State of the Nation Address by His Excellency Jacob G Zuma, President of the Republic of South Africa on
the occasion of the Joint Sitting of Parliament, Cape Town

The year 2015 marks 60 years of a historic moment in our history, when South Africans from all walks of

They declared amongst other things, that South Africa belongs to all who live in it, black and white, and
that no government can justly claim authority unless it is based on the will of all the people.

That was a powerful, visionary and reconciliatory statement which set the tone for the non-racial
democracy we have established.
This week we also mark 25 years since the release of President Nelson Mandela from prison, and since the unbanning of liberation movements.

The release of Madiba marked a giant leap in the long walk to freedom for the people of South Africa as a whole and dealt a fatal blow to apartheid colonialism.

We continue to be inspired by Madiba and draw lessons from his legacy as we build our country.

Compatriots

The year 2015 is the Year of the Freedom Charter and Unity in Action to Advance Economic Freedom. It is the year of going the extra mile in building a united, democratic, non-racial, non-sexist and prosperous South Africa.

It is also the year of rededicating ourselves to eradicate racism and all related intolerances in our country.

It is also the year of investing more in our future, by educating our children and the youth about the rich heritage of this country.

We are already inculcating a new national identity through promoting national symbols such as the national flag, the national anthem and the preamble of the Constitution in every school.

From this year, schools must also practice the African Union anthem, in preparation for the celebration of Africa Month in May, as we implement the African Union decision in this regard.

Honourable members,

Distinguished guests,

Our youth is our future and their success fills us with immense pride. I would like you to join me in congratulating my special guest, our ace Olympic swimmer Chad Le Clos. Chad received swimming’s highest honour in December after he was crowned the world’s best swimmer for 2014, by the International Swimming Federation, amongst many other outstanding achievements.

I am also hosting three special girls from Moletsane High School in Soweto. They are Ofentse Mahasha, Hlengiwe Moletsane and Tiisetso Mashiloane. Ofentse and Hlengiwe attended the last G20 summit in Australia and performed exceptionally well, making us truly proud.

Allow me also Madam Speaker and Chairperson to congratulate in absentia, another star performer who has brought glory to our country, Miss World, Ms Rolene Strauss.

I would also like to introduce another special guest, the country’s Sports Star of the Year and Banyana Banyana striker, Miss Portia Modise. Congratulations Portia.

Honourable Members,
Distinguished guests,
I would like to thank all who took their time to contribute to SoNA 2015. In terms of the inputs, our people are concerned about amongst others crime, roads, access to education, youth internship schemes, water, electricity and support for small businesses.

Contributions requiring feedback are being referred to government departments for action.

Honourable Members,

Distinguished guests,

We meet yet again during a difficult economic climate. This week the International Monetary Fund revised down to 3,5%, the Gross Domestic Product (GDP) growth forecasts for global economic growth in 2015.

Our ambition of achieving a growth target of 5% by 2019 is at risk, because of the slow global growth as well as domestic constraints in energy, skills, transport and logistics amongst others.

However, the situation is more promising on the jobs front. Two days ago, StatsSA released the employment figures for the last quarter of 2014. The report shows that there are now 15,3 million people who are employed in South Africa. Jobs grew by 203 000.

Our investment in youth employment is also paying off. The Employment Tax Incentive which was introduced last year directed mainly at the youth, is progressing very well.

R2 billion has been claimed to date by some 29 000 employers, who have claimed for at least 270 000 young people.

I announced a target of six million work opportunities over five years last year for the programme.

We have thus far created more than 850 000 work opportunities. This means that we are poised to meet the annual target of one million job opportunities.

In addition, our environmental programmes such as Working on Waste, Working for Wetlands, Working for Water and Working on Fire have created more than 30 000 work opportunities and aim to create more than 60 000 during the next financial year.

Compatriots,

Our economy needs a major push forward. We would like to share with you our nine point plan to ignite growth and create jobs.

These are;

Resolving the energy challenge.

Revitalising agriculture and the agro-processing value chain.
Advancing beneficiation or adding value to our mineral wealth.

More effective implementation of a higher impact Industrial Policy Action Plan.

Encouraging private sector investment.

Moderating workplace conflict.

