

State of the Nation Address 2008

8 February 2008

Madam Speaker of the National Assembly;
Chairperson of the National Council of Provinces;
Deputy Speaker of the National Assembly and Deputy Chairperson of the NCOP;
Deputy President of the Republic;
Honourable leaders of our political parties and Honourable Members of Parliament;
Ministers and Deputy Ministers;
Mr Jacob Zuma, Former Deputy President of the Republic and President of the African National Congress;
Our esteemed Chief Justice and members of the Judiciary;
Heads of our Security Services;
Governor of the Reserve Bank;
Distinguished Premiers and Speakers of our Provinces;
Chairperson of SALGA, mayors and leaders in our system of local government;
Chairperson of the National house of traditional leaders and our honoured traditional leaders;
Heads of the state organs supporting our constitutional democracy;
Directors-General and other leaders of the public service;
Your Excellencies, Ambassadors and High Commissioners;
Distinguished guests, friends and comrades;
People of South Africa:

Allow me on this occasion of the penultimate Joint Sitting of the third Parliament for the annual debate on the state of our nation, to wish all the Honourable Members of Parliament a happy and productive New Year.

I am confident that 2008 will be one of the most remarkable years of our democracy, as we all work together to realise the core aspiration of our people to attain a better life for all. I say this because, in our own estimation, it is not often that a nation is called upon to strain every sinew of its collective body to attain a dream. And such is the injunction that history has imposed on us today.

I speak here today in the presence of my mother, Epainette Mbeki, MaMofokeng, who came to communicate an unequivocal message from the rural masses of the Transkei, among whom she has lived for many decades. She says these masses demand of all of us who claim to be their leaders, that we tell them and others like them elsewhere in our country, whether we remain committed to the undertaking we have made that tomorrow will be better than today. In eight days time, on February 16, she will be 92 years old. What she expects as her birthday present is the truth. I thank her for taking the trouble to be with us today, and trust that we will not disappoint her.

I would also like to take this opportunity to salute President Nelson Mandela, one of the pre-eminent founding fathers of our democracy, who will mark his 90th birthday on 18 July this year.

We welcome to this occasion Mr. Arthur Margeman, representing the veterans of the Alexandra bus boycott of fifty years ago, who include Nelson Mandela. We are also privileged to have among us Ms. Jann Turner, the daughter of Rick Turner who was murdered by apartheid agents 30 years ago.

We are also pleased that we have among us Mr. Dinilesizwe Sobukwe, son of the outstanding patriot and leader, Robert Sobukwe, who also passed away 30 years back after enduring many years of

imprisonment, banishment and other forms of repression. We acknowledge, both among the Honourable Members and our guests, the many founders of the United Democratic Front, 25 years ago.

All these honoured guests, representing both memory and hope, remind us by their presence that ours is a task in a relay race of continuous rebirth so that the dream of a better life becomes a reality for all South Africans. Indeed, they represent a celebration of the indomitable spirit of our people, and pose a challenge to all of us to act in ways that do not betray or disappoint the expectations of the people.

We are about to begin the last full financial year of the current and third democratic parliament and government soon after which we will hold our fourth General Elections. The Government has therefore reviewed the distance we have travelled in terms of implementing the mandate given by the people in 2004.

I am pleased to say that we have indeed done much to implement the commitments we made to the people in 2004. However, and not unexpectedly, it is obvious that we still have outstanding work to do in this regard.

Given that we are approaching the end of our mandate term, the Government decided that it should identify a suite of Apex Priorities on which it must focus in a special way, using these as catalysts further to accelerate progress towards the achievement of the objectives the people mandated us to pursue.

Happily, this State of the Nation Address has given me the possibility to report to Parliament and the Nation on our 24 Apex Priorities which, the Hon Members can find on the Government website during the course of next week.

The identification of the Apex Priorities means that all three spheres of government, the national, provincial and local, at both executive and administrative levels, are hereby making the firm undertaking that we will use the short period ahead of us further to energise our advance towards the realisation of the all-important goal of a better life for all our people.

