

Cabinet Statement

Statement on the Cabinet Meeting of Wednesday, 8 June 2022



ISSUES IN THE ENVIRONMENT

Economy

Cabinet has welcomed the recent positive developments in the country's interventions aimed at stimulating economic growth. According to the recent unemployment figures from Statistics South Africa, unemployment decreased from 35.3 per cent in the fourth quarter of 2021 to 34.5 per cent in the first quarter of 2022.

- The expanded unemployment rate has declined for a second quarter in a row. The biggest job gains were in community and social services, manufacturing and trade.
- The gross domestic product in the first quarter of 2022 grew by 1.9% which takes the size of our economy to pre-pandemic levels. Over the quarter, the manufacturing sector was the economy's key performer with an increase in the production of petroleum and chemicals, food and beverages, and metals and machinery.
- These moderate gains show that our economy remains robust and that interventions such as the Economic Reconstruction and Recovery Plan are gaining momentum. Cabinet calls on everyone to support local businesses and industries by buying local products and services.
- Cabinet also welcomed the decision by the rating agency S&P Global to revise South Africa's credit rating outlook – from stable to positive. The rating agency also affirmed the long-term foreign and local currency debt ratings at BB minus and BB respectively.

Cost of living

- The Coronavirus Disease (COVID-19) pandemic and the ongoing global conflict have had a severe impact on the cost of living worldwide. South Africans too are frustrated by rising prices of fuel, food and essentials.

We all need to pull together, help each other and save our resources in this difficult time. Government is doing everything in its power to provide relief for everyone, especially the poor.

- Our well-functioning, strong and independent South African Reserve Bank is helping to shield society from the ravages of inflation by keeping it within a narrow target range; well below what many other countries are currently experiencing.
- Cabinet welcomed the decision by National Treasury

to grant an extension of the reduction in the General Fuel Levy (GFL). The GFL was cut by R1.50 a litre for April and May, and will be further extended from 1 June to 6 July 2022.

Cabinet also welcomed the decision of the Competition Commission to closely monitor prices of essential food items, particularly the provision that businesses should justify their price increases.

Japan-South Africa Business Forum

- Cabinet welcomed the outcomes of the recent Japan-South Africa Business Forum, which agreed to an ambitious work programme that includes collaboration on green industrialisation, electric vehicle technologies and green hydrogen.
- The forum also agreed to a virtual 'roadshow' to highlight South African opportunities to more Japanese businesses, skills development in the local auto industry, work streams on manufacturing opportunities and the exchange of technical experiences.
- Japan is one of our most important trade partners and a leading investor in a number of South African sectors, ranging from automobiles to advanced mining machinery, and from agribusiness to financial services.
- Cabinet also welcomed the establishment of the Black Exporters Network by the Department of Trade, Industry and Competition (the dtic), to bring together black-owned firms which are currently exporting locally made goods to other parts of the world.
- The network will enable the sharing of information, experience and know-how, and it builds on the successes of the Black Industrialist Programme.

Energy

- Our long-term energy security has been given a massive boost following the commercial handover of Unit 4 at the Kusile Power Station in Mpumalanga. This handover marks another milestone in Eskom's efforts to stabilise the power system and will add 800 megawatts (MW) to the power grid.
- Cabinet noted that the construction of four out of the six generation units had been completed at the Kusile Power Station project.
- Cabinet welcomed the addition of new generation capacity to the grid, which was made possible by the

decision to allow independent power producers to produce electricity. Government recently signed an agreement to buy 150 MW of capacity from a renewable power producer, Scatec ASA.

Broad-Based Black Economic Empowerment (B-BBEE) Advisory Council

- Cabinet welcomed the appointment by President Cyril Ramaphosa of the country's new B-BBEE Advisory Council.
- The council comprises a diverse group of people from business, trade unions, community-based organisations and academia, who will be responsible for guiding government on the transformation of the economy.
- While there has been remarkable progress in reversing apartheid's distortions on the economy, more work still needs to be done in increasing black management control, upscaling skills development and broadening procurement to give opportunities to black women and the youth.

Floods

- Ongoing government relief efforts in the provinces affected by the recent devastating floods are making a significant impact.

Government has prioritised the provision of food, water and shelter for displaced people and the repair of damaged infrastructure. Extensive work is underway to restore basic services such as water, electricity, sanitation and waste removal.

- About R189, 217 million is being used for the Upgrading of the Informal Settlements Programme aimed at improving the quality of life of informal settlement dwellers.
- An additional R733, 086 million has been allocated through the Human Settlements Development Grant to assist in the creation of sustainable and integrated human settlements.
- Cabinet welcomed the humanitarian aid from the State of Qatar in the form of foodstuff, clothing, generators, water purifiers, ventilators, tents and medical supplies. The donation will benefit over 4 000 citizens temporarily housed in community care centres.
- Cabinet also welcomed the humanitarian aid from the United Arab Emirates (UAE) in the form of foodstuff and water to assist victims of the recent floods.

Launch of Social Development Fund

- Cabinet welcomed the launch of the Social Employment Fund by the Industrial Development Corporation, in partnership with The Presidency and the dtic. The support will provide bridging employment opportunities for up to 50 000 young persons in socially useful work being done in local communities.
- The support will include health and community care, food and nutrition support like soup kitchens, promotion of literacy, greening and climate change mitigation programmes as well as youth support initiatives. The fund will support 26 community and not-for-profit enterprises.

