

# #Sona20 hits the pain points, but follow-through is vital

By [Pieter Bensch](#)

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President Cyril Ramaphosa delivered a sober assessment of the challenges the nation faces along with realistic proposals about how these problems may be addressed.



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## Energy crisis

It is especially encouraging to see that the government is taking steps to ease the energy crisis, which has crippled growth and hurt the sustainability of so many businesses big and small.

The promises to procure emergency energy, to let municipalities procure their own power from independent power producers, and fast-track self-generation licenses for large industrial users must be translated into urgent action. As the negative economic data for December 2019 shows, time is running out for our economy. Small businesses can't afford to lose 20 business hours per week to load shedding.

## Youth unemployment and SMMEs

President's recognition of the crisis of youth unemployment, and of the importance of entrepreneurship in driving job and wealth creation is important. However, I am not sure that some of the top-down proposals for growing small businesses will necessarily be effective.

The plans to designate 1,000 locally produced products that government must procure from SMMEs, for example, may lead to inefficiencies through a lack of global competition. It was also disappointing that the slow payment of small suppliers by the government was not mentioned. Many small businesses are paid in 101 days, rather than 30 days, and some of them struggle or even close down because of late payments. This is one of the quick wins for the government if it is serious about the small business sector.

We have reached a point where comforting words from the president and his cabinet need to be translated into action plans with clear deadlines and targets if we are to get the nation back on track. The State of the Nation is the vision – let's hope that the Budget Speech shows how it will be rapidly turned into a reality.

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