

OPERATION VULINDLELA

Supporting
the Implementation
of Priority Structural Reforms



PROGRESS UPDATE: TWO YEARS OF PROGRESS IN ACCELERATING ECONOMIC REFORM

2022/23 | Q3 REPORT



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



THE PRESIDENCY
REPUBLIC OF SOUTH AFRICA



**STAY
SAFE**

VACCINATE TO SAVE SOUTH AFRICA

INTRODUCTION

November 2022 marks two years since President Ramaphosa announced the establishment of Operation Vulindlela to drive a far-reaching economic reform agenda for South Africa to shift our economic growth trajectory and enable investment and job creation.

This report reflects on the notable progress that has been made in the last two years. A strong collaborative approach between implementing departments and Operation Vulindlela has resulted in a number of significant policy shifts that will enable faster, more inclusive growth in the years ahead.

Additional information on each reform area is available at <https://www.stateofthenation.gov.za/operation-vulindlela>.

Operation Vulindlela was established in October 2020 with five key objectives:

1. Supply of electricity stabilised
2. Reduced cost and improved quality of digital communications
3. Sustainable water supply to meet demand
4. Competitive and efficient freight transport
5. A visa regime that attracts skills and grows tourism

TWO YEARS OF PROGRESS IN ACCELERATING ECONOMIC REFORM



Paved the way for **private investment in electricity generation** for the first time, with reforms underway to establish a competitive electricity market



Cleared the backlog of **water use licenses** and **re-engineered the license application system**, unlocking billions of Rands in investment



Ended a more than ten-year delay in the **auction of high-demand spectrum**, enabling substantial new investment in telecommunications



Facilitated the **introduction of private sector participation in container terminals**, to crowd in investment and improve the efficiency of port operations



Undertook a **comprehensive review of the work visa system**, with recommendations to overhaul the work visa system and attract skills and investment



Published a **new Critical Skills List** for the first time since 2014, with new occupations in IT and other sectors with a need for skills



Adopted a **new National Rail Policy to guide the modernization and reform of the rail sector**, including the introduction of third-party access to the rail network



Developed and/or secured passage of legislation to **create a transport economic regulator, reform the electricity sector, and establish a National Water Resources Infrastructure Agency**

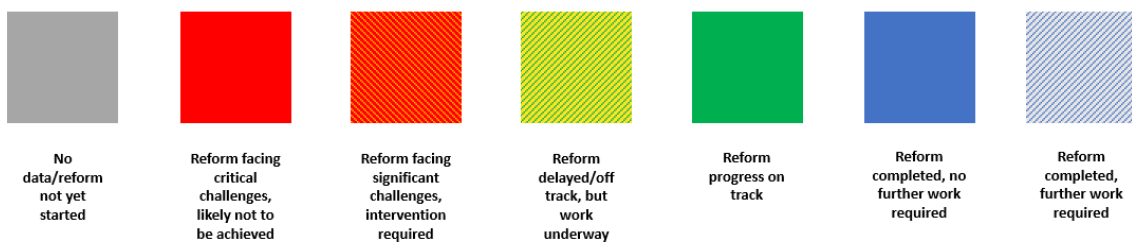
OVERALL STATUS OF REFORMS

The primary role of Operation Vulindlela is to monitor progress on priority reforms and provide support where necessary to accelerate their implementation. The dashboard below has been updated to provide a more detailed assessment of progress across the reform programme, including to identify where a reform has been completed but requires additional follow-through actions to realise its intended impact.

