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## THE NATION BY PRESIDENT RAMAPHOSA AND THE MOVE TO LEVEL 3

President Cyril Ramaphosa announced on the 5<sup>th</sup> of May that the country will officially move to alert level 3 lockdown from 1 June. He also warned that some places could go back to levels 4 or 5, depending on their progress.

Business Unity South Africa (BUSA), South Africa's apex business organisation, welcomed the Government's decision to relax some crucial conditions around the COVID-19 national lockdown.

"We deeply appreciate the time President Cyril Ramaphosa has spent in consultation with business and other stakeholders and fully support the move to Level 3," said BUSA President Siphon Pityana.

"As he said, it is time for many of us to return to work – but to do so in a safe way as possible, and in a way that continues the struggle against this deadly virus.

"There were many different issues to consider in making the decision to move from level four to level three, and the outcomes are the result of a fine balancing act under extremely difficult conditions. We believe that the decision announced by the President is best for the country given where we find ourselves now."

Pityana added: "We call on our members to ensure their workplaces are Corona-ready when employees return to work under Level 3. The same applies to the many role players in the transport sector, who play a part in ensuring workers are able to go to work.

It is critical that businesses – big and small – play their part by screening and testing employees, monitoring, and tracking them and ensuring the tracing of workers who are tested positive.

As the President said, the onus is on all of us to show responsibility, to uphold the sanctity of life, and to protect the most vulnerable among us – and, ultimately, to demonstrate the kind of solidarity that has taken us so far already.

We are all in this together, and we all have to do whatever we can to kill the Coronavirus before it kills us. It is now in our hands.

📍BUSAsite: <https://.org.busaza/>; Twitter, @BusinessUnitySA; and Facebook, @BusinessUnitySouthAfrica

## B4SA Economic Recovery Strategy

BUSA noted the release of a document reflecting some thinking from the ANC on an economic recovery strategy post-Covid 19.

BUSA CEO Cas said we are of the view that the Covid 19 pandemic has caused a significant upheaval in the global economy and in the SA economy. The SA economy is particularly impacted upon because we were in a recession and a severe fiscal crisis before the impact of the pandemic. Real GDP grew at an estimated 0.7% in 2019. The fiscal deficit was an estimated 4.3% for that year.

The economy was further battered by Moody's, the only major rating agency that rated us at investment grade, downgrading the sovereign to sub-investment grade during the Covid 19 crisis.

Work done by Business for SA estimates a drop in the SA GDP of anything between 8.8% to 16.1% in 2020. Unemployment could be anything between 33.1% (narrow definition). This increases to more than this to 43.9% (broad definition) and the Reserve Bank estimates our fiscal deficit could be over 10% of GDP. The economic impact of Covid 19 is thus severe and this is exacerbated by the severe social impact because of the pandemic and the economic lockdown. The pandemic has also made starker the inequalities in our country.

This set of circumstances need a significant rethinking of our economy and measures to resuscitate it post Covid 19. We will need to build an economy that attains sustained growth of beyond 5% and is structured to be inclusive and equitable. This will require the critical stakeholders, particularly government, business, and labour to put aside ideology and dogma to put national interest above all else. However, some fundamental truths remain in any discussion on rebuilding our economy. These are:

The absolute imperative of getting local and global businesses to invest in SA. This will be extremely difficult in the Covid and post-Covid period.

The absolute imperative to grow the economy at levels that address the inequalities and is inclusive so that the majority of our people are economically active.

This means we need to agree on the structural reforms critical to enable investment, growth, and inclusion. It means we must recognise the resource constraints we face, and available resources must be utilised in productive economic and social growth. It means we can only invest in projects that will deliver meaningful social or economic returns.

The ANC document considers some but not all these issues. This document re-surfaces old ideology and dogma of a significantly increased role in the economy for the state, interfering in the mandate and independence of SARB, supporting ailing and un-strategic SOE's and creating new ones. In all instances, we will need to persuade society that there is a fundamental and rational basis for any such moves, consistent with an inclusive, mixed, and sustainable economic growth trajectory. We remain convinced the private sector is best placed to stimulate such economic growth, provided the state creates an enabling environment and business and labour reach a constructive compact taking all criteria including inclusivity, affordability, and competitiveness into account.

