

BUSA

BUSINESS UNITY SOUTH AFRICA

ANNUAL REPORT 2020

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ABBREVIATIONS & ACRONYMS

4IR	4th Industrial Revolution
AfCFTA	African Continental Free Trade Agreement
AGM	Annual General Meeting
ARC	Audit & Risk Committee
AUDA	African Union Development Agency
B2B	Business to Business
B4SA	Business for South Africa
BASA	Banking Association of South Africa
BBC	Black Business Council
BRICS	Brazil, Russia, India, China and South Africa
BUSA	Business Unity South Africa.
CCMA	Commission for Conciliation, Mediation and Arbitration
CCBA	Constituency Capacity Building Advocacy
CIPC	Companies and Intellectual Property Commission
CSS	Comprehensive Social Security
COIDA	Compensation for Occupational Injuries and Diseases Act
COSATU	Congress of South African Trade Unions
DC	Development Chamber
DFFE	Department of Forestry, Fisheries and the Environment
DMRE	Department of Mineral Resources and Energy
DWCP	Decent Work Country Programme
ECONPOL	Economic & Trade Policy Committee
ESD	Enterprise and Supplier Development
EFTA	European Free Trade Association
FEDUSA	Federation of Unions of South Africa
IEP	Integrated Energy Plan
IRP	Integrated Resource Plan
ILO	International Labour Organisation
IOE	International Organisation of Employers
KPI	Key Performance Indicators
MOI	Memorandum of Incorporation
MOU	Memorandum of Understanding
MTBPS	Medium-Term Budget Policy Statement
MYPD	Multi-Year Price Determination
NACS	National Anti-Corruption Strategy
NACTU	National Council of Trade Unions
NDP	National Development Plan
NEDLAC	National Economic Development and Labour Council
NERSA	National Energy Regulator of South Africa
NHI	National Health Insurance
NMW	National Minimum Wage
OEMs	Original Equipment Manufacturers
PFMPC	Public Finance & Monetary Policy Chamber
RCA	Regulatory Clearing Account
REMCO	Remuneration Committee
RFO	Request for Offer
RFP	Request for Proposal
RRTT	Rapid Response Task Team
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAFTU	South African Federation of Trade Unions
SARS	South African Revenue Services
SEC	Social and Ethics Committee
SEIA	Socio-Economic Impact Assessment
SETA	Sector Education and Training Authority
SMEs	Small and Medium Enterprises
SIFA	Skills Initiative For Africa
SMMEs	Small, Medium and Micro Enterprises
SOCPOL	Social Policy Committee
SOEs	State-owned Entities
SPSF	SADC Private Sector Forum
TAMDEV	Technical Assistance, Mentorship and Development
TERS	Temporary Employer Relief Scheme
TESELICO	Technical Sectoral Liaison Committee
TFTA	Tripartite Free Trade Agreement
TIC	Trade & Industry Chamber
TIPS	Trade and Industry Policy Strategies
WHO	World Health Organization
WTO	World Trade Organization



MESSAGE FROM BUSA PRESIDENT

Sipho Mila Pityana

It gives me great pleasure to include this message in the BUSA Annual Report for the year ended 31st December 2020!

This was the year in which the COVID-19 pandemic devastated the world!

President Ramaphosa announced on 26th March 2020 that the country will be in Lockdown Level 5 for 35 days. This essentially closed the country, except for the operation of essential services. The accepted opinion amongst most opinion makers was that the President and his National Corona Virus Coordinating Committee took the correct decision at that time.

The Covid pandemic exacerbated an already perilous economic situation in SA. The country recorded its 3rd consecutive quarter of economic decline during the first quarter of 2020, effectively putting us into recession. Moody's downgraded SA into sub-investment grade status on 27th March 2020, being the last of the major rating agencies to take this drastic step.

BUSA moved swiftly, with the Black Business Council, to establish a broad business platform called Business for SA (B4SA) to coordinate business' response to the virus and the imposition of the lockdown.We mobilised significant capacity from the private sector, on a pro bono basis, to support government in managing the impact of

BUSA also, through the B4SA platform, developed a comprehensive Post Covid Economic Recovery
Strategy and presented this to President Ramaphosa and numerous ministerson 21st May 2020. Several processes followed this and BUSA has been actively involved in engagements on an economic recovery strategy at Nedlac, which continued during the year.

"Our country is at a T-junction. One path takes us into a failed state, while the other path could put us onto the first few rungs on the ladder towards sustained inclusive economic growth"

The 2020 year was one of repositioning BUSA amongst its members and in our engagements with government and other stakeholders. The BUSA Board recruited Cas Coovadia, who retired from The Banking Association SA on 31st March 2020, to take up the position of BUSA CEO from 1st April 2020. Cas agreed to spend 2 years in this position. We went through numerous processes and interactions with members to bed down the appropriate approach for BUSA in its critical role as the largest business organisation in SA, measured based onrepresentation of the proportion of the economy through its members.

We concluded that BUSA had to develop a multifaceted approach towards its engagements with government in particular. We determined that SA was in a perilous position, given the economic recession, Covid-19, ongoing inequality, unemployment and political and policy uncertainty.

These factors created an environment that was not conducive to attracting investment and we had to engage government to impress on them that they have the critical levers that must be pulled to create an environment for investment. Our engagements at Nedlac since the President established a President's Working Group at Nedlac on the economy, have concentrated on the creation of an environment for investment.

We agreed a series of immediately actionable areas that government could pull some levers on. These actions, in the form of an Economic Recovery Action Plan, were submitted to the President on 15th September 2020. This plan included, amongst other, the release of spectrum, issuing of an RFO for the next tranche of renewables, sorting out licence blockages for mining exploration, enabling embedded generation of energy and sorting out inefficiencies at the Durban port.

There was no movement on these during the remainder of 2020, even though none of these had policy or legislative considerations. The government did, in 2021, start a process for the auctioning of spectrum, but this has been delayed through legal challenges on process. The RFP for renewables was finally issues and the ceiling for embedded energy was increased to 100MW.

BUSA also developed an approach to be more vocal in the public square. We considered this to be a critical element of a multifaceted approach to engagement with government. We were thus consistent in keeping pressure on government to speedily move towards instituting economic reform measures, addressing SOE weaknesses, addressing the fiscal crisis and manging public sector expenditure, amongst others. We were also vocal on issues related to corruption in government and the private sector. Our country is at a T-junction. One path takes us into a failed state, while the other path could put us onto the first few rungs on the ladder towards sustained inclusive economic growth. We have no choice but to take the second path, but this path necessitates courageous and decisive leadership, hard decisions, compromises and trade-offs – all in the national interest. We look towards President Ramaphosa to provide leadership by being the President of the country and lead us in taking those hard decisions. Business stands ready to be a critical stakeholder in pursuing this positive path. The support BUSA provided to government during the pandemic, through the Business for SA platform, and the collaboration we achieved at Nedlac with all social partners in addressing the impact of the pandemic, demonstrates our ability to coalesceas a country in situations of crisis. There can be no greater crisis than the one the country faces and BUSA will continue to play an active, collaborative and robust role in leading business positively in addressing the crisis.

This is my last message as President of BUSA. My term of office comes to an end at the AGM in 2021, after being elected to serve this organisation on 26th June 2018. My time as President has been enriching and I have been honoured to serve in this role. BUSA has played, and will continue to play, a pivotal role in representing the business community in playing a critical role in the growth of our socio-economy. I have no doubt BUSA will be central to working with government, labour, community groups and other stakeholders in putting our country onto a path that attracts investment and enables sustained inclusive economic growth, so that we can address our numerous social and economic problems.

Word of Thanks

I wish to take this opportunity to express my profuse appreciation for the role played by the BUSA Board in supporting me to lead this organisation.

I wish to express particular gratitude to my Vice-President, Martin Kingston, who has also played a pivotal role in Business for SA as it supported government during the Covid-19 pandemic.

I also thank every member of the BUSA staff and particularly Cas Coovadia for his leadership. Finally, my thanks go to the BUSA members, each one of whom is playing a critical role in our economy!



AUDIT & RISK COMMITTEE REPORT

Roger Baxter
Chair: Audit & Risk Committee

COMPOSITION OF THE COMMITTEE

The Committee comprised four independent non-executive directors during the period. The following Directors served on the Committee during the period under review:

- Mr Roger Baxter (Chairman)
- Ms Bongi Kunene
- Ms Deidre Penfold
- Dr John Purchase

The senior management and the external auditor attended meetings at the invitation of the Committee.

The President and the Chief Executive Officer also met separately with the external auditors, without members of the Audit & Risk Committee being present.

INTERNAL CONTROL

Systems of internal control are designed to manage, rather than eliminate, the risk of failure, to achieve business objectives and to provide reasonable, but not absolute, assurance against misstatements or loss.

While the Committee is responsible for internal control systems and for reviewing their effectiveness, responsibility for their actual implementation and maintenance rest with senior management. The systems of internal control are on establishment of organisational structures, together with written policies and procedures, and provide for suitably qualified employees, segregation of duties, clearly defined lines of authority and accountability. They also include cost and budgeting controls, and comprehensive management reporting.

