



# LEGISLATIVE REPORT

from  
**BusinessUnitySouthAfrica**

22 September 2014

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# CALL AND AWARDS

## **BUDGET POLICY**

Finance Minister Nhlanhla Nene will present his Medium Term Budget Policy Statement (MTBPS) to Parliament on **22 October 2014 at 2pm**. The MTBPS will provide insight into key policy changes to expect in 2015.

## **CLIMATE CHANGE POLICY**

Following public hearings on climate change and sustainable development held across three provinces recently, the Portfolio Committee on Environmental Affairs will present its findings when it meets on **23 September 2014 at 09:30am**.

## **INDEPENDENT POWER PRODUCERS**

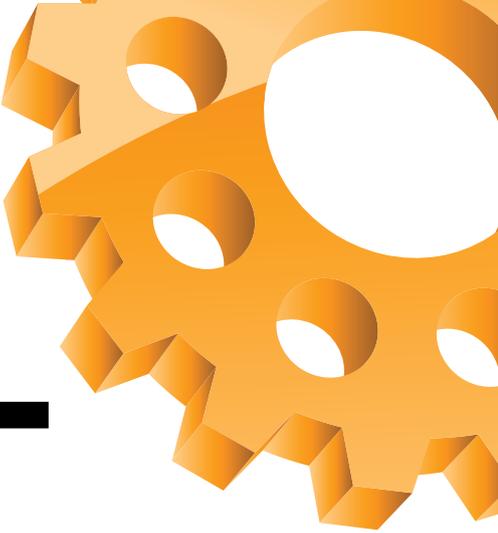
The Department of Energy will present an update on the Renewable Energy Independent Power Producers Programme to Parliament's Portfolio Committee on Energy on **23 September at 10am**.

## **SMME DEVELOPMENT**

A policy perspective for Small, Medium and Micro Enterprise (SMME) Development will be presented by officials from the Department of Small Business Development to MPs on **14 October 2014 at 10am**.

For assistance in attending the MTBPS or parliamentary meetings, contact the BPO:  
Tel: 021 465 1633  
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# trade & industry



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## The DTI reports on

- New Regulations
  - Gearing up for Industrial Development
  - Enhancing Trade with Africa
- 

**O**n the 12th of September the Department of Trade and Industry reported back on its 2013/14 performance to the Portfolio Committee on Trade and Industry.

Faced with a slowing global economy and several challenges on the local front, the Department identified trade with Africa, industrial development, and regulation that encourages commerce and investment as key priorities over the past 18 months.

### **A NEW REGULATORY FRAMEWORK**

One of the Department's strategic goals for the 2013/14 period was the creation of a fair regulatory environment that "enables investment, trade, and enterprise development in an equitable and socially responsible manner". To this end, the DTI reported on various legislative measures that were taken over the past 18 months.

The following Acts were signed into law:

- § Lotteries Amendment Act
  - § Special Economic Zones Act
  - § Intellectual Property Laws Amendment Act
  - § Protection of Traditional Knowledge Act
  - § Broad-Based Black Economic Empowerment Amendment Act
- The B-BBEE Codes of Good Practice were approved by the Minister of Trade and Industry for implementation in 2015
  - The National Credit Act Amendment Bill was adopted by both Houses of Parliament
  - The policy framework and draft legislation pertaining to the Licensing of Businesses Bill were opened to public consultation.
  - An Impact Assessment was carried out on the Liquor Act of 2003, with the results forming part of draft legislation on a possible amendment bill



## INDUSTRIAL DEVELOPMENT - SA GEARS UP

As part of the DTI's strategy for 2013/14, a number of industrial development initiatives were launched with the aim of supporting South Africa's manufacturing sector.

The Department reported positive results in the auto manufacturing, clothing and textile manufacturing, and film sectors. Key achievements in these industries include:

- Total investment of R 16 Billion in the auto manufacturing sector
- The acquisition of buses by large municipalities, including the City of Johannesburg and City of Cape Town.
- A total investment of R5 Billion in South Africa by Mercedes-Benz and the decision to manufacture the new C-Class model at the company's Port Elizabeth plant.
- The filming and release of Long Walk to Freedom - a locally-produced feature film which grossed over 23 million at the box office. The film was partly funded by a DTI incentive scheme.

## ENHANCING TRADE WITH AFRICA

Weak global growth in 2013 was not mirrored on the African continent, with many countries reporting excellent growth figures last year. Recognising the potential for increased trade with fellow-African countries, the DTI took several steps to enhance South Africa's role as a trading partner.

At SADC level, the Department worked to strengthen ties with fellow-SADC members while encouraging them to comply with SADC Trade Protocol. The DTI also held several meetings at cabinet level to discuss a developmental approach for the Southern African Customs Union.

The DTI was actively involved in negotiations regarding the Tripartite Free Trade Agreement, especially with regard to trade offers made to Egypt and the East African Community.

