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JOINT MEDIA STATEMENT

PROGRESS REPORTED IN GOVERNMENT AND BUSINESS PARTNERSHIP, WITH COMMITMENT TO FURTHER ACCELERATE KEY ACTIONS

- **The partnership between the South African government and business has mobilised teams to start delivering meaningful progress toward South Africa’s economic growth**
- **Key actions have been agreed to urgently accelerate progress across the priority focal areas of energy, transport and logistics, and crime and corruption**

Pretoria, 1 August 2023 – The South African Presidency, various government departments, Business Unity South Africa (BUSASA), Business for South Africa (B4SA), and Business Leadership South Africa today announced that progress has been made within the key focal areas of energy, transport and logistics, and crime and corruption, in order to grow the economy and restore investor and public confidence.

In a meeting between President Cyril Ramaphosa, members of Cabinet and senior business leaders, government and business agreed that we have a window of opportunity to urgently implement initiatives in these priority focal areas to reverse the economic downturn and rebuild confidence in the country’s trajectory.

President Ramaphosa commented, “This collaboration is built on the recognition that we need to take bold and urgent action to confront these challenges and place South Africa on a trajectory of growth and job creation. It is built on a shared vision for our country – as a thriving constitutional democracy in which the rule of law is sacrosanct, as a dynamic and fast-growing economy, and as a society in which no person is left behind. We welcome the emphasis on strategic partnerships and focused interventions, which has enabled us to make significant progress in a short space of time.”

After the first year of the implementation of the National Energy Crisis Committee’s (NECOM) Energy Action Plan (EAP), significant progress has been made on key objectives, including a focused plan to end load shedding, numerous regulatory reforms and streamlining of regulatory approvals, as well as implementing key steps to rapidly increase private sector investment in energy.

Business’ support has been mobilised in critical areas, including Eskom technical support on optimising the diesel supply chain at Ankerlig, supporting the return of additional units at Kusile and four key power stations to assist Power Station managers with turnaround plans at those facilities. Business technical teams are working through NECOM to assist the planning and implementation of key energy reforms, including planning for efficient Grid access and expansion. All these interventions aim to recover c.5.4GW over the next 12 months.

“We are pleased with the progress we have made in ensuring that a block exemption has been granted from certain terms of the Competition Act to both energy suppliers and users. This will enable greater collaboration between competitors on specific energy matters. Government has also launched the One Stop Shop which is an important step to streamline and assist with regulatory approvals, and bring GW’s onto the grid as soon as possible,” said Hon. Ebrahim Patel, Minister of Trade and Industry and Competition.

The National Logistics Crisis Committee (NLCC) has been formally constituted with participation from relevant government departments, Transnet and business. Four Corridor Recovery Teams have been established focusing on strategic commodity export supply chains in coal, iron ore, manganese, chrome and magnetite to jointly address performance constraints. An additional Container Corridor Recovery team is being constituted with representatives from all major shipping lines, agriculture and automotive sectors. A significant milestone was achieved with the appointment by Transnet of an international terminal operator to partner in the Durban Pier 2 container terminal.

The Joint Initiative against Crime and Corruption (JICC) has also been constituted, with senior representatives from law enforcement agencies and business. Business Against Crime South Africa (BACSA) is being established as an independent structure and will co-ordinate the interface with government. A special purpose vehicle for establishing digital and data forensic capabilities for the National Prosecuting Authority (NPA) – on an arm’s length basis - is being set up. Initiatives to support the SAPS to aid crime detection and response have been identified, including optimising the 10111 help line. These initiatives are governed by a clear framework and guidelines to ensure that this support respects and enhances the independence of the criminal justice system.

The progress that is being made has led to over 115 leading CEOs already signing a pledge to support the country and assist in realising its vast potential, and ultimately enable increased investment, growth and employment. More CEOs and their companies are committing every day.

Adrian Gore, Group CEO of Discovery and BUSA Vice President commented, “What makes this CEO commitment different is that it isn’t simply a pledge, but a broad group of business leaders from multiple industries and sectors, actively involved in the various focal areas, who have offered resources and capacity to assist. This, coupled with active engagement by key decision makers within government, is what makes this intervention different.”

Cas Coovadia, CEO of BUSA, emphasized the importance of adhering to established timeframes and achieving deliverables for each priority area: “The focus is on achieving agreed targets and improving performance in key action areas. If we neglect or delay critical decisions needed to accelerate our much-needed growth ambitions to build the economy and tackle poverty, inequality and unemployment, there will be many more years of challenge, frustration and despondency. We need to act, together, with immediate urgency.”

