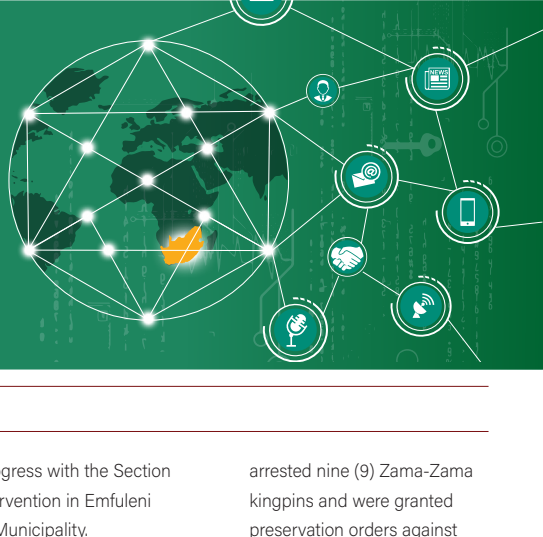


# Cabinet Statement

Statement on the Cabinet Meeting  
of Wednesday, 13 September 2023



## ISSUES IN THE ENVIRONMENT

### ■ G20 Summit

- Cabinet congratulated Prime Minister Modi and India for hosting a successful G20 Summit and the admission of the African Union (AU) as a full member of the G20.
- South Africa under the leadership of His Excellency, President Cyril Ramaphosa advocated for the admission of the AU as a full member of the G20 including during the 2022 G20 Summit in Bali, Indonesia.

The AU's participation as a full member will strengthen the voice of the global South in general and Africa, in particular on global economic governance. South Africa also used the summit to advocate for an enhanced and expanded Global Partnership for Sustainable Development to meet climate change commitments.

- The G20 leaders committed, amongst others to:
  - Accelerate strong, sustainable, balanced and inclusive growth.
  - Accelerate the full and effective implementation of the 2030 Agenda for Sustainable Development.
  - Pursue low-GHG/low-carbon emissions, climate-resilient and environmentally sustainable development pathways by championing an integrated and inclusive approach.
  - Improve access to medical countermeasures, facilitate more supplies and production capacities in developing countries to prepare better for future health emergencies.
  - Scale up financing from all sources for accelerating progress on SDGs.
  - Accelerate efforts and enhance resources towards achieving the Paris Agreement, including its temperature goal.
  - Pursue reforms for better, bigger and more effective Multilateral Development Banks (MDBs) to address global challenges to maximise developmental impact.
  - Close gender gaps and promote the full, equal, effective and meaningful participation of women in the economy as decision-makers.
  - Better integrate the perspectives of developing countries, including LDCs, LLDCs, and SIDS, into future G20 agenda and strengthen the voice of developing countries in global decision-making.
- On the margins of the G20 Summit, South Africa participated in the EU-African Leaders' meeting that deliberated on food security, grain and fertiliser supply and the reform of the global financial architecture.

### ■ The African Climate Summit

- Cabinet congratulated President Ruto of Kenya for successfully hosting Africa's first ever climate summit. The Summit showcased Africa's significant renewable energy resources and the opportunities presented for the continent's sustainable growth and development.
- The Summit Declaration called for new, sustainable non-debt financial sources to finance Just Energy Transitions and build climate resilience in a manner that create jobs and fight poverty.
- On the sidelines of the Summit, South Africa participated in the African Green Hydrogen Alliance (AGHA) forum and took over the chairship of the Forum.

### ■ ELECTRICITY

- Cabinet was updated on the current planned maintenance programme that is being implemented by Eskom to ensure the sustainability of Eskom's plant. The concerted implementation of the planned fleet maintenance programme has resulted in increased stages of load shedding in recent days.

The implementation of stage 6 load shedding in the last week was a regress from the trends that prevailed in the previous weeks of lower stages of load shedding. Cabinet was assured that the current implementation of increased stages of load shedding is a short-term phase as Eskom prepares for more sustained and lessened stages of load shedding in the not-so-distant future.

- The Minister in the Presidency for Electricity, Dr Kgosietho Ramokgopa will continue to update the nation on the progress being made to address the current electricity challenges and the steps being taken to ultimately end load shedding.

