

**KEYNOTE ADDRESS BY PRESIDENT CYRIL RAMAPHOSA
AT THE BUSINESS UNITY SOUTH AFRICA (BUSA) AGM**

**PROTEA HOTEL MARRIOTT, WANDERERS, JOHANNESBURG
31 AUGUST 2022**

President of Business Unity South Africa, Prof Bonang Mohale,
Vice-President of BUSA, Mr Adrian Gore,
CEO of BUSA, Mr Cas Coovadia,
Directors of BUSA,
Representatives of business and labour,
Guests,
Colleagues and friends,

Good afternoon,

Thank you for this opportunity to engage once again with the leadership and membership of Business Unity South Africa.

As government, we always appreciate the direct, considered and constructive approach that BUSA takes in responding to the challenges facing our country.

I will seek in my contribution today to be just as direct, considered and constructive.

Our country is facing a crisis of unemployment and poverty.

We know the reasons for this, including the devastating legacy of our apartheid past, state capture and corruption, policy missteps and the devastating COVID-19 pandemic.

We know what we have to do.

We have to revitalise growth, create jobs, enable businesses of all sizes to flourish, fix our economic and social infrastructure, tackle corruption and crime, provide social support to the vulnerable, and improve governance throughout the country.

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PRESIDENT: Bonang Mohale **VICE PRESIDENT:** Adrian Gore **CEO:** Cas Coovadia **NEDLAC CONVENOR:** Kaizer Moyane

DIRECTORS: Angela Russell, Bongani Kunene, Busisiwe Mavuso, Christopher Campbell, Deidre Penfold, Gareth Ackerman, John Dlodlu, John Purchase, Leon Campher, Roger Baxter, Stavros Nicolaou, Zoleka Lisa.

We are also clear that we need to work together – as business and government, as social partners and as a society – to undertake these vital tasks.

It is not enough for us each to play our part.

We need to act in concert, sharing resources, expertise and capabilities.

It is not enough to have a common vision.

We need a common plan, with a clear set action that will be undertaken.

As we undertake the far-reaching reforms necessary to fundamentally transform our economy and society, there are several immediate issues on which we must focus attention and resources right now.

As business and government, we are in broad agreement on what those issue are.

We need to:

Firstly, stabilise the country's energy supply.

Secondly, ensure an effective and sustainable supply of water.

Thirdly, fix our rail and port infrastructure to realise the full export potential of our economy.

Fourthly, unlock investment in infrastructure.

Fifthly, combat crime and corruption, and,

Finally, I would add, improve the functioning of municipalities.

The partnership we forged in response to COVID-19 shows what remarkable heights can be achieved through collaboration between government, business and other social partners.

Working together, we managed to administer 37 million COVID vaccines doses, delivering some 260,000 doses a day at peak, all free at the point of service.

We established the Solidarity Fund, which raised R3.4 billion from more than 300,000 individuals and 3,000 companies and foundations.

We repurposed some of our industrial capabilities to produce ventilators, hand sanitisers, medical-grade face masks, therapeutic drugs, anaesthetics and vaccines.

Now we need to adapt the approaches that we used to such great effect during COVID to tackle other critical challenges facing the country.

In the area of energy, we are already working together on aspects of the actions that I announced in July to stabilise our electricity supply and end load shedding.

These actions aim to improve the performance of Eskom's existing power stations, accelerate the procurement of new generation capacity, increase private investment in generation and enable businesses and households to invest in rooftop solar.

Since the announcement in July, additional generation units at Eskom have been returned to service, reducing the risk of load shedding.

The necessary amendments are being made to remove the licensing threshold for embedded generation.

Transmission and distribution lines in strategic transmission corridors have been excluded from the requirement to obtain environmental authorisation prior to commencement.

Local content requirements for renewable energy projects have been substantially eased.

Eskom is finalising agreements for its land lease programme, unlocking 1,800 MW of new generation capacity in the first phase.

