



Govt determined to deal with SA's mounting challenges - Mashatile

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Deputy President Paul Mashatile has urged businesses not to lose hope as government works around the clock to tackle the country's major challenges.

“South Africa’s economic and social challenges are mounting, risking stagnation amid an unprecedented energy crisis, increasingly binding infrastructure and logistics bottlenecks, high unemployment, crime and corruption,” the Deputy President said on Friday.

Mashatile acknowledged that these were real problems that need real answers from society, business and the government.

“As a result, we must never be disheartened by our divergent approaches to overcoming these obstacles. Rather, we must use dialogue such as this one to find common ground and develop an amicable strategy that will propel our nation forward.”

The Deputy President was delivering the keynote address at the Business Breakfast Roundtable with the CEOs of the metal and engineering companies hosted by the Steel and Engineering Industries Federation of Southern Africa (SEIFSA), in Gauteng.

To restore faith in the economy, he said the metal and engineering industries need to come together, change with the times, and take decisive action.

“As a first step, we must recognise the importance of government in creating a dependable and helpful atmosphere for businesses to flourish.”

He believes that government needed to have enabling policies, solid infrastructure, and a receptive regulatory framework.

“Our commitment to establishing a favourable business climate remains unwavering. Government has already undertaken various initiatives to restore confidence and promote growth.”

Red tape

He said these include tax incentives and relief measures to alleviate the burden on businesses, especially small and medium-sized enterprises (SMEs).

“We are actively finding solutions to streamline regulatory processes, reduce bureaucracy and enhance ease of doing business.”

He touched on the Red Tape Reduction (RTR) task team announced by President Cyril Ramaphosa during his last year’s State of the Nation Address (SONA).

The RTR aims to reduce excessively complex rules, regulations, procedures, and processes that stifle economic growth and job creation in key areas of the economy.

Infrastructure

In addition, he said the state was also pumping resources into infrastructure improvement.

This includes transportation networks, power grids, and internet access, which he believe has the potential to spur development and bring in capital.

“For example, the National Rail Policy has been enacted as a road map for modernising and reforming the rail industry, and includes provisions for third-party access to the railway network.”

He told the delegates that to implement the policy commitments, government is constructing a Transnet Roadmap, which will include reorganising Transnet Freight Rail to appoint a new Infrastructure Manager for the rail network by October 2023.

“Improving the country's ports will also help them return to being some of the best ports in the world like they used to be.”

He also announced that the South African National Roads Agency Limited (SANRAL) is still working to fulfil its duties related to funding, enhancing, managing, and maintaining the country's road system.

“Road infrastructure plays a critical role in the economy. It makes it possible to transport goods and services, but it also enables movement for people to gain access to basic healthcare.”

He assured the delegates that the state understands the “huge” role it needs to play to advance the economy.

Deputy President also said government was determined to end load shedding, which is one of the foremost priorities.

Corruption

On the other hand, the state, he said was up in arms to fight crime and corruption, describing it as a thorn in the country’s democracy.

“Corruption undermines the functioning and legitimacy of institutions and processes, the rule of law and ultimately the state itself and it also damages the economy.”

Meanwhile, he reminded the packed room that corruption in government is no better than in the private sector.

“The battle to root out corruption and strengthen the rule of law can succeed only if it is taken on by the whole of society. We must therefore all join forces to fight this scourge.”

Investment

In addition, he said they were actively engaged in promoting investment opportunities and forging stronger ties with other nations.

“By enhancing our exports and diversifying our markets, we can reduce our dependency on any single market and mitigate risks associated with economic volatility.”

As his parting shot, he emphasised that the current administration is committed to fostering a culture of innovation and entrepreneurship.

He spoke about investing in research and development, promoting innovation hubs, and supporting start-ups to harness the power of innovation and create a thriving ecosystem for entrepreneurship.

“Government is fully aware of the challenges facing our industries, and we are committed to providing the necessary support and resources to ensure their growth and resilience.”

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