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Minister Pravin Gorchdan on his appointment as Finance Minister...

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I return to a portfolio that was assigned to me for five years between 2009 and 2014. I have been associated with the Finance Family for almost two decades. I am relatively familiar with the terrain and its challenges.

The facts about the developments that took place last week and the response of the financial markets are well-known. Our currency fell, the stock market dropped by 2.94 per cent and bond yields shot up by over 150 basis points.

Our government is acutely aware of the financial impact this had on those who are invested in this economy. As President Zuma indicated when a decision triggers developments such as these, a democratic government has a duty to listen and respond appropriately. I am therefore, privileged to address you today.

Our humble appeal to the nation is to work with us as we continue to build a resilient economy and a better life for all South Africans in the context of a challenging global, emerging markets and domestic economic environment. We understand that it is our duty to continuously earn the trust and confidence of the South African public, and we commit ourselves to doing just that.

Our focus in the coming months will be to do the following diligently:

1. We will stay the course of sound fiscal management. Our expenditure ceiling is sacrosanct. We can have extra expenditure only if we raise extra revenue. We will unreservedly continue our fiscal consolidation process and we will stabilise our debt in the medium term. If needs be, we will accelerate this by either cutting spending or making selective changes to tax policy. Similarly, any revenue raising opportunity will be considered very carefully to ensure that it does not damage growth or affect the poor negatively.

2. I want to be very clear: we will not cut pro-poor programmes, growth inducing programmes and investment. Instead we will seek to increase investment in the 2017 Budget. We are going to redouble our efforts to ensure efficiency of expenditure across the public service. New measures are being put in place to contribute to reducing corruption and enhancing transparency and these will be complemented by stern enforcement.

3. We have been clear that one of the risks to our fiscal framework is the financial state of State-Owned Companies. Let me emphasize that any support to these companies will be done in a fiscally sustainable manner. As President Zuma said "no state-owned entity will dictate to government how it should be assisted and nothing will be done that runs contrary to the fiscal prudence that our country is renowned for." While many are in a strong financial position, the performance of others has weakened. Work has therefore, begun to develop a uniform legislative framework to regulate state-owned companies. We cannot avoid the necessity of wide-ranging reforms that will put them on a sustainable financial footing and where good governance is non-negotiable.

4. Government is committed to strengthening the link between policy formulation, budgeting, and performance.

5. Working with the Reserve Bank, we are going to intensify and accelerate the pace of financial sector reforms, which will be underpinned by the Financial Sector Regulation Bill. A stable financial sector is central to oiling the real sector of the economy. As a caring government we fully appreciate our duty to protect all those invested in our economy. We will always act to protect the pensions invested in our bonds, equities and other forms of stocks. One of the strengths of our country is a strong and modern private sector in whose hands rests around 80 per cent of our economy. We are going to intensify our cooperation and partnerships with the private sector to improve investment so that we can achieve higher rates of growth.

South Africa has a solid history of sound macro-economic policy management. Since the dawn of democracy, our government has advanced policies that are meant to address inequality, reduce poverty and unemployment. We recognise that to do this, we need faster and more inclusive growth and job creation. A growing economy creates work opportunities, and 5.4 million South Africans need work. A growing economy delivers tax revenues which we need to finance various programmes of the State and to effect redistribution so that we can reduce inequality and poverty. The centrality of growth to achieve our policy objectives is paramount.

We take account of the concerns of the rating agencies and investors and we shall endeavour to protect the investment grade rating of South Africa.

Let me take this opportunity to sincerely thank my comrade and former colleague Mr Nhlanhla Nene for the great work he did in the past 18 months.

Fellow South Africans, I know it is time to break for Christmas, but some of us have work to do to make sure that 2016 is better than 2015. Let us get down to business!

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