Detailed work is underway to finalise a sustainable solution to Eskom's debt by October 2022.

Over 500 MW of private renewable power generation projects have been registered to date, with a pipeline of over 6,000 MW of projects at various stages of development.

We are encouraged by BUSA's view that we need to continue to work together, utilising all existing channels, to oversee the energy plan's effective implementation.

By resolving this persistent challenge, we can kickstart economic growth and create more avenues for employment.

More than that, we will fundamentally transform the country's electricity architecture so that it is better suited for the dynamic economy of the future.

We are undertaking far-reaching reforms in the water sector to strengthen governance and increase investment in infrastructure to ensure a sustainable supply of quality water.

As a result of the turnaround plan for water use licenses supported by Operation Vulindlela, the backlog of water use license applications was cleared by the end of June 2022.

The Department of Water and Sanitation is on track to meet its target of processing 80% of all applications within 90 days.

We have prioritised the establishment of a National Water Resources Infrastructure Agency to undertake the building, operation, financing and maintenance of national water resources assets

Following the revival of the Blue Drop, Green Drop and No Drop water quality monitoring system, the department is putting in place a range of measures to improve the quality of water services at municipal level.

The return of our rail and port operations to full capability is essential for the recovery and future growth of our economy.

We are addressing both policy and operational issues.

The Economic Regulation of Transport Bill, once finalised, will provide for open and non-discriminatory third-party access to the rail network and the establishment of a Transport Economic Regulator.

In the interim, proposals are due from private operators for 16 slots made available by Transnet on the Durban-City Deep and Pretoria-East London lines.

Transnet has shortlisted 10 potential bidders for private sector participation in the Durban Container Terminal and a further four for the Ngqura Container Terminal in the Eastern Cape.

This is a major initiative that will enable private investment in, and management of, under-performing container terminals.

We are seeing improvements with respect to the security of our rail lines.

This includes cooperation between Transnet and the South African Police Service to secure the North Rail Corridor, which has led to a significant reduction in crime and derailments.

The reforms that are taking place in these network industries, together with the recent auction of high-demand spectrum, will contribute to a significant increase in infrastructure investment by the private sector, by SOEs and by government.

This year's Budget outlined a 30 per cent increase in spending on public infrastructure.

This represents an increase from R627 billion over the past three years to R812 billion over the next three years.

However, there are several blockages to increased infrastructure spending, which we have been working hard to address.

Through Infrastructure South Africa, we have brought on board valuable technical expertise from the private sector to assist in the preparation of projects.

Through the Infrastructure Fund, we are seeking to pool resources from government, private investors, multilateral development banks and development finance institutions to fund infrastructure more effectively.

This is an area that requires far closer and far more structured cooperation between government and business.

Our economy cannot grow, and the circumstances of our people cannot improve in a situation of lawlessness and instability.

We need to work together, as we have done so effectively before, to tackle corruption and crime.

Since we came into office, we have undertaken decisive measures to end state capture and curb corruption.

A new National Director of Public Prosecutions was appointed in 2018 through a transparent public consultation process, bringing much needed stability to the NPA.

We established the Investigating Directorate in the NPA to work on high profile complex cases of corruption and fraud.

We established the SIU Special Tribunal, which has shown its value in recouping monies stolen from state coffers.

Working through the multidisciplinary Fusion Centre, entities like the NPA's Asset Forfeiture Unit are recovering the proceeds of economic crimes, and law enforcement entities are sharing information and supporting each other in investigating corruption.

The impact of this work is now being seen, with several arrests of suspects alleged to have been involved in state capture and other serious corruption.

Earlier this week, I announced appointments to the National Anti-Corruption Advisory Council, which will oversee government's anti-corruption strategy and our implementation of the recommendations of the Zondo Commission.

