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## Deputy President Trip To Dublin A Resounding Success



Deputy President of South Africa, Ms Phumzile Mlambo-Ngcuka paid a three day visit to Dublin last month. She was accompanied Education Minister Naledi Pandor, Transport Minister Jeff Radebe, deputy foreign minister Sue van der Merwe, deputy trade and industry minister Elizabeth Thabethe and deputy communications minister Roy Padayachie.

Taoiseach Bertie Ahern held talks with Deputy President Mlambo-Ngcuka during her visit. In a trip that was largely devoted to business and education links between the two countries, Deputy President Mlambo-Ngcuka met Tánaiste Michael McDowell, Minister for Foreign Affairs Dermot Ahern, Minister for Education Mary Hanafin and Minister of State for Development Co-operation Conor Lenihan. She also paid a courtesy call to President Mary

McAleese in Áras an Uachtaráin.

On the afternoon of 15<sup>th</sup> November, following a seminar on co-operation between Ireland and South Africa in skills training, Deputy President attended a seminar organised by the Ireland South Africa Business Association (ISABA). The ISABA seminar highlighted industry development in Ireland across a range of sectors and possible opportunities for similar development in each of those sectors in South Africa. Speakers at the event included senior business people Mr Paddy Moore of An Bord Bia, Mr Ciaran Ennis of IBM Ireland & Board Member of ICT Ireland, hospitality & leisure expert Ms Breda McEnaney of PricewaterhouseCoopers, Mr Stuart McLaughlin of Accenture and Mr Frank Gormley of Howard Eurocape.

Following her meeting with the Taoiseach in the afternoon of the second day of her stay, Deputy President Mlambo Ngcuka attended a private seminar in Dublin to discuss lessons South Africa might learn from

Ireland's recent economic success. The seminar, which was arranged by PricewaterhouseCoopers' African Investment Centre and Enterprise Ireland, was chaired by Dr Frank Barry of UCD's school of economics.

Ms Mlambo-Ngcuka (51), who was accompanied by a large delegation of South African businesses, has expressed interest in learning at first hand about the economic experience of Ireland over the past decade, especially job creation and the contribution of the Irish education system towards fostering economic growth.

In particular, she sought Irish co-operation on a number of major infrastructural and skills programmes set up to tackle unemployment and poverty in South Africa.

Ms Mlambo-Ngcuka, who has special responsibility for driving the country's economic development, also discussed the possibility of sending South African graduates to Ireland for courses that would help transform them into skilled public servants.



## SA Growth Better Than Expected

The government's economic growth target of 4.4 percent for this year might be "on the low side", finance minister Trevor Manuel said recently. The economy had expanded an annualised 4.7 percent in the third quarter, Statistics SA said, down from 5.5 percent in the previous three months. With 4.7 percent, it seems we aimed marginally on the low side," said Manuel. "The growth figure... puts us in a good position." He said the government would try to deal with constraints to the 6 percent economic growth target.

"The key issue is to look at whether the economy is creating enough jobs, because this is putting food on tables."

Manuel reiterated that the government would not take action to influence the level of the rand, which has dropped 12 percent against the dollar this year. "We understand there is a variable in the economy over which we have no control. If there is anything we can hope for, it is long-term stability."

## Provincial Economic Growth Figures Released

Statistics South Africa's latest revised GDP figures for 2005 show that the Western Cape was once again SA's fastest growing provincial economy. The Western Cape recorded a real GDP growth rate of 5,7% year-on-year in 2005 with Gauteng coming a close second with a real GDP growth rate of 5,4% year-on-year. This marks the third successive year that the Western Cape's growth rate has outpaced that of Gauteng.

In fact, the last time the Gauteng economy grew at a faster rate than the Western Cape was 2002 when Gauteng recorded a real GDP growth rate of 5% compared to the Western Cape's 4,3%. Since then the Western Cape's economy has outpaced Gauteng every year.

Interestingly, Gauteng and the Western Cape were the only two provinces whose economic growth performance in 2005 was slower than that recorded in 2004 while the growth performances of all the remaining provinces improved on their 2004 growth rates.

The only other provinces in SA to record growth rates in excess of 5% were KwaZulu-Natal with a real GDP growth rate of 5,3% year-on-year and the North West province with 5,1% year-on-year.

The economies of the remaining five provinces all grew at a less impressive rate: Eastern Cape (4,8%), Mpumalanga (4,3%), Free State (4,2%), Limpopo (4,1%) and the Northern Cape (3,9%).

## Season's Greetings To All Members

The ISABA Council wishes all members and their families a happy Christmas and prosperous New Year. We look forward to seeing you all at our next networking event in 2007 (details to follow).



# Niall Mellon's Township Challenge



Property developer and philanthropist Niall Mellon was joined last month by 350 Irish volunteers who took part in his 2006 Township Challenge. The volunteers exceeded all expectations by completing

70 houses during the week-long building blitz in Mfuleni on the outskirts of Cape Town, where the plan is to build 300 houses by the end of December.