INTERNAL FINANCIAL CONTROL

The Committee has considered the results of the documented review of the Company's system of internal financial controls and risk management. TheCommittee has also assessed information and explanations given by management and discussions with the external auditor on the results of the audit. Through this process no material matter has come to the attention of the Audit & Risk Committee that has caused the Directors to believe the Company's systems of internal controls and risk management are not effective and that the internal controls do not form a sound basis for the preparation of reliable financial statements.

EXTERNAL AUDIT

The Committee appraised the independence, expertise, and objectivity of Motlanalo as the external auditor, as well as approving the terms of engagement and fees paid to Motlanalo.

The external auditor has unrestricted access to the group's records and management. The auditor furnishesa written report to the Committee on any significant finding arising from the annual audit and is able to raise matters of concern directly with the Committee.

The audit partner in charge of the audit is rotated off the audit after five years. In terms of this policy, the current audit partner is in the third year of tenure.The senior management has received confirmation from the external auditor that the partners and staff responsible for the audit comply with all legal and professional requirements with regard to rotation and independence. The Committee is satisfied that the external auditor has met the external professional requirements

"The Committee is satisfied as to the appropriateness and adequacy of resources of the finance function and the experience of the senior members of management responsible for the finance function."

ACTIVITIES OF THE COMMITTEE

The committee met four times during the financial year. Members of the committee, the external auditor and senior management may request a special meeting if they consider this necessary. The Chairman of the Committee will determine if such meeting should be convened.

Minutes of the meetings of the Committee, except those recording private discussions with the external auditors, are circulated to all committee members for approval. Matters requiring action or improvement are identified and appropriate recommendations made to the Board.

The Committee performed the following activities relating to the audit function during the year under review, with certain of these duties being required in terms of Companies Act:

- Recommended to the Board the appointment of the external auditors, approved their terms of engagement and renumeration, and monitored independence, objectivity and effectiveness;

- Reviewed the internal financial controls and risk management systems;
- Reviewed and recommended the annual financial statements to the Board for approval;
- Evaluated the effectiveness of the Committee.

EVALUATION OF THE FINANCE MANAGER AND FINANCE FUNCTION

The Committee is satisfied that the expertise of the Financial Manager is appropriate to meet the responsibilities of the position. This is based on the qualifications, and her continuing professional education.

The Committee is also satisfied as to the appropriateness and adequacy of resources of the finance function and the experience of the senior members of management responsible for the finance function.

APPROVAL OF THE AUDIT AND RISK COMMITTEE REPORT

The Committee confirms that it has functioned in accordance with its terms of reference for the 2020 financial year and that this report to members has been approved by the Audit & Risk Committee.



REMUNERATION COMMITTEE REPORT

Busisiwe Mavuso

Chair: Remuneration Committee

COMPOSITION OF THE COMMITTEE

On behalf of the Remuneration Committee (the Committee)I am pleased to present the BUSA remuneration report for the year ended 31 December 2020.

The Committee comprised four board of directors. The committee is chaired by myself, other committee members are Mr Sipho M Pityana, Mr Stavros Nicolaou and Ms Zoleka Lisa.

The CEO, Cas Coovadia and the Operations Manager, Zelda Setladi attend by invitation. Cas and Zelda recuse themselves from a meeting when conflict of interest arises. The company secretary is the secretary of the committee.

The CEO attends meetings as an ex-officio member to make proposals and to provide such information as the Committee may require. The board is satisfied that the members of the committee have necessary skills and experience to enable the committee to fulfil its role.

ACTIVITIES OF THE COMMITTEE

The committee assists the board in excising its function to ensure that the company renumerates its employees fairly, responsibly and transparently by, among others, implementing affordable, competitive and fair reward practices, as to ....

promote the achievement of the strategic objectives and positive outcomes in the short, medium and long term.

NOMINATIONS TO TASK TEAMS, EXTERNAL STRUCTURES AND BODIES

The Committee oversees and approves the nomination of delegations to various structuresincluding: nominations to high-level meetings; international and local conferences; statutory body nominations; nominations to Nedlac task structures; and representation on bilateral business structures such as the BRICS Business Council

OPERATION

The Committee meets formally four times a year. The operations manager prepares an agenda for approval by the Chief Executive Officer, which is sent to all participants prior to the meeting, together with the relevant documentation for each one of the agenda items.

Minutes are drawn up by the Company Secretaryof the resolutions taken at each meeting. The Committee Chairperson reports to the Board on the most relevant points addressed and recommendations, if applicable, for approval.

Throughout the year 2020, there have been no deviations or irregularities in the procedures under the responsibility of the Committee that have had to be reported to the Board for evaluation and/or action.

LOOKING TO 2020

Subsequent to the year end, COVID-19 global pandemic was declared a pandemic by the World Health Organization (WHO) on 11 March 2020, which was followed by announcements of COVID-19 global pandemic related lockdowns directed by the governments of different geographies, commencing on 27 March 2020 in SA. The BUSA staff has been working on a hybrid model and various mitigation strategies have been put in place to slow down the rapid spread amongst the employees.

MATTERS ADDRESSED BY THE REMUNERATION COMMITTEE DURING FISCAL YEAR 2020

EXECUTIVE DIRECTORS

Mr. Cas Coovadia was appointed as the CEO of BUSA inApril 2020 for an initial two years term. During this initial period, his term has been extended by another two years, being approved by the Board of Directors.

PERFORMANCE BONUSES

Performance related bonuses paid in December 2020, were awarded in line with the key performance indicator (KPI's) scores achieved as at December 2020. A pro-rated performance bonus is paid to employees who have not been in the employment of the company for the full financial year.

SALARY BENCHMARKING

Remuneration is reviewed annually, and a benchmarkingexercise is performed on a need basis to ensure that the rewards are in line with market standards.

Remuneration may exceed the standard market rates where deemed necessary in order to attract and retain specialised skills or for employment equity purposes.

"There have been no deviations or irregularities in the procedures under the responsibility of the Committee that have had to be reported to the Board for evaluation and/or action."

SALARY INCREASES AND REVIEWS

The Committee reviews salaries on an annual basis in line with the philosophy outlined above. The following factors are considered during this process:

- Performance of the company;
- Projected CPI;
- Affordability;
- Performance of individuals.

IN CLOSING

The committee is satisfied that it has discharged its responsibilities in accordance with its terms of reference during the year.

I would like to thank my fellow committee colleagues for your valuable contribution during the year. I look forward to your continued support and commitment in the forthcoming years.



SOCIAL & ETHICS COMMITTEE REPORT

Martin L Kingston
Chair: Social & Ethics Committee

COMPOSITION OF THE COMMITTEE

On behalf of the Social & Ethics Committee (The Committee) I am pleased to present the BUSA Social&Ethics Committee report for the year ended 31 December 2020.

The Committee comprised four board of directors. The committee is chaired by myself, other committee members are Mr Christopher Campbell, Mr John Dludlu and Ms Angela Russell.

The committee met four times during the year.

"At an operational level, staff engagement continued during the year to ensure continued productivity even during the national lockdown"

ROLE AND RESPONSIBILITIES

The committee's role and responsibilities are governed by Terms of Reference as approved by the Board. The Terms of Reference is subject to an annual review by the Board.

The main objectives of the committee are to assist the Board in monitoring the company's performance in respect of ethics, responsible corporate citizenship, sustainable development, compliance and stakeholder relationships, thereby assisting the Board in achieving its values of doing business ethically and sustainably.

The committee is satisfied that it has fulfilled all its duties during the year under review, as further detailed below.

REPORTING AND COMPLIANCE

The country was at a crossroads and faced its worst economic decline since the Great Depression due to the COVID-19 pandemic. The pandemic emphasised the social and economic fault lines in South Africa, which require more concerted efforts by all stakeholders including BUSA.

Given the state of the economy, BUSA resolved that business needed to adopt a more robust and visible engagement with the government, both to highlight the impact of the crisis facing the country, as well as to propose workable solutions to government.

Working through structures such as B4SA, an economic recovery strategy has been formulated that we are confident will give fresh impetus to the inclusive economic growth, post the lockdown restrictions.

We are pleased to note that there appears to be greater urgency in government, as evidenced by interactions with the Presidency and government ministers, to deal with the economic challenges facing the country. BUSA intends to intensify such engagements in order to improve the trust and collaboration between government and the business sector.

Multi-stakeholder collaboration on other matters such as corruption and business crime were held during the year under review. This included ensuring that business was involved in the national anti-corruption strategy, support to Corruption Watch and ongoing initiatives by the different organised business associations.

At an operational level, staff engagement continued during the year to ensure continued productivity even during the national lockdown.

Other issues discussed included the effectiveness of the BUSA Board, adopting the BUSA ethics pledge to ensure that management and staff committed themselves to ethical conduct, and the recruitment of staff to strengthen the operational effectiveness of BUSA.

BUSA continued to maintain a positive visible public presence through a targeted and growing media profiling strategy.

CONCLUSION

I would like to thank my fellow committee colleagues for your valuable contribution during the year.