The entirety of our system of governance is therefore making the commitment that in the period ahead of us, it will do its best to live up to the imperative - Business Unusual! We speak of Business Unusual not referring to any changes in our established policies but with regard to the speedy, efficient and effective implementation of these policies and programmes, so that the lives of our people should change for the better, sooner rather than later.

To make certain that this happens, we have taken the necessary steps to ensure that the Annual Budget the Minister of Finance will present later this month makes the necessary allocations to give us the means to implement the Apex Priorities. The main categories of these priorities are:

the further acceleration of our economic growth and development;

speeding up the process of building the infrastructure we need to achieve our economic and social goals;

improving the effectiveness of our interventions directed at the Second Economy, and poverty eradication;

enhancing the impact of our programmes targeting the critically important area of education and training;

accelerating our advance towards the achievement of the goal of health for all;

revamping the criminal justice system to intensify our offensive against crime;

further strengthening the machinery of government to ensure that it has the capacity to respond to our development imperatives; and,

enhancing our focus on key areas in terms of our system of international relations, with particular focus on some African issues and South-South relations.

More than at any other time, the situation that confronts our nation and country, and the tasks we have set ourselves, demand that we inspire and organise all our people to act together as one, to do all the things that have to be done, understanding that in a very real sense, all of us, together, hold our own future in our hands!

As we act together everywhere in our country, this we must also understand that what we have to be about is - Business Unusual!

As I was preparing this Address, one among us suggested to me that our country was being buffeted by strong cross-winds that made it especially difficult to foresee where our country will be tomorrow.

He suggested that this morning, to capture what he considers the essence of the reality confronting us, I should recall the well-known words with which Charles Dickens opened his novel, *A Tale of Two Cities*. And so I quote these words:

"It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us, we were all going direct to Heaven, we were all going direct the other way - in short, the period was so far like the present period, that some of its noisiest authorities insisted on its being received, for good or for evil, in the superlative degree of comparison only."

You will ask whether I agree with this assessment, whether I too believe that we have entered an era of confusion, in which all of us cannot but lose our way, unsure of our steps, unsteady on our feet, fearful of the future! My answer to this question is a definite No! Like the rest of our Government I am convinced that the fundamentals that have informed our country's forward march in the last 14 years remain in place. They continue to provide us with the strong base from which we must proceed as we keep our eyes firmly focused on the continued pursuit of the goal of a better life for all our people. Thus should we all reaffirm that we remain on course as we continue to strive to make ours a winning nation.

However, like all the Honourable Members, I am aware of the fact that many in our society are troubled by a deep sense of unease about where our country will be tomorrow.

They are concerned about the national emergency into which the country has been thrown by the unexpected disruptions in the supply of electricity.

They are concerned about some developments in our economy, especially the steady increase in interest rates, food and fuel prices which further impoverish especially the poor. Some among these worry about the possible impact on our own economy of the threat of economic recession in the United States.

They are worried about whether we have the capacity to defend the democratic rights and the democratic Constitution which were born of enormous sacrifices. This is driven by such developments as the prosecution of the National Commissioner of Police, the suspension of the National Director of Public Prosecutions, fears about a threat to the independence of the judiciary and the rule of law, and the attendant allegations about the abuse of state power for political purposes.

They are worried about whether our country is threatened by the anarchy represented by the criminal torching of six passenger trains in Tshwane last month.

While they recognise and respect the right of the ruling party to regulate its own affairs, they are concerned that it must continue to play its role as one of the principal architects of a democratic, non-racial, non-sexist and prosperous South Africa.

Most obviously it would be irresponsible to ignore these and other concerns or dismiss them as mere jeremiads typical of the prophets of doom. The real challenge is to respond to them in a manner that conveys the definite message to everybody in our country and the millions in Africa and elsewhere in the world who watch our country with keen interest, that we remain firm in our resolve to continue building the kind of South Africa that has given hope not only to our people, but also to many others outside our borders.

Let me therefore make bold to say that this historical moment demands that our nation should unite as never before and strain every sinew of its collective body to address our common challenges and keep alive the dream that has sustained all of us as we travelled along the uncharted road towards the creation of the South Africa visualised in our Constitution.

