



STATE OF

President Jacob Zuma delivered his State of the Nation Address (SoNA) in Parliament, Cape Town, on Thursday, 12 February 2015.

“The year 2015 is the Year of the Freedom Charter and Unity in Action to Advance Economic Freedom. It is the year of going the extra mile in building a united, democratic, non-racial, non-sexist and prosperous South Africa. It is also the year of rededicating ourselves to eradicate racism and all related intolerances in the country. It is also the year of investing more in our future, by educating our children and the youth about the rich heritage of this country.”

– President Jacob Zuma, State of the Nation Address, 12 February 2015.

The President unveiled a nine-point plan to ignite economic growth and create jobs, namely:

1. Resolving the energy challenge.
2. Revitalising agriculture and the agro-processing value chain.
3. Advancing beneficiation or adding value to the mineral wealth.
4. More effective implementation of a higher impact Industrial Policy Action Plan.
5. Encouraging private sector investment.
6. Moderating workplace conflict.
7. Unlocking the potential of small, medium and micro enterprises (SMMEs), cooperatives, township and rural enterprises.
8. State reform and boosting the role of state-owned companies, information and communications technology infrastructure or broadband roll-out, water, sanitation and transport infrastructure.
9. Operation Phakisa, which is aimed at growing the ocean economy and other sectors.

EMPLOYMENT



Statistics South Africa's employment figures for the last quarter of 2014 showed that there were 15,3 million people employed in South Africa. Jobs grew by 203 000.

Investment in youth employment is paying off. The Employment Tax Incentive, which was introduced in 2014, directed mainly at the youth, is progressing very well. About R2 billion has been claimed to date by some 29 000 employers who have claimed for at least 270 000 young people.

Government has thus far created 850 000 work opportunities, with a target of six million work opportunities over five years. Government is poised to meet the annual target of one million job opportunities.

Environmental programmes such as Working on Waste, Working for Wetlands, Working for Water and Working on Fire have created more than 30 000 work opportunities, with more than 60 000 to be created during the next financial year.

ENERGY



Government is doing everything within its power to resolve the energy challenge and deal with the problem of energy shortage in the country.

Government has developed a plan that involves short, medium-term and long-term responses.

- The short and medium-term plan involves:
- improving maintenance of Eskom power stations
 - enhancing the electricity generation capacity
 - managing the electricity demand.

The long-term plan involves finalising the long-term energy security master plan. Eskom's finances will be stabilised to enable the utility to manage the current period. Government will honour its commitment to give Eskom around R23 billion in the next fiscal year.

The “War Room” established by Cabinet in December 2014 is working diligently around the clock with Eskom to stabilise the electricity supply system and contain load-shedding.

Alternative sources of energy

Given the high cost of diesel, Eskom has been directed to switch from diesel to gas as a source of energy for the utility's generators.

Households are also being encouraged to switch from electricity to gas for cooking, heating and other uses. The construction of the three new power stations – Kusile, Medupi and Ingula – will add 10 000 megawatts (MW) of capacity to the national grid.

Government has to date procured 4 000 MW from Independent Power Producers, using renewable sources. The first three bid windows of the renewable energy procurement process attracted more than R140 billion from private investors.

A total of 3 900 MW of renewable energy has also been sourced, with 32 projects with a capacity of just over 1 500 MW completed and connected to the grid. Eskom has completed the construction of the Sere Wind Farm, which is already delivering 100 MW to the grid.

In December 2014, government began procuring 2 400 MW of new coal-fired power generation capacity from Independent Power Producers. The procurement process for 2 400 MW of new gas-fired generation will commence in the first quarter of the new financial year.

A total of 2 600 MW of hydro-electric capacity will be sourced from the Southern African Development Community region.

