



# AFRICAN NATIONAL CONGRESS 55<sup>TH</sup> NATIONAL CONFERENCE RESOLUTIONS

## ECONOMIC TRANSFORMATION

### PREAMBLE

- The Conference reflected on and confirmed the resolutions on economic transformation of the ANC's 6th National Policy Conference (NPC) held in July 2022. It also considered discussions of the Women's Workshop on the Economy, inputs from the ANC Veteran's League and deliberations from various provinces.
- The Conference reaffirmed and builds upon previous National Conference resolutions on Economic Transformation but noted the need to ensure implementation.

Noting that:

- The 55th National Conference coincides with the 25th anniversary of the coming into effect of our democratic Constitution, which, among others enjoins us to improve the quality of life of all citizens and free the potential of each person.
- The values and norms enshrined in our Constitution are derived from the Freedom Charter, which remains our lodestar to the kind of economy and society we seek to build. Among others the Freedom Charter directs that: **"The people shall share in the country's wealth."**
- Since the 1994 democratic breakthrough, significant progress has been made in expanding access to employment, empowerment, and other economic opportunities.
- Social protection has also expanded and the number of people with access to basic services has increased. We have also seen a massive growth in the size of the black sections of the middle strata and the number of black students in institutions of higher learning.
- However, the task of ensuring that all South Africans share in the country's wealth is far from complete. The country's unequal distribution of wealth

and income is still largely characterised by the racial and gender demographics of our colonial past.

- Climate change and climate vulnerability poses a threat not only to human life but also to livelihoods. However, our response to climate change also presents opportunities to introduce a new more inclusive growth path for South Africa.
- Coupled with all of this are the lingering effects of COVID-19 and the ongoing Russia-Ukraine war, which are contributing to rising food prices, rising energy prices, rising interest rates, rising inflation, the disruption of established trade patterns and the reconfiguration along geopolitical lines of global supply and value chains.
- The continued energy challenge, in particular the lack of consistent supply of electricity by Eskom, poses a major risk to our development path and the quality of life of all South Africans.

Further noting that:

- As a movement we face a domestic and international balance of forces that is hostile to our programme of thoroughgoing social and economic transformation.
- This is exacerbated by a widening social distance between our movement and the people, the steady erosion of the ANC's electoral majority, challenges to the ANC's legacy and leadership role in society, threats of counter-revolution, the rise of populism and lack of coherence in the tripartite alliance.
- State capacity is weak, fiscal space is constrained and key infrastructure is failing.

Believing that:

- Thoroughgoing social and economic transformation requires an economy that is growing, creating employment, reducing poverty and closing the inequality gap.

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- It also requires an economy which is inclusive and in which new businesses are able to emerge and flourish; where black people, women and young South Africans are able to advance at all levels and in all areas of the economy; and where township and rural economies are able to grow.
- Despite challenges, the ANC remains the leading force for change in the country, and carries the hopes and aspirations of our people to realise the objectives of the National Democratic Revolution.

### Reaffirming:

- The 53rd National Conference in Mangaung characterisation of the current phase of the National Democratic Revolution as the second phase of our ongoing transition from colonialism and apartheid to a National Democratic Society.
- That economic transformation stands at the centre of the second more radical phase of our transition from colonialism and apartheid to a National Democratic Society that is truly united, non-racial, non-sexist, democratic and prosperous.

The Conference endorsed the **key pillars** on which all our economic interventions must be anchored as proposed by the National Policy Conference.

