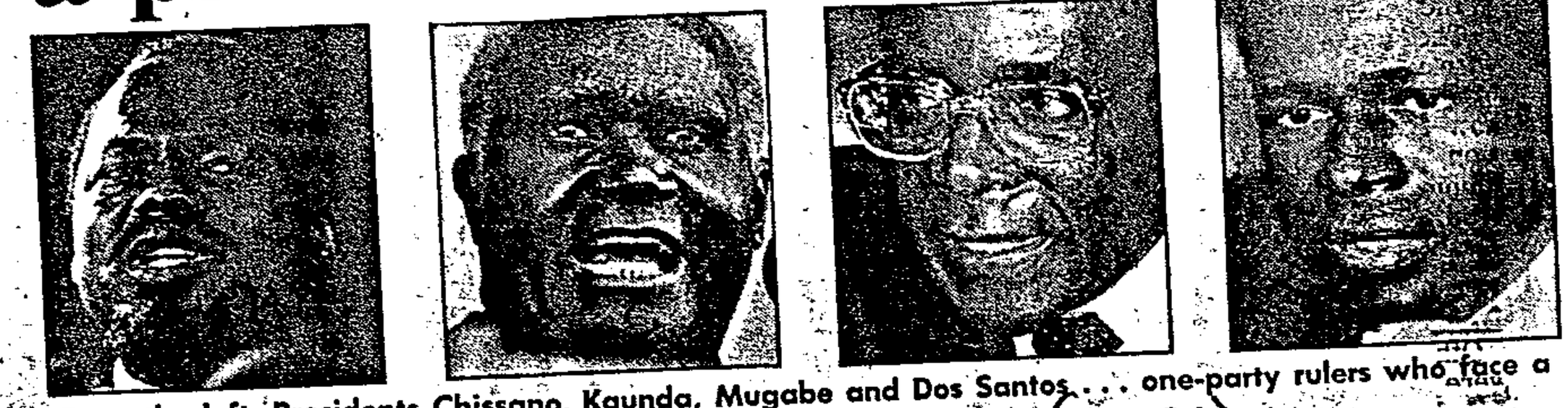
S.A.D.C.C. - 1990

New realities slow to permeate some black countries

Eastern bloc events will have a profound effect on Africa

The overthrow in Europe of the one-party rule which many African leaders emulate poses a dilemma which RICHARD DOWDEN of The Independent examines.



From the left, Presidents Chissano, Kaunda, Mugabe and Dos Santos . . . one-party rulers who face a new dilemma.

LONDON — Recent events in Eastern Europe have important implications for many African countries which had close connections with the old regimes.

But some countries are coming to understand these implications more quickly than others.

In Mozambique, long linked with Eastern Europe and the Soviet Union, there is a sense of pride that the ruling Frelimo Party dropped its adherence to Marxism-Leninism at its fifth congress back in July.

In Namibia, days before the collapse of the communist regime in Prague, a Czechoslovakian journalist was given a special interview with Swapo leader Mr Sam Nujoma ahead of his Soviet colleagues because Czechoslovakia was regarded as still loyal to the cause.

In Benin, after demonstrations demanding democracy, the ruling People's Revolutionary Party dropped its commitment to Marxism-Leninism.

In Zimbabwe, the ruling party has just renewed its advocacy of a one-party state based on Marxist-Leninist principles. Editorial opinion in the government-controlled newspaper has tended to depict the uprisings in Eastern Europe as a trick by the capitalist West. At a recent party rally, the President, Mr Robert Mugabe, gave warm welcomes to North Korea, China and Rumania.

Africa will be profoundly affected by developments in Eastern Europe. Many African leaders had close links with East European socialist states.

A lot of West European aid money for Africa will now be diverted to Eastern Europe and the tenet of the one-party centralised state has been an important concept in African political development. Many African leaders came to power fighting for socialism as well as national independence.

The Soviet Union and Eastern Europe were more than willing to back them with weapons and advisers, reinforcing the ideology and establishing alliances. Guinea, Somalia and Congo were all Marxist-Leninist states allied to the Soviet Union at one time.

More recently, Ethiopia, Angola and Mozambique have been the closest Eastern bloc allies. But the Soviet Union is now seeking political compromises in all three countries, in the conflicts where formerly they backed one side to win. Moscow has also told its allies if they want more weapons they must pay in hard currency.

As the Soviet Union withdraws from the continent, African states most closely modelled on socialism have been forced to open up their economies to Western capital and to allow greater economic flexibility.

But the influence of the socialist bloc spreads far wider than its immediate allies. African politicians, with varying degrees of sincerity, have adopted the language of socialism to justify their cause. Many leaders in Africa owe their political legitimacy to the struggle for national independence against colonialism and exploitation.

Phrases condemning imperialism and capitalism, supporting the struggle of the masses, are rhetoric which comes naturally to their politics. Even countries not explicitly socialist adopted the language of Marxism-Leninism. In Zambia, for example, political leaders have to call each other comrade in public.

Apart from President Mugabe, there are few devout socialists among Africa's leaders. Ideology has often been an end rather than a means. So, too, has the one-party state. It is not about the triumph of the proletariat in Africa. One-party rule in Africa is about trying to establish national unity in young, fragile countries.

The argument against multi-party democracy has been that political parties become rallying points for tribal or religious groupings. But this is often true of one-party states, too. And in Africa, the winner takes all. There are not many African politicians who came second and survived.

Similarly, state control of African economies is usually more about structures of political power and patronage than redistribution of wealth.

In southern Africa, however, the new realities are slow to permeate. The Frontline states are telling the Soviet Union that it is betraying its historic mission in Africa, and the Voice of Freedom, the African National Congress radio station, still speaks of building a revolutionary army, intensifying the armed struggle and the advance to people's power. — The Independent News Service.

US aid for Unita 'harms peace efforts'

Star 16/11/90

The Star's Africa News Service

LUSAKA — Real peace could not be expected in Angola while the US continued to aid Unita, Zambian Secretary of State for Defence and Security Mr Alex Shapi said yesterday.

The American aid had enabled the rebels to intensify their military activity, Mr Shapi said.

"The leadership of the Front-line states and the Francophone nations, who have joined forces, will have to work harder to help the MPLA and Unita reach a compromise," he said.

Mr Shapi was reacting to the statement last week by the American assistant secretary of state for Africa Mr Herman Cohen that the US would continue supporting Unita until a political solution had been reached in Angola.

239A

SUFFERING

"We should not now expect real peace to come as we expected it," Mr Shapi said.

Condemning foreign intervention in Angola, he said: "It is not the people abroad who are suffering. It is the Angolans who are finishing themselves off and destroying their future while the others are milking them."

He said the US, by its intervention, was rejecting the settlement proposals produced by various summits and was trying to impose different terms.

Mr Shapi said that when Namibia became independent the Zambian and Namibian governments would jointly clear the landmines laid by SA in the Katima Mulilo area to deter Swapo from crossing into Namibia.

SA militarist disruption: neighbours hope it's over

By PROFESSOR PETER VALE

Director of the Centre for Southern African Studies at the University of the Western Cape lecturing this week at the UCT Summer School.

WITH the whiff of negotiation in the air, the time is perhaps ripe to add Southern Africa's future to the agenda. Besides, the addition of a new state, Namibia, to the regional community provides a convenient moment to rethink the neighbourhood's future while we redesign our own.

The states of the sub-continent are joined by more than their geographical location. Transport, labour, migration and trade — to mention only four — underpin an organic unity. But for the best part of 20 years the region has been caught in a spiral of at times violent conflict.

As a result Southern Africa faces a declining capital base and, when measured against the Pacific Rim and the European Community, has a depleted and largely inadequate industrial capacity to meet the needs of its 100 million inhabitants.

Helpful place

How will Southern Africa's future be secured to enable it to keep pace with a rapidly changing world and the increasing economic competiveness of other regions?

A helpful place to start will be to guarantee that no destabilisation of our neighbouring states is being undertaken from South Africa. Many people still find the suggestion unpalatable that this country — particularly through the SADF — has been active in the destruction of its neighbours. The evidence, however, is irrefutable.

For more than a decade elements within our ruling apparatus have, covertly or overtly, sanctioned our reckless involvement in neighbouring countries.

Mozambique is possibly the best (read, most horrific) example of the effects of this policy. It is impossible to assess with certainty how many of that country's inhabitants have perished, directly or indirectly, as a result of the activities of the South African-supported Renamo.

Surrogate forces

Some authorities have put the figure at more than two million but recently, in an open letter to the South African State President, Mr De Klerk, a group of Mozambican intellectuals gave a figure of one million. The letter, incidently, is an impassioned appeal to De Klerk to dismantle all those forces associated with the "total strategy", the now largely discredited strategic doctrine which permitted the SADF a free hand in the region.

If, however, we are to secure the region's future, we will need to go beyond ensuring that surrogate forces such as Renamo are without succour from our soil. Years of destabilisation have not only sullied South Africa's record in the region but made our neighbours fearful of our (comparatively) awesome military strength.

This points to a structural paradox in Southern African; the region cannot survive without South Africa's economic power but is simultaneously fearful of this power. How can this be resolved?

Two reasons

In the defence of apartheid, the South African government conditionally offered the country's largesse to the region. So, the Nkomati Accord was a deal struck on the following compromise: Mozambique was to erase ANC cadres from its soil in return for the pledge of South African economic assistance and, of course, a brake on the activities of Renamo.

The bargain was unstable for two reasons. First, South Africa was unable (perhaps, unwilling) at that stage to back away from Renamo. In any case, the economic side of the accord seriously faltered.

The second reason is the more important: it has been very difficult — if not impossible — for our neighbours to embrace us while apartheid has underpinned the government's every move. When and where our neighbours have been drawn towards us, the relationship has been unstable, even contrary.

So the link with Malawi, long regarded as the ideal bond between South Africa and a majority-ruled state, has at times been rancorous. As President Banda approaches the end of his long life — he is rumoured to be over 85 — the tell-tale signs are evident that apartheid South Africa's days there are numbered.

What does this teach us about the region's future?

The search for security in Southern Africa, as in other regions, hinges on a subtle interplay of economic, political and military factors. In Southern Africa, however, regional security — or the lack of it — is intrinsically linked to the domestic politics of a one state, South Africa.

Adroit diplomacy

There can be no long-term regional security until apartheid is ended and successful negotiations completed with those who represent South Africa's majority. Our neighbours, by the way, have always been keen to assist in this process and we need to acknowledge the great patience which President Kaunda of Zambia has brought to bear on the peaceful resolution of apartheid.

It would be foolhardy, however, to assume that the end of the present system will be sufficient to secure the region's future. As with so many things, the real work will only commence when South Africa comes onside, as it were.

That will be the moment when those who run the country's regional affairs will need quick minds and adroit diplomacy. The end of apartheid will heighten, not lessen, the dependency of our neighbours on this country. We will need to understand all their anxieties.

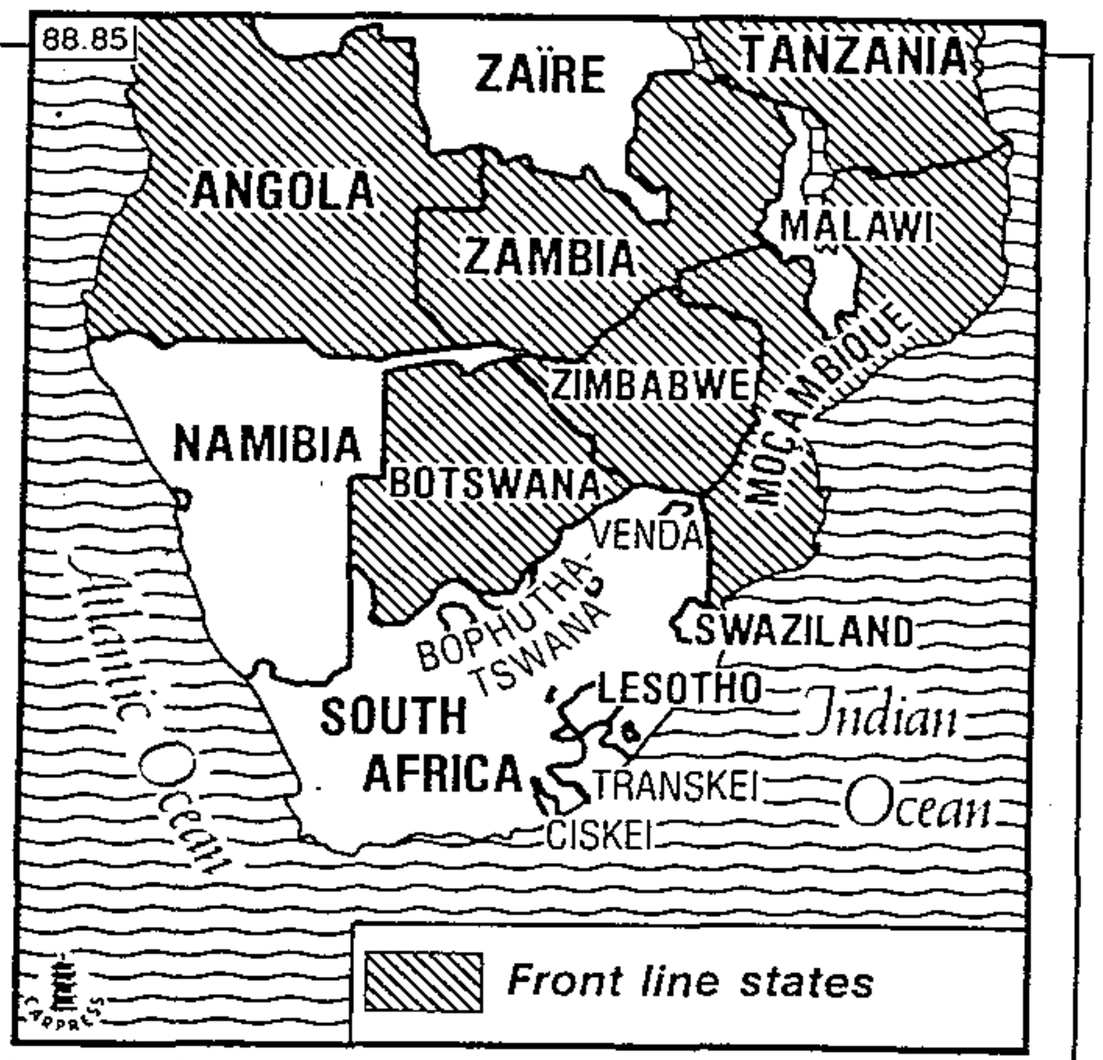
It will be important to listen to the rising tide of neighbouring voices which continue to fear "militaristic elements" in this country. They have suggested, for example, that facilities such as Armscor should be put under multilateral control. To be precise: their proposal is that they should have a say in exactly what products are built by Armscor's plant.

Understandably, some will say this is a obvious interference in the domestic affairs of this country. It is but, given our long and brutal involvement in their own domestic affairs, their interest in this particular issue is understandable.

Economically, too, we will have to tread warily. Tempted though our bureaucrats might be to initiate a common market with South Africa as the hub, they will need to probe, rather, the diplomatic advantages which may flow from an arrangement which allows the industrial sectors in the neighbourhood to take root without being overwhelmed by South African products.

The lesson of our times is not, as many have argued, that Marxism-Leninism has ignominiously failed. No, it is that man-made walls do have not the strength to withstand commonsense solutions to seemingly intractable conflict.

Although the region's walls still stand, they are worn. Southern Africa's future will be secured by focusing plain, simple rationality on what, up to now, we have been encouraged to look on as darkness and anarchy.



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'Death threat' phone call an 'evil lie'

A row has broken out between the general secretary of the National Sports Congress (NSC) attorney Mr Krish Naidoo and the South African Cricket Union (Sacu) chief Mr Geoff Dakin over an alleged death threat.

Mr Naidoo yesterday filed criminal charges against Mr Dakin, who he says, threatened him during a telephone conversation yesterday morning.

Mr Naidoo said:

"A man who said he was a Mr Abbot telephoned at about 10 am yesterday morning and first spoke to my wife. But when I spoke to him I immediately recognised his voice and said 'Hello Geoff'. He then confirmed that it was him (Mr Dakin) speaking.

"He said my life would be in danger if anything happen to the English cricketers during their tour. Dakin also said he knew the identity of the people who would carry out this threat but refused to give me details.

"I asked him whether he realised what he was saying, but he said he did not care. I immediately went down to John Vorster Square and laid the charges. I have repeated it to the police under oath.

Mr Dakin said:

"This is an evil lie.

"I am amazed by the evil treachery and lie of the whole thing. I don't know what kind of trickery this is but it is an evil lie. Mr Naidoo was desperate because the tour is obviously going on."

He is to take legal advice.

Star 22/11/90 BACHER

Dr Ali Bacher, managing director of Sacu, also denied that that Mr Naidoo was telephoned or threatened by Mr Dakin. He told Sapa that Mr Dakin last spoke to Mr Naidoo in November.

"Although it is possible that somebody telephoned Mr Naidoo yesterday, it is ridiculous to say that Mr Dakin was responsible for the threat," Dr Bacher said.

Frontline meeting to talk about talks in SA

279A

By Robin Drew, The Star's Africa News Service

HARARE —Today's meeting in Lusaka between the ANC and Frontline states leaders is headline news in Zimbabwe, whose president, Mr Robert Mugabe, will be present. Star 22/11/90

The historic gathering has been called to map out strategies aimed at capitalising on changes in South Africa, *The Herald* said in its main report today.

It said a major item would be the adoption of a common position in any talks with Pretoria.

The newspaper quoted ANC officials saying the organisation's national executive committee (NEC) felt it had been caught off balance by the pace at which events were unfolding in South Africa.

The ANC had to be prepared to change its tactics should its jailed leader, Mr Nelson Mandela, be released before apartheid was abolished.

One official was quoted as saying anti-apartheid groups would be thoroughly destabilised by Pretoria if the ANC did not work out a counter-strategy.

Mr Nelson Mandela's ideas on negotiations had been debated by the NEC. Its views were expected to be presented at today's summit.

● See Page 2.

Argus 22/11/90 (D) Z79A

SA helping in 120 projects in Africa

Argus Africa News Service

JOHANNESBURG. — South Africa is involved in about 120 aid projects in Central, West and southern Africa, the director of the Pretoria-based Africa Institute, Dr Erich Leistner, has disclosed.

In a paper presented to a symposium in Taiwan today, Dr Leistner said South Africa was involved in agricultural, wildlife and nature conservation, education, training and health projects in those countries.

Although co-operation between South Africa and its neighbours is well documented, this is the first time details of links between South Africa and more-distant African countries have been disclosed.

As far as agriculture is concerned, Dr Leistner said South Africa was involved in about 15 projects in African countries, the majority in Central and West Africa. Four were in Swaziland, one each in Malawi and the Comores and the rest in Central and West Africa, he said.



Dr Erich Leistner

Besides a cattle project in Equatorial Guinea, Dr Leistner mentioned another successful project which was being run by a private company in West Africa.

The company, he said, was setting up training facilities in Natal for workers from the West African project. He did not name the country or the company involved.

"West African countries have been severely hit by falling cocoa prices. South African experts, therefore, have begun to introduce South African citrus — navels and clementines — and are confident of positive results under tropical conditions," he said.

Dr Leistner said South Africa was also involved in 11 schemes concerning wildlife and national parks, most of them in Central and West Africa.

South Africa had 20 health projects in Africa. In 1985/86, 1 716 patients from 13 African countries received hospital treatment in South Africa.

The Republic also had equipped clinics in unnamed West African countries and doctors regularly came to South Africa to gain the internationally recognised diploma in tropical medicines.

South Africa was also involved in two housing projects, a desalination plant as well as a power plant in West Africa.

Dr Leistner said the growing rapprochment between South Africa and black Africa was due to several important developments, including the disillusionment of foreign investors and donor nations over Africa's economy and policies and the growing awarness that Africa's former allies, be it the United States or the Soviet bloc countries, were losing interest in Africa.

Star 23/1/90 (279A)

Stepping into shoes of foreign states

SA's growing links with Africa revealed

The Star's Africa News Service

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In a paper presented at a symposium being held in Taiwan yesterday, Dr Leistner said South Africa was involved in agricultural, wildlife and nature conservation, education, training and health projects in those countries.

Although co-operation between South Africa and its neighbours is well documented, this is the first time that details of links between South Africa and more distant African countries have been disclosed.

Significant

Although Dr Leistner did not name the west and central African countries involved, it is significant that in almost all the areas of co-operation mentioned, countries in west and central Africa were receiving aid from South Africa.

Dr Leistner said South Africa was involved in 15 agricultural projects in African countries, the majority in central and west Africa. Four of the projects were in Swaziland, one each in Malawi and the Comoros and the rest in central and west Africa.

Besides a well known cattle project in Equatorial Guinea, Dr Leistner mentioned another successful project in west Africa which is being run by a private company. He did not name the company.

"West African countries have been severely hit by falling cocoa prices. South African experts therefore have begun to introduce South African citrus — (navels and clementines) — and are confident that positive results will be forthcoming under tropical conditions," he said.

In an unnamed west African country a chicken and pig farm was experiencing difficulties due to the high cost of animal feed. South Africa experts had then started a scheme to produce soy-beans which can be readily grown in that country and is an important ingredient of animal food.

Dr Leistner said South Africa was also involved in 11 schemes concerning wildlife and national parks, most of them in central and west Africa.

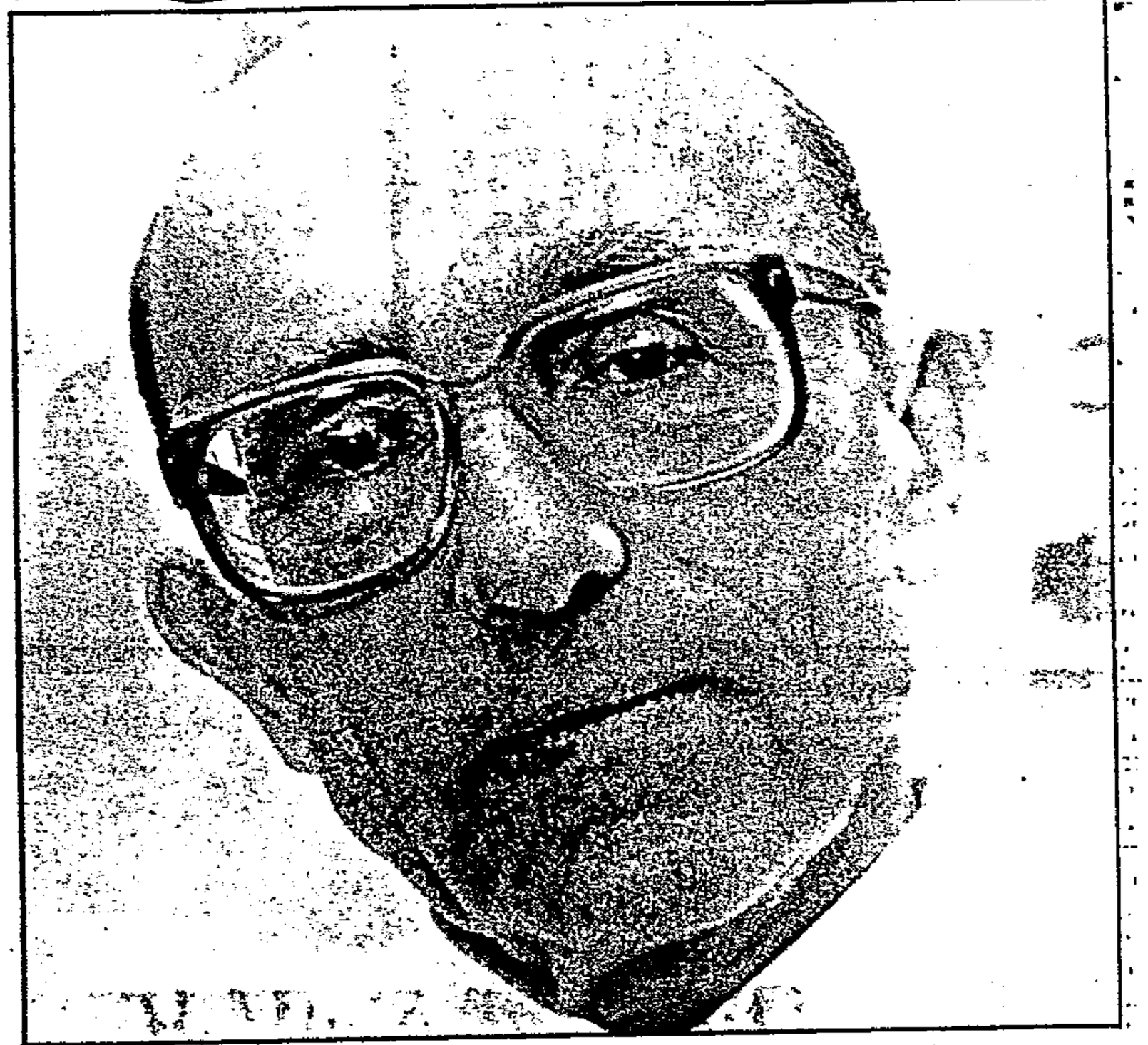
As far as health is concerned the director of the Africa Institue said South Africa had 20 projects in Africa. In 1985/86 1 716 patients from 13 African countries received treatment in South Africa.

South Africa had also equipped clinics in unnamed west African countries and African doctors regularly came to South Africa from as far afield as west and east Africa to gain the international recognised diploma in tropical medicines.

In west Africa, South Africa was also involved in two housing projects, a desalination plant as well as a power plant.

Quite a few students from central Africa were studying geology in South Africa, Dr Leistner said.

He said the growing rapprochment between South Africa and black Africa was due to several important developments, including the disillusionment of foreign investors over Africa's economy and policies, the end of superpower competition for influence in Africa and the growing awareness that Africa's former allies, be it the United States or the Soviet bloc countries, were losing interest in Africa.



Dr Leistner ... South Africa is filling vacuum left by end of superpower competition and disillusioned foreign investors.

Frontline, ANC unity on Mandela 'peace plan

Star 23/11/90

The Star's Africa News Service

LUSAKA — Proposals by jailed ANC leader Mr Nelson Mandela, said to amount to a peace plan for South Africa, have been considered by the six Frontline states meeting leaders of the African National Congress.

The Frontline states have endorsed the ANC executive's reaction.

Mr Mandela's 10-point plan was discussed for the first time at the meeting here last week between the exiled ANC leadership and the ANC members recently released from detention in South Africa.

REFUSED

The details of his proposals have not been made public, and both ANC and Frontline sources have refused to disclose them or their reaction to them. The ANC executive appears, however, to have endorsed the proposals.

The chairman of the Frontline group, President Kenneth Kaunda of Zambia, intimated after yesterday's conference that increased pressure would be brought to bear by the Frontline states and on President de Klerk to react suitably to the ANC stance.

The leadership meeting comes at a time when it is becoming increasingly clear to moderates of the ANC that there is little alternative to a negotiated settlement between it and Pretoria.

There is an expectation that the release of Mr Mandela will be accompanied by pre-emptive initiatives by Pretoria on such issues as the state of emergency, the banned status of the ANC and the return of exiled leaders. There is a growing feeling that the ANC should prepare negotiating positions to prevent losing the initiative.

The Mandela plan is thought to be close to the Harare Declaration, which was issued in August after a meeting between ANC and Organisation of African Unity members.

Emission control for horses?

improved party line service.

established — Sapa.

World Bank loans to SADCC to double

Bdem 26/11/90 279A

MICHAEL HARTNACK

HARARE — The World Bank will double its lending to the nine member states of the Southern African Development Co-ordination Conference (SADCC) to more than R3,8bn over the next five years, bank vice-president for Africa Edward Jaycox announced.

Jaycox dismissed suggestions that recent developments in Eastern Europe would divert aid from SA's neighbours as they struggled to recover from "Africa's lost decade of development".

Jaycox expressed frustration about the pace of the long-awaited liberalisation of Zimbabwe's heavily controlled economy.

But he said the World bank appreciated President Robert Mugabe's government was "going through an important political process" (of consensus building about reform).

"One thing we have learned to our cost in some Latin American countries, and even in Zambia, is that any reform programme must have national backing," Jaycox said.

He was referring to the Copperbelt food riots which forced President Kenneth Kaunda to abandon a World Bank programme in 1988.

Meanwhile, the latest victims of Zimbabwe's transport crisis stemming from a critical shortage of foreign exchange for spares and new equipment have been local producers and consumers of dairy produce.

While thousands of Zimbabwean children suffer from malnutrition, dairymen have been forced to dump 400 000 litres of milk since the beginning of the month because the parastatal dairy marketing board has been unable to collect and process it.

SADCC considers taking in SA

LUSAKA — An African economic group fighting for a decade to cut its dependence on SA will this week ponder membership of the country it has sought to isolate.

A source close to the nine-nation Southern African Development Co-ordination Conference (SADCC) said the issue would be discussed during a week-long meeting which started in Lusaka on Monday.

"The SADCC has decided it is time to think seriously about integrating a democratic SA into its structures," the source said.

The SADCC, which groups Angola, Botswana, Lesotho, Swaziland, Malawi, Mozambique, Tanzania, Zambia and Zimbabwe, was set up in 1980 primarily to cut members' economic reliance, especially in trade routes, on SA.

The black African leaders found sympathy in the West, which to date has pumped more than $3bn into the region to rehabilitate and upgrade its alternative routes to the sea.

The goal of totally cutting off trade with SA has proved harder to achieve, and analysts say the group might never achieve this.

Now, the SADCC, preparing to admit its 10th member, Namibia — which recently won independence from SA — is looking forward to the day when SA joins its ranks.

An SADCC review said the comparatively more developed sectors and infrastructures of SA would give it a more competitive edge over other states in the region in attracting foreign investment once stability was restored. It predicted a realignment of economic relations in the region.

A Western aid agency official, reflecting views held by several donors, said the SADCC should plan with SA in mind, as SA's membership was crucial to the organisation's future. — Sapa-Reuter.

279A

Chalker: changes impressive



Lynda Chalker at the British Council Centre yesterday. Picture: ROBERT BOTHA

MATTHEW CURTIN

BRITISH Overseas Development Minister Lynda Chalker, on a fleeting visit to SA, said yesterday that progress with reform was slow but positive.

Chalker, who was last here in November 1988, said changes in the past few months, particularly under President F W de Klerk, were impressive.

She singled out the release of ANC leaders and moves towards desegregation of public facilities, while noting the state of emergency, the Land Acts and Nelson Mandela's imprisonment were obstacles in the way of fundamental change.

She did not know when these obstacles would be removed.

Chalker, a minister throughout Margaret Thatcher's prime ministership and former Foreign Office Minister of State, spent yesterday in transit in Johannesburg before flying to Lusaka via Harare for the Southern African Development Coordination Conference (SADCC) which starts officially on Thursday after a preliminary meeting which began on Monday.

She said her visit was in no way preparing the way for future visits to SA by Thatcher or Foreign Secretary Douglas Hurd.

She intended to urge the involvement of the private sector in development programmes at the SADCC meeting.

Chalker was accompanied by British Ambassador Robin Renwick, and spent the morning at the new British Council offices in Braamfontein meeting educationists and community leaders.

In a short speech, she said she was delighted to be overseeing an increase in British aid to black South Africans, particularly for education.

The British Council runs five scholarship programmes offering 1 000 university places for South Africans here and in the UK.

The minister spent the afternoon at the British-funded Alexandra Health Centre, and had tea with former DP MP Helen Suzman before flying to Zimbabwe to meet government ministers there today.

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Lithuania outcome may shape Soviet future

Gorbachev facing major policy test

VILNIUS (Soviet Union) — Soviet leader Mr Mikhail Gorbachev, facing one of the turning points of his career, will be greeted by more than 100 000 Lithuanians demanding independence when he arrives in Vilnius today.

Mr Gorbachev is seeking to defuse a crisis sparked by a vote by Lithuanian communists to break with Moscow and set up their own party.

Yesterday 15 000 people gathered outside Vilnius cathedral — which was returned to the Catholic Church after four decades last February — to demand restoration of Lithuania's pre-World War 2 independence.

'Act with dignity'

Activists from the radical mass movement Sajudis predict at least 100 000 people from across the republic will march through their capital in three columns to a pro-independence rally just hours after Mr Gorbachev's arrival.

But in an address on Lithuanian television late yesterday, local party leader Mr Algirdas Brazauskas, who engineered the split with Moscow, called Mr Gorbachev an "ally" and asked local people to greet him "with dignity".

The Lithuanian crisis, seen as one of the most serious challenges Mr Gorbachev has faced in holding together his massive, multi-ethnic country, comes amid signs of growing chaos on the country's restive southern rim.

Soviet TV reported that grenades and ground-to-ground missiles had been smuggled from Armenia into the Azerbaijani region of Nagorno-Karabakh, where a solution to a dispute which has cost at least 120 lives is as far way as ever.

The crisis over Lithuania was prompted by a congress of Lithuanian communists in December at which delegates voted overwhelmingly to break away from the Soviet Communist Party and form their own independent party.

Under pressure from conservatives, the Soviet leader initially denounced the split in party ranks — the first since 1917 — and a Central Committee meeting this month authorised him to make a fact-finding visit to the republic.

But in the past week, Mr Gorbachev has clearly softened his position — receiving in Moscow both the leaders of the new party and of the minority group that remains loyal to Moscow.

Mr Brazauskas, whose championing of the break has reinforced his position as Lithuania's most popular politician, also shows signs of conciliation. "He is the most important ally for realising our hopes," Mr Brazauskas said of the Soviet leader.

"He too needs help. I have met him on several occasions and I am convinced he understands our aspirations."

'Long and difficult'

But Sajudis head Mr Vytautas Landsbergis said the republic would welcome Mr Gorbachev as "the leader of a strong neighbouring state with which we have had a long and difficult history but with which we do not want bad relations".

Nevertheless, he also urged the movement's supporters to act in a dignified manner, free of anger.

Mr Vadim Medvedev, the party's ideology chief and part of an advance delegation in Lithuania got a foretaste of the Soviet leader's likely reception when speaker after speaker at a teachers' college meeting yesterday approved the independent Lithuanian party. — Sapa-Reuter.



Thousands of Lithuanians gathered in Vilnius yesterday to demand independence from the Soviet Union. Soviet leader Mr Gorbachev, facing a turning point of his career, was expected to be greeted by more than 100 000 when he arrives in Vilnius today.

B/Day 11/2/90 (279A)



Pope John Paul II is greeted by young girls on his arrival in Ndjamena at the start of his three-day visit to Chad that will end his African tour. Picture: REUTER

Zimbabwe to extend fuel line

B/Day 11/2/90

HARARE — Zimbabwe hoped within two years to complete an extension to Harare of its petroleum lifeline now running from the Mozambican port of Beira to Mutare, Energy Minister Kumbirai Kangai said.

The R96m joint venture by Tiny Rowland's multinational corporation Lonrho and the Zimbabwean government subsidiary Noczim should alleviate traffic congestion on Zimbabwe's railroads which has repeatedly forced Harare to turn to SA for help.

President Robert Mugabe's government has been compelled on several occasions to import fuel via SA and to hire SA locomotives or tanker wagons to alleviate a crisis.

Kumbirai also disclosed in an interview that Zimbabwe hoped by 1994 to be importing 500 megawatts of power a year from Mozambique's giant Cahora Bassa hydro-electric scheme to overcome a growing shortfall in power from Kariba and Hwange thermal power stations.

MICHAEL HARTNACK

A new hydro-electric project by Zambia and Zimbabwe, 50km down stream from Victoria Falls at Batoka gorge, is not likely to be completed before 2002.

Kumbirai said that as a result of rising world oil prices and an adverse exchange rate, Zimbabwe's fuel import bill was expected to double this year to about R470m.

SADCC official says SA may be allowed in

LUSAKA — The Southern African Development Co-ordination Conference (SADCC) has made provision for SA to join the nine-member economic grouping in view of the unfolding political change in the region.

SADCC executive secretary, Zimbabwean-born Simba Makoni, told newsmen yesterday that with the advent of Namibian independence and political changes taking place for a more democratic SA, the membership was likely to increase to accommodate and enhance effective regional co-operation and trade.

Makoni said Namibia would soon become a member and, eventually, so would SA, where a political change for the better had begun to signal pointers to this effect.

This was one of the long-term projections of the SADCC programme of action.

"The council of ministers, which is currently meeting in Lusaka, has considered the long-term financing of SADCC institutions and projects and agreed that sector co-ordinating countries in consultation with member countries should submit long-term financing plans," he said.

Cross-border

The SADCC member states have been urged to ease visa requirements to make inter-state trade more rational.

Among the more important tasks for the future, the SADCC plans to establish a regional export credit facility (ECF) and regional cross-border investment facilitty (CBIF).

Makoni said the ECF was intended to enable the SADCC exporters to offer favourable trade terms to their customers because regional exporters were less competitive in international markets on account of foreign exchange constraints.

"The CBIF is intended to facilitate cross-border investments in the region by SADCC firms," Makoni said.

The SADCC, which has a minimum of rules and regulations and is governed by a memorandum of understanding, is to be given more teeth.

Its council of ministers agreed that, given a new spirit and more economic activities, SADCC heads of state would soon sign a charter to make the organisation an effective instrument because time was ripe for the imminent admission of Namibia and SA.

The charter should be ready for signing some time this year, Makoni said.

Concern

Meanwhile, the SADCC consultative summit opens today with most heads of state expected to attend.

Foreign ministers of the SADCC member countries will present the SADCC 1990 programme of action.

More than 1 000 participants are in Lusaka preparing for the summit.

Zambian President Kenneth Kaunda has expressed concern at the slow pace of economic development in Africa, and challenged the SADCC to enhance economic co-operation in the region.

Speaking when he met a delegation of officials attending the SADCC council of ministers meeting yesterday, Kaunda stressed the need for the African continent to speed up its development in view of the current changes in eastern Europe which had attracted western investment in the former socialist states.

The SADCC, now in its 10th year, consists of Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe. — ANO.

Britain and France pledge to continue development aid to continent

B/Day 11/2/90

HARARE — Britain and France yesterday assured Zimbabwe and the rest of Africa their development aid to African countries would not be cut as a result of new demands in Eastern Europe, said Zimbabwe's Foreign Affairs Minister Nathan Shamuyarira.

He was briefing journalists yesterday after separate talks with French Deputy Foreign Affairs Minister Edwige Avice and British Minister for Overseas Development Lynda Chalker, Ziana news agency reports.

Shamuyarira said Britain had recently allocated Z$15m for Zimbabwe's resettlement programme.

But he had told Chalker: "We still need a lot more for resettlement and utilisation of land."

The minister said the talks covered problems in southern Africa, bilateral relations, Namibia's pending independence, peace initiatives in Angola and Mozambique and the SA situation.

Chalker said later Britain would like to see negotiations, involving all parties to the SA problem, for peaceful change in that country.

She said this process should involve the release of political prisoners, including ANC leader Nelson Mandela, the lifting of the state of emergency and the unbanning of the ANC.

Chalker and Avice were due to meet President Robert Mugabe late yesterday.

Before meeting Mugabe, Chalker was scheduled to meet Lands, Agriculture and Rural Resettlement Deputy Minister Jock Kay. — Sapa.

African ties set to improve

By DEON DELPORT

Diplomatic and economic relations with other African states have been made easier by President de Klerk's unbanning of the ANC and PAC and the promised release of Nelson Mandela, according to foreign-policy analysts.

"It was the most important speech concerning international relations in very many years," SA Institute of International Affairs head Professor John Barratt said at the weekend.

"The ANC will be under more influence from the Frontline states to get into talks. Zambia, particularly, has influence because that is where the ANC has its headquarters," he said.

Although President de Klerk had not met all the conditions of the Harare Declaration, he had met the "big ones".

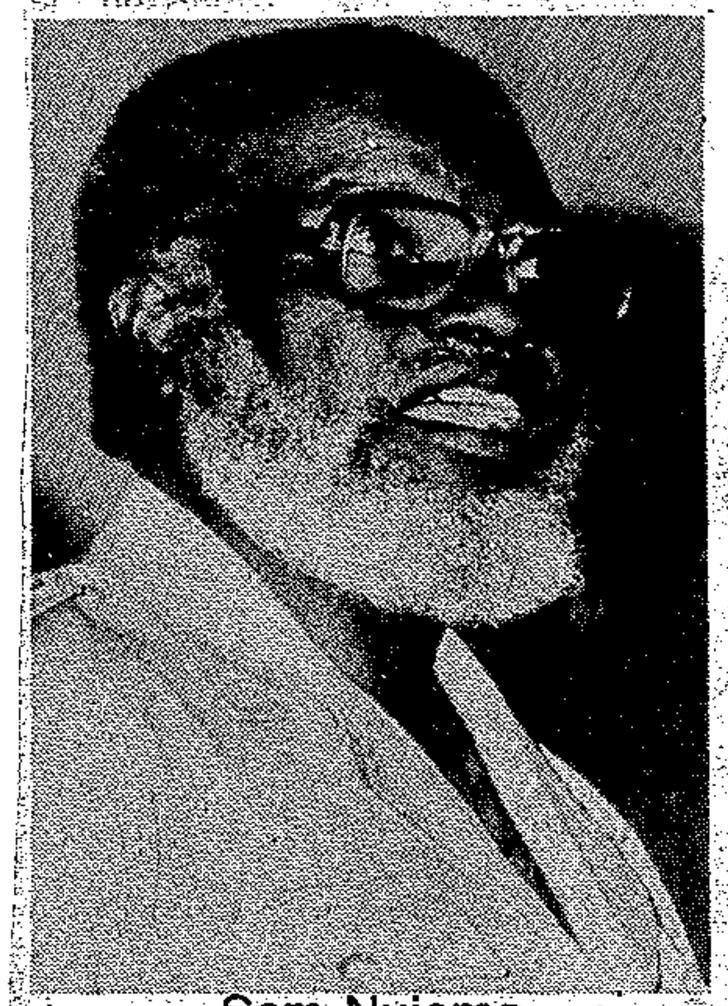
Frontline states, including Zambia, Zimbabwe and Botswana, all reacted positively to Friday's far-reaching announcements.

Reaction from Western countries has been most favourable. Both Washington and London have said they would reassess their stand on sanctions and hinted that Mr Mandela's release would be met with certain economic incentives.

'Cautious optimism' over ANC unbanning

279A

South 5/2/-14/2/90.



Sam Nujoma

LEADERS of the Frontline states reacted to the news that the ANC had been unbanned with cautious optimism.

Mozambican foreign minister Pascoal Mocumbi said that President FW de Klerk's announcement could open the way for dialogue "to bring an end to apartheid and to create a democratic and non-racial society in South Africa".

"I consider the measures announced by President De Klerk as an important step in the positive direction," Mocumbi said.

Swapo president Sam Nujoma said De Klerk's announcement coincided with the conclusion of the drafting of Namibia's constitution and he was encouraged that the Southern African region was moving towards complete liberation and could place its vast natural resources at the service of Africa's socio-economic transformation and progress.

Nujoma said his country, due to become independent on March 21, was looking forward to playing a role as a meeting ground for leaders to discuss further steps towards resolving remaining conflicts in the region.

Friday's developments meant better propects for good relations between an independent Namibia and South Africa.

"Namibia wishes to maintain and consolidate good relations with a non-racial and democratic South Africa," Nujoma said.

He hoped the people of South Africa might learn some useful lessons from the Namibian experience in their difficult road to negotiations, and called on De Klerk to take all other necessary steps towards eliminating apartheid.

The Zimbabwean government said the reforms announced by De Klerk on Friday were a step in the right direction but did not go far enough.

"The statement (by De Klerk) is silent on the question of abolishing apartheid through the repeal of such iniquitous legislation as the Group Areas Act, the Population Registration Act and the Land Act," the Zimbabwean statement said.

President Kenneth Kaunda of Zambia, where the ANC headquarters is based, offered "hearty congratulations for a job well started".

He said he accepted De Klerk's explanation for not freeing Nelson Mandela immediately.



Kenneth Kaunda

EC to lift sanctions this month — Hurd

BRUSSELS. — The European Community is expected to lift sanctions against South Africa this month, Britain's Foreign Secretary, Mr Douglas Hurd, said yesterday.

The British government has persuaded other EC countries that the reforms set in motion last week by President F W de Klerk are enough to prompt a full-scale reconsideration of Common Market trade sanctions at a meeting in Dublin later this month.

Mr Hurd called Mr De Klerk's speech "a remarkable decision".

However, the Irish president of the council of foreign ministers, Mr Gerry Collins, has ruled out lifting the bans till apartheid has been wholly abolished.

Some EC ministers insist that one person, one vote will first have to be achieved.

The Dublin meeting may see a flare-up of acrimony between Britain and her Common Market partners.

Scene set for Africa to open her doors

February 1990

(279A) (279)

South Africa may find diplomatic and trade doors being opened in black Africa by Nelson Mandela's release. But in deciding their future moves, many African governments are likely to take their cue from the ANC, **GERALD L'ANGE**, editor of The Star's Africa News Service, reports.

The release of Nelson Mandela has opened up new prospects for diplomatic advances by South Africa in black Africa and these could be followed by improved trade relations.

A meeting between leaders of the Frontline states and President F W de Klerk has become a stronger possibility.

Such a meeting was promised last year by the chairman of the Frontline group, President Kenneth Kaunda, if South Africa kept faith on Namibia and allowed it to reach independence. With Namibia preparing to become independent next month this condition has already been fulfilled.

President Kaunda cannot single-handedly arrange such a meeting without the agreement of the other Frontline leaders and what he promised last year was to try to arrange the summit. But his ability to get the consent of his colleagues has obviously been strengthened by the reformist steps President de Klerk has made in recent weeks, notably the release of Mr Mandela.

Some of the Frontline presidents, including Joaquim Chissano of Mozambique, who has already had talks with Mr de Klerk, would have little difficulty in accepting the summit.

Summit possible

The Angolan government for its part has had continuing dealings with South Africa arising from the Namibian independence agreement of 1988. Last December Mr Roberto de Almeida, the number two man in the Angolan hierarchy, said in an interview with the Star Africa News Service in Luanda that it was premature then to talk about a Frontline summit with Mr de Klerk. He added, however, that Mr Mandela's release would make it possible.

Zimbabwe's president Mr Robert Mugabe, who has refused to allow his government to have contact with South Africa at ministerial level, took a firm stand against a summit at a news conference the day after Mr Mandela's release. He said no useful purpose would be served by a meeting with Mr de Klerk while apartheid still existed in South Africa.

President Ali Hassan Mwinyi of Tanzania might have similar reservations.

But if President Kaunda, President Chissano, President Quett Masire of Botswana and President Jose Eduardo dos Santos of Angola were willing, the others might be persuaded to go along with them.

This in turn would make it easier for other African leaders who have had open contacts with South Africa, such as presidents Mobutu of Zaire and Houphouet Boigny of the Ivory Coast, to step up their dealings.

And it could encourage those African governments that have been dealing secretly with South Africa to come out in the open.

Many African governments are expected, however, to take their cue from the African National Congress, which is still refusing to negotiate with Pretoria unless further conditions are met.

In fact, in some diplomatic quarters there is the feeling that the release of Mr Mandela may hamper Pretoria's dealings with black Africa in that African governments will now be reluctant to take any steps without first consulting with Mr Mandela.

Trade effects

However, Mr Mandela has made it clear that he will be guided in his actions by the policy decisions of the ANC leadership, which is currently directed by its Secretary-General, Mr Alfred Nzo. The ANC's National Executive Committee is due to start a meeting in Lusaka tomorrow at which it is expected to formulate a stance in response to the de Klerk initiatives. According to an ANC spokesman, Mr Mandela will not attend the meeting but will be kept informed of its decisions.

Although South Africa's trade with black Africa is much more widespread than its diplomatic contacts, expert analysts say they do not expect Mr de Klerk's reforms to have an immediate effect on the trade situation.

However, any political benefits that might accrue to Pretoria could have a trade spin-off.

"The old saying about the flag following trade does not apply to the relationship between South Africa and black Africa; in this case the trade follows the flag," said Miss Sally Gallagher, head of Business Development Africa, a trade promotion concern with wide contacts in Africa.

Miss Gallagher said the euphoria surrounding Mr Mandela's release would be misplaced if related to trade relations with black Africa. Substantial trade already exists, she said and the limiting factor was lack of foreign exchange rather than political considerations.

Miss Gallagher's views were echoed by Mrs Ann Moore, general manager of the South African Foreign Trade Organisation.

"One mustn't assume that because the political moves have been made that trade is automatically going to increase," she said. Mr Mandela's release was nevertheless a major step towards creating a more favourable climate for trading.

Mandela to meet Frontline leaders

STAR 13/2/90 (279A)

The Star's Africa News Service

LUSAKA — Mr Nelson Mandela will meet the leaders of the Frontline States within a few weeks, according to the acting president of the African National Congress, Mr Alfred Nzo.

The Ano news agency reports that Mr Nzo told a press conference here yesterday that Mr Mandela wanted to visit Lusaka soon to meet the ANC's national executive committee and the general membership of the movement.

The meeting with the Frontline leaders could take place when he does so.

The national executive committee will be holding a special conference in the Zambian capital tomorrow.

It will discuss ANC strategy in the light of reform moves by the State President, Mr F W de Klerk.

SA seen as the driving force of a regional economic union

Star 21/2/90 (279A)

By Sven Lünsche

The Southern African Development Co-ordination Conference (SADCC) could be a potential vehicle for bringing about a more comprehensive economic union in the region, with South Africa as its driving force.

Stanbic chairman Dr Henri de Villiers told delegates yesterday that the two major political players in the region — South Africa and the Frontline states — needed one large and dynamic market to attract foreign investment and uplift itself.



Dr de Villiers

The SADCC, which ironically was formed to counteract South Africa's economic might, could be the ideal vehicle to achieve this "because of its non bureaucratic, decentralised structure, which is quite uncharacteristic in the African context".

He said the Development Bank of Southern Africa could provide a financing vehicle in support of such a body, or a more developed community structure in the form of a regional development bank.

However, Dr de Villiers said that for such a regional body to develop, a number of obstacles needed to be removed, not least of them the political hostilities between South Africa and the Frontline states.

"A pre-condition for economic co-operation is the return of peace in the place of wilful de-stabilisation on the one side, and political and economic dogmatism on the other.

"To become an economic success story, South Africa must deprive its neighbours of an enemy," Dr de Villiers said.

A number of other economic hurdles needed to be overcome, including the removal of transport bottlenecks created by military conflicts, and the inability of some countries to repair their infrastructures.

"On the other side, the lifting of sanctions and the opening up of regional markets would be helpful to South Africa."

Once South Africa was accepted as a partner, Dr de Villiers said itmust convince its potential partners "that any structure for regional co-operation or economic integration will not lead to undue domination by the largest and most developed economy in the region".

"In the short term it would probably be a mistake to aim for a complex, EC-type association for Southern Africa, even if South Africa were to join as a driving force.

"In the long run, however, only the gradual emergence of a new economic block in the region will make for a brighter future for us all," Dr de Villiers said.

SA will have to make itself an acceptable trade partner

B|D 9 23/7/90 279A

HENRI DE VILLIERS

TO BECOME an economic success story, SA must deprive its neighbours of an enemy. Only then can formal economic co-operation or even closer ties be discussed openly.

Once SA is in principle acceptable as a partner, the process must be taken still further — we must be able to convince our potential partners that any structure for regional co-operation or economic integration will not lead to undue domination by the largest and most developed economy in the region.

The argument often raised by academics, as well as politicians concerned with narrow local interests, is the so-called "polarisation effect" of economic development.

The argument advanced is that industrial and investment resources tend to be attracted by the most developed country, leading to an ever growing imbalance in development and trading patterns.

This fear is real, and the view is held by many, but it is a poor argument against greater economic co-operation between SA and its neighbours, or against the creation of a fairly comprehensive southern African economic community.

Create

Natural polarisation is desirable for the sake of efficiency. If it is overdone the laws of economics will make sure it is reversed.

Europe and the US provide many examples for that. Moreover, it is quite possible to create structures within economic communities to level the advantages and disadvantages of various regions.

I have great hope for our region of the continent. Co-operation may have been stymied by antagonism and suspicion, but strong infrastructural links remain, and trade betwen SA and its neighbours has been growing rapidly on the basis of pragmatism.

Durable organisational structures already exist in the region which could provide the vehicles for growing co-operation and economic integration of southern Africa.

The Southern African Development Co-ordination Conference (SADCC) is a potential vehicle for broadened regional co-operation or even integration.

Economic communities ought to grow organically, bit by bit. In the short-term it would probably be a mistake to aim for a complex, EC type, association for southern Africa, even if SA were to join as a driving force.

Full integration is a stage of development which the EC is only now aiming at, after more than 30 years of hard effort. This does not mean, however, that SADCC cannot be developed beyond its existing objectives and structures.

A possible vehicle for greater regional development co-operation and for furthering progress towards a southern African economic community is the Development Bank of Southern Africa. It could clearly become a regional development bank serving not only SA and the states contained in it, but the region as a whole.

At this stage the Development Bank is involved in only a few projects outside greater SA, and its role as a development financing and co-ordination agency for the whole region awaits a change in SA's acceptability to its neighbours.

In the medium to long term I see its role as supporting a body like SADCC, or even a more developed community structure.

A fair amount of integration of the economies of southern Africa is not only desirable but absolutely necessary. I also believe it is possible, quite obviously not in the short-term, but gradually over time.

The EC had to overcome many obstacles to reach the position it has today.

The idea of a common market and the de-emphasis of narrow national interests has not always been popular; nor was the path of the EC free of spectacular failures. But by now all members believe they are benefiting, and a crowd of outsiders is knocking at the EC's door eager to be allowed in.

The position the EC expects to reach in 1992 is a manifestation of a new wave of economic/political philosophies: It reflects the acceptance of growing inter-dependence amongst nations.

Protectionist sentiments are still alive, even in the EC, but not for the reasons that were used primarily to justify it in the past.

National self-sufficiency is now regarded as neither desirable nor feasible. This makes a mockery of much of SA's past economic philosophies, as much as those of SADCC.

These new world trends will eventually force us in southern Africa to think beyond present ideological barriers and national frontiers.

It is a fact that black southern Africa's and SA's policies have led to both areas losing out dramatically in terms of their share in world trade and investment, and therefore growth.

This represents both a challenge and an opportunity, initially mainly for SA as the major regional economic and political power as well as the main obstacle. We must:

- ☐ push internal reform so that we can live in peace with our neighbours and become an acceptable partner.
- ☐ be instrumental in establishing a new order in southern Africa, free from fear of either military or economic domination.

Obviously this cannot take place overnight — it will have to be an evolutionary process. Most obstacles can be overcome, even past enmities.

Conflicts

Europe's communal differences, which found expression in two World Wars and many earlier conflicts, were far greater than southern Africa's differences.

Without the help of SA, no association which goes beyond that currently provided for by SADCC would be viable in the region. With unreserved and positive backing from SA, however, the process could be taken further.

The next decade promises to be critical for the prosperity of southern Africa. We must now attempt to build a new era of peace and economic prosperity.

I can only hope that the solution of the next decade will flow from southern Africa being able to reconcile differences, leading to the gradual emergence of a new economic power block that can serve as a catalyst for the improvement in the economic fortunes of other countries in sub-equatorial Africa.

☐ **This is an edited excerpt from an address by De Villiers to the Frankel Kruger Vanderine investment conference in Johannesburg this week.**

ST Wed 25/2/90

2799

Spinoff for SA

By Robyn Chalmers

THE World Bank's allocation of $3,8-billion to Africa for infrastructural development in fiscal 1989-1990 will have major spinoffs for SA.

SA Foreign Trade Organisation (Safto) research manager Paresh Pandya believes SA will benefit from this and other money allocated by international aid organisations to the Third World.

"New opportunities for SA civil engineers, building contractors and project engineers are emerging as a result of the increasing amount of finance from these organisations.

"The aid is mainly for projects covering rural development, energy, health services, industry, mining, transport, telecommunications, urban development and water supply."

Obstacle

The most serious obstacle to infrastructural development in the Third World is lack of foreign currency. Mr Pandya says about 40% of expenditure on infrastructural projects is for imports.

Without the foreign currency to pay for imports, such development is virtually impossible.

The shortage of foreign currency is the most serious obstacle to SA stepping up economic relations with the rest of Southern Africa.

Mr Pandya says contrary to popular belief, it is not politics which stand in the way of a major improvement in SA's business dealings with Southern Africa.

"Foreign aid is specifically aimed at circumventing the problems posed by shortages of foreign exchange. In fact, the foreign aid supplied by the World Bank may only be used to finance imports."

The rand's world value

	R1 equals		One foreign unit equals (R)	
	23/02/90	23/02/89	23/02/90	23/02/89
US $	0,3927	0,4018	2,5463	2,4888
UK £	0,2301	0,2291	4,3465	4,3659
Deutschemark	0,6600	0,7368	1,5151	1,3591
Japanese yen	57,695	50,740	0,0174	0,0197
Swiss franc	0,5796	0,6285	1,7253	1,5911
French franc	2,2339	2,5109	0,4477	0,3983
Canadian $	0,4708	0,4801	2,1240	2,0829
Italian lira	487,40	541,06	0,0021	0,0019
Zimbabwean $	0,6933	0,7888	1,1194	1,2678
Australian $	0,5151	0,4863	1,9414	2,0563

Trade weighted value of rand, % change against 1974 base 40/80

Domestic interest rates

MONEY MARKET

	Friday 23/02/90 %	Friday 16/02/90 %	Friday 09/02/90 %
SARB accommodation: rediscount rate TBs	18,00	18,00	18,00
Treasury bill tender rate	18,01	18,01	18,00
Basic call of discount houses	18,25	18,75	19,25
Three-month banker acceptances	18,45	18,45	18,55
Three-month NCDs	19,90	19,90	20,00
Three-year RSA stock	15,65	15,80	15,49
Prime overdraft rate	21,00	21,00	21,00
All-in yield of finest acceptance credits	19,55	19,49	19,66

CAPITAL MARKET

SECONDARY MARKET — RATES ON MOST TRADED STOCKS

	Average Previous Month	As on Friday
Long-term RSA stocks	15,53	15,73
Long-term Escom stocks	15,34	15,53

Best sections this week

	Av % Mv	Av D/Y	Av E/Y
Manganese	4,2+	6,1	14,5
Coal	3,9+	7,3	20,0
Fishing	1,6+	14,5	17,9
Transporation	1,2+	7,9	21,8
Property Trust	0,9+	9,5	9,5

Overall market this week

279A

BUSINESS

Business looks north at the once-forbidden pastures of Africa

Change has only just begun in South Africa, but already businessmen are looking ahead to the day when they can trade freely with the rest of Africa. HILARY JOFFE reports

SOUTH AFRICAN business has increasingly been looking to Africa as a market for its products and a site for new investments. And recent political changes have raised hopes that there will be potential for closer economic ties, particularly with neighbouring countries.

Detailed trade figures are no longer released, but it is known that trade with African countries has grown substantially since the mid-1980s. Reserve Bank figures show some increase in direct South African investment in Africa: to R2,2-billion in 1988 (12,6 percent of total direct investment overseas) from R2-billion (12 percent).

Sanctions acted as an impetus, closing off export markets in Europe and the United States, so that business was forced to look for new markets. Africa, particularly southern Africa, was an obvious market, where South African exporters would have the competitive advantage.

That southern Africa has increasingly become a preoccupation of business was evident at an investment conference in Johannesburg this week, where several of the papers referred to the need for closer trade and investment ties — and the improved prospects for just that.

Looking at attractive areas for investment in the "new and developing South Africa" post State President FW de Klerk's announcements, Sankorp chief Marinus Daling said the country would play a major role in the development of the southern African region.

"This will create opportunities in the development of infrastructure, agricultural development and the development of food production," he said. Daling added that services such as transport, distribution, wholesale and retail activities were also needed in the region.

Foreign Affairs Director-General Neil van Heerden referred to two of the joint ventures in which South Africans were involved: the Lesotho Highland Water Project and the Sua Pan Soda Ash Project in Botswana. These, he said, "underline the willingness to co-operate in the interest of all the inhabitants of southern Afri ca".

Van Heerden was outlining for the delegates, who included business leaders, as well as both foreign and local investors and stockbrokers, South Africa's role in the subcontinent. He focused on political and economic relationships with Namibia, Angola and Mozambique.

But it was Standard Bank chairman Henri de Villiers who set out in most detail what South Africa's relationships with its neighbours might be, arguing for a Southern African Economic Community.

De Villiers rejected the view which holds underdeveloped economies are so because they are sub-ordinated to more developed and powerful countries.

"The argument advanced is that industrial and investment resources tend to be attracted by the most developed country, leading to an ever growing imbalance in development and trading patterns," he said. He said although the fear was real, it was a poor argument against greater economic co-operation between South Africa and its neighbours. Natural polarisation was desirable for the sake of efficiency, and it would be quite possible to create structures within an economic community to "level the advantages and disadvantages of various regions", De Villiers said.

He pointed to the economies which had thrived because they had benefitted from the spin-offs from successful neighbours. Canada's per capita gross domestic product had grown by 22 percent over the last decade, higher than the 12 percent in the US, to whose economy it was extensively linked. Portugal and Spain had benefitted greatly by joining the European Community, as had Turkey, which remains outside it. Portugal's per capita gross domestic product increased by 29 percent over the last decade — compared to the German figure of 19 percent. And the spinoffs from Japan's growth led to staggering increases in per capita GDP in Asian Pacific rim countries — 70 percent in Korea and 51 percent in Malaysia, compared to 43 percent in Japan over the decade.

Southern Africa, by contrast, has looked bleak. Except in Botswana and Swaziland, per capita incomes have declined — Lesotho by nine percent during the last decade, South Africa by five percent and in Angola and Mozambique by the 1980s "there was not much left to decline".

De Villiers said something had to be done about the southern African situation — South Africa and its neighbours had to come together to produce real success.

Conflict between the "Constellation of Southern African States" and the "Frontline States" had produced enormous waste of economic effort through destruction of infrastructure, on the one side, and the effects of the imposition of various sanctions, on the other. It also led to capital flight and retardation of the region's development.



Strong communication links — railways and pipelines — already exist, making trade with the frontline states easier

For South Africa to become an economic success story, it "must deprive its neighbours of an enemy", De Villiers said. Only then could formal economic co-operation be openly discussed. But there was now meaningful change which could lead in this direction, he suggested.

He pointed to the strong infrastructural and trade links which had grown rapidly "on the basis of pragmatism". There were also structures already in place in the region which could provide vehicles for co-operation and economic integration.

De Villiers pointed to the Southern African Development Co-ordination Conference as one vehicle for regional development co-operation. SADCC could be a potential vehicle towards ultimately creating a more comprehensive Southern African Economic Community.

He also noted the "elements of near-full integration" existing in the Southern African Customs Union and Common Monetary Area, which involves South Africa, Lesotho, Swaziland, Botswana and has effectively included Namibia. These countries are also SADCC members.

And De Villiers said the Development Bank of Southern Africa could be a regional development bank serving the whole region. "At this stage the Development Bank is involved in only a few projects outside greater South Africa, and its role as a development financing and co-ordination agency for the whole region awaits a change in South Africa's acceptibility to its neighbours. In the medium to long term I see its role as supporting a body like SADCC, or even a more developed community structure," De Villiers said.

The Urban Foundation seeks to improve the quality of life of urban communities through the development of socio-economic programmes and policy change.

Appointments to the following contract positions need to be made.

RESEARCHER/RESEARCH ASSISTANT
NATIONAL OFFICE
JOHANNESBURG

A new position for an honours graduate with suitable experience has been created to form part of a research and policy team that will focus on local government finance matters.

The ideal candidate will have:

- An honours degree in economics or an equivalent level qualification in accounting or finance
- Mathematics and statistics as other subjects
- A knowledge of quantitative computer packages
- 2 - 3 years' appropriate experience
- Good communication skills.

The candidate must also be willing to travel in order to compile data and to establish relevant contacts with local government officials, community

Investments not likely to come flooding back

Call Tints 20/12/90

379A

By AUDREY D'ANGELO
Financial Editor

INVESTMENT is unlikely to come flooding into SA as soon as barriers against it have been lifted, the director of the UK-SA Trade Association (UKSATA), Nick Mitchell, warned yesterday.

Interviewed during a visit to Cape Town, Mitchell said there was a good chance that SA would attract overseas investment but it would not come easily.

"One misconception I see at the moment — which is potentially serious — is a feeling that once barriers against investment in SA are lifted, it will come in. But that will not happen unless SA goes out to get it.

"Times have changed. Western industrialised economies are slowing down and there is competition for investment, particularly from Eastern Europe.

"But doors will open for SA to go out and fight to attract investment. And you will be able to make out a good case. You have a lot going for you including minerals and an infrastructure.

"There will be risk in investing here. But I think the political risks in Eastern Europe may be perceived as being higher than in SA.

"Rumania is undoubtedly a Third World country. Some investment has been going into Czechoslovakia and Hungary and an accommodation will be reached between East and West Germany.

"But although one feels sorry for the Poles, Poland is a terrible environment for investment. There is no work and no infrastructure."

Mitchell said there were "still considerable links between SA and Europe, particularly the UK."

And this country was seen as the potential powerhouse for the whole Southern African region.

"European investors definitely do not see the black Southern African countries as a good market at present. But they will see them as a potential market if they become an economic region powered by SA.

"A lot depends on how SA's political troubles are resolved. If it is attractive enough for the traditional white skills to stay while the educational, training and technical gaps are filled there will be the opportunity to carry on a sort of First World economy."

Mitchell said the offshore operations set up by SA companies in recent years would be needed more than ever after 1992.

Other countries which would not be part of the new European Commonmarket were already setting up operations in EC countries to make sure they would not be shut out.

"There were 18 new Japanese investments in the UK alone last year. SA needs to be there, too."

Discussing nationalisation, Mitchell said that SA had made it easy by allowing control of the country's industry to be in so few hands.

But a lot depended on who came out on top in the black political scene.

Chissano forecasts SA ties

Star 28/2/90 (279A)

MAPUTO — The Southern Africa Development Coordination Conference (SADCC) must make preparations for a relationship with South Africa, President Joaquim Chissano of Mozambique has told the organisation's executive secretary, Dr Simba Makoni.

Mr Chissano said the process of change in South Africa gave the region the best opportunity to eliminate apartheid. The SADCC consists of Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe, and was originally formed to cut economic dependence on South Africa. — The Star's Africa News Service.

South 1/3 - 7/3/90 (279A)

South NEWS

LEADERS' MEETING

FRONTLINE State leaders left Lusaka after a meeting with Mr Nelson Mandela and the ANC leadership on Wednesday without discussing the major question of the organisation's armed struggle.

Zambian president, Mr Kenneth Kaunda, said in a press briefing after the meeting that Mandela would raise the issue with the organisation's NEC and "give us feedback when this discussion is over".

Reports from Lusaka said the ANC would not follow Kaunda's advice to suspend the armed struggle "because violence on the part of the white minority race in South Africa continues unabated".

Mandela told the six-nation Frontline summit it was clear President FW de Klerk was "not yet ready" to talk with the ANC.

"We asked him to end the state of emergency and release our comrades ... he has not done so. Until South Africa complies with our conditions, there is no room for negotiations," Mandela said.

Officials have refused to comment on reports that the ailing ANC president Oliver Tambo, currently under treatment in a Stockholm health clinic, offered to stand down as he wants Mandela to assume the top leadership post.



TOGETHER: Zambian President Kenneth Kaunda poses with African National Congress leader Mr Nelson Mandela, left, and other heads of African delegations on Wednesday. At the back, from left, are an Egyptian envoy, Swapo secretary-general Andimba Toivo Ya Toivo and UN General Assembly President Joseph Garba. On Kaunda's right is Tanzanian President Ali Hassan Mwinya.

S/Times 18/3/90

This is where America stand

2794

STANDS

I BELIEVE there is a commitment among the people in power in South Africa to reach a political settlement with the black majority. Our policy used to be to put pressure on the white power structure to accept the principle of negotiation.

Now we feel the priority in our policy should be to put pressure on both the white power structure and the non-white majority to engage in fruitful negotiations. We will be the first to criticise those who reject negotiations. We think that is the only way a political solution can be found.

We have, in our public rhetoric, accepted that sanctions have been effective; this is a change from the Reagan Administration. This change annoyed the South African Government a great deal, but we feel it is the truth. And we are now telling those in the Mass Democratic Movement who say that there should be majority rule before negotiations that we do not agree with them. We believe that negotiations must come first.

Our policy on sanctions is to follow US legislation, which states that sanctions must be maintained until certain steps have been taken by the South African



Herman Cohen

US Assistant Secretary of State for African Affairs, outlines the Bush administration's changing priorities in southern Africa

Government. When those steps have been taken, the President is authorised by Congress to modify or suspend sanctions. When the time comes, we will seriously consider suspending or modifying sanctions.

Total

The second area of priority is the whole southern African region. We feel that the agreements of 1988, which were mediated by my predecessor Dr Chester Crocker, resulted in a major change in the region.

In effect, two mythologies were destroyed by those agreements. The first is that the major problem in the region was the superpower conflict: the superpower conflict with the Soviet Union and its surrogates seeking to be "in on the kill" of apartheid by impregnating all of the other countries in the region, such as Angola and Mozambique, and fostering Marxist regimes in order to create a Marxist government in South Africa.

That was mythology number one, which the South African whites called "the total onslaught" theory.

The second one, perpetrated by the ANC, was that nothing good can happen in southern Africa until apartheid is over. In other words, there will never be any basis for co-operation in the region until apartheid is ended.

These accords in effect demolish both of the mythologies. When you have the Soviet Union co-operating with the US on the ejection of Cuban forces from Angola it is no longer possible to talk of a total communist onslaught on southern Africa. When you have South Africa granting independence under Resolution 435 to Namibia, it is no longer possible to say that nothing good can happen in the region until apartheid itself is over.

So, basically, we feel we can build on these agreements to help stimulate greater regional co-operation, because we believe that the southern African region is going to be the motor of development for the rest of Africa — at least as far as Zaire.

And it's imperative that economic co-operation start working now, even before the end of apartheid, and continue going in the post-apartheid society.

Vast

So we are supporting, wherever we can, economic integration through our support for the SADCC programmes. We are not discouraging countries from co-operating with South Africa even before apartheid is over.

We are supporting the independence of transport routes in southern Africa; however, we do so only where such independent transport routes are economically viable on their own merits. And many of these routes existed before the South Africa problem existed as a regional problem — for example, the lines through Mozambique and the Benguela line through Angola.

All these transport systems have their own economic rationale. We believe they should be nurtured and made to work at full capacity.

Priority number three is what I call conflict resolution in Africa. The philosophical basis for that is that, although many of the conflicts in Africa are internal affairs of African states, they are really not purely internal.

These conflicts generate vast numbers of refugees, they generate a great amount of human suffering, especially hunger and disease, and all of these problems generated by the conflicts require large amounts of international resources to take care of them.

This requirement for international resources makes all these conflicts effectively international. It is our feeling in Washington that we should be active in getting to the root of these conflicts so that the vast amounts of resources going to alleviate suffering can be transferred to development assistance.

Fourth is the economic development priority, where I think we have more continuity from previous administrations than in any other area. We would like to see as many African countries as possible become economically viable, become major trading partners of the West and become major producers instead of receivers of economic assistance.

We are continuing the previous policies of concentrating our limited resources in those African countries that are willing to adopt economic policies which are considered to be leading to economic growth. We are finding that political considerations are becoming less important in the allocation of funds and economic criteria are becoming more important as each year goes by.

Difficult

And finally there is the dossier that I like to call "Human Rights and Democracy". Human rights have been a major issue for us throughout the world since 1972, when you had the major human rights disaster in Burundi. I was Director for Central Africa in the State Department then.

I found it very, very difficult to interest anyone in the massacres going on in Burundi. I was calling up every newspaper I could. Very little interest. Time magazine sent somebody to Burundi to do a story, but that was it. I got Senator Tunney to do a speech on the problem in Burundi. Nobody listened.

But, after that, the whole human rights issue became bigger and bigger in the United States. And it is now extremely big. Whenever I go to testify before Congress or to brief a congressman, they talk about human rights and democracy in Africa and ask what the United States Government is doing about these issues, why we aren't working harder on these issues.

Fraudulent

And now more and more I hear that the single-party system in Africa is being called into question: prove it to us that the single party in Africa can be democratic. Although I have been in this business since 1962, based on experience I am finding it harder to testify that the one-party system can be democratic.

In fact, in many cases we have to admit that the single-party system has been fraudulent as far as democracy is concerned.

One-party states tend to exclude lots of people who don't feel they have a stake in the system. One-party states tend to represent single ethnic or intellectual groups who frequently do not encompass everybody.

We will not make a one-party state an essential issue in our bilateral relations with any African country. In other words, we will not say anything inappropriate, such as: adopt a multiparty system within the next five years or we will cut you off. We are not saying that to anybody. We are just promoting this as an idea, as something for dialogue between the US and Africa.

● *Extracted from a private briefing to the Commonwealth Press Association.*

m End.

Walvis 'too costly for SADCC'

Star 22/3/90

279A

GRAHAM LINSCOTT focuses on Namibia as a possible new route for SADCC countries to by-pass South Africa — and the usefulness of such planning.

Namibia is independent and certain to join the Southern African Development Co-ordination Conference (SADCC).

This provides SADCC with another maritime state and the potential for another outlet to the sea — a potential which is being investigated by the British multinational, Lonhro.

SADCC — Tanzania, Zambia, Mozambique, Angola, Botswana, Zimbabwe, Malawi, Lesotho and Swaziland — exists largely to escape economic dependence on South Africa's transport network.

Its efforts have concentrated on restoring traditional import and export routes disrupted by war, such as the Beira Corridor through Mozambique (which connects Zimbabwe with the outside world) and the Benguela Railway, which connects Zambia and Zaire to the Angolan port of Lobito.

Namibia's independence has led to increased speculation that Walvis Bay could become another SADCC port.

However, the prospect is discounted by a specialist on the transport network of southern Africa.

Writing in the Harvard International Review, Professor Gavin Maasdorp of the Economic Research Unit at Natal University says: "Walvis Bay is a South African enclave — a legacy of the colonial period and, despite a UN resolution to the contrary, supported in terms of international law.

"Significantly, the New York Accord has left the fate of Walvis Bay to be decided by negotiation between Namibia and South Africa. As long as the port is in the hands of Pretoria, its use by SADCC would increase, not diminish, dependence on South Africa.

"But more important are the economic reasons. Costly road or rail construction would be required either through the Caprivi Strip or across the Kalahari Desert to link the Namibian transport system with that of Zambia, Zimbabwe and Botswana, and it is doubtful whether traffic volumes would justify the investment.

"Plans for a trans-Kalahari railway based on exports of coal from potential mines in Botswana were shelved when coal prices fell in the mid-1980s, and anyway both Zimbabwe and Botswana have closer ports and hence less costly routes to the sea.

"Although the British multi-national Lonhro is investigating a Caprivi route to link the Zambian and Namibian railway systems, this would offer only a relatively small saving in distance for Zambia (especially the traffic-generating Copperbelt) compared with existing routes to Lobito, Beira and Dar es Salaam.

"The use of Walvis Bay therefore does not seem to be an economic proposition."

Professor Maasdorp says a post-apartheid South Africa could well become a member itself of SADCC. He notes the criticism by a former Tanzanian Cabinet Minister of policies aimed at duplicating efficient South African systems.

Some SADCC projects have a political rationale.

