

Cabinet Statement

Statement on the Cabinet Meeting
of Wednesday, 12 March 2025



G20 SOUTH AFRICA 2025

Solidarity

Equality

Sustainability

30 YEARS OF FREEDOM

ISSUES IN THE ENVIRONMENT

ECONOMY

National Budget 2025

- Cabinet welcomed the 2025 National Budget which seeks to maintain a balance between South Africa's fiscal framework and funding the priorities of the Seventh Administration, as articulated by His Excellency President Cyril Ramaphosa during the State of the Nation Address while mitigating the funding requirements' impact on the poor and the middle-income household.

The allocation of over R1 trillion to infrastructure development over the MTEF, the establishment of alternative infrastructure financing through a credit guarantee vehicle and the introduction of multiple bid windows on the Budget Facility for infrastructure is a demonstration of the commitment to grow the economy through a strong infrastructure-built programme whilst simultaneously improving service delivery.

- Mechanisms for private sector participation, as announced with the Budget – which are part of Operation Vulindlela driven reforms in the energy, transport and freight logistics sectors – indicate government's commitment to fast-tracking private sector investment and inclusive economic growth.
- Acknowledging the impact of the tax increases, the Budget provides for mitigation measures against the increases such as:
 - ✓ No increase in the fuel levy.
 - ✓ Above inflation increases to social grants, with old age and disability grants increasing by R130 to R2 315 in 2025.
 - ✓ Significant funding allocation to the Passenger Rail Agency of South Africa to improve passenger rail transport, which will reduce household income spend on transport costs.

Most significantly, the tax increases will finance sustainability of this country, by maintaining 11 000 teachers in the classrooms, 9 300 health worker in their jobs, the employment of 800 post-community service doctors and allow an additional 700 000 children (four-years of age) access to early childhood development (ECD), which is the necessary foundational education they need for a successful education journey.

Economic Growth

- The 0.6% increase in the fourth quarter gross domestic product (GDP) for 2024 signals a recovery across the economy, as the agriculture, finance, trade and household sectors grew in the last quarter of the year.
- The agricultural industry rebounded by 17.2%, lifting GDP growth by 0.4 of a percentage point. The finance, real estate and businesses services industry grew for an eighth consecutive quarter, with financial intermediary, real estate activities and other business services being the largest positive contributors to growth.

Cabinet is confident that the increased focus and pace of delivery on economic structural reforms, improved service delivery and state capacity, and increased participation of the private sector, will spur further growth of the economy in 2025 and beyond.

Investment

- Cabinet welcomed the announcement by Microsoft of South Africa to invest R5.4 billion in artificial intelligence (AI) infrastructure in the country. This investment will strengthen South Africa's position as a leading AI hub on the African continent and builds on Microsoft South Africa's R20.4 billion investment over the past three years.
- Microsoft South Africa also announced



their contribution to developing South Africa's digital literacy by paying for technical certification for 50 000 individuals in high-demand digital skills.

- In further uplifting our investment profile, Indian car manufacturer Mahindra signed a memorandum of understanding with South Africa's Industrial Development Corporation to explore the possibility of setting up a full-scale vehicle assembly plant in the country. Mahindra already has an assembly plant of Pik Up range of vehicles in Durban operated by AIH Logistics, where we recently celebrated the production of their 25 000th locally assembled Pik Up vehicles.

Cabinet reminded every South African as direct shareholder in South Africa Incorporated (SA Inc.) of their vested interest in promoting our country as an investment destination in a globally competitive environment. We must continue to speak with one voice in defence of our national interest, our sovereignty and our constitutional democracy.

INTERNATIONAL RELATIONS

South Africa's Presidency of the Group of Twenty (G20)

- As part of its G20 Presidency, South Africa successfully hosted the following G20 working groups and task force meetings end of February and during this month:
 - The G20 Research and Innovation Working Group meeting, which was held at the University of the Free State in Mangaung from 23 to 25 February 2025, discussed how they can better use research and innovation to address global challenges, and promote science and technology. They also reflected on the priorities for the year ahead, namely:
 - ✓ **Priority 1:** Open Innovation for Development;
 - ✓ **Priority 2:** Biodiversity for Sustainable Development; and
 - ✓ **Priority 3:** Diversity, Equity, Inclusion, and Accessibility in Science, Technology and Innovation.
 - The first Anti-Corruption Working Group Meeting (Cape Town, 3 to 5 March 2025) which explored mechanisms to enhance the implementation of legal instruments to fight corruption. This meeting was an opportunity for participants to establish the agenda and lay the groundwork for future discussions, encouraging dialogue and collaboration to strengthen anti-corruption strategies. During this meeting, participants discussed and agreed on these several key priorities:
 - ✓ **Priority 1:** Strengthening Public Sector Integrity;
 - ✓ **Priority 2:** Increasing Asset Recovery Efficiency;
 - ✓ **Priority 3:** Inclusive Participation; and
 - ✓ **Priority 4:** Whistle-Blower Protection.
 - The First Agriculture Working Group