Unlocking the potential of small, medium and micro enterprises (SMMEs), cooperatives, township and rural enterprises.

State reform and boosting the role of state owned companies, information and communications technology (ICT) infrastructure or broadband roll-out, water, sanitation and transport infrastructure as well as Operation Phakisa aimed growing the ocean economy and other sectors.

Compatriots,

The country is currently experiencing serious energy constraints which are an impediment to economic growth and is a major inconvenience to everyone in the country.

Overcoming the challenge is uppermost in our programme. We are doing everything we can to resolve the energy challenge.

Bakwethu,

Uhulumeni wenza konke okusemandleni akhe ukubhekana nesimo sokuncipha kukagesi ezweni. Siyazi ukuthi lesi isikhathi esinzima, kodwa sizodlula, ngoba sinezindlela yokusebenza loludaba.

(Compatriots,
Government is doing everything within its power to deal with the problem of energy shortage in the country. We are quite aware of the fact that this is indeed a difficult period, but it shall pass because we do have strategies in place to deal with this matter.)

We have developed a plan which involves both short, medium-term and long-term responses.

The short and medium-term plan involves improved maintenance of Eskom power stations, enhancing the electricity generation capacity and managing the electricity demand. The long term plan involves finalising our long term energy security master plan.

As a priority we are going to stabilise Eskom’s finances to enable the utility to manage the current period. In this regard, Government will honour its commitment to give Eskom around R23 billion in the next fiscal year.
The "War Room" established by Cabinet in December is working diligently around the clock with Eskom, to stabilise the electricity supply system and contain the load shedding. During this period, we have to work together to find solutions.

We urge all individuals, households, industries and government departments to save electricity in order to reduce the need for load shedding. The Department of Public Works has been instructed to ensure that all government-owned buildings are energy efficient.

Given the high cost of diesel, Eskom has been directed to switch from diesel to gas as a source of energy for the utility’s generators.

Households are also being encouraged to switch from electricity to gas for cooking, heating and other uses.

The construction of the three new power stations Kusile, Medupi and Ingula, will add 10 000 megawatts of capacity to the national grid. The quest for alternative energy sources is also ongoing.

To date government has procured four thousand megawatts from Independent Power Producers, using renewable sources. The first three bid windows of the renewable energy procurement process attracted more than R140 billion from private investors.

A total of 3 900 megawatts of renewable energy has also been sourced, with 32 projects with a capacity of just over 1 500 megawatts completed and connected to the grid.

Eskom itself has completed the construction of the Sere Wind Farm, which is already delivering 100 megawatts to the grid, well ahead of its intended launch in March this year.

Government also began procurement in December 2014, of 2 400 megawatts of new coal-fired power generation capacity, from Independent Power Producers. The procurement process for 2 400 megawatts of new gas-fired generation will commence in the first quarter of the new financial year.

A total of 2 600 megawatts of hydro-electric capacity will be sourced from the Southern African Development Community (SADC) region. With regards to the long term energy master plan, we will pursue gas, petroleum, nuclear, hydropower and other sources as part of the energy mix.

South Africa is surrounded by gas-rich countries, while we have discovered shale gas deposits in our own Karoo region.

The Operation Phakisa Ocean Economy initiative, launched last year, also promises to unveil more oil and gas resources, which will be a game changer for our country and region.

Government is also exploring the procurement of the 9 600 megawatts nuclear build programme as approved in the Integrated Resource Plan 2010-2030.

To date government has signed Inter-Governmental Agreements and carried out vendor parade workshops in which five countries came to present their proposals on nuclear.
These include the United States of America, South Korea, Russia, France and China.

All these countries will be engaged in a fair, transparent, and competitive procurement process to select a strategic partner or partners to undertake the nuclear build programme.

Our target is to connect the first unit to the grid by 2023, just in time for Eskom to retire part of its aging power plants.

With regards to hydro power, the Grand Inga Hydro-electrical Project partnership with the Democratic Republic of Congo will generate over 48 000 megawatts of clean hydro-electricity. South Africa will have access to over 15 000 megawatts.

For sustainability, Government will establish strategic partnerships for skills development with the countries that will partner us in the Energy Build Programme, while also generating skills locally.

