

## **20 key points from the State of the Nation Address – Business Insider 20 June 2019**

In his [third State of the Nation \(SONA\) address](#) in two years, President Cyril Ramaphosa said most South Africans believe the state should now start to focus on implementation rather than talk.

South Africa's struggling economy must be a priority, he said, including a 50% youth unemployment rate which he called a crisis.

"We meet at a time when our country is confronted by severe challenges," Ramaphosa said.

"Our economy is not growing. Not enough jobs are being created. This is the concern that rises above all others. It affects everyone."

### **Here are some of the key announcements, takeaways, and plans from Ramaphosa's speech.**

#### **The state has seven new cornerstone priorities for the next five years**

With ten years to 2030, Ramaphosa said a heroic effort needs to be made to achieve the goals set out by the National Development Plan (NDP) due to be achieved by then.

Choices need to be made in a struggling economic environment to focus on areas with the biggest effect.

The seven areas he identified as priorities in the next five years are:

- economic transformation and job creation
- education, skills and health
- consolidating the social wage through reliable and quality basic services
- spatial integration, human settlements and local government
- social cohesion and safe communities
- a capable, ethical and developmental state
- a better Africa and world.

---

#### **The five goals the state aims to achieve by 2030**

Ramaphosa said to ensure the state's interventions are directed, the state adopted five goals within its seven new priorities to achieve within the next ten years.

The five new goals are:

- no person in South Africa will go hungry
- the economy will grow at a much faster rate than the population
- two million more young people will be in employment
- schools will have better educational outcomes and every ten years old be able to read for meaning
- violent crime will be halved or better.

“Let us make these commitments now – to ourselves and to each other – knowing that they will stretch our resources and capabilities, but understanding that if we achieve these five goals, we will have fundamentally transformed our society,” Ramaphosa said.

---

### **The National Health Insurance (NHI) scheme will be revised**

Ramaphosa said the state is at “far advanced” stage in the revision of a detailed NHI plan for implementation.

This includes accelerating quality of care initiatives, building human resource capacity, the establishment of the NHI Fund structure, and costing the administration of the NHI Fund.

**Also read: [7 massive ways the NHI will affect you – from C-sections to registering with a doctor](#)**

The NHI is a massive overhaul of South Africa's health care industry which envisions that every South Africans become a member of a state-run medical scheme.

---

### **Two million more South Africans will be receiving treatment for HIV/Aids by December 2020.**

HIV should not be a health threat to South Africa any longer, Ramaphosa said, and this will be achieved by the state implementing its 90-90-90 strategy.

To achieve this aim, Ramaphosa said the number of people in South Africa receiving treatment should increase by at least two million by December 2020.

The 90-90-90 strategy calls for 90% of all HIV-positive persons to be diagnosed, 90% of those diagnosed receiving antiretroviral therapy (ART), and 90% achieving viral suppression by 2020.

---

### **Disabled pupils will be prioritised.**

It is a matter of “great concern” that roughly half a million children of school going age with disabilities are not in school, Ramaphosa said.

The coordination of disability initiatives have been moved to the centre of government in the Presidency.

The Presidential Working Group on Disability has also been revived and will submit the Protocol on the Rights of Persons with Disabilities in Africa to Parliament later this year for ratification.

---

### **Part of the estimated R230 billion Eskom needs will be handed over urgently.**

The embattled Eskom’s financial position remains a matter of grave concern, Ramaphosa said, and so a special appropriation of an unspecified but large part of the estimated R230 billion it needs in coming years will be tabled urgently.

“For Eskom to default on its loans will cause a cross-default on its remaining debt and would have a huge impact on the already constrained fiscus,” Ramaphosa said.

---

### **A chief restructuring officer is to be appointed at Eskom.**

In line with earlier announcements made by finance minister Tito Mboweni, Ramaphosa said a chief restructuring officer will soon be appointed at Eskom to reposition the entity financially.

He did not say whether the utility will still be split in three, as previously announced in his February SONA, or refer to that plan in any fashion.

---

**South Africans will be expected to pay for the electricity they use – no exceptions.**

“The days of boycotting [electricity] payment are over. This is now the time to build it is the time for all of us to make our own contribution,” Ramaphosa said.

It is estimated that Soweto alone [owes Eskom R17 billion](#).

Ramaphosa said failure to pay by those who use power endangers the entire electricity supply, the economy, and the country’s efforts to create jobs.

Municipalities, businesses and individuals will, therefore, be expected to pay their outstanding debt, he said.

---

**"Master plans" for clothing, gas, chemicals, renewables, and steel will now get attention.**

Ramaphosa said that drawing on the state’s successes in the automotive sector, South Africa will implement "master plans" developed alongside business and labour in industries like clothing and textiles, gas, chemicals and plastics, renewables, and steel and metals fabrication sectors.

The state will also substantially expand the agriculture and agro-processing sector by supporting businesses and developing new markets to reduce the country’s reliance on agricultural imports, he said.

---

**International tourists arrivals are targeted at 21 million by 2030.**

South Africa is set to achieve its goal to double international tourist arrivals to 21 million by 2030, Ramaphosa said.

This will be achieved through the renewal of the country’s brand, introducing a world-class visa regime, and a significant focus on Chinese and Indian markets he said.

“We are [also] determined to ensure that tourists who come to our country are safe,” Ramaphosa said.