### These pillars are:

- Accelerating the implementation of the Economic Reconstruction and Recovery Plan to advance, amongst other objectives, increased infrastructure investment, improved energy security, and wider access to improved data services.
- Expanding investment in infrastructure to improve community access to basic services, increase the overall efficiency and competitiveness of the economy.
- Structural reforms of network industries, including electricity, telecoms, water, rail, aviation, and road infrastructure to improve performance
- Building an ethical and capable state, which enjoys popular support, is essential for economic transformation.
- Strengthening industrial policy interventions to support the growth and expansion of the manufacturing and services sectors.
- Prioritising youth employment across all areas of intervention so that we can ensure productive opportunities for black people, women and young people in particular.
- Using policy frameworks, such as, competition policy, procurement policies and other instruments to challenge highly concentrated ownership patterns.
- Providing access to land with aim of unlocking farming and agro-processing opportunities and employment in rural areas. and transforming apartheid's spatial geography in urban centers.
- Expanding trade with other countries on the African continent and the rest of the world.
- Maintaining macroeconomic stability, in a manner that supports inclusive growth and enables the acceleration of social and economic transformation.
- Improving safety and security measures to better protect economic infrastructure, including stopping cable theft and the destruction of the country's rail system.
- Rooting out corruption at all levels of government, as our people are the main victims of corrupt activities.
- Prioritising closer coordination between government and social partners, including through deepened processes of social compacting.
- Consistent with these pillars, the Conference resolved that the ANC vision must be to build an economy that:
  - Creates decent, productive employment and thereby fights poverty, inequality and exclusion.
  - Ensures increased ownership and participation by black people in the economy, through Black Economic Empowerment.
  - Promotes a complementary relationship between social forms of ownership, such as co-operatives and public ownership, and the private sector, geared towards the attainment of our economic transformation objectives.
  - Develops an integrated industrial base that is labour intensive, overcomes balance of payments problems and helps prevent boom-bust cycles.
  - Eliminates the spatial disparities within our country and integrates our communities in the mainstream of the economic activity.
  - Provides critical inputs which are required to initiate a process of integrated regional industrial development in the African Continent and positions our economy to play its part in building strong South-South economic relations.
  - Progressively moves towards a low-carbon development path, is environmentally sustainable and contributes towards mitigating the effects of climate change.

## On Land, Agriculture and Food Security

Noting that:

- Agriculture provides significant employment opportunities
- Accelerated access to urban land is vital for transforming apartheid's spatial geography.
- Access to the land to unlock employment, farming and agro-processing opportunities must be accelerated.
- A number of interventions are being undertaken to accelerate land reform and to provide support for black farmers in particular.
- A constitutional amendment to allow for expropriation without compensation in certain circumstances, was not passed due to insufficient parliamentary support.

Resolved that:

- The capacity of the Land Bank should be strengthened to deliver on its mandate.
- Government should maximize the implementation of the new Expropriation Act which is at an advanced stage in the legislative process.
- The process of bringing underutilised land into production should be accelerated, and that the new Land Reform and Agricultural Development Agency should be speedily implemented.
- Address the problems of access to water rights as it relates to rural communities.
- Rural development must not only focus on agriculture, but also on other sector of the economy.
- Strategies must also be put in place to increase the productivity of land in communal areas.

To further accelerate the process of land redistribution, a Land Redistribution Bill should be initiated to:

- Facilitate equitable access to land, based on the needs of people of South Africa.
- Enable the state to acquire agricultural land for purposes of distribution to previously disadvantaged persons, based on the Constitutional principle of just and equitable access to land.
- Set out clear legislative criteria for beneficiaries of land distributed by the state, which shall include all persons working on the land, such as farm workers, farm dwellers, aspirant small-scale and commercial farmers.
- Enable the state to apply the principle of just and equitable compensation when acquiring land for the benefit of persons and entities who meet the criteria for land allocation.

- Give effect to the Constitutional principle in section 25(5) that the state must ensure equitable access to land by everyone.

## On Energy Security and Just Energy Transition

Noting that:

- Load shedding is crippling South Africa, both from an economic and social stability perspective, and represents a threat to our national security.
- Restoring energy security will be critical for lifting confidence, investment, and job creation.
- The transition from a high-carbon to low-carbon economy will require the development of a just energy transition path that focuses on communities and minimises disruption in the economy.

Reaffirming that:

- In the implementation of Just Energy Transition Eskom as a state-owned company should continue to play a key strategic role in implementing energy policies.

Our approach to energy security is guided by the Integrated Resource Plan which envisages the usage of an optimal mix of energy sources such as coal, solar, wind, gas, nuclear, hydro and energy storage to maintain security of supply of electricity at the lowest cost to the South African economy.

- Besides the focus on Eskom generation improvement, rapid deployment of other electricity generation capacity alternatives need to be provided, and these should include fast-tracking other short-term energy supply solutions.

