

# Cabinet Statement

Statement on the virtual Cabinet Meeting of Wednesday, 21 September 2022



## ISSUES IN THE ENVIRONMENT



### Energy

- Cabinet was briefed by Public Enterprises Minister Pravin Gordhan on the capacity of Eskom to mitigate the intermittent load-shedding and also received a progress report from the Technical Committee of the National Energy Crisis Committee.

**Further announcements will be made following the conclusion of the intensive deliberations on these reports.**

- Cabinet expressed regret at the disruption and inconvenience caused by load-shedding to businesses and households, particularly happening at the time when government is engaged with the interventions announced by President Cyril Ramaphosa in July 2022.

### Investment

- Cabinet welcomed the launch of the new Sandvik Khomanani Manufacturing

Site in Kempton Park, which was part of the R350-million investment pledged at the fourth South Africa Investment Conference (SAIC) held at the Sandton Convention Centre in Johannesburg on 24 March 2022.

- The new 62 000 square-metre facility consolidates operations previously undertaken at five separate sites and accommodates about 550 employees. It is one of Sandvik's biggest and most advanced facilities globally, and has the ability to produce underground loaders with over 60% South African content.
- Cabinet further welcomed the oversight visit by President Ramaphosa in KwaZulu-Natal during the launch of the Hesto Harnesses manufacturing facility in Stanger, KwaDukuza on 13 September 2022. This facility is one of five capital investment projects that form part of a R1.4-billion commitment by Metair Investments Limited to support the expansion and localisation of the new Ford Ranger.
- The President also attended the opening of the Sappi Saiccor Mill upgrade and expansion project worth R77 billion in Umkomaas, which is aimed at increasing the capacity and global competitiveness of the company while also creating short- and long-term employment opportunities. These invest-

ments form part of pledges made by industrialists at the SAIC.

**Every new investment into our country assists in the reconstruction and recovery of our economy, and continues to profile South Africa as an investment destination of choice.**

### Infrastructure development

- Cabinet welcomed the opening of the new section of the Musina Ring Road in Limpopo that will make it easier for people to move around Musina, and also allow for increased trade and economic activity between South Africa and the Southern African Development Community countries.
- The R640-million project created over 275 full-time jobs for locals and provided opportunities for local communities and small, medium and micro enterprises (SMMEs).

**The construction of the Musina Ring Road is part of government's infrastructure programme, through the ERRP, that seeks to create inclusive growth and employment opportunities across various sectors and communities.**

- Jagersfontein disaster**
- Cabinet expressed its sincere condolences to the

families of those who lost their lives after the tailings of an abandoned local mine in Jagersfontein in the Free State burst open and released a disastrous mudslide around dawn on Sunday, 11 September 2022. The disaster also left the local infrastructure, personal properties such as vehicles and several homes severely damaged.

- During his visit to the disaster area on Monday, 12 September 2022, President Ramaphosa expressed appreciation for the rescue and recovery efforts being undertaken in the area. He also pledged that government will provide the necessary support to the affected residents of Jagersfontein.
- Cabinet is encouraged that the owners of the mine have said that they are ready to provide technical assistance and support to the government should it be requested by the Minerals Council South Africa.

**The mining industry remains a significant contributor to the economy through direct and indirect employment, export earnings, and foreign direct investment, and plays a crucial role in improving the lives of people in mining communities.**

- Government and some non-governmental organisations intervened urgently by

providing emergency shelter, trauma counselling and basic provisions such as blankets, mattresses and food parcels. Water supply and electricity in the area have since been restored.

- Once the disaster site has been cleaned up, technicians are expected to undertake structural assessments of houses.
- Cabinet thanked emergency services, civil-society organisations and members of the public for their generous contributions and assistance.

### Economy

- Cabinet deliberated on the state of the economy in the country after Statistics South Africa's (Stats SA) recent figures showed that the gross domestic product (GDP) for the second quarter of 2022 decreased by 0,7%. Factors which influenced this decrease included load-shedding, the Russia-Ukraine conflict, and the high cost of living and inflation.
- The interventions made by the Economic Reconstruction and Recovery Plan (ERRP) have largely cushioned the country from the international headwinds, and also protected jobs and livelihoods.
- Government's strong economic interventions are beginning to bear fruit, as evidenced in Stats SA's recent Quarterly Labour Force Survey results, which showed that over 648 000 jobs were gained between the first and second quarters of 2022.

## CABINET DECISIONS

### Monitoring and Evaluation (M&E) Framework for the National Youth Policy (NYP)

- Cabinet approved the M&E framework that will enable the effective monitoring and impact assessment of the pillars of the NYP 2020-2030. The framework provides five high-level indicators which are aligned with the pillars of the NYP.
- The indicators were developed with the relevant stakeholders who have an interest in the development and empowerment of youth in the country. The data collection will be disaggregated in terms of age, gender, disability, racial grouping and the geographic setting of these interventions.
- The monitoring will be done in all spheres of government, entities and the private sector. The reports will be generated quarterly and published twice a year.

