
THURSDAY, 30 SEPTEMBER 2021

PROCEEDINGS OF THE WESTERN CAPE PROVINCIAL PARLIAMENT

The sign † indicates the original language and [] directly thereafter indicates a translation.

[Hybrid sitting held with some members present in the House and some in virtual attendance through Microsoft Teams]

The House met at 10:00.

The Speaker took the Chair and read the prayer.

BUSINESS OF THE HOUSE

The SPEAKER: You may all be seated. Hon Premier, hon members, those who are with me here in the Chamber and the hon members who are connected virtually, let me indicate for the purposes of record and of course in appreciation of your sterling support to join me in the Chamber, it can be very lonely, hon Premier, to sit here alone in this august House, but I appreciate that you are here, hon Premier, in person in the Chamber. Hon Chief Whip of the majority party, here in the Chamber, the Minister of Finance and Economic Opportunities, here in the Chamber; Minister Bredell,

here in the Chamber, and the Chairperson of Education, hon Botha, who is here in the Chamber, and hon Mackenzie, who is here with us in the Chamber. I appreciate your presence here. To all of you, thank you.

Hon members in the virtual platform, for the purposes of the hybrid session I would like to request as I welcome you all, to please adhere to the protocols as we have approved them since 2020 and we have been doing very well. Thank you for that support. Let us continue to do so for this meeting. This sitting is convened in terms of the hybrid standard of Rules and I want to request that you do not activate your microphone if you are not going to talk. If you have a point of order, just as you usually do, raise it in the chat room or just raise your hand. I will recognise you. I promise you.

To the guests in the gallery, the media, please do not activate your microphones. Please do not activate your cameras, just enjoy as our partner, as the Fourth Estate, we appreciate your interest in the work that we do, and please continue to support us, but do so in the manner that is consistent with our Rules. Just a disclaimer, hon members, there are no problems at least for now with load shedding, so we do know that there is power in the Western Cape. There is electricity. If you are cut off it means that it will be up to you, and fortunately we do not have a speaker's list, there is only one Speaker for the purposes of this sitting, but if you have a point of order, which I presume there would be none, just know that we are not responsible for your working or lack thereof of your microphone.

In terms of our Order Paper today we have the Provincial Economic Review and Outlook, which is to be delivered to us and the people of the Western Cape, by the hon Minister of Finance and Economic Opportunities. I recognise the hon Minister, David Maynier.

PROVINCIAL ECONOMIC REVIEW AND OUTLOOK

THE MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: Hon Speaker, hon Premier and Cabinet colleagues, hon Leader of the Opposition and hon members of the Western Cape Provincial Parliament. It gives me great pleasure to introduce the 2021 Provincial Economic Review and Outlook today in this Parliament. The Provincial Economic Review and Outlook is produced annually by the Provincial Treasury and is the only document of its kind produced by any provincial government in South Africa.

In the 2021 Provincial Economic Review and Outlook you will find a review and analysis of the impact of global and national developments on the economy in the Western Cape. You will find a review and analysis of economic growth trends, of sectoral developments, of labour market dynamics and of socio-economic developments in the Western Cape, and you will, most importantly, find information about opportunities for growth and for investment as we look towards reopening and recovering the economy in the Western Cape, all of which makes the Provincial Economic Review and Outlook a valuable source of economic intelligence, which will guide the policy, the planning and the budgeting processes to ensure service delivery

for all the people in the Western Cape.

Speaker, we have been hard-hit by the COVID-19 pandemic, which has had a significant impact on lives and livelihoods in the Western Cape. Too many people have lost their businesses, too many people have lost their jobs and too many people are struggling to make ends meet in the Western Cape.

The lockdown restrictions, especially those restricting travel and alcohol sales, have had a devastating impact on the tourism and hospitality sector which has been the lifeblood of the economy in the Western Cape. To compound the problem, we have been hit by other significant shocks, such as load shedding, taxi violence and a cyber-attack that collapsed operations in the Port of Cape Town. But we are a resilient region, proven by our internationally recognised management of the drought and our management of three waves of the COVID-19 pandemic, and although economic recovery will not be easy, we will reopen and we will recover in the Western Cape.

