QUARTERLY BULLETIN Q 1

KEY: STRATEGIC DRIVERS

- Enabling laws and regulations
- International positioning
- Social security
- SME development
- Energy
- Labour market development
- Progressive pro-growth taxation
- Enabling trade regime
- Education and skills

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Content:

BUSA OFFICE OF THE CEO

Cas Coovadia BUSA CEO

As we reflect on the first quarter of 2024, here's a summary of the significant developments and achievements within BUSA

BUSA Strategy

During its meeting on April 3, 2024, the BUSA Board approved its strategy for 2024. This strategy is centered around six pillars:

1. Public advocacy for a conducive environment for investment to drive inclusive economic growth and a greater role of business in the country's socioeconomic development.
2. Contribute towards appropriate policies and legislation to support business profitability and competitiveness.
3. Collaboration with the government and other stakeholders to improve the business environment.
4. International cooperation to advance the interests of South African business.
5. Restructuring the architecture of organised business.
6. Execution of the strategy.

The strategy also outlines the key priorities for the year, which have been approved and will be the focus of our work over the next three quarters.

Progress Report on B4SA

B4SA had a successful meeting with President Ramaphosa on 29 February 2024. Progress reports were presented on each of the three focal areas, as well as on the Youth Employment Initiative, demonstrating tangible progress and highlighting challenges for the President to address. A joint media briefing followed, which demonstrated the partnership is indeed working.

<u>Some of the achievements we have seen through this work, and work in process are:</u>

·Severity of loadshedding has reduced tear-on-year and there has been improvement in system performance.
·Government and business are working closely in numerous structures of NECOM.
·Transnet has reached 152Mt at the end of the 23/24 FY, an increase of 8.6% from October 2023.
·We are now working on getting some critical Bills promulgated in the energy, logistics and crime environment.
·We are also working on bedding down business resource deployment framework in energy and the Rail PSP framework in logistics.

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Progress Report on the Government-Business Employment Initiative

The employment initiative was not part of B4SA initially. However, it was decided in the B4SA meetings with the President to establish an initiative focusing on employment. The initiative has its steering committee composed of business and government representatives, with project management provided by Genesis Analytics and housed in BUSA. The initiative is progressing positively and is currently involving different sectors to explore employment expansion opportunities, especially for young people. The main strategy of the initiative is to combine various collaborative initiatives between the public and private sectors and explore ways to broaden their impact.

B20 Preparations

The B20 functions as the official business platform that interacts with the G20, providing a platform for the global business community to develop policy recommendations to the G20. Annually, a G20 member country hosts the work and events, and in 2024, Brazil assumed the G20 presidency. In 2025, South Africa will hold the G20 presidency, with BUSA chairing the B20. BUSA is actively collaborating with its Brazilian counterparts, CNI, to gather insights into the necessary preparations for hosting the B20 and to explore opportunities for participation in various task forces. Processes are underway to engage members on this important initiative.

Buy Local Summit 2024

I recently participated in a panel at the Buy Local Summit hosted by Proudly South African. This summit focused on localisation—an approach aimed at empowering all sectors of society to contribute to economic growth and job creation. Joining me on the panel were Malebo Mabitjie-Thompson, Acting Director General of the Department of Trade, Industry and Competition; Zingiswa Losi, President of COSATU; Thulani Tshefuta, Community Constituency & Board Member of Proudly South African; and Phuthi Mahanyele-Dabengwa, CEO of Naspers.

The summit provided a platform for exchanging ideas and strategies to bolster our local economy and create more opportunities for our communities. I emphasised the importance of localisation, highlighting that collaboration, investment, and policy alignment are crucial for its success. I underscored the significance of buying local to drive job creation and economic growth. I reiterated that collaboration is the catalyst for successful localisation initiatives, emphasising the importance of local participation in driving economic growth.

Pictures Supplied by Sizwe Maswanganye

Other Speaking Engagements

We have had numerous engagements some of which we list below:

·Meetings with potential investors from across the globe, hosted by organisations like BNP Paribas and others.
·Attended COP28 and participated in several panels during the event, on behalf of BUSA and the IOE.
·Numerous meetings with foreign embassies and sister organizations to develop formal relations.
·Attended SONA and BudgetSpeeches on 8 and 22 February 2024, respectively.
·Hosted a business session with the Japanese embassy.
·We have started quarterly update sessions with members and have met some in this period.
·Met the Democratic Alliance (DA), at their request, where they briefed us on their manifesto.
·Met with Wally Adeyemo, US Deputy Treasury Secretary on 12 March 2024.
·Hosted Skills and Innovation conference with the HSRC on 13 March 2024.
·Conducted numerous interviews on NHI and other topics.

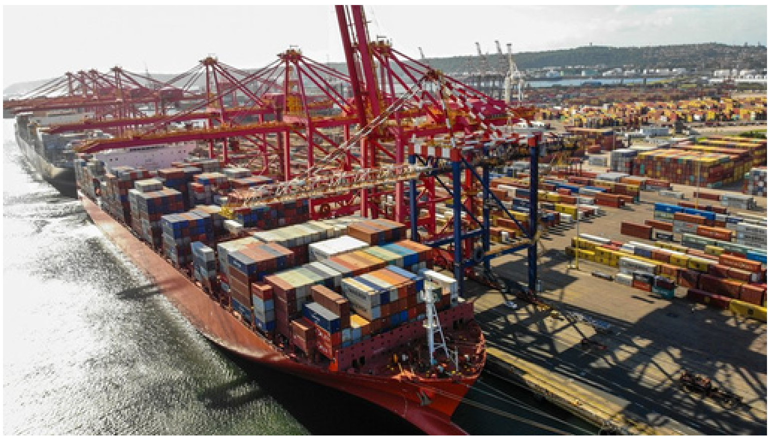
BUSA Economic Policy

Lunga Maloyi, Director - Economic Policy Unit

This report provides an overview of key economic policies, events, and initiatives undertaken during this period covering trade and industry issues, regulatory reforms, and international collaborations.