NEDLAC CONVENER REPORT

Kaizer Moyane
Nedlac Convenor

OVERVIEW

The year 2020 saw Nedlac at the centre of almost all regulations that characterised much of the response of Government and its social partners to the impact of the Covid19 pandemic on South Africans' lives and livelihoods.

A suite of measures was developed and rolled out to assist businesses, employees and unemployed people who were affected by the various levels of lockdown under which the country was placed throughout the period under review.

While the pandemic continues, it is fair to say that the worst of it was probably averted through the interventions and efforts of all social partners.

Through the formation and activation of the Business for South Africa (B4SA) platform under the leadership of Martin Kingston and others, BUSA contributed immensely to the efforts to stabilise the economy and the country through the NEDLAC participation.

ACHIEVEMENTS

Nedlac established the Covid19 Rapid Response Task Team (RRTT), comprising senior leaders of all four Nedlac constituencies, to spearhead the country's response to the pandemic. Directly and via various task teams, the RRTT finalised a number regulations, including:

- Temporary Employer/Employee Relief Scheme (TERS)/UIFfor businesses and employees affected by the lockdown;
- Occupational health and safety directions, to address Covid19 at work, including vaccination;
- Basic grant and in-kind assistance to unemployed people;
- National Treasury's Loan Guarantee scheme; and
- Public transport arrangements.

While these measures have had varying levels of success, they all contributed to stabilising the country as it moved through different risk-adjusted lockdown levels.

NATIONAL SUMMIT

The 25th Nedlac Annuall Summit was convened on 8 December 2020 under the theme "Social Compacting for Economic Recovery in the Time of Covid-19", which was an opportunity for social partners and interested parties outside Nedlac to reflect on the pandemic and the country's response.

"While the pandemic continues, it is fair to say that the worst of it was probably averted through the interventions and efforts of all social partners"

A 'FIT FOR PURPOSE' NEDLAC

After 25 years of Nedlac's existence, It's NEDLAC's Executive Council resolved to review the institution's functioning and composition to ensure it remained relevant and fit for purpose.

The Governance Task Team was established for this purpose. While the task team met a few times during the year under review, its work was largely put on hold while Nedlac prioritised the RRTT's activities.

However, Nedlac commissioned MISTRA to conduct a scenario-based review of the institution and make recommendations as part of the review process. The report is expected in the next financial year.

BUSA

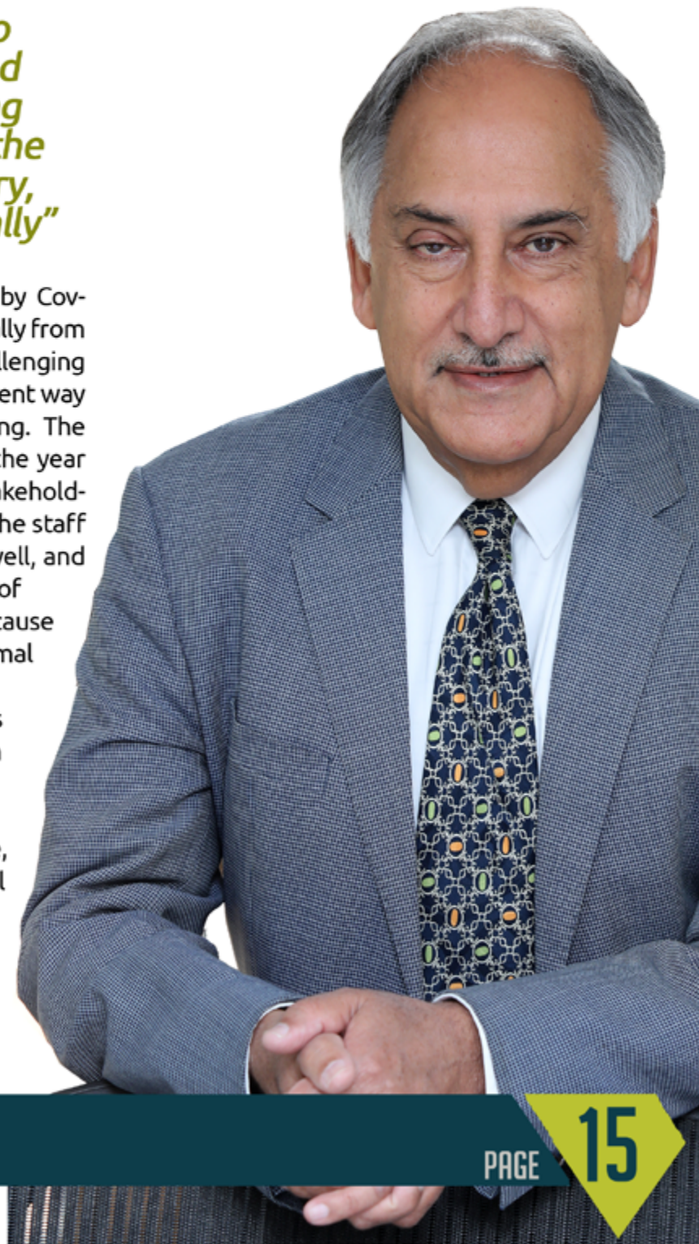
BUSINESS UNITY SOUTH AFRICA

ORGANISATIONAL OVERVIEW

Message from the BUSA Chief Executive Officer (CEO)
Strategic & Governance Highlights
Business Economic Indaba 2020 Highlights
Policy Highlights

MESSAGE FROM THE CEO

Cas Coovadia



It gives me immense pleasure to prepare this message for inclusion in the BUSA Annual Report for the 2020 financial year.

I was acting – CEO at BUSA from 1 January 2020 to 31st March 2020 and shred this responsibility with my role as MD of The Banking Association SA (BASA). I retired from BASA on 31st March 2020 and was asked by the BUSA Board to spend two years leading BUSA as its CEO, a position I started on 1 April 2020.

"We remain committed to servicing our members and leading them in positioning BUSA as a critical player in the development of our country, both economically and socially"

The 2020 financial year was dominated by Covid-19, and I became immersed in this virtually from the day I started. The year has been challenging because the pandemic demanded a different way of working, relating, living and socialising. The BUSA staff worked virtually for most of the year and meetings with members and other stakeholder were virtual. This made it difficult for the staff to interact, although we managed very well, and all objectives were met. The virtual mode of work often led to greater productivity because travel time between meetings, under normal circumstances, was diverted towards back-to-back meetings. Member meetings were very well-attended and participation during meetings was active. However, the virtual mode of work did, on the negative side, disrupt work-family balance, created alienation and had a psychological effect on staff, although nothing that could not be managed.

MESSAGE FROM THE CEO(CONT'....)

The advent of Covid-19, and the promulgation of Lockdown Level 5 on 26th March 2020 created significant disruption, with both BUSA members and non-members approaching BUSA for direction and assistance. This was obviously a unique situation as we had not experienced anything like this sort of disruption to our economic, social and personal lives. BUSA responded to the pandemic by establishing, with the BBC, a business platform called Business for South Africa (B4SA).

The Deputy-President of BUSA, Martin Kingston, was the Chairman of B4SA and the CEO acted as the co-convenor of the platform, as mandated by the BUSA Board. We decided to establish B4SA because we needed a structure through which all of business, not just BUSA members, could be harnessed towards a coordinated response to the pandemic.

B4SA approached individuals in business and consulting forms, legal firms, communication firms and others to second people to assist B4SA to manage the impact of Covid-19, guide businesses through the various lockdowns, advocate for relief and develop a post-Covid economic recovery strategy. We succeeded in securing approximately 200 individuals, all on a pro bono basis in the national interest, at the height of the role that B4SA played.

B4SA worked closely with government and other social partners in managing the impact of the pandemic. A lot of this was done through Nedlac, which established a Covid Rapid Response Task Team (RRTT) with all Nedlac social partners.

B4SA was critical in that we did a great deal of the analysis and development of models to work on issues like maintenance of health protocols, limiting spread in public transport, behavioural change, helping businesses navigate through the various lockdown regulations, working with social partners to advocate for financial assistance for employers and employees affected by the lockdowns and other necessary interventions.

B4SA also developed the only data and fact-based post-Covid Economic Recovery Strategy. We did deep-dives into over 50 sectors and prioritised 11 sectors that had the least difficult trajectory towards a post-Covid recovery.

The strategy incorporated the sort of interventions needed to build an inclusive economy and identified matrices against which success could be measured. We presented this document to the President during the second quarter of 2020 and urged engagement on the strategy.

The government subsequently announced its economic and transformation plan, which formed the basis of engagements at Nedlac on an economic growth trajectory. BUSA put together a high-level team to participate in these engagements. The structure of the engagements included a 7 a-side Leadership Group, comprising 7 ministers and 7 leaders from each of the other constituencies. We also established a strategic 3 a-side, comprising 3 ministers and 3 leaders from each social partner.

The outcome of these engagements is to be reported to President Ramaphosa. The only outcome to date has been an Economic Recovery Action Plan, comprising immediately actionable item, which was presented to the President on 15th September 2020. The engagements on economic recover are ongoing at Nedlac.

