



# The DA's Plan to Turbocharge the Economy

## Summary

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A PARTY OF *National Government.*  
**RESCUING SOUTH AFRICA.**



# A Plan to Turbocharge the Economy

## Introduction

**South Africa stands at a historic crossroads.** After more than a decade of economic stagnation, institutional decay, and rising unemployment, we now face a **pivotal choice**: continue down the road of economic decline, or embrace **bold, credible reforms** which build a superhighway to growth, job creation, and renewed hope.

The National Dialogue highlights the difference between the Democratic Alliance (“**DA**”) and the African National Congress (“**ANC**”). The ANC may be satisfied with spending R700 million on yet another talk shop, but South Africans are tired of talk – **they want action**. The DA chooses action because only urgent reform will grow our economy, create jobs, and build a better future for South Africa.

Our Plan is a blueprint to **turbocharge South Africa’s economy**. Since entering the national government one year ago, DA Ministers and Deputy Ministers have already begun turning once-failing departments around. From improving water infrastructure to expanding digital access, modernising public works, and strengthening the country’s public finances, DA-led departments are laying the foundation for a more prosperous economy. **This plan builds on that progress and paves a superhighway towards growth and prosperity.**

Economic growth and job creation remain the DA’s top priority; however, given the balance of power established in the 2024 National Elections, our ability to influence Departments which are central to these goals remains limited. If South Africans want to see improved economic growth and job creation, they must strengthen the DA’s hand in future elections so that we can do more. **A stronger DA, running more National Departments, will enhance South Africa’s prospects for future economic growth and job creation.**

The DA’s Plan to turbocharge our economy is practical, future-focused, and driven by a simple idea: **if we get our economic fundamentals right, growth and jobs will follow**. This document outlines how we can achieve this goal. **It’s time to turbocharge our economy!**



# Removing Roadblocks and Building Superhighways to Growth and Jobs

## Roadblock: The ANC's Job-Killing Policies and Laws

South Africa's business confidence is weak, with GDP per capita, ranked seventh in Africa at approximately \$6,400, remaining stagnant and unemployment continuing to rise. Our economy is being **suffocated by a hostile business environment**, characterised by excessive red tape and restrictive regulations. The efforts of entrepreneurs are undermined by high barriers to entry, onerous licensing regimes, poor public procurement practices and an economy concentrated in the hands of the few. In particular, small businesses face a restrictive licensing and permitting regime and complicated administrative barriers where little effort is made to communicate requirements in a simple and accessible way. South Africa's product market regulation also ranks among the most restrictive of all major economies, and gross fixed capital formation is falling far below the levels required to drive necessary economic growth.

### How the ANC is Getting in the Way

The ANC is the architect of South Africa's anti-growth environment, through a policy framework which prioritises **political patronage over economic inclusion**. For example, B-BBEE serves only to enrich a politically connected elite, while excluding millions of disadvantaged South Africans from accessing economic opportunities. The ANC has also blocked proposals to exempt SMMEs from bargaining councils, which have further stifled entrepreneurship and job creation. Finally, destructive legislation such as the Expropriation Act and Employment Equity Act quotas has increased investor uncertainty and undermined merit-based appointments. **Ideology has been prioritised over our economy**, which is preventing South Africa from unleashing the true potential of its economy.

## Superhighway: Removing Job-Killing Policies and Laws.

The DA proposes sweeping regulatory reforms to establish a business-friendly environment which **enables entrepreneurship, investment and job creation**. This includes scrapping B-BBEE and replacing it with the DA's non-racial economic empowerment model based on the internationally recognised United Nations Sustainable Development Goals (SDGs). This model will target poverty instead of race, ensuring that no deserving South African is excluded.

In addition, key reforms to **cut red tape, simplify business licensing and permits, and exempt SMMEs from bargaining council agreements** must be implemented. The DA also calls for a commission of inquiry into race-based development finance institutions, to determine how much of these funds have been distributed to ANC-linked individuals at the expense of those trapped in poverty. Finally, we seek to improve access to microfinance initiatives, expand 'One-stop-Shops', and remove import duties on essential business tools. These reforms will **directly unlock economic growth and promote greater job creation**.



