

# THE NEW AGE

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## STATE OF THE NATION ADDRESS President Jacob Zuma

# Zuma's speech lifts morale of investors and the people

### Warren Mabona

PRESIDENT Jacob Zuma's plans to create more jobs and roll out infrastructural development programmes were hailed by many people as a beginning of a journey towards a good life.

In his fourth state of the nation address President Zuma said the government had invested billions of rands in infrastructure development. This would see large-scale projects being undertaken by parastatals such as Transnet.

Future projects were planned for Limpopo, Mpumalanga and North West in the field of rail,

transport and mining. The president said Transnet had set aside R300bn in capital expenditure projects in the next seven years.

In addition, President Zuma addressed the needs of those who did not qualify for RDP houses or bank loans. He said the government had allocated R1bn funding for this category, and the fund would start operating in April.

The scheme would enable people who earned between R3000 and R15 000 monthly to obtain subsidies of up to R83000 from banks. The New Age spoke to several residents of Diepsloot, north of Johannesburg, about the prom-

ises made by President Zuma.

Most gave his speech a thumbs-up, describing it as a remedy to their unemployment and other problems. They also said it would root out challenges they faced when accessing several basic services such as healthcare, education, safety and security.

Not only did President Zuma's speech make the residents hopeful about service delivery, it also injected them with a political interest.

"I used to pay little attention to politics, but now I will take heed of it because President Zuma made me see the importance of

this field," said 18-year-old Fanie Morolong.

Another resident, Peter Mashego, said President Zuma had left him with many hopes of getting a job and a proper roof over his head. Mashego, 42, a father of five, has been unemployed for three years.

He said he would go back to his home province of Limpopo to work on one of the upcoming rail projects.

"I hope I will get a job in one of those projects and support my family," Mashego said. His words were echoed by Mavis Mashinini, 54, who said she had been living

in a shack since she came to Diepsloot from the North West 10 years ago.

I am happy and hope the government will keep its promises of building us RDP houses and create more jobs," she said.

Diepsloot has more than 150 000 inhabitants, most of whom live in shacks. RDP houses and low-cost houses. A big number of Diepsloot residents are unemployed and they can hardly keep up with the spiralling costs of food and other basic services such as electricity.

Because the area is densely populated, electricity usage is often higher and it exceeds the supply

from the electricity utility, Eskom.

This leads to sporadic power outages that plunge many homes into darkness, especially in the evenings. Many residents are then left with no other alternative but to spend more money on illuminating paraffin for their needs.

Needless to say, the blackouts and high expenditure leave a bitter taste in the mouths of the residents as they struggle to cook and keep themselves warm.

But President Zuma's speech brought new hope when he said he was in discussion with Eskom about the steep electricity prices. The power utility increased its

prices by 35% last year. The President said he had asked Eskom to seek options on how the price increase requirement might be reduced for the next five years, in support of economic growth and job creation.

He said the government needed an electricity price path which would ensure that Eskom and the industry remained financially viable and sustainable, but which would remain affordable.

Vegetable hawker and mother of three Lebohlang Mapheto said: "I hope Zuma makes the reduction real before winter."

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# STATE OF THE NATION ADDRESS

## President Jacob Zuma



### ECONOMIC SECTORS AND EMPLOYMENT

# SONA 2012: Fast facts for SA

#### Economic sectors and employment job creation

The Market Demand Strategy of Transnet will:

- » result in the creation of more jobs in the South African economy, as well as increased localisation and Black Economic Empowerment (BEE)
- » position South Africa as a regional trans-shipment hub for sub-Saharan Africa and deliver on the "New Partnership for Africa's Development (Nepad) regional integration agenda".

#### Agriculture

» In order to expand agricultural production, there has also been a commitment to build a dam using the Umzimvubu River as the source in the former Transkei of the Eastern Cape.

#### Energy

» More than 220 000 solar geysers have been installed nationwide – the government target is one million solar geysers by 2014 to 2015.

#### Labour

» In economic transformation, government is amending the Broad-Based BEE Act. The amendments will:

- » establish a statutory commission that will deal with non-compliance and circumvention
- » criminalise fronting and other forms of empowerment misrepresentation.
- » The National Economic Development and Labour Council Process on the Atypical Forms of Employment and Labour Broking have now been completed – this is part of efforts to eliminate all forms of abusive practices inherent in labour broking.