### Policy Framework for Integrated Planning

- Cabinet approved the Policy Framework for Integrated Planning in government, which seeks to address the identified policy planning gaps in the current planning system.
- The proposed interventions will amongst others deal with the lack of planning alignment within the three spheres of government. The interventions will introduce an evidence-based monitoring mechanism. The policy framework also introduces easier predictability with long to medium and short-term planning across government.
- It will work towards introducing legislative reforms to improve coherency and predictability in government planning and monitoring.

### Ratification of the Treaty for the Establishment of the African Medicines Agency (AMA)

- Cabinet approved the signing of the Treaty for the Establishment of the AMA and its submission to Parliament for ratification. This will give effect to the treaty that was adopted by the African Union Assembly in 2019. The treaty formally establishes the AMA for the continent. The agency will regulate medical products, and improve the safety and efficacy of the medical products for the continent.
- The signing and ratifying of this treaty will advance South Africa's global and continental commitment toward strengthening the continental regulatory system on its health products.

### Report on the Performance of the Research and Development (R&D) Tax Incentive Programme - 2019/20 and 2020/21

- Cabinet approved the submission to Parliament of the R&D Tax incentive Programme for the past two years (2019/20 and 2020/21). This is in line with section 11D (17) of the Income Tax Act, 1962 (Act 58 1962), which requires the tabling of these reports in Parliament.
- The tax incentive programme seeks to encourage private companies to invest in R&D so as to stimulate investment growth. It enables the advancement of science and innovation towards economic growth, and promotes competitiveness.
- Cabinet is pleased that the report shows that new companies have applied for the tax incentive. It encourages more companies to

access this scheme as part of growing their respective investment and stimulating economic growth.

- The top-four companies that accessed the tax incentive are in agro-processing; mining beneficiation; chemicals, cosmetics, pharmaceutical and electro-technical and Information Technology sectors that Cabinet endorsed as priority areas in the Industrial Policy Action Plan.
- The full report can be accessed through the Department of Science and Innovation website: [www.dst.gov.za](http://www.dst.gov.za).

### African Growth and Opportunity Act (AGOA) Forum - 2023

- Cabinet approved the hosting of the AGOA Forum in 2023. AGOA was enacted by the United States of America (USA) in 2000 to provide unilateral trade preferential access for most of the sub-Saharan African countries and the USA domestic market.

**South Africa's exports under AGOA include edible fruits, nuts, vehicles, auto components, iron, steel and chemical products. The actual date and venue are still to be announced.**

### Group on Earth Observations (GEO) Ministerial Summit - 2023

- Cabinet approved that South Africa hosts the GEO Ministerial Summit in Cape Town in 2023. The GEO is an intergovernmental body set up in 2003 after the 2002 World Summit on Sustainable Development. It serves as a multilateral platform where countries voluntarily contrib-



ute towards a common goal of building the GEO systems.

- The GEO currently has more than 113 national governments, 30 of which are from Africa and about 140 participating organisations, with 11 of these from Africa. South Africa has been an active Executive Committee member since 2005 and our scientists are currently participating in a number of research initiatives led through the GEO.

### October Transport Month (OTM) - 2022

- Cabinet approved the launching of the OTM campaign on Saturday, 1 October 2022, under the theme: "Sishov'ingolovane: together building transport infrastructure that builds and sustains livelihoods".
- The annual OTM is used to raise awareness on transport as one of the critical elements in economic growth and spatial development. A number of activities will take place to showcase the various aspects of transport infrastructure in aviation, maritime, public transport and roads.
- The activities will also raise awareness regarding transport safety and security. Stakeholder engagements will also be held to discuss various challenges in the transport sector.

**Government remains committed to improving the country's transport infrastructure, both in rural and urban areas, so as to facilitate an effective and efficient movement of goods and people.**

### United Nations (UN) Human Settlement Programme Habitat (UN-HABITAT) Meeting

- Cabinet has approved the hosting of the meeting of the members of the UN-HABITAT in Johannesburg on 16 and 17 October 2022.
- The Department of Human Settlements will coordinate this two-day meeting to be attended by political champions, practitioners and researchers, including key members of the Committee of Permanent Representatives of the UN-HABITAT based in Nairobi, Kenya. Key issues to be discussed will include seeking transformational interventions for informal settlements and slums.
- The outcomes of these deliberations will culminate in the launching of the Global Action Plan Framework, which will be tabled in the UN-HABITAT Assembly for endorsement in 2023.

