



the dti

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MINISTER DAVIES SAYS BEE COMPLIANCE IS LOW

The Minister of Trade and Industry Dr Rob Davies says more than 75% of the private sector is not complying with the Broad-Based Black Economic Empowerment Codes of Good Practice in terms of the baseline study that was conducted in 2008/09. Minister Davies was briefing the media on the sidelines of the orientation session of the B-BBEE Advisory Council that took place at **the dti** Campus in Pretoria today.

“The research conducted in July 2008 shows the overall impact of BEE remains modest. Less than 5% of Johannesburg Stock Exchange is owned by Black people. More than 75% of companies in the private sector are not BEE compliant. The level of compliance is even worse when it came to the indirect elements of empowerment such as skills development and enterprise development procurement. The figure does not mean that companies have not made any effort in an attempt to be BEE compliant.” said Davies

Minister Davies said the government was looking at getting the advice of the council on how to address the BEE challenges highlighted by the research.

“We are all of the view that empowerment has got to play a significant role in the transformation of this country. In particular, we need to ensure that those elements that link empowerment to enterprise development are actually more effective than they appear to have been up to now.” added Davies

He added that under the B-BBEE Act the council was empowered to conduct its own research, monitoring and evaluation of BEE implementation.

“As we proceed we will be able to consider what information we need to have on regular basis in order to chart the progress of empowerment and what it is that we need to be doing to ensure that empowerment has more substantial effect and that that effect is linked to the broader objectives of economic development and enterprise creation.” concluded Minister Davies.

The induction session was the second Broad-Based Black Economic Empowerment advisory council meeting since its launch by Deputy President Kgalema Motlanthe in February early this year.

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