Freight Logistics Roadmap (FLR)

The Cabinet adopted the Freight Logistics Roadmap (FLR) and the Rail Private Sector Participation (PSP) framework in December 2023. The Department of Transport (DoT) led key reforms in the rail freight logistics sector and worked with the Department of Public Enterprises and Operation Vulindlela (OV) to implement the FLR. The DoT also oversees the implementation of the Rail Private Sector Participation Framework. BUSA collaborated with the DoT to discuss the private sector's readiness to participate in FLR and PSP opportunities. Following this discussion, the DoT formally requested BUSA's support in driving structural reform initiatives. BUSA's support included leveraging skills through B4SA to strengthen the proposed PSP unit within the DoT, identifying critical skills required in the PSP Unit, and evaluating available resources. A follow-up meeting with the Minister and senior officials of the Department of Transport took place on March 14, 2024. During this meeting, it was agreed to establish regular meetings and engagement between the DoT and BUSA to align objectives and monitor progress on PSP initiatives.



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SA BRICS Business Council

The South African BRICS Business Council has requested BUSA's assistance in strengthening the Trade and Investment Working Group. This group, which was previously known as the Delegation Working Group, aims to enhance and promote economic trade, business, and investment ties among BRICS member countries and within the African Continental Free Trade Areas (ACFTAs). The members of the Trade and Investment Working Group have been assigned the task of evaluating trade activities among BRICS nations, promoting regulatory alignment to facilitate trade, identifying trade barriers in specific industries, and providing recommendations for addressing these barriers through collaborative international efforts.

AfCFTA Negotiations

On January 31, 2024, President Cyril Ramaphosa and Minister of Trade, Industry, and Competition Ebrahim Patel launched trade under the new preferences outlined in the Guided Trade Initiative (GTI) at Pier 1 in Durban. Twelve countries, including South Africa, completed the necessary legal procedures to commence trade in various product lines such as food, beverages, steel products, equipment, taxis, pharmaceuticals, personal care products, chemicals, and household goods such as refrigerators and television sets. South Africa initiated its first shipment of products to other countries under the AfCFTA agreement, becoming the first among the member states of the Southern African Customs Union (SACU) to realize the benefits of the AfCFTA agreement.

African Continental Free Trade Area (AfCFTA) Agreement

World Trade Organisation (WTO) Ministerial Conference (MC13)

The 13th Ministerial Conference (MC13) of the WTO was held from February 26 to March 2, 2024, in Abu Dhabi, United Arab Emirates (UAE). Ministers from around the world attended to evaluate and review the operation and performance of the multilateral trading system and to develop plans for the WTO.
In preparation for WTO MC13, Nedlac Teselico and the Minister of Trade, Industry, and Competition held multiple meetings to establish the South African position. Priorities identified included the renewal of the WTO Moratorium on e-commerce, the implementation of a Carbon Border Adjustment Mechanism (CBAM), the Fisheries Subsidies Agreement, WTO reform, Agriculture and Food Security, and Trade-Related Intellectual Property Rights (TRIPS).

SADC Regional Customs to Business Forum (RCBF) – Trade Facilitation Programme (TFP)

In November 2023, a meeting was held in Johannesburg, South Africa to establish a customs-to-business forum for the member states of the Southern African Development Community (SADC). This meeting was part of a consultative process to engage both customs authorities and the private sector in validating and establishing structures for the regional forum. The RCBF, which was inaugurated in December 2023, focused primarily on customs matters and provided the private sector with a platform to address their business requirements. The main goal of the RCBF was to foster cooperation between member states and the private sector in implementing the WTO Trade Facilitation Agreement. It aimed to establish a comprehensive and inclusive regional relationship between customs authorities and the business community, with the goal of improving cross-border trade within the SADC region.
The mission of the RCBF was to create a platform that would benefit SADC by promoting economic progress through enhanced cooperation and advocacy in trade, customs, transport, and related areas. Some key strategic initiatives of the RCBF included ensuring the sustainability and capacity-building of the forum, advocating for trade facilitation initiatives, and cultivating a consultative and cooperative relationship. The RCBF adopted its Terms of Reference and formed an Interim Committee co-chaired by Lesotho (representing the private sector) and Zambia (representing Revenue Services/Customs). The Forum was officially launched on January 19, 2024, in South Africa and received strong support from the business community. This launch event highlighted successful customs-to-business partnerships.

SADC Business Council – Southern African Industrialisation Forum (SIF)

The SADC Business Council organised the Southern African Industrialisation Forum (SIF) on February 26-27, 2024. The forum aimed to shape industrial priorities and identify investment opportunities, with a particular focus on Angola. The central theme of the event was "Human and Financial Capital: The Key Drivers for Sustainable Industrialisation in the SADC Region."

During the forum, participants discussed various crucial topics such as human capital development, trade and trade facilitation, transport and logistics, trade finance, energy and climate change, agriculture, tourism, pharmaceuticals, circular economy, and regional development initiatives. The discussions revolved around leveraging trade agreements, analysing key transportation corridors, addressing challenges in trade finance, showcasing opportunities in Angola, and exploring the adoption of renewable energy.