Resolved that:

- The ANC must provide a unified message and clear leadership in taking forward the just energy transition and must work to deepen society's understanding of the goals and challenges of this programme.
- Just transition plans must be developed for all sectors of the economy and regions of the country, particularly for affected regions like Mpumalanga.
- Urgent decisions are needed on upgrading the transmission infrastructure to connect renewable and other new generation projects.
- There should be a renewed focus on demand side management as a short to medium term intervention to achieve demand reduction as well as interventions to assist and incentivise small businesses, households and communities to invest in solar, gas

and battery systems to provide for some of their own electricity needs as well as to feed electricity back into the grid..

- Given the extent and impact of the crisis we face, the use of emergency provisions should be considered.
- The restructuring of Eskom's unsustainable debt must be undertaken as a matter of priority, so as to strengthen the entity's ability to overcome load-shedding and play a key role in South Africa's just energy transition.
- Energy security must be addressed urgently because load shedding is negatively impacting the economy.
- Adequate coal plants maintenance coupled with development of the skills base, including sourcing external skills needed, is required to bring power stations into operation.
- The investment plans of the Just Energy Transition Partnership should be effectively implemented and further resources must be mobilised to fund electricity generation and transmission investments in a manner that includes both grants and highly concessional finance. Such finance should be structured in a manner that avoids worsening the country's sovereign debt position.
- There should be prioritization of the protection of poor and vulnerable communities in the roll out of climate resilient infrastructure and finance solutions.

The following critical interventions are needed in the energy value chain:

- Immediate actions are required to bring power stations into efficient operation and improve the skills base, including sourcing external skills needed.
- Update the IRP, through a process that also includes transparency on the models used to create the key options.
- Regulations should be put in place to enable municipalities to partner with independent power producers so that they increase the generation capacity to meet the demand of local communities, as well as serving as a source of revenue for municipalities.
- Noting that some of our major trading partners have classified gas and nuclear as green in the energy transition, ensure that our climate adaptation policies do not place the country in a less competitive position and limit our ability to utilise these energy sources can have a positive impact on overall energy pricing.
- Fast track the implementation of oil and gas exploration, with the aim of developing domestic resources. Exploration and extraction of oil and gas has the

potential to increase South Africa's energy security and assist the transition from coal dependency.

- Put in place supportive policy measures to enable South Africa to become a green hydrogen centre

On the recent hydrocarbon discoveries on South Africa's south-eastern coast, it was resolved that:

- The development of these fields should be geared towards creating options for related power plants based in these gas resources.
- Investigate, conduct feasibility studies and make decisions on new domestic refinery capacity, noting the closure of existing refineries.
- Leverage the BRICS relationships, in addition to relationships in the wider international community, to develop partnerships for SOEs to enable the necessary capability and resources to implement catalytic energy projects.

### **On the Green Economy**

Noting that:

- The climate crisis has also emerged as a central challenge for the South African economy, with rising risks of both droughts and floods in different parts of the country.
- Important work is underway to respond to the climate crisis emergency to protect South Africans lives and livelihoods.

Resolved that:

- Government should mobilise support for the Climate Change Bill, which aims to help South Africa respond to the realities of climate change – including the increased risk of droughts and floods - and guide the country onto a more sustainable and climate resilient path.
- There should be prioritization of the protection of poor and vulnerable communities in the roll out of climate resilient infrastructure and finance solutions.
- Strategies need to be developed to enable the development of production capacity which will allow South Africa to participate in the global green energy value chains.
- There should be a clear mapping of strategic minerals for green manufacturing and ensuring that South Africa does not repeat mistakes of the past, as to date has been the case with other minerals.
- Policy and legislation around minerals for green manufacturing should be developed and devel-



opment of regional and continental agreements around these minerals should be pursued.

### **On Electric Vehicles**

Noting that:

- The transition in the automotive sector will entail the shift from manufacturing of internal combustion engine cars to other alternatives such as battery electric vehicles and fuel cell electric vehicles.

Resolved that:

- With the growth of the global Electric Vehicle market, South Africa should explore opportunities to expand the automotive industry and create more jobs.
- Incentives should be expanded to EV manufacturing industry to accelerate the transition from internal combustion to EV and entrench this industry in the country.
- There must be preparations for the roll-out of electric vehicles immediately, and the impact on households and various sectors must be established.

