

# Infrastructure programme to improve economy

South Africa's infrastructure programme must unlock the economic potential of the country, says President Jacob Zuma.



(Image: GCIS)

"It (the infrastructure programme) must help us to improve the overall productivity of the economy through better logistics, reliable energy supply and efficient ports," said Zuma on Friday.

In 2011, government established the Presidential Infrastructure Coordinating Commission (PICC) to drive the infrastructure programme whose membership includes select Ministers, Premiers and metro mayors, under the leadership of the President, assisted by the Deputy President.

The programme is being rolled out with an initial investment of R844bn over the medium-term expenditure framework period.

Addressing the Black Management Forum at a dinner in Sandton on Friday, the President said the programme must also embrace social infrastructure like schools and clinics while also creating jobs.

President Zuma said he was pleased with the Forum's interest in the programme. He added that though the country has come a long way since the dawn of democracy, more work needed to be done to achieve meaningful social and economic transformation.

## Don't just be spectators

Black professionals and business could not be spectators to transformation. "You have to continue playing an active part, providing your skills, experience and perspectives to help us turn this into a prosperous country," he noted.

The infrastructure build programme is also a means to support broad-based empowerment meaning that ways must be found to provide mentoring, finance, and technical assistance among others to help improve the performance and

sustainability of smaller enterprises particularly those owned by black people, youth and women.

"More black South Africans need to be brought into the various parts of the infrastructure supply-chain, and not only as minority partners or equity holders. We want to see one or more of the big five construction companies being run and owned by black entrepreneurs, who must develop skills as construction people, or cement makers, or steel producers."

For meaningful transformation, the infrastructure development programme should also empower women, particularly in the construction industry as both entrepreneurs and workers, he said.

## **Talk, but what about action?**

The President added that government is aware of concerns by black business that government does not always put its money where its mouth is when coming to opening up opportunities for black people. Government departments, he said should go all out to find black accounting, auditing, legal and engineering firms in order to build capacity and enable the growth of black business.

The payment of suppliers' especially small businesses within one month was an issue with which Zuma agreed to sort out.

"We agree with you that failure to do this is detrimental to small enterprises. The National Treasury has begun to police compliance with the prescript to pay within one month. We are exploring putting this provision in the performance agreements of accounting officers and senior managers.

"This was being considered because government wants to promote small business development in order to boost job creation. "

## **Improved legislation**

Government is in the process of improving Black Economic Empowerment legislation. "We are in the process of improving the legislation, thanks to the feedback we get as well from the Presidential Black Economic Empowerment Advisory Council."

In December 2011, the Broad Based Black Economic Empowerment Amendment Bill was by the Department of Trade and Industry for public comments.

The Bill will amongst others establish a B-BBEE Commission to promote, monitor and evaluate economic empowerment.

The Bill also makes provisions for fronting with consequences for those found guilty of misrepresenting or attempting to misrepresent the B-BBEE status of an enterprise.

The President added that the infrastructure programme goes beyond the borders of the country into the region.

"We are also involved in projects to generate supplies of energy and water in Mozambique, Lesotho and the DRC. It was important not to rely primarily on exports of commodities like gold, platinum and iron ore.

"We need to deepen domestic and regional markets as well as diversify our exports abroad," noted the President.