As South Africa enters a transition towards a new political system, he says, it is an opportunity for SADCC to eliminate projects which will have no long-term economic benefits and are likely to end up as costly white elephants.

SA's neighbours 'will co-operate'

SUVA, Fiji. — Southern African countries are ready to co-operate with a democratic South Africa to rebuild the region's economy, shattered after years of bitter civil war against rebels backed by Pretoria.

"We are certainly ready to co-operate with a democratic South Africa," Mr Frances Rodrigues, Mozambique's ambassador to the European Community (EC), said in an interview yesterday.

"Given the vast potential of the region, co-operation would be natural," said Angolan Planning Minister Mr Antonio Da Silva in a separate interview.

They were speaking on the fringes of a two-day meeting of ministers from the 68 African, Caribbean and Pacific (ACP) countries to discuss the Lome trade and aid treaty.

Both politicians welcomed President F W de Klerk's efforts to reform the apartheid system and his release of Mr Nelson Mandela, but called on the EC and other nations to maintain sanctions against his government.

"We think De Klerk is sincere, but we don't know if the system will allow it. There are many dangers," Mr Da Silva said.

"The steps he has taken are courageous and very positive," Mr Rodrigues said. "But the international community must continue to put pressure on his government until the process of eradicating apartheid is completed."

In a speech to EC and ACP delegates yesterday EC Development Commissioner Mr Manuel Marin said the countries of the SADCC (Southern African Development Co-operation Conference) should prepare for co-operation with South Africa.

The nine-nation SADCC comprises Angola, Mozambique, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi, Zambia and Tanzania. Newly independent Namibia will be the 10th.

"We will perhaps see a democratic and non-racial South Africa emerge in the next decade. SADCC should start to take this into account in its planning," Mr Marin said.

The EC gives non-lethal aid to help the called frontline states. It also supports projects to help victims of apartheid within South Africa.

Mr Da Silva said peace was the first prerequisite for development in the region.

He and Mr Rodrigues said their respective governments were striving for peace through dialogue with rebel groups, and were working to promote democracy within their single-party systems.

It was important for the SADCC to support Namibia, economically and politically, Mr Da Silva said. The region needed more financial aid from the EC and other donors if co-operation was to be successful, Mr Rodrigues said.

Both said transport and communications were key priorities for stimulating development. — Sapa-Reuter

African bloc takes a fresh look at SA

Star. 2/4/90

279A

HARARE — An African economic bloc set up 10 years ago to cut dependence on South Africa marked its first decade last week with only half its goals achieved.

The nine-nation Southern African Development Co-ordination Conference (SADCC) has been jolted by political changes in the country it sought to isolate, forcing a major policy re-think.

Leaders of Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe kicked off the celebrations at a ceremony in Lusaka this past weekend. It was the first of a series of events planned for the the region and overseas between April and August.

The SADCC, born at a meeting in the Zambian capital in 1980, sought to reduce reliance on South Africa by developing trade routes and communications independent of Pretoria and increasing interstate trade.

Western nations, citing the collapse of other black African regional economic blocs, were at first sceptical about the organisation's chances of success.

Some, such as the Nordic nations, welcomed the SADCC's drive to isolate Pretoria.

Other Western nations took the view that giving high-profile aid to the SADCC would make it easier to keep open trade and political ties with Pretoria without incurring the wrath of black Africa.

More than R7,5 billion in Western aid has gone into reviving ports and railways in Mozambique and Tanzania, diverting half of SADCC trade away from South African routes.

"If you judge the success of SADCC by the progress they have made in rehabilitating transport and communications, I have no hesitation in calling it an unqualified success," said a Western aid agency official in Harare.

The group has also been a successful political force in the region, pressing for change in South Africa and bringing Mozambique and Angola closer to their English-speaking neighbours.

But the goal of reducing trade with Pretoria by boosting intra-regional commerce and investment has been harder to achieve.

Some members' economies have shrunk during the past decade due to excessive bureaucracy, civil war, drought, growing populations and poor export earnings.

Pretoria's changes have forced cash-strapped African countries to re-think their policy of isolating South Africa, reports SAPA-REUTER.

"Worse, new investment, both local and foreign, has virtually dried up, and official development assistance, in real terms, is the lowest in two decades," says an SADCC report.

The political changes launched by South African have forced the organisation to re-think its policy of isolating Pretoria.

Black nationalist movements such as the African National Congress have been legalised.

Namibia, which gained independence from South Africa last month, formally joined as the 10th member of the club at the Lusaka meeting.

Namibian President Mr Sam Nujoma told SADCC heads of state that efforts to improve the standard of living of his countrymen were constrained by a crippling R1 200 million debt and decifit inherited from the previous South African administration.

Because of the inherited war-ravaged economy which had a narrow base and low productivity levels, President Nujoma said the constraints were now more pronounced because of his government's bid to establish social justice and economic growth.

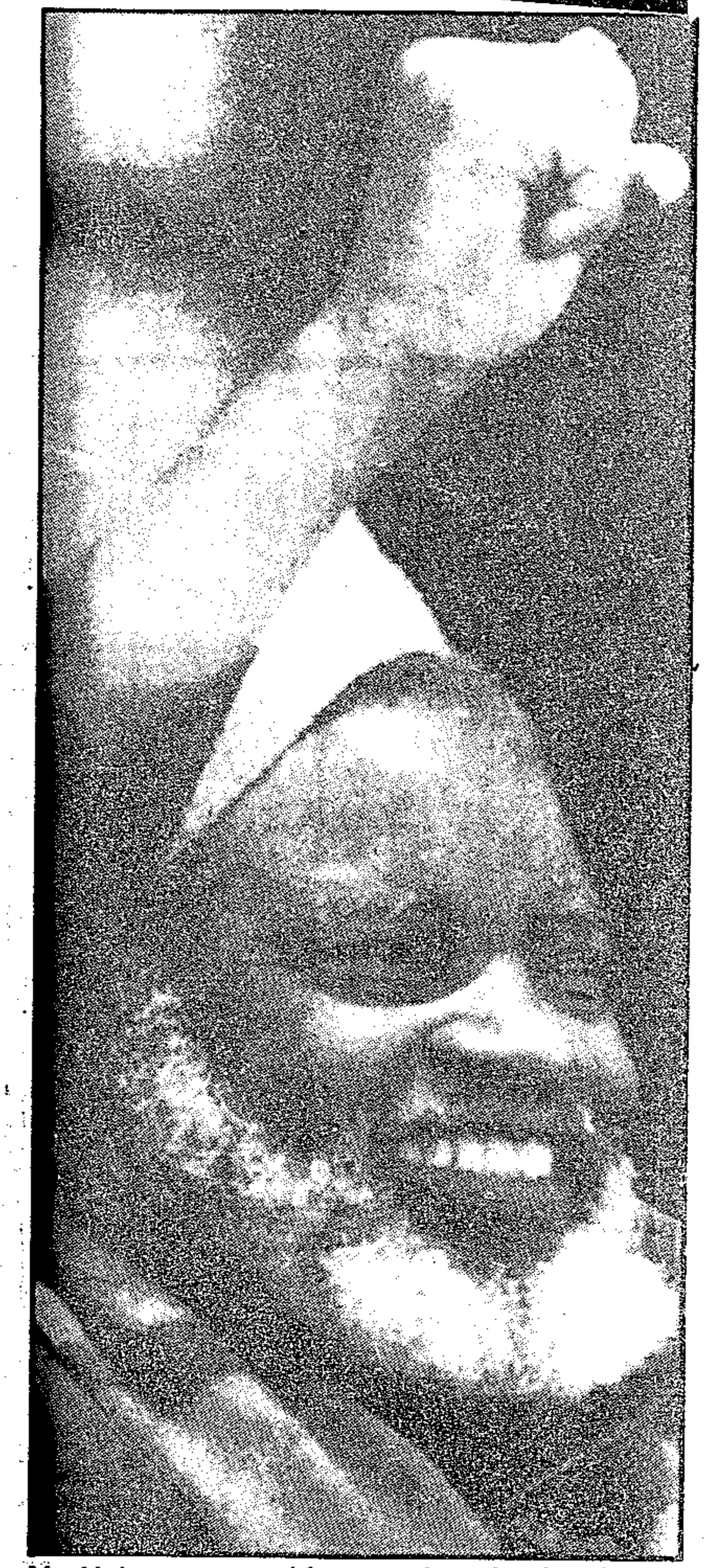
"We are inheriting an ernormous budget deficit, in the order of R500 million, not to speak of the immoral 'debt' of R700 million supposedly owed entirely to the former apartheid colonial regime.

"This," said Mr Nujoma, "puts constraints upon our ability to embark upon programmes of social upliftment".

President Nujoma said Namibia would make "a modest contribution" in facilitating SADCC member states' access to the sea. Namibia so far had control of the northerly seaport of Luderitz. South Africa still controlled the deep-water port of Walvis Bay.

"On the question of Walvis Bay, it is our fervent hope that the government of South Africa will co-operate in solving this problem in the spirit of Resolution 432 of the United Nations Security Council as soon as possible."

President Nujoma also offered to host the 1991 SADCC summit in Windhoek.



Mr Nujoma ... upliftment plans hindered by a crippling R1 200 million debt.

279A

Cape Times, Monday, April 2, 1990 7

Fight against SA must go on — Masire

LUSAKA. — The chairman of the SADCC, Botswana President Quett Masire, said on Saturday night that countries of the region should remain steadfast in opposing apartheid despite the freeing of ANC deputy president Mr Nelson Mandela and moves towards a negotiated settlement in South Africa, Zimbabwe's Ziana news agency reports.

Dr Masire told a banquet to commemorate the 10th anniversary of the Southern African Development Co-ordinating Conference in Lusaka that the frontline states and SADCC member states should march forward till a democratic South Africa joined the economic grouping.

"Whilst appreciating the initial steps taken towards negotiations in South Africa we must not lose our guard. In fact, we must maintain all the measures in place, to promote the process of change."

The anniversary celebrations were expected to be attended by all nine heads of the member states — Botswana, Zimbabwe, Zambia, Angola, Malawi, Lesotho, Swaziland, Mozambique and Tanzania.

President Sam Nujoma, who was last week inaugurated as Namibia's first head of state, received a resounding welcome as Dr Masire welcomed him to the SADCC "family".

The advent of a common European market in 1992, rising protectionism and the channging political and economic atmosphere gripping Eastern Europe were highlighted by all who spoke. They agreed that the developments called for stronger links within the region. — Sapa

have been spent under military re- Abubaker Rimi, ex-governor of Ka- of as one. — Daily Telegraph.

SADCC celebrates first decade with only half its goals achieved

HARARE — The southern African economic bloc set up to cut dependence on SA marks its first decade this week with only half its goals achieved.

The nine-nation southern African Development Co-ordination Conference (SADCC) has been jolted by political changes in the country it sought to isolate, forcing a policy re-think.

Leaders of Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe will celebrate at a ceremony in Lusaka this weekend.

It will be the first of a series of events planned for the the region and overseas between April and August.

The SADCC, born at a meeting in the Zambian capital in 1980, sought to reduce reliance on SA by developing trade routes and communications independent of Pretoria and increasing inter-state trade.

Western nations, citing the collapse of other black African regional economic blocs, were at first sceptical about the chances of success.

Some, such as the Nordic nations, welcomed the SADCC's drive to isolate Pretoria because of its policy of apartheid.

Other Western nations took the view that giving aid to the SADCC would make it easier to keep open trade and political ties with SA without incurring black Africa's wrath.

Success

More than $3bn in Western aid has gone into reviving ports and railways in Mozambique and Tanzania, diverting half of SADCC trade.

A Western aid agency official in Harare says: "If you judge the success of SADCC by the progress they have made in rehabilitating transport and communications, I have no hesitation in calling it an unqualified success."

The group has also been a successful political force in the region, pressing for change in SA and bringing Mozambique and Angola closer to their english-speaking neighbours.

But the goal of reducing trade with Pretoria by boosting intra-regional commerce and investment has been harder to achieve.

Some members' economies have shrunk during the past decade due to excessive bureaucracy, civil war, drought, growing population and poor export earnings.

"Worse, new investment, both local and foreign, has virtually dried up, and official development assistance, in real terms, is the lowest in two decades," says an SADCC report.

The political changes launched by President F W de Klerk have forced the organisation to re-think its policy of isolating Pretoria.

Namibia, since gaining independence last week, will formally join as the 10th member of the club at the Lusaka meeting. — Reuter.

SADCC urges economic unity

B/Dem 5/4/90

LUSAKA — The Southern African Development Co-ordination Conference (SADCC) has urged its member countries to abandon their overrated spirit of nationalism and look into the hard facts of economic survival. (279A)

SADCC executive secretary Simba Makoni said here that while Europe was dismantling its economic barriers, some member countries were clinging to their sovereign right to make their own economic mistakes.

He said the rest of the world was finding economic sovereignty a luxury it could not afford.

He said it was for political reasons that the East African Community had disintergrated "and not the economic unviability of a joint airline, rail and motor transport system".

Scattered

Makoni urged member states to take heed of the consequences to the region of the establishment of a common currency by Europeans in 1992 and of Europeans beginning to divert their investment to the Eastern bloc.

He said that to achieve an equitable distribution of SADCC benefits, there was a need for members to direct their new investment to regional levels.

He said instead of having scattered motor assemblies, textile industries and energy stations operating at low capacities to feed national markets, it was more prudent to have larger units supplying the entire region.

Makoni said that even better established European and US companies were integrating to protect themselves against current adverse economic conditions.

He said, however, he was happy about the co-operation of five of the nine member countries in setting up a joint airline. — ANO.

Mandela in Lusaka for Frontline meeting

THEO RAWANA

ANC deputy president Nelson Mandela flew to Lusaka yesterday to meet Frontline state leaders and the ANC national executive, an ANC spokesman said in Johannesburg yesterday.

Mandela would be back tomorrow, in time to meet foreign ministers of Ireland, Italy and West Germany on Wednesday, he said. BPay 9/4/90

Mandela and other ANC leaders met Azapo members in Soweto on Saturday night with a view to forming a united anti-government front, the ANC spokesman said.

Meetings with other black political organisations, including Nactu, were in the pipeline in the ANC's drive for a broad anti-apartheid front, he added.

Sapa reports that a joint statement issued by the ANC and Azapo deplored the violence in SA, blaming it on "apartheid colonialism".

"Unity in action and peace among our people require urgent resolution," the statement said, adding that Mandela and Azapo president Jerry Mosala, acting as a committee, would contact other organisations to discuss the possibility of a consultative conference 279A

● See Page 2

State and markets both have role to play in health care

BDay 18/4/90.

(279A)

MIKE MULLER

A MAJOR meeting on post-apartheid health policy has just been held in Maputo. That it was held there rather than in SA is symbolic of the distance that separates the domestic parties in this critical policy area, as well as a reflection of the speed of change.

The delegates from the Frontline health ministries, the ANC health department, internal organisations and professional groups debated, among other things, lessons from the experience of the Frontline states — experience based on the principle of "health for all" which South Africans would be rash to dismiss.

Meanwhile, our health industry appears determined to follow its current path of "health for some", with medical aid schemes clamouring to offer preferential rates for low-risk members and to hell with the rest. But it follows this path at its peril, given the existing problems of free market medicine.

These begin at birth, as illustrated by the decision of the SA Society of Obstetricians and Gynaecologists to revise its fee system. This revision attempts to deal with suggestions that caesarean deliveries might be performed for financial rather than clinical reasons. "A global fee for confinements was decided upon in an attempt to lower the extremely high number of caesarean sections done in private practice," it explains in its recent Guide to Fees review.

The would-be free market midwives of the new SA economic order should take heed. If they thought through the implications of this symptomatic piece of voluntary regulation, they might reconsider the more extreme of their policy prescriptions lest the baby they deliver is a mutant monster.

The debate about how to provide health care in a new SA, including articles in Business Day over the past few months, has important implications for many other areas of life. In particular, it highlights the caution needed in addressing the vexed and central question of the role (if any) of the state. Essentially, the debate is between those who believe in the cure-all of the market and those who prefer their prescriptions to be rather more specific.

Prof W Duncan Reekie of the Wits Business School set the ball rolling (Business Day, January 31) with a fervent plea for deregulation of medicine. "Health care is not a special case," he argued, adding that you don't understand much about how a CD player works when you buy it, either.

Prof Reekie has a long track record of defending the existing system of private health care and promoting the further extensions of privatisation and deregulation. He believes that "only deregulation can permit us to find the best system or (more likely) the optimal plurality of systems".

What Reekie ignores, however, is the evidence which we already have. Last year he argued in the SA Medical Journal that over-the-counter medicine from chemists provided good, cost-effective treatment. The economics looked compelling; the facts are not.

Take the survey published in the SA Medical Journal in November 1989, which showed that more than 60% of Johannesburg chemists recommended the wrong medicine for children with diarrhoea. The products some of them offered are not only ineffective; they are well known worldwide to be potentially dangerous, in the extreme, fatal; more efficacious remedies are widely known but not very profitable to sell.

"These findings are perturbing, because acute diarrhoeal disease is the biggest cause of mortality of children aged one to four years in SA," comment Dr Peter Barron and his students from the Wits Department of Community Health, who conducted the survey.

A senior pharmaceutical professional commented, anonymously, that the situation revealed by the survey was "unforgivable". The problem was that those in the chemists' business were schizophrenic, professionals who had to give sound advice but also businessmen who had to sell medicines to make a living. His only consolation was that doctors' prescribing for the same condition was just as bad.

There are many more examples. But for the purposes of the present debate, what matters is whether the end results are acceptable — and they are not. SA was recently relegated by the World Bank from upper-income to the medium-income developing country league; but we don't even look good when we compare lemons with lemons.

Although SA is near the top of the 35-country medium-income league, with Brazil and Malaysia, our life expectancy and infant mortality figures fall in the bottom quarter with those of the Philippines, Zimbabwe and the Dominican Republic. This is despite the fact that we spent about the same proportion of GNP on health as do the other countries — that is, we spent more per head than poorer countries but got less for our money.

Extreme, untested prescriptions in the vein of "let the market take the strain" are not the answer. Suggestions that medical aid schemes should be deregulated so that they can offer reduced premiums to low-risk groups are dangerous nonsense which would leave more people dependent on the state.

Health is a basic social goal and international experience is that some form of co-operation is necessary if basic health care is to be made available to all. This does not mean that all health care must be provided by the state. The state need only give the private sector a framework in which to operate — by obliging medical aids to opt into, rather than out of, high-risk care and thus enlarging the community which can pay its own way.

A compulsory national health insurance system to which all wage earners would have to contribute has been mooted. This would firstly ensure that those with means covered themselves for health risks. Secondly, it would ensure competition.

Present medical aids are too small and too many to match the might of the providers. So a national scheme would not just pay health bills. It would use its strong central bargaining position to ensure that the health consumer got value for money in a market in which the role of consumer (usually a doctor) and provider (also a doctor) are today hopelessly mixed up.

Services could continue to be provided by private enterprises working in a market environment. The existing medical aids could act as agents for the national system.

It has authoritatively been suggested that savings from such a compulsory insurance system could pay for a parallel health-care system for the indigent. Intelligent state intervention would thus use the market to achieve its social goal. It would bring more people into self-financed health care and minimise the residual burden for the state which will always have to provide for the rest — for Ken Owen's "poor lunatic always last in line" (Business Day, March 6).

The market mechanism can undoubtedly promote economic growth; this in turn may well improve the welfare of the community. But health, in its broadest sense, is a welfare objective which can and should also be addressed directly, by efficient health services. Why go the long way round?

☐ **Mike Muller, development specialist and author of The Health of Nations, has written extensively on international health policy.**

West told not to lift sanctions

Sowetan 24/4/90

HARARE - The president of the Association of West European Parliamentarians for Action Against Apartheid (AWEPAA), Mr Jan Nico Scholten, yesterday called on the West not to lift sanctions against South Africa under the current circumstances.

Speaking at the opening of a four-day conference in Harare on how to counter the effects of SA destabilisation on children in the Frontline states, Mr Scholten predicted that a renewed bid by Britain's Margaret Thatcher to gain the support of other European Economic Community member states in relaxing sanctions would be thwarted at the EEC council's next meeting in Dublin.

Members

AWEPAA draws its members and associates from national parliaments in Western Europe, the United States, Canada, New Zealand, Australia and Japan and from the European Parliament.

Scholten said it would be a contradiction for the EEC to lift sanctions, after the unanimous adoption by the United Nations general assembly of a resolution which called for upholding sanctions until profound changes had taken place inside South Africa.

Sanctions, he said, worked, as evidenced by Namibia's independence and the important though not decisive changes in South Africa.

He added the West had at its disposal instruments of economic, financial and arms embargoes that could lead to one-person-one-vote.

The conference heard destabilisation had cost the SADCC some 10 billion US dollars in 1988 alone, the equivalent of more than three times the total development assistance for that year.

Poorer countries wanting more than open markets

NEW YORK — Have-nots will try this week to convince wealthier countries that developing open markets will not turn debt-ridden economies around — they need international help.

The UN General Assembly's five-day special session on economic co-operation that opened yesterday will hear nearly every nation in the world attempt to steer future development programmes in their direction.

UN development research assistant secretary-general Enrique ter Horst says: "Developed countries are trying to convince the developing countries that if they put their houses in order everything will fall into place."

Symptoms

"But those developing nations who have seen commodities prices fall for 10 years and have a high debt feel no internal policies will do the trick.

"Actually both sides are right ... but it is no coincidence that for the past 10 years more than 70 countries have been suffering from the same symptoms," he says.

Arguments on a final declaration, which is non-binding, are nevertheless being taken seriously by the UN Assembly.

They are also being considered by the US, which reluctantly agreed to take part and whose assent is considered important.

As the largest single foreign aid contributor, the US is not entirely happy with any of the three draft declarations, from Bolivia for the non-aligned countries, from Canada and from Ireland for the EC.

US Ambassador Thomas Pickering believes: "There is always a tendency to believe that the developing world needs to have too much delivered too rapidly without enough concern about domestic policy."

Keeping to one side in discussions so far are Eastern European nations, which have recently announced radical economic changes and, according to UN studies, are expected to divert some resources from Latin America in the short term.

UN Assistant Secretary-General Goran Ohlin says: "They are not insisting that their policies be endorsed or that the financing be necessarily promoted by the UN."

And East Germany, whose ambassador Siegfried Zachmann in the past has been a vocal spokesman in UN debates, is staying close to West Germany this week.

East Berlin's new right-wing Economic Co-operation Minister Hans-Wilhelm Ebeling is flying to New York with West German counterpart Juergen Warnke aboard a Bonn government aircraft in the first such joint international mission.

The two ministers will co-ordinate speeches and appear at a joint Press conference.

However, Ter Horst believes the "main challenge" of the special session is to integrate into the world economy nations in Africa and Latin America which have benefited the least from world-wide revival of economic growth and trade.

Resources

"Most of these countries today have moved from having unviable economies to being unviable societies," and are selling everything at any price to service the debt, he said.

"They are unable to think in long-term concepts and address their immediate survival — or their people, like their resources, will continue walking from south to north."

Among the proposals from non-aligned countries are measures to expand trade for commodities at higher prices, develop "new mechanisms" to lessen their huge foreign debts and review what they call unsuccessful "structural adjustment" plans. — Sapa-Reuter.

Extended power grid mooted

ESKOM is involved in close discussions with Zimbabwe, Malawi and Botswana on the extension of a R13bn power grid in southern Africa, and is also linked to talks in this regard between Namibia and Angola, according to Eskom CE and chairman Ian McRae.

The construction of a power plant in Zaire was also a possibility mentioned by McRae yesterday at a conference held to mark the inauguration of the Strategic Management Society of Southern Africa. The topic of the conference was the repositioning of SA in a globally competitive market.

McRae said the cost at present values of developing the infrastructure for electricity in SA and southern Africa would total about R13bn.

The attitudes of African countries towards co-operation with SA had changed dramatically, McRae said. The changes in Eastern Europe and political developments in SA had created a more positive attitude.

LINDA ENSOR

SA was important to the electrical development of southern Africa because it would have a demand for energy in the year 2000 of about 30 000 megawatts (now 22 000, compared with the demand of 2 500 megawatts in the second-largest southern African country after SA).

McRae said Eskom could, over the next decade, make electricity available to 2,5-million houses (about 20-million people) in SA at a cost of R5bn, although a problem was the backlog in the provision of housing.

Discussions were being held with Botswana for the establishment of a 2 000 megawatt power station with strong links to African countries in the north. McRae said the cost of such a plant, including dams, would be about R5bn.

Repairing the damage to Cahora Bassa would cost about $190m. McRae predicted Cahora Bassa — which has the potential to generate 2 000 megawatts — would be working within about two years.

Close discussions were being held to extend links from Cahora Bassa to Zimbabwe, the outlook of which looked positive. The possibility of a 400-cable link between Zimbabwe and SA also looked optimistic.

McRae said Malawi was ready to take part in the Cahora Bassa scheme. Namibia and Angola were also involved in discussions about sharing power, with a connection to SA.

Finally, a possible 1 000 megawatt plant in Zaire would cost about R2bn to R3bn.

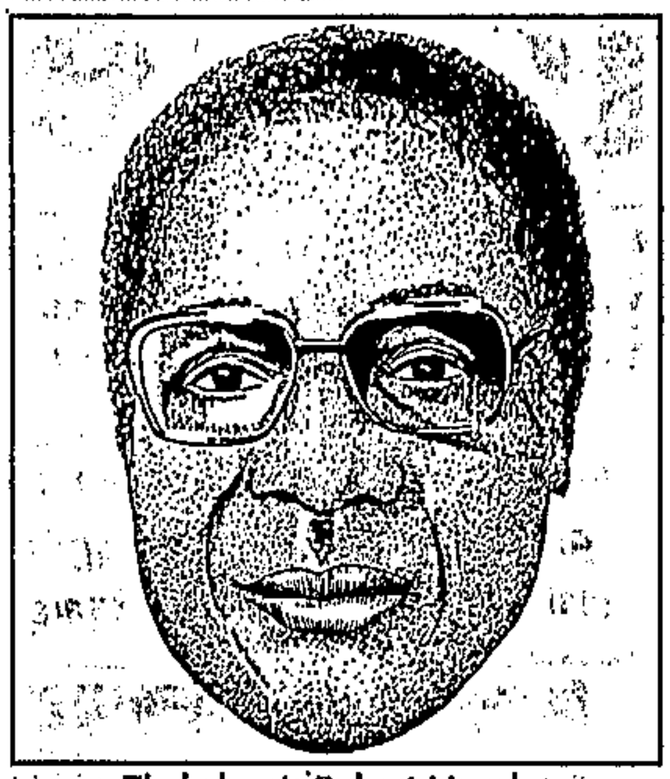
SA already provided all of Lesotho's energy, 80% of Swaziland's, about 70% of Mozambique's, about 30% of Botswana's, and had a buy/sell arrangement with Namibia. The infrastructure for a southern African power grid was therefore well advanced, McRae said.

● See Page 8

Freedom
- in our time -
South 26 - 2/05/90



Angola's Dos Santos



Zimbabwe's Robert Mugabe



Zambia's Kenneth Kaunda

Pressure on ANC

The realities of the Southern African sub-region have resulted in growing pressure on the African National Congress from its staunchest allies in the Frontline States. Developments in the region over the past year have changed perceptions of the South African government from Maputo to Luanda. JOHN BATTERSBY reports:

AS the negotiating process takes shape, the African National Congress is likely to experience increasing pressure from the Frontline States to make compromises in the search for a negotiated settlement.

The Frontline States — Zambia, Zimbabwe, Angola, Tanzania, Botswana and Mozambique — will continue to be staunch public allies of the ANC and will not be party to any sell-out.

But the framework in which gradual and subtle pressure will be exercised is now firmly established.

The process will gain momentum once President FW de Klerk demonstrates that the era of destabilisation of neighbouring states has come to an end.

Nudging

The Frontline States have already played a central role in nudging the ANC towards negotiations.

Since Mozambique's Frelimo government signed the Nkomati Non-Aggression pact with Pretoria in 1984, the ANC's infiltration routes from the north have been systematically closed off.

The turning-point in the waning fortunes of the ANC's armed struggle came in August 1988 when — in terms of the Geneva Protocol — Angola tacitly agreed to close the ANC's military camps in Angola in return for Pretoria cutting aid to Unita.

While the ANC publicly agreed to this request — in the name of assisting the process leading to Namibian independence — leaders of Umkhonto we Sizwe openly admit that it was a major setback to the armed struggle.

The relocation of the ANC's military camps from Angola to Uganda and Tanzania involved a massive logistical operation which made enormous demands on the ANC's resources, effectively suspended military planning and infiltration, and did nothing for the morale of MK cadres.

Pressure

Further pressure has been exerted on the ANC to opt for talks by Zambian President Kenneth Kaunda who has played political host to the ANC headquarters in Lusaka for the past decade.

Shortly after ANC deputy president Nelson Mandela visited Lusaka last month, Kaunda broke ranks with other Frontline leaders by calling on the ANC to suspend its armed struggle.

He has not pursued the issue since then but is clearly impatient that the negotiating process should make rapid progress and deliver early results.

After his first meeting with De Klerk in Livingstone in August last year, President Kaunda pledged to arrange a summit of Southern African leaders once Namibia won its independence.

Isolation

Despite ANC efforts to dissuade Frontline leaders from meeting De Klerk, he has succeeded in breaking through the cordon of isolation that once kept South Africa apart from its neighbouring states.

But the ANC has succeeded — so far — in preventing a full Southern African summit that would include De Klerk.

At the Namibian independence celebrations on March 21, De Klerk scored a significant diplomatic breakthrough. Before sharing a platform with Namibian President Sam Nujoma, he held his first face-to-face meeting with Angola's President Jose Eduardo dos Santos.

Conspicuous by his absence at the celebrations was Zimbabwe's President Robert Mugabe who cited election campaign commitments as the reason for his surprise non-attendance.

But the general feeling in Windhoek was that Mugabe wished to avoid a face-to-face meeting with the South African leader. Mr Mugabe has taken a notably harder line towards De Klerk, and he and his colleagues have warned the ANC not to abandon the armed struggle immediately.

Significantly, this is the line advocated by the Pan-Africanist Congress (PAC), which Mugabe has willingly hosted in Harare on several occasions.

Another forum where the ANC could soon begin to feel pressure is from the nine-nation Southern African Development Coordinating Conference (SADCC).

At a conference in Lusaka in February, the SADCC — formed 10 years ago to reduce economic dependence on South Africa — made provisions for South Africa to eventually join the grouping.

Future Frontline State pressure on the ANC will be exerted within the framework of the United Nations General Assembly's Declaration on Apartheid adopted on December 14 last year.

The UN resolution, adopted unanimously, represented a major triumph for the ANC.

But it also involved significant concessions by the ANC on its original policy document on negotiations — the Harare Declaration — adopted by the ad hoc committee of the Organisation of African Unity on Southern Africa in Harare on August 21 last year.

UN Declaration

In terms of the UN resolution, there will be no compromise on the complete eradication of apartheid and the creation of a system of universal franchise, based on one person one vote, in a unitary South Africa.

But, to achieve international consensus, the ANC agreed to soften provisions on sanctions and the armed struggle and dropped references to a sovereign "interim government" — which would have included the ANC.

In terms of the UN resolution, the Pretoria government will retain effective control of the country throughout the negotiating process — until elections are held under a new constitution.

The ANC's more recent insistence on a democratically-elected constituent assembly to draw up the constitution is intended to compensate for the loss of the guarantees implicit in the "interim government".

But it is not either part of the Harare Declaration or the UN resolution and its attainment will require additional ANC leverage.

Once De Klerk has succeeded in locking the ANC into the negotiating process — and emasculating both the armed struggle and sanctions — the ANC will have few lovers.

Options

It is at this point that the Frontline States could join with the international community in closing off the ANC's exit options.

(John Battersby is the Southern Africa correspondent of the Christian Science Monitor)

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Congress of South African Writers

The Congress of South African Writers, recognising negotiations as a site of struggle, supports the initiative of the ANC to engage the regime.

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Freedom
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A sense of identity

FM 4/5/90

279A



Zimbabwean Simba Mokoni is executive secretary of the nine-member Southern African Development Co-ordination Conference, better known as Sadec.

***FM*: Can Sadec be counted a success after its first 10 years?**

Mokoni: I think Sadec can look on its first 10 years with some sense of achievement. First and foremost, we have inculcated among the peoples of this region a sense of common identity and belonging. This is not an easy thing to measure, but it is a critical prerequisite for practical co-operation in the material areas, in which we've managed to do a number of useful things.

Transport and communications has pride of place. Two years ago, we broke the 50% barrier of goods carried by regional systems as against SA systems, mainly through Beira and Dar es Salaam. This is growing. Last October, we re-opened the Nacala railway line. This year, we expect the Limpopo railway will re-open to normal commercial traffic and, hopefully, with peace in Angola we can look at concrete work on the Benguela line.

We now have to address different constraints — wagon capacity and locomotive power. But the goods, port capacity and railway systems are there.

We are looking now, following Namibian independence, at possibly one new corridor in the south of Angola or the north of Namibia depending on the economics and logistics, and on what happens between Namibia and SA on Walvis Bay.

Civil aviation is another area of significant achievement. When I first went to Botswana to work for Sadec in 1984, other than going to Harare and Lusaka once a week I could not travel on a national airline. Now I can go practically anywhere in this region on a Sadec national airline several times a week.

Telecommunications: In 1984, there were few places in the region one could call directly without transmitting through either Johannesburg, Cape Town, London or Lisbon. Now all nine members are connected on a direct dialling system, either through radio microwave or earth satellite stations. This is being extended to smaller towns.

Energy: There have been significant efforts in power interconnections, mainly between Zimbabwe, Botswana, Zambia and Mozambique; and we are now looking at interconnections between Zambia-Malawi, Malawi-Tanzania, Malawi-Mozambique and Tanzania-Zambia. The trunkline of the regional power grid we've been working on should be adequate to distribute power throughout the region.

In the difficult agriculture sector we've made significant progress in the research and development of new seed varieties, mainly sorghums and millet, which are very important for the semi-arid parts of our region.

Human resources development is one area where our achievements are somewhat more modest. We have established a framework through which Batswana are undertaking training in Zimbabwe, Basuto in Zambia and vice versa and we've begun to see the development of regional institutions for shared technology, an inspectorate for schools and tsetse fly and sleeping sickness control centres to serve the region as a whole.

Industry and trade is the critical area for the future. We had minimum practical progress here. But, last August, we launched a new industrial and trade development strategy and programmes we now must apply.

Some of these modest achievements in physical investment could not have been made without the international support we have generated. These are important beginnings.

What has been the level of investment?

Our programme is valued at between US$6bn-$7bn. Of that we've been able to mobilise $3,2bn, of which about $2,5bn has come from outside the region and the balance from our own countries.

When do you see economic take-off?

Development is a continuum. We will continue to invest in infrastructure. In 1986, we concluded that, as a launching pad for further development, what we had done in planning and infrastructure was enough to enable us to look at the critical areas of investment, production and trade. So we're actually in the second phase of our regional co-operation programme and those areas will preoccupy us in Sadec's second decade.

The original aim of Sadec was to reduce dependence on SA ...

I regret very much that that impression was created. The basic purpose of our co-operation has no motivation in apartheid SA, per se, but in the inequity of our present relationship. We also record that present dependence of our region on SA is not the result of the normal flow of market forces, but a deliberate political policy going back to Cecil Rhodes. The Lusaka Declaration (setting up Sadec) is very clearly constructed: to reduce our dependence "particularly, but not only, on SA." We are really aiming at increasing our collective self-reliance. The apartheid factor added urgency to the need to co-operate, a need which is going to be even greater when apartheid is finally eliminated.

We have achieved a degree of dependence reduction. What we want is to establish a state of mutually beneficial interdependence. We'll continue to interact with SA, but not on a basis of overlord to vassal. This takes us to our second objective of the future: to forge links towards equitable regional integration. And we will want to forge balanced equitable integration with SA.

SA statistics show that its trade with Africa has increased.

Statistics are like rubber or plastic, you can shape them into any form you want. Safto never gives a breakdown. What I know is that the level of trade between Sadec countries and SA has not increased. But we know SA has been pushing trade with Mauritius, Seychelles, Comores, Ivory Coast, Guinea and Zaire.

Is SA closer to world acceptance through Africa?

It may be through other countries, but not via Sadec member states. There is no basis for us to work with SA as long as apartheid exists. When SA has become acceptable to itself, then we can talk about its role in the region, powerhouse or not. And we don't regard SA as the only basis on which we can move forward. It has a contribution to make — the first being normal relations between its own peoples.

Have sanctions against SA hurt you and should they be lifted?

Sanctions were a critical part of the struggle of the people of SA to eradicate apartheid. When the economy started suffering as a result it became very difficult for SA to continue as it had been. Sanctions have borne their result and none of my countries have directly suffered from them.

Namibia, Angola, Zambia to link up electrical supply

WINDHOEK — Namibia is to begin supplying electricity to Angola and buying power from Zambia in terms of an agreement between Southern African Development Co-ordination Conference (SADCC) countries.

SWA Electricity Corporation director Polla Brand said in Windhoek yesterday personnel had already left to investigate extending the powerline from Ruacana, on Namibia's northern border, to Xangongo, 80km inside southern Angola. Business Day 4/5/90 (279A)

Technicians would immediately begin erecting a line to bring electricity across the Zambezi from Zambia to the Caprivi in the north-east, where the eventually shut down of the diesel power station at Katima Mulilo was planned.

These developments followed a meeting of SADCC electricity sub-committee members in Harare last week attended by representatives of Namibia, Botswana, Lesotho, Zimbabwe, Zambia, Mozambique, Malawi, Tanzania and Angola.

Brand said member countries had agreed that voltage, frequencies and operating codes should be standardised.

"We also agreed to investigate mutual power supply and to standardise training so that in a crisis, personnel could assist in other countries," Brand said, adding that equipment and spares would also be standardised.

The next SADCC electricity sub-committee meeting was due to be held in Windhoek in October under Brand's chairmanship. — Sapa.

SA ports may be hit by import/export switch

Sowetan 7/5/90

By JOSHUA RABOROKO

TEN years after independence land-locked Zimbabwe is looking at prospects of snubbing South Africa by using Mozambican ports for exports and imports to empower the country economically.

Businessmen are being encouraged to use the now bustling Beira port, having realised that to route via South African ports of Durban and Cape Town is expensive and cumbersome.

The move is expected to be followed by the East and Southern African Preferential Trade Area (PTA) and the Southern African Development Coordination Conference (SADCC) because of South Africa's abhorrent apartheid policies.

The PTA's director of agriculture, Mr Joel Ong'iro, told *Sowetan Business* that unless South Africa got rid of apartheid, members of PTA and SADCC would continue to consider trading with other countries. For South Africa to become a member it would need to have majority rule.

Potential

The PTA has 15 members: Burundi, Comoros, Djibouti, , Ethiopia, Kenya, Lesotho, Malawi, Mauritius, Rwanda, Somalia, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe. Together they have an estimated potential market in 1990 of 156 million people.

The nine member nations of the SADCC are Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe with a total potential market in 1990 estimated at 84 million people.

Ong'iro said PTA's aim was to promote cooperation and development in all areas of economic activity, particularly in the fields of trade, customs, industry, transport, agriculture, natural resources and monetary affairs.

It had established a multi-lateral trade clearing facility to settle intra-regional debts by way of the PTA Clearing House located in the Reserve Bank of Zimbabwe.

To avoid chronic dependence on the US dollar or other hard currencies to carry out trade among African member countries, the PTA facilitated for intra-regional trade to be paid for in regional currencies and intra-regional country debts are settled in the Unit of Account of PTA (UAPTA) which is equal to the Special Drawing Right of the IMF.

Exploit

The SADCC seeks to coordinate the regional developments of member states allowing each to exploit its own comparative advantage within a regional framework.

Another objective is the reduction of economic dependence, especially, but not only, on South Africa.

SOUTH AFRICANS

(279A)

Frontline foes could clear the congested air of SA's skies

W/Mail 25/5 - 31/5/90

Weekly Mail Reporter

FRONTLINE states can provide South Africa with a cure for the ecological damage caused by the government's "state of siege" energy programme.

Professor Anton Eberhard, head of the University of Cape Town's Energy Research Institute, says Pretoria's traditional foes in Southern Africa hold the key to this country's air pollution problems.

One dam on the Zaire River could, for example, provide South Africa with more hydro-electric power than the combined output of all 12 of the coal-burning power stations in the Eastern Transvaal.

"Eskom has already begun to look at this option, especially because it is a way of attracting capital from abroad for investment in a plant that will supply South Africa with energy," says Eberhard.

"But Zaire is not the only country with this potential. Many of the rivers in Angola, Zambia and Zimbabwe could be used for this purpose and the Cahora Bassa scheme in Mozambique can be expanded."

Hydro-electric dams are the cheapest way to generate large amounts of electricity. They utilise technology that has proven to be reliable and are comparitively safe environmentally.

"The other great advantage of dams is that they do not consume vast and finite sources of fossil fuel. Unlike coal, their supply of water is renewable and does not generate waste."

The key to utilising this potential lies in South Africa being admitted to the Organisation of African Unity and the Southern African Development Co-ordinating Conference.

Says Eberhard: "A series of regional hydro-electrical schemes in a Southern African economic community could provide the basis for balance and collaboration between the countries of the region."

He points out that South Africa has the potential to develop other renewable sources of energy — if the government puts more of its resources into research and development.

Ecologically safe methods of generating, and saving electricity, include:

●The creation of wood lots in rural villages. South Africa's 10 "homelands", deprived of cheap electricity, are already consuming more wood as fuel than their lands produce each year, says Eberhard.

"At the current rate of consumption, South Africa's total woodland resource will be wiped out in 40 years. Countries like Korea have implemented tree-planting programmes that show wood lots can become viable sources of fuel for rural communities within seven years — if there is a political will."

●The use of solar-powered photo voltsaic cells. These are expensive but can be installed by industrial plants to minimise their drain on electricity supplies.

●Designs for low-cost housing that ensures effective insulation and limits the need for heating.

●Solar water heaters halve the amount of electricity used by traditional geysers. In Israel, for example, 60 percent of homes are fitted with such equipment.

●Wind generators can be used to supplement a national electricity grid at selective sites along the coast.

"The problem," says Eberhard, "is that the government now devotes about R3-million to R4-million for research and development of renewable energy — a mere fraction of the R750-million given to the Atomic Energy Corporation."

Namibia plans a R1-bn hydro-electric scheme

By Dale Lautenbach,
The Star's Africa News Service

WINDHOEK — Namibia plans to build a R1 billion hydro-electric scheme which, at double the output of the existing Ruacana installation, would enable it to sell power to neighbours Angola, Botswana and South Africa.

Mr Pollo Brand, chairman and managing director of the South West Africa Water and Electricity Corporation (Swawec), says the new 500 Megawatt station was planned for Epupa, downstream and west of the 240 Megawatt Ruacana and, like it, on the swift flowing Cunene River, the border with Angola.

At present Ruacana meets Namibia's electricity needs in the rainy season and for a short while after that while the waters are still high and feeding in from the Gove Dam, a catchment facility Swawec built inside Angola itself. During this period Namibia has enough power to sell to South Africa, always a willing buyer, says Mr Brand.

The pendulum swings in the dry season though with Namibia buying power from South Africa at inflation-linked prices, a spiral from which Swawec would like to extricate itself as electricity prices on the Eskom grid soar.

"This forced us to look at where we could get additional energy reasonably and at a price which would not escalate annually," says Mr Brand.

The Cunene River, which plunges through gorges and rushes down rapids, has a maximum potential energy output of about 1 000 Mw so the combination of 240 and 500 Mw stations on the same river is well within its capacity.

To realise Epupa, Namibia needs money and Angola's co-operation as part of the scheme will fall on the northern side of the river.

That will involve raising loans and achieving a political deal underpinned by the Helsinki Agreement which provides the principles of co-operation in instances of shared border resources.

Angolan support

An Angolan energy delegation in Windhoek this week, led by Mr Jorge Simoes, SADCC regional co-ordinator in Luanda and national director of Angola's Ministry of Oil and Petroleum, expressed support for the scheme, but pointed out that the terms of the previous agreement drawn up between South Africa and the Portuguese for the development and utilisation of the Cunene River basin would have to be reviewed.

Energy men like Mr Brand continue to dream of the network of power and water that, politics apart, could span the sub-continent in a potent grid of shared resources.

On funding the project, Mr Brand grins: "We might get Eskom involved. Of course, that's taboo now, but things won't stay that way. South Africa will become a member of the SADCC.

"Then we could tie up the Cuanza (a 500 Mw scheme under construction in Angola now), Epupa, go across the Kalahari to Botswana in a future linkage. And we could sell what's left to South Africa."

With Cahora Bassa powering the sub-continent from the east, the sub-continent would be covered. Everyone at a recent SADCC energy sector meeting in Harare appreciated this: "But remember, we're talking to technical people, not politicians.

"I asked them in Harare, 'What have you got in abundance ... cold debts and plenty of hydro-electric power with which to do nothing because you've got no customers? The only customer is South Africa'."

That's for the future though and right now Namibia sits with a dry season ahead and the Ruacana feeder dame, Gove, emptying so that damage caused by the war in Angola may be repaired.

Mr Brand relishes re-living the tale of Ruacana. It was first dreamt up around 1962, he says, by Dr H J van Eck, chairman of South Africa's Industrial Development Corporation. Negotiation with Angola's Portuguese colonists took many years, construction beginning only in 1971.

"It was completed by the end of 1975 but by then the Portuguese had left and the South African troops were way up inside Angola and had messed everything up ... with the completed Ruacana we couldn't do anything because there was no water."

The diversion weir which had to be closed to divert the water into the power station was on the Angolan side, unreachable due to the new conflict.

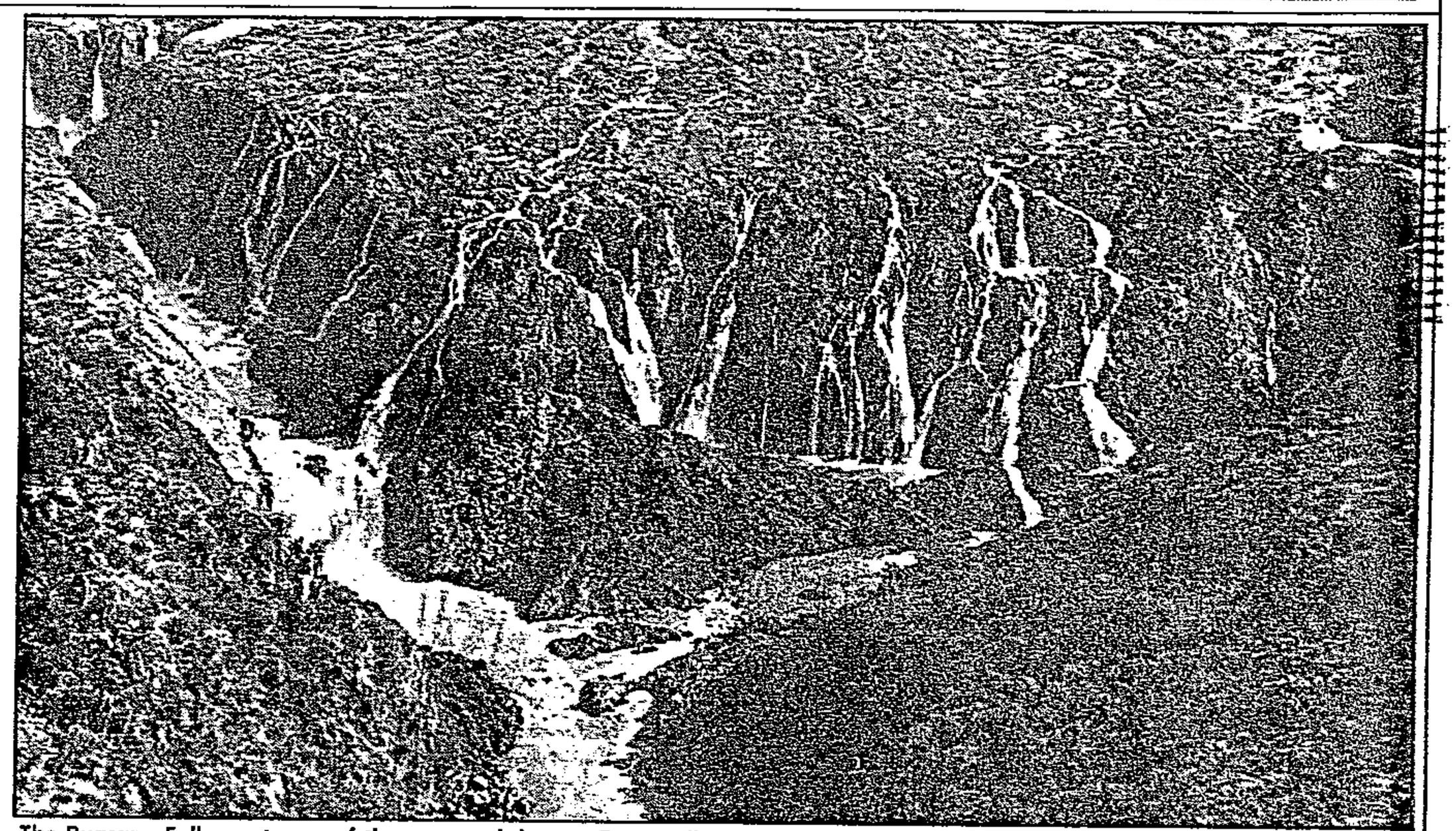
"It stood there like a white elephant," says Mr Brand. "In 1980 we went illegally and closed the gates. All of us were almost fired."

Ever since then, Ruacana has operated but it has done so on what is called "run of the river". The Gove Dam which Swawec built to regulate supply throughout the year and eliminate the swing in output between the dry and rainy seasons has never been put to work for that purpose, being too deep inside war-torn Angola.

"But still, it's been a tremendous asset for Namibia. Rossing Mine, for example, would not have existed had it not been for Ruacana," says Mr Brand.

"Now we have reached the stage, though, where Ruacana can no longer supply Namibia's development needs."

So Epupa floods back into his thinking: "The idea has been received well, but the vision is big and the cost frightening. In my opinion, there is no option though. If we don't do this we'll be sitting on the United Nations for food for ever and a day."



The Ruacana Falls, upstream of the proposed dam at Epupa, illustrates the rugged terrain through which the Cunene River flows and which creates the potential for hydro-electric power generation. The new dam will enable Namibia to produce enough power for its own needs year round and to sell power to its neighbours.

Y ABROAD?
NAL MONEY MANAGEMENT
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ABLE THROUGHOUT SOUTHERN AFRICA
ON AN ONGOING BASIS
a tax/investment haven
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FINANCIAL MANAGEMENT BY LARGE INTERNATIONAL GROUPS
BARCLAYS - LAZARDS - LLOYDS BANK G.T. MANAGEMENT ETC.
FOR A CONFIDENTIAL DISCUSSION AT NO COST
JOHANNESBURG 782-7281
JONATHAN BRITTAIN
DURBAN 763-3918
CAPE TOWN 252113
WRITE: MRS HEATHER MAUGER, PO BOX 77, ST

Police admit shooting 2 in tense Free State township

Three people have died in police shootings in Masilo township, outside Theunissen in the OFS, in the past week, a youth leader claimed yesterday.

A boycott of white businesses in the town — which entered its 13th day yesterday — might end tomorrow, he added.

Northern Free State police liaison officer Major Johann Fouche confirmed that two people died in police shooting in Masilo last week, but said he would only be able to comment on the third death today.

Friction began in the township — 50 km from Welkom — on March 26, said the youth, a committee member of the SA Youth Congress's Masilo branch between residents and Theunissen police station commander Lieutenant van Rooyen.

The officer "promised at the meeting that he would get Mr Moiloa and Mr Diboka and their families to leave Masilo" — one of the township's conditions for the lifting of the consumer boycott of white businesses.

The youth leader reported yesterday afternoon that the two families had left the township and the Masilo Civic Association and Youth Congress expected the boycott to end tomorrow.

A meeting of residents and the two organisations, to discuss the future of the boycott, is scheduled for this afternoon.

South INTERNATIONAL

Spirit of protest hits Africa

279A

South 30/5-6/6/90

The clamour for freedom which erupted in the Soviet Union and Eastern Europe is now being felt in Africa. In the meantime, however, dictators still try to bully their populations, and children still bear the brunt of adults's mistakes. The following is taken from a GEMINI NEWS special report :

AFRICA is in upheaval.

First, the Soviet Union was shaken by democratic reform, then Eastern Europe.

Now it is Africa's turn.

Communism has been abandoned in Ethiopia and Benin, Nelson Mandela and President FW de Klerk are talking about dismantling apartheid.

Elections

Multi-party elections look likely in Mozambique, Chad, Nigeria, Zaire, Algeria, Gabon and Congo, and may be coming in Zambia too.

Where there was resignation, there is now a spirit of protest in much of Africa, and people are demanding justice and political accountability.

For instance, one of the South African government's favourite African leaders, President Felix Houphouet-Boigny, 85, is losing his grip on the Ivory Coast.

The continent's oldest and longest-serving leader, is facing widespread disaffection.

Massive student demonstrations demanding political reforms swept through Abidjan.

The students are calling for a multi-party political system and an end to the one-party state which has ruled the country since independence from France in 1960.

Dignity

Then, earlier this month, two military uprisings took place within three days. Although Houphouet-Boigney said recently he was ready to stand down if he was allowed to retire with dignity, the army may end his rule in the next few months.

In Sudan, General Omar Bashir's first year in power is probably the worst year in the country's recent political history.

While much of Africa is heading towards multi-party democracy, he is presiding over widespread human rights abuses.

Political prisoners are dying in police custody and 28 military officers were recently executed after an alleged coup attempt.

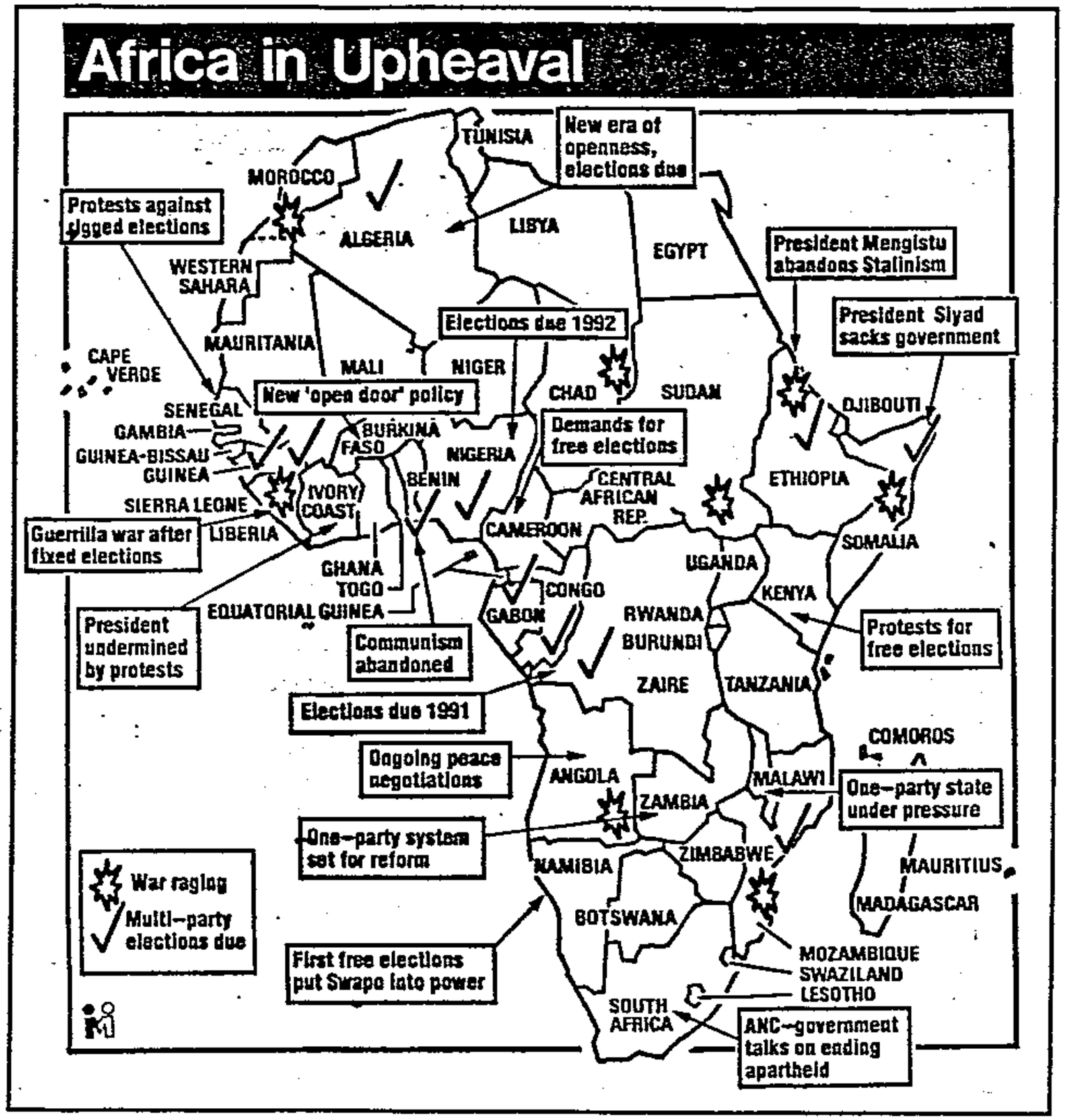
A dusk-to-dawn curfew and severe press censorship have been imposed, and internal travel is restricted.

Women are being systematically forced out of public life — a policy thought to be rooted in the Islamic fundamentalism of the National Islamic Front (NIF), the power behind the military regime.

The social segregation of men and women has been extended to public transport.

But Bashir's rule may be doomed as Sudan grows increasingly unstable and the opposition National Democratic Forces Forum gathers momentum inside the country and abroad.

There have also been reports recently of mutinies among provincial garrisons in the south, where the war is going badly for the government. — *GEMINI NEWS*



B\Day 4/6/90

Development needs at the fore — bank

POLITICAL change in SA will bring development needs to the fore and allow the Southern African Development Bank (SADB) to fulfil its potential, says chairman Simon Brand.

"Obviously... there will be a need to step up the quality of life, and that will become more important. The type of institution we have tried to create will be very necessary in the future."

As blacks moved into cities, the bank shifted its focus from efforts to lure industry to rural homelands to development in SA. Projects carried out included a joint SA-Lesotho hydro-electric scheme and small urban improvement, sewerage and irrigation efforts.

Earlier this month the bank ventured onto local capital markets, raising R175m to back up a R500m allocation from government.

Brand plans to raise R300m privately this year, building up to a total of R1,5bn by 1993.

"We would have preferred to have included foreign funds with a view to establishing ourselves on those markets. We do believe that as soon as political circumstances allow it, and (foreign banks) consider lending again, that the bank will be a popular candidate," he said.

279A

Local version

"I would not be surprised if in this financial year some of the remainder of the R300m we raise will be on overseas markets," he said, adding that foreign funding would be essential if the bank were to expand into southern Africa.

Brand sees a future SADB as a local version of the World Bank's soft loan arm, the International Development Agency, with SA providing the bulk of capital from which other countries could draw.

At present SA and its four nominally independent homelands are the bank's only members. Its neighbours have the Southern African Development Co-ordination Conference (SADCC), set up to reduce economic dependence on SA.

Brand says there is a lot of room for co-operation with SADCC.

Alec Erwin, an economist associated with the ANC, said the inequalities caused by apartheid meant there was a definite need for a development bank, but he had reservations about the SADB. "Obviously one doesn't want to lose expertise, and there's an awful lot of expertise there... but it's still lurking in the grey mists of the apartheid state.

"The ANC... envisages a mutually beneficial arrangement with surrounding countries. One wants to avoid any economic domination." — Sapa-Reuter.

Pressures for democracy in Africa

Time-period: 1990s

AS Nelson Mandela continues on his regal 12-day trip across the US, it is becoming clear that political and economic winds of change are blowing more strongly across the African continent than for three decades.

The African National Congress leader is expected to be shielded from the rough-and-tumble of serious debate during what will amount to a non-stop nationwide celebration of black (and to a smaller extent white liberal) solidarity.

But the real question, which the Mandela visit may help to highlight, is how a bigger measure of political freedom can be brought to countries with often fragile claims to nation-statehood, scant traditions of pluralism, endemic poverty and endless potential for ethnic strife.

XAN SMILEY

in Washington examines the new shift towards democracy

As Eastern Europe's dictatorships are replaced, Africans and American specialists on Africa are suddenly eagerly wondering whether Africa's turn, continent-wide and not just on the southern tip, has come.

While South Africa has generally been viewed by the American public essentially as an Alabama-style civil rights problem, with Mr Mandela the incarnation of Martin Luther King, the visit may begin to illuminate the hideous complexities of shifting power constitutionally in a country where social and ethnic divisions are far more than just a battle between blacks and whites.

Just as the real constitutional wrangling over South African power is about to begin, people throughout Africa are beginning, far more openly than a few years ago, to debate such awkward concepts as the multiparty system, which had been abandoned by the overwhelming majority of countries shortly after independence three decades ago.

The Washington-based World Bank's message that market economies work better is also being far more widely accepted by African leaders, whereas nine years ago a famous report commissioned by the bank and written by the Michigan economist, Dr Elliot Berg, was generally denounced as arrogant, ideologically insensitive, Western-imperialist propaganda.

In April, the World Bank's American president, Barber Conable, was able to declare that Africa's economic rot stemmed essentially from incompetent and corrupt governments.



■ Namibia's Sam Nujoma allows party plurality

"The development of many sub-Saharan countries has been unnecessarily constrained by their political systems," declared Mr Conable, hinting heavily that the multiparty concept should be tried again.

"People need the freedom to realise individual and collective potential."

This time, the bank's 13-strong Council of African Advisers, which disliked the sharpness of the Berg report conveying much the same message ("You Africans have just got to get your own act together," as one top banker put it), encouraged him to call for new leadership.

Tempted

The eclipse of the Soviet Union as an evangelical power has meant that Africans are no longer tempted to play off one ideology against another as a way of retaining power.

Despite the considerable role of the South African Communist Party within the ANC, Mr Mandela's economic planners have been quietly putting out feelers to the World Bank and are intimating a growing readiness to contemplate various models for the new South Africa.

The most spectacular change of mood, however, is in the rest of Africa, where France has taken the lead in letting its francophone friends know that the metropolitan power will no longer, militarily or economically, bail out despotic rulers.

A controlled multiparty system, with presidents still paramount but with debate bubbling below, has already been set up in Benin, Ivory Coast and Gabon, has expanded in Madagascar and Algeria, and already exists in Senegal, Morocco and Tunisia.

Even Zaire's strongman, Mobutu Sese Seko, America's most controversial friend on the continent, has felt obliged to allow parties to reappear under his watchful eye.

The resilient Jonas Savimbi's repeated call for an election in Angola, where his Unita guerrillas seem to have recovered their breath, is no longer viewed in Washington, or perhaps even in Moscow, as mere froth.

On the anglophone side, only Botswana is a truly multiparty state, though Uganda technically still allows competing parties — without a constitutional framework in which they can operate.

Tanzania's ex-president, Julius Nyerere, has recently conceded that the multiparty concept is worth discussing, while the Namibian experiment — too new to judge — is being watched in the hope that Sam Nujoma will continue to allow a plurality of parties.

Unpopular

The three most notable anglophone odd men out are Kenya's Daniel Arap Moi, who is dead against abandoning the one-party monopoly, Zimbabwe's Robert Mugabe, who still allows an opposition party (just) but says he wants to do away with it, and Zambia's Kenneth Kaunda, who promises a referendum on the matter but is doing his best to deter a potential opposition from canvassing for a yes vote.

Almost all Africans, it seems, now admit that peaceful ways must be found to eject unpopular rulers. With the exception of the Indian Ocean island of Mauritius in 1982, not a single black African country has ever allowed its people to vote a leader out of office.

"We know that can't go on. We can't blame the colonialists any more," says a Washington-based Sierra Leonean businessman.

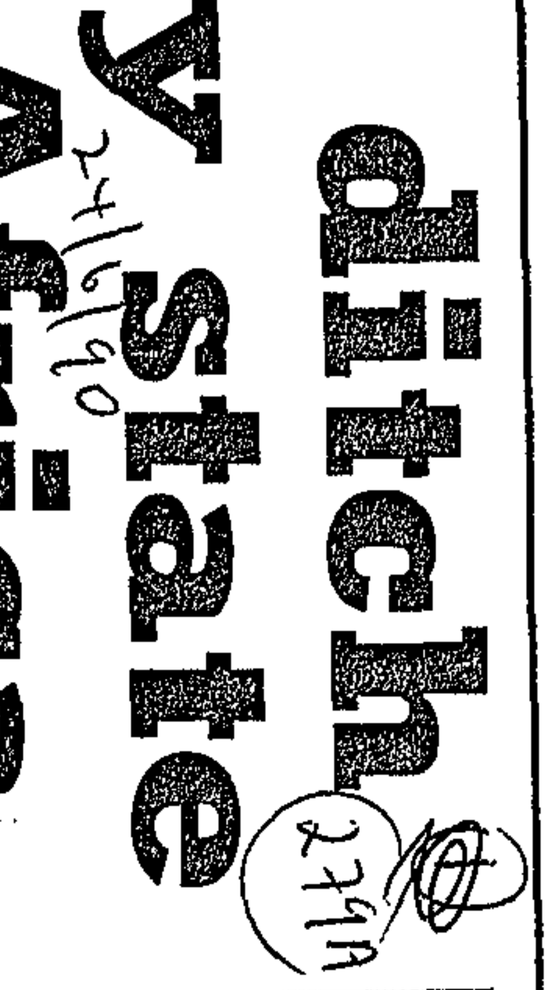
Yet the most enduring problem — rarely recognised by Americans in their enthusiasm for open political debate across the world — is how to prevent African parties from deteriorating into tribal blocs.



■ Unita's Jonas Savimbi is fighting for democracy

The Nigerian constitution of the late 70s, which determined that a president could only be elected if he won at least a quarter of the vote in two-thirds of the state, thereby guaranteeing a measure of trans-tribal support, is the sort of model that is once again being examined by many democratic-minded African lawyers.

Maina Kiai, an articulate Harvard-educated Kenyan lawyer who works for TransAfrica, the left-leaning and liveliest of Washington's think-tanks on Africa, says:



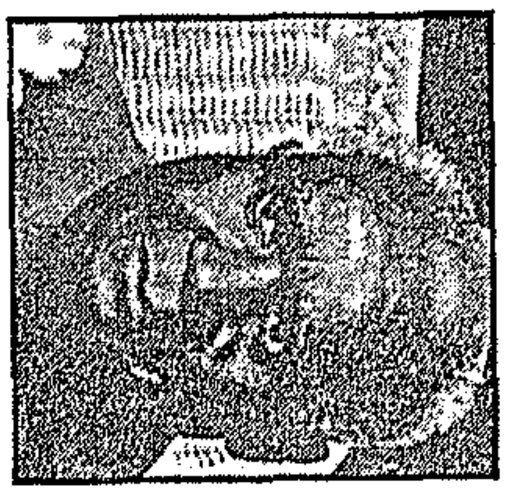
"First, we've got to get rid of these dictators. Then we must establish in the minds of people that there can be opposition, that it isn't bad in itself. Nobody has really set down any blueprints as to what could happen."

But there have been suggestions that long-time leaders could be elevated above the political fray, to retain charge of the army and foreign policy, while allowing open competition of opinion.

At this stage, most of Africa's leaders are unlikely to smile on such theories. But the fact that they are suddenly being so much more widely debated is making big waves.

■ World Bank's Barber Conable damns Africa's economic rot

■ Zimbabwe's Robert Mugabe wants a one-party state



■ Zambia's Kenneth Kaunda promises a referendum

Verbal flak's flying across the Limpopo

5/Times 8/7/90

THERE are signs that tempers are beginning to fray among the allies north of the Limpopo as economic problems increase.

The Zambian High Commission in Harare last week accused the government-controlled newspaper The Herald of being "malicious and self-righteous" in its comments on the Lusaka food riots.

And a furious row has broken out among officials of the Southern African Development Co-ordination Conference secretariat in Gabor-

By DON JACOBS
Harare

one over an alleged perks scandal.

Three top SADCC officials from Zambia, Mozambique and Tanzania, who were fired for a lack of financial discipline, have blamed the organisation's Zimbabwean secretary-general, Dr Simba Makoni, for their dismissals.

"It is quite clear that you seek to make me a scapegoat for the so-called irregular doings, in which you yourself have participated, in order to placate the public and remove attention from yourself," Zambian SADDC appointee Wisdom Bowa reportedly raged at Mr Makoni during an inquiry into the secretariat's finances.

The three officials are alleged to have made private purchases totalling R22 000 with secretariat funds.

The probe found no evidence of fraud but said the SADCC's lax system was wide open to abuse.

The sacked officials claim, however, that Mr Makoni himself used R6 000 of SADCC funds to buy air tickets for his family and in-laws on the same "gentleman's understanding" that he would repay the organisation.

Mr Makoni is also accused of tolerating irregular tender procedures.

27AA Vice

Deep-rooted Zambian resentment of the Zimbabwean establishment, which dates back to President Kenneth Kaunda's support for Mr Joshua Nkomo's Zapu in the 1972-80 Rhodesian war, boiled over last week when The Herald alleged there were "fundamental differences between the Zambian situation and what is happening here".

The paper also charged Mr Kaunda's government with years of "economic mismanagement".

This was "a vice Zimbabwe presumably does not have", shot back the High Commission.

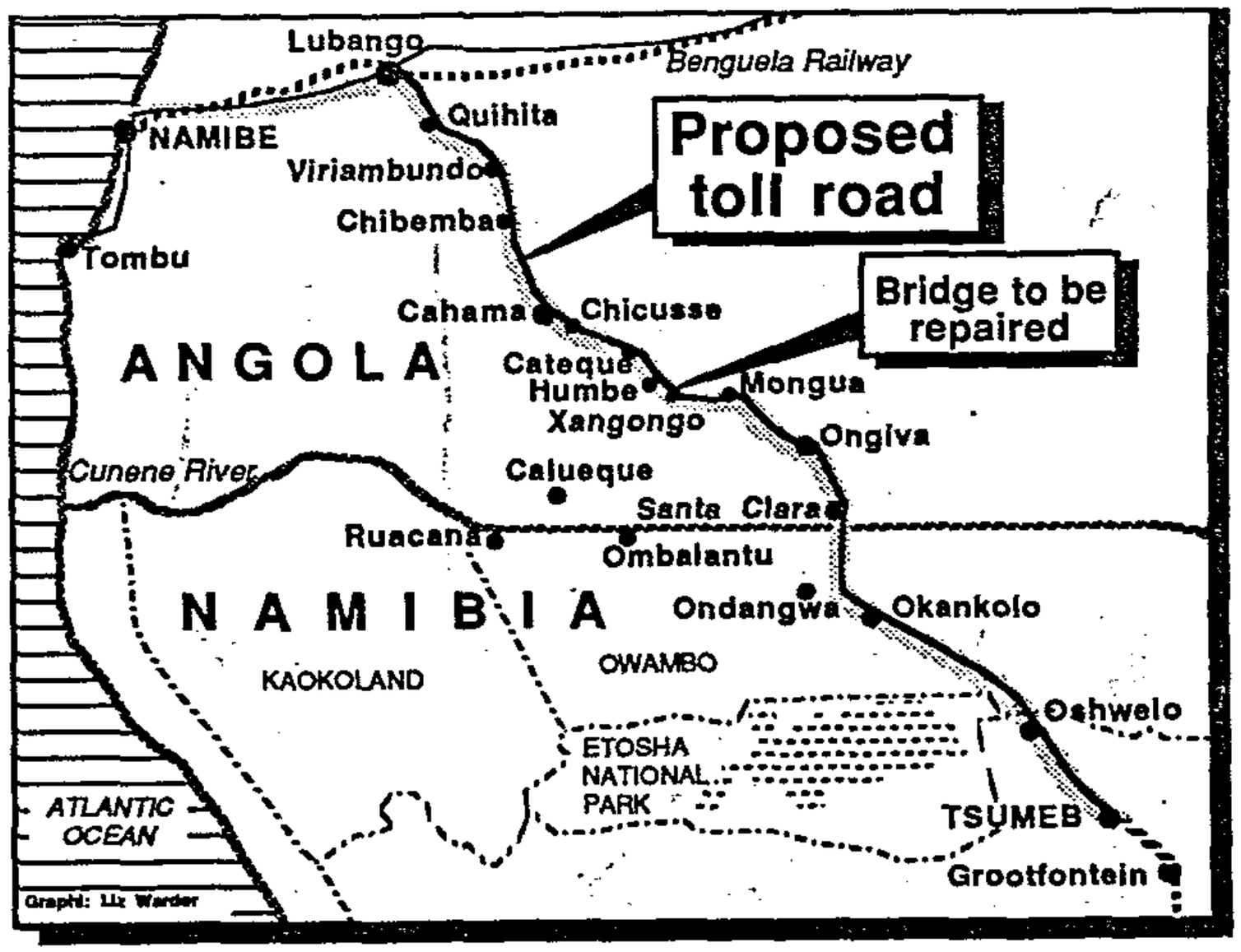
"You either deliberately chose to be malicious or innocently exhibited ignorance about the Zambian situation," the Zambian spokesman chided the paper.

He added that, not least among Mr Kaunda's troubles, was the fact that "Zambia had to pay dearly for the liberation struggle in southern Africa, including that in Zimbabwe".

279A Star 27/7/90

Bold Angola/Namibia transport plan

Namibia's independence has freed it to consider plans and projects with neighbouring Front-line states hostile to South Africa. The new nation understands that only economic development will consolidate this independence and one significant project is the opening up of the road, rail, air and sea transport system between Ovambo and south-west Angola. **DALE LAUTENBACH of The Star's Africa News Service** accompanied a Namibian-Angolan delegation on the road through the Namibe Corridor.



LUBANGO (Angola) — The Southern African Development Co-ordinating Conference has given Namibia and Angola the green light to establish the feasibility of reviving and developing the transport network that could link the countries across their common border.

The so-called Namibe Corridor begins on Angola's west coast at Namibe with port, air, rail and road facilities. Road and rail go east to Lubango, southern Angola's major city and agricultural production centre, and the road turns south, across the Cunene River, to meet Namibia's road infrastructure at Oshikango in Ovambo.

But much of the infrastructure on the Angolan side has been severely damaged by the war of the past 15 years, particularly South Africa's invasion of these southern provinces.

Klaus Dierks, Namibia's Deputy Minister of Transport, examined the route recently with a team of advising engineers and calculated that reconstruction would cost between $50 million and $100 million (R130 million and R260 million).

His vision, supported absolutely by his Angolan counterparts, he says, is that the system should not burden the State budgets of either country but should be made to pay for itself on the basis of the free market.

As the project has been endorsed by SADCC, there will be access to soft loans and international bank funding

The road from Lubango to the Namibian border needs major reconstruction and the bridge over the Cunene River at Xangongo, destroyed twice by South African forces in 1975 and in 1981, is presently impassable for commercial purposes.

Mr Dierks envisages a three-phase project: an emergency phase of initial reconstruction over two years; an upgrading and rehabilitation phase over three years; and a final phase "to organise the whole system on a free-market basis". The latter includes the possibility of raising revenue from toll roads, he says.

