



## **Economic Policy Digest 1** **September 2018**

### **Economic Stimulus and Recovery Plan**

Last week President Cyril Ramaphosa announced the details of an economic stimulus and recovery plan, first mooted in his State of the Nation address in February this year. The aim of the stimulus package – which involves reprioritising R50 billion of government expenditure in the current budget from non-performing sectors – is to get South Africa's economy out of recession and to start reversing the ever-increasing unemployment rate. The four key areas that are intended to get a boost from the stimulus package are: agriculture, tourism, infrastructure development, and telecommunications.

While the immediate implementation of the recovery measures – including changes to visa regulations and the appointment of a 10 person advisory panel on land reform – were welcomed by many, some commentators and rating agencies were less convinced that the package would get South Africa's economy going soon. Nevertheless, despite the mixed bag of reactions, the announcement of the plan is surely a step in the right direction.

The following links provide details about the stimulus package, and a range of reactions to the announcement.

- <https://mg.co.za/article/2018-09-21-read-in-full-president-ramaphosas-announcement-of-the-economic-stimulus-package>
- <http://www.banking.org.za/news-media/association-news/sa-economic-recovery-stimulus-package>
- <https://www.fin24.com/Economy/South-Africa/the-4-sectors-getting-a-boost-from-ramaphosas-stimulus-package-20180922>
- <https://mg.co.za/article/2018-09-21-infrastructure-at-the-heart-of-ramaphosas-plan-to-boost-the-economy>
- <https://www.fin24.com/Opinion/daniel-silke-the-politics-behind-ramaphosas-stimulus-20180925>
- <https://mg.co.za/article/2018-09-22-gordhan-stimulus-plan-all-about-implementation>
- <https://www.fin24.com/Economy/ramaphosa-stimulus-package-it-has-been-heard-before-chamber-20180923>
- <https://www.businesslive.co.za/bd/economy/2018-09-21-mixed-bag-of-reactions-to-cyril-ramaphosas-stimulus-plan/>
- <https://www.moneyweb.co.za/news/south-africa/why-markets-snubbed-ramaphosas-stimulus-plan/>
- <https://city-press.news24.com/Business/heres-what-you-need-to-know-about-gigabas-economy-boosting-visas-20180925>
- [http://www.engineeringnews.co.za/article/ramaphosas-new-10-person-land-reform-advisory-panel-2018-09-21/rep\\_id:4136](http://www.engineeringnews.co.za/article/ramaphosas-new-10-person-land-reform-advisory-panel-2018-09-21/rep_id:4136)
- <https://www.fin24.com/Economy/success-of-ramaphosas-agriculture-stimulus-plan-depends-on-land-reform-outcome-economist-20180921>

---

**Kenny Pasensie**  
**Project Co-ordinator**