### ■ ECONOMY, INVESTMENTS AND TRADE

- Gross Domestic Product
  - Cabinet is pleased with the resilience of the South African economy as shown by South Africa's gross domestic product (GDP) second quarter data as released by StatsSA. This is despite the prevailing difficult global economic conditions and the persistence of the electricity situation in the country. The StatsSA has reported an increase of GDP by 0, 6% in the second quarter of 2023. The manufacturing industry increased by 2, 2% in the second quarter, contributing 0, 3 of a percentage point to GDP growth. The continued improvements in manufacturing data indicates improvements in the production capacity, which in turn contributes to an increase in total manufacturing employment.
  - The petroleum, chemical products, rubber and plastic products division made the largest contribution to the increase in the second quarter. The basic iron and steel, non-ferrous metal products, metal products and machinery division also made a significant contribution to the growth in this industry. The finance, real estate and business services industry increased by 0, 7% in the second quarter, contributing 0, 2 of a percentage point to GDP growth. The agriculture, forestry and fishing industry increased by 4, 2% in the second quarter, contributing 0, 1 of a percentage point to GDP growth. The personal services industry increased by 0, 7% in the second quarter, contributing 0, 1 of a percentage point to GDP growth.

### ■ Implementation of the Poultry Sector Master Plan

Cabinet welcomed 750 jobs created at the Rainbow Chickens facility in Hammarsdale, which points to the success of the implementation of the Poultry Masterplan. During 2017, the Rainbow Chickens had retrenched more than 1000 workers and closed the operations. After adoption of the

masterplan, government implemented a variety of measures to safeguard the local poultry industry including placing anti-dumping duties on poultry imported from producers in 5 countries. This, together with increased investment and measures to transform the industry and bring more black-owned firms into the market, has seen real successes.

- Rainbow chickens has since re-opened and invested R220m Overall employment within the poultry industry has been reported to have increased by 2780 jobs; and more than R2 billion in fresh investment has been implemented.
- 4.3 R5 billion investment pledges by auto component manufacturers
  - Cabinet welcomed approximately R5 billion investment pledges by auto component manufacturers made at the NAAACAM Show recently. These pledges, by companies operating in South Africa, shows the confidence of the industry in the SA market and the opportunities to localise production of components, providing auto assemblers with a more resilient supply base. Shortly after the announcement, the Minister of Trade, Industry and Competition officially opened the Benteler Plant Extension in the E Cape, producing components for local car assemblers. The expansion of production is estimated to replace imports worth [R1 billion] and the workforce grew to 743 workers.

### ■ Stellantis Investment in South Africa

- Cabinet welcomed the confirmation by Stellantis of its intention to develop a greenfield manufacturing facility in Coega, South Africa. The greenfield manufacturing project is planned to be completed by the end of 2025. The first launch planned for early 2026 is for a 1 T pick-up truck with volumes expected to reach up to 50,000 annually including for export, in line with the industry masterplan, known as the Automotive Production Development Program (APDP).
- Direct employment to support the first capacity step is expected at 1000 jobs. Stellantis will be massively investing in over 500 000 hours in training and skills to develop and support the local teams to the level of global standards. We are targeting a localization rate over 30%.

### ■ Largest smart skills centre

- The Chemical Industries Education and Training Authority launched a SMART Skills Centre in Babanango in KwaZulu-Natal, which will provide tech-enabled learning programmes in the province. This project is part of government's plans to revolutionise digital skills development and it will be expanded to all provinces.
- In addition, Cabinet welcomed the launch of the National Plan for Post School Education and Training that is aimed at aligning skills development to the demands of the workplace and thus help address South Africa's skills mismatch.