#### Other emergent economic sectors and employment issues

» The President also noted South Africa's bid to host the Square Kilometre Array radio telescope in partnership with eight other African countries. He said the winning bid would be announced next month and urged support.

» Also, in looking to address ongoing concern from business and communities about high electricity costs, the president stated that he had requested Eskom to seek options on how the price-increase requirement may be reduced over the next few years. He said that this was in support of economic growth and job creation and he had called for proposals in this regard for his consideration.

#### Human development Basic education

» The matric percentage pass is on an upward trend and more efforts will be made in continuing to invest in producing more teachers who can teach mathematics, science and African languages.

» A call to teachers to be in school, in class, on time, and teaching for at least seven hours a day remains pivotal to success.

» A major achievement is the doubling of Grade R enrolment, from 300 000 in 2003 to 705 000 in 2011. There is a clear sign that the target of 100% coverage for Grade R by 2014 will be met.

» To fight poverty and to keep pupils in school, more than eight million pupils attend no-fee schools while more than eight million benefit from the government's school-feeding scheme.

» Last year, the national government instituted an intervention in the Eastern Cape to assist the Department of Education. The implementation of the intervention will continue and all is working well with the province in this regard.

» School attendance in the country is now close to 100% for the compulsory band, seven to 15 years of age. However, there is still a concern regarding the report of the General Household Survey in 2010 that just over 120 000 children in that band are out of school. Grade 10 drop-outs appear to be a problem, particularly in the rural and farm areas of the Western Cape. The national government will work closely with the Western Cape provincial government to trace these children and provide support.

#### Higher Education (HE)

» The government has exceeded its targets with regard to HE. Close to 14 000 pupils were placed in workplace learning opportunities over the past year, and more than 11 000 artisans have completed their trade tests.

» The number of students who register and study with further education and training institutions has also increased.

» To expand access to tertiary education as per government's announcement last year, R200m was utilised to assist 25 000 students to pay off their debts to institutions of higher learning.

#### Sports and recreation

» The national women's soccer team Banyana Banyana has qualified for the London Olympics for the first time.

» South Africa has been given the honour to host the Africa Cup of Nations next year, replacing Libya as they are unable to do so.

#### Quality of water

» In relation to the announcements made during the UN COP17 Climate Change Conference in Durban, an amount of R248m is to be invested over the next two years to deal with the issue of acid mine drainage in Witwatersrand.

#### Rural development and land reform

» The year 2013 will mark the centenary of the Natives Land Act, 1913, which took away 87% of the land from the African people. The government has only distributed 8% of the 30% target of land redistribution for 2014 that we set ourselves. » There is general agreement that the willing buyer-willing seller option has not been the best way to address this question.

» A new policy framework, the Green Paper on Land Reform has been introduced to address the issue of slow land redistribution in the country and help move towards the 2014 target.

#### Housing delivery

» The R1bn Guarantee Fund, announced in 2010 to promote access to loans, will start its operations in April, managed by the National Housing Finance Corporation.

» From April, people earning between R3500 and R15 000 will be able to obtain a subsidy of up to R83 000 from provinces, to enable them to obtain housing finance from an accredited bank.

#### Women empowerment

» The Women Empowerment and Gender Equality Bill aims to promote compliance in both the government and private sector and provide for sanctions in the case of non-compliance.

#### Government spending

» The Multi-Agency Working Group on Procurement, led by the National Treasury, South African Revenue Service and the Financial Intelligence Centre, has been mandated to review the state procurement system to ensure compliance with the Public Finance Management Act and to ensure better value for money from state spending.

» The government will continue to improve the State's performance through initiatives that include the vetting of supply chain personnel.

#### Governance and state administration

» The government is also set to work closely with various provinces to improve governance, systems and administration. These include Gauteng to improve health service delivery, the Free State on transport and roads and Limpopo to improve financial administration in five departments, including the provincial treasury.

#### Social cohesion

As part of promoting social cohesion, government undertook and is continuing with many heritage projects:

» Museums and centres to be unveiled will include the 1980 Matola Raid Museum in Maputo, the Ncome Museum in KwaZulu-Natal, phase 2 of the Freedom Park Museum and the Steve Biko Heritage Centre in Ginsberg in King Williamstown.

