

# The Rainbow NATION

South African High Commission to Australia and New Zealand



Sept/Oct 2002

## OIL SUPER-MAJORS COMING TO AFRICA

African oil assets are becoming increasingly attractive in the face of continuing instability in the Middle East and the rising costs of exploration and production in existing fields. This was revealed at the start of the ninth annual Africa Upstream Conference in Cape Town, where top executives from four of the oil super-majors - the global oil companies such as ExxonMobil, Shell and BP - agreed there would be a rising demand for African oil and gas assets in the near future. "The next 25 years will be a boom period for the African oil industry," said Conference Chairman Dr. Duncan Clark from Global Pacific and Partners. He said he believed the industry was on the verge of a "scramble" for African oil and gas assets, building on the US government's stated intent to import 25% of its oil from West Africa by 2015. "African independents and national oil companies such as PetroSA and Sonangol are also stepping out beyond their borders," he added. Ken Evans, ExxonMobil's Vice-President for Sub-Saharan Africa, told delegates his company was looking to double its oil production in Nigeria. At the same time, it had five major start-up projects in Angola, an investment of some \$15 billion. "Africa is well positioned to benefit from the expected 2-3% annual growth in the worldwide demand for oil over the next ten years."

## AFRICA ON GENERAL ELECTRIC'S RADAR

The multinational General Electric started trading in southern Africa in 1880, but withdrew during the apartheid era. It returned to South Africa in 1995. Today it generates \$500 million from its African activities. Its newly appointed President for Africa, Dr Parfait Likibi, born in Congo-Brazzaville, intends to develop these activities across the continent, particularly in manufacturing. At present the bulk of GE equipment in Africa is imported. But Likibi says that economic conditions give the opportunity to change this. "Planes to Angola and Nigeria are near impossible to get on, because they are full of businessmen," he says.

GE's strongest area of growth has been in power generation, and Likibi says that there are many opportunities in this sector, such as the privatisation of Eskom's generating capabilities in South Africa. GE is also looking at the much-vaunted Inga project in the Democratic Republic of Congo. The Congo river system could generate enough power to meet the needs of the entire African continent, though it would take billions of dollars to implement. The multinational also hopes to become more active in the continent's rail transport, having already supplied 1200 of Africa's locomotives. GE also supplies aircraft engines and engine services to the continent, including the supply of engines for SAA Boeings. "We are now in Africa to stay," says Likibi.



Ms Yvette Pritchard (Artist), High Commissioner Magugu, Ms Muriel Corey (Artist) and Sharon Kelly (Fred Hollows) at Art Exhibition.

## SOUTH AFRICA HOUSE HOSTS ART EXHIBITION

South Africa House, the official residence of South African High Commissioner Zolile and Mrs Pumla Magugu, opened its doors and hosted a unique art exhibition, titled "SOUTH AFRICA FROM THE HEART PART 1". Visitors had a rare glimpse into a private residence, free of charge, when they viewed the beautiful work of South African Australian artist Yvette Pritchard and Australian artist Muriel Corey. From 21-28 September hundreds of visitors visited South Africa House.

Yvette's new collection feature South African images, reflecting her heart-felt connection with the land and its people. Her vibrant colours capture day to day life in South Africa with scenes such as Ophelia and Martha doing the washing, and the paperboy selling to motorists at traffic lights on the streets of Cape Town. Yvette said that "the art exhibition, the first in what is to become an annual series, is unique in the sense that it shows how political and social issues are dealt with in South African culture. So, for example, the painting of a community meeting shows how social issues are addressed in traditional culture." Muriel Corey's work reflected her experiences in the Bushveld where she lived for over six years. As a health worker, Muriel was invited to weddings, funerals and other social gatherings, giving her an insight into the Shangaan and North Sotho culture which inspired many of her drawings. The paintings of wildlife and the landscapes capture the feel of the African bush, and the vigour and rhythm of rural South Africa.

## TOURISM WINS FRENCH AWARD

South Africa has been rated as a preferred tourist destination by over 21,000 tour operators and retail agents attending France's annual Top

Resa travel and tourism trade show in Deauville. In a televised award ceremony, South African Tourism (SATour) was also presented with the Voyages d'Or trophy for the best heart-throb destination. SATour chief executive Cheryl Carolus said, "Europe has long been recognised by SATour as a key growth market and we are delighted we won an award in France."

## **MBEKI SIGNS ACCORD WITH HEWLETT-PACKARD**

President Thabo Mbeki and Hewlett-Packard (HP) CEO Carly Fiorina have signed an accord enabling the company to provide information and communication technologies to rural communities in the Limpopo region. Fiorina said the goal was to provide sustainable solutions to tackle the digital divide, and the company would work with the community to understand what new products and services were needed by the 90% of the world's population excluded from the technology boom.