## Roadblock: An Energy Crisis

South Africa's energy crisis is a serious **barrier to economic growth and job creation**. Rolling blackouts, caused by ageing infrastructure, alongside rapidly increasing electricity costs, are placing a cap on business productivity and driving up the cost of living. In 2023 alone, the cost of rolling blackouts to the South African economy was approximately R2.4 trillion, or 4 percent of annual GDP. Eskom's failure to sufficiently expand its generation capacity, alongside inadequate investment in new renewable energy products, has left South Africa vulnerable to renewed rolling blackouts, should the economy start growing again.

### How the ANC is Getting in the Way

The ANC's **obsession with state control** lies at the heart of South Africa's energy crisis. They have prioritised **control over performance and ideology over pragmatism**. Despite warnings of an impending energy crisis, the ANC blocked Eskom from adding new generation capacity and sidelined private sector generation. Today, there remains an unwillingness to create a truly competitive energy market, and the continued approval of above-inflation tariff hikes acts as a significant obstacle to renewed economic growth and job creation.

## Superhighway: Ensuring Affordable and Reliable Energy to Power the Economy

The DA seeks to create energy wealth by **fast-tracking the horizontal unbundling of Eskom** and establishing a competitive energy market which delivers stable and affordable electricity. Eskom bailouts must end, and an urgent review of 'sweetheart energy deals' must be conducted. We further advocate for the ringfencing of municipal electricity revenues for infrastructure maintenance and investment. Renewable energy projects must be **expanded alongside feed-in tariffs**, which support "prosumers". However, this requires the facilitation and encouragement of energy wheeling between distributed embedded generators and customers of electricity through the transmission and distribution grids, as well as a harmonised national wheeling tariff structure. These actions will help build energy wealth, which can lower electricity tariffs, prevent future blackouts and provide the required energy headway to support greater levels of economic growth and job creation.

## Roadblock: Collapsing Network Industries

South Africa's network industries - freight rail, ports and digital infrastructure- are in a critical state of collapse. Illustrating this collapse is that rail freight volumes have plummeted from 226 million tonnes in 2017/18 to only 152 million tonnes in 2023/24. These industries are the **backbone of a modern economy**. They connect people, markets, and services, enabling the efficient movement of goods, information, and resources, which underpin productivity and growth. This reduced capacity is harming business confidence, slowing economic activity, raising prices for consumers, and causing job losses. Our ports are among the worst-performing in the world, while Transnet suffers from spiralling debt and a significant infrastructure backlog. Meanwhile, individuals in rural areas are largely excluded from the digital economy due to expensive data and inadequate ICT infrastructure. **The condition of our network industries is a national crisis**. It is time for urgent action to fix them, as South Africa's economic future depends on it.



## How the ANC is Getting in the Way

The ANC has caused the collapse of our network industries through decades of **cadre deployment, corruption, and a refusal to relinquish state monopolies**. Urgent reforms, such as opening our port and rail systems to private investment, have been resisted or delayed. In the digital sector, race-based requirements have discouraged investment and blocked the entry of new market participants, including low-orbit satellite internet providers. The ANC's refusal to partner with the private sector and its protection of failing state entities have directly prevented much-needed economic growth and job creation.

## Superhighway: Saving Our Network Industries from Collapse

We must fix our collapsing freight rail and ports by **accelerating the concession of freight rail lines and port terminals** to capable private operators through transparent and competitive tendering processes. This must be done alongside the modernising, upgrading, and maintenance of port and rail infrastructure and the strict enforcement of the law against those who damage or interfere with essential infrastructure.

To complement rail and port reforms and drive export-led growth, a comprehensive review of South Africa's tariff regime to **lower input costs for manufacturers and exporters** must be implemented. To improve digital infrastructure, the rapid rollout of broadband infrastructure must be accelerated, and free public Wi-Fi expanded nationally. The Office of the Cyber Commissioner must also be established, alongside the development of appropriate public cyber policy, legislation and an emergency ICT plan. These reforms will collectively **restore logistics efficiency, reduce business costs and drive inclusive digital growth**.