SADC Regional AEO Technical Experts Workshop

The SADC Regional AEO Technical Experts Workshop took place in Maputo, Mozambique, from February 5th to February 9th, 2024. The purpose of the workshop was to discuss and negotiate the regional standards, benefits, and operating processes of the SADC AEO Programme. Additionally, it aimed to approve the SADC AEO Regional Pilot Project. The workshop was attended by the Technical Working Group (TWG), which consisted of Customs AEO Experts, representatives from the private sector, and representatives from other government agencies responsible for cross-border trade. Members were provided with the consolidated SADC documentation pack to contribute their input.

Picture Supplied by SADC Regional

SARS-Private Sector-Authorised Economic Operator-Group (SARS-PS-AEO-G)

The first quarterly meeting of the SARS – Private Sector AEO Group took place on February 15th, 2024. The Working Group meeting focused on the following key points:

- The draft Terms of Reference (ToR) for the two workstreams – Monitoring, Evaluation, Information Gathering, and Training – were circulated for final comments and approval by the end of March 2024.
- A proposal was made to establish a joint working group involving SARS/PS and the Ports Authority to explore potential alignment between the AEO and ISPS codes in the future, subject to the clearance of backlogs at the ports.
- Another proposal aimed at expanding the AEO programme's scope and enhancing business partnerships. During the next meeting, the Private Sector was scheduled to present an analysis of the cost of trade delays at land borders to SARS.

DSBD Regulatory Impediments Report

At the recent Small, Medium, and Micro-sized Enterprises (SMME) Subcommittee meeting, the Department of Small Business Development (DSBD) presented an updated Regulatory Impediments on SMMEs Report, which had undergone a second round of stakeholder engagements. This followed the inputs made by the Business Unity South Africa (BUSA) SMME Subcommittee members at the previous subcommittee meeting held in November 2023.

A summary of the issues highlighted in the report included:

- <u>Identified red tape and administrative inefficiencies:</u> The report outlined various barriers at the local government level, as well as administrative challenges faced by small business owners, particularly informal traders operating in townships and semi-urban areas who required permits to trade. DSBD had conducted research to determine how the identified legislation could be streamlined to achieve optimal effectiveness.
- <u>Transparency in SMME funding instruments:</u> There were several existing funding instruments and institutions available to small businesses. However, social partners agreed that the current information was not integrated and often not transparently accessible for SMMEs.
- <u>Consultation process between social partners:</u> In discussions on issues affecting SMMEs, social partners had requested the revival of the National Small Business Advisory Council (NSBAC), led by the Department.

- Cross-cutting issues (electricity, finance, technology): SMMEs located in townships and semi-urban areas were significantly impacted by the lack of infrastructure, including electricity, water, and technology. Addressing these issues could improve their performance and facilitate growth. The report underwent a final consolidation process, after which DSBD presented the closing report to all stakeholders. The report was accompanied by an action plan that included the involvement of the business community.

Red Tape Reduction

On February 16th, BUSA convened a meeting with members of the Presidential Red Tape Reduction Task Team to discuss the progress made thus far. The task team was nearing completion of a consolidated close-out report on the 13 focus areas identified to reduce red tape. Additionally, the team outlined ongoing government initiatives related to business licensing policy for small enterprises, early childhood development, and the business visa regime. Discussions were also underway with the nine provincial premiers to explore the possibility of establishing red tape reduction units (RDU) in each province to monitor red tape initiatives at the provincial level. BUSA had been asked to consider adopting a municipality to serve as a pilot for this initiative. Administrative capacity constraints continued to hinder the work of the Task Team. One of the main challenges was that members were not permanently appointed to the team, which had resulted in delays in decision-making. BUSA welcomed the report and acknowledged the concerns raised by the team. Both parties had agreed to meet frequently to provide progress updates.

Picture sourced by Sizwe Maswanganye

BUSA Anti-corruption Webtool

BUSA had begun discussions with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) to collaborate on an anti-corruption toolkit. The goal of this toolkit is to equip and educate small and medium-sized enterprises (SMMEs) about corruption and strategies to combat corrupt practices. It would provide information on ethics, compliance, governance, and tools for promoting business integrity. The toolkit would serve as a practical resource for small business owners to identify, address, and report corruption.
The proposed partnership was intended to be long-term, with the aim of creating anti-corruption content that could be shared through various platforms such as webinars, trainings, and discussions. The web tool also positioned businesses as strategic contributors in the fight against corruption, with the potential for collaboration with like-minded organisations. Currently, anti-corruption efforts are primarily led by civil society organizations and do not specifically cater to the needs of small businesses.

The web tool aimed to achieve the following objectives: empower and educate small business owners with information and resources to understand different forms of corruption and its impact on their businesses, establish a reporting mechanism to report corrupt activities such as bribery, embezzlement, and sextortion, and foster collaboration with stakeholders on various anti-corruption initiatives.

SUBMISSIONS & ENGAGEMENT

Draft State-Owned Enterprise Bill

Business participated in a discussion session at NEDLAC on November 30, 2023. The session was facilitated by the Department of Public Enterprises and invited social partners to provide oral submissions on the National State-Owned Enterprise Bill. The goal of the bill is to establish a Holding company (Holdco) responsible for transferring certain State-Owned Entities (SOEs) into the Holdco. This transfer aimed to enhance the sustainability, restructuring, and professionalisation of the SOEs.

Draft National BusinessLicensing Policy

On March 1, 2024, the Department of Small Business Development (DSBD) published a notice for public comments on the Draft National Business Licensing Policy.BUSA requested feedback from its members to contribute to the final position that was submitted to DSBD. The policy aims to clearly define the sectors in South Africa that require a business operating license. Additionally, it aims to introduce preferential business licensing for Small, Medium, and Micro Enterprises (SMMEs) to enhance their economic participation and reduce regulatory and administrative burdens.