HP was the major technology sponsor for the World Summit on Sustainable Development. Many of the 2300 computers supplied to the summit will be redirected to this project, which is designed to create economic and social development in poor areas by providing access to technology and to health, education and other information. HP has initiated similar projects in other countries. As equipment is installed, local people are shown how to manage projects so the initiative is sustainable. Fiorina is a member of Mbeki's international technology task force, formed in February 2001.

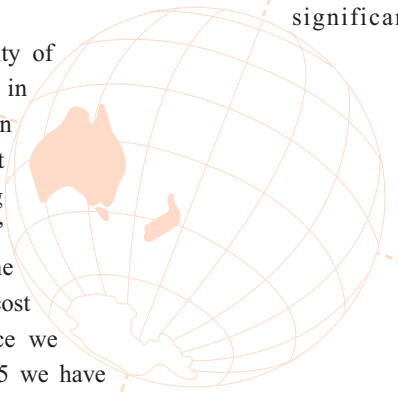
## **SEXWALE SLAMS AFRICAN LEADERS**

South African businessman Tokyo Sexwale has accused African leaders of running down their countries and stealing from their people - and then blaming big business for their problems. Speaking at a business forum on the sidelines of the World Summit on Sustainable Development, Sexwale said some African leaders used big business as their 'bogey man' while stashing the equivalent of their countries' GDP in foreign banks. "There are leaders in our continent who treat their national treasuries like personal property," Sexwale said to applause. "These are the people killing our continent." Sexwale is chairperson of mining companies Northam Platinum and Mvelaphanda Holdings, and a director of Gold Fields, South Africa's number two gold mine. Sexwale also lambasted what he saw as undemocratic public nepotism, which he said continued to plague Africa and severely undermined development.

## **FRED HOLLOWES LENS LABORATORY FOR EAST LONDON**

At its 10th Anniversary celebrations in Sydney, the Fred Hollows Foundation's Chief Executive Mike Lynskey announced that the Foundation's commitment to raise A\$1.1 million to meet the final costs of the intra-ocular lens (IOLs) laboratory it is building in East London, South Africa. An IOL is a perspex lens that replaces a natural lens which has clouded due to cataract. The new laboratory - scheduled for completion in early 2004 - will produce one million IOLs annually,

increasing the affordability of high quality lenses in developing countries. "In the decade since Fred got us into IOL manufacturing we've learnt a lot," Lynskey said. "In the developed world IOL's cost around US\$120 but since we began production in 1995 we have significantly reduced this to US\$7. There are approximately 50 million blind people world-wide. By increasing IOL production we can significantly reduce this number." Currently, Fred Hollows IOLs are distributed to over 50 countries world-wide and demand far exceeds capacity. If you wish to donate to this project, please call 1800 352 352



## **AWARD FOR INTERNATIONAL JUDGE**

Judge Navanethem Pillay, President of the United Nations International Criminal Tribunal for Rwanda, has received the Woman in Law award from South Africa's Centre for Human Rights in collaboration with the University of Pretoria's Faculty of Law. Recipients are honoured for their contribution towards creating a culture of respect for human rights and democracy. Pillay was the first black female advocate admitted to the Bar, and was appointed a High Court judge in 1995. She has served as a judge on the tribunal since May 1995, and was elected its President four years later. She has been involved in six convictions delivered by the tribunal, including that of ex-Rwandan Prime Minister Jean Kambanda for genocide and crimes against humanity. In the apartheid years, Pillay provided legal defence for opponents of apartheid.

## **SAA BUYS SHARE OF AIR TANZANIA**

South African Airways (SAA) has paid US\$20 million for a 49% share of Tanzania's state-owned airline, Air Tanzania. This is SAA's first stake in a foreign carrier. The sale forms part of Tanzania's privatisation programme, and the remainder of the shareholding is likely to be acquired by a Tanzanian organization. SAA spokesman Rich Mkhondo said that Air Tanzania had little in the way of assets, and SAA's most valuable acquisition was the East African airline's flying rights, which would fit well with their strategy to develop three main hubs in the east, west and south of Africa.

## **AIRPORT AREA DESIGNATED AN IDZ**

The South African Government plans to designate an industrial development zone (IDZ) around Johannesburg International Airport. Trade and Industry Minister Alec Erwin has announced that 725 hectares "is potentially available for the IDZ", and that 282 hectares had already "been the subject of an extensive preliminary site development plan". He called for applications from any party interested in managing the zone.