The national emergency represented by the current power outages poses the challenge and presents the opportunity to the entirety of our nation to give concrete expression to the call we have just made for all of us to unite in action and act in unity to keep our country on course. This must say to all of us that we are indeed in a period of challenges, but surmountable challenges. And precisely because it is a period of challenges, it is also an era of opportunity!

In this regard, I would like to express our appreciation and full agreement with the comments made by the Chief Executive of Anglo American, Cynthia Carroll, when she addressed the Mining Indaba here in Cape Town earlier this week, on Tuesday, February 5.

As the Honourable Members know, she said: "I don't regard the problems of energy supply here as a disaster. And South Africa is not alone: there are pressures on supply regarding our expansion projects in Chile and Brazil.

"Sure, the problems here are serious; overcoming them will require ingenuity, especially in energy efficiency and energy saving, as well as the development of alternative power supplies. But if all of us can forge strong partnerships to tackle the situation, we will all come through – I hope relatively unscathed...This is not a time for finger pointing, but for working together in finding solutions."

This having been said, it is however also necessary that we take this opportunity to convey to the country the apologies of both the Government and Eskom for the national emergency which has resulted in all of us having to contend with the consequences of load-shedding. I would also like to thank all citizens for their resilience and forbearing in the face of the current difficulties.

In the past two weeks, the Ministers of Minerals and Energy and Public Enterprises have outlined the nature of the emergency we confront and what each one of us can do to normalise the situation. Last week the Honourable Members had an opportunity to reflect on these matters.

In essence the significant rise in electricity demand over the last two years has outstripped the new capacity we have brought on stream. The resultant tight supply situation makes the overall system vulnerable to any incident affecting the availability of energy. In this situation, we have to curtail the

unplanned outages and the only way we can do this immediately is reduce demand and thus ensure a better reserve margin.

As government our task is to now lead and unite the country behind a campaign for energy efficiency that will address this challenge. Among other things, we must use the current adversity to ensure that our homes and economy become more energy efficient.

There are concrete actions each individual, household and business can take. These are being disseminated by the Department of Minerals and Energy and we remain open to any other suggestions that you, our compatriots, may give to us and share with one another.

Government will start implementing a campaign to ensure efficient lighting, solar water heating and geyser load management in households, including housing standards for all new houses and developments. We urge households that can afford to act immediately to consider implementing these energy-saving measures.

An instruction has been issued for all government buildings to reduce their consumption of electricity and please feel free to name and shame those who do not.

The details of other voluntary and mandatory actions in the Power Conservation Programme have been set out by the Ministers and these will be refined through consultation with the various stakeholders and then published.

On the supply side Eskom is working furiously to ensure the introduction of co-generation projects as a matter of urgency. We are taking steps to enhance Eskom's maintenance capacity. We have emergency task teams dealing with the challenge of coal quality and supply with the coal mining industry and we are working to fast track the approval and construction of gas turbine projects. All these actions, taken together with the electricity saving measures, will improve certainty and raise the reserve margin.

The massive Eskom build programme in new generation, transmission and distribution capacity will continue; and where possible, some projects will be accelerated. In this regard, I would like to thank the private sector for being prepared to assist in whatever way they can. In a meeting with the Chairman of General Electric (GE) during the course of last week, GE offered, to assist by procuring scarce turbine equipment on our behalf. In South Africa our own large companies such as Sasol, Anglo and BHP Billiton are all in concrete discussions with the Departments of Mineral and Energy and Public Enterprises to find cost effective and sustainable solutions to the supply constraint. The approach is one of common action rather than recrimination.

I particularly want to pay tribute to the mining industry for the way in which they have assisted us and the economy to resolve a real crisis that hit us on the 24th January. We will all work to minimise the adverse impact these events had on the industry.

