

# Ramaphosa promotes innovation to rebuild economy

President Cyril Ramaphosa advocates innovative interventions to rebuild the country's Covid-battered economy in his first weekly newsletter of 2021.



President Cyril Ramaphosa

“Public finances are under extreme strain, now even more so because of the cost of our health response to Covid-19 and the social and economic relief measures we put in place to assist businesses and poor households,” he says.

“The contraction of the economy also meant that tax revenue has declined significantly. There are some parts of the economy that will take longer to recover due to lower global demand generally and restrictions on international travel.

“It was for this reason, he said, that the country needs to be innovative and focused in its plans to rebuild the economy.

“Significantly, the Economic Reconstruction and Recovery Plan that we announced in October last year is based on broad consensus among all social partners on the actions needed to rebuild the economy. This lays a firm basis for effective cooperation that draws on the resources, capabilities and energies of all sections of society,” he said.

## Second wave

The pandemic has in recent weeks deteriorated, with new infections and related deaths scaling unprecedented heights at a rapid pace.

“Hospitals have been under great strain as more people have needed medical attention,” he says.

While most economic sectors have been able to operate again for several months, the president says it will take some time for the economy to recover and for lost jobs to be restored.

With the world entering the second year of the coronavirus pandemic, Ramaphosa has warned that 2021 would be “extremely challenging”.

“The second wave of Covid-19 infections may well be followed by further waves, which will threaten both the health of our people and the recovery of our economy. Difficult as this year will be, I am certain that we will overcome the pandemic and set our country firmly on the path to recovery,” he says.

“My confidence comes from the South African people. If I look at how South Africans responded to this crisis from the moment the virus arrived on our shores, I have no doubt that we have the resilience, discipline and ability to defeat this disease.”

While there were exceptions, he said the vast majority of South Africans understood the need for restrictions on their movement and activities, and complied with the regulations that had to be put in place. Even more important than compliance, most South Africans took responsibility for themselves and for others, following advice on issues like social distancing, wearing a mask and hand washing.

“And where we fell short, we have, sadly, seen the consequences. We now know about the risks of closed spaces and crowded gatherings, of not wearing masks and not keeping our distance from others. This bodes well for the year ahead. We now know much more about the disease and how to prevent its spread. And despite what one could call ‘pandemic fatigue’, we are no less determined as South Africans to do what needs to be done,” he says.

## **Vaccination programme**

Government will in the next few weeks roll out a mass vaccination campaign, as more people are vaccinated.

This, he said, will see both lives saved and the risk of infection across the population significantly reduced.

“Getting enough vaccines as quickly as possible – and making sure that they reach the people who need them – will be one of the biggest tasks of the year. This will be particularly challenging as every country in the world is clamouring to secure a limited supply of vaccines.

“But we are hard at work with partners in business, labour and civil society to make this happen. We are working on several fronts to get vaccines, including through the global Covax facility, the African Union initiative and through our own engagements with vaccine manufacturers,” Ramaphosa says.

## **Economic stimulus**

“As we act together to overcome the pandemic, we will need to work together to rebuild and transform our economy. We have both the ability and the will to stimulate economic activity, grow our economy and create jobs. And to do so in the midst of a pandemic.”

He said this was being realised in practical ways.

“For example, we have been working closely with private funders and multilateral development institutions to prepare infrastructure projects in areas like transport, human settlements, water and telecommunications.

“Using the Infrastructure Fund as one of the vehicles, we are developing funding models for these projects that draw on

several sources in both the public and private sectors. This is particularly important at a time when public finances are limited,” the president says.

## **Social employment**

The Presidential Employment Stimulus is another example of partnership in action.

“Understanding that it will take time for economic growth to translate into private sector employment, we have launched the employment stimulus to start creating work opportunities now. This programme is being coordinated from the Presidency, but is being implemented by a range of government departments and different spheres. Through this programme, tens of thousands of unemployed people are able to both earn and learn as they provide valuable social services,” he wrote.

In time, this programme will include a “social employment” part, where government will partner with other social actors to employ people in a variety of activities – from improving food security, to tackling gender-based violence to upgrading informal settlements – that all contribute to the common good.

He says all this work is being reinforced by an aggressive focus on those economic reforms that will have the greatest focus on growth.

These include the expansion of electricity generation capacity, making the country’s ports more efficient and competitive, improving access to affordable broadband, and improving turnaround times for water, mining and other licenses.

These efforts are being coordinated and monitored jointly by the Presidency and National Treasury.

He emphasises that there was much to be done in the year ahead.

“We should be in no doubt that we will have to confront many daunting challenges. But we have shown that, as a nation, we are able to succeed when we work together in pursuit of a common purpose. If we remember that, and if we put our unity into action, we will ensure that 2021 brings better health and better lives to all our people,” he says.

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