

Welcoming and introduction:

Agbiz and its role in South Africa's economy

Agbiz Information Day

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13 November 2020



For today.....

1. Warm welcome to all
2. Rationale for Info Days
3. Agbiz core objectives and achieving these objectives?
4. Enjoy the day and stay connected!

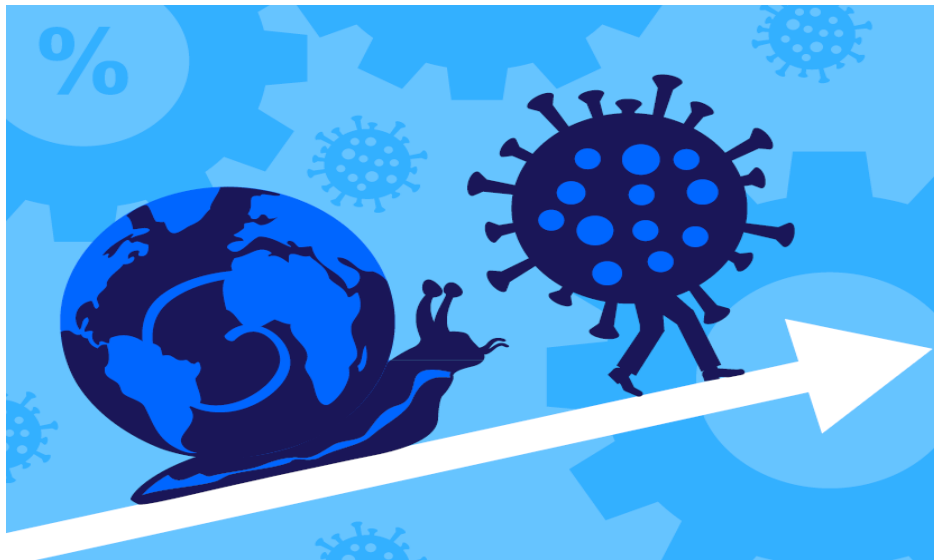
Global economic situation and prospects

The Economist

INTELLIGENCE UNIT

A new era of slow growth, low inflation and high debt

Q4 global forecast 2020

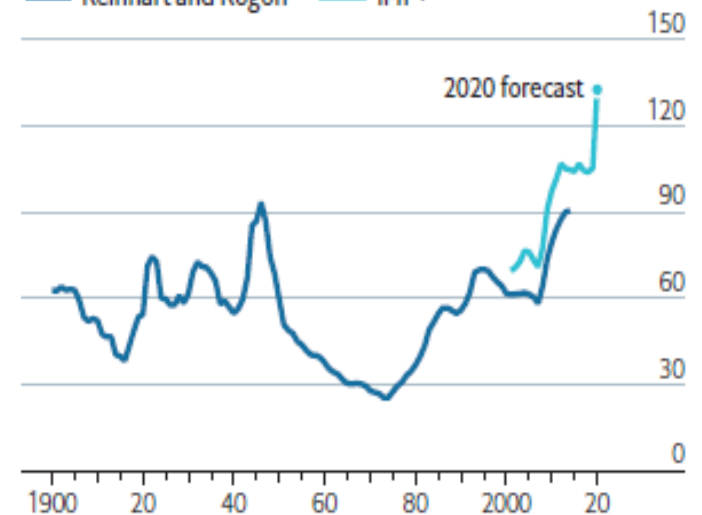


Public-debt-to-GDP ratios are rising fast

(Gross government debt as % of GDP)

