



CAPE CHAMBER OF COMMERCE & INDUSTRY

SA OFFICIALLY IN RECESSION AFTER SHOCK GDP NUMBER

Date Published: 09 JUN 2017

The plunge into a technical recession is the result of the failure to manage our economy efficiently and bad governance.

The last time we experienced recession was in 2009 when the whole world was in trouble after the sub-prime crises and the financial melt-down which followed. This time we are alone and we have only ourselves to blame.

Economists would provide many reasons for the slump into negative growth but I think we all know that corruption has taken a great deal of money out of the system. It is money that could have been used productively to stimulate the economy.

We have also been dragged down by the failure of the State-Owned Enterprises like Eskom, Transnet and SAA. They have simply consumed too much money while providing very little in return. We have a huge and bloated public service that we cannot afford. We have been living beyond our means for too long.

Economic growth comes from the private sector but confidence has been undermined by policy uncertainty and the promise of legislation that will affect property rights and impose additional administrative burdens on business. The private sector needs freedom to grow, create jobs and pay taxes, but its freedom is being reduced by a wide variety of legislative requirements such as rigid labour laws.

We now have a torrent of scandals as well as junk status and we have lost the good name we had in the rainbow days of our democracy. And it is all the result of self-inflicted wounds.

It's time for desperate measures such as another government of national unity and an economic Codessa. It will be difficult to get growth going again but business stands ready to play its part. What we need most of all is a listening Government. There are ways to restore prosperity but that will require a new approach in which business is not seen as some kind of enemy.

Janine Myburgh

President of the Chamber



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