## **MACRO-ECONOMIC POLICY**

### **On Fiscal policy**

It was resolved that:

- Ongoing measures to avoid rising national debt and related fiscal crises must continue to guide our approach to fiscal policy.
- Government must use fiscal policy effectively to intensify its fight against poverty and inequality, prioritise infrastructure maintenance and investment, as well as advancing the country's overall industrialisation and employment creation objectives.
- Explore the introduction of a wealth tax to minimize income and wealth inequality.

### **On monetary policy:**

The Conference reaffirmed that:

- Price stability is vital for sustainable economic growth.
- The historic anomaly of the private ownership of the South African Reserve Bank must be corrected, and this must be undertaken in a manner that does not enrich speculators or overburden the fiscus.

The Conference resolved that:

- The constitutional independence of the South African Reserve Bank must be reaffirmed.
- The South African Reserve Bank should implement monetary policy in a balanced manner, taking into account growth, employment, and exchange rate factors.

### **On Creating an Equitable Labour Market**

Noting that:

- Unemployment is increasing and has surpassed national crisis levels;
- The face of unemployment remains overwhelmingly black in general, particularly African and young;
- Many of those that are unemployed do not have means of survival;
- South Africa has the highest income inequality in the world;
- The apartheid wage gap continues unabated almost 30 years into the democratic period;
- The gap between the salaries of executives at the top and the lowest paid workers is rising;
- There is very slow progress in the demographic transformation of management of companies;

Believing that:

- Employment creation should be the overriding priority for an effective programme of economic transformation aimed at uplifting the lives of the majority of people in South Africa;
- Men and women of all races should receive equal pay for equal work;
- One of the key tasks of the NDR is to progressively reduce income inequality in order to create an equitable society;
- Management and control of South African companies should reflect the race and gender profile of the country;

Therefore, resolved that:

- The state, working together with trade unions, improves working conditions in the Expanded Public Works Programme so that it becomes one of the instruments to guarantee decent work for all;
- The Expanded Works Public Works Programme must be re-conceptualized and extended so that it

also offers training opportunities to a large number of participants;

- The state should fill all vacant posts in order to deal with, among others, the challenge of unemployed graduates;
- As per the 54th Conference resolution on the executive pay gap, the state should design a framework to put a limit on the gap between top executives and the lowest paid workers in the companies.

### **Financial sector transformation**

Noting that:

- The financial services sector has an important role to play in creating and ensuring deep, inclusive, functional and efficient financial markets in the South African economy.
- The sector also enables the South African economy, companies and households to participate in the global financial system.
- Access to finance continues to be a challenge, particularly for Black-owned businesses and SMME's. The requirements are often onerous and make it difficult to access funding.

Reaffirmed:

- Previous resolutions on the fundamental imperative and urgency of the establishment of a State Bank.

Resolved that:

- Solutions are needed to address the unjust lack of access to capital, particularly by SMME's, women and youth owned enterprises.
- The transformation of the financial sector should include gender and race of the ownership of financial institutions and must also include the transformative and diverse allocation of capital from banks along race, gender and geo-spatial lines. Employment equity targets need to be achieved in this sector at all levels.
- Realizing the importance of institutional investors in the allocation of capital, institutional investors such as the PIC must take on a more activist shareholder role in ensuring transformation in the financial services sector.
- Government should move with speed in implementing the resolution on the State Bank including finding a way to capitalise the bank.
- The state must help the Fintech start-up sector by providing new business with access to capital, access to market and a supportive regulatory environment that protects users and also rewards innovation.

### **Social Grants and Public Employment**

Noting that:

- Millions of South Africans continue to live in poverty, which has been worsened by the impact of the Covid-19 pandemic and the rising cost of living.

Reaffirming that:

- The state has a particular responsibility to improve social protections and provide income support for vulnerable individuals and households.

Resolve that:

- South Africa's systems of social grants and welfare payments should be expanded to provide for basic incomes as fiscal space allows.
- Similarly, public employment programmes should be expanded to provide increased work opportunities particularly for young people.

### **On SMMEs, Cooperatives, Township and Rural Economies and the informal sector**

Noting that:

- Small, micro, and medium-sized enterprises, cooperatives, as well as township and villages economies have a role to play as a means of fostering economic development, inclusive growth and employment creation.