Collective effort and consultation are at the centre of our response to the emergency. Task teams are currently working in many areas. Next week the Provincial Premiers will convene their fora with Mayors to plan and implement the energy saving measures in all the Municipalities across the country. They will be supported by technical teams from EDI Holdings, Eskom and the National Energy Efficiency Agency. The Department of Provincial and Local Government will coordinate this activity supported by the line Departments of Mineral and Energy and Public Enterprises.

I will convene a meeting of the Joint Presidential Working Groups to coordinate our overall actions. I will also shortly announce a team of 'Energy Champions' consisting of prominent and knowledgeable South

Africans who will assist government with the energy efficiency campaign and inform investors and communities on the actual situation and how they can help to address our current challenges.

The Minister of Finance will provide more information in the Budget speech on the support that the government will provide for the energy efficiency campaign and to Eskom in its build programme.

We face an emergency but we can overcome the problems in a relatively short period. This situation has precipitated the inevitable realisation that the era of very cheap and abundant electricity has come to an end. However given our large base of installed generation capacity, for a long time to come ours will remain amongst the few economies with affordable electricity.

We are a minerals resource economy. We must therefore continue to support the mining industry. It is inevitable that if we are to continue on our growth path as a manufacturing country, we will also have to continue supporting the processing industry. However it is imperative that all enterprises become more energy efficient. Indeed energy efficiency itself provides economic opportunity.

Let us therefore use this emergency to put in place the first building blocks of the essential energy efficient future we dare not avoid. Let us ensure that all hands are on deck to address the turbulence that has hit us, inspired by the approach that our circumstances call for Business Unusual!

This is exactly the same approach we must adopt as we continue to prepare to host the FIFA Confederations Cup in 2009 and the 2010 FIFA Soccer World Cup which will kick off in our country 854 days from today. I mention this important matter here because the current challenges we are facing have led some elsewhere in the world once more to question whether we will be able to host these tournaments successfully.

Of course, I have absolutely no doubt that we will honour our undertaking to FIFA and the world community of soccer players and lovers to create all the necessary conditions for the holding of the best ever FIFA Soccer World Cup tournament.

The sense that we get, across all sectors of South African society and further afield, represented by the actual daily progress we are making in terms of our all-round preparations, is one of - Business Unusual: all hands on deck for 2010! We must ensure that we sustain this approach.

We are fully aware that a critical element of our preparations should be the building of a strong South African team which will do us and the whole of the football fraternity proud. I am certain that the South African Football Association, our coaches led by Carlos Alberto Parreira, and the players are aware of the heavy responsibility they carry to prepare a national team of which both we and Africa should be proud.

Once more we thank the Springboks for showing the way when they won the Rugby World Cup last year. This must inspire Bafana Bafana, as it must inspire our athletes who will compete in the Beijing Olympic Games later this year.

Let me now turn to the Apex Priorities I mentioned.

Further to accelerate our economic growth and development we will implement the Industrial Policy Action Plan. Government will continue our industrialisation programme and continue to create opportunities for growth and employment-creation. In this regard, R2,3 billion has been budgeted for industrial policy initiatives and a further R5 billion in tax incentives over three years will support industrial policy.

Working together with business and labour, we shall also develop as urgently as possible, key action plans in sectors where such plans do not exist, such as mining and minerals beneficiation, consumer durables, retail with a focus on improving support to small enterprises, construction, the creative industries, agriculture and agro-processing.

Once more I would like to emphasise that we remain determined to support the automotive sector and will therefore ensure that the support given to this sector through the Motor Industry Development Programme is maintained.

At the macro-economic level, we will continue to maintain a fiscal posture that supports continued economic growth and development and reducing our external vulnerability.

To speed up the process of building infrastructure we will finalise the development of an integrated infrastructure plan, with specific emphasis on energy efficiency. This entails coordinating the programmes of the State-owned Enterprises and overlaying all the infrastructure plans, including freight and other logistics, energy pipelines, information and communications technology, road infrastructure, water and electricity, both in terms of their timing and geographic location.

Cutting across these plans, and therefore a critical priority is information and communications technology both as a facilitator and a sector in its own right. Accordingly, we will this year complete the licensing and operationalisation of Infracore. Already, money has been allocated for Sentech to become a wireless internet wholesaler as well as finance its digitisation. Working with other governments on the continent and the private sector, we will complete the process to launch the undersea cables.