Compatriots,

There are still 3,4 million households in the country without electricity. In the June 2014 SoNA, I announced that infrastructure support will be given to specific municipalities in the country.

Funding has been provided for electrification to the following municipalities in the 2015/16 financial year: Amathole District Municipality, Umzinyathi District Municipality, Alfred Nzo District Municipality, Lukhanji Municipality and OR Tambo District Municipality.

Fellow South Africans,

While tackling the energy challenges in our country we also need to fight copper cable and metal theft. Government will introduce tougher measures to deal with this serious crime.

Compatriots

During this year of the 60th anniversary of the Freedom Charter, land has become one of the most critical factors in achieving redress for the wrongs of the past.

Last year, we reopened the second window of opportunity for the lodgement of land claims. More than 36 000 land claims have been lodged nationally and the cut-off date is 2019. We are also exploring the 50/50 policy framework, which proposes relative rights for people who live and work on farms. Fifty farming enterprises will be identified as a pilot project.

In terms of our new proposed laws, a ceiling of land ownership will be set at a maximum of 12 000 hectares. Foreign nationals will not be allowed to own land in South Africa but will be eligible for long term lease.

In this regard, the Regulation of Land Holdings Bill will be submitted to Parliament this year. Through the Land Reform Programme, more than 90 000 hectares of land have been allocated to small holder farmers, farm dwellers and labour tenants.
The process of establishing the Office of the Valuer-General is underway, which is established in terms of the Property Valuation Act. Once implemented the law will stop the reliance on the Willing Buyer-Willing Seller method in respect of land acquisition by the state.

Compatriots,

Agriculture is a catalyst for growth and food security. We are working with the private sector to develop an Agricultural Policy Action Plan which will bring one million hectares of under-utilised land into full production over the next three years.

Among key interventions this year, we will promote the establishment of agri-parks or cooperatives and clusters in each of the 27 poorest district municipalities to transform rural economies. An initial funding of R2 billion has been made available for the agri-park initiative.

We will further enhance our agro-processing exports which have been growing rapidly especially to new markets in Africa and China. For example, we have concluded agricultural trade protocols for the export of South African maize and apples to China.

The export of apples alone is projected to generate R500 million in foreign exchange over three years.

A good story to tell in agriculture is the success of some of our emerging farmers and smallholders.

In the Vhembe District Municipality in Musina, the Limpopo Government has supported the Nwanedi Cluster comprising 300 farmers growing vegetables on just over 1 300 hectares for commercial purposes.

The Cluster has already created more than 2 500 jobs as vegetable farming is highly labour-intensive.

We are happy to have in our midst today, the winner of the 2014 Agriculture Top Female Entrepreneur Award, Ms Nokwanele Mzamo, from Kirkwood in the Eastern Cape.

Madam Speaker and Madam Chairperson,

Our interventions to support the manufacturing sector are bearing fruit. Our Automotive Investment Scheme has unlocked private-sector investment of R24,5 billion, and generated exports of automotives and components of R103 billion in 2013.

We have built a world-class auto sector on the African continent exporting to over 152 countries. The leather and footwear sector has also grown to 60 million pairs of shoes, and exports grew by 18% with significant benefit to the balance of trade.

The United Nations Conference on Trade and Development shows that South Africa doubled its Foreign Direct Investment inflows to R88 billion in 2013 while 2014 projections are also positive.

The manufacturing sector was hit hard by the Global Financial Crisis. Government committed more than R2,8 billion to companies in the sector, through the Manufacturing Competitiveness Enhancement Programme.
We are very pleased with the response of our manufacturers who, committed over R12.4 billion in private-sector investment. It is a very good story to tell indeed. In addition, to advance transformation, we have introduced the programme to find and develop black industrialists over three years.

Compatriots,

Given such success in manufacturing, we are poised to make progress in our quest to ignite growth.

Madam Speaker and Madam Chairperson,

To attract foreign skills for our growing economy, we will invite dialogue with various stakeholders on the Migration Policy.

We will also prioritise the review of visa regulations to strike a balance between national security and growth in tourism.

Compatriots and friends,

In the June 2014 SoNA, I spoke about the need to stabilise the mining sector and to promote a stable labour environment.

We had been concerned then, about the spate of long and sometimes violent strikes.

