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Isaba News

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Interest only Home Loans in SA

SA Home Loans is offering customers the option of paying only the interest on their home loans, the first time such a product has been offered in SA.

The new product, to be launched next week, aimed at giving customers more flexibility in their mortgage payments, said CEO Kevin Penwarden yesterday.

While mortgage providers overseas give customers the option of paying interest only for the term of their home loan, allowing them to invest the capital in other vehicles, Penwarden said SA Home Loans' new product was intended primarily for customers who did not receive fixed monthly salaries, instead earning commissions and incen-

tive bonuses, which were more "lumpy". This included entrepreneurs and small business owners, he said. The interest-only option would allow them to pay the capital portion of their home loans in line with their cash flow.

Customers taking this option would not qualify for higher loan amounts as they would still have to undergo a means test, he said.

At SA Home Loans' current interest rate, the monthly mortgage repayment on a R500000 home loan would be R4726 including capital repayment. Paying interest only would reduce the repayment to R4078, Penwarden said.

The drawback for customers who did not repay any capital was the overall amount of interest paid would be higher at the end of the loan term, he said.

Penwarden said the product was also ideal for new homeowners, who could use the extra money initially to pay for moving and legal costs, before starting to pay off the capital on their properties.

SA Home Loans is SA's only nonbank discount mortgage provider. It securitises its mortgage portfolio, raising funds from third-party investors.

Penwarden said the group had grown its home loan book to R27bn, with about 100000 customers, since it was launched in 1998.

SA Wine Fourth in Global Sales



South Africa has taken fourth place for global wine sales, coming in behind Australia, Argentina the United States, Wine of the Month Club managing director Tai Collard said. In terms of wine production for 'old world' countries, Italy, as of

2005, is the leader with more than 5 000 million litres, followed by France, Spain and Germany, Collard said.

Citing SAWIS, an operating unit of the South African Wine & Brandy Company, Collard said that, in terms of total world production for 2004, France was the largest producer. South Africa came in at number nine.

Of the old-world countries, Spain retains its number one position for area under vines, followed by France, who is just slightly ahead of Italy. USA leads

the new world countries, followed by Argentina, Chile, Australia, South Africa and New Zealand. "The latest statistics and comparisons show that the so-called old world countries still dominate, but the new world producers are growing at a far faster pace - most notably Australia and Chile. South Africa, reports SAWIS - in its July 2006 report - is also showing "steady growth in this regard".

Economic Update

Figures released last month by Statistics SA profile the South African economy as moving further away from the historically resource-based economy. Mining and agriculture now account for not much more than a 12th of SA's gross domestic product. The manufacturing sector grew by 4.5% in the first six months of this year and is second only in terms of importance to the financial services sector. Construction sector was growing at 14% in the first quarter of this year and posted more than 11% year on year growth in the first half. Although accounting for just 3% of the economy, it is rapidly expanding in advance of the proposed R372 billion public sector spend on infrastructure within the next three years.

Employment trend continues to rise

The most recent Labour Force Survey reports that a slight upward trend in employment is beginning to emerge in South Africa. According to the survey, employment has generally been on a slightly upward trend since March 2003. Within the 12 month period between March 2005 and March 2006 just over half a million people were employed. Over the four year period between March 2002 and March 2006 the number of people employed grew by 800,000.



World Bank / IBM focus on SME's



Washington - The World Bank's private sector arm and IBM inked a deal on Wednesday to design a business management website for small- to mid-sized enterprises in developing countries including South Africa.

The website will also be aimed at US minorities and women.

The agreement builds on an International Finance Corp (IFC) site launched in 2002 (www.smetoolkit.org) that feeds into portals in 26 countries to advise aspiring entrepreneurs.

IFC often acts as a minority but key underwriter in syndicated

loans to business in emerging markets or sometimes takes minority equity stakes in developing country firms.

But now the IFC is sampling synergies with wealthy donors as with the Bill & Melinda Gates Foundation two weeks ago in exploring private health care in Africa and now multinational companies like International Business Machines Corp.

The IFC has spent \$2m in creating and deploying its original website and plans to earmark another \$500 000 for this joint effort to revamp and upgrade the site while IBM said it would spend at least \$1m from its philanthropic budget.

The IFC site, available in 12 languages, will be central to an IBM

upgrade that would add more management programs and create a platform for entrepreneurs to work together as well as offer tips on how to become subcontractors and do business abroad.

The initial plan is to focus the new website on South Africa, Brazil and India as well as US small and medium businesses, especially those owned by women and minorities.