The normal work that BUSA undertakes to advocate for and influence legislation so that a conducive environment for investment and growth is created and maintained continued at pace during the year. The detail of this is contained in separate reports from executives responsible for economic policy and social policy work at BUSA. However, let me point out a few critical areas of focus for BUSA during this year:

- Energy policy and related matters
- Environmental policies, including working on a "just Transition" roadmap
- Numerous trade related issues, like digital trade, AfCFTA and WTO dialogue
- Tax policy
- National Health Insurance
- Transitioning from the informal to the formal economy
- Employment related and labour matters
- SETA's and National Skills Fund

We also concentrated on positioning BUSA as a partner to government, but within the context of a robust and productive engagement. The President of BUSA refers to this in his message. BUSA has developed a multifaceted approach to engaging with government, which includes closed meetings, public interaction, taking public positions and securing meetings with the President when appropriate.

This approach includes engaging with Parliament and we made oral representation on several matters. The objective of a multi-pronged approach is to collaborate where possible, but also to hold truth to power through public positions when necessary.BUSA members experienced a very tough year because of the Covid-19 pandemic and its impact on the economy. Some members found it difficult to meet their membership dues and we met those members half-way by reducing their fees for 2020 only, when approached.

We did not have significant loss of membership because of the pandemic and, on a net basis, increased membership slightly. We remain committed to servicing our members and leading them in positioning BUSA as a critical player in the development of our country, both economically and socially.

BUSA has also maintained active participation in organisations in the region and globally. We are very active in SADC structures, the IOE and ILO, BIAC and similar structures. We have also forged good relationships with severale mbassies and consulates, as well as foreign business chambers.

BUSA is on a reasonable financial footing, but we are still not adequately capacitated.

I have been working on increasing income from members, so that we can employ additional capacity to enable BUSA to be optimal in its operations. I am confident we will have an adequately capacitated organisation from the year beginning in January 2022.

I take this opportunity to thank each staff member for their sterling contribution to the role BUSA plays. We have a very small team, but one that is dedicated, passionate and committed to both BUSA and our country.

"We have also forged good relationships with several embassies and consulates, as well as foreign business chambers"

Finally, I must express my gratitude to the BUSA Board for their guidance, leadership and support. I wish to extend my sincere gratitude to our President and Deputy-President, Sipho Pityana and Martin Kingston respectively, for their dedication and leadership. Their terms of office come to an end at the AGM in August 2021, so this is their last full year. They have both been amazing leaders of BUSA and excellent representatives of the business community. I thank them!

STRATEGIC & GOVERNANCE HIGHLIGHTS

BOARD MEMBERSHIP AND CHANGES

The affairs of the Company are overseen and guided by an experienced unitary board which consists of representatives from the follow-ingmembership categories:
- Corporates
- Unisectorals
- Chambers
- Professionals

The BUSA AGM held on 18 September 2020, was an elective AGM And the following directors were duly elected:
- PRESIDENT: Sipho M Pityana
- VICE PRESIDENT: Martin Kingston
- DIRECTORS: Angela Russell, Bongi Kunene, Busisiwe Mavuso, Christopher Campbell, Deidre Penfold, John Dludlu, John Purchase, Roger Baxter, Stavros Nicolaou, Zoleka Lisa. Further, during the year 2021.

The board resolved pursuant to the provisions of clause 7.2.3.4 of the Memorandum of Incorporation ("MOI") of the Company, to co-opt Mr. Gwarega Mangozhe as the CEO of the CGCSA to represent the critical voice of the retail sector in the Board.

At the AGM in August 2021, the President and Vice President will retire pursuant to the provisions of clause 7.2.4 of the MOI.



MEMORANDUM OF INCORPORATION

BUSA's MOI was updated to align with the emerging governance trends and to streamline and simplify decision making. The new MOI clarifies the relationship between BUSA and its members, in compliance with the requirements of the Companies Act, 71 of 2008 as amended.

The amended MOI was adopted by members at the Special Members' Meeting held on 14 August 2020 and was subsequently lodged with the Companies and Intellectual Property Commission ("CIPC"), in fulfilment of the statutory requirements.

BOARD COMMITTEES

During the 2020, the board established three committees to assist it in the execution of its fiduciary responsibilities and to take such actions as maybe delegated to them by the board.

Between meetings of the board, the committees can exercise the powers and authority delegated to them by the board, to the extent set out in their terms of reference and not expressly restricted or prohibited by applicable legislation.

The Board Committees comprised of:
- Audit and Risk Committee (ARC)
- Remuneration Committee (REMCO)
- Social Ethics Committee (SEC)

TERMS OF REFERENCES

The delegation of duties and responsibilities of board committees are recorded by means of a formal term of references for each board committee which is subject to annual review and approval and review by the board, or from time to time as maybe required.

On 21 May 2021 the board approved, for adoption, the terms of references for both the Audit and Risk Committee and the Remuneration Committee. Due to the nature of the business of BUSA and noting that in terms of the Companies Act, BUSA is not required to have a SEC, the Board took a decision to not continue to have a SEC as one of its board committees.

The board is supportive of the role of the Social and Ethics Committee as envisaged in the Companies Act, however, for BUSA as an organisation, the SEC has a very limited role and as such, going forward the board will establish ad-hoc committees to deal with more pertinent matters facing the Company.

ADMINISTRATIVE SUPPORT

The Operations Manager with the assistance of the Company Secretary continues to provide practical support to the Chairman of the board, the Chief Executive Officer, and the Chairs of board committees to ensure that meetings are managed effectively. The BUSA board metsevеral times during 2020 and held the BUSA Special Members Meeting and Annual General Meeting in 2020.

In addition, this office is responsible for:
- Carrying out the directives of the board and the Board Executive Committee and give effect to their decisions.
- Ensuring corporate accountability by communicating with relevant BUSA Members and reporting any governance or compliance failures.
- Lodging relevant forms and supporting documents with the CIPC and within a reasonable period of the appointment of directors.

During 2020, the strategic plan and objectives were adopted by the Board of Directors. The BUSA strategy continued to anchor and inform the organisation's operational focus throughout the year.

CONCLUSION

The board is satisfied that it has adequately discharged its remit in the year ending 31 December 2020.

BEI 2020 HIGHLIGHTS

Feedback report from each theme

CRITICAL SECTORS FOR ECONOMIC GROWTH

There's a season for every sector – rising waves to ride to their peak – new crops to harvest – new value – fresh winds to lift the wings of shared aspirations – and a time in each sector to reap or to seed the potential perceived... a time to seize the moments!

4IR

Revolutions change everything – transform economies and the fabric of societies with new modes of activity not dreamt of before – but for those not prepared it's a challenge, even a threat to their survival or a drift into the backwaters of progress. What is to be done? That is the question.

ENABLING A CAPABLE STATE

Enabling a capable state reaps returns for the country and its economy because it's the efficiencies of the systems, structures and governance of the assets of our country which encourage crowding-in of investment and partnerships for sustainable growth for all. It's a two-way street!

ENERGY SECURITY

Energy, the most critical commodity today for our everyday lives, every community, all services and every sector of the economy. Critical, costly, key to sustainable growth and under urgent pressure to be transformed to secure a sustainable future for all. A topic that's simply electric!

STRUCTURE OF THE ECONOMY

And still… the wealth of a nation is in the hands and ingenuity of its people – it's in the bright ideas – bright minds – a cooperative spirit – and in the youthful vigor of brimming human potential… to be unlocked by the keys of an enabling economy. Let's cut them!

Business Economic Indaba 2020

Activating Actual Outcomes



CRITICAL SECTORS FOR ECONOMIC GROWTH



Adv. Mtho Xulu

President | South African Chamber of Commerce and Industry (SACCI)

DESIRED OUTCOMES FOR CRITICAL SECTORS FOR ECONOMIC GROWTH

- Safety, Security and Job creation.
- Energized implementation.
- Going back to basics to effectively prioritize, coordinate and ultimately implement successful policies.

THE TOPIC AREAS OF DISCUSSION

1. Agri Industry
2. Manufacturing/beneficiation
3. Services
4. Tourism
5. Health

1. AGRI INDUSTRY

CRITICAL ISSUES

- Policy uncertainty surrounding land
- High barriers to entry for the industry
- Environmental issues such as droughts

OPPORTUNITIES FOR COLLABORATION

- Land ownership policy discussions and clarity on outcomes
- Mentorship and guidance for new entrants as well as development of farming communities (through the creation of new infrastructure such as schools)
-The use of new technology and farming methods to mitigate environmental concerns

2. MANUFACTURING/BENEFICIATION

CRITICAL ISSUES

- Over-regulated environment
- Outdated manufacturing processes
- Barrier to entry for SMMEs (small, medium and micro-sized enterprises)
- Energy Threat

OPPORTUNITIES FOR COLLABORATION

- Conduct an impact-assessment of current policies affecting business
- Speed up processes and use new technology to improve market competitiveness
-Grow enterprise and supplier development (ESD) to in turn grow SMMEs

CRITICAL SECTORS FOR ECONOMIC GROWTH (CONT'..)