More than 1 600 Irish volunteers have taken part in the Irish/SA building initiative since it was started by Mellon four years ago and almost 1000 homes have been built by volunteers. Niall, who believes that "volunteerism will unlock the backlog in housing", plans to bring 1 000 Irish volunteers out in 2007 and has challenged Cape Town to match the Irish volunteers by providing 1 000 local volunteers for next year's blitz.

The building site was visited by Archbishop Emeritus Desmond Tutu who was treated by the volunteers to a shamrock-shaped birthday cake and who commented that "There is so much that is ghastly [ in the world] but, hey, there is also so much that is good. God sits there crying, and then . . . God looks down and says, 'Did you see those Irish?'"

Other local visitors included Western Cape Government and Housing Minister Richard Dyantyi and the Executive Mayor of Cape Town, Helen Zille, who spent a full day working on site.

Almost 80 per cent of the volunteers are working craftsmen from the building trade. Non-specialists included Paula Cullen, the Co Wicklow mother of rugby player Leo Cullen, and former Boyzone star Keith Duffy and many leading Irish business people.

Sean Fitzpatrick, Chairman Anglo Irish Bank and long standing volunteer, was quoted in the Irish Times recently as considering it "an honour to have the opportunity to get involved".

This was echoed by Irish property developer Sean Dunne whose comments in a recent edition of the Sunday Tribune declared that he will "definitely be back next year. Hopefully with a team of 50." Dunne described it as "a collective effort" and explained how "All week, everybody contributed equally."

Speaking during the week Niall Mellon said "Every one of us can change the lives of human beings by simply becoming involved. If people and companies play their part in eradicating shacks and building decent homes for all, they will not only help the impoverished people of the townships, but the economy too."



## R1.6b for Inner City Restoration

More than R1.6 billion has been invested in the construction and refurbishment of buildings in Johannesburg's central business district since the government introduced urban development zone (UDZ) tax incentives.

The UDZ tax deduction was launched by the national treasury in October 2004 and amended in 2006 to encourage the refurbishment and construction of commercial and residential properties in major cities.

The UDZ incentive comes in the form of accelerated depreciation on the costs of the erection of new buildings, the renovation of existing buildings or the purchase of buildings. Lebo Ramoreboli, the project consultant for economic area regeneration in Johannesburg, said yesterday that in the case of newly

constructed buildings, investors would pay 20 percent of their profits from rentals in the first year of operation and 5 percent annually in the following 16 years, compared with the current 30 percent tax that companies are charged. In the case of renovated buildings, too, investors would pay 20 percent of their profits a year for five years. The UDZ tax incentives amendment includes tax discounts for investors who redevelop or purchase renovated buildings in inner cities.

For purchasers of refurbished buildings or parts of renovated buildings, 30 percent of the purchase price is deemed to be the cost for depreciation under the UDZ legislation.

\* Stories contained in this document have been adapted from news articles that have appeared in South African press.

# Howard Eurocape Make It Official In Cape Town



THE first phase of the multi-billion-rand Mandela Rhodes Place development was officially opened in Cape Town last month at a lavish gala evening where Archbishop Desmond Tutu's launched the development as he declared "We extend God's blessing on this incredible edifice. It is in many ways an icon of the kind of things we'd like to see in South Africa. I mean, can you imagine Mandela and Rhodes together?"

Having been hailed as the catalyst of Cape Town's inner-city residential revolution, Mandela Rhodes Place is a joint Irish/South African mixed-use development worth EUR1bn. The development, to which Nelson Mandela agreed to lend his name in June 2004, includes 180 apartments, an in-house winery, restaurant and gym and has been a catalyst for revitalising the central business district (CBD) in Cape Town.

With the owners of the 180 apartments due to start moving in over the next few weeks, work will now commence on phase two, which will see the development of the five-star Taj Palace

hotel. Comprised of 174 luxury hotel rooms and 20 luxury residences in heritage buildings, the hotel is within walking distance of many of Cape Town's major tourist and cultural attractions.

Phase three, which will see the redevelopment and upgrading of modern offices and 'high street' retail project will kick off in 2007.

Plans for a second development, in the East City, were to be announced soon, Eurocape chairman Frank Gormley said.



## Ireland v South Africa



The ISABA lunch held in Jurys Hotel in advance of the Ireland -v- South Africa rugby international in Lansdowne Road last month was a tremendous success.

Attended by over 100 business people from Ireland and South Africa, ISABA members and their guests were welcomed by Andy O'Callaghan, President of ISABA and Her Excellency Ambassador Priscilla Jana, patron of the association, who highlighted the great importance of sport in developing and strengthening linkages between Ireland and South Africa.

Other speakers included Mr Frank Gormley, Chairman of Howard Eurocape who co-sponsored the event and Mr Andrew Boraine, CEO Cape Town City Partnership, responsible for the development of inner city Cape Town. Both spoke of urban renewal throughout South Africa and the pivotal role Irish business has played in developing the central business district in Cape Town.

Guests then enjoyed informal commentary from Keith Wood and Bobby Skinstad in advance of the game. Both speakers returned to Jurys following the game where they circulated with ISABA members who also enjoyed Keith Wood's impromptu interview of BBC commentator John Inverdale.

The event was co-sponsored by Howard Eurocape and The Wine Seller.

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