Budget Vote Speech of the Department of International Relations and Cooperation
Delivered by Minister Nkoana-Mashabane: 25 May 2017, Cape Town

Honourable Chairperson,

Honourable Deputy Ministers,

Honourable Members,

Your Excellencies, Ambassadors, High Commissioners and Representatives of International Organisations,

Colleagues,

Distinguished Guests,

Ladies and Gentlemen,

It is an honour to present this year’s Budget Vote Speech of the Department of International Relations and Cooperation in the year of O R Tambo. The year 2017 has been declared by our government as the year of O R Tambo, one of the most outstanding leaders of the liberation struggle who mobilised international solidarity against apartheid and contributed to shaping the vision of a post-apartheid democratic South Africa.

During the 2017 State of the Nation Address, H.E. President Jacob Zuma reflected on Oliver Tambo’s role in setting our foreign policy outlook. The President recounted OR’s words at the first congress of MPLA in Luanda in 1977 when he said:-

“We seek to live in peace with our neighbours and the peoples of the world in conditions of equality, mutual respect and equal advantage”

In this regard, O.R. as he was affectionately known, mobilised the largest truly global solidarity movement rooted on the African continent and extending to the global South and the North. His legacy continues to guide the values of South Africa’s foreign policy, namely, Patriotism, Loyalty, Dedication, Ubuntu, Equity, Integrity, Batho Pele. As we celebrate the centenary of O R Tambo we draw inspiration from his exemplary leadership and vision which accorded him the accolade of an international statesman and an astute, consummate diplomat.

Paying tribute to this giant of our struggle during a lecture in Glasgow, Scotland on 26 October 2006, my predecessor, then Foreign Minister Dr. Nkosazana Dlamini Zuma, made this profound observation:

“...Oliver Tambo, like Moses, had been to the mountain-top and had seen the Promised Land, yet never lived to see the freedom of his people. Nonetheless, we shall continue to draw inspiration from his teachings, his commitment and his dedication in the service of the people of our country in building that promised land for which he dedicated his entire life”. 
We have taken a conscious decision to deliver this Budget Vote Speech on Africa Day to re-affirm our commitment to contribute to a peaceful and prosperous Africa. This year’s celebrations coincide with Ghana’s Golden Jubilee, that is, 60 years of Ghana’s independence. As the pioneer post-colonial state in Africa, Ghana paved the way for the decolonisation project on the continent. We remain eternally grateful to Ghana’s first president, Kwame Nkrumah who inspired Africans with his ideals of Pan-Africanism and championed the unity of Africa. On the eve of Ghana’s independence Nkrumah declared:

“The independence of Ghana is meaningless unless it is linked up to the total liberation of Africa.”

Today all of Africa is free except the people of the Western Sahara whose right to self-determination is being denied. In this regard, we would like to renew our solidarity with the people of the Western Sahara and call for the implementation of UN resolutions that would give effect to the right to self-determination of the Saharawi People as contained in the Charter of the United Nations (UN).

This year we also commemorate 50 years of the illegal occupation of Palestinian territories. We wish to re-affirm our solidarity and support for the Palestinian struggle and urge the international community to expedite the resolution of this long standing conflict.

Honourable Members

Our foreign policy is guided by the government’s apex strategy, the National Development Plan (NDP), which sets out a long term vision that seeks to address the triple challenge of unemployment, poverty and inequality, and put South Africa on a path towards long term development and prosperity. In this regard, Chapter 7 of the NDP envisions an active role for South Africa in the region, the continent and the world. We therefore seek to build strategic partnerships for development to advance our national interests and promote the enduring values that define our nation namely, democracy, human rights and good governance.

This enjoins us to continue pursuing regional political and economic integration and promote Africa’s development through sustained South-South solidarity and mutually beneficial relations with the North. We are conscious that this can be fully achieved within a reformed, just, fair and equitable global system of governance.

Honourable Members

Our international programme is executed in a volatile, uncertain, complex and an ambiguous global environment. This environment is characterised by the rise of nationalism and populism, fueled by growing inequality and unemployment.

We believe that a people centered development agenda based on the recently adopted sustainable development goals (SDGs) should be the basis for addressing the myriad of challenges that confront nations across the globe, instead of a retreat to short term populist solutions. The onset of a multi polar world we live in today increases the prospects for an equitable diffusion of global power and for mutually beneficial relations amongst nations.
The ever changing environment requires us to constantly recalibrate the contours of our foreign policy in order to ensure the continued effective execution of our mandate. In this vein we have consistently adapted our economic diplomacy strategies which continue to yield tangible dividends that benefit all South Africans.