"This will be the first IDZ which is not a seaport," said Deloitte and Touche trade expert Riaan de Lange. "In an IDZ you import without paying duty on the understanding that the finished product will be

exported. And applying for permits and incentives are fast-tracked." He expects to attract high-value, high-tech industries such as

## WATER

The British Government has announced a contribution of R330 million over the next five years to the Department of Water Affairs and Forestry. The UK will support the effort to improve the management of South African forestry resources, with a focus on the needs of poor communities. Director-General Mile Muller said his Department had been working with Britain on this issue since 1994. "The UK acknowledged that during our transition years we needed support to be successful," he said. Clare Short, Britain's Secretary of State for International Development, said that the programme would enable rural South Africans to have access to clean water and forest-based enterprise, helping their communities to lift themselves out of poverty," she said. "South Africa has been classified as one of the world's water stressed areas, and so it is important that water is managed properly."

## ECONOMY RESILIENT

South Africa's economy has become more resilient in the past decade with its sustainable growth rate increasing to between 2.8% and 3.6% from 0.5% in the 1980's, says Standard Bank chief economist, Iraj Abedian. He told reporters that a series of interest rate rises in 2002 had not hit the growth outlook, partly because of generous tax cuts, and partly because of expectations the hikes would soon be reversed. "South Africa's growth rate will remain above average expected global growth," he said in a quarterly research presentation. South Africa's economy was holding up well in the face of global uncertainties because of structural changes introduced early in the 1990s such as diversification away from mining, fishing and agriculture. The tertiary sector - which included banking, tourism, telecommunications and transport - was now the main engine of the economy, accounting for 65% of gross domestic product, he said. Abedian said that boosting growth would do little to bring down a punishing jobless rate officially estimated at 30%, mainly because of a gaping skills shortage in the main sectors of the economy.

## FARMING PLAN TO TOP AGENDA

South Africa's plan for agriculture will top the agenda at this week's annual meeting of AgriSA, which represents 40,000 commercial farmers. The plan, approved by President Mbeki last year, commits the Department of Agriculture to triple public investment, and set up a National Agriculture Research Forum. The Government's land reform process will also come under the spotlight, in particular the programme to distribute land and promote the participation of black farmers in commercial agriculture.

## WINE EXPORTS SOAR

South Africa exported 176.1 million litres of wine in 2001, almost

equalling the quantity sold domestically. Wines of South Africa CEO Sue Birch said that, while the export market had experienced 51% growth by volume since 1998, the local wine market had not been buoyant. "The majority of the South African population have a beer-drinking tradition. It is our job to make wine more accessible."

She was speaking at the opening of the Annual General Assembly of the Great Wine Capitals which, for the first time, was hosted by Cape Town. Cape Town was admitted in 2001 as a member of the Great Wine Capitals, joining Bordeaux, Florence, San Francisco, Porto, Santiago, Bilbao-Rioja and Melbourne.

Cape Town Mayor Gerald Morkel said that they were working "to develop sustainable programmes for community-based rural areas." One successful example of cooperative development now underway, Morkel pointed out, was the study on ways to boost South Africa's wine tourism being undertaken by the University of Cape Town's Graduate School of Business and Australia's Adelaide University.

## MOTOR EXPORTS RISING TOWARDS R40 BILLION MARK

Motor industry export revenue was expected to grow to R40 billion this year from R29.98 billion last year, according to the latest National Association of Automobile Manufacturers of South Africa (NAAMSA) annual report. This comprised motor component exports of R24.5 billion and vehicle exports of R15.5 billion. The report emphasised the expected growth in exports was "with the assistance of an extremely competitive rand exchange rate" but describes the automotive industry in South Africa as "one of the most impressive success stories in our country since 1994."

Against the background of trade liberalisation, globalisation, rapid technological change and rising customer expectations, NAAMSA said, the industry faced the challenge of further improvements. Reduced levels of protection had resulted in more competitive market conditions. "During 2000 and 2001, improved domestic and export sales volumes contributed to a substantial recovery in industry profitability. Profitability and return on total capital in the industry are currently more in line with international norms."

## FAST-TRACK TO PRIVATISATION

Recently the Congress of South African Trade Unions (COSATU) called a two-day strike in protest at the Government's policy of privatisation. However, the Government's responded by vowing to speed up the process of selling state-owned enterprises (SOEs). "There is no question about the Government's commitment to this programme, because of the benefit it will have for the country, said Public Enterprise Minister Jeff Radebe in Pretoria.

Radebe was one of six Cabinet Ministers who addressed the media on the COSATU strike. Trade and Industry Minister Alec Erwin refuted COSATU's claim that 60% of the workforce had participated in the strike. Government figures showed that Government work attendance was around 98% on the first day of the strike, and 99% on the second. This was within the range of averages for any normal working day. In the four main SOEs - Denel, Telkom, Transnet and Eskom - less than 6 per cent of staff had stayed away. Within the private sector, about 15% of workers took part in the strike.