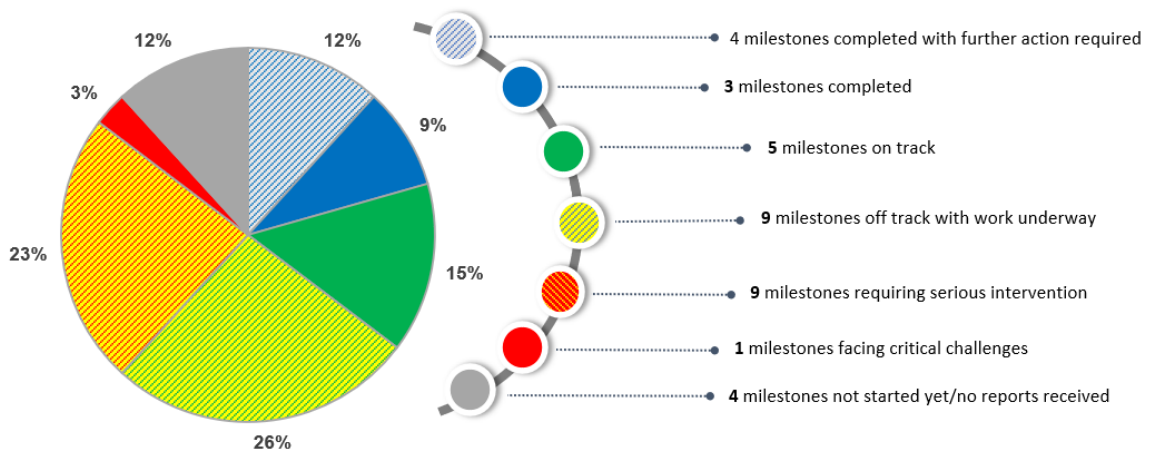
In addition, several new priority reforms have been identified by Operation Vulindlela are included in the dashboard for the first time. These include the development of an enabling framework for hemp and cannabis, as announced by President Ramaphosa in SONA 2022, as well as expediting the issuance of title deeds for subsidised housing.

Overview of progress



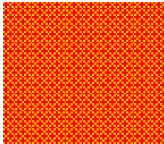
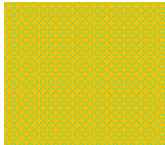


Operation Vulindlela has introduced a more granular reporting system to reflect the status of each reform.



The new reporting system captures the complexities of reform progress and also allows for a more accessible, visual representation of reform progress. As illustrated below, 48% of the reform milestones are either completed or on track.



Detailed progress status

Activity status	No. of activities	Reforms
	4	<ul style="list-style-type: none"> Strengthen regulation of price and service standards in the water sector Develop and implement a programme to enable private sector participation in source and bulk infrastructure Expand visa waivers and explore visa recognition system Develop a fit-for-purpose procurement regime for state-owned entities
	1	<ul style="list-style-type: none"> Improve Energy Availability Factor (EAF) to over 70%
	9	<ul style="list-style-type: none"> Procure new generation capacity in terms of IRP 2019 Address institutional inefficiencies in municipal electricity distribution Complete migration from analogue to digital signal Finalise Rapid Deployment Policy and Policy Direction Address institutional inefficiencies in municipal water distribution Improve efficiency of ports Expedite the issuance of title deeds for subsidized housing Review and adjust the fuel price formula Create a modern and efficient mining rights system
	9	<ul style="list-style-type: none"> Implement the energy action plan Enable municipalities to procure power from independent power producers Streamline process for wayleave approvals Establish a National Water Resource Infrastructure Agency Establish Transport Economic Regulator through Economic Regulation of Transport Bill Implement third-party access to freight rail network Finalise the revised raw water pricing strategy Create an enabling legal and regulatory environment for hemp and cannabis Develop a strategy for the devolution of passenger rail to local authorities
	5	<ul style="list-style-type: none"> Finalise the Electricity Regulation Act to establish a competitive electricity market Complete restructuring of Eskom Streamline and improve water-use license application process Reinstate the Blue Drop, Green Drop and No Drop water quality monitoring system Review policy framework and processes for work visas
	7	<ul style="list-style-type: none"> Clear backlog of water use license applications Publish revised Critical Skills List Finalise the White Paper on National Rail Policy Raise licensing threshold for embedded generation Complete spectrum auction Corporatise the Transnet National Ports Authority (TNPA) Implement e-Visa system in fourteen countries, including China, India, Kenya and Nigeria

