

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 2687 [NW3454E]

2687. Mr E M Buthelezi (IFP) to ask the Minister of Finance:

How does he intend on inspiring confidence in pension fund contributors and administrators that they should invest in the Government's planned infrastructure development projects, given the brazen display of corruption, negligence and incompetence that the Republic has witnessed during the COVID-19 pandemic as well as previous infrastructure development projects initiated by the Government?

NW3454E

REPLY:

Yes, the best way to inspire confidence in any Government project is to generate economic growth, rid our country of corruption and inefficiency and to ensure that the people of our country can trust public servants who manage the projects in which they invest their funds. Government does not determine where retirement funds invest. It is the Board of Trustees of a retirement fund that determines the investment policy for that retirement fund as part of their fiduciary duty to the fund and its members.

Trustees of retirement funds, like most investors, want to invest in a project, be it in the public or private sector, as long as they have confidence in those managing such projects in a way that generates the returns that such investors expect. The extent to which retirement funds can invest in any asset class is governed by Regulation 28 of the Pension Funds Act (Act 24 of 1956).

The recent Medium-Term Budget Policy Statement outlines steps which Government intends to make to stabilize our debt and generate more confidence, investment and economic growth.