---

**Data-friendly radio frequency spectrum is to be released – with strings attached.**

Radio spectrum urgently required by South African telecommunication providers will be released to ensure that data costs in the country decline, Ramaphosa said.

Telecommunications providers have for years blamed the lack of additional spectrum for high data costs.

**Read: Yes, SA data is more expensive than it needs to be, Vodacom says – and it is all government’s fault**

Ramaphosa said the minister of communications will issue a policy direction to the Independent Communications Authority of SA (Icasa) to commence the spectrum licensing process in the next few months.

“This process will include measures to promote competition, transformation, inclusive growth of the sector and universal access,” he said.

“This is a vital part of bringing down the costs of data, which is essential both for economic development and for unleashing opportunities for young people.

---

**The private sector has committed R840 billion to create 155,000 jobs.**

Ramaphosa said aside from the R300 billion in investments announced at the inaugural Investment Conference, the South African private sector has committed to invest R840 billion in 43 projects to create 155,000 jobs in the next five years.

The state will continue to build a pipeline of investments, which will be showcased at the second South African Investment Conference to be held on 5 to 7 November, he said.

---

**The Southern Africa Development Bank is to manage a R100 billion infrastructure fund.**

As announced in his previous SONA, Ramaphosa said the state has set aside R100 billion to start an infrastructure fund which will be administered by the state-owned Development Bank of Southern Africa

The department of public works and infrastructure will play an oversight role of the infrastructure fund, Ramaphosa said.

He said the state is launching the fund in consultation with private investors, such as pension funds.

“These reforms will ensure better planning of infrastructure projects, rigorous feasibility and preparatory work, improved strategic management, impeccable execution and better governance,” Ramaphosa said.

He hopes the fund will provide a much-needed boost to the construction sector.

---

### **The Reserve Bank's mandate stays unchanged.**

“The South African Reserve Bank is a critical institution of our democracy, enjoying wide credibility and standing within the country and internationally,” Ramaphosa said.

He reaffirmed the constitutional mandate of the Reserve Bank, which he said must be pursued independently, without fear, favour or prejudice.

There was no mention of nationalisation on the Sarb, or quantitative easing.

**Read: Explained: Quantitative easing – and why Ace Magashule caused a crisis by mentioning it**

---

### **New business registrations should be available within a day.**

Ramaphosa said that to be internationally competitive, the high cost of doing business and complicated and lengthy regulatory processes must be addressed in South Africa.

No company should wait more than six months for a permit or licence and new companies should be able to be registered within a day, Ramaphosa said.

he state will reduce the cost of doing business by reducing export port tariffs, and making rail transport more competitive and efficient, he promised.

---

### **A land reform programme is only to be finalised once cabinet adopts an advisory panel report.**

A recently complete report by the Presidential Advisory Panel on Land Reform and Agriculture will inform the country's land reform programme, Ramaphosa said.

He said the state has received the report, which will be presented to the cabinet for consideration.

Meanwhile, in the short term, he said the state will accelerate efforts to identify and release public land that is suitable for smart, urban settlements and farming.

R3.9 billion has also been allocated to the Land Bank to support black commercial farmers.

---

### **Business incubation centres are to be rolled out nationally.**

Ramaphosa said that to address the country's 50% youth unemployment figure, a comprehensive plan will be developed which stretches across the three tiers of government.

He said the state will expand its programmes to enable young people to gain paid work-place experience through initiatives like the Youth Employment Service.

Small business incubation centres will also be rolled out to provide youth-driven start-ups with financial and technical advice.

---

### **A countrywide programme will focus on getting kids reading.**

Ramaphosa said current interventions to improve basic education, provide free higher education for the poor and improve further-education colleges will not produce results unless children can read.

A national reading coalition will be launched where all foundation and intermediate-phase teachers will be trained to teach reading in English and the African languages, he said.

The state is training and deploying a cohort of experienced coaches to provide high-quality on-site support to teachers.

Lesson plans, additional reading materials, and professional support to foundation phase teachers will also be provided.

---

### **The number of police trained is due to increase by 40%.**

The current 5,000 students attending basic training in police training colleges need to increase to 7,000 per cycle over the next two intakes, Ramaphosa said – an increase of 40%.

He said additional plans to address gender-based violence, and violent crime will also be adopted and implemented.

---

### **Up to R14.7 billion to be recovered through civil claims.**

Ramaphosa said the new Special Investigating Unit (SIU) Special Tribunal, which is set to start work within the next few months, will fast-track civil claims totalling some R14.7 billion.

He said he has asked the National Director of Public Prosecutions to develop a plan to significantly increase the capacity and effectiveness of the National Prosecuting Authority, including ensuring effective asset forfeiture.

“We need to ensure that public money stolen is returned and used to deliver services and much needed basic infrastructure to the poorest communities.”

**Receive a single WhatsApp every morning with all our latest news: [click here](#).**

**Also from Business Insider South Africa:**

- **[FNB customers saw up to R3,600 magically appear in their bank accounts – but now the bank wants it back](#)**
- **[This is how much South African ambassadors are paid – after all their expenses are covered](#)**
- **['He has a point': Christine Lagarde tackled Trump's trade war, climate change, and the gender pay gap on the Daily Show with Trevor Noah](#)**
- **[Virgin Active South Africa has seen double-digit growth in fitness class attendance - and is investing heavily in 'digital coaching'](#)**
- **These are the ten entry-level jobs employers are most desperate to fill – and for which they will pay up to R374,000 a year – according to Gumtree**