Energy mix

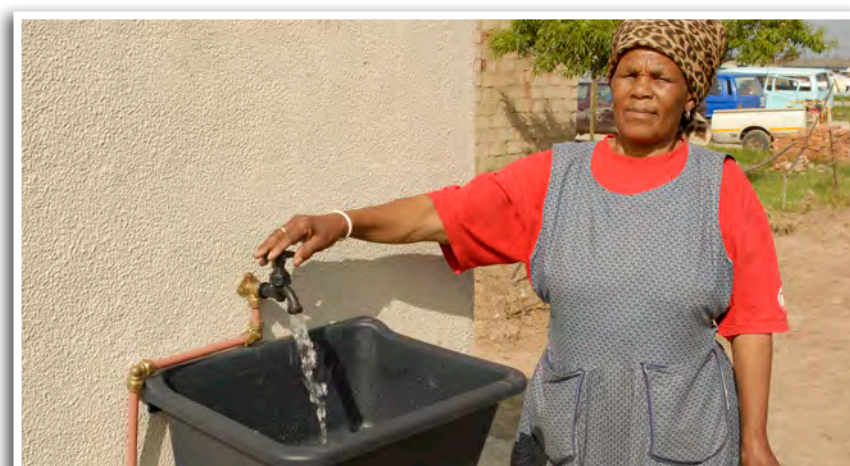
Regarding the long-term energy master plan, government will pursue gas, petroleum, nuclear, hydropower and other sources as part of the energy mix.

Government is also exploring the procurement of the 9 600 MW nuclear build programme as approved in the Integrated Resource Plan 2010-2030. Government has signed intergovernmental agreements and carried out vendor-parade workshops. The United States of America, South Korea, Russia, France and China presented their proposals on nuclear.

All these countries will be engaged in a fair, transparent and competitive procurement process to select a strategic partner or partners to undertake the nuclear build programme. Government's target is to connect the first unit to the grid by 2023, just in time for Eskom to retire part of its aging power plants.

Regarding hydropower, the Grand Inga Hydro-electrical Project partnership with the Democratic Republic of Congo will generate over 48 000 MW of clean hydroelectricity. South Africa will have access to over 15 000 MW.

Support to municipalities



Government has provided funding for electricity in the following municipalities in the 2015/16 financial year:

- Amathole District Municipality, Alfred Nzo District Municipality, OR Tambo District Municipality and Lukhanji Local Municipality in the Eastern Cape, and Umzinyathi District Municipality in KwaZulu-Natal.

There are still 3,4 million households in the country without electricity.

LAND REFORM

More than 36 000 land claims have been lodged nationally since government reopened the second window of opportunity for the lodgement of land claims in 2014. The cut-off date for applications is 2019.

Government is also exploring the 50/50 policy framework, which proposes relative rights for people who live and work on farms. Fifty farming enterprises will be identified as a pilot project. In terms of the new proposed laws, a ceiling of land ownership will be set at a maximum of 12 000 hectares (ha). Foreign nationals will not be allowed to own land in South Africa but will be eligible for long-term lease.

The Regulation of Land Holdings Bill will be submitted to Parliament this year. Through the Land Reform Programme, more than 90 000 ha of land have been allocated to smallholder farmers, farm dwellers and labour tenants.

The process of establishing the Office of the Valuer-General is underway, which is established in terms of the Property Valuation Act of 2014. Once implemented the law will stop the reliance on the Willing Buyer-Willing Seller method in respect of land acquisition by the State.

AGRICULTURE

Agriculture is a catalyst for growth and food security. Government is working with the private sector to develop an Agricultural Policy Action Plan, which will bring one million hectares of under-utilised land into full production over the next three years.

Government will promote the establishment of agri-parks or cooperatives and clusters in each of the 27 poorest district municipalities to transform rural economies. Initial funding of R2 billion has been made available for the agri-park initiative. Government will further enhance agro-processing exports, which have been growing rapidly, especially to new

markets in Africa and China. For example, agricultural trade protocols for the export of South African maize and apples to China have been concluded. The export of apples alone is projected to generate R500 million in foreign exchange over three years.