Resolved:

- To remove Micro-enterprises, which operate best in the informal sector, out of the Small Business regime to eliminate red tape.
- Develop a National Strategy for Micro-enterprise which will include the development of a Microfinance Act.
- The District Development Model should be employed to empower communities through cooperative-based community economic development.
- Government must support and facilitate the participation of communities in the township and rural economies.
- A conducive environment must be created for small businesses to thrive, including through the provision of reliable electricity supply, roads and other economic infrastructure including digital infrastructure.

**On skills for the economy**

Noting that:

- South Africa's growth ambitions will require a clear skills development plan focused on supporting the country's strategic economic transformation goals.

Resolved that:

- Interventions to boost skills must be based on the principles of lifelong learning, keep pace with technological advances and respond adequately to ongoing changes in work, production, and industrial organisation.
- The skills revolution requires support for the Technical and Vocational Education and Training and Community Education and Training colleges, and a radical reduction of the school dropout rate.
- Measures should be implemented to address the rural brain drain.
- Skills programme of Institutions of Higher Learning must be better integrated into the country's developmental agenda and other needs of the economy.

**On innovation and the Fourth Industrial Revolution**

Noting that:

- The necessary and timely innovation is necessary for our goods and services to be internationally competitive.
- The fourth industrial technologies, which include artificial intelligence, internet of things, virtual reality, and robotics, have permeated every sphere of our lives.
- These technologies will have an impact on the labour market, industrial productivity and efficiency, social interactions and political systems.
- Greater usage of automation technology in industries will result in efficiency and increased economic competitiveness which leads to higher economic growth levels.
- Although on the downside, automation will also result in job losses the overall, 4IR technologies will lead to the creation of new industries and new type of jobs.

Resolved that:

- Government must conduct an audit of all research and development as might be taking place in both the public and private sectors, focused on economic goods and services and monitor progress with re-

gard to the entirety of this research.

- Working with the private sector, the Government should identify gaps, if any, in the body of current research with a view to ensuring that the required research and development takes place with regard to identified areas.
- Facilitate the creation of an innovation ecosystem that brings together entrepreneurs, investors and funding institutions, research institutions, community and government so that new start-ups can emerge with solutions (e.g., apps, tools, gaming etc) for societal problems.
- Government working together with the private sector should accelerate the implementation of the report of the Presidential Commission on Fourth Industrial Revolution.

**On infrastructure, (investment, maintenance and security)**

Noting that:

- Expanded infrastructure investment can play a critical role in providing basic services to our urban and rural communities and improving South Africa's overall economic performance and job creation.
- The extreme weather patterns currently being experienced have a devastating impact on critical infrastructure.
- Over time critical infrastructure has not been properly maintained, suffered from deterioration and is in a state of disrepair.
- There has been underinvestment on new critical economic infrastructure which has constrained economic growth and hampered service delivery.

Resolved that:

- Budgeting at all levels of government need to reverse the trend whereby infrastructure investment is being crowded-out by other expenditure items.
- There should be integration of climate resilient methods in infrastructure planning and development.

**On security for the economy and infrastructure**

Noting that:

- South Africa's economic growth has been experiencing several constraints which include damage to critical economic infrastructure.

- The “construction mafia” not only impacts negatively on the implementation of projects by legitimate businesses but also has a negative impact on business confidence.

Resolved that:

- Improved safety and security to protect the country’s economic infrastructure should be a priority.
- Authorities must deal decisively with those who are corrupt, those who break the law, and those who are engaged in activities that damage the country’s growth potential.

### **On Transformation, Empowerment (BBBEE), and Preferential Procurement**

Noting that:

- South Africa’s fault lines have a distinct class, racial, gender, geographic and age dimension – they disproportionately affect black people, women, rural communities, youth and persons with disabilities.
- Despite certain undeniable progress, for the majority of our people the economy has not yet been fully transformed, and transformation has regressed, to an extent, over the past decade.
- In rural areas, the government has not adequately facilitated participation in the economy.
- Our policy interventions have created significant economic opportunities for the black middle class.
- Inefficiencies in the implementation of the BBBEE policy by both private and public sector entities casts doubt on the policy.

Reaffirmed:

- The 54th National Conference’s assertion that state procurement is an important lever for empowerment and industrial development.
- The imperative of ensuring transformation in the ownership, control and management of the economy must be intensified.