He is also insistent that, wherever possible, Namibian and Angolan engineers and technicians should be used. At a remove, probably through existing links to Namibian companies, South Africans will possibly become involved, too.

Another major part of the scheme would be the conversion of the deep-water port of Sacomar at Namibe from a defunct iron-ore handling facility to an oil port. This could receive refined oil products from Angola's refinery at Luanda for export by rail and then road into northern Namibia.

Review

Mr Dierks has presented the draft terms of reference prepared by his department to the Angolan government and his counterpart, Job Graca, is similarly enthusiastic.

The SADCC transport commission and technical unit in Maputo must now review the project and then it will be put to international tender.

There is no conclusive list of the products that might be transported along the network, but Namibe has rich fishing resources and Lubango its agricultural produce for possible export to Ovambo.

Mr Dierks says South Africa's eventual inclusion was discussed at a recent SADDC transport meeting and its potential contribution to the sub-continent's constellation of resources was eagerly awaited.

Why the South must rise and walk

Sker 7/8/90 (279A)

Colonialism may have ended, **JOHN MADELEY** writes, but economic colonisation would seem to be with us still. He looks at how the Third World could shake this off.

The countries of the Southern Hemisphere — the so-called Third World — should organise together to end the economic colonialism they still experience, suggests a report published by the South Commission.

"Colonialism ended when the colonised refused to accept it and used their slender resources to organise themselves to be free," says the report.

But economic domination still goes on, it points out, and can only be overcome "through similar determined self-reliant action".

Set up in 1987, at a summit meeting of Non-Aligned Countries in Zimbabwe, the South Commission was given the task of coming up with proposals to stimulate sustainable development in the Third World. The 28 commissioners — all leading figures in the South, including the Venezuelan president Carlos Andres Perez and the prime minister of Jamaica Michael Manley — say their ideas do not imply confrontation, but a more balanced global economy in which poorer countries have a better chance of breaking the grip of poverty and under-development.

Caught at the receiving end of low international commodity prices, the effects of high interest rates and protectionism in the north, many southern countries have seen their economies devastated in the last decade.

Scope

The South cannot count on a significant improvement in the global economy in the 1990s, says the report.

"Maximum self-reliance must therefore be the keynote."

Developing countries have not made use of the potential for collaboration, it points out. There is scope for them to trade more with each other — and to facilitate such trade the commissioners urge the creation of a new bank.

"Setting up a bank of the South will become a compelling necessity", they say, to meet the South's need for finance, for trade, joint ventures, export credit and other financial needs.

On commodities such as coffee, tea and cocoa, their report suggests that producers urgently consider setting up producer associations "with a view to managing supplies and/or intervening in the market".

As tropical beverages are produced wholly in the South, the chances are good that this type of producer action would lead to higher prices.

The commission proposes the setting up of a South Secretariat along the lines of the OECD which serves the interests of northern countries.

It may be some time before the South organises in such a way that the North takes fright. But a South that comes together to make the most of its many resources could be a powerful player on the world scene. — The Observer.

Frontline states meet over ANC's decision

DAR ES SALAAM - Leaders of Africa's seven Frontline states were due to meet yesterday to review the political situation in the region and the state of talks between the ANC and Pretoria.

The one-day meeting in the Zambian capital, Lusaka, was chaired by Zambian President Kenneth Kaunda, a Tanzanian government spokesman said.

Government sources said the meeting discussed the ANC's announcement this week that it is suspending its 29-year armed struggle against white-minority rule in South Africa, a prelude to formal negotiations on ending apartheid.

The Frontline states - Angola, Botswana, Mozambique, Namibia, Tanzania, Zambia and Zimbabwe - are strong allies of the ANC.

They have maintained its military camps and trained cadres of its military wing Umkhonto we Sizwe. - *Sapa-Reuter.*

Aussie court rules

Steps by ANC, Govt to end apartheid are welcomed

Sha 20/8/90 (C) 279A

HARARE — New strategies to tackle the problems of South Africa in the light of recent developments are the goal of the Commonwealth's new secretary-general, Chief Emeka Anyaoku.

Arriving in Harare yesterday for a four-day visit on his way to the 10th anniversary celebrations of the Southern African Development Co-ordinating Conference (SADCC) in Gaborone this week, Chief Anyaoku welcomed the steps taken by the South African Government and the ANC to end apartheid.

However, Chief Anyaoku said he was troubled by the fighting taking place in South Africa's townships.

The violence had to be seen as attempts to destroy peace initiatives, he maintained, adding the ANC and Pretoria needed to be encouraged to press on and negotiate a political settlement.

On the issue of relaxing sanctions on South Africa, Chief Anyaoku said the Commonwealth would wait until the changes reached a point of no return.

"It will be helpful to have the ANC's view as to when irreversible changes have been made," he said.

Considering the odds stacked against the SADCC when it was formed 10 years ago, it had done extremely well, he added.

The Commonwealth secretary-general also said he hoped to hold discussions with all heads of state of SADCC member-countries.

Chief Anyaoku leaves on Wednesday for Gaborone where he is expected to address the SADCC meeting. — Sapa.

Africa may shun 'new' SA

Star 17/8/90 279A

By GRAHAM LINSCOTT

A sobering thought from Moscow: far from South Africa being the regional economic dynamo with which our neighbours will automatically seek the closest co-operation post-apartheid, these neighbours could end up shunning us even more eagerly than they do now.

The Southern African Development Co-ordination Conference (SADCC) was set up to reduce dependence on the South African economy and its infrastructure.

One might have thought the need would fall away once apartheid was abolished and a free society established in its place. But just as things are changing here, so they have been changing elsewhere in Africa.

Marxism-Leninism has been jettisoned in Ethiopia and Mozambique. Angola is allowing scope to market forces and the SADCC itself is encouraging private-sector entrepreneurship.

Yet in South Africa there are strong forces working in the opposite direction, for greater state control and ownership of enterprises.

To the dismay of countries to the north which are lifting themselves out of the dust after decades of doctrinaire socialism, South Africa threatens to go through the process itself.

This raises questions as to whether South Africa will be the regional economic power and stabiliser, as it ought; whether its economy will not slide and whether there will be much benefit to its present partners in the Customs Union. Will the dynamo become a dead weight?

In this case the SADCC countries might seek even more urgently to shake themselves free of South Africa, to use the ports and rail connections of Mozambique, Tanzania and Angola, fully utilising their own economic resources rather than become entwined with a country about to become bogged down.



President de Klerk and Madagascar's President Didier Ratsiraka during their meeting in Antananarivo this week. Did the mining of titanium come up for discussion?

The theme (somewhat embellished by myself) was expressed in an academic paper in Moscow. It came from a South African, Professor Gavin Maasdorp, director of Natal University's Economic Research Unit. He is an authority on southern Africa and was in the Soviet Union for a round-table discussion between Soviet and South African academics.

He does not say the decline will necessarily happen. It is generally accepted that the state will have to play an active and interventionist role in the post-apartheid economy.

But it would be ironic if policy were to lead to the decline of the region's most powerful economy.

★ ★ ★

Professor Maasdorp says a feature of academic life in the Eastern bloc (he visited Hungary and Poland as well) is the trauma of transition.

He met professional counterparts who are reading, for the first time, Keynesian and post-Keynesian economics. Before, they "read between the lines", deducing from the pitch of official denunciation that Keynes must have had something to say.

They are delighted that they no longer have to adorn any work they publish with out-of-context and perfectly meaningless quotations from Marx, Lenin and Engels.

Economists he encountered were bemused to learn that there are people in South Africa who would like to repeat the experiments of Eastern Europe.

★ ★ ★

What bearing could President de Klerk's trade agreement with Madagascar have on the controversy over proposed dune mining at St Lucia?

Perhaps nothing at all. But the sudden pressure on South Africa for the supply of titanium oxide (a product of the dune mining) came soon after the collapse of a major titanium mining venture which had been planned for Madagascar.

Titanium oxide is used in the manufacture of white paints and other pigments and has proved superior to alternatives. Factories in America had converted to go on stream next year, using supplies of titanium oxide from Madagascar.

Could the latest developments mean a resuscitation of the Madagascar mining venture and a reduction of pressure on the Zululand and Transkei coastal dunes?

Conservationists in this country would probably hope so. Those in Madagascar probably not.

★ ★ ★

Dr Oscar Dhlomo, former secretary-general of Inkatha, warned recently that conflict between Inkatha and the ANC was beginning to take on the dimensions of a Zulu-Xhosa ethnic conflict. Events in Tokoza appear to bear this out.

The leaderships surely need to smother it, and fast. To smother such outbreaks is, of course, easier said than done. But so far there has been very little saying and even less doing from the people who count.

New hopes for southern African co-operation

B10 a 17/8/90 (279A)

MIKE ROBERTSON

ISOLATION is a bad drug and SA has had an overdose of it.

The sight of President F W de Klerk meeting hitherto arch-foe Didier Ratsiraka this week has raised new expectations of the coming to fruition of Foreign Minister Pik Botha's much touted "Marshall Plan" that will lead to a Southern African Economic Community.

The plan calls for the acceptance of four realities.

The first is that the West, in particular Europe, has grown weary of pouring money down seemingly bottomless pits in Africa without seeing any noticeable improvement in living conditions in recipient countries.

The second is that events in Eastern Europe have opened new markets for European investors and added new demands for European aid.

The third is that the southern African region has unique advantages, particularly strategic minerals and tourist potential, which if properly exploited can separate it from the rest of the continent's decline into abject poverty.

The final reality is that SA has technical know-how in the fields of mining and agriculture which places it in a better position to assist countries in the region than the European countries pledging aid. It also has surplus transport and energy capacity which could be used by other countries.

Botha has argued that rather than plough in aid in the vain hope that this would enable Frontline states to become independent of SA, European countries should work with SA to ensure best results. He has also argued that the 11 countries in the region with a combined population of more than 100-million present a potentially lucrative market for European exports.



□ RATSIRAKA

The regional economic plan was discussed in detail on De Klerk's recent European tour and received tentative support from Britain, Italy and West Germany.

According to Foreign Affairs officials it has also received support in principle from Namibia, Angola, Zambia, Lesotho, Swaziland, Mozambique, Malawi, Botswana and now Madagascar.

The odd one out is Zimbabwe, which, unfortunately for the plan, is a lynchpin because of its geographic situation.

While SA's trade with Zimbabwe is on the increase and there has recently been contact between ministers of that country and senior SA officials, there is little sign that President Robert Mugabe is anywhere near giving endorsement to the idea of a regional development plan.

When the Southern African Development Co-ordinating Conference was set up by the Frontline states in 1980 to reduce their dependence on SA, it was stated that "the present extent of economic dependence on SA by many of the SADCC member states would be undesirable whatever the political character of that country."

Given progress towards negotiations in SA and the drastic economic decline in their countries, some Frontline leaders, with Mozambique's Joaquim Chissano at the fore, have accepted that it is unfeasible not to work with SA.

Mugabe, it appears, still holds to what was stated in 1980.

Given this, senior SA diplomats believe it makes little sense to continue high profile attempts to sell the "Marshall Plan" idea. They are seeking instead to get bilateral relations with individual countries on a footing where, with further progress in internal negotiations, regional economic co-operation will follow as a natural consequence.

SA involvement in peace talks in Angola and Mozambque is spoken about only in the softest of whispers. But that it exists, and is contributing to a marked improvement in bilateral relations with those countries, cannot be questioned.

This, however, is a glacial process.

Ratsiraka performed a somersault in going from no contact to links just short of full diplomatic ties. His country, however, is desperately poor, leaving him no room for continued posturing.

As he said this week: "When one is in politics you have to face reality. At one stage it was in the best interests of my country to break relations with SA. We now have commercial, economic and cultural relations with the new SA because it is in the best interests of Madagascar."

Such forthrightness is unlikely to emerge from all other leaders in the region. Until it does a southern African equivalent of the Treaty of Rome, which founded the European Economic Community, remains a distant hope.

Businessmen optimistic after Harare meeting



From ROBIN DREW, Argus Africa News Service

HARARE. — South African businessmen who for the first time attended a meeting under the auspices of the Preferential Trade Area for Eastern and Southern African states have gone home optimistic about the prospects of South Africa becoming a member.

The Preferential Trade Area, of which more than 20 countries are members or potential members, is seen as the forerunner of an African common market.

It aims at stimulating and easing trade by lowering tariffs and easing inter-territorial traffic regulations.

This week's meeting in Harare was of delegates from chambers of commerce and industry and the South Africans, white and black businessmen, were there as observers and were officially welcomed.

Matter of time

Mr R F Hayward, deputy director-general of the South African Chamber of Business, said: "It is only a matter of time before South Africa joins.

"The reform process is irreversible and in the near future there should be no excuse for South Africa not being accepted."

Mr Hayward said it should not be necessary to wait for total reform. There was a sense of urgency about the need for African countries to form a stable regional grouping and a trading bloc in which economies of scale could play a part.

With the international changes taking place, African countries would have to create growth themselves and there were areas, especially in technology, where South Africa could contribute.

He was pleased to have been able to attend the PTA meeting and an earlier gathering at the annual congress of Zimbabwean industrialists — and he was optimistic.

24 to 26 1990

SADCC may never be the same again

W/Mail 24/8 - 26/8/90

279A

This year the SADCC meeting was far from predictable. The heads of state were the same but their scenarios were quite different, reports **ANDREW MELDRUM**

AN impressive assemblage of the region's majority-rule leaders gathered in Gaborone yesterday as 10 heads of state met for the 10th annual summit of the Southern African Development Co-ordination Conference (SADCC).

As expected, the gathering of the clan produced a joint communique calling for increased regional co-operation for economic development.

But this year the rapidly changing situations in South Africa and the region as a whole have given a new twist to the meeting. Not only is it clear that the focus of SADCC will change as South Africa approaches majority rule, it is also apparent that the region's quickly shifting political sands make it likely there will be major changes in the cast of characters heading the SADCC countries in the near future.

Hastings Kamuzu Banda has led Malawi for 27 years as president for life. As he gets on in the years (his age is estimated between 86 and 100), he is always accompanied by his "official hostess". According to insiders Cecelia Kadzimira and her uncle, the powerful John Tembo, effectively run the government in the name of the ageing leader.

Kenneth Kaunda, at 66, is a comparative youngster but he has been ruling Zambia for 26 years and is one of Africa's senior statesmen. With his emotional speeches, complete with tears wiped away by his ever-present white handerkerchief, Kaunda has been a colourful fixture at the SADCC events but his standing has badly fallen recently.

Tanzania's Julius Nyerere assured himself a much more favourable place in history by stepping down from his presidency and voluntarily handing over his power. The still influential Nyerere has spoken out in support of multi-party democracies for Africa.

That multi-party pressure is also pressaging changes in what had previously been southern Africa's most staunchly Marxist one-party states: Angola and Mozambique. It is not certain if both Portuguese-speaking leaders will survive to the next SADCC summit the negotiations and general elections needed to bring peace.

Angolan President Jose Eduardo dos Santos, unanimously hailed year after year by the female press corps as SADCC's best-looking leader, appears particularly vulnerable. In contrast, the continued widespread support for Mozambican President Joaquim Chissano's is testimony to his skillful, flexible approach in bringing his violence-wracked country to negotiations.

Host president, Quett Masire, has long been held up by the West as a political paragon for his conservative fiscal policies and maintainance of a multi-party democracy.

It appears Masire will weather this round of changes to be with SADCC well into its second decade.

There has been much confusion in recent years over the heads of state and heads of government of the kingdoms of Swaziland and Lesotho. In fact the confusion will probably continue until long after the rest of the region moves with the political times.

The question for Zimbabwe is not so much whether Robert Mugabe will be at many future SADCC summits as whether he will be leading a multi-party or single-party state.

SADCC's newest head of state, Namibia's Sam Nujoma, is already a familiar face as he has attended past summits as an observer. But now he will not be describing his military situation but his cabinet situation.

So there it is. The photograph of the 10 greying SADCC leaders together in Gaborone may be one worth keeping.

No 'Big Brother' role for future SA

(2791 c/irem 26/8/90

A POST-APARTHEID South Africa would join the Southern African Development Co-ordinating Conference as an equal partner and not as dominant economic giant, SADCC executive secretary Simba Makoni told a Gaborone Press conference this week.

Makoni said further opportunities for increased economic co-operation between South Africa and neighbouring states in the field of energy, tourism, environment and technology would open up as soon as South Africa had full democracy.

While he welcomed political changes in South Africa, he stressed the body was also wary of a post-apartheid South Africa dominating the region economically. "We will not accept domination by South Africa under whatever political system," Makoni said.

The 10 member states celebrating the body's 10th anniversary in Gaborone are Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Zambia, Tanzania and Zimbabwe.

All these countries, with the possible exception of Tanzania, are heavily dependent on South Africa, not only for routes to the sea, but for most of their manufactured goods.

Makoni added the SADCC had been successful in lessening economic dependence on South Africa. But transport was one of the remaining areas of what he termed irrational economic dependence on South Africa.

The group's economic achievements have been less impressive than its political success in isolating Pretoria, which helped push the South African government into talks with the ANC.

Most member countries were exporters of raw materials, and no matter how efficiently they could move these to the market, they were still vulnerable to the vagaries of world commodity prices.

The challenge facing SADCC now was to remove trade barriers among member states and create a relatively powerful trading bloc. – Sapa-Reuter-Ziana

SADCC urged to form single transport system

BID 9271890

279A

GABORONE — Botswana President Quett Masire has called on Southern African Development Co-ordination Conference (SADCC) planners to develop a single airline, railway system and shipping corporation.

Speaking at the opening of the SADCC's new headquarters in Gaborone on Friday, Masire said that wish could be translated into reality if the 10 member states were willing to work together to achieve the greater economies of scale that would arise.

The SADCC said in a communique after the summit that PAC president Zeph Mothopeng and ANC secretary general Alfred Nzo had attended.

The communique expressed appreciation at the easing of tensions in the region and the encouraging prospects for a democratic SA which would "enhance the efforts for co-operation among the countries of the region, including SA".

Masire, who was re-elected SADCC president at the summit, was speaking at celebrations held to mark the tenth anniversary of the organisation, initiated primarily to lessen the region's dependence on SA.

He was joined on the podium by the

TIM COHEN

heads of state of eight SADCC member countries, the exceptions being Malawi and Angola. who had sent senior representatives.

He said the region's heavy debt burden of about $25bn and attendant debt service ratios had exacerbated its economic plight.

The early part of the decade was marked by a period of decline, but in the past three years significant progress had been made in arresting the situation, with most economies recording positive growth rates.

Allocation

But unemployment had continued to climb and industries in the majority of member states continued to operate at less than full capacity.

Masire called for "fundamental economic and political reforms" to provide for greater participation in national, economic and political life.

"Internally, our economic policies and management systems have not always taken into account the need to ensure efficiency in resource allocation and prudence in management and use," he said.

Masire said a belt of countries across the sub-continent now existed with a unity of purpose and a common destiny.

The SADCC's Programme of Action had ensured that a number of transport corridors were now operational, with traffic on the Beira and Maputo corridors increasing by 16% and 21% respectively over the past two years.

"Our continued reliance on the more costly SA transport network would, therefore, appear largely the result of the security situation in Angola and Mozambique."

He said the Programme of Action contained 546 projects valued at $7,9bn of which 38,4% had been secured.

He expressed the hope that in the future, as the region's economic means improved, its contribution to financing the programme would rise beyond the current 11%.

Norwegian deputy Development Co-operation Minister T Dramdal surprised members on the podium, several of whom are heads of one-party states, by calling for "open and pluralistic" societies.

● Comment: Page 8

OAU chief tells SADCC to back delicate SA talks

Star 27/8/90

279A

GABORONE — Organisation of African Unity head, Ugandan President Yoweri Museveni, appealed to African leaders this weekend to back delicate talks aimed at ending apartheid in South Africa.

"Our united action in support of the negotiations between the ANC and the Government is needed now more than ever before," he said.

President Museveni was speaking on the final day of the two-day annual summit of the 10-nation Southern African Development Coordination Conference.

The SADCC was set up in 1980 to isolate South Africa politically and lessen the region's economic dependence on it.

The OAU chief said recent political developments in South Africa provided a sense of hope.

But he cautioned: "We cannot fall into complacency and believe that the ANC and all the democratic forces inside South Africa can succeed in these negotiations without our united resolve to support them."

During the two days of talks and festivities, other SADCC leaders also condemned the South African violence which has claimed more than 500 lives in the past two weeks.

The SADCC leaders said international pressure should be maintained on Pretoria until there were irreversible democratic changes.

"Only a democratic South Africa is acceptable in our midst," said Botswana's President Quett Masire.

The SADCC leaders also called for greater economic co-operation and integration among members. President Masire noted that the foreign debt of the 10 members, with a total population of 74 million, amounted to $25 billion (about R65 billion).

● President Joaquim Chissano of Mozambique said his government was determined to remove obstacles to peace in his country.

He denounced what he described as the delaying tactics of the rebel Renamo movement in talks with his government. — Sapa-Reuter.

NEWS FOCUS

Africa's ossified structures are cracking

279A

B/Day 28/8/90

MICHAEL HOLMAN

LIBERIA's slide from dictatorship into anarchy is terrible, even by the standards of a continent used to upheaval. But far from being an aberration, Liberia could prove to be just the first of several states to collapse under the weight of economic mismanagement and ethnic tensions, compounded by policy failures on the part of the superpowers and aid donors.

Other wars in sub-Saharan Africa highlight the continent's fragility: Angola, Mozambique, Sudan, Somalia and Ethiopia are torn by conflict. Uganda has yet to recover from the Idi Amin era. Chad and Libya may again come to blows. Senegal and Mauritania keep an uneasy peace.

Almost wherever one looks, from Angola to Zambia, from Mali to Mozambique, the ossified political structures of post-independence Africa are cracking.

From across the continent come calls — endorsed by Western governments, aid donors and lending institutions — for multi-party systems. Political adjustment is catching up with the economic programmes being introduced. But the cry for democracy is as much a moan of pain caused by the economic failures over three decades of independence, and Africa is delicately poised between reform and further decline.

"Good governance" — the World Bank's term for better management and democracy — is essential to recovery from disaster.

The causes of the upheaval are complex. The most frequent explanation invariably couples the renewed search for freedom with Eastern Europe's revolution.

French President Francois Mitterrand said in a recent speech: "The wind blowing from Europe has begun to sweep Africa. We should not moan over it, we should even rejoice over it."

France, like Britain and the US, is encouraging the process by linking aid to democracy.

"France will link its contributions to efforts designed to lead to greater... democracy," Mitterrand told African leaders at the Francophone summit last June.

Even the OAU, that club of autocrats so tolerant of each other's failings, last month conceded it was necessary "to democratise further our societies and consolidate democratic institutions".

But there are more important influences than Eastern Europe driving Africans to the barricades.

France is reappraising its relationship with Francophone Africa. The superpower rapprochement has reverberations in southern Africa and the Horn of Africa in particular, as well as leaving African leaders anxious about their dwindling foreign patronage.

Aid-dependent regimes have become uneasy as the World Bank and increasing numbers of western governments have moved towards demanding political reform as a condition of aid.

SA's search for a constitution which accommodates the aspirations of the majority, while coping with the fears of minorities, is gripping the attention of the rest of Africa. Above all, a decade or more of sharp economic decline has made impoverished citizens throughout the continent angry with their rulers, and impatient to find leaders with alternatives.

Certainly, Eastern Europe's revolution encouraged opposition movements. It further undermined belief in centrally controlled economic systems — although the examples of Tanzania and Zambia had already done that. And as regimes in East Germany and elsewhere collapsed, the governments in Angola, Mozambique and Ethiopia lost reliable allies.

(SA is *sui generis* Government officials acknowledge a two-fold impact which proved decisive in persuading President F W de Klerk to embark on radical change. The spectacle of mass demonstrations against elitist governments evoked the worst white South African nightmare. And the collapse of communism as an ideology encouraged Pretoria in the belief that it was safe to unban the SA Communist Party.)

But there are critical differences between the experience of Eastern Europe and the process under way in Africa which limits the appropriateness of any comparison. The former has an industrial proletariat with considerably more muscle than that of the peasants in Africa's predominantly agricultural economies. Essential to the success of the Eastern European revolution was the fact that the region's metropolitan power — the Soviet Union — was preoccupied by its own domestic crisis, and made clear it would not intervene.

For Africa, this process took place two to three decades ago when Belgium, France, Britain and Portugal decided that the price of the colonial relationship was too high.

Last November, the World Bank added another element to the pressure on African governments. In the most searching examination of Africa's problems ever published by the Bank, the continent's largest donor called on leaders to become "more accountable to their peoples".

"Many governments are wracked by corruption and are increasingly unable to command the confidence of the population," said the Bank, warning that without democratic reforms many countries' structural adjustment programmes would fail and external aid would become less.

Most African governments are resigned to the prospect that, in future, aid will have political as well as economic conditions attached. Neither the Bank nor governments such as the US and Britain, which have endorsed this approach, have so far drawn up forma political criteria.

Whatever the roots of the African unrest, one thing is clear. Despite World Bank-supported economic reform programmes adopted in varying degree by about two-thirds of sub-Saharan Africa the continent remains in deep economic crisis.

The Bank's report on Africa pointed out that the region's economies must grow by at least 4% to 5% a year for a "modest" improvement in living standards. This target requires a 4% a year increase in real terms of official development assistance, together with further external debt relief. It represents a gross Overseas Development Agency requirement of $22bn a year at 199 prices by 2000, the Bank estimates.

Many economists believe this under estimates Africa's needs; but even the comparatively cautious goal might be hard to attain. — Financial Times.

Canada in $9,7m AIDS programme

OTTAWA — Canada announced on Monday a $9,7m training and education programme to help fight the spread of AIDS in southern Africa (279A) (C)

The project, to be undertaken by the Canadian Public Health Association, will help train health workers, educate women and migrant workers on safe sex practices and improve knowledge in general about the disease. B1 Day 29/8/90

External Relations Minister Monique Landry told reporters that the five-year project would be applied in the 10 countries of the SADCC, made up of Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe. — Sapa-Reuter.

—AFRICA—

Frontliners to review SA

LUSAKA — The six-nation southern Africa Frontline group is expected to hold a one-day summit in Lusaka this week to discuss recent developments in SA, official Zambian sources said yesterday. (279A)

They said ANC deputy president Nelson Mandela was scheduled to brief the presidents of the Frontline states on Saturday on his talks with President F W de Klerk. B1 Day 29/8/90

Referring to the violence that has killed more than 500 people in two weeks, one official said: "The main issue will be recent developments inside SA especially in the light of the suspension of armed struggle by the ANC and the ongoing violence (among blacks)."

Mandela, due to arrive in Lusaka on Friday, had held two rounds of "talks about talks" with De Klerk to clear the way for full-scale discussions on ending apartheid.

The Frontline member countries are Angola, Botswana, Tanzania, Mozambique, Zambia and Zimbabwe. — Sapa-Reuter.

☐ PEACE OPTIMISM

SADCC predicts bright future

c/news 2/9/90

By GIFT SIPHO SISO

279A

WITH apartheid dying down south and peace a prospect in Angola and Mozambique, the Southern African Development Co-ordinating Conference (SADCC) believes the region has a bright future.

This was expressed by SADCC executive secretary Simba Makoni at a recent Press briefing in Harare.

"Although our resources in the region may be small, when put together they far outstrip those of the United States," boasted Makoni, who was re-elected for another three-year term of office at the SADCC's 10th anniversary summit held last week.

President Quett Masire of Botswana was also re-elected chairman of the organisation for another three-year term.

"We look forward to a free and democratic South Africa coming to take its rightful place in the SADCC, not as an economic giant coming to dominate the region but as an equal partner with even the smallest of our member states," said Makoni.

When the SADCC was formed in 1980 its primary aims were to reduce dependence on South Africa, create equal trading partnerships between member states, and pave the way for regional economic integration.

"The collapse of the once-envied East African Community should serve as a classic example for the SADCC and spur us to even do more," said Zambian President Kenneth Kaunda.

He also called for a single airline to be formed to serve the SADCC region.



Quett Masire . . . re-elected as SADCC chairman.

changes.

Reports by CP correspondents, Sapa, Reuter, AP.

☐ KAUNDA'S PEACE PLEA

(2791)
C/Pers 2/9/90

PAC 'should accept the invitation to join talks'

PRESIDENT Kenneth Kaunda of Zambia yesterday appealed to the PAC to consider seriously President FW de Klerk's invitation to the organisation to join the peace talks aimed at bringing about a free, democratic and non-racial South Africa.

Speaking before the start of the one-day Frontline heads of state summit in Lusaka, Kaunda said as far as the Frontline states were concerned, De Klerk had proved to be sincere and meant well when he invited the PAC to join in talks between the ANC and the South African government.

The Zambian President, who is also chairman of the seven countries forming the Frontline states, told PAC chairman Johnson Mlambo, who is representing his movement at the summit: "We hope the PAC will look at President De Klerk's invitation from the angle of the things that have been happening since the release of Mr Mandela."

The one-day summit was called by the ANC deputy president so he could brief the seven member states – Angola, Botswana, Mozambique, Namibia, Tanzania, Zambia and Zimbabwe – on the latest developments taking place in South Africa.

Meanwhile, Kaunda called on Inkatha leader Chief Mangosuthu Buthelezi to stop what he described as wanton destruction of human life in South Africa.

The Frontline leaders said they would not recognise the Inkatha leader until he put an end to the violence sweeping Natal and black townships in South Africa.

Kaunda asked Buthelezi, whom he accused of fanning the current black-on-black violence, to "go back home to the days when he won the respect and admiration of the international community through his messages of love".

"This wanton destruction of human life by Buthelezi is uncalled for."

The PAC has dismissed as "not serious or honest" the invitation from Constitutional Development Minister Gerrit Viljoen to join constitutional talks.

General secretary Benny Alexander said at the University of the Western Cape this week he did not not think the country's problems would be solved in the near future because the gap between the PAC and the government was so big.

"I'm not saying that people should not sit down and talk, but the issue is can the bottom lines be reconciled?" The PAC stood for a constituent assembly while the government was not in favour of one, he said. – Sapa, ANO

Mandela home with message

CAPE TIMES 3/9/90

JOHANNESBURG. — ANC leader Mr Nelson Mandela yesterday returned to South Africa unannounced after a week-long tour of four nations, including a stop in Libya.

ANC spokeswoman Ms Gill Marcus said he flew in early to avoid journalists. He had been expected in the afternoon.

Mr Mandela arrived from Zambia with a message for President F W De Klerk from the frontline states asking him to end black strife.

Mr Mandela — who attended the frontline summit after arriving from a six-day tour of Norway, Algeria, Libya and Uganda — is to personally deliver the message to Mr De Klerk.

Mr Mandela is to hold a press conference today.

In Lusaka, meanwhile, Zambia's President Kenneth Kaunda chaired Saturday's meeting of leaders of Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe.

The summit effectively blamed Chief Mangosuthu Buthelezi for the recent black violence.

"Chief Buthelezi just now is creating a lot of chaos for all of us. He is leading us on a course of destruction and we are asking him to go back to where he was before and stop all this killing," Dr Kaunda said.

He also said the summit had also asked PAC chairman Mr Johnson Mlambo, who also attended, to take a special message to his organisation's president, Mr Zeph Mothopeng.

The Zambian leader would not disclose the contents of the message, but at the begining of the summit he urged the PAC to consider the invitation by Mr De Klerk to join the negotiations on a new South Africa. — UPI and Sapa

...gation, is not responsible, in a number of respects. They gave authorities very short notice of their intention to march to

Const Geldenhuys who between them shot dead five people during the Lekoa disturbances of March 26.

Special Frontline message for FW

LUSAKA — Leaders of the African Frontline states ended a one-day summit meeting in the Zambian Capital, Lusaka, on Saturday with a special message to President F W de Klerk to end black-on-black violence, Zimbabwe's national news agency Ziana reports.

Zambian President Kenneth Kaunda, who chaired the four-and-a-half hour meeting of leaders from Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe, said ANC deputy president Nelson Mandela had been asked to personally deliver the message to De Klerk.

After the meeting, Kaunda said: "The summit sent a message to De Klerk to stop the carnage. We have done that, and Mr Mandela will deliver that message to him."

Mandela attended the summit after arriving from a six-day tour of Norway, Algeria, Libya and Uganda.

Mandela was expected to land at Jan Smuts Airport in Johannesburg late yesterday afternoon. (2791A)

Also invited to the summit was PAC-chairman Johnson Mlambo.

Kaunda said the summit had also asked Mlambo to take a special message to PAC president Zeph Mothopeng.

The Zambian leader would not disclose the contents of the message.

He also urged the PAC to consider De Klerk's invitation to join negotiations.

Kaunda said the summit had agreed to ask Inkatha leader Mangosuthu Buthelezi to stop aggravating violence.

"Buthelezi just now is creating a lot of chaos for all of us. He is leading us on a course of destruction and we are asking him to go back where he was before and stop all this killing," Kaunda said.

31/9/90

13 Mon

SOUTH AFRICAN TOURISTS ARE WELCOME

A SOUTH AFRICAN visiting the Frontline States cannot help being struck by the analogy of the relationship of Mexico to the United States. "Poor Mexico, so close to America, so far from God."

On the one hand, South Africa dwarfs the economies of its neighbours and for all its flaws, our economy seems a model of robustness and sophistication in comparison. On the other hand, the history of apartheid and the legacies of cross-border raids has severely impeded normal relations.

Even the resolution of South Africa's problems, however, is viewed with some ambiguity. It opens the way for closer contact with propects for a greater southern African economic community, but there are also fears that the South African economy will suction out industry and skilled manpower from its neighbours and entrap them in a relationship of permanent clientelism.

Poorest

Take Mozambique, for example. The country has effectively been at war for 26 years — since Frelimo began its campaign in 1964. After independence, the combination of civil war and banditry wreaked further devastation.

Compounding this was the application of Marxist-Leninist doctrines and the precipitous flight of the Portuguese settlers, the cumulative effect of which was the collapse of the Mozambican economy.

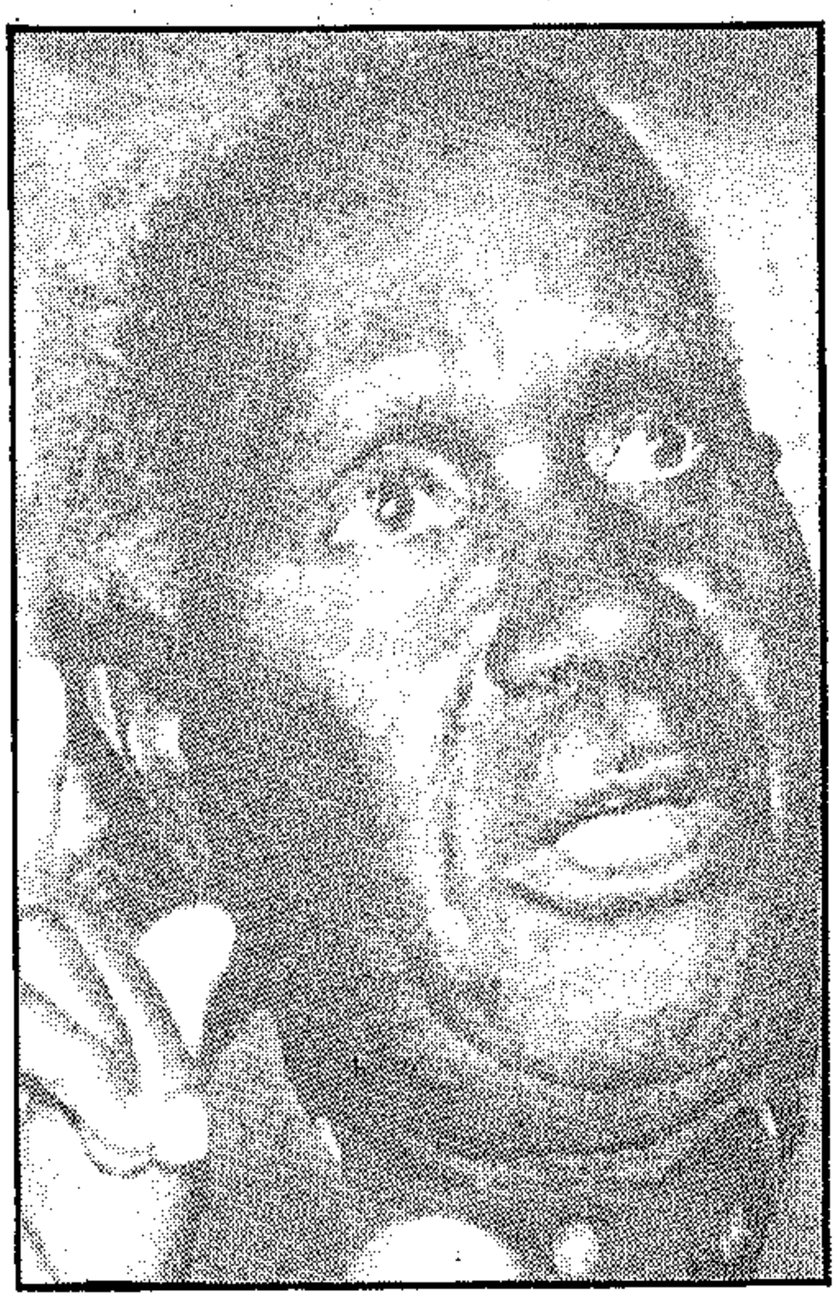
In 1987 Mozambican imports totalled R2 200-million while its exports were valued at only R4 500-million (mostly prawns and cashew nuts). It is now one of the poorest countries on earth with a foreign debt estimated at R10,5-billion. In Mozambique, the rand is a hard currency — a novel experience for a travelling South African!

Tangible

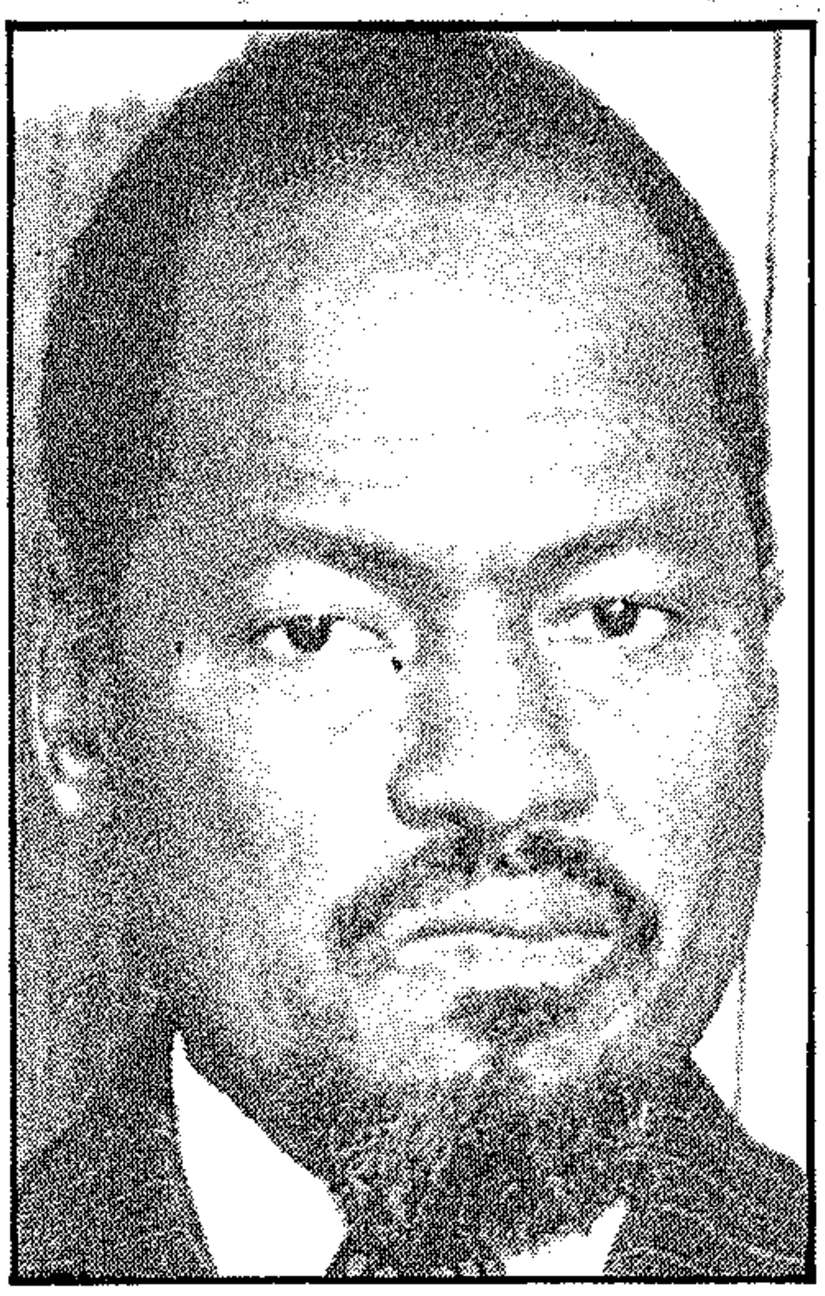
The potential is undoubtedly still there: a stunning coastline, good hydro-electricity prospects, enough water and good agricultural and mining prospects.

Since 1987 Mozambique has launched an economic reconstruction programme, moving steadily towards a market economy. But, even if present growth rates of four percent a year are maintained, it will take a generation to regain 1980 levels.

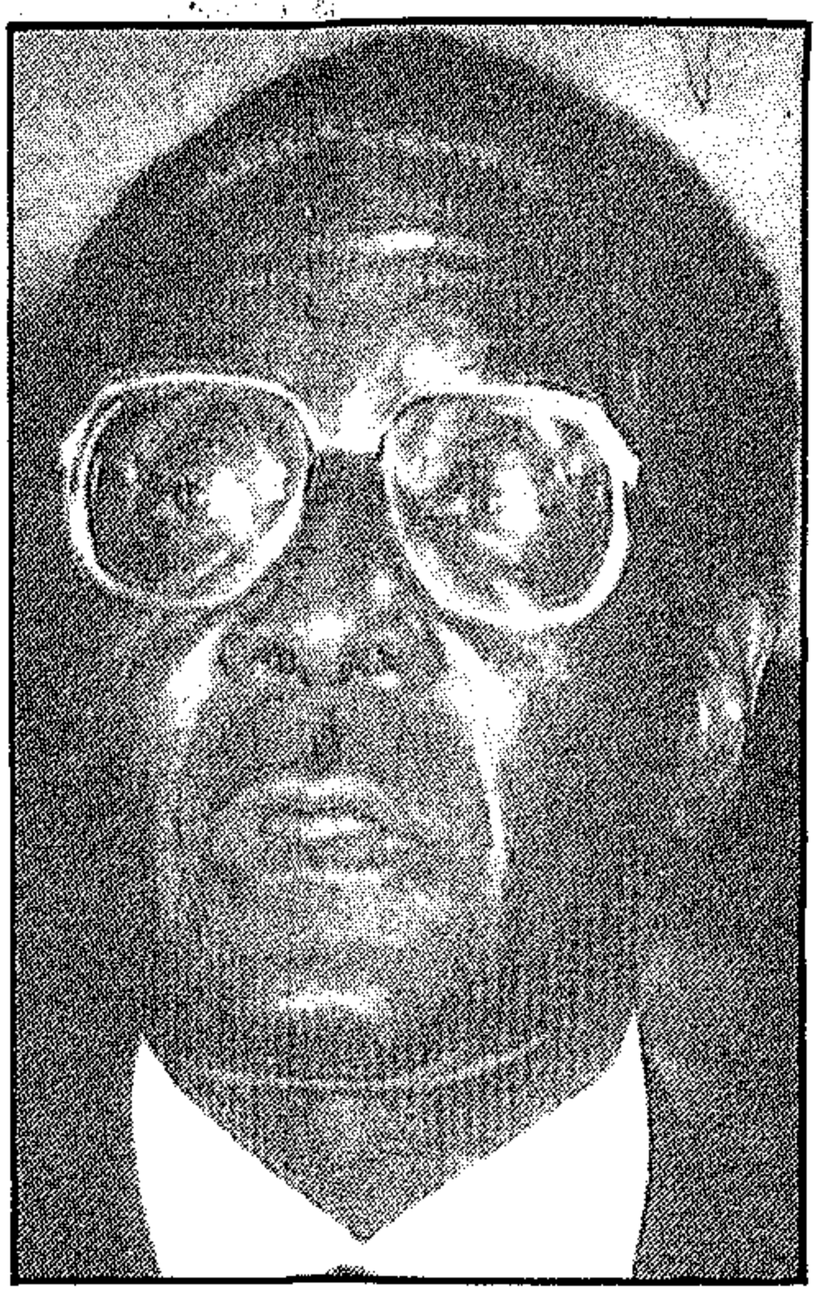
An end to the war is a prerequisite for economic revival: hence the recent meetings between Presi-



SHAKY POSITION ... Kenneth Kaunda



NEW POLICIES ... Joaquim Chissano



UNDER PRESSURE ... Robert Mugabe

We will have to take our ailing neighbours more seriously. Our fate is bound up with theirs ...

S/Times 9/9/90.

279A

Gavin Lewis, recently returned from a tour of southern African states, reports that many are looking to South Africa for salvation



dent Joaquim Chissano and Renamo and the adoption of a multi-party democracy by Frelimo.

Despite the grinding poverty and the air of slow disintegration that hangs over its cities, the new economic policies have started producing some tangible benefits.

In the last three years Mozambique has attracted R300-million in foreign investment. By contrast, Zimbabwe, with a much more stable environment and a far better infrastructure, has only been able to attract R700-million in foreign investment in the whole decade since independence.

Not surprisingly, given the proximity of the countries, Mozambique's leaders look to South Africa as a prime source of investment and technology transfers.

Hence their strong support for the reforms under way in South Africa. But a resolution of the South African conflict is something of a two-edged sword for Mozambique, as it is for most of the other Frontline States.

For a long time they have been able to gain a larger slice of the foreign aid cake by trading on their status as "victims of apartheid".

Prosperous

This factor will soon no longer apply. At the same time, the domestic changes in Eastern Europe deprived Mozambique almost overnight of traditional markets for its goods and of its main foreign backers.

In addition, European "Afro-pessimism" and the reduced prospects of developing trade with Eastern Europe further reduce the attractions of investment in a war-racked African economy at the peripheries of the world.

Zimbabwe is, of course, a model of prosperity by contrast with Mozambique. But even here the signs of trouble are rapidly emerging.

Although the socialist path of the Zimbabwean government tends in practice to be more rhetoric than reality — with the notable exception of a greatly expanded social welfare system — Zimbabwe has failed to attract the necessary foreign investment to provide jobs for its growing population.

In 1989 only eight percent of school-leavers were able to find jobs in the formal sector. The total number of jobs in the formal sector now is about the same as it was in 1974 while the population has grown by some three million. The result is growing alienation and resentment among the youth.

Under this pressure, together with the need to put Zimbabwe in a position to compete with a normalised South Africa, a range of trade liberalisation programmes has been launched by the government.

But it is not readily apparent as yet that the Zimbabwean government, and in particular President Robert Mugabe, has mustered the will and the conviction to push the structural changes through with the necessary determination and thoroughness.

Turbulent

Zambia faces similar dilemmas. Although it has been, until recently, the most peaceful country of the three examined here, its economy faces similar problems. The beggars in rags that greet you at the Zambian border are an obvious indication.

The Zambian economy is on the verge of bankruptcy. Its R19,5-billion debt burden is one of the heaviest in the world and the growing impoverishment of the country has forced it into an IMF-monitored recovery programme.

Political instability is on the rise and the position of President Kenneth Kaunda seems increasingly shaky. Again, for many Zambians, a South Africa freed of apartheid is seen as the sub-continent's last hope.

The urgent need for South African capital and technology, in return for Zambian water and hydro-electricity (and even, President Kaunda hinted, farmland for South African farmers), overcomes whatever quarrels Zambia might have about its powerful neighbour to the south.

But it is clear that the next four years — with or without South Africa — will be harsh and turbulent ones for Zambia.

What conclusion is one left with?

First, South Africans have to take the region more seriously than they have hitherto. Our fate is bound up with theirs: we cannot isolate ourselves from economic disintegration and political instability on our borders.

It is obviously in our interests that the region should prosper. To be blunt, the countries outlined here face economic catastrophe.

Second, in the longer

term, some form of closer regional economic co-operation is both inevitable and desirable.

However, the history of economic unions in Africa has not been a happy one and it is more than likely that regional expectations of larger-scale South African aid and investment are overblown.

In the immediate post-apartheid era, there will be great demands inside South Africa on this country's capital reserves. Ironically, the major foreign investments in the frontline states over the last decade have come from the big South African conglomerates.

Threat

It remains to be seen whether this will continue to be the case if the ANC, among others, implements the threat to dismantle "monopolies" in this country.

Third, given the chequered history of South Africa's relations with its neighbours in the past and the much greater size and strength of our economy, expanded relations will have to be approached with great sensitivity.

Fourth, we have much to learn from the post-independence experience of our neighbours, all of whom, with varying degrees of reluctance, are being forced to restructure their societies and economies to come to terms with harsh realities.

Powerful

In the short term, Mozambique, Zambia and Zimbabwe face wrenching adjustments and, in the case of the former two, great economic hardships.

But, in the longer term, one cannot but feel a sense of optimism, a glimpse of a sub-continent, with South Africa as its hub, drawing on mutual ties to the benefit of all parties and playing its rightful role as a powerful economic and political factor on the global scene.

The doors stand open, the desire among our neighbours for co-operation is strong and the potential is apparent. All now depends on the policies not just they, but we in South Africa, decide to adopt.

□ *Dr Gavin Lewis is the director of the South Africa Foundation's Johannesburg office.*

SA-Africa detente 'may bring tenfold export rise'

THE normalisation of relations with African countries could result in a tenfold increase in exports — now worth about R5,5bn — over the next decade, Africa Institute deputy director Pieter Esterhuizen said.

His statements at the weekend followed a dramatic increase in contact with African states by SA government Ministers, and statements by African leaders placing SA's return to open trade with these states firmly on the agenda.

Recently, Mineral and Energy Affairs Minister Dawie de Villiers met Angolan President Jose Eduardo dos Santos, while Pretoria has opened trade offices in Zaire and Madagascar.

Trade agreements also exist between SA, Malawi and Zimbabwe.

Last month, following the summit of the SA Development Co-ordination Conference (SADCC), the heads of the 10 "frontline" states released a joint communique which welcomed political changes in SA.

TIM COHEN

It said: "The summit expressed appreciation at the easing of tensions in the region and encouraging prospects for a democratic SA which would enhance the efforts for co-operation among the countries of the region, including SA."

Esterhuizen said if SA could achieve exports to Africa worth R10bn in covert circumstances, the country could expect a 10-fold increase over the next decade if relations were normalised.

SA Foreign Trade Organisation CE Wim Holtes said trade with African states had developed its own commercial momentum.

However important the normalisation of political ties would be, they would not affect exports significantly in the short term, he said. Trade with Africa was increasing at the rate of about 40% a year.

Although official figures have not been released, it has been estimated the majority of SA's trade with Africa takes place with SADCC countries.

Esterhuizen said although there was tremendous potential for trade with Africa, it would be contingent on local political developments and the pressing development requirements of SA.

He said SA had in the past expressed interest in investing in African countries but was spurned for political reasons, although substantial investment did take place.

Ironically a future, democratically elected government would probably pay lip service to regional development but pay more attention to local development needs, he said.

SA should nurture its natural trading partners in Africa, many of whom were potentially rich countries. He added development aid from SA to African countries was limited by the lack of local funds, but he echoed Foreign Minister Pik Botha's tri-partite development programme.

Van Rooyens

R28-m plan for fight against Aids

Sowetan 11/9/90

MORONI - The Canadian International Development Agency (CIDA) is to set up a R28m project here to combat the spread of Aids in southern Africa countries. (92) (279A)

The five-year project is aimed at safeguarding the health of people in the 10 countries belonging to the Southern African Development Co ordination Conference (SADCC).

It will focus on training health care workers, managers involved in primary health care and education of women and migrant workers to encourage safer sex attitudes;

'Time bomb' on Africa's southern tip

279A

W(Mail 14/9 - 20/9/90

The traumatised victims of organised violence in Southern Africa need urgent counselling and rehabilitation.

ANDREW MELDRUM *reports on a Harare conference on the issue*

THE tens of thousands of people in Southern Africa who have been traumatised by organised violence represent a "time bomb" that could explode in the form of alienated, anti-social behaviour, alcoholism and drug abuse and in continued violence.

To avoid this "time bomb" exploding, the 120 professionals who attended a Harare conference on the "Consequences of Organised Violence in Southern Africa" last week, urged the creation of a regional network of counselling centres and community-based rehabilitation .

"There are so many people, especially the young, who have been brutalised by organised violence throughout the region. The victims of rebel violence in Mozambique and Angola, and those in South Africa who have suffered detention, torture and murderous attacks are all victims of organised violence," said Zimbabwean child psychologist Tony Reeler.

"We wanted to look at the scope of the problem and hear the experience of those in Europe and Latin America who have dealt with similar problems," said Reeler, an organiser of the conference.

"Now we are faced with the challenge of putting what we have learned to use."

Doctors and health care professionals emphasised that new victims are created every day as the violence continues in South Africa and wars rage on in Mozambique and Angola. They concluded there could be no real solutions until apartheid was dismantled and peace achieved throughout the region, although training of counsellors and the planning of treatment centres could begin now.

The conference featured speakers from Swedish and Dutch centres which specialise in the treatment of torture victims, and a Chilean expert on the effects of state violence.

Speakers stressed that many of the effects of such violence would be long-term, becoming evident years later. The term Post-Traumatic Stress Syndrome is used to describe such cases.

South African speakers included Dr Kerry Gibson from the Organisation of Appropriate Social Services in South Africa (OASSSA), who described the clinical aspects of violence in South Africa.

Dr Paresh Soni, secretary general of the National Medical and Dental Association (Namda) spoke on the violence in Natal and charged that Inkatha had spread it into the Transvaal.

Dr AD Muller of the Centre for Intergroup Studies in Cape Town described how the township hostels have been "amplifiers" of the current violence and how the hostel residents are easily manipulated by far-right groups.

The large South African delegation said work to alleviate the traumas could not begin in the current state structures, as they were part of the apartheid system that had inflicted the violence. They agreed that work would have to begin with the grassroots structures of the Mass Democratic Movement.

Different problems confront Mozambique and Angola. Although negotiations may bring an end to the wars, neither country has enough trained medical personnel to deal with the crisis. The fact that Mozambique has just one psychiatrist for its population of 14-million gives an indication of the dearth of skills.

Another problem is the overwhelming scale of traumatisation in Mozambique, where it is estimated that 90 percent of all families have been directly affected by the war violence.

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'Time bomb' on Africa's southern tip

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●From PAGE 9

"Mozambique is a situation where the abnormal has become normal," said Reeler.

One of the most sobering presentations was from British specialist Naomi Richmond, who works in Mozambique. She described Renamo's systematic brutalisation of young children, many of whom witnessed the murders of their families and some of whom were forced to become killers themselves. Richmond displayed drawings by Mozambican youngsters which depicted horrifying violence.

"Those drawings really upset people," said a conference participant. "The drawings graphically displayed how the children are haunted, terrorised by the violence they have experienced. There were many tears and ashen faces at the end of that presentation."

A few regional participants commented that some South African delegates displayed "tunnel vision" and were only interested in discussing South Africa's problem, not in seeking a regional strategy to deal with the common problem.

Mozambique's brutalised children are also victims of apartheid, as the rebels are sponsored by South Africa, said Zimbabwean priest Edward Rogers.

The conference was sponsored by the Swedish Red Cross and the Psychiatry Association of Zimbabwe.

Africa faces threat of increasing poverty

Block 26/9/90 279A

WASHINGTON — There will be 265-million people living in poverty in sub-Saharan Africa within 10 years, up sharply from 180-million in 1985, says the World Development Report for 1990.

In the next 10 years the population in this region will grow by 165-million.

For the purposes of the report, people earning less than $370 a year are considered to be living in poverty.

The 1980s can be considered a lost decade for this region, the report says.

In the developed world, the average life expectancy is now 76 years, as against 50 years in sub-Saharan Africa.

The report identifies three key areas for progress — reducing fertility rates, expanding social investment (particularly in the area of education and health), and rehabilitating the infrastructural base.

It says a growth rate of about 5,5% — nearly 2% higher higher than the projected rate — would be necessary to keep per capita levels where they are.

Finance Minister Barend du Plessis has given notice that he intends addressing the issue of poverty when he makes his keynote address to the IMF today. A World Bank report reviews the same subject.

The report says that in Tanzania large-scale studies show that real private consumption per capita has fallen by 43% since 1973.

They show that food purchases have moved away from meat, dairy products and vegetables towards starch and cheap beans.

Between 1969 and 1983 real wages in urban Tanzanian areas fell by 65%.

Botswana, which has produced an average annual growth rate of 9% since 1963, is identified in the report as one of the exceptions on the continent, although 50% of the population earns less than $375 a year.

Botswana's growth has enabled it, unlike Ethiopia, Mozambique and Sudan, to cope with severe drought of the 1980s.

With an effective drought relief programme, which included getting large-scale food imports from SA, Botswana was able to counter the effects of drought during the 1980s, says the report.

World Bank president Barber Conable told the board of governors yesterday it was possible to reduce poverty.

But he added that parts of Africa had suffered a collapse of living standards.

"There Africa faces its greatest challenges," he said.

Conable said the way to reduce poverty was to begin with the premise that the most abundant asset of the poor was their labour and removal of policy biases would increase their opportunities.

The second aspect of the World Bank strategy is that expanding health and education services for the poor will augment their income-earning potential.

Africa after apartheid and Marx

ST Times 30/9/90

279A

Harry Oppenheimer calls for investment from the United States and co-operation among African countries to rebuild the continent



WE should be asking ourselves if there is not still validity in the vision of linking American skills, experience and resources to the task of building a new area of peace, justice and prosperity in our sub-continent.

Until very recently such a notion would surely have been dismissed as an idle dream.

A previous attempt was made to organise southern Africa under the umbrella of the old colonial empires. But this system has collapsed and colonialism has been replaced by numbers of small independent black states most of whom are inclined to express their hatred of colonialism by attempting to build their economies on some African adaptation of the Marxist system.

Decay

As might have been expected, the results have been disastrous.

So-called "African socialism" combines the fundamental flaws which have destroyed socialism in eastern Europe with the administrative inefficiency which too often results from the inferior education system which has been all that was available to blacks under the colonial system.

South Africa reacted to these developments by launching the apartheid policy, a system which, while ostensibly opposed to socialism, involved in practice a substantial measure of centralised control of the economy. And so for the last 30 or 40 years southern Africa as a whole has been wasting its natural resources in an attempt to realise social and political objectives which were just a mirage.

But now at last, in spite of all the misery and violence, there is light at the end of the tunnel.

Apartheid and Marxism are both in a state of terminal decay and there seems to be a chance of building democracy, freedom and prosperity in southern Africa.

Many developing countries depend economically on a mining base.

Sound

Although a diversified economy exists, we still depend to a major extent on mining and in particular on the export of mineral products for the foreign exchange which we cannot do without.

The same is true for virtually all the new black states in the area. Zimbabwe, Zambia, Namibia, Zaire, Angola and Botswana are all mining countries and all could benefit enormously and could offer much in exchange if the skills and resources of the American mining industry could be made available to them in a sensible and businesslike way.

Unfortunately, because of the natural hatred of apartheid throughout black Africa, every effort has been made, and is still being made, to break the links between South Africa and the rest of the continent.

While this is understandable, it is entirely impractical, since the economic growth of the whole area requires the closest co-operation between South Africa — which is the economic powerhouse of the region — and the smaller, less-developed countries to its north.

It is through South Africa, and by taking advantage of its experience and specialised knowledge of African conditions, that resources from outside could best be channelled to build up the economy of this part of the world.

What is needed is not a continuation of the policy of pouring money like water into the new African countries for political reasons in the form of government or institutional grants and loans — a process which, while causing loss to those who give, does little in the long-run to help the recipients.

What the new southern Africa needs is private investment which stands up to examination on the solid basis of calculation of profit and loss. The natural resources of these countries are great and a change to a new, sound economic system now seems to me within the bounds of possibility — provided we can get rid not only of apartheid but also of the moribund system of Marxism.

When the Anglo American Corporation of South Africa was formed it was thought of not only as a South African mining company but as a means of contributing to the development of the whole area from a South African base.

Hard

All this was envisaged within the structure of the old colonial system and in particular of the British Empire and Commonwealth of which South Africa was a member.

The political changes which brought that way of thinking to an end could not have been foreseen. But now, through hard and painful experience, it may be that we are moving towards a new form of political and economic co-operation which would allow South Africa and the new black states to work together to their great advantage and to the advantage of the whole free world.

□ *Mr Harry Oppenheimer is past chairman of the Anglo American Corporation and De Beers. This is an extract from a speech delivered at the Mining and Metallurgy Society of America this week.*

European talks on African stability

Own Correspondent

GENEVA. — Prospects for stability and economic growth in Southern Africa will be considered today when regional and world political and business leaders meet senior SA government officials and all major political groups in South Africa.

Finance Minister Mr Barend du Plessis leads the Pretoria delegation while the meeting offers an opportunity for private talks on violence control between Inkatha leader Chief Mangosuthu Buthelezi and ANC foreign spokesman Mr Thabo Mbeki.

A Conservative Party group will be led by Mr Koos van der Merwe, with the PAC group led by senior spokesman Mr Sipho Shabalala.

High-level government and trade representatives from the six main frontline states are attending the unprecedented two-day talk-in, which seeks a breakthrough for economic and political co-operation in Southern Africa.

One half of the 150 come from Western Europe, a quarter from Africa and the remainder from Asia and the US.

A key session today, chaired by the meeting's guest of honour, Commonwealth secretary-general Mr Emeka Anyaoku, will debate "the outlook for Southern Africa in the new global context", with emphasis on the dramatic change in the USSR and Eastern Europe.

Mr Du Plessis, on his way home from the IMF, will brief delegates on current and anticipated developments inside South Africa.

Delegates include:

Simon Brand, chairman, Development Bank of Southern Africa.
Jan Steyn, chairman, Independent Development Trust, SA.
Nicholas Oppenheimer, deputy chairman Anglo American Corporation/De Beers Consolidated Mines.
Jock McKenzie, MD, Caltex Oil SA.
Robin Plumbridge, CE Officer, Gold Fields of SA.
Michael J Levett, chairman, Old Mutual.
Piet Liebenberg, exec chairman, Nakorp.
Justin Nyoka, MD and chairman, Aquarius Farms.
Antonius Moolman, MD, Transnet Limited.
Peter G A Wrighton, chairman and CE, The Premier Group.
Ronald Lubner, chairman, Glass SA Limited.
George B Nyandoro, chairman, board of directors, Nedlaw Group of Companies.
Jacobus van der Merwe, MP.
Lawrence Schlemmer, director Centre for Policy Studies, Wits.

Frontline leaders include:

Ben Amathila, Minister of Trade and Industry, Namibia.
Edward S Ayensu, president, Panafrican Union for Science and Technology.
Gibson Chigaga, Minister of Finance, Zambia.
Aguinaldo Jaime, Minister of Finance, Angola.
Ponatshego Kedikilwe, Minister of Commerce and Industry, Botswana.
Addewale Sangowawa, vice-presdient, African Development Bank.
Abdul Magid Osman, Minister of Finance, Mozambique.

Hawks bow to finance men

Star 5/10/90

279A

GRAHAM LINSCOTT spotlights the change of emphasis in southern African relations, evident from the recent meeting of southern African Finance Ministers in Switzerland..

These days events keep ahead of terminology. Finance Ministers of the Frontline states meet their South African counterpart in Geneva, along with other internal political leaders.

Frontline? Since when were finance Ministers in the front line?

A year or two ago, every state neighbouring South Africa — and some further distant — had been on the receiving end of cross-border military action of some sort and expected more of the same.

It is a totally different story today. The Geneva meeting seems to typify it — the finance men, not the military men or the diplomatists, getting together to discuss what is wrong with the sub-continent.

The truth is that the passing of the Cold War and the ravages of conflict in Africa have "marginalised" the military and shifted the focus of the diplomats to economic matters.

Economic needs are accentuated by a shortage of development funding. The Western world has wearied of pouring money into a bottomless pit of corruption and inefficiency. Loans are today dependent on economic disciplines in the recipient countries.

A re-emerging Eastern Europe is a serious competitor for investment capital. Bulgaria, say, might be in a bit of a mess today, but an ancient civilisation lies just beneath the surface. And the Bulgarians have never burned down their factories the way the Ciskeians did, not too long ago.

The only way southern Africa is going to attract the investment needed to realise its potential and offer its peoples a reasonable way of life is if the finance Ministers have their way over the ideologues.

And let us not be too condescending about this. South Africa's Finance Minister has only recently been able to assert himself over the ideologues and the military hawks.

Fight

The Finance Minister is supposed to be the second most important man in the Cabinet. (In Britain he lives next door to the Prime Minister). He holds the purse strings and his Cabinet colleagues have to fight to get money out of him for their pet projects.

Until the De Klerk era, Dr Nico Diederichs had been the last Finance Minister to have had this kind of authority. To a large extent he influenced policy by dishing out the money.

But he operated in times of plen-

He was also an architect of the artheid structure and he poured bons into what his impoverished sessors are now trying to dismtle.

atever their misgivings about Calet policy, Dr Diederichs's succesrs simply did not have the sam clout. Remember Senator Hor d blindly signing away funds for t Information Department's activ s? Barend du Plessis having to lea while overseas that P W Botha d granted the civil servants a pay rease for which he did not have th money?

The me Barend du Plessis seems last to be truly at the helm. He talking to his counterparts in sub-continent. It is most encourag.

Have th Day of the Demagogue and the D of the Hawk given way to the Day the Finance Minister? To be sure, is not quite as stirring to the bloo But a lot of people could eat ter and sleep more soundly in th beds.

Opening the doors to Africa

As South African political life begins to normalise, the first dividend - resumed tourist links - is gradually becoming a reality. Already many countries that banished South Africa from their soil and airspace have opened their doors again.

Sowetan 16/10/90 (279A)

FOR more than two decades, South Africans without the resources to go overseas have had to restrict their touring horizons to well within the boundaries of Southern Africa.

Even within this region, South Africa's political rigidity and the instability of some surrounding countries reduced travel to a dribble during most of the 1980s.

But as the African continent enters a new era of political thinking, spearheaded by a vastly reformed South African Government, links that were for many years severed are being restored.

The most recent coup was this month's announcement that air links would be resumed between South Africa and Kenya, with the first scheduled flights to and from Nairobi planned for December 1.

While SAA has cautiously said the link would only be an extension of its regional service, there is optimism in the tourist industry that this agreement is the first step in gaining direct access to Europe instead of having to fly around the bulge of Africa.

This would allow for cheaper package flights and save hours in journeys to European destinations.

Countries that still deny South Africa overflying rights include wartorn Sudan, Saudi Arabia, Libya, Morocco and the Congo.

According to Leon Els, SAA spokesman, continuing discussions are taking place between a number of African and world airlines and governments in an attempt to gain wider access to the continent.

"Ultimately, the decision over restoring air links with South Africa lies with the politicians," he said.

This year SAA announced the introduction of regular flights, after the granting of landing rights, to Zaire, Rwanda and Madagascar, a destination that has illicited substantial enthusiasm from South African businessmen.

Apart from these destinations, South Africa also has strong air links with Zimbabwe, Angola, Botswana, Namibia, Malawi, Swaziland, Lesotho and Zambia.

Flights to Mozambique, once devoid of South African tourists, have been increased to three a week.

But there are many hurdles still to overcome.

One hiccup has been the discontinuation in January of SAA flights to the Commores in the wake of the closure of two Sun International hotels.

However, South Africans have the option of flying Luxavia to this island.

Hurdle

A more difficult hurdle is the discontinued SAA flights to the Ivory Coast. This service, according to Els, was taken over by Namib Air, which means the nearest take-off point is Windhoek or Harare.

Air links, although they are of fundamental importance in opening up the world to South African tourists, are only a small part of viable tourist interaction, according to Rupert Lawlor, former president of the Association of SA Travel Agencies.

"While we might be able to fly to various African destinations, there are still countries that are inaccessible to South African passport holders.

"Obviously visa requirements in some countries need to be reviewed," he said.

Another burning issue facing international tourist trade was the marketability of newly opened countries.

The Commores, for example, because of its unstable political scenario and the fact that two hotels were closed recently, had become unviable for tourists.

Tourists

"There is a lot of work to be done on creating an infrastructure able to accommodate tourists in places like the Commores, Madagascar, the Ivory Coast and various African countries.

"There is a need for hotels and a good transport network, which can only emerge from sound economies," Lawlor said.

In Mozambique's capital, the famous Polana Hotel is currently undergoing refurbishment in an attempt to attract tourists.

The small islands off the east coast of Mozambique, although they are beautiful, do not however have the facilities to entertain numbers of tourists at a time.

"Real tourist trade comes via the package deal, and it is only when there is the infrastructure available that these marketing avenues are possible.

"It also takes time to put together package deals at reasonable prices and tourist operators will have a lot of work ahead

African govts 'looking to SA'

BP am 16/10/90

CHARLOTTE MATHEWS

DURBAN — Southern African governments were accepting the merits of linking shared assets and development projects in association with SA, Foreign Affairs deputy director-general Rusty Evans said yesterday.

He told the Building Industries' Federation of SA (Bifsa) conference that: "SA's relationship with its neighbours is being discussed in African capitals. What is concerning African governments now is European unity in 1992, changes taking place in eastern Europe and disillusionment with the donor nations."

(279A)

Governments were finding their former Eastern bloc allies were losing interest and the superpowers were no longer competing for Africa. France was the country with the most influence in Africa.

He said SA's contribution to Africa could be greatest in technology, agriculture, mining, building and construction and the promotion of small-scale business ventures.

Summit causes cash crisis

MBABANE - Concern about a 19-nation all-Africa summit conference to be held in Swaziland next month grew at the weekend after the country's finance minister asked parliament for an extra R3,5 million to pay for it. Sowetan 16/10/90

The summit of the Preferential Trade Area Economic Grouping is to be held here on November 23 and 24. 332 279A

Heads of state are expected from Angola, Zambia, Lesotho, Sudan, Comoros, Mozambique, Zimbabwe, Mauritius, Kenya, Malawi, Tanzania, Rwanda, Burundi, Uganda, Ethiopia, Somalia, Djibouti and Namibia. Host-nation Swaziland is the 19th.

A scathing editorial comment in a widely read local newspaper last week said the money could be spent on more urgent projects "... than wining and dining politicians".- *Sowetan Correspondent*

CONTROL INSTRUMENTS (CAPE) (PTY) LTD.

SADCC hopes new SA will foster regional prosperity

8ltr 23/10/90 (279 ft)

By Sven Lünsche

WASHINGTON — The effects of a post-apartheid South Africa on the economy of southern African are being viewed with a mixture of hope and fear in neighbouring states.

Officials and politicians in the 10-member South African Development Co-ordinating Conference (SADCC) have expressed confidence that political reform in SA will open the door to regional prosperity.

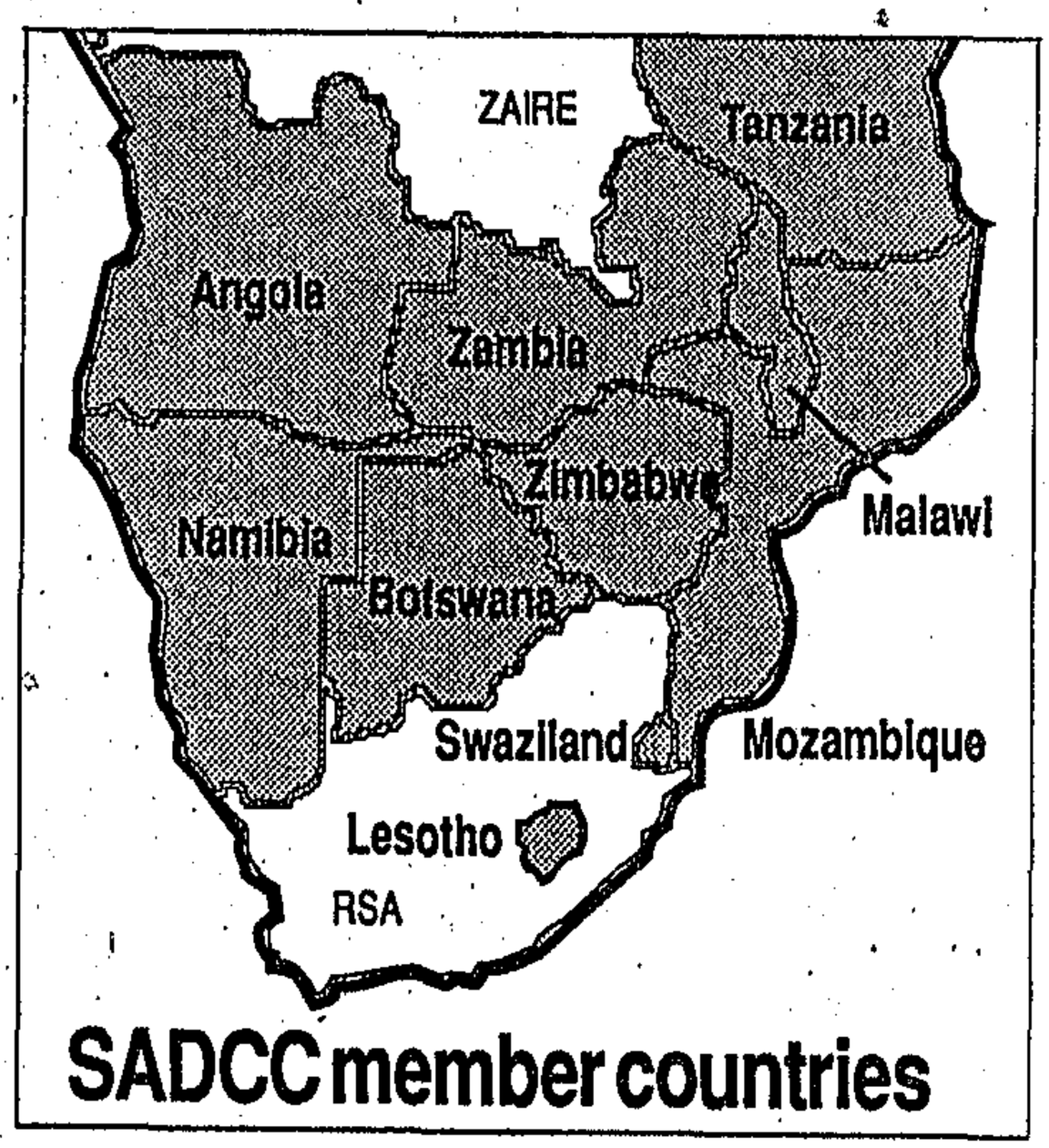
However, the optimism is tinted by fears that South Africa could throw about its considerable economic weight when the borders open.

"There is a genuine fear that South Africa will dominate southern Africa economically as it has done militarily over the past few years," an African International Monetary Fund official in Washington said.

So far, however, the noises have been predominantly positive.

According to the October edition of African Business, Zambian President Kenneth Kaunda last month proposed the introduction of one currency for countries within the SADCC.

