

**State of the Nation Address By His Excellency Jacob G Zuma, President of the Republic of South Africa, at the Joint Sitting Of Parliament, Cape Town 10 February 2011**

Honourable 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 Kgalema Motlanthe;

Former President Thabo Mbeki,

Former Deputy President FW De Klerk,

Former Deputy President Baleka Mbete,

Honourable Chief Justice of the Republic of South Africa, and all esteemed members of the Judiciary;

Distinguished Premiers and Speakers of our Provinces;

Chairperson of SALGA, and all local government leadership;

Chairperson of the National House of Traditional Leaders; The Heads of Chapter 9 Institutions;

The Governor of the Reserve Bank; Gill Marcus

The Heads of our security institutions,

Leadership of all sectors – labour, business, sports, and religious leaders,

Members of the diplomatic corps;

South African and foreign media;

Fellow South Africans,

Dumelang, good evening, goeie naand, molweni, thobela,

Thank you Honourable Speaker of the National Assembly and the Honourable Chairperson of the NCOP, for this opportunity to share with fellow South Africans and international guests our review and programme of action for this year.

I called this Joint Sitting in the evening again so that all, including students and workers, can have an opportunity at first hand to listen to their government speak on issues affecting their lives.

We thank the Presiding Officers for allowing us this opportunity.

Let me also, on behalf of government, welcome the Members of Parliament back to this beautiful mother city of Cape Town.

We would like to thank all South Africans who contributed to this State of the Nation Address through mainstream media, social media such as Facebook and Twitter, as well as direct contact.

The inputs have been very helpful.

Tomorrow will be 21 years since the release of our beloved President Nelson Mandela from prison.

It was a historic and very special moment for our country, which demonstrated the victory of our people over tyranny and apartheid oppression.

The events of that day prepared the ground for the implementation of our vision of a free, non-racial, non-sexist, democratic, united and prosperous South Africa.

“Building a caring society, together”

We have entered the 17th year of freedom, ready to continue the drive to make South Africa a successful and prosperous country, building on the foundation that was laid by President Mandela.

As we mark this milestone, we extend the nation's good wishes to Tata Madiba and his family, and wish him a speedy recovery.

Compatriots,

We need to accept the reality that President Mandela, who is loved by all of us, young and old, men and women, black and white, is not young anymore.

He will, from time to time, visit medical facilities for checkups, which is normal for a person of his age.

We should allow him to do so with dignity, and give the family and the medical team the space to look after him, on our behalf, in privacy.

We owe him that much given his love of this country and its people, and the contribution he has made to South Africa, Africa and the world.

We thank the family, the Nelson Mandela Foundation and the medical team for the sterling work that they are doing, in caring for a global icon, that we are so proud to call our own.

We want to assure the nation that Madiba is receiving very good medical care, and is comfortable.

TOGETHER WE HAVE ACHIEVED MUCH

Compatriots,

We continue to make steady progress as we work towards a more prosperous society. The political foundation is solid.

We have built a vibrant, fully functional Constitutional democracy.

We have well-established institutions that support democracy and protect the rights of our citizens, such as the Office of the Public Protector, the South African Human Rights Commission, the Office of the Auditor General, the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities and the Gender Commission.

Without fail, national general elections are held every five years to enable South Africans to choose a government of their choice, run by our efficient Independent Electoral Commission.

We have a Parliament that is vibrant and holds the executive accountable.

We have an independent judiciary which is a trusted final arbiter in all disputes in our society. We have a media whose freedom is enshrined in the Constitution.

On basic services, we are also making progress. More than 400 000 additional people were served with basic water supply last year. About 81% of the country is electrified as compared to 63% in the year 2000.

The crime statistics show a decrease in most crimes, particularly armed robberies, housebreakings and business robberies as well as contact crimes, for example, the murder rate declined by 8, 6 percent in the past year.

We are making a difference in education, as evidenced by the significant increase in the matric pass rate last year, and the interest displayed by the youth in education around the country.

Honourable Members,

Close to 15 million South Africans obtain social grants from the State. We will phase in the extension of the Child Support Grant to cover eligible children under the age of 18 years.

Since we are building a developmental and not a welfare state, the social grants will be linked to economic activity and community development, to enable short-term beneficiaries to become self-supporting in the long run.

