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**MEDIA STATEMENT – IMMEDIATE RELEASE****BUSA ENDORSES THE NATIONAL SAVINGS MONTH****22 July 2010**

BUSA endorses the National Savings Month campaign spearheaded by the South African Savings Institute (“SASI”). Our position is informed by our understanding that a higher savings rate is a pre-requisite for long-term economic prosperity for South Africa, as is the case in other countries.

The need for a generally higher savings rate in SA is supported by both the Commission on Growth and Development ( the Spence Commission) and the recent OECD country report on SA. Both studies noted that there was no case of a sustained high investment path not backed up by high domestic savings and that international evidence strongly suggested that growth accelerations were typically preceded by increases in savings rates and an improvement in the current account of the balance of payments.

Increased government savings can also assist South Africa to return to balanced budgeting in the long term. This is crucial, given that the size of public borrowing through its expected increase from 23% of GDP in 2008/9 to about 40% of GDP by 2013. Efficiency in government spending is essential to avoid unsustainable debt levels, which threaten sovereign solvency as experienced in some EU member states, most notably Greece. .

BUSA is currently holding preliminary discussions with SASI on the development of a strategic partnership to advocate for saving. It is envisaged that BUSA’s involvement will focus on raising corporate savings and an advocacy campaign using large employers.

We urge all South Africans, in particular corporates, to support the National Savings Campaign.

Ends

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