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JOINT MEDIA STATEMENT

UPDATE ON GOVERNMENT AND BUSINESS COLLABORATION

Johannesburg, 29 November 2023 – President Cyril Ramaphosa yesterday convened the bi-monthly meeting with members of Cabinet and senior business leaders for an update on progress to address key challenges across the South African economy, with a particular focus on energy, transport and logistics, crime and corruption.

President Ramaphosa, key Cabinet ministers and other government officials are working in close collaboration with business, via Business Unity South Africa (BUSA) and its implementation platform, Business for South Africa (B4SA), to unlock South Africa’s economic potential.

President Ramaphosa said: “Since we began, we have made significant progress in establishing structures and ways of working, mobilising resources and driving implementation of key actions. We see this partnership as evidence of the business community’s commitment to building our country and overcoming the challenges that we face.”

BUSA President Adrian Gore, co-convenor of the business delegation, said: “In the last six months we have made some real progress and our collaboration structures have been bedded down and are increasingly well-capacitated.”

Some of the other early tangible successes include adding 2x800 MWs of power generation capacity, edging closer to the collective goal of ending load shedding by the end of 2024; establishing the Rail Infrastructure Manager for Transnet, paving the way for third party train operators in 2024; and establishing a digital and financial Forensic Analysis Centre.

“Despite these initial successes” said Gore, “the pace of delivery across the initiative seems to be plateauing, mainly as a result of delays in regulatory and other approvals, as well as slippage on the implementation of strategic plans, and the alignment of these to workable funding solutions. We’ve agreed with the President that delays will be given urgent attention and we will all ensure that momentum is maintained, key decisions are made, and policies implemented in line with agreed timelines.”

“We need to act with a greater sense of urgency and determination to confront these challenges, given their severe impact on the economy as a whole. We have made strides in implementing reforms that will set our economy on a higher growth trajectory going forward.

Several important pieces of legislation, including the Electricity Regulation Amendment Bill, the Economic Regulation of Transport Bill and the NPA Amendment Bill, are being prioritised by the relevant committees in Parliament,” said President Ramaphosa.

Over and above the current resources in place, business has made a commitment to look at providing additional resources over the 2024 year to deliver additional progress in the critical areas.

In the Energy workstream, the meeting agreed that areas requiring additional effort and focus include releasing Bid Window 7 of the renewable energy programme and the RFPs for battery storage and gas power, which are critical to developing additional new generation capacity. Grid access rules and the wheeling framework will need to be clarified urgently to ensure private producers have more certainty.

The meeting also agreed that the deterioration of the country's transport and logistics network needs to be addressed as a matter of extreme urgency. The Freight Logistics Roadmap has been finalised through an extensive process of consultation, and outlines a clear path to reforming our logistics system for greater efficiency and competitiveness. The alignment between the Transnet Recovery Plan and the FLR will unlock public and private sector funding.

Permanent leadership appointments within Transnet are important for stabilising the entity and providing confidence in its Recovery Plan.

Some early signs of progress include operational performance enhancements identified across the Corridor Recovery Teams, resulting in improvements such as faster border processing times at Lebombo. Additionally, the interim Rail Infrastructure Manager and the appointment of the National Ports Authority Board have been successfully finalised, and additional private sector security resources have been confirmed.

Within the Crime and Corruption focal area, the establishment of the Joint Initiative against Crime and Corruption (JICC) has been slow, but the committee has now met and will focus on delivering against a few key priority interventions, including infrastructure crime and capacitating investigative and prosecutorial capabilities. Progress has also been made on the establishment of a Forensic Analysis Centre.

A key imperative between business and government is to enhance the current law enforcement and operational response. A pilot project for the 10111 Centre modernisation and enhanced operation response plan is being initiated with the South African Police Service (SAPS).

The promulgation of the National Prosecuting Authority (NPA) Amendment Bill, which is currently before Parliament, will make the NPA's Investigating Directorate (ID) permanent and strengthen its ability to investigate and prosecute major criminal syndicates. Once the Bill is passed, work will begin in earnest to set up a Digital Forensics Unit that will support the work of the ID.

As previously reported, research commissioned to establish a common baseline for South Africa's employment status highlighted that 300 000 jobs could be created if we are successful in reaching the objectives set in the business-government partnership. It is thus critically important that we focus on speed of delivery to ensure our objectives are achieved by end 2024. The Presidency, Department of Employment and Labour and BUSA have established an initiative to scale existing successful job creating initiatives between business and government.

The meeting agreed that whilst progress has been made, urgent action is needed to ensure we sustain the momentum over the next 12 months. This is critical to bolster investor and public confidence in the reforms being implemented. Success achieved within the focal areas could contribute around 3% GDP growth in the medium term and 5% GDP growth in the longer-term. It is therefore essential that business

and government continue to support the implementation of the Energy Action Plan, accelerate the freight logistics sector reform, and strengthen law enforcement.

A further meeting will be held in early 2024 to assess progress on the three focal areas and agree an action plan for the year ahead.

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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.