### ■ INFRASTRUCTURE

- Water and Sanitation: Section 63 intervention in Emfuleni Local Municipality
  - Cabinet received an update on

- the progress with the Section 63 intervention in Emfuleni Local Municipality.
- Cabinet was informed of the causes of wastewater problems in Emfuleni and the interventions being implemented to address the problems in the short, medium and long term.
- Cabinet was briefed on the progress made by Rand Water to address sewage spillages through repairing collapsed or burst sewerage pipes and unblocking blockages in sewage pipelines.
- In addition, Cabinet was also briefed on the progress with the refurbishment and/ or upgrade of sewage pump stations and replacement of major pipelines that had collapsed or were experiencing frequent pipe-bursts. This included mechanical and electrical repairs to the wastewater treatment plants in the municipality.
- In the long-term, the work will involve the upgrade of capacity of three major wastewater treatment works namely, the Leeuwkuil, Sebokeng and Rietspruit Wastewater Treatment Works.
- Together with the Department of Water and Sanitation and Rand Water, GCIS will organise a site inspection at Emfuleni.

### ■ N4/Montrose/Schoemansklouf Interchange

- Cabinet welcomed the opening of the upgraded N4/Montrose/Schoemansklouf Interchange in Mpumalanga, which forms part of the Maputo Corridor Development initiative. The renovations will reduce travel time for road freight transport and will ensure increased safety for all road users.
- This project created over 350 jobs and provided subcontracting opportunities for several local companies in line with our commitment to uplift and skill local communities.

### ■ KwaMashu - Durban Passenger Rail Corridor

- Cabinet welcomed the re-opening of the KwaMashu - Durban Station passenger rail corridor, which also introduced the new, safe and clean blue trains on the corridor. 13 Co-operatives will clean and take of the trains and train stations. The number of train passengers is registering phenomenal increases as trains continue to offer most affordable means of transport.

### ■ FIGHT AGAINST CRIME AND CORRUPTION

- Operation Bring Back

Cabinet commended the ramping up of Operation Bring Back to identify and recover illegally occupied state buildings. As part of this initiative, the national government is providing support to municipalities to ensure the enforcement of by-laws to eradicate hijacking of buildings, their effective management and utilization, and ability to account for the utilisation of government's immovable assets.

- Integrated fight against crime
  - Cabinet welcomed the recent successes by the country's law enforcement agencies in the war against crime.
  - In the first quarter of 2023, the Hawks arrested 611 suspects, and seized various items including precious metals and diamonds, endangered species, vehicles, cash, firearms, ammunition, counterfeit goods, explosives and electronic devices worth R6 112 768 985.
  - In addition, law enforcement

- arrested nine (9) Zama-Zama kingpins and were granted preservation orders against their assets that include luxury vehicles such as Lamborghinis etc., precious metals and cash to the value of R34 million.
- Cabinet commends law enforcement agencies on their fight to dismantle crime syndicates. The successful actions in dealing with heavily armed gang linked to a series of cash in transit heists in Limpopo is commendable. Cabinet reiterates that law enforcement should leave no stone unturned in dealing with those who seek to undermine South Africa's national security and the laws of the Republic.
- Cabinet welcomed the arrest of nine (9) Northern Cape Department of Health officials for PPE corruption. The suspects are accused of fraud, corruption, money laundering and contravening the Public Finance Management Act.

### ■ Government's position on the National Health Insurance

- Cabinet has collectively reiterated its firm commitment for the implementation of the National Health Insurance as way of ensuring that all South Africans have access to quality healthcare. The commitment to NHI is premised on the fact that both public and private health sectors are not sustainable. The current parallel and fragmented systems must be integrated into a national system so that all resources are accessible to all people. The implementation of the NHI is premised on the implementation of a comprehensive approach to accelerating infrastructure improvement in the public sector. This is not something that should be contemplated separately from the reforms in the NHI Bill.
- Focusing narrowly on the intended reforms of private financing of healthcare has detracted from the Bill's intended reforms of public and private provision of services. It is in reforming the service platform that space will be created for decongesting public facilities. When the NHI Fund is able to purchase services from both public and private providers, we will begin to see the pressure lifted from highly pressured public facilities. The intentional distortion that the passage of the Bill will reform everything overnight is mischievous at best. The transitional provisions are clear that the implementation will take time and that the reforms will be implemented in phases.