» Additional projects include the launch of the Dube Trade Port and the unveiling of the statue of John Dube at King Shaka International Airport next month and renaming the Kings House presidential residence in Durban after Dr Dube.

» The government will also table the National Traditional Affairs Bill, which provides for the recognition of the Khoi-San communities, their leadership and structures.

» In 2013, the seat of government, Union Buildings, will mark 100 years of existence and planning will start this financial year to mark the centenary.



#### Governance and administration

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#### Fighting crime

» The crime statistics for the period 2010/2011 indicate that our country witnessed a decline of 5% in the number of reported serious crimes compared to the previous year.

» The government is continuing to implement programmes of making South Africans feel safe and to be safe.

#### Fighting fraud and corruption

» The government continues to improve the performance of the State in various ways, including the fight against corruption.

» To further improve security, the Department of Home Affairs signed a Memorandum of Understanding with the banking industry to roll out the Online Fingerprint Verification System in all participating banks to assist in fraud prevention and detection.

» The government welcomes the launch of Corruption Watch by Cosatu, as well as the recent agreement between the government and business to implement anti-corruption programmes.

#### International relations

» South Africa's infrastructure work extends beyond its borders, as it champions the North-South Road and Rail Corridor, which is part of the African Union's Nepad Presidential Infrastructure Championing initiative.

» The final outcome of COP17 was historic and precedent-setting, ranking with the 1997 conference where the Kyoto Protocol was adopted.

» Building on the success of COP17, South Africa will participate in the Rio+20 Summit in Brazil, which marks the 10th anniversary of the World Summit on Sustainable Development.

## Infrastructure development

» The President announced an infrastructure plan which will be driven and overseen by the Presidential Infrastructure Coordinating Council (PICC). The PICC was established in September, bringing together ministers, premiers and metro mayors under the leadership of the president and the deputy president.

» The PICC has identified and developed projects and infrastructure initiatives from SOEs as well as national, provincial and local government departments.

» The State has chosen five major geographically-focused programmes as well as projects addressing health and basic education infrastructure, information and communications technologies and regional integration. These projects are:

1. Major geographically-focused programmes

a. The development and integration of rail, road and water infrastructure centred around two main areas in Limpopo: the Waterberg in the western part of the province and Steelport in the eastern part. These efforts are intended to unlock the enormous mineral belt of coal, platinum, palladium, chrome and other minerals, in order to facilitate increased mining as well as stepped-up beneficiation of minerals. There will be expansion of rail transport in Mpumalanga, connecting coalfields to power stations. This will enable a shift from road to rail in the transportation of coal. The eastern parts of the North West will benefit from the greater focus on infrastructure connected to mining and mineral beneficiation.

b. Improvement on the movement of goods and economic integration through a Durban-Free State-Gauteng logistics and industrial corridor this project is intended to connect the major economic centres of Gauteng and Durban/Pinetown, and at

the same time, connect these centres with improved export capacity through the country's sea-ports. The President announced Transnet's Market Demand Strategy, which entails an investment over the next seven years of R300bn in capital projects. The strategy will result in the creation of more jobs in the South African economy, as well as increased localisation and BEE. It will also position South Africa as a regional trans-shipment hub for sub-Saharan Africa and deliver on Nepad's regional integration agenda. A total of R200bn is allocated to rail projects and the majority of the balance to projects in the ports. Among the list of planned projects is the expansion of the iron-ore export channel from 60 million tons per annum to 82 million tons (Mt) per annum.

There are various improvements to the Durban-Gauteng Rail Corridor and the phased

development of a new 16-Mt per annum manganese export channel through the Port of Ngqura in Nelson Mandela Bay.

The State is also looking at the necessity of reducing port charges, as part of reducing the costs of doing business as this was raised by the automotive sector in Port Elizabeth and Uitenhage during the performance monitoring visit to the sector last year.

The Port Regulator and Transnet have agreed to an arrangement which will result in exporters of manufactured goods receiving a significant decrease in port charges during the coming year, equal to about R1bn.

c. The development of a major new South Eastern node that will improve the industrial and agricultural development and export capacity of the Eastern Cape region, and expand the province's economic and logistics linkages with the Northern Cape

and KwaZulu-Natal.

