



BUSINESS UNITY SOUTH AFRICA (BUSAS)

MEDIA STATEMENT

IMMEDIATE RELEASE

Commenting on the drop of GDP growth for first quarter 2009 BUSAS says:

Quote:

The larger-than expected drop in GDP growth for 1 Q 2009 – and the confirmation of a recession - reinforces the need for SA to continue to implement such counter-cyclical measures as will help to cushion the impact of the global economic recession on our economy. Although the policy options open to SA are limited, the fiscal measures in the Budget, the steps outlined in the Presidency's Framework Response to the global crisis and lower interest rates are necessary to sustain business confidence and minimise job losses. In particular, BUSAS expects to see another cut in the repo rate after the MPC meeting later this week.

BUSAS also believes that given the poor growth outlook it is all the more essential for key stakeholders in the economy to help lay the foundations for renewed growth from 2010 onward and to do nothing that will delay a speedy economic recovery for South Africa. The 2010 soccer world cup will also be of considerable psychological and economic support in helping the SA economy back onto a higher growth path in the years ahead. The priority now is to ensure that the SA economy is successfully positioned to take advantage of the business cycle when it turns and to attract the investment it needs for growth and development.

Ends

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