Resolved that:

- The task of empowerment should be undertaken with greater intensity and purpose.
- Government together with all its entities must continue to implement preferential procurement policy that advances people who have been disadvantaged by unfair discrimination, while ensuring that public bodies contract for goods and services in a manner

that is fair, equitable, transparent, competitive and cost-effective.

- The implementation of procurement targets for women-owned, youth managed businesses, businesses owned by people living with disabilities and businesses owned by military veterans should be accelerated.
- For the Military Veterans, the ANC should support the creation of relevant institutions for military veterans, including SMME’s and Cooperatives that enable the military veterans to have sustainable incomes and livelihoods. This should also include empowerment programmes to facilitate access to land and other economic enablers for military veterans.
- Government should give new direction for the implementation and extension of Bus Rapid Transport systems around the country, in order to ensure that the empowerment aspects of the programmes continue to be effective.
- The land transport act should be reviewed to strengthen the empowerment aspects of the act especially on BRT systems business model

### **On Market concentration**

Noting that:

- The structure of the economy, barriers to entry and growth are important areas of focus in addressing inequality.
- The growth process must not just ensure that the poor benefit from growth, but also that there is increased participation of the poor and historically disenfranchised individuals in the process of growth.
- The need for building shared productive capabilities, development finance, and innovation can open up the economy and build greater inclusion.
- Further noting that even though the competition authorities have penalised cartels and prosecuted abuse of dominance, this has not necessarily led to increased participation or more effective competition.

Resolved that:

- Government should make use of various policy frameworks to challenge highly concentrated ownership patterns and open new economic opportunities for black South Africans in particular.
- Interventions to reduce barriers to entry and transform the highly concentrated nature of many economic sectors in South Africa should include those guided by competition policy, industrial policy master plans, and procurement policies.



- Interventions to cut red tape and reduce licensing requirements for small business and for those operating in the informal sector should also be undertaken as a matter of priority.
- Complementary measures are required at local government level to configure space and open-up critical infrastructure for new entrants.
- Better coordination and integration of roles is needed around policies that relate to innovation, technology, industry, trade, development finance, and regulation. This needs to be accompanied by improved institutional capacity to promote competition by public institutions.

### On the retail sector

Noting that:

- There has been an increased expansion of corporate retailers which has displaced many small and independent retail businesses.
- In many instances, this has led to the displacement of small, independent retailers, which were primarily family operated and mainly serviced rural and non-urban communities.

Resolved that:

- Government should facilitate access to the value-chains for small and independent retailers and wholesalers.
- Access to finance for small and medium independent retailers should be improved.
- Malls located in townships and rural areas should procure some of their goods from the local community.
- There must be policies at local government level to configure space and open-up critical infrastructure for retail activity to facilitate the inclusion of small and independent retailers

### On Social compacting

Noting that:

- Social compacts are critical in driving increased investment and accelerating the rate of economic growth and job creation.
- Consolidating and advancing progress in implementing the Economic Reconstruction and Recovery Plan, and social compacts have an important role in this regard.
- Some progress has been made in NEDLAC, such as on the minimum wage, competition act, and pro-

gressive labour legislation, in a number of other instances there has been notable delays in processing critical matters.

Resolved that:

- The ANC must play a leading role in deepening the processes of social compacting around economic policy interventions for long term and sustainable growth and job creation.
- The process of social compacting should be more explicit about the trade-offs, timeframes, contributions, and sacrifices to be made by specific constituencies towards rebuilding the economy.
- Mechanisms to ensure accountability for non-delivery on the commitments made must be established.
- The broad social compact framework should be anchored on more elaborate and detailed sectoral social compacts that outline timeframes and investment quantities.
- There is a need to review whether NEDLAC is currently configured in manner that would yield the desired results in relation to building the new consensus which will make the social compacts possible.
- An Economic and Energy Alliance Summit should be convened to strengthen the Alliance's programme for economic transformation.

### On trade and industry

Noting that:

- South Africa needs to arrest the decline in its manufacturing base, rejuvenate more inclusive industrialisation through better-coordinated industrial policies, focusing more on labour-intensive industries.
- South Africa's livelihoods crisis and unemployment can be solved when we expand the South African economy.
- Manufacturing Industry with focus on the automotive, light manufacturing and components sectors as well as the Textiles & Clothing sector among others, has a capacity to reduce the livelihoods crisis through expanding employment opportunities.