On the economic outlook we expect the global economy to recover and grow by 6% in 2021 and 4,9% in 2022. We expect the national economy to recover and grow by 3,6% in 2021 and by 3,4% in 2022; and, we expect the provincial economy to recover and grow by 3% in 2021 and by 4,1% in 2022.

What will give hope to people who have lost their businesses, to people who have lost their jobs and to people who are struggling to make ends meet, is that we expect an average annual economic growth rate of 2,9% between 2021 and 2025 in the Western Cape, and there are significant opportunities

for growth and for investment, which will drive economic recovery in the Western Cape.

We have our agricultural sector which has spurred export growth, contributing 8% to the total economic activity and providing 10,4% of all employment opportunities in 2020 in the Western Cape.

We have our Business Process Outsourcing sector, which employs well over 60 000 people in the Western Cape and is one of the few sectors to create jobs during the COVID-19 pandemic, with 5 644 jobs created in 2020.

We have our Green Economy sector which has seen the removal of significant legislative barriers in the last year to allow municipalities to generate, to procure and to sell their own power so that we can become more energy secure in the Western Cape, and, we have our Health Technology sector which has seen R1,36 billion invested in five projects creating 786 jobs between 2003 and 2021 in the Western Cape.

Two health-tech companies, Biovac and Afrigen, who are both based in the Western Cape, have great stories to tell as they are both making strides in vaccine development for Africa and for the world. Biovac has signed a letter of intent to manufacture the Pfizer-BioNTech COVID-19 vaccine for distribution in Africa. Biovac will perform manufacturing and distribution activities within Pfizer and BioNTech's global COVID-19 vaccine supply chain, and to facilitate the process, there will be significant technological

transfer, on-site development and of course equipment installation at Biovac right here in the Western Cape and Afrigen have been chosen to establish, to host the World Health Organisation's first COVID-19 Messenger RNA (mRNA) vaccine technology hub to scale up production and access to vaccines for current and future pandemics right here in the Western Cape. The hub will be established by a consortium comprising of Biovac, of Afrigen, of a network of universities partnering with the World Health Organisation and Africa Centres for Disease Control and Prevention. (Africa CDC). Both these investments will provide and will position the Western Cape as a centre of excellence for biotech and medical research in Africa, and they illustrate some of the innovation and adaptation during the COVID-19 pandemic that will create jobs and economic growth in the Western Cape.

On the labour market, we, of course, have a higher-than-average labour force participation rate of 63,1% in the Western Cape; and we have the lowest expanded unemployment rate at 29,1% in the Western Cape. But, at the same time, 159 000 people lost their jobs last year in the Western Cape, which means that in the end, there are still too many people, especially young people, who do not have jobs or who have given up looking for jobs in the Western Cape.

On Social Development we have a population of 7,1 million, or 11,8% of the total population, in South Africa. We have increasing income inequality... [connectivity problems] [interjection.]

The SPEAKER: Sorry for that, hon Minister. You may proceed.

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: Thank you. We have increasing income inequality, but also an improving Human Development Index. We have a Gini Coefficient of 0,625 in the Western Cape, compared to a Gini Coefficient of 0,626 in Gauteng, and a Gini Coefficient of 0,634 in KwaZulu-Natal. We have the highest Human Development Index of 0,769 in the Western Cape, compared to a Human Development Index of 0,752 in Gauteng and a Human Development Index of 0,671 in KwaZulu-Natal.

The Human Development Index is a composite indicator of population development, and measures including education levels, life expectancy and, of course, per capita income. We have seen a steady increase in the Human Development Index, which is a result of effective healthcare and education to people in the Western Cape.