Call Centres coming to Townships

Black economically-empowered call centre firm Total Call Centre Technology (TCT) will, in the next two months, establish three new community-based and -operated call centres in the townships of Soweto, Thembisa and Alexandra, the group said on Tuesday. As part of its strategy to establish a national network of community-orientated call centres, the first three centres will be aimed at servicing municipalities and other local-government structures, and would be staffed by fully-trained young township residents that are between 20 and 25 years of age.

Each centre would provide 25 employment opportunities. "We have identified these three key Johannesburg townships as pilot sites for the call centres," TCT sales and marketing director Charmaine Walljee was quoted in the statement. "The group has grown rapidly, and we have decided on an expansion strategy that focuses on creating nodes in the areas from which we draw our employment opportunities."

She added that, once the pilot sites were operational, TCT would be rolling out similar call centres based in other provinces that were based on the same model.

The company currently handles in excess of eight-million calls a year, and has a focus on small to medium-sized businesses.

This comes at a time when the City of Johannesburg has initiated a new pilot initiative to develop the call centre industry in the city and greater Gauteng region and to propel the industry towards the goal of creating 100 000 jobs by 2008. The initiative, the Business Process Outsourcing & Offshore Skills Development Hub (BSH), incorporates a partnership with global education Edexcel company to ensure a skilled workforce within the BPO and call centre industry who are qualified to match international benchmarks

SA Tourism Star still rising

Despite a strong rand and persistent concerns about the high crime rate, tourists have continued to flood into SA.

More than 2,7-million people travelled here between January and April, with Tourism Minister Marthinus van Schalkwyk estimating that tourism levels will reach record highs this year.

The growth in SA's tourism has been phenomenal. In 1990, SA attracted about a million people to its shores. Altogether 7.36 million foreign visitors came to SA last year (compared to 6.7 million in 2005) who spent about R53.4 billion last year.

Growth is evident in numbers from traditional markets such as the UK, Germany and America, but also in those attracted from new markets. Figures for the first quarter show the highest growth levels are from Africa and the Middle East region (contributing R36.7 billion compared with Europe's R11.2 billion). Mozambique, Zimbabwe and Botswana were ranked the top three contributors respectively within this group. Europe is the next largest contributor at R11.2 billion. The Americas came third followed by Asia and Australasia. There has also been a big surge in tourists from Brazil.

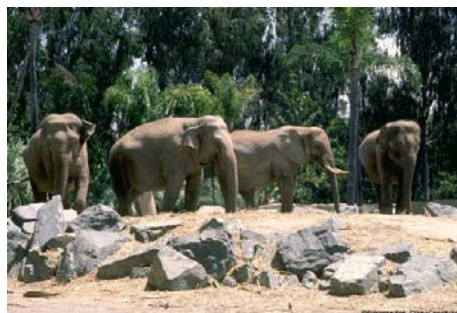
Recent estimates put its potential contribution to the

economy at about 12% to 13% in coming years, from the current 8% with foreign tourists to SA spending about R53,4bn last year, according to the 2006 annual report of South African Tourism.

Business Tourism

Tourism is the fastest growing sector in the South African economy and South African Tourism aims to catapult South Africa into the top 10 global conference destinations by 2010 with the country currently ranking 32nd in the top 40 listing.

The South African business tourism sector attracts 63% of all conferences held in Africa which supports 12,000 jobs and contributes R6.2 billion (US\$) to the GDP, with R951 million being generated by international conferences alone.



Upcoming Events

IRELAND VS SOUTH AFRICA

15 NOVEMBER 2006, LANSDOWNE ROAD



ISABA IN CONJUNCTION WITH HOWARD EUROCAPE WILL HOST A PRE-MATCH LUNCH WITH SPECIAL GUEST SPEAKER KEITH WOOD AND FRIENDS TO PROVIDE COMMENTARY IN ADVANCE OF THE GAME (KICK OFF @ 17H00)

VENUE: ELM & OAK ROOM, JURY'S BALLSBRIDGE, DUBLIN 4

PRICE: €100 (ISABA MEMBERS & MEMBER GUESTS); €150 (NON MEMBERS)

THE GAME WILL BE SCREENED IN THE ELM & OAK ROOM FOR THOSE WHO DON'T HAVE TICKETS. THERE WILL ALSO BE A POST-MATCH RECEPTION

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Wednesday 25th October

12.00 noon Women's Day Conference
Title: Women Yesterday, Today and Tomorrow
Special Guest Speaker Mrs Mary Robinson
National Concert Hall, John Field Room
Earlsfort Terrace
Dublin 2

Tuesday, 31st October

4.00 – 8.00pm Homecoming – Workshop
Royal College of Surgeons
Stephen's Green
Dublin 2

Wednesday, 15th to Thursday 16th November

Visit of Deputy President of South Africa
Ms Phumzile Mlambo-Ngcuka

Friday 1st December

WORLD AIDS DAY CONCERT
Phoenix Park

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