KEY ACHIEVEMENTS IN Q3 2022

- ✓ RFP issued for private sector participation in container terminals at the Ports of Durban and Ngqura, to enable greater investment and improved efficiency of terminal operations
- ✓ Six projects from Bid Window 5 of the renewable energy programme have signed project agreements to date, representing 784 MW of new generation capacity
- ✓ New capacity to be procured through Bid Window 6 increased from 2600 MW to 4200 MW
- ✓ Draft amendment to Schedule 2 of the Electricity Regulation Act published to remove the licensing threshold for generation facilities and enable private investment at a larger scale
- ✓ Pipeline of private sector generation projects has grown to 100 projects with a combined capacity of over 9000 MW at various stages of development
- ✓ National Water Resources Infrastructure Agency Bill and revised Raw Water Pricing Strategy released for public consultation
- ✓ Regulations amended to allow long-term visa applications to be adjudicated by South African missions abroad, alleviating the work visa bottleneck and reducing delays

PROGRESS UPDATE: ELECTRICITY

Priority reforms in the energy sector are aimed at achieving a reliable and secure supply of electricity. The current shortfall of between 4000 MW and 6000 MW of generation capacity, which will worsen as older power stations are decommissioned, is a binding constraint on growth, with continued load shedding disrupting business operations and deterring investment. Closing this capacity shortfall requires new generation capacity at a rapid pace and significant scale. Operation Vulindlela is driving reforms in the sector focusing on five key objectives:

- 1. Fix Eskom and improve the availability of existing supply**
- 2. Enable and accelerate private investment in generation capacity**
- 3. Accelerate procurement of new capacity from renewables, gas and battery storage**
- 4. Unleash businesses and households to invest in rooftop solar**
- 5. Fundamentally transform the electricity sector to achieve long-term energy security**

Key achievements to date include:

- ✓ Raising the licensing threshold for embedded generation projects from 1 MW to 100 MW, unlocking massive investment by the private sector. More than 100 projects, representing over 9000 MW of new generation capacity, are now at various stages of development.
- ✓ Accelerating procurement of new generation capacity, with three projects from the risk mitigation programme having entered construction and six projects proceeding to financial close from Bid Window 5.
- ✓ Facilitating the procurement of independent power by municipalities, following the amendment to the Regulations on New Generation Capacity. The National Treasury has issued a Municipal Finance Management Act (MFMA) circular which provides guidance to municipalities in this regard.
- ✓ Driving progress on the unbundling of Eskom into separate entities for generation, transmission and distribution, with the establishment of the National Transmission Company of South Africa as a separate subsidiary. The process of legal separation of the entity is underway, alongside work underway by National Treasury to address Eskom's debt.

- ✓ Finalising the Electricity Regulation Amendment Bill. This Bill will establish a competitive electricity market for the first time, enabling multiple generators to compete on a level playing field.
- ✓ Publishing an amendment to Schedule 2 of the Electricity Regulation Act for public comment, which will remove the licensing threshold for embedded generation.
- ✓ Increasing the capacity procured through Bid Window 6 of the renewable energy programme from 2600 MW to 4200 MW. The procurement round closed in October, and was oversubscribed.
- ✓ Publishing a new Ministerial determination for the procurement of over 18000 MW of new generation capacity from wind, solar PV and battery storage.
- ✓ Developing a standard offer programme for Eskom to procure up to 1000 MW of additional capacity from existing generators, contingent on market response.
- ✓ Eskom has signed agreements for the commercial use and lease of its land with four Independent Power Producers (IPPs). This will facilitate the development of up to 2 000MW of generation capacity, with sufficient grid capacity already in place.