Honourable Members,

"Building a caring society, together"

We are pleased with the performance of our financial sector.

It has proven to be remarkably resilient in the face of the recent financial crisis and the global economic meltdown.

The Budget deficit is set to decline from the current 6.7% to between 3 and 4% by 2013.

Concerns about the exchange rate have been taken to heart.

Exchange control reforms that were announced in the Medium Term Budget Policy statement last year are being implemented. Further information will be provided by the Minister of Finance in the Budget Speech.

The 2010 FIFA Soccer World Cup was undoubtedly the most exciting project in 2010.

On the international front, we are greatly honoured to join the Brazil-Russia-India-China-South Africa forum. It is an important bloc of emerging economies. We look forward to the inaugural meeting of BRICS in April in China.

We have taken up our non-permanent seat in the United Nations Security Council, which we will use to promote the African agenda as well as peace and security in Africa and the world.

We have come a long way. We have achieved a lot, but challenges still remain.

Working together we will achieve much more.

#### BUILDING A MORE PROSPEROUS SOCIETY

Compatriots,

While many South Africans celebrate the delivery of houses, electricity or water, there are yet many others who are still waiting.

The legacy of decades of apartheid underdevelopment and colonial oppression cannot be undone in only 17 years.

But we are forging ahead, determined to achieve our mission of building a better life for all.

And we are doing so with the help of our people. We appreciate the feedback they continue to give us.

Bongokuhle Miya wrote on the Presidency Facebook page that his hometown Umzimkhulu is in an appalling condition, with burst sewerage pipes everywhere, no drainage system and domestic animals that are roaming around town.

He writes: "If the Government, which is doing very well, could just pay much more attention, with a bit of urgency to such areas".

Indeed, we agree service delivery should move faster.

Our interactive government also obtains information from direct contact with our people.

In the past year we have visited many villages, townships and suburbs. Their message is consistent.

They appreciate progress made, request faster delivery and state their commitment to work with government to achieve more.

Given the work that must still be done, we decided in 2009 to focus on five priorities. These are education, health, rural development and agrarian reform, taking forward the fight against crime and creating decent work.

We have done well on these priorities.

However, we are concerned that unemployment and poverty persist despite the economic growth experienced in the past 10 years.

To address these concerns, we have declared 2011 a year of job creation through meaningful economic transformation and inclusive growth.

"Building a caring society, together"

We have introduced a New Growth Path that will guide our work in achieving these goals, working within the premise that the creation of decent work is at the centre of our economic policies.

We urge every sector and every business entity, regardless of size, to focus on job creation. Every contribution counts in this national effort.

I will provide just a broad outline of our programme of action in this address.

Ministers will announce their jobs targets and more specific details per sector, in their forthcoming Budget Vote Speeches.

All government departments will align their programmes with the job creation imperative. The provincial and local government spheres have also been requested to do the same.

The programmes of State Owned Enterprises and development finance institutions should also be more strongly aligned to the job creation agenda.

Honourable Members,

Research has indicated that we can create jobs in six priority areas. These are infrastructure development, agriculture, mining and beneficiation, manufacturing, the green economy and tourism.

We cannot create these jobs alone. We have to work with business, labour and the community constituencies.

Experience shows that we succeed when we work together.

One key example is the work done by the Presidential Framework Response to the International Economic Crisis team, comprising government, business, labour and community sectors.

Amongst the key achievements of the team, South Africa introduced its first ever training layoff scheme to provide alternatives to retrenchments.

Another intervention included financial support for firms in distress, which saved about seven thousand jobs. We thank the team for their sterling work, and look forward to ongoing collaboration.

While looking to the private sector in particular to help us create most of the jobs, government will certainly play its part.

We are pleased to announce the establishment of a jobs fund of 9 billion rand over the next three years to finance new job-creation initiatives.

In addition, the Industrial Development Corporation has set aside R10 billion over the next five years for investment in such economic activities with a high jobs potential.

It is also my pleasure Honourable Members, to announce R20 billion in tax allowances or tax breaks to promote investments, expansions and upgrades in the manufacturing sector.

For a project to qualify, the minimum investment must be R200 million for new projects, and R30 million for expansion and upgrades.