The Hawks recently reported progress in dealing with crimes that have a particularly detrimental impact on business, such as cash-in-transit heists, damage to essential infrastructure, pipeline fuel theft, copper cable theft and illegal mining.

The South African Police Service has set up task teams to deal with acts of economic sabotage, including infrastructure vandalism and theft, illegal mining and construction site extortion.

A number of these teams are operational at hot-spots and have recorded important successes.

This progress shows that we can – with the right resources, capabilities and partnerships – restore law and order throughout the country.

I have said on a number of occasions that economic growth cannot be realised without strong and capable local government.

Local government is the most important sphere of government for businesses and for the citizens of the country.

Municipalities are responsible for the water, sanitation, electricity, roads and waste management that businesses and households require, as well as planning for integrated development.

The reality is that municipal administrations are in disarray.

We have not succeeded in building stable well-functioning and financially sustainable administrations, and political interference in the administration has led to the loss of good managers and technical skills.

The new Local Municipal Systems Amendment Bill will go a long way to improve the functioning of municipalities, alongside the interventions of COGTA and the National Treasury to ensure the efficient management of local government budgets and the delivery of basic services.

We have introduced the District Development Model to provide for a more integrated and coordinated approach to local planning, local economic development and service provision.

We have had some successes in bringing the different spheres of government together through this model, but we need to find a more structured way for businesses to participate alongside communities and other stakeholders.

Colleagues and friends,

All these areas of work, all these interventions and undertakings, must be directed to the creation of employment.

While the employment figures for the first two quarters of the year are encouraging, and provide hope for a stronger recovery, they also demonstrate the scale of the challenge we face.

They provide a stark reminder that every avenue to create employment must be pursued, allowing businesses to grow, emerge and thrive, while also using the capabilities of the state to create opportunities.

A good example of what the state can do is the Presidential Employment Stimulus.

The largest youth employment intervention in our country's history, the Presidential Employment Stimulus has reached close to a million participants in less than two years.

It has offered opportunities for earning a livelihood and for skills development that would otherwise not have been possible, especially for youth lacking formal qualifications.

I call on business to complement the efforts of government by employing the young people who have exited the programme with newly acquired skills, take advantage of the Employment Tax Incentive and use the SAYouth.mobi platform to publicise opportunities that exist in your companies.

At the same time as we undertake these and other efforts to develop skills and provide work experience to young people, we are pursuing measures to attract much-needed skills into the country.

With the support of Operation Vulindlela, the Revised Critical Skills List was published for the first time since 2014 to reflect current skills shortages in the economy.

Together with the Department of Home Affairs, the Operation Vulindlela team has been able to complete the comprehensive review of the work visa system, with detailed recommendations to attract skilled immigration and investment.

These are areas where the involvement of business, which knows best the skills needs of our economy, is crucial.

We wholeheartedly share BUSA's view that the time for implementation is now.

On resolving our energy crisis.

On implementing growth-enhancing measures and creating more jobs.

On clearing bottlenecks to growth and obstacles to progress.

On resolving urgent issues of safety and security, and on resolving service provision challenges that affect all businesses.

To do so, we must not only agree on a mechanism for collaboration between government and business, but we must also finalise the 'Framework for a Social Compact in South Africa'.

The foundation of the social compact is a recommitment from all social partners to the accelerated implementation of the Economic Recovery and Reconstruction Plan.

We share a common desire to see our economy grow and our people thrive.

What we are seeking to do is transformational.

We are seeking to provide skills and opportunities to the millions of South Africans that have been relegated to the margins of the economy.

We are seeking to change the structure of our economy.

We want to change not only the patterns of ownership, control and benefit, but also what our economy produces and how efficiently it functions.

As government and business, we may not always agree, nor should we.

But we have a shared responsibility to nurture cooperation and consensus so that we can realise the South Africa we all want.

There are pressing tasks that we must undertake with immediate effect.

Let us start now. Let us get to work.

And let us leave no-one behind.

I thank you.