Critical Frontline Services to be Funded by the Tax increase (Education)

- R19.1 billion allocated over the medium term to keep approximately 11 000 teachers in classrooms
- R10 billion allocated over the medium term to increase the subsidy for early childhood development from R17 to R24 per day, per child. The grant had not increased since 2019

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Meeting held virtually on 3 and 4 March 2025 discussed critical issues that affect agricultural stakeholders worldwide and agreed on priorities for the year ahead. These are:

- ✓ **Priority 1:** Promoting inclusive market participation and food security;
- ✓ **Priority 2:** Empowering youth and women in agri-food systems;
- ✓ **Priority 3:** Fostering innovation and technology transfer; and
- ✓ **Priority 4:** Building climate resilience for sustainable agriculture.
- The First Tourism Working Group Meeting held virtually on 5 March 2025 deliberated on how tourism can be used to change people's lives, communities and the world. They also deliberated on and agreed to work on four priorities for the year, namely:
 - ✓ **Priority 1:** People-Centered AI and Innovation to enhance Travel and Tourism Start-Ups and SMMEs;
 - ✓ **Priority 2:** Tourism Financing and Investment to Enhance Equality and Promote Sustainable Development;
 - ✓ **Priority 3:** Air Connectivity for Seamless Travel; and
 - ✓ **Priority 4:** Enhanced Resilience for Inclusive, Sustainable Tourism Development.
- First Disaster Risk Reduction Working Group Meeting held virtually on 5 March 2025 discussed the acceleration of early warnings for all initiatives, which is a key global target set by the United Nations (UN) and reinforced the implementation of the Sendai Framework for Disaster Risk Reduction 2015-2030. South Africa sees this subsidy as a key international forum to drive the agenda of a shared responsibility to build resilience, strengthen our cooperation, and drive meaningful action that is needed to prevent an escalation or exacerbation of risk. The meeting agreed on the following priorities:
 - ✓ **Priority 1:** Addressing Inequalities and Reducing Vulnerabilities;
 - ✓ **Priority 2:** Global Coverage of Early

Warning Systems;

- ✓ **Priority 3:** Disaster Resilient Infrastructure;
- ✓ **Priority 4:** Financing for Disaster Risk Reduction;
- ✓ **Priority 5:** Disaster Recovery, Rehabilitation and Reconstruction; and
- ✓ **Priority 6:** Ecosystems-Based Approaches for DRR/Nature-Based Solutions.
- First Task Force Meeting: Food Security which was held virtually on 5 March 2025 discussed policies and programmes to improve food security. Participants agreed to build a stronger, fairer and more sustainable food system. They also committed to address key challenges like trade barriers, funding for food production and the impact of climate change on food supply chains. Some of the priorities outcomes discussed are the following:
 - ✓ **Priority 1:** Stronger food security policies;
 - ✓ **Priority 2:** Stable food prices;
 - ✓ **Priority 3:** Clear regulations and standards;
 - ✓ **Priority 4:** G20 Action Plan for Food Security; and
 - ✓ **Priority 5:** Ministerial approval and implementation.
- The G20 Outreach Programme held at the University of Venda in Thohoyandou on 7 March 2025 aimed at fostering wider public dialogue and participation in South Africa's G20 Presidency. The gathering was used to encourage the people of this country to get involved in welcoming our guests to the country as we continue to host meetings in various parts of the country, and to promote their culture and heritage. South Africans were also encouraged to tell a good story about their country.
- The following G20 working groups and task forces meetings will take place until the end of March 2025:
 - ✓ First Task Force Meeting: Inclusive Economic Growth, Industrialisation, Employment, and Reduce Inequality: 17 March 2025 – virtually.

- ✓ First Trade and Investment Working Group Meeting: 18-20 March 2025 – virtually.
- ✓ Second Health Working Group: 26-28 March 2025 – Durban.
- ✓ First Climate and Environment Sustainability Working Group Meeting: 25-28 March 2025 – virtually.