The State is committed to building a dam using the Umzimvubu River as the source in Eastern Cape, in order to expand agricultural production.

The implementation of the Mthatha Revitalisation project is proceeding well and this is a presidential special project. Work is at an advanced stage to improve water, sanitation, electricity, roads, human settlements, airport development and institutional and governance issues.

d. Expansion of the roll-out of water, roads, rail and electricity infrastructure in the North West. Ten priority roads will be upgraded.

e. Improvement of infrastructure to unlock this potential, which includes the expansion of the iron-ore rail line between Sishen in Northern Cape and Saldanha Bay in the Western Cape, which will create jobs in both provinces. The iron-ore capacity on

the transport side will increase capacity to 100 Mt per year and this will allow for the expansion of iron-ore mining over the next decade to feed the developing world's growing investment in infrastructure and industrial activities.

2. Social infrastructure projects include projects aimed at laying the basis for the National Health Insurance system such as the refurbishment of hospitals and nurses' homes.

3. Building new universities in Mpumalanga and Northern Cape: A total of R300m has been allocated for the preparatory work.

4. South Africa's bid to host the Square Kilometre Array radio telescope in partnership with eight other African countries.

5. South Africa champions the North-South Road and Rail Corridor, which is part of the African Union's Nepad Presidential Infrastructure Championing initiative.

The massive investment in infrastructure will industrialise the country, generate skills and boost much needed job creation. The President will convene a presidential infrastructure summit to discuss the implementation of the plan with potential investors and social partners.

**Five new water augmentation schemes are on schedule. These are:**

» Olifants River Water Resource in Steelport, Limpopo

» the Vaal River Eastern Sub-System in Secunda, Mpumalanga

» Komati Water Augmentation Scheme in Nkangala, Mpumalanga

» the raising of Hazelmer Dam in KwaZulu-Natal

» the Clanwilliam Dam in Clanwilliam in the Western Cape. In addition, nine out of 25 dams have been rehabilitated.



# STATE OF THE NATION ADDRESS

## President Jacob Zuma



SERVICES

# Gigaba assures the nation on power

*Eskom urged to come up with measures to curb electricity price increases*

Andrew Molefe

WHILE electricity usage remains extremely tight, South Africans can sleep easy in the knowledge that no immediate major power outages are envisaged in the near future.

This assurance was given by Minister of Public Enterprises Malusi Gigaba in an interview with The New Age. But he warned that demand exceeded supply and if South Africans continued to use electricity excessively, then outages were inevitable.

Eskom had agreements in place to purchase additional power from independent power producers and had a buy-back strategy under which it bought back excess electricity from big business and municipalities.

"Sometimes companies and municipalities purchase excessive power in case of shortfalls and then find out that they cannot use all that power," said Gigaba.

"That's when we get in and buy back that power. Remember, you can't store power indefinitely and hence they are more than willing to sell it back."

Asked if Eskom paid more for buy-backs than what they sold it for in the first place, the Minister said Eskom did sometimes pay more for repurchasing because the rules of supply and demand applied here. "But that has been budgeted for."

Gigaba pleaded with the nation to not only conserve electricity, but to use it in a sustainable manner that would guarantee that it would be there for future use.

He said two major factors contributed to the state of affairs where there was always threats of blackouts.

One of these was the under-investment in electricity infrastructure. To correct this, Eskom is in the throes of massive capital expenditure that has seen prices skyrocket to fund the programme.

Last year alone, Eskom tariffs shot up 35%. President Jacob Zuma, in his state of the nation address last week, called on the power utility to explore alternative ways of funding infrastructure expansion. He ordered Eskom to report back to him in the coming weeks on what could be done to ensure that the tariff increases were moderated.

Gigaba said the other factor contributing to the dire state of affairs with regard to electricity supply was the continued massive wastage of power by corporate South Africa and municipalities. Most municipalities wasted electricity by leaving street lights on during the day.

Eskom's 49 Million campaign hoped to reverse the problems of wastage, Gigaba said. It was undertaking punishing roadshows that kicked off in Gugulethu and would travel the length and breadth of the country engaging the business community, municipalities, schools and the general public on the wise usage of electricity.

The 49m campaign was urging South Africans to cut their daily electricity usage by at least 10%, something that would go a long way in ensuring regular and uninterrupted power supply.