Generally, on life expectancy, we have seen an increase in the life expectancy for females, estimated to be 70,3 years, and an increase in life expectancy of males, estimated to be 64,9 years.

On education we have one of the best learner retention rates in the country, with 67,8% of learners retained in the school system from Grades 10 to 12 last year in the Western Cape.

On service delivery we have seen an improvement in the provision of basic services, with households having the highest rate of access to tap water and the least water interruptions in the Western Cape, and on safety, although crime has increased by 45,1% just over the last year, it has done so because of the low levels of crime recorded during the COVID-19 lockdown.

Speaker, in summary, we expect the economy to grow by 3% this year in the Western Cape, which means that, this year, the provincial economy will grow at a slower rate – at a slower rate than the national economy in South Africa, which illustrates the impact of the COVID-19 pandemic and related lockdown restrictions on the tourism and hospitality sector, which of course accounts for 4,5% of GDP, and 6,6% of total employment in the Western Cape.

We have heard wonderful stories of innovation and resilience in the tourism and hospitality sector in the Western Cape, but we have also heard heartbreaking stories of businesses that have closed, of jobs that have been lost, and of business owners who have sacrificed their life savings just to keep their businesses going and their staff employed, which is why we have to do everything possible to reignite the tourism and hospitality sector in the Western Cape, and we have to do so with urgency.

First, the United Kingdom must remove South Africa from the red list. The decision to keep South Africa on the red list seems manifestly unfair and is unnecessarily strangling a key source market for tourism in the Western Cape.

Secondly, President Cyril Ramaphosa must immediately move South Africa to Alert Level 1, and he must go further and, with the appropriate safety measures, give serious consideration to increasing the capacity of large conferencing venues, allowing spectators at major sporting events and reopening ports for cruise season.

Third, we must remove the roadblocks to growth in the tourism sector, which includes increasing connectivity with the Minister of Transport, Fikile Mbalula's, urgent review and approval of the application for the Delta Air Lines triangular Atlanta - Johannesburg - Cape Town route, and attracting digital nomads, with the Minister of Home Affairs, Aaron Motsoaledi, introducing a remote working visa to allow international visitors to stay longer and to work remotely while travelling in South Africa.

Fourth, we must of course vaccinate as many people as fast as possible so that we can avoid a possible fourth wave and ensure that we have a successful summer season in the Western Cape. As of now, 39% of the province's adult population have received at least one vaccination, which is more than any other province in South Africa.

Finally, finally it is now time for National Government to trust provinces, to trust provinces and to end the National State of Disaster, and to allow provinces to manage the COVID-19 pandemic with a response that is proportional to the threat in the Western Cape. Our health systems are robust and our response has been institutionalised. We need a new differentiated

approach that avoids a blunt instrument that kills jobs because every day that we delay costs businesses, costs jobs and costs livelihoods in the Western Cape.

Speaker, in conclusion, the 2021 Provincial Economic Review and Outlook comes at an extraordinary time in our history in the Western Cape. We have an opportunity now to actually get things done. Our Western Cape Recovery Plan and its three pillars, Jobs, Safety and Wellbeing, puts us on a clear path to reopen and to recover, which we can and which we must do, because at the end of the day, the fact is there are still too many people who do not have jobs, too many people who are victims of crime, and too many people who cannot meet their basic needs in the Western Cape.

Speaker, I hereby table the 2021 Provincial Economic Review and Outlook for consideration and deliberation in this Parliament. I can assure hon members that the 2021 Provincial Economic Review and Outlook is a world-class research document that will assist them in their duties in this Parliament. And finally, I would like to thank everybody who made contributions and who worked so hard for so long to produce the 2021 Provincial Economic Review and Outlook.

I thank you.

The SPEAKER: Thank you, hon Minister. Hon members, the Provincial Economic Review and Outlook will now be referred to the relevant

committees for consideration. The Budget Committee will convene immediately as we adjourn this sitting.

That concludes the business for the day. The House is adjourned. I thank you.

The House adjourned at 10:23.