Information on these various G20 meetings and their outcomes can be accessed on www.g20.org OR www.g20.org.za

Humanitarian Aid to Palestine

- Cabinet condemns the refusal of Israel to allow humanitarian aid into the Gaza Strip and its closure of border crossings at a time when the people of Gaza are experiencing immeasurable suffering and urgently need food, shelter and medical supplies.
- This action is a continuation of Israel's use of starvation as a weapon of war as part of the ongoing campaign of what the International Court of Justice ruled to be plausible genocide against the Palestinian people.

Cabinet reiterates our nation's call on the international community to hold Israel accountable and ensure the safe, continuous and unhindered delivery of humanitarian aid to all areas of the Gaza Strip.

CRIME

Welcoming the Malawi Court Ruling on the Extradition of Shepherd and Mary Bushiri

- Cabinet welcomed the ruling by the Republic of Malawi's Chief Resident Magistrate Court that Shepherd and Mary Bushiri be extradited to South Africa to stand trial on multiple criminal charges including rape, contravening the Financial Advisory and Intermediary Services Act, 2002 (Act 37 of 2002), the Banks Act, 1990 (Act 94 of 1990), Immigration Act, 2002 (Act 13 of 2002) and violating their bail conditions.
- This ruling shows that no-one can run away from the rule of law and also reaffirms the judicial independence, international cooperation and mutual trust between the South African and Malawian legal institutions.
- We are aware that the Bushiris have indicated their intention to appeal. However, we are confident that we have a strong case against them.
- South Africa stands ready to collaborate with INTERPOL to coordinate the transfer arrangements and logistics to ensure that they are brought to South Africa to stand trial.

Severe Weather

- Recent heavy rains have claimed several lives, left hundreds displaced, with homes and infrastructure severely damaged in KwaZulu-Natal.
- The impact of severe weather conditions in KwaZulu-Natal has been declared a national state of disaster to allow the provincial Department of Cooperative Governance and Traditional Affairs to mobilise all organs of state to augment support measures, limiting the impact of the disaster on communities.
- Government continues to provide flood victims with assistance and the Department of Human Settlements has allocated R100 million to KwaZulu-Natal to assist in managing the flood aftermath.

Cabinet calls on all South Africans to exercise extreme caution whenever there is inclement weather. Heavy rain poses a risk of localised flooding, particularly in low-lying areas, bridges and roads. In cases of heavy rains, communities are urged to avoid flooded roads and to monitor news broadcasts, radio bulletins and government official social media pages for real-time updates and alerts.

UPDATES TO CABINET

Protection and improvement of the National Minimum Wage (NMW)

- Cabinet received and considered a report by the Department of Employment and Labour on the progress made to protect and enhance the NMW.
- The NMW Act, 2018 (Act 9 of 2018), which was enacted in November 2018, laid the foundation for reducing income inequality and wage gaps, and continues to safeguard low-income workers in the country.
- From 1 March 2025, the NMW increased by 4% from R27,58 to R28,79 per hour. This increase aims to provide essential economic support and much-needed relief to the six million workers earning within the NMW bracket.

Promoting Foundation Learning

- Cabinet expressed its support for the strategic

reorientation of the Basic Education sector towards foundation learning.

- In January 2025, the Department of Basic Education announced and celebrated a record high matric pass rate of 87.4%. However, just a month earlier, the department had released systematic evaluation results from three different studies showing that nearly 80% of South African children cannot read for meaning, in any language by the age of 10.
- To resolve this challenge the Minister of Basic Education has initiated a strategic reorientation that will have the following initiatives:
 - ✓ Universal access to quality ECD through the mass registration of ECD centres, ensure each child in ECD receives a subsidy, support ECD centres with Learning and Teaching materials, and offer support to practitioners to obtain teaching qualifications. Fund-

ing for this has been allocated in the 2025 National Budget.

- ✓ Review the norms and standards to increase teacher posts in foundation phase teaching.
- ✓ The Funza Lushaka Bursary will be reoriented to prioritise bursaries to students who wish to teach in the foundation phase.
- This strategic reorientation will strengthen foundational literacy and numeracy skills of learners, and ensure that they later be able to table on more complex subjects such as Maths, Science, Accounting and Economics, amongst others.

Electricity generation performance

- Cabinet received a report on the work undertaken by Eskom to improve electricity generation and stabili-

sation of the national grid to avert more incidents of load-shedding.

