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Time For State To Step In, says Zuma

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THE African National Congress (ANC) needed to become more involved in the economy and adopt a more business-friendly approach, party president Jacob Zuma said on Saturday.

"As the global financial crisis revealed to us last year, the days of the state remaining aloof of the market are now gone," Zuma told guests at the ANC's manifesto endorsement dinner in Sandton.

"The era of the developmental state that intervenes actively in the economy has arrived," he said.

Zuma said the ANC needed to be more actively involved in the economy, and it was planning an "intensive dialogue" with the business sector to discuss the challenges of the economic downturn associated with the global financial crisis.

The consultation would provide clues on how to deal with the crisis, expected to result in the loss of

up to 250000 jobs in 12-18 months.

Zuma said the manufacturing and mining industries were most in need of strengthening in the global recession. "We must look at ways of saving and growing jobs in the clothing and textile sector, strengthening the automobile and components sector, expanding the food industry and other sectors."

He said public service reform would be a priority to ensure that the "right people were placed in the right positions".

A measure of the party's performance was not whether it had added to those who already had a lot but rather whether it had provided comfort to those who had little.

"This is our time to offer a new direction for the country we love," Zuma said.

Among the organisations that expressed support for the ANC manifesto at the dinner were the South African Football Association,

the South African NGO Coalition, Business Unity SA and the National African Federated Chamber of Commerce. Zuma thanked them, saying their approval gave the ANC "strength".

Taking a dig at the Congress of the People's pronouncements on affirmative action, Black Management Forum president Jimmy Manyi said that the organisation was endorsing a government that "is not confused about black economic empowerment".

Businessman Richard Maponya said this year's elections would be as important as the 1994 poll.

(By Wilson Johwa, Business Day, 2nd February 2009)

Africa: A Good Bet For Bold & Agile Businesses

THIS year's World Economic Forum in Davos, entitled Shaping the Post-Crisis World, was inevitably dominated by the global economic downturn. I was particularly interested in discussions around whether Africa would continue to be a safe bet for investors in the current financial climate.

General expectations are that weak external demand and lower commodity prices are likely to be the major factors through which the financial crisis is felt in Africa.

Reductions in inward investment are to be expected and there could be extra volatility in countries that have a high percentage of foreign ownership in their banking systems. Furthermore, recession in the developed world has the potential to undermine tourism in African countries, and will almost certainly affect aid and remittance flows.

Yet, in spite of the World Bank's most recent economic forecasts for Africa, which downgraded growth expectations for this year from 6% growth to 4,6%, I believe there are three substantial reasons for continued optimism about Africa.

First, Africa is still experiencing a period of heartening growth. Since 2000, its growth has been above the world average and comparable to the trends in other emerging markets.

Second, there continues to be encouraging and positive momentum developing throughout the continent. There is more political stability, better governance and increased investment in infrastructure. Many African economies have recorded solid improvements across all the economic, political and social indicators.

Third, many African markets are being stimulated by increased consumer demand, which is being driven by income growth and urbanisation.

In many countries, people are moving

from subsistence living into an income bracket that allows basic needs consumption.

For example, since 2000 both Nigeria and Mauritius have seen the buying power of various segments of their population more than double.

Because this growth is coming off a very low base, I believe this creates a great deal of upside and limited downside.

We have invested substantially in Africa and will continue to do so.

This year, on the back of sustained growth and demand, which has seen our business deliver a compound annual growth rate in earnings of 20% since 2002, we will open three new breweries to expand our operations in Angola, Mozambique and Tanzania.

Next month, we will also open Southern Sudan Beverages in Juba.

I expect social demands on businesses operating in Africa to increase during this downturn. Sustainable development will need to be at the heart of successful business.

Protecting the environment, respecting human rights and supporting local entrepreneurs and farmers will be central to the continued growth of business in Africa and elsewhere.

To this end, we have invested heavily in the development of small-scale supplier relationships -- particularly with small-holder farmers in Africa.

Over the years we have had considerable success across Africa with our focus on developing local sourcing for agricultural raw materials such as barley and sorghum. We are now replicating this in our newer markets such as India and Colombia.

With less inward investment, locally generated employment will also become increasingly important.

To stimulate local jobs we use local distri-

bution networks, the so-called "owner driver" model, and support local bar owners and retailers with training and business skills. In addition, we have programmes to support local entrepreneurs like the successful Kick Start scheme here in SA, which has resulted in more than 2200 small businesses.

