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State of the Nation address 'was 110 minutes of inconsistencies'

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, Pres. Cyril Ramaphosa delivered a particularly lengthy State of the Nation Address on Thursday evening. Photo: JACO MARAIS 'was .,lk Flo Ycil 110 minutes of .6ftoak inconsistencies' 8 State supreme firm 'reckless' Hanlie Stadler NOg a state-owned enterprise the one that houses all commercial state-owned enterprises does not solve the problem with the country's bankrupt state-owned enterprises. It is "naïve and reckless", GHALEB Cachalia, DALP, said yesterday about the plan, which Pres. Cyril Ramaphosa announced in his State of the Nation Address. "State-owned enterprises were at the centre of the state capture project, largely driven by the state's iron fist control over their operations. The proposed new holding company will only make it easier for the state to interfere in more areas of procurement, financial management and appointments," Cachalia said. "In short, it will be the perfect platform to reinstate state capture and further dig cadre deployment into the public sphere." Cachalia's Ramaphosa has missed the chance to open up state-owned enterprises for investment and innovation through the private sector. He pointed out that the Post Office, LandBank, Denel, South African Airways, SA Express and Krygkor could not one submit their annual report to Parliament by the deadline in September 2021. "It's just the tabs of the hippo for a sector that is polluted with management and industry inefficiencies." Cachalia's government should instead prepare the entities for the "inevitable"

private participation that presents itself to them. The DA will oppose any legislation on the new entity. "This is a regressive step that does nothing to solve the current systemic challenges of the entities, but keeps them dependent on endless bailouts by the state," Cachalia said. Francois Williams It was 110 minutes long and included the entire laundry list. This is the reaction of analyst Peter Attard Montalto to President Cyril Ramaphosa's State of the Nation Address on Thursday evening. Montalto, head of capital market research at research firm Intellidex, points out how the SONA has ripped back and forth between conflicting policies. Ramaphosa acknowledges that it is not the state's role to create jobs, but that of the private sector, which contrasts with the "negative" reforms of the Department of Trade, Industry and Competition. In the next breath, he wants to expand precisely state programs for job creation. Montalto does not believe the attempt at a social pact with the business sector to keep them to promises for job creation is credible. He doesn't believe the 100-day deadline will be reached. Moreover, almost 90% of the STATE OF THE NATION address was a repeat of last year's or of measures already announced. Even the new unit against red tape is not entirely new, according to Montalto, that was previously part of the Department of Trade, Industry and Competition. Not much in the SONA was truly new, Montalto believes, just maybe the new visa category to help remote working and start-up businesses and the recognition that only 800 MW of the already delayed emergency power programme of 2 500 MW will get under way this year. He believes the most interesting new point was the promise that small business could be exempted from certain labour legislation and it would have to be closely monitored. Unlike Montalto, Jeff Schultz, senior economist at BNP Paribas South Africa, was quite positive about the SONA yesterday and he believes the markets should find comfort in the fact that the state sticks to its original plans and does not give in to populism. Political support needed' To create positive consumers, business and investment sentiment would require political support at the highest levels, sanisha Packirisamy, economist at Momentum, and Herman van Papendorp, investment head of Momentum, said in their analysis of the SoNA. The plan to grow South Africa's economy depends on the ability and willingness of top political leaders to implement the plan. In light of Ramaphosa's ambitious job creation plan, Packirisamy points out that many businesses that survived the Covid19 pandemic have adapted precisely to get along with fewer employees. It is welcome that the red tape will be cut for small business, but currently small to medium-sized companies in South Africa employ less than 30% of the total workforce and much more is required to grow small business. The plan for better power delivery and investments in infrastructure sounds nice, but investor confidence will only improve if political uncertainty is reduced, Packirisamy and Van Papendorp warn. Prof Raymond Parsons, an economist at the North-West University's

Business School, agrees that business can only take on the task of creating jobs if policy certainty and predictability are established. With several projections of growth of just 1% until 2024, there should be a greater sense of urgency in keeping the SoNA's promises sooner rather than later, Parsons said. "Ideas ran out" Union groupings were disappointed with the State of the Nation address. Ramaphosa's stock appears to have run out of new ideas, according to the Association of Public Servants. The composition of new task teams and the rhetoric about reforms only creates more concern. The focus on filling critical vacancies in the public service should not only be in the security services because the entire public service is experiencing staff shortages, according to the association. Trade union group Cosatu complains that the current problems require not a systematic adjustment of policy in certain areas, but a total redesign of policy. As for the looting in July last year, it is incomprehensible to Cosatu that no one has yet been prosecuted. Cosatu and the Association of Public Servants welcome the extension of the R350 Covid19 80 grant for a year, as well as the new small business loan scheme. "Where is the urgency?" Business Leadership SA BLSA expected a greater degree of urgency and a much stronger commitment to accelerate reform and infrastructure expansion. BLSA expected a major announcement, such as the time when it intervened to raise the threshold for own power generation without a licence to 100 MW. The momentum and good faith that the announcement created has since dwindled, unfortunately, through delays in energy sector reform for no good reason, blsa CEO Busi Mavuso said. An example is the promise of Mineral Resources and Energy Minister Gwede Mantashe in October last year that the sixth bidding round for green power would open by the end of January this year. Other business organisations, such as the Minerals Council of South Africa and the agricultural business organisation Agbiz, broadly welcomed the SONA and gave their support to the proposed social treaty on job creation.

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