

# PARLIAMENTARY NEWSWATCH

Keeping Business Informed.

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BUSINESS UNITY SOUTH AFRICA

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*Today, tomorrow, together.*

# The State of the Nation

**B**USA President Futhi Mtoba represented Business at the official opening of Parliament on 10 February. Speaking before a joint sitting of both Houses of Parliament, President Zuma delivered his third State of the Nation Address.

BUSA released the following statement immediately following the Address:

President Jacob Zuma, through his State of the Nation address, provided a comprehensive platform on which business, government and other social partners can continue to engage on positioning South Africa towards improved levels of job-rich economic growth.

It is known that business, and therefore job creation and growth, performs best in an environment secured by both policy coherence and certainty about what policy developments there will be in the future. We are pleased that the President committed his government to a disciplined macroeconomic approach.

The expectation in business circles has been high for the President to use his State of the Nation address to concretise some of the proposals in his government's New Growth Path initiative.

BUSA was encouraged by government's intention to link social grants to the promotion of economic activity, to combat corruption, to cut costs for small businesses, to provide a more streamlined support service for business development, to provide incentives for greenfield developments and the expansion of existing concerns, to pursue legislative reform to ease the doing of business and to further promote tourism and agriculture through regulatory and infrastructure developments.

We believe that reducing the costs of doing business in South Africa, across the spectrum, will be imperative. We need to encourage vigorous entrepreneurship, as well as a rapid improvement in our improved global competitiveness to improve job creation. We eagerly await the specifics and implementation deadlines on these commitments.

BUSA supports government in its goal of creating a performance-oriented state and feel that improving the pace, efficiency and quantum of infrastructure will be an important milestone in this regard. Business looks forward to the unpacking of the details of infrastructural spending. In order to ensure success in this regard, leveraging of the capacity of private sector through targeted increases in public-private partnerships will be particularly important.

This will be of particular significance in relation to ensuring the security of our energy supply. Business will play its part in effecting as much of the savings in electricity consumption as is it can to ensure that production, and therefore growth and jobs, is not lost through load shedding. We call on other sectors of society to do the same.

Business would have appreciated a clearer commitment by the President on the possible tightening of constraints on the labour market, as this is something that could cast a dark shadow over our future employment prospects. Employment-friendly labour legislation is essential to decrease the high level of joblessness that currently prevails.

While business too applauds the improved pass rates and appreciate the President's call on teachers to put the necessary effort, as well as the financial commitments he outlined, ensuring that the quality of our education system from primary right through to tertiary level needs serious attention.

Finally, BUSA is encouraged by the great significance given by the President to the need to improve service delivery at grass roots level. This is important for business, especially for our smaller and emerging enterprises, many of whom are deeply dependent on the efficient delivery of basic services from and proper administration of the municipalities in which they are located. We urge clear, time-based commitments in this regard as a matter of urgency.

With firm commitments to implementation along these lines, President Zuma will find a willing partner in the South African business community, working to promote job-rich growth in South Africa. □



**Speaking at the conclusion of Parliament's debate on the State of the Nation Address on 17 February, President Zuma announced that a Business Summit would be convened on 10 March to discuss government's programme of action for 2011.**

# WHAT to EXPECT

**O**n Wednesday, 23 February, at 2pm Minister Pravin Gordhan will deliver his 2011 Budget Speech in Parliament. BUSA President Futhi Mtoba will lead the BUSA delegation attending this year's much anticipated event.

On Sunday, 20 February, BUSA released its expectations of the 2011 Budget Speech:

BUSA looks to a Budget Speech which will boost business confidence. The 2011/2012 National Budget should be another building block in helping to create a favourable environment for growth and job creation in the aftermath of the global recession.

Although an economic recovery is underway in South Africa, it is not yet sufficiently robust. BUSA has supported various policy initiatives needed to further strengthen SA's economic performance in the short- and long term.

Finance Minister Pravin Gordhan's 2011 Budget Speech is therefore an opportunity for details to be concretised on the implementation of many of the initiatives mentioned by President Jacob Zuma in his State of the Nation Address, as well as some of the proposals associated with Economic Development Minister Ebrahim Patel's New Growth Path document. BUSA has identified 30 issues of relevance to business in the State-of-the-Nation Address.

Since President Zuma stated that his government is now "looking to the private sector in particular to help [it] create most of the jobs", BUSA also sees it as an opportunity for government to provide the policy coherence and certainty, which is essential for business decision-making with regards to investing in growing the South African economy.

From its side BUSA remains committed to encouraging the business sector to respond to the new opportunities and challenges that have been created by several recent policy announcements.

BUSA is encouraged by the expectation that deficit reduction will be better than planned.

To show consistency with the sentiments he expressed in his 2010 Mid-Term Budget Policy Statement, Minister Gordhan will need to demonstrate that government is making every effort to moderate increases in spending and improve the effectiveness of its expenditure, while resisting the temptation to increase the burden on our already overloaded tax base.

Visit [www.busa.org.za](http://www.busa.org.za) to read the rest of the BUSA statement. □



# Hammering out the Companies A/Bill



## **P**arliament's Portfolio Committee on Trade and Industry has resumed deliberations on the Companies Amendment Bill.

The Department of Trade and Industry is in the process of responding to the Committee on issues raised by stakeholders during public hearings held in November.

The Amendment Bill seeks to correct errors and ambiguities discovered in the Companies Act subsequent to its enactment in 2008 that could otherwise have led to unintended consequences or uncertainty.

In the DTI's view, most of the comments received on the Bill relate to matters of substance that are outside of its scope. The Department has nevertheless documented responses to a majority of comments in order to provide clarity to the Committee on issues raised by the public.

During deliberations, the Committee will weigh up comments made by the public against the DTI's responses, with a view to amending the Bill accordingly.

The Committee has set a deadline of 15 March by which to conclude deliberations and give its approval of the Bill. The Bill must be passed by both the National Assembly and National Council of Provinces by the end of March in order for the amendments to take effect before the Act becomes operational on 1 April.

To request a copy of the DTI's responses to comments made, [click here](#) or email: [bpo@busa.org.za](mailto:bpo@busa.org.za). □

## CALLS FOR SUBMISSIONS

Parliament is Calling for Submissions on:

### **The State Liability Amendment Bill**

The Bill seeks to regulate the way in which court orders for financial compensation may be executed against the state. Public hearings are set for 9 March. The deadline for written submissions is 4 March. [More details](#)

### **The Merchan Shipping (Safe Containers Convention) Bill**

The Bill seeks to give effect to the International Convention for Safe Containers, and relates to the safe handling and transport of containers.

The deadline for written submissions is 25 February. Public hearings have not yet been scheduled. [More details](#)



# Business & Parliament *have lunch*

**I**n conjunction with the Chamber of Mines, BUSA hosted a lunch for mining industry leaders and parliamentary chairpersons in Cape Town on Wednesday, 10 February.

The event coincided with the Mining Indaba held in Cape Town from 7-10 February.

BUSA CEO Mr Jerry Vilakazi, Chamber of Mines CEO Mr Bheki Sibiyi and Mineral Resources Portfolio Committee Chairperson Mr Fred Gona opened the event.

Mr Gona used the forum to express his willingness to engage with business on relevant issues. He encouraged the mining sector to participate in forthcoming parliamentary hearings.

The Portfolio Committee is scheduled to hold hearings in March on the Mining Charter:

- Wed, 23 March 2011 - Parliament
- Wed, 30 March 2011 - Carltonville
- Thurs, 31 March 2011 - Klerksdorp

The BUSA Parliamentary Office will hold further engagements across sectors for business and parliamentarians during the course of the year. □