

## **MEDIA RELEASE**

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### **CONFERENCE ON FRONTING TO ASSIST COMPANIES TO IMPLEMENT THE B-BBEE ACT CORRECTLY**

The Broad-Based Black Economic Empowerment Commission (B-BBEE Commission), an entity within the administration of the Department of Trade and Industry (“the dti”), will hold a Conference on Fronting on 29 March 2016 at the Midrand Conference Centre, Midrand in Gauteng, from 08:30 – 16:00. The theme of the conference is Do it right and lead from the Front on Empowerment, and the Minister of Trade and Industry, Dr. Rob Davies, and Deputy Minister Mzwandile Masina will deliver speeches.

The establishment of the B-BBEE Commission occurs in trying times where the previously marginalised are bemoaning the slow progress in economic transformation and empowerment, and in an environment where mostly the private sector, and government to a certain degree, lament the shortage of skills in industries deemed to be high priority for economic growth. In addition to barriers to economic participation faced by black people in South Africa, such as access to finance and markets, it appears that fronting practices have become very prevalent as companies strive to achieve higher level B-BBEE status.

The unemployment rate in South Africa in Quarter 3 of 2015 was at 25.4% compared to 7.4% in Brazil, 5.5% in Russia, 3.6% in India and 4.1% in China (OECD). South Africa remains one of the most unequal societies in the world with the Gini coefficient of 0.69 (World Bank). The National Development Plan aims to increase employment from 13 million to 23 million, and reduce the Gini coefficient to 0.6 by 2030.

The National Empowerment Fund estimates the equity holding by black people on the Johannesburg Stock Exchange to be at 3% while the 2015 report of the Commission on

Employment Equity shows that white people still represent about 70% and 60% of top management and senior management, with black people representing only about 13.6% and 21% respectively. The Jack Hammer Executive Report for 2015 shows a decline from 15% in 2012 to 10% in the number of black Chief Executive Officers measured on the top 40 JSE listed companies.

With the need to accelerate the pace of economic transformation, the conference aims to raise awareness on fronting practices to assist companies to correctly implement B-BBEE and refrain from engaging in fronting practices. The B-BBEE Amendment Act 46 of 2013 was enacted to create the B-BBEE Commission and give it the powers to oversee the implementation to prevent and do away with practices that undermine the B-BBEE Act.

To RSVP for the conference, contact EmpowaWorx at telephone 011 482 7256 and email [loyiso@empowaworx.co.za](mailto:loyiso@empowaworx.co.za) / [ramarem@beecommission.gov.za](mailto:ramarem@beecommission.gov.za) by 23 March 2016. Please note that confirmations are on a first come first serve basis.

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