### ■ Government's position on the Fiscal Constraints

- Cabinet appreciates the current fiscal constraints, which are not unique to South Africa, but has resulted in in-year budget shortfall. Cabinet has iterated that measures to address the budget shortfall must not impact negatively on service delivery.
- The Minister of Finance will shortly issue Guidelines clarifying the unintended misunderstanding arising from the Cost Containment Letter issued on 31 August 2023. In addition, as part of the in-year performance review of progress in implementation priorities agreed to with Ministers, the President and Deputy President will meet with individual Ministers to ensure that fiscal management does not derail the agreed to priorities.

## CABINET DECISIONS

### ■ Policy on Prevention and Treatment for Substance Use Disorders.

- Cabinet approved the Gazetteing of the Policy on Prevention and Treatment for Substance Use Disorders, which aims to tackle the country's substance abuse levels.

- The policy will supplement other substance abuse interventions such as the National Drug Master Plan that was first implemented between 2013 and 2017. It will address gaps that have been identified in the Prevention of and Treatment for Substance Abuse Act.
- The policy proposes communi-

ty-based prevention programs that can be effective in helping to address major challenges arising from substance abuse.

- The policy will be published on the Department of Social Development website [www.dsd.gov.za](http://www.dsd.gov.za).

### ■ Implementation of the

### Tourism Equity Fund

- Cabinet was updated on the settlement reached on the implementation of the Tourism Equity Fund (TEF) as a result of the court case brought by Afriforum and Solidarity.
- Cabinet was updated on the actions taken to implement the settlement agreement and the

- changes to the TEF effected on the basis of the settlement agreement.
- Accordingly, the TEF will be implemented in line with existing Tourism Sector Code targets of minimum 30% black ownership instead of the 51% originally proposed TEF targets.

## BILLS

### ■ Draft Public Service Commission (PSC) Bill

- Cabinet approved the submission of the Public Service Commission Bill to Parliament, which amends the PSC Act, no. 46 of 1997.
- The amendments will enable the PSC to operate as an independent and impartial constitutional body with the view to improve its effectiveness and efficiency within the public service.
- The Bill also extends the mandate of the PSC to municipalities and public entities and provides a legislative framework for the PSC's oversight role in the implementation of the National Framework on the Professionalization of the Public Sector.

### ■ Draft Aquaculture Development Bill

- Cabinet approved the publication of the draft Aquacul-

ture Development Bill for public comment. The purpose of the Bill is to:

- promote the development of a responsible Aquaculture sector for meaningful contribution to food security and economic development for the country;
- support greater participation of small businesses, especially those owned by women and youth; and
- promote the transformation of the aquaculture sector.

### ■ Draft National State Enterprises Bill

- Cabinet approved the publication of the draft National State Enterprises Bill for public comment.
- The draft Bill proposes:
  - the consolidation of State's shareholdings in strategic state-owned enterprises
  - The establishment of the State's Asset Management

SOC Ltd as a holding company for state shareholding of strategic SOEs, with the State as a sole shareholder.

### ■ The Repeal of the South African Airways Bill

- Cabinet approved the publication of The Repeal of the South African Airways Bill for public comment.
- The Repeal of the SAA Act is aimed to give effect to the changes of government no longer being a majority stakeholder of the SAA.
- The repeal of the SAA Act does not change the continued corporate existence of the company under Companies Act; and
- The rights attached to government shares in SAA will be exercised by the designated shareholder representative on behalf of the State.

## UPCOMING EVENTS

### ■ Heritage Day

- This year's main event for Heritage Day will be held at the Princes Magogo Stadium Kwa-Mashu, in KwaZulu-Natal on 24 September 2023 and Cabinet called on all South Africans to join us as we celebrate our rich heritage.

### ■ United Nations General Assembly 78

- South Africa will participate in the 78th session of the United Nations General Assembly at the United Nations from 18 to 26 September 2023 under the theme: "Rebuilding trust and reigniting global solidarity: Accelerating action on the 2030 Agenda and its Sustainable Development Goals towards peace, prosperity, progress and sustainability for all"

### ■ UNESCO 9th African Engineering week and 7th Africa Engineering conference

- 31 South Africa through the Engineering Council of South Africa and the Department of Public Works and Infrastructure will host the UNESCO 9th African Engineering week and 7th Africa Engineering Conference on 25-28 September 2023 in Pretoria.