Mr Kaunda went so far as to suggest that South African whites "worried for their future" were welcome to develop the vast stretches of untapped land in Zambia.



SADCC member countries

Future government

It seems a formality that a future government, in which the ANC is likely to play a major role, will join the SADCC.

ANC officials have emphasised it would be on the SADCC's terms and with a view to establishing equitable regional development.

The SADCC celebrated its 10th anniversary recently and extended an open hand of welcome to a democratic South Africa.

Closer economic co-operation and integration has also received a lot of support from current SA government officials and was one of the major topics of discussion between SA financiers and their African counterparts at the IMF's recent annual meeting.

Foremost among those in favour of closer economic co-operation is the Development Bank of Southern Africa, which has expressed its desire to finance development programmes in the region.

Similarly SATS and Eskom are hoping to extend their railway and electricity network respectively to other African countries.

Not only the parastatals are making headway in establishing a foothold in the region.

Analysts estimate that up to 100 SA firms are now operating in southern African outside SA, Swaziland and Namibia and according to African Business are making discreet enquiries about business in Zimbabwe, SA's harshest critic in the SADCC.

Looking only at economic data, SA's inclusion in the SADCC should prove an enormous benefit to the region.

The population of the SADCC states — Zimbabwe, Swaziland, Botswana, Angola, Lesotho, Botswana, Namibia, Mozambique, Malawi and Tanzania — of 75 million is more than double that of South Africa's.

Yet the country's GDP is about four times the size of the SADCC's and its total imports and exports are about three times the value of the combined trade of its neighbours.

The benefits of SA's advanced technical and financial know-how will prove even more beneficial, but it is exactly this economic supremacy that frightens a number of the more cautious African politicians.

At its anniversary celebrations the SADCC warned that it would not accept economic domination by South Africa "under whatever political system".

But it might not have much choice in the matter.

So far the SADCC has failed dismally to improve economic co-operation in the region — trade between the member countries has hovered around five percent of their total trade for some time.

In comparison South Africa already accounts for seven percent of the SADCC's exports and 30 percent of its imports, according to African Business.

SADCC's economic record is spotty and successes few and its calls for funds fall mostly on deaf ears at Western banks and world aid agencies.

As political changes in South Africa take hold SADCC members hope that the organisation will be able to devote more time to its original aim — economic development — rather than political issues.

Whether South Africa will play a direct role in improving the economies of its neighbours will depend on its economic and political imperatives.

"But if economic union is not supported by a commom political will, it is bound for failure," the IMF official said.

Zim dollar now worth less than the rand

By Des Parker

For the first time in 20 years, the Zimbabwean dollar is worth less than the rand — with unfortunate consequences for an estimated 30 000 ex-Zimbabwean pensioners living in South Africa but deriving their income from their old home country.

The switch in positions has repercussions too both for South Africa's trade with its northern neighbour as well as for Zimbabwe tourists visiting this country with their minimal holiday allocations.

While the decline in the value of the dollar will give impetus to Zimbabwe's exports to the Republic, it also will make that country's imports from South Africa more costly.

It is understood that Zimbabwe is letting its currency decline — probably at the insistance of the World Bank and the International Monetary Fund — to make its exports more competitive and generate more foreign exchange.

It may also be aimed at a move away from the approach of imposing ever tighter controls on the use of its shrinking reserves.

Analysts say the exchange rate could fall as low as 85 or 90 South African cents to ... dollar.

Bank-quoted exchange rates this month have hovered about a one-for-one rate.

Massive shortfalls just a fact of life for SADCC

279A

THE Southern African Development Co-ordination Conference (SADCC) collected about R4bn less than it expected this year, but says this is not because of "donor fatigue".

SADCC information officer Kgosinkwe Moesi said yesterday the organisation had developed a programme of action for the 1989/90 financial year which required R7bn in development aid.

In fact, the organisation had secured aid worth only R3,3bn, but the shortfall was in line with shortfalls in previous years.

For the 1988/89 financial year, the organisation hoped to collect R6,3bn, but received only R2,7bn.

Moesi said the widely held view that developed countries would suffer "donor fatigue" had not materialised.

Another view, that development aid would be shifted from Africa to formerly communist Eastern Europe, had not yet affected the flow of aid, although he warned that it might in the future.

TIM COHEN

The pattern of aid had not changed and most aid to the 10 SADCC member states still came from the EC and Nordic countries.

At a recent meeting of donors, he said, the conference had been given the positive assurance that aid would not be diverted from Africa to Eastern Europe.

The SADCC, which was set up to counter the economic reliance of members on SA, had also not been affected by President F W de Klerk's reform initiatives and the possibility of a nonracial SA.

Benefits for SA in links with Africa

B1 Day 25/10/90 279A

ZILLA EFRAT

THE rapid opening up of Africa and the re-establishment of direct links with SA offered local business major opportunities, Safto CE Wim Holtes said yesterday.

Addressing a project and contract management conference organised by management consultants Whitehead Morris in Johannesburg, Holtes said Africa was a major recipient of official development funding amounting to as much as R40bn a year.

The World Bank alone assisted sub-Saharan Africa with loans and credit up to R10bn annually.

Even a modest share of this development assistance would provide SA contractors, engineering companies, consultants and supporting industries with substantial opportunities.

While much of this funding was linked to suppliers in donor countries, SA companies had increasingly gone offshore. They had linked up with international groups with operations throughout the region, thus becoming eligible for some of these programmes.



● HOLTES

In addition, SA's annual exports to Africa were worth more than R5bn and were growing at a rate of 40% a year.

SA had become a major supplier to nine countries in the region and trade between SA and the Southern African Development Co-ordination Conference (SADCC) countries amounted to seven times intra-SADCC trade.

SA contractors and project developers had historically played a major role in Africa, but this had tailed off during the past decade.

Holtes said the key problem in Africa was the lack of feasible, forex-generating projects and the lack of long-term finance.

SA was not willing to participate in the hand out race in Africa and local business had pursued commercially feasible projects instead of social and infrastructural programmes.

The soft loans and aid available to foreign competitors had increasingly been experienced as a major export incentive available to competitors. This placed SA contractors at a disadvantage, but it could change soon.

Nevertheless, SA companies had a competitive advantage in delivery times, low costs, problem solving capabilities and familiarity with working conditions. It also had similarity of agro-industrial, mining and infrastructural expertise developed in SA.

Many larger projects, such as the Lesotho Highland Water Scheme, the Sua Pan soda ash project and Maputo Port, were pointing the way to creative co-operation between SA business, other local organisations and banks and international partners.

AFRICA

African countries debate virtues of monetary union

NAIROBI — Finance ministers from eastern and southern African states meet in Nairobi this weekend to debate a radical blueprint for monetary union by the year 2000.

Critics call the scheme a non-starter in a region where many national economies are in crisis.

But the plan's architect, Jonathan Frimpong-Ansah, says that while his timetable is likely to be abandoned, the 18-member Preferential Trade Area (PTA) should at least consider monetary harmonisation at the meeting.

If not, says the former governor of Ghana's central bank, efforts at economic integration will stall.

In the short term, members should liberalise trade and exchange rate policies and redesign economic reform programmes to take account of the PTA goal of monetary harmonisation, he said.

"As to the timetable, no one can be definite on that. But you can prescribe stages (preparing for monetary union) and let them evolve as member states become ready for them," he said.

His report on monetary union was commissioned early this year by the PTA, a trade group which stretches from Ethiopia in the Horn of Africa to Lesotho.

It was looking for ways for PTA states to catch up in a world increasingly dominated by powerful trading blocs.

Crazy idea

PTA economies remain hampered by red tape, poor communications and restrictions on foreign exchange transactions nine years after the organisation was established to try to form a common market.

One banker described the idea as crazy. "They can't even get themselves organised domestically," he said.

But PTA secretary-general Bax Nomvete told PTA officials preparing for the talks that working toward monetary union was a way forward. "An integration process among developing countries requires monetary harmonisation as an infrastructure," he said.

Like EC plans for European monetary union, Frimpong-Ansah suggested a phased move toward the goal of a single currency issued by a common central bank.

He said the PTA need only co-ordinate rather than initiate such tough reforms, as many members had already begun the process under structural adjustment programmes agreed with the IMF and World Bank.

But conference sources said at this week's preparatory talks that national officials were wary of the implications of union for a wide range of government policies — especially the report's call for futher devaluations for most PTA states.

"There are some very senstive questions involved. Everything from exchange rate devaluations, pricing policies in parastatals, debt management, inflation," one source said.

The officials were expected to recommend a watered-down version of the report to central bank governors before the weekend talks. — Sapa-Reuter.

FM 26/10/90 279A

AFRICAN TRADE

A PREMIER CHALLENGE

Crumbling transport systems, scarce convertible currency, miserable consumer buying power — the pitfalls of trading with Africa are well-known. FM 26/10/90

As Premier International CE Albert Nelissen puts it: "You can lose a fortune in trading in Africa. You need strict control over cash flows and inventories. Quick deals do not work — you must go in and stay in the market. The best solution is to have your own people on the spot."

FM 26/10/90 279A

Premier dived into the intimidating African market in 1982 and, where other companies have foundered, the Johannesburg-based food conglomerate has succeeded. Premier's experience holds valuable lessons for other SA companies now taking the plunge as political reform at home generates vastly expanded opportunities elsewhere on the continent.



Nelissen

Even before February 2, Premier's African trade was booming — in 1987 it jumped by 82% in value over the year before, in 1988 by 58%, last year by 66%, and so far this year by a further 82%. (Nelissen won't disclose the total volume or value of Premier's African trade.)

Moreover, new markets continue to open. "While trade with southern African states grew strongly since February, over the last few months a completely new atmosphere has been visible in our relations with the rest of Africa," he says. "Countries as far afield as Ghana and Egypt now show interest in buying from us."

Nelissen says Premier's secret in trading with Africa lies in "doing everything ourselves" — not through third parties or agents. The group's trade relations, he notes, involves not only selling consumer goods in African markets, but also joint venture investments, takeovers and management

FM 26/10/90 279A

agreements. In addition, by restricting its African trade to essential commodities such as food, building materials and pharmaceuticals, the group has had no trouble in getting paid.

But where does the buying power come from? Nelissen says a successful African trade requires investing in local business ventures to create both local currency and foreign exchange reserves. This also provides a ready market for exports.

In Zaire, for example, Premier has just obtained timber concessions over 2m ha of virgin forests from local public corporations. Sawmills will be built and finished wood products exported, which will raise both local currency and foreign exchange — buying power for imports from SA. Zaire is Premier's largest African export market, followed by Mozambique, Zambia, Malawi and Angola.

In Mozambique, Premier has established innovative harvesting schemes involving timber, cashew nuts and copra, a coconut product. In addition, Premier has set up six depots across Mozambique and stocked them with consumer goods and basic foodstuffs for sale to the 450 000 dependants of Mozambican mineworkers who work in SA. The goods are paid for in rands deducted from the mineworkers' wages.

Nelissen believes strongly that SA should concentrate on developing the 150m-strong southern African market. "There is enormous potential for expanding trade relations between SA, Mozambique and Angola once the wars in these countries are resolved." Angola, he notes, offers the potential for barter trade in valuable commodities such as oil, coffee, diamonds and timber.

SA's improving political image is only one reason for the improvement in African trade links. African countries are being forced to deal with SA, Nelissen says, because aid and credit handouts are drying up as the end of the Cold War diverts the attention of the superpowers to the markets where their money can go furthest.

"The trouble is that Africa has a bad image as an investment market — poor economic growth and weak financial management have led to disillusionment with the continent's economic future," he says. "The world is disinvesting from Africa — and even world bodies such as the International Monetary Fund would prefer to channel their aid for Africa via the private sector in SA." ■

African rethink on monetary union

B Mon 30/10/90

NAIROBI — East and southern African states have abandoned ambitious plans for monetary union by the year 2000, saying that national differences in economic development demand a more gradual approach to co-operation.

Finance ministers from the 18-nation Preferential Trade Area (PTA) said a new mood of pragmatism had emerged at talks which ended at the weekend.

"What we're trying to do is inject realism into our discussions," Zimbabwean Finance Minister Bernard Chidzero told journalists after the weekend talks had ended.

"You cannot overlook the fact that we are at different stages of development in the PTA, and to start with monetary union now would be putting the cart before the horse," he said.

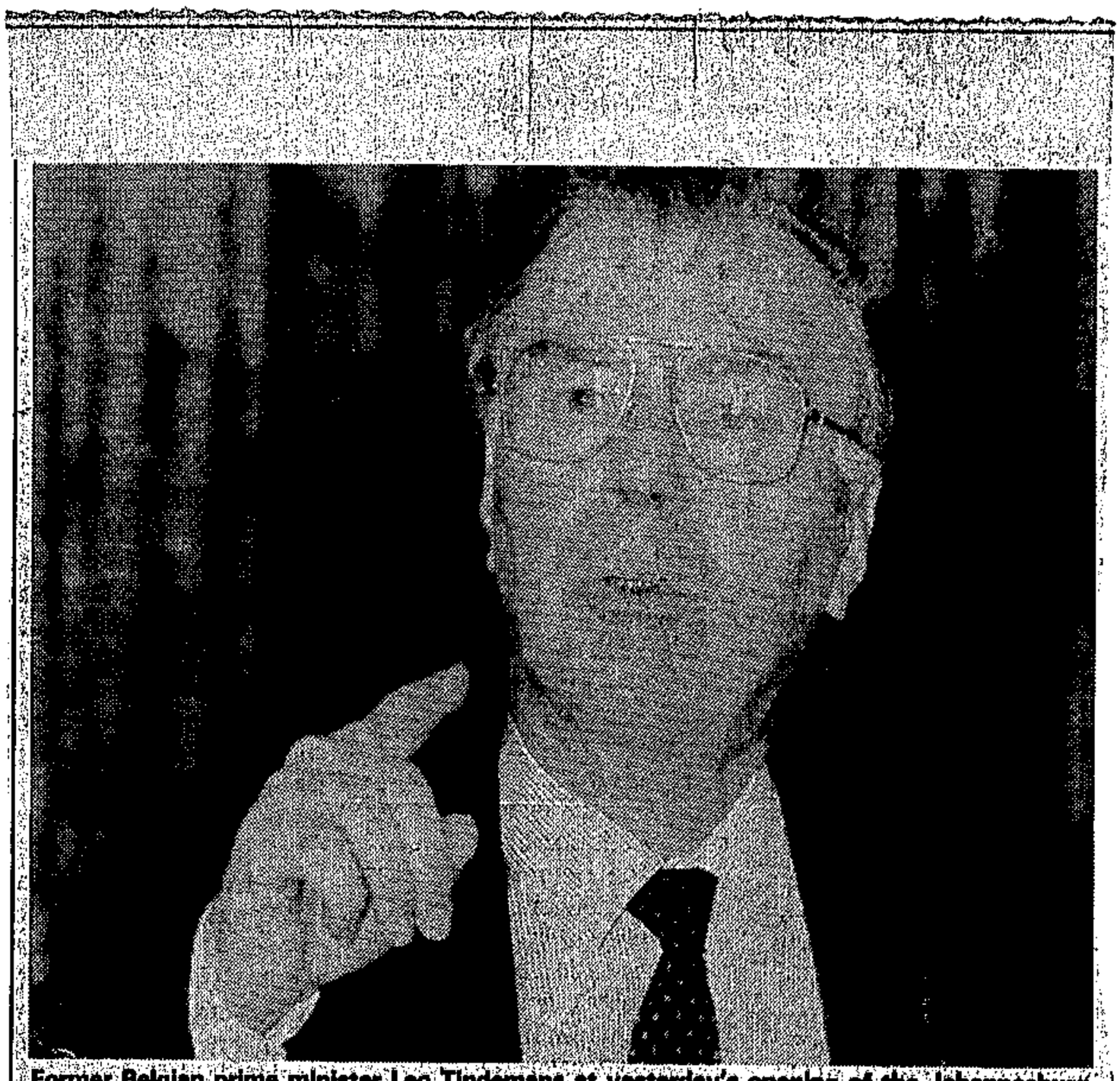
The ministers decided on a step-by-step approach to economic links and aim to co-ordinate reforms to spur growth.

International monetary experts say the tade area, Africa's biggest trade bloc, may now be making a fresh start after nine years of limited progress.

"These guys looked serious, but they've got a long way to go," an international observer at the talks said.

One spur to greater regional co-operation is the fear Africa will be left out in the cold by powerful trade blocs such as the EC and the US/Canada free trade zone.

In the past, Preferential Trade Area attempts to negotiate preferential tariffs ignored basic economic barriers to trade, economists said. — Reuter.



Former Belgian prime minister Leo Tindemans at yesterday's opening of the Johannesburg office of the International Association for Co-operation and Development in Southern Africa (Acoda). Tindemans is a member of the Acoda delegation visiting SA. Picture: CATHERINE ROSS

Economic alliance 'necessary to revitalise southern Africa'

279A

TIM COHEN

THE development of an economic alliance between SA and its neighbours was necessary for the revitalisation of the area, Guy Guermeur, president of the Brussels-based international Association for Co-operation and Development in Southern Africa (Acoda) said yesterday.

Speaking at a function in Johannesburg to mark the opening of the organisation's local office, Guermeur said Acoda was convinced that if the burdens of history were set aside, the revitalisation of the region was possible.

Guermeur is a former co-chairman of the European Parliament's joint assembly on the Lomé Convention in terms of which the European Community will provide about $12bn in aid relief to 66 developing nations in Africa, the Caribbean and the Pacific over the next decade.

The organisation would try to raise public and private sector funds to promote projects in the region, he said.

Acoda representatives are touring southern Africa to promote the initiative and are expected to meet officials of the 10-nation Southern African Development Coordination Conference (SADCC) in Botswana today.

Guermeur said Acoda would try to persuade political and private sector leaders to accept the "locomotive" role SA could play in regional development.

"It is essential to tie together the natural resources of the SADCC states, European aid and investment and SA local technology and industrial expertise", he said.

But Guermeur warned that the moment had not quite arrived to bring this to fruition.

"Public organisations, so focused on individual events, are slow to perceive the underlying evolution that transforms societies.

He said that, for example, the efforts of President F W de Klerk to create healthier internal and external relations were acclaimed, but had not yet resulted in the normalisation of relations between SA and its neighbours.

Co-operation highlighted

blom 2/11/90 · ANDREW GILL 279A

CONCERTED action was needed for international co-operation between the southern African region and the rest of the world to take place, Mozambican Minister of Co-operation Jacinto Veloso said yesterday.

This included the establishment and consolidation of peace and stability, the normalising of people's lives and implementation of national democratic systems. International co-operation was essential for economic growth of each southern African country.

The region was no exception to the "internationally recognised fact" that the countries of the south had financed the development of the north. The richer countries should now transfer resources, institutional capacity and appropriate technologies to the poorer to gradually reduce the gap that separated them, he said.

SA's admission the SADCC was desired by all.

African leaders criticised at breakfast

LUSAKA — Ugandan President and OAU chairman Yuweri Museveni has castigated his fellow African leaders for remaining in power at the expense of the "defenceless poor".

Speaking yesterday at a one-day national prayer breakfast called by Zambian President Kenneth Kaunda for peace and reconciliation in southern Africa, he said: "The majority of us want to stay in power — and this is being done by oppressing and repressing others."

He chided his colleagues for clinging to power in the name of love and Christ despite the plight of the poor.

Sapa reports that SA Foreign Minister Pik Botha received wild applause while women ululated when he attended the prayer breakfast.

Botha said the time had come for apartheid to be abolished totally and to work together with other countries for peace.

He assured the meeting that President F W de Klerk was committed to the abolition of apartheid and to work for peace and reconciliation.

The ANC was represented by NEC member Thabo Mbeki.

The prayer breakfast, an imitation of an annual American tradition where rulers are invited to meet casually, unleashed speculation among political analysts in Zambia.

Many observers and diplomats believed it was one of Kaunda's efforts to improve his political image at home.

In his address, Kaunda called for reconciliation and unity, making special mention of SA.

Observers also believed that the poor attendance at an occasion supposed to attract 14 heads of state could be attributed to Botha's presence.

Several invited leaders were also said to have snubbed the gesture because of Kaunda's "unstatesmanlike" behaviour during recent political events in Zambia.

The only two heads of state to accept the invitation were Mozambican President Joaquim Chissano and his Ugandan counterpart. Other Frontline countries sent low-profile representatives. — ANO.

Relly sees a bright future

Business Day Reporter

BILATERAL, and sometimes multilateral co-operation and improved trade links would prepare the way for greater southern African economic integration, said former Anglo American chairman Gavin Relly in an address to an investment conference in London.

SA's appropriately valued rand, proximity to African markets, regional knowledge and technical expertise in spheres such as agriculture and mining, the common legacy of British systems and practices, and its African identity, were all important advantages for trade with Africa, he said.

Opportunities also existed for the foreign investor, either in partnership with SA companies or alone.

Relly said his optimistic outlook was based on the "quite extraordinary resilience" of the SA economy and the abundant entrepreneurial spirit of South Africans, coupled with strong foundations for a sound democracy.

He said major SA parties had committed themselves to a new constitution, and the trend of thinking on economic matters within the extra-parliamentary movements was more sophisticated and realistic.

International cooperation can allay poverty

A united Africa a fact with planning

Sowetan 22/11/90

By HERBERT W VILAKAZI

PRESIDENT De Klerk made a moving plea for joint cooperation of the developed countries of North America and Europe, together with South Africa, in efforts to eliminate poverty in Southern Africa.

This was during his address to the Press Club on a recent visit to the US.

He was not there to stress that the lifting of Africa from poverty and misery shall require internationally co-ordinated activities.

President Gorbachev made the same point two years ago in his address to the UN; and about a year ago, the former President of the World Bank, Robert MacNamara, argued similarly.

The unprecendented poverty and misery of most of Africa are generated by enormous and complex factors, which can only be counter-acted by internationally-coordinated activities.

What factors are these? To name a few - the fall in the prices of many of the raw materials in the world market, the enormous financial debt owed to the financial institutions of the West, diseases, particularly Aids, and the ecological disaster, desertification.

None of these problems can effectively be solved without an internationally-coordinated plan.

The principle of overall planning of socio-economic life goes against the celebration of the principle of society-wide or regional planlessness by free-marketeers and the principle of free enterprise.

Overall socio-economic planning, free enterprise, and the market, are not mutually exclusive in all circumstances. It depends on the size or enormity, and complexity of the activity concerned, and the size or enormity of capital needed.

The solution of the problem of the supply of water in South Africa, for instance, which has called forth the Lesotho-South-Africa Highlands Water Project, requires co-ordinated socio-economic planning, involving not only South Africa and Lesotho, but also many other governments and financial institutions the world-over.

And the solution of this problem takes us beyond the free-market and free enterprise without cancelling out the solution of problems of transportation by means of free-enterprise, for examples, taxis.

The scholarly free-marketeer Leon Louw, and his co-thinkers, seem to be making the same mistake, which was noted by applied anthropologists working in the poor countries in the 50s and 60s, namely, the mistake of governments, financial donors, and economists, assuming that the simple availability of money and technology are enough for community members to engage in profit making activities, thereby bringing about economic growth.

There are other factors and problems to be dealt with besides mere economic ones, problems which affect, restrict, or spur or oil economic activities.

Assets

At the Liberation Spring Seminar held recently Louw stated: "The State owns about R300 billion in assets. If all that was sold off, each black family could get R15 000."

The question, of course, is this: shall the majority of these families invest this money in profit-making enterprises?

It all depends on the love to make more money, lodged in each of the individuals possessing this money, their pressing indebtedness, and pressing long-unmet needs, plus many other factors.

The ideas of the radical free-marketeers are not a solution of the problem of large-scale poverty and misery in South Africa, or in Southern Africa as a whole.

The factors causing large-scale poverty and misery in Africa are so complex and enormous that they call for co-ordinated international efforts - and Southern Africa is not exempted from this rule.

I am suggesting that a new, democratic and humane South Africa should approach the problem of poverty and misery in Southern Africa differently, through a socio-economic plan for the whole region, in the manner in which South Africa is currently planning to solve the problem of water-supply.

There does exist and operate, in fact, a plan, covering the whole region of Southern Africa. The only problem is that is has been operating all along behind our backs, through the free-market principle, and it has been favouring the core of this economic region, South Africa.

And within South Africa, white supremacy has for years channelled this wealth, first and foremost, to whites. In fact, the "economies" of the various nations of Southern Africa are largely parts of the economy of South Africa.

Zimbabwe is a relative exception to this rule, by virtue of its developed nature; again, there, white supremacy for years channelled the wealth, first and foremost, to whites.

Consequently, in the efforts to remedy the problems of poverty and misery in the whole region, we should convince one another that the region should be viewed as a single economic region, requiring a single investment plan, formulated by representatives of all the different Nation-States comprising this single economic region.

This emphatically does not imply cancelling out, or underplaying local private enterprise. In other words, we should make the existence of the economic unity of the region obvious, official, rational, and just.

Right now this unity operates behind our backs. It is unofficial, largely irrational, and unjust, in that it favours South Africa, to some extent Zimbabwe, and specifically whites.

I am talking here about public economic planning, and public investments; again, this does not cancel out private enterprise planning and investments, although there shall have to be some sort of co-ordination between the two spheres.

In other words, resources from the developed countries of North America and Europe, shall be handed to the Central Economic Council for Southern Africa, which, after democratic consultation and determination of needs in each country, shall then apportion these resources for development projects in the various nations.

The aim, here, should be to bring about balanced, rational, and just, development in the entire region, with the desire to bring about, ultimately, economic equality between the different regions.

Pretoria tries to apportion funds to different universities of the country in this manner, although the formula used is still not just and rational, as far as the African population is concerned.

To stop people from all regions flocking to Johannesburg or to South Africa for jobs and better amenities of life and opportunities for development, we should plan, encourage, or direct productive investments in less developed regions.

Attractive

To make all areas attractive for private investments, we should plan to develop and strengthen markets in all areas currently suffering from lack of such markets.

Needless to say, infrastructure in the entire region should be developed from this central plan, as well as infrastructure for education and health and housing.

We shall have to try to imbue every member of this economic unity with this moral code. That way, we shall also help prevent the economic domination of the region by South Africa, and consequent charges, or reality, of South African imperialism.

Through developing and strengthening the economic unity of Southern Africa, and making this unity just and democratic and humane, we shall be paving the ground for the future, probable emergence of the United States of Southern Africa.

Indeed, as this unity develops, as outlined above, and becomes visibly beneficial to all, more and more nations of Africa shall seek entry into the Council.

And that, ultimately, may clear the ground for the realisation of the age-old dream: The United States of Africa.



VILAKAZI



DE KLERK

Star 26/11/90 279A

Soaring oil prices put heavy strain on African economies

HARARE — Soaring oil prices have put intolerable strains on the emerging democracies of Southern Africa and brought closer the threat of famine in Mozambique.

"The Gulf crisis is very bad luck for this region. It's jinxing reform programmes and exacerbating the existing political tensions, not to mention the possibility of famine in Mozambique," says a Harare-based diplomat.

"The tragedy is the timing. It's all happening when things were just starting to go right," he says.

Three of the region's four biggest countries — Zambia, Mozambique and Zimbabwe — have all dropped commitment to one-party rule as they try to free their economies from Marxist restraints.

The fourth is Angola, which produces more than 450 000 barrels a day of oil and is hoping the windfall from higher crude prices will help pay its debt of $6 billion.

Ironically, Cuban-backed Angola sells most of its oil to the US, which funds rebels trying to topple the government in Luanda.

The oil is too heavy to be suitable for Southern Africa's fuel needs, economists say.

Worst off is Mozambique, which after 15 years of civil war is one of the world's poorest and hungriest nations.

Fuel shortages are endangering emergency food distribution to nearly two million people facing starvation in isolated rural areas.

"The cost of moving a ton of maize has gone up from $580 to over $1 000. The maize itself only costs about $140 a ton," says Peter Simkin, the UN's top official in Mozambique.

Mozambique needs large supplies of cheap fuel to fly food to millions of people who have fled their homes to escape guerilla attacks.

Until last year, the leftwing governments of Angola and Mozambique got substantial backing from Havana and Moscow to help them in their wars against rebel forces.

But as the Cold War wound down and Moscow began to disengage from the region's wars, the Soviet Union has reduced its military and civilian help to its one-time client Mozambique.

"The soft loan supply of Soviet oil is coming to an end," says Mr Simkin. "Next year the government's oil bill will have an extra $75 million on top of the present $75 dollars."

Most fuel used in Mozambique comes from the Soviet Union, and has been topped up with Libyan supplies, diplomats say.

A Zimbabwean trade lobby promoting Mozambique's Beira port says Mozambican oil supplies are already drying up.

"If you look at oil coming through Beira for Mozambique's own consumption, you see that in the third quarter of 1989 18 000 tons went through. But for the same period in 1990, the figure is only 8 000," says Beira Corridor Group managing director David Zausmer.

Aid flights in northern Zambezia province, the worst affected by famine, are already haphazardly timetabled for whenever fuel reaches the provincial capital Quelimane.

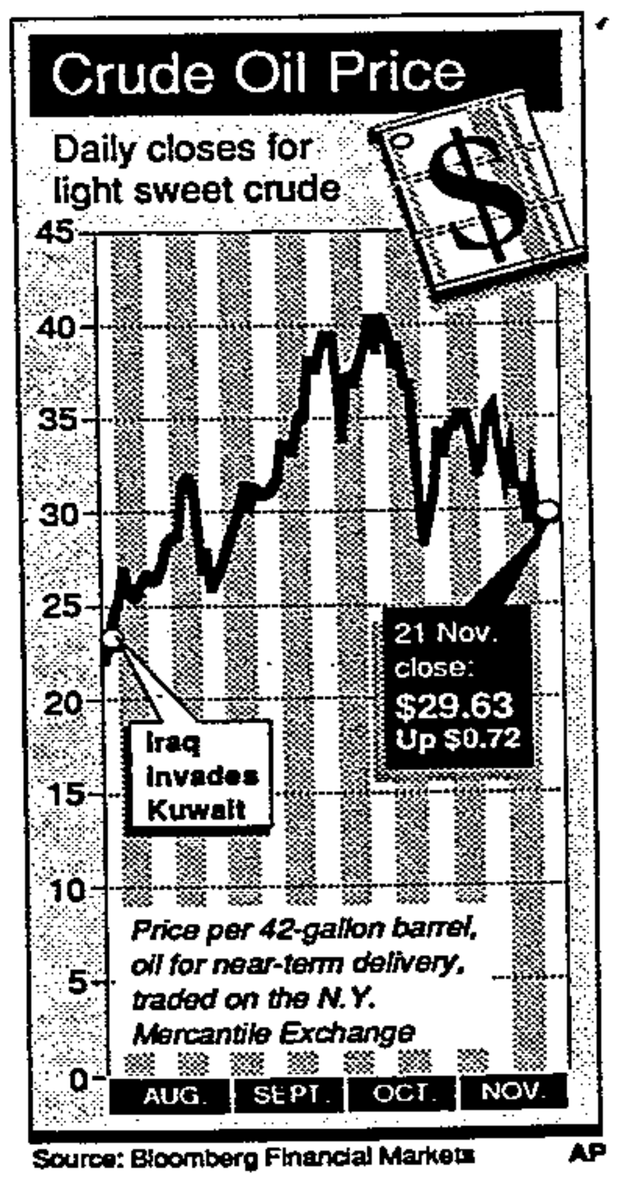
In Zambia, oil price rises of 400 percent since August are playing havoc with government spending and jeopardising an unpopular economic austerity programme, which aims to reduce the country's $7 billion debt.

The austerity programme, which devastated living standards in the once-rich copper-producing state, have fuelled Zambians' demands for a shift away from one-party rule.

The oil price rises have pushed inflation up from 70 percent at mid-year to unofficial estimates of 100 percent. Erratic supplies are causing long petrol queues in Lusaka.

"Sharp increases in oil prices have diverted resources away from other needy areas to meet the soaring import bill," he said.

Diplomats say Zambia has failed to meet most of its 1990 budget targets.



Source: Bloomberg Financial Markets AP

Even relatively well-off Zimbabwe, the only country in the region to export food, has suffered from fuel price rises.

President Robert Mugabe recently abandoned a long-term plan to turn his multi-party democracy into a one-party state so Zimbabwe can concentrate instead on a far-reaching trade liberalisation programme.

— Sapa-Reuter.

A common market of 22 African countries 'to be set up by 2000'

Bidaily 26/11/90

TIM COHEN

MBABANE — A common market of 22 southern and eastern African countries — including SA — is set to come into being by the end of the decade, say African leaders.

In Swaziland at the weekend, the Preferential Trade Area (PTA), which consists of 19 African countries, launched at its ninth summit a programme of 'monetary harmonisation', which will lead to the establishment of a monetary union.

The summit, attended by heads of state or their representatives, approved a "harmonised" road transit charge and launched the African Joint Air Services (Ajas) as a step towards the setting up of a PTA airline.

The summit also agreed on the establishment of a PTA commodity futures market and a PTA stock market.

The member states signed a customs bond guarantee and signed a charter on multinational industrial enterprises. Creation of a metallurgical and technology centre, a leather and leather products institute and a re-insurance company were also approved at the meeting.

In his closing statement incoming PTA chairman King Mswati III said the authority looked forward to the day when SA would be a member of the organisation.

But earlier ANC deputy president Nelson Mandela criticised the SA government and accused President F W de Klerk of "stalling". In a final communique the summit appealed to the international community to maintain sanctions against SA.

The SA Chamber of Business and Commerce (Sacob) and the National Federated Chamber of Commerce (Nafcoc) were given observer status for the first time.

The PTA has established a list of more than 700 commodities which are the subject of reduced tariffs for intra-member trade. However, the executive's report says only four member states have published the second further tariff reduction.

It was agreed that all member states should publish the initial, first and second further tariff reduction by March 31.

The summit also insisted that member states that had not ratified the protocol for the elimination of visa requirements between PTA member states should do so by March 31 next year.

PTA outgoing secretary-general Bax Nomvete said the mechanism for the progressive reduction of tariffs and the relaxation of non-tariff barriers to intra-PTA trade, with a view to their eventual elimination by 2000, had been put in place.

Sacob's Ron Haywood said his impression of the summit was that members wanted to move faster towards increasing intra-regional trade, a concept which his organisation strongly supported.

Nafcoc senior vice-president Joe Hlongwane said SA obviously could make a great contribution to the region and expressed the hope that SA's problems would be settled in the near future.

PTA incoming secretary-general Bingu wa Mutharika said the organisation should focus on strengthening the framework for co-operation and development and accelerate the pace towards a common market.

● Picture: Page 3

'Cover-up' of AIDS in Africa to ensure foreign investment

SOME Third World countries have suppressed AIDS statistics following fears that foreign investment could be harmed, according to the Development Bank of SA (DBSA).

In its AIDS in Southern Africa report, the DBSA said while Zambia had been comparatively open about its AIDS problem, the extent of it had been suppressed.

Government sources in August last year indicated that there was an overwhelming fear that in the short to medium term, severe damage would be done to business confidence and to the economy if the full extent of the AIDS problem was acknowledged, the report said.

Zambia reported the second highest number of AIDS cases in the subcontinent, namely 2 291 since 1988, with the copperbelt and Lusaka being the worst hit areas.

Until recently HIV-related data in Zimbabwe was generally believed to be suppressed, with doctors being instructed not to include references to AIDS in death certificates, but government now appeared to be facing the problem with a new openness.

MARIETTE DU PLESSIS

Zimbabwe reported 1 311 cases in 1989 compared with 202 and 119 cases in 1988 and 1987 respectively, with an extrapolation of these figures giving a million cases by 1994.

While data suggested that there might be more than 250 000 HIV-positive carriers in the country, AIDS was also currently the most common cause of infant death in Zimbabwe.

Up to December 1988, Angola had reported a total of 104 AIDS cases, but evidence suggested a high level of HIV-positivity existed among Cuban soldiers who served in Angola.

The report blamed unemployment and rapid urbanisation as aggravating causes.

It said issues that influenced and aggravated AIDS were primarily the economy of the country and the political situation.

Data showed that unemployment often resulted in women being forced into prostitution through poverty, with inevitable consequences for the spread of HIV infection.

Similarily, where there was political turmoil and civil war as in Angola, Mozambique and parts of SA, there was a breakdown in normal social behaviour and refugees moving from place to place might provide a pool of infection.

Malawi has reported 6 158 AIDS cases since 1988 compared with SA's 356 cases.

Since 1982 when the first two cases of AIDS in SA were recorded, there had been a total number of 455 reported, with nearly half of the cases occurring in the Transvaal.

Data also showed that the cumulative number of cases would be 217 000 in 1995 and 1,4-million in 2001 if the present trend continued.

Mine research cuts hit

Eskom foresees subcontinental grid

CAPE TOWN — SA had the technology to meet the energy needs of southern Africa and the market to support the development of energy-based economies in Africa, Eskom chairman John Maree said yesterday. B Iday 27/11/90

Addressing conference delegates, Maree said Eskom was committed to electrifying the African subcontinent and using energy to stimulate major economic development.

Referring to recently announced plans to link the whole of southern Africa in one vast network, he said Eskom had been able to build bridges with African states in spite of the deep political divides. (279A)

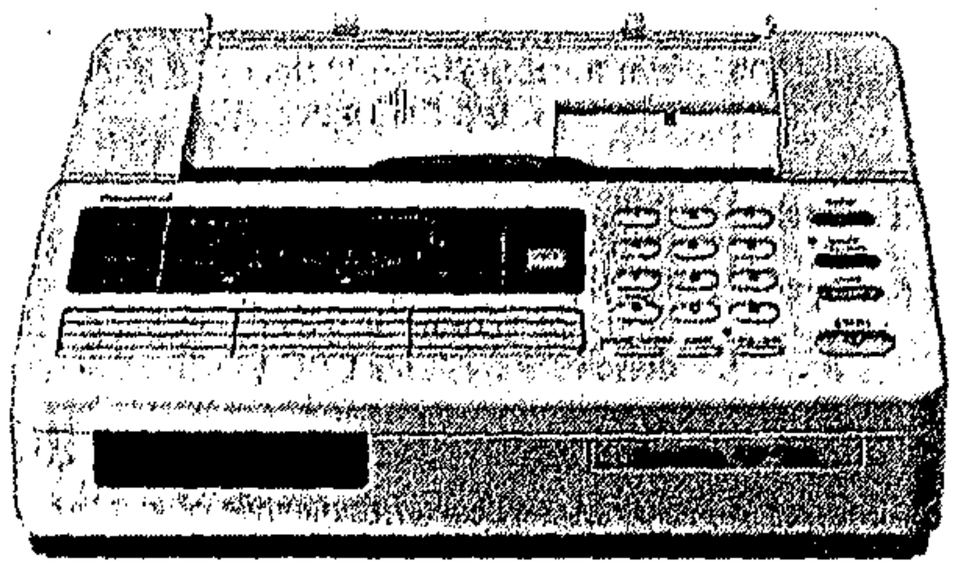
The public utility had already established a grid which stretched far into Africa, but it was considering something

LESLEY LAMBERT

much bigger — a regional power grid that could serve the subcontinent as far north as Zaire. *Such a grid would consist of three elements:*

- ☐ A core generation and transmission system similar to that of Eskom;
- ☐ Separate distribution organisations which could be independent companies or joint ventures with Eskom;
- ☐ A common market power grid in which all southern African countries were linked in purchasing or selling electricity across existing borders.

Maree said Eskom could also help to develop the unexploited water resources of Malawi, Zimbabwe, Zaire and Zambia into hydro-electric schemes to provide the initial market for energy.



(BEEP BEEP)

Plans for African common market

279A

Sowetan 27/11/90

MBABANE - Plans for the creation of a common market for Southern and Eastern Africa were taken one step further at the week-end when 19 African countries endorsed key elements of a long term plan for economic intergration which included South Africa.

Representatives of the 19 member countries of the Preferential Trade Area for Southern and Eastern Africa (PTA) had gathered in the Swaziland capital of Mbabane for the largest summit meeing in the organisations history.

For the first time two South African organisations, the SA Chamber of Business (Sacob) and the National Federated Chamber of Commerce (Nafcoc) were granted observor status at a PTA summit.

A final communique issued after the meeting approved the establishment of important organisations designed to finally implement long term PTA goals.

These included:

* Approval of the establishment of an African Joint Air Services organisation as a step toward the long cherished ideal of a PTA airline to serve the entire area.

* Agreement on the establishment of a PTA Stock Exchange and Futures Market.

* Approval of an intergrated road transit charge.

Agreements were also signed to establish PTA metallurgical and leather research organisations, as well as a re-insurance company.

In an interview the South African-born PTA secretary general, Mr Max Nomvete issued a call for South Africa to join the PTA "as soon as possible".

"There is a need for a democratic South Africa to join the region in presenting a common front toward the rest of the world which is busy also forming trading blocs" he said, "we need South Africa and South 0Africa needs us." - *Sowetan Africa News Service.*

ANC focus on growth

Cape Times 28/11/90

Redistribution 'the engine'

By AUDREY D'ANGELO
Business Editor

THE new SA will need significant growth so that "the pressing problems of economic inequality, poverty and stagnation" can be addressed, Tito Mboweni, head of the ANC department of economic policy, said in Cape Town yesterday.

This can best be achieved in a mixed economy. But the engine of growth must be redistribution, to increase the spending power of the masses, Mboweni said.

He was speaking at a conference on the economic future of SA, organised at the Cape Sun by London-based Euromoney Publications.

He said the ANC favoured a mixed economy with a public sector, a private sector, a co-operative sector and a small-scale family sector. The state should promote the acquisition of managerial, technical and scientific skills among all sectors of the population — especially the black people. "And, finally, property for personal use and consumption shall be constitutionally protected."

The economy should follow a new path of growth through redistribution rather than greed. "Redistribution is not seen as an optional extra but rather as a necessary requirement for growth to occur."

Redistribution of income would provide the means for mass consumption. This would stimulate mass production, particularly in labour intensive industries.

Mboweni said that given the level of regional disparities "a major potential for future growth actually does lie in a strategy for regional development."

But, differing from "the bantustan-centred programme of the NP", this should aim at the creation or development of industrial districts on the basis of collective efficiency rather than cheap labour, with firms and the state co-operating.

Pointing out that SA goods seemed to have entered other markets in Southern Africa "fairly successfully" in spite of sanctions, Mboweni said these trading relations were "positively in SA's favour."

Botswana, Lesotho, Malawi, Mozambique, Swaziland, Zambia and Zimbabwe imported a total of $2,3m worth of goods — of which about 70% were manufactured — from SA in 1982 and exported a total of $411 worth, mostly raw materials, to SA.

"Future regional relations will in our view have to be based not on domination but on mutually beneficial and negotiated agreements."

Mboweni said a new democratic SA would encourage foreign investment. "A post-apartheid society will also have to negotiate to become part of international economic agreements such as the Lome Convention of the European Economic Community.

"This will afford us some possibilities of entering the European market, particularly after 1992."

Sub-Saharan common market to be discussed

MARCIA KLEIN

THE possibility of a sub-Saharan common market will be debated at an international conference in Swaziland next year to be attended by delegates from several African countries.

The conference has been arranged by the SA Chamber of Business (Sacob), SA Foreign Trade Organisation (Safto), Nafcoc and BMW SA.

Speaking at yesterday's announcement of the conference, Safto CE Wim Holtes said SA businessmen were well placed to assist in making Africa more aware of the critical role of market forces and commercial initiatives.

He said SA's trade with Africa rose by 40% last year and now amounted to R5,5bn a year in goods and services, both direct and indirect.

As doors opened for the SA business community in Africa, foreign aid was becoming a viable alternative financing source. Africa received a total foreign exchange inflow of about R40bn a year, Holtes said.

B Wday 28/11/90

Recognition

The increasing acceptance of SA would enable SA companies to further identify and develop commercially viable projects with clearly measurable yields.

Africa as a whole was moving towards multiparty governments and a clearer recognition of the need for private initiative.

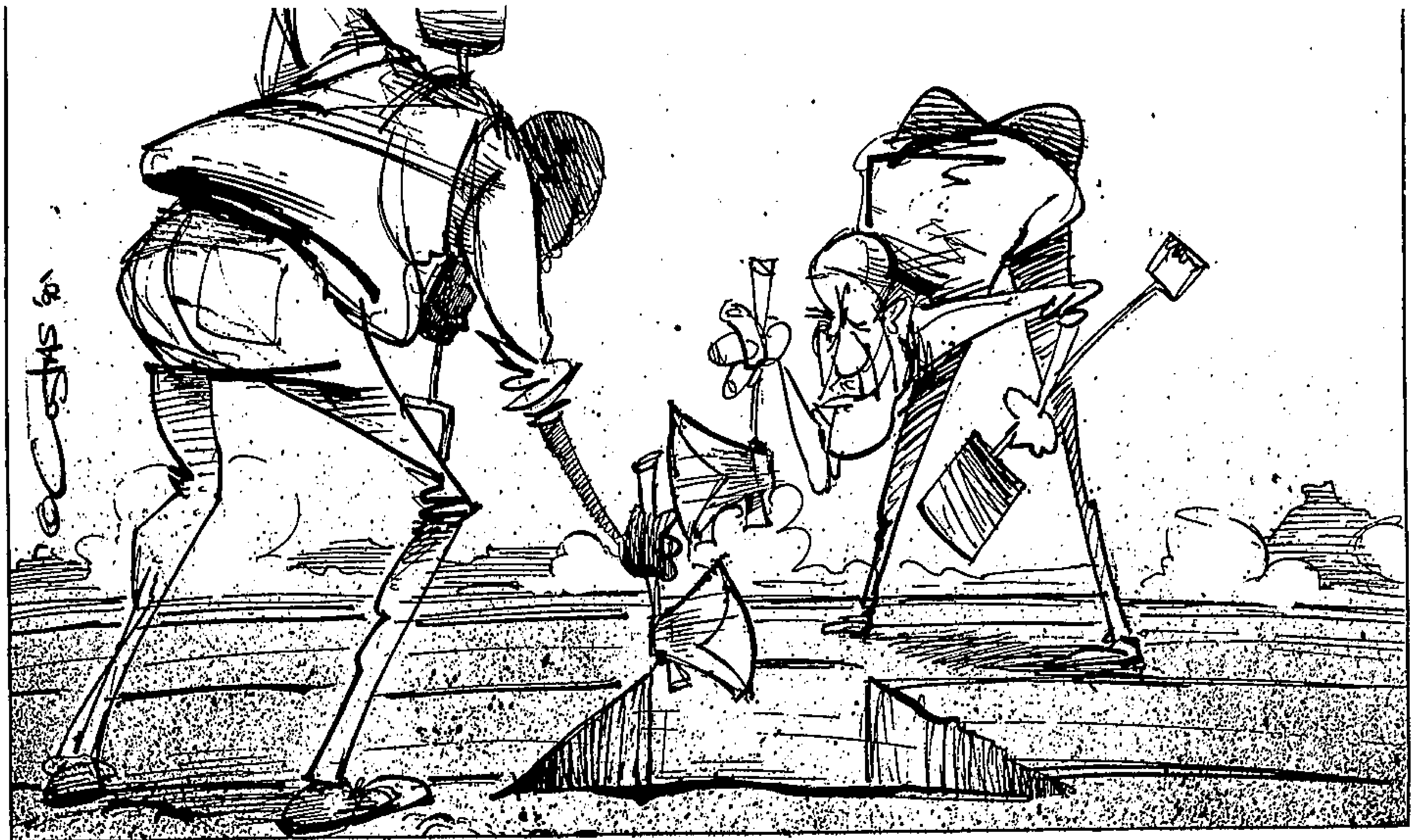
Sacob deputy director-general Ron Haywood said the vehicle for Africa to address its own problems was through regional co-operation.

He said there had been interest in the conference from important African contacts.

BMW SA MD Reinhardt Kunstler said an obvious choice for SA was to try and break into the international economy and SA's strength lay in "resource-intensive, mass production focused on large consumer markets".

These markets lay in sub-Saharan Africa, he said.

Kunstler said this would pose an exciting challenge for the multinational companies operating in SA.



Burying the hatchet ... once the evils of apartheid have been eradicated South African businessmen can resume full trade links with their counterparts in the rest of Africa

Trade: Getting back through Africa

WMail Suppl. 30/11 - 6/12/90 279A

With a new political dispensation, South Africa's trade prospects are bound to improve. ROBERT DAVIES looks at why sub-Saharan Africa offers local businessmen the best opportunities for export expansion

IT IS common cause across the political spectrum that the ending of apartheid will open up a new era of regional co-operation in Southern Africa.

The Frontline alliance and Southern African Development Co-ordination Conference (SADCC) have long identified apartheid as the root cause of instability in Southern Africa.

Developments in South Africa since February 2 have given rise to great optimism in the region. The SADGC has indicated that a "South Africa free of apartheid and the dream of economic, military and political hegemony over the rest of the region will be most welcome" in its ranks. Similar sentiments have been expressed by the Eastern and Southern African Preferential Trade Area (PTA), which ~~held a heads-of-~~state meeting in Swaziland last weekend.

All this takes place at a time of profound change in the world economy. The ending of the Cold War has coincided with a trend towards the emergence among the major Western economic powers of rival trading blocs.

There are indications that the core industrial countries will increasingly focus their attention inwards and towards the opportunities now being created for them by changes in Eastern Europe. Current technological developments are at the same time tending to reduce demand for the types of raw materials which colonialism marked out as Africa's specialisation in the world economy.

These developments will provide a strong impetus for countries outside of the major trading blocs to forge closer economic co-operation. No African country can any longer afford to look to its future place in international economic relations exclusively in "north-south" terms. "South-south" co-operation will have to assume a more prominent place in the future development strategies of countries located outside of the core blocs.

In the case of southern Africa, all countries in the region can potentially benefit from closer economic co-operation in a post-apartheid era. The markets of Africa will be of considerable importance to a future democratic, non-racial South Africa's efforts to become a significant exporter of manufactured goods.

In a number of areas, South African technology is more appropriate for African countries than that from elsewhere. Neighbouring countries are also in a position to supply South Africa with a range of inputs essential for industrial development — from hydro-electric power and water resources to, in the medium to longer term, mineral products.

Closer co-operation with a post-apartheid South Africa also holds the prospect of these countries gaining greater access to the South African market for their own products. In strategic terms, a regional economic alliance could reduce the vulnerability of all countries to pressures from powerful extra-regional forces. It could also strengthen the bargaining power of the region in relations with the rest of the world.

A key question for Southern Africa will be how and on what terms will the closer regional economic co-operation, which objective circumstances are dictating as an imperative, be structured after apartheid. This issue cannot, in my view, be adequately addressed without coming to terms with the heritage left by existing patterns of regional interaction.

First, it is essential to recognise that existing regional economic relations are characterised by acute disparities and imbalances. The development of capitalism in Southern Africa was a process which led to a relatively high level of interaction between the economies of the different territories of the sub-continent, but the pattern was uneven. The principal poles of accumulation were located in South Africa, while the other territories became incorporated into the emerging regional sub-system in subordinate roles — as labour reserves, service economies and markets for South African goods.

These imbalances continue to characterise contemporary regional economic relations. For example, the SADCC has estimated that South African exports to its nine original member states exceeded imports from these countries during the period 1983-6 by a factor of more than 5 to 1 (with exports of $5,1-billion versus imports of less than $1-billion).

The SADCC project, which was launched in 1980, was rooted in a critique of these disparities and imbalances. It argued that development in the SADCC member states required a more balanced pattern of regional economic interaction.

In a context where Pretoria's regional policy was premised on reinforcing ties of dependency — for both economic reasons and to gain greater strategic leverage — the SADCC defined its immediate priority as "a reduction of external dependence and in particular dependence" on South Africa. While significant progress has been made in reconstructing regional transport infrastructure (severely damaged by Pretoria's destabilisation policies), the SADCC itself has acknowledged that only modest results have thus far been achieved in altering fundamental disparities.

These disparities represent one of the realities which has to be taken into account in considering the future pattern of regional economic interaction; another is the legacy of apartheid destabilisation. Unicef has calculated that 1,3-million people died in Angola and Mozambique between 1980 and 1988 as a direct or indirect result of Pretoria-sponsored wars.

Economic and military aggression is estimated to have cost the nine original SADCC member states' economies the equivalent of $60,5-billion. Pretoria-sponsored wars were primarily responsible for reducing Mozambique to its present plight as one of the poorest countries in the world (with a per capita gross domestic product estimated at between $125 and $150 a year) and for creating conditions in which Angola and Mozambique have the unenviable record of the highest rates of infant mortality in the world.

The African National Congress has on numerous occasions indicated that it agrees with the SADCC that future co-

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The route back to world trade is via Africa

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operation between a democratic, non-racial South Africa and the rest of the region should be based on principles of equality, mutual benefit and inter-dependency, rather than hegemony and dependency.

ANC deputy president Nelson Mandela said in Maputo in July that a situation in which some countries in the region prospered while people in others starved would be "intolerable" and "unacceptable" for a democratic, non-racial South Africa.

The ANC's recent "Discussion Document on Economic Policy" proposed that "greater regional economic co-operation" should be constructed "along new lines which will not be exploitative and which will correct imbalances in current relationships".

The same document said that this would necessitate "prioritising the interests of the most deprived of our neighbours in certain areas, according to basic principles of affirmative action". This is not an argument in favour of a non-racial South Africa paying reparations for the crimes of apartheid; rather a proposal that in forging new patterns of co-operation, which will benefit all, the balance of advantage should in a number of areas be tilted in favour of the most deprived countries, particularly where their vital interests are at stake.

Another principle which both the ANC and SADCC have supported is that a new regional order should not be imposed, but rather be the product of negotiation between all the sovereign and free peoples of the region. Such negotiations could be expected to define principles and parameters for co-operation in all the main sectors of regional economic interaction.

While forging closer regional co-operation after apartheid accords with the aspirations both of the SADCC and of the major anti-apartheid organisations in South Africa, it is also a terrain on which a number of other important actors have become extremely active, particularly in the period since the initiation of talks on Angola/Namibia.

South Africa's African trade, which halved in dollar terms between 1980 and 1985, has increased significantly since 1988. Although complete figures are not published, government officials have said that by early 1990 trade with Africa accounted for 10 percent of South African exports compared to 6,5 percent in 1984.

Eskom recently announced that it had entered into new contracts with Zambia and Zimbabwe as well as increasing its sales to existing regional customers. Transnet reported that it earned R30-million in the six months to July 31 1989 by playing "big brother" to the transport services of neighbouring states.

This increased activity has not been confined to current commercial transactions. Various attempts have also been made to draw independent African states into strategic planning about future regional economic relations.

An article published in the August 8 edition of the *Sunday Times* claimed that "an ambitious development programme which could lead to a Southern African common market" had been put to nine of the 10 SADCC member states by the Department of Foreign Affairs. Efforts to involve international financial institutions in discussions on this issue have also been made.

While all the implications of these developments are not yet fully clear, the possibility cannot be ignored that new realities are now being created which could be difficult to alter in the future.

Not only could this have implications for the future pattern of regional relations, it could also affect domestic economic reconstruction especially if it leads to contracting new conditional loans.

A broader range of forces urgently needs to become involved in the debate if regional economic co-operation after apartheid is to achieve its full potential and create a firmer base on which all the peoples of the region can better shape their own destinies and secure better terms for themselves in international economic relations.

● Robert Davies is co-director of the Centre for Southern African Studies at the University of the Western Cape.

Conference on Africa trading

Wilmart 30/11 - 6/12/90 279A

Local business groupings are hoping foreign aid money comes our way in a post-apartheid South Africa, and we can normalise trade links with the rest of the continent, reports REG RUMNEY

SOUTH AFRICA hopes to tap into the billions of rands of aid money that pours into Africa every year and boost its trade with the rest of the continent.

This emerged at the announcement this week of a conference, "Scenario for a sub-continent", which is being arranged by the South African Chamber of Business (Sacob), the South African Foreign Trade Organisation (Safto), the National African Federated Chambers of Commerce (Nafcoc) and BMW SA.

Sacob deputy director general Ron Haywood said this week at the announcement of the two-day conference in March next year on forming a sub-Saharan common market that South African exports to Africa amounted to only 10 percent of total exports.

The potential for expansion is therefore enormous.

Safto chief executive Wim Holtes said South Africa's trade with Africa rose by 40 percent last year and now amounts to R5,5-billion a year in goods and services, both direct and indirect, most of this in cash or cash equivalent.

A knotty problem in exporting to Africa has been the lack of foreign exchange.

South African business has come up with a number of suggestions on how to overcome this, the best-known being Eskom's vision of buying hydropower electricity from countries to the north to give African countries rands to buy South African goods.

Holtes mentioned another source of money. He pointed out that as doors open for the South African business community in Africa, foreign aid is becoming a viable alternative financing source. It is a major support mechanism for most African countries, with the continent as a whole receiving a total foreign exchange inflow of around R40-billion a year.

However, he said, aid organisations abroad are increasingly aware of the need to "mix and match" their available funding with local business initiatives in Africa, enabling, for example, soft loans or grants to be used on infrastructural and human resources components and commercial credit facilities on the commercial portion of the projects concerned.

Former Anglo American chairman Gavin Relly said at an investment conference in London recently that with the independence of Namibia and renewed interest in South Africa the focus of the World Bank and other development agencies in Africa was moving southwards.

South African expertise, he said, could ensure the success of projects. "When aid is tied to bilateral trade even modest participation by South Africa could be worthwhile. Moreover such participation can occur without running the risk of lack of finance."

At the press function to announce the conference, Haywood said putting into practice the idea of an African or even Southern African version of the Common Market was far off. But greater regional co-operation, including South Africa, was clearly possible.

The announcement of the conference comes after the launch by the Southern African Preferential Trade Area (PTA) at its ninth summit of a monetary harmonisation programme which it is hoped will lead to a monetary union.

Sacob and Nafcoc are being given observer status in the PTA.

The Southern African Development Co-ordination Conference (SADCC) has also indicated it would accept a South Africa free of apartheid.

Holtes said South Africa already had indirect trade links with most African countries, and especially Zaire, the Congo, Mozambique, Malawi, the Ivory Coast, Zimbabwe, Zambia, Seychelles, Mauritius, and the Comores. Clearly it has strong ties with Botswana, Namibia, Lesotho, and Swaziland. Recently South Africa has started trading with Madagascar, Burundi, Rwanda, Kenya and Angola.

This bloc represents a total population of some 150-million people and a gross national product of $95,4-billion.

Relly also pointed out in his speech that in a world moving firmly towards the establishment of large regional trading blocs there was a need for a common market in Southern Africa.

But he advised an evolutionary approach.

Relly said that instead of trying to achieve a common currency — which must be a distant goal — a more modest aimed should be harmonising investment codes so that the foreign investor could look to the regional market rather than just the one national one.

In turn this would require serious attention to the difficult problem of tariff barriers between countries; incremental progress on bilateral rather than multilateral bases was probably all that could be expected in the short term.

Attention would be needed also in areas such as exchange rate reform and improved regional infrastructure. Attitudes in the region, said Relly, were conducive to all of these reforms being far more realistically tackled than before.

Relly was also of the opinion that South Africa was sensitive to fears that it would swamp all the smaller economies.

"That is one of the reasons why important South African leaders such as Simon Brand, the head of the Development Bank, advise the incremental approach on institution building. Hence both the South African Customs Union and the SADCC are likely to co-exist for some time to come."

South Africa possesses important advantages for trade with Africa, Relly said. These include:

- An appropriately valued currency.
- Proximity to African markets.
- African know-how — this is especially important in agriculture, veterinary services, technical expertise such as construction and mining and training.
- With the exception of Angola and Mozambique, South Africa shares with all of Southern Africa a history of British rule. It therefore enjoys a common legacy of legal, administrative and commercial practices and traditions, not least of which is the ability to speak English.
- Our African identity. We are an integral part of Africa and therefore are not perceived as outsiders.

SA to take part in SADCC talks

(279A)

VICTORIA FALLS — President Robert Mugabe, once the most militant proponent of sanctions, has given his government's blessing to the participation of 16 SA representatives at a two-day conference here on reintegrating the republic into continental trade patterns.

All 10 countries of the Southern African Development Co-ordination Conference (SADCC) and many members of the Southern and East African preferential trade area are represented at the conference organised by the Confederation of Zimbwean Industries (CZI).

"We see this conference as absolutely vital in view of political developments in South Africa", said a CZI spokesman.

"Particularly, we have got to come to some kind of working arrangements as to how a new democratic SA is going to fit into the regional economic structures.

"Businessmen want to be ready to jump at the moment the politicians move. We must be ready."

Scheduled representatives include the National African Chambers of Commerce, the Afrikaanse Handelsinstituut, the Fed-

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B10am 3/12/90

MICHAEL HARTNACK

SADCC

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eration of Black Chambers of Commerce and organisations representing bankers and accountants.

It has not yet been confirmed whether a representative of Sacob will address the conference on the need to realign regional economic groupings.

Speakers from Europe are expected to urge African governments to hasten change towards free-market economies.

The warning that businessmen and industrialists may be overtaken by the pace of political events is implied in the title for the conference — Change, Our Only Constant.

Zimbabwe's senior vice-Simon Muzenda is due to open the meeting, which will also be addressed by Zimbabwe's Senior Minister of Finance Bernard Chidzero.

The two men were instrumental in President Mugabe's dramatic 1986 retreat from the brink of imposing sanctions on South Africa.

In August that year there was a marathon cabinet session after which Mugabe withdrew trade licences which had already been issued, stating they were invalid for imports from SA, Israel, South Korea and Taiwan.

Economists believed the move would have been disastrous. But Mugabe was at that time keen to set an example to Western countries whom he had been pressuring to sever all ties with Pretoria.

● Comment: Page 6

South Africa and its neighbours after apartheid

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SOUTH Africa's neighbours fear her economic domination.

It would therefore be "disastrous" for a post-apartheid South Africa to try and end the life of the Southern Africa Development Coordination Conference (SADCC) and reassert the "prevailing economic dependencies around South Africa".

This is the opinion of Prof Peter Vale, co-director of the Centre for Southern African Studies at the University of the Western Cape.

An economic community of Southern African states — with weaker economies wed to the muscle of a stronger South African economy — would also perpetuate the uneven spread of economic development in the region.

"Long-term economic growth in Southern Africa lies in developing the region as a whole and not focusing attention on one centre of economic power alone," says Vale.

"A helpful course of action may be to ensure that SADCC's independence is sustained by special provisions within a regional trade agreement between South Africa and its neighbours.

"This might ensure that infant industries in these countries are protected and that their agricultural sector is not swamped by South African products."

Vale admits this would not be easy.

But the region would develop "in a more rounded fashion rather than simply reinforcing the colonial patterns of dependency" only by allowing for significant redistribution of resources from South Africa to its neighbours.

Communique

"There are strong indications that this path is favoured by the ANC," Vale points out, quoting a communique following a recent ANC economic workshop.

Cahora Bassa remained the most effective and efficient electricity network in sub-Saharan Africa. The war in Mozambique had made access to the scheme almost impossible.

However, in a nonracial and democratic South Africa, it was possible that lines would open from Tete Province.

"Drawing on this dependency, South Africa will have to recognise that, in ways which have not been thought possible, it is dependent on its neighbours," Vale says.

A similar set of arguments could be made with regard to the Lesotho Highlands Water Scheme.

"Contrary to popular understanding, dependency in Southern Africa is a two-way street. Its recognition can smooth the recharting of regional relations."

Vale suggests that economics is only one dimension of South Africa's interaction with its neighbours. Security and constitutional dimensions also need to be considered.

"South Africa's armed aggression has devastated large parts of the sub-continent and has caused huge social hardship.

"A deep-seated fear among its neighbours is that a nonracial and democratic South Africa will still harbour forces which are capable of devastating the sub-continent.

"They aregue, for example, that rightwing elements can strike out in the region in revenge for unacceptable conditions at home."

Spiked

Vale quotes Mozambican intellectual and journalist Carlos Cardosa, who argues that "South Africa's guns should be spiked through multilateral control.

"He suggests, for example, that Armscor — which spearheaded the South African weapons drive — might be placed under joint regional control.

"Further, he argues that a suitable mechanism might create a regional defence force."

Vale believes some creative thinking needs to be done along the lines of establishing a conference for both security and economic development in Southern Africa.

A post-apartheid South Africa would lead to one of the most important African migrations of modern time in which perhaps millions of people would be drawn to South Africa in an effort to advance life chances.'

Aids

Incentives should be set in surrounding countries to keep migration to acceptable limits in the interest of the economy and development.

"Linked to the migration issue is, of course, Aids," Vale points out.

"The ending of the struggle against apartheid could enable a truly international effort to be mounted against the disease in which South Africa's comparatively well-endowed medical system would play a pivotal role," says Vale.



KENYA'S DANIEL ARAP MOI: Friendly sounds towards Pretoria



ZIMBABWE'S ROBERT MUGABE: An influentual figure in the region

African economic groups to let SA in?

VICTORIA FALLS. — Business leaders from 12 African states yesterday resolved to urge their governments to allow South Africa observer status in two regional economic groupings.

The businessmen hope SA will be granted observer status in both the Southern African Development Co-ordination Conference (SADCC) and the Preferential Trade Area of Eastern and Southern Africa. The SADCC was set up in 1980 specifically to break links with South Africa.

The resolution was agreed to at the end of a three-day conference of commerce and industry bodies from the 12 countries and South Africa.

It represented a major breakthrough for South African links with the continent, diplomats who attended the talks said.

The conference was organised by the Confederation of Zimbabwean Industries with the approval of Zimbabwe's President Robert Mugabe, who has in the past been at the forefront of African initiatives to strengthen economic boycotts against SA.

The delegates also agreed that a reformed SA would play a pivotal role in the economic development of the region.

Addressing this week's conference SADCC Business Council chairman Mr Harry Thomson of Malawi said his group was "fully supportive" of SA's full membership. Informal contacts towards this goal had been established, he said.

The chairman of the CZI, Mr John Deary, who is known to have close links with President Mugabe's government, predicted Zimbabwe would "react favourably" to the appeal for SA observer status.

Zimbabwe's vice-president Mr Simon Muzenda, who opened the conference, said current peace initiatives in Angola, Mozambique and within SA "give us tremendous hope that SA will soon play an important role in the region".

The ANC and PAC accepted invitations to attend, but did not arrive. — Own Correspondent and Sapa-AP

SA poised to win place at SADCC table

MICHAEL HARTNACK 279A

VICTORIA FALLS — Leaders of business organisations from 12 African states have called on their governments to give SA immediate observer status in the Southern African Development Co-ordination Conference and the Southern and East African Preferential Trade Area.

This, sources say, is SA's biggest breakthrough in its relations with its neighbours since the 1984 Nkomati Accord.

The business leaders' call is understood to have had the prior approval of President Robert Mugabe's government.

The SADCC was set up in 1980 to break the region's reliance on SA.

SADCC business council chairman Harry Thomson, of Malawi, said the council was "fully supportive of SA's membership of the SADCC" and informal contacts were already being established. PTA bank operations director Musa Njolwa, of Burundi, foresaw no problems with SA's admission.

The three-day conference on regional trade development was the first to be attended by SA business leaders with Zimbabwean government approval. Opening it, vice-president Simon Muzenda said peace initiatives in Angola, Mozambique and SA "give us tremendous hope that SA will soon play an important role".

Delegates representing all 10 members of the SADCC and most PTA states pointedly ignored an accusation by economist Vincent Phaahla, a Nafcoc delegation member, that they were "trying to put up 'business as usual' signs as if apartheid was already gone". B/Day 6/12/90

Zimbabwean industrialist John Mapondera had earlier called for urgent and immediate steps to evolve a common southern African economic strategy to be presented to all the region's governments.

Lesotho delegate Zola Tsotsi said a catastrophe could overtake the economies of smaller African states if they failed to evolve with South Africans "a strategy for planned, orchestrated interdependence".

Sacob deputy president Ron Haywood got no clear response to a plea for Africa to "spell out when we reach the stage of acceptability".

"The political negotiation process . . . is

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unlikely to be a short-term issue and the question is whether Africa can wait for whatever period of time it takes."

Haywood said Sacob should "align itself" with targets announced by Nafcoc's Sam Motsuenyane: within 10 years blacks should fill 30% of directorships in SA companies, own 40% of all shareholdings, supply 50% of inputs from black-owned businesses, and represent 60% of top management.

In concluding resolutions, delegates rejected proposals from Cyprian Lebese of Fabcos to limit SADCC and PTA contacts to black SA business groupings, but they endorsed calls for business to take the lead in eradicating all forms of discrimination.

TIM COHEN reports that Development Bank of Southern Africa representative Solly Nortje, on his return, said there was a strong feeling at the conference that discussions between the African regional groupings and SA business representatives could begin now.

SOWETAN BUSINESS

Strong trade links beckon new S Africa

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EXISTING trade links in the southern Africa region will be significantly strengthened during the post-aparthed era, Gaby Magomola, executive director of Fabcos told a conference organised by the Confederation of Zimbabwe Industries (CZI) this week.

Mr Magomola was among the few South Africans who attended the two-day conference on reintegrated the Republic into continental trade patterns held at the Victoria Falls.

He said already, som trade interface co ordinated by organisations such as the South African Trade Organisations (Safto) has been occuring at a low-key level.

"It must, however, be stressed that any trade that has taken place with South Africa has excluded the indigenous traders," Magomola said.

By ALI MPHAKI

Magomola, together with Mr Cyprian Lebese, Fabcos general manager of satellite companies, represented their organisation at the conference.

Dr Sam Motsuenyane, the president of Nafcoc, also attended the meeting.

Magomola said Fabcos was on the verge of establishing a trade company and links have already been forged with African businessmen as far as Kenya, Zaire and Tanzania.

"One of the great prospects of businessmen within South Africa is that for the first time, African businessmen within South Africa will not want to be left out of the race for trading with their counterparts within the region," he said.

"This exchange of ideas, without one party dominating the other, will pave the way for thriving cross-border trade opportunities and will consequently expand the regional economy," he said.

Other organisations which attended the historic conference included the Afrikaanse Handelsinstituut, Federation of Black Chambers of Commerce and organisations representing bankers and accountants.

All 10 countries of the Southern African Development Co-ordination Conference and many members of the Southern and East African preferential trade area were also represented.

A spokesman for the organisers said the conference was held in view of the political developments in South Africa. He said there had to be a coming together of some kind of working arrangements as to how a new democratic South Africa is going to fit into the regional economic structures.



GABY MAGOMOLA

Africa impatient for SA's entry into its markets

B1 Day 7/12/90

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ALAN FINE

WEDNESDAY's call by SADCC business leaders for SA be given immediate observer status within the organisation would not have come as a surprise to Idasa's Van Zyl Slabbert who has just returned from an extensive tour of Europe and Africa.

He said this week that there was a broad recognition throughout Africa that the emergence of new international politico-economic power blocs meant the nations of Africa had themselves to seek urgently such an alliance. This is essential to avoid further retrogression, and SA is seen as a key to that process.

He warns this trend will put intense pressure on the ANC to ease substantially its position on sanctions. This was a prophetic statement made a day before the contents of the ANC's draft discussion document appeared in the media.

"A situation is developing where, if the ANC and government cannot soon agree on a common strategy regarding relationships with Africa, there is a real likelihood of a series of bilateral agreements between SA and African nations which bypass the ANC," Slabbert said.

A conference in Addis Ababa last month attended by technocrats from 17 African countries helped Slabbert formulate his thesis that Africa has to establish itself in a way similar to that of Europe and Asia.

The theme of the conference was Stability, Security and Co-operation in Africa. Not by coincidence, this theme is identical to that of earlier conferences in Europe and Asia.

Africa, says Slabbert, is asking itself what it should to do in response to the changes in the Soviet Union and Eastern Europe. The new order has meant a growing indifference to the plight of Africa in the form of donor fatigue.

"At the Addis conference there was an amazing degree of self-criticism. There is an acknowledgment that Africa cannot blame colonialism for all its ills, and a recognition of the corruption and personality cults which have stifled its development," he says.

And in seeking a way out of the morass, delegates repeatedly returned to the same two themes which have dominated post-cold war Europe — democratisation and the flourishing of the market.

"They recognise that democratisation and markets are preconditions for stability and security, and that that you cannot talk of stability and security for Africa, or for regions of Africa, without talking about domestic stability and security.

"Another dominant theme ... was that, at the same time that the OAU countries are beginning to talk about democratisation, SA too is beginning to do so.

"They see SA as a critical part of the development of African markets. In some respects they even overestimate the importance of SA in the development of the continent," Slabbert argues.

Hence the drive for the economic integration of SA into the continent, and the need for the major players here to begin developing a new and joint approach — to begin preparing for future trade, scientific exchanges, and other areas of interaction with African countries.

"All (of) Africa needs to husband its resources — the international realignments make this necessary. Having the ANC and government playing African states off against each other on their relationships with SA makes this even more difficult than it would otherwise be.

"Why should it be necessary for,



☐ SLABBERT

for example, Senegal to have to pay five times as much for powdered milk imported from Europe as it would have to pay if it imported the product from SA?

"The continent is in deep trouble and it would be immoral to continue political posturing. A continuing ANC hard line would, anyway, not stop the growth of links between SA and other African nations," Slabbert asserts.

Slabbert argues that once normal economic relations develop, SA will have to move beyond southern Africa to realise fully the benefits of continental economic links.

In most of the southern African region, he says, economic relations will be more in the nature of developmental work — like transport, other infrastructure, and solving common agricultural problems. Real large-scale African trade is more likely to develop with the more powerful economies — Nigeria and French African nations like Senegal and the Ivory Coast.

Right now time is of the essence for the rest of Africa, and this makes the ANC's conference debate on sanctions in a week's time all the more critical.

"If the ANC wants to retain the most sensitive types of sanctions like the arms embargo, that is OK. But Africa must not be made to sacrifice any more because of SA's internal political processes," he concludes.

LETTERS

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Frontline and EC in ugly row

279A

Star 7/12/90

NEW YORK — An ugly row has developed between the European Community and the Frontline states at the United Nations over the timing and tactics for the lifting of sanctions against South Africa.

The EC is also insisting that the naming of Germany as the world's most serious sanctions-breaker is unacceptable.

The ANC, which recognised this week that sanctions may be gone in two to three months if the pace of reform keeps up, found itself torn between its erstwhile allies in the Frontline states and the Community.

Nelson Mandela is appealing to EC heads of state to hold off on a review of sanctions for two to three months. Diplomats have interpreted this as recognition by the ANC that sanctions will soon be lifted.

The EC is also angry at Tanzania and Zambia for referring to Germany by name in a resolution for breaking sanctions by selling submarines to South Africa.

Yesterday's row between the EC and the Frontline states underlined the wide gap which has opened between the ANC and these African countries over the ending of sanctions.

Partly out of habit, but also because the Frontline states want to hobble South Africa through sanctions for as long as possible, they are insisting that a UN resolution should call for sanctions to stay in place until "the eradication of apartheid".

The ANC is willing to live with much more lax criteria; European diplomats are demanding that the draft resolution be changed.

A majority of EC countries believes that the changes already undertaken by South Africa are irreversible and that the time has come for sanctions to be lifted.

Mr Mandela's appeal to the EC heads of state is seen as an attempt to maintain the ANC's leverage over Pretoria, which is fast slipping away. — The Independent News Service.

● 'Halt swipes at SA' — Page 3.

Africa finds out it pays to shop in South Africa

279A

Star 8/2/90



DITCHED . . . One of the problems for exporters is the appalling state of the roads in central Africa. The notorious "Hell Run" from Zambia to Dar es Salaam still lives up to its name so some exporters resort to shipping their goods to Europe for onpassing to countries in sub-Saharan Africa.