3. SERVICES

CRITICAL ISSUES

- Slow speed of response due to lack of agility
- Non-performing staff in SMME's and lack of knowledge to manage this
- Perceived low quality of services that are delivered

OPPORTUNITIES FOR COLLABORATION

- Use PPPs to increase training and in turn create a more agile system
- Incorporate self-regulation models
- Enable formal business through incentives to do what they do best

4. TOURISM

CRITICAL ISSUES

- Perception issues concerning crime and safety
- Visa access difficulty and other legislative barriers
- Lack of diversity in tourism packages

OPPORTUNITIES FOR COLLABORATION

- Collaboration on both marketing South Africa as a tourist destination, and decreasing crime with the help of communities, police and private security
- Rolling out the E-VISA, as well as removing unnecessary travel-barriers and increasing international Visa agreements (for example, through BRICS)
- Marketing rural areas for tourism, and incorporating SMMEs to support the initiative through restaurants, tour guides and transport

5. HEALTH

CRITICAL ISSUES

- Lack of medical staff – particularly in the public sector
- Cost of medicine and equipment
- Funding the NHI

OPPORTUNITIES FOR COLLABORATION

- Create private medical schools.
- Allow the public contracting of medical services from private practitioners
- Innovate on effectively sharing available equipment.
- Increase local production of medication
- Find a sustainable business model for the NHI

4IR



Tilson Manyoni

Head of Policy| Black Business Council & Managing Director | VisionWave

DESIRED OUTCOMES FOR THE TOPIC OF 4IR

- A clear roadmap for the future
- Training and support
- A nation empowered for the future
- 25% growth in the GDP through 4IR
- Public-private partnerships

THE TOPIC AREAS OF DISCUSSION

1. Future of work
2. R&D/Innovation
3. Digital migration and spectrum
4. Start-ups ecosystem
5. Skills revolution

1. FUTURE OF WORK

CRITICAL ISSUES

- Access to and cost of broadband infrastructure

- Inflexible work arrangements

- Job loss due to implementation of 4IR

OPPORTUNITIES FOR COLLABORATION

- Innovate broadband packages for the self-employed and home-based businesses

- Increase flexibility of work hours and locations

- Increase training by introducing new programmes and incentivising further training through tax breaks

2.R&D/INNOVATION

CRITICAL ISSUES

- Lack of collaboration between higher education, business and government

- Lack of R&D targeted to local needs

- Lack of access to infrastructure for product development

OPPORTUNITIES FOR COLLABORATION

- Increase innovation by creating support chains through higher education, business and government

- Develop R&D strategies which target South African needs

- Drive enabling legislation to increase access to infrastructure

4IR (CONT'..)

3. DIGITAL MIGRATION AND SPECTRUM

CRITICAL ISSUES

- Delay in spectrum allocation and high cost of data

- Fear of job losses and no definition of the status quo in respect of 4IR

- Understanding the digital maturity of different businesses

OPPORTUNITIES FOR COLLABORATION

- Increase spectrum allocation to decrease cost of data

- Increase knowledge sharing between big digital players/OEMs (original equipment manufacturers) and government

- Creating affordable and innovative solutions to suit businesses at all levels of business maturity

4. START-UPS ECOSYSTEM

CRITICAL ISSUES

- Lack of risk capital for start-ups (venture capital)

- Stringent requirements for new entrants (for example, those created by the Preferential Procurement Policy Framework Act)

- Lack of segmentation of tax contributions by SMMEs as opposed to big businesses

- Inability to conduct due diligence

OPPORTUNITIES FOR COLLABORATION

- Create service credits for seed/pre-seed funding. Create business tax incentives to fund start-ups

- Erase procurement policies and remove red tape

- Create tax relief for start-ups

5. SKILLS REVOLUTION

CRITICAL ISSUES

- School system focused on teaching unnecessary and obsolete skills (for example, a lack of focus on skills required in the digital economy)

-Job losses due to the creation of new technology

- Insufficient endorsement of non-traditional, informally-gained skills

OPPORTUNITIES FOR COLLABORATION

- Review curriculums in collaboration with the relevant industries

- Up-skill existing workforce and create a culture of lifelong learning. Move from formal certification to capability-based training. Collaborate with trade unions

Create programmes to harness South Africa's inherently creative and industrious population



ENABLING A CAPABLE STATE

Dr Y Abba Omar

SGM: Strategy & Communications | The Banking Association of South Africa

DESIRED OUTCOMES FOR THE THEME OF ENABLING A CAPABLE STATE

- Ethical and decisive leadership
- Playing to the strengths and needs of the country
- Professionalism and accountability
- Good and trustworthy governance

5 TOPIC AREAS OF DISCUSSION

1. Fiscal management
2. Public-private partnerships
3. Private sector crowding-in
4. Infrastructure development
5. SOE ReformS

1. FISCAL MANAGEMENT

CRITICAL ISSUES

- Lack of fiscal discipline and transparency

- Low means to fund services

- Barriers and red-tape for SMEs (small and mid-sized enterprises)

OPPORTUNITIES FOR COLLABORATION

- Increase spending transparency

- Increase revenue and grow the economy by creating a tax-friendly culture, and enforcing laws against illicit trade

- Lower the barriers to entry for SMMEs

2. PUBLIC-PRIVATE PARTNERSHIPS

CRITICAL ISSUES

- Over-politicisation of the issues, not enough focus on the nation's needs

- Lack of clear and consistent policies

- Not enough focus on mutually beneficial opportunities for both government and business

OPPORTUNITIES FOR COLLABORATION

- All parties must examine the social imperatives of the country at present

- Government must work with business to construct simple and clear policies which enable business growth by reducing red-tape

- Government must recast business as a social partner

ENABLING A CAPABLE STATE (CONT'...)

3. PRIVATE SECTOR CROWDING-IN

CRITICAL ISSUES

- Lack of opportunity due to hostile system for SMMEs

- Lack of infrastructure for service delivery

- Lack of skills and efficiency

OPPORTUNITIES FOR COLLABORATION

- Expand opportunities through infrastructure investment and creating an ecosystem for SMEs

- Use private sector expertise to increase efficiency – for example TAMDEV

4. INFRASTRUCTURE DEVELOPMENT

CRITICAL ISSUES

- Lack of alignment between tiers of government

- Low capacity to develop, repair and maintain infrastructure

- Lack of transparency in tender process

OPPORTUNITIES FOR COLLABORATION

- Centralise resources to eliminate duplication and increase productivity

- Engage with both communities and professional bodies to assist in infrastructure development, repair and maintenance

- Create a stable regulatory framework for tender awards

5. SOE REFORMS

CRITICAL ISSUES

- Lack of clarity on the mandate of SOE's appropriate funding model

- Conflict between governmental and commercial mandates

- Ineffective services

OPPORTUNITIES FOR COLLABORATION

- Review government policies and procurement processes

- Use business expertise and commercial mandate to ensure government mandate can be effectively met

- Increase collaboration on capacity building and performance management

ENERGY SECURITY



Fumani Mthembi

Founder & Director | Pele Energy Group

DESIRED OUTCOMES FOR THE THEME OF ENERGY SECURITY

- Unblocking the roadblock to energy security
- A low carbon future
- Breaking monopolies to deregulate the energy sector
- Reliable and sustainable energy security
- A South African specific just transition

THE TOPIC AREAS OF DISCUSSION

1. Sustainability
2. A Just Transition
3. Carbon Impact
4. Renewable Energy
5. Eskom

1. SUSTAINABILITY

FIRST THOUGHTS	CRITICAL ISSUES	OPPORTUNITIES FOR COLLABORATION
- Create clear frameworks - Enable infrastructure development - Collaborate regionally Plan for the long term	- The capability of the state to create alternative energy solutions, in terms of both funding and political will - The conflict between job creation in a developing economy and sustainability goals - Long-term supply of energy which meets the requirements of all stakeholders – including both government and business - The understanding by this sector as to the commitments made in the Paris Agreement	- An examination of alternative energy sources must be conducted by all relevant parties - The lowest-cost solutions must be determined and appraised - Public-private partnership is essential to balance economic and environmental needs

2. A JUST TRANSITION

FIRST THOUGHTS	CRITICAL ISSUES	OPPORTUNITIES FOR COLLABORATION
- Create awareness campaigns to explain the need for a transition - Pilot solutions - Create inclusive solutions - Develop a funding strategy	- Job loss in labour-heavy sectors - The lack of a common vision and an understanding of why a transition is necessary - The lack of clear coordination between key players in govt	- Re-training and re-skilling workers concentrated in the coal sector The creation of a dedicated transition plan in affected areas A public-private partnership to co-ordinate responsive initiatives Education on what is carbon tax and carbon impact

ENERGY SECURITY (CONT'...)

