



**ADDRESS BY PRESIDENT CYRIL RAMAPHOSA AT THE BLACK  
MANAGEMENT FORUM GALA DINNER**

**SANDTON CONVENTION CENTRE, JOHANNESBURG  
4 JUNE 2021**

Programme Director,  
Ladies and Gentlemen,

It is indeed my pleasure to be here this evening to celebrate 45 years of existence of the Black Management Forum.

Over the years I have had the privilege of interacting with and working with the BMF.

The story of South Africa's path to democracy cannot be complete without a chapter on the formative role played by the BMF.

Through its activism and advocacy, its organisation and mobilisation, its campaigning and its lobbying, the BMF has been a key transformative force.

It was the BMF, working with other formations, that challenged white business to commit to economic transformation as early as the mid-nineties.

Back then, black professionals and black businesses were fighting for a seat at the table, to overcome the barriers of race and gender, to change corporate culture and ultimately to exercise their talents to contribute to the nation's economy.

The BMF has been and remains an incubator of transformative economic policy.

As we know, it was the BMF that originated the famous Basotho Hat Model that in time would serve as a practical interpretation of affirmative action in the workplace.

I had the privilege of serving on the Black Economic Empowerment Commission, which was established at the initiative of the BMF.

Through its work with the Department of Labour around employment equity, its assistance to business in developing progressive HR policies or its engagements with Nedlac on affirmative action and other policies, the BMF has been a trailblazer.

And now, 23 years since the passage of the Employment Equity Act, and 18 years since the Broad-Based Black Economic Empowerment Act came into operation, the BMF continues to be at the forefront of advocacy for the transformation of our economy.

For despite the clear progress that has been made, our economy is not yet transformed.

The patterns of ownership and control remain largely defined by race and gender.

The representation of black and women South Africans in positions of authority and responsibility in business is hopelessly inadequate.

And now, as black-owned businesses still struggle against the effects of centuries of disempowerment, our economy is having to contend with the deeply damaging effects of the COVID-19 pandemic.

The economic contraction that we have experienced has hit many emerging businesses far harder than established businesses with greater reserves.

That is why we have insisted that the recovery of our economy needs to be transformative.

We want to emerge from this crisis with an economy that is fundamentally different from what we had before, that is more inclusive, that creates more jobs, and that provides more opportunities for new entrants.

We are determined that Economic Reconstruction and Recovery Plan that we launched in October last year in response to the COVID-19 pandemic should present new opportunities for black business.

We want to position black industrialists to drive economic recovery and build industries of the future.

Our massive infrastructure programme creates opportunities for black enterprises through localisation and community procurement.

There are opportunities in the green economy, including in the hydrogen sector.

We have seen for example during COVID-19, pilot programmes for fuel cell electricity generation at field hospitals with black-led companies.

In the digital economy, we have seen the rise of black founders in fintech and fibre infrastructure.

The African Continental Free Trade Area also opens up great opportunities for black business in South Africa.

The Free Trade Area creates a market of an estimated 1.3 billion people with a combined GDP of around US\$ 3.4 trillion.

Last year we gazetted regulations to incorporate the AfCFTA into local laws, paving the way for South African businesses to benefit from the agreement.

We have also gazetted a list of the products that can be exported and imported with no customs duties within the next five years.

The potential benefit for South African goods, services and products is immense.

The BMF has a role to play in supporting enterprise development and innovation to make sure black business benefits from the AfCFTA.

As many of you will be aware, South Africa has co-sponsored a proposal to the World Trade Organisation for a temporary waiver of the TRIPS agreement to enable countries to produce their own COVID-19 vaccines, diagnostics and therapeutics.

This would be a huge boost to our efforts to develop the local pharmaceutical manufacturing sector and to provide for new entrants to the industry.

In what is a resurgent health economy, there are black-owned and black-led pharmaceutical companies that can pivot into vaccine manufacturing.

Black industrialists across the value chain, from hospitals to medical devices, have enjoyed support from development finance institutions such as the Industrial Development Corporation.

Last week, we received firm commitments from both Germany and France to provide support for this venture, including financing technical expertise, skills training and know-how.

One of our most important initiatives to support the growth and sustainability of black business is the Black Industrialists Programme.

Over the past five years, nearly 800 black industrialists have been funded to the value of R18 billion, and nearly 120,000 jobs have been created or saved.

The businesses supported range from food production to agro-processing to manufacturing to technology and IT.

The total approved funding since the inception of the programme is around R32 billion.

Another key programme of government is the Equity Equivalent Programme.

It was created for multinational companies that cannot sell equity to black South Africans and have never sold equity outside their country of origin.

