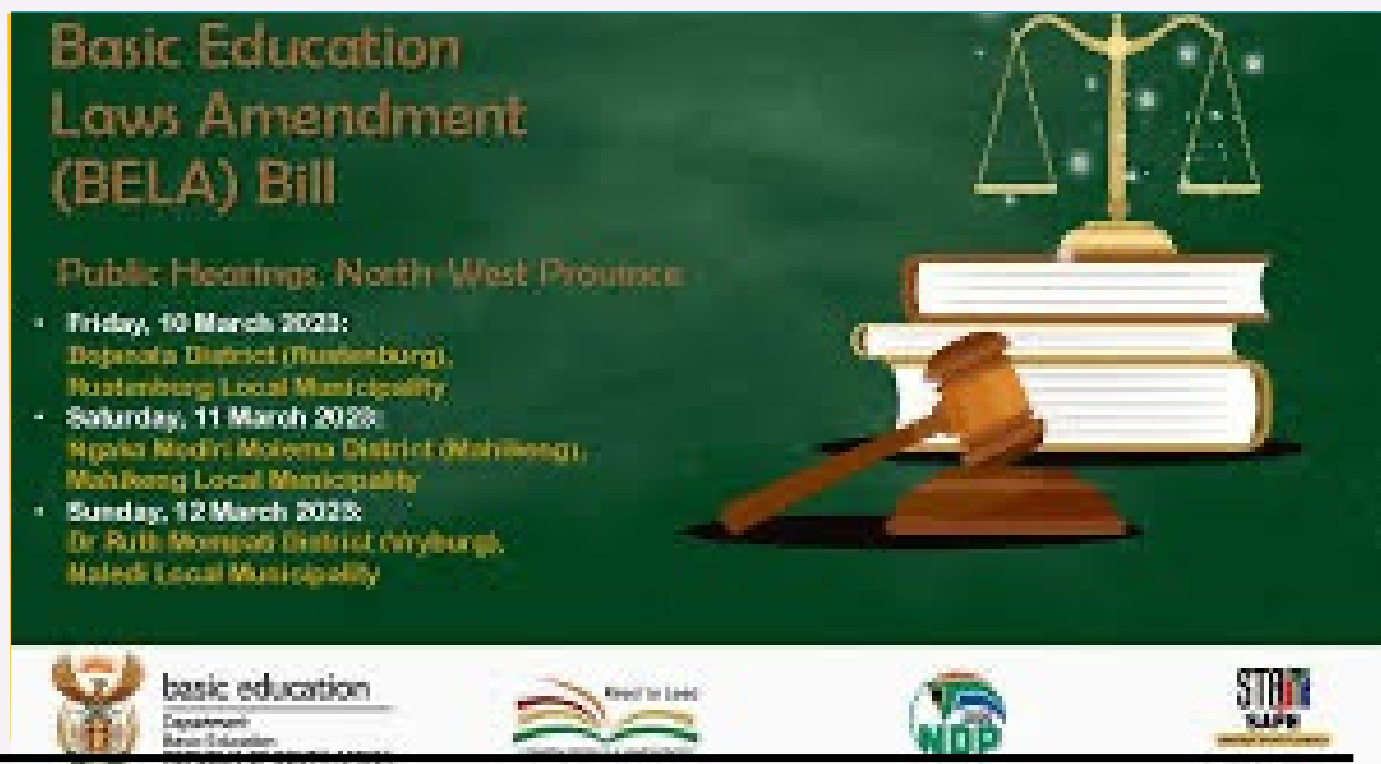




Caucus

NEWSLETTER

17 November 2023



EXTRACTS FROM THE SPEECH BY PRESIDENT RAMAPHOSA ON AGOA

The extension of AGOA could help transform African economies

In the last few months, there has been much discussion in South Africa about AGOA, which stands for the African Growth and Opportunity Act. The Act was passed by the United States Congress in 2000, granting qualifying African countries duty-free access to the US market for their exports. AGOA is a crucial tool for economic growth and transformation in Africa. South Africa, the US's largest trading partner in Africa, benefits from AGOA, as it allows it to export and import goods more than any other African country. The extension of AGOA beyond 2025 could significantly diversify African economies, enabling countries to produce a wider range of products using abundant minerals, metals, and agricultural produce. This could encourage the development of value chains across different countries, as seen in South Africa's automotive industry, where local companies source materials from various African countries and manufacture them in South Africa before exporting to the

US duty-free under AGOA. The 20th AGOA Forum discussed the need for US companies to invest more in Sub-Saharan Africa to unlock the opportunities provided by AGOA. The forum highlighted the importance of regional value chains in the success of the African Continental Free Trade Area (AGOA), which encourages regional integration among African countries. By allowing preferential access to the US market, AGOA incentivizes African countries to develop and export value-added goods and services, reducing Africa's dependence on primary commodities and enhancing its participation in global value chains. The forum also highlighted the need for capacity building and technical assistance to support African countries in meeting US market requirements, improving their competitiveness and enabling African businesses to meet international standards.





