

## BUSINESS FOR SA: UPDATE AND SUPPORT FOR LOCKDOWN EXTENSION

*“..... we will draw on our strengths: our abundant natural resources, our advanced infrastructure, our deep financial markets, our proven capabilities in information and communication technology, and the depth of talent among our people. We will draw on our proven capacity for innovation and creativity, our ability to come together in a crisis, and our commitment to each other and our common future. We will learn from global experience and the best scientific evidence, but we will craft a uniquely South African response that uses our own capabilities as a nation.”*

President Cyril Ramaphosa, 9 April 2020.

**Tuesday, 14 April 2020:** Business for South Africa (B4SA), the alliance of volunteer resources from across South African business bodies and organisations, member companies large and small, including professional services firms, has today provided an update on the various interventions it is implementing in support of government’s COVID-19 public health and civil defence campaigns.

These interventions also include assistance and support to South Africa’s large, medium and small businesses to prevent, combat, mitigate and recover from COVID-19 and its effects.

To better manage the control of the coronavirus (COVID-19) disease, B4SA has indicated its support for President Cyril Ramaphosa’s decision to extend the lockdown period to the end of April 2020. “We fully recognise and appreciate,” said B4SA’s Martin Kingston “that the extended lockdown will further deepen the profound economic and societal impacts of COVID-19 for the people of South Africa. However, we all agree that the need to prevent any loss of life and the uncontrollable surge of infections outweighs the economic consequences of the pandemic”.

Further, the decision by the President to advance the evaluation of those sectors of the economy that should restart urgently, is supported. This will be one of the enablers for a phased recovery as quickly as practically possible. While progress has been made in flattening the curve, and available data is pointing to a slowing of infections, a tremendous amount still needs to be achieved, such as in the area of accelerating and expanding testing and subsequent tracking and tracing.

### Three core work groups

B4SA, which is working closely with government as well as in the National Economic Development and Labour Council (Nedlac), has started delivering concrete outputs through various coordinated and proactive programmes through three core work groups, namely Healthcare, Labour and Economic Intervention.

Significant successes have been achieved by the **Healthcare work group**, working in partnership with the Minister and National Department of Health (NDoH), as well as with the Minister of Trade, Industry and Competition, who assisted in unlocking global medicine procurement challenges. Procurement of PPE stock for South Africa’s frontline medical staff, across both the public and private sectors remains a key priority. PPE procurement is being supported by funding from the Solidarity Fund, Motsepe Foundation, SPIRE (RMB) and Naspers and, to date, PPE worth R400 million has been acquired, with pipeline funding for a further R360 million. Stock procured includes:

- 900 000 sterile gloves;
- 20 000 face shields;

- 1.12 million N95 masks;
- 6 million surgical masks for healthcare workers;
- 8.5 million surgical masks for patients; and
- 200 ventilators.

The focus is to secure PPE stock for the next 6-8 weeks, and monthly thereafter. Other key successes include providing the Minister of Health with a consolidated view of all PPE as well as all stock of medicines across the country. Work is also ongoing in respect of modelling of the pandemic as well as geomapping of existing and ancillary facilities across the country, which is being shared and integrated at the NDoH level.

The **Labour group** has been developing advisory positions for employers on employment and labour relations issues, including considerations regarding remuneration during the lockdown and jobs preservation, as well as obligations to ensure healthy working conditions for those carrying out essential services. It has represented business in the negotiations at Nedlac that led to an agreement on the Temporary Employer/Employee Relief Scheme (TERS) of the Unemployment Insurance Fund (UIF). The Presidency has estimated that the value of the special lockdown benefit is approximately R40 billion.

The **Economic Intervention work group** has focused on the imperative to lessen the impact of the necessary lockdowns on the economy. This has included:

- A macroeconomic analysis that modelled various economic impact scenarios and suggests a range of support and relief packages, which has been shared with government;
- Critical inputs provided to government to expand the definition of essential goods and services;
- Assistance on the South African Ventilator Project (in co-operation with the Healthcare work group) for the sourcing of ventilators, as well as coordinating the sourcing of PPE;
- Influencing regulatory amendments that opened up port capacity and the movement of essential cargo from the ports;
- Mapping the risks of critical infrastructure including electricity, liquid fuels, gas and water, and which are being monitored;
- Assessing the impact on technology, media and telecommunications services and networks, given the urgency for remote working;
- Focusing on social and other mitigating risks from the public transport system and identifying alternative mass commuter services;
- Providing supporting interventions for SMMEs, formal and informal;
- A call for all corporate members to pay SMME creditors by 20 April 2020 as the lockdown has led to millions of jobs being at risk. The sustainability of the SMME sector is critical to the eventual recovery of the economy;
- Facilitating exemptions for international flights and air crew to expedite the receipt of essential air cargo, particularly medical supplies; and
- Monitoring of price gouging and working on initiatives to reduce predatory pricing.