Advanced economies

— Reinhart and Rogoff* — IMFT



*Simple average, 22 countries. †Weighted average, 39 countries

Sources: Reinhart and Rogoff, 2009 and updates; IMF

2020 MTBPS

Medium Term
Budget Policy Statement



SECURING ECONOMIC RECOVERY BEYOND COVID-19



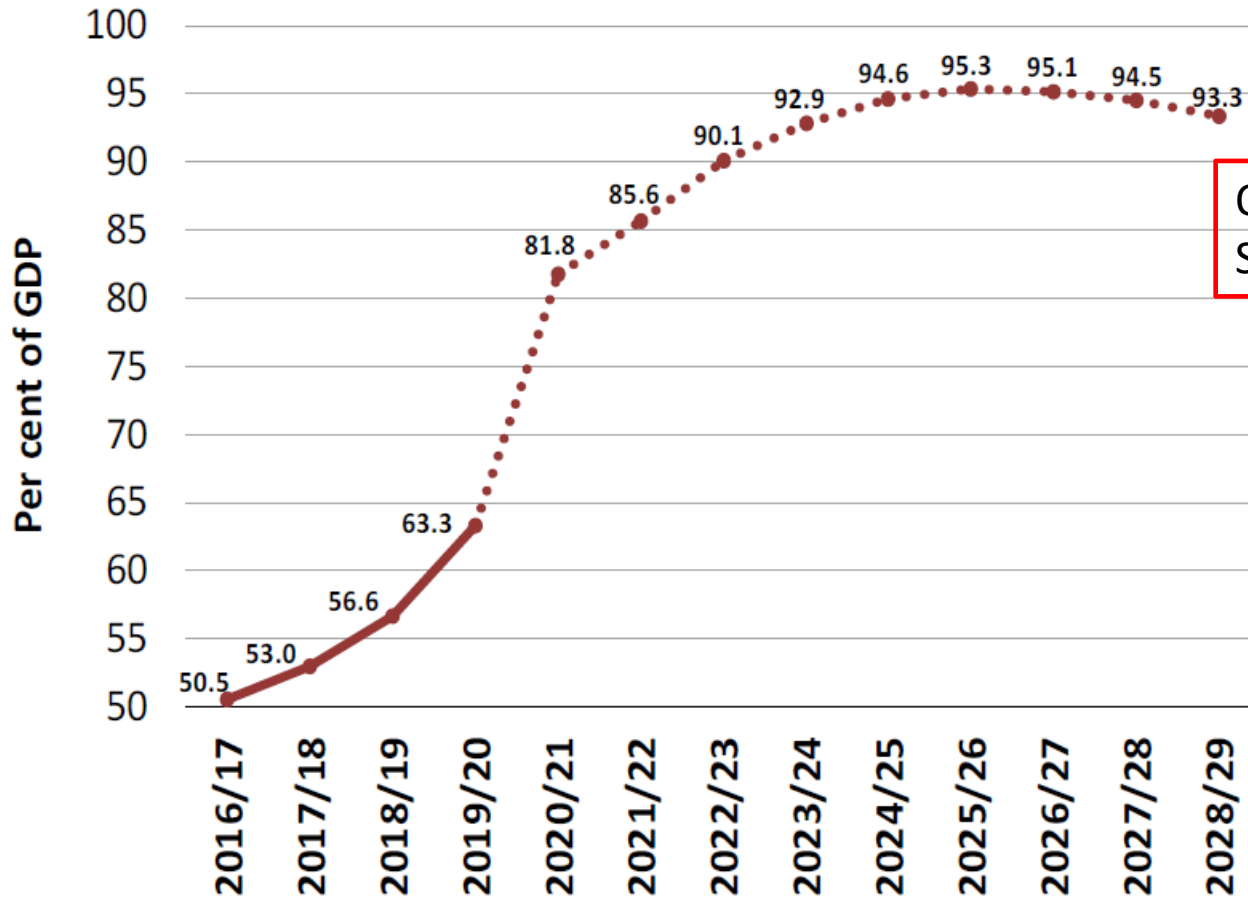
national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



- Government's medium-term policy priorities are economic recovery and fiscal consolidation.
- The social compact agreed to between government, business, labour and civil society prioritises short-term measures to support the economy, alongside crucial structural economic reforms.
- The economy is expected to contract by 7.8 per cent in 2020, recovering to real GDP growth of 3.3 per cent in 2021. Economic growth is expected to average 2.1 per cent over the three-year forecast period.
- Fiscal measures – primarily reductions to the wage bill – will narrow the budget deficit and stabilise debt over the next five years to return the public finances to a sustainable position.
- The consolidated deficit narrows from 15.7 per cent of GDP in 2020/21 to 7.3 per cent by 2023/24. Gross national debt is projected to stabilise at 95.3 per cent of GDP by 2025/26.