Draft Public Procurement Bill

BUSA presented its concerns to the Parliament Standing Committee on Finance regarding the Draft Public Procurement Bill on February 23, 2024. Prior to this oral presentation, BUSA had submitted a written submission on September 26, 2023.

Trade Policy for RSA

On February 15, 2024, BUSA, through the Nedlac Trade and Industry Chamber (TIC), submitted a written response to the Minister of Trade, Industry, and Competition regarding the South African Trade Strategy (Trade Policy). BUSA's submission addressed trade, trade agreements, and trade instruments based on reliable data sources and analytics that were mutually agreed upon.

The Cost-of-Living Task Team

Business participated in the Cost-of-Living Task Team at NEDLAC, which aims to address socio-economic challenges affecting the broader South African community. The task team convened on 7 March 2024 to discuss a proposal presented by the non-profit organisation DG Murray Trust. This proposal initially introduced at NEDLAC in 2023, advocated for a government-led programme to reduce poverty levels in South Africa. The DG Murray Trust identified 10 best buys that could potentially be double-discounted. These best buys were goods that, according to the proposal, could be zero-rated by the government or subject to a double discount by retailers.

Business expressed a view that while all social partners should collaborate to reduce the high levels of poverty in South Africa, it was inappropriate for an apex body like BUSA to force retailers to implement a proposal of this nature, as it promotes unethical business practices such as price fixing, anti-competitiveness, and price collusion.

Additionally, adopting the proposal could potentially result in detrimental losses in the food and retail sector. Business suggested that the DG Murray Trust explore alternative approaches that would allow business members to maintain their independence in price setting and recommended consulting an economist to assess the feasibility of the proposal put forward by the DG Murray Trust.

Update on AARTO

After the engagement with Nedlac, a report was put together with recommendations for the government to consider. One of the commitments in this report made by the Department of Transport was to arrange on-site visits for Nedlac Social Partners to assess the readiness of the City of Johannesburg and the City of Tshwane municipalities to pilot the implementation of the Administrative Adjudication of Road Traffic Offences (AARTO) system. The Department of Transport (DOT) also announced its plan to hold a series of online training sessions in March 2024. This training would focus on the AARTO Amendment Act, Regulations, and Schedule 3 of the Act, and would span over two days.

South African Institute of Professional Accountants (SAIPA) Panel: Unpacking South Africa's Annual Budget Speech

On Wednesday, the 21st of February, a panel convened in Johannesburg to dissect the annual Budget Speech delivered by the Finance Minister of South Africa. Under the theme "Navigating Fiscal Horizons: Charting the Course for Sustainability in the SA Economy," the event sought to delve into the economic implications of the budgetary measures outlined by the government.

Pictures Supplied by SAPIA

Nedlac Spectrum Policy Task Team

The task team's first meeting occurred on 17 January 2024. At this meeting, the Department of Communication and Digital Technologies, representing the government, formally presented the draft Policy for Nedlac engagement. However, the Nedlac social partners noticed that the Cabinet had already approved the Spectrum Policy on 29 November 2023, leaving no opportunity for further input or engagement from the Nedlac social partners on the policy. In a subsequent meeting on 7 March 2024, the government informed the task team that it had completed all necessary consultations as required by section 3(5) of the Electronic Communication Act. Consequently, the Minister was obligated by law to publish the final Spectrum Policy within 30 days.

The task team expressed disappointment with the government's handling of the Nedlac process, emphasising that the two meetings with the department should not be considered authentic Nedlac engagement but rather mere "tick-box" exercises. The task team unanimously decided that the Nedlac Secretariat should formally express the social partners' disappointment and dissatisfaction with the government's conduct throughout this process using its internal channels.

Social Clause Task Team

The Social Clause Task Team has appointed researchers from DNA Economics and Imani Development to analyse the Social Clause in international trade frameworks. This clause aims to incorporate sustainability standards, including basic human rights, into trade agreements. On February 19th, 2024, an initial meeting was held to discuss the Terms of Reference (ToR). The researchers are currently conducting the analysis and have shared an inception report with stakeholders for feedback. The research is expected to be completed by September 2024.

BUSA Energy & Environment Policy

Happy Khambule, Director - Energy and Environment Policy

This report provides an overview of the activities of the energy and environment policy unit focusing on the key policy areas identified in its workplan.

Cogeneration Progress

Concerns were raised about the slow progress of cogeneration initiatives. In December 2023, it was proposed to escalate the matter to the National Energy Crisis Committee (NECOM) to speed up progress. NECOM was seen as a suitable platform to address this issue. As momentum grew around cogeneration, it became clear that NECOM Work Stream 3 was not functioning optimally. It was decided to continue discussing cogeneration at the workstream level while addressing inefficiencies in WS3. In addition, the cogeneration issue was brought to the attention of the NECOM secretariat and Eskom. Eskom has implemented various programmes to acquire and use additional or excess generation capacity, effectively addressing the cogeneration issue. BUSA noted that several companies are participating in these programmes, leveraging their cogeneration capabilities to contribute to the initiative. However, challenges remain regarding midterm allocations based on the 2019 Integrated Resource Plan (IRP 2019), as cogeneration does not have specific allocations or separate determinations.

Carbon Incentives Scope

The BUSA Energy and Environment Standing Committee approved the scope of work for carbon incentives. This project, commencing in November and spanning 12 months, aims to identify the target audience for these incentives through background research. Progress updates will be communicated through the BUSA Environment Subcommittee Group and the BUSA Climate Change Working Group. Despite the project's importance, funding remains a concern for many members, prompting BUSA to explore funding from donor organisations.