South African exports to these countries grew by 40 percent in 1989 and has grown by some 20 percent this year — and could now be worth some R5,5 billion a year.

BUSINESSMEN in sub-Saharan Africa are becoming frequent visitors to Johannesburg.

In the past two weeks six delegations have visited Johannesburg on potential buying missions.

Some of the delegations have made no secret of being here, even giving Press and television interviews.

Others, not wishing to lay their countries open to attack from the Anti-Apartheid campaigners, have quietly slipped in and out of the country, keeping a low profile while conducting their business.

But whatever their fashion of doing business, Johannesburg is increasingly becoming the mecca of traders from sub-Saharan Africa. They are looking for a better trade deal than they are getting from other countries — and often succeed.

This process has been going on for some time — as the sharp growth in South Africa's trade with sub-Saharan Africa indicates.

SAFTO, which plays a major role in fostering South African trade with other countries, estimates that South African exports to these countries grew by 40 percent in 1989 and has grown by some 20 percent this year — and could now be worth some R5,5 billion a year.

This figure is necessarily an estimate. Mr Paul Runge, manager of SAFTO's African business division, says the official trade figures issued by South Africa and African countries do not show the full extent of trade with this country.

For political reasons and for sound commercial reasons, a large part of the trade goes through third parties based in Europe. The result is that British import figures will include South African goods bound for African countries — but which will be excluded from any official South African-Africa trade statistics.

While Africa takes about 15 percent of this country's total exports, a point Mr Runge emphasises to highlight the importance

DEREK TOMMEY

of this market is that Africa takes between 25 percent and 30 percent of South Africa's exports of finished products.

Sub-Saharan Africa is looking to South Africa for a large range of goods and has sound reasons for doing so.

One of these reasons is the low exchange rate of the rand. The rand's devaluation over the past three years has helped give exporters a competitive edge.

Another is that transport costs are less, re-order times are shorter thus obviating the need to tie up large sums of money in stocks.

Other reasons are that South African goods are made for African conditions — though some work will need to be done in developing goods for tropical African conditions.

Out in the cold

Service and spare parts are not too far away, and last but not least, many of the sub-Saharan states want to do more business with African states, as they fear that Western Europe, preoccupied in developing trade and investment with Eastern Europe, could leave them out in the cold.

The easier political situation has played a major part in boosting South Africa's exports to other African countries. Since trade relations were resumed with Zaire about a year ago, it has become the country's second biggest export market after Zimbabwe, says Mr Runge.

The re-opening of relations with Madagascar has also led to large exports to that country. In fact, the market there has been oversold for the moment, but it would come right in time, he says.

Now all eyes are on Kenya. Looking a little further ahead the opening up of trade relations with Angola would also give South African exports an important new market.

Transport can be a problem. Goods can be shipped by road as far as the Shaba province in southern Zaire. But then the roads deteriorate.

Ships sailing from South Africa to other African ports usually have to come back empty which increases the cost of sea transport.

As a result in some instances it pays to ship some goods via Marseilles. Air freight facilities are available, but expensive.

But the most important consideration in increasing trade is the ability of the purchaser to pay in sound money.

There is a great shortage of foreign exchange in Africa, said Mr Runge. It means that trade has to be targeted to areas which can find the foreign exchange.

There are major companies well able to pay; but sometimes deals have to be arranged where these companies provide exchange for third parties.

Mr Runge emphasised the importance of helping the African countries get aid from the World Bank and other development bodies.

"You have to indentify the project, do a feasibility study, and then help the country apply for a loan. Only then can you start supplying goods for that project.

Eskom is doing precisely this for Mozambique. It has worked out that the cost of restoring the power line from the giant Cahorra Bassa hydro-electric project to South Africa will be in the region of $R100 million (R250 million) and is now actively seeking finance for it from the World Bank, Germany and several South African corporations.

Should it be possible to do a deal with Renano, as the Zimbabweans and Malawians did this week, then the new Cahorra Bassa project could provide South Africa with a valuable export contract worth tens of millions of rands.

In fact Southern Africa's development needs look like becoming a major source of new business for South African firms active in the export market.

Common-market dream

CIPress 9/12/90

MONEY TALK

TALK about a common market of states in southern and eastern Africa is being heard more and more in the capitals of the region.

During the past week, business leaders from 12 African states added their support to the idea by calling on their governments to give South Africa immediate observer status in the Southern African Development Co-ordination Conference (SADCC) and the Southern and East African Preferential Trade Area (PTA).

During a three-day conference at Victoria Falls in Zimbabwe this week it became clear that the business leaders were acutely aware of the necessity of bloc formation to survive in the emerging new world order.

An important question is, however, whether the realities support the formation of a common market. Many problems will have to be solved first. A balance is needed between the levels of development of the various countries. Unfortunately, only South Africa and Zimbabwe have industrial infrastructure.

Countries such as Mozambique depend on world charity for their survival but are often forced to spend aid money on goods from the donor countries. So what would be the use of South Africa and Zimbabwe having free access to Mozambique? (279A)

A common market requires free movement of labour. But opening up the borders of South Africa, Zimbabwe and cash-rich Botswana would lead to massive inflows of skilled and unskilled workers looking for jobs. No government in the region would support that.

Some of the region's national currencies are all but worthless outside their borders.

These are only a few of the complex hurdles that would have to be overcome – yet we have no alternative but to co-operate in the face of the growing world trend towards large trading blocs.

World Bank may spend millions on southern African power grid

B104 10/12/90 279A

TIM COHEN

THE World Bank has agreed in principle to spend hundreds of millions of rands on a South African-Zimbabwean power link which has the potential to plug SA into electricity grids as far afield as Zaire.

Eskom communications manager Johan du Plessis said at the weekend two projects were being considered by the bank — each costing millions of rands.

Linking SA's power grid with Zimbabwe is expected to significantly improve relations between the two countries.

The first scheme proposes the construction of a 400km line from Zimbabwe to the Cahora Bassa hydro-electrical scheme in Mozambique, which is substantially underutilised. The link will carry 500 megawatts of power into Harare.

The second proposes the construction of a line from the most northern point of the SA grid at Ellisras, to Bulawayo. The construction of this line would take about two years, Du Plessis said.

Exact figures were not available as detailed studies had not yet been done, he said. The cost would depend on the terrain and whether or not priority was placed on the speed of construction.

The link would facilitate a connection with the power grids of Tanzania and Kenya and, more important, would facilitate a link with the "mind-boggling" hydro-electrical potential of Zaire's Inga province, he said.

Schemes operating in the province generated thousands of kilowatts of power but had the potential to generate hundreds of thousands of kilowatts, he said.

Zaire is particularly keen to see the establishment of the link because it would mean that it could export electricity to SA.

SA uses only about 75% of its capacity for electrical consumption, but by 2 000 it could have absorbed its excess electrical capacity. SA has never borrowed money from the World Bank because it exceeds the bank's lending criteria.

The bank only lends money to the world's poorest nations, butrecent reports cited Eskom CE Ian McRae saying the bank had become partial to lending money to projects involving SA participation.

This was because it believed SA involvement made projects more viable and the payback more secure, McRae said.

Relations between Zimbabwe and SA are expected to improve significantly if the project goes ahead.

MIKE ROBERTSON reports that Foreign Affairs director-general Neil van Heerden recently said relations with Zimbabwe were improving. SA had been given permission to purchase land on which to build a new diplomatic mission in Harare.

The suspension of Radio Truth, and Zimbabwe's release of SA spy Odile Harrington, had contributed to the thawing of relations, Van Heerden said.

But Zimbabwe still felt its standing among other countries in the region could be adversely affected if SA returned to favour, he said.

SOWETAN BUSINESS

Rethink on sanctions against South Africa

Sowetan 13/12/90

279A

By ALI MPHAKI

AFRICA's drum beat on continued sanctions against South Africa is fast approaching a crescendo - signifying the continent's growing impatience for South Africa's entry into its markets.

There is encouraging realisation that there cannot be any talk of stability and security to Africa unless there is economic integration of South Africa into the continent.

South Africa is seen as a critical part of the development of African markets, and the emergence of new economic changes in the Soviet Union and Eastern Europe has spurred Africa to seek ways of avoiding further retrogression.

While South Africa is politically unacceptable to Africa, unofficially a lot of business has developed between South Africa and a number of African countries.

The invitation of South African black businessmen to the SADCC conference in Zimbabwe last week, underscores Africa's impatience to trade with SA and a need for South African black businessmen to position themselves strategically for a post-sanctions era.

It was not surprising to hear the SADCC's call for SA to be given immediate observer status within the organisation.

As Nafcoc president Dr Sam Motsuenyane, who attended the conference, puts it: "Despite their vehement condemnation of South Africa, practical difficulties make it impossible for African countries not to trade with South Africa. These have forced them to buy under the table with South Africa.

"As far back as last year, we in Nafcoc said the question of bringing an end to sanctions had become imperative. Nafcoc should begin to talk to political organisations about the possibility of lifting sanctions.

"Although this was our position, we cannot as business people unilaterally call for an end of sanctions because we were not the first to talk about them."

The sanctions issue also came under the spotlight during an ANC meeting with 60 top black businessmen in Johannesburg last week. The businesssmen called for the ANC to take the initiative to phase out sanctions because,"having brought the Government to the negotiating table, sanctions no longer had a role".

Significantly, political developments within South Africa have evoked a willy nilly, favourable response from the world over. The release of Nelson Mandela has encouraged hitherto hostile foreign investors to rethink about investing in South Africa.

Stripped

Albeit, there seems to be a semblance of truth in the statement that black political organisations - having been stripped of their militancy - are clinging to the sanctions lobby as their last bargaining chip at the negotiation table.

Simultaneously, the draft ANC discussion document on sanctions indicates the organisation could be on the brink of moderating its uncompromising support for sanctions.

There are proposals of a new look at sporting and cultural sanctions. Diplomatic isolations and trade sanctions, the document proposes, have litle impact any longer.

Motsuenyane addeds: "It has become apparent that the business people are seeking to help the future government of this country to formulate free market policies."

"We believe strongly that the business people should dictate to politicians when it comes to the economy because we have been involved in business and we have the experience".

But former African Bank MD of African Bank and now director of Fabcos, Mr Gaby Magomola, does not believe business has the capacity to dictate to Government.

Optimism

"It has never happened anywhere in the world that business should dictate to government or political organisations. Business can only advise on economic legislation and nothing more."

Magomola, while acceding that Fabcos has not taken an official stand on sanctions, says there is growing optimism that disucussion taking place by political leaders will reach a point where sanctions will no longer be necessary.

"The general notion is that sanctions would be lifted sooner or later - within the next 12 months. People are positioning themselves for a post-sanctions era. The question is to what extent is our readiness to trade with the rest of Africa," he asked.

Magomola also cautioned that while Africa is anxiously looking for over the table trade with South Africa, there is also a fear of South Africa's economic imperialism.

While the sanctions debate continues, the ANC, PAC and Azapo, have unilaterally called for an intensification of sanctions.

An ANC spokesman yesterday said everybody knows that the ANC wants sanctions to be maintained until all apartheid laws have been removed.

"We are not and will not be forced by anybody to change our stand on sanctions,"he said.

Kaunda 'proud' of SA

Cape Times 19/12/90 (239A)

PRETORIA. — President Kenneth Kaunda of Zambia yesterday publicly praised President F W de Klerk for his courage and said he felt proud about what he was witnessing in the new South Africa.

He was speaking during a meeting at State House in Lusaka with the Minister of Foreign Affairs, Mr Pik Botha, and other senior officials of the minister's department.

Mr Botha arrived in the country yesterday at the head of a seven-man team.

A news release by the Department of Foreign Affairs here yesterday said that earlier Mr Botha had been received by his counterpart, General Benjamin Mibenge.

Mr Botha conveyed warm greetings to Dr Kaunda and the people of Zambia "at this time and in the spirit of goodwill at Christmas", and referred to the president's positive role over many years in promoting peace in Southern Africa.



Dr Kenneth Kaunda



Mr Pik Botha

Mr Botha explained the irreversible nature of the process of change in South Africa, the statement said. Racial discrimination was no longer a consideration; the National Party had taken a decision to open its ranks to allow membership by all South Africans irrespective of colour, he said.

He told Dr Kaunda the South African cabinet had taken a final and irreversible decision to repeal the Group Areas and Land Acts.

Mr Botha also thanked Dr Kaunda for his statemanship in recognising that it was in the interest of the region that South Africa should take its rightful place at the table of Southern African states.

He said South Africa should be included in formulating the economic policies in the southern region since his government has repealed racial laws.

"We are looking forward to a day when we will be included in the economic plans of Southern Africa.

"That day is coming and we hope that soon, we will be participating effectively in the economics of the region.

"A fruitful exchange of views took place on how peace could further be promoted regarding Angola and elsewhere in Southern Africa," the statement said, also quoting Dr Kaunda as saying he felt proud about what he was seeing in South Africa.

Diplomats speculate that the talks centred on South Africa opening a trade mission with Zambia. — Sapa-Reuter



Zimbabwe's Robert Mugabe ... controversial legislature passed



Angola's Jose dos Santos ... disappointing peace talks



Zambia's Kenneth Kaunda ... ineffective economic mismanagement



Mozambique's Joaquim Chissano ... ceasefire talks still dragging on

Business as usual: War, famine, riots, repression

w/m 20/12/90 - 10/1/91

(279A)

w/mail 20/12/90 - 10/1/91

SOUTHERN AFRICA

BY ANDREW MELDRUM

THIS year opened as one of great expectations for the frontline states but as ceasefires have not been achieved it appears that "more of the same" is an appropriate motto for the region.

An overriding concern for the entire region in 1990 was the desperate need for peace in Angola and Mozambique, especially as violence spills over into neighbouring countries and refugees flood their borders.

It is hard to exaggerate the amount of misery and chaos that has been caused by Mozambique's war against Renamo. One million Mozambican refugees have fled to Malawi, Zimbabwe, Swaziland and South Africa and more than two million people are huddled in camps in Mozambique, refugees in their own country. Normal farming is completely disrupted and the cash-strapped Maputo government cannot distribute adequate amounts of food assistance: as a result famine and the starvation of thousands loom.

Some 8 000 Zimbabwean troops are in central Mozambique to keep vital trade links open. Renamo gangs attack Zimbabwean targets along the 1 000km border. There are also skirmishes between Renamo and Zambian forces. Clearly the Mozambican war spreads regional destabilisation.

Throughout 1990 Mozambican President Joaquim Chissano skilfully steered the country through manoeuvres designed to bring about peace. A new constitution was debated from grassroots level to the top echelons of the ruling Frelimo party. In November the constitution came into effect, bringing in multi-party democracy and a free-market economy. These were the principle demands of Renamo's crude political platform, so hopes were high that agreement could be reached in direct talks between Chissano's Frelimo government and Renamo, led by Afonso Dhlakama.

The three rounds of talks held in Rome since June brought no breakthrough for a ceasefire settlement. But an encouraging development came in early December when the two sides agreed that Zimbabwean troops should be confined to the transport corridors connecting Zimbabwe to the ports of Beira and Maputo. Renamo pledged not to attack the Zimbabwean troops and that will be monitored by an international team. It was also agreed that both sides would respect the neutrality of the Red Cross, allowing that organisation to begin operating throughout the country for the first time in years. These agreements may have paved the way for a peace settlement and many hope that the new round of talks set to begin in Rome may bring an announcement to end hostilities.

Angola's rounds of peace talks in Lisbon during 1990 were even more disappointing than Mozambique's Rome talks. No substantive agreements have been hammered out in the Lisbon meetings between President Jose Eduardo dos Santos' government and Jonas Savimbi's Unita rebels.

One of the reasons for the lack of progress in the talks is that the Dos Santos government has not been as quick-footed as the Mozambican government in bringing about the constitutional changes needed to satisfy its right-wing rebels. Finally, at its December 4-10 congress, Angola's ruling MPLA party agreed to begin drafting a constitution to bring about a multi-party system and a free enterprise economic system. This could be a lengthy process, taking up to three years before open elections are held.

For its part, Unita may not be interested in a negotiated settlement, with all the compromises that suggests, when a military victory appears within its grasp. Bolstered by $65-million in American military aid, efficiently flown into Angola from Zaire's Kamina airbase, Unita gained the military upper-hand in 1990.

The one thing Angola has in its favour is oil. With the Gulf crisis, the country's rich petroleum deposits have taken on new strategic value. The United States is eager to secure stable oil supplies and is therefore newly committed to finding a peace settlement in Angola. The Soviet Union, the Luanda government's main backer, is so beset by its own problems that it cannot continue to sponsor the Angolan conflict. The two super-powers held unprecedented meetings on Angola in mid-December and it appears they may give Angola's flagging peace-talks a kickstart to make them produce results in 1991.

Zambia was one of the African countries that felt the winds of democratic change blow all the way down from Eastern Europe. Simmering discontent with the country's 15-year economic slump and with Kenneth Kaunda's ineffective economic management burst into widespread anti-government riots in mid-1990. A mini-coup attempt, and more importantly the glee with which it was greeted by the public, indicated that Kaunda's hold on power was slipping. But the canny Kaunda showed he still had several tricks up his sleeve and agreed to restore a multi-party democracy and open elections in October 1991. Kaunda will no doubt be campaigning throughout the year to regain popular support so that he will be the frontrunner in the election.

To be or not to be a one-party state was the question in Zimbabwe in 1990 and overwhelming opposition within the ruling Zanu-PF party put a halt to President Robert Mugabe's ambition to establish single party rule. National elections marked Zimbabwe's tenth anniversary of independence and majority rule. As expected, Mugabe's government won an overwhelming victory and now controls 147 of the parliament's 150 seats.

It was not a clear-cut win for pluralism, however, as the Zanu-PF politicos argued that it is better to have a de facto one-party state, as Zimbabwe is now, than to force a de jure one-party state and face domestic and international opposition.

The year closed in Zimbabwe amid worrying signs that the government intends to reduce independent criticism. Two controversial pieces of legislature were hurried through parliament: a Bill to increase government control over the university and a far-reaching amendment to the constitution. The amendment prevents the courts from considering if government-set compensation for land is fair and restricts the courts from declaring hanging and the whipping of juveniles to be unconstitutional forms of punishment.

A wide range of Zimbabweans and human rights groups have expressed alarm over this reduction of Zimbabwe's constitutional Declaration of Rights and restriction of the courts' powers. Therefore Zimbabwe enters 1991 gingerly watching to see how these new laws will be put into practice. Many fear that a de facto one-party state may prove to be as heavy handed as a de jure one-party state.

New development bank proposed for subcontinent

TIM COHEN

THE Development Bank of SA is discussing the creation of a regional development bank to realise the opportunities of a wider co-operation in the southern African region.

A discussion paper produced by Development Bank official Johan van Zyl says a regional development bank, which would include an SA which had normalised its relations with the rest of the world, could play a valuable role in enhancing the mobilisation of financial and human resources from outside the subcontinent.

Internally it could also assist by financing investment projects, rendering technical assistance and supplementing institutions like the World Bank and the African Development Bank.

The discussion paper also proposes that specific funds could be created within the bank to receive and manage aid from donors on a separate basis.

The document argues that the international economy and political order is at present caught up in a process of fundamental transition towards new global structures.

The acceleration of technology-driven economic progress has created enormous pressures for economic reform, and this has resulted in the formation of regional blocs, especially among developed nations.

But the document questions whether these forms of economic co-operation would be appropriate in southern Africa because they are concerned with the gains that could be derived from existing patterns of trade.

By contrast, regional integration among developing countries is based largely on the gains from rationalising among the countries from emergent structures, rather than those that already exist.

The document argues for a less formal, decentralised and consultative type of institutional arrangement, assisted by a regional development bank.

Van Zyl writes that SA has a lot to offer. It has a record of successful foreign investment, established institutions for handling legal contracts, internationally accepted accountancy practices, efficient communication and transport networks and a culture of doing business within a framework of economic freedom of choice.

SA also has a good international financial standing and therefore has the ability to take the lead in mobilising resources from abroad.

But Van Zyl argues that care will have to be taken to ensure that SA does not dominate the area. This can only be achieved by concerted planning and early action, he says.

● See Page 7

Tony Hawkins on the perils of a new economic age in Southern Africa

Mightier than the military

Star 24/12/90 (279A)

AS South Africa edges towards political respectability, some of its business leaders are beating the regional co-operation drum with an enthusiasm threatening to drown economic realism.

They are not alone in this. Within the Southern Africa Development Co-ordination Conference (SADCC), it has become fashionable to assume that post-apartheid South Africa will become its 11th member, with far-reaching benefits for all participants.

Great scope exists for regional co-operation, especially in energy, transport, and tourism. The South Africans make much of their capacity to help their less-prosperous neighbours, whose efforts to reduce dependence on Pretoria, as part of the sanctions campaign, were notably unsuccessful.

The ending of Pretoria's destabilisation activities, and, it is hoped, ceasefire pacts in Angola and Mozambique, would open the door to much-improved regional economic performance.

An obvious attraction of South African membership would be an immediate, though one-sided, boost to regional trade. Official figures for 1983-86 put intra-SADCC trade at only $950 million — 4,5 percent of its total foreign trade. But its trade with South Africa was valued at $6,5 billion, of which 85 percent was made up of imports.

These figures highlight the potential dangers of South African entry. If the plan is for a regional free trade area, favoured by many businessmen and some politicians, then South Africa, with a gross national product of some $80 billion, would swamp the other 10 states whose combined income is only $25 billion.

Far from welcoming closer trade links with Pretoria, most of the 10 would need to restrict imports from South Africa, specifically of manufactured goods that would otherwise threaten their own industries.

South African manufacturers hold almost all the aces in regional competition — lower transport costs, a more efficient infrastructure, sophisticated financial markets, advanced technology, a dynamic private sector, and a bigger domestic market.

Faced with such competition, the best that industrialists in Zimbabwe, Zambia or Botswana could hope for would be a loss of cost competitiveness in South Africa as a post-apartheid administration raised wages and taxes in an effort to redistribute income.

Already, a third of South Africa's exports of manufacturers go to sub-Saharan Africa. South African industry is bound to be an aggressive competitor on a continent seen as its natural marketplace.

This lies at the heart of Pretoria's enthusiasm for closer regional links. But the SADCC states have little to offer in return, except primary commodities such as Angolan oil, Zambian copper, Malawian tea, Botswana soda ash and Zimbabwean tobacco. As political constraints fall away, the trading pattern is likely to become more lopsided.

A free trade area, which is one option, would probably condemn Pretoria's neighbours to satellite status. They would continue to rely on their primary product exports supplemented by some processing activities and basic manufactures for local consumption. But faced with relatively open competition from South Africa, the odds would be stacked against their achieving the breakthrough into industrialisation that most are anxious for.

Before much longer, SADCC member states must respond to an economic threat from Pretoria that could prove more serious than the political and military destabilisation of the 1980s.

Last month, member states of the East and Southern Africa Preferential Trade Area, to which most SADCC states belong, agreed on regional monetary union within five years.

While the agenda is headed by such schemes,rather than the nitty-gritty of trade and investment promotion, economic co-operation will stay a pipedream. — The Financial Times News Service.□

Africa looks inward for its economic survival

B|Day 27/12/90 (2791)

ZILLA EFFRAT

AFRICAN leaders are realising that the continent's survival lies in greater regional co-operation, and that SA is an important part of its future.

SA Chamber of Business (Sacob) deputy director-general Ron Haywood says there is a growing awareness of the need for Africa to stand on its own. This was the message from delegates to the recent Preferential Trade Area of Eastern and Southern Africa (PTA) meeting in Swaziland.

There is a trend towards regional trading blocs, and this could lead to greater world competition. Also, a breakdown in GATT negotiations could destabilise trade patterns and result in trading blocs becoming increasingly difficult to enter.

Changes in Eastern Europe and the economic slowdown in OECD countries could restrict the availability of world funds. Many African leaders believe that foreign aid and investment could decline.

But Haywood says despite these predictions, one major donor country has increased its aid budget to sub-Saharan African countries by 40% to more than $500m a year. Other donors appreciate the need to continue supporting the region.

In some cases it appears the problem is not so much a shortage of money as the lack of suitable investment or development projects, or the ability to motivate these strongly enough.

In the long term the OAU foresees one trading bloc, but Haywood says Africa is too large and diverse for this. Regional co-operation should first be improved. "But this will not be an easy. It took Europe 35 years to become a trading bloc and there are still problems."

Haywood does not expect to see the same extent of deregulation and sophistication in Africa as in Europe's move to a common market.

Existing African regional groupings include the PTA, Southern African Development Co-ordination Conference (SADCC), the Southern African Customs Union, the Economic Comunity of West African States (Ecowas) and a grouping of North African countries.

Africa's export markets are shrinking and commodity prices, particularly for raw minerals, are under pressure, but much scope exists to boost intraregional trade.

For example, only 10% of the 19-member PTA's trade is intraregional and a mere 3,4% of SA's foreign trade is with Africa.

Haywood says intraregional trade makes sense because of the geographic proximity and existing infrastructure. The liberalisation of trade between countries and simplifying and eliminating uneccessary barriers could greatly speed up trade between nations.

But African countries often sell the same products, like agricultural produce and minerals, and the continent has not developed its infrastructure and industrial base adequately.

These have to be built up and internationallly competitive products have to be produced. Joint ventures could assist in giving sufficient economies of scale enabling some industries to become global players.

Regions also have to start sharing their scarce resources and particularly skilled manpower, R & D and advisory services.

Haywood says a good start to regional co-operation could include areas such as electricity, air links, rail and road networks and intraregional tourism, which could be expanded reasonably quickly.

He says: "Africa is in a hurry. It has realised that it has serious problems and is realistic about these."

Africa's problems include soaring population growth rates in the face of low economic growth, as well as a large and rising external debt burdon. Within the PTA, more than 50% of export earnings go to service external debt and this debt makes up about 89% of the areas' GDP.

Haywood adds that Africa's risk to reward ratio for investment is probably one of the most unfavourable in the world. Instability is the largest inhibitor of foreign investment in southern Africa.

For the region to maximise growth, peace in Angola and Mozambique is considered a prerequisite. "The positive message is that the superpowers, USSR and the US, which were previously at loggerheads in the region, are now working together to bring about its stability."

PTA and SADCC leaders have stated that once SA's political reform process is complete, it will be invited to join these groupings. South Africans have already been invited to recent PTA and PTA chamber of commerce and industry meetings as observers, something Haywood says would have been unheard of six months ago.

However, he cautions that SA must not be seen to be, nor will it be, the dominating force in the region, but merely a valuable partner. Without improved regional co-operation and without SA being part of it, sub-Saharan Africa will not achieve its potential.

LETTERS

SADCC. — 1991.

JANUARY — NOV.

Africa gets down to business

8Star 11/1/91 (2790)

One of the first key 1991 dates to be heavily underlined in many South African business diaries will be March 13. If all goes well, it may mark the start of a brand new era in trade and economic relations with the rest of the sub-continent. MICHAEL CHESTER reports.

FOR the first time in decades, since apartheid shunted South Africa into po litical isolation, business leaders from neighbour countries from South Africa to the Equator and beyond are planning to sit down to puff at peace pipes and talk about real economic co-operation.

The whole agenda will revolve around ideas on how to dust the cobwebs off trade routes and push the starter buttons on economic motors that promise to give a new tempo to the sub-continent.

March 13 is the date when they meet on neutral ground in Swaziland to begin a three-day indaba that the sponsors hope will bring South Africa in from the cold and trigger a new wave of trade flows.

Encouraged

"We're going to have the chance to set the whole sub-continent on a path towards real economic dynamism," says Ron Haywood, deputy director-general of the SA Chamber of Business.

"If we all seize the chance to pool our combined potential resources, the whole sub-Saharan region will benefit, with higher living standards for everyone.

"More and more businessmen, inside and outside South Africa, have come to realise that we dare not miss the opportunity."

Optimism about the outcome has been encouraged by the mix of sponsors behind the indaba.

Alongside Sacob will be the National African Chamber of Commerce as well as the SA Foreign Trade Organisation in a team operation with the Quand Foundation of Germany and the multinational BMW motor company.

More encouragement stems from the fact that the keynote speaker will be King Mswati III of Swaziland, the current chairman of the vast Preferential Trade Area that covers much of the heartland of Black Africa and who is known to favour a closer look at bringing South Africa into the fold.

Mr Haywood can already sniff the chances of success. He bases his optimism on the warm welcomes handed out to low-profile but significant South African business delegations that have broken the ice with appearances as observers at a number of trade conferences in hitherto hostile territory across the northern borders as the political cold war thaws out.

"Now that South Africa has launched into democratic reform in earnest, a growing list of neighbour states have started to acknowledge the pure common-sense of economic co-operation," he says.

"As the political dust settles and political emotions calm down, there is now a growing willingness among everyone to agree that the full economic potential of the sub-continent has been handicapped by fragmentation as well as political divisions."

Mr Haywood pulls out a batch of maps that show Africa south of the Sahara in a jumble of jigsaw pieces based on trade agreements. They rarely interlock very smoothly.

The pieces begin with a cluster of 15 countries that form a union called ECOWAS — the Economic Community of West African States, reaching across from Sierra Leone to Niger and down from Mauritania to Nigeria.

Next comes a huddle of nine countries that group themselves under the banner of CEEAC — the Economic Community of Central African States, running from Chad down to Zaire.

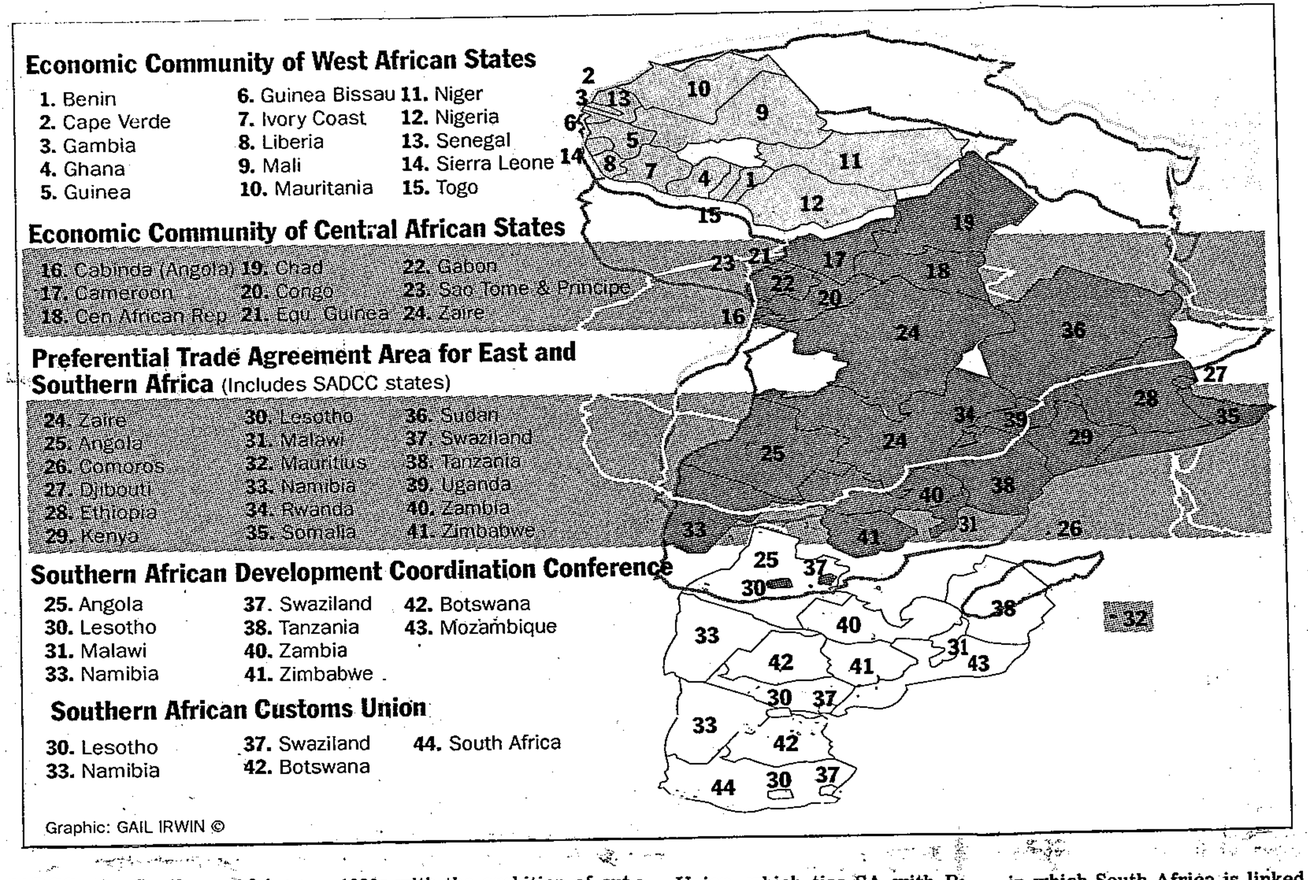
The jigsaw pieces start colliding when they begin to overlap, as seen in the composition of the next trade bloc, the PTA, or, more formally, the Preferential Trade Agreement for East and Southern Africa, stretching down from the Sudan and Ethiopia all the way to Zimbabwe and even as far as Swaziland and Lesotho.

The overlapping is compounded by the union known as SADCC, the Southern African Development Co-ordination Conference, a formation of what until now have been known as the Frontline States.

These states forged links among themselves in the early 1980s with the ambition of cutting reliance on the South African apartheid regime.

And the overlapping is repeated when one comes to count the members of SACU, the Southern African Customs Union, which ties SA with Botswana, Namibia, Lesotho and Swaziland.

More confusion is added to the jigsaw by the separate existence of ECOSA, the Economic Community of Southern Africa, in which South Africa is linked with the so-called TBVC states (Transkei, Boputhatswana, Venda, Ciskei), plus the jumble of homelands coloured in the map as self-governing territories.



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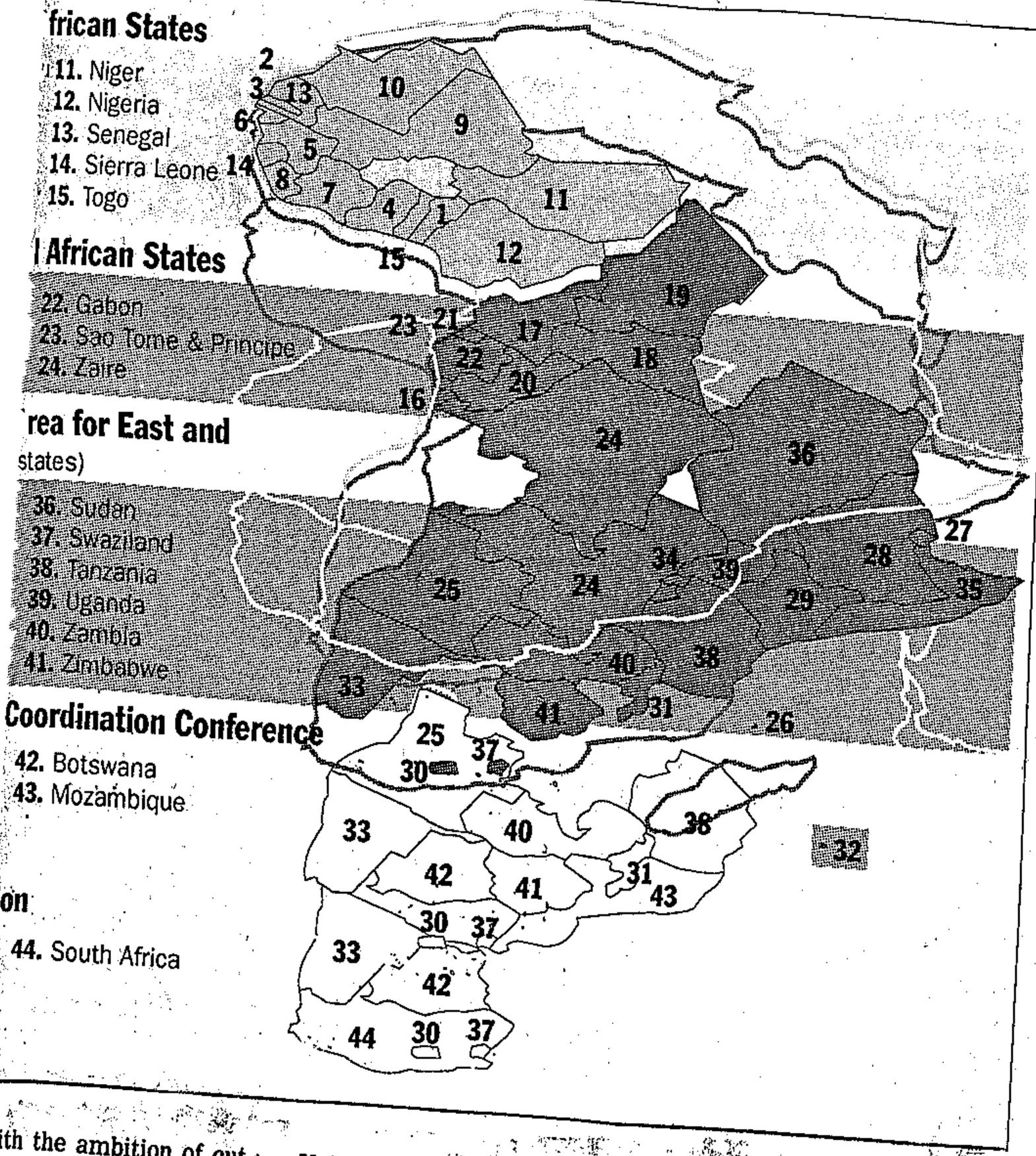

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"In isolation, each piece of the jigsaw displays its own economic limitations," says Mr Haywood.

"Make all the pieces fit, however, and the sub-continent begins to show a whole new set of economic muscles.

"True, the amount of trade between South Africa and the rest of the sub-continent has been fairly substantial in recent years, even through the worst of political hostility.

"But it has largely had to be buried under the surface — under camouflage to escape political attention and often a nightmare to exporters and importers.

"Think what could be achieved if trade and economic links could come from under the wrappings of secrecy and be given free rein.

"The potential mutual benefits are immense, not only in trade volumes but also from pooling hi-tech know-how and all sorts of services, from power grids and water systems to medical and agricultural services.

"We are giving a high rating to the chances of success at the March 13-16 indaba.

"Representatives are expect ed from both the PTA and the SADCC and we plan to push far beyond mere lip service to the idea of co-operation.

"Everyone is aware of evidence that the sub-continent is slipping further and further behind the outside world, with living standards in actual decline

"It's vital to reverse trends — and we believe solutions may be close at hand," Mr Haywood said.□

Neighbouring countries offer expansion areas

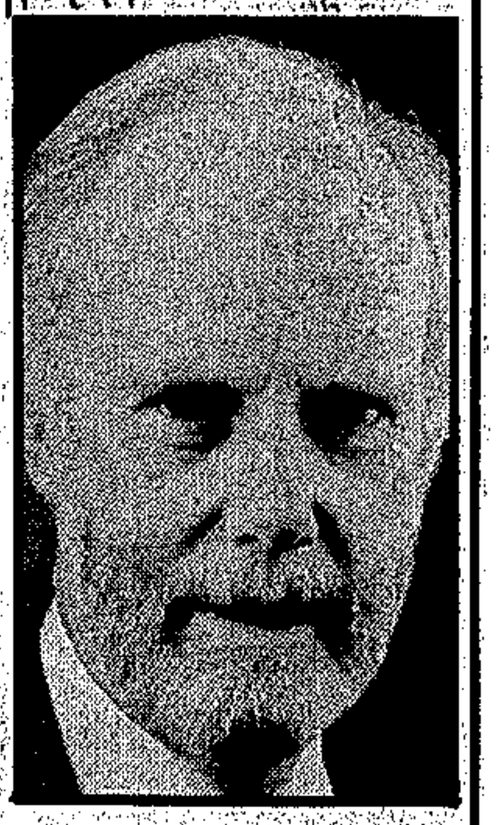
279A

B/Day 19/3/91

SOUTHERN African is viewed by many local companies as the most obvious market for expansion — especially when times are tough at home.

The building industry is no exception, says Building Industries Federation of SA executive director Neil Fraser.

"Southern Africa is seen as a logical growth area for larger contractors — smaller operators have mobility problems at the best of times, so it is the larger operations which are looking further afield.



NEIL FRASER

Risks

"Also, working in foreign countries has some risks, so the right organisational and other structures need to be in place, and this is normally only possible for larger contractors."

He says Bifsa is offering training to builders in various southern African countries.

"Discussions are underway with some government agencies and more are planned.

"We'd like to reach a point where more people realise that building labour is highly mobile and, with the necessary training, building standards can be maintained from one country to the next.

"With this in mind, there's a necessity to expand our training and we're offering our programmes to other countries."

Discussions are being held with authorities in Botswana, Lesotho, Swaziland, Namibia, and in SA's own independent states.

Later this year, plans are to investigate prospects Malawi, Zimbabwe and Mozambique.

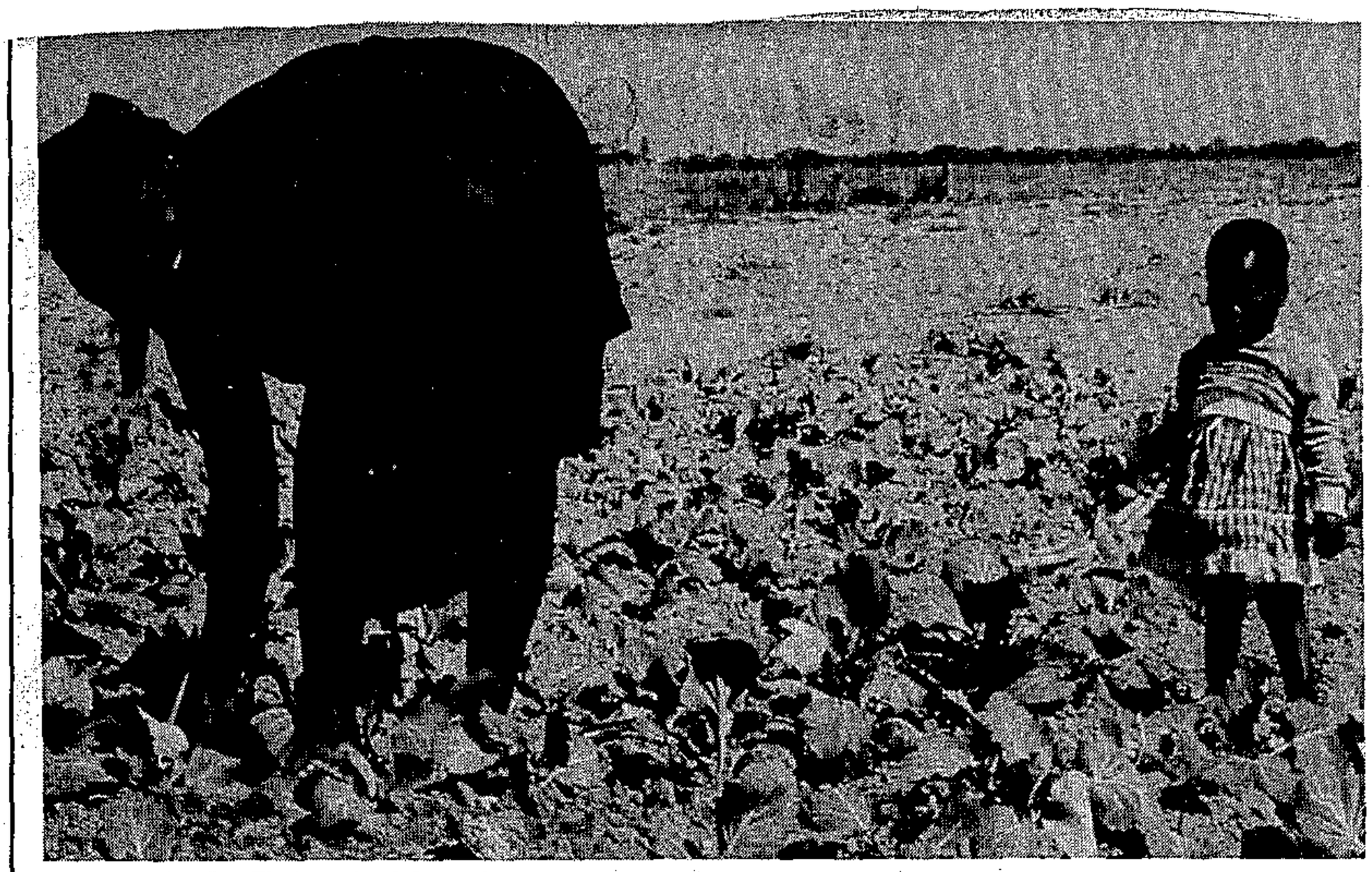
Although such initiatives are to be welcomed, Fraser says they are also essential with SA's wild swings in building activity.

"The building industry is at the end of the development chain. We're unable to dictate the rate at which buildings come on stream, so must weather the troughs.

"Through greater contact and interaction with other countries, the cycles could be smoothed out to some extent," he says.

Although there is more activity on the housing front, this does not assist the labour problem.

"The commercial and industrial property builders aren't necessarily geared to handle demand for housing labour," Fraser says.



WEEDING: Ephania Mapako weeds cabbages at the Tagarika resettlement farm

Pic: UN Development Programme

Surpluses won't stop malnutrition

From Godfrey Karoro
Harare

ALTHOUGH the 10 member countries of the Southern African Development Coordination Conference (SADCC) have attained regional food self-sufficiency, the majority of the regions' 80-million people are still without food.

In individual nations there is not enough food to go around. The trend is even more worrying in a year when wide-scale drought will mean near starvation conditions in many towns and villages.

Only Tanzania, Zambia and Zimbabwe have cereal surpluses, mainly of maize, while Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia and Swaziland face serious shortfalls.

The chronic problem was addressed at a recent SADCC conference on food security in Southern Africa here. The meeting was jointly sponsored by Michigan State University, the University of Zimbabwe and the SADCC food security unit.

Zimbabwe's agriculture minister Witness Mangwende told the conference the expected 104 percent food production gave a false picture, because only three nations produced sufficient cereals for their own needs and to cover the deficits of the other member states.

"This apparent surplus also disguises extensive chronic under-nutrition in even the surplus grain-producing countries," he said. (279A)

To maintain the present cereal consumption, the region must, in addition to importing 1,5m tonnes, increase annual production by four percent, according to the SADCC food security unit.

Unfortunately, growth in cereal production has averaged only 1,4 percent during the past 14 years. This has resulted in a decline in the per capita availability of cereals within the region, warns the unit.

Experts attending the conference said the problem had to be addressed by an integrated grassroots' level approach which looked at food self-sufficiency from the village level rather than from a macro regional vantage and relied less on high technology inputs.

Michigan State University Professor of Agricultural Economics and African Studies Carol Eicher said: "The causes of malnutrition cannot be addressed by a single discipline such as nutrition or agricultural economics.

"Likewise, malnutrition cannot be combated through the intervention of a single ministry such as health or agriculture," Eicher added. "The contribution of every discipline in the research programme would be necessary."

"The promotion of technological bullets of quality-protein maize or cassava should give way to a food systems' approach supported by research on marketing, processing and consumer preferences," Eicher argued.

In addition, the SADCC food security unit says, the SADCC countries should develop food production capacities, improve agricultural infrastructure — input supplies, storage, transport, processing and financing — and expand human power skills.

But University of Zimbabwe vice-chancellor Walter Kamba has pointed out that the region lacks trained and qualified staff to carry out such programmes. Kamba welcomed the SADCC programme to improve the quality of education, update research facilities and promote inter-university and inter-country cooperation.

"The task is urgent because of the SADCC region's importance in attaining food security and overall economic development," said Kamba. — *AIA*

From Eddie Koch
Johannesburg

Talks could influence regional peace

South 24/11 - 30/1/91

PEACE in the Southern Africa region, devastated by more than a decade of apartheid aggression, is one of bonuses that may come with political changes inside South Africa this year.

The years in which former State President PW Botha ruled South Africa, in which every one of Pretoria's neighbours felt the wrath of the country's hawkish generals, could come to an end in 1991 if the forces of political transition and peace dominate inside South Africa.

Optimistic

This optimistic prediction by foreign policy observers is tempered, however, by a warning that South Africa's security force chiefs may be making a comeback to the political power they enjoyed under Botha and that, if this happens, the consequences for the region could be dire.

The result of South Africa's foreign policy in the past 10 years are now legion. These include:

- Endemic war in Angola where rebels of the National Union for the Total Independence of Angola (Unita), backed by South Africa, have left a nation of 35 000 paraplegics and an economy in tatters;
- One million died in Mozambique as a direct or indirect result of the war by Pretoria-backed rebels of the Mozambique National Resistance (MNR);
- Fierce repression of anti-colonial struggles in Namibia;
- Cross-border raids into Botswana, Lesotho, Mozambique and Zimbabwe; and
- War-induced losses to the region's economy estimated at R5m, more than the entire aid package received by the Frontline States.



GUARDING BEIRA CORRIDOR: Soldiers guarding the Beira railway line repeatedly cut by Renamo

All this now appears to have changed. Namibia won its independence in March last year, forcing South Africa's occupation forces out of Africa's former last colony.

Officially, South African troops are no longer fighting alongside Unita in Angola, although there are indications that rebel leader Jonas Savimbi continues to receive aid from his former allies in Pretoria.

Mozambican president Joaquim Chissano says he believes the South African government is genuinely promoting peace in his country and has ended its aid for the MNR.

However, this belief hangs against strong evidence that rightwing elements in the South African army still support the insurgents in Mozambique.

The cross-border raids have stopped — at least for now. The man who replaced Botha, FW de Klerk, last year headed a flurry of peace missions to Cote D'Ivoire, Kenya, Madagascar, Malawi, Mozambique and Zambia.

Cuban president Fidel Castro believes the turning point in relations between South Africa and its neighbours came after a joint Angolan and Cuban force inflicted a heavy defeat on the South African army at Cuito Cuanevale in May 1988.

Rob Davies, senior lecturer at the University of Zimbabwe, agrees with the Cuban leader, and says the period between the first and second quarters of 1988 (divided by the battle at Cuito) can, in short, be identified as a turning point in the regional struggle.

It inaugurated a new conjuncture in which South Africa's strategists appeared to place greater emphasis on diplomacy and economic action to achieve their regional policy objectives.

Pretoria's military defeat at Cuito Cuanevale highlighted the longterm ineffectiveness of military aggression as a means to protect apartheid and strenghtened the hands of elements within the government who had realised that the time had come for detente and a new approach. South African businesspersons are queuing up to sign trade and investment deals in countries to the north of them.

Opponent

Even Madagascar president Didier Ratsiraka, once the most hardline opponent of trade with the apartheid state, has done a backflip and opened his Indian Ocean island to investment from South Africa.

But inside South Africa itself, the pattern of violence in black townships around Johannesburg in the last quarter of 1990 indicates a resurgence of power on the part of the securocrats in Pretoria, says Davies. There is growing evidence that the wave of seemingly internicine violence, which has killed 3 000 people in the past four months, has been stoked up by elements in the police and military.

That the government had done little to stop this is an indication of its reluctance to impose too many constraints on the country's rightwing military leaders.

If this is the case, the groups that favour peace and economic contacts in Southern Africa could be undermined by continued covert and clandestine backing for civil war in the sub-continent by the same people who have been destabilising South Africa's internal political scene. — *Inter Press Service*

SA marches back into trade fold

(279A)

ST Times 3/2/91

By IAN SMITH

SOUTH AFRICAN business leaders will talk trade next month with counterparts from 16 black African states for the first time in 40 years.

Delegations from the SA Chamber of Business, the SA Foreign Trade Organisation and National African Federated Chamber of Commerce and Industry (Nafcoc) will meet officials from the Southern African Development Coordination Committee (SADCC) and its offshoot preferential trade agreement area (PTA) in Swaziland from March 13 to 15.

The meeting demonstrates the breakthrough in SA's dealings with black Africa.

The SADCC and the PTA were set up shortly after Zimbabwe's independence 11 years ago to reduce region's reliance on SA supplies and transport links.

Efficient

Changes in SA have opened trade doors to formerly hostile black states. The conference, organised under the auspices of BMW's Herbert Quandt Foundation, will explore opportunities for a regional trade bloc including SA.

The drive from SA, with its efficient transport and communication infrastructure, abundant raw materials and potential market of 150-million people, could create the fastest-growing region in Africa, officials believe.

BMW SA chief executive Reinhard Kunstler sees the conference as the start of a far greater sub-Saharan economic powerhouse.

"A new attempt must be made to bring the countries of the region together to deal with problems facing it as a united bloc. Each state has something to offer the others, whether it is unexploited mineral deposits, access to the sea, co-operation in tourist promotion, food supplies or markets.

"We must pool resources, set aside petty differences and get to work."

SADCC is made up of the "frontline" States of Angola, Botswana, Lesotho, Malawi, Swaziland, Mozambique, Zambia and Zimbabwe.

The PTA incorporates the other countries of Zaire, Djibouti, Ethiopia, Kenya, Rwanda, Somalia, Sudan, Uganda, Mauritius and the Comoros.

The conference is the first in the ASSET series presented by Sacob, Safto and Nafcoc and sponsored by the Quandt Foundation.

Government and private organisations from the African states will be represented at the conference, to be opened by Swaziland's King Mswati, who is chairman of the PTA.

Speakers will also come from Belgium, the UK and the US. Delegates from France, Germany, Italy and the Far East will attend.

Discussions will cover mining, energy, manufacturing, education and training, exports and development funding, transport and communications, inter-regional trade, conservation, finance, tourism and animal and human welfare.

Frontline states to review SA developments

BDay 5/2/91

HARARE – Frontline states leaders will meet in Harare tomorrow to review developments in SA, says Zimbabwe's Foreign Ministry.

The summit meeting will be followed on Thursday by a meeting of the Organisation of African Unity (OAU) ad hoc committee on southern Africa.

In a statement, the ministry said leaders of SA's "liberation movements" would attend the summit.

It was likely that the situation in Angola and Mozambique, where peace talks were being held, would be discussed.

The OAU ad hoc committee meeting, to be chaired by Ugandan President Yoweri Museveni, would also discuss the latest developments in southern Africa and map out strategies for the future.

It was expected to come up with a position paper on southern Africa, which would be presented to the UN and other international organisations. — Sapa.

Trade with Africa soars

CAPE TOWN — SA's trade with Africa had almost doubled in the past two years, Foreign Minister Pik Botha said yesterday.

Botha told a Press briefing SA would be opening up at least three new missions this year in countries where the growth in trade was increasing most rapidly.

He did not want to disclose which countries these were but said they might include offices in West and East Africa.

Botha said trade between SA and the Frontline states was increasing "tremendously".

He said he was not overly concerned about an SADCC spokesman's call for sanctions against SA to be maintained despite recently announced reforms.

He said some SADCC officials believed SA should become a member as soon as possible.

"SA could and would play a very constructive role in the SADCC," Botha said.

Botha said there about 2-million citizens from neighbouring states in SA while 500 000 Zimbabweans were expected to visit SA this year.

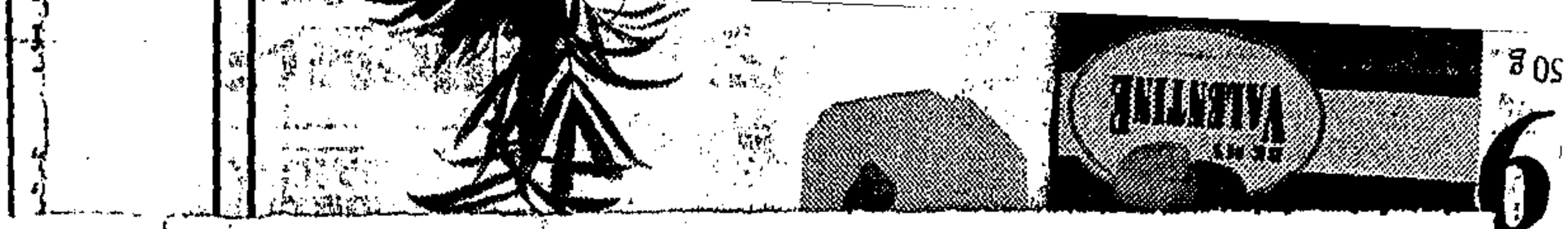
He also told the briefing the NP had no intention of being a "minority party" in the new SA.

"I want us to become the majority party," he said.

Botha said he was confident a large number of black South Africans would join the NP in the wake of the government's reforms.

He said he had "no doubt" that the NP already had "vast" support among coloured, Indian and African South Africans.

Political Staff



Now SADCC wants to include SA — Durr

Political Staff

MBABANE — Informal moves towards establishing a regional trade bloc including South Africa may be taken at a privately organised conference in Swaziland next month.

The conference — expected to be attended by representatives of at least 14 African countries, with South African business and academic leaders having observer status — will look into the possibility of bringing South Africa into a regional trade grouping in the light of the growing respectability conferred on South Africa by President de Klerk's reforms.

"The meeting is vitally important to the development of southern Africa", Trade and Industry Minister Kent Durr said yesterday.

The conference is to be held in Swaziland from March 13 to 15 at the Royal Swazi Sun convention centre, with the South ern African Development Co-ordination Conference (SADCC) and the Preferential Trade Agreement areas.

"The significance is that SADCC was formed to exclude us, to reduce African dependence on us," Mr Durr said in an interview. "Now they are seeking ways to include us."

Up to now, South Africa has been excluded from both bodies because of the Government's apartheid policies.

Addressing a news briefing, Mr Durr was optimistic about South Africa's foreign trade. The picture he painted was one of doors opening and markets rapidly becoming available as relations with numerous countries normalised.

"We're all bright-eyed and bushy-tailed. We're optimistic that we will be able to expand our manufactured exports as a locomotive for growth in South Africa," he said.

Foreign investors again interested in South Africa were exploring the potential of the southern African region as a whole. In past weeks several major foreign banks had been investigating investment opportunities.

Renewed European interest had been accompanied by a trickle of US activity. Some larger American companies had sent long-range planners to South Afica to prepare themselves for reinvestment, he said.

"Everyone I'm seeing is seeing southern Africa as one unit," he said.

Although representatives of parastatal organisations in southern African countries will attend the conference, neither the South African nor any other government will be formally represented.

The South African liberation movements have also been excluded in what appears to be an attempt by the organisers to keep the conference out of the political arena.

The sponsors are the South African Foreign Trade Organisation, South African Chamber of Business, National African Federated Chambers of Commerce and Industry and the Herbert Quandt Foundation of Germany.

Frontline states' summit is extended

HARARE — After nearly 10 hours of deliberations, Frontline leaders last night adjourned until this morning what was intended to be a one-day summit.

Sources said the seven leaders, Nigeria's President Ibrahim Babangida, ANC deputy president Nelson Mandela and PAC president Clarence Makwethu could have been having difficulty reaching agreement on a common position on continuing sanctions against SA.

No official explanation was given.

Diplomatic sources at the Harare summit said a communique by the 10 leaders on a common stance on sanctions, which they would ask the Organisation of African Unity (OAU) to endorse, would be witheld until it was put before today's session of the OAU ad hoc committee on southern Africa, which would be chaired by Egyptian Foreign Minister Boutros Galli.

The OAU is expected to seek its adoption as the UN's formal stance on the maintenance of sanctions.

An editorial in The Herald said: "The sure outcome of the two meetings is that Africa will want to wait until (President F W) de Klerk delivers on his promises."

Convening yesterday's Frontline summit, the first since the leaders met in Lusaka during September, Zambia's President Kenneth Kaunda said credit had to be given to De Klerk for mounting hopes "that the days of apartheid can be shortened without more bloodshed".

MICHAEL HARTNACK

The fact that De Klerk was president through a minority vote did not detract from the fact that he was "doing some very positive things which bring hope to our minds, to our souls".

During a brief open session before the summit adjourned to a commitee room, Kaunda thanked Mandela and Makwethu for the recent reconciliation between their organisations and urged "both Nelson and Clarence to continue along these lines.

Bl Dan 7/2/91 Apartheid 279A

"Divisions bring false hope and solace to those who oppress their fellow men."

The Inkatha-ANC meeting last week was "another happy development". Such meetings would shorten the life of apartheid, Kaunda said.

The summit expected positive reports on peace accords from Angola's President Jose Eduardo dos Santos and President Joaquim Chissano of Mozambique.

Zimbabwe's President Robert Mugabe, who with other champions of sanctions has been alarmed by Western moves to shelve embargoes, is expected to give a Press conference at the end of the summit.

Mugabe reportedly wants to see irreversible moves to transfer power to blacks before the world community relaxes pressure. His hardline thinking was followed at last week's Windhoek meeting of the 10-nation Southern African Development Co-ordination Conference (SADCC), which Frontline states' leaders attended.

Today's OAU meeting could see attention shift from SA to an African initiative on the Gulf war, which threatens Third World states' economies.

Mugabe reportedly favours making an initiative to coincide with Zimbabwe's current chairmanship of the UN security council.

Galli's presence in Harare is thought to be significant.

Also at yesterday's Harare summit were Dos Santos, Chissano, President Quett Masire of Botswana, President Sam Nujoma of Namibia, President Ali Hassan Mwinyi of Tanzania and OAU secretary-general Salim Ahmed Salim.

Africa may phase out sanctions

Sowetan 8/2/91

Sowetan Africa News Service

HARARE - African countries will call for the phased lifting of sanctions - but not yet, according to sources at yesterday's meeting of the Oorganisation of African Unity special committee meeting.

Frontline heads of state resumed in closed session after failing to complete their business yesterday.

Once they have finally agreed on a communique this will go to the OAU committee for endorsment.

Conference sources said the Frontline State's position would not be made known officially until the OAU commmittee has agreed to it.

However it is understood that the demand will remain for the release of all political prisoners, the return of exiles and the removal of certain security laws, before any sanctions should be lifted.

The communique is expected to back the ANC call for a constituent assembly and the establishment of an interim government.

The suggestion is that trade, sporting and cultural ties could be re-established once political prisoners have been released and the apartheid laws removed from the statute books, as promised by Mr De Klerk.

But the removal of oil and financial sanctions, and the establishment of diplomatic and political ties, would have to wait until a later stage.

Sources said the communique would generally follow the stand taken by the ANC which has urged western countries not to lift sanctions at this stage.

Sanctions: No let-up say black states



KAUNDA: a dream fades as leaders decide not to go easy on sanctions.

HARARE — African states have sent a signal to the Commonwealth that they will not — in public anyway — go easy on sanctions even though behind the scenes the erosion process may be under way.

This stand, spelt out at meetings here this week of the Frontline leaders who were later joined by other members of the OAU Special Committee on Southern Africa was a slap in the face for those who were looking for a public approach more in keeping with atmosphere of reform.

FW 'done enough'

Commonwealth Secretary-General Chief Emeka Anyaoku of Nigeria, who flew in unexpectedly for the OAU meeting, said there were people and governments who thought steps already taken by President de Klerk were enough to consider phased relaxation of sanctions.

This opinion and others would be tabled at next week's Commonwealth Foreign Ministers meeting in London.

ROBIN DREW

However, the hardline stand taken here that sanctions and all forms of pressure must be maintained until agreement is reached on the "transfer of power to a democratic order" puts paid to any hope of consensus on the easing of sanctions.

References to a proposed phased lifting were included in a draft communique in which presumably Zambia, whose president, Kenneth Kaunda, is chairman of the Frontline states, had a major say. But this idea went out of the window after many hours of debate and re-written drafts.

The PAC were clearly delighted with the outcome which reflects the view of their new president, Clarence Makwetu, who said any relaxation of sanctions before the advent of genuine democracy in South Africa would be a violation of the Harare Declaration and the UN Consensus Declaration.

Mr Kaunda tried to soften the tone when he told reporters that relenting on sanctions would make President de Klerk more vulnerable to rightwing pressure to halt the reform process.

The Zambian leader is in the forefront of those who are most anxious to see the end of apartheid not just for South Africa's sake but in the belief that all of Africa will benefit.

Mr Kaunda got quite carried away with this theme when he forecast that once apartheid had been demolished Africa, as a whole, would flourish.

He envisaged hydro-electric schemes springing up over the continent, South African technology and capital being tapped by the rest of Africa, foreign investment pouring in and, finally, the strenthening of African currencies until they were on a par or even stronger than the yen.

Visions like this set against the hard words from others, coupled with the fact that African trade with South Africa is blooming, all contributed to the unreality of the weeks's events.

Jittery peace along Beira Corridor

W/Mail 15/2 - 21/2/91 279A

The suspension of the Rome talks and a spate of recent attacks indicate that Renamo intends to keep the battle raging in Mozambique, writes ANDREW MELDRUM

AS a Mozambican family tends its maize crop, a Zimbabwean army patrol keeps a watchful eye over the road and railway line which link landlocked Zimbabwe to Mozambique's Beira port.

Across the heat-shimmering plains looms cloud-capped Gorongosa Mountain, the Renamo stronghold from which the rebels launch murderous strikes into the countryside.

An uneasy peace is holding along the Beira corridor, which cuts across this country's narrow-waisted centre, while war rages throughout the rest of Mozambique. After the breakdown of peace talks in Rome, Renamo has stepped up sabotage attacks in southern Mozambique, cutting power to Maputo for a number of days this month and killing 15 people at a restaurant in Boane, 16km south of Maputo. Renamo has also increased its warfare in northern Mozambique. Forty-five people were killed last week when the rebels attacked a convoy travelling along the Tete road from Zimbabwe to Malawi. The rebels have effectively closed that road, which is Malawi's lifeline for food supplies. Renamo is battling the Mozambican army to regain control of strategic areas of the northern Manica, Tete and Sofala provinces.

But a jittery peace prevails along the Beira corridor — the 290km road and rail route between Zimbabwe and Beira port — thanks to the partial ceasefire between Renamo and the Mozambican government. According to the Rome accord, the rebels have agreed not to attack the Beira corridor or the Limpopo railway line in southern Mozambique as long as the 7 000 Zimbabwean army troops deployed in Mozambique are confined to a three km zone on either side of the two transport routes.

A number of ceasefire violations were reported along the transport corridors during the early days of January, but now officials say the limited ceasefire is generally being honoured. From Chimoio, midway between Zimbabwe and Beira, the eight-nation Joint Verification Committee monitoring the ceasefire states that no violations have been reported for more than two weeks.

Ordinary Mozambicans have been quick to endorse the effectiveness of the ceasefire, flocking in their thousands to the six km safety zone. More than 250 000 Mozambicans, refugees in their own country, are estimated to be huddled along the Beira corridor.

The Italian commander of the Chimoio verification team, Lieutenant Colonel Pasquale Cardines, said he was worried by the drought-caused hunger evident among people living along the corridor. He was also concerned about the large number of arms in the country. Military sources estimate that as many as 1,5-million Kalashnikov rifles are circulating in Mozambique. On the Beira route a foreign businessman was offered an automatic rifle for a one kilogram sack of sugar.

Christian missionary Trish Perkins' farm and orphanage sit atop a hill overlooking the road and rail corridor. Mission workers sleep in the bush for fear that rebels will attack houses.

Perkins is familiar with the terror of a Renamo attack. In 1987 she and her husband were part of a group kidnapped by rebels. During their four-month ordeal they were marched to the rebels' Gorongosa headquarters and were finally released in Malawi.

Now that President Joaquim Chissano's government is making Mozambique a multi-party state with a market-oriented economy, Perkins asks, "What else is Renamo fighting for? I pray that (Renamo commander Afonso) Dhlakama will negotiate and not continue fighting simply for power."

Unfortunately the suspension of the Rome talks and the recent spate of rebel attacks indicates that Renamo intends to keep fighting. Analysts in Maputo say Renamo broke off the Rome peace talks in order to concentrate on winning as much territory as possible in northern Mozambique.

Vulnerable but not ignored

SOUTH AFRICA because it is not in- cluded in a freight-tracking system

The message comes from Zambia, Malawi and Tanzania. Although they are not land-locked countries, they have no direct access to the sea. Their trade (United Nations Development Conference, Geneva. However, freight imports of the exports and imports go through Durban and Beira in Mozambique because a consider- able portion of Zambia's trade is with South Africa. Although Rhodesia is excluded, Malawi and Zambia believe that South Africa will make sense while SA is excluded.

Tracking

Unclad shipping adviser Coll Hunter, division senior manager, says: "The system is still in its stage, with software be- ing developed. We have no doubt that in due course we shall talk to Trans- net.

"We envisage that Zambia will be in the track- ing systems in Zimbabwe and Botswana, which also should be joined by South Africa" (which has a sophisti- cated computerised operations control and information system known as Sprint). Sprint is a facility pro- viding freight tracking, which is limited for rail freight operation for 15 years. Although freight operation has been in use for 15 years. Although freight operation has been in use for 15 years. Although freight operation has been in use

Commonwealth will retain all sanctions

Sowetan 18/2/91

279A

LONDON - A nine-nation Commonwealth committee decided on Saturday to retain all sanctions against South Africa, although it suggested sports boycotts might be eased later this year.

Australia, the only committee member which had pressed for concessions, went along with the decision.

Britain, which is not a member of the committee, said it was disappointed.

Committee chairman Joe Clark, Canadian External Affairs Minister, said: "We think that if there is to be any relief to sanctions, it should be in response to particular actions - not promises, not undertakings to do something - but actual things that have been done to change the system."

Britain, which is not a member of the committee, said in a Foreign Office statement: "Sadly, the Commonwealth Committee on Southern Africa felt unable to recommend action."

The Foreign Office added that it hoped the 50-nation Commonwealth, an association of Britain and its former colonies, would start lifting measures before its next summit in October.

Australian Prime Minister Bob Hawke said in Sydney that Saturday's meeting effectively had set a timetable for the easing of sports sanctions.

"If you have integration of sport in South Africa ... then there will be no reason why sporting contacts can't be initiated."

The special meeting of the committee followed the February 1 announcement by President FW de Klerk that he proposes to scrap the last major apartheid laws covering land and race classification.

The decision to maintain embargoes, in line with the recommendation of the ANC, was expected.

Thabo Mbeki, a senior ANC official, addressed the committee for 45 minutes soon after the one-day meeting began.

Action

The committee - consisting of Canada, Australia, Guyana, India, Malaysia, Nigeria, Tanzania, Zambia and Zimbabwe - was set up in 1987.

In a five-page communique, the committee said it would meet again after April 30 to consider "appropriate action" providing De Klerk's Government had scrapped race laws and repressive security legislation, freed all political prisoners and allowed back all exiles.

Clark said that the first embargoes to go would be sports and "people to people" measures, such as obstacles to travel and obtaining visas.

"It probably need not be too long before the various sporting organisations in South Africa are able to satisfy the requirements that would enable them to return to international sporting events," said Commonwealth secretary general Emeka Anyaoku.

But the committee indicated that Commonwealth trade and financial embargoes will remain until De Klerk's Government is gone.

It said that the lifting of these embargoes would require "a further major step ... down the path of constitutional reform," such as the establishment of an interim government.

Clark denied that the decision to maintain embargoes was a snub to De Klerk which failed to acknowledge major steps by his government.

Britain, which refused to go along with most of the Commonwealth embargoes imposed in 1985 and 1986, has pressed the Commonwealth to ease measures since Mandela's release.

After De Klerk's announcement on the race laws, Hawke, a one-time advocate of sanctions, said they should be phased out starting with a 20-year-old boycott of sporting and cultural contacts.

British Prime Minister John Major said this month that both he and Hawke agreed sports sanctions should go.

Britain has already scrapped embargoes covering academic and cultural links and new investment.

With the rest of the European Economic Community, Britain will scrap bans on imports of iron, steel and gold coins when the South African land laws are repealed.

The Commonwealth economic embargoes imposed in 1985 and 1986 include bans on air links, investment, and bank loans.

Zimbabwe and Zambia, which are economically dependent on South Africa, never implemented many of the embargoes. - *Sapa-AP*.

FINANCE

Oil hikes a setback to southern African states

279A

B Day 20/2/91.

HARARE — High oil prices caused by the Gulf crisis are weakening southern African economies, threatening painful reforms being applied to ensure long-term growth and political stability, economists say.

Mozambique, Zambia and Zimbabwe have all imposed severe fuel price increases, pushing up the cost of airlifting food aid to remote areas of Mozambique cut off by Renamo attacks, disrupting public transport in Lusaka and stoking inflation in Harare.

Harare-based Southern African Research and Documentation Centre (SARDC) said in a report: "The economic effects of the Gulf crisis are sweeping over southern Africa like a vast tidal wave, threatening serious damage to frail economies and possibly future political stability."

Costs had escalated rapidly in all economic sectors since last August when Iraq invaded Kuwait.

Fuel prices had more than doubled in Mozambique, which is restructuring its economy with help from the World Bank and the IMF.

As a result, the cost of airlifting emergency supplies had jumped to $1 000 a ton, from $680, after fuel price rises of 64% and 42% last September and November.

"These increases have become a burden on this war-torn country," the report said, adding that the rises had dealt a blow to plans to reduce inflation to 18% by the end of last year. It did not give the previous inflation figure.

"The (Mozambican) National Planning Commission now believes it has risen again to 30% and possibly more," the report said.

Zambia, facing an acute economic crisis and struggling to pay a huge external debt of more than $7bn, raised pump prices more than 400% within two months of the crisis breaking out.

Finance Minister Gibson Chigaga estimated the fuel import bill would rise to $180m in 1990, from $100m the previous year.

Like Mozambique, Zambia is implementing stringent reforms including a cut in public spending.

Zimbabwe, with a much stronger economy, has doubled oil prices, raising haulage costs and air fares and threatening a programme launched last October to liberalise trade.

The Discount Company of Zimbabwe said in a bulletin: "There is little doubt that the Gulf war will have an adverse effect on our economy, possibly leading to higher inflation."

The government estimates the fuel import bill will soar from $142m originally budgeted for the year to June 1991, to $346m. — Reuter.

Third World suffers as rich concentrate on war

NAIROBI - Africa, the world's poorest continent, is growing more desperate as the rich nations pour their financial resources into the Gulf War, African economic officials say.

They say Western and other creditor countries have forgotten pledges made only last year to help Africa, which is plagued by a R375 billion debt crisis that is being aggravated by the conflict in the Middle East.

"There's no action (on debt reduction) -- it's just pronouncements," Abdelrahim Dirar, director of the economic development department at the Organisation of African Unity (OAU), said by telephone from Addis Ababa.

He said that despite a drop in spot oil prices from their 1990 highs to around 17 dollars a barrel, financial fallout from the Gulf crisis is still hurting black Africa's fragile economies.

Lost deals

Many of them have lost special deals with Middle East producers since Iraq invaded Kuwait last August.

Transport costs for all imports have risen due to higher freight and insurance charges. East coast states especially are being hit by soaring shipping rates through the Suez canal.

"Sub-Saharan countries will have to divert whatever resources they have from exports or aid to pay for imports," said Dirar. "Debt servicing will definitely be affected."

With Western markets slowing or in recession, there appears little prospect of exports boosting hard currency earnings - needed not just for debt service, but also for essential imports and investment to reverse 12 years of deepening poverty.

Cannot pay

"If you haven't got an export market you cannot pay your debt," noted Jonathan Chileshe, head of the trade and finance section of the UN Economic Commission for Africa (ECA).

The World Bank says poor African nations are more vulnerable to outside shocks than other indebted Third World regions.