3. CARBON IMPACT

FIRST THOUGHTS	CRITICAL ISSUES	OPPORTUNITIES FOR COLLABORATION
- Strive for carbon certainty - Create a definitive plan - Establish a Presidential - Commission for Climate Change - Incentivise reduced emissions	- The existence of international obligations concerning CO2 mitigation – in particular the United Nations Framework Convention on Climate Change - The financial consequences of climate change – including both the costs of adaptation and the economic consequences of meeting the carbon footprint targets - Transitioning to the use of appropriate energy sources	- The creation of incentive schemes for carbon reduction to meet targets, or alternatively lobbying for their deferment - Long-term planning and information gathering to minimise uncertainty of economic disruption - Development of a clear energy transition plan

4. RENEWABLE ENERGY

FIRST THOUGHTS	CRITICAL ISSUES	OPPORTUNITIES FOR COLLABORATION
- Examining the Integrated Resources Plan (IRP) as a flexible device which needs to be implemented -Grid development investment Encouraging private sector investment by expediting licensing -Unlocking the hydrogen economy	-Lack of flexibility of government policy concerning alternative energy sources - Slow implementation of change Implementing the 2018 Integrated Resources Plan - Using renewable energy to alleviate the current pressure on Eskom (REIPPPP)	- Funding and continued research of renewable energy initiatives - Expediting the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) round 5 - Continuous private sector consultation

5. ESKOM

FIRST THOUGHTS	CRITICAL ISSUES	OPPORTUNITIES FOR COLLABORATION
- Enhanced leadership - Implementing Eskom's roadmap - Technical Capacity - Restructuring	- Inability to meet South Africa's required energy needs - Lack of accountability and irresponsible management - Deficient, aging operational fleet	- Allow the private sector to self-generate - Clearer communication and transparency - Less politically-based interference - Provision of technical support to existing coal-fired plants

STRUCTURE OF THE ECONOMY



Khulekani Mathe
Head of Transformation and Financial Inclusion | The Banking Association of South Africa

DESIRED OUTCOMES OF THE THEME STRUCTURE OF THE ECONOMY

- An economy which is inclusive of the majority of the population
- An environment which enables s mall business
- An economic renaissance

THE TOPIC AREAS OF DISCUSSION

1. Employment
2. Unlocking small business potential
3. Skills and training
4. Key drivers for jobs
5. Creating opportunities for youth

1. EMPLOYMENT

CRITICAL ISSUES

- Mismatch between labour available and skills required by the economy
- Low economic growth
- Over-regulated labour market

OPPORTUNITIES FOR COLLABORATION

- Create more mentorship and apprenticeship programmes, as well as incentives for businesses to hire young, unskilled labour
- Increase exports from local manufacturers
- Reduce regulation

2. UNLOCKING SMALL BUSINESS POTENTIAL

CRITICAL ISSUES

- High barriers to entry in terms of time and funding
- Lack of local tourism
- Inadequate use and understanding of digital space
- Timeous payment to small businesses

OPPORTUNITIES FOR COLLABORATION

- Remove red tape, provide free legal services and mentorship programmes
- Improve the South African brand – particularly focusing on perceptions of safety
- Provide access to WiFi, data and technology

3. SKILLS AND TRAINING

CRITICAL ISSUES

- Lack of access to education
- Difficulty in bringing in experts from other countries
- Stigma surrounding technical careers

OPPORTUNITIES FOR COLLABORATION

- Create new universities and technical colleges and adopt a TVET approach
- Specialised institutions with customized to requirements for SMME's - as opposed to trying to change existing curriculums in tertiary institutions
- Decrease red tape surrounding immigration and brand South Africa as an attractive destination
- Destigmatise technical careers and increase training opportunities

4. KEY DRIVERS FOR JOBS

CRITICAL ISSUES

- Not enough focus on growing small businesses which will in turn create jobs
- Lack of sector prioritisation
- Inflexible labour force

OPPORTUNITIES FOR COLLABORATION

- Reskill workers and increase mentorship opportunities
- Prioritise sectors such as mining, agriculture and tourism
- Increase flexibility of labour force by conducting policy reviews and co-creating legislation to meet both business and social needs

5. CREATING OPPORTUNITIES FOR YOUTH

CRITICAL ISSUES

- Barriers such as experience as a requirement for entry into the job market
- Social perception of technical or vocational employment as inferior
- Lack of support for youth businesses

OPPORTUNITIES FOR COLLABORATION

- Remove experience requirements, increase job shadowing and mentorship programmes
- Market vocational education and prioritise technical skills
- Support youth-owned businesses by providing tax exemptions

POLICY HIGHLIGHTS

SOCIAL POLICY STANDING COMMITTEE



Sino Moabalobelo
Director: Social Policy

BUSA has continued to monitor developments in South Africa in relation to the adoption of the ILO Convention on Prevention and Elimination of Violence and Harassment in the World of Work (C190) and Recommendation (R206).

The organisation formulated a position on and has been participating in deliberations at NEDLAC on the Department of Employment and Labour's Draft Code of Good Practice on the Prevention and Elimination of Harassment in the Workplace.

BUSA commenced phase II of the BUSA/ Commision for Concilliation Mediation and Arbitration (CCMA) Web Tool project, which aims to launch a mobile phone app, updating of the content with a primary focus on the inclusion of Productivity SA material and possibly developing a booklet. The CCMA and BUSA embarked on a process of updating the Memorandum of Agreement between the two organisation with the view to taking the work forward.

BUSA was successful in its application for a second funding window of the Constituency Capacity Building and Advocacy (CCBA) Project. Phase I of the CCBA Project has commenced in line with the approved outcomes of the project as approved in 2020.

Recognising the importance of a predictable, certain and enabling environment, BUSA continues to track developments of the Labour Migration Policy through the business representatives on the Employment Services Board as well as in the Southern Development Community (SADC) Labour Employment Sector (LES).

Furthermore, BUSA continues to monitor the progress stemming from agreements made with the Compensation Fund on the number of issues faced by members relating to the transition between the old (Umehluko) and new (CompEasy) systems.

These engagements resulted in an agreement being reached on an accelerated process for the payment of legacy claims dating back to 2011. An excess of R800m in outstanding payments to Medical Service Providers was processed, accepted and paid in the last year.

BUSA secured a mandate in relation to the Employment Equity Amendment Bill as worked on a written submission to the Parliamentary Portfolio Committee on Employment and Labour in efforts to bring to the attention of the Portfolio Committee, the private sectors concerns relating to the Amendment Bill.

Further to the recognition of the need for a predictable, certain and enabling environment, the organisation has continued to advocate for and update business on negotiations related to amendments to the Occupational Health and Safety Direction at NEDLAC.

In line with BUSA's strategic objective on education and skills development for current and future work, the organisation continued to engage the Department of Higher Education and Training in continued efforts to secure the 50% Mandatory Grant as per the Labour Appeal Court Judgment (which was awarded in BUSA's favour) of October 2019.

BUSA's partnership with the African Union Development Agency (AUDA-NEPAD) saw BUSA advancing the youth employment and skilling agenda both in the country and on the Continent under the auspices of the Skills Initiative for Africa (SIFA) project. As a response to the COVID 19 pandemic and the resulting labour market disruptions the ILO, through its SIFA Needs Anticipation Component developed a Rapid Skills Assessment Tool aimed at rapidly assessing country to assess job losses, skills/ labour shortages and reskilling needs.

BUSA continues to advance efforts towards realising its objectives on education and skills by securing support from SIFA to conduct policy analysis of the National Skills Development Plan 2030 and all related legislation and regulations with the aim to identify policy areas that are hampering Business' participation in skills development and the Post-School Education and Training system.

In line with the strategic objective on an affordable comprehensive social security framework for future generations, BUSA presented the revised discussion paper by government with the view to solicit inputs from members in supplementation of the mandated business position.

BUSA continues to engage at NEDLAC on the National Health Insurance (NHI) Bill and the organisation continues to participate in the post-Health Summit Compact processes.

As part of the efforts to continue to cooperate and influence in SADC, Africa and Globally, BUSA participated in the 2ndInternational Labour Organisation (ILO) Working Group Meeting for the Revision of Standards for Statistics on Informality which engaged on a possible outline of a new statistical framework for informality.

I would like to take the opportunity to thank my team, Ms. Sanelisiwe Jantjies, (Social Policy Coordinator) and Ms. Cheryl James (SIFA Regional Coordinator, seconded to BUSA), the Chairperson and Deputy Chairperson of the Standing Committee on Social Policy, Mr Kaizer Moyane and Ms. Jahni de Villiers, the Chairperson and Deputy Chairperson of the Sub-Committee on Education and Training, Ms. Makano Morojele and Mr Mustak Ally, the members of the Standing Committee and Sub-Committee, and the BUSA Board for their unwavering support and contributions over the past year.

POLICY HIGHLIGHTS

ECONOMIC POLICY STANDING COMMITTEE



Olivier Serrão

Executive Director: Economic Policy

The Economic Policy Standing Committee was confronted, during the course of 2020, with the economic and societal challenges posed by the COVID-19 pandemic. In coordinating the collective business response to this and other challenges, the committee successfully leveraged its apex status to contribute to the Business for South Africa(B4SA) Economy Workstream, as well as its ongoing advocacy work with National Government, Parliament, NEDLAC , and others.

Selected highlights from the Standing Committee's 2020 work include:

ENERGY POLICY

BUSA has continued its leading advocacy role in energy policy and has continued to position itself as the business lead with government, Eskom, and the wider public on energy policy. BUSA continues to advocate for affordable, secure, and sustainable energy for the economy.

BUSA engaged on energy-related policy matters directly with stakeholders as well as through the B4SA structures in response to the COVID-19 measures.