Emerging farmers and smallholders



In the Vhembe District Municipality in Musina, the Limpopo Provincial Government has supported the Nwanedi Cluster comprising 300 farmers growing vegetables on just over 1 300 ha for commercial purposes. The cluster has already created more than 2 500 jobs, as vegetable farming is highly labour-intensive.

MANUFACTURING

The Automotive Investment Scheme has unlocked private-sector investment of R24,5 billion and generated exports of automobiles and components of R103 billion in 2013.

South Africa has built a world-class auto sector on the African continent exporting to over 152 countries. The leather and footwear sector has also grown to 60 million pairs of shoes, and exports grew by 18% with significant benefit to the balance of trade.

Government has committed more than R2,8 billion to companies in the manufacturing sector, through the Manufacturing Competitiveness Enhancement Programme. In turn, the manufacturers have committed over R12,4 billion in private-sector investment.

MINING

The implementation of a number of programmes under the Framework Agreement for a Sustainable Mining Industry has caused relative stability and optimism in the mining sector, which is the backbone of the economy.

Mine Crime Combating Forums have been established in the North West, Limpopo, Free State, Mpumalanga and Gauteng. Government will implement the agreements reached with business and labour, including the consideration of a national minimum wage.

Revitalising mining towns

A total of R2,1 billion has been ring-fenced to revitalise mining towns, with R290 million approved for informal settlement upgrading in Mpumalanga, North West, Gauteng, Northern Cape, Limpopo and the Free State.

About 133 informal settlements are being assessed or prepared for upgrading through the National Upgrade Support Programme. Some 32 settlements are being upgraded and 87 housing projects are being implemented across the prioritised mining towns.

Government, the mining sector and the Banking Association of South Africa have signed a Social Contract for the development of sustainable human settlements.

Government continues to provide social development support within mining communities. Other support includes technical expertise regarding Integrated Development Plans and the development of Special Economic Zones.

The mining towns are also being assisted with implementing the “Back-to-Basics” municipal service delivery strategy. Government is also reviewing the compliance of mining companies with the 2014 Mining Charter targets.

Government has synchronised environmental impact assessments, water and mining rights applications and has set a maximum of 300 days for all of these authorisations to be issued. Government will also establish a one-stop interdepartmental Clearing House to attend to investor complaints and problems.

LABOUR RELATIONS

The Department of Labour will review the sectoral determinations of agriculture, forestry, private security, wholesale and retail sectors. The Employment Services Act of 2014, which formally establishes a public employment service, will be finalised.

The legislation also formally regulates the practices of private employment agencies and temporary employment services, to prevent the abuse of unsuspecting work seekers.

In addition, the Unemployment Insurance Act of 2001 will be amended to improve benefits to beneficiaries and include public servants in the application of the Act.

Together we move S



REPUBLIC OF SOUTH AFRICA

HIGHLIGHTS OF THE THE NATION ADDRESS 2015

SMALL BUSINESSES

Government will set aside 30% of appropriate categories of State procurement for purchasing from SMMEs, cooperatives as well as township and rural enterprises.

Promotion of youth-owned businesses

Government will continue to promote opportunities for the youth. The National Youth Development Agency (NYDA) has disbursed R25 million to 765 youth-owned micro enterprises in the last financial year nationally.

The NYDA has partnered with the Industrial Development Corporation and the Small Enterprise Finance Agency to create a R2,7-billion fund for young people.

INFRASTRUCTURE



The National Infrastructure Development Programme continues to be a key job driver and catalyst for economic growth.

Water is a critical resource for economic growth and a better life. Several projects aimed at providing water for industrial and household use are in the implementation or planning phases around the country.

Major projects include Umzimvubu Water Project in the Eastern Cape, Jozini Dam in Umkhanyakude in KwaZulu-Natal and projects in Bushbuckridge in Mpumalanga and phase one of the Mokolo Crocodile Water Augmentation in Limpopo.

