

Agbiz Press Statement

7 February 2019

Agbiz responds to the State of the Nation Address (SONA) by President Cyril Ramaphosa

Agbiz strongly welcomes the State of the Nation Address by President Cyril Ramaphosa today, and especially welcomes the general thrust of his SONA's focus on revitalising the economy, strengthening education and skills development, restructuring and optimising service delivery by state-owned institutions, and above all the commitment to root out corruption and state capture. Building on his new approach adopted in the 2018 SONA of instilling a changed vision of hope, unity, service and prosperity, the President has already put in place action plans to address the daunting challenges that confront South Africa and its people.

"The President has correctly prioritised the economy as the key focus area and that building a social compact through Nedlac dialogue and engagement is key to reigniting economic growth. To this end, the outcomes of both the recent Jobs Summit and Investment Summit to address policy uncertainty, policy inconsistency and removing barriers to investment are critical, and Agbiz is ideally positioned by already participating in these engagements," said Dr John Purchase, CEO of Agbiz.

Agbiz strongly supports the five most urgent tasks the President identified, viz:

- Accelerate inclusive growth and job creation;
- Improve the education system and develop skills for the future;
- Improve the conditions of the poor;
- Step up the fight against corruption and state capture;
- Strengthen the capacity of the state;

The President referred to the Public Private Growth Initiative (PPGI) functioning under the auspices of Minister Nkosazana Dlamini-Zuma of the Department of Planning Monitoring and Evaluation (DPME). South Africa needs to drastically improve the ease of doing business and especially encourage small business development through incubator development and addressing concentration through the signing of the new Competition Amendment Bill.

The agriculture value chain has, and is still playing a major role in this Public Private Growth Initiative and has already submitted its five-year plan to DPME. It will work with provincial governments to identify development projects and assist in building investment books up and down the value chain for consideration.

Dr Purchase added that Agbiz welcomes the fact that the President singled out the agriculture sector for special development support as it is a labour-intensive industry and there are large areas of unused agricultural land in especially communal areas that can be brought into production. Agricultural exports are key to food security, attracting investment and earning foreign revenue. Government will continue to focus on high value products with export potential, including fruit, wine, vegetables, poultry and red meat. The resilient and diversified developed sector needs to be developed as a sector for all participants and promote inclusivity through land reform for agriculture and human settlements.

On land reform, the President commended the Constitutional Review Committee (CRC) and the submissions made on expropriation without compensation (EWC). The CRC will unambiguously set out the provisions for EWC. The Deputy President leads the inter-ministerial task team to fast-track land reform, while the Presidential Advisory Panel on Land Reform was commended for fantastic work that has been done.

“Various other cross-cutting matters and recommendations regarding water and state-owned enterprises, especially the restructuring of Eskom, are welcomed. No economy can function without a secure and affordable supply of electricity,” said Dr John Purchase.

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