## Roadblock: Wasteful Expenditure

South Africa's public debt has **increased rapidly in the past decade**, with **debt servicing costs now consuming 22 cents of every rand in tax collected**. These interest payments could have been used to fix crumbling infrastructure and improve service delivery levels. **Bailouts to failing state-owned enterprises have cost the taxpayer over R310 billion**. Simultaneously, an inflated public sector wage bill diverts funds from essential public services like education, healthcare, and policing. Compounding South Africa's fiscal deterioration are lower levels of state revenue collected in the past decade than anticipated, caused by slow economic growth and weak administrative efficiency at the South African Revenue Service (SARS). South Africa's bloated and inefficient state is now **crowding out much-needed investment**, and acting as a handbrake on economic growth and job creation.

## How the ANC is Getting in the Way

South Africa's fiscal crisis has been caused by the ANC's reckless fiscal management over the past 18 years. The ANC has prioritised **bailouts, bloated bureaucracies, and political patronage** over investments that would lead to growth and job creation. A continued commitment to race-based public procurement further entrenches inefficiency and corruption, while value-for-money for goods procured is an afterthought. The ANC's reckless mismanagement of South Africa's finances has **hollowed out the state's capacity** to invest in infrastructure and service delivery, with the poorest of South Africans now paying the price.



## Superhighway: Spending for Growth

The first step to resolving our fiscal crisis is to conduct a **comprehensive, government-wide spending review**, while strengthening the implementation of recommendations from previous reviews. A three-month emergency review should aim to identify wasteful, underperforming, and duplicative programmes, allowing the reallocation of funds to essential public services such as healthcare, policing, and education by the time the Medium-Term Budget Policy Statement is tabled.

We must also introduce a **fiscal rule** into the expenditure framework to serve as a clear anchor for fiscal discipline by locking national debt to the level presented in the most recent budget. Wherever budget waste is found, it must be cut, and a ‘ghost employee’ payroll audit must be launched to eliminate ghost workers wherever they are found. The efficiency of tax administration must also be improved, alongside reducing the growth of public sector wages to the same level as inflation, and bailouts to SOEs must end.

Finally, a clean and efficient government must be established by outlawing cadre deployment, professionalising the public service, and prioritising value for money over race-based preferential procurement. Implementing these high-impact proposals will **stabilise our finances**, freeing up funds for **large-scale infrastructure improvements, restoring investor confidence, and supporting a pro-growth and job-creation future**.

## Roadblock: Dysfunctional Local Municipalities

**Local government is the bedrock of a growing economy.** When municipalities function effectively, they provide the infrastructure, services and stability that businesses need to invest, grow and create jobs. However, local municipalities across South Africa are not functioning as they should. Over 76 percent of municipalities are in financial distress, with deteriorating infrastructure, broken billing systems, poor financial management, and widespread corruption. These failures discourage investment and undermine local economic development. **Without functional municipalities, economic growth and job creation will remain out of reach** for the majority of South Africans.

### How the ANC is Getting in the Way

The collapse of local government is primarily the result of the ANC’s policy of cadre deployment, its abuse of public funds, and resistance to institutional reform. Political interference and corruption have become embedded within ANC-run councils, rendering them **vehicles for patronage rather than service delivery**. The ANC has also focused on maintaining and expanding centralised control, instead of devolving powers and resources to capable municipalities across South Africa. Until the ANC’s grip on local government is broken, economic recovery and service delivery will continue to be obstructed.

## Superhighway: From Dysfunctional to Delivering Municipalities

To begin fixing our municipalities, **local government coalitions must be stabilised**. This can be achieved by setting electoral seat thresholds and reducing the frequency of motions of no confidence without valid reasons, thereby preventing the revolving door of mayors we have seen in cities like Johannesburg.