Cas announced that BUSA is a co-sponsor of Business for SA, which is doing a significant amount of work on developing fact-based options for rebuilding our economy, within the context of a fundamental recalibration of our socio-economy. We will engage government, labour, and other stakeholders imminently on the outcome of this work, but in the meantime urge that government looks at business as a credible partner in lifting SA out of the current crisis into the new dawn promised by President Ramaphosa.

**BUSA CEO Cas Coovadia announced that BUSA is a co-sponsor of Business for SA, which is doing a significant amount of work on developing fact-based options for rebuilding our economy, within the context of a fundamental recalibration of our socio-economy.**



## EconPol

BUSA sub-committee on TRADE, TRANSPORT AND LOGISTICS virtual meeting scheduled to take place on **27 May 2020** took place chaired by Deidré Penfold Chair opened the meeting and welcomed those present at the end of the meeting he indicated that the next sub-committee was scheduled for 11 August 2020 (10:00 – 13:00).

## FEEDBACK FROM BUSINESS FOR SOUTH AFRICA'S (B4SA) ECONOMIC INTERVENTION GROUP

### 1. PUBLIC TRANSPORT

1.1. The Chair reported that there has been a lot of work done on Business for South Africa Public Transportation with the aim of flattening the Covid-19 Curve, in terms of ensuring safe transport by mitigating the dangers associated with peak commuting of workers to places of work, safeguarding transport infrastructure, hygiene measures on public transport to contain Covid-19 and resolving transport specific issues.

1.2. The Chair indicated B4SA has put together a document on public transport which is available upon request.

#### Action (1)

Following the Chair's report on Public transport, it was agreed that BUSA creates a survey to its members in ascertaining the extent to which businesses are able to stagger / adjust working hours to flatten peak commute times in order to flatten the Covid-19 curve.

#### Action (2)

Following the report by the Chair on the two proposed draft directives for public transport, members of the subcommittee were requested to submit their comment / input on both directives by 15:00 PM on Wednesday 27 May 2020.

### 2. SUPPLY CHAIN SECURITY

2.1. The Chair reported that there is another B4SA workstream on supply chain security which attempts to find ways to maximise ports efficiency for critical inputs/ exports and identifying bottlenecks and constraints associated with Airfreight.

2.2. Juanita Maree reported that there has been a lot of stoppages at border posts and ports inefficiency and causing delays in transporting and shipping of goods.

2.3. Juanita Maree further reported that the stoppages had increased the costs of operating a business, therefore, an intervention was required.

2.4. The Chair indicated that B4SA would continue dealing with issue.

## **BUSA sub-committee on TRADE, TRANSPORT AND LOGISTICS continues**

### **Customs**

#### **3. BORDER MANAGEMENT AUTHORITY**

3.1. Catherine Grant reported that the National Assembly passed the Border Management Authority in March 2020.

3.2. Catherine Grant stated that there was an urgent need to re-establish a meeting with SARS as previously discussed.

#### **Action (3)**

BUSA to follow-up on a meeting previously requested with SARS on Border Management Authority.

#### **4. CUSTOMS & EXCISE PREFERRED TRADE / AUTHORISED ECONOMIC OPERATOR FORUM**

The reports presented by Juanita Maree, on Customs and Excise Preferred Trade / Authorised Economic Operator Forum were noted.

#### **Action (4):**

Olivier Serrão and Juanita Maree to conceptualise the rescheduling of the BUSA AEO workshop.

#### **Action (5):**

Following a query from Juanita Maree on whether there was traction on the Nedlac Customs Fraud & Illegal Imports Report (particularly Annexure E), it was agreed that BUSA would engage SARS directly rather than through Nedlac on broader issues of illicit trade.