### **Parallel approach**

These interventions, recognising the contribution of a vast number of individuals and organisations, has an immediate focus on the needs related to the lockdown situation, specifically on maintaining economic stability, and support to all South African businesses. At the same time, work is underway that considers a common macro-economic model to support analysis in the short, medium and longer

terms and which includes a robust model of analysis pertaining to the populations' health and disease conditions. This will ultimately shape policy decisions and evidence-based practice by identifying key risk factors.

During and post lockdown, the Healthcare and Economic Intervention work groups will continue working closely to strengthen the healthcare system. There is work underway to identify interventions to restart economic activity, and maximise inclusive growth, as quickly as possible. The collaboration between business and government will be maintained to address key priorities of which public health will remain critical and must be safeguarded under any recovery scenario, recognising the disproportionate impact on SMMEs and the informal sector. An approach to restart economic activity as early and quickly as possible is underway, which will lead to the restructuring and re-engineering of South Africa's economy into 2021 and beyond. This economic recovery strategy will prove invaluable in accelerating inclusive economic growth and employment by carefully considering the impact of Covid-related changes in local and international supply and demand for each of the sectors of our economy. This presents a real opportunity for large, medium and small business, government and labour to finally address many of the structural reforms needed to put the country on the path to prosperity and improved livelihoods.

B4SA's support and coordination is implemented through a Project Management Office (PMO). The PMO is resourced by volunteers from the business, professional services firms, law firms and communication specialists. These individuals are seconded by their companies and are working pro bono, under the direction of B4SA. The PMO provides governance, planning, reporting and implementation capability, and ensures regular and accurate reporting to the Executive Steering Committee. The execution structure of the PMO includes the effective operations of the work groups and workstreams, supported by crosscutting legal, communication and stakeholder engagement resources. The PMO also provides an interface for channelling risks, issues, information and resource requirements across the groups and between business and government.

### **Solidarity Fund**

B4SA fully endorses and supports the Solidarity Fund, which was set up to help with efforts to combat the spread of the virus, and support those whose lives are most acutely affected by the measures to fight the virus. The Fund is working with the National Command Centre and various social partners to make critical humanitarian interventions. The Fund has played a critical role in helping procure PPE for healthcare workers, as well as other medical equipment. To date, South African corporates and thousands of individuals have pledged donations of more than R2.2 billion.

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### **ABOUT BUSINESS FOR SOUTH AFRICA**

B4SA is structured into three core work groups, Healthcare, Labour and Economic Intervention, and these all have numerous workstreams with activities being implemented in a structured and considered manner. These are further underpinned by a comprehensive risk assessment and mitigation plan, and engagement with civil society, while reinforced by legal, regulatory, tax and communication initiatives.

The **Healthcare work group** (Stavros Nicolaou) has as its core mandate to support the national response, including government and the private sector's public health efforts.

The **Labour work group** (Robert Legh) is addressing matters relating to the impact of the lockdown on employment and labour relations, where organised business may have a role to play.

The **Economic Intervention work group** (Martin Kingston) aims to align government policy makers with industry experts, acting as a feedback mechanism from business to government, and communicating information, actions and policies to the business community.

**Risk assessment** (Norman Mbazima). An important element of this process, ultimately to ensure its success, is an assessment of strategic risks and mitigations. This will help manage the risk clusters and enable prioritisation of the mitigation measures across the entire network.

**Civil society intervention** (Nolitha Fakude). This group, working in collaboration with Nedlac and other civil society formations, is providing the interface between B4SA and civil society, with the partners currently outlining and agreeing the priority areas of integration and focus as well as identifying opportunities for synergies, alignment and areas of leverage for collaboration.

**Legal, Regulatory and Tax** (Glenn Penfold). This is a collaboration amongst contributing law firms providing support to all the B4SA initiative. The work group collaborates with business, partners and government in facilitating a conducive and enabling regulatory environment during the national response to the pandemic.

**Communication** (Phumzile Langeni and Busisiwe Mavuso). This group is advancing the development of a stakeholder engagement strategy and has established and implemented regular business member communication. It supports a public communications capacity and has created an interface for ongoing interaction between government and B4SA workstream leads.

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