At the same time, we aim to provide digital broadcasting to 50% of the population by the end of the year. Attached to this will be a manufacturing strategy for the development in South Africa of Set Top Boxes, which should be finalised by the middle of the year.

Having noted that the tardiness with which government processes applications for investment in relation to issues such as land acquisition, infrastructure and environmental impact assessments can at times make or break investor decisions, we have decided, in the spirit of Business Unusual, work is progressing urgently to set up a call centre through which prospective investors and government can track these processes.

An element of government's Apex of Priorities will be deliberate focus on matters of skills development. Work to review the National Human Resource Development Strategy will be completed this year, and the projects that the joint team of government, labour, business and academic institutions organised under the Joint Initiative on Priority Skills Acquisition (JIPSA) will be intensified.

Indeed, we are greatly encouraged by the good response from the private sector as demonstrated through the commitment by the CEO's of 70 of the JSE-listed companies to work with government in addressing the challenge of scarce skills.

In addition to this work we will in the coming period prioritise further interventions in the FET colleges, the SETAs, resourcing schools in the lowest three quintiles, freeing them from the responsibility to charge fees, and speeding up on-the-job training for professional graduates.

Further, after correcting weaknesses in our Adult Basic Education programme, which we identified last year, we shall this month launch the Kha Ri Gude mass literacy campaign. This will include the training of master trainers who will provide basic literacy classes to 300 000 adults and youth in 2008.

Madame Speaker and Chairperson;

At the centre of our economic programmes is, and should always be, the consideration whether their success is helping to improve the quality of life of all South Africans, acting as an important weapon in our War on Poverty and accelerating our advance towards the attainment of such objectives as the reduction of unemployment and advancing the goal of health for all.

In the programme to provide sustainable human settlements, we are now able to provide 260 000 housing units per annum, and an agreement has been reached with SALGA to place a moratorium on the sale of land that can be availed for the housing programme.

Along with the progress we are making in the variety of interventions focused on poverty reduction, we continue to address a number many weaknesses, including the processing of the Land Use Management Bill, the finalisation of the land restitution cases, the support programme for those who acquire land, and the development and implementation of a determined rural development programme.

These are some of the issues to which we will pay special attention during this year, and ensure that we meet the targets we have set ourselves.

Yet another critical Apex Priority is the elaboration of an integrated and comprehensive anti-poverty strategy that addresses especially sections of the population most affected by this scourge. These include children, women, the youth, people living in rural areas and urban informal settlements, people with disabilities or chronic illnesses and the elderly.

Among the key proposed interventions are: expanding the public works programme, employment subsidies for direct job-creation for targeted groups, enhancing employment search capability, improving education and training, improving services and assets among poor communities, specific interventions in poor households, and ensuring effectiveness of institutions supporting women and other sectors. Among others, we will make an evaluation of the gender machinery so as to improve all aspects related to women empowerment.

Parallel to this initiative is a special project to examine interventions required to deal with vulnerable children over the age of 14.

But we will all agree that our society and the poor specifically, cannot wait for strategies and dialogues and workshops – important as these may be. In any case, most of the interventions possible are things that government is already doing though not sufficiently integrated. As such, in the spirit of Business Unusual, government intends this year to intensify the campaign to identify specific households and individuals in dire need and to put in place interventions that will help, in the intervening period, to alleviate their plight.

For this, we will require a National War Room for a War Against Poverty bringing together departments such as Social Development, Provincial and Local Government, Trade and Industry, Agriculture and Land Affairs, Public Works and Health as well as provincial and local administrations, which will work with NGOs and business to identify the interventions required in specific households and implement them as a matter of urgency.