### **TRADE**

#### **5. NEDLAC TESELICO REPORT**

5.1. The report, presented by Catherine Grant, was noted

5.2. Catherine Grant reported that there had been no SACU meeting scheduled for the past two months and indicated that there is a possible meeting scheduled on 28 May 2020.

5.3. Catherine Grant further reported that Nedlac will schedule a session on any WTO issues and indicated that the details of the session would be shared once Nedlac has scheduled a session.

5.4. Catherine Grant reported that the World Trade Organisation Director-General has resigned effective 1 September 2020.

5.5. Catherine Grant indicated that the African Union had formed an AU Business Council and had sent the founding documents on how the business council will look like for comment.

## **BUSA sub-committee on TRADE, TRANSPORT AND LOGISTICS continues**

5.6. Olivier Serrão reported that BUSA had nominated Deidré Penfold as a South African business representative at the African Union Business Council.

5.7. Olivier Serrão reported that BUSA had circulated the Presidential Commission report on 4th Industrial Revolution (4IR).

Action (6)

It was agreed that BUSA constitute, a BUSA Working Group on Trade in Services under the ambits of the BUSA Trade, Transport and Logistics Subcommittee.

Action (7)

BUSA to circulate the African Union Business Council founding documents for comment.

## **6. WTO TRADE DIALOGUE**

6.1. The report, presented by Olivier Serrão, was noted.

6.2. Olivier Serrão reported that the Dialogue took place on 19 May 2020 and indicated that the dialogue was about the continuity of the World Trade Organisation's agenda.

## **LOGISTICS & TRANSPORT**

### **7. AARTO UPDATE**

Gavin Kelly reported that a Nedlac meeting on AARTO scheduled on 19 May 2020, was cancelled because of lack of documentation from the Department of Transport for the meeting.

Action (8)

It was agreed that BUSA follow-up through Nedlac to ask the Department of Transport on the status of AARTO regulations and when will the department be in a position to engage Nedlac on the AARTO regulations.

Action (9)

BUSA working group on AARTO to have a meeting to discuss a way forward on AARTO regulations.

### **8. TRANSNET FEEDBACK**

The Chair reported that there had been a proposed meeting between BUSA and the new CEO of Transnet and requested members of the subcommittee to send their issues related to Transnet within 7 days in preparation for the meeting.

Action (10)

Members to provide BUSA with any issues related to Transnet within 7 days in preparation for the meeting with Transnet CEO.

## **BUSA sub-committee on TRADE, TRANSPORT AND LOGISTICS continues**

### 9. Road to Rail Strategy

Tyson Sibanda reported that there had been a Nedlac Road to Rail meeting scheduled on 28 May 2020.

#### Action (11)

Tyson Sibanda undertook to share the Research Report on Road to Rail to the members of the subcommittee.

#### Action (12)

Norman Lamprecht undertook to share NAAMSA's study on Port Benchmarking once it has been finalised.

### 10. HIGH CUBE CONTAINER MORATORIUM

Stephanie van der Walt reported that the High Cube Container Moratorium had expired, and it was posing threats and concerns to businesses that are still using containers with a height exceeding 4.3m.

#### Action (13)

Following Stephanie van der Walt's report it was agreed that BUSA should write a letter to the Department of Transport requesting an extension of the moratorium to allow time for a permanent solution to be found.

### 11. ANY OTHER BUSINESS

#### 11.1. TRANSPORT FORUM

Tyson Sibanda reported that there had been a series of Transport Forum engagements focusing on issues affecting the transportation industry including the impact of Covid-19 and requested members in transport and logistics to sign up for free on the transport forum website ([www.transportsig.com](http://www.transportsig.com)) for more information and updates.

#### 11.2. TRANSNET DIESEL PIPELINE

11.2.1. Siganeke Magafela reported that the hot tapping of Transnet's diesel pipeline was still happening and posing a threat to fuel supply.

11.2.2. Siganeke Magafela indicated that in response to hot tapping of Transnet's pipeline there had been a task team constituted to look at the security measures for the entire Transnet fuel pipeline.

■ The End!

■ CONTACTS

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