The programme will provide an allowance of up to R900 million in tax deductible allowances rand for new investors and R550 million for upgrades and expansions.

Compatriots,

The small business sector is a critical component of the job creation drive.

We will continue to provide financial and non-financial support to small, medium, and micro enterprises (SMMEs), small scale agriculture as well as cooperatives.

We need to cut administrative costs, avoid duplication and direct more resources to small business.

We are therefore considering merging the three agencies Khula, the SA Micro-Finance Apex Fund and the IDC's small

business funding into a single unit.

The campaign to pay SMMEs on time, within 30 days, is proceeding well.

The Department of Trade and Industry payment hotline received about 20 000 calls in the last financial year, and the value of payments facilitated was R210 million.

Other departments have launched their own initiatives, for example the Re Ya Patala (We Pay) initiative of the Department of Public Works.

We are continuing with legislative reforms to make it easier to register businesses and also to strengthen the Competition Act to open the market to new participants.

Honourable Members,

The mineral wealth of our country is a national asset and a common heritage that belongs to all South Africans, with the State as the custodian.

South Africa has significant mining assets, currently valued at 2.5 trillion US dollars.

By 2009, the mining industry contributed more than thirty percent to the country's total export revenue, and employed 2.9% of the country's economically active population.

Estimates suggest that our mineral resources are expected to be exploitable for over a century to come.

To take advantage of that potential, government has endorsed the African Exploration, Mining and Finance Corporation as the State Owned Mining Company, that will undertake the mining of minerals of strategic significance.

One of government's priorities this year is also to finalise and adopt the beneficiation strategy as the official policy of government, so that we can start reaping the full benefits of our commodities.

Compatriots,

In communications, we have committed to convert our television and radio signals from the analogue platform to the more advanced digital signal which will enable quality pictures and sound.

Jobs will be created in manufacturing, packaging, distribution and installation during this period.

Honourable Speaker and National Chairperson,

We are pleased with the success of our tourism sector, especially given that sixteen tourists create one job in our country.

More than 7, 3 million tourists arrived in South Africa last year, as compared to about 6.3 million in 2009. For further growth, we will strengthen existing markets while exploring the emerging economies.

Our country also continues to be a popular destination for international gatherings.

In July, we will host a high level sports gathering in Durban, the 123rd International Olympic Committee General Assembly Session.

We thank the IOC for the opportunity to host this important congress.

We have already secured ninety five meetings and conferences between 2010 and 2016.

To further boost our tourism potential, we will amongst other measures, look into flexible visa requirements, improved landing slots at foreign airports as well as improved tourism infrastructure.

Linked to tourism, we will continue to develop the cultural industries sector, which contributes about R2 billion to the Gross Domestic Product.

We have also seen the value of events such as the Cape Town International Jazz Festival which, contributed more than R475 million to the economy of Cape Town and created 2 000 jobs in 2010.

We also wish to extend a special mention to the popular Cape Minstrels Carnival, which brightens up this city every year on the 2nd of January, celebrating the freeing of slaves.

Honourable Members,

Our infrastructure development programme enables us to expand access to basic services and to improve the quality of life.

This includes projects for the provision of water, electricity and housing.

Energy security is critical for economic development and job creation. To ensure the security of electricity supply for the country, Eskom has invested more than R75 billion, mainly on the new stations Medupi, Kusile and Ingula, as well as the return to service and transmission of other projects.

We must all save energy so that we do not have to resort to load shedding again as a saving measure.

This year we will start procuring power from Renewable Energy Power Producers, which will demonstrate our commitment to renewable energy.

Honourable Members,

The construction industry is a known driver for work opportunities. There are 1.2 million households living in the country's 2 700 informal settlements.

By the year 2014, 400 000 of the said households should have security of tenure and access to basic services.

We will also improve the delivery of rental accommodation as some people coming to urban areas do not intend to settle permanently.

This should be welcome news to citizens such as Portia Busisiwe Mrwetyana who wrote on our Facebook page about inequalities in Bekkersdal, where an informal settlement which has no services, lies alongside a suburb across the road with all amenities.

She asks: "What I wanna know is why treat us differently, but we give you the same vote, WHY?"

Government will spend R2,6 billion on water services this year. Among the priority areas are the provinces of Limpopo, KwaZulu-Natal and the Eastern Cape where there are still high numbers of people without safe drinking water, while not neglecting other areas.