Interventions recommended re electricity include:

- Negotiated Price Agreements (NPAs) and Industrial Tariffs.
- Acceleration of Round 5 REIPPPs and enabling Private Sector Power Generation.
- Review and revision of the Gas to Power targets (and gas for industrialisation).
- Launch and recommendations for green stimulus packages.
- Refinement and acceleration of the updates to the Intergrated Resource Plan (IRP) and Integrated Energy Plan (IEP) processes. Importantly, there was also the conclusion of the Framework Agreement on Eskom (Social Compact on Eskom).

Key for energy security, National Energy Regulator of South Africa (NERSA) concurred with both Ministerial Determinations issued in respect the IRP2019. The first was in relation to the "other" category in table 5 of the IRP for emergency power (the Risk Mitigation Independent Power Producers; and the second was in relation in respect of other specific technology allocations for Wind, Solar PV, Gas, Storage, etc.

BUSA responded to several NERSA public consultation processes on electricity pricing during 2020. These include:

- Eskom's Regulatory Clearing Account(RCA) application for 2018/19.
- Consultation Paper: Eskom's Regulatory Clearing Account (RCA) Applications – Third Multi-Year Price Determination (MYPD3) Review of the Financial Year 2014/15,2015/16 and 2016/17 in line with the High Court Order.
- Consultation Paper: Supplementary Revenue Application in Accordance with The High Court Judgement on Eskom's One-Year Revenue Application 2018/19 Financial Year.
- Consultation Paper: Review of The National Free Basic Electricity Rate Methodology for the Determination of the Rate for the Compensation of Eskom by Local Authorities – Dated November 2020.
- Consultation Paper: Eskom's Proposed Electricity Retail Tariff Restructuring Plan – Dated November 2020.

BUSA maintains that ceaseless and unpredictable price increases are making electricity unaffordable and uncertain and thus undermining efforts to recover and grow the economy.

BUSA further maintains that the current methodology is no fit for purpose and contributes to this cycle of increase and uncertainty.

BUSA established a task team with Department of Mineral Resources and Energy (DMRE) to solve for challenges in respect of an liquified natural gas import bridging solution and the development of the Gas Masterplan.

ENVIRONMENT POLICY

On environment policy, BUSA continued to build on the strong base provided by the active role of its environment sub-committee. Critically the NEDLAC process on the Climate Change Bill was concluded satisfactorily. It is hoped that this key legislation will be finalised by the end of 2021.

Other key engagements and policy inputs which have featured prominently on the work plan of the sub-committee:

- DFFE on the Extended Producer Responsibility (EPR) Regulations for Waste. BUSA will lead the working group at the request of the Minister to recommend amendments to these regulations ahead of finalisation in Q1 2021.
- DFFE regarding GHG Reporting Regulations and Guidelines.
- DFFE on Air Quality licencing and reporting.
- DHSWS on Water related issues including Licencing and Existing Lawful Use.

JUST TRANSITION WORKING GROUP

Business supports the need to ensure a Just Transition towards ecologically sustainable economies and societies for all.

Such a transition needs to be well managed and contribute to the goals of decent work, social inclusion, and the eradication of poverty for all South Africans.

Accordingly, BUSA has established a focussed Just Transition Working Group. BUSA also partnered with National Business Initiative and Boston Consulting Group on a project: Climate Action and Just Transition Pathways Study. This study will provide an evidence-base from which BUSA and its members can develop their policy inputs and recommendations to ensure that there is an enabling policy framework in place to achieve a just transition. Both the study and the working group have adopted a "NorthStar" vision of net-zero emissions by 2050 to provide a boundary for their work. Achieving net-zero emissions in South Africa by 2050, while ensuring a just transition, is a complex and unique challenge.

The study is not advocating for a particular position. It is not setting ambitions around levels and timelines for South Africa's emission reduction. Nor is this study prescribing sector- or company-specific emission reduction targets. The study aims to develop the necessary technical and socio-economic pathways research and analysis to support decision making and bolster coordinated and coherent effort among national and international stakeholders.

This research is anchored around three key questions:

- What is the cost of inaction for South Africa, should we fail to respond to critical global economic drivers stemming from global climate action?
- What would it take, from a technical and perspective, to transition each of South Africa's economic sectors to net zero emissions by 2050?
- What are the social and economic implications for South Africa in reaching net-zero emissions by 2050?

With an initial focus on electricity, mining, the role of gas, and petro-chemicals, the first results are expected to be published early in 2021.

ECONOMIC POLICY STANDING COMMITTEE (CONT'...)

TRADE POLICY

Trade remains a key focus of BUSA and is dealt with internally primarily through the Trade, Transport & Logistics Sub-Committee, and externally through the NEDLAC TESELICO sub-committee, and NEDLAC Trade & Industry Chamber. The ongoing negotiations for the highly anticipated African Continental Free Trade Agreement (AFCFTA) generated significant interest among BUSA members, as did the uncertainty around the implications for South African exports arising from the United Kingdom's departure from the European Union. South Africa's positioning at the World Trade Organisation (WTO) and especially "new generation" issues deservedly featured prominently on the NEDLAC agenda.

Highlights under BUSA's trade policy work included:

- BUSA submissions on AFCFTA tariff offers and Rules of Origin (offensive and defensive).
- BUSA submission on Angola's tariff offer under the SADC Trade Protocol.
- BUSA position on digital trade, and participation in a NEDLAC workshop thereon.
- BUSA submission on the SADC list of essential products during the Level 5 national lockdown.
- BUSA submission on the non-export of scrap metal.
- BUSA inputs to the founding documents of the African Business Council.
- Study to inform BUSA's position on South Africa's stance at the WTO
- Study to inform BUSA's position on the future of bilateral trade between South Africa and the United States of America.
- Participation in the WTO Trade Dialogue.
- Engagement with the Office of the US Trade Representative.
- BUSA-facilitated Business to Business(B2B) engagement between South African and Ukrainian businesses.
- BUSA-facilitated B2B engagement between South African and Guatemalan businesses.

CUSTOMS, TRANSPORT AND LOGISTICS

This area of focus has grown in importance significantly in recent years, with the disruption to international supply chains during the global COVID-19 pandemic underscoring its importance to South Africa's business community.

A major development has been the launch of a weekly BUSA Cargo Movement Update with the support of the South African Association of Freight Forwarders (SAAFF), which provides a holistic and detailed review of the resilience and performance of international and domestic supply chains.

Other notable achievements of the Standing Committee during the course of 2020 include

- Engagements with South African Revenue Services (SARS) and the Department of Home Affairs on the Border Management Authority.
- Engagements with SARS and the Department of Trade, Industry & Competition (DTIC) on the National Committee on Trade Facilitation.
- Implementation of the outcomes of the NEDLAC process on customs fraud and illegal imports.
- BUSA submission on the VAT upliftment system change.
- AFCFTA Draft Rules under the Customs & Excise Act of 1964.
- NEDLAC Freight and Public Transport Working Group (established following the October 2020 release of the Economic Reconstruction and Recovery Plan).

TAX POLICY

Through its tax sub-committee, BUSA continued its efforts to advance appropriate tax policy and administration to balance economic growth with providing the means to support optimal state spending.

Through its Memorandum of Cooperation(MOC) with SARS, BUSA plays an important role in providing a cross-sectoral business perspective on tax administration and the centrality of a well-functioning revenue authority in the economic recovery. Additional highlights from 2020 include:

- Submission on the Draft Disaster Management Tax Relief Bill, 2020.
- Submission on the Draft Disaster Management Tax Relief Administration Bill, 2020.
- Engagement with SARS on Cooperative Compliance ("Voluntary Compliance).
- Participation in the SARS Commissioner's Annual Leadership Engagement.
- BUSA / SARS leadership engagement on the economic impact of the COVID-19 pandemic.
- BUSA submission on the SARS Taxpayers Service Charter.
- BUSA submission on the Draft Taxation Laws Amendment Bill.