## BILLS

### National Council on Gender-Based Violence and Femicide (GBVF) Bill of 2021

- Cabinet approved the submission of the National Council on GBVF Bill of 2021 to Parliament for processing. This Bill provides a legislative framework for the establishment of the statutory body to provide a focus intervention in dealing with GBVF.
- It also provides for the establishment of the Board of the Council that will provide strategic leadership and oversee the implementation of the National Strategic Plan on GBVF, which was approved by Cabinet in October 2020

for implementation. The board will have a 51% representation from civil society and 49% from government. The Bill has already gone through public consultation.

### Tobacco Products and Electronic Delivery Systems Control Bill of 2018

- Cabinet approved the submission of the Tobacco Products and Electronic Delivery Systems Control Bill of 2018 to Parliament, which seeks to repeal the current Tobacco Products Control Act, 1993 (Act 83 of 1993), as amended.

- The Bill also seeks to strengthen the country's public health measures and align them with the World Health Organisation Framework Convention on Tobacco Control. The Bill proposes, among others, 100% smoke-free indoor and some outdoor areas; a ban on the sale of cigarettes through vending machines, and strengthens cigarette packaging and warning signage.
- The Bill has gone through extensive consultation with various stakeholders, including the tobacco industry, civil-society organisations and relevant government departments.

## UPCOMING EVENTS

### 77th Session of the UN General Assembly (UNGA77)

- South Africa is participating in the UNGA77 taking place at the UN headquarters in New York City in the USA from 20 to 27 September 2022 under the theme: "A watershed moment: Unlocking transformative solutions to interlocking challenges".
- For the global South, the economic and socio-economic impact of the Coronavirus Disease (COVID-19) pandemic has been disproportionate in relation to recovery in the developed North and this requires a united effort from all nations to ensure no one is left behind.
- Preceding the UN General Debate, the UN Secretary-General, Mr António Guterres, will convene a summit on "Transforming Education" and host a high-level meeting focusing on the Sustainable Development Goals (SDGs). The SDGs meeting is expected to explore ways in which to regain momentum and accelerate their implementation.

### Heritage Day

- President Ramaphosa will deliver a keynote address at the 2022 National Heritage Day celebrations at the Union Buildings on

Saturday, 24 September 2022. The event will be held under the theme: "Celebrating the Legacy of Solomon Linda and South Africa's Indigenous Music".

- This year's Heritage Month focuses on South Africa's indigenous music with a spotlight on isicathamiya music and its immense contribution to our sport, arts, culture and heritage. The theme pays tribute to the 60th anniversary of the passing of musician, singer and composer Solomon Popoli Linda (1909-1962), also known as Solomon Ntsele, who is best known as the composer of the song, "Mbube".

### 2022 World Maritime Day Parallel Event

- South Africa will be hosting the 2022 World Maritime Day Parallel Event in Durban from 12 to 14 October 2022. The event will be hosted during the OTM, which will also form part of raising awareness of our maritime sector.
- The event will bring delegates from various countries who will experience the South African maritime industry. South Africa has been a member of the International Maritime Organization since 1995, which is a specialised agency of the UN responsible for regulating shipping.

### Tourism Month

- Tourism Month is this year being celebrated under the theme of World Tourism Day (27 September) of "Rethinking Tourism". Domestic tourism is critical in the recovery of the tourism sector, which contributes greatly to the South African GDP and job creation.
- Cabinet is pleased that the hospitality sector has recorded an increase in visitors post the COVID-19 period. The 15.2 million domestic trips taken in the first half of 2022 recorded a 114% increase when compared to the same period in 2021. This showed a marked improvement for the same period in 2019, which saw 8.6 million domestic trips taken.

**As part of celebrating Tourism Month, Cabinet encourages South Africans to undertake 'Sho't Left' tours to our various provinces.**

- Cabinet also welcomed the decision by Air Belgium to fly seasonal flights to South Africa, starting from this month (September), which will boost tourism and further cement our status as a tourism destination of choice. It will include weekly flights to Cape Town and Johannesburg.

## MESSAGES

### Congratulations

- Cabinet extended its congratulations and well-wishes to:
- President William Samoei Ruto** of the Republic of Kenya, who was inaugurated on Tuesday, 13 September 2022, following peaceful national elections held on 9 August 2022. Deputy President David Mabuza attended the inauguration on behalf of President Ramaphosa, and the government and people of the Republic of South Africa.
- The **South African Rugby Union** and the **City of Cape Town** for successfully hosting the eighth edition of the Rugby World Cup Sevens tournament between 9 and 11 September 2022. This was the first time that this prestigious event was hosted by an African country and the many thousands of fans who attended were treated to a feast of rugby and South Africa's renowned hospitality.

### Condolences

- Cabinet expressed condolences to the families and friends of:
- the **18 schoolchildren and two adults** who died in a horrific accident in Pongola, KwaZulu-Natal on Friday, 16 September 2022 after an articulated truck collided head-on with a bakkie transporting the learners.

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