In return for BEE ownership points, these multinationals need to invest in skills development programmes, support for enterprise and supplier development, or research and development.

Over the last year, 87 black industrialists have been support through this programme, of which 39 are women-owned.

Last year, we announced that we are working towards ensure that 40% of government procurement will be set aside for women-owned businesses.

Training programmes are currently being conducted around the country to prepare women-owned businesses for participation in this venture.

Our vision as a government is to realise a transformed and restructured economy that is a catalyst for economic growth, employment creation and shared prosperity.

Integrating small and medium enterprises into value chains is key to achieving this vision, as it will provide for a strategic shift of the South African economy from the one concentrated in few big industry players into broader participation.

We know that smaller producers and SMMEs often struggle to gain market access because they are not able to compete as a result of lack of knowledge, information, skills or technology to meet market requirements.

That is why support for SMMEs is a cornerstone of our economic transformation policies.

Confronting the spatial inequities that limit opportunity for black people is an important part of our work.

We have sought to revive the township and rural economy through supporting local ecosystems for entrepreneurship.

This requires us to invest in infrastructure and enterprise development in our communities.

It also means removing those legislative and regulatory impediments that make it difficult to conduct business.

Within our budget constraints, we have mobilised financing towards this segment.

As of January this year, the Township and Rural Enterprise Programme had supported over 5,300 small businesses to the value of R62 million, facilitating 7,600 jobs.

While there has been progress, we still face a number of challenges in the implementation of broad-based black economic empowerment.

We need to address the problem of fronting, which is a gross betrayal of our collective responsibility to transform our economy.

Over the next few years, we will review our broad-based black economic empowerment strategy and the Act to put economic transformation on a new trajectory.

We will continue to defend our empowerment programmes – which are both consistent with and mandated by the Constitution – against those who would rather retain the status quo.

There needs to be demonstrable linkages between our policies and tangible economic transformation.

This will only be possible if we pull together as society, if we drive ownership deals that promote inclusive participation, and if we continue to invest in skills among black people and to contribute meaningfully to an organisation's operations.

We find ourselves in a climate where the very policies that were advanced for the sake of transformation are being called into question.

There are people who claim – falsely and without evidence – that preferential procurement policies, employment equity and BEE are responsible for the acts of corruption, thieving, bribery and looting that we have seen.

We cannot allow our transformative policies to be undermined by the actions of corrupt individuals.

They cannot pretend that their actions are justified by transformation.

Those responsible for corruption must face the full might of the law, whether local black business people or large multinationals, whether government officials or their co-conspirators in the private sector.

That is why we must welcome the work of the Special Investigating Unit, the Asset Forfeiture Unit, the Hawks, the NPA's Investigative Directorate and other agencies.

There have been investigations finalised, cases referred for prosecution, assets seized, bank accounts frozen and referrals for disciplinary action.

We will not relent until those found guilty are behind bars, and all stolen money is recovered.

The fight against corruption is also about restoring public faith in the transformative policies of successive administrations.

We cannot separate ethical values from business.

Ethical business practice is a lynchpin of the BMF.

The likes of the late Richard Maponya and the late Dr Nthato Motlana are our role models, as are many in this room this evening.

We need more role models who will be more visible and share their successes.

Back in 1976, we were black, we were bold, and we were brave.

There were pioneers who were ethical and principled, and did not say that they wanted to amass wealth no matter the cost or no matter what corner had to be cut.

They had regard to the empowerment of the masses, not just for themselves.

Such sentiment must continue to guide us.

The BMF must continue to play its role in our public, economic and political life and continue to have a positive impact on society.

Undoubtedly there are difficult days ahead.

We are in the midst of a global pandemic and are trying to revive our country's economic fortunes amidst the greatest of difficulties.

But we can, and must prevail.

All of society must mobilise behind the vision of a better life for all, and in the process unlock the doors of economic prosperity for all.

I wish the BMF well on this anniversary.

You have done yourselves and your country proud.

Long before it became the slogan of this administration you said: 'Here we are, send us, thuma mina'.

Before the dawn of democracy itself you stood up and said you want to be part of building your country. And you did so.

Martin Luther King Jnr once said that we are not makers of history, but we are made by history.

The BMF is both.

It was formed at a troubled time and shaped by circumstances of the age.

But it has also played vital role in shaping the society that we are today.

As you set your collective sights on the horizon may you continue to grow from strength to strength.

May you continue to be an organisation that is visionary, that is progressive, that is capable, and, above all, that sets the standard of all we hope black business in this country to be.

I thank you.