

E-BUSA Bulletin

MAY/JUNE 2011

IT'S BUSINESS AS USUAL AT BUSA



Acting CEO
Raymond Parsons

As we move into the second half of 2011, it is already clear that a wide range of important issues will continue to drive the BUSA agenda through the organisation's various structures and representatives. BUSA's capacity to do so after the departure of Jerry Vilakazi as CEO confirms that he has left behind a 'going concern' – which will continue with its work until a permanent CEO is appointed. In the meantime a number of key matters in the months ahead claim BUSA's attention. The Leadership Team on the New Growth Path has now met on three occasions: on 25 November 2010, on the 8th February 2011 and again 11th May. Subsequent to the first two meetings, the Minister of Economic Development, Ebrahim Patel, formally tabled the new Growth Path document in NEDLAC. Work on the implementation of the New Growth Path framework has since been done via a customized NEDLAC process, through meetings chaired by Minister Patel and coordinated by his Department with the support of the NEDLAC secretariat. Regular progress reports will be submitted to NEDLAC by the Department of Economic Development, to be tabled in the NEDLAC Manco. Within BUSA, it was arranged that Dr Laurraine Lotter, the NEDLAC Overall Business Convenor, would lead business' participation in this process with the BUSA Economic Policy Desk providing administrative support. The first BUSA workshop on the New Growth Path was convened on 20 April in preparation for the 11 May meetings and further meets that would follow. The majority of the progress has been achieved in the following areas so far:

- Skills Development
- The Green Economy
- Small Business Development
- Basic Education

- Savings and Investment
- Procurement
- The Anti-red Tap Campaign

A further general internal BUSA workshop to focus on these items will happen on 20 June, which will be preceded by a smaller workshop on manufacturing sectors on 8 June. The preparations done in these workshops are for further meetings of the leadership team, which has been scheduled for 25 June and 13 July in Pretoria. Another development which BUSA will address in the weeks ahead will be the review commissioned by the Minister of Transport on the proposed Gauteng toll road system. BUSA and its members have made inputs to the relevant Steering Committee and expect to engage parties on the outcomes shortly. The proposed urban road tolls in Gauteng have both regional and national implications and BUSA will continue to seek to influence the process. The labour law amendments are still being discussed in NEDLAC. BUSA has a top-level negotiating team representing its interests on the basis of mandates obtained regularly from our members, under the overall supervision of the Socpol Committee. These remain important issues for the BUSA membership and BUSA is anxious to ensure that business puts the best case forward on these key yet complex matters. The economic and business outlook is much better than it was two years ago at the time of the global recession – with growth, retail sales, production and credit demand slowly rising. Economic growth this year is likely to be about 3½%. To that extent BUSA is positive about the outlook, yet questions remain about the sustainability of the economic upturn, for both external and internal reasons. Unemployment in SA also remains unacceptably high. BUSA will continue to monitor these trends and may well have a 'mid-year economic and business outlook' media briefing towards the end of June.

Minister of Trade and Industry Rob Davies addresses the BUSA Council



Minister of Trade and Industry Rob Davies addressing the BUSA Council Meeting on May 31st

On the 31 May, BUSA had the honour of hosting Minister Rob Davies at our offices. He took the opportunity to emphasize the importance of having an even more united voice from the private sector. He reminded business that there needs to be a strong nature of symbiosis between government and business and also between big and small business. "It is imperative that there be strengthened partnership especially in a changing global context and an evolving local dynamic. The good news is that Africa is part of that dynamic change as it is looked upon as an investment hub and SA is well placed, especially since it is now part of the BRICS."

MEDIA WISE



BUSA leadership updating media, on the progress of filling the BUSA CEO position on June 2nd

MEDIA STATEMENT BY THE PRESIDENT OF BUSA, MRS FUTHI MTOBA

The BUSA Management Committee (Manco) and Council, which met earlier this week, reviewed the appointment process for a new CEO of BUSA. In the interests of continuity and stability in BUSA, it was agreed that the Deputy CEO of BUSA, Raymond Parsons, would be Acting CEO as from 1st June 2011. He will occupy this position until a new CEO takes up his or her appointment in due course. BUSA has every confidence in Raymond Parsons and his staff to continue the work of the organisation as normal. There will be no interruption in BUSA's advocacy and lobbying role on behalf of business in terms of its existing mandates.

At the meetings earlier this week, it was also reaffirmed that the organization is committed to a transparent process - within the governance requirements of BUSA - to appoint a new CEO. The Manco and Council were informed that the process for the recruitment of a CEO is on track and was being managed by the President of BUSA, with the Chairman and Manco. An interview panel has been mandated by Manco to interact with the recruitment agency and conduct the interviews of a short-list of potential candidates. We are confident we will recruit an appropriate person and will do so in a way that meets the highest standards of governance, transparency and objectivity. Due regard will be given to proper recruitment procedures.

The background has been as follows -

- BUSA had accepted with regret the resignation of Mr Jerry Vilakazi as BUSA's CEO as from 31 May 2011.

