

PRESS STATEMENT

FOR IMMEDIATE RELEASE

28 February 2018

Agbiz response to Parliament's resolution on land expropriation without compensation

“Agbiz has noted with deep concern the principle resolution on expropriation of land without compensation that was agreed to in Parliament yesterday,” Dr John Purchase, CEO of Agbiz, said today. “While the principle decision has been taken within the context of *‘ensuring food security, economic growth and radical economic transformation’*, it effectively erodes property rights that are the very foundation to the values and principles related to individual liberty and economic freedom. These are the drivers of a country’s prosperity and are internationally accepted as fundamental rights. The resolution essentially goes against the ethos and spirit of the current South African Constitution which is grounded on the founding principles of freedom, equality and human dignity.”

The open and competitive South African agro-food system, and by implication the excellent national food security we as a country experience, is fundamentally based on secure property rights to leverage financing for investment and production. Erosion of these property rights creates uncertainty, which will inevitably divert potential investment away from the agro-food sector and also the country. South Africa will in effect become a nett importer of food opposed to our current status as a nett exporter of food, and food prices will essentially be based on import parity, and not export parity as is currently the case. This will result in food

prices escalating considerably and the affordability of food, a key component of food security, will be compromised.

As indicated in the 2017 International Property Rights Index, a strong property rights system is conducive to fostering economic growth, human capabilities, research and innovation, environmental performance, and the creation of social capital. Property rights are a key ingredient for the prosperity of society. It has therefore been the failure to extend property rights to the majority of our citizens which has amplified inequality in South Africa, and not the institution of property rights. Secure property rights can act as a catalyst for the economic emancipation of the poor and marginalised in society.

“While the principle concerns are clear and fundamental, we still need to ascertain the exact nature of the envisaged amendments to especially Section 25 of the Constitution (the property clause), as well as other clauses thereof. Exactly what the potential implications and impacts will be is thus largely uncertain at this stage. As these envisaged amendments become clear, Agbiz will make substantive submissions to the Constitutional Review Committee,” Dr Purchase said.

ENQUIRIES:

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