

**NATIONAL OFFICE**

First Floor, 3 Gwen Lane, Sandown, 2196  
P.O. Box 652807, Benmore, 2010  
Tel: +27 11 784-8000/1/2/3 | Fax: +27 (0) 86 609 8248  
E-mail: busa@busa.org.za | Website: www.busa.org.za

**PARLIAMENTARY OFFICE**

9 Church Square, 1st Floor Graaffs Trust Building  
Cape Town, 8001  
P.O. Box 3867, Cape Town, 8000  
Tel: +27 21 461 1633 | Fax: +27 21 461 5470

## 2012 NEW YEAR MESSAGE FROM THE BUSA PRESIDENT

### MRS FUTHI MTOBA

The past year has seen serious challenges for South Africa, the economy and business. These challenges have formed a large part of the agenda which BUSA has pursued in this period in the interests of its members. A great deal of BUSA's focus has therefore been on key elements of South Africa's economic performance, including the gradual but slow recovery from the previous global crisis of 2008-2009.

Subsequently the global economy in general – and the South African economy in particular – have been adversely affected by a renewed challenge – that is, the Eurozone sovereign debt crisis. This has steadily radiated out in the EU as repeated attempts to manage the Greek situation in particular have either been too late or have fallen short of market expectations. As 2011 draws to a close the only certainty that remains is the current widespread *uncertainty* in the global economic environment. This has already slowed global economic growth and increased unemployment in many parts of the world.

A bird's eye view of the global economy therefore suggests that this remains a delicate moment for it, and the crisis is not over until the key economies are again creating enough jobs.

Against this background, it has been imperative to revisit South Africa's growth performance and to identify ways to build a more inclusive job-rich economy. SA needs to grow more rapidly, apart from anything else. The more things go wrong abroad, the more SA must look to the efficacy of its domestic policies and its international competitiveness. Aside of short windfall-driven episodes, South Africa has remained a modest 3.5% growth performer. It has not yet discovered within itself the magic to transform towards 5%, 7% or even higher average growth performances as clearly Japan and the South East Asian economies.

A medium term economic recovery is underway in SA but for various internal and external reasons it is sluggish compared with the 2004-2007 economic upswing. The economic and business outlook for 2012 remains modest but





positive at about 2½ - 3%. This is insufficient to meet SA's socio-economic challenges and SA must generate a much better economic performance in the years ahead. 2012 needs to be the year in which SA must see more tangible outcomes from key programmes like the New Growth Path (NGP) and the National Development Plan (NDP)

The private sector remains the key to the country's quest for creating jobs at a fast pace and sustainable manner. Some 85% of all jobs are in the private sector. As such policies should be framed to induce the private sector to produce, invest and employ more. The deployment and commitment of corporate resources will depend on improved confidence in the business sector in 2012 to strengthen economic momentum. 2012 must highlight the policies and environment needed within which production, investment and job creation can flourish, especially for small and emerging business.

What remains important now for SA is therefore to *implement* effectively what has been agreed and funded, and to *deliver* on our promises by building on our economic strengths and addressing our weaknesses. Funds allocated to capex by the public sector must be effectively spent.

We would also like to congratulate the African National Congress for its 100-year celebration. BUSA has pledged itself to assist where it can to improve South Africa's economic performance and to work in partnership with government wherever possible. That is the overall message that business will promote as we move to the challenges of 2012.

Ends.