- The BUSA Constitution gives both the President and Chairman of BUSA the responsibility to recommend a candidate for CEO to the BUSA Council.
- Given the importance of this role, they decided to involve Manco in the process and Manco mandated the President and Chairman to take charge of the recruitment process, after consensus that the process must be a transparent and objective one, to be managed by a recruitment agency, namely, Heidrick and Struggles.
- The recruitment agency was asked to consider potential candidates to apply for the position to the recruitment agency. Members of BUSA were then asked to also submit names of potential candidates, who have agreed to apply for the position to the recruitment agency.
- A member of BUSA then submitted the name of Mr Mthunzi Mdwaba, the current Vice-President of BUSA, representing Unisectoral members. Mr Mdwaba, at this stage, indicated his willingness to apply for the position.
- The President and Chairman through Manco agreed that a panel consisting of the President, Chairman, four Vice-Presidents, the Chairman of the Transformation Committee, and the recruitment agency would produce a short list and conduct interviews to put forward a candidate, which in terms of the Constitution the President and Chairman would recommend to council.
- In the meantime, on closure of applications Heidrick and Struggles are evaluating the applications received and a decision still has to be taken on the number to be interviewed.
- Mr Mdwaba immediately offered to recuse himself as Vice-President, as well as from all other activities in that role, including from the process to recruit the CEO. He did so, by way of a letter to the President.
- What remains critical is the unity of our organization. As the leadership of BUSA we will continue to engage with all our members to ensure the continuous strengthening and integrity of the CEO appointment process.

Both the Manco and Council expressed their deep appreciation to Mr Vilakazi as outgoing CEO for his five years of dedicated service to BUSA. Under his leadership BUSA has made considerable progress in enlarging its sphere of influence over policymaking in SA, as well as developing BUSA's international role. BUSA wishes him well in his future endeavours.

Minister of Environment at BUSA

BUSA met with the Minister of Environmental Affairs, Ms Edna Molewa on Friday, 15th April 2011 at the BUSA offices in Sandton. The two main issues of discussion were Climate change policy and COP17. The discussion centered on how the sector can assist government pass policies that promote green growth.

Molewa said: “We had a very fruitful discussion, which touched on a whole range of issues pertaining to how business can make COP 17 a success. Based on what we have discussed, we are confident that we will be in a position to see how business can step up to

the plate and help to shape our policy direction.”

BUSA’s deputy CEO, Raymond Parsons, said while business supported the targets set by the South African government and the accord reached by world leaders in Copenhagen in 2009 (to reduce its carbon emissions to 34% by 2020), it was imperative that climate policy direction was in line with the economic growth path announced in Pretoria recently. “What is important for us, is how we interpret these climate goals – in other words, how do we align the climate policy with the new growth path,” said Parsons



Minister of Environmental Affairs, Edna Molewa

BUSA and the Competition Commission

On April 6th at the Hilton Hotel in Sandton, BUSA and the Competition Commission (Comp Comm) hosted the Second Business Consultative Forum. The forum aimed at creating a platform for the Commission to engage with business on the mandate of the commission and other pertinent issues which impact on business. This gave members an opportunity to fully engage with the Commission on issues that are of major concern to business.

THE HIGHLIGHTS



Shan Ramburuth Commissioner of the Competition Commission



Theminkosi Bonakele Deputy Commissioner of Comp Com



Andre Lamprecht BUSA Chairman with Lambert Botha and Sham Ramburuth



Nico Vermeulen member of BUSA



Shani Naidoo CEO of Road Freight Agency and BUSA member



Freda Dowie BUSA member and Raymond Parsons BUSA Acting CEO



Lambert Botha, Simon Roberts Chief Economist at Comp Com and Stavros Nicolaou BUSA BoT

TRADE POLICY

Southern Sudanese Delegation

On May 4th, BUSA hosted a delegation of 30 government officials and diplomats in training from Southern Sudan. Their intention was to learn about the interaction between organised business and government. They were informed about the origins and structure of BUSA and the way the organisation works to influence government policy and advance trading relationships.

BRICs Business Breakfast

On April 4th, BUSA participated at the BRICs business breakfast convened by the Minister of International Relations and Co-operation, Ms Maite Nkoana-Mashabane. The discussion aimed to sensitise business to South Africa's BRICs membership and encourage them to work with government to shape BRICs to South Africa's advantage. BUSA was represented by the organisation's President, CEO, and a number of staff and was an active participant in the discussions.

Freight and Logistics

On March 25th, BUSA together with the DoT have been extensively involved in workshops with Imperial Logistics, the CSIR and Stellenbosch University in unpacking the findings of their recent, 7th Annual State of Logistics Survey.

BUSA was also invited by Imperial Logistics to attend a one on one session to further unpack the findings of the survey and jointly come up with solutions to dealing with logistical constraints facing South African business. BUSA is in the process of setting up a joint venture with Imperial Logistics to tackle such constraints and to strategise as to how best to present these issues to government.

