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Agbiz plays vital strategic role

Agbiz has a vital role to play in the current economic meltdown, Agbiz chairperson Schalk Pienaar said at the Agbiz congress.

“Although Agbiz is deeply conscious of the factors impairing economic growth and development, the effects of this slowdown are part of what we have to deal with on a daily basis. Our main aim is to look ahead and find the signs of the next upturn in the economic fortunes of South Africa, the region and also internationally.”

Pienaar said that policy uncertainty regarding such cornerstone matters as ownership of land, expropriation and unfriendly employment policies, as well as very risky and dangerous political rhetoric, continues to adversely affect confidence locally. “There is also a lack of willingness to take bold and imaginative steps to convert all the negatives into positive and meaningful growth and investment decisions.”

This reality results from negative confidence indices based on research amongst businesses in the country, he said. “It is deeply concerning that it would appear as if government is unable to distinguish between what the role of the state is and what the role of a governing majority political party is. The massive drain on the fiscus by state-owned enterprises is ample evidence of this.

“Despite sterling efforts to stop the rot, unchecked corruption and looting of public assets have become an embarrassing characteristic of South Africa. “This is massively detrimental to those who need support and upliftment the most, namely the poorest of the poor.”

Climate

Pienaar pointed out that the adverse climatic conditions currently being experienced are contributing to the woes of South Africa and southern Africa's economies. "The extreme drought is now reaching record proportions and will certainly place huge demands on both government and private sector resources. The situation regarding the drought is very serious and could expedite the region slipping into a full-blown recession."

Pienaar said that Agbiz continually studies the elements of macro-economic activity relevant to the business of its members.

"In doing so our radar constantly scans the horizon for business opportunities that members can be pointed to, while also interacting with industry organisations and government in an effort to build and improve the platforms to grow the businesses of our members. This work also carries an international flavour with Agbiz actively being involved and represented in international conferences, workshops and membership."

Pienaar said that Agbiz' point of departure is one of optimism and realism. Agbiz also believes that the international economy does from time to time experience downturns, slowdowns and sometimes, economic meltdowns.

"The world is currently at the bottom or close to the bottom of a huge cyclical event. Southern Africa and South Africa are particularly vulnerable to these realities and it is therefore incumbent upon Agbiz not only to warn of dangers and problems, but also to look towards mechanisms for members to be shielded against the negative effects of economic recessionary conditions. In doing so, we also recognise that the global economy is migrating to new and exciting areas."

Not business as usual

According to Pienaar the time has come that it is no longer business as usual. There has been an over-reliance on mining and mineral extraction and beneficiation, but the needs of the world's consumers have also changed.

"The world has only now begun to see the fantastic opportunities for economic growth and development brought about by revolutionary technology. The ability and willingness to embrace this phenomenon will largely determine the winners and losers in the economic race. Together with this, the need to use risk-mitigation

strategies such as diversification and expanding business to foreign markets will greatly contribute towards successful business survival.”

Agbiz is keenly aware of this and its intellectual capacity is continuously being geared, developed and pointed to assist members to move ahead as leaders and not followers, Pienaar assured. “It is incumbent upon our members, and also the rest of the role players in our economy, to leave no stone unturned to develop leaders for the future. In fact, Agbiz is leading by example by providing bursaries to deserving candidates who follow advanced academic programmes.”

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