Last Friday, Gigaba visited two Gugulethu homes where breadwinners were senior citizens. He donated geyser blankets and low energy light bulbs before going to the sports centre where he addressed a group full of senior citizens and reiterated Zuma's commitment to moderate the increases of the price of electricity.

The entourage later moved



COST: Minister of Public Enterprises Malusi Gigaba reiterated President Zuma's commitment to moderate the price of electricity.

Pictures: SHAWN RAYMOND UYS

to Mzolis in the same township where he addressed the community at length in Xhosa about saving "umbalo".

He again reiterated what Zuma had said the previous night.

The president has given Eskom

a short deadline to come with ways to moderate electricity price rises.

"I have asked Eskom to seek options on how the price increase requirement may be reduced over the next few years, in support of economic growth and job

creation," Zuma said. "We need an electricity price path that will ensure Eskom and the industry remain financially viable and sustainable, but which remains affordable, especially to the poor."

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CONSERVE: Gigaba has pleaded with the nation to save electricity.



NO BLACKOUT: Gigaba reassured South Africans there would be no loadshedding.



# STATE OF THE NATION ADDRESS

## President Jacob Zuma



DIPLOMATIC CORPS DINNER

# Honouring African liberation

Remarks by the Minister of International Relations and Cooperation, Maite Nkoana-Mashabane

“WELCOME to the Department of International Relations and Cooperation’s Annual Dinner for 2012.

I thank all of you for your presence here tonight: Our Dean is here with the entire contingent of the diplomatic corps. We thank all of you, excellencies, for your friendship and good relations with our country.

We also have many other distinguished personalities in our midst tonight. We value your presence, we value your friendship.

This year, we dedicate the dinner to the legacy of liberation movements in Africa, and the contribution of diplomacy to the attainment of our freedom as African people. We chose this theme, on the one hand, to recognise the centenary of the African National Congress and, on the other, to join many countries on our continent who have been celebrating 50 years of their independence from colonial rule.

Today, we pay tribute to the sons and daughters of this great continent who, when faced with two choices – submit or fight – chose to fight for the freedom, democracy and development we now enjoy.

Today, we rededicate ourselves to the ideals of justice and a better life for all, in a better South Africa, Africa and the world.

Every year we meet after the State of the Nation address to digest the message from our President, and sharpen our resolve, individually and collectively, to make the best out of the year ahead of us in our respective areas of work.

We will be guided in what we do this year by the Programme of

Action unveiled by our president in his state of the nation address.

Excellencies, ladies and gentlemen, we may be less than two months into 2012, but this year has already been an eventful one. It began with the ANC’s centenary celebrations in Mangaung – an event that most of you graced with your attendance. President Jacob Zuma has already thanked all our friends from all over the world who were in Mangaung to cut the birthday cake with us.

Another highlight for us was South Africa’s Presidency of the Security Council of the United Nations. A few days ago we reported to our portfolio committee in Parliament on this aspect of our work. Suffice to say for now, we focused our Presidency on the strengthening of the relationship between the UN Security Council and the African Union in the maintenance of international peace and security. We were informed in this respect by the fact that around 60% of the issues on the agenda of the UN Security Council concern our continent.

The outcome of the focus of our presidency was UN Security Council Resolution 2033, which reiterated the importance of establishing a more effective relationship between the UN Security Council and the AU Peace and Security Council, particularly in the area of conflict prevention, resolution and management, electoral assistance and regional conflict prevention offices. The resolution also encourages the improvement of regular interaction, consultation and coordination between the two bodies on matters of mutual interest.

We will continue to serve on the UN Security Council until

the end of the year. We believe that current global events have not only tested the effectiveness and credibility of the UN Security Council in its role of maintenance of international peace and security, they have also highlighted the urgent need for the reform of this organ and the entire UN in accordance with the current geo-political realities.

Excellencies, ladies and gentlemen, friends, today, it is 22 years since the father of our nation, Nelson Mandela, walked out of prison in his long walk to freedom. It would therefore be appropriate to recall his famous poetic statement on the birth of our democracy, when he said: I dream of realisation of the unity of Africa, whereby its leaders combine efforts to solve the problems of this continent. I dream of our vast deserts, of our forests, of all our great wilderness. I dream of Africa which is in peace with itself.”