2024 Priority Areas

The key priority areas for the energy and environment policy unit were presented and approved by the Standing Committee. They include:

1. Re-establishing contact and engaging regularly with the National Treasury, specifically regarding carbon tax regulations.
2. Concluding the legislative process for the Electricity Regulation Amendment Bill (ERA) within the current administration.
3. Addressing gas supply issues starting in July 2026.
4. Conduct informational workshops and training on the legislative procedure for bill evaluation in Parliament.
5. Offering information workshops and training to enhance competency and facilitate discussions and declarations of conflict of interest.
6. Addressing water and water-related regulations.

Appointment of Co-chairs to the Energy and Environment Standing Committee

Dr Rethabile Melamu, the Chief Executive Officer of SAPVIA, and Ms Jane Molony, the Executive Director of PAMSA, were appointed as co-chairs of the BUSA Energy and Environment Standing Committee.

Carbon Border Adjustment Mechanism (CBAM)

The Environment Subcommittee and the Economic Policy Unit expressed concerns about CBAM's business risks and its impact on the South African economy. Collaboration with these units provided an opportunity to engage with the National Economic Development and Labour Council (NEDLAC) on this issue. The unit built upon the work done by BUSA and NBI, as well as the European Union local office, and incorporated new insights from its IRP 2023 analysis.

Electricity Regulation Amendment (ERA) Bill Progress

The Portfolio Committee on Mineral Resources and Energy (PCMRE) conducted provincial public hearings on the ERA Bill from September 26, 2023, to January 29, 2024, in all nine provinces. After these hearings, the Department of Mineral Resources and Energy (DMRE) was invited on February 14, 2024, to respond to the Committee's consolidated provincial public hearings report. The PCMRE held deliberations on the ERA Bill from February 20 to 22 and 27 to 28, 2024, as well as on March 1, 2024. On March 8, 2024, the Committee proceeded with formal stages, including clause-by-clause deliberations, and found general agreement and support for the Bill.

However, the DMRE and the State Law Advisers subsequently announced that the ERA Bill must be dealt with under the procedure established in section 76 of the Constitution. Subsequently, the bill was read in the National Assembly (NA) and adopted by the NA alongside the PCMRE's report on the Bill. The Bill was transferred to the National Council of Provinces (NCOP) for concurrence, and the Select Committee on Land Reform, Environment, Mineral Resources, and Energy began its public consultation process by opening the commenting period on the Bill.
The closing date for comments was Monday, April 29, 2024. BUSA made a submission based on areas of the Bill that had not been adequately covered or addressed and tracked the consultation process as it moved across the country.

Gas Supply Issue and Stakeholder Engagement

Due to Sasol's projected inability to supply gas from mid-2026, BUSA recognized the importance of engaging with various key stakeholders. These stakeholders included Eskom, the Independent Power Producers Office (IPPO), the Department of Trade, Industry and Competition (DTIC), the Minister of Electricity, the Department of Mineral Resources and Energy (DMRE), Central Energy Fund (CEF), and Transnet Pipelines (TPL). The goal of this engagement was to urgently find a solution to the impending gas crisis.

To mitigate the risks associated with this crisis, the Gas Working Group identified several interventions. These interventions included exploring gas-to-power solutions off the Republic of Mozambique Pipeline Investments Company (ROMPCO), facilitating a linkage between the ROMPCO and the Lilly pipelines, exploring options for Eskom to purchase or import power from Mozambique, developing the Matola Liquified Natural Gas (LNG) facility in Mozambique, and seeking government intervention at a commercial or funding level. The Independent Power Producers (IPP) office was in the process of requesting proposals (GASIPPP RFP) as part of their Gas Master Plan, which aimed to implement gas-to-power capacity.

Additionally, a meeting was scheduled with the Minister of Electricity on April 24, 2024, to discuss a mitigation strategy for the impending gas crisis. Meanwhile, a series of letters were sent to targeted departments, ministers, and their oversight parliamentary committee to emphasize the severity of the issue, escalate the matter, and bring it into the political process.

Africa Energy Indaba

The Africa Energy Indaba South Africa was hosted from the 5th to the 7th of March 2024 at the CTICC (Cape Town International Convention Centre), Cape Town. This conference served as a platform for discussing, debating, and seeking solutions to energy generation challenges across the continent.

Pictures Supplied by CEF

Gas Amendment Bill 2023

The Department of Mineral Resources and Energy (DMRE) invited comments on the Gas Amendment Bill, with a submission deadline of 29 February 2024. BUSA requested an extension for the commenting period, but the DMRE denied the request, deeming the allocated time as reasonable. To fully understand the potential implications of the Gas Amendment Bill and effectively adapt to the changes, BUSA sought the assistance of Attorneys Bowmans to analyse the amendments. The legal opinion provided by Bowmans was subsequently included in BUSA's submission to the DMRE.

Draft Integrated Resource Plan (IRP), 2023

The Draft IRP 2023 was published by the Department of Mineral Resources and Energy (DMRE) on January 4, 2024, and the deadline for comments was initially set for February 23, 2024. However, BUSA requested a 30-day extension to thoroughly analyse the economic and technology cost data, gain a clear understanding of the underlying assumptions, and carefully examine and replicate the modeling. The DMRE granted the extension, and as a result, the comment deadline was moved to March 23, 2024. A consulting firm called Lungiswa Energy was appointed to provide a critical analysis of the Draft IRP 2023, and an ad hoc IRP Working Group was formed.
This group's purpose was to offer technical support, advice, and guidance to Lungiswa Energy and the Energy Subcommittee. The IRP Working Group reviewed the consultant's analysis, including the assumptions, scenarios, and modeling outputs. BUSA incorporated this analysis into its submission to the DMRE.