CURRENT AND FUTURE FOCUS AREAS

- Ensure that additional projects from existing bid windows proceed to close and issue a further RFP for 513 MW of battery storage
- Launch the standard offer programme and emergency generation programme
- Table the Electricity Regulation Amendment Bill in Parliament, and develop special legislation to reduce or remove red tape for energy projects and establish a One Stop Shop for energy-related applications
- Complete the unbundling of Eskom and operationalize the transmission entity, including through the appointment of an independent board
- Develop a feed-in tariff to incentivize deployment of rooftop solar

PROGRESS UPDATE: DIGITAL COMMUNICATIONS

One of the first priorities identified by Operation Vulindlela was to complete the auction of high-demand spectrum. The auction was completed in March 2022, following a delay of more than ten years. This will unlock investment in telecommunications and expand network access, enabling the rollout of 5G networks.

The Department of Communications and Digital Technologies has provided over 1 million subsidised set-top boxes to indigent households to enable migration from digital to analogue signal, and has announced 31 March 2023 as the final date for switch-off of analogue transmission.

A standard draft bylaw was published during the third quarter of 2022 to streamline wayleave applications for telecommunications infrastructure. A Rapid Deployment Policy has also been finalised to facilitate the deployment of fibre and tower infrastructure at a significantly faster pace, including by providing a clear framework for access to public and private land.

CURRENT AND FUTURE FOCUS AREAS

- Gazette the Rapid Deployment Policy for implementation
- Complete analogue switch-off and digital migration
- Explore the introduction of a secondary market for spectrum

PROGRESS UPDATE: TRANSPORT

Over the past two years, the freight transport system has had to confront disruptions caused by the pandemic, civil unrest, increasing cable theft and vandalism of the rail network, load shedding and extreme weather patterns. Historical underinvestment in ports and rail infrastructure, mismanagement of Transnet over the past decade as well as an anti-competitive market structure have perpetuated poor performance of the sector. Given these challenges, stakeholders in the sector have recognised the need for transformation by committing to several important reforms to improve the efficiency of freight transport and encourage private sector participation to enable increased competition and investment. Progress has been made on a number of fronts.

Notably, a new policy framework through the White Paper on National Rail Policy has been adopted which sets out actions to modernize the rail network. The policy outlines government's plans to make rail a competitive mode of freight and commuter transport by opening up to private sector investment and effective economic regulation. In line with the White Paper, the Department of Transport is developing a devolution strategy for the future of urban rail in South Africa in alignment with the Integrated Urban Development Framework, which will provide for the devolution of passenger rail to local government.

In addition to the gazetting of the White Paper, a number of important reforms that have progressed are discussed below:

Corporatisation of the Transnet National Port Authority (TNPA)

In line with the National Ports Act, the Department of Public Enterprises (DPE) corporatized Transnet National Ports Authority (TNPA) as a subsidiary of Transnet and an interim board was appointed. The DPE will appoint a permanent board over the next few months. Prior to corporatisation, Transnet acted as both landlord and operator of many port terminals and it was difficult to hold the port operator accountable for port performance. By separating the port owner and the port operator into independent subsidiaries, incentives will be created for greater efficiency and private sector competition. Further, corporatisation allows for an independent board to make decisions regarding investment in ports rather than being made by the Transnet group. In the medium to long term this is expected to contribute to port efficiency and alleviate supply chain bottlenecks.

Alleviating decongestion in ports

In order to improve competitiveness and efficiency at the Durban port, a task team was formed to identify an actionable plan on the way forward. Procurement of new equipment and refurbishment of current equipment is under way. In addition, container incentive schemes are being considered alongside workforce planning.

Economic Regulation of Transport Bill

The Economic Regulation of Transport Bill was passed by the National Assembly and will provide for open and non-discriminatory third-party access to the rail network as well as the establishment of a Transport Economic Regulator.