- After the recovery of more than 300 megawatts of generation capacity and replenishment of sufficient reserves, load-shedding was suspended at 10:00 on Sunday, 9 March 2025. Coal operations at Kusile Power Station are at optimal levels with all units which were offline as of Friday 7 March now successfully returned to service and the Koeberg Unit 2 was successfully brought back to service.

The overall generation performance since the summer of 2024 has shown significant improvements and stability, resulting in 98% of load-shedding-free days. Eskom remains optimistic for a positive outlook for the remainder of the summer period.

CABINET DECISIONS

Hosting of the Water and Sanitation Indaba

- Cabinet approved the hosting of the Water and Sanitation Indaba on 27 and 28 March 2025 in Gauteng.
- This event serves as a follow-up to the Water Summit held in January 2024, which brought together all water services authorities to address key sector challenges, following the release of the Drops Reports.
- The summit established an Action Plan to tackle these issues, and the Indaba will provide an opportunity to assess progress made and identify further steps needed.
- The expected outcomes of the Indaba are to have consensus on the state of water security in South Africa, progress on incomplete actions from the 2024 Water Summit and key actions required to improve water security and an updated (new) action plan.

Cabinet acknowledged the water security challenges facing the country and reaffirms its commitment to ensure that every South African has access to clean, safe and sustainable water and sanitation services.

2nd, 3rd and 4th Period Country Report on the UN Convention on the rights of persons with disabilities (UNCRPD)

- Cabinet approved that the Department Women, Youth and Persons with Disabilities submits the 2nd, 3rd and 4th UNCRPD periodic report to the UN. The report provides an update on the progress South Africa has made to promote and protect the rights of persons with disabilities.
- Cabinet approved the Baseline Country Report on the Implementation of the UNCRPD in 2013 and the report was subsequently deposited in 2014.
- This combined progress report gives an overview of government's performance in the implementation of the White Paper on the Rights of Persons with Disabilities. It highlights policy and legislative reforms, and measures taken to protect and promote the rights of persons with disabilities. The report unpacks efforts in education, awareness raising, health, social services, access to justice and employment for persons with disabilities. The report will be published on the website: www.gov.za

MESSAGES

Congratulations

- Cabinet extends its congratulations and well-wishes to:
 - **Mr Dylan Naidoo** for becoming the first black South African to win the prestigious SA Open, which is also one of the oldest golf championships. His victory has secured him a place in July's Open Championship at Royal Portrush.
 - **Ms Ncazelo Mlilo** on her nomination for two categories for the prestigious Women Changing the World Awards. The awards recognise women across the world who are doing incredible work in changing lives.
 - The **Muslim community** as they observe the holy month of Ramadan.
 - **Mr Patrice Motsepe** on his re-election as CAF President. His contribution to the development of South African and African football continues to make us proud.

Condolences

Cabinet expressed condolences to the friends and family of:

- the **31 passengers** who lost their lives in three separate bus accidents between Reddersburg and Smithfield in the Free State; on the N2 North, near Mandeni, in KwaZulu-Natal and on the R21 in Ekurhuleni, Gauteng respectively.
- **four primary school pupils** who lost their lives in a road accident on the N12 in Daveyton, Ekurhuleni, Gauteng.
- whistleblower and gender activist **Ms Pamela Mabini**, who stood up for women who experienced GBV and ensured that perpetrators of GBV are brought to book.
- **Ms Crystal-Donna Roberts**, the South African actor and presenter who starred in films such as *The Endless River* and *Krotoa*, and featured in *Arendsvlei*, *Swartwater* and *7de Laan*.
- **Dr Gomolemo Mokae**, anti-apartheid and black con-

sciousness activist, medical doctor and author who was an active promoter of African languages. He received the multilingualist award from the Pan South African Language Board for promoting the use of indigenous languages in South African literature.

- **Mr Athol Fugard**, the world-renowned actor, novelist and playwright who was recognised both locally and internationally for his outstanding contributions to theatre. In 2001, he was inducted into the American Theatre Hall of Fame and received South Africa's Order of Ikhamanga in 2005.
- **Mr Ebenhaezer Dibakwane**, the award-winning comedian, actor and writer.
- **Mr Khomotso Jacob Makwetla**, an advocate for black business empowerment, who also contributed to the development of football and boxing in the country.

Enquiries:
Ms Nomonde Mnukwa
Acting Government
Spokesperson
Mobile: 083 653 7485
www.gcis.gov.za
www.gov.za

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