National Energy Regulator of South Africa (NERSA) Affordability Subsidy Charge

BUSA submitted a letter to NERSA, requesting a meeting to address concerns about the upcoming tariff adjustments resulting from the implementation of the Affordability Subsidy Charge. BUSA also sought clarity from NERSA on how the newly approved Electricity Price Determination Rules would be applied and implemented. These concerns arose during the recent review of Eskom's Retail Tariff and Structural Adjustment (ERTSA). During this review, members of BUSA from the energy sector expressed apprehension about the tariff adjustments that Eskom customers would face in the 2024/25 financial period. On December 14, 2023, NERSA approved the Affordability Subsidy.

The implementation of these tariff adjustments, particularly the significant increase in the Affordability Subsidy, added more financial strain on industrial and urban customers, especially in energy-intensive sectors like mining, manufacturing, and agriculture. The growing subsidy charge had a greater impact on BUSA members, as it made up a larger portion of their electricity price.

This is concerning because the approval process for the subsidy charge did not involve consultation, which meant that affected members did not have the opportunity to provide input to NERSA during the charge's consideration based on Eskom's adjustment application. A meeting with NERSA was scheduled for April 17, 2024, to discuss the concerns regarding the Affordability Subsidy Charge.

Sector-Specific Risk Analysis and Mitigation Plans in the Event of a National Blackout

Previously, it was reported that BUSA had made limited progress on sector-specific risk analysis and mitigation plans in case of a national blackout. However, the Energy Intensive Users Group (EIUG) and the Banking Association South Africa (BASA) took the initiative independently to address this issue. The EIUG implemented a framework to encourage its members to identify the specific risks associated with their companies.

An independent review was then conducted to consolidate and prioritize these risks to understand the challenges faced by different industries. The objective of these efforts was to identify risks that individual companies or sectors alone could not mitigate. Once the analysis was completed, EIUG was expected to present its findings. If the Energy Subcommittee found the results satisfactory, they might consider adopting a similar approach. However, as of now, there have been no further updates or progress reports on this matter.

Bilateral Engagement with the Department of Water and Sanitation (DWS)

BUSA maintained its relationship with DWS by actively participating in bilateral meetings. These interactions were crucial for discussing important legislative instruments and staying informed about upcoming ones. Dr. Sean Phillips, the Director-General of DWS, acknowledged the fruitful engagements between BUSA and DWS, and he consistently attended and led the discussions.

National Economic Development and Labour Council (NEDLAC) Water Workstream

The NEDLAC water workstream serves as a collaborative platform for social partners to come together and discuss key priorities, interventions, and actions needed in the water sector.To facilitate effective communication, DWS officials were present at every meeting to address the concerns raised by the social partners. These partners were actively working towards integrating water-related issues into NEDLAC discussions. The scope of the workstream was extensive, covering legislative measures and interventions aimed at enhancing water infrastructure. The BUSA team was fully committed to attending these sessions and providing their input to ensure tangible outcomes for the workstream. BUSA has submitted the following contributions: National Water Amendment Bill, National Water Services Amendment Bill, National Climate Change Response Strategy for the Water and Sanitation Sector, and Water Use License Application Regulations. BUSA remained actively engaged in monitoring policy developments through BUSA/DWS bilateral engagements.

Carbon Budget and Mitigation Plan Regulations

BUSA and the Department of Forestry, Fisheries, and the Environment (DFFE) held meetings on October 17, 2023, and February 13, 2024. The purpose of the first meeting was to discuss initial ideas for developing regulations for the carbon budget and mitigation plan. This was then followed by a broader stakeholder workshop. BUSA actively participated in presenting the perspectives of the business community during both sessions. Now, BUSA has requested feedback from DFFE on the outcomes of these information-sharing sessions.

Danish-South African Collaboration Strategy Roundtable

To enhance collaboration between Denmark and Africa, a recent roundtable discussion was organized by Danish Industry and Business Unity South Africa (BUSA) to focus on the Danish government's forthcoming 'Strategy for Strengthened Danish-African Collaboration'. The roundtable took place on February 15th, 2024, at the BUSA premises in Sandton and brought together key stakeholders from South African labor market organizations, local unions, business associations, and other relevant entities.

The morning session of the roundtable centered on discussions about green transitions, skills development, and public-private partnerships. There was a particular emphasis on shaping development policy, foreign relations, and trade dynamics between South Africa and Denmark.

In the afternoon, a second session convened South African companies interested in exploring trade and investment opportunities within the context of the Strategy for Strengthened Danish-African Collaboration. The discussions aimed to identify existing trade barriers, foster stronger cooperation between Danish and South African entities, and outline strategic investments to strengthen bilateral relations.

This initiative allowed stakeholders to provide valuable insights and recommendations that will directly inform the Danish government's strategy for Danish-African collaboration. The engagement highlighted the importance of sustainable practices, technology transfer, and policy alignment in driving mutually beneficial partnerships.

Participants expressed optimism about the outcomes of the roundtable discussions, emphasizing the potential for increased economic cooperation and shared prosperity between Denmark and South Africa. These collaborative efforts demonstrate a commitment to forging strong ties and leveraging opportunities for growth and development in both regions.

The insights gained from this session will play a crucial role in shaping the future trajectory of Danish-South African collaboration, underscoring the significance of inclusive dialogue and proactive engagement in advancing global partnerships.