Looking ahead, we are undoubtedly in difficult and uncertain times for business. This will present significant challenges but will also create opportunities for strong players. Like all businesses we are reviewing costs and capital investment plans. We will focus on factors we can control, such as investment in our brands, operational efficiencies and the evaluation of new business opportunities as they arise.

Continuing improvements in governance, political stability and market-friendly macroeconomic policies throughout Africa will be critical during this period of economic uncertainty and turmoil. Businesses will need to be responsive, agile and bold in the way that they respond to the effects of the economic downturn.

Those that adapt to the changed macroeconomic conditions will be the ones that emerge stronger and fitter, and better able to thrive in the "post-crisis world".

(By Graham McKay - Business Day, 2nd February 2009)

McKay is the CE of SABMiller. He was a panelist at the World Economic Forum session entitled Africa: A Safer Bet Than Most.

After The Election - As The ANC Sees It

The year 2008 was one of the most dramatic ever in our country, if one looks at it from a political point of view. The beginning of 2009 holds the promise of more of the same.

One of the highlights of the first half of the year will be the election - the fourth since the dawn of democracy in 1994.

It is, however, crucial that leaders look well beyond the election and start a debate on what we think the character of South Africa should be beyond the elections. We should also ensure that we develop a clearer definition of our role in the southern African region and on the continent.

In South Africa, there are a number of matters that we need to place on the agenda.

The social transformation programme of the ANC is a pivotal one, and one that will receive heightened priority before and after the elections. In all of the social priorities of government, the duty to provide adequate healthcare, housing and education remains crucial.

If this programme can be fast-tracked with the buy-in and participation of those communities within which the projects will take place, we have taken a step forward.

Spending the budgets remains an issue, and on top of that we need full participation from and the development of the basic skills of the local residents during the project life.

Our skills development programmes need to be developed in such a way that they take place during the development of projects.

While on the subject of skills development, it is a non-debate that skills development will or should be removed from any assessment or scorecard in black economic empowerment.

Skills development within the transformational agenda will remain one of the key criteria of black economic empowerment.

It is crucial that we re-learn the lessons of the period immediately after the first democratic elections in 1994. We need

to revisit the sensitive subject of how we empower those white citizens of our country who are able, experienced and have the skills to make a contribution, especially in the public sector.

We have lost too many skilled professionals from the ranks of those who serve government in administrative and operational positions.

We must find a way of redressing this matter, even if it is by way of offering incentives to the private sector to make such individuals available to government.

The normalisation of the political landscape will continue. So too will the process whereby new political groupings will form, as differences emerge within major parties.

It is a process that started soon after the 1994 elections and one that will continue in the next decades.

There is nothing new to it, and it is one that the ANC encourages.

Political leaders, and their followers, should find homes for themselves where they feel they resonate with the ideas and people around them. In our party, we will support the principle of the development of democracy through the freedom of association and choice.

The history of our party is well known, and we are confident that we will remain the party of choice for those who want South Africa transformed into a safe and prosperous country.

In the period after the election we will have to give very serious attention to our human rights legislation within the context of the Constitution and the broader environment of effective justice. It is time that we live and breathe the principles enshrined in our Constitution, that justice delayed is justice denied.

We should also illustrate that we practically understand what just and fair administrative action means within our everyday life.

You cannot argue that we should respect the Constitution - and our legal framework - but allow for situations within which leaders and ordinary citizens are

repeatedly, and seemingly without end, dragged through the courts in full public view.

The suspicion of misuse of such open-ended systems and action can be partially addressed by improved legislation. It could also begin to address the issue of people becoming the victims of turf wars between executive organs of the state.

I, for one, will be raising this matter of suitable human rights legislation in the ANC to ensure that we give meaning to the principles enshrined in the Constitution.

Our biggest enemy in the fight against crime remains corruption, and we are committed to ensuring improved and relevant legislation, but also additional empowerment of those who serve the government's anti-corruption agenda.

We must have a national will to ensure that our region is safe and strong. We face a traumatised neighbouring country, almost beyond hope of repair.

One of the instruments that we can develop, both in the region and on the continent, is stronger multilateral institutions that have the sanction to act when situations such as the one in Zimbabwe arise.

We need to reach across party lines when we move forward after the election. Inasmuch as we believe that the ANC has come up with the best solutions in addressing poverty, we admit that some of the ideas brought forward by opposition leaders and parties have merit.

The National Assembly and other forums provide us with the freedom to share such ideas.

This broader partnership that I call for is inclusive of the private sector where I have repeatedly called for a meeting of minds between government and business. I believe a practical partnership between government and the private sector can accelerate the process of empowerment.