The implementation of a number of programmes under the Framework Agreement for a Sustainable Mining Industry has caused relative stability and optimism in the mining sector, which is the backbone of our economy.

Mine Crime Combating Forums have been established in the North West, Limpopo, Free State, Mpumalanga, and Gauteng provinces.

Government will implement the agreements reached with business and labour, including the consideration of a national minimum wage.

We had also made a commitment in last year’s SoNA to revitalise distressed mining towns and a lot of progress has been made.

A total of R2.1 billion has been ring-fenced for this purpose with R290 million approved for informal settlement upgrading in Mpumalanga, North West, Gauteng, Northern Cape, Limpopo and the Free State.

One hundred and thirty three (133) informal settlements are being assessed or prepared for upgrading through the National Upgrade Support Programme.

Thirty two (32) settlements are being upgraded and 87 housing projects are being implemented across the prioritised mining towns.
Importantly, government, the mining sector and the Banking Association of South Africa signed a social contract for the development of sustainable human settlements.

Government also continues to provide social development support within mining communities. Other support includes technical expertise with regard to Integrated Development Plans and the development of Special Economic Zones.

The mining towns are also being assisted with implementing the ‘Back to Basics’ municipal service delivery strategy. Indeed a lot is being done to build our mining towns.

Government is also reviewing the compliance of mining companies with the 2014 Mining Charter targets.

I referred the Mineral and Petroleum Resources Development Act back to Parliament to enable the correction of some constitutional shortcomings and others issues.

Compatriots

Responding to business requests, Government has synchronised environmental impact assessments, water and mining rights applications and has set a maximum of 300 days for all of these authorisations to be issued.

In addition, we will also establish a one-stop inter-Departmental Clearing House to attend to investor complaints and problems.

Fellow South Africans,

The year 2015 will see further improvements in labour legislation to further promote worker rights.

The Labour Department will review the sectoral determinations of agriculture, forestry, private security, wholesale and retail sectors.

We expect the finalisation of the Employment Services Act of 2014 which formally establishes a public employment service.

The legislation also formally regulates the practices of private employment agencies and temporary employment services, to prevent the abuse of unsuspecting work seekers.

In addition, the Unemployment Insurance Act of 2001 will be amended to improve benefits to beneficiaries and include public servants in the application of the Act.

Honourable members and distinguished guests,

Small business is big business.

Government will set-aside 30% of appropriate categories of State procurement for purchasing from SMMEs, cooperatives as well as township and rural enterprises.
We will also continue to promote opportunities for the youth. The National Youth Development Agency has disbursed R25 million to 765 youth-owned micro enterprises in the last financial year nationally.

The Agency has also partnered with the Industrial Development Corporation (IDC) and the Small Enterprise Finance Agency in a 3-way partnership that has resulted in a R2,7 billion rand fund for young people.

Compatriots,

The year 2015 will mark the beginning of the first phase of broadband roll-out. Government will connect offices in eight district municipalities.

These are Dr Kenneth Kaunda in North West, Gert Sibande in Mpumalanga, O.R. Tambo in the Eastern Cape, Pixley ka Seme in the Northern Cape, Thabo Mofutsanyane in the Free State, Umngungundlovu and Umzinyathi in KwaZulu-Natal, and Vhembe in Limpopo.

Government has also decided to designate Telkom as the lead agency to assist with broadband roll out. As part of further igniting growth, through supporting state-owned companies, processes are underway to implement a 90-day turnaround strategy aimed at stabilising the finances of South African Airways.

Accordingly, some of the loss making international routes will be phased out. But, we will do this in a manner that does not impact negatively on travel, trade and tourism between South Africa and the world.

Compatriots,

The National Infrastructure Development programme continues to be a key job driver and catalyst for economic growth.

Water is a critical resource for economic growth and a better life. Several projects aimed at providing water for industrial and household use are in the implementation or planning phases around the country.

Major projects include Umzimvubu Water Project in the Eastern Cape, Jozini Dam in Umkhanyakude in KwaZulu-Natal and projects in Bushbuckridge in Mpumalanga and phase one of the Mokolo Crocodile Water Augmentation in Limpopo.

