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BUSINESS UNITY SOUTH AFRICA

FOR IMMEDIATE RELEASE

BUSA backs SONA's reform signal, but says credibility now rests on delivery

13 February 2026 - Business Unity South Africa (BUSA) has welcomed President Cyril Ramaphosa's 2026 State of the Nation Address as an important confidence signal, with a clear emphasis on reforms that can improve the investment climate and unlock faster growth. BUSA said the speech set a constructive tone for the year ahead but warned that public trust and investor appetite will turn on implementation that is measurable and sustained.

"A positive narrative, backed by clear plans, boosts confidence, which in turn attracts investment that drives growth," said BUSA Chief Executive Officer Khulekani Mathe. "This speech has, in large measure, achieved a positive narrative. The next test is implementation."

The speech recognises constraints that shape daily life and business decisions, especially public safety, weak municipal performance, and infrastructure reliability. The decisive measure now is execution, with clear accountability and visible results.

Safety, corruption and the illicit economy

The focus on fighting crime, corruption and the illicit economy, including the programme against illicit goods is welcome as business cannot thrive in a lawless environment. These issues raise the cost of doing business, reduce competitiveness, and weaken confidence.

BUSA also noted the emphasis on implementing recommendations of the Madlanga Commission and called for time-bound action that improves investigations, prosecutions and consequence management. The use of technology to strengthen law enforcement capability is a positive initiative, provided it is governed properly and applied lawfully.

"Fighting crime through the use of technology is long overdue, and the private sector stands ready to support these initiatives," Mathe said.

Water and local government

The explicit elevation of water as a priority is welcomed and BUSA wants to see a delivery approach measured by operational improvements, not new layers of process.

"Recognition of water as the pressing challenge is commendable but does not go far enough. We should not have reached this point in the first place," Mathe said.

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The establishment of the National Water Crisis Committee chaired by the President should drive urgent repairs, disciplined maintenance and reliable service at municipal level. BUSA also welcomed incentives for municipalities to ring-fence revenue for trading services, including water and electricity, so that funds collected for essential services are protected for operations and infrastructure renewal.

The focus on Johannesburg and local government performance, given the direct impact of municipal decline on communities and economic activity must be backed by urgent action. Business has always had a simple ask - for the government to implement its own reform plans as the President has announced at prior SONAs and in the Operation Vulindlela agenda. The speech by the President recognises that supposedly small changes in design of reforms can have important implications and must be carefully considered, something which we welcome.

Growth and inclusion

Business agrees that growth and inclusion are the right objectives, but the strategy outlined in the address needs greater clarity to allow stakeholders to evaluate the plan and its likely impact.

“The Growth and Inclusion strategy lacks detail to allow for its assessment,” Mathe said.

A more detailed programme that sets out policy choices, sequencing, and delivery responsibilities, including practical steps that reduce friction for investment and expansion is urgent.

Infrastructure, energy and logistics

BUSA welcomed proposals aimed at strengthening infrastructure delivery, including specialised courts linked to commercial infrastructure, which could improve certainty and reduce delays if properly resourced and clearly scoped.

On energy reform, the clearer direction on Eskom restructuring, particularly progress towards an independent transmission operator was clear and emphasis from the President on the need for the independence and asset transfer to the new Transmission System Operator (TSO) outside of Eskom's holding company. Creditors, industry and business wanted something simple and clear and we heard this in the president’s speech.

We are looking forward to hearing more about the new task team but are pleased to see that National Treasury and the Minister of Finance will be part of it, and that it will report directly to the President himself. The three-month deadline for reporting back is important given the need to move on this issue with speed. A key step we will look forward

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to seeing is how they crowd in expert transaction advice that can support the avoidance of the alarmist points raised by Eskom such as around cross default.

Business is encouraged by the continued focus on rail and port reforms as essential to export performance and supply reliability. It urged prioritisation of deliverable improvements that lift throughput and reliability, supported by transparent governance and measurable service standards.

Tourism, skills, housing and regulation

Measures intended to support tourism through rolling out the electronic travel authorisation initiative covering all countries that require visas to enter South Africa, are key to boosting tourism’s role in job creation.

Increasing the skills development levy that is paid back to employers to 40% is a significant boost that will encourage the private sector to continue their commitment to building skills that are required for sustainable economic growth.

“The commitment to reform the National Skills Fund … is a big win and said progress should be judged by outcomes, including better training quality and stronger governance.” Mathe said; noting that our skills development system has failed in its primary task to provide workers with requisite training to develop skills required by the economy.

BUSA noted housing policy signals that could stimulate the housing market and strengthen household asset formation. It also welcomed the indication that government will consider inputs on the business licensing bill, and said the test is whether reform reduces red tape and improves compliance certainty, especially for smaller firms.

The overall positive note in the speech was encouraging. It recognised the positive role business plays in our economy, and we stand ready to support the ambitious plan announced by the President.

ENDS

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