Resolved that:

- There is a need to improve South Africa's skills base and leverage its localisation and procurement instruments to boost domestic manufacturing.
- Provision of better and more efficient infrastructure and improved integration with the rest of the African Continent and the world, and greater investment in innovation.

- To further advance industrialisation government should ensure coordination of fiscal, monetary, industrial, energy and trade policies.
- Use localisation of the South African economy to further strengthen the resilience of the economy in the context of increasing supply chain disruptions, including through facilitating investments in expanded fertiliser and pharmaceutical capabilities..
- Reindustrialisation should, where appropriate, include import substitution together with policies to promote exports in key sectors.
- Provision of incentives to support manufacturing should continue, including other incentives to promote emerging high-growth sectors.
- CSIR, MINTEK and other state research facilities which must align with the intentions of the country to expand its capabilities in manufacturing
- Anti-dumping measures should be implemented and we should seek to limit the export of raw materials, especially strategic minerals, once energy security has been restored, to facilitate beneficiation activities.
- A ban on the export of scrap metal is required as part of our interventions to protect the country's economic infrastructure.

### **On Mining**

Noting that

- Mining sector remains critical sector which during the recent economic recession, precipitated by the Covid-19 pandemic, was a major source revenue for the country.
- Mining sector continues to be major contributor to employment.
- The transition to a low-carbon economy will be at the back of mining commodities.

Resolve that

- Legislation and regulation for the sector should remain predictable, stable and allow for the country to remain competitive globally.
- Government should deepen the linkages between mining and other sectors including upstream and downstream producers.
- Ensure that South Africa develops and enhances legislation and regulatory environment so that mining attracts investment and remains a pillar of the economy
- An intensive programme of minerals exploration should be undertaken so that new mines can

be opened and new minerals, some of which are critical minerals for the energy transition underway globally, can be discovered.

### **On the digital economy**

Noting that:

- South Africa's recent release of the spectrum is an essential foundation for a digital revolution.
- The spectrum allocation must also support universal access to affordable and high-speed broadband services.

Resolved that:

- Additional measures, including strengthening regulatory bodies to be more agile in a fast-changing environment are needed to reap the full rewards of the digital economy.
- Broadband infrastructure should be used to connect schools, clinics and other social amenities, while South Africa must move towards providing greater access to free basic data.
- Cybersecurity must also be strengthened for the protection of personal data, government databases and state-owned entities.
- Government should progress work on the Wireless Open Access Network.

### **On the Developmental State**

Noting that:

- The ANC has an established policy to build a developmental state;
- South Africa has inherited an economy with entrenched features of structural fragmentation and inequality resulting from the colonial and apartheid periods;
- It will be impossible to transform the economy so that it serves the interests of the people as a whole without the leadership and intervention of an ethical and capable developmental democratic state.

Therefore resolves that:

- Government should work urgently to transform the South African state into an ethical and capable developmental democratic state;
- This state should play a critical role in the socio-economic transformation of South Africa, including through achieving a social compact involving all social partners; and,

- The developmental state must ensure that it deploys the totality of state capital to contribute effectively to the national socio-economic transformation process.

### **On SOEs**

Noting that:

- SOEs are critical in providing economic infrastructure that facilitates private sector economic activity but the business models of many SOEs are increasingly challenged.
- Many SOEs are experiencing financial and operational challenges.
- SOEs have an important role to play in expanding access to services.

Resolved that:

- The comprehensive review of South Africa's SOE portfolio to determine on the balance of evidence which should be retained, consolidated, or repositioned should continue.
- The principle of balance of the evidence must guide our structuring and restructuring of state owned enterprises and our decisions to increase or reduce public ownership in order to advance our economic programme.
- A process of reconfiguration of SOEs should place SOEs that operate in specific sectors of the economy under the relevant government departments.

### **On Logistics**

Noting that:

- South Africa's economy remains an open economy connected to global value-chains, which requires a well-functioning logistics sector across the whole value chain of road, aviation, rail, and port infrastructure networks.
- Transnet continues to experience financial and operational challenges that impacts its ability to service various critical sectors.
- Poor logistics capacity not only impacts on the economy but also on the fiscus.
- South Africa has significant efficient capabilities in its aviation sector that could be leveraged upon to improve logistical performance.

