

Prof Raymond Parsons

Cell: 083 225 6642

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'THE ECONOMIC MESSAGE EMERGING FROM THE RECONFIGURED AND LEANER CABINET ANNOUNCED BY PRESIDENT CYRIL RAMAPHOSA TONIGHT IS POTENTIALLY A POSITIVE ONE FOR BUSINESS AND THE MARKETS', SAYS NWU BUSINESS SCHOOL ECONOMIST PROF RAYMOND PARSONS.

'Given the inevitable balance of political forces driving the shape and size of the new Cabinet, the broad economic message emerging from the reconfigured and leaner Cabinet is potentially a very positive one for business and the markets. The streamlining and rationalizing of certain ministerial portfolios is a welcome step of change towards a more compact, less costly, and efficient government. The new Cabinet team will now be tested by their ability to generally rebuild confidence and ensure delivery by accepting that it cannot be 'business as usual' in the new regime. In this respect it may be helpful for agreed Ministerial performance agreements to be transparent.

President Ramaphosa's announcement recognizes that turning the economy around and putting it on to a higher growth path is now the highest priority for the reconfigured Cabinet if the challenges of unemployment, poverty, and inequality are to be successfully addressed. Credible and experienced reappointments to the core economic portfolios like Finance, Public Enterprises, Trade and Industry, and Mineral Resources are likely to facilitate meeting the crucial challenge of boosting investor and business confidence. The restructured Ministerial economic 'cluster' must therefore now give the economy a better sense of direction and reduce policy uncertainty if economic recovery as well necessary structural reforms are to be promoted.

Good economic steermanship will also need the new Cabinet team to be strongly supported by a stable cohort of Directors-General who must enhance the state capacity required to expedite implementation if the socio-economic targets that have been set are to be reached. And success will indeed depend on widening and deepening the relationship with key stakeholders in the economy, especially business. Investor confidence will respond well if partnership and consensual stability can be enlarged in the period ahead. We must cease

fighting over the economy but rather aim to fix it in collaborative ways which will enable SA to break out of its present 'low growth trap' sooner rather than later.

ENDS