Enabling third party access in rail

Proposals were received from private operators in August 2022 for 16 slots made available by Transnet on the Durban-City Deep and Pretoria-East London lines, with one successful bidder awarded access. Work is underway to identify lessons from this pilot initiative and inform changes to the design of

future slot sales for the remaining slots available on the network, including expanding access to further corridors. In addition, several branch lines have been identified and concessions have been awarded for private sector participation. In the meantime, Transnet is separating accounting systems between the Infrastructure Manager and Transnet Freight Rail operations. Allowing private rail operators to access the freight rail network will enable investment in rail infrastructure and increase the volume of freight transported by rail, easing road congestion and road safety.

Improving operational efficiency

A Request for Proposals was prepared by Transnet for private partnerships in container terminals at the Ports of Durban and Ngqura. The partnerships are to be in place by January 2023. This is a major new initiative that will enable private investment in and management of poorly performing container terminals, with significant benefits for the economy.

CURRENT AND FUTURE FOCUS AREAS

Operation Vulindlela will continue to support implementation of short and medium term reforms that consider both operational improvements as well as enhancing regulatory efficiencies. In the long term, transformation of the market structure of the sector will enable competition improving costs and quality of South Africa's freight logistics sector. Reforms to look out for include:

- Appointment of a permanent board for the Transnet National Ports Authority
- Putting in place private sector partnerships through the RFP for the Durban Pier 2 Container Terminal and Ngqura Container Terminal
- Promulgation of the Economic Regulation of Transport Bill and establishment of a transport regulator to enable competition
- Announcement of further slot sales building on the pilot initiative implemented by TFR

PROGRESS UPDATE: WATER

Reforms in the water sector are aimed at improving governance and investment in water infrastructure to drive efficiency and improvement of a sustainable supply of quality water.

Operation Vulindlela has been providing technical support to the Department of Water and Sanitation to effectively implement a plan for the granting of water-use licences within the reduced timeframes.

In the 2021/22 financial year, which is between April 2021 and March 2022, the department was able to finalise 613 out of the 971 water-use licence applications, which represent a partial achievement of 63%.

CURRENT AND FUTURE FOCUS AREAS

Two key reforms in the water sector have progressed in the last quarter. These include the gazetting of both the Bill for the Establishment of a National Water Infrastructure Agency (NWRIA) and the National Pricing Strategy for Raw Water Use Charges. Both policies are currently in a period of 90 days of public consultation, having been published for public comment on 16 September and 15 August respectively.

As a result of the turnaround plan for water use licenses supported by Operation Vulindlela, the backlog of water use license the Water Licensing unit is at September 2022, able to process 83% of licenses within 90 days, which is 3% over its target of 80% of licenses with-in 90 days.

The Water Partnerships Office is now operational through an agreement between the DWS and the Development Bank of Southern Africa (DBSA). This will enable greater private sector participation in the development and maintenance of water infrastructure while the agency is established. Recruitment for the head of the unit at DBSA is underway.

Revival of the Blue Drop, Green Drop and No Drop water quality monitoring system have been a critical step through Operation Vulindlela, in reinstating the data to measures, monitor and improve the quality of water services at municipal level. These reports have been published on the DWS website.

PROGRESS UPDATE: VISA SYSTEM

Operation Vulindlela's visa regime reforms aim to attract skills and promote tourism in South Africa. Specifically, these reforms include: publishing the revised Critical Skills List; reviewing the policy framework and processes that facilitate skilled immigration; implementing a e-Visa system; and expanding visa waivers and exploring a visa recognition system. These reforms will work to ensure that South African business of varying sizes are able to start, grow, and compete by reducing barriers of entry. In tourism, these reforms are quite critical to reviving an industry that was at a standstill because of COVID-19. Skills-related reforms are essential for addressing shortages in the economy and ensuring that immigration reflects the demands of the country.

Operation Vulindlela has achieved some key milestone on these reforms, including:

- ✓ Implementing the eVisa system in fourteen countries to facilitate the growth of the tourism industry.
- ✓ Publishing the revised Critical Skills List, providing an updated reflection of the country's skills needs to support business competitiveness. Ensuring that these updates are regular and timely is a priority for Operation Vulindlela and the relevant government departments.
- ✓ Completing the review of the policy framework and processes that facilitate immigration. Several government departments, including the Department of Home Affairs, supported the completion of the policy and process review and are now planning towards adopting recommendations.

