

**CEO Initiative calls on Business to pay their SME creditors  
by Monday, the 20<sup>th</sup> of April 2020  
14 April 2020**

**COVID-19 lockdown: 525 000 SMMEs and 6.6 million jobs at risk**

The CEO Initiative, which was established in 2016 as a collaboration between government and business to address some of the most pressing challenges to the country's economic growth, is supporting the call of Business for SA (BSA) for all large companies to pay their SME creditors by Monday 20 April 2020.

Sim Tshabalala, a member of the CEO Initiative SteerCo, and CEO of Standard Bank, says, "These are extraordinary times that require extraordinary commitment from CEOs and large corporates. The Government has asked South Africans to stay home under a 35-day lockdown. This is tough for every individual, and every business, but most especially difficult for small and medium enterprises."

"They are under enormous strain and we are already seeing many businesses having to close their doors, which has a significant impact on their ability to sustain their employees. Even outside of the lockdown, many of these businesses often do not have the cash flow needed in order to maintain sustainability. We believe early payment is the right thing to do and will have a significant impact on their ability to survive and keep paying their employees."

Adrian Gore, CEO of Discovery, a member of the CEO Initiative SteerCo and Chairman of the SA SME Fund, says: "There are approximately 525 000 formal SMEs in South Africa, employing 6.6 million people. Given the lockdown, the vast majority are unable to pay their rent, utilities, and importantly, their employees. Initial surveys indicate that 60% of SMEs are either considering retrenching employees, or already have. This is a significant threat to the SA economy, with many millions of jobs at risk. We need to act boldly now and pay all outstanding SME creditors by Monday."

Nolitha Fakude, chairperson of Anglo American's Management Board in SA says: "SMEs are the lifeblood of our economy. As big business, we have both a social and commercial responsibility to ensure that they are sustained during this time. We are committed to supporting the viability of SMEs across South Africa, and hope that business across SA will heed this call to action."

Our President said it best, and we should all follow his lead. In his national address on 9 April, 2020, President Ramaphosa called on all businesses to continue to pay their suppliers, and to do all we can to ensure that the underlying economy continues to function and to focus support on those small businesses that really need them.

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**About Business for South Africa:**

Business for South Africa is actively collaborating with government to use business resources and capacity to support public sector initiatives to combat Covid-19. It has mobilised volunteer resources from across South African business bodies and organisations, member companies and professional services firms, large and small, and is driving a coordinated and proactive programme to help mitigate the healthcare, labour and economic impacts of the pandemic on South Africa.

**About the CEO Initiative:**

The CEO Initiative is a partnership between over 200 business leaders in South Africa and the South African Government. Its core purpose is to find ways that business can work with Government to address issues related to the country's sovereign credit rating and also to foster inclusive growth. The Initiative is led by CEOs from leading companies who volunteer their time and expertise to its work, and also has representation from the country's leading business organisation, including BUSA, BLSA and the BBC.