Resolved that:

- Government must ensure that the rail and port infrastructure efficiency is improved to enable it to handle the export volumes, especially from the mining and agricultural sectors, which are largely geared for export markets.
- This to include the logistics infrastructure and services to support communal transportation, with PRASA playing a leading role.

### **On the Aviation Sector**

Noting that:

- The role of the aviation sector remains critical to the South African economy. Although decimated by Covid -19 with lockdowns and travel restriction, this sector witnessed resounding growth in air cargo which proved to be more resilient than passenger transport.
- The sector is poised to provide solutions to facilitate intra-African trade as part of the African Continental Free Trade Agreement – particularly for the agricultural, pharmaceutical, clothing, textiles, aerospace, automotive parts, high value coin and jewellery sectors.
- The Aviation sector is a key driver and enabler for tourism and trade facilitation.

Resolved that:

- The Department of Transport and ACSA Air Freight strategies must urgently be finalised and implemented.
- In the medium to long term, airport infrastructure across the country including rural areas must be modernised to be more efficient and reliable.
- A review of network infrastructure ownership, management and responsibility should be undertaken.

### **On the Maritime Sector**

Noting that:

- South Africa has a history of successful involvement in international shipping and of having a thriving national ship register, seafarer population and maritime heritage.

Resolve that:

- Government must enhance the efficiency and competitiveness of all ports to support import and export markets.
- The regulatory environment for ship register should be reviewed with the aim of supporting growth and transformation of the sector

### **On Tourism**

Noting That:

- The tourism industry is a growth focal point, able to absorb varying skills levels through employment and that the sector was one of the hardest hit by the impact of Covid-19 pandemic.
- The linkages of the tourism sector have important implications for the general stimulation of South Africa's economy through the multiplier effect from the expenditure side.
- Tourism has an extensive value chain and labour absorption capacity that places it at the centre of the economy's growth and employment creation strategies.

Resolve That:

- The visa regime should be reviewed to open up new markets and enhance the potential of tourism sector.
- Government must remove regulatory and administrative barriers in tour operator licencing system and consider moving the responsibility from transport to the tourism portfolio.
- Tourism enabling infrastructure should be enhanced as part of the development of the supply side capabilities to accelerate sector transformation and diversification of product offerings.
- Aspects of the tourism mandate, which are spread across different portfolios in government, should be better coordinated and centralised, including the regulation and licensing of various travel, tourism, and hospitality operations, as well as, tour operators, time shares, gaming and liquor licenses. In certain instances, licensing should be used as a lever to drive investment, development and transformation of the tourism sector.
- Where appropriate there should be state ownership of key tourism products and services, such as, tourism accommodation establishments.

- There should be supporting for the implementation of the Tourism Equity Fund and other transformation initiatives.
- There should be improved support for SMME's and co-operatives in the tourism sector.

### **On Creative Industries**

Noting That:

- Creative industries play a key role in the incubation and the transfer of technology.
- Creative industries can foster income generation while promoting social inclusion.

Resolve That:

- South Africa needs an integrated and co-ordinated system based on the need to extend infrastructure and facilities beyond urban centres, forming professional associations and networks, providing education and training in traditional and new creative methods and technologies.
- Expanding access to markets will be facilitated by improved levels of intergovernmental co-ordination aimed at supporting the country's artists and creative industries.

### **On the African Continental Free Trade Area and Global Trade**

Noting that:

- The African market includes 1.3 billion people, with a combined Gross Domestic Product valued of over US\$3 trillion.
- Increased intra-African trade will boost economic activity further and as will Africa's integration into regional and global value and supply chains

Resolved that:

- South Africa's efforts in deepening intra-African trade need to be encouraged.
- South Africa should maximize opportunities presented by the AfCFTA including infrastructure development, global value chains initiatives, and skills development.
- Policy mechanisms to protect or insulate vulnerable communities and economies that are likely to be negatively impacted by the operationalisation of



AfCFTA in the short to medium term should be developed.

- There should be increased co-ordination within Government, including the role of relevant DFI's and SOEs, to support the achievement of integration envisaged by AfCFTA, in partnership with the private sector.
- Government working together with business should take advantage of available opportunities to join in the global value chains especially in the mining, construction and manufacturing sectors



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