Pictures supplied by Sizwe Maswanganye

Conference of the Parties (COP) 28 Outcomes

On 1 February 2024, the National Business Initiative presented the outcomes of COP28 during the Environment Subcommittee Meeting. The presentation covered several key outcomes, including the following:

- Developed countries would continue leading the transition away from fossil fuels in energy systems in a just, orderly, and equitable manner.
- Targets were established for the global goal of adaptation and its framework.
- An agreement was reached on how to fund arrangements for addressing loss and damage, with a current pledge of $700 million.

- To limit global warming to 1.5 degrees Celsius, a reduction of 43% in global greenhouse gas emissions was required by 2030, 60% by 2025, and net-zero emissions by 2050.
- Inefficient fossil fuel subsidies that did not address energy poverty or just transitions would be phased out.
- The importance of protecting and restoring nature and ecosystems was emphasised.
- The global stock take report indicated that the world was not on track to meet its commitments under the Paris Agreement.

BUSA Social Policy

Khulekani Mathe, CEO, Designate & Acting Director for Social Policy

This report provides an overview of developments and initiatives in South Africa's social policy.

Draft White Paper on Citizenship, Immigration and Refugee Protection

The Department of Home Affairs (DHA) has published a draft "White Paper on Citizenship, Immigration, and Refugee Protection" in the gazette. BUSA has expressed concerns about a potential departure from an inclusive, human rights-based policy, specifically regarding the refugee proposal. The paper suggests tightening regulations for asylum seekers and refugees, with the aim of granting asylum status or pending status only to those with genuine claims. It also proposes that South Africa should withdraw from key international conventions and then re-enter them with reservations, particularly in areas such as employment rights, education, social services, and the principle of non-refoulement.

The draft white paper argues that South Africa made a "serious mistake" by joining the 1951 United Nations Convention Relating to the Status of Refugees and the 1967 Protocol Relating to the Status of Refugees without reservations in sensitive areas. Additionally, the paper introduces significant and complex changes to an already burdened visa system, but it does not provide implementation details. The leadership of BUSA has requested the establishment of a task team at Nedlac to facilitate technical engagement, aiming for substantive discussions rather than perfunctory presentations from DHA.

Initially, dialogue sessions, which were intended to empower constituencies and involve immigration industry experts, were cancelled. Subsequently, a meeting of constituency leads was convened. During the public comment period for the White Paper, over 4,500 written responses were received, with a high percentage opposing the proposals. A constitutional challenge is expected. The White Paper has been temporarily withdrawn pending legal consideration and the drafting of a bill. The bill will be presented to social partners before the end of 2024.

Draft Second Amendment of the Immigration Regulations (2014)

The Immigration Regulations were published by the Department of Home Affairs on 08 February 2024. These regulations aimed to introduce a point-based system for work visas and a digital nomad visa. They also sought to formalise rules for visas related to spouses, parents, and children of South African nationals or permanent residents. The DHA intended to modify guidance on certificates of registration and formalise requirements for police clearance documentation. Business acknowledged the proposals but expressed that the focus should be on removing barriers to issuing visas and finding solutions to address backlogs. They highlighted the need for careful consideration of the timing of new processes, especially when visa backlogs were hindering economic growth.

The Business delegation referred to findings from the "Operation Vulindlela: Report on the Work VISA Review (2022)" to emphasize that existing immigration policies had not effectively attracted skilled global talent, and the current mechanisms were insufficient to meet private sector needs.

BUSA submitted its position to the Department of Home Affairs. The Immigration Regulations will be presented to NEDLAC with a revised timeline and a focus on social dialogue.

Participation in AU Business and Human Rights Forum Panel

The forum, organised by the African Union, brought together stakeholders from across the continent to deliberate on the intersection of business practices and human rights in Africa.

Pictures Supplied by IOE

National Labour Migration Policy (NLMP)

The NLMP has completed the NEDLAC process and is now waiting for the State Law Advisor to sign off on the Employment Services Amendment (ESA) Bill. It seems that the Bill will not be presented in Parliament during the 6th administration. The Task Team has finalised a NEDLAC report on the amendments to the ESA Bill, but they still need to complete a report on the policy. Following the withdrawal of the white paper, a single-task team has been established to address migration issues and consider how current processes can proceed. This task team aims to understand the government's intentions and proposed timelines while addressing impactful issues. Their objective is to finalise the NLMP and Immigration Regulations processes. The Department of Employment and Labour (DEL) has agreed to continue engaging with the BUSA office on this matter.

International Labour Organization Governing Body Session

Picture Supplied by IL0

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Employment EquityAmendment Act (EEA)

The BUSA office recently organised a workshop on Employment Equity Regulations. The purpose of the workshop was to address the recently published Draft Employment Equity Regulations on Proposed Sectoral Numerical Targets. The workshop had several objectives: to review the legal provisions outlined in the draft EE Regulations, to analyse potential impact on businesses and employment, to identify concerns, and to discuss the development of a baseline BUSA submission. Going forward, the office will begin the process of establishing a mandated position, which will then be submitted to DEL.

7th African Social Partners Summit

Regional discussions on Tunis Action Plan: Review and Recommendations.