We shall this year attend to other specific priorities which are critical to the country's war against poverty, in pursuit of socio-economic inclusion. These are:

speeding up land and agrarian reform with detailed plans for land acquisition, better implementation of agricultural support services and household food support, and improving the capital base and reach of MAFISA to provide micro-credit in this sector: focus will be placed on areas of large concentrations of farm dwellers and those with high eviction rates, and we aim to increase black entrepreneurship in agricultural production by 5% per year, and the audit on land ownership will be speeded up;

the Budget will provide for an increase in the social grant system by equalising the age of eligibility at 60, thus benefiting about half a million men;

intensifying efforts already started to scale up assistance to co-operatives and small enterprises especially those involving women, with emphasis on providing training and markets, including linking them up with established outlets;

scaling up the National Youth Service programme including a graduated increase of the intake in the Military Skills Development programme of the South African National Defence Force from the current 4 000 to 10 000. R700 million has already been given the SANDF to start scaling up this programme;

intensifying the Expanded Public Works Programme which, by surpassing the set targets, has shown potential to absorb more entrants: this will include increased intake of young people in the programme to maintain public infrastructure, doubling the number of children enrolled in Early Childhood Development to over 600 000 through 1 000 new sites with more than 3 500 practitioners trained and employed, and increasing the number of care-givers. About R1 billion over baseline will be allocated to programmes that fall within the EPWP; and, lastly,

introducing the system of products for preferential procurement by government from small, medium and micro-enterprises; and through the Small Enterprises Development Agency setting up a rigorous system to ensure that the 30-day payment period is observed

We will also integrate the programme to speed up the development of sustainable human settlements, with intensified efforts, as a matter of urgent priority, to accelerate universal access to water, sanitation and electricity, so that by 2014, we should have decent human settlements and access by all households to these services.

Accelerating our advance towards the achievement of a goal of health for all includes intensified implementation of the National Strategic Plan against HIV and AIDS. We also aim during the course of this year to reduce TB defaulter rates from 10% to 7%, train over 3 000 health personnel in the management of this disease and ensure that all multi-drug resistant and extreme drug resistant TB patients receive treatment.

We aim to complete the work on the comprehensive social security system, benefiting from the consultations that have started with social partners. As we put all our hands on deck and gear ourselves for Business Unusual we should also intensify national dialogue on the issues that define us as a nation.

Two such issues deserve brief reflection.

The first of these is a proposal that we should develop an oath that will be recited by learners in their morning school assemblies, as well as a Youth Pledge extolling the virtues of humane conduct and human solidarity among all South Africans. The Minister of Education will next week elaborate on the national debate on these matters.

The second issue is about geographic and place names, which requires a synchronised process across all provinces so we can create a base slate of changes. We will launch this synchronised process soon, guided by the South African Geographical Names Council and its Provincial Committees.

Madame Speaker and Chairperson,

When we reflected on the issue of crime at last year's Joint Sitting of Parliament, we all expressed grave concern not only at the high rates of crime, but also at the indication that things seemed to be turning for the worse especially in respect of murder – bucking the trend of the improvement since the attainment of democracy.

Accordingly, last year we engaged in systematic interaction with business and other sectors of the population, to develop a holistic approach towards revamping the criminal justice system in its totality.

In this regard, in the spirit of Business Unusual, Cabinet has agreed on a set of changes that are required to establish a new, modernised, efficient and transformed criminal justice system. Among other things, this will entail setting up a new co-ordinating and management structure for the system at every level, from national to local, bringing together the judiciary and magistracy, the police, prosecutors, correctional services and the Legal Aid Board, as well as other interventions, including the empowerment of the Community Police Forums.

As the Honourable Members are aware, some of these initiatives are already under way; but we are certain that, if they are all carried out in an integrated and complementary manner, the impact will be that much more effective in our fight against crime. The Ministers of the Justice, Crime Prevention and Security Cluster will elaborate on the details of this and other initiatives during the course of next week.

We shall also, during the course of this year, process the Bills on the transformation of the judiciary in consultation with judges and magistrates, complete the strategy aimed at strengthening border control and security, further give life to the Victims' Charter, pay particular attention to the issue of repeat offenders, and continue the implementation of additional measures deriving from recommendations of the Truth and Reconciliation Commission.