(Opinion by Mathews Phosa, Cape Argus, 7th January 2009)

Mathews Phosa is the treasurer-general of the ANC.

SA Economic Policy Unlikely to Change Much

Johannesburg — PROFILES on six of SA's most prominent political leaders suggest there will be limited changes in economic policy after this year's election, the South African Institute of Race Relations (SAIRR) says.

But the independent research organisation also warned yesterday that "the same assurance could not be made for other policy areas such as the rule of law".

SAIRR deputy CEO Frans Cronje criticised the media for not adequately questioning the policy views held by the six leaders, who include African National Congress (ANC) president Jacob Zuma and President Kgalema Motlanthe.

"It was a misnomer for the media to suggest that Jacob Zuma was a champion of the left when almost all of his economic policy pronouncements were for a free-market economy," Cronje said.

Analysts have said Zuma's public comments vary according to whether he is

addressing business leaders, labour unions, or the public.

There is market concern that SA's prudent economic policies will shift to the left after this year's elections, given Zuma's strong backing from the ANC's left-wing allies -- the Congress of South African Trade Unions (Cosatu) and the South African Communist Party.

Cronje said those fears were misplaced: "The profiles suggest that a change in the senior leadership of SA after the 2009 elections could have less of an impact on macroeconomic policy, affirmative action and BEE than has been speculated."

The other four leaders profiled by the SAIRR include the ANC's treasurer-general, Mathews Phosa, and its secretary-general, Gwede Mantashe.

They also include leaders of the break-away Congress of the People, Mbhazima Shilowa and Mosiuoa Lekota.

The six were profiled on economic pol-

icy, race relations, the rule of law and other issues based on public statements in the course of their careers.

SAIRR researcher Kerwin Lebone, who wrote the profiles, says they suggest that Zuma, Motlanthe and Phosa are all "clearly in favour" of a free market economy. Mantashe is in favour of policies that would "work" regardless of their ideological origins, while Lekota and Shilowa's positions are difficult to determine.

It was important to understand the policy opinions of the six leaders as they would all have a significant effect on policy made by the new government regardless of what positions they held, the SAIRR said.

(All Africa, by Miriam Isa, 7 January 2009)

SA 2010: Confidence High Amongst Locals

Recent market research commissioned by FIFA suggests that three out of every four people believe that South Africa will be ready by the time the event starts on 11 June 2010.

According to the first instalment of a six-wave public opinion survey conducted amongst South African citizens by international research company SPORT+MARKT, there is an overwhelming feeling of pride concerning SA's hosting of the tournament: 88% of respondents state they are "proud South Africa is hosting the 2010 FIFA World Cup".

Highlighting the significant social role the event can play in the future of a host nation three-quarters of the sample feel the tournament "will unite the people of South Africa". What is more, 77% state they are now more confident the tournament will be a success compared to how they felt in 2004, when SA was chosen as

host for 2010.

The perceived advantages of hosting the tournament are also widely recognised by South Africans. Ninety one percent believe the FIFA World Cup will have positive effects on the South African tourism industry, with improvements in the country's infrastructure such as roads, public transport and telecommunication expected by almost nine in 10 (87%). The importance of the role of host is also firmly acknowledged, with 83% agreeing that "the 2010 FIFA World Cup will improve South Africa's image abroad".

At the same time, there are several factors that are of concern to South Africans: 58% feel the FIFA World Cup will result in inflated prices for residents; 53% expect increased traffic congestion; and just over half of South Africans (53%) worry about the level of crime during the FIFA World Cup in June and July 2010

(36% disagreed, 11% were unsure).

Despite these concerns, the results of the survey bode well for the FIFA World Cup, with the SA nation appearing to recognise the many advantages of hosting the event. As this survey will be conducted at regular intervals up until the 2010 FIFA World Cup, it will be possible to track how attitudes develop and fluctuate over this period.

The urban representative survey was conducted amongst 1007 South African respondents in all major South African cities and 2010 FIFA World Cup host cities, with quotas for ethnic origin, age and gender. Interviewing was conducted face-to-face in the calendar weeks 49 - 50.

(Biz Community - 2nd February 2009)

UPCOMING EVENTS

**The Fourteenth Annual General Meeting
of the Ireland South Africa Business Association
will take place:**

**On : Thursday 23rd April 2009
At: 17h30 – 18h30
In: The Conrad Hotel**

**RSVP: Tony Angelosante
E: tony@the-wine-seller.com**