## AID TRUCKS TO HELP STARVING

In response to an appeal from the United Nations World Food Program to distribute food to starving people in Southern Africa, the Norwegian Government has donated a fleet of 218 trucks to the International Federation of the Red Cross and Red Crescent societies. The trucks, valued at more than R70m, were refurbished by 300 Red Cross volunteers who spent more than 5000 hours painting them and marking them with the insignia of the two organizations. They were transported to Durban free of charge by a Norwegian shipping company and the port authorities in Durban handled the vehicles at reduced rates. In South Africa, Business and Government joined hands to transport them to Malawi, Zambia, Zimbabwe and Lesotho. Boss Logistics CEO Andries van Schalkwyk says, "Given the urgency of the situation and the desperate plight of those in need, we met with Spoornet management to devise a plan. With executive support from the Beit Bridge Bulawayo Railway, National Railways of Zimbabwe and Zambian Railways, we put together a package which met the requirements, and the four railways involved gave unprecedented concessions."

## SECURITY FORCES MAKE THEIR MARK

Following the World Summit on Sustainable Development, South Africa's security services have been approached by the United Nations Security Council, which hopes to benefit from their effectiveness at other world events. "We proved to the international community we are a very competent security force," said the Gauteng Provincial Commissioner Perumal Naidoo. "We have a winning team here. We have the Cricket World Cup next year, which will need different measures, but we are up to the challenge." He said the lack of belief in South Africa's security forces may have lost it bids for international work, but that had now changed.

## SCIENTIST SHARES NOBEL PRIZE

The 2002 Nobel Prize in physiology / medicine has been awarded to South African-born Sydney Brenner (75). Brenner is known for his contributions to genetics and biology, including the discovery of messenger RNA, which transmits information from DNA to proteins. Brenner was born in South Africa in 1927 and studied medicine and science at the University of Witwatersrand before obtaining a doctorate in chemistry at Oxford University. He won the prize jointly with Robert Horvitz and John E. Sulston.

### Contact Details:

South African High Commission  
State Circle  
YARRALUMLA ACT 2600

Tel: (02) 6273 2424

Fax: (02) 6273 3543

Email: [info@rsa.emb.gov.au](mailto:info@rsa.emb.gov.au)

## THREE COUNTRIES SIGN WATER PACT

South Africa, Mozambique and Swaziland have signed an agreement to share water resources. The agreement was signed in Johannesburg during the World Summit on Sustainable Development. The Interim IncoMaputo Agreement, which involves the Nkomati and Maputo water courses, will enable 11,000 hectares of land to be irrigated, providing employment for 10,000 people.



## NIGERIA RATIFIES EXTRADITION TREATY

Nigeria has ratified an extradition treaty with South Africa. Under the treaty, offenders will face trial in their home country. "We believe that this will allow us to deal with the growing crime rate among Nigerians living in South Africa," says Nigerian Information Minister Jerry Gana. "It is unfortunate that a few of our people are giving Nigeria a bad name in that country," he said. Business Day reported last week that South African investigators arrested 22 Nigerian citizens in Johannesburg who operated seven bogus websites featuring banks listed on the Johannesburg Stock Exchange, including the Reserve Bank and the Development Bank of South Africa, and duped investors into paying thousands of dollars to open online accounts with these banks. The racketeers were arrested by the elite Scorpions unit.

## SOUTH AFRICANS AMONG WORST SAVERS

South Africa's savings rate is one of the worst in the world, says the South African Savings Institute, pointing out that the country's rate of 16% of the gross domestic product lags behind that of many developing countries. Loyiso Jiya of the Institute says the rate must climb to at least 20% for the country to reach real economic growth of 3%. The institute held a savings week from September 8 to 14 and a symposium on September 10 at the Sandton Convention Centre in Johannesburg to create awareness of the national importance of savings.

## STATE LIABLE FOR POOR SERVICE

Government departments will no longer be able to get away with inefficiency thanks to a Durban court victory which holds the Government financially accountable to those who suffer loss through poor government services. The case which entrenched this new legal precedent is that of 63 year old Isipingo Rail pensioner Mrs Rubiamma Pillay. She filed a claim against the Department of Home Affairs for negligence and breach of duty after it took 16 months to issue her with a new ID book. In an out-of-court settlement, the Department has paid her the full R11,522.98 that she had failed to receive as a consequence of not having the ID book.

## HIV/AIDS DRUGS AT GAUTENG HOSPITALS