We noted the requests from many contributors to this address, for government to fix potholes.

Our Expanded Public Works Programme aims to create 4, 5 million work opportunities, and more than a million opportunities have been created already since the beginning of Phase 2. Part of the programme focuses on repairing our roads networks.

Abantu abaningi bakithi bathola ukusizakala kakhulu ngaloluhele lwamatoho emisebenzi kahulumeni.

Kutholakala amatoho okulungisa imigwaqo, ezemidlalo, ukufundisa abadala ukufunda nokubhala, ukugcina imigqwaqo ihlanzekile.

Uhlelo lokulungisa imigwaqo, olubizwa nge-Zibambele, seluzosathaliswa izwe lonke kulonyaka luvule amathuba emisebenzi.

We will develop infrastructure that will boost our agricultural sector, while also helping to create jobs.

Water reservoirs, windmills and irrigation schemes will be rehabilitated. Crops, livestock as well as grazing will be protected with the installation of fences.

These projects will enhance food security and create work opportunities for many, especially women in rural areas.

To enhance our innovation in science and technology and create jobs, we are bidding to host the Square Kilometre Array radio telescope.

"Building a caring society, together"

The bid has already provided 800 construction job opportunities in the Northern Cape and will create a further 100 jobs this year.

Our job creation drive should also enhance youth development.

The National Youth Development agency is in discussion with state organs and the private sector to mainstream youth development in public sector programmes and to promote youth enterprises and cooperatives.

Compatriots,

We believe that the interventions we have mentioned briefly will take us forward in placing job creation high on the agenda of all decision makers in the country.

Seven Ministers met with our social partners on Tuesday to discuss this partnership and we remain optimistic that we are poised for success.

Honourable Speaker and Honourable Chairperson,

Parallel to the job creation incentives, we will also undertake policy reforms related to improving the lives of our workers.

Government, with its social partners, is reviewing legislation on labour brokers and the policy framework for the provision of public employment services.

This will enable government to maintain a database of job seekers and job opportunities.

The Government Position Paper on Social Security Reform is expected to be released this year for discussion.

Issues to be dealt with include the funding and nature of the National Social Security Fund, how the private sector occupational and retirement funds will fit into the entire system, and the possible regulatory structure.

Government must fill all funded vacant posts. The performance monitoring and evaluation department will provide a report within six months.

Honourable Speaker and Honourable Chairperson,

Indeed, we have come a long way since 1994. We have achieved a lot, but much more still needs to be done, and working together as South Africans, we will achieve much more!

Please allow me to now tackle the other four priorities as well as other programmes.

The focus in basic education this year is Triple T: Teachers, Textbooks and Time. We reiterate our call that teachers must be at school, in class, on time, teaching for at least seven hours a day.

The administration must ensure that every child has a textbook on time, and that we assist our teachers to create the right working environment for quality teaching to take place.

To track progress, this year, we began the annual national assessments in literacy and numeracy that are internationally benchmarked, for grades 3, 6 and 9.

We will continue investing in teacher training, especially in mathematics and science.

We will pay special attention to the training of principals, particularly those in underperforming schools.

The focus of higher education will be to expand access especially for children of the poor.

This includes the conversion of loans into bursaries for qualifying final year students.

Students in Further Education and Training Colleges who qualify for financial aid will be exempted from paying fees.

We urge state owned enterprises to play a key role in skills development and help us provide the technical skills needed by the economy.

“Building a caring society, together”

Denel, Eskom, SAA and Transnet have supported the training of more than 6 000 learners in technical and engineering-related scarce and critical skills.

Fellow South Africans,

We are continuing to improve the capacity and effectiveness of the police in particular the detective services, forensic analysts and crime intelligence.

We have increased visible policing and patrols in identified hotspots. We are making visible progress in reducing the proliferation of illegal and legal firearms.

Our courts continue to function better, and the backlog reduction programmes at district and regional levels are proceeding well.

We will continue to prioritise crimes against women and children, and to provide support through the Thuthuzela Care Centres.

We will work with communities and other key stakeholders to deal with drug peddling and drug abuse which are tearing some communities apart.