CURRENT AND FUTURE FOCUS AREAS

In the last quarter, a key success has been sharing the findings of the report with the relevant Ministries and working towards implementing the recommendations made. We spotlight some of these findings below.

Moving into the new year, Operation Vulindlela will focus on:

- Driving the implementation of key reforms made in skilled immigration policy framework and process review.
- Exploring the introduction of a visa recognition system

NEW REFORMS

As some reforms have been completed, Operation Vulindlela has added four new reforms: (i) creating an appropriate legislative framework for hemp & cannabis, (ii) enabling the devolution of passenger rail functions to local government, (iii) titling reform for low-cost housing and (iv) the development of a fit-for-purpose procurement regime for state-owned entities.

CREATING AN APPROPRIATE LEGISLATIVE FRAMEWORK FOR HEMP & CANNABIS

In July 2019 Cabinet took a decision to implement a hemp and cannabis sector development plan to commercialise the sector noting the sector's potential to increase economic growth, create jobs and alleviate poverty. The President reaffirmed government's intention to create an enabling regime for hemp and cannabis in the 2022 State of the Nation Address. In his speech, the President announced the potential for hemp and cannabis production to generate 130 000 new jobs and made explicit the need to ensure that traditional growers are included. With its long history of cannabis production, it is estimated that South Africa has more than 900 000 small-scale farmers growing cannabis, in the Eastern Cape, KwaZulu-Natal and other provinces.¹ The cannabis sectors offers huge potential for the development of SMMEs, attracting domestic and foreign investment and adding economic value in the production of goods for domestic and export markets. In addition to the positive economic effects, liberalising the sector offers reduced expenditure on prohibition enforcement costs and increased tax revenue from legal sales.

South Africa's cannabis industry is estimated to be worth about R28 billion.² This pales in comparison to estimates of the global cannabis industry. The global *legal* market is projected to reach roughly US\$90 billion by 2028.³ Many other countries have already moved to capture this market through liberalisation and legalisation measures. Amid this global trend and given the potential the cannabis industry offers in terms of economic growth and job creation, an inter-ministerial committee was established in 2019 to secure intra-government and inter-institutional policy coherence and programme alignment and implementation. Subsequently, in 2020, the Department of Agriculture, Land Reform and Rural Development was tasked as the lead department to develop a Masterplan, a key component of government's industrial strategy.

Operation Vulindlela is tasked with supporting the lead department and others in accelerating the reforms required to realise government's objective of enabling economic activity in the hemp and cannabis sector. A legal team has been appointed to prepare a set of interim measures, following engagements with the departments and institutions responsible for the existing regulatory framework. These measures are intended to fast track enabling economic activity in the near term, until such time as an overarching, all-purpose Hemp and Cannabis Bill is developed. Work will commence to develop the latter as soon as funding has been secured and a legal service provider is appointed.

¹ Government of South Africa, 2021. National Cannabis Master Plan for South Africa: Version 5.

² Government of South Africa, 2021. National Cannabis Master Plan for South Africa: Version 5.

³ See <https://www.bloomberg.com/press-releases/2021-07-27/legal-cannabis-market-size-worth-91-5-billion-by-2028-cagr-26-3-grand-view-research-inc>

Progress to date:

- ✓ Appointment of a full-time coordinator and dedicated team to oversee reform of the hemp and cannabis legal and regulatory framework
- ✓ Development of a set of interim measures to unlock economic activity in the sector while legislation is developed
- ✓ Commissioning of research on regulatory principles and legislative framework; situational analysis, value, and demand economic analysis; and analysis of a possible funding framework and mechanisms to support investment and inclusive growth in the sector

EXPEDITING THE ISSUANCE OF TITLE DEEDS FOR SUBSIDISED HOUSING

Since 1994, the government has built almost 4.8 million residential properties under the RDP and BNG programmes, which it has awarded to qualifying beneficiaries across the country. This represents almost one third of all registered residential properties.