Informed by the imperative to intensify the offensive against organised crime, as well as the recommendations of the Khampepe Judicial Commission on the functioning and location of the Directorate of Special Operations and continuing reflections on this matter, we shall by the end of March this year, interact with Parliament on legislation and other decisive measures required further to enhance our capacity to fight organised crime.

What will continue to inform us as we take this step will be the absolute commitment of government to fight organised crime and improve the management, efficiency and coordination of our law-enforcement agencies.

Of great importance, our success in the fight against crime depends on co-operation among all of us as law-abiding citizens, inspired by the principles of rule of law, respect for our judiciary and pursuit of equal human rights, which our Constitution enjoins us to observe in our daily lives and pronouncements.

Honourable Members;

We will continue this year with efforts to improve the machinery of government so that it meets its obligations to citizens. If anything, the spirit of Business Unusual should apply to all individuals who carry the privilege of being public servants.

There are simple but urgent and critical priorities we will attend to, as part of the overall effort to improve the organisation and capacity of the state.

Firstly, it has been agreed across all spheres of government that especially the critical vacancies should be filled within six months of such openings emerging. The Department of Public Service and Administration will set up a monitoring system to track the implementation of this decision.

Secondly, by May of every year (and within two months of the beginning of the financial year at local government level) all senior managers should have filed their Key Performance Agreements with relevant authorities. The Office of the Public Service Commission will set up monitoring systems in this regard.

Thirdly, recognising that the Department of Home Affairs touches the core of every citizen's life, we will this year intensify the implementation of the turn-around strategy approved by Cabinet. This includes improving the IT systems, training of staff on the new systems, rooting out corrupt elements and piloting the new ID card.

Improvement of performance in the public service also depends on the quality of leadership provided by the executive and senior management. Further, it is critical to enhance the commitment of public employees to their duties - a task that belongs to the leadership, the public servants themselves and the trade union movement.

In this regard, this year, in consultation with public sector unions, we will convene a Public Sector Summit to thrash out these issues so that the spirit of Batho Pele can find concrete expression wherever a government service is provided.

Working with other social partners, we shall ensure that, by the end of this year, the second National Anti-corruption Programme is adopted, and that the action plan agreed with organised business is implemented. At local government level, we shall assist the first 150 of our municipalities to develop anti-corruption strategies.

We shall continue this year to intensify efforts to strengthen local government capacity in line with the 5-year Local Government Strategic Agenda. To ensure systematic monitoring in this regard, SALGA has agreed to provide quarterly reports on the work being done.

In order further to improve the service being provided to vulnerable sectors such as veterans, women and youth, we shall review the structures delegated to carry out these functions and examine the most appropriate arrangements, including the evaluation of the government structures specifically established to focus on youth development and empowerment.

Many of the challenges in our work which we have identified derive from serious weaknesses in terms of our planning. Thus, as part of our Apex Priorities in the coming period we will complete the processes that will enable us to enhance government's capacity to put in place realistic and integrated plans, covering all spheres of government.

Honourable Members;

The programme that we have outlined incorporates the commitments that our country has agreed with the leadership of the continent through the African Peer Review Mechanism.

Our focus, in promoting the African Agenda this year, will be on the strengthening of the African institutions, including the African Union and its development programme, NEPAD.

This we shall do, inspired by the common aspiration of the peoples of the continent for greater integration in pursuit of continental unity at all levels. A critical step in this regard is the consolidation of regional institutions and activities aimed at achieving regional integration.

We continue to be committed to a free trade area in the Southern African Development Community, and hope to use our Chairpersonship of SADC in 2008/2009 further to give impetus to the regional endeavours in this regard.

It is in this context, as well, that we shall continue our bilateral and multilateral interactions with our neighbours and the European Union, within the context of the process led by the African Union, to ensure that the negotiations on the Economic Partnership Agreement are completed as soon as possible, premised on accelerating the development of our region.

Over the past year, we carried out the mandate of SADC to assist the political leadership of Zimbabwe to find a lasting solution to the challenges they face. We had an opportunity, on the fringes of the AU Summit in Addis Ababa formally to present a comprehensive report to the leadership of SADC on this matter.

