

B4SA EXPRESSES SUPPORT FOR THE NEW ECONOMY

Business for South Africa (B4SA) - the alliance of volunteer resources from across South African business bodies and organisations, member companies large and small, including professional services firms - expresses its full support for President Cyril Ramaphosa's historic and significant R500 billion fiscal stimulus package, which is equivalent to some 10% of the country's GDP.

The three-phase plan announced by President Ramaphosa on 21 April 2020 directly aligns to the work being done by B4SA to find sustainable solutions to stabilise South Africa's economy, while at the same time addressing the current economic decline, protecting jobs and initiating a radical economic change plan. The President has finely balanced the fiscal stimulus package between relief for social stress, and an ongoing emphasis on protecting lives as well as stimulating economic regeneration.

B4SA has been assisting and providing guidance to business, and supporting government on procedures to alleviate the economic impacts emerging as a result of distressed or failing companies, reduced incomes for the formal and informal sector, and the expected serious increase in unemployment, leading to hunger and potential civil disorder. South Africa needs to confront the two objectives of fuelling economic activity without undermining the health benefits that are being secured through the lockdown strategy. B4SA is actively assessing risk factors for businesses, their employees and communities and interfacing with government on these outcomes.

The President's clear signal to introduce speedy reforms to ignite sustainable growth is precisely what is required at this time to ensure South Africa can embark on a new social compact to drive a restructured, economic strategy to build inclusive growth through accelerated reforms. B4SA believes a new compact for radical economic transformation, founded on fairness, empowerment, justice, equality and innovation, will result in the emergence of a new economy accessible to all South Africans. We agree that the creation of this new economy will 'open (significant) new horizons and offer new opportunities'.

B4SA's Martin Kingston said: "We have given our full collaboration, together with labour and communities, through Nedlac and other structures to urgently engage on this response package. It includes providing any support required by National Treasury to speedily resolve the funding required from various local and foreign institutions in terms of the stimulus package. The funding packages announced for small- and medium-sized enterprises (including spaza shops and the township economy), together with the provisions being made available to all businesses to protect employee wages and companies in distress, such as the relief provided in terms of taxes and levy payments, is a significant step towards assisting businesses to lessen the harsh economic impacts currently being experienced. We anticipate that specific guidance and clarity for individuals and business to access funding will be forthcoming."

Business continues to stand ready to work with government to bring its capacity to bear to ensure funds identified for specific areas of relief are distributed efficiently and timeously, with minimum leakage. Business has, for example, been offering the use of its infrastructure to distribute, in an efficient and timeous way, relief measures such as the availability of the UIF/TERS benefit.

The continued provision of funding for the ongoing health intervention related to the COVID-19 response - including screening, testing and tracking, and the procurement of PPE, medical staffing, additional hospital beds and ventilators to resolve supply constraints is closely aligned to the

extensive work being done by B4SA in particular on the public healthcare platform in collaboration with the Department of Health.

Stavros Nicolaou, chair of B4SA's Health Workgroup explained: "We welcome the President's announcement of an additional R20 billion in funding for the health response. We believe this will significantly boost the country's capacity to fight the pandemic. Protecting our frontline doctors, nurses and community health care workers, by ensuring they have access to the PPE required to keep them safe is profoundly important, as they are our only true line of defence against the virus. As B4SA, we remain fully committed to serving our country, and will continue to scale our efforts to support government by securing the necessary medicines, PPE and medical device stocks needed for the next 6-8 weeks, and monthly thereafter. We welcome the increase in funding for the acceleration of community screening and testing, which are critical interventions that will enable South Africa to return to work safely".

The organisation welcomes the additional funding being directed toward municipalities and, in particular, for emergency water, public transport, food and shelter for many distressed families, as well as for poverty alleviation. The decision to provide a R50 billion support package, to be directed at the relief of hunger and social distress, is to be applauded. We urge SASSA to work with civil society and faith-based institutions to ensure that the recipients are correctly identified, and the relief is fairly distributed. Similarly, the special relief to be provided through additional grant payments will make a material difference to lives.

B4SA and its member companies will assist in boosting the food distribution capacity, in partnership with government, the Solidarity Fund, NGOs and others, to dispense the 250 000 food parcels across the country.

Martin Kingston concluded: "While we understand the extreme financial and operational pressure confronting us, we are making a plea to all businesses, large and small, to follow the President's example in demonstrating leadership and solidarity. B4SA's members can provide additional support to ensure ongoing payment of employee salaries as well as on-time payments to all suppliers - and particularly SMMEs - to safeguard the sustainability of our larger economic ecosystem. We are keenly anticipating the announcement later in the week pertaining to the phased relaxation of the lock down and increased economic activity. We fully agree with a risk-adjusted approach for the lifting of the lockdown and the need to act with 'agility and flexibility' in catalysing economic growth. This is the start of our transition to a new economic trajectory without compromising the health of South Africans".

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ABOUT BUSINESS FOR SOUTH AFRICA

B4SA is structured into three core work groups, Healthcare, Labour and Economic Intervention, and these all have numerous workstreams with activities being implemented in a structured and considered manner. These are further underpinned by a comprehensive risk assessment and mitigation plan, and engagement with civil society, while reinforced by legal, regulatory, tax and communication initiatives.

The **Healthcare work group** (led by Stavros Nicolaou) has as its core mandate to support the national response, including government and the private sector's public health efforts.

The **Labour work group** (Robert Legh) is addressing matters relating to the impact of the lockdown on employment and labour relations, where organised business may have a role to play.

The **Economic Intervention work group** (Martin Kingston) aims to align government policy makers with industry experts, acting as a feedback mechanism from business to government, and communicating information, actions and policies to the business community.

Risk assessment (Norman Mbazima). An important element of this process, ultimately to ensure its success, is an assessment of strategic risks and mitigations. This will help manage the risk clusters and enable prioritisation of the mitigation measures across the entire network.

Civil society intervention (Nolitha Fakude). This group, working in collaboration with Nedlac and other civil society formations, is providing the interface between B4SA and civil society, with the partners currently outlining and agreeing the priority areas of integration and focus as well as identifying opportunities for synergies, alignment and areas of leverage for collaboration.

Legal, Regulatory and Tax (Glenn Penfold). This is a collaboration amongst contributing law firms providing support to all the B4SA initiative. The work group collaborates with business, partners and government in facilitating a conducive and enabling regulatory environment during the national response to the pandemic.

Communication (Phumzile Langeni and Busisiwe Mavuso). This group is advancing the development of a stakeholder engagement strategy and has established and implemented regular business member communication. It supports a public communications capacity and has created an interface for ongoing interaction between government and B4SA workstream leads.

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