However, the economic value of these properties has not been realized as a result of two factors: the title deeds backlog in subsidised properties, and an expensive, inaccessible system to maintain title deeds.

These properties are the most significant assets on the balance sheets of low-income households. They also impact substantially on city economies as well as on the national economy.

The current backlog in processing title deeds is over 1 million houses. In addition, there are over a million RDP properties built by government and occupied by subsidy beneficiaries that have not been registered in the Deeds Office. As each RDP house is valued at R220,000, there is an estimated R242 billion in “dead capital” that would otherwise be in the hands of South Africa’s poorest households.

The OV titling programme focuses on three distinct but interconnected issues:

- a. **Title regularisation:** tackling the primary transfer backlog, as it exists for an estimated 1.1 million subsidised properties developed by the state;
- b. **Title formalisation:** bringing back into the formal system properties that have transacted off-register – these would include deceased estates as well as informal transactions; and
- c. **Title preservation:** creating an affordable, accessible formal system that makes it as easy as possible to preserve title going forward.

While proceeding with these three areas of focus, the overall programme seeks to leverage the significant investment in housing made by the state since 1994. In this, it seeks to enable:

- a. Lower income urban households to participate in the property market and unlock the significant wealth they own through their properties.
- b. Banks and other lenders to provide secured credit underpinned by these assets, bringing much-needed private capital into low-income areas and contributing towards the realisation of sustainable human settlements; and
- c. Municipalities to improve governance and administrative oversight of properties and property ownership in lower income areas, and to be able to bill for services delivered.

Progress to date:

- ✓ OV has established a steering committee comprising DHS, DALRRD, DOJ&CD and National Treasury to produce a cross-cutting implementation plan to address the title deeds backlog and reform the titling system.

DEVOLUTION OF PASSENGER RAIL TO LOCAL GOVERNMENT

In June 2017 the Department of Transport published the draft National Rail Policy White Paper to revitalise the freight and passenger rail services in South Africa. The paper was gazetted in May 2022. It sets out a vision for rail as “an affordable, competitive, effective, integrated, reliable, safe, sustainable and valued transport mode that provides the backbone of South Africa’s freight logistics and passenger mobility systems and strengthens its economic growth and social development by 2050.” The paper addresses the various constraints and factors that have led to the downward trend in rail services over the last several decades in South Africa. Moreover, rail is advanced as a climate change mitigation strategy given the energy efficiency of this mode of transport.

The White Paper proposes that urban rail will be devolved and ultimately assigned to the most appropriate sphere of government. Globally, urban rail has typically been a function of local government, as this level of government is understood to be better positioned to respond to local needs, and therefore can better plan, implement and manage public transport functions. Devolving passenger rail to local government will enable its integration into other local transport initiatives and ensure consistency with Integrated Transport Plans and urban development programmes. This is especially important considering the role that cities play in driving economic growth. The National Development Plan estimates that cities generate about 85% of all economic activity in South Africa. The spatial relations between where people live and work in urban areas is therefore a critical factor in advancing or hindering economic growth and poverty reduction.

In South Africa, the National Land Transport Strategic Framework (NLTSF) assigns urban commuter rail management as a local government function. Feasibility studies are required for the devolution of passenger rail services to metropolitan municipalities. The White Paper notes that eThekweni and Cape Town have already conducted these and established Transport Authorities, thereby assuming management authority for urban rail, although PRASA still delivers the actual services. Ekurhuleni, Johannesburg and Tshwane are engaged in establishing a Gauteng Transport Authority, while Nelson Mandela is investigating establishment of a Transport Authority.

