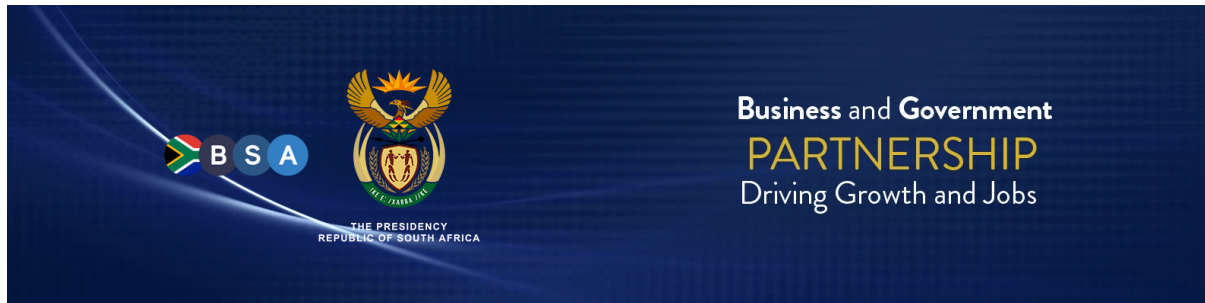




1 October 2024

FOR IMMEDIATE RELEASE

President, Ministers and Business CEOs launch Phase 2 of Government Business Partnership

- *A new era of economic growth, investment and jobs is possible by increasing the pace of reforms and shifting national sentiment*

Johannesburg, 1 October 2024 – Today saw the launch of Phase 2 of the transformative Government Business Partnership, which is supporting efforts to accelerate the country's path toward sustainable inclusive economic growth and job creation, through increased investment and more positive sentiment.

Phase 1 of the partnership, initiated in 2023, demonstrated the power of collaboration between government and business. It tackled some of the country's most pressing challenges in the areas of energy, transport and logistics, and crime and corruption, resulting in some key achievements. The contribution of the partnership, working alongside other stakeholders, led to the dramatic reduction in loadshedding, which stands out as an important achievement. Building on this momentum, Phase 2 will aim to scale these efforts with increased resources and a clear set of actions to contribute to more rapid economic growth.

President Ramaphosa and the business convenors of the partnership outlined the plans for Phase 2 to CEOs, several ministers, and other senior government and business representatives at a launch event in Johannesburg tonight.

President Cyril Ramaphosa reaffirmed his support for the partnership's accomplishments and future vision, saying: "The collaborative efforts of this partnership, and the progress we have made so far, are well aligned with the priorities of the Government of National Unity. Together, we are advancing our bold ambition to move South Africa forward. We are witnessing renewed investor confidence, which speaks to the success of our approach. With a more focused and determined effort, Phase 2 will continue to tackle key challenges, and contribute to momentum on transformation, economic recovery and long-term prosperity."

Adrian Gore, BUSA Vice President and co-convenor of the Partnership, says: "Central to Phase 2 is our shared vision to create a virtuous cycle of growth, jobs and improved narrative and confidence. Research commissioned by us from the Bureau for Economic Research (BER) shows how big the prize is - if we expedite reforms, more quickly achieve operational improvements at Transnet and Eskom, and swiftly mobilise private sector investment - we could see GDP growth reach 3.3% by the end of 2025, providing a crucial uplift from the current

baseline. This economic growth can generate around 1 million additional jobs by 2030. Sentiment is crucial because it underpins fundamentals, and the work we are doing to foster a more positive narrative is beginning to yield results.”

Key to unlocking this growth will be accelerated reforms across the three focal areas:

Energy: Phase 2 aims to support the acceleration of the market reform needed for long-term energy security and a competitive economy. Specific targets for 2025 are to maintain the EAF above 64%; unlock R23 billion in private sector investment, boost the renewable generation capacity to 4GW by improving investor confidence and accelerating existing initiatives; and construct 1000 kms of new transmission lines. To achieve this, the Department of Energy and Electricity will enable and accelerate private sector investment in generation capacity through new projects and agreed frameworks for third-party wheeling; fast-track procurement of new generation capacity through Bid Window 7; strengthen NERSA, establish a wholesale electricity market and modernise distribution; and expand the transmission network by accelerating priority projects and enabling private sector investment.

Transport & Logistics: In 2025, the partnership believes it is possible to unlock around R28 billion investment in rail infrastructure. Rail capacity needs to be increased to 193 million tons from a projected baseline of 170 million tons, in order to increase exports and attract investment, which are essential for preserving and creating jobs. Business is working closely with Transnet to help improve operational performance. The Minister of Transport and the National Logistics Crisis Committee (NLCC) are championing the structural reforms required to increase rail and port volumes. Key initiatives include expediting the final Network Statement and pricing schedules to facilitate private sector investment, launching open access for third-party operations on the rail network by Q4 2024, and establishing and capacitating the Infrastructure Manager and the Transport Economic Regulator Board to oversee critical structural reforms.

Crime and Corruption: The most immediate objective of the partnership is to work together with all relevant entities to ensure South Africa's removal from the Financial Action Task Force (FATF) grey list, thus enhancing investor confidence and improving the country's credit ratings. The partnership will therefore support efforts to demonstrate the country's intent and capacity to prosecute complex money laundering and related criminal cases. Business is aiming to help establish a Digital Evidence Unit to support the National Prosecuting Authority (NPA), on an arm's length basis, in its prosecution of state capture cases.

In addition, while long-term, large-scale job creation depends on sustained and more elevated economic growth, the partnership is also actively working to unlock 400,000 employment opportunities for young people by the end of 2026, by scaling existing collaborations and focusing on a few priority short-term interventions. The partnership will support the work of Government to improve the tourism visa regime and revise global business services incentives to create new work opportunities, develop skills that support jobs in digital and green transition industries, and resolve the work visa backlog. Efforts are also geared toward boosting opportunities in the township economy, including the creation of a first-loss fund for SMME debt and supporting the registration of early childhood development centres. Additionally, the partnership will support the acceleration of youth employment by scaling SAYouth.mobi, which connects job seekers with employers, and sponsoring placements through the YES programme.

Martin Kingston, Chair of the B4SA steering committee, said: "The country, and indeed the business sector, is energised by the uptick in sentiment but we cannot afford to become complacent or to take our foot off the pedal in driving these crucial reforms forward. We need to mobilise additional funding and resources to deliver on key tangible outcomes. The achievements of Phase 1 have shown that when we unite with purpose, we can deliver real progress. This partnership is about laying the foundation for long term prosperity and social stability. By focusing on key priorities, we are investing in the future of our country, and there is no time to waste."

Ends

Notes to editors:

In Phase 1, Business contributed:

- **R250 million+** in direct funding into the Partnership (this excludes pro-bono, seconded, and other 'in kind' donations)
- Deployed more than **350 experts**
- **57 companies** contributed to interventions at power stations
- Over **9000 hours** contributed to Eskom
- **R700 million** invested across key transport corridors
- Deployed over **500 security personnel** to Transnet Freight Rail
- A **50%** reduction in security incidents on critical coal transport lines
- **R57 million** invested in establishment of a forensic analysis centre

These contributions have laid a solid foundation for the reforms and improvements planned in Phase 2.

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