



MEDIA STATEMENT

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New business body places energy issues, trade liberalization high on agenda

AS SOUTH AFRICAN businesses brace themselves for 18 months of power interruptions as it was recently confirmed by an electricity supplier, Eskom, last month; newly-launched business federation, the South African United Business Confederation (SAUBC), said the matter of stable energy supply sits high on its list of priorities for its members. The non-profit, non-racial, business and economic federation represent cross-cutting business interests in South Africa.

“Our members represent export councils, industry associations and business chambers. Our membership comprises of representative companies of South Africa, nationwide industrial associations and regional joint economic organizations,” said cofounder and President of SAUBC, George Sebelela.

In that light, it is imperative that we continuously engage with the government and Eskom to address the challenges of power supply, which affects our members negatively. The unreliable power supply has hit small businesses hard, especially those who cannot afford to purchase alternative power from elsewhere.

Sebelela added that the idea for the new business federation came about in 2018 at the World Economic Forum (WEF) in Davos with the intention of reconstruction and recovery of the South African economy.

“We wanted to contribute to the development of the South Africa and global economies through maintaining and stimulating a liberal economic model and taking on internal and external challenges that the business community faced. “These include issues such as trade liberalization, promotion of free competition, measures for addressing energy and environmental issues, promotion of private sector economic diplomacy, wage negotiations, and establishment of stable labour management relations,” he said.

“The business community must take the high road of liberalization, and help achieve capital liberalization,” said Sebelela.

The former Secretary-General of the Black Business Council (BBC) and current President of the African Entrepreneurs Council (AEC) said the South African economy, which is expected to grow at a disappointing around 1% in 2020, faced many challenges.

“These range from the power supply to low business and consumer confidence. The possible revision of the country’s credit rating to sub-investment grade also poses a huge risk. Climate change and the transition to a carbon-free economy will force businesses to adapt and mitigate the effects of this transition. The Fourth Industrial Revolution, artificial intelligence and Internet of Things means that business may have to reviews their current business models if they are to remain standing,” Sebelela said.

Further, it has been noted that one of the key weakness in South Africa is that the business community is not only fragmented and woefully untransformed but also has misplaced focus.

“The formation of the South African United Business Confederation promises to correct this weakness,” Sebelela said.

However, the country and the continent also presented massive growth opportunities for business.

“South Africa and Africa still present opportunities and unmatched value proposition as an investment destination. The country’s stable politics, competitive exchange rate, well developed financial system and world-class infrastructure provide an unassailable competitive advantage for South Africa,” he said.

Moreover, according to the African Development Bank Economic Outlook, the African continent is growing at an average rate of 3%, with some countries registering growth in upward of 7 percent for the last 3 years.

The SAUBC has three focus areas. The first is about strengthening the Growth Strategy Around 4IR.

“The trend towards digitization, which includes IoT, AI, big data, and robots, has begun to bring revolutionary change—a paradigm shift—too many industries. To strengthen the South African economy in such times, the public and private sectors need to cooperate in taking bold steps while keeping an eye on dramatic changes in industrial structure,” Sebelela said.



The second focus structural reform, which will see the SAUBC upgrade economic and social platforms to make them appropriate for South Africa. It will squarely address reforms to update regulations, revise taxation, and amend social security systems to dispel people's concerns about the future, as well as fiscal consolidation.

Lastly, SAUBC will engage other bodies in order to open their markets. "The SAUBC have consistently called and promoted free trade. By urging an international rule based response to protectionist trends, from the perspective of the business community it will continue to make a positive contribution to maintaining and reinforcing free and open international economic order that is based on rules. While maintaining and strengthening ties with a range of stakeholders, SAUBC will resolutely address critical issues contributing to the stable and sustained development of the domestic and global economies.

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What is the SAUBC?

South African United Business Confederation (SAUBC) is a non-profit and non-racial, business and economic federation that represents cross-cutting business interests in South Africa. SAUBC consists of members representing Export Councils, Industry Associations and Joint Groups (Business Chambers).

SAUBC is a South African comprehensive business and economic organization with a membership comprised of representative companies of South Africa, nationwide industrial associations and regional joint economic organizations.

The Confederations' mission, as a comprehensive business and economic organization, is to draw upon the vitality of corporations, individuals and local communities to support business activities which contribute to the self-sustaining development of the South African economy and improvement in the quality of life for the South African people.