Honourable Members

In spite of the current subdued global economic environment, South Africa has managed to increase the volume of out-bound trade and inward investment, tourism, skills and technology transfers. For example, in 1994 trade between South Africa and the rest of our Continent was R 11, 4 billion. As of December 2016, South Africa’s total trade with Africa stood at R 436 billion, compared to 2015. In 2016 South Africa grew its exports to our continent by 4.67%; while total bilateral trade grew by 3.84%.

Our immediate region, Southern Africa, accounted for more than R336 billion or 77.17% of our total African trade, as the region remains the primary destination for South African exports.

Our exports to African countries accounted for more than R 316 billion, while imports accounted for around R120 billion; resulting in South Africa having a favourable trade surplus with the continent, of over R 196 billion. This favourable trading environment with our continent is largely due to the exporting of value-added finished goods and services. Mindful of this trade imbalance, we will utilize the DTI’s Trade Invest Africa strategy to contribute towards enhancing industrial and manufacturing capacities on the Continent.

Ladies and Gentlemen

Our relations with the Americas and Europe continue to grow and trade with these regions increased from R76.3 billion in 1994 to R857.9 billion in 2016. The European Union (EU) remains a strategic region for South Africa and a prominent dialogue partner from the global North.

Apart from being the largest contributor of development assistance to South Africa since 1994, the region also continues to be South Africa’s largest regional source of foreign direct investment. We will continue to strengthen our trade and investment relations with the EU as a bloc and the United Kingdom bilaterally moving forward.

The SA-EU Multi-Annual Indicative Programme (MIP) for South Africa is €241 million (R4.3 billion) for the cycle 2014-2020. The EU also contributes €100 million (R1.8 billion) to infrastructure development for domestic as well as regional programmes. Bilateral trade between South Africa and Europe amounted to approximately R 860 billion in 2016.

Ladies and Gentlemen

We will continue to engage the new administration in the United States with a view to enhancing bilateral and multilateral cooperation. President Zuma, during the 2017 State of the Nation Address, reiterated our commitment on the renewal and full implementation of AGOA. This agreement provides us with preferable market
access for certain exports to the U.S. The expansion of business and technological networks continue to mutually benefit the two countries.

Bilateral trade between South Africa and the U.S grew from R15.9 billion in 1994 to more than R73 billion in 2016. The U.S remains the largest single source of Foreign Direct Investment (FDI) in South Africa with over US$50 billion. Development Assistance from the U.S amounts to approximately US$450 million, the bulk of which is directed at health cooperation.

It bears acknowledging that these impressive trade and investment figures were in no small measure made possible by our global diplomatic footprint.

Honourable Members

During the 2016 Budget Vote Speech, we indicated to this august house that our development is inextricably linked with that of our region and our continent and as such, we place a strong emphasis on industrialisation efforts in the region. Accordingly, the process of boosting the productive capacity of the region’s economies is underway with a focus on developing and boosting its manufacturing capacity.

As an incoming SADC Chair of Summit for the 2017-2018 period under the proposed theme “Partnering with the private sector in developing industry and regional value-chains”, we will focus on harnessing the participation and involvement of the regional private sector in the implementation of the SADC Regional Industrialisation Strategy and Roadmap.

Efforts are also underway to accelerate the implementation of the SADC-COMESA-EAC Free Trade Area, which will enhance intra Africa trade and build towards the achievement of the Continental Free Trade Agreement.

Honourable Members,

Peace and stability on the Continent is a pre-requisite for development and prosperity. Notwithstanding the political stability experienced in the greater part of the Continent, pockets of instability and insecurity remain a challenge in the following countries: South Sudan, Burundi, the DRC, Mali, Libya, Somalia, the CAR, Lesotho, the Great Lakes, the Sahel and the Lake Chad Basin.

In the past year, various Post Conflict Reconstruction and Development (PCRD) initiatives were undertaken and humanitarian aid delivered (i.e. Namibia, Malawi, Swaziland, Guinea-Conakry, Mali, Somalia, South Sudan, and Burundi) in support of the consolidation of peace, political stability and constitutionally-based institutions, as well as building human capacities within partner Governments and Parliaments.

We also continue with our mandate as SADC facilitator aimed at assisting the Basotho parties resolve their political challenges. In this regard, we take this opportunity to wish the Kingdom of Lesotho free, fair and democratic elections on the 3rd of June 2017.

Honourable Members
The peace and security efforts I have highlighted will contribute significantly in creating conducive conditions for the development of our continent and the welfare of her people, in line with the vision of an African continent that is free of war and conflicts, and at peace with itself, as encapsulated in Agenda 2063.

We are delighted to welcome back Dr Nkosazana Dlamini Zuma after the successful conclusion of her tour of duty as the Chairperson of the African Union Commission. We are proud of the significant achievements recorded during her tenure which include the conceptualisation of a long term socio-economic vision in the form of Agenda 2063, the improvement of the working methods of the AU and giving prominence to women empowerment issues on the AU’s agenda.