Crime and corruption

- Cabinet welcomed the arrest of several individuals in

damage to a cable at Unit 1 of Eskom's Matla Power Station in Mpumalanga. This was the fourth incident of suspected sabotage at a power station after similar incidents were reported at three other power stations in the past few weeks.

- The recent crime statistics are a reflection that we must do more as a society to make our communities safer. This reality reminds us that reducing crime is a societal responsibility and that all of us – including the police, political leaders, communities, families, business people, workers and civil society – should play our part in fighting crime.
- Cabinet is confident that the additional funds that have been prioritised by the Ministry of Police for the police stations with a high number of murders, rapes and other



connection with fraud, money laundering and corruption. These include former high ranking state and parastatal employees, some of whom face charges relating to the contravention of the Public Finance Management Act, 1999 (Act 1 of 1999).

- The arrests – which include that of a Home Affairs official at the Desmond Tutu Refugee Reception Centre in Pretoria who allegedly accepted a bribe from a foreign national – bear testimony to the fact that no one is above the law and that there is no space for dishonest employees in the public sector.
- Cabinet also welcomed the progress being made on the extradition of the Gupta brothers, Rajesh and Atul, back to South Africa. This follows their recent arrest at Dubai in the UAE after the International Criminal Police Organisation (Interpol) had issued red notices. The brothers are wanted in South Africa in connection with their alleged role in state capture, including fraud and money laundering. Discussions between law-enforcement agencies in the UAE and South Africa on their extradition are underway. Their arrest demonstrates government's determination to fight crime and corruption without fear or favour.

violent crime will help turn the tide and create safer communities for all.

Update on COVID-19

Cabinet reminded everyone that COVID-19 has not been eradicated and the risks of new infections will increase during the winter season. We must continue to take all the necessary precautions to safeguard ourselves and other people. They include washing or sanitising hands regularly, wearing a mask when indoors, keeping a safe social distance, opening windows for ventilation and vaccinating.

African Union (AU) Summit

- Cabinet welcomed the declaration, pledges and commitments adopted at the AU's Extraordinary Summit on Terrorism and Unconstitutional Changes in Africa held in Malabo, Republic of Equatorial Guinea, on Saturday, 28 May 2022.
- African leaders assessed the persistent threats, evaluated current response mechanisms and committed to strengthening the collective security of member states facing terrorism and violent extremism.

Monkeypox disease

- Cabinet assured South Africans that our health authorities are on high alert to monitor and prevent Monkeypox disease, following its outbreak in several non-endemic countries.
- Although no positive case has so far been detected or reported in South Africa, health authorities in the country continue to monitor the situation very closely.

These arrests demonstrate that processes and mechanisms are working effectively to hold perpetrators accountable for their heinous actions and ensure that no one is above the law.

- Cabinet condemned the blatant attempt to undermine our economy and country following the malicious



CABINET DECISION

Public consultation on measures to deal with illegal trading on scrap metal

- Cabinet approved that public consultations be undertaken on proposals to restrict the trade of illegally obtained

scrap and processed metals. The theft of scrap metal and copper cable from public infrastructure hinders the performance of the economy by imposing enormous costs.

- Some of the disruptions

include the supply of energy and rail services due to vandalised rail tracks. They impose additional transport costs on commuters due to disrupted commuter transport. Vandalised and unsecured electricity cables

pose a safety risk to communities, especially children.

- Cabinet directed that the dtic should lead the consultations within a limited period, and solicit inputs from the public and relevant sectors on effective mea-

asures that government can implement to stop the vandalising of critical economic infrastructures. Thereafter, Cabinet will pronounce on the approved measures.

UPCOMING EVENTS

United Nations (UN) Partnership for Technology in Peacekeeping International Symposium (PTPS)

- South Africa will host the 6th PTPS at the Council for Scientific and Industrial Research in Pretoria from Tuesday, 21 to Friday, 24 June 2022. It is expected to be attended by 300 delegates from 50 member states.
- The symposium brings together all interested military, police, and civilians from the UN Member States to collaborate in the use of modern,

advanced technologies and concepts in UN-led field missions.

- The PTPS will be used as an information-sharing and brainstorming platform for UN member states involved in peacekeeping initiatives on the usage of the latest technologies in peacekeeping missions.

4th WorldSkills South Africa (WSZA) Biennial National Competition

- The 4th WSZA Biennial National Competition is being held at the Inkosi Albert Luthuli International

Convention Centre in KwaZulu-Natal from 7 to 10 June 2022 under the theme: "Ratcheting up the Production of 21st Century Artisans".

- The event is used to promote artisan skills as a viable career choice as well as to open up potential partnerships with the industry.
- It is also used to assess the levels of our apprenticeships and artisan development in addition to advocating for the uptake of artisan careers as careers of the first choice by our students.

MESSAGE

Condolences

- Cabinet joined President Ramaphosa in extending condolences to the Royal Family and nation of the amaMpondo Kingdom following the passing of His Majesty King Zanzuko Tyelovuyo Sigcau (Ah Zanzuko!).

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