



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

NATIONAL COUNCIL OF PROVINCES
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OPENING REMARKS BY THE ACTING CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES, HONOURABLE A. J. NYAMBI, ON THE OCCASION OF THE MINISTERIAL BRIEFING SESSION ON THE ECONOMIC AND FISCAL IMPACT OF THE JULY 2021 PUBLIC VIOLENCE, LOOTING AND DESTRUCTION OF PROPERTY

DATE: 23 NOVEMBER 2021

VENUE: HYBRID

TIME: 10H00

Programme Director, Deputy Chairperson of the National Council of Provinces,
Honourable Sylvia Lucas;

Minister of Finance, Honourable Enoch Godongwana;

Deputy Minister of Trade, Industry and Competition, Honourable Nomalungelo
Gina,

NCOP House Chairperson, Honourable Winnie Ngwenya;

NCOP Chief Whip, Honourable Seiso Mohai;

Honourable Permanent and Special Delegates;

Honourable Members of Provincial Executive Councils;

Ladies and gentlemen;

I greet you!

Programme Director, thank you for granting me the opportunity to make the opening remarks for the Ministerial Briefing Session on the Economic and Fiscal Impact of the July 2021 Public Violence, Looting and Destruction of Property.

As Members would recall, on the 25th of August 2021 the National Council of Provinces held a “Debate on the Recent Public Violence, Looting and Destruction of Property”. This timely debate focused on peace, stability and rebuilding.

In his contribution to the debate, the Permanent Delegate from Gauteng, Honourable Mohammed Dangor, cautioned us against falling victim to the many unhelpful narratives about the unrests. He advised that:

“Our narrative must be the mobilisation of our people to build that capacity and capability in being able to liberate themselves from those things that hold them back. Our narrative must be the role of our people in nation building and social cohesion, in building a more inclusive economy that distributes wealth on a far more equitable basis”.

He advised further that:

“Future NCOP oversight visits must be more specifically dedicated to those matters that have a direct impact upon unemployment, poverty and inequality”.

Programme Director, it is indeed a correct assumption to make, as Honourable Dangor did in August, that in order to take the country forward we must wage a relentless battle against the triple challenge of poverty, unemployment and inequality. That we must prioritise the livelihoods of the poor, their employment and their capacity to roll back poverty and build back better.

As the National Development Plan clearly points out, “to eliminate poverty and reduce inequality, the economy must grow faster and in ways that benefit all South Africans”. It is true that when we address these main challenges we are putting the critical building blocks towards a truly united, non-racial, non-sexist, democratic and prosperous society.

In this context, oversight becomes an important mechanism in the hands of Parliament that can be used to centre our efforts on the things that matter most for the majority of South Africans.

Today’s Ministerial Briefing requires that we reflect on the measures to mitigate against the economic and fiscal impact of the July public violence, looting and destruction of property which gripped the provinces of KwaZulu-Natal and Gauteng.

Undoubtedly, the impact of the unrests to the economy is immense. The National Treasury told our Select Committee on Finance in August this year that the economic damage from the unrest could shave 0.7 and 0.9 of a percentage point from GDP growth this year.

This, they said, did not account for potential value chain disruptions and resultant second-round price or output effects. They also said that small businesses accounted for 89% of those impacted by the unrest.

In the past week, the South African Property Owners Association released the results of their survey on the impact of the July unrest and looting. According to their study, 53 properties were damaged in KwaZulu-Natal, 38 in Gauteng and 1 in Mpumalanga. These are in the retail and industrial sectors. In total, they say, 2 362 stores were looted or damaged with 3 217 jobs lost due to the looting.

The impact of the unrest on the national fiscus was also clear from the presentation of the Medium Term Budget Policy Statement by the Minister of Finance about two weeks ago. Minister Godongwana said that the support that is being made available in this regard includes an amount of R11 billion to the South African Special Risk Insurance Association in order to enable them to continue settling legitimate claims from businesses damaged during the unrest.

The national Ministers will expand on the impact of these unfortunate incidents. We will also get the perspectives from the Members of Executive Councils (MECs) in the provinces. The information shared will serve as the critical inputs for our oversight plan now and into the future.

Programme Director, as we look at the measures to mitigate against the economic and fiscal impact of the destructive actions which occurred in July, we should also intensify the efforts for the de-escalation of public violence as a means to express anger or disappointment by some citizens. There is a creeping but very wrong notion that government listens better when people destroy property. Nothing is gained by destroying public or commercial infrastructure. Instead, such regressive acts only serve to worsen the conditions we seek to change.

In closing, I would like to salute the many communities across the country who stood up against the saboteurs. As we came to learn, the situation could have been worse were it not for their patriotic efforts. They risked their lives and limbs to protect the future of our country.

I trust that the information that will be shared today will not only sharpen our oversight but also strengthen our efforts at promoting nation building and social cohesion.

Thank you