THE BASIC EDUCATION LAWS AMENDMENT BILL



“Grade R will now be the new compulsory school-starting age”

The National Assembly (NA) recently approved an important education Bill, the Basic Education Laws Amendment (BELA) Bill.

Among the amendments in the BELA Bill that sparked much public interest and input is a provision that Grade R will now be the new compulsory school-starting age, and parents who fail to enrol their children for Grade R will be formally penalised.

The Bill further confirms that corporal punishment is no longer allowed at school and that those guilty of such offences must be penalised.

In terms of language policy, the Bill provides that a school governing body will now be required to submit the language policy of a public school and any amendment thereof to the head of the department for approval. The language policy must also consider the language needs of the broader community. The Bill further provides that the South African Sign Language is an official language for learning at a public school.

Basic Education Laws Amendment (BELA) Bill

Public Hearings: North-West Province

- Friday, 10 March 2023: Dejanota District (Rustenburg), Rustenburg Local Municipality
- Saturday, 11 March 2023: Ngwaka Modiri Molema District (Mafikeng), Mafikeng Local Municipality
- Sunday, 12 March 2023: Dr Ruth Maseko District (Mmabatho), Mmabatho Local Municipality

The BELA Bill also provides that no person may bring liquor onto the school premises, have liquor in their possession, consume or sell liquor on public school premises, or during any public-school activity unless permission has been sought from the Head of Department, and then only under strict conditions.

Before tabling its report on the Bill, the Portfolio Committee on Basic Education held extensive public hearings in all nine provinces, received written submissions, and held public hearings at Parliament for interested parties and organisations to make further oral submissions.

SPEAKING NOTES BY CDE JOSEPH MASWANGAYI ON THE MTBPS

Comrades and compatriots,
The MTBPS tabling is crucial as it addresses critical issues such as infrastructure rollout, employment, and poverty reduction. The Census 2022 report shows improvements in household access to water, electricity, sanitation, and education. However, the Minister should focus on youth unemployment, poverty reduction, and inequality. Economic recovery and reconstruction programs should be implemented to address these issues. State-owned enterprises are essential for the ANC government to become a developmental state. The Minister should address these critical issues to ensure the country's economic growth trajectory.

State-owned enterprises are crucial for the developmental agenda of the ANC Government. Transnet, a massive institution, faces challenges in freight and logistics. Improvements in load shedding have been made. The National Scholarship Fund (NSFAS) has seen significant improvement, but it should not be considered a crisis. Critics should focus on the ANC government's past achievements and not on its origins. The reduction in fuel prices has been a significant issue, impacting people's lives. The Reserve Bank's independence is important, but not always necessitating interest rate hikes. Best wishes to the