In the White Paper, the Department of Transport (DoT) commits to developing a devolution strategy in alignment with the Integrated Urban Development Framework, and thereafter to capacitate municipalities as necessary and devolve operational subsidies for urban commuter rail. The assignment of responsibility for managing all urban rail functions to metropolitan municipalities will follow once the devolution strategy is concluded and approved. Operation Vulindlela will support the Department in the development of the Strategy.

Progress to date:

- ✓ The DoT convened a national steering committee to engage with all relevant stakeholders and develop a set of pillars to inform a devolution strategy. It is intended that these pillars will be finalised by December 2022.
- ✓ The target date for the completion of the Devolution Strategy is currently March 2024.

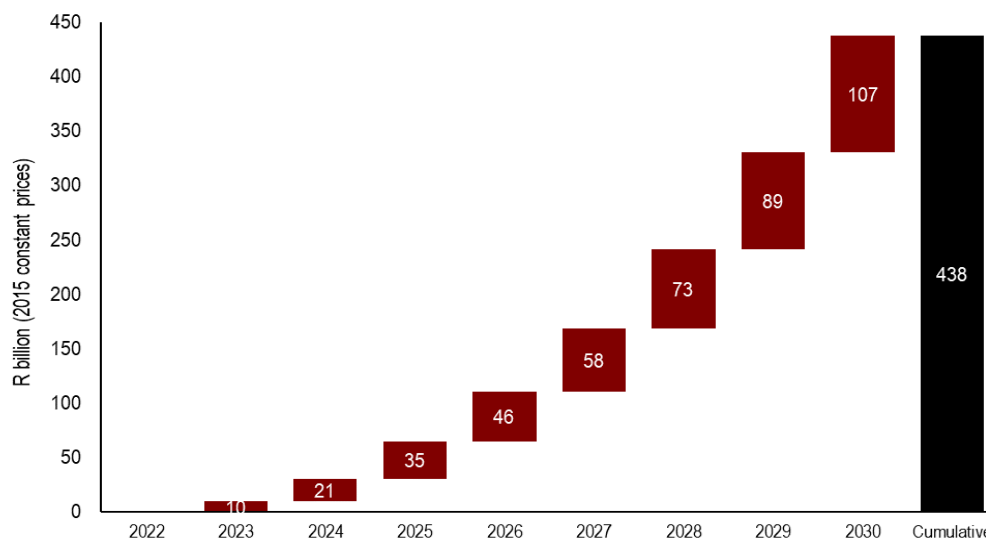
WHAT TO LOOK OUT FOR IN Q4 2022 – Q1 2023

- Additional progress on the Energy Action Plan:
 - Implement a feed-in tariff and tax incentives for rooftop solar
 - Establish the One Stop Shop for energy projects and reduce timeframes for approval processes by 50%
 - Appoint an independent board to operationalize the transmission entity and table the ERA Bill in Parliament
- Implement private sector participation in container terminals and freight rail to address logistics bottlenecks (including incorporating lessons from the initial pilot for third party access)
- Complete analogue switch-off and digital migration
- Table the National Water Resources Infrastructure Agency Bill in Parliament and establish a Water Partnerships Office to improve investment in water resources
- Announce changes to the work visa system, including new visa categories
- Initiate changes to the legal and regulatory framework for hemp & cannabis
- Establish a joint steering committee on titling reform and demonstrate progress in addressing the backlog of title deeds for subsidized housing

IMPACT OF REFORM IMPLEMENTATION

This upside scenario models the impact of implementing accelerated economic reforms relative to the baseline forecast published in the MTBPS 2022. These include ensuring energy security, reducing red tape and lowering the cost of doing business through improved transport and communication infrastructure. These reforms help create an enabling environment for improved private-sector participation. Confidence levels improve, supporting a marked easing of sovereign risk and lowering economy-wide borrowing costs. These changes bolster private investment levels and consumer demand. The cumulative effect of these gains is compounded over the long term, raising potential growth and lifting real GDP above the MTBPS 2022 baseline by a cumulative R438 billion by 2030.

Figure: Cumulative gains from economic reforms



Source:
National Treasury