

# Zuma responds to debate on Presidency's budget

President Jacob Zuma said the gains that await developing countries through the BRICS New Development Bank will far outweigh the cost of establishing the bank.



President Jacob Zuma says the New Development Bank brings with it tremendous development opportunities for Africa. He also called on Parliamentary members to conduct themselves with dignity and respect.  
Image: GCIS

Responding to a debate on the budget vote for the Presidency, the President said it was important to look ahead to how much the bank would contribute towards helping developing countries access funds for development.

The President said this in response to comments made by COPE Parliamentary leader Mosiuoa Lekota, who had asked the President if South Africa could afford to contribute its share of the contingency reserve fee.

"It is important to note that the benefits of participating in the New Development Bank by far outweigh the costs of establishing it. The bank will complement existing sources of finance to cater for the ever increasing development needs in energy, rail and road, and other economic infrastructure," he said.

Zuma said that initially, South Africa's contribution would be in the form of paid-in capital of \$150m. This amount is part of the schedule of installments agreed to among all members, he said.

"The Bank will have authorised capital of \$100bn, with \$50bn subscribed. All countries will contribute an equal share of capital to the bank."

Zuma said the bank would have a different modus operandi. While other banks currently made it difficult for developing countries to borrow or access funds, the New Development Bank would help developing countries get access to the money they need for infrastructure investment and other developmental projects.

The five members of BRICS - Brazil, Russia, India, China and South Africa - laid out the principles of the bank and the Contingent Reserve Arrangement (CRA) in a declaration released following their recent summit in Brazil.

The new bank will be based in Shanghai, China, while an African regional centre of the bank will be located in South Africa. The regional centre will be opened concurrently with the headquarters before the first loan is provided in 2016.

Each country will contribute to the total of \$100bn, with China contributing the most, \$41bn, Brazil, Russia and India contributing \$18bn each, and South Africa contributing \$5bn.



Access to funds for African countries through the New Development Bank would mean significant infrastructural development claims President Jacob Zuma. Image: [Africa Science](#)

## Zuma's responses to DA, EFF

DA leader Mmusi Maimane alleged that the economic and service delivery situation in the country was not at a satisfactory level and in response, Zuma said Maimane and his family currently enjoyed the benefits that come from democracy because selfless leaders fought for the country's freedom, with many people sacrificing their lives during the struggle.

"Maimane and his family are better off in South Africa today because the ANC is running this country. The fact that Maimane is in Parliament today leading the Opposition, is due to the opportunities that freedom and democracy brought to

young people through the ANC."



EFF Leader Julius Malema questioned President Jacob Zuma on the ANC's failure to provide water to the people of Giyani after promises were made five years ago. Image: [Mamba Online](#)

President Zuma also responded to EFF leader Julius Malema's claims that government misled the people of Vhembe in Limpopo when a promise was made that a new hospital would be built there, and further claimed that the promise of water to the people of Giyani had also not materialised.

The President said the re-development of the commissioning of the new hospital is scheduled to be completed by April 2018. "Tenders for the building of the staff housing units closed on 11 July this year. The estimated cost of construction is R140 million.

"[For] Siloam hospital, the tender process is currently underway and while construction was expected to start in August next year, the project would take 39 months."

He said the Giyani water problems were as a result of the fact that the infrastructure was under strain because of a lack of maintenance of boreholes, reticulation pipelines, stand pipes, water treatment works and booster pump stations.

"The Mopani District Municipality is refurbishing the Giyani Water Works at a cost of R20m. Work is expected to be completed by September," Zuma claimed.

He later used his speech to call on MPs to conduct themselves in a respectful manner and while they may not agree with political parties in opposing benches, they should at least disagree in a respectable manner as voters looked up to them as the leaders of society.

For more, visit: <https://www.bizcommunity.com>