This dream remains our inspiration in our long walk to freedom.

I am therefore looking forward to this year, which will be as hectic as the previous ones. Our plate is already full with, among others, the African Diaspora Summit that we will be hosting in May with the endorsement of the AU, and the outcomes of COP17/CMP7 whose implementation will be another key focus for this year.

South Africa will always count on her friends. This year will not be an exception. Madiba’s journey in his long walk to freedom is far from over. This is a journey that we have all walked together in the past, and we will continue doing so this year.

I thank you!”



CORDIAL GREETINGS: Minister Maite Nkoana-Mashabane and Chief Justice Mogoeng Mogoeng



REPRESENTING SA: Minister Maite Nkoana-Mashabane with Miss South Africa Melinda Bam.

Picture: JACOLINE SCHOONEES



LUMINARY: Dr G Rebelo Pinto Chikoti, SADC Council Chairperson and Foreign Minister of Angola.



AFRICAN AGENDA: Namibian Foreign Minister Utoni Nujoma with Ministers Naledi Pandor and Nkosazana Dlamini-Zuma.



DEEP DISCUSSION: MP Fatima Hajaig and Palestinian Ambassador Ali Halimeh.

Pictures: JACOLINE SCHOONEES



# STATE OF THE NATION ADDRESS

## President Jacob Zuma



TNA BUSINESS BRIEFING

# New law to stop BEE fronting

*'Details on size of penalties are still to be worked out'*

Siyabonga Mkhwanazi

PRESIDENT Jacob Zuma has issued a stern warning to companies who are fronting as black economic empowerment businesses that the law will deal with them.

Zuma said it was a matter of time before the legislation on fronting was promulgated and that decisive action would be taken against people involved in this business practice.

Speaking at the The New Age Business Breakfast Briefing in Cape Town on Friday, the President said that, having realised that there was much fronting in various sectors of the economy, they had decided to introduce a law to address the problem.

"Since it is now a fact (that there is fronting) we need to stop it," Zuma told guests, adding that government would work out what punishment would be meted out to businesses involved in fronting.

"The details will come out once the law is there. We have taken a decision that fronting is wrong. It gives a false impression," said Zuma.

**Job creation**

As he pointed out in his state of the nation address on Thursday, Zuma said South Africa had performed well in the creation of jobs. Although there were challenges in the economy, the country managed to create 365 000 jobs last year.

The fact that so many jobs were created demonstrated that South Africa was able to withstand the global economic recession of 2008.

**Infrastructure**

The president said the massive infrastructure programme the country would undertake over the next few years would yield much-needed jobs.

"If we say there is a plan for infrastructure we are creating an environment for jobs. We are creating an environment for investment," Zuma said.

He defended the government's performance on the delivery of basic services, but there were still challenges, Zuma said, adding that part of the bottleneck was



OPEN FOR BUSINESS: President Jacob Zuma answering questions at The New Age Business Briefing.

Picture: RUSANA PHILANDER

the lack of infrastructure.

"Our infrastructure was historically created in a particular way – to cater to a few," he said. The question of our infrastructure today is to facilitate delivery, because in areas where there is no infrastructure, how do you, for instance, bring in water?"

"The question of infrastructure remains a challenge, and that's the challenge we are tackling right now," he added.

**Nationalisation**

Zuma reiterated that nationalisation was not an ANC policy, nor that of his government. "Nationalisation is not our policy. It is as clear as that," he said.

The ANC's elective conference in Mangaung in December, said Zuma, would take a decision on whether to nationalise the mines.

But an ANC study found that nationalisation was not a viable option and that it was costly for the state.

The study, conducted by three researchers, was tabled at the ANC's national executive committee meeting more than a week ago.

The research team has proposed changes in the tax regime for mines.

Planning Minister Trevor Manuel and Mineral Resources Minister Susan Shabangu told a Mining Indaba in Cape Town last week that nationalisation would not happen.

Zuma urged the local private sector to invest in South Africa. This would serve as an indication that the private sector had confidence in the country, he told guests.

He said by investing locally they would be sending a message to foreign companies that the climate was good in South Africa for investment.

