take in this moment and on the urgency with which we address this crisis.

We should not wish to rest until we have fulfilled the potential of our country. We shall not rest until we have built this economy that we all yearn for, an economy that is based on fairness, justice, inclusive growth and equality. This is the task of our generation: to renew, to repair, to rebuild. We dare not take a moment to pause. Together, we have it within us to build this economy. The time is now. Ke nako ya gago. [The time is now.] Let us go and do our work. Thank you very much.

[Applause.]

Address concluded.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon members, that concludes the business of the day. I would like to take this opportunity to thank the President for availing himself to deliver his speech on the reconstruction and economic recovery plan. The House is now adjourned.

The Chairperson of the National Council of Provinces adjourned the hybrid Joint Sitting at 15:14.