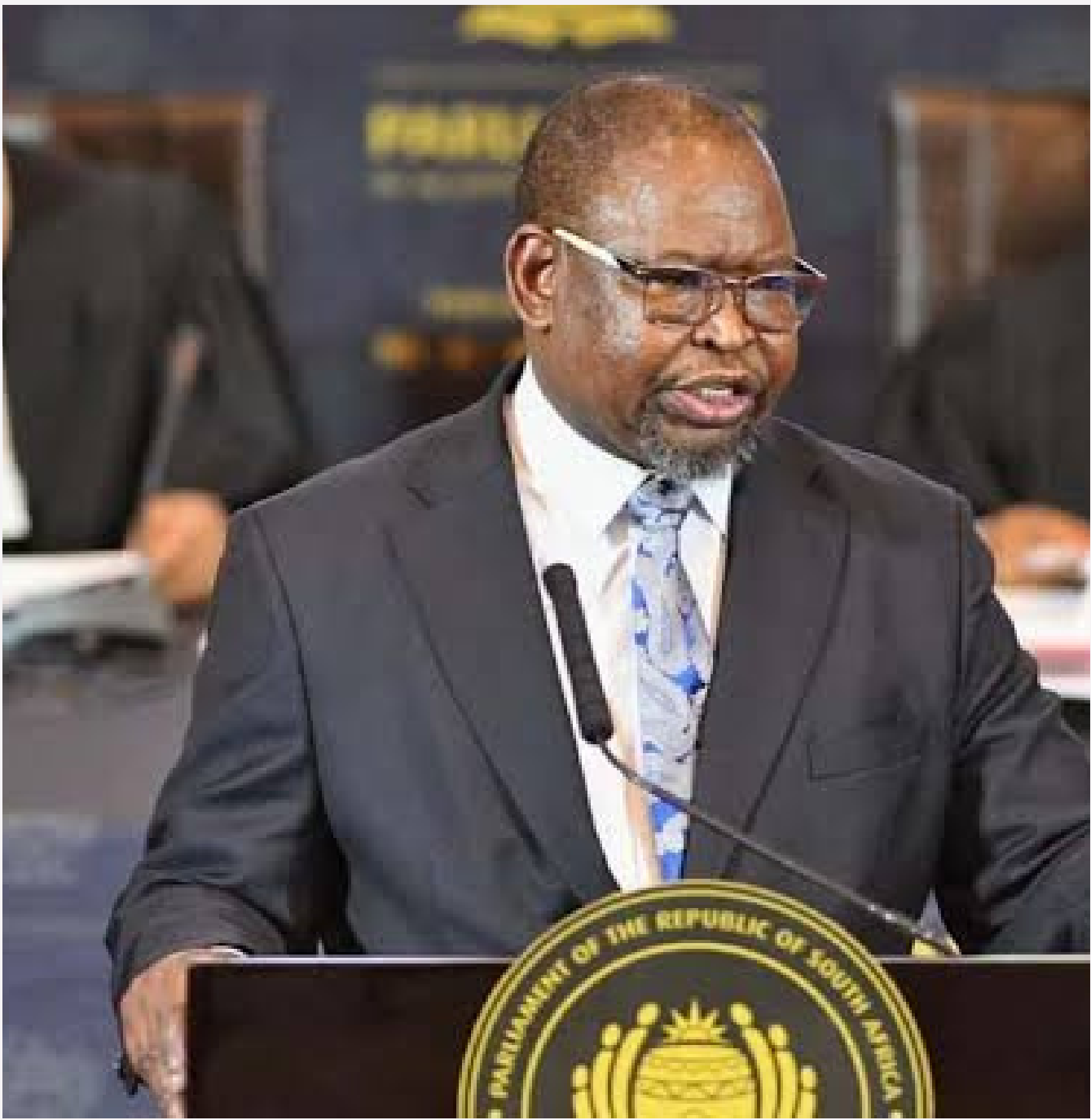
HIGHLIGHTS OF THE MEDIUM-TERM BUDGET POLICY STATEMENT

“The Government will extend its social relief grant that it started paying to low-income households during COVID-19”

In his medium-term budget policy statement on Wednesday, 1 November 2023, Finance Minister Enoch Godongwana announced plans to cut expenditure by R213 billion relative to February allocations over four years, raise new debt and increase taxes to offset a revenue shortfall. The budget deficit is projected to reach 4.9% this fiscal year, up from a previous estimate of 4%. This was evidenced by his recent warnings that the government will need to tighten its belts and implement budget cuts amid lower-than-expected revenues. The speech was well received by investors, as evidenced by a strengthening of the rand and the stock market and a drop in bond yields.

POSITIVES Social Relief Grants:

The government will extend its social relief grant that it started paying to low-income households during the COVID-19 pandemic by a year. More than 8 million people who get the R350 monthly stipend will continue benefiting until March 2025. Beyond this, any permanent extension or replacement will require new revenue sources, other spending cuts and a review of the entire social grants system.



Building and Infrastructure:

The government is working on a new mechanism to encourage financing from the private sector and international institutions for large infrastructure projects. It's also exploring the creation of alternative financing instruments for priority projects. More spending in the industry would be a massive gain for construction and engineering companies.

Public Servants:

The government will implement a pay agreement it struck with its 1.3 million employees in March, dispelling fears that it would renege on the deal. It will allocate an additional R23.6 billion to labour-intensive departments in this fiscal year to fund the accord.

Automotive Industry:

Minister Godongwana will announce

plans in his February 2024 budget to help the sector transition to new energy vehicle production. Natural Disaster Victims: The government is developing a disaster risk financing strategy to address challenges posed by natural disasters that are becoming increasingly common in South Africa. Recent floods in the Western Cape province caused by climate change caused significant damage to infrastructure.



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