"Big business must help develop small business because by developing small business you actually help your own business to be sustained and to develop. The private sector must invest in Africa, because it is an accepted fact that Africa is one of the fastest growing regions economically in the world. You have to make Africa your destination," he said.

**African Union**

The African Union has opened business opportunities on the continent by saying that there must be free trade zones across the continent. This was a decision taken by the AU at its last summit

**Since it is now a fact (there is fronting) we need to stop it**

in Addis Ababa. By investing in the continent big business would yield good returns, Zuma said.

**Land reform**

The government was working on a programme to address land reform.

He said although there was the willing-buyer, willing-seller principle to deal with restitution, the system had not produced the required results.

"We said it (the principle) does

not help us to solve the problem. Part of its difficulty is the manner in which it has been done. We've had situations that we have come across where a farm would be bought by the government and given to people and those people would give it back," he said.

"Some of them say they need money rather than a farm. We are re-looking into those issues. A green paper has emerged to deal with this issue. We need frank views of South Africans on how to solve the land question.

"We need to find a solution that is in keeping with our Constitution, that is in keeping with our democracy, but that is in keeping with our effort to address the plight of the poor," Zuma said.

On the international front, the president said Home Affairs Min-

ister Nkosazana Dlamini-Zuma had contested the position of chairperson of the AU Commission in order to make the organisation more effective.

Neither Dlamini-Zuma nor incumbent chairman Jean Ping had mustered the required two-thirds of the vote to get the top job. The next round of elections would be in six months' time at an AU summit in Malawi. South Africa indicated that Dlamini-Zuma would contest again.

Zuma described the Home Affairs minister as a formidable candidate with good leadership qualities: "That's why we presented a candidate which we believe will help Africa to move forward including being effective, doing things for Africa not for other people," he said.



ATTENDED: Marius Fransman Deputy Minister of International Relations and Co-operation and Lindwe Sisulu, the Minister of Defence and Military Veterans.



SERVING: Public Services Minister Roy Padayachie and Sally Mudaly-Padayachie.



WOMEN IN BUSINESS: Settie Mankapan, Lulama Mokhobo, Group CEO of the SABC and Cornelia Laubscher.

Pictures: RUSANA PHILANDER



# STATE OF THE NATION ADDRESS

## President Jacob Zuma



HONOUR



NOTEWORTHY: From left, Finance Minister Pravin Gordhan, Reserve Bank Governor Gill Marcus and President Jacob Zuma at the launch of the new bank notes.

Picture: AFP

# Banknote tribute to Mandela

*One of the world's greatest leaders will grace our currency*

Tlalane Tshetto

IN THE week that President Jacob Zuma held the nation's attention, he also helped remind us of how far we had come by honouring our first democratically elected president, Nelson Mandela.

To mark the 22nd anniversary of Nelson Mandela's release from prison, the Reserve Bank has announced that new banknotes will bear the statesman's image.

President Jacob Zuma said he was happy that the announcement was made on such an historic day.

"The day marked the beginning of a new area of hope for our country and the world," said President Zuma.

In a statement, the Reserve Bank said it was international best practice that the security features of banknotes were upgraded every seven to 10 years, particularly given the constant improvement in technology.

The present note series was upgraded in 2005 and while the security features remained effective, it was decided to produce a new note series.

In consultation with the President and Minister of Finance Pravin Gordhan it was agreed a new note series would be designed.

"The currency will have the same denominations, sizes and colours but the front of all notes will carry a specially designed engraving of former president Nelson Mandela," said Reserve Bank spokesperson Hlangani Mathebula.

The reverse side of each denomination will have an image of one of the Big Five.

The redesign will be accompanied by a significant recapitalisation of the South African Note Company, which is being modernised with state-of-the-art printing equipment.

The upgrading also entails significant training of the note company staff.

The iconic image that will be carried on the rand, the South African currency that is widely used in sub-Saharan regions and traded globally, is a tribute to one of Africa and the world's greatest leaders.

"We need to stress that the current notes remain legal tender and there will be a programme of replacement with the new notes over time. It's expected the notes will be introduced towards the end of 2012," said Mathebula.

President Zuma said it was a fitting tribute to a man who became a symbol of the country's struggle for freedom, human rights and democracy.

"With this humble gesture, we are expressing our deep gratitude as the South African people to a life spent in service of the people of this country and in the cause of humanity worldwide.