Research conducted by PWC and Sanlam demonstrates that if progress is made within the three focal areas, they are likely to make a contribution to GDP of at least at 3%. A higher rate of economic growth is essential to create meaningful jobs – the majority of which (88%) are within the private sector.

In order to build on the progress made thus far, the meeting agreed on a number of critical next steps to restore confidence. These include the following:

- **Working to expedite the passage of the Electricity Regulation Amendment (ERA) Bill within the Sixth Parliament, following its tabling in the National Assembly on 20 July 2023.** The ERA Bill is crucial to ending load shedding, expediting energy development, expanding transmission infrastructure, establishing a competitive electricity market, and attracting investment in the energy sector.
- **Completing the establishment of the National Transmission Company of South Africa (NTCSA).** This is necessary to create a level playing field for electricity generators and enable increased investment in transmission infrastructure.
- **Fully operationalizing the One Stop Shop to fast-track renewable energy projects.** This includes ensuring that adequate capacity and systems are in place to facilitate authorisations for energy projects and reduce lead times to construction.
- **Finalising the Freight Logistics Roadmap.** This will outline the short-and long-term actions to support operational recovery and fundamentally reform the logistics system. Implementation of the roadmap will be coordinated by a dedicated work stream of the NLCC, focused on structural reform. Implementation of these actions could increase export revenues by an estimated R50 billion by 2024. It is expected that a draft roadmap will be agreed by the end of August 2023, with the objective of Cabinet approval by September 2023.
- **Addressing procurement challenges and putting in place a fit-for-purpose procurement regime for state-owned enterprises.** This is necessary to enable greater speed and efficiency while preserving and strengthening the integrity of the procurement system.
- **Finalising the NPA Amendment Bill to establish the Investigating Directorate (ID) as a permanent entity within the National Prosecuting Authority with investigating powers.** This is a key commitment of the response to the State Capture Commission of Inquiry, and will bolster the independence and capability of the ID to fight complex corruption-related crimes. The NPA Amendment Bill will be approved by Cabinet and tabled in Parliament by the end of August 2023 to give effect to this goal.
- **Operationalising the Joint Initiative on Crime and Corruption.** The JICC is being operationalised, including identifying clear focus areas and establishing appropriate structures to facilitate support.

B4SA SteerCo Chair, Martin Kingston, added, “This national response has started well, and has again highlighted the opportunity to harness the resources and goodwill of all groups in society. There is still much to be done and many specific interventions to be agreed and urgently, and properly, implemented. Added momentum and impetus will be provided by harnessing the combined skills, expertise and other resources of the business community, which we firmly believe will help reset the country’s economic and social path. South Africa no longer has the benefit of time to address these issues and all B4SA workstreams will continue to focus on urgently driving the immediate, rational and pragmatic choices to guide our collective actions, ultimately to achieve economic restoration and sustainable, inclusive growth for all South Africans.”

“Another vital component to the collaboration between business and government is the ongoing enablement of small and medium sized businesses, which are at the coal face of some of the challenges we are seeking to resolve. We need to enhance funding and access to market support as an instrument for job creation. Recognising the importance of SMMEs and the informal economy in this regard, further

work is being undertaken to identify what we can do to support their growth,” said Hon. Stella Ndabeni-Abrahams, Minister of Small Business.

“I look forward to receiving further progress reports on the work that is underway in each of these areas, and to identify the critical next steps that we need to take to consolidate our efforts. As we do so, we must not neglect the importance of putting forward a coherent and consistent public narrative to restore confidence in our economy. Without minimising the steep challenges that we face, we must respond to the relentless negativity about our country which has become a self-fulfilling prophecy. We must be realistic about the depth of these challenges, while recognising the extraordinary potential of our country and our economy if we work together to overcome them,” said President Ramaphosa.

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Note to editors:

About Business Unity South Africa (BUSA): BUSA is a leading business organisation that represents the interests of South African business, covering major sectors and industrial groupings. BUSA aims to create an enabling environment for business success and economic growth in the country by engaging with government, labour unions, and civil society.

About Business for South Africa (B4SA): B4SA is a BUSA platform, bringing together key South African business leaders to address urgent national challenges and drive economic recovery. B4SA focuses on key priority areas and works in close collaboration with government counterparts to find innovative solutions and create a positive impact for all South Africans.