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Commenting on the announcement by President Cyril Ramaphosa of the new Government of National Unity (GNU) Cabinet tonight, NWU Business School economist Prof Raymond Parsons says:

‘The much-anticipated announcement by President Cyril Ramaphosa of the new GNU Cabinet is, as a whole, good for business and investor confidence. The markets are likely to respond positively as they digest the new mix of Cabinet appointments. Political certainty is essential to underpin the investment and job-rich growth that SA needs. Although there is a tough road ahead, the challenge is to now consolidate a sufficiently powerful guiding and stable GNU that capitalises on the positive momentum that has been generated by the outcome of the 2024 elections.

The GNU must therefore expedite the implementation of necessary economic reforms, as the overall election message was a clear instruction to deliver. The first step for the GNU in delivering change would be to establish a sense of urgency. In the past, procrastination was one of the major enemies of delivery. Delivery at various levels of government needs to be pursued by the new Cabinet urgently, consistently and strategically. In this regard the GNU Cabinet does already reflect a reorganisation of certain portfolios within an enlarged Cabinet.

SA must now seize the opportunity to do things differently and better. To achieve this, the GNU needs to also strengthen and expand its collaboration with the private sector to harness it to expedite delivery. The business community will particularly want to interact with the new incumbents of the interlocking economic ‘cluster’ in the Cabinet, as their decisions will be influential in shaping SA’s future economic policy environment.

A GNU 'team effort' will require a high level of sustained, disciplined political leadership. A major step for the GNU Cabinet would therefore be to outline an agreed economic agenda soon that ensures greater certainty in its policies and actions. The more reform gains momentum under the GNU, the more policy uncertainty will recede, and confidence in SA's economic prospects will expand.'

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