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MEDIA STATEMENT

BUSA IS CONCERNED THAT SA HAS SLUMPED

ON THE GLOBAL COMPETITIVENESS REPORT RANKING

JOHANNESBURG – Business Unity South Africa is perturbed by the Global Competitiveness Report 2010/2011, which places South Africa 54th in the ranking, a slip from a ranking of 45 in the 2009/2010.

Jerry Vilakazi CEO of BUSA; “Busa is gravely concerned that South Africa has slipped. The deterioration in our performance is a strong reminder that South Africa cannot afford to be complacent in this area and we need to be continually working at it.”

BUSA’s analysis of the results show a gradual decline in the key pillars of our competitiveness, being our infrastructure, labour market efficiency, education (both primary and secondary), health and our institutions.

BUSA urges government to intervene to address challenges and inefficiencies that exist in key institutions that affect investor confidence, such as in the Department of Mineral Resources (DMR) and the Companies and Intellectual Property Registration Office (CIPRO). We believe that such institutions have a direct impact on perceptions about SA as an investment destination.

BUSA also notes that labour market inefficiencies remain a critical challenge for the country. In this regard, BUSA has continuously called for all stakeholders to address labour market issues, especially productivity related matters.

The latest ranking could undermine the position of South Africa as a destination for FDI. The country has also slipped in comparison to other emerging markets of Brazil, China and India.

There are some notable improvements in financial sector competitiveness and macro-economic stability, with the country being ranked favourably in these two areas. We need to consolidate gains in this area.

All stakeholders must work together to strengthen our performance on all pillars of global competitiveness. This is the only way to achieve an all inclusive, labour-absorbing economic growth in a sustainable manner.





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