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IMMEDIATE RELEASE

BUSA COMMENTS ON THE PRESIDENT'S STATE OF THE NATION ADDRESS

President Jacob Zuma, through his State of the Nation address tonight, 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, BUS A 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.

Ends.

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