They start with greater poverty - one third of all Africans are underfed - and are too dependent on a few primary export crops to adapt to a sudden change in the world economy.

But Africa's debts - which account for about 12 per cent of the estimated R5 trillion of all Third World debts - apparently remain a low priority in Western capitals.

Washington has concentrated far more on the Latin American crisis, which threatened the US banking system, even though debts in low-income Africa are twice the level in Latin America.

Exaggerating

With African debts increasingly owed to official creditors, after commercial lending dried up in the past decade, regional debt issues have become more a political than financial concern.

Some experts say African officials are exaggerating the impact of the Gulf War to gain negotiating points with foreign governments - the region's largest single group of creditors.

"Many African countries aren't servicing their debts...so there is no direct impact on resource flows," said Kirimi Mwarania, senior finance lecturer at the University of Nairobi.

Fresh measures

"You see the numbers rising and rising...on international debt tables. But it's just a book problem," he said.

Nevetheless, creditor and debtor experts agree that fresh measures need to be taken to stop the time-consuming practice of rescheduling debts which neither side expects to be repaid.

A recent World Bank debt report illustrated how far short existing relief options have fallen, experts said.

It showed that even if all current relief measures were applied to severely indebted low-income countries, scheduled servicing would still have outstripped actual payments in 1989.

Concessions

The data also showed cash flow savings for 17 poor African states who have rescheduled under the so-called Toronto terms - the latest available concessions on official bilateral debts - were only R250 million a year.

"The Toronto terms manifestly haven't solved the problem," said Tony Killick, senior research fellow at the Overseas Development Institute in London. - *Sapa-Reuter*

Aid lift for SA exports to Africa

ST Times 3/3/91

By RON SCHURINK

INTERNATIONAL aid for Africa, channelled through the Development Bank of Southern Africa, will help SA exports on the continent, says Credit Guarantee Insurance Corporation executive director Chris Leisewitz.

CGIC regards credit risk in Africa as slightly better than in South America. No credit cover is available for Zambia, where money is outstanding, and business with Zaire is conducted only on confirmed letters of credit.

"Exporters to Malawi should also be careful since tight monetary policy has made many businesses illiquid," says Mr Leisewitz.

Mr Leisewitz says CGIC's underwriting profit for the current year is expected to be 25% up on the figure to June 1990.

He says "exports are certainly more risky from a credit point of view that they were a year ago".

A breakdown of CGIC's business gives a picture of the relative importance of SA's markets.

A total of 43% concerns Europe, 25% the Far East and Australasia, 17% North America and 15% Africa.

Rising

Prime markets in Europe at the moment are Germany and Switzerland because the UK is suffering the worst rate of insolvencies in 30 years. Claims and repudiations are running high in Italy after the collapse of demand for leatherwear and wool.

Claims on buyers in the US are "often difficult, since Chapter 11 protection for illiquid business is relatively easily available".

He is sanguine about economic prospects there even though "100 banks went to the wall last year and 180 may follow this year".

CGIC has noted rising business with Eastern Europe, but urges caution.

"The best customers are joint ventures with Western companies when you can find them, as otherwise balance sheets are unknown and ageing machinery useless as an asset. Note that Western European businesses have lost large sums in Poland," says Mr Leisewitz.

CGIC has good relations with its counterparts in Germany and Austria.

"Their information about Eastern European businesses is considerably better than ours, though it is still often inadequate," says Mr Leisewitz

IMF under fire from African central bankers

Star 5/3/91

By Rowena Whelan

GABORONE — The International Monetary Fund (IMF) faced criticism in Africa last week for strapping a short-term financial straight-jacket on struggling sub-Saharan economies.

African central bankers told IMF Managing Director Michel Camdessus, who was on a whistle-stop tour of southern Africa, that they needed long-term funding and policies to halt the region's slide into ever deeper poverty.

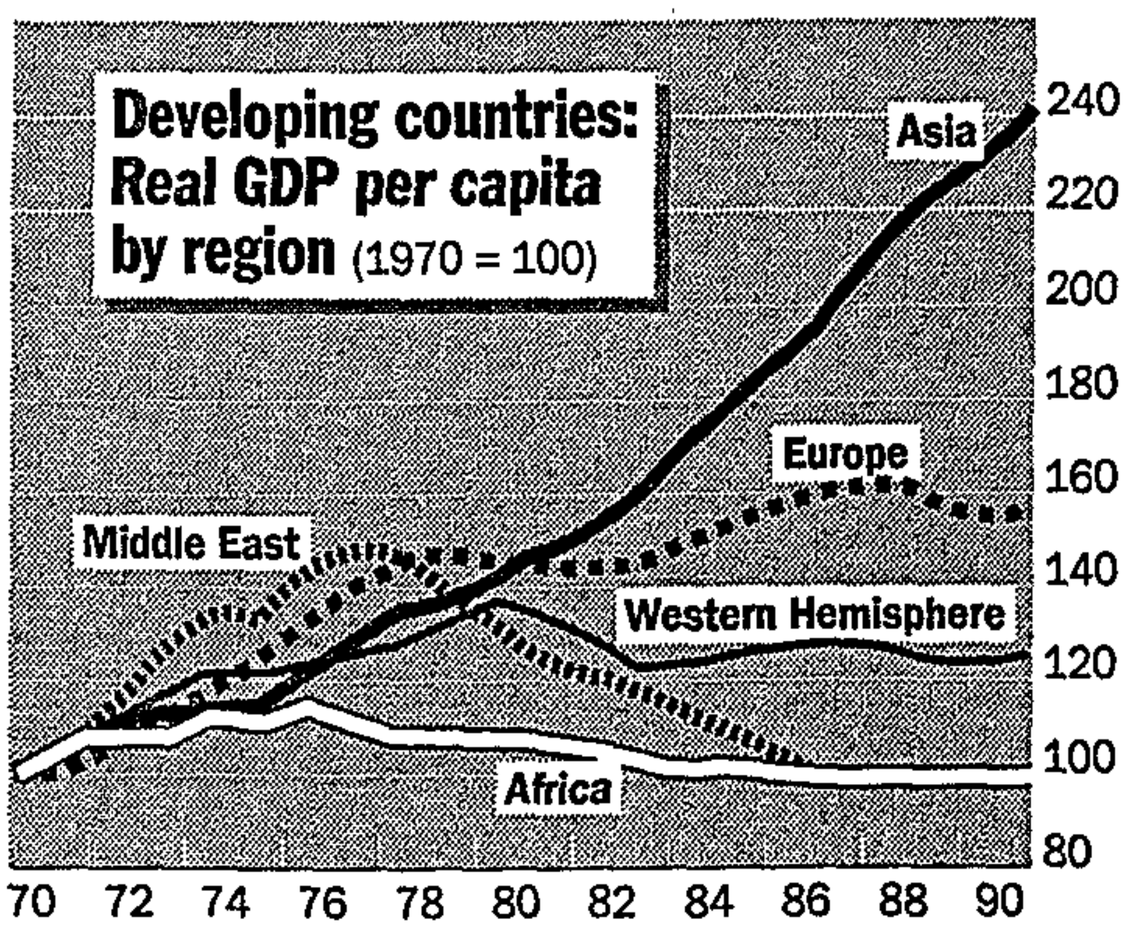
MrCamdessus said IMF-prescribed market reforms were raising living standards, although more slowly than expected.

"These reforms are producing results — positive real growth," he said at a joint meeting of the IMF and Association of African Central Banks (AACB) in Gaberone, Botswana.

The conference was only the second occasion on which top IMF officials had come from Washington for wide-ranging discussions on economic policy with African central bankers.

Delegates said the meeting was far more cordial than the first such conference in 1986, reflecting the spread of a pragmatic acceptance — among financial leaders at least — of the need for fundamental reforms in weak, inefficient economies.

More than half of the countries south of the Sahara are following IMF-backed structural adjustment programmes. Others, such as Ethiopia, are seeking the fund's stamp of approval for market reform efforts — an endorsement essential to unlock the lids of Western coffers.



But the IMF assertion that structural adjustment was already raising living standards drew criticism from some African bankers and independent economists. They ascribed a rise in per capita income in a few countries to other factors.

Central bankers, while pledging to continue reforms, aired various — if often familiar — complaints about the Fund's role in Africa.

Gilman Rutihinda, governor of the bank of Tanzania, said IMF demands for currency devaluation were a misreading of the real causes behind trade problems, which he attributed to transport and domestic credit shortages, not an overvalued shilling.

In prepared remarks released to Reuters, Mr Rutihinda also criticised the operations of the Fund's soft-loan facility — the enhanced structural adjustment facility (ESAF) — which was designed to help low-income countries pay for long-term reforms.

"The design of the ESAF appears to have lost its meaning because the IMF officials are always expecting quick results," he said.

The IMF requires a country to follow strict economic guidelines if it wants a soft loan, and even some western donor governments complain that disbursements of ESAF funds are disappointingly low.

The Fund says it is working to get the sequence of reforms right.

If complaints at the meeting were sometimes familiar, so too were most of the solutions being offered to cure Africa's economic ills.

IMF director of exchange and trade relations, John Boorman, said core elements of future programmes should include emphasis on market forces, price adjustment and opening trade to the outside world.

With foreign financing forecast to be scarcer in the 1990s than the 1980s, Africans were told to cut waste, corruption and excessive military spending. Investment must be made far more productive and idle capacity revived rather than new industrial projects started, economists said.

Despite stress on the need for more spending on agriculture, some delegates said the meeting failed to consider the most critical problem facing many African economies.

"The largest issue surely is whether Africa can feed itself," said Robert Berg, president of the New York-based International Development Conference.

"The main development challenge isn't reform of the external sector, pricing and the public sector but survival."— Sapa-Reuter.

Flood of trade delegations

SA firms in major drive into Africa

B1 Bday 6/3/91

279A

SUB-SAHARAN Africa is ignoring ANC pleas to keep sanctions in place and is showing unprecedented interest in developing trade and business contacts with SA.

SA companies are responding to the opening markets by increasing trade, tendering for development work and establishing joint ventures in many African countries.

Safto Africa specialist Paul Runge says that with a few exceptions, all sub-saharan countries are now open.

A host of business delegations have visited SA in recent months, including some from previously hostile countries, such as Nigeria.

Other delegations came from Guinea-Bissau, Burundi, Zaire, Angola, Nigeria, Mozambique and Madagascar.

Two weeks ago, Cameroon, one of the last nations observing the boycott, signalled its intention to allow trade with SA. Gabon was until recently allowing trade on an under-the-counter basis, but will now deal more openly.

Evidence of the new relationship with Africa is shown by the 40% jump in SA exports to Africa in 1989, which further increased by 22% last year.

Zaire has grown quickly to be SA's second largest market in Africa after Zimbabwe. Angola and Kenya also offer very good prospects.

SA trade delegations are now well received north of SA's borders. Companies which are gearing up to exploit opening markets in Africa include:

☐ Nissan, which has set up a special new trading company, Motoware, to handle exports to Africa; and is considering requests to establish joint ventures. The exports include parts made by other manufacturers;

☐ Tiger Oats, which is developing trade in nine countries, and has expanded its international arm to include an African desk;

☐ Safair, which is running its fleet at capacity because of demand from Africa. It is considering a flood of requests for assistance with infrastructural projects;

☐ The CSIR, which is active in eight African countries, including involvement in the rehabilitation of Malawi's road network;

☐ Grinaker, which has tendered in recent months for several World Bank projects; and

☐ Credit Guarantee Insurance Corporation (CGIC), which is active in underwriting the risks of new exports to markets in Africa.

KEVIN DAVIE

Stanbic's Manfred Schutte says Botswana has recently granted a banking licence to an SA bank, and that Stanbic has been approached from one or two countries interested in re-establishing banking relations with SA.

"The Africans see that Europeans are less interested in Africa because of Europe 1992 and eastern Europe."

The French, says Safto's Runge, have reduced private investment in Africa by 30%.

Many African countries are therefore looking to SA. "They have excessive expectations," he says.

Safair's Braam Loots says Safair may

☐ To Page 2

Africa

☐ From Page 1

expand its fleet because of demand from Africa. He says Safair is active in the whole of southern Africa, and has dealings in, or inquiries from Zimbabwe, Zambia, Mozambique, Kenya, Gabon and the Ivory Coast.

B1 Bday 6/3/91

Nissan's Robin Phillips says: "Africa appears to be grubby and bankrupt, but penetrate the surface and there is gold, including billions of rands of aid money."

"We're optimistic. Africa is a very exciting and profitable market," he says.

Tiger Oats's Patrick McLaughlin says the company is travelling in nine or 10 African countries right now. "We find ourselves working in close co-operation with European companies who are already active and are looking more and more to SA as a reliable trading partner."

SA firms learn to do business the African way

B/Day 7/3/91.

2798

KEVIN DAVIE

AFRICA has for decades been a dark continent for SA business. These markets are now rapidly opening up. But, say experts, there is a special way to do business in Africa.

The biggest problem in Africa is the ability to pay, says Safto Africa specialist Paul Runge, who has 11 years of experience on the continent.

He says Africa has enormous demand for everything. There are few markets still closed to SA, but firms wishing to increase business in Africa need to know how to get paid.

SA firms which set up in Africa can benefit from very liberal investment codes, long tax holidays, repatriation of profits and free export processing zones.

Runge is manager of Safto's African Business Development Group (ABDG), which was formed in 1980, but has kept a low profile until now. Its chairman is Ian McRae of Eskom, with Safto's Wim Holtes as deputy. The ABDG has about 40 corporate members including Anglo, AECI, Afrox, CG Smith Foods, CSIR, Dorbyl, Eskom, FNB, Murray & Roberts, LTA, Nampak, Nissan, Premier International, PPC, Safair, Sasol, SAA, SBIC, Tiger Oats and Transnet.

The ABDG facilitates contact with government and parastatals in SA and the rest of Africa to promote two-way trade and strategic investment in Africa.

Some conventional deals can and will be done, but Runge suggests other possibilities include joint ventures and working with development agencies to ensure payment.

He says the SA firm which tries to establish in Africa by itself stands very little chance of success as the markets are often complex, sometimes corrupt and need local contacts to succeed. Joint ventures are a way round the problem. An SA company will team up with a parastatal or local company to beneficiate and export processed products.

In this way SA firms benefit from access to new markets, foreign exchange earned from the exports, and are ensured payment because the partner has already proved his business acumen in the local market.

Runge stresses that person-to-person contact is important in Africa. "Some African visitors say South Africans have a bad reputation for supplying excess production to Africa, and then disappearing for a few years. This doesn't go down well."

Another way of getting paid is doing work for aid agencies such as the World Bank, the UN Development Programme, and the African Development Bank (ADB).

The Abidjan-based ADB spends $2,85bn in Africa annually, and is a major player in co-financing deals with the World Bank and governments. It was, until two years ago, hostile towards SA, but this is changing. SA delegations have been received at the ADB's Abidjan headquarters. An ADB representative will participate later this month at a Sacob/Safto/Nafcoc-sponsored conference in Swaziland.

Runge says people have mistakenly been under the impression that South Africans are excluded from World Bank projects. Another misconception is that the World Bank builds only dams and bridges. An SA company recently won a tender to supply mattresses to a hospital which was built with bank funds.

Registration as a consultant to the bank is important because, although non-registered companies may also tender, the bank does not necessarily award on the basis of the lowest price. More important is that the tendering firm has a track record and is well acquainted with the feasibility of the project. He adds the belief that the company which gets the tender documents first is most likely to succeed is not correct. Pre-feasibility studies often need to be done to win projects.

Runge sees potential in the longer term for closer ties with the Southern African Development Coordinating Council (SADCC) and the Preferential Trade Agreement (PTA). Safto is encouraging SA businesses to register with these organisations.

Both are now allowing SA organisations such as Sacob and Safto observer status at some meetings.

Runge says the multilateral agencies such as the ADB, SADCC and the PTA will be the last openly to support SA. The governments which provide the backing for these agencies will first have to agree on a new policy on SA. He indicates that this re-evaluation is under way.

He stresses that contacts with these organisations are still at the preliminary stage, meeting people, getting documentation and information on how they work. SA will be acceptable to African multilateral agencies only once membership of the OAU is allowed.

SA companies may need to co-ordinate their efforts to do well in Africa: "It's very important to come in with a combined bid, especially in big projects such as construction. We cannot afford to divide our efforts."

It might also be necessary to provide backup for tendering companies: "The French are very good at this. They have so much backing from the state. All kinds of mechanisms come behind to push the bid."

Consulting engineers are moving very fast to win tenders, especially those which specialise in feasibility studies. Banks too are more interested in financing in Africa.

Runge says there is a saying in Africa that under every table you will find a South African. The evidence now suggests that the under-the-counter days are over. South Africans are coming out from under the table to participate in hundreds of above-board deals.

LETTERS

Britain flexes its muscles on southern Africa, reports **Stanley Uys** from London

New wind of change in Afric

Star 7/3/91.

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THE report of the Foreign Affairs Committee of the House of Commons on Southern Africa, published this week, is phrased in the politest of language, but one can feel the muscles rippling under the surface.

What the report tells southern Africa, implicitly or explicitly, is that it must realise it is living in a changing world and needs to make its adjustments accordingly. South Africa in particular must remember that, even once it settles its political problems, it will still have a Third World economy and will need help, for which conditions will have to be fulfilled.

The report does not list all the changing circumstances in which southern Africa finds itself, but these may be summarised as follows.

First, even if the Cold War is not wholly over — the old guard in Moscow seems to have found its second wind — African governments will no longer be able to play the West off against the East in regional rivalries.

Second, Africa must compete more energetically now with the Eastern bloc, the Pacific rim and the European Community for investment funds.

Third, the Gulf is making huge new demands on money, time and energies.

As for apartheid, it will soon be yesterday's agenda, and this will change completely South Africa's political relationships with its neighbours. It will no longer be possible for Southern African regimes to run for international cover because of the threat from the south.

"A new 'wind of change' is blowing through Southern Africa," says the report. "The first led to the rapid decolonisation and transformation of colonial territories into independent nation states. This second wind of change is blowing through the political and economic structures of those states."

The primary needs of southern African countries in the new era now beginning will be economic, but if these countries want to receive economic help they will have to heed the warnings sounded in the committee's report, namely:

- The argument "still put forward by presidents Kaunda and Mugabe, among others" that tribal and regional divisions rule out multiparty democracy is not valid.
- There is no single model of democracy — southern African countries may all have their own traditions and conditions "and Western models may be worse than useless" — but certain principles are essential: "Multiparty democracy, free elections, a free press, the rule of law, an independent judiciary, an efficient and un corrupt government and civil service, and separation between state and party."

The committee says: "It should be brought home to the countries of southern Africa that these prin ciples are not options, but essential for economic development. If they are permanently to emerge from poverty, they will need to create wealth for all of their people, not only a section of them, and they will need to do so with the consent and co-operation of their people."

Like the voice of the turtle, the cry of "good governance" will be heard in southern Africa now, and it will be directed as much at Pretoria as at Lusaka, as much at Harare as at Lilongwe.

If there are governments that think the committee is being one-sided, they should note its comment on the IMF/World Bank structural adjustment programmes.

"The heavily centralised State-controlled economic 'models' adopted by a number of states are now discredited," the committee says. "The alternative, rather simplistic adoption of IMF principles has also ... created social and political strains which make lasting economic improvement difficult and dubious."

The report notes that "the World Bank has agreed that in the 1990s the way in which structural adjustment programmes are supported will need to change".

The interesting side to the report is that it is signed not only by the Conservative majority of its members, but also by the Labour minority, except on the sanctions issue, and in the case of Dennis Canavan, a left-wing Labour MP, additionally on the wording of a couple of other recommendations.

Former Labour Minister Ted Rowlands and Mr Canavan accept it is now only a matter of when not whether sanctions are lifted, but they want Britain to wait for a collective lifting, and not to go it alone.

The sanctions issue is, however, a fading one. Britain will push for the earliest possible lifting of sanctions, and on minor sanctions it may act unilaterally, but it is not going to get into a major argument again with the Commonwealth over sanctions. Those days are just about over.

In any case, the new order the committee has in mind will require the Commonwealth to redefine its role in southern Africa and become less political and more "functional" — fostering economic, technical and development co-operation.

The committee has no authority to impose its views on the British government or on anyone else, but it is clearly reflecting mainstream thinking when it offers a vision of South Africa restored to Commonwealth membership and the Commonwealth becoming a key player in southern Africa.

The vision not only gives Britain an "influential role" within the above framework, but also later sees it forming "a crucial link, between southern Africa and the developed world through the Commonwealth and perhaps also through the link between the EC and the ACP (Afro-Caribbean) countries of the Lome Convention".

The committee's underlying assumption is that even if there are still obstacles ahead, South Africa appears to be on the road to overcoming them, and its future lies in locking itself more closely into the Southern African region.

Some smaller neighbours might fear their economies will be swamped by South Africa in the new era, "but overall we discovered considerable enthusiasm for the prospect of a dynamic regional economy driven by South Africa's advanced industry and financial institutions".

That's the vision. Now it's up to the De Klerk-Mandela initiative to make its fulfilment possible. □

SA invited to crucial trade conference

Pany 8/3/91

TIM COHEN

REPRESENTATIVES from 14 African states will meet SA business representatives in Swaziland next week to discuss the possibility of forming a giant new sub-Saharan trade bloc.

It is the first time representatives from two formerly hostile organisations, the Southern African Development Co-ordination Conference (SADCC) and the Preferential Trade Area (PTA) will take part in a conference arranged by SA organisations.

The conference is being sponsored jointly by the Herbert Quandt Foundation, the SA Chamber of Business (Sacob), the SA Foreign Trade Organisation (Safto) and the National African Federated Chamber of Commerce and Industry (Nafcoc).

Important participants in the conference include African Development Bank vice-president M Sangowawa, PTA vice-president Bingu Wa-Mutharika, and Lesotho National Development Corporation MD A Monyake, who is also a senior IMF representative.

Nafcoc president Sam Motsuenyane has described the conference as "the beginning of an end to trade isolation" for SA.

Safto CE Wim Holtes said yesterday "some sort of more permanent communication structure" might emerge from the conference, which is intended to be the first in a series.

Holtes said numerous forms of economic co-operation were possible, including the EC model of no internal tariffs.

While this form of economic co-operation might not be suitable for Africa, trade relations should be harmonised and inter-regional trade stimulated.

The participation of the African Development Bank, which spends $2,85bn in Africa annually, was particularly significant, he said.

Africa Institute head Erich Leistner said that in a world economy increasingly dominated by a few giant trading blocs, leaders in the relatively small economies of southern Africa should ask themselves whether they could afford to not strive for closer regional union.

Indaba the acid test for north-south trade thaw

Star 8/3/91

Q79A

The SA Chamber of Business (Sacob) senses good vibes on both sides of the Limpopo about the chances of an imminent thawing-out of the freeze in trade relations between SA and the Frontline states as the collapse of apartheid improves the entire political climate. MICHAEL CHESTER reports.

THE readiness of black Africa to bury sanctions hatchets and resume normal trade ties will be put to the acid test in Swaziland next week.

The occasion will be an economic indaba on March 13 to 15 that promises to mark the most significant initiative to boost north-south trade in decades.

At stake will be whether the southern Africa subcontinent decides the time is ripe to talk in earnest about economic co-operation in a common market reaching as far as the Sahara, or whether lingering political suspicions force the issue back to the bottom of the agenda.

Sacob deputy director-general Ron Haywood, a tireless advocate of a sub-Saharan economic union, is optimistic about the outcome.

Insiders know that in many ways the sanctions barricades erected by northern neighbours against South Africa have been more political rhetoric than reality. Neighbours have been as grateful as South African exporters and importers about the refusal of the SA Department of Customs and Excise to disclose actual statistics of cross-border trade in recent years.

Devious

The screen on information has protected one and all from the political embarrassment of revelations about the growing scale of two-way trade.

However, running the political gauntlet has been an expensive handicap to both sides when one considers the cost of camouflage over trade operations — the "sanctions premiums" paid to middlemen and the extra expense of finding devious routes to escape attention.

Protagonists of economic union have begun to look at wider benefits than merely cuts in transport costs as a result of lifting trade from under the wraps of secrecy.

They turn their binoculars on to the huge potential rewards promised the entire region if the neighbours mobilise and pool all their resources: electricity services; road, rail and air links; medical facilities; tourism attractions; and agricultural and industrial know-how.

"Even at the peak of sanctions there was quite a lot going on behind the scenes," says Mr Haywood. "The mind boggles at the size of the economic potential that can be tapped if full-scale economic planning came out into the open."

The Swazi indaba is expected to provide a barometer to the trade outlook. Not only will the conference be held on relatively neutral ground, but the mood has also been helped by the neutrality of the main sponsors — the Herbert Quandt Foundation, created by the BMW motor company of Germany.

The neutrality and ambitiousness of the indaba is underscored by the wide spectrum of speakers and organisations expected to take part. Some 14 African countries will be represented, several of which have been at the forefront of the sanctions blockade until now.

The powerful South Africa delegation preparing for the trade safari will stress its new business image by the inclusion of such leading black leaders as National African Federated Chambers of Commerce president Dr Sam Motsuenyane.

Among a number of international speakers expected to be prodding the subcontinent towards greater co-operation will be David McAdams, head of the southern Africa division of the UN Development Programme.

Reinhardt Kunstler, managing director of BMW SA, is bursting with enthusiasm about the chances of a new north-south co-operation pact.

"The obvious vital need is a total industrial reconstruction plan that can generate more power out of the economic motors of the whole subcontinent," he says.

Breakthrough

In view of all the positive vibes in response to invitations to the indaba, he believes a breakthrough may be at hand.

So does Dr Motsuenyane. "It signals the beginning of an end to the trade isolation of South Africa that has had an adverse impact on economic development of the whole region," he says. "The importance of the encounter is underpinned by the fact black business in particular will be given a practical opportunity to increase trade with our neighbours to the north."

SA Foreign Trade Organisation chief executive Wim Holtes adds: "The time has come to negotiate the economic future of the region with a clean slate. Let's forget past confrontations and the harm done by the lack of communication between governments. Let's sit down and discuss the immense mutual benefits of co-operation."

Mr Haywood agrees: "Businessmen can no longer wait for the politicians to shake hands. The first priority is to get the whole region in better economic running order." □

... AN INDUSTRY IN DECLINE

wmail 8/3 - 14/3/91 (279A)

UK seeks to restore ties with Africa

A British parliamentary team studying Southern Africa has recommended increased economic aid to the region, **ARTHUR GAVSHON** reports from London

THE British parliament's Foreign Affairs Committee (FAC) wants to restore and reinforce Britain's historic links with the countries of southern Africa by cancelling some debts and expanding economic and emergency aid programmes.

The cross-party group also is backing British government plans to set up a new political fund for promoting democratic processes in countries where multi-party systems are being introduced. In the case of South Africa, where President FW de Klerk has vowed to end apartheid, new black political movements will be eligible to apply for help in building up their electoral organisations.

In a report following an in-depth study of changing developments throughout the sub-continent, the committee has pledged support for new conditions which the British government is attaching to future aid planning. These lay down that recipient states must be able to prove they are distributing the help they get honestly and fairly, and they must additionally be able to show they are committed to democratic concepts. In other words one-party or authoritarian states risk not qualifying for British assistance.

Since 1980 Britain has donated more than £1-billion to the six countries of the Southern African Development Co-ordination Conference (SADCC). This grouping was formed in 1979 to counter the effects of South Africa's strategy of destabilising their economies through military and sabotage operations. The FAC favours more money being invested in specific project and technical schemes launched by its members who are Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe. There are nearly 500 such schemes.

While pronouncing a readiness to recommend greater British and international help for South Africa as well as its neighbours, the FAC was careful *not* to call for an immediate end of the worldwide economic trade boycott. That, its report said, should only take place when all apartheid laws have actually been removed from the statute books. Right now several discriminatory acts are in the process of repeal; and several discriminatory security laws have yet to vanish. The FAC's stand was the result of a compromise patched up between its seven Conservative and Four Labour MP members. Initially, the Conservatives stood fast on the line taken both by Prime Minister John Major and his predecessor Margaret Thatcher who wanted to cancel sanctions at once as a way of "rewarding" De Klerk for his reformist programme.

Some of the FAC's specific recommendations on aid:

- Financial and technical help for Angola and Mozambique if and when multi-party elections take place.
- Continued British support for the Limpopo railroad to boost Mozambican and Zimbabwean economic prospects.
- Fresh British funds for Zimbabwe's land resettlement programme once it can be shown to be workable and productive.
- Cancellation of debts owed to the European Development Fund by the poorer Southern African states.
- Extension of Britain's emergency relief commitments to meet the threat of drought which is compounding the problems of countries like Angola and Mozambique which are still torn by civil strife.
- Support for a post-apartheid South African approach for International Monetary Fund loans.
- Aid for the resettlement of South Africa's returning political exiles and freed political prisoners.

Economists to look at Africa's plight

WILSON ZWANE 27TA

TOP economists from around the world will meet in the the western Cape later this month to seek answers to the economic plight of sub-Saharan Africa. B/Day 14/3/91

They will attend a four-day conference, The Wits Economic Initiative, from March 23. It is expected to be attended by 40 leading foreign and 100 local experts in development economics, steering committee chairman and Wits economic professor, Merton Dagut said yesterday.

He said recognised experts in their fields would explore ways of tackling sub-Saharan Africa's poverty.

The conference is being funded by Wits University's economics department with backing from Liberty Life, Anglo American, De Beers, Rembrandt and Nedcor.

Trade with Africa now worth R10bn 'and growing fast'

SA's total trade with Africa amounts to almost R10bn a year and is growing in leaps and bounds, says Department of Foreign Affairs deputy director-general (Africa) Rusty Evans.

In a paper on the growing importance of cross-border liaison, Evans says that markets are being developed far and wide. Trade with Zaire has trebled in two years and Madagascar has opened up.

Non-bank investments in Africa are about R4bn.

There is no reason, he says, why trade with Madagascar could not quickly match trade with Mauritius, which is more than R300m a year.

However, if the sub-continent is to hold its own in an increasingly competitive world, cooperation has to continue and accelerate.

"It is essential for the region's survival that we share resources and present a large, dynamic and stable market to the world.

"This would undoubtedly attract investment from abroad, without which

MARCIA KLEIN

southern Africa cannot survive", Evans says.

The surge in SA exports to Africa was attributed to government's reform initiatives.

In a report last month, Foreign Minister Pik Botha said that SA's trade with Africa had almost doubled in the past two years, and SA would open up at least three new missions this year in countries where growth in trade was increasing most rapidly.

Delegations

Safto Africa specialist Paul Runge said last week that with a few exceptions, all sub-Saharan countries were now open.

In recent months SA has hosted business delegations from Nigeria, Guinea-Bissau, Burundi, Zaire, Angola, Mozambique and Madagascar.

Representatives from 14 African states are meeting SA business representatives in Swaziland.

African bank opens talks with SA

B (Daily 18/3/91

MBABANE — The African Development Bank — which lends $3,25bn annually — is preparing to admit SA as a member and has accepted an invitation to meet members of the Development Bank of SA, says African Development Bank vice-president Adewale Sangowawa.

However, incorporation which would allow SA companies to tender for bank projects would take place only when existing members were prepared to welcome the country. (279N)

Sangowawa was attending a conference in Mbabane on co-operation in sub-Saharan Africa, which he described as "significant".

"We see it as the beginning of a process

TIM COHEN

which will be beneficial to the sub-region," he said.

He said the African Development Bank's management was looking forward to the role SA could play in Africa.

The bank lends an average of $3,25bn each year to all African countries, excluding Libya and SA. It has 50 African and 25 non-African members and has financed 1 200 projects.

Asked if SA companies could participate in bank projects, he said: "Officially I would say there is no way, but I do know that there are some companies set up in

□ To Page 2

Africa

B (Daily 18/3/91

(279A)

□ From Page 1

countries like Zimbabwe, Botswana and Lesotho which have a relationship with SA and which do tender."

The Development Bank of SA, which had not had official contact with the African Development Bank, had requested a meeting which Sangowawa said his bank was inclined to accept "on a professional level".

He said both the Development Bank of SA and the African Development Bank were financing projects in Lesotho and Swaziland, so it made sense for the banks to exchange ideas.

On the preparations the African Development Bank was making for SA participation, Sangowawa said the bank had to assess the SA ecomony and re-examine its charter.

Sapa reports that the meeting of business representatives from 16 African cpuntries ended positively in Mbabane on Friday with a call for greater economic co-operation in the sub-Saharan region.

"We have one common economic destiny on this continent," Transnet MD Anton Moolman said during the closing session.

He said business people would have to create greater economic co-operation in the region "and thereby force the politicians to do it".

It was the first time in 40 years that business representatives from 15 African countries met their counterparts from SA in public.

Ken Vernon reports on a meeting that may herald an African common market

Getting down to business

Star 19/3/91.

279A

IF the businessmen of southern Africa are really to get down to the business of doing business freely and openly, they are going to have to remove business from the clutches of politicians and bureaucrats.

That must have been the overriding message emerging from last week's first open meeting between South African and African businessmen, in Mbabane, after it was very nearly sabotaged by the sensitive egos of both governmental and non-governmental bureaucrats.

The Africa Sub-Saharan Economy and Trade (Asset) conference, "sponsored" by the SA Chamber of Business (Sacob), the SA Foreign Trade Organisation (Safto), the National African Federated Chambers of Commerce and Industry (Nafcoc) and BMW's Herbert Quandt Foundation (which picked up the tab), proved to be controversial even before it commenced when Swaziland's King Mswati failed to open the gathering as scheduled.

It seemed certain influential Swazi government figures and businessmen had been overlooked by the organisers.

Egos askew, they apparently whispered into the King's ear that — seeing he was current chairman of the Preferential Trade Area (PTA) grouping that bans business with South Africa — he should not be connected with the Asset conference.

The next hiccup came when the Nafcoc delegation, led by the organisation's president, Sam Motsuenyane, reportedly left in a huff because a rival organisation — the Foundation for African Business and Consumer Services — was given too much prominence.

The conference sub-title, "Scenario for a sub-continent", seemed about to take on an ominous and all too familiar meaning.

But as the bureaucrats tossed their curls and left, the businessmen got down to business.

At tea breaks, at the bar, over dinner, on the golf course, businessmen were making contacts and making deals. Brochures appeared as if by magic out of dark business suits (is that why they are called business suits?)

South African and African businessmen doing business is, of course, nothing new.

Such business is reportedly already worth an estimated R10 billion a year, having almost doubled in the past two years.

However, this business has previously had to be conducted under the table. The aim of the Asset conference was to promote such trade as it emerges increasingly into the light by bringing together key personalities in the region to evaluate opportunities and deficiencies in areas such as transport and communications, human resources, technology, etc.

In fact the discussions mainly revolved around the generally accepted need to form a southern African common market.

That many of the so-called key personalities who were needed to discuss this theme decided they could not attend for various — mainly political — reasons, gives an inkling of the problems the region faces if it decides on an economic merger.

Yet, not unexpectedly, all of the participants seemed to agree that closer co-operation of a formal nature seemed both necessary and desirable if the region was to develop, prosper and, more importantly, become viable enough to financially combat other regional economic giants such as the EC, the US and emerging common markets in Asia and South America.

There was universal agreement that South and southern Africa needed each other, that the region needed to "harmonise" its efforts in every endeavour.

"Serious attention needs to be focused more on regional co-operation and development that will ensure the optimal utilisation of the potentially enormous natural and human resources in the southern African region" said Mr Motsuenyane — before he left.

His words were echoed enough times to make one suspect that a common speech writer had been hired by many of the speakers.

But while many of the problems of the southern African region were enumerated, and while what needed to be done was identified over and over, no concrete plans for action were proposed.

One of the few positive suggestions for immediate action was made at the beginning of the conference by BMW chief Reinhard Kunstler, who suggested that the existing regional trade organisations, the Southern African Development Co-ordination Conference, the PTA, the Common Customs Union and others, should merge to avoid duplicating efforts in building a united economic front.

What he did not mention was that each of these competing organisations in fact represents a strong and entrenched self-interest group whose interests ironically might best be served by maintaining the distinction between South African and African business.

It is thought that this conference will be just the first of many future conferences addressing different aspects of regional co-operation, and a coming together of regional "trade" organisations might be a valid next choice if bureaucratic hurdles are to be successfully jumped by businessmen.

The question of whether or not the first Asset conference was a success will only be answered in future years, but everyone one I spoke to agreed that the Swaziland get-together had been a necessary event — the first step in what appears to be a very long and rocky road towards a southern African common economic trading bloc.

Meanwhile, back in the bar, the businessmen are busy getting down to business. — Star Africa Service. □

Rejoining Africa is fraught with difficulties

B/Day 20/3/91

TIM COHEN

THE recent Scenarios for a Subcontinent conference in Swaziland — the first time representatives from 14 African states publicly met SA businessmen in 14 years — began on a pessimistic note. From there things got steadily worse.

The conference, the first of a series, was aimed at providing mostly SA businessmen with an understanding of regional issues in view of SA's imminent return to the international arena.

The meeting comes at a time when there has been a surge in trade between SA and countries in the region. As a result, it elicited a high level of interest from SA businessmen who will soon need to grapple with some of the intricacies of regional co-operation.

The conference demonstrated, more graphically than the organisers had hoped, that the process of reintegrating SA into the region will not be quite as easy as some had thought.

This is because Africa is undergoing a crisis of monumental proportions.

Also, SA businessmen are not yet accustomed to dealing with African governments. It is clearly something which will require more care and understanding than was shown at this conference.

Whether the conference organisers were victims of an internal Swaziland power struggle or whether some aspect of diplomatic protocol was breached is a moot point. But the fact is Swazi King Mswati III and Swazi Prime Minister Obed Dlamini pulled out of their conference commitments at the last minute.

To make matters worse, the five-person delegation from the National African Federated Chambers of Commerce and Industry (Nafcoc) — co-sponsors of the conference with the SA Chamber of Business (Sacob) and the SA Foreign Trade Organisation (Safto) — pulled out the next day.

Either the walkouts were the result of an unseemly degree of petulance on the part of the parties not fulfilling their commitments, or they were the result of a not entirely uncharacteristic degree of insensitivity on the part of the white SA businessmen.

An opening pessimistic note was provided by the London School of Economics and Political Science's Christopher Coker who did not use the phrase "Afro-pessimism" but clearly subscribed to the idea.

The 1980s were a "catastrophe" for Africa, and Europe no longer felt implicated in its predicament, he said. Regional development was not possible; only some kind of regional rehabilitation.

Unfortunately, much of the available evidence is on his side.

EC funding for southern Africa declined in real terms by 30% last year. The UK, for example, was divesting from the region on an unprecedented scale, Coker said.

One third of British companies had divested from sub-Saharan Africa since 1985.

Other states in the region were structurally different from SA, which had a vast array of trade tarrifs, exchange controls, licencing systems, and zoning arrangements.

Coker's negativity was balanced by African Development Bank vice-president Adewale Sangowawa, who said that contrary to the gloomy predictions forwarded, he was optimistic African economies would emerge stronger and buoyant after the reforms underway in the region.

Increasing regional dialogue was taking place, political differences were being resolved and confidence was growing, Sangowawa said.

Sacob deputy president Hennie Viljoen called for "open frontiers" and said the time had come to start breaking down those divergent political barriers that could influence co-operative business efforts.

The conference was billed as "historic", mainly because of the delegates' high standing. Representatives from the SADCC, the Preferential Trade Area and influential businessmen and bankers from Zimbabwe and west Africa for the first time attended a conference organised by SA.

To the extent that it exposed SA businessmen to their counterparts, the conference was a success.

But the desire expressed by Safto CE Wim Holtes before the conference that "some kind of communication structure" would emerge appeared further away after the conference than before.

In fact, communication emerged as a major difficulty, both in the broader sense because of the pullouts and in a more immediate sense.

For example, the hotel's phones did not work.

The conference was billed as a "Scenario for a Subcontinent". One can only hope it was not.

ECONOMIC UNION: NO EUPHORIA

279A FM 22/3/91

SA's role in a mooted southern Africa economic union needs definition. The biggest hurdle is no longer political so much as the imbalances in the region's economies.

Seventeen countries, SA included, attended a conference, *Scenario for a Subcontinent*, in Swaziland last week. In informal pre-conference talks, delegates from up north speculated about a common market, the benefits SA could bring to it and the way such an economic bloc would open opportunities for international investment.

By the time they went home, initial euphoria had dissipated. There was still general conviction that a common market will eventually happen. But some realities now prevailed, not least the realisation that SA membership will be a mixed blessing.

Paul Hatty, from Barlow Rand, summed it up: for trade to exist, there must be a product and capital to produce it with economies of scale. And there has to be a market which both needs the product and has the money to buy it. In southern Africa, that happy balance simply does not exist. Were there economic union, as matters stand, all the advantages would be SA's.

The message also registered that a common market will be a DIY operation, not established with infusions of international money and goodwill.

Some delegates (mainly from SA and Zimbabwe) also agreed that the highly publicised non-events of the conference typified the immaturity of southern Africa in any business league. Those included the non-functioning of many communications systems; the non-appearance of the Swazi king and PM and the non-apology by the PM issued by the conference organisers; and the absence, after day two, of the National African Chamber of Commerce (Nafcoc) delegation, which had headed for home.

All served to highlight the difficulties of doing effective business in the region, where sensitivities sometimes override pragmatism.

For all the nonsense, the conference proved a milestone. A year ago, it would have been inconceivable for SA business leaders to sit in open conference with delegates from 16 sub-Saharan nations.

SA Foreign Trade Organisation chairman and JSE president Tony Norton set the early tone. "We are here to talk about assets, the positive side of the balance sheet and about promise; about planning; and about ultimate achievements which will touch and improve the lives of ordinary people in a real and lasting way by making us all greater economic achievers, no longer trapped in a vicious circle of poverty and ignorance. We are here to talk about and plan for the promotion, on a realistically phased basis, of an ultimate common trade zone."

Soon afterwards, some realities were pointed out by Christopher Coker, an Africa specialist from the London School of Economics. Coker argued that a century of European interest in Africa came to an end the day the Berlin Wall came down. European interest will be firmly focused on the mess on its eastern doorstep. East Europeans had cut aid to Africa to emphasise their own poverty. International investors would put their funds in those economies of Europe where they perceived probable success, not into Africa where the perception is of failure.

Also, he emphasised, the rest of the world is now in trading blocs, or forming them. "Does the regionalisation of southern Africa mean its marginalisation — and are these two words cruelly synonymous? "

With trade between Africa and the UK in steady decline, Coker noted, there are UK companies interested in signing licensing agreements for production in the region. The only countries with the capacity to handle such production are SA and Zimbabwe.

Though most delegates were dismayed by Coker's assessment, the theme re-emerged later. By that time, workshop sessions had exposed the fact that, in every field, SA would dominate the market. Nascent industries in other countries would probably not compete with industries geared for large-scale production.

Some delegates welcomed the challenge. Zambian mining specialist Thomson Sinkala admitted: "We may have enjoyed spoonfeeding too long. The reduction of aid may, therefore, be a blessing in disguise."

Harry Thomson, chairman of the Southern African Development Co-ordinating Council, gave a ruthless analysis of trade and investment inhibitions in the region, including unsuitable ideological postures. He concluded: "These constraints have to be surmounted to give way to a larger regional market to attract profitable investment in productive ventures.

"The size of the market, depressed by constraints to trade, is usually quoted as a drawback which faces foreign investors. Unless this is addressed, the objective of increasing investment in production to improve the quality of life of the people of the region will remain mere rhetoric."

With all the problems facing the economic union, there was common agreement on one aspect. Governments must facilitate the trading bloc, then step aside. Speakers who put this proposition circumspectly in the plenary sessions were outspoken in the corridors and ante-rooms. Failed promises by governments must be repeated — publicly — for political purposes. The reality is, delegates confided, that southern Africa is rushing towards capitalism.

So, much of the conference took place in informal one-on-one discussions. The media, having exhausted the Nafcoc walkout, spent time spotting which unlikely partners were at dinner or drawing for each other at blackjack. These encounters epitomised the speed with which barriers are falling.

Vlok moots links for Africa's police

B1 04 26/3/91

Political Staff

CAPE TOWN — The time was long overdue for the establishment of an "Afripol" on the lines of Interpol in terms of which the whole African continent could pool its resources in fighting crime, Law and Order Minister Adriaan Vlok said yesterday.

Addressing an international conference on motor car theft, Vlok said cars stolen in SA had surfaced as far afield as Cairo. He said stolen cars appeared to be the "golden thread" linking a variety of crimes such as ivory and rhino horn smuggling, drug trafficking and currency contraventions across SA's borders.

Countries attending the conference included Zambia, Botswana, Swaziland, Lesotho, Malawi and Germany.

He suggested areas in which such a body could co-operate might include modern technology, communication, information exchange and a centralised computer system.

"We can also benefit from an exchange of expertise, and there is much that we can learn from one another through an exchange training programme."

Vlok expressed the hope that delegates, who came from all over southern Africa, might shortly be in a position to convene a founding conference "to make the concept of Afripol a reality".

He said criminals cared little about geographical borders and political differences.

Much of the crime on the continent was interlinked, and this was especially true of car theft. More than 60 000 vehicles were stolen in SA last year.

Motor vehicle theft in SA had become a multimillion-rand business operated by "true professionals".

Vlok said another "ominous shadow" over the whole world was drugs. He said this could become one of the most serious crimes, threatening "our very existence".

Vlok said the decision to hold the conference in SA was a great stride forward for the country's international relations with police forces all over the world.

He said the African continent had the potential to make an enormous contribution to the world's economy, and that the police forces of Africa had the ability to be the "foundation of economic advancement".

"We have to protect the economic foundation from the rot of criminal activity".

Vlok said no progress would be made if each police force worked in isolation.

Gurus propose EC model for southern Africa

279A

BD Daily 28/3/91

DARIUS SANAI

A GROUP of leading academics has launched a new campaign urging economic integration for southern Africa along EC lines.

Cape Issues on Regional Integration (CIRI), headed by UCT doctoral student Patrick Vrancken, is lobbying business to "attempt to change the negative view of economic integration and show that it can be beneficial to all".

CIRI has among its members professors Dennis Devine and Francis Wilson of UCT, as well as academics from other African countries.

The campaign is aimed at enlisting members of the businesss community to fund research into methods of integration, and to lobby governments into making legislative changes to facilitate integration.



● VRANCKEN

Foreign companies would be attracted by greater economic integration in southern Africa, he said.

Vrancken, who hails from Brussels, has made detailed studies of the origins of the EC and is convinced the "compartmentalisation" of southern Africa is detrimental to both regional business and foreign investors.

The idea of complete economic union between EC members was inconceivable even 15 years ago.

The EC had to overcome considerable animosity between member states, Vrancken said.

Companies were atrracted to the EC because they could manufacture in low-cost areas like Portugal and sell in big consumer markets like Germany.

He said a similar pattern could evolve in Mozambique and SA.

Vrancken proposed the establishment of supranational authorities on the lines of Transnet to oversee transport and other forms of communication.

Such arrangements had not yet been made in Europe, he said.

Apart from the decreased costs and greater convenience that this would result in, a larger area would be more attractive to foreign investors, who would benefit from a choice of production areas and markets.

CIRI did not advocate copying the EC to the letter, Vrancken said.

This was because policies like the complete mobility of labour — one of the cruxes of EC unity — would simply result in a mass movement of people into SA.

Ken Vernon reports on an economist who scorns ideas of an African common market

It'll be every country for itself

Star 8/4/91.

DR Christopher Coker is a political economist who takes delight in setting fiscal cats among cosy economical pigeons.

At a recent Swaziland conference he let loose just such a cat, but the pigeons — who had gathered to coo over the prospect of South Africa joining a southern African common market — chose to ignore the feline, perhaps to their eventual cost.

Several hundred leading South African businessmen and assorted economic fundis had gathered at the conference to hear several dozen leading African businessmen and assorted economic fundis explain how imperative it was for South Africa to rejoin Africa so that it could present a common front to the (European) Common Market.

But Dr Coker splashed cold water on their snowballing enthusiasm by suggesting such a union would not be to South Africa's advantage — or to southern Africa's.

He suggested that in the run-up to the 21st century, the seemingly bottomless Western purse that had paid Africa's way for so long would be adopting a more "Darwinian" (survival of the fittest) approach to foreign aid — "in which bilateral aid (and investment) will once again favour those countries that are most able to produce immediate returns on investment."

"For southern Africa, the 20th century came to an end in November 1989 when the Berlin Wall came down," he said, adding that he did not think the West would be very interested in Africa in the future.

Instead, he said, the focus would be on the "frontline" states on the West's doorstep. Russian and/or Albanian rather than Zambian and/or Mozambican development would instead occupy its time and money.

Dr Coker pointed out that this trend had already begun, with European Community funding for southern Africa having fallen by 30 percent in the past year — and still falling. At present, southern Africa accounted for less than 1,5 percent of Britain's exports, and less than 1 percent of imports.

On the other hand, Eastern Europe at present received $28 (about R75) a head of population from the EC, compared with $16 (R43) a head for southern Africa.

He argued that sanctions had merely accelerated a trend of disinvestment in the area as a whole by Western companies. Added to the almost complete end of investment/aid by Eastern Europe, this meant that southern Africa was becoming very "marginalised" in world economic terms.

What money there is will be invested according to hard-nosed financial criteria only, and, according to Dr Coker, that boils down to South Africa — possibly including Namibia.

In other words, the conscience money is about to dry up.

He said his impression was that European businessmen and government officals felt they had supported the area for 25 years, that nevertheless the area had got itself into a disastrous economic predicament, and they felt no responsibility for that predicament.

To the layman, that would seem to indicate that regional unity or co-operation of some kind was imperative. Not so, says Dr Coker.

Once again, he points out that just as aid and investment will follow hard-nosed financial criteria toward bilateral agreements between buyer and seller countries, scarcity of aid and investment resources will lead countries that are able to do so to make individual deals for their exclusive benefit.

This would be the case, he argues, no matter what the colour of any future South African government — and once again in Dr Coker's eyes, it is only South Africa that stands up as an investment opportunity in purely economic criteria.

If South Africa were to join in any southern African common econonomic organisation that broke down regional barriers, the only result would be a flood of goods, services, investment capital and skilled personnel flowing to South Africa from other members of the organisation.

Dr Coker also pooh-poohed the idea that, with South Africa aboard, southern Africa would "take off" into economic prosperity.

Instead, he suggested that it would take a decade just to get back to where it was a decade ago.

"We are talking not about regional development, but regional rehabilitation after the disaster of the '80s," he said.

He estimated that regional export earnings would be half what was expected because of worsening terms of trade between raw material-exporting countries and the developed world.

A post-Cold War world would drive much harder bargains, while wanting to pay less for raw materials, including oil.

A further quarter of export earnings would have to go to debt repayments, he added.

Finally, Dr Coker said that South Africa and southern Africa would find it almost impossible to combine in any meaningful economic way because of the vast gulf in the sophisication of their economic systems.

He suggested it would be almost impossible to co-ordinate and intergrate South Africa — with its vast and functional system of tariffs, exchange controls, control boards, licensing systems and zoning arrangements — with neighbours that boast little but large and inefficient government sectors.

Dr Coker admitted it all added up to a very pessimistic picture of the region and its chances of internal co-operation in order to present a united front to an expanding and aggressive Western world.

In his defence, he quoted George Orwell as being perhaps right that the only "ism" to survive the 20th century would not be capitalism or communism, but pessimism. — Star Africa Service. □

Clashes expected at Frontline sanctions debate

LUSAKA — The Frontline States are to discuss whether to maintain sanctions against SA when they meet in Botswana's capital, Gaberone, next week.

Diplomatic sources in the Zambian capital say there is much disagreement on sanctions among heads of state within this seven-nation grouping.

Hawks within the Frontline States feel it is premature to end sanctions "when apartheid is still in place".

One Western diplomat predicted the talks would be acrimonious. "The division is great because some countries like Zambia, Botswana and Mozambique have accepted that trade with SA should be opened."

Tanzania and Angola oppose the lifting of sanctions.

Zimbabwe, with a mission in Pretoria, was worried about being accused of breaking the international embargo. — Sapa.

Frontline pressure to end slaughter

279A

Sowetan 11/4/91

GABORONE - Foreign ministers of the Frontline states, Nigeria, the ANC and PAC hold the South African Government directly responsible for most of the escalating violence in the country.

In a communique released yesterday after a one-day meeting in Gaborone, the FLS foreign ministers demanded that the Government take urgent practical steps to put an immediate end to the carnage in South Africa.

The Botswana Press Agency reported the meeting "noted with concern" the re-deployment inside South Africa of Buffalo Battalion 32, Koevoet and other Civil Co-operation Bureau formations to instigate acts of violence.

Briefings

The meeting discussed in depth the current developments inside South Africa following detailed briefings by the ANC and PAC on the questions of sanctions, violence and constitutional arrangements.

While noting positive developments in some areas, the foreign ministers expressed disappointment and concern at the lack of substantive progress in such key demands as ending the violence, unconditional return of political exiles and the establishment of a democratic forum to draw up a nonracial democratic constitution.

Concern

The meeting expressed great concern at the unprecedented escalation of violence currently being witnessed inside South Africa and urged all South Africans to exercise maximum restraint and political tolerance among themselves.

They welcomed the meeting planned for this weekend in Zimbabwe between the national executives of the ANC and PAC and supported the call for the convening of a patriotic conference in May.

They also commended the governments of Angola and Mozambique for the continued search for lasting peace. - *Sapa*.

East-west rail link planned

B|Day 18/4/91

R&O 279A

LINDEN BIRNS

A PROPOSAL for a multi-billion rand rail and waterway scheme straddling southern Africa from Mozambique to Namibia is being studied by four of the region's governments.

The plan would link Chinde, close to the Zambezi River mouth on the Mozambique coast and Cape Fria, to be renamed Port Nujoma, on Namibia's Skeleton Coast.

The concept has been taken on by Johannesburg-based project co-ordinator Trans-Africa Railway and Canal Belt (Tarcbelt) International.

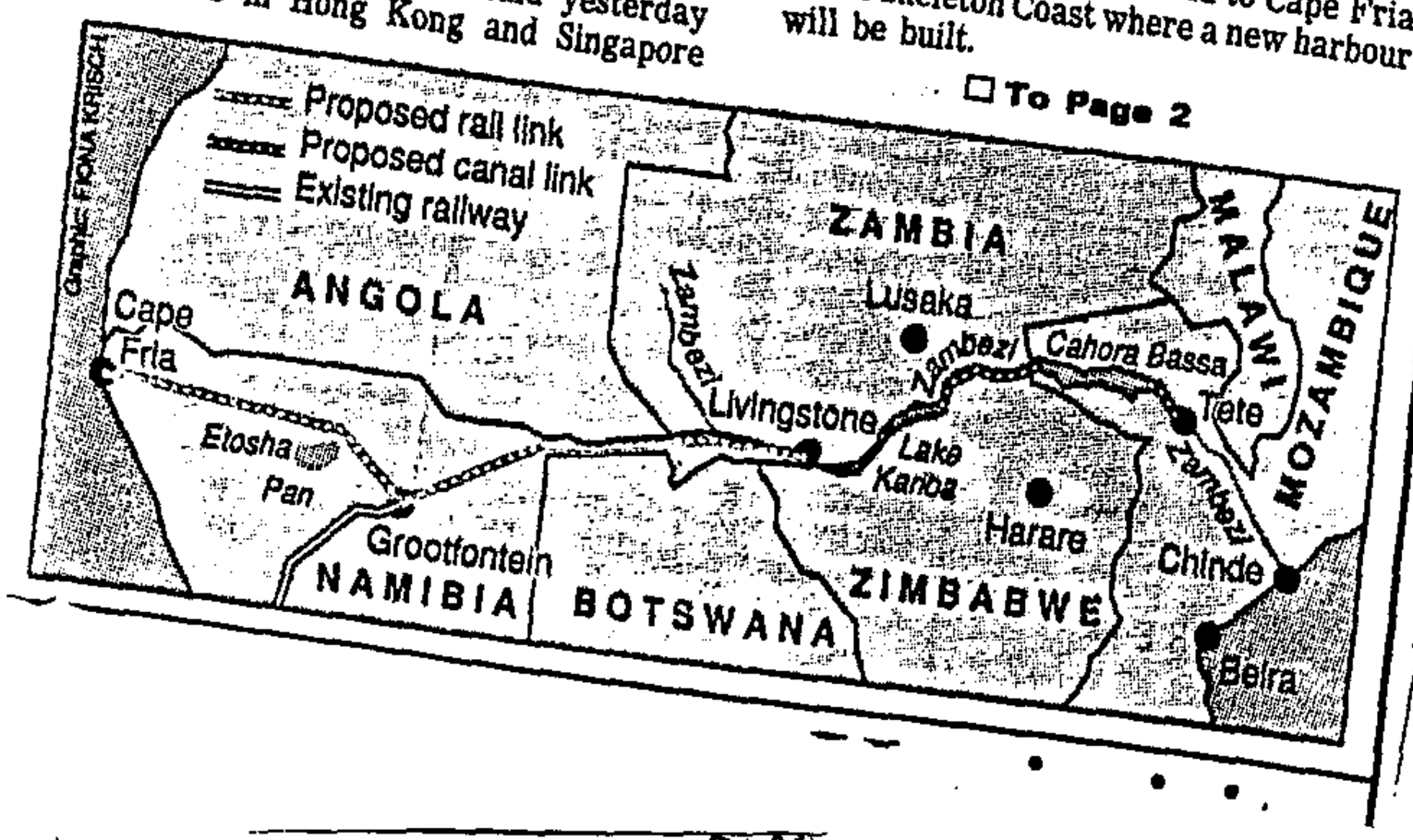
Talks have already been held between Tarcbelt and the Namibian, Mozambican, Botswana and Zambian governments and with major industrial leaders in those countries.

A Tarcbelt spokesman said yesterday financiers in Hong Kong and Singapore were waiting only for the various governments' official approval before committing loans to the project.

Zambia's rail network currently stretches as far as Livingstone, on the northern side of Victoria Falls. This is to be extended across the Zambezi and along the Caprivi Strip, eventually turning southwest to join Namibia's existing rail network at Grootfontein — that network's northern-most point.

Tarcbelt envisages a new line starting at Grootfontein to be built across southern Owambo, just north of the Etosha National Park, through the Kaokoveld to Cape Fria on the Skeleton Coast where a new harbour will be built.

☐ To Page 2



Rail link

B|Day 18/4/91

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☐ From Page 1

The existing line from Grootfontein extends south to Windhoek, Kranskop — close to the new Karibib gold mine — Swakopmund and Walvis Bay.

Trans-Namib's marketing director Dirkie Uys said yesterday the Southern African Development Co-ordinating Conference (SADCC) had agreed to adopt the Livingstone/Grootfontein project. When finance had been confirmed, the final go-ahead to build the line would be given.

Finance for the rail link would probably be provided by commercial investors and corporations. It would be underwritten by the Namibian government and international aid agencies, such as the World Bank, Uys said.

At least $225m in foreign aid was needed to build the railway link which would carry low volumes of traffic, he said.

Lohnro Sugar Corp, which has established a plantation in Caprivi, would benefit substantially from the new line, he said.

Tarcbelt co-ordinator Francois Roux said one of the aims of the project was to provide an outlet for Mozambique's coal, mined mostly in the Tete Province. Coal would be ferried by barge through a network of canals feeding the Zambezi.

These canals would also be linked to Cahora Basa, which in turn would be linked by canal to Kariba Dam on the Zambia/Zimbabwe border, he said.

The Mozambican council of ministers would meet within days to discuss details of the waterways scheme, and could give its go-ahead to the scheme, Roux said.

The Cape Fria connection was the brainchild of Josef Kindinger, an advisor on the Tanzam and Sishen/Saldhana railways.

According to Kindinger's report — which was submitted to SADCC last year — Cape Fria is an ideal location for a deep water harbour, being close to off-shore oil deposits, on-shore iron and manganese ore fields and the petroleum, gas and oil fields in the Etosha basin being explored by Panamana's Overseas Petroleum and Investment Corp.

SA 'must consider weaker countries'

Star Africa Service

HARARE — South Africa must avoid the temptation to dominate all regional decisions and show special sensitivity to the needs and concerns of weaker countries in southern Africa, leading businessmen were told yesterday.

The director-general of the SA Institute of International Affairs, Professor John Barratt, said there was a real threat that SA's economy would grow stronger at the expense of others.

He was addressing 300 delegates from 20 countries attending a convention on southern Africa called "The Challenge of the 90s" organised by the Zimbabwe division of the Institute of Directors.

Earlier, Zimbabwe's Minister of Industry and Commerce Kumbirai Kangai had said a free South Africa would take its rightful place in the region in the 1990s.

The listing as a delegate at the conference of the head of the SA Trade Mission in Harare, Nico Nel, is another indication of the new openness between Pretoria and black Africa.

Mr Barratt warned in his keynote address that some countries were expecting too much from a post-apartheid SA.

The economic and social needs of the majority of SA's own population were increasing daily.

He said, however, that Pretoria had a responsibility to help in resolving conflicts which it had helped to promote and to assist in repairing war-damaged economies.

President de Klerk appeared to be seeking a new pattern of regional relations but there was a fear that SA could be trying to revive in another form its idea of a "constellation of southern African states" once proposed by P W Botha.

At this stage, when the process of transformation was far from complete, other states in the region would hold back from any idea of formal inter-governmental arrangements.

However, trade was growing and bilateral relations had improved.

Mr Barratt added: "One must hope that by the middle of the decade the transition will have taken place in SA and we shall then be able to look more clearly at the probable future course of events in our region."

Subcontinent 'key to growth of Africa'

Star 23/4/91

279.A

By Robin Drew
Star Africa Service

HARARE — The key to reversing Africa's disastrous economic record lay in concentrating on the development of southern Africa, which was a region with the potential for success, Dr David Owen, former leader of Britain's Social Democratic Party, said yesterday.

A former foreign secretary in the Labour Government, Dr Owen flew back to Britain yesterday, cutting short his visit to Zimbabwe following speculation that he had been offered a post by Prime Minister John Major. Dr Owen would not comment on the reports.

He was a keynote speaker at the two-day conference of the Zimbabwe division of the Institute of Directors which opened yesterday in Harare and is being attended by 300 delegates from 20 countries.

The conference is debating challenges facing southern Africa in the Nineties.

He said the most significant event of recent years was the shift towards a market economy, irrespective of ideology, which had gathered momentum in a remarkable way since 1989.

Southern Africa should learn from the experiences of Europe and work to quickly develop an internal market.

It was vital to get people to understand the importance of the market economy and a pluralist democracy to enable development to go in the right direction.

In the South African dialogue it was necessary for the economy, industry and trade to be given as high a priority as constitutional change. A rapid move towards a market economy was of the utmost importance.

Without sustained economic growth it would be that much harder to finance the improvements needed in the social infrastructure.



Dr David Owen, former leader of Britain's Social Democratic Party.

Economics as important as 'constitutional affairs'

(279A)

B/Day 23/4/91

TIM COHEN

HARARE — Economics, industry and trade ought to be given as high a priority in SA as constitutional negotiations, British MP David Owen told the Institute of Directors conference yesterday.

Owen told about 300 delegates that constitutional change and economics were "inextricably linked".

He also warned that Eastern European demands would divert resources currently devoted to Africa.

He suggested that Angola would play an important role in the region in future. Links had been established between SA and Angola and he suggested that the two countries might establish closer links after Angola's MPLA government and Unita rebels reached a settlement.

There was a good chance that Angolans would reach an "internal understanding" within a year, he said. If this was achieved, Angola would contribute to the region commodities which the region most lacked, particularly oil.

Owen predicted that when Angola did institute a market economy, the changeover would take place rapidly. He would expect both the US and SA to invest in Angola.

He said there were fears, which were not groundless, that Europe would turn in on itself. However, it was more likely that a European internal market would be beneficial to the developing world.

Europe would be more open to southern African exports and would have a more cohesive attitude to development aid.

But Europe faced "massive new demands" on its own doorstep.

"We are now much more conscious that Hungary, Poland and Czechoslovakia have got to succeed.

"There are many of us who believe it is absolutely imperative that Hungary, Poland and Czechoslovakia must be taken into the community."

He said British Foreign Secretary Douglas Hurd had said last summer that resources allocated to Eastern Europe should become additional demands on the community and there should be no reduction in its commitment to Africa.

But since then the increase in the demands has been remarkable.

"The more we look at Eastern Europe, the worse it is."

On prospects for regional co-operation in southern Africa, Owen said the EC began as a modest co-operation between French and German coal and steel industries.

Similarly, he suggested, regional co-operation in southern Africa might begin with an attempt to form a regional electricity and transport grid. This should be a joint government-private sector undertaking.

Another lesson southern Africa could learn from the EC's development was the community's failure to prioritise the development of internal markets.

Internal markets did not require major political agreement or a great deal of integration. Neither did they require the discipline for breaking down protectionism and institutional barriers to trade.

SA can help regional economies, up to a point

B/Day 24/4/91 (279A)

GAVIN RELLY

ECONOMIC interaction between the countries of the southern African region is already substantial. Can and should this interaction be institutionalised, be it by means of a free trade area or an economic union?

The intense interest taken in Europe's progress towards a single market in 1992 has rekindled the enthusiasm for integration. We should, however, not forget that the EC single market is the outcome of some 40 years of increasing economic integration, whose progress has been by no means smooth and consistent. It is by no means certain that 1992 will signal the demise of West European economic nationalism.

That is not to say that we should not be examining measures to increase co-operation. Certainly, we could be considering harmonising investment codes or establishing common tariff barriers.

Beyond these measures, how easy is it to synchronise the economies of the region given the considerable differences in GDP size, and dissimilar manufacturing sector structures? This is an issue for the economists to investigate further. On the political front, nationalism is an untamed force not to be forgotten.

From a business perspective, we need progress towards an enabling environment for business, rather than what may now be castles in the air.

SA may be the engine of the region, but it cannot be southern Africa's saviour. SA will have its hands fairly full with its own internal economic and social restructuring. However, that is not to deny that SA has a constructive role to play.

Firstly, a future SA could act as the entrance to the region for foreign investment. There are already signs that West European countries — in particular France — are considering SA, with its infrastructure, institutional expertise and financial institutions, for this role.

Secondly, virtually none of the 250 companies which disinvested from SA in recent years set up again in neighbouring countries. Does this mean they will have to be wooed back via SA or can we get them to move directly to other territories?

Thirdly, SA could play a role in mobilising financial and human resources from outside the subcontinent, and provide a base from which technical, management and entrepreneurial skills, education and training know-how flows to the region. SA may become involved in World Bank projects in the region.

Fourthly, subject to the constraints alluded to earlier, SA's role could include providing exporters in neighbouring countries with access to the region's largest market, in addition to capital investment. However, SA has always been highly dependent on flows of direct foreign investment in SA itself, and this is a prerequisite for significant SA investment in the region.

Finally, SA has a core-developed economy, but in its totality is a developing country. Its per capita GDP of $2 300 rates it alongside Brazil, Algeria, Hungary, Yugoslavia and Malaysia.

The mining, industrial and financial institutions trace their roots back to the economies of Western Europe and North America. Yet SA is unambiguously an African country. In mining and agriculture, the dominant sectors of the regional economy, SA has locally developed technical know-how. A number of collaborative undertakings are under way — including Cahora Bassa and the Lesotho Highlands Water Project. SA, Mozambique and Swaziland agreed in February to develop the water resources of the Nkomati River basin. How SA performs its role is as important as the nature of that role. If concerns over political assertiveness are replaced by fears of economic hegemony, all the economies of the region will suffer the consequences. South Africans from government and the private sector need to be sensitive to this point — my feeling is that they are beginning to be so.

I very much doubt that we will witness economic miracles in this decade in southern Africa. There will be some but not enough dramatic industrial and commercial successes. For the most part our fulfilment will be the undramatic role of keeping things together, of building slowly, of resisting pressures to behave popularly but stupidly.

In southern Africa governments are embarking on a process of structural reform while at the same time seeking to raise living standards. What is required is an appropriate balance. It will be difficult, but by no means impossible, to resist the temptation to attempt to squeeze a quart out of a pint pot and thus by taking imprudent steps in the short run, ensure not only that the poor but the whole society gets poorer in the long run.

☐ **This is an extract from a talk delivered by former Anglo American chairman Relly to the Institute of Directors in Harare yesterday.**

Settlement possible this year — Mbeki

TIM COHEN

HARARE — ANC international affairs chief Thabo Mbeki yesterday called for a fresh evaluation of SA's reintegration into the southern Africa region, saying the country's political transformation could be achieved this year.

Mbeki told delegates at the Institute of Directors Conference in Zimbabwe that political transformation could take place very soon if the problem of violence was effectively dealt with.

He said regional organisations ought to be studying the implications of SA's integration into the region because if it were left to market forces alone, SA would totally dominate the countries in the region — which would create tension.

He was aware that transport and electricity organisations were discussing regional issues and other organisations like universities should also do so.

He said the political process could speedily proceed to the adoption of a new constitution if violence was effectively dealt with. But the political settlement had to be underwritten by a growing economy. A growth rate of 5,5% was needed over the next 10 years to deal with unemployment.

Mbeki said a proportion of savings to GDP, currently about 7%, would have to increase to about 14%. Foreign investment of about R4,4bn would also be required.

● See Page 6

Paper backs trade idea

279A
Sowetan 26/4/91

HARARE - Backing for a regional trading bloc in Southern Africa came today from Zimbabwe's main newspaper, *The Herald*.

It endorsed the support given by top businessmen who attended the Institute of Directors convention here this week on the challenges facing Southern Africa in the post-apartheid era.

The paper said such a bloc, soundly based on mutual trust, would create a powerful economic unit which the rest of the world, normally dismissive of the Third World, would have to notice.

Sowetan Africa News Service

It said South Africa was of extreme importance to the region but with the world in upheaval, the climate for investment, which now looked promising as South Africa moves towards change, could very quickly change for the worse.

The *Herald* said it was not certain that a democratic South Africa would in the end see any advantage in a regional grouping.

Zimbabwe was in a position to contribute and benefit from any trading pact embracing South Africa.

Criminals paraded

BEIJING - Authorities in Lhasa paraded 44 criminals before a public rally as part of a crackdown on crime before the 40th anniversary of Chinese communist rule over Tibet, a local newspaper said.

"Our public security officers will work tirelessly to ensure the anniversary celebrations go smoothly in a good social environment," the *Tibet Daily* from April 15, seen in Beijing yesterday, quoted a police official as saying. - *Sapa-Reuter*.

SA critic urges IMF squeeze

Sowetan 26/4/91.

NEW YORK - *The New York Times*, one of the keenest - and often most intemperate - critics of South Africa in the United States has called for a new shifting of the goalposts when US sanctions are lifted.

In an editorial yesterday the newspaper urged Washington policymakers to preserve US leverage "even as sanctions phase out" by continuing to insist that the International Monetary Fund deny

Sowetan Foreign Service

loans to South Africa.

Recognising that by next month South Africa will "probably" have complied with the minimum conditions for lifting sanctions as set out in the anti-apartheid legislation adopted by Congress in 1986, the paper asked:

"What then ? Should Americans declare victory and embrace Pretoria as a penitent prodigal?"

Not quite, said the paper, answering its own question.

Eliminating repressive racial laws is only part of the job. Still ahead is the task of writing a new constitution that respects democratic rights of all South Africans.

The paper added :"This does not mean that Washington should defer lifting sanctions when stipulated conditions have been met. But it should not abandon other forms of leverage until the job is done."

Kaunda and Nyerere to visit

279A

TWO arch-enemies of apartheid, Zambia President Kenneth Kaunda and former Tanzanian President Julius Nyerere, will visit Durban in July as guests of the ANC, sources within the organisation said.

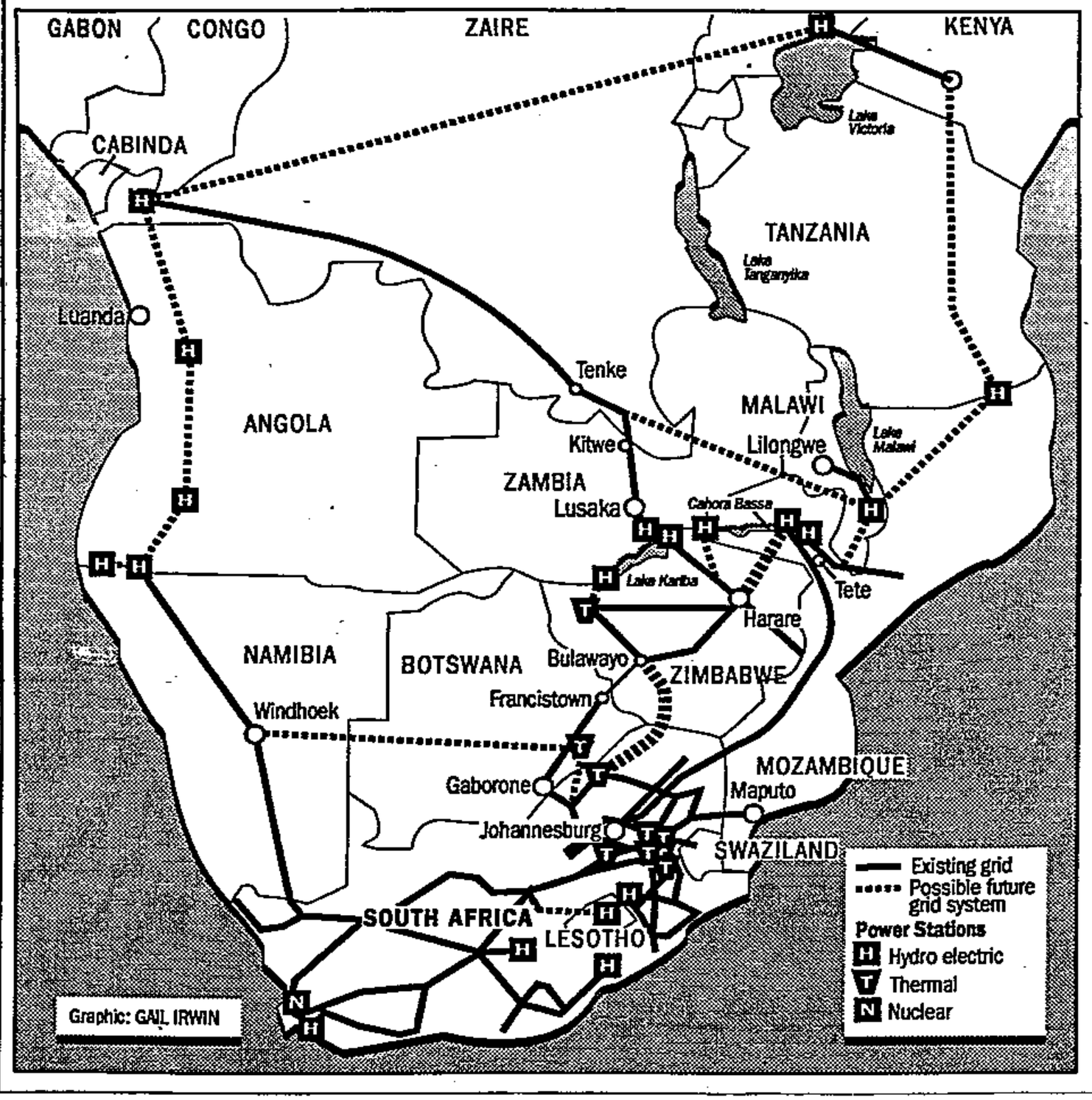
Zimbabwean President Robert Mugabe and Namibian President Sam Nujoma have also been invited to the ANC's historic national conference, the first inside the country in 33 years.

