

Government punts its progress on 9-point plan

Nenegate and the subsequent fallout put South Africa firmly on the investment communities' radar, but it did have a positive spin-off in that it forced government, big business and labour to play nicely and come up with a plan to save the country from junk status.

For their part, the government put together the Nine-Point Plan aimed at reigniting growth and creating jobs, which yesterday it reported was making steady progress. The plan focuses on areas such as energy, tourism, agriculture, boosting SMMES, science and technology, industrialisation, transport and others.

Energy

The Integrated Energy Plan, the overarching energy policy, will, once completed, provide answers to various questions the country has been grappling with regarding energy.

The energy contribution of IPPs is expected to grow to approximately 7MW in 2016, while private investment in the programme currently exceeds R194bn. The DoE will announce the preferred bidders from the first bid submission for domestic coal projects in July 2016. The bids will have a combined capacity of 900MW at an investment of R45bn, rolled over the next four years.



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Fifty-two percent of total job opportunities in highly successful Renewable Energy Independent Power Producers Programme have gone to the youth.

The Biofuels Regulatory Framework will be submitted to cabinet during this financial year. It will outline how the nascent biofuels industry will be financially selected and supported.

The nuclear energy expansion programme remains part of the future energy mix. The procurement plan for 9,600MW nuclear build programme will be implemented at a pace informed by what the country can afford.

The DoE has worked on facilitating the gas-to-power programme. The exploitation of indigenous gas (coal bed methane and shale gas) as well as the regional natural gas resources must be seen in the broader context of regional integration.

Solar water heating has taken off, with contracts placed for the supply of the first 9,000 baseline systems. The next step is to commence with the training of local communities in the installation of the systems, with a specific target being the youth, women and other designated groups.

The electrification programme has made remarkable progress in increasing access to electricity in South Africa by connecting over 6,7m households between 1994 and March 2016. As of February 2016, access to electricity stands at 88% since 1994.

Tourism

The travel and tourism sector in general attracted capital investment of R63bn in 2015 and contributed R118,6bn directly. This primarily reflects the economic activity generated by industries such as hotels, restaurants, leisure activities, travel agents, airlines and other passenger transportation services (excluding commuter services).

This progress generated 703,000 jobs directly in 2015 (4,5% of total employment). The total contribution of travel and tourism to employment, including wider effects from investment, the supply chain and induced income impacts, was 1,5m jobs in 2015, which is 9,9% of total employment.

Agriculture

With regards to financing for agriculture, the Land Bank is making progress. Internal governance and control processes have improved considerably as reflected in unqualified audit opinions since the 2012 financial year and reduced non-performing loans which now represent approximately 5,5% of the now significantly larger loan book, down from 22,5% in 2009.

The loan book has expanded from R16bn in 2008 to approaching R40bn to date. About R2,5bn or 6,5% of the loan book is devoted to development loans compared to no investment eight years ago.

The process of transforming the Land Bank into a strong development finance institution that plays an even bigger and more effective role in rural and agricultural development will be accelerated and deepened.

Science and technology

The department of science and technology recently launched the country's first bio-manufacturing industry development centre (BIDC) in Pretoria. Currently it's supporting 19 enterprises of which 16 are owned by black entrepreneurs, including 10 black women-owned enterprises. 55 permanent and 171 temporary jobs have already been created, with 54 interns trained.

Companies incubated at the BIDC have access to ready-to-use bio-manufacturing facilities, support in research and development laboratories. The initial phase will result in the creation of permanent and temporary jobs with the economic

impact projected at R250m per annum in the next five years.

Unlocking SMMEs, cooperatives and township enterprise potential

A total of 117 black women-owned enterprises have been supported through the cooperative incentive scheme to the value of R35,9m, while 325 women-owned enterprises were supported through the Black Business Supplier Development Programme to the value of R45,2m.

The department of small business development has provided support to 992 informal retailers and 45 informal trader organisations in the past financial year nationally. Of these, 559 were women owned and 213 were young traders.

Industrial policy action plan and investment promotion

The department of trade and industry has attracted investments of over R25bn in the automotive industry in the past five years, which support more than 4,000 jobs with total employment in the plant already exceeding 8,000 jobs.

Toyota injected of R6,1bn investment into South Africa's manufacturing industry and the country's local vehicle production. BMW has also announced the construction of a R6bn state-of-the-art body shop, which will allow it to produce and export the next generation of the BMW X3.

Operation Phakisa: boosting the ocean economy and tourism

Over the last 18 months, approximately R17bn in investments had been attracted, creating approximately 4,500 jobs.

Within the aquaculture sector, 10 aquaculture projects had been implemented. This secured investments totalling R444m from government and industry, creating around 521 jobs (23% women and 66% youth) and a projected production of 2,901 tonnes.

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