Gross loan debt outlook

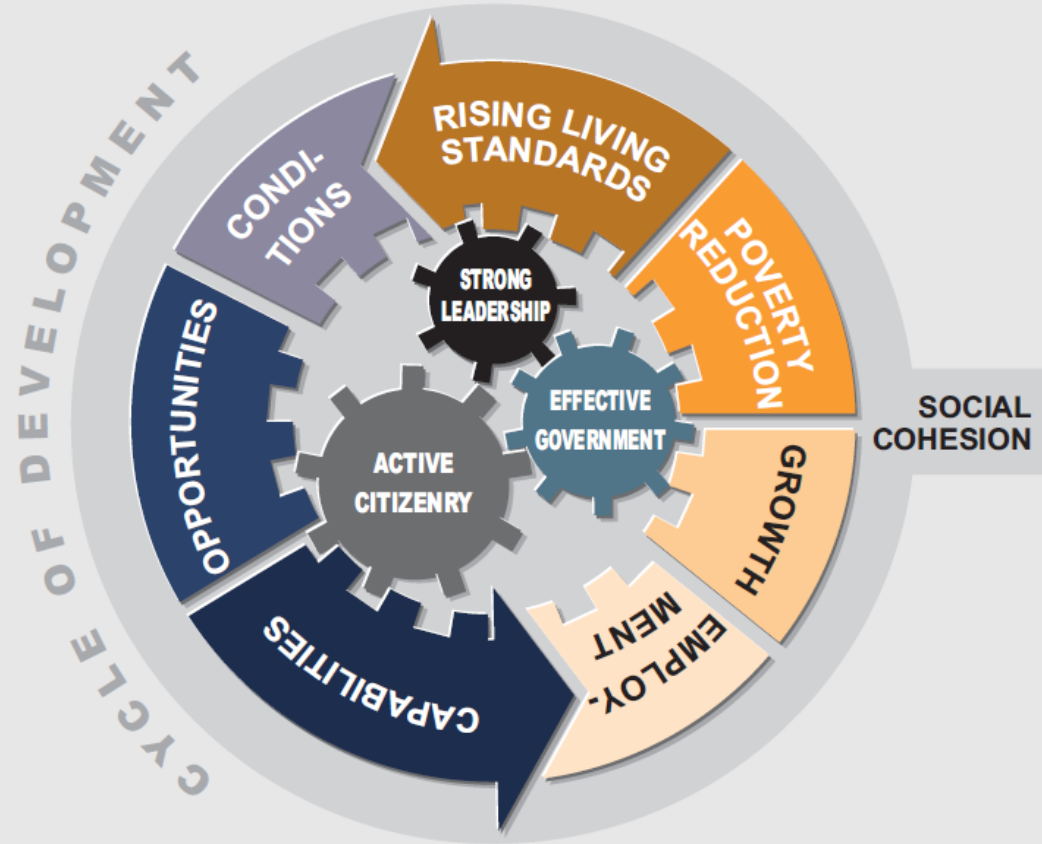


Our biggest risk now:
Sovereign debt crisis

Our future - make it work



FIG 1.1 AN APPROACH TO CHANGE



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Core Objectives

Core objective 1

To promote agribusinesses and Agbiz as key stakeholders in the South African and African economies, and even further abroad.

Core objective 2

To influence the policy and legislative environment insofar as it affects agribusiness activities, by way of on-going and professional interaction with all relevant government institutions.

Core Objectives

Core objective 3

To improve the commercial and sustainable agribusiness environment for members through network linkages, liaison and co-operation with influential groupings within the business environment, both locally and internationally.

Core objective 4

To support B-BBEE, transformation and development of emerging agribusiness and other role players in the agro-food value chain.

Core Objectives

Core objective 5

To create unique, relevant and accessible agribusiness intelligence to support Agbiz programmes and members.

How do we achieve these objectives?

Core objective 1

To promote agribusinesses and Agbiz as key stakeholders in the South African and African economies, and even further abroad.

- Competitive value chains concept established - Masterplan
- Agri-food, agri-beverage and agri-fibre value chains estimated contribution to national GDP is ~14%, while primary agriculture around 2,5%. Confirmed through B4SA work.
- Agro-processing at 3,5% of total GDP, which is ~25% of total Manufacturing Output.
- Major focus primarily on SA by far, but Africa connection important, and may become more important with AfCFTA.
- Positive trade balance has huge BoP effect currently.



How do we achieve these objectives?

Core objective 2

To influence the policy and legislative environment insofar as it affects agribusiness activities, by way of on-going and professional interaction with all relevant government institutions.

- **Engage Government on policy and legislation through:**

1. Bilateral interaction (Agbiz, BUSA, Dept's Forums, etc.)

2. NEDLAC:

- NEDLAC Act: formal legislated engagement structure
- Jobs Summit developments and outcomes
- Trade & Industry Chamber: Agbiz Convenor for Business
- Active in Development, Labour Market & PFMP Chambers

3. Masterplan process & Public-Private Growth Initiative (PPGI)

4. Other engagements, incl. Ministerial Task Team.



How do we achieve these objectives?

Core objective 3

To improve the commercial and sustainable agribusiness environment for members through network linkages, liaison and co-operation with influential groupings within the business environment, both locally and internationally.

- Networking opportunity within Agbiz, e.g. Council meetings, workshops, congress, etc.
- No formal business facilitation, but creating linkages important.
- BUSA very important. Leadership role there as well.
- IFAMA important from a global perspective.
- Also BRICS Business Council (Agribusiness WG Chair).
- BIAC to OECD (through BUSA).



How do we achieve these objectives?

Core objective 4

To support B-BBEE, transformation and development of emerging agribusiness and other role players in the agro-food value chain.

- Serving on AgriBEE Charter Council for 15 years now – but B-BBEE needs urgent review! Min Patel commitment.
- Agbiz/BASA Commercial Model for Land Reform – ex NDP.
- Awareness creation with members on inclusive growth imperative.
- Land Reform policy engagement
- Water Reform policy engagement
- Agricultural Development Agency (AGDA)

How do we achieve these objectives?

Core objective 5

To create unique, relevant and accessible agribusiness intelligence to support Agbiz programmes and members.

- Communication platforms such as weekly newsletter, daily market report, weekly government gazette summary, Agbiz website, and notices/reports to members. Covid-related directions critical this year
- Presentations to various members, stakeholders, etc.
- Council meetings
- Workshops and Information Days
- Media day, etc.

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Thank you