Natal ANC sources said they had been notified by head office of the invitations to leaders of neighbouring states. Sowetan 29/4/91

"We were told that Kaunda and Nyerere are in the bag. The national preparatory committee is now waiting for Mugabe and Nujoma to respond."

The sources said the two leaders had been billed as VIP guest speakers, possibly at the opening and closing sessions.

The presence of the influential Frontline leaders on South African soil will be a major political coup for the ANC. - *Sapa.*



Power for Africa

New, enlarged grid will galvanise a huge region

Star 4/5/91

DEREK TOMMEY

THE men running Eskom, this country's electric power producer, are working on an imaginative plan which promises to make Southern Africa one of the world's industrial giants in the next 30 years.

They aim to harness the sub-continent's huge resources of hydro-electric power and, through an international grid, provide all the countries in the area with the world's cheapest electricity.

This electricity, in addition to its low price, will also have other advantages. It will be largely renewable and, being non-nuclear, will be environmentally friendly — increasingly important qualities as fears grow about the harmful effects of nuclear and carbon fuels.

All this will give the sub-continent a huge competitive boost within the industrialised world. It could make the region one of the world's major industrial workshops. It is certainly expected to significantly elevate general standards of living just about everywhere from South Africa to Zaire.

"It will not happen tomorrow," said Mr Jac Messerschmidt, Eskom's general manager in charge of planning. "But it could happen within 15 years."

He emphasised that it was not a pipe-dream. Only political differences could prevent it from happening, and this was unlikely. "We have spoken to most of the countries in the area and have had a good response from just about everybody. They are most enthusiastic," he said.

Several parts of the master plan are already receiving attention. These include repairing the power line from Cahorra Bassa in central Mozambique to the South African border; building a power line from Cahorra Bassa to Harare; and the possibility of building a power line from Matimba, Eskom's new power station near Ellisras in the north-western Transvaal, to Bulawayo.

Mr Messerschimdt said the existing line from Cahorra Bassa has been sabotaged. But Eskom is helping HCB, the operating authority, in its planning to get it back into operation.

"The big problem is finance. You need an assurance that this will be available. Encouragingly, plans for raising the money are almost complete. The moment we secure the money we can start repairing this line," he said.

Ensuring the security of the repaired line should not be too much of a problem. "There is a growing understanding that it is not a good idea to sabotage this line."

Mr Messerschmidt said that the sabotage of the Cahorra Bassa power line had been a great tragedy. "You have a magnificent power station capable of producing 2 000 MW and it is producing no more than 20 MW.

Once the finance was there it would take between two and three years to repair the line, so it should be completed in 1994-95.

The proposed line between Cahorra Bassa and Harare will take about two years to build and should be completed in 1993-94.

Eskom and ZEZA, the Zimbawean electricity supply authority, are also considering building a power line between Matimba and Bulawayo. Once this line is constructed there will be a strong connection between the southern part of the sub-continent's grid, mainly in South Africa, and the northern part which stretches to Inga on the Zaire River and the South African section.

The Cahorra Bassa-Harare line and the Matimba-Bulawayo line will provide Zimbabwe with two alternative sources of power and South Africa with a second link to Cahorra Bassa.

Once the grid between Inga in Zaire and South Africa is complete, attention will be turned to greatly expanding power production at Inga which is said to have "exciting potential". At present the power station there is generating 2 000 MW from a "run of the river" turbine.

"You do not need a dam to generate power at Inga," said Mr Messerschmidt. "The river is so strong that all you need do is put a turbines in the river."

South Africa has the capacity to produce 35 000 MW. On a cold winter's morning the country consumes 21 000 MW. Inga has the potential to produce between 100 000 MW and 140 000 MW — and at a price well below that of Eskom.

"It makes more sense to develop Inga than build power stations in South Africa. In fact it is possible that Eskom might have built its last power station.

"If we get Inga power we will be the cheapest power in the world and will give us the potential to turn this part of the continent into an export power house." he said.

At present both Zimbabwe and Zambia are short of electric power, said Mr Messerschmidt. For the next five years or so South Africa, which has surplus capacity, could make good their short-falls.

But the long-term aim is to feed power from the north to the south. The hydro-electric resources are all in the north and ideal would be to encourage the northern countries to develop and sell this power to South Africa.

There is the problem that bankers overseas claim that you can pour money into Africa and nothing will happen, warned Mr Messerschmidt.

"But I think that if you tackle a project like this with Eskom and it is properly managed, the IMF and World Bank should have no problems advancing the money."

Co-operation key to African rescue

SL Times 5/5/91 (279A) Bus Times

A LARGE resource base alone is not enough to make the 10 Southern African members of the SADCC (SA Development Co-ordination Conference) carry weight in global terms.

But SA's inclusion could help the entire region to compete in a world increasingly intent on forming bigger power bases.

A Mining Journal article calls on the SADCC to put ideological niceties aside, to pool its resources to make the best use of the infrastructure and to play as a team.

The journal says developing countries must be expressing the fear that the rich will get richer and the poor poorer as they watch the growth and consolidation of powerful regional trading groups.

A growing concentration of industrial investment in the northern hemisphere suggests that financial assistance to developing countries may diminish or at best stagnate.

For example, two weeks ago the European Bank for Reconstruction and Development was inaugurated in London. Backed by 40 countries, it will provide loans and Western technical assistance to Eastern European countries and the USSR.

Its capital base is £7-billion, and first loans will probably be co-financed with other institutions. It hopes to mobilise £20-billion in loans and equity in five years.

Another example is North America. Mexico is trying to woo its way into the two-year-old Canada-US free trade pact. Beyond 1992 the region will have increased competition from Europe.

The rapidly industrialising countries of the Asian Pacific Rim are forging another strong trading block.

Poor Africa will look on, but should have few illusions about the implications such developments will have on its economies.

Mining provides the most important source of foreign earnings for many African countries, but they have not reaped the full benefits because of misplaced or under-investment.

Little of their production is consumed domestically and the health of their mineral sector depends on the fortunes of their foreign customers.

Ironically, the most important customers are those consolidating their positions in regional trading blocs.

"In Southern Africa, despite the multitude of economic and political problems, it should be perfectly possible to establish a regional trading group, not for the purpose of competing in the consumer 'super-league' but as a means of strengthening its position as a key supplier of raw materials."

SA has the marketing and technical know-how to formulate and co-ordinate the group's international trading strategy. The industrialised world needs minerals and Southern Africa needs to reinforce its position in the supply league.

● While at the University of Harare, Paul Jourdan made a study of the SADCC minerals. Five of the 10 nations account for 99% of mineral production. Angola chips in 42% through oil and diamonds, Zambia 20% from copper and cobalt, Botswana 18% with diamonds, copper and nickel, Namibia 11% from diamonds and uranium and Zimbabwe's various 9%.

Oil, diamonds and copper make up more than 80% of the value of SADCC regional output. In terms of global production only two minerals — diamonds at 21% and cobalt at 16% — are important.

Mr Jourdan suggests that the regional grouping has no great prospect of exerting influence on international commodity prices.

The resource base of 17% of the world's chromite and 17% of its platinum is of little use when there is no investment. Lack of exploration investment has been particularly severe.

Mr Jourdan believes if the region were economically integrated, it would be feasible to have domestic, regional mining companies, large enough to undertake major exploration.

MOZAMBIQUE and the INDIAN OCEAN ISLANDS

A Business Times Feature

Long haul for rail and ports

MOZAMBIQUE has been described as more an administrative convenience than a nation.

Nowhere is this better illustrated than in its transport network.

Most of the roads and railway lines run from South Africa, Swaziland, Zimbabwe, Zambia and Malawi.

Ordinarily, a large part of Mozambique's earnings come from surcharges on goods transported across the country. One of the principal motives for the creation of the SADCC was to upgrade Mozambique's ports and railways, reducing dependence on SA.

The main railway lines are governed by bilateral or international agreements. They are vital to the economies of Mozambique's neighbours.

More than $460-million has been spent on the upgrading and refurbishment of the ports of Beira and Nacala, which were in great need of improvement and are keys in lessening SADCC countries' dependence on SA's transport systems.

National Railways of Zimbabwe provided much of the bridging finance to rehabilitate the Beira corridor. Tonnage on this route increased by 25%, 42%, and 14% respectively in 1987, 1988 and 1989. Nearly 70% of Zimbabwe's traffic now passes through Beira.

The arrival of 15 new locomotives from Brazil and Canada in 1991 and 1992 should ease congestion. Use of the line is limited to daylight hours because of insurgents in the area.

Rehabilitation of the Nacala line was completed between 1984 and 1989, with an interruption in 1987/8 because of Renamo activity, which still causes disruption.

Tonnage on the line is double that achieved in the mid-1980s. But the line is still far from fully used because Malawian exporters continue to use SA ports.

SA has provided aid for the redevelopment of Maputo and the rail link through Komatipoort. But SA tonnage remains at 10% of the peak in the early 1970s.

SA freight companies say it is still more practical to use Durban and Richards Bay for exports in spite of the higher transport cost because Maputo is unable to handle large volumes of goods.

Beira has been thoroughly upgraded, including a dredging operation to enable the port to handle vessels of up to 60 000 tons. It can handle 50% of regional traffic.

Army

However, railways have been a particular target for Renamo. Between 1982 and 1985, 93 locomotives and 250 trucks were damaged or destroyed, resulting in most traffic from Malawi, Zambia, Zaire and Swaziland going to SA ports.

Attempts have been made to secure the railway lines with Zimbabwean and Malawian troops and French and British assistance in training the Mozambican army.

Most of the country is accessible only by air and sea. Denmark will equip and maintain airstrips at seven regional capitals.

The transport network cannot hope to operate at its former capability before Renamo insurgents lay down their arms.

A Business Times Feature

New-look ports battle to regain freight traffic

WARMING political relations between SA and black Africa could result in neighbouring countries forsaking Mozambique's ports, says Rennies chief executive Piet Steyn.

Rail links between Malawi, Zimbabwe and Mozambique are frequent targets for Renamo attacks. Transport problems are exacerbated by bureaucratic inefficiency and other problems.

Beira is facing shipping delays as a result of refurbishment and exporters routing goods through Maputo are plagued by theft.

There are also sporadic attacks on railway lines to Maputo.

Lion

Mr Steyn says: "Unless Mozambique is able to bring the banditry under control, it stands to lose a large slice of its freight traffic to SA.

"As political and economic barriers between SA and the rest of Africa crumble, less political pressure will be brought to bear on countries such as Zimbabwe to use Mozambican ports for exports. This could result in a greater tonnage of freight from previously hostile neighbours passing through SA ports."

Rennies subsidiary Manica has been in Mozambique for 99 years. Manica is one of the few freighting and forwarding companies to continue operating in Mozambique throughout the civil war.

Many corporations pulled out of Mozambique after Frelimo came to power in 1975, but by staying behind, Manica captured the lion's share of business in spite of serious operational problems caused by the internal strife.

Road haulage, for example, has become virtually impossible in places.

Mr Steyn says: "We have to move freight by sea from Maputo to Beira and Nacala because of the danger involved in road transport. We also have two aircarft based in Mozambique so that our staff can commute around the country."

The Beira Corridor, which links the Zimbabwe town of Mutare to the port of Beira, has been made relatively secure from Renamo attacks by the widespread presence of Zimbabwean troops. But there have been occasional breaches of the security cordon, resulting in attacks on the railway line and oil pipeline.

Zimbabwean troops recently pulled out of the Tete Corridor, a vital link between Zimbabwe and the Tete province in northern Mozambique. It halves the travelling time from SA to Malawi.

The Tete Corridor was reopened this year, but closed after only two months. More than 100 people were killed by bandits.

Goods from SA to Malawi now go through Zambia, resulting in at least two days' additional travelling time.

Sense

Freight companies report long delays at the Zambian borders because customs officials are unprepared for the increase in traffic.

Malawi is still unable to make extensive use of Nacala port because of a lack of rolling stock and occasional Renamo attacks.

The Nacala rail link is also in serious need of repair. The line from Zimbabwe to Maputo is still a target for rebel attacks.

Another disadvantage for Maputo is that port charges are levied in US dollars and SA ports charge rands. Neighbouring countries with foreign-currency shortages take advantage of the rand's depreciation against the dollar.

Mozambican authorities hope to encourage SA exporters to send their goods through Maputo, but serious difficulties have to be overcome.

Mr Steyn says the city and port of Maputo are often without power and other services.

"We are looking at providing whatever assistance we can in Maputo — as we are doing in Durban. It makes sense for certain exporters, particularly in the Eastern Transvaal, to ship through Maputo."

Richards Bay recently increased its coal-handling facilities. But small coal exporters in the Eastern Transvaal could save money by exporting through Maputo.

Mr Steyn says Maputo received little in the way of aid since independence because donor nations thought it would be of direct benefit to SA.

Birds, feathered and otherwise . . .

WADING through the piles of glossy brochures punting holiday resorts in the Indian Ocean islands leaves one a little perplexed.

The pictures promise panoramas of spectral greens and blues, white sands streching to infinity, ravishing girls, tanned and sparsely dressed, draped across reclining chairs and sipblack parrot and remnants of the prehistoric forest, Vallee de Mai, said to be the original Garden of Eden.

Thirty minutes by air from Mahe is Cousin, an island sanctuary owned by the International Council for Bird Preservation. Cousin is home to the rare brush warbler.

MOZAMBIQUE and the INDIAN OCEAN ISLANDS

A to Z of setting up joint venture

SITimes (Bus Times) 279A

AS SOUTH Africa gradually re-enters the world of trade, increasing interest is being shown in countries close to home such as Mozambique and the Indian Ocean islands — particularly Mozambique.

The obvious areas of co-operation are trade and tourism. But several ground rules still have to be established before either of these can flourish.

CIARAN RYAN investigates.

BUSINESSMEN looking to set up shop in Mozambique take heart — the opportunities are boundless and there is no shortage of foreign currency for approved projects.

But many potential investors are deterred by the seeming impossibility of wading through the red tape.

If you seek to fill your order books and export to Mozambique, the best way is to join one of the regular trips to Maputo organised by the South African Foreign Trade Organisation (Safto).

Andrew Maggs of Safto's Africa desk says interest in Mozambique as an export market has grown phenomenally.

Visa

"Many visitors have exaggerated expectations of returning with full order books. The first trip is essentially to introduce businessmen to contacts in Maputo. They can work with them until confidence is built up. This is how Mozambique operates."

There is huge scope for suppliers of building materials, essential spares, capital equipment, food, chemicals and pharmaceuticals.

Essential to bear in mind is that the only way to succeed in opening a business in Mozambique is to do it by a joint venture (JV) with a Mozambican partner. The method to do this should be rigidly followed:

- Phone or fax the Office for Foreign Investment Promotion (GPIE) in Maputo and make an appointment to see the director.
- Obtain a visa from the Mozambican Labour Office (Mozambique does not have consular representation in SA) at 99 Eloff Street. This can take from one to three weeks. You will not be given a visa unless you have first asked the GPIE to telex directly the Labour Office that you are attending a business meeting with it.
- Book your air ticket well in advance. All flights are fully booked a month ahead.

Hotel rooms in Maputo cost from $40. The Polana and Cardoza hotels are the preferred choice of visiting businessmen. But they are also the farthest from town, necessitating the hire of a car — taxis and public transport are virtually non-existent.

It should be borne in mind that the roads, even in central Maputo, are appalling. The Rovuma and Escola Andalucia hotels are within walking distance of town.

All bills must be settled in hard currency, and tipping is discouraged.

Mr Maggs says it is important for prospective investors to present a copy of their personal CVs to the GPIE together with four copies of the proposed venture, with a statement of the main idea in Portuguese.

"While it may seem bureaucratic, it is the proven way to approach a business venture in Mozambique.

"The GPIE will want to know the amount of capital required for the venture and who will provide it, the foreign-currency earnings of the project, the number of jobs to be created and whether or not the project is a joint venture."

Businessmen choosing to go it alone will run into trouble because the government wants a Mozambican partner to be involved in any foreign investment.

Mr Maggs says the GPIE can suggest potential partners.

One of the few wholly owned SA companies in Maputo is Benguela Holdings. It took the company 18 months to get permission to set up in the capital. Seemingly endless bureaucratic obstacles had to be overcome.

Having obtained a Mozambican partner, you are in the home stretch and within 24 hours the GPIE should present you with a letter approving the project in principle. The red tape does not end there, but the task becomes decidedly easier.

The proposal then goes to the official Analysis Department of the GPIE for in-depth evaluation. But the GPIE's letter of approval opens doors in terms of raising capital for the joint venture partner (who must raise capital in Mozambique) and obtaining further visas.

Final approval should arrive within two weeks.

Default

Negotiations can now begin with the GPIE as to what goods can be imported to Mozambique free of duty, the exact terms of the tax holiday permitted to different classes of business (some pay no tax for five years) and control of the foreign-currency accounts.

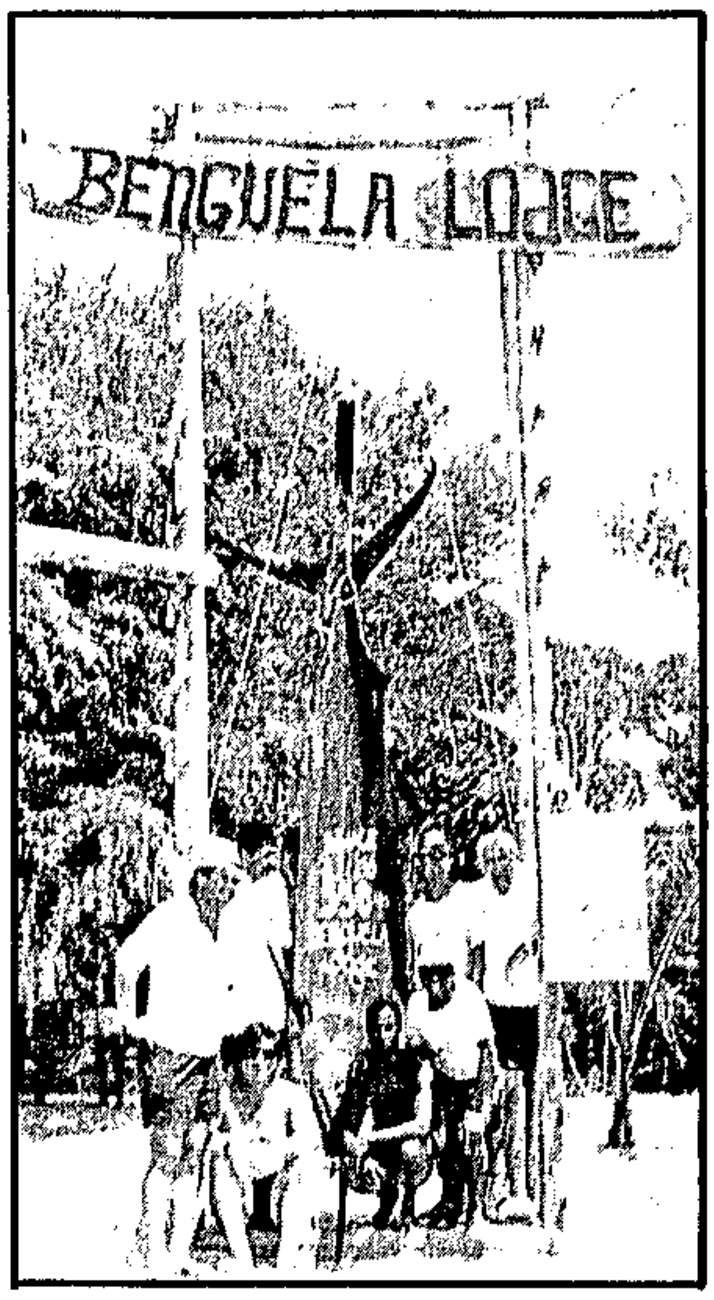
Prospective businessmen must ensure that they fall within the definition of an approved venture in terms of the recently introduced SNAAD programme. It is designed to encourage foreign investment by offering tax exemption and unlimited forex.

Examples of approved businesses under SNAAD are building materials, food, clothing and transport.

There is a lingering resentment of Portuguese colonialism among certain sectors of the population and a general reserve to foreigners because of past propaganda and SA's active support of Renamo until recent years.

Credit Guarantee Insurance Corporation (CGIC), which insures exporters against default, notes a steady increase in the demand for cover for shipments to Mozambique.

CGIC general manager in charge of projects Frans Joubert says: "We are doing a large amount of trade with Mozambique. We provide a letter of credit issued by Banque de Mozambique. This cover is no more expensive than doing business with, say, Western Europe."



PARADISE FOR FISHERMEN: A big catch at Benguerra resort

Accountants get in on ground floor

• SITimes (Bus Times) 5/5/91

ACCOUNTING firm KPMG Aiken & Peat has scored a coup in Mozambique — of a financial kind.

It has won an assignment to provide specialist financial management and banking consulting services for the next two years to all three commercial banks in the country, as well as to the central bank. KPMG Aiken & Peat Mozambique was established less than a year ago.

The accounting firm has mopped up a large slice of the investment consultancy market. About 80% of the firm's new client inquiries originate from SA.

KPMG Aiken & Peat managing partner Paul de Sousa says: "The number of heavyweight SA corporations turning up at our offices is increasing. Many are relative newcomers to foreign investment."

The recent spate of interest in investment in Mozambique derives from the government's privatisation drive, says Mr de Sousa.

The Mozambique Government recently introduced an investment code which offers foreign investors tax holidays, freedom to remit dividends, guaranteed repatriation of capital and other incentives. They include the SNAAD programme which allows virtually unlimited access to foreign currency for certain classes of investments.

"Evidence of increasing visible and invisible trade with SA is that the Bank of Mozambique limits the dollars which its foreign-currency account holders can cash each month. But it places no limit on the amount of rands that can be cashed."

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• S/Times (BusTimes) 279

5/5/91

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Micor in front

279A
5/5/91
ST Times (Bus Times)

RENEWED political and economic ties between SA and Madagascar and a booming economy in Mauritius have prompted Micor to strengthen its presence on the Indian Ocean islands.

Micor has appointed one of Mauritius' largest freight forwarding companies, Cargo Express, as its agent and ships more than 20 containers a month to the island.

Micor general manager of sea freight Peter West says biggest growth is in consolidations in which several exporters share a single container. The cargo is deconsolidated when it reaches the island.

Trade between SA and Madagascar is expected to improve and Micor has appointed SCTT as its Malagasy agent.

usiness Times Feature

R150m for a holiday town on the coast

SEVERAL South African businessmen plan to invest R150-million in a coastal development in southern Mozambique.

South Africans will be able to buy prime beachfront properties under a 99-year lease.

The first phase of the development involves buying and refurbishing more than 400 deserted houses between the coastal towns of Mangusi and Ponto Do Ouro in an area infested with Renamo bandits.

Part of the plan involves cleansing the area of bandits from the southern tip of Mozambique up to Maputo. Built into the budget is an initial R2,25-million to train and equip the Mozambique army for the job and running costs of R2,7-million a year to keep the area free of insurgents.

Behind the project is entrepreneur David Guthrie, who conceived the idea 2½ years ago. A company called Mozambique Leisure has been set up to plan and finance the project.

Mr Guthrie says: "We encountered many problems in getting this off the ground. For example, we had to help the government draft a Land Tenure Act to permit 99-year leasehold.

"We also drafted a Casinos Act, which is modelled on the Swazi one."

The plan includes building a hotel-casino complex with 500 beds.

Mr Guthrie says the potential income for Mozambique is R500-million a year, the net present value of tourism earnings in the country in the early 1970s.

Work on the project will begin later this year. The refurbished houses will be rented out initially for about R120 a day and later sold.

Considerable investment has to be made in building roads and providing sewerage and power.

ST Times (Sun Times) 5/5/91

Drive

Further housing developments are planned in a subsequent phase of the development. For South Africans cut out of the running for a coastal property because of high prices and overcrowding, beach-front houses in southern Mozambique will be affordable at about R150 000, says Mr Guthrie.

The directors of Mozambique Leisure include Steve Phelps of Unidev, Dean Mayer (formerly with Quantum Housing), Robin Vorster of architects Stauch Vorster and Alan Bernstein of JH Isaacs.

The resort will be a six-hour drive from Johannesburg.

Mozambique Leisure also plans to develop the 350 000-hectare Maputo Elephant Reserve. The Natal Parks Board will restock the reserve.

Kaizer Nyatsumba examines Thabo Mbeki's views on future foreign policy

New SA must achieve fine balance

Star 9/5/91.

THE new South Africa would have to maintain cordial relations with its African neighbours and all other countries and desist from considering itself a regional power in southern Africa, says ANC international affairs director Thabo Mbeki.

In a paper on "South Africa's International Relations — Today and Tomorrow", published in the latest issue of South Africa International, Mr Mbeki says a democratic South Africa would have to deal with the consequences of 30 years of various punitive measures taken by the international community to isolate the country.

That process, Mr Mbeki says, would have to "begin during the transitional period".

He says the international community is obliged to assist South Africans to effect transformations which would arrest apartheid and institute a social order which would uphold the objectives contained in the Universal Declaration of Human Rights and the Charter of the United Nations.

Mr Mbeki placed emphasis on the need for South Africa's involvement in the world's economic structure, and for ties with the economies of southern African countries.

He says the South African economy's growth has depended, to a certain extent, on its ability to export capital, manufactured goods, food and services to southern African countries, to maintain communication and transport links with them and import labour.

Mr Mbeki warns, however, that South Africa will have to stop being a military and economic threat to its regional neighbours.

To this end he advocates the reduction of the size of the new South African Defence Force "so it ceases to constitute a threat to any other country" and the maintenance of an open society economy which can grow and develop in a situation of contact with the world economy in all spheres, including access to world capital as well as financial and trade markets.

"At the end of the day," says Mr Mbeki, "the basic task of South African foreign policy would be to ensure that our country and its people live with the rest of the world in conditions of peace, friendship and co-operation.

"During the course of the world struggle against apartheid, millions of people were mobilised into what was in fact an international movement of friends of the people of South Africa.

These millions must remain mobilised as part of the process of establishing relations from people to people and as a resource that will help us to generate the resources we need for reconstruction and for ending the pariah status of South Africa."

The New South Africa, says Mr Mbeki, would have to establish relations with all countries and join organisations like the Organisation for African Unity, the Non-Aligned Movement, the United Nations, the Lomé Convention and the African Development Bank in addition to remaining a member of the International Monetary Fund and the World Bank.

The new country would also promote the objective of having Africa and the Indian Ocean as nuclear-free zones which would be free of foreign military forces and bases. □

Violence in SA must stop, says Kaunda

Star 10/5/91

279A

Star Africa Service

LUSAKA — President Ibrahim Babangida of Nigeria and PLO chief Yasser Arafat will join the ANC's Nelson Mandela and representatives of the Inkatha Freedom Party and the Pan Africanist Congress at a meeting of Frontline heads of state in Lusaka tomorrow to discuss violence in South Africa.

Diplomatic sources in Lusaka said the purpose of the meeting was to impress on South African leaders the need to maintain the momentum of peaceful constitutional negotiations.

This follows on from a meeting of the Frontline states Foreign Ministers in Gaborone in April to prepare for a summit meeting on sanctions.

All the Frontline heads of state except President dos Santos of Angola will attend tomorrow's meeting, which will be chaired by President Kenneth Kaunda of Zambia.

Deploring the continuing violence in South Africa, President Kaunda said: "This must stop if we are to attain our goals. Why should black kill black?"

South Africa's black leaders were mature politicians who should get together to iron out their differences if the country was to see real peace, he said.

R10bn trade wit

ST Times 12/5/91

279A

With AFRICA

Once hostile states now roll out the red carpet

By MIKE ROBERTSON
Political Correspondent

SOUTH AFRICA's trade with the rest of Africa has soared and now stands at R10-billion.

In some cases, trade has doubled within a year and in others it has leapt by a quarter. The prospects of forging full diplomatic ties with formerly hostile countries such as Egypt, Morocco, Nigeria and Kenya are now at an all-time high.

Building on a new acceptance of South Africa after President FW de Klerk's moves to dismantle apartheid, Foreign Affairs officials have criss-crossed the continent, visiting 29 countries.

The breakthroughs they have achieved were evident in Cape Town this week when 17 African trade mission heads arrived to attend the debate on the Foreign Affairs budget vote.

Apart from the TVBC states, South Africa now has representatives in Lesotho, Swaziland, Zimbabwe, Mozambique, Malawi, Mauritius, Madagascar, Comores, Togo, the Ivory Coast and Zaire.

The Ivory Coast representative is also accredited in Sao Tome while the Zairean mission head is accredited in Rwanda. The Department of Foreign Affairs also has a representative in Jamba.

Within months South Africa is expected to establish a mission in Rabat, Morocco. And Nigeria sent a representative to the opening of Parliament this year.

Double

Foreign Affairs deputy director-general for Africa, Rusty Evans, said the department was now concentrating on improving links with major countries on the continent such as Egypt, Nigeria and Zaire. Mr Evans said South Africa also placed high priority on establishing a mission in Angola.

Along with increased diplomatic representation, South Africa is enjoying burgeoning trade with the continent and has secured widespread landing and overflying rights.

South African tourists are also being welcomed in more countries in Africa than ever before.

South Africa's "visible" trade with African countries — excluding those in the customs union — rose by 24,7 percent to R5,088-billion last year.

The Republic traded with every African country except Equatorial Guinea and Djibouti.

However, Mr Evans estimates that, when invisible earnings — from transport and electricity supply — are included, total trade with Africa last year amounted to about R10-billion. Visible trade with the Frontline states grew by 13,4 percent.

Trade with the Indian Ocean islands was up 19,6 percent and trade with Madagascar more than doubled following Mr De Klerk's visit to the island.

South Africa's trade with East Africa increased by 26,5 percent, while that with West and Central Africa was up 23 percent.

In the first three months of this year there were 21 visits to South Africa by representatives of 12 African countries.

Trade delegations from Gabon, Guinea Bissau, Cape Verde, Congo-Brazzaville, Morocco and Mauritius visited South Africa in the past year.

And the prospects of South African Airways being able to fly over the continent are now better than ever.

Visas

South Africa has concluded agreements on overflying and landing rights with the Ivory Coast, Togo, Sao Tome, Gabon, Congo-Brazzaville, Rwanda, Zaire, Kenya, Comores, Madagascar, Reunion, Mauritius, Cape Verde and the Seychelles.

African countries which now grant tourist visas to South Africans include Kenya, Morocco, Egypt, Zaire, Madagascar, Ivory Coast, Mauritius, Comores, Seychelles, Cape Verde and Rwanda.

● See also Page 7

Frontline states want sanctions to remain

LUSAKA — Leaders at the Frontline states summit in Lusaka on Saturday urged for continued sanctions against SA until apartheid was totally eliminated.

The summit also appealed to African countries rushing to establish trade missions in SA to refrain until apartheid legislation, including the Public Safety Act and Internal Security Act, was abolished.

Briefing the Press after an eight-hour meeting characterised by haggling as to why sanctions should be maintained, Zambian president Kenneth Kaunda stressed that liberation movements had called for sanctions to be kept in place as lifting them "would undermine the freedom struggle" in SA.

Nigerian foreign minister Ike Nwochukwu said he would prefer the phasing out of sanctions rather than wholesale cancellation. But the consensus of the meeting was that President F W de Klerk had done a commendable job and should be praised for the steps he had taken in demolishing the apartheid system.

There was also an appeal to the SA government to stop the "carnage" of the unrest. — Sapa.

Frontline regret over crumbling sanctions

Star 13/5/91.

Star Africa Service and Sapa

LUSAKA — The Frontline states have acknowledged that worldwide economic sanctions against South Africa will soon be lifted.

But, in the words of President Kenneth Kaunda of Zambia, chairman of the group of seven southern African countries, the Frontline states were "very sorry about the rush by other countries to normalise relations with Pretoria".

It was "undermining the struggle of the South African people".

Nigeria, which is a distant member, conceded at the meeting of the Frontline states in Lusaka on Saturday that President de Klerk had removed the obstacles to the total abolition of apartheid.

Diplomats quoted Nigerian Foreign Minister Ike Nwochukwu as saying: "We have to accept the facts as they stand now, but must not be seen to be the laughing stock.

"We should start phasing out the sanctions against Pretoria. But Nigeria is against lifting the sanctions at once."

Nigeria also proposed that the Inkatha Freedom Party (IFP) be invited to attend the next Organisation of African Unity meeting.

"Let them tell us what they want, or what they expect us to do to help this daunting situation in South Africa."

Botswana, Mozambique, Namibia, Zambia and Zimbabwe are very embarrassed because their trade with SA is greater than that with their black neighbours.

Angola and Tanzania are the only Frontline states with little trade, but their diplomats admitted that they would soon have to trade.

The talks were attended by ANC internal leader Walter Sisulu and PAC president Clarence Makwetu.

The presence of Palestine Liberation Organisation chairman Yasser Arafat was a surprise.

The IFP sent no delegation, although Inkatha officials arrived in Lusaka and are expected to meet Dr Kaunda today.

The ANC and PAC both objected to the idea that sanctions should be lifted.

ANC secretary for international relations Thabo Mbeki said: "This will undermine our struggle at home. Even this violence is fanned by the South African Government."

The ANC and PAC have claimed that Pretoria is responsible for the escalating violence in black townships, and they charge that Koevoet squads are being deployed to kill blacks.

"Zulus are not killing the ANC members at all. It is the South African agents who are killing blacks in the name of Zulus and the IFP," Mr Mbeki said.

sold by two supermarket chains in a flurry of activ- ber senior vice-presi-

Frontline consensus on sanctions

279A
13/5/91

LUSAKA. — Frontline states governments have acknowledged that worldwide economic sanctions against South Africa will soon be lifted.

The economic embargo first sharply divided the seven-nation political organisation — some of them describing the sanctions as costly to their fragile economies — but others argued that the world would condemn them for taking the lead.

Nigeria, which attended the the Lusaka meeting on Saturday night, frankly conceded that Mr F W de Klerk had removed the obstacles to the total abolition of apartheid.

Diplomats quoted Nigerian Foreign Minister Mr Ike Nwochukwu as saying: "We should start phasing out the sanctions against Pretoria. But Nigeria is against lifting the sanctions at once."

Nigeria has further proposed that the Inkatha Freedom Party be invited to attend the OAU meeting in Abuja.

The delegates submitted to this suggestion but cautioned that total lifting of sanctions could adversely undermine the struggle against South Africa internally.

Botswana, Mozambique, Namibia, Zambia and Angola were embarrassed by the fact that their trade with South Africa exceeded that with their black neighbours.

The ANC and the PAC vehemently objected to the idea that sanctions, at any cost, should be lifted.

The ANC and PAC convinced the heads of state that Pretoria was responsible for the escalated violence in black townships across South Africa.

"Zulus are not killing ANC members ... South African agents are killing blacks in the name of Zulus and Inkatha," ANC member Mr Thabo Mbeki said.

The summit agreed to call the Inkatha Party for a meeting in Lusaka.

President Kenneth Kaunda, as chairman of the frontline states, pleaded with all black parties to form a united "patriotic front" to effectively wage a common onslaught against apartheid.

In the same vein, Dr Kaunda appealed to Mr De Klerk "to stop this human carnage". — Sapa

South Africa to help develop neighbours

2799 ARGUS 14/5/91

Confidence of foreign donors sought for projects

By MICHAEL MORRIS
Political Correspondent

SOUTH Africa is playing a pivotal role in development in southern Africa by helping to regain the confidence of international donors for projects beyond the country's borders.

It has emerged that the World Bank in particular is keen to see South African involvement in projects in the Front Line states.

This was among points raised during a special briefing in Cape Town this week of South Africa's senior diplomats in Africa.

They have also heard that the focus of South Africa's diplomatic efforts in Africa has shifted from seeking a political rapprochement to economic and developmental co-operation.

Mr Walter Louw, chief director of the Department of Foreign Affairs' specialist services said South Africa had a key role to play in southern Africa.

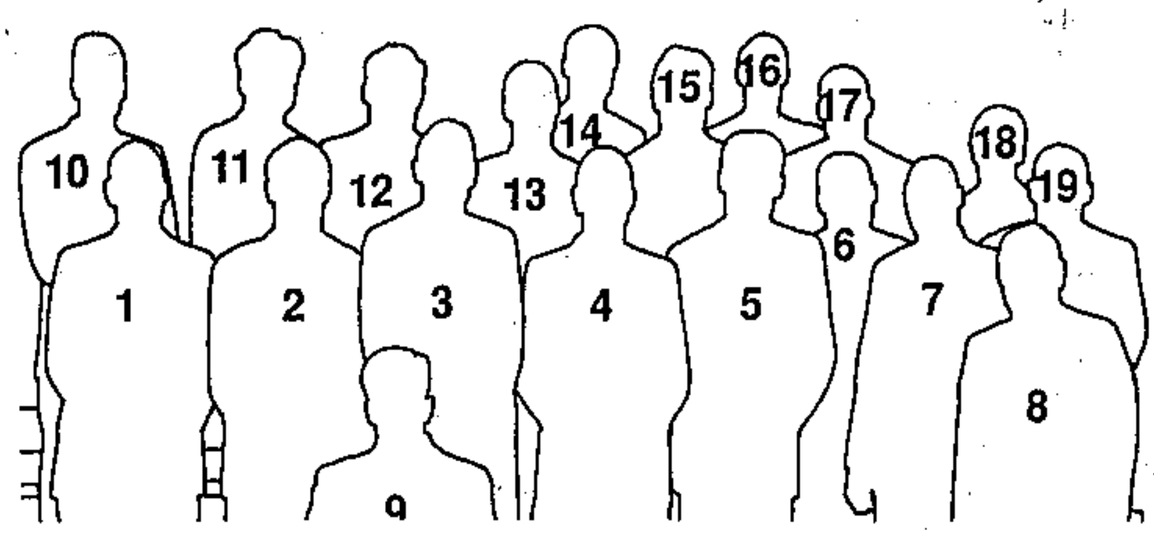
He acknowledged that given the "immense" needs within the country's borders, South Africa had limited resources to deploy elsewhere in the region, but added: "Unlike the rest of the world, we have a direct interest in regional development — we are, after all, a part of Africa.

"Among our contributions is to help determine developmental priorities, and then to cooperate on projects themselves. The Lesotho Highlands water scheme is a good example.

"We have found these projects have a much better chance of getting money from abroad if we are involved.

"South Africa can play an important role by regaining the confidence of donors."

He said two recently-launched projects in Zambia and Mozambique had won World Bank blessing because of a commitment from South Africa to contribute expertise.





Picture: ANDREW INGRAM, The Argus.

OUR MEN IN AFRICA: The Department of Foreign Affairs' heads of mission in Africa are, from left, back row, Mr C P Barnard, Consul-General in Blantyre, Malawi (10), Mr J W van Deventer, Representative in Lome, Togo (11), Mr R J J van Vuren, Deputy Trade Representative in Maputo (12), Mr P v R Goosen, Ambassador in Bisho, Transkei(13), Mr C A Paterson, Representative in Abidjan, Cote d'Ivoire (14), Mr M Boni, Consul in Moroni, Comores (15), Mr M le Roux, Representative in Antananarive, Madagascar (16), Mr C J van Wyk, Trade Representative in Port Louis, Mauritius (17), Mr W H Kotze, liaison officer in Jamba, (Unita-held) Angola (18), Mr J A Eksteen, Representative in Windhoek, Namibia (19), front row, Mr G J J Geldenhuys; Trade Repesentative in Maseru (1), Mr E du Toit, Trade Representative in Mbabane, Swaziland (2), Mr N M Nel, Trade Representative in Harare, Zimbabwe (3), Mr H A Hanekom, Representative in Kinshasa, Zaire (4), Mr L H Evans, Deputy Director-General, responsible for Africa (5), Mr R F Smith, Ambassador in Thohoyandou, Venda (6), Dr W D Kotze, Ambassador in Mmabatho, Bophuthatswana (7), Mr G P D Terblanche, Ambassador in Umtata (8). Front, Mr G C Strobel, Ambassador in Lilongwe, Malawi (9).

Southern Africa targeted by bank

Bloan 15/5/91

279A

GRETA STEYN

THE African Development Bank (AfDB) looks set to expand its activities in southern Africa — including joint financing of projects with the Development Bank of Southern Africa.

This was the message brought home by Development Bank GM Andre la Grange, who attended the AfDB's AGM this month in Abidjan. It was the first meeting to which the AfDB invited a representative from SA.

The Development Bank and the AfDB, which follows the OAU Charter on relations with SA, will pool expertise in the coming months.

La Grange said: "The interaction that we agreed on is first of all to conduct a few economic and technical studies on the possibilities that co-operation might offer for regional integration and regional trade, for the whole question of labour mobility, and of monetary and fiscal policies in the southern African region."

La Grange said his reception at the meeting had been nothing short of "magnificent" and that he had had contact up to the level of the Bank's vice-president. Discussions had also been held with delegates from all the Frontline states. "There are indications that the AfDB is showing a greater interest in southern Africa."

He noted he had picked up an "undertone" about SA being so dominating in the region and said it would have to take care not to become a "big, bad brother".

The AfDB is expected to visit Namibia during the year and talk is that it could visit SA at the same time. But despite the thawing in relations, the AfDB is still careful about discussing its links with SA.

A report in a special newspaper covering the AGM quoted the Bank's vice president, Adewale Sangowawa, as saying: "There are certain projects in which we are investing which they are also financing." He added there could be no "official" co-operation talks with SA.

Projects in which both the AfDB and the Development Bank have invested include the Lesotho Highlands Water Project and agricultural development projects in Mozambique.

The most recent example is Friday's announcement of the sugar rehabilitation programme in Mozambique, which the Development Bank will finance to the tune of R2,9m. The AfDB is also involved in providing finance and technical assistance for the overall rehabilitation programme.

❑ In an unrelated development, it was announced that Development Bank CE Simon Brand would replace Jan Lombard as one of SA's World Bank governors.

Govt meddling in SADCC airlines must stop report

279A
Bday 16/5/91

LINDEN BIRNS

SOUTHERN African airlines, excluding SAA, stand to lose at least $40m a year, with some even being forced out of the industry unless government interference is ended and inter-airline co-operation fostered, a World Bank report has warned.

The draft report, quoted in a recent edition of Airline Business, probed African airlines' viability and the difficulties of justifying new aircraft acquisitions.

It focused on the national carriers of the 10 members of the Southern African Development Co-ordinating Conference (SADCC).

At an airline policy conference in Cape Town last month, some SADCC airline spokesmen said discussions would be futile unless all parties were familiar with the report.

The report criticised new aircraft purchases which it said could not be justified by low traffic volumes.

SADCC airlines will have committed about $400m to new aircraft in the four years up to and including 1992. To justify this cost, the new aircraft will have to fly up to 4 000 hours at 70% load factors.

To meet this target, passenger revenue will have to be increased by 60%, the report said.

It added that while improved air links were important to developing countries, loss-making operations could not be justified. Government investment through subsidies was only justified if sufficient returns were generated.

It calls for a fundamental change in the relationship between airlines and their respective governments, the joint use by SADCC member countries of aircraft and other assets and the need to charge commercially realistic fares.

The draft also proposed an end to unproductive government interference in airline management.

This year Zambia Airways CEO Godfrey Malundika was sacked by the government after he tried to stop the airline buying bulk aircraft fuel outside Zambia where it was substantially cheaper.

Sacked

Zambia's National Airport corporation has since lost 50-million Kwacha in landing and take-off fees as Zambia Airways' management was forced to stop the airline's New York flights in order to maintain a sufficient cash flow to pay for jet fuel in Zambia.

Last month Kenyan President Daniel Arap Moi sacked the entire Kenya Airways board of directors as he felt he had not been sufficiently consulted on an aircraft leasing contract.

SAA CE Gert van der Veer recently proposed a closer working relationship between SAA and SADCC airlines in order to protect the air transport industry from being taken over by the world's major airlines.

Last year the Economic Community for Africa (ECA) found that African airlines showed an inability to adapt to market trends.

ECA reported that developing regions outside Africa were preparing to tackle an industry dominated by the US and Europe through mergers and joint ventures, with an emphasis on greater co-operation in the use of modern aircraft and equipment.

Air Botswana has been the first SADCC airline to heed ECA's warnings and has signed joint venture contracts with several other southern African airlines in order to offset the capital outlay for two new British Aerospace 146 commuter jets.

In terms of the contracts, these aircraft are used by other airlines in their scheduled services and manned by a crew drawn from Botswana and the other countries using them.

Generally, African airlines are equipped with obsolete equipment and follow out-of-date policies often drawn up by their previous colonial masters, the ECA report found.

It also stated that while the world's major airlines had broken free from government tariff controls, African airlines were still bound to these and to outdated bilateral agreements, making them less competitive.

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Ethiopia year

Bid to boost bilateral trade with Zambia

LUSAKA — A 12-member South African trade delegation will arrive in Zambia this weekend on a six-day visit to explore the potential for trade between the two countries.

The delegation, which arrives this Sunday, comprises representatives from the chambers of commerce of the Transkei and Venda, and the Southern Transvaal African Chamber of Commmerce and Industry.

Edgar Mumba, the chairman of the Mufulira Chamber of Commerce and Industry in Zambia, said on Monday night the delegation would discuss how trade could be boosted between the two countries.

"South African businessmen are itching to open trade with Zambia," Mumba said.

The Ministry of Commerce and Industry confirmed in Lusaka that it would host the delegation which would have extensive consultations with the government and the Zambian business community.

Zambia National Tourist Board MD Jack Shisholeka said he had received inquiries from many SA businessmen who wanted to invest in the tourist industry.

"Many of them have flooded my office with inquiries about how they can set up hotels and other facilities related to the tourism industry," Shisholeka said.

The Zambian government has said trade with SA will soon be opened and President Kenneth Kaunda recently predicted Zambia might open diplomatic relations with Pretoria in July. — Sapa.



German Christian Democratic Union parliamentary spokesman on Africa Volkmar Köhler and the ANC's Ahmed Kathrada in Pretoria yesterday after Kathrada met visiting German MPs who are on a fact-finding mission. At a news conference later, Köhler said economic relations with Germany and the EC were likely to be restored at the end of the year.

Picture: ROBERT BOTHA

German MPs are optimistic

GERALD REILLY

PRETORIA — Normal economic relations with Germany and the EC were likely to be restored at the end of the year if all apartheid laws were scrapped, German Christian Democratic Union parliamentary spokesman on Africa Volkmar Köhler said in Pretoria yesterday.

Köhler, who is heading a fact finding mission of German MPs, said the "gigantic" problems in education, housing and social services could only be tackled if SA's economy was strengthened.

Köhler said Germany would do all it reasonably could to stimulate development in southern Africa, including SA, when the last apartheid laws had been scrapped.

He stressed the importance of establishing strong regional economic co-operation in the subcontinent. However, it had to be based on equality of opportunity and on partnership between the regions involved.

There were businessmen interested in investing in SA, but no hard decisions could be taken until violence subsided significantly.

German development aid to SA was unlikely to increase significantly. Germany contributed about a third of the R200m which came annually from the EC.

This was mainly allocated to non-governmental organisations to stimulate black business and small business development.

ADE's export drive kicks off in Botswana

MARC HASENFUSS

ATLANTIS Diesel Engines (ADE) has launched its export drive into southern Africa with the appointment of the group's first engine distributor in Botswana.

Equipment Sales in Gaborone is ADE's first branch outside SA and is part of the group's strategy to open export markets to offset the depressed diesel engine market in SA.

ADE parts manager Johan Kellerman said yesterday the group was considering appointing distributors in other southern African countries which represented key growth opportunities.

Kellerman said there was considerable interest in ADE's product outside SA.

Replacement parts, marketed as Adepart, were readily available, and ADE had training programmes for its distributors' service and parts staff, he said.

Unitrans expanding operations into Africa

CT 29/5/91

By AUDREY D'ANGELO
Business Editor

TRANSPORT and freight company Unitrans is expanding into neighbouring African countries.

It has well established companies in Botswana, Lesotho and Swaziland. And last year it set up a new operation in Malawi, to cater for the country's thriving export trade.

Financial director J McManus said yesterday that this became profitable in December and has since been giving good returns.

But the company was hit by tough trading conditions in SA in the year to March 31, which put pressure on margins.

Although income rose by 19% operating profit rose by only 5%. The directors say lower prices received for second-hand vehicles, combined with higher interest rates, resulted in a 7% drop in earnings to 72,5c (78c) a share.

In spite of this, the final dividend has risen to 14c (12c) a share, making a total payout of 23,5c (19,5c) for the year, with reduced cover of 3,1 times (4 times) earnings.

CE Eduardo Garcia explains: "Although attributable profits were down, distributable profits — which are the profits after setting aside the surplus on the sale of vehicles — showed an increase. This, together with the improving cash flow, justifies the increased dividend."

Turnover rose to R257,1m (R216,1m). But profit before interest and tax was down to R41,7m (R42,3m).

Pre-tax profit was R28,8m (R34,5m) and attributable profit slipped to R26,4m (R28,3m).

Total assets have risen to R255m (R215,1m), but current liabilities exclusing short-term debt are up to R45,2m (R36,2m).

Interest bearing debt as a percentage of total permanent capital rose to 16,4% (9,9%).

Return on sales was 16,3% (19,5%), return on capital employed 21,5% and return on total assets 17,8% (23,6%).

Garcia said yesterday that capital expenditure "was still at a significant level" last year because the group was completing its modernisation programme. "This has now come to an end and it is expected that in the coming year capital expenditure will be substantially lower."

However, he warned, the company's tax rate is expected to increase this year and therefore "earninngs can be expected to be only marginally higher than in the year just ended".

McManus said R20m had been invested in setting up an operation in Malawi, with a fleet of 40 vehicles.

"Malawi has been a market for us, operating from SA, for some time.

"Malawi has a well established export trade. We have carried mainly international freight and we think prospects are very good for this operation."

Africa hopes to lead world body

South 6/6 - 12/6/91.

279A

DEFT diplomatic footwork, designed to install an African as the next secretary-general of the United Nations, is extending to important capitals around the world.

The second five-year-term of the incumbent, Javier Perez de Cuellar of Peru, expires at the end of the year, and there is no shortage of African candidates to take his place.

Among those who have been considered by ad-hoc search committees are Joseph Garba of Nigeria, former president of the UN General Assembly; Ghanaian Kenneth Dadzie, secretary-general of the UN Conference on Trade and Development; Bernard Chidzero, Zimbabwe's finance minister; Senegalese president Abdou Diouf; Tanzania's Salim Ahmed Salim, the current secretary general, of the Organisation of African Unity (OAU); James Jonah, the Sierra Leonean undersecretary-general of the UN; and Olara Otunnu, Uganda's former foreign minister who now heads the International Peace Academy in New York.

For now, the top African contender appears to be retired general Olusegun Obasanjo, a former Nigerian head of state who has won the endorsement of Nigeria's government.

Although the decision to back him has not yet been announced publicly, the government of President Ibrahim Babangida has begun an international lobby campaign on his behalf.

Persuade

Nigeria hopes to persuade African heads of state attending the OAU summit this month to unanimously accept Obasanjo as "Africa's candidate".

Although the UN Charter does not require a geographical rotation of the secretary-general's position, many believe Africa is due for a turn at running the world body. The past five UN chiefs have come from Europe, Asia and Latin America.

Africa, with the largest group of member countries, has never produced a secretary-general. "If we miss this time," says Ibrahim Gambari, Nigeria's ambassador to the UN, "Africa will not have another opportunity this century to fight for the UN post."

Perez de Cuellar has said he would prefer an African to succeed him. If the five permanent members to the Security Council refuse to agree to an African, De Cuellar argues, "Africa will feel excluded."

Why is Africa vying for what Tryve Lie, the first UN secretary-general, called "the most impossible job on earth", when its citizens are struggling daily against poverty and war?

Racist myths

The reason, analysts here say, include a belief that an African secretary-general can make a success of global assignments and, in the process, raise the continent's international profile and help shatter racist myths of black inferiority.

Gabriel Olusanya, former head of Nigeria's Institute of International Affairs, says that although the position has been traditionally administrative and not a strong decision-making one, "an African secretary-general can influence decisions where Africa is unfairly treated".

Others believe that holding such a powerfully symbolic international position will give the continent greater confidence to push its diplomatic and economic interests. Greater international co-operation for solutions to Africa's economic crisis is one of those aims. Another, according to diplomats here, is a permanent seat for Africa on the Security Council.

"A continent that accounts for roughly a third of the UN's membership ought to be represented in the most powerful chamber on a permanent basis," Gambari argues.

Strong leadership

Germany and Japan are also seeking permanent seats in the council.

With the wane of the cold war and with the UN's image enhanced following the Gulf crisis, and after such successes as supervising Namibia's independence process, there is a pervasive feeling that strong leadership could help the UN fulfill its original mission of maintaining world order.

Africa's trumpet blowers say the continent has many leaders of international stature on whom the cap would fit.

With these goals heading Africa's agenda, Obasanjo is hardly a surprise choice. A military general who voluntarily handed over power to a democratically elected government, the widely admired leader has chalked up an impressive international resumé since leaving office in 1979.

He has served on several international commissions on security and development issues. In 1988 he founded the Africa Leadership Forum, a respected think-tank that trains future African leaders and proposes strategies for the continent's development.

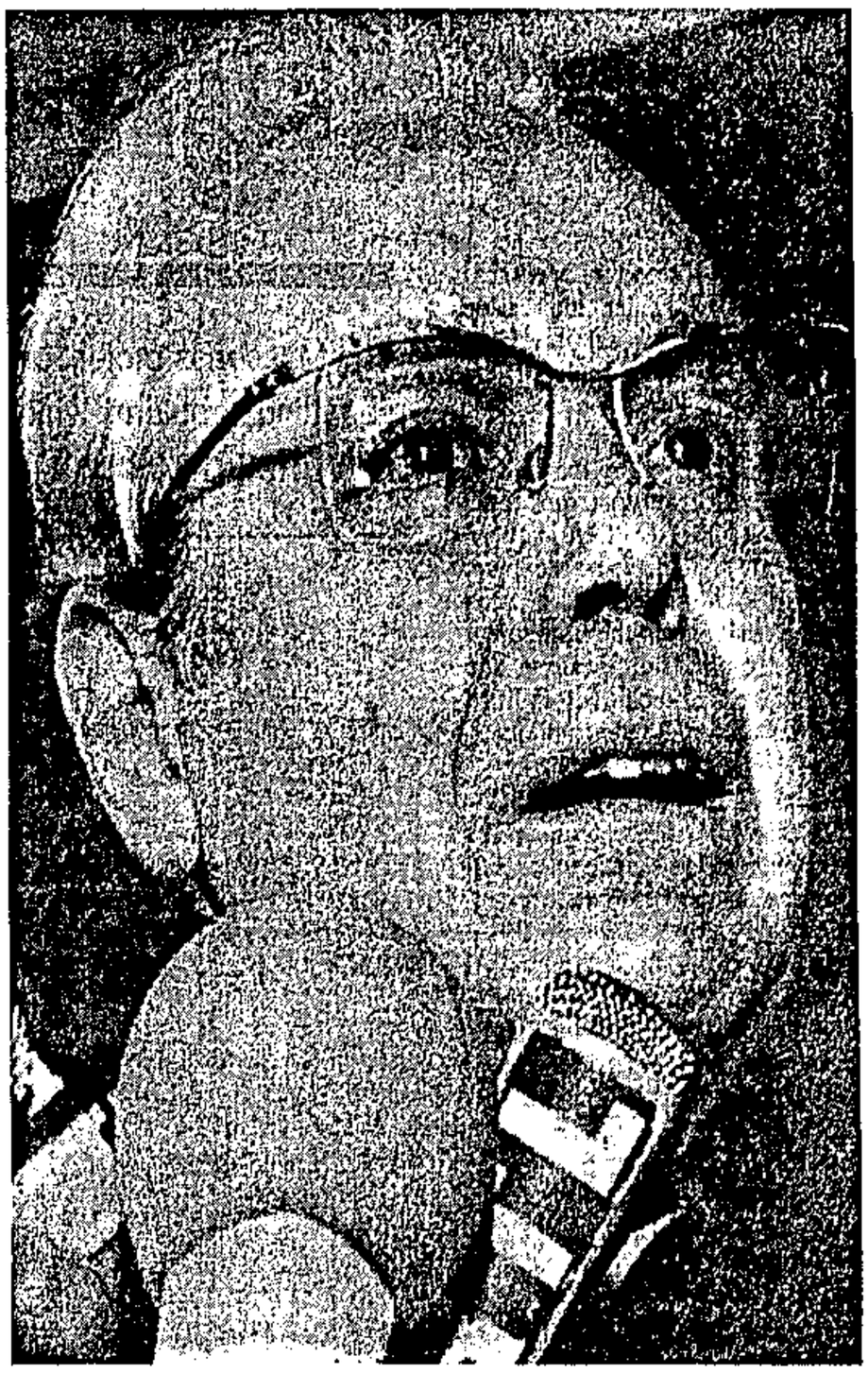
In the long run, much is riding on the decision of the five permanent members of the UN Security Council. A veto by one of the five will defeat any candidate.

In 1981, Tanzania's Salim, a popular choice of many UN members, was a candidate for the secretary-generalship against the incumbent, Kurt Waldheim of Austria, who was seeking an unprecedented third term.

Salim lost, due to a United States veto. China then vetoed Waldheim, leading to the emergence of Perez de Cuellar, a dark horse.

Many diplomats here believe it is unlikely the White House, under George Bush will follow Ronald Reagan's 1981 example and veto an African frontrunner. — *AFRICA NEWS*

Africa, the largest group of member countries of the United Nations, has never produced a secretary-general of that body. But now an international lobby campaign is underway to have an African candidate succeed Javier Perez de Cuellar at the end of the year. **KINGSLEY MOGHALU** reports:



PEREZ DE CUELLAR: An African successor?

Pro-sanctions Harare seeks new SA trade pact

Bday 7/6/91

MICHAEL HARTNACK

HARARE — There was an embarrassed silence yesterday from Zimbabwean President Robert Mugabe's government over SA Foreign Minister Pik Botha's claim that it is asking for "most favoured nation" status in a renewed trade pact with Pretoria.

Botha said in a BBC interview monitored here yesterday that on the same day Mugabe put his militant resolution on sanctions before the Organisation of African Unity (OAU) summit in Abuja, Zimbabwe approached Pretoria to renegotiate the 1964 trade agreement inherited from Ian Smith's Rhodesian government.

Confirming that the approach was made by the Zimbabwean Industry and Commerce Ministry on May 30, business sources in Harare said Zimbabwean industrialists were anxious to see the 1964 agreement updated.

Some tariff rebated scales had been rendered unrealistic by inflation, and new commodities needed to be included.

Trade between Zimbabwe and SA last year topped R1bn with SA remaining by far the most profitable market for Zimbabwean exports, although Britain and Germany edged it into third place as a source of imports.

SA recently streamlined visa procedures for Zimbabwean businessmen in a goodwill gesture towards Zimbabwe's economic liberalisation drive. Nevertheless black-market "shoppers" yesterday maintained the customary 200m queue for visas on the pavement outside the SA trade mission in Harare.

Observers here are dismayed that Mugabe chose to take the lead at Abuja in putting pressure on countries such as Madagascar, Kenya and Zambia, which are on the point of opening SA missions, when Zimbabwe itself has a long established and obviously thriving SA presence.

Export

Written requests for comment on Botha's remarks were made to Mugabe's office, to the Zimbabwean Foreign Affairs Ministry, and to the Industry and Commerce Ministry. There was no response.

The 1964 trade agreement, repromulgated word for word in a Zimbabwean government notice in 1982, specifically uses the term "most favoured nation" in referring to tariff rates the two countries will apply to a schedule of each other's exports.

Zimbabwean textiles are a particularly important export directed at the SA market.

Mugabe's militant resolution on continued isolation of SA was, in the event, toned down by his Nigerian hosts.

SA squeezing out Tanzania

B Day 7/6/94

DAR ES SALAAM — Tanzania's port of Dar es Salaam is losing business to SA as Zambian importers discover it is cheaper to buy goods from SA rather than Europe.

In the past, most of Zambia's imports came via Tanzania, providing the Dar es Salaam port authority with valuable revenue.

But port authorities said yesterday that the volume of Zambian cargo passing through Dar es Salaam had "slumped considerably" because importers were getting supplies directly from SA. — Sapa

FW has trade network plan

Sowetan 10/6/91.

NAIROBI - In ground-breaking talks with Kenyan leader Mr Daniel Arap Moi, South African President FW de Klerk has proposed that Africa should be divided into a network of trade blocs to obtain its share of world prosperity.

De Klerk said on Saturday after three hours of talks with Moi that South Africa, Kenya, Nigeria and Egypt could be the leaders of four interlocking trading regions that could compete against a united Europe.

Important

"We feel that we can play a constructive role in interaction with other fairly prosperous countries such as Kenya," he told reporters.

"I think it is important that we should have specific interaction with what could be described as other regional powers."

De Klerk noted that South Africa's 1990 gross domestic product of R300-billion almost equalled the R325-billion GDP of all the other 40 countries of sub-Saharan Africa.

South African Government sources have expressed increasing concern over the past year that Africa's economic decline and the opening of new markets and investment zones in Europe could cut access to aid and investment capital.

South African and Kenyan ministers of trade, industry, agriculture and energy met simultaneously on Saturday to identify areas for potential cooperation.

"The foundation is there now," said South African Trade and Industry Minister Org Marais. "I expect things to start moving soon."

De Klerk has travelled widely in the United States, Europe and Africa since he moved to end decades of political and economic isolation last year with a promise to end 42 years of apartheid.

But he said some powerful members of the 51-nation Organisation of African Unity had been slow to recognise the significance of the changes already made and the reforms in the pipeline. - *Sapa-Reuter*



President FW de Klerk with Kenyan President Daniel arap Moi after the South African leader arrived in Nairobi on Saturday for a two-day State visit.

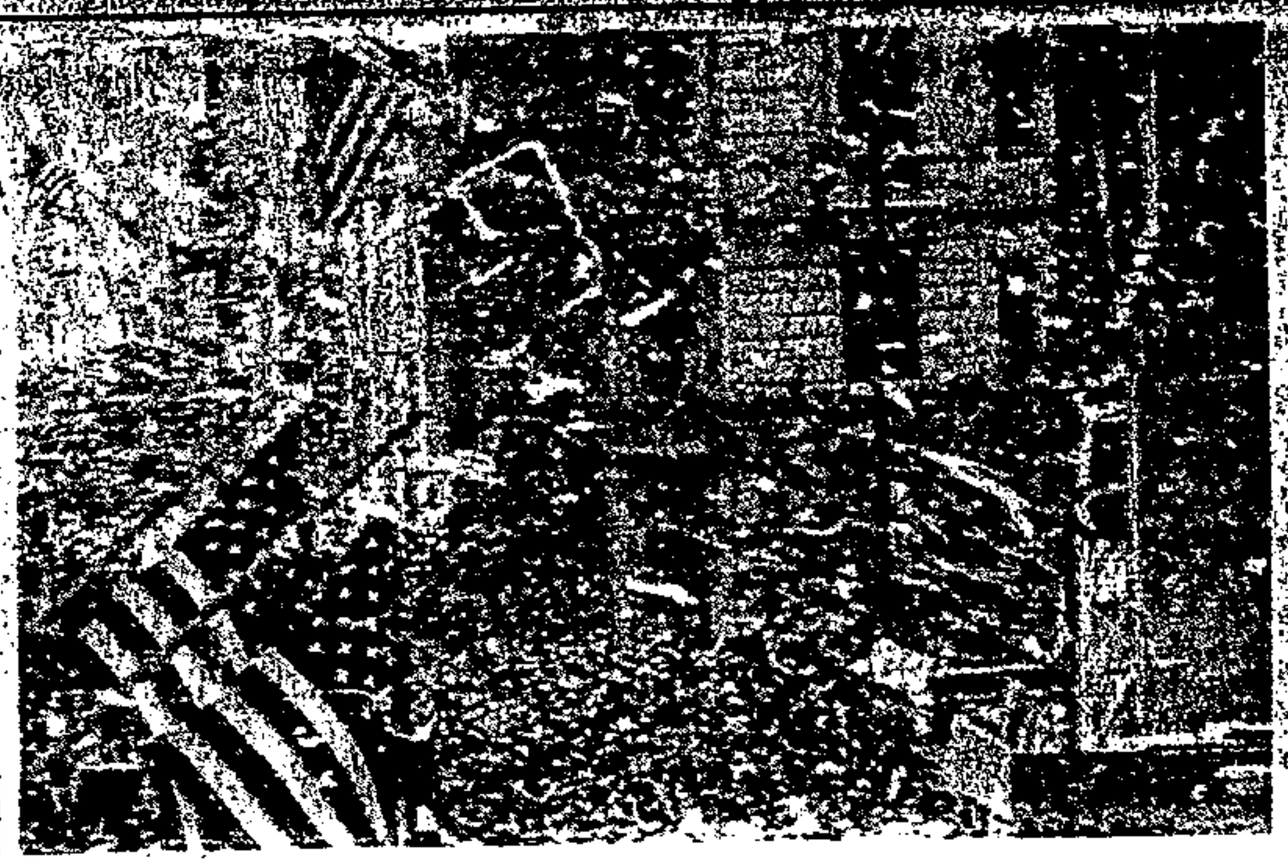
Boost for SA

279A CT 11/6/91

FW's regional plan takes off after Swazi visit

crack of dawn





PARADE - Americans yesterday celebrated their Gulf victory with a New York parade of about 240 000 marchers — more than half of them Desert Storm veterans, 6 000 tons of

From ANTHONY JOHNSON
Political Correspondent

MBABANE. — The plan to establish a Southern African economic union modelled on the European Community received a major boost yesterday at talks between President F W de Klerk and Swaziland's King Mswati III.

King Mswati is chairman of the 18-nation Preferential Trade Area (PTA) of Southern and East Africa, which represents 220 million people.

South African Foreign Minister Mr Pik Botha, who has visited Botswana, Kenya and Swaziland to sell the idea of a unified development region for the African sub-continent, told the Cape Times last night: "The momentum is complete. The dream is now being realised. Nothing can stop it any more — the momentum is too strong."

After yesterday's talks, King Mswati told a banquet at Lozitha Palace that he strongly supported President De Klerk's proposal for an economic common market for Southern Africa.

The 23-old-king said the leaders of the PTA and the nine-nation Southern African Development Co-ordinating Conference (SADCC) supported his stance that South Africa should adopt a role as a "major sub-regional power" in trade, economic co-operation and development.

The SADCC comprises Lesotho, Swaziland, Mozambique, Zimbabwe, Zambia, Botswana, Namibia, Angola and Malawi. All

To page 3

From page 1

these countries are also members of the PTA, and so are Kenya, Uganda, Rwanda, Tanzania, Madagascar and other smaller island states.

President Robert Mugabe of Zimbabwe is the only SADCC leader still opposed to closer relations with South Africa. It is understood that his hardline stance was repudiated by both King Mswati and Kenya's President Daniel arap Moi, whom Mr De Klerk visited at the weekend.

Yesterday King Mswati said he would use his chairmanship of the PTA to press home the message that South Africa should assume a leading role as the engine for economic development in Southern Africa.

Speaking later President De Klerk echoed the call for the urgent establishment of an economic unit in the region which would help to boost foreign investment and economic co-operation across a wide front.

He said a sense of pragmatism was now pervading the thinking of leaders in the Southern African region.

"Ideological barriers in the region are disappearing and we are being given the opportunity to prove to the developed world that our part of the continent has the potential to become a prosperous region.

"It is incumbent on us to get our house in order so that development capital and expertise will again start flowing freely into our economies."

Mr De Klerk said: "We must create the conditions and the necessary climate to regain the confidence and interest of the developed world."

The good relations between South Africa and Swaziland could be an example to the region, he said, but "perhaps new sturdiness is necessary to serve a wider region and to cement the peace and friendship which are needed to solve the problems which beset us regionally".

At yesterday's talks a series of new agreements were concluded with Swaziland on technical agricultural assistance, rural health and water-irrigation projects.

Mr Botha, speaking on the aircraft returning to South Africa, said: "The interdependence of countries in our region and the need to develop co-ordinated ground rules for economic development and co-operation have become the new imperative."

Swazi king backs FW's regional plan

ANTHONY JOHNSON

MBABANE — The plan to establish a southern African economic union modelled on the EC received a boost yesterday at talks between President F W de Klerk and Swaziland's King Mswati III.

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Sub-Saharan Africa facing daunting task

NEW YORK. — Sub-Saharan Africa, among all world regions, faces the hardest task in trying to raise living standards, provide adequate health and educational services and put people to work, according to a controversial report issued by the United Nations.

The 202-page document, titled Human Development Report 1991, seems certain to ruffle a few feathers: It blames bad government policy-making, overspending on armaments and military personnel and blatant inefficiency in state-run businesses run by incompetent but self-satisfied bureaucrats for problems in many countries.

Some members, however, will be pleased. Japan, for example, for the second successive year is listed No 1 in a human development index based on criteria like life expectancy, adult literacy, average number of years of schooling and per capita adjusted real gross domestic product.

For Japan, these are, respectively, 78,6 years, 99 percent, 10,4 years and 5 000 US dollars (R12 500).

South Africa comes in 57th in the list of 160 countries: 61.7, 85 percent, 3,7 years and 4 880 US dollars (R12 200).

While Zimbabwe is 111th, two places better than Kenya and 12 better than India, the country still earns high marks for the share of its public expenditure devoted to primary health care and basic education.

Botswana and Malaysia are ranked just below Zimbabwe, while Singapore, Brazil and even Kuwait (before the Gulf war) are lower-rated.

In sub-Saharan Africa as a whole, the report says, there are still 108 deaths for every 1 000 live births, more than half of an estimated 450 million population have no access to public health services and almost two-thirds lack safe water.

Unemployed Africans quadrupled to 100 million between 1979 and 1989.

In a revealing statistic about the so-called brain drain, the UN reports that four times as many Ghanaian medical doctors practise abroad than there are working at home.

Africa's problems are compounded by poor economic performance, political violence, wars, civil strife and rapid population growth, according to the UN, which advises that a major restructuring of economic policies is needed.

But all is far from well in some affluent societies.

A human distress index records that Canada led the world in the period 1980-1985 in drug-related crimes (307,9 in 100 000 people), followed by New Zealand (276,1). The Netherlands, often thought of as a major centre of the drug culture, came in with only 37,4 in 100 000, while Italy, home of the Mafia, recorded a low 13,9.

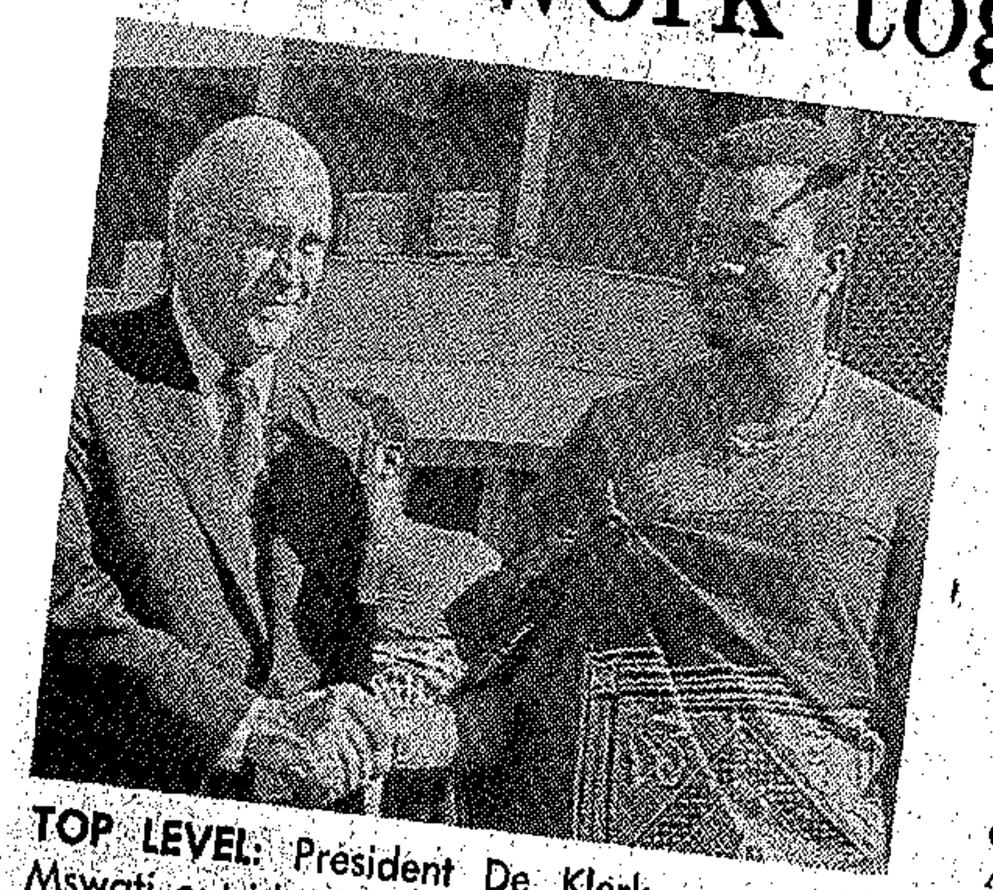
Hungary had the highest suicide rate in the period (45,8 in 100 000) and the US, unsurprisingly, recorded both the highest murder rate and the highest rape rate (9 and 113,7 respectively, in 100 000).

For the first time the annual report includes a human freedom index which gives pride of place to Sweden, followed by Denmark — each said to accord its citizens 38 out of an ideal total of 40 freedoms. — Sapa-Reuter.

PARLIAMENT

Let's work together — FW

279A ALG 11/6/91 (D)



TOP LEVEL: President De Klerk greets King Mswati outside the Swazi royal palace yesterday.

Political Staff

SWAZILAND. — The emergence of a unified Europe next year and recent changes in eastern and central Europe and the Soviet Union meant that southern African countries had to group together and co-operate more closely to survive, President De Klerk said yesterday.

Speaking at a luncheon at the Lozitha State Palace he said Swaziland and South Africa had always had close and friendly relations and ideological barriers in the region were disappearing.

South Africa, he said, wanted to play a role "in full harmony and equality" with its neighbours, and placed its knowledge, experience and expertise at the disposal "of our African friends".

The majority of African leaders not only accepted the irreversibility of political change in South Africa, but they also looked forward to the country playing a meaningful role in African affairs.

South Africa was now on the way back to international acceptance and its return to "regional multilateral organisations" was imminent, he said.

He said peace in southern Africa was in sight and the region had to prove that it had the potential to become "a prosperous region".

he was aware that developments in South Africa had far-reaching consequences for the region.

President de Klerk briefed his hosts and the diplomatic corps about developments in South Africa, saying his government was doing everything in its power to end violence and get constitutional negotiations off the ground.

He had been "heartened" by the enthusiasm with which Kenyan President Daniel Arap Moi had agreed with him on the need for the economically-stronger African countries.

Swazi King Mswati III said there was "a real softening of attitude" towards South Africa in Europe. He had told European leaders during a visit that South Africa was on the road to reform.

Pretoria touts its plan to cure Africa's woes

ANTHONY JOHNSON

CAPE TOWN — President F W de Klerk and Foreign Minister Pik Botha are aggressively marketing the concept that Africa's best chance of economic survival is to divide into regional economic blocs modelled on the EC.