"The banknotes will make us remember and appreciate our achievements in order to continue the journey towards a more prosperous society," said President Zuma. Zuma further described Mandela as an "outstanding leader and patriot" that represented a group of exceptional men and women who demonstrated their love for South Africa in a time of repression.

While the change will not extend to the country's coin series, it will involve countries on the continent that use South African currency. The bank has no plans of producing a R500 note.

Reserve Bank Governor Gill Marcus hopes to have the new currency in circulation before the end of the year.

"We will advise South Africans of the changes when the notes come into circulation," she said. A public outreach programme will be held to inform people

of the changes.

After the introduction of the new notes, the current bank notes will still be deemed legal tender until they are phased out.

Marcus said the decision to change the country's bank note series was taken following consultation with various stakeholders, including the President and Finance Minister Pravin Gordhan.

The former President was consulted in person and he "was delighted" about the news, said Marcus.

Winnie Mandela, Graca Machel as well as the rest of the Mandela family were also consulted. Other stakeholders included the Department of Arts and Culture and the National Council for the blind, among others.

The redesign of the notes is accompanied by the recapitalisation of the South African Note Company (SABN) which is being modernised with state-of-the-art printing equipment and the up-skilling of staff.

"We have confidence in the capacity [of the SABN] although there were challenges," said the Governor, adding that the cost of the design has been incorporated into the upgrade of the note company which is a wholly-owned subsidiary of the Reserve Bank and is responsible for printing the currency of the country.

The cost of designing the bank notes is R2.5 million.

Gordhan said the introduction of the note, which the Bank is now in the process of producing - is the beginning of a generation-wide remembrance of Mandela.

The first new R50 note was handed over to the President.

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Additional reporting by BuaNews



ICON: An image of Nelson Mandela will grace the country's new banknotes, a tribute to the great leader who devoted most of his life to the struggle for freedom, democracy and human rights.



# STATE OF THE NATION ADDRESS

## President Jacob Zuma



PHOTO GALLERY



**POLITICAL ROYALTY:** President Jacob Zuma shares a light moment with former ANC president Chief Albert Luthuli's daughter, Albertina Luthuli.



**FAMILIES MATTER:** President Jacob Zuma hosted family members of past ANC presidents at his official residence Genadendal in Cape Town. They were his special guests during the State of the Nation address.

# Partying after all the politics

*It wasn't all pomp and ceremony for the State of the Nation address guests. They could also let their hair down*



**INFRASTRUCTURE DRIVE:** President Zuma's entourage leads the way to parliament for the State of the Nation address last week.



**DANCING DA DIVA:** DA leader Hellen Zille couldn't resist Freshly Ground's catchy music and took to the dance floor at the gala dinner held under a marquee near Parliament.



**WE GOT RYTHM:** ANC chief whip Mathole Motshekga and Minister Angie Motshekga exchanged their responsibilities for dancing shoes.



**ALL HAIL THE CHIEF:** A packed parliament listens intently as the President delivers his State of the Nation address.



# STATE OF THE NATION ADDRESS

## President Jacob Zuma



### PHOTO GALLERY



**BIG BUCKS:** President Jacob Zuma receives a cheque from Metropolitan CEO Mervyn Cookson during the Presidential Address Golf Challenge in Stellenbosch.



**CONGRATS:** (From left) Ndileka Mandela with first ladies Bongi Zuma, Thobeka Zuma and Nompumelelo Zuma applaud after President Jacob Zuma delivered his 2012 State of the Nation address.

# An event to remember

*This year's SONA was stately and colourful in keeping with tradition*



**VOICE OF AN ANGEL:** Vusi Mahlasela and his band gave a stunning performance during the post-speech dinner in Cape Town. Picture: JACOLINE SCHOONEES



**SMART:** Philida Fransman and Deputy Minister Marius Fransman stepping out. Picture: JACOLINE SCHOONEES



**SUBLIME:** Indian dancers entertain crowds during the state of the nation address festivities.



**GROOVY:** Cape traditional dancers provide a bright dash of colour and movement at the National Assembly.



**PATRIOTIC:** The Junior Guard of honour wave the flag at the occasion.



**AND THEY'RE OFF:** President Jacob Zuma in action at De Zalze Golf Estate in Stellenbosch.