

Mashatile concerned about SA's economic growth

While government has adopted policies that have contributed to economic transformation over the years, deputy president Paul Mashatile said he was concerned about the rate of economic growth.



Source: [Pexels](#)

“We are, however, concerned that the economy is not growing at the rate that results in many being absorbed by the economy.”

Citing the latest Statistics South Africa (Stats SA) data, he said after contracting by a revised 1.1% in the fourth quarter of 2022, the economy grew 0.4% quarter-on-quarter in the first three months of 2023.

“In the past, especially before Covid, we have had times when economic growth averaged about 3.8% for more than a decade when we experienced the fastest growth of the Black middle class and when we were able to roll out massive social-security programmes to cushion the poor from poverty,” he said on Monday, 12 June.

“There are certain things that we are doing right and this is albeit the global economic challenges.

“We must therefore focus on the things that we are doing right and be more innovative if we are to grow a sustainable and inclusive economy.”

The deputy president was virtually delivering a keynote address at the 2023 Batseta Winter Conference.

Batseta is a non-profit organisation, which is focused on the interests of principal officers, trustees and fund fiduciaries within the retirement industry.

Economic reconstruction and recovery plan

The deputy president described the economic reconstruction and recovery plan, announced by President Cyril Ramaphosa in October last year, as a “lodestar” towards a new, inclusive economy.

“Our goal is to make a permanent and decisive break with an economic trajectory characterised by low and declining growth, the exclusion of women, young people and people with disabilities from the mainstream economy, falling per capita incomes, low investment, as well as high and deeply entrenched levels of inequality, poverty and unemployment.”

At the centre of the economic reconstruction and recovery efforts, according to the deputy president, is the mobilisation of the public and the private sector around an infrastructure-led recovery.



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This includes new investments in energy, mining, water and sanitation, roads and bridges, human settlements, health and education, digital infrastructure and public transport.

“Maintenance of the existing infrastructure is also an important part of our infrastructure rollout programme,” he explained.

He told delegates that the budget has already been approved for infrastructure.

“Our challenge remains execution. This is where co-operation with the private sector will be critical.

“This does not preclude the business sector from identifying priority projects that will have a major contribution to the achievement of our shared goals.”

Job creation the answer

In the meantime, the country’s second-in-command, noted government’s immediate task to achieve job creation and the reduction in unemployment, public employment programmes, skills development and the provision of income support for the most vulnerable.

In addition, he said government is working around the clock to strengthen the security of the energy supply and to turn around Eskom.

As part of our economic reconstruction and recovery plan, he said the state was implementing a set of structural reforms housed under Operation Vulindlela, a joint programme between the national treasury and the presidency.



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“In addition to the Vulindlela work, we need to look at new areas of ensuring ease and reducing the cost of doing business in South Africa.

“The journey of structural reforms must touch every level of the government. For instance, [we need to ask ourselves whether] re-zoning regulations are conducive to a friendly investment environment”

In addition, these forms are also transforming how the state itself does business.

“The state must be an enabler. It must enable South Africans to go about their daily lives. The state must continue to build a better life for all.

“We collect taxes from South African citizens to make their lives better. We also have a duty to allocate them efficiently and spend them effectively.”

Mashatile acknowledged that government alone will not resolve the challenges in the economy.

“We have also joined you because we must continue to engage on the transformation agenda as well as ensure the continued use of pension-funds investment for the growth and development of our economy.”

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