

South Africa's National Treasury releases an economic policy paper

This week the National Treasury published a paper titled: "*Economic transformation, inclusive growth, and competitiveness: Towards an Economic Strategy for South Africa*". The paper pulled from a number of existing government documents¹ which still talk to the current economic challenges of the day. The paper proposes to change South Africa's trajectory to one of falling unemployment and accelerating economic growth. The themes include:

- Modernising the network industries to promote competitiveness and inclusive growth;
- Lowering barriers to entry and addressing distorted patterns of ownership through increased competition and small business growth;
- Prioritizing labour-intensive growth: agriculture and services;
- Implementing focused and flexible industrial and trade policy to promote competitiveness and facilitate long-term growth;
- Promoting export competitiveness and harnessing regional growth opportunities; and
- Quantifying the impact of proposed growth reforms.

In an agricultural section, the paper rightly highlights that "*several features of agriculture make it important in the pursuit of inclusive, labour-intensive economic growth: rural linkages, ability to absorb less-skilled labour, large multipliers due to extensive links with the rest of the economy, globally competitive labour productivity, and importance for export-led growth.*" To see a notable improvement in agriculture, the paper centres the possible interventions in agricultural developments on the following points:

- Providing adequate and affordable agricultural insurance;
- Improving extension services for smallholder and emerging farmers;
- Enhancing trade promotion and market access;
- Enhancing access to water for irrigated agriculture;
- Investing to establish innovative market linkages for smallholders; and
- Create an enabling environment for investment in agriculture.

The National Treasury has called for comments on the paper before 15 September 2019. And thus, **Agbiz will formulate comments and contributions to this economic growth paper, which will be circulated to members prior submission to the National Treasury.**

Our initial impression is that the paper covered areas that we deem essential for improving agricultural economic fortunes and job creation. We welcome the paper and view it a right step towards lifting South Africa's economic fortunes. Most importantly, the paper emphasizes innovative joint ventures that can boost agricultural production and promote agrarian transformation, which is an approach that Agbiz prefers. The paper is available [here](#).

¹ The paper drew some insights from the National Development Plant, IPAP, and other various policies.