### ■ SOUTH AFRICA'S SCHOOL SPORT INDABA

The Department of Arts, Sports and culture will hold a National School Sports Indaba in Birchwood Hotel Johannesburg on 14-15 September 2023. School sport is a bedrock of sport development and it's government intervention to revitalise school sport in South Africa.

### ■ BORDER MANAGEMENT AUTHORITY LAUNCH

51 The launch of the Border Management Authority 2023 came into effect on 1st April 2023 as an autonomous schedule 3(A) public entity serving as the third law enforcement authority in South Africa will be launched on the 5th of October 2023.

### ■ AFRICA GROWTH OPPORTUNITY ACT (AGOA)

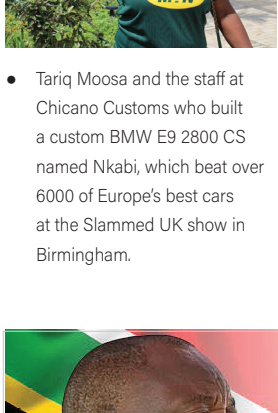
61 South Africa will host the AGOA forum on the 2nd - 4th November 2023. The forum will discuss trade matters between the United States of America and the eligible African Countries.

## MESSAGES

### ■ Congratulations

Cabinet extended its congratulations and well-wishes to:

- **Springboks** for flying the South African flag high and making the country proud by winning their opening match against Scotland at the 2023 Rugby World Cup.



- Tariq Moosa and the staff at Chicano Customs who built a custom BMW E9 2800 CS named Nkabi, which beat over 6000 of Europe's best cars at the Shagham in Birmingham.

- South African Women scientists who have been rewarded for excellence at the 2023 instalment of the South African Women in Science Awards (SAWiSA) that was hosted by the Minister of Higher Education, Science and Innovation, Dr Blade Nzimande. Cabinet congratulates the following winners:
  - Distinguished Woman Researchers: Humanities & Social Sciences
  - Prof. Catherine Ward
  - Distinguished Young Woman Researchers: Humanities & Social Sciences
  - Prof. Anastacia Mamabolo
  - Distinguished Woman Researchers: Natural & Engineering Sciences
  - Prof. Janine Barbara Adams
  - Distinguished Young Woman Researchers: Natural & Engineering Sciences
  - Prof. Usisipho Feleni
  - Distinguished Young Woman: Special Award

- Dr Tlissetso Elizabeth Lephot
- Distinguished Woman: Special Award
- Dr Patience Thenjiwe Mthunzi-Kufa
- DSI-Ndoni Mchunu Fellowships: Master's Awards
- Ms Nyeleti Precious Mabaso
- Ms Modjadji Rebecca Letsolo
- Ms Gizelle Roque van Niekerk
- DSI-Ndoni Mchunu: Doctoral Awards
- Ms Munira Hoosain
- Ms Aletha Susanna Elizabeth Nortje
- Ms Boitumelo Makgabutlane
- Ms Thendo Gertie Makhado
- Ms Barabeswe Mbese May
- Ms Carla Dodd
- Ms Ramakgahlela Betty Sebati
- Ms Lusani Mamushiane

### ■ Condolences

Cabinet expressed condolences to the family and friends of:

- Kingdom and people of Morocco following the devastating earthquake that claimed thousands of lives and injured scores more.

- The government and people of Libya following the devastating floods that claimed thousands of lives
- Visionary entrepreneur, philanthropist and the founder of Pick n Pay, Raymond Ackerman (92), who believed in the vision of better South Africa and mentored and inspired countless people throughout his life. He was also an Esteemed Member of the Order of The Baobab.
- Prince Mangosuthu Buthelezi (95) the Founder and President Emeritus of the Inkatha Freedom Party and South Africa's first Minister of Home Affairs.



- Tireless campaigner of human rights and freedom, Ms Amy

- Rietstein Thornton (91), who played an instrumental role in the 1956 Treason trial support, as a patron of the UDF and in the return of exiles to South Africa.
- Esteemed freedom fighter, activist and former Ambassador Mr Zeph Makgetla (78), who dedicated his life to serve the people of South Africa.
- Former Minister Day editor Jim Jones, (81), who played a critical role in shaping public discourse during the transition to democracy.

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