Progress is being made to improve the water supply to areas that had been affected by shortages, such as Makana District Municipality in the Eastern Cape, Ngaka Modiri Molema District Municipality in North West and Giyani in Limpopo, where water was delivered to 55 villages in October 2014.

Broadband roll-out

The year 2015 marks the beginning of the first phase of broadband roll-out. Government will connect offices in eight district municipalities. These are Dr Kenneth Kaunda in North West, Gert Sibande in Mpumalanga, OR Tambo in the Eastern Cape, Pixley ka Seme in the Northern Cape, Thabo Mofutsanyane in the Free State, Umgungundlovu and Umzinyathi in KwaZulu-Natal, and Vhembe in Limpopo.

Government has designated Telkom as the lead agency to assist with broadband roll-out.

Water conservation

Government has urged all people in the country to conserve water. Every drop counts. The country loses R7 billion a year to water losses. The Department of Water and Sanitation will train 15 000 artisans or plumbers who will fix leaking taps in their local communities.

Roads infrastructure

The Department of Transport will spend about R9 billion on the Provincial Roads Maintenance Grant or the Sihamba Sonke Programme. A further R11 billion will be spent on upgrading and maintaining roads that are not tolled.

Over R6 billion will be spent in 13 cities on planning, building and operating integrated public transport networks during this financial year.

School infrastructure

Government will continue to improve the infrastructure in schools and higher-education institutions to create a conducive environment for learning and teaching.

Through the Accelerated School Infrastructure Delivery Initiative, which is part of the National Infrastructure Plan, 92 new schools have been completed to date and 108 are under construction.

About 342 schools have received water for the first time, 351 have received decent sanitation and 288 have been connected to electricity. Government has identified 16 sites for the construction of 12 new Technical and Vocational Education and Training College campuses and the refurbishment of two existing campuses.

Work is also continuing to establish the three brand new universities, Sol Plaatje in the Northern Cape, the University of Mpumalanga and the Sefako Makgatho Allied and Health Sciences University in Gauteng.

HOUSING THE NATION



Government continues to deliver houses to the people. By 30 September 2014, more than 50 000 houses were delivered in the subsidy and affordable housing segments. Government will also provide 5 000 housing to military veterans. It will also work to eradicate the backlog of title deeds for pre and post-1994 housing stock.

Operation Phakisa

Government launched some innovative programmes to implement the National Development Plan. Operation Phakisa is a results-driven laboratory approach to planning and executing programmes. Operation Phakisa on the ocean economy is aimed at unlocking opportunities in the shipping, fisheries, aquaculture, mining, oil and gas, biotechnology and tourism sectors.

Government has committed R9,2 billion investment in gas and oil exploration in the port of Saldanha as part of the Operation Phakisa initiative. Operation Phakisa on Scaling Up the Ideal Clinic Initiative is aimed at promoting efficiency, effectiveness and professionalism in clinics.

Government will now explore Operation Phakisa in the mining sector and also partner with the mining sector to develop win-win solutions to benefit the country's mineral resources.

HEALTH



Over the past five years, government has scored significant gains in healthcare. This year, government will launch a massive programme to turn the tide against tuberculosis, with a special focus on three communities, offenders at Correctional Services facilities, mineworkers and communities in mining towns.

In fighting the scourge of HIV and AIDS, the state-owned pharmaceutical company, Ketaphela, has been established and will participate in the supply of antiretrovirals to the Department of Health.

Move for Health Day

On 10 May, South Africa will mark the Move for Health Day, an international event promoted by the World Health Organisation. The day also coincides with the anniversary of the inauguration of former President Nelson Mandela as South Africa's first democratically elected President in 1994.

FIGHTING CRIME AND CORRUPTION

Progress has been made in fighting crimes against women and children. The South African Police Service's (SAPS) Family Violence, Child Protection and Sexual Offences Investigation Unit has secured 659 life sentences against perpetrators of crimes against women and children.

