



27 SEPTEMBER 2023

JOINT MEDIA STATEMENT

PROGRESS UPDATE ON GOVERNMENT AND BUSINESS COLLABORATION

Johannesburg, 27 September 2023 – President Cyril Ramaphosa yesterday met with members of Cabinet and senior business leaders to receive an update on progress made in the collaboration between government and business. This collaboration was initiated in June 2023 with the aim of significantly growing South Africa's economy and restoring public and investor confidence through critical interventions to address the key challenges of energy, logistics, and crime and corruption.

Highlighting the meaningful progress made since the start of the initiative, President Ramaphosa said: "We have established an effective working relationship between government and business to tackle the most immediate challenges facing our economy. While we have identified key milestones and set out the processes to achieve these, the real test of our success will be in the results felt by ordinary citizens. We are confident that, by working together and marshalling the significant resources and expertise that exist in our country, we will end load shedding, fix our logistics system, and tackle crime and corruption."

Adrian Gore, co-convenor of the business delegation, said: "It's early in the partnership, but the collective work rate has been excellent and there are clear areas of progress, which we believe we can build upon to achieve real change. Putting in place a viable critical path per focal area with clear short term deliverables against which we collectively measure our progress is crucial for building confidence in our ability to deliver."

Good traction has been achieved within the energy focal area, through the National Energy Crisis Committee (NECOM), which has been established to ensure delivery of the Energy Action Plan (EAP). Business and government reaffirmed the importance of the EAP as the country's blueprint for reducing the severity and frequency of load shedding in the short term and ending it altogether in the long term. Full implementation of the plan across three core priorities – improving the performance of Eskom's existing power stations; adding new generation capacity; and reforming the energy sector – will result in over 12 GW of generation capacity being recovered or added to the system from Eskom and the private sector by the end of 2024.

As part of this collaboration, Cas Coovadia, CEO of Business Unity South Africa (BUSA), and Martin Kingston, Chair of the Steering Committee of Business for South Africa (B4SA), noted that business is mobilising additional capacity and skills to support implementation of the EAP. This includes nearly 130 volunteers from the private sector who are being coordinated through the Energy Council of South Africa to work in partnership with Eskom and government. The deployment of technical support teams to five power stations – Kendal, Kriel, Majuba, Matla, and Tutuka – is on track, in addition to ongoing support for the return of Kusile Units 1 to 3.

The Electricity Regulation Amendment Bill has been tabled in Parliament, and the public comment period is underway. Government is engaging closely with Parliament to prioritise the passage of this Bill, given its crucial importance for the reform of the energy sector.

Encouraging progress has been made in the establishment of the National Transmission Company of South Africa (NTCSA), with all three licenses approved by the National Energy Regulator of SA (NERSA), and the appointment of an independent board is in process. The One Stop Shop for energy projects has been established, and a Memorandum of Understanding (MOU) has been signed with the Energy Council to support enhancement of its capacity and systems to further streamline regulatory processes and facilitate private investment in energy generation.

In the logistics focal area, the collaboration is centered on ensuring implementation of immediate operational interventions, which have already been defined, alongside the development of the Freight Logistics Roadmap. Government has committed to finalise the roadmap, which will outline a sequenced set of actions to fundamentally reform the logistics system, by the end of October 2023. Business emphasized the urgency of this roadmap in the context of the ongoing challenges in the logistics system.

Six of the eight work streams of the National Logistics Crisis Committee (NLCC) are now fully operational, while the remaining two will transition from Operation Vulindlela. Interventions to improve the operational performance of the multimodal bulk freight rail network and port system are well underway through the NLCC. Corridor Recovery Teams have been established for five strategic corridors, comprising Transnet managing executives, industry representatives and independent experts, and a delivery plan has been developed with specific actions and timeframes to achieve the targeted increase in freight volumes.

Business and government further emphasized the need to support the Board of Transnet in its turnaround plan in order to drive operational improvement and sustainability.

A multi-disciplinary team has been formed to address congestion challenges at the Lebombo border crossing, resulting in a reduction in the border processing time, while a dedicated work stream has been established to expedite the restoration of passenger rail services. Law enforcement agencies are working to protect rail infrastructure through a range of interventions, including aerial surveillance on the North and Central Corridors as well as the Majuba rail line.

In the crime and corruption focal area, current engagements centre on building capacity within the National Prosecuting Authority (NPA) and Directorate for Priority Crime Investigation (DPCI), along with the modernisation of the 10111 emergency response centre and collaboration between industry and the SAPS to address crimes targeting infrastructure.

The NPA Amendment Bill has been tabled to establish the Investigating Directorate as a permanent entity with investigative powers. This Bill responds to a key recommendation of the State Capture Commission of Inquiry, and will strengthen the capacity and independence of the NPA to tackle corruption-related crimes.

A further meeting will be held in six weeks' time to assess progress on these commitments. During this period, the immediate focus will be on ensuring the passage of critical reform legislation such as the ERA Bill and the NPA Amendment Bill; scaling up technical support for power station

performance recovery; finalizing and adopting the Freight Logistics Roadmap; and establishing a joint delivery mechanism to coordinate agreed interventions to tackle crime and corruption.

Both government and business continue to engage with other social partners in parallel, as part of their respective commitments to advance collaboration on shared national objectives.

ENDS

For further information, please contact:

Presidency:

Vincent Magwenya – +27 82 835 6315

Business for South Africa:

Cas Coovadia, BUSA – Cas.Coovadia@busa.org.za / +27 79 499 8889

Martin Kingston, B4SA - martin.kingston@rothschildandco.com / +27 82 372 5225

Julian Gwillim, Aprio – julian@aprio.co.za / +27 82 452 4389

Esme Arendse, Aprio – esme@aprio.co.za / +27 82 694 7643

Note to editors:

About Business Unity South Africa (BUSA): BUSA is a leading business organisation that represents the interests of South African business, covering major sectors and industrial groupings. BUSA aims to create an enabling environment for business success and economic growth in the country by engaging with government, labour unions, and civil society.

About Business for South Africa (B4SA): B4SA is a BUSA platform, bringing together key South African business leaders to address urgent national challenges and drive economic recovery. B4SA focuses on key priority areas and works in close collaboration with government counterparts to find innovative solutions and create a positive impact for all South Africans.