



FAITH WANES. 'Very tough decisions have to be taken. We've not yet seen any willingness to take those decisions,' says Martin Kingston, vice-president of SA's main business lobby of President Cyril Ramaphosa. Picture: GCIS

Running out of patience

TOO SLOW: BUSINESS IS GETTING ANTSY

» **Concerns Ramaphosa has not worked fast or smart enough to implement meaningful change.**

South African business leaders are becoming frustrated with the pace of reform under President Cyril Ramaphosa. His Cabinet choices and spending pledges haven't helped.

His ascension to national leader in February last year was greeted with "Ramaphoria", as the rand and government bonds surged on expectations he would reform the struggling economy, crack down on corruption and replace nonperforming Cabinet members.

Patience is running out. Some key corporate figures say the Cabinet Ramaphosa named after his May election victory hasn't brought in enough fresh ideas, while his State of the Nation address in June was seen as full of feel-good spending pledges and no detail on funding.

"Very tough decisions have to be taken. We have not yet seen any willingness to take those decisions. Timelines are short and pressures intense," said Martin Kingston, executive chairperson of Rothschild & Company's SA unit and vice-president of SA's main business lobby.

Bullet trains

While Ramaphosa vowed to save struggling Eskom, he also promised bullet trains and a new city ... in a nation where most municipalities struggle to provide basic services and after SA's economy posted its biggest quarterly contraction in a decade.

The last remaining investment grade rating, at Moody's, is under threat.

Kingston's sentiments were echoed by three chief executives of large companies

and a senior business association leader, all of whom declined to be identified. They all said Ramaphosa had been forced to compromise because of his narrow victory in a 2017 party election and the opposition he faces from a faction within the ANC that's still loyal to Jacob Zuma.

Chief among the business leaders' concerns were the appointments to head the basic education (Angie Motshekga) and labour (former leader of the South African Democratic Teachers Union, Thulas Nxesi) departments. Both posts are seen as key in a nation with one of the world's worst-performing educational systems, a gaping skills shortage despite a 27% unemployment rate and rigid labour laws that make it difficult to hire and fire workers.

Nxesi had been criticised for defending irregular government spending on Zuma's private home while he was public works minister. A union leader is unlikely to ease labour laws to make it easier to do business, the business leaders said.

Even two appointments welcomed by business – Tito Mboweni as finance minister and Pravin Gordhan in public enterprises – are seen as short-term postings.

Job cuts?

Concern over the Cabinet among the business leaders was compounded by Ramaphosa's spending pledges in his June 20 speech. While he pledged to accelerate R230 billion in support for Eskom, he didn't mention the job cuts and efficiency improvements its management said were needed. Of the 28 ministers Ramaphosa appointed, only six hadn't served in Cabinet before.

"We have many of the same economic players in similar or expanded portfolios," Kingston said. "However, we don't necessarily want the same policies. We have high hopes for meaningful change and urgent decision-making and action."
– Bloomberg