Although the democratic State recognises communities' right to protest, it appealed that these protests should be within the ambit of the law and must be peaceful as stated in the Constitution. The police successfully brought under control 13 575 recorded public order incidents, comprising 1 907 unrest-related and 11 668 peaceful incidents.

Corruption

The Anti-Corruption Inter-Ministerial Committee continues to intensify the fight against corruption. Government has introduced seven anti-corruption institutions and 17 pieces of legislation intended to combat corruption.

In the 2013/14 financial year, 52 persons were convicted in cases involving more than R5 million. In the first quarter of 2014/15, a total of 31 public servants were convicted and freezing orders to the value of R430 million were obtained.

To prevent corruption and promote ethical governance, President Zuma signed the Public Administration and Management Act of 2014 into law, which among others prohibits public servants from doing business with the State.

Rhino poaching

Cabinet has adopted vigorous and integrated interventions to combat the vicious rhino poaching in the country. The interventions include continuous joint operations with key neighbouring countries, improved intelligence gathering, and enhancing protection in parks and provincial reserves where rhino are present.

Border control and Smart ID Card

Government has made substantial progress in establishing a Border Management Agency, to manage all ports of entry and improve security.

To further improve access to identity documents, citizens will from this year be able to apply for the new Smart ID Card at their local bank due to partnership between the Department of Home Affairs and some banks in the country.

BUILDING A DEVELOPMENTAL AND CAPABLE STATE

In the 2014 SoNA, President Zuma said government would continue to advance and improve the lives of people with disabilities. In December 2014, Cabinet released the draft National Disability Rights Policy for public comments.

Back-to-Basics

Government launched the "Back-to-Basics" programme to promote good governance and effective administration by cutting wastage, spending public funds prudently, hiring competent staff, and ensuring transparency and accountability in municipalities.

Cabinet has since approved the Integrated Urban Development Framework announced in the SoNA in June 2014.

A BETTER AFRICA AND A BETTER WORLD



To contribute to building a better Africa, South Africa continues to support peace and security and regional economic integration in the continent. The African Capacity for Immediate Response to Crises (ACIRC), of which South Africa is a contributing and founding member, is now working.

The South African National Defence Force and SAPS continue to participate in conflict prevention and peacekeeping operations in the continent. South Africa also continued to support conflict-resolution initiatives in Lesotho, Sri Lanka and South Sudan, led by Deputy President Cyril Ramaphosa.

Economic cooperation with Brazil, Russia, India, China and South Africa (BRICS) partners was strengthened when the first two intergovernmental agreements were concluded on the occasion of the 6th BRICS Summit held in Brazil in July 2014.

This was the Agreement on the New Development Bank and the Treaty Establishing a Contingent Reserve Arrangement. Countries of the developed North remain important strategic partners for South Africa through which the country is able to advance its national and foreign policy.

South Africa has a valuable partnership with the European Union in amongst others, the Infrastructure Investment Programme for South Africa valued at approximately R1,5 billion.

The renewal of the African Growth and Opportunity Act beyond September 2015 and a pledge to support African-led peace initiatives in the continent are among the significant outcomes of the United States(US)-Africa leadership Summit held in the US in 2014.

At a multilateral level, 2015 marks the 70th anniversary of the UN, which brings into sharp focus the need to transform the UN Security Council and other international institutions.

Reburial of national heroes

National liberation heroes, Moses Kotane and JB Marks will be reburied in South Africa in March 2015. The South African Government has expressed its gratitude to the government and people of the Russian Federation for looking after the remains of the heroes with dignity for so many years.

"During this year of the Freedom Charter and Unity in Action to Advance Economic Freedom, we rededicate ourselves to unity and hard work, to ensure continuous success in our beautiful country."

– President Jacob Zuma, State of the Nation Address, 12 February 2015.

South Africa forward



Produced by the Department of Communications