My visit to a drug rehabilitation centre in Mitchells Plain on Tuesday convinced me that we need more energy in the fight against drug abuse and drug peddling in our communities.

I have directed our police force to deal decisively with people who sell drugs to children in Cape Town and other areas. We will also not tolerate tavern owners who sell alcohol to children.

The fight against corruption also continues.

A Special Anti-Corruption Unit has been established in the Department of Public Service and Administration to handle corruption-related disciplinary cases involving public servants.

Progress is being made in many ongoing investigations.

About R44 million has been recovered from public servants who are illegally benefiting from housing subsidies, while the cleaning of the social grants system of fraud is also continuing.

We have directed the Special Investigating Unit to probe alleged maladministration or corruption in various government departments, municipalities and institutions.

While not pre-judging the investigations, they prove our resolve to combat corruption at all levels of Government and the public service.

The Multi-Agency Working Group on procurement led by National Treasury, SARS and the Financial Intelligence Centre is reviewing the entire state procurement system to ensure better value for money from state spending.

In the health sector, this year we will emphasise the appointment of appropriate and qualified personnel to the right positions.

We need qualified heads of department, chief financial officers, hospital chief executive officers, district health officers and clinic managers.

We plan to revitalise 105 nursing colleges countrywide, to train more nurses.

We are also planning to open a medical faculty at the Limpopo Academic Hospital to train more doctors.

The renovations and refurbishments of hospitals and clinics will continue.

Given our emphasis on women's health, we will broaden the scope of reproductive health rights and provide services related to amongst others, contraception, sexually transmitted infections, teenage pregnancy and sanitary towels for the indigent.

"Building a caring society, together"

On the fight against HIV and AIDS, we have revitalised our programmes and promote various prevention measures including medical male circumcision, prevention of mother to child transmission and the promotion of HIV testing.

The testing has been popularly taken up around the country. Just over 5 million HIV tests have been done since the launch of the testing campaign in April last year.

Over the past year, work has continued to develop the National Health Insurance policy and implementation plan. Government will soon be releasing the policy document for public engagement.

Honourable Speaker and Honourable Chairperson of the NCOP,

We will continue with the Comprehensive Rural Development Programme directed at reviving land reform projects and irrigation schemes in the former homelands as well as distressed farms owned by individuals.

Government has developed the National Rural Youth Service Corps programme to assist youth in rural areas. To date, more than 7 000 young people have been employed in the programme.

Somlomo nosihlalo abahloniphekileyo,

Uhulumeni useshaye umthetho ovuselela ibhange lasePosini, phecelezi iPostBank, elizosiza abasemakhaya ukonga imali, kanye nokuboleka imali yokwakha amabhizinisi amancane.

Siyabakhuthaza ukuthi balisebenzise kutholakale intuthuko.

Building a responsive, accountable, effective and efficient local government system

Honourable Members,

The country will hold the fourth local government elections before the end of May.

There have been lots of complaints over the past few months about local government.

The frustrations in some areas resulted in protests which indicated the problems that existed in this sphere.

We have to make people's experience of local government a pleasant one, as it touches their homes and their lives directly, every day.

Some municipalities are functioning very well, and some councillors are also performing their duties as well as they should.

We have instituted a turnaround strategy for local government, focusing on, amongst others, the strengthening of basic administrative systems, financial management and customer care.

The preparations for local government elections are on course.

The registration that took place last weekend went well, and we congratulate those who have registered. We urge those without identity documents to apply without delay, so as not to miss the next registration period next month.

Following the launch of the National Population Registration Campaign in Libode, in the Eastern Cape last year, more than 700 000 first time identity documents were issued, indicating great enthusiasm by our people to have this crucial document.

As we prepare for elections, we also note that our country has been struck by devastating floods in recent weeks, and many families have been affected.

We extend heartfelt condolences to the families of those who lost their lives. Our hearts also go out to those who were injured and who lost all their belongings.

Fellow South Africans,

Let me use this opportunity to announce that Government has set aside R800 million for immediate relief to assist communities.

We will also be earmarking funding to deal with post disaster recovery and reconstruction in the years ahead.

"Building a caring society, together"

We thank relief agencies, non-governmental organisations, private sector, religious organisations and communities for assisting those in need.

Building a better Africa and a better world

The African agenda remains our key policy focus.