Intergovernmental trade relations featured prominently on the DTI's agenda over the past 18 months. The Department's trade diplomacy activities included:

- Participation in 32 business and technical missions to foster economic co-operation
- Implementation of the South Africa-Cuba Agreement on economic assistance
- The South Africa-Japan Joint Study on Economic Co-operation
- Lobbying in the United States for SA's continued inclusion in the new AGOA Agreement ■

## BUSA Member Organisation Spotlight

Agri-Sa talks to MPs  
about the proposed

# National Minimum Wage

- The introduction of a national minimum wage was first mooted by government this year and exploration into its structure and implementation are currently underway
- The Portfolio Committee on Labour has scheduled a series of workshops to explore public opinion on a national minimum wage
- BUSA was part of the first group of stakeholders that the Committee engaged with in early September
- A report will be published by the Committee and forwarded to the Minister once Parliament has concluded its investigations

### Current Minimum Monthly Wages for Farm Workers

Source: AgriSA



Agri-SA - a BUSA member and the largest commercial farmers' Union in South Africa - engaged with MPs from the Portfolio Committee on Labour last week on the topic of a proposed minimum wage for South Africa and its possible impact on the agricultural sector.

### Agri-SA: Minimum Wage for Farmworkers Already Exists

In its presentation to the Portfolio Committee, Agri-SA stressed the point that a minimum wage of R2420 per month already applied to South African farm workers. The organisation also outlined the detrimental effects to the agricultural sector if a national minimum wage higher than the sectoral minimum wage were introduced. According to Agri-SA, the following negative effects could result:

- » Farmers would be **unable to maintain their full complement of staff** and therefore fewer jobs would become available in the sector
- » A decrease in employees would lead to **increased mechanisation** as farmers sought alternate means to fill the labour gap
- » As a result, **government would be unlikely to meet its job creation target** for the sector (1 million new jobs by 2030)
- » With fewer farm workers, **agricultural output would be likely to decline**, leading to a potential increase in imports of agri-produce
- » **Foreign workers might begin to flood into South Africa** from neighbouring countries, seeking the relatively higher wages of their South African counterparts

In closing, Agri-SA urged Members of Parliament to carefully consider the risks and collective effect that a new national minimum wage would have on the agricultural sector. ■

# BILLS AT PARLIAMENT

Bill	Committee	Key Provisions	Status
Integrated Coastal Management Amendment Bill [B8F-2013]	With the National Assembly (NA)	The Bill concerns property developments along SA's coastline and includes provisions relating to land reclaimed from the sea. Once passed, the Act will require developers to obtain Ministerial approval, subject to parliamentary ratification, in order to reclaim land.	The Bill was revived on 22 July 2014, after lapsing prior to the 7 May general election. <b>Sent to the President for assent.</b>
Development Bank of Southern Africa Amendment Bill [B2-2014]	Finance Standing Committee	DBSA may currently operate within the SADC region. The Bill seeks to extend DBSA's mandate to allow it to participate in large-scale infrastructure and strategic projects on the African continent outside the SADC region.	Revived by Parliament on 18 June. <b>Aim to finish: 17 September 2014.</b>
Medicines & Related Substances Amendment Bill [B6-2014]	Health Portfolio Committee	The Bill creates a new regulatory authority: the South African Health Product Regulatory Authority - to oversee medicines, medical devices and food stuffs.	Briefing scheduled for 3 September. Public hearings: 29-30 Oct and 5 Nov. Finalisation: 19 Nov 2014
Legal Aid Bill [B8-2014]	Justice Portfolio Committee	The Bill seeks to repeal and replace the Legal Aid Act, 1969. The Bill establishes a public body: Legal Aid South Africa - to dispense legal aid at stage expense.	Public hearings held on 26 August. Committee deliberations: 2-3 September. <b>Finalised: 10 September</b>

# BILLS AT PARLIAMENT

Bill	Committee	Key Provisions	Status
Attorneys Amendment Bill [B9-2014]	Justice Portfolio Committee	The Bill primarily aims to terminate law societies existing in the former Transkei, Bophuthatswana and Venda and Ciskei states, and to incorporate them into mainstream law societies.	Public hearings: 27 August. Committee Deliberations: 9-10 September 2014.
Defence Amendment Bill [PMB 8-2013]	Defence Portfolio Committee	The Bill seeks to ensure that the procurement of arms is made subject to parliamentary oversight.	Private Members Bill introduced by DA MP David Maynier. Deliberations: 3 September. <b>Committee aims to finish: 17 September</b>
Medical Innovation Bill [PMB 1-2014]	Health Portfolio Committee	Bill seeks to provide for innovation in medical treatment and to legalise the use of cannabinoids for medical purposes and beneficial commercial and industrial uses	Private Members Bill introduced by late IFP MP Mario Oriani-Ambrosini. <b>Briefing: 17 September 2014.</b>
Rental Housing A/B [56D-2013]	Public Services Select Committee	The Bill seeks to address implementation problems that have been encountered since the promulgation of the Rental Housing Act, on 1 August 2000	Revived on 27 August 2014. <b>Finalised: 9 September.</b>

# BUSA

BUSA is a confederation of business organisations including chambers of commerce and industry.

BUSA represents SA businesses on macro economic issues at national and international levels, including the Parliament of South Africa on a regular basis.

- We represent Business at NEDLAC
- Member of Organisation of Employers
- Member of the SADC Employer Group
- Member of the B20
- Member of the OECD Business Industry Advisory Committee

Our main aim is to ensure that business plays a constructive role in the country's economic growth, development and transformation. We aim to create an environment in which businesses of all sizes and in all sectors can thrive, expand and be more competitive.

## BUSA Parliamentary Office

This Legislative Report is commissioned by Business Unity South Africa (BUSA) for distribution to its Members.

The BUSA Parliamentary Office (BPO) provides a comprehensive information and liaison service to members wishing to engage with Parliament or requiring additional information on new laws.

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