In short, the parties involved in the dialogue have reached full agreement on all matters relating to the substantive matters the parties had to address. These include issues relating to the Constitution, security, media and electoral laws, and other matters that have been in contention for many years. The relevant laws in this regard have already been approved by parliament, including the necessary constitutional amendments. What is outstanding, however, is a procedural matter relating to the timing and the manner of enactment of the new agreed Draft Constitution.

Accordingly, we join the SADC Heads of State and Government in congratulating the parties to the Zimbabwe Dialogue for their truly commendable achievements and encourage them to work together to resolve the remaining procedural matter. As requested by the SADC Heads of State and Government we remain ready to continue to facilitate the Zimbabwe negotiations. At the same time, we wish the people of Zimbabwe success in the elections scheduled for the 29th of March.

Our multifaceted relations with the Democratic Republic of Congo will continue, as we seek to contribute to the efforts of the sister people of that country to attain lasting peace, and implement their reconstruction and development programme.

Our government will remain seized of the processes under way in Kenya, Chad, Burundi, Darfur in the Sudan, Western Sahara, Côte d'Ivoire, Somalia, the Comoros and the Central African Republic to find lasting peace and stability.

We are particularly concerned by the senseless violence and killings in both Kenya and Chad, developments that clearly set back the progress we have been making in the last few years with regard to the regeneration of the African continent. We call on all African compatriots to do whatever we can, together to help bring a stop to all these negative developments.

We will, of course, continue to carry out our tasks in the United Nations Security Council. Critical in this regard, is the strengthening of co-operation between the UN Security Council and the Peace and Security Council of the African Union.

Impelled by the desire to promote the improvement in the quality of life of all peoples, particularly in the developing countries, we shall focus on further strengthening our participation in the India-Brazil-South

Africa forums, the New Africa-Asia Strategic Partnership, the Non-Aligned Movement, the Group of 77 and negotiations to complete the SACU-Mercusor trade agreement.

In the same measure, we shall continue to contribute to the realisation of the objectives of the Kyoto Protocol on Climate Change and ongoing improvements in this regard, and in giving further impetus to the negotiations on the WTO Doha Development Round.

This year we celebrate the tenth anniversary of the establishment of diplomatic relations between South Africa and the People's Republic of China. The mushrooming of relations in a variety of areas between our governments and peoples confirms that the China-South Africa Partnership for Growth and Development is a strategic relationship of mutual benefit, which can only grow from strength to strength.

Next year, South Africa will play host to the Review Conference to evaluate the implementation of the decisions of the World Conference Against Racism which was held in our country in 2004. We are confident that, informed by their abhorrence of the scourge of racism and the devastating consequences it continues to exact on humanity, the governments and peoples of the world will work together with us to ensure that the Review Conference achieves its objectives.

These global responsibilities, including the hosting of the 2010 FIFA Soccer World Cup, bring out in even bolder relief the confidence that humanity has in our country as a strategic player in the noble endeavours of all humanity. But we should not take this for granted.

I am confident that, under the leadership of the International Marketing Council, Trade and Investment South Africa (TISA), Tourism South Africa and other agencies we shall all put our hands on deck to communicate to the rest of the world the spirit of Business Unusual, and our continuing advance towards the creation of a society that cares and the conditions for the world to gather in our country to celebrate Africa's humanity in 2010.

Madame Speaker, Chairperson and Honourable Members;

Having said all that I have said, I come back to the question: what is the state of our nation as we enter 2008!

What I do know and hereby make bold to say is: whatever the challenges of the moment, we are still on course!

I say this with unshakeable conviction because I am certain that South Africans are capable and geared to meet the challenge of history - to strain every sinew of our being - to respond to the national challenges of the day, including those relating to our economy, the political and economic situation in Africa and elsewhere in the world, and seize the opportunities that our country's progress over the last fourteen years has provided.

With all hands on deck, and committed to conduct our business in an unusual and more effective fashion, we shall sustain the process of our reconstruction and development and take it to even higher levels.

Thank you.