Pictures Supplied by IOE

Unemployment Insurance Fund (UIF)

The leadership of BUSA and the Unemployment Insurance Fund Modernisation Task Team recently attended a special tripartite meeting with the Acting Director General (DG) of DEL. The purpose of the meeting was to discuss the UI and the Compensation Fund Implementation Plan, as well as address any outstanding issues. Unfortunately, the meeting took a negative turn towards businesses, and progress in reinstating a task team with operational powers was limited. During the meeting, research conducted by Price Waterhouse Coopers was presented, but the Government indicated that they would not fully adopt the recommendations. In response to this, BUSA leadership organized a separate meeting with the Acting DG to discuss the reinstatement of various engagement forums and establish clear action plans and timelines to resolve longstanding issues. These issues include matters related to Workers Affected by Unrest (WABU) and COVID-19 TERS payments. Additionally, the business community plans to address the lack of response from senior officials to their legitimate requests and concerns.

Human Resources, Skills and Development Task Team (HRSD)

The Department of Higher Education and Training (DHET) has expanded the Human Resources Strategy and Master Skills Plan based on feedback from Business. BUSA has broadly supported the revised strategy and plan, emphasising several important points. It was recognised that simplifying and consolidating the skills development system is crucial to ensure effective interventions. The current system was identified as excessively bureaucratic and complex, with too many programmes. It was also acknowledged that skills development should not only focus on green and digital sectors, but should be extended to various economic sectors to promote demand-driven development, job creation, and economic growth.

Recommendations from both the SETA review and the Ministerial Task Team (MTT) on the National Skills Fund (NSF) should be considered when enhancing the skills levy system. Additionally, the monitoring and evaluation framework tool, led by the Human Resources Development Council, is nearing completion.

National Health Insurance (NHI)

The BUSA NHI Project team released a public statement expressing concerns about the constitutionality of the NHI Bill. They also compiled a petition that has been submitted to the president for consideration. In addition, the team has strategised and prepared for potential litigation procedures in case the Bill is assented to. They have developed a legal strategy in anticipation of the president signing the Bill.

Decent Work Country Programme (DWCP): Planning for the Biennium2024 – 2025

The DWCP planned to renew its priorities for Africa for the next two years. These priorities would focus on expanding social protection, enhancing labour protection, improving health and safety, and targeting the informal economy and migrant workers. Additionally, gender equality and lifelong skills and learning were identified as key areas of focus. The plan included eight policy outcomes, which aimed to establish strong tripartite constituent structures and effective social dialogue. BUSA finalised its activities and goals for the same two-year period and requested technical support from the ILO leadership for the private sector. Unfinished priorities from the previous two-year period would be carried over to the current one. Business representatives requested an analysis of the eight outcomes and their indicators to track progress before taking on any additional work.

National Skills Authority - Insurance SETA Engagement

Pictures Supplied by NSA

The National Skills Authority and Transport Education Training Authority Engagement

Pictures Supplied by NSA

Productivity Ecosystems Project

The Productivity Ecosystems team met on December 5, 2023, to plan a conference, launch the project, and review its performance and implementation plan. A Planning Committee was established to oversee the conference, and its first meeting was scheduled for March 19, 2024, pending approval from the ILO Governing Body. The conference is anticipated to be held in September 2024.

Skills Technical Working Group (TWG)

NEDLAC established a technical working group to address interregional skills issues. The group's main tasks were to review ongoing initiatives, agree on priorities, establish working modalities, and deliver outcomes. In line with the Decent Work Country Programme (DWCP), the working group identified thematic priorities that focused on supporting network building within constituencies. The review of the Critical Skills list was prompted by business participation in the Southern African Migration Management (SAMM) Project, which highlighted the importance of having a dynamic and inclusive list that addresses all skill levels, including low-skilled workers in core industries such as agriculture and mining.
The International Labour Organization (ILO) has been assigned the task of providing technical support and advice to strengthen the Department of Employment and Labour (DEL) Inspectorate and the Department of Higher Education and Training (DHET) Labour Market Information System (LMIS) team through the DWCP. The SAMM Project is currently in progress, with an inception report already completed and skills informant interviews scheduled for March 22, 2024. A progress report will be presented to the Skills Technical Working Group (TWG) on April 16, 2024. BUSA has collaborated with the DHET LMIS team to discuss the functionality of Occupations in High Demand, Priority Occupations, and the Critical Skills List.

Constituency Capacity Building Advocacy Project (CCBA)

In July 2020, BUSA received funding from the National Skills Fund to provide capacity building across the country. The focus of this initiative was on skills that promote small business growth, employment creation, and labour market competitiveness. The main objectives of the programme were to enhance skills capacity, encourage inclusive economic participation, support skill development providers, and assist businesses in hiring apprentices and artisans.

Due to the restrictions imposed by the pandemic, virtual workshops were conducted, with a virtual facilitator leading the sessions. The CCBA project,concluded in February 2024. All required reports were submitted to the NSF.

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·**NEDLAC Engagements**

- Labour Law Reforms (LLR)Task Team
- Unemployment Insurance (UIF)and Compensation Fund (CF) Modernisation Task Team
- Task Team on Immigration Matters
- Occupational Health and Safety (OHS) Sub-Committee
- Section 77 Standing Committee
- Demarcation Standing Committee
- Human Resources and Skills Development (HRDS) Task Team
- Decent Work Country Programme (DWCP) steering committee skills
    Technical Working (STW) Group
    Productivity Ecosystems Planning Committee
- Social Services Practitioners (SSP) Bill
- Expanded Public Works Programme (EPWP)Task Team
- Integrated Rural Development Sector Strategy Task Team
- Research Reference Group on Land Reform
- Social Cohesion and Nation Building Task Team (Temporary)
- 30-Year Freedom and Democracy Project (Temporary)
- Research Reference Group on Discrimination Cases on Arbitrary Grounds and Equal Pay for Work of Equal Value

BUSA Weekly reports:

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>Economic week ahead

>Weekly economic briefing

>BUSA cargo movement report

The End!

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