

# Economic downturn calls for tough business decision-making

In the face of the down turn in the economy, Western Cape businesses are becoming less ambitious while they plan to reduce overheads and invest in new technology to reduce operating costs. This is clear from the responses to a survey conducted by the Cape Chamber of Commerce and Industry.



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About 45 per cent of respondents said they were revising business plans to be “less ambitious” while 32 per cent said their new plans would be more ambitious. Almost 23 per cent said their business plans were unchanged.

Nearly 80 per cent of respondents said they intended to cut costs and reduce overheads. More than 63 per cent of businesses said they planned to invest in improved technology in order to increase productivity, save labour costs and reduce exposure to labour unrest.

Janine Myburgh, president of the Chamber, said these figures gave a clear indication that there was deep concern about the state of the economy and businesses were being forced to take some tough decisions to ensure survival.

“When you see that 80 per cent will be embarking on cost-cutting programmes you get some idea of the severity of the situation. It’s clear that 2016 is not going to be a great year job creation.”

“What we do find encouraging is that 32 per cent of the sample of our membership see new opportunities and have a very positive outlook for the year. More ambitious business plans could mean new jobs opening in new areas such as the renewables industry,” Myburgh said.

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