

Statement from the CEO Initiative following engagement with the President's Economic Consultative Forum

18 September 2018

A small delegation from the CEO Initiative which comprised leaders from various economic sectors, engaged with the President, Deputy President and a number of ministers, as well as representatives from labour, in a meeting of the Presidential Economic Advisory Council last week. The meeting was called at short notice by the President, in an effort to find joint solutions to improve growth and address stubbornly high levels of unemployment.

At the meeting we reiterated that it is imperative that we act decisively to create an investor-friendly environment in order to retain our investment grade credit rating and continue to attract crucial local and foreign investment.

We highlighted a number of measures which would aid confidence in the economy, including:

- A focus on fiscal consolidation and stabilising sovereign debt levels;
- Strengthening institutions that have been weakened and supporting Chapter 9 institutions to be strong, functional and accountable;
- Addressing policy incoherence, particularly in mining, land, health, as well as reinstating respect for the rule of law through consistent action in relation to transgressions; and
- Driving greater efficiency and productivity, both in government and the private sector.

Both business and labour delegations also expressed deep concern for the current lawlessness in the country, and the impact that the disregard for the rule of law had on investment in the country and economic growth.

We are cognisant of the country's significant challenges in employment and skills levels, and have taken heed of labour's call to avoid retrenchments wherever possible, as well as to ensure that burdens are fairly shared between managers and workers. In situations where retrenchments cannot be avoided, it is important that support and re-training is provided to enable workers to find alternative employment.

Periods of economic distress, such as that which our country is experiencing now, often require employees and leaders to do more with fewer resources and make sacrifices over the short term, in order to build stronger businesses and a more efficient government that works for all its citizens.

We will be engaging with investors at the government's upcoming Investment Conference as part of the delegation.

We value your continued commitment to strengthening the economy amid incredibly challenging conditions, as well as your input and suggestions for cooperation with our partners in labour and government. We will be circulating a more comprehensive newsletter in due course, to update you on developments in the various works streams of the CEO Initiative over the past six months.

Jabu Mabuza, Co-Convenor: CEO Initiative