Progress is being made to improve the water supply to areas that had been affected by shortages, such as Makana District Municipality in the Eastern Cape, Ngaka Modiri Molema District Municipality in North West and Giyani in Limpopo where we celebrated the delivery of water to 55 villages in October last year.

Let me, Honourable Speaker and Chairperson, urge all in the country to conserve water. Every drop counts. The country loses R7 billion a year to water losses.
To mitigate this challenge, Government through the Department of Water and Sanitation will train 15,000 artisans or plumbers who will fix leaking taps in their local communities. We are happy to have as our special guest, the winner of the Women in Water Conservation Awards, Ms Mapule Phokompe from Mahikeng in North West.

Compatriots,

The infrastructure programme continues to expand transport networks and to improve roads, which augur well for economic growth.

The Department of Transport will spend about R9 billion on the Provincial Roads Maintenance Grant or the Sihamba Sonke Programme and R11 billion on upgrading and maintaining roads which are not tolled.

Over R6 billion will be spent in 13 cities on planning, building and operating integrated public transport networks during this financial year. We will also continue to improve the infrastructure in schools and higher education institutions to create a conducive environment for learning and teaching.

Through the Accelerated School Infrastructure Delivery Initiative which is part of the National Infrastructure Plan, 92 new schools have been completed to date and 108 are under construction. About 342 schools have received water for the first time.

Three hundred and fifty one (351) schools have received decent sanitation while 288 have been connected to electricity.

Siyaphamba. Siyasebenza. (We are moving forward.) We are a nation at work.

Government has identified 16 sites for the construction of 12 new technical and vocational education and training college campuses and the refurbishment of two existing campuses.

Work is also continuing to establish the three brand new universities, Sol Plaatjie in the Northern Cape, the University of Mpumalanga and the Sefako Makgatho Allied and Health Sciences University.

Honourable members,

We continue to deliver houses to our people. By 30 September 2014, a total number of more than 50,000 houses were delivered in the subsidy and affordable housing segments.

Government will also provide 5,000 housing opportunities for military veterans. Government will also work to eradicate the backlog of title deeds for pre and post-1994 housing stock.

Madam Speaker and Madam Chairperson

We have in the past year introduced some innovative programmes to implement the National Development Plan.
Last year we launched Operation Phakisa, a results-driven laboratory approach to planning and execution of programmes.

Operation Phakisa on the ocean economy is aimed at unlocking opportunities in the shipping, fisheries, aquaculture, mining, oil and gas, bio-technology and tourism sectors.

We have committed R9.2 billion investment in gas and oil exploration in the port of Saldanha as part of the Operation Phakisa initiative.

Operation Phakisa on Scaling Up the Ideal Clinic Initiative is aimed at promoting efficiency, effectiveness and professionalism in clinics.

We will now explore Operation Phakisa in the mining sector. I have instructed Government to partner with the mining sector to develop win-win solutions to beneficiate our mineral resources.

Compatriots and friends,

Over the past five years, government has scored significant gains in health care.

This year, we are going to launch a massive programme to turn the tide against tuberculosis (TB), with a special focus on three communities, offenders at Correctional Services facilities, mineworkers and communities in mining towns.

In fighting the scourge of HIV and AIDS, the state-owned pharmaceutical company, Ketlaphela, has been established and will participate in the supply of anti-retrovirals to the Department of Health.

Madam Speaker and Madam Chairperson,

We have to continue working harder together to fight crime and to create safer communities. We are making progress in fighting crimes against women and children.

The South African Police Service (SAPS) Family Violence, Child Protection and Sexual Offences Investigation Unit has secured 659 life sentences against perpetrators of crimes against women and children.

We are a democratic state and recognise the community's right to protest. We however appeal that these protests should be within the ambit of the law and must be peaceful as stated in the Constitution.

The police successfully brought under control 13 575 recorded public order incidents, comprising 1 907 unrest-related and 11 668 peaceful incidents.

The fight against corruption continues to be taken forward by the Anti-Corruption Inter-Ministerial Committee.

Government has in place seven anti-corruption institutions and 17 pieces of legislation which are intended to combat corruption. This demonstrates a concerted effort by government to break the back of this scourge in the country.
In the 2013/14 financial year, 52 persons were convicted in cases involving more than R5 million. Thirty one public servants were convicted in the first quarter of 2014/15 and freezing orders to the value of R430 million were obtained.