Agenda 2063 sets out a roadmap towards an Africa where women are empowered to play their rightful role in all spheres of life, and with full equality. This is in line with the AU heads of state decision to establish the Pan African Women’s Organization (PAWO) as a legal entity and a specialized agency of the AU.

I am reminded of the words of an ardent women’s liberation advocate, Charles Fourier, when he said:

"The change in a historical epoch can always be determined by the progress of women towards freedom, because in the relations of a women to man, of the weak and the strong, the victory of human nature over brutality is most evident. The degree of emancipation of women is the natural measure of general emancipation"

We undertake to strengthen its support for the work of PAWO as a specialized agency of the AU.

Honourable Members,

The year 2017 has been declared by the AU Heads of State and Assembly as the year of "Harnessing the Demographic Dividend through Investment in the Youth". This provides an opportunity for the continent to leverage the youth bulge to propel its socio-economic development. There is a need for an integrated approach to improve youth development across the continent and to ensure their full participation in economic activities. In this regard, it is incumbent upon us to invest in young citizens to address the high levels of unemployment and poverty.

For our part, we have been hard at work in sourcing educational opportunities for South African students abroad. I am happy to report that amongst many others we have secured, in 2016, two hundred fully funded scholarships for South African students in the Americas and Europe Regions. Under the aegis of the Tokyo International Conference on African Development (TICAD), Africa Business Education (ABE) initiative, 80 South African students are currently studying for Masters Degrees in highly technical fields in Japan, which will be followed by internships at Japanese companies.

Honourable Members
Our BRICS Membership has consolidated our position globally and within emerging markets. This partnership is yielding fruitful benefits in which our people are already benefiting from The New Development Bank (NDB) – which recently announced allocation of funds for renewable energy.

South Africa will take over the Chairship of the BRICS as from 1 January to 31 December 2018 and we will host the 10th BRICS Summit. During our tenure we will focus on deepening BRICS cooperation for common development, enhancement of global governance to jointly meet our shared challenges, carrying out people-to-people exchanges to support BRICS cooperation, and institutional improvements, among others.

Our participation in the FOCAC is realizing tangible results, as noted through the outcomes of last year’s Second Investing in Africa Forum held in China. The MOU on exploration on various infrastructure development initiatives which includes the Moloto Rail Development Corridor will have a direct impact to the lives of our people.

Moreover we will assume the IORA chairship in August 2017. IORA is a strategic formations that create a platform for countries in the Indian Ocean Rim to deepen cooperation in areas such as ocean economy for shared prosperity.

Our commitment to the pursuit of the African agenda enjoins us to place it high in the G20 agenda. Through our co-chairship of the Development Working Group of the G20 we will continue to promote the principle of inclusivity for the benefit of our continent and the global South. Thus our efforts are geared at ensuring that the trajectory of the support from the G20 is aligned to Africa’s development agenda.

The UN with its near universal membership and vast agenda remains the most important multilateral institution and the centre of global governance. Our key priority is advancement of the reform agenda in order to strengthen the UN.

In its current status the UN has failed to curb unilateral actions by powerful nations who undermine its founding principles. These practices risk the reversal of gains made by the collective including the implementation of the Paris Climate Change Pact.

Honourable members,

I mentioned earlier the dynamism of international relations, which enjoins us to revise and align our strategies and tactics at all times. The purview of our work requires a wide array of expertise and institutional knowledge. Consequently, I am grateful to SACOIR for their continued guidance and counsel on our international relations programmes.

We implement our mandate cognisant of the fiscal consolidation context within which our government operates. As such, we have implemented significant cost-cutting measures both at our Head Office and diplomatic missions, while maintaining optimum operations. The demands of the world we operate in coupled with the currency fluctuations are placing an enormous strain on our significantly reduced budget. We remain hopeful that appropriate adjustments will be made to
our budget to enable us to fully carry out our mandate in the forthcoming Medium Term Expenditure Framework (MTEF).

Honourable Members

I would like to take this opportunity to express my gratitude to the Honorable Chair and the Honourable Members of the Portfolio Committee on International Relations and Cooperation for their continued support and cooperation.

Additionally, I would like to thank the Deputy Ministers of International Relations and Cooperation for their tireless efforts in ensuring the discharge of our mandate both at home and abroad.

Finally, I would also like to express my sincerest gratitude to the Director General, senior managers and staff of the Department for their continued hard work in executing our mandate.

We reaffirm that we shall spare no effort in contributing to a better life for all South Africans, a better Africa, in a better world.

I thank you!!!

ISSUED BY THE DEPARTMENT OF INTERNATIONAL RELATIONS AND COOPERATION

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