ECONOMIC POLICY AND REGULATION

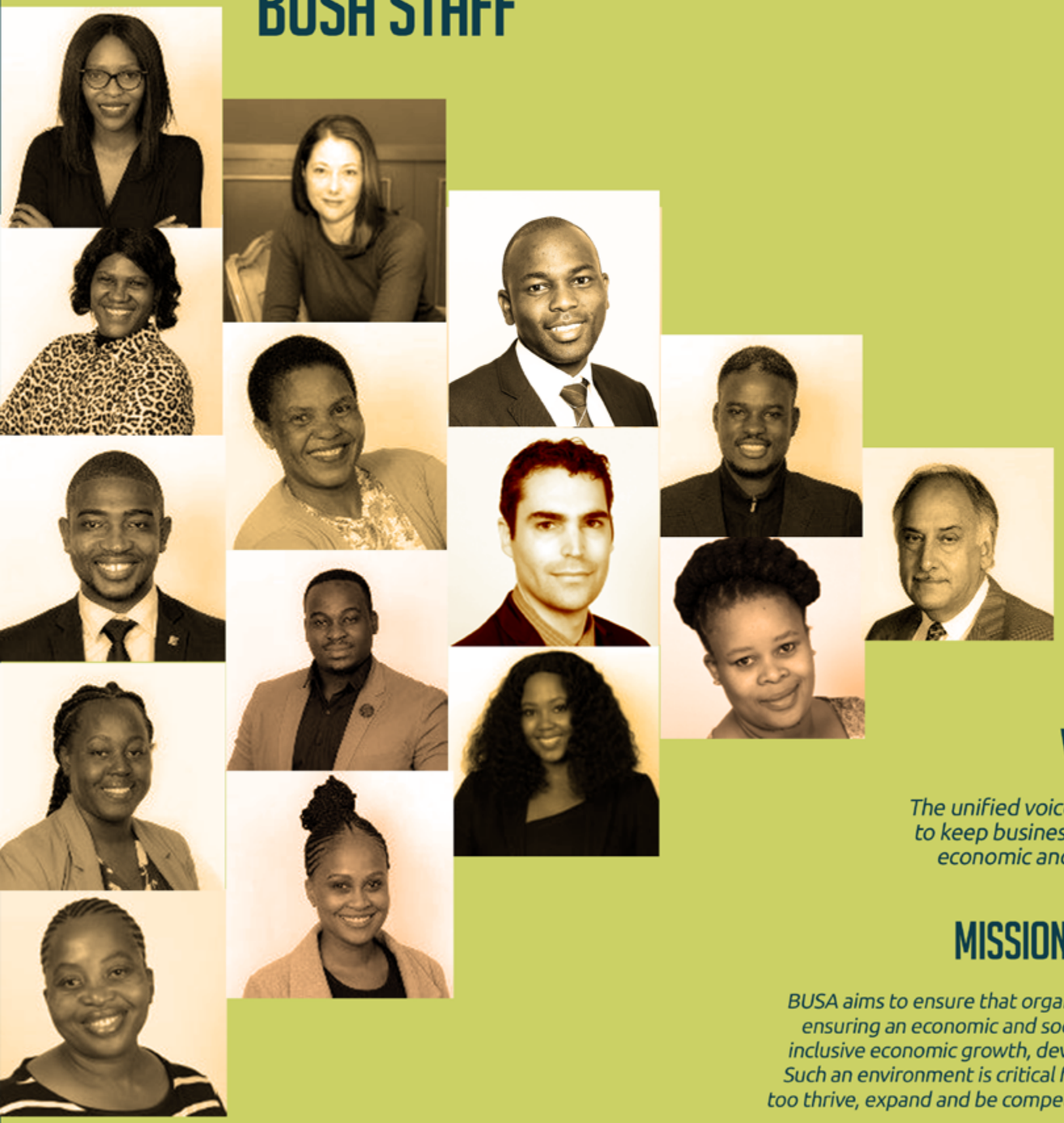
As in recent years, BUSA worked hard in 2020 to promote its vision of an economy that prioritises private sector-led inclusive economic growth and development. This task was made all the more urgent in the wake of the economic effects of the COVID-19 pandemic. Alongside significant support provided by members of the standing committee to the B4SA Economy Workstream, the following achievements were recorded:

- Participation in the NEDLAC process on the Administrative Adjudication of Road Traffic Offences Act Regulations.
- Engagement with the World Bank Group on responses to the COVID-19 pandemic and its impact.
- BUSA submission on the Draft Constitution 18th Amendment Bill.
- BUSA submission on the Franchise Association of South Africa Industry Code Discussion Document.
- Signing of a Memorandum of Understanding (MOU) with the International Bank for Reconstruction and Development, and the International Finance Corporation.
- BUSA submission and high-level NEDLAC engagement on the 2020 National Budget.
- BUSA submission and high-level NEDLAC engagement on the 2020 Supplementary Budget.
- BUSA submission and high-level NEDLAC engagement on the Medium Term Budget Policy Statement (MTBPS).
- Participation in the NEDLAC process on the Draft National Policy on Comprehensive Producer Development Support.
- Participation in the NEDLAC task team on the Expropriation Bill.
- Conclusion of the NEDLAC process on the Companies Ammendment Bill
- Conclusion of the NEDLAC process on the Preservation and Development of Agricultural Land Bill.
- Development of a business position on the NRCS, and the proposed move towards and Supplier Declaration of Conformity system.
- BUSA submission on the National Planning Commission's Position Paper on State Owned Enterprises.
- Cooperation with Trade & Industrial Policy Strategies (TIPS) to conduct a survey of BUSA members on business conditions under Lockdown Level 3.

As in previous years, BUSA's contributions to the national effort to create an inclusive, growing economy on the back of an enabling environment that creates the conditions for investment and job creation was only possible with the dedicated support of its diverse membership base. Specifically, I would like to thank the following colleagues whose tireless efforts and leadership enabled BUSA to play its role as the apex representative of Organised South African Business:

- Cas Coovadia (BUSA CEO).
- Martin Kingston (Chair: Economic Policy Standing Committee; and Chair: Energy Sub-Committee).
- John Purchase (Deputy Chair: Economic Policy Standing Committee; and Business Convenor: NEDLAC Trade and Industry Chamber).
- Deidré Penfold (Chair: Trade, Transport and Logistics Sub-Committee).
- Juanita Maree (Deputy Chair: Trade, Transport and Logistics Sub-Committee).
- Robert Legh (Chair: Tax Sub-Committee).
- Paul Bondi (Deputy Chair: Tax Sub-Committee; and Convenor: NEDLAC Public Finance and Monetary Policy Chamber).
- Shamini Harrington (Chair: Environment Sub-Committee).
- Siegfried Spanig (Deputy Chair: Environment Sub-Committee).
- Maurice Radebe (Deputy Chair: Energy Sub-Committee).
- Jarredine Morris (Energy & Environment Policy Manager).
- Tyson Sibanda (Manager: Economic Policy).

BUSA STAFF



BUSA BOARD



VISION

The unified voice of business which serves to keep business interests at the heart of economic and socio-economic policy

MISSION AND PURPOSE

BUSA aims to ensure that organised business plays a constructive role in ensuring an economic and socio-economic environment conducive to inclusive economic growth, development and economic transformation. Such an environment is critical for businesses of all sizes and in all sectors too thrive, expand and be competitive both domestically and internationally.



OUR MEMBERSHIP & COMPANY INFORMATION

BUSA MEMBERSHIP

CHAMBERS

Small Business Institute (SBI)
American Chamber of Commerce in South Africa (AMCHAM)

CORPORATES

Business Leadership SA (BLSA)
Manufacturing Circle

PROFESSIONAL

Batseta Council of Retirement Funds SA
Consulting Engineers South Africa (CESA)
South African Private Practitioners Forum (SAPPF)

UNISECTORAL

Agri SA
Agricultural Business Chamber (AGBIZ)
Aluminium Federation of South Africa (AFSA)
Apparel Manufacturers' of South Africa (AMSA)
Association for Savings and Investment South Africa (ASISA)
Automobile Manufacturers Employers Organisation (AMEO)
Banking Association (BASA)
Board of Airline Representative Association (BARSA)
Business Process Enabling SA (BPESA)
Chemical and Allied Industries' Association (CAIA)
Confederation of Associations in the Private Employment Sector (CAPES)
Consumer Goods Council South Africa (CGCSA)
Energy Intensive User Group of Southern Africa (EIUG)
Employers Organisation for Hairdressing Cosmetology & Beauty (EOHCB)
Financial Intermediaries Association (FIA)
FishSA
Health Funders Association (HFA)
Hospital Association SA (HASA)
Industrial Gas Users Association SA (IGUASA)
Innovative Pharmaceutical Association of SA (IPASA)
Master Builders SA (MBSA)
Minerals Council South Africa
Minerals Council South Africa
National Association Automotive Component & Allied Manufacturers (NAACAM)
National Association of Automobile Manufacturers of South Africa (NAAMSA)
National Clothing Retail Federation (NCRF)
Publishers Association of SA (PASA)
Retail Association (RA)
Retail Motor Industry (RMI)
Road Freight Employers Association (RFEA)
South African Renewable Energy (SAREC)
South African Apparel Association (SAAA)
South African Insurance Association (SAIA)
South African Medical Technology Industry Association (SAMED)
South African Petroleum Industry Association (SAPIA)
South African Property Owners Association (SAPOA)
South African Association of Freight Forwarders (SAAFF)
South African Tobacco Transformation Alliance (SATTA)
South African Sugar Association (SASA)
South African Vehicle Renting Leasing Association (SAVRALA)
Steel and Engineering Industries Federation of South Africa (SEIFSA)
Tourism Business Council of South Africa (TBCSA)

BOARD OF TRUSTEES (CORPORATE MEMBERS)

ABSA Bank
Adcorp
AngloGold Ashanti
Aspen Pharmacare
BMW South Africa (Pty) Ltd
Deloitte
Discovery Health
Ernst & Young
Johannesburg Stock Exchange
Investec Ltd
Liberty Holdings
MTN (Pty) Ltd
Nissan South Africa (Pty) Ltd
PPC
PwC
Rothschild
SAB Limited
Sanlam Life Insurance Ltd
SAPPI Ltd
Sasol Group Services
Shell South Africa
Vodacom

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