To prevent corruption and promote ethical governance, in December I signed into law the Public Administration and Management Act which amongst others prohibits public servants from doing business with the State.

Compatriots,

Cabinet has adopted vigorous and integrated interventions to combat the vicious rhino poaching in the country.

The interventions include continuous joint operations with key neighbouring countries, improved intelligence gathering as well as enhancing protection in parks and provincial reserves where rhino are present.

Government has also made substantial progress in establishing a border management agency, to manage all ports of entry and improve security.

To further improve access to identity documents, citizens will from this year be able to apply for the new Smart ID Card at their local bank due to partnership between the Department of Home Affairs and some banks in the country.

Madam Speaker and Madam Chairperson,

Building a caring, effective and responsive state will continue to be prioritised.

In the 2014 SoNA, I said we would continue to advance and improve the lives of people with disabilities. In December last year, Cabinet released the draft National Disability Rights Policy for public comment.

Compatriots

Local government is everybody’s business. We have to make it work.

We have launched the Back to Basics programme to promote good governance and effective administration through cutting wastage, spending public funds prudently, hiring competent staff, and ensure transparency and accountability in municipalities.

The Integrated Urban Development Framework announced in the SoNA last June, has been approved by Cabinet.

Fellow South Africans,

To contribute to building a better Africa, South Africa continued to support peace and security and regional economic integration in the continent.
A number of key outcomes have resulted.

The African Capacity for Immediate Response to Crises (ACIRC), of which South Africa is a contributing and founding member, has been operationalised.

The South African National Defence Force and SA Police Service continued to participate diligently in the conflict prevention and peacekeeping in the continent.

South Africa also continued to support conflict resolution initiatives in Lesotho, Sri Lanka and South Sudan, led by the Deputy President.

Economic cooperation with our BRICS partners was strengthened when the first two intergovernmental agreements were concluded on the occasion of the sixth BRICS Summit.

This was the Agreement on the New Development Bank and the Treaty Establishing a Contingent Reserve Arrangement.

Madam Speaker and Chairperson,

Countries of the developed North remain important strategic partners for South Africa through which the country is able to advance its national and foreign policy. We have a valuable partnership with the European Union in amongst others, the infrastructure Investment Programme for South Africa valued at approximately R1,5 billion.

The renewal of the African Growth and Opportunity Act beyond September 2015 and a pledge to support African-led peace initiatives in the continent are among the significant outcomes of the United States-Africa leadership Summit held in the US last year.

Compatriots

At a multilateral level, 2015 marks the 70th anniversary of the United Nations (UN) which brings into sharp focus the need to transform the UN Security Council and other international institutions.

Compatriots,

National liberation heroes, Moses Kotane and JB Marks will be reburied in South Africa in March. We thank the government and people of the Russian Federation for looking after the remains of our heroes with dignity for so many decades.

In sports, Team South Africa will participate in the All Africa Games in Congo Brazzaville in 2015.

The Springboks will participate in the International Rugby Board (IRB) World Cup that takes place in England in September 2015.

The Proteas are in Australia and New Zealand to participate in the International Cricket Council Cricket World Cup. All South Africans must as usual, rally behind the national teams.
We must also appreciate our Bafana Bafana. I think you will agree with me that this time around they qualified with flying colours.

They were in a group called “a group of death” and they did their best.

We must give them support, they made us proud.

Honourable members,

We will continue to promote healthy lifestyles and to urge citizens to refrain from smoking and the abuse of alcohol and drugs.

In this regard, on the 10th of May we will mark the Move for Health Day, an international event promoted by the World Health Organisation. The day also coincides with the anniversary of the inauguration of President Mandela.

Compatriots,

Fellow South Africans,

A lot has been achieved in the past year. We believe that our nine-point economic intervention plan on the economy will consolidate the achievements, and ignite much needed growth.

During this year of the Freedom Charter and Unity in Action to Advance Economic Freedom, we rededicate ourselves to unity and hard work, to ensure continuous success in our beautiful country.

Together we move South Africa forward!

I thank you.

Issued by:

The Presidency