South Africa is serving a two year term on the African Union Peace and Security Council.

The country will chair the SADC Organ on Politics, Defence and Security from August.

In this role, we will continue to engage the parties in the implementation of the Global Political Agreement in Zimbabwe and the development of a roadman to elections.

We will also promote the resolution of the Malagasy conflict. We will monitor and assist where possible to ensure that the political and security situation in the DRC is conducive to elections.

We are also honoured to participate in finding solutions to the situation in Cote d'Ivoire, as a member of the African Union High Level Panel chosen to help resolve the challenges in that country.

We applaud the work of the South African National Defence Force, which has on average deployed over 2 000 military personnel in peacekeeping operations in the Democratic Republic of the Congo, the Sudan and the Central African Republic.

We will continue to participate in the revitalisation of the New Partnership for Africa's Development with specific focus on the implementation of its infrastructure programme, of which we champion the North-South infrastructure development corridor.

South Africa has taken note of the unfolding developments in Egypt as well as the earlier events in Tunisia.

We continue to monitor the situation closely, including its implications for the Middle East and North Africa.

We firmly believe that the course and the content of the transition as well as the destiny that these sister countries choose, should be authored by them.

In this regard, South Africa lends its support to efforts aimed at introducing and implementing political reforms that will ensure a smooth and peaceful transition in Tunisia and Egypt.

We trust that nothing will derail the realization of the aspirations of the Palestinian people for a secure independent state, existing side by side and in peace with the Israeli state.

South Africa reiterates its call to the international community to encourage the parties to continue the search for a durable solution in the Middle East.

We extend our heartiest congratulations to the people of the Sudan for a successful referendum, and welcome the new state of Southern Sudan.

This is a key African success story. We congratulate the African Union and the United Nations for the skilful handling of this project.

On the broader international front, we look forward to hosting the fifth India-Brazil-South Africa Summit, this year.

At the G20 Forum, we will continue to argue for a more equitable world economic order.

Building a national democratic and cohesive society

Compatriots,

The experience of the 2010 FIFA Soccer World Cup taught us the need to appreciate all that is good about our country.

The South African flag became the most important item for every household.

"Building a caring society, together"

Government will build on this by ensuring the placing of flags in schools and public institutions to promote our national symbols and identity.

We urge all our people to learn the national anthem and sing it properly, with pride.

We will launch a programme celebrating National Icons and promote a National Heritage Route, to honour individuals who have made an enormous contribution to the liberation of our country.

Honourable Members,

We have seen the power of sport as a unifying and nation building tool in our country.

All of us must support the Proteas who will soon be playing in the 2011 ICC World Cup, and the Springboks who will travel to New Zealand to defend our 2007 Rugby World Cup Title.

We also wish the national netball team well when they compete in the Netball World Cup in July. We will be fully behind them.

Let me take this opportunity to salute one of our finest cricketers, Makhaya Ntini who is our special guest this evening. He has made an enormous contribution to local and international cricket.

South Africa will have its third post-apartheid census in October this year. We thank Mr Makhaya Ntini for agreeing to become an ambassador of this important campaign.

Honourable Speaker and Honourable Chairperson,

We remain committed to building a performance-orientated State.

Our performance monitoring and evaluation department will coordinate and monitor the work of government departments closely, as they mainstream job creation.

We welcome the undertaking by Parliament to also monitor the adherence to the call to prioritise job creation by government.

Compatriots,

Our goal is clear. We want to have a country where millions more South Africans have decent employment opportunities, which has a modern infrastructure and a vibrant economy and where the quality of life is high.

We all have a responsibility to work hard to make this a reality.

Everyone must think of how they can contribute to the jobs campaign through creating opportunities for themselves and others.

In doing so, we should draw inspiration from our beloved President Mandela in his inauguration address in 1994, reminding us of the need to work together.

He said:

"We understand it still, that there is no easy road to freedom.

We know it well, that none of us acting alone can achieve success.

We must therefore act together as a united people, for national reconciliation, for nation building, for the birth of a new world.

Let there be justice for all.

Let there be peace for all.

Let there be work, bread, water and salt for all.

Let each know that for each the body, the mind and the soul have been freed to fulfill themselves".

"Building a caring society, together"

I thank you.

"Building a caring society, together"