



**14 August 2024**

## **MEDIA STATEMENT**

### **A NEW ERA OF BUSINESS AND GOVERNMENT COLLABORATION**

**Johannesburg, 14 August 2024** – President Cyril Ramaphosa convened a meeting yesterday with members of cabinet and senior business leaders to pave the way for a new era of collaboration under South Africa’s 7<sup>th</sup> democratic administration, and to strengthen the partnership formed over a year ago to stimulate economic growth and job creation by addressing constraints on growth in energy, transport and logistics, and crime and corruption.

At the meeting, both business and government leaders committed to build upon progress achieved to date and accelerate implementation over the next 12-18 months in line with the strategic priorities of the Government of National Unity (GNU).

President Cyril Ramaphosa said, “The Government of National Unity has reaffirmed its commitment to urgently implement the reform agenda started by the 6<sup>th</sup> administration and to restore confidence and sentiment—essential drivers of investment, inclusive economic growth, and job creation. We have reaffirmed our commitment to a dynamic partnership between government and business to foster South Africa's economic growth and social advancement. Since the start of the partnership just over a year ago, we have made substantial progress towards stabilising the energy sector, improving the performance of our rail and port system, and strengthening the fight against crime and corruption.”

Adrian Gore, co-convenor of the business delegation, commented: "We welcome President Ramaphosa’s commitment to a new era of partnership at a critical inflection point for the country. In the first phase of our partnership, over 130 CEOs pledged support and business invested more than R260 million and mobilised over 350 experts across the 3 focal areas. This has contributed to the excellent progress made with the reduction in loadshedding being the most visible and pronounced achievement. Continued momentum could mean we are able to achieve 3-5% GDP growth by 2030. We will be launching Phase 2 of our partnership with this ambition in mind.”

The meeting reviewed progress over the past year, as the partnership sought to align on priorities for the next chapter. There was strong consensus on the importance of continuing to address structural challenges, drive reforms and efficiencies, and invest in skills capacitation across all workstreams.

The energy workstream was reported to have had the most impact, achieving a dramatic reduction in load shedding in collaboration with Eskom (over 140 days without load shedding so far this year), and significant grid capacity recovery (with more than 6 GW of new energy

generation added) through investment in additional technical support and capacitation from 57 companies investing over 9,000 hours at 5 power stations. The energy availability factor is currently tracking above 60% (vs 54% in 2023).

However, we still face multiple challenges including rapidly rising electricity costs, unsustainable municipal utilities, complex market reform, a constrained grid with delayed expansion, and stalling investment in new generation.

Significant investment will be required for energy sector reform over the next 5-10 years and there was strong consensus that it is critical to pave the way now to address the challenges. Business, Eskom and the Presidency have agreed that the priorities of the National Energy Crisis Committee should include a focus on transmission, market reform, municipal utilities and new energy generation.

The transport and logistics and crime and corruption workstreams which are now fully established have also evidenced impact, albeit not as quickly or extensively as anticipated.

Business has provided significant technical support and resources to Transnet Freight Rail, including procurement and operations expertise, and port maintenance support for Transnet Port Terminals. The Transnet Board and management team are making progress in implementing the Transnet recovery plan. Despite the significant efforts by the partners, there is broad acknowledgment that Transnet requires substantial interventions to improve performance to meet the needs of its customers and the market demand necessary for sustainable economic growth.

The meeting agreed that the rapid implementation of structural reforms and strict adherence to the Freight Logistics Roadmap deadlines are crucial to facilitate participation of, and investment by, the private sector to help address our national logistics challenges. This is crucial to ensure that our commodities and manufactured products can be competitively sold into the local market and exported to meet demand. Resolving these issues will promote job retention and job creation.

In the crime and corruption workstream, an immediate joint imperative is to support South Africa's removal from the Financial Action Task Force (FATF) grey list, which would improve international confidence in SA as an investment destination. Key to this is demonstrating the law enforcement agencies' intent and ability to successfully prosecute complex crime and corruption cases and recover assets. Business is providing specialised skills at arm's length to support this objective. The promulgation of the NPA Amendment Act is key to bolstering IDAC's ability to effectively deliver on its mandate.

The meeting acknowledged that economic growth is a pre-requisite for large-scale job creation. For now, unlocking a few key policy, regulatory and funding bottlenecks could accelerate existing short-term interventions across four areas, including new work opportunities in tourism and global business services, skilling that creates new jobs (particularly in digital skills), providing additional public sector first loss funding to crowd in private sector capital to increase affordable debt available for SMMEs, and institutionalizing, expanding and strengthening the SAYouth platform to facilitate access to opportunities for young people.

Martin Kingston, Chair of the Business for South Africa (B4SA) Steering Committee, commented: “This is a model of collaboration that has shown its merit and is fit for purpose to drive accelerated growth and jobs in the 7<sup>th</sup> administration. Over the last year significant progress has been made and impact has been achieved, and whilst it has not been as swift or extensive as we would have liked, it has gifted us with a blueprint for success in a new era with the GNU. We are keen that the reforms are implemented with urgency. We are very optimistic about the next phase of the partnership.”

“As we move forward with this partnership, we will intensify our work to address these pressing issues and expand our efforts to drive employment creation. We know that the challenges ahead are formidable. But with our continued partnership, we are well equipped to navigate these complexities and contribute to sustainable growth for South Africa”, concluded President Ramaphosa.

**ENDS**

**Media enquiries:**

Vincent Magwenya

Spokesperson to President Ramaphosa

[media@presidency.gov.za](mailto:media@presidency.gov.za)

Liz Ferreira, Camilla Mseme

Instinctif Partners

[B4SA@instinctif.com](mailto:B4SA@instinctif.com)