The administrations of local government **must be professionalised through** the appointment of civil servants based on **merit and qualification**, with zero tolerance for cadre deployment. Strong accountability measures must be enforced against members of the civil service who ignore audit findings, politicians who shield corrupt officials, and national leaders who fail to capacitate municipalities adequately. Providing access to upskilling programmes for councillors, staff, and communities must be a priority to enhance governing capacity.



We must ringfence revenue streams derived from trading services for **reinvestment into infrastructure upgrades and addressing metering and billing failures**. Private sector participation in infrastructure investment must be promoted in municipalities which suffer from low revenue collection, and a review of district municipalities must be conducted to determine their effectiveness as a governance model.

Finally, the Local Government Fiscal Framework must be revised to establish a differentiated model which reflects the diversity of municipalities and their unique needs. These reforms will collectively place our municipalities on **a path to improved service delivery**, providing a solid foundation for South Africa's economic revival and long-term prosperity.

## **Roadblock: A Crime Epidemic**

South Africa is in the grip of a crime epidemic which is hampering economic opportunity by **detering investment, trade and tourism in affected areas**. Crimes such as murder, assault, and theft remain at unacceptably high levels, while extortion chokes our construction, entertainment and transport industries. Widespread corruption also results in the theft of public money meant for schools, hospitals, infrastructure development, policing, and social protection. **Crime is not just a safety issue; it is a significant barrier to economic growth**. High crime rates discourage entrepreneurs from opening new businesses or expanding existing ones. Addressing crime must become a **national priority** to kickstart renewed economic growth in South Africa.

### **How the ANC is Getting in the Way**

The ANC has failed to arrest South Africa's crime epidemic. Cadre deployment and political interference have **hollowed out the South African Police Services (SAPS)** leadership, while the ANC resists reforms to decentralise policing to capable provinces and municipalities. It has also failed to **integrate private security services** meaningfully and neighbourhood watches into the policing mix, instead treating them as enemies. The ANC has allowed corruption to take root within the State Security Agency (SSA), and dysfunction is widespread within the National Prosecuting Authority (NPA). The ANC's inability to fight crime with the urgency required has left ordinary South Africans vulnerable and fearful, which stifles economic growth and job creation.

## **Superhighway: Arresting the Crime Epidemic**

High crime levels cost the South African economy approximately 10 percent of its GDP each year. Crime and Corruption must therefore be crushed through the establishment of an **Anti-Corruption Commission**, implementing evidence-based policing and partnering with private security and neighbourhood watches to promote a whole-of-society approach. The NPA must also be reformed by adjusting appointment processes, conducting performance audits and fighting for better funding, recruitment and retention of experienced prosecutors to ensure the might of the law is brought to bear on those who commit crimes.

**To combat police corruption**, lifestyle audits must be conducted for all senior police management, and policing functions must be devolved to capable local authorities, thereby enabling the tailoring of policing plans and the deployment of resources to match specific local needs.

**Extortion is a national scourge** and must be dealt with decisively through centralised intelligence gathering and analysis and the use of targeted operations to identify, disrupt and dismantle extortion syndicates at source. Finally, DA's Rural Safety Plan, in conjunction with the utilisation of Rural Community Policing Units (RCPUs), must be implemented to strengthen rural safety and protect jobs dependent on the agricultural sector.

**Arresting South Africa's crime epidemic requires the political will to implement innovative solutions that address the root causes of crime.** The DA's plan will protect South Africans and their businesses against violent and organised crime, creating a conducive environment for business expansion and job creation.

# Conclusion

To unlock South Africa's full economic potential, we must **remove the roadblocks** holding our economy back. **The DA's six superhighways** to growth and jobs lay out a clear path to unlocking investment, building energy wealth, restoring critical network infrastructure, stabilising public finances, fixing local government, and making our communities safer. With the necessary political will and the **electoral strengthening of the DA's hand**, we can **turbocharge our economy**, create new jobs, and build a **future of opportunity** for all South Africans.









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