On May 5th, BUSA also recently held a meeting with members to discuss the implications of the recently rolled out AARTO system. The outcome of the meeting was that BUSA would request the report and findings of the AARTO Pilot Project in order for it to make a more informed response to the issues facing their industries. In the meantime each organisation present together with BUSA undertook to submit a letter to the Ministry of Transport voicing their specific concerns on the system as it stands.

INTERNATIONAL TRADE

AGOA 2011

BUSA encourages your association/ business to attend the 2011 AGOA Forum: Private Sector/ Civil Society Session to be held in Lusaka, Zambia from 7 June to 10 June. The Private Sector/ Civil Society Session organized by The Corporate Council on Africa, the Zambia Association of Manufacturers and the Lusaka-based Center for Trade Policy and Development will be held at the Mulungushi International Conference Centre in Lusaka. The AGOA Forum, will address the theme of “Enhanced Trade through Increased Competitiveness, Value Addition and Deeper Regional Integration”, and will include a private sector and civil society session on June 7-8; ministerial meetings on June 9-10; and an international trade exhibition on June 7-10. Topics to be discussed include implementation of AGOA tariffs, support for agribusiness, technical assistance for trade as well as empowerment of women through trade and much more. These events promise to attract trade ministers and delegations from the 37 AGOA-eligible African countries, as well as a large U.S. government delegation expected to be led by Secretary of State Hillary Clinton and U.S. Trade Representative Ronald Kirk. This year’s AGOA Forum will allow private sector/ civil society registrants to attend the ministerial meetings. Join business and public-sector officials, who will travel to Lusaka to meet and network with you.



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SOCIAL POLICY

E-TRAINING & MENTORSHIP on ANTI-CORRUPTION

An E-training Program on Anti-Corruption was launched on 1 April 2011. Members are encouraged to sign up for this program which can be accessed on the BUSA website, www.busa.org.za. To date, there are about 60 enrolments. This is part of BUSA's communication and awareness project on anti-corruption.

The mentorship program is underway. BUSA is also developing a user guide and anti-corruption toolkit components of the mentorship guide. Invitations for enrolments would be forwarded to members soon.

SKILLS DEVELOPMENT

There was a call for submission on the Skills Development Amendment Bill, 2011. We pleased to note that the Department of Higher Education and Training for consideration. As we are all aware the Skills Development Act has serious implications for the labour market. It is for this reason that it is necessary and important for this Bill to be discussed at NEDLAC by all social partners before the Minister can proceed with making such major legislative changes.

MEETING WITH MINISTER BLADE NZIMANDE

On May 16th, BUSA held an engagement with the Minister of Higher Education and Training Dr Blade Nzimande on...and discussed issues on the Seta Constitution and Governance and the amendments to the Skills and Development Act. A follow up meeting will be held, members will be notified in due course.

SMME UPDATE!

On May 4th, the first meeting of the SMME Task team was held by members from very diverse organizations. Ms. Venete Klein opened the proceedings and welcomed all the members. Continuing, Ms. Klein drew attention to the importance of the work of the Task Group and its relevance to the business community.

Some salient points which came out of the meeting:

- A study had been commissioned by the ILO into the effects of the world recession on the SMME Sector in South Africa.
- On the 30 day payment cycle to SMMES that some attention be given to seeking a standardized document process whereby SMME's would be able to get paid earlier. This was especially so for larger companies and government administrations but could equally apply to the lending criteria of banks. A standardized process in the market would assist the SMME clients.
- Unnecessary Red Tape which will be given more focused attention at the next meeting
- The concept of a one-stop shop/hub of governmental and other services for the SMME's

SOCIAL POLICY

LABOUR LAW AMENDMENTS

BUSA is in the process of NEDLAC negotiations on the proposed Labour Law amendments. The BUSA task team is meeting regularly in preparation for the NEDLAC process and the relevant BUSA positions.

The themes agreed at NEDLAC are as follows:

- ❖ A typical employment relationships
- ❖ Dispute resolution
- ❖ Compliance and enforcement
- ❖ Access to Employment
- ❖ Equity
- ❖ Collective Bargain

Discussions have commenced on atypical employment relationships. Issues which required careful consideration by BUSA such as joint and several liability; equal pay for work of equal value were discussed at a BUSA workshop and at a meeting of the Social Policy Standing Committee.

MEMBER NEWS



Mthunzi Mdwaba Deputy Member on the ILO Governing Body

Mthunzi Mdwaba has been confirmed as a Deputy Member on the ILO Governing Body coming in with the highest number of votes in Africa among the deputies, for the next three years representing SADC Employers. For the purposes of the ILO Conference, Mdwaba is the Chairman Vice President leading the discussion on Labour Administration and Inspectorates on behalf of over 160 employer organisations.

CALENDAR - JUNE

7 to 10 June **AGOA in Lusaka Zambia**

13 June **SMME Task Team**

This newsletter is distributed by the BUSA in-house PR and Communications desk. We always welcome feedback. Contact – Ms Masego Lehihi at masego.lehihi@busa.org.za

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