Within each common market, the most powerful national economy would act as an "engine of development" for the region.

While the various "dynamos of development" would help to co-ordinate the continent's economic revival, regional self-interest would remain paramount.

In their recent African safaris — many of them unpublicised — SA politicians have proposed that the continent be carved up into at least four economic blocs, each with an integrated plan to encourage trade and attract foreign investment.

Unsurprisingly, Pretoria is proposing SA as the "locomotive" of development for southern Africa, with Kenya fulfilling this role in East Africa, Nigeria in West Africa and Egypt in North Africa.

Just how Zaire and some of the other Francophone countries will fit into this game plan is still unclear.

But the proposal has clearly struck a responsive chord in a number of African states, particularly with those considered suited to leading regional development.

SA Foreign Affairs officials say there is a growing appreciation for the proposition that Africa, as a unit, is too large, diverse and unwieldly to put together an economic rescue plan.

African leaders are now having to come to grips with the fact that the continent, after decades of economic decline since the heady days of independence, is no longer regarded as interesting by investors or even development economists.

The imminent economic union of Western Europe, and the developed world's preoccupation with rebuilding the economies of Eastern Europe, have highlighted the possibility that Africa, with all its problems, could be bypassed.

In its contacts with African leaders, Pretoria has been at pains to emphasise that unless countries in the proposed development zones give the outside world the impression that they are relatively stable and working constructively towards specific targets, they face a bleak future.

Botha is upbeat about the prospects of the SA approach to Africa. Indeed, buoyed by the success of his latest African expedition, he was confident enough to say: "I love it when a plan comes together."

Zimbabwe nod to full SA ties

HARARE — Zimbabwe is standing firm against SA's diplomatic drive into Africa, holding back on formal contact until various anti-apartheid movements give the green light.

Diplomatic sources said Pretoria felt Zimbabwe was perhaps not giving enough credit for moves to dismantle apartheid.

Harare had approached Pretoria to renegotiate a 1964 trade agreement vital for the success of the five-year ecomomic reform programme Zimbabwe embarked on earlier this year. But at the same time Zimbabwe was making a hard-line call at the OAU summit to maintain sanctions.

SA is Zimbabwe's biggest trade partner.

President Robert Mugabe has welcomed changes but said they fell short of full eradication of apartheid.— Sapa-Reuter.

Former foe gives African readers a survey on SA

BD Gen 12/6/91

ROBERT GENTLE

A SPECIAL edition survey on SA in the influential African publication Jeune Afrique signals an end to years of open hostility by the magazine.

The 50-page survey in the current affairs journal will bring SA to the attention of Francophone Africa and will also be sold in SA.

The magazine says "a long debate" was necessary before it decided to run the survey. It admits that its readers may be "shocked" to discover advertisements from SA companies.

"One thing is sure: it is not our convictions that have disappeared, but that SA has changed," says the introductory editorial.

The survey contains interviews with President F W de Klerk, ANC deputy president Nelson Mandela and Inkatha president Mangosuthu Buthelezi.

It also lifts the veil on SA's increasingly fruitful trade contacts with the rest of Africa, speaking of "liaisons" that have become "less and less discrete".

SA industrial companies like Eskom, AECI, Tiger Oats and research centre CSIR are described as "dynamic" to "high-tech". Engen, Senbank, Dulux Paint and Consol have advertised in words that leave no doubt they are angling for future African business.

The survey ends with a questionnaire addressed to Jeune Afrique readers asking whether African presidents should meet De Klerk and whether readers would be prepared to visit SA.



Midweek Politics
By ANTHONY JOHNSON

279A CT 12/6/91

Tentative nod to Pretoria's plan to restore Africa to life

PRETORIA is attempting to establish itself as a fully-fledged player in the African political and economic arena by pushing what would at first glance appear to be a risky proposition — that the Pan Africanist ideal is dying.

This is not to say that African nations should not co-operate in an effort to arrest the the continent's slide into economic hopelessness or mobilise collectively in a bid to prevent the continent being marginalised by the powerful industrialised nations.

Rather, President De Klerk and Foreign Minister Mr Pik Botha are marketing the argument that Africa's best chance of survival is for the continent to be divided up into regional economic power blocs modelled on the European Community.

Within each mini-common market, the most powerful national economy would act as a sort of "engine of development" for the region.

While the various "dynamos of development" in the different regions would co-operate and help to co-ordinate the continent's economic revival, regional self-interest would remain paramount.

Aid goes elsewhere

In their recent African safaris — many of them unpublicised — the South Africans have proposed that the continent be carved up into at least four, but possibly more, economic blocs, each with an integrated plan to encourage trade and attract foreign investment.

Pretoria is proposing South Africa as the "locomotive" of economic development for Southern Africa, with Kenya fulfilling this role in East Africa, Nigeria in West Africa and Egypt in North Africa.

Just how Zaire and some of the other more economically successful Francophone countries would fit into this game plan is still unclear.

But the proposal has clearly struck a responsive chord in a number of African states, particularly with the economic power nodes earmarked as being suited to playing a leadership role in kickstarting regional development.

Foreign Affairs officials engaged in much of the recent behind-the-scenes diplomatic activity in Africa submit that there is a growing appreciation for the proposition that Africa, as a unit, is too large, diverse and unwieldy to put together a plan likely to rescue the continent from economic stagnation.

African leaders are finally having to come to grips with the fact that the continent, after decades of economic decline since the heady days of political independence, is no longer regarded as particularly exciting, sexy or even interesting by a growing number of development economists, international aid and development agencies, or hard-nosed investors.

The imminent economic union of Western Europe and the developed world's preoccupation with rebuilding the economies of Central and Eastern Europe has served to highlight that Africa, with all its possibilities and problems, could largely be bypassed in future.

Economics first

In its contacts with African leaders, Pretoria has been at pains to emphasise that unless countries in the proposed development zones give the outside world the impression that they are relatively stable and working constructively together towards specific targets, they face a bleak economic future.

This implies that the collective economic self-interest of countries in the various African development regions would have to override the politico-ideological considerations which have played such an important role in the past.

Mr Pik Botha seems upbeat about the prospects of the new approach to the economic crisis facing Africa taking root. Indeed, buoyed by the success of his latest African expedition, he was confident enough to say: "I love it when a plan comes together."

Commonwealth is eyeing a new SA

Sowetan 13/6/91 279A

SOWETAN FOREIGN STAFF

LONDON - Is there life beyond apartheid for the Commonwealth?

Once apartheid has gone, what will hold the Commonwealth together?

These are some of the questions the quaintly named 10-member Commonwealth High Level Appraisal Group would have asked itself in London this week if its meeting had not been postponed (because of unexpected difficulties the Australian and Indian governments are having).

Apartheid

Commonwealth supporters are in no doubt. This is a watershed period for the Commonwealth from which it can emerge bigger and more influential - not only because apartheid is ending but also because, a few fragments excepted, decolonisation is over.

The Group's meeting has been postponed to October 15 in Harare, when the Commonwealth Heads of Government Meeting will also take place. CHOGM is likely to draw up a written invitation to South Africa to return to the Commonwealth once a democratically elected government takes over.

Bleak years

It may be a few years before South Africa meets this condition, but CHOGM feels it may be proper to put down a marker at this stage.

Would a post-apartheid South Africa accept the invitation?

Thirty years have passed since Dr Hendrik Verwoerd led South Africa out of the Commonwealth into the bleak years of isolation and no one really knows what the state of black and white opinion is on returning to the Commonwealth.

One can only guess that the majority of both groups will want to return to the fold.

Critics

The Commonwealth has many critics - from Tory MPs who dismiss it as a club for Third World moaners and scroungers to cynics worldwide who say it has no identity or function. Yet the case for not only continuing the institution but also expanding it is persuasive.

It survived Suez, Rhodesia and South Africa.

English

Its 50 members represent one-third of the countries in the world and one-third of the votes at the UN.

In a talk to the Royal African Society in London here the noted Commonwealth expert Derek Ingram suggested that the use of English as an official language should be the first of the new rules. English, says Ingram, is the binding cement.

Empire

Mozambique might find it easy to do on the grounds that so many people there speak English. Namibia has already joined, although it never formed part of the British empire.

With the exception of Angola, therefore, the whole of Southern Africa could be members of the Commonwealth. Would South Africa want to stand outside this grouping?

The other condition suggested by Ingram is that every new country applying for membership should be able to show that it practises at least the substance of democracy.

Members

Quite a few Commonwealth members do not meet this condition, but a new democratising influence is abroad. Certainly in Africa the pressure is on all black governments to democratise - or miss the aid and investment bus.

The Commonwealth, to its credit, spoke out against human rights abuses in Uganda under Idi Amin - the OAU, to its shame, did not

AFRICA: TURNING A CORNER

Fm 14/6/91
279A

Stephen O'Brien is chief economist, Africa region, World Bank.

Sub-Saharan Africa is the challenge of the Nineties and the region to which the World Bank is allocating by far the largest share of staff resources, as well as 50% of concessionary lending. We consider southern Africa the subregion with the greatest potential for sustained economic development.

Regional integration is essential for Africa because of limitations imposed by size. The GDP of all sub-Saharan countries (excluding SA) is equivalent to that of Belgium, with only one-fortieth or one-fiftieth the population. Moreover Africa is subdivided into 52 countries, 23 of which have a population of 5m or less, and 11 under 1m.

Regional co-operation will open up a larger market, producing economies of scale, enhancing competition in final product markets, freeing movement of factors of production, and allowing greater interchange of technology and scientific information. It can also increase food security in an area that suffers from periodic droughts and reduce Africa's dependence on its traditional primary product exports.

Africa is losing its share of this market to other developing countries. Moreover, most analysts believe price prospects for the continent's exports in the Nineties are not bright.

The economic purist argues for global free trade, following lines of comparative advantage, maintaining that carving out protected regional markets is little better than highly protected national markets and will lead to suboptimal resource allocation through *trade diversion* rather than *trade creation.*

The pragmatist argues that the real world is not a global free-trade zone, that comparative advantage must be looked at as a dynamic and not a static concept — that a country's comparative advantage in the future may differ from its situation today — and that development of wider regional markets behind reasonable and temporary protective barriers can accelerate the transformation of low-income societies.

Bank-supported structural adjustment programmes call for a gradual reduction in the excessive and highly variable degrees of protection that have been responsible for incorrect market signals, high costs to consumers, rigid and stagnating manufacturing structures. We see scope for rapid reduction and elimination of trade barriers *within* subregional groups.

Given that about 30 countries in sub-Saharan Africa have adopted, or are adopting, reform programmes, while a few others were already pursuing such policies and have thereby avoided the worst effects of the economic crisis of the Eighties, we believe that the climate is right for a new round of regional integration efforts in Africa.

There are inhibiting factors in southern Africa. Individually, the 10 Southern Africa Development Co-ordinating Council (SADCC) states are poor. Three have per capita incomes below US$250 and half below $500. Most of the population is engaged in subsistence agriculture. All the SADCC states export mainly primary products; most depend on only two or three principal commodities and are thus vulnerable to market swings; most are price takers.

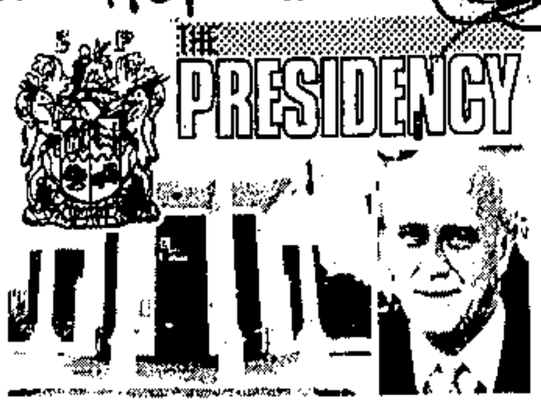
But, taken together, these states are a significant economic unit with about 70m people, combined GDP of about $30bn and international trade of more than $12bn. Trade between SADCC countries represents only about 5% of total exports and slightly more than 4% of imports. Surely there is scope for more dynamic internal trade within this subregion?

The region is one of the more promising arenas for economic integration. First, there is the progressive movement of all the countries to stabilise, liberalise and restructure their economies. Second, there are advantages of common language and better transport and communication links than in most other parts of the continent. Third, prospects of ending armed conflicts can open or reopen regional trade and transport linkages. Fourth, there are already regional institutions such as the SADCC and Preferential Trade Area which are leading efforts at regional integration.

Finally, integrating SA, which market is larger than the whole of the SADCC, into the region would more than double market size and thus greatly expand the scope for economies of scale, specialisation and productivity growth. A democratic, majority-ruled SA, at peace with its neighbours, internally stable and economically dynamic, would represent both a tremendous regional asset and a competitive challenge to its neighbours — but a challenge that should call forth not a retreat into protectionism but an innovative, competitive and dynamic response from other economies of the region.

Our destiny lies in Africa

279A COR 14/6/91 ARGUS



COMMENTARY BY
TOS WENTZEL

PRESIDENT De Klerk's message to Africa has been straightforward: The countries of what is fast becoming a forgotten continent must stand together and co-operate more closely in order to survive.

On his visits to Kenya and Swaziland he spoke against the background of the emergence of a unified European Community next year and recent changes in eastern and central Europe.

He put it beforehand in a message to 35 Organisation of African Unity heads of state, speaking of "dramatic changes in the international environment, of shifts in economic patterns and in power balances which provide both challenges and opportunities for our continent."

In that message he also said numerous African leaders had acknowledged to him that they accepted the irreversibility of the process of change in this country, and that they looked forward to South Africa playing a meaningful role in African affairs.

It was in that message that Mr De Klerk also said: "it is primarily in Africa that our destiny lies."

Some may describe this as a political cliche, but it is a fact that the attention of South Africa's rulers were for so long fixed on Europe that ties with Africa, even when this was still possible, were neglected.

The few ties we had — South Africa still had diplomatic ties with Egypt, for instance, up to the 60s — were destroyed by apartheid.

It is only recently that it has dawned on the government that South Africa's way to re-acceptance into the international world might go through Africa.

Now Mr De Klerk has told the African leaders:

"We share Africa's dream, its aspirations and its disappointments. We believe we have a contribution to make, with special reference to our own Southern African region, in the search for peaceful solutions to conflicts, towards economic and technological development and co-operation in a multitude of fields affecting our progress.

"We believe the time has arrived for Africa to note the developments that have occurred in South Africa, and to respond in a way calculated to encourage the transition to a new South Africa and to promote co-operation between us."

What has been called South Africa's "Africa first" development model is based on the concept of economic regions in the continent in which countries like South Africa, Kenya, Nigeria and Egypt can play a leading role. The emphasis is also on increased co-operation within the continent.

According to Mr Pik Botha, economic sanctions against South Africa in Africa will be a dead letter by the end of the month. All the major apartheid measures will then have been scrapped.

Although Nigeria reacted cautiously to the suggestion, it seems that Mr De Klerk may go there on a visit in the near future. Egypt is another country he may go to.

South African envoys have been very active recently on trips throughout Africa. A training programme for black diplomats is being started.

One African country, Zaire, appears so keen to have diplomatic relations with South Africa that it announced the name of its ambassador without it having been cleared with Foreign Affairs.

In Kenya Mr De Klerk made bold to say that he hoped the recent OAU meeting was the last one to be held without South Africa.

WHILE NOT exactly complacent about the polarisation in politics, Mr De Klerk again showed that he was a wily politician when he dealt with the matter in Parliament this week.

He said the polarisation was not always as serious as it might appear in the future.

It was necessary to distinguish between propaganda, posturing and political positioning on the one hand, and fundamental polarisation on the other.

He was positive in his approach to the ANC, saying that the government was not interested in disorganising it, but that it rather wanted the organisation to get its house in order and to become a well-organised political party.

Unions fear businesses will evade labour laws

279A 16/6/91 S/Times (Bus Times)

By JANE ARBOUS

TRADE unions fear that falling trade barriers will tempt SA businesses to shift operations to other African countries where unions are not as strong as here.

Pressure for higher wages is weaker in other African nations.

The Congress of SA Trade Unions (Cosatu), the major union federation, and the smaller National Council of Trade Unions (Nactu) attended a conference of the Southern African Trade Union Co-ordinating Council (SATUCC) which drafted a code of worker rights.

International relationships and regional links will be discussed at the July congress of Cosatu, which has 1,5-million members.

The SADCC Monthly Report, a newsletter published by the Cape Town-based International Research and Information Services, says the concept of worker unity has been given impetus by the relaxation of trade barriers against SA.

Alan Horwitz, national organiser for the SA Commercial Catering and Allied Workers Union (Saccawu), says the trend is evident in Sun International's wage structure.

Forum

Saccawu wants wage negotiations with Sun International to be conducted at one central bargaining forum and has formed alliances with unions in Namibia, Botswana and Swaziland.

Mr Horwitz says wages are higher at businesses where Saccawu is organised and were increased unilaterally by management when changes in Transkei and Ciskei allowed the union to organise there. Pay is lowest in countries such as Swaziland and Lesotho.

He told SADCC Monthly Report that SA business would "try to export exploitation to maintain profits".

Mr Horwitz says union movements outside SA are much weaker and labour ministers have strong powers over the right to strike.

Cosatu, in a position paper prepared for pre-congress discussion, proposes that it develop "a much clearer international policy".

On a continental level, it proposes affiliation to the Organisation of African Trade Union Unity (OATUU). At regional level, it proposes membership of SATUCC and the maintenance of bilateral relations with national union federations.

The paper recommends that Cosatu remain unaffiliated to any international co-ordinating centre. But it calls for participation in the International Confederation of Trade Unions (ICTU) co-ordinating committee on SA and puts forward proposals to restructure the committee.

Another proposal is that Cosatu should strengthen its relations with the Commonwealth Trade Union Congress (CTUC) because "this gives us greater access to meet with many national centres in the developing world".

Mr Horwitz says unions should form corporate councils to seek centralised bargaining for corporate operations in different countries. This would make it possible for industrial action in one country to be exported to others.

A draft charter of workers' rights, demands that governments recognise the right of workers to strike and engage in other forms of effective industrial action, including solidarity action, without dismissal.

which the chairman of the board strongly recommended this decision, was sent to all of Posmed's 50 000 members and I have no doubt that the greater majority of Posmed's members

†Mr J H HOON: Test them!

†The MINISTER: We are testing them now by way of a vote. [Interjections.] 50 000 ballot-papers have been sent out.

†The CHAIRMAN OF THE HOUSE: Order! The hon member for Pretoria West put a supplementary question to the hon the Minister. If hon members are not interested to hear the reply, the hon the Minister need not go to the trouble of answering the question. The hon the Minister may continue.

†The MINISTER: Mr Chairman, the problem with the hon members is that they wear one pair of spectacles only, the spectacles of colour. They perceive everything in South Africa in terms of Black and White. [Interjections.] If we continue on that basis, there is no future in this country.

We shall have to start putting values first. We shall have to start separating the opportunities which people want to utilize in a work situation from the racial context in terms of which the hon members are so fond of perceiving everything. We changed the personnel policy of the Post Office on that basis so that there can be a mutual desire among White, Black and Brown employees to put the interests of the Post Office first and, in this way, to render the best service to the public—a public that is not White only but which includes all population groups.

†The LEADER OF THE OFFICIAL OPPOSITION: Mr Chairman, further arising out of the hon the Minister's reply, may I ask if it is discriminatory in any way if one pays the same subsidy to others who wish to be integrated than one pays to a White Posmed.

†The MINISTER: We in the Post Office follow a personnel policy according to which colour cannot be a dividing line, because the issue of race in South Africa has already become one of the dividing lines which divide people to such an extent that conflict and racial conflict are threatening our future.

†Dr F HARTZENBERG: That is not true!

†The MINISTER: Yes, of course it is true!

†The LEADER OF THE OFFICIAL OPPOSITION: Now you are penalizing the Whites!

†The MINISTER: We are not penalizing the Whites. The hon the Leader of the Official Opposition cannot construe this as a penalizing of Whites.

†HON MEMBERS: Of course!

†The MINISTER: No, that is absolute nonsense, because people are paying the same contribution for the same benefits.

†The LEADER OF THE OFFICIAL OPPOSITION: And you are subsidizing the "bontes"!

†The MINISTER: No, there is a variety of medical schemes. If the employee is asked to pay a smaller contribution, the benefits of that scheme to which he is entitled, are also fewer. The employee can therefore choose whether he wants to belong to a medical scheme which offers a greater variety of services, but then he must also be prepared to make a greater contribution. On the strength of that contribution the Post Office is then prepared to make a contribution of R2 for every R1 which the employee contributes.

Business interrupted in accordance with Rule 180C (3) of the Standing Rules of Parliament.

Neighbouring states: airports for military purposes

*6. Mr J H VAN DER MERWE asked the Minister of Foreign Affairs:†

(1) Whether any airports that can be used for military purposes are being built in neighbouring states of South Africa at present; if so, (a) in which neighbouring states and (b) what are the particulars of these airports;

(2) whether he will make a statement on the matter? 279A

B1180E

The MINISTER OF FOREIGN AFFAIRS:

(1) (a) and (b)

Botswana: An airport which could be used for military purposes is in the process of being built at a site approximately 40 km north-west of Gaborone.

Zimbabwe: According to available information Fylde Airforce Base in Zimbabwe

is at present undergoing extensions and upgrading. 279A

(2) No, not at this moment.

Military courses: attendance by ANC members

*7. Mr J H VAN DER MERWE asked the Minister of Defence:†

(1) Whether any members of the ANC have attended military courses together with members of the South African Defence Force in Bloemfontein since 1 January 1991; if so, (a) how many ANC members and (b) what courses have they attended;

(2) whether it is the policy of the Government that ANC members may become members of the Defence Force?

B1181E

The MINISTER OF DEFENCE:

(1) No. (a) and (b) fall away.

(2) No. The hon member is referred to my reply in this House to question number 1 of 24 April 1990.

Cape provincial hospitals: amount saved

*8. Miss M SMUTS asked the Minister of National Health:

With reference to her reply to Question No 20 on 23 April 1991, what total amount was saved as a result of the reductions in services introduced at Cape provincial hospitals from 4 to 27 March 1991?

B1190E

The MINISTER OF NATIONAL HEALTH:

Preliminary figures indicate a saving of R16 557 997.

*9. Mr J van Eck—Law and Order. [Withdrawn.]

SAP action at Old Crossroads

*10. Mr J VAN ECK asked the Minister of Law and Order:

(1) Whether any persons were killed or injured as a result of action taken by members of the South African Police off or on Lansdowne Road, Old Crossroads, on or about 24 May 1991; if so, how many;

(2) whether the action taken by the Police included shooting; if so, (a) why did the Police resort to shooting and (b) what calibre of ammunition was used;

(3) whether any of the persons injured in the shooting are to be charged with any offences; if so, what are the details in this regard?

B1192E

The MINISTER OF LAW AND ORDER:

(1) Yes, one person was killed and three persons injured.

(2) Yes.

(a) As the furnishing of any answer to the question will be in anticipation of the outcome of the investigation and judicial actions which will result therefrom, it would be inapt to react thereto at this stage.

I therefore kindly request the hon member to abide by this, so that the judicial process, which is already in progress, can take its course.

(b) AAA Shotgun ammunition.

(3) Yes, three persons were charged with public violence. They are at this time in hospital where they are receiving treatment for their injuries.

Squatter settlements established/planned in Tvl

*11. Mr P G SOAL asked the Minister of Planning, Provincial Affairs and National Housing:

(1) How many settlements (a) have been established, and (b) are in the process of being planned, in the Transvaal under section 6A of the Prevention of Illegal Squatting Act, No 52 of 1951;

(2) in respect of what date is this information furnished?

B1193E

The MINISTER OF PLANNING, PROVINCIAL AFFAIRS AND NATIONAL HOUSING:

(1) (a) 5

(b) 0

(2) 10 June 1991.

SCHEDULE 5

AID TO OTHER INDEPENDENT AFRICAN STATES

	1)* 1988/89	1)* 1989/90	2)** 1990/91
	R	R	R
A. DIRECT FINANCIAL ASSISTANCE			
A.1 Non-recoverable financial assistance			
Comores	819 600	681 866	—
Mozambique	5 000 000	2 800 000	—
Malawi	45 996	3 187	1 943
TOTAL	5 865 596	3 485 053	1 943
B. TRANSFER PAYMENTS	—	—	—
C. Loans from RSA (Project Aid)			
Comores	4 494 486	5 014 111	3 320 331
Mozambique	1 950 000	1 050 000	1 757 448
Malawi	8 106 147	141 846	—
Swaziland	9 000 000	—	—
Lesotho	—	379 760	—
TOTAL:	23 550 633	6 585 717	5 077 779
D. TECHNICAL AND OTHER ASSISTANCE			
D.1 MANPOWER PROVISION			
Swaziland	561 111	616 109	805 080
Comores	44 925	119 417	61 123
Equatorial Guinea	27 462	376 150	317 201
Lesotho	—	26 063	97 874
Malawi	—	—	439 194
Namibia	—	77 629	1 702 181
Togo	—	—	67 261
Ivory Coast	—	—	99 721
Gabon	26 890	534 973	169 482
TOTAL:	660 388	1 750 341	3 759 117

	1)* 1988/89	1)* 1989/90	2)** 1990/91
	R	R	R
D.2 TECHNICAL ASSISTANCE			
Lesotho	807 698	824 239	1 842 821
Swaziland	1 626 999	1 347 151	1 997 910
Central African Republic	18 700	—	—
Gabon	219 549	1 849 268	40 585
Ivory Coast	344 072	120 744	491 822
Malawi	1 245 822	2 517 970	1 680 200
Zimbabwe	29 760	—	—
Equatorial Guinea	2 007 009	1 414 448	96 862
Angola	90 162	—	250 000
Mozambique	1 530 327	2 224 434	2 431 251
Zambia	1 237	2 679	23 500
Zaire	18 639	695 961	247 082
Cape Verde	532 428	439 050	19 933
Comores	1 807 767	1 013 410	747 160
International Organisations: SARCCUS	175 031	276 539	163 223
Africa: GENERAL	—	1 487 474	4 267 142
TOTAL:	10 455 200	14 213 367	14 299 491
GRAND TOTAL	40 531 817	26 034 478	23 138 330

NOTES:

* 1) Actual expenditure

** 2) Estimated expenditure

Old-age homes: number of places

368. Mrs C H CHARLEWOOD asked the Minister of National Health:

Whether her Department has statistics on the number of places at old-age homes for all population groups in the Republic; if not, why not; if so, (a) how many places are there in old-age homes for (i) Blacks, (ii) Whites, (iii) Coloureds and (iv) Indians and (b) in respect of what date is this information furnished?

B996E

The MINISTER OF NATIONAL HEALTH:

No, this is an own affairs matter and each department or administration provides in its specific group's needs;

(a) relevant information obtained is:

(i) 1 200,

(ii) 31 720,

(iii) all institutions are open to all population groups, relevant statistics can therefore not be furnished and

SA has given R89,7m aid to Africa, says Pik

BIDay 19/6/91

CAPE TOWN — Government yesterday named for the first time 16 African countries that had received SA financial aid over the past three years.

Foreign Affairs Minister Pik Botha said in Parliament about R89,7m had been spent on aid to these countries in that time.

However, although R40,5m had been spent in the 1988/89 financial year, it had declined to an estimated R23,1m in the 1990/91 financial year.

Botha was replying to a question tabled by Louis Stofberg (CP Sasolburg).

The countries which had received aid were: Lesotho; Swaziland; Central African Republic; Gabon; Ivory Coast; Malawi; Zimbabwe; Equatorial Guinea; Angola; Mozambique; Zambia; Zaire; Cape Verde; Comores; Namibia and Togo.

In the past, government has refused to supply details on its aid to, or trade with, African countries.

The aid was given in terms of direct financial assistance, project aid loans, manpower provision, technical assistance and general aid.

However, Botha's reply indicates that direct financial assistance dropped from R5,9m in 1988/89 to R3,5m in 1989/90 to

Political Staff

R1 943 in 1990/91. Comores received R1,5m of this assistance, Mozambique R7,8m and Malawi R51 126.

Project aid loans dropped from R23,6m in 1988/89 to R5,1m in 1990/91.

Comores was granted R12,9m in loans, Mozambique R4,8m, Malawi R8,2m, Swaziland R9m and Lesotho R379 760.

Manpower provision in terms of technical and other assistance, which totalled R3,8m in 1990/91, was granted to Swaziland (R805 080), Comores (R61 123), Equatorial Guinea (R317 201), Lesotho (R97 874), Malawi (R439 194), Namibia (R1,7m), Togo (R67 261), Ivory Coast (R99 721) and Gabon (R169 482).

Technical assistance granted in the 1990/91 financial year included that to Lesotho (R1,8m), Swaziland (R1,9m), Gabon (R40 585), Angola (R250 000), Mozambique (R2,4m), Zambia (R23 500) and Zaire (R247 082).

Botha said the technical assistance to Zimbabwe in 1988/89 was R29 760 but it had not received any assistance since then.

Botswana was the only southern African country not to receive SA aid.

Pik names countries who received SA aid

279A CT 5/6/91

By BARRY STREEK
Political Staff

THE government yesterday for the first time named 16 African countries, including Zimbabwe, who had received South African financial aid over the past three years.

The Minister of Foreign Affairs, Mr Pik Botha, said an estimated R89,7 million had been spent on aid to independent African states during the past three years.

However, although R40,5 million had been spent on this aid during the 1988/89 financial year, this had declined to an estimated R23,1 million during the 1990/91 financial year.

Mr Botha listed the countries which had received South African aid when he replied to a question tabled by Mr Louis Stofberg, CP Sasolburg.

The countries which received aid during the past three years were Lesotho, Swaziland, Central African Republic, Gabon, Ivory Coast, Malawi, Zimbabwe, Equatorial Guinea, Angola, Mozambique, Zambia, Zaire, Cape Verde, the Comores, Namibia and Togo. Botswana is the only Southern African country which has not received South African aid during this period.

In the past the government has refused to supply any details about its aid to African states or about South Africa's trade with African countries.

The aid was given in terms of direct financial assistance, project aid loans, manpower provision, technical assistance and general aid.

Turfloop rejects 'goodwill trip'

279A

South 20/6 - 26/6/91

From Pitso Tshukudu
Johannesburg

STUDENTS at the Faculty of Theology at the University of Turfloop are refusing to join Pretoria University students on a "goodwill" trip to five Frontline States which has been organised by their lecturers.

Mr Cedric Mathebula, a spokesperson for the theology students and an SRC member, said the students object to the aim of the trip — in which they were supposed to give educational aid to students in the five countries — and the presence of the Pretoria University students.

One objective of the trip, said Mathebula, was to show people in the five countries — Angola, Malawi, Botswana, Zimbabwe and Zambia — that black and white students from South Africa could work together.

"How can we help students in other countries when our own education here is in such a mess?" he asked.

"And to expect us to co-operate in a joint action with Pretoria students after Nelson Mandela was recently stopped from speaking there just rubs salt into the wounds."

Mathebula said the students were also angry because the lecturers did not "have the decency" to consult them when arranging the trip.

"Passports and visa arrangements had already been made without our consent," he says.

The students were expected to meet government officials of Frontline states on the tour. "Again we rejected this because it has become increasingly difficult for us to meet our government officials here."

According to Mathebula, a similar trip was jointly organised for students of the two universities in 1989 but the Turfloop University students rejected it because of similar reasons.

SA, Zimbabwe break the ice

HARARE - New ground was broken in relations between South Africa and Zimbabwe yesterday.

Pretoria's Trade Representative here, Mr Nico Nel, was among the diplomatic corps at the opening of parliament by President Robert Mugabe.

It is the first time since independence that the head of the South African Trade Mission has been invited to the annual ceremony, a major event in the political calendar. - *Southern Africa News Service*

SOUTHERN AFRICAN COMMON MARKET FM 21/6/91

OUR OWN BERLIN WALL (279A)

The idea that there is advantage in southern Africa becoming a protected trade bloc of its own, now that the skids are under apartheid, seems to be gaining some support. Foreign Minister Pik Botha has long favoured the idea and there even appear to be some adherents in the World Bank.

The enthusiasm of the latter has grown at roughly the same pace as its influence in sub-Saharan Africa, as various indigent economies have surrendered their sovereignty to bank officials. The danger is that these officials may not always be there to ensure that these economies toe the line when politicians gain the upper hand.

Other, closer countries see advantage in having their weak currencies and leaky trade policies embraced by the relatively more stable, better managed and dominant SA economy.

But it is difficult to see what advantage there is for SA in a common market here. It is very nice being able to increase the exports of manufacturers to neighbours — when they can afford to pay for them. However, while government is intent upon developing this country's manufacturing industry, for a long time our major trading partners are going to be our traditional ones in Europe, America and the Far East. They buy our minerals and supply us with the machines with which to extract and process them.

Besides, if our manufacturing industry is going to have the success we need to decimate unemployment, it must compete in the world at large and not just on this subcontinent.

Of course, that might be all right for a start. It is quite possible that an intelligent economic case could be made for limited protection in a regional common market to encourage investment in manufacturing and get it going, provided this is done on a declining scale as the investments mature.

But the risks are very great indeed. It takes a dedicated government with singularity of purpose to brave the political uproar that is inevitable when protection is phased out. Not only does it raise the ire of those businessmen who benefited, but trade unionists who do not understand (or do not want to understand) the economic dynamics of comparative advantage will form a strong opposition. But most obstructive will be the union of politician and bureaucrat who, having felt the power of manipulating business, will be loath to give it up.

Remember that nowhere in Africa, where economic freedoms have been denied, has political freedom survived.

What this subcontinent needs most, for political and economic reasons, is freedom of trade and exchange, not the extension of our present restrictions, like a financial Berlin Wall, around a few other countries.

Africa's greatest need at present is new investment. To attract it, what is needed is stability, sensible economic management and the freedom to move both goods, services and capital in and out of the area. The restrictions that we and other countries to the north have, in one form or another, on the freedom of trade and exchange will hinder investment for as long as they remain.

There is no economic justification for the denial of that freedom. Controls are there to prevent a loss of jobs or capital because of inappropriate economic and/or political policies. In SA we have had exchange controls for 30 years because government feared that capital would flee from apartheid. The ANC has said that it will maintain these controls — and the reason is that it fears capital will flee from its inappropriate economic policies, which are nationalisation and the myth of wealth redistribution.

These controls are inevitably inflationary. For economic decisions are then based on incorrect price signals which usually lead to an overvalued currency. When reality intrudes and devaluation becomes necessary, domestic prices rise inexorably.

Policy makers here should never forget that the objective of the European Common Market was more political than economic. Its purpose was to prevent Germany ever again dominating the industrial heartland of Europe. It has manifestly failed.



Instead, Germany has, by encouraging market forces and stabilising its currency through excellent financial management, become so prosperous that other countries have seen substantial advantage in close links with it, more often than not to accommodate their own lapses from market discipline.

One view of France's championship of a European currency and Central Bank is that it reflects that country's desire for a seat on the board of the Bundesbank so that it can better manipulate the market's dominant partner to its interventionist ways, without losing the essential sustenance of its association. Margaret Thatcher knows that and so does Karl Otto Poehl.

That sort of intrigue is endemic in common markets or trade blocs. It would be no different in southern Africa. The effort of keeping the likes of Robert Mugabe at bay would not be worth the candle. There is simply too much to lose if free trade and exchange are compromised by the constraints, however sensible and mild they may at first appear to be, of an expanded trade bloc. ■

Fresh misery for developing nations

Star 25/6/91

LONDON — Third World countries, already blighted by poverty, debt or civil strife, face fresh misery.

Ninety percent of all AIDS cases in the 1990s are likely to be in the developing world.

The message to come out of an international conference on AIDS last week in Italy is that the Third World is bearing the brunt of the epidemic, and little is being done to help.

The World Health Organisation (WHO) estimated that, of the 40 million people likely to be infected with the AIDS virus by the year 2000, nine out of 10 would be in Africa and Asia.

Sub-Sahara Africa already has about six million cases of AIDS infection, compared with 1,5 million in Europe, the United States and Australia combined.

At the moment, Asia has only a million Aids cases, but in five years, Asia is expected to have five million cases.

"We are facing a growing devastation of national aspirations," warned Ugandan President Yoweri Museveni.

But the catastrophic impact of AIDS on the Third World is drawing scant attention from researchers and activists in the developed world.

"Ninety percent of all AIDS cases are in the Third World and 90 percent of the sessions at this conference are about the United States," said one delegate from the Save the Children Fund.

Acquired Immune Deficiency Syndrome attacks the body's immune system, leaving its victim defenceless against deadly diseases. There is no cure and only one treatment so far, the drug AZT, slows the progress of AIDS.

The disease first hit homosexuals hardest but almost all new cases around the world are the result of vaginal sex between men and women, WHO said.

Medical treatments that might hold promise in the West are out of reach for poor nations.

Optimists predict an effective vaccine could be ready in just five years from now — but only for the West.

Almost all research is based on HIV strains found only in the United States and Europe. They vary greatly from African and Asian strains.

Reseachers said there was less incentive for drug companies to pour money into a Third World vaccine when it was unlikely anyone would be able to afford it.

The vaccines under development now will also require refrigerated storage and booster shots.

Prevention would seem to be the only solution, but speakers said preventive measures had made little headway in Africa, where condom usage was low and there was scant opportunity to sterilise needles or test blood supplies for infection.

There was also a lack of official commitment.

Uganda's Museveni, despite his dire view of the epidemic's impact, does not support "this idea of condoms". Instead, he advocates self control. — Sapa-Reuter.

Economic handshake awaited

Star 26/6/91

PHILIP GAWITH reports from London

THE idea of regional economic integration in southern Africa has been on the agenda since the turn of the century, when romantic engineers toyed with the idea of running the gold mines of the Witwatersrand from hydro-power generated at Victoria Falls.

That was never realised, but the idea of a regional grouping received new vigour earlier this month when President de Klerk floated it on his historic visit to Kenya.

Two years ago such talk would have been inconceivable. But the speed of South Africa's reintegration into Africa has rivalled even the formidable rate of internal political reform. The two, of course, are intimately related.

As Dr Erich Leistner of the Africa Institute in Pretoria observes: Apartheid was the futile attempt of white South Africans to escape the realities of their African existence.

The shedding of apartheid has not only made South Africa more acceptable to its African neighbours, it has also reminded South Africans that their well-being is bound up inextricably with Africa's.

The simultaneous failure of foreign aid and advice to arrest sub-Saharan Africa's debilitating economic spiral has also brought South Africa and Africa closer together.

Previously the relationship was distorted by political factors, notably the desire of Frontline states to distance themselves from South Africa.

To this end they formed the Southern African Development Co-ordination Conference (SADCC) in 1980, with the aim of promoting development in the 10 Frontline states and reducing their dependence on South Africa.

Only now are economic criteria beginning to enter the discussion.

In terms of infrastructure and trade, there is already a substantial base to build upon. Eskom, South Africa's power utility which produces 60 percent of the continent's electricity, sells to six Frontline states.

Trade between South Africa and Africa is also flourishing. Accurate figures are difficult to come by, but officials estimate it totalled between R7 billion to R10 billion last year.

Developments in South Africa, Angola and Mozambique will all play a part in integration, while South Africa's rehabilitation will be incomplete without the imprimatur of the Organisation of African Unity.

Africa and South Africa are enjoying a honeymoon phase. Difficult decisions, however, lie ahead.

In particular, what form will regional co-operation take? How will existing overlapping structures such as the SADCC, South African Customs Union (which allows for the free interchange of goods among South Africa, Botswana, Lesotho and Swaziland, with Pretoria distributing customs revenue among the members according to an agreed formula), and the Preferential Trade Agreement (a grouping which includes 12 southern states) be rationalised?

Dr Leistner, who believes co-operation should initially be bilateral and functional in emphasis, cautions strenuously against grandiose schemes.

He is sceptical about the prospects for trade integration between countries with little trade among themselves.

He also notes that SA is faced with factors which have bedevilled other African regional groupings: narrow nationalism, failure to equalise the costs and benefits of closer union, disparate ideologies, and the lack of a strong political commitment to regionalism.

For Pretoria's partners, there is danger that their industrial sectors will be overwhelmed if fully exposed to competition from South Africa. If trade is to flourish, South Africa will have to find ways of increasing its imports from the region.

There are other dangers: excessive expectations and excessive introspection.

Guilty on the former count are numerous African politicians who seem to think South Africa will be able to wave some sort of magic wand over the continent's problems. It cannot.

Going too far in the other direction is the ANC, which has come close to enunciating a "South Africa first" policy. — Financial Times. □

Star 27/6/91

Zambia likely to establish formal trade ties soon

279A

LUSAKA — Zambia and South Africa could establish official trade relations within the next few weeks, according to the leader of a delegation from the National African Federated Chamber of Commerce and Industry (Nafcoc) ~~360~~ 14

Zambian journalists have reported that the delegation is in Zambia to lay the groundwork for formal trade relations between the two countries.

Although there is substantial trade between them, Zambia has avoided formalising it by allowing South Africa to set up a trade commission in Lusaka and opening a reciprocal office in Johannesburg, as Zimbabwe and some other neighbouring countries have done.

The Africa News Organisation (Ano) quoted Makhuvha Takalani of Nafcoc saying that the two countries could open formal trade relattions soon. — Star Africa Service.

Debt relief for poorest nations

Sowetan 27/6/91.

LONDON - Western nations will announce a R42 billion debt relief programme for the world's poorest countries at next month's economic summit in London, the *Guardian* newspaper reported yesterday.

It said the scale and timing of the programme were regarded as a breakthrough in attempts to co-ordinate Western aid to sub-Saharan Africa, seriously hit by drought and famine.

The deal could be seen as a diplomatic coup for Prime Minister John Major, who launched the idea last year when he was Chancellor of the Exchequer, the paper said. Britain is host for the annual summit of the Group of Seven leading industrial nations, beginning on July 15.

The *Guardian* said Major called for the doubling of official debt relief, stretching repayment periods to 25 years and conceding a five-year grace period during which low-income nations would not have to pay either interest or principal on borrowings. - *Sapa-Reuter*

B1Day 2/7/91 (279)

Africans revamp to meet competition

WHILE SAA is staking a claim in the opening African travel market, African airlines are revamping and restyling in order not to be swamped by the giant from SA.

One airline offering more flights on its routes than SAA is Air Malawi, which is becoming important as a regional carrier.

The airline recently embarked on a major programme, upgrading its fleet, re-training staff and streamlining operations.

Business travellers appear to have taken cognisance of the changing nature of Air Malawi.

Business class bookings on the airline's Boeing 737-300 flights — which offer 29 seats — have seen nearly 70% growth in the past month.

The airline has three return flights a week between Johannesburg and Lilongwe and offers connections to Harare, Niarobi, Lusaka and Blantyre.

A second Boeing 737-300 is to be added to the fleet at the end of next year, while new, more efficient and spacious turbo-prop aircraft are to be bought for the shorter flights.

The investment is believed to be worth about R200m.

Air Malawi GM Rex Lezard says the acquisition of a modern fleet and the decision to revamp the airline's structure are part of a larger plan which will leave the airline positioned to aggressively compete for a larger share of the expanding southern African air travel market.

Soekor explores further afield

BIDaily 2/7/91

LESLEY LAMBERT

CAPE TOWN — Soekor has been talking to several African countries, including Angola and Mozambique, about exploring oil and gas deposits off their coastlines.

The state-funded exploration corporation recently struck encouraging gas wells off the south coast near Mossel Bay.

It has publicly stated that it intends raising additional funds by selling its technical expertise outside SA.

Recent improvements in relations between SA and the rest of the African continent have paved the way for new exploration opportunities reasonably close to home.

Sources confirm that Soekor officials have visited several African countries to talk about hydrocarbon exploration.

They say Soekor has shown particular interest in Angola and Mozambique.

Delegations from Africa have also visited SA. 279A

The talks have been exploratory and to date no formal agreements have been reached.

Angola has a sizeable oil field which it exploits commercially, while Mozambique has made discoveries of both oil and gas but requires additional funding and expertise to explore further.

Both countries are understood to be exploring new prospects and Mozambique has made it known that it requires foreign assistance.

Sources say that if Soekor did become involved it would be looking for new deposits rather than at existing oil fields or gas.

Facelift on agenda for Benguela line

HUAMBO — Angola is eager to restore the Benguela railway, once an economic lifeline to the heart of Africa, as a unifying link after 16 years of civil war.

But trade and diplomatic sources doubt whether the railway can regain its former status as the main regional trade route for southern and central Africa, carrying millions of tons of copper from Zambia and Zaire to the Atlantic coast.

They say only about one-third of the 1 305km railway is likely to be restored to link the Atlantic ports of Benguela and Lobito to the cities of Huambo and Kuito.

But even this could give President Jose Eduardo dos Santos a political boost in his battle with Jonas Savimbi, leader of the former rebel Unita group, in the run-up to elections late next year.

The railway runs through the heartland of the Ovimbundu people from whom Savimbi has traditionally drawn support.

Since the Angolan war broke out at independence from Portugal in 1975, central Africa's copper has been exported mainly through Tanzania, Mozambique and SA.

The world copper market has declined, and mines in Zaire's Shaba province will probably be uneconomical by the end of the century.

"The economic motivation for re-establishing the Benguela railway, from the point of view of the Zairean and Zambian governments as well as of the Angolans, is not evident," said one diplomat.

"In 10 years' time, for geological reasons, the copper in Shaba will be too expensive to deal with."

The railway was started in 1903 to haul copper from Belgian-owned mines in Shaba province. It is 90% owned by Tanks Consolidated Investments Ltd, a British subsidiary of Belgium's Societé Générale de Belgique. The Luanda government holds the other 10%.

Until the war, the railway employed large numbers of people in central cities.

Dos Santos, who toured Lobito and Huambo the week before signing a peace agreement with Savimbi on May 31, said restoring the line would be a priority of post-war reconstruction.

"In colonial times, the Benguela line served Angola, Zambia, Zaire and Rhodesia (now Zimbabwe)," dos Santos told Lobito railway workers. "I am fully convinced that after winning the war we can win the economic battle to come."

At its pre-independence peak, over 2-million tons of freight travelled on the line each year. By 1987 freight to Huambo and Bie provinces had dwindled to 90 000 tons.

The railway was closed east of Kuito in Bie province in 1988 and few trains have run since between the coast and the two inland destinations. — Sapa-Reuter.

Stealing of sugar leads to transport dilemma

ROBIN DREW of The Star Africa Service reports.

THE FATE of the Limpopo railway line linking Zimbabwe with Maputo is in the balance because of inefficiency at the port's sugar terminal and huge losses from theft.

According to the Beira Corridor Group's latest bulletin, Zimbabwe will have to decide whether to follow Swaziland's example and stop using Maputo for its sugar exports.

Last year the two countries lost 6,4 percent of their sugar exports amounting to more than 17 500 tons worth R10,2 million.

The bulletin says Swaziland decided recently to stop using Maputo for its sugar exports, which has worrying and far-reaching implications for both Zimbabwe and Mozambique.

The sugar terminal can handle 700 000 tons. In previous years, Swaziland has sent out 400 000 tons and Zimbabwe 200 000 tons.

But because of the stealing, Swaziland reduced its figure to 143 000 tons last season and Zimbabwe sent out only 131 000 tons because of reduced harvests.

As a short-term measure Swaziland has decided to export its sugar through Durban. South Africa is studying the feasibility of building a new sugar-handling facility at Richards Bay.

The bulletin says indications are that the new terminal, offering users efficiency and security, would be commercially feasible with Swazi demand alone. But construction would probably be assured if Zimbabwe elected to ship through Richards Bay as well.

The dilemma facing Zimbabwe is that until now, Maputo has provided the best option and is likely to become attractive with the expected operation of the Limpopo railway, which directly links the canefields in the south-east with the port.

But with the rerouting of Swazi sugar, the Zimbabwean sugar industry can expect significantly higher losses through theft. It could also find that without the existing volumes of sugar, the Maputo terminal would become uneconomical.

If costs and risks rise too high, Zimbabwe would have to look elsewhere, and Richards Bay would offer the next best alternative. But unless Zimbabwe makes a commitment now, no provision will be made in the design of the new facility.

The bulletin concludes: "The line's fate, in essence, depends on how Zimbabwe assesses Maputo's ability to implement a strategy which ensures that its sugar crop is handled efficiently and without loss.

"If this cannot be achieved, South Africa's ports and railways can reasonably expect a bonus." □

Premier 'handles 10% of SA trade to Africa'

BDay 9/7/91

MARCIA KLEIN

PREMIER International, the Premier Group's offshore trading arm, handled an estimated 10% of all trade between SA and the rest of Africa, the group said in a statement.

The company exported products primarily manufactured by the Premier Group, and also handled the group's import requirements.

Premier International marketing director Katerina Yiannakis said Zambian President Kenneth Kaunda's recent praise of the firm marked "a successful 10-year effort by the company to establish itself as an African presence".

Kaunda, who officially opened 10-year-old Premier International's new International Bonded Warehouse (IBW) at Ndola, praised the company's "continued efforts towards economic reform and of easing the problem of shortages and exorbitant pricing".

The IBW stand took the prize for the best commercial stand at the Zambian International Trade Fair, where various other Premier group divisions also exhibited.

Yiannakis said most of the company's trade in Africa was through its six bonded warehouses, which offered goods in Mozambique, Zaire and Zambia. Commodities included well-known brands of foodstuffs, stockfeed and chemicals.

In the group's annual report, chairman and CE Peter Wrighton said the imminent removal of sanctions placed Premier International "in a highly favourable position to take advantage of the crumbling political divisions between SA and its neighbours".

Violent change foreseen for Africa

Star Bureau Star 9/7/91

LONDON — Delegates to the first meeting of a new pro-democracy pan-African organisation have warned of violent and drawn-out change across the continent.

"This is not going to be a rerun of eastern Europe's sweeping changes with their domino effect," one delegate said in London.

"Ours will be more violent and drawn out because of the depth of our social crisis."

Review

The remark came after opposition parties, church leaders and academics had met to review human rights and democracy in Africa at the invitation of exiled King Moshoeshoe II of Lesotho.

The body, called the International Institute for Human Rights in Africa, was founded by pro-democracy activists from countries as disparate at Mozambique, Nigeria, the Ivory Coast, Tanzania and Zimbabwe.

Professor Samir Amin, from Senegal, told the meeting that violent and even revolutionary change could be expected as Africans revolted against ruling elites.

This would be fuelled by the gap between their own living standards and those in the West.

Professor Wamba dia Wamba, of Tanzania, warned against "Mobutuism without Mobutu" — new regimes in multiparty states, surviving on repression, corruption and patronage, with the support of the West.

He said: "Africans will not accept a meaningless pluralism or semi-fabricated democracy, to stabilise the unbearable."

King Moshoeshoe spoke of the continent's "narrowing choices, either to be ever more marginal and impoverished, or to move on, using the strength of the mass movements emerging on the continent, as they did in Eastern Europe".

Several delegates — including Oginga Odinga, a former vice-president of Kenya — were prevented by their regimes from attending the meeting.

FM 19/9/91

DEVELOPING COUNTRIES

HOW TO GROW

Improved saving and investment performances in developing countries could lead to growth of over 3% a year from 1993, argues the IMF's latest *World Economic Outlook.*

In the Eighties, developing countries that relied on external borrowing to augment domestic savings (like Zambia, Somalia and Nicaragua) were struck by higher interest payments and saw investment and growth drop dramatically. Countries with high savings rates (Botswana, Cyprus and Malaysia,

for example) tended to show higher investment, stronger growth, lower inflation and less reliance on foreign borrowing.

Foreign finance can assist development only if it stimulates sufficient growth to repay the loans and that requires removing impediments to local investment. "In a situation of high inflation, volatile real interest and exchange rates, fiscal deficits and other macro-economic imbalances, investors are likely to postpone investment plans because of pervasive uncertainty."

Reducing economic distortions, instability and inefficiency also stimulates savings, as the experiences of Korea, Sri Lanka and Taiwan show. "On balance, it appears that a financial environment characterised by positive real interest rates, an efficient system of financial intermediation and a structure of taxation that does not discourage private saving offers the best prospect of increased savings, investment and improved allocation of financial resources."

The IMF adds, however, that failure to reach agreement at the Uruguay Round of trade talks could harm developing countries' growth prospects, by depriving them of the benefits of trade liberalisation and increasing trade friction. ■

Japanese deputy minister gives SA a hint

Star 20/7/91

PRETORIA CORRESPONDENT

JAPAN would like to consider the lifting of sanctions in a manner beneficial not only to South Africa, but also to the rest of Southern Africa.

Japan's deputy Foreign Affairs Minister, Muneo Suzuki, yesterday declined to give a direct answer to whether Japan would lift sanctions in the immediate future, but said his government was considering various factors, as well as "what should be done about this issue".

He added that the Japanese government would like to consider the matter in a manner which would be beneficial to the whole of Southern Africa.

He was speaking at a press conference at the Union Buildings after meeting his South African counterpart, Leon Wessels.

Mr Suzuki's arrival in the country is the first visit by a Japanese Minister or government official since 1969.

Mr Suzuki met the leaders of Kenya, Tanzania, Zimbabwe and Zambia before landing at Jan Smuts on Thursday.

During his meeting with Mr Wessels he expressed the concern of these African countries about further efforts by the South African Government regarding the freeing of political prisoners and ending violence.

Mr Wessels said he explained to Mr Suzuki the Government's views on violence and future constitutional steps to be taken and informed him about recent developments in South Africa.

The two deputy ministers also discussed issues surrounding bilateral relations between the two countries.



SA VIEW: Deputy Foreign Minister Leon Wessels.



Constitutional Development Minister Gerrit Viljoen, centre, arrives at the opening of the Inkatha Freedom Party's 16th conference in Ulundi on Saturday, amid controversy over disclosures that government had funded Inkatha rallies. Picture: AP

AIDS burden will be worst in Africa, Asia

B/Day 22/7/91

TANIA LEVY

AFRICA and Asia would suffer from the AIDS pandemic "long after it is forgotten in Europe and the US" but it was clear that the West would offer them little support, National Health Department spokesman Dr Manda Holmshaw said at the weekend.

Speaking at an AIDS Economic Forum in Midrand on Friday, Holmshaw said she had returned from the recent International AIDS Conference in Florence feeling very despondent.

The conference had heard that in the mid 1990s sub-Saharan Africa would account for about 61% of the world's HIV cases, although the area was inhabited by only about 8% of the world's population.

There were an estimated eight to 10-million people infected with the virus worldwide.

Holmshaw said it was predicted that the child mortality rate in sub-Saharan Africa would double by the mid-1990s and the average adult lifespan would decrease.

She said the disturbing thing about the conference was that despite the clear evidence that Africa and Asia would bear the greatest AIDS burden, no one had really been interested in them.

It was obvious that Africa would have to find its own solutions.

National Health Minister Rina Venter said in her opening address that the extent of the AIDS pandemic in other African countries underlined the need for a united and wide-ranging response to AIDS in SA.

Venter said 300 people were being infected with the AIDS virus every day in SA, about half of them women.

She said the most conservative estimates showed at least 100 000 people were now HIV-infected in SA.

It was obvious that government alone could not fight the spread of the disease.

Holmshaw said a multisectoral approach was vital.

The state could do a great deal at the macro-level and a mass campaign would be launched in August or September.

But on a more personal level, employers and non-government groupings had to try bring about behavioural changes

Venter said it was clear that HIV would be a fact of corporate life for decades to come and that quick-fix solutions would not make much impression.

Eskom in pact 279A to give power

Star 25/7/91

By Kaizer Nyatsumba
Political Staff

The Development Bank of SA and Eskom have signed a partnership agreement which will have a major impact on the provision of electricity to under-developed areas of southern Africa.

The agreement, announced in a joint statement by Eskom and the DBSA, provides for the "optimal application" of the two institutions' respective resources to alleviate the plight of poor communities which had no electricity supply.

The statement said a liaison committee had been established between Eskom and the DBSA.

The committee would give joint, co-ordinated attention to liaison with governments and local authorities to support policy formulation and overall electricity planning and the implementation of a joint project cycle for electricity development projects in developing areas.

DBSA spokesman Frans van Rensburg yesterday told The Star the new arrangement would not be used to bail out black local authorities whose electricity supply had been disconnected as a result of rent boycotts.

The new scheme, Mr van Rensburg said, was meant for new development projects and would cater for people who had never had electricity

The statement referred to a R17 million loan from the DBSA to the KaNgwane Electricity Supply Commission (Kescor) to supply electricity in the homeland as "a direct example of this kind of interaction".

It was estimated that the agreement, signed yesterday between Kescor and the DBSA, will result in the provision of electricity to an estimated 4 000 households in KaNgwane in the next two years.

Developing comunities anywhere

Star 25/7/91

By Louise Burgers

The Development Bank of Southern Africa has contributed to the improved living conditions in many communities, but this was still only a drop in the ocean as far as the national need was concerned, says chief executive Dr Simon Brand.

The bank made about R1 billion available to projects in the 1991/92 financial year and in the past eight years it spent some R4 billion on 750 projects.

The largest project the bank is involved in is the provision of R600 million worth of infrastructure for the Lesotho Highlands Water project. In KwaZulu and Natal, it is providing about R70 million towards industrial infrastructure.

Dr Brand said the Development Bank had often faced the criticism that it was seen to be supporting apartheid structures by providing assistance in the homelands and TBVC-states. "The money is there for the upliftment of communities," he said, adding that the Bank was prepared to help regardless of political affiliation.

The bank has also played an important role in changing the approach to agricultural development in black areas.

"We have shifted it away from a situation where you have the development corporations farming on a large scale with the local people involved as labour — and shifting that towards an approach where one supports the small farmer to get a more meaningful involvement of people in agricultural development."

Important to the bank is its support of education and training and health care facilities — such as technikons and teacher and nursing training colleges.

The bank has also acted as a facilitator in getting the private sector involved with the provision of housing and commercial facilities in disadvantaged areas.

With promises of a huge influx of foreign funding, the bank stands poised to redress the multi-billion rand backlog in development.

This is the scenario Dr Brand sees evolving as overseas governments shift their emphasis from funding traditional "apartheid victims" to funding development projects in Southern Africa.

"We have been discussing cooperation between the bank and Western European governments and multi-national institutions such as the United Nations development programme and the World Bank.

"The work of the bank is well-known and appreciated in many of these institutions and our impression is that there is quite a keen interest. They (developed countries) are all looking at their involvement in Southern Africa and also South Africa."

However, the bank did not want to enter into any international agreements on foreign funding until it had the support of extra-parliamentary movements and other institutions in the country. "We keep the extra-parliamentary movements informed about what we see as the future of development.

The Development Bank was established on June 30 1983 by the governments of South Africa, Tanskei, Bophuthatswana, Venda and Ciskei to mobilise and provide loan finance, technical assistance and advice for sustainable development projects. It has increasingly become involved in economic reform issues.

During the eight years of its existence, services have been extended to neighbouring countries such as Lesotho, Mozambique and Namibia.

The ultimate clients of the bank are the economically disadvantaged people in Southern Africa. Its direct borrowers are central, regional and local governments, their development agencies and non-governmental agencies fulfilling a developmental role.

Funding is from parliamentary grants and the capital markets.

Dr Brand said that increasingly, in the past few years, the bank had not always been able to identify the technical capacity of the borrower to implement projects — whether it be a homeland authority, local authority, para-statal body or non-governmental organisation.

When the bank was first approached to provide assistance in Soweto, it was clear that the town councils did not have sufficient support from the community.

"Therefore, before we could get involved in a project, one had to work towards establishing more legitimate, representative structures with which we could co-operate. We suggested to the Transvaal Provincial Administration that they had to be prepared to bring the civic associations in."

This is how the Development Bank got involved in the Soweto Accord and the Witwatersrand Metropolitan Chamber where it has observer status and provides technical assistance.

Political changes open new vistas for Development Bank

Star 26/7/91

By Barney Mthombothi
Star Africa Service

The Development Bank of Southern Africa (DBSA) is looking forward with undisguised relish to developments on the continent.

Since President FW de Klerk fired his starting gun on February 2 last year, political developments have been flitting past at bewildering speed.

New vistas are opening up, doors that were firmly shut for years are opening, some admittedly reluctantly, and foes are suddenly discovering they have had lots in common all these years.

No institution has metamorphised as rapidly in the eyes of its critics as the DBSA.

Misfortune

Founded eight years ago by the South African government and its satellite homeland states, it soon received a reputation as an apartheid bank.

It was also the bank's misfortune that its launch coincided with the heat generated by P W Botha's tricameral constitution and such government initiatives as the Koornhof Bills.

To government critics, therefore, the bank was indistinguishable from the nuts and bolts of Mr Botha's total strategy.



General manager Nick Christodoulou . . . EC is saying "Please talk to each other."

February 2 1990 changed all that. Senior bank officials now talk enthusiastically, and openly, about its projects in neighbouring countries.

Two of its officials a few weeks ago returned from the annual meeting of the African Development Bank (AFDB) in Abidjan, Ivory Coast, elated by their reception.

The thaw here also co-incides with a new realism in Africa and an emphasis on economic integration.

Regional institutions like the Economic Community of West Africa (ECOWAS) are being strengthened and are playing an increasingly important role in foreign policy and security matters. There are also attempts to resuscitate the East African Community.

It is expected that these regional organisations will form a firm foundation for the new African Economic Community (AEC) launched at the OAU summit in Nigeria.

Co-operation

These developments therefore augur well for future co-operation between the DBSA and other institutions on the continent. The key is the normalisation of political life within SA.

Within the country itself foes are becoming friends. The bank is discussing with Kagiso Trust co-operation in rural development projects.

Kagiso Trust, funnellers of EC funds to help victims of apartheid, would not have touched the bank with a barge pole two years ago.

"Isn't that amazing?" says Nick Christodoulou, one of DBSA's general managers.

"We have lunch together nowadays with Eric Molobi and Achmat Dangor (Kagiso officials) and we laugh about it because it's crazy. We were doing the same thing all along.

"But now the EC is saying, 'The DBSA and Kagiso are doing the same thing, please talk to each other,' and we are."

Even before the thaw flowing from Mr de Klerk's reforms, the bank was already involved in projects in Mozambique, Lesotho (mainly to do with the Lesotho Highlands Water Project) and Namibia.

In fact, the bank has had approaches from almost all southern African countries, except Zimbabwe.

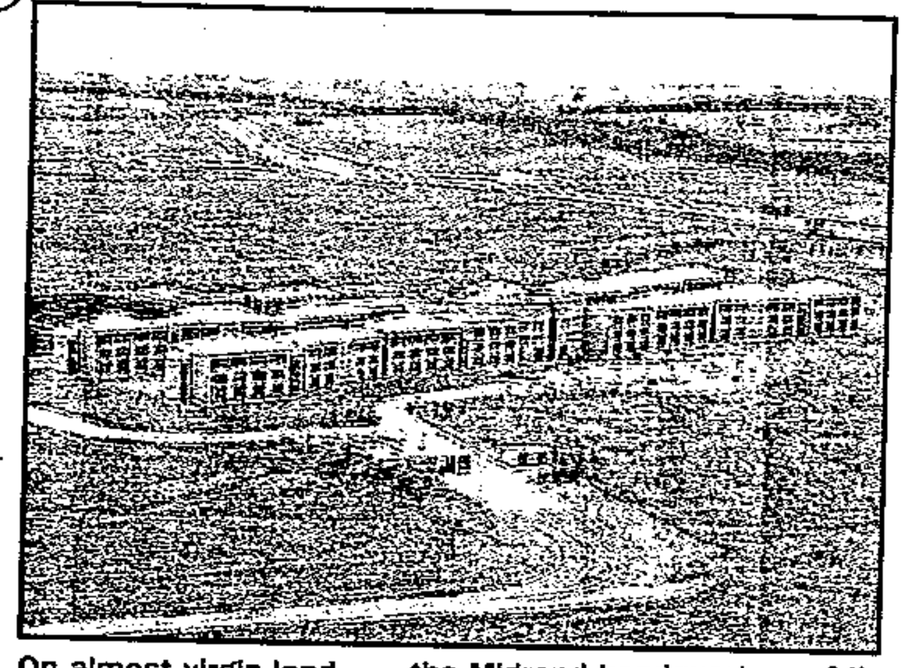
The bank's chief executive, Dr Simon Brand, is now having talks with the new administration in Windhoek to see what role it could play in the changed environment there.

"We could be funding projects in Zaire tomorrow if we had the resources," Mr Christodoulou says.

Were hostile

In most of these projects the bank has found itself in parallel funding arrangements with agencies like the World Bank, the African Development Bank, the Commonwealth Development Corporation and the Southern African Development Co-ordinating Conference (SADCC).

This therefore allowed the bank an opportunity to establish contact with institutions it would not normally meet and which in the main were hostile towards the Republic.



On almost virgin land . . . the Midrand headquarters of the Development Bank of Southern Africa lie alongside the Pretoria-Johannesburg highway, probably the busiest road in southern Africa.

"There was always clearly a strong argument for economic co-operation. But it was impaired by the political situation. The moment that some relaxation on the political front takes place, the economic co-operation will take a leap forward."

So far there has been limited contact with SADCC but as events continue to unfold, the two organisations may find themselves covering pretty much the same patch in future. This may require some rationalisation or one being swallowed up by the other.

But Mr Christodoulou says the functions are so broad and the geographic area so vast that the resources of both organisations put together may not be enough to address the region's problems.

The belief also that South Africa will be the engine that would revitalise the entire continent — which seems to be behind the stampede by some African countries to establish contact with SA despite sanctions — is also misplaced.

South Africa simply does not have the resources to play such a role and, secondly, a new majority rule government will have its own backyard to sweep first.

Basic needs

DBSA's Johan C van Zyl says in a discussion paper: "A post-apartheid SA would have to pay serious attention to the alleviation of poverty at home and the elimination of major socio-economic backlogs in education, health, welfare and housing.

"In fact, to stand any kind of chance of meeting these basic needs, SA would have to improve its own recent poor economic performance very significantly."

It's a point that seems to have been well-taken by SADCC's senior officers. Kgosukwe Moesi, of SADCC, said in an interview recently the advent of majority rule in SA would not necessarily change the unequal relationship between SA and SADCC countries.

"The new government will obviously pursue policies that in its opinion best serve the national interests of the country," Mr Moesi said.

"With the complexity of socio-economic problems that will confront a post-apartheid SA, it is likely that the country will be a competitor for aid, and not a donor."

Takeover

The exaggerated perception of SA's economic might is also linked to the fear among SADCC countries of an economic takeover of the region by the Republic, flooding the markets with its products.

"That's not true," Mr Christodoulou says. "But where SA and organisations like the DBSA could be of enormous assistance is in acting as a channel for international aid to all countries in southern Africa."

Frontline states 'lack strategy on new SA'

B1 Day 29/7/91 279A

LINDA ENSOR

CAPE TOWN — The Frontline States were paranoid over SA's economic dominance in the region but had no unified strategy to deal with it, says a visiting British lecturer and expert on the foreign policies of southern African states.

University of Kent international relations lecturer Stephen Chan told a Centre for Intergroup Studies seminar that the Frontline States were afraid of losing their fiscal independence to an economically dominant SA, but lacked unity and a common front.

Chink

He said it was likely that Zambia would be the first chink in the "Frontline armour".

Zambian elections were scheduled for October, Chan said, and he expected the Movement for Multi-Party Democracy (MMPD), representing business and the legal profession, to win.

The MMPD has already indicated it would like to develop economic and trading ties between Zambia and SA, in order to regenerate Zambia's moribund economic structures.

The paranoia of the Frontline States towards SA would be greatly enhanced if these links were forged, because they would have an economic domino effect, with other states following suit.

Multiparty democratic systems were in the process of evolving in other Frontline States such as Mozambique, Zimbabwe and Angola, and this would change foreign policies in the region.

"The problem now is how to maintain a common front on economic matters and determine a joint policy before multiparty governments come about," Chan said.

The concern about economic domination in southern Africa focused not only on SA but also on the US and Japan.

Chan said Japan was conducting in-depth research into key sectors of the economies of southern African states with a view to future investment.

There was little hope of resource-rich Angola forming an economic counterpoint to SA as all its efforts would be devoted to the reconstruction of its economy after years of civil war.

Politically, the Frontline States feared an arrogant future SA government might not have much regard for them, and would in any event be too involved in creating social equality inside the country to be in a position to grant them any benefaction.

SA 'seen as the way into Africa'

B/Days 30/7/91 (279A)

THE lifting of sanctions and SA's readmission to international sporting events could open up exciting new avenues for SA advertisers in other countries.

Reports by
MARCIA KLEIN

International Media Representatives (IMR) director Robin Hammond said in an interview that SA agencies were looking to Africa as an area of development, while the rest of the world saw SA as a route into the growing markets in Africa.

Hammond said some international companies might have already burnt their fingers by trying to go into Africa direct. SA was "a natural home base".

A recent spate of visits to SA by directors of international advertising agencies with SA subsidiaries showed a renewed interest in SA and Africa.

SA agencies which had affiliations with international firms were often expected to do the development in Africa on behalf of the international parent company. Countries including Zambia, Zimbabwe, Namibia and Malawi were now open to development from this region. He felt development coming from within Africa would be best.

There had been many indications over the last few months that opportunities worldwide did not look as rosy as those in Africa, Hammond said, and his company had seen a large increase in inquiries for media in Africa.

IMR officially represents about 250 foreign publications mainly for advertising, giving SA companies an opportunity to communicate abroad. It also acts as a clearing house of information about communications opportunities in foreign countries, keeps statistical marketing information and does its own research.

Hammond said much of the development in Africa would be in product advertising and tourism, with some recruitment and financial advertising.

While there were some problems in Africa with the frequency of media and quality of production, SA manufacturers in particular were awakening to opportunities to export and for two-way trade.

Many SA companies were "sitting on the fence", but growth in adspend — currently about R5m for companies which did not have their own agents for advertising overseas — was expected to be significant from next year.

Rupert's EDESA is back home

By Sven Lünsche Star 2/8/91

A leading African development agency which was started by Dr Anton Rupert in 1973 but has been operating only in other parts of Africa, yesterday launched its South African subsidiary.

The Economic Development for Equatorial and Southern Africa (EDESA) which is based in Switzerland but fosters and funds private enterprise venture in 21 African countries, plans to "support and sell SA technology and knowhow to the rest of Africa."

Victor Viseu, who heads the Johannesbug operation, says the company operates very much like the IMF's International Finance Corporation (IFC), which focuses exclusively on funding private business interests.

EDESA's projects are to a large extent funded in co-operation with other multi-lateral agencies such as the IFC, the World Bank and USAAID.

Share capital

Its share capital of $20 million is held by 25 large corporations from eight countries, including South African groups such as De Beers, Anglo, and Murray and Roberts.

It was founded by Rembrandt's Dr Rupert to fund development projects in South Africa but shifted its attention to the rest of Africa when the Development Bank was founded in the early seventies.

EDESA acts as a catalyst for projects and in this way has raised toal funds amounting to more than $500 million. Its main activities include consulting private enterprises in evaluating business strategy in Africa, financial management support for projects and lending to governmet agencies and banks in sub-Saharan Africa.

Mr Viseu says the demand from SA companies for joint projects in Africa has already been overwhelming.

The board of the local company is headed by Professor Danie Joubert, the principal of the Univeristy of Pretoria and also includes Rene Gerber, the chief executive of the EDESA group.

BCCI 'helped to loot Third World countries'

WASHINGTON — The Bank of Credit and Commerce International (BCCI) served as a worldwide haven for thousands of criminals, undermined Third World economies and stayed in business only by buttering up top US officials, a congressional panel was told last week.

Despite signs of trouble at BCCI as long ago as the 1970s, regulators waited until last month before they closed the bank, said Senator John Kerry.

Kerry's senate sub-committee was told the US and its allies had closed businesses operated by the Abu Nidal guerrilla organisation through the Warsaw branch of BCCI.

As "the biggest bank fraud in history" spread its tentacles, US banking regulators said the CIA never told them of a 1986 report disclosing that the BCCI had held a hidden interest in Washington's largest bank since 1982.

Kerry said the CIA report alleged BCCI was engaged in illegal activity and that it secretly controlled First American Bank.

The Federal Reserve approved the 1982 takeover of First American by Arab investors only after assurances from chairman Clark Clifford that BCCI would have no control or influence over the bank.

The probe comes amid growing allegations of corruption — from drug money laundering to bankrolling gun-runners — and an increasing number of questions about how much bank regulators knew and when they knew it.

BCCI's founder and a top executive have been indicted by a New York grand jury on charges of fraud, money laundering, bribery and theft, and the Federal Reserve has slapped a $200m fine on BCCI, saying it had violated banking laws.

BCCI had previously escaped scrutiny by winning the trust of influential people, said Kerry.

Former customs commissioner William von Raab said influence peddling was behind the investigative go-slow.

"The result is that senior US policy-level officials were constantly under the impression that BCCI was probably not that bad because all these good guys who they play golf with all the time were representing them," Von Raab added.

But BCCI was allegedly wading knee-deep in crime before the July 5 shutdown.

Senators on the foreign relations subcommittee on narcotics and terrorism were also told the bank was in business just to serve thousands of criminals, such as former Panamanian leader Gen Manuel Noriega.

Jack Blum, a former Senate investigator, said the Luxembourg-based bank was a conduit to drain funds out of ailing Third World economies.

There was a "looting of the Third World by some very rich people who made themselves richer", he said. — Reuter.

Relations with SA are top of SADCC agenda at summit

(279A) B/Day 6/8/91

PATRICK BULGER

SA's future relations with the Southern African Development Co-ordination Conference (SADCC) will top the agenda at the organisation's summit in Tanzania later this month.

SA membership of the SADCC is not a prospect that the present member states are looking forward to, as their economies will be instantly relegated to junior status.

Leaders of the countries that comprise the SADCC — Angola, Botswana, Malawi, Tanzania, Mozambique, Lesotho, Swaziland, Zimbabwe, Namibia and Zambia — will discuss the matter.

The SADCC was formed in 1980 to lessen the reliance of southern African states on SA's economy. It also serves as a developmental bloc by pooling resources and engaging in joint economic initiatives.

Stephen Davis, a senior policy analyst on southern Africa at the Washington-based Investor Responsibility Research Centre, argues: "In the economic sphere SADCC officials have already indicated that a democratic SA would be welcome within the organisation.

"But analysts worry that a Pretoria integrated into the region could overwhelm SADCC's fragile economies with cheaper goods, unfettered capital and efficient transport corridors."

Davis, in an an article entitled Facing Goliath — Zimbabwe's Role in Conflict Resolution in SA, in the SA Foundation's SA International journal, argues that Zimbabwe in particular has not been successful in attracting investment or in lessening its reliance on SA. Up to 70% of its exports still pass through SA.

"For Zimbabwe, facing the SA economic juggernaut will be a particularly daunting task. While Harare's business community backs open commerce with SA, it also worries, along with Zimbabwe's political leaders, that a democratic SA will threaten the country's independence. Zimbabwe has for 10 years dominated SADCC, but SA would instantly replace it as the dominant power.

"Zimbabwe may only be partially braced for the coming shock. Liberalisation of the economy, and in particular the foreign investment sector, is proceeding at a sluggish pace. The large investments made in alternative transport corridors through Mozambique could be made obsolete as the lure of cheaper routes to SA ports takes hold," Davis says.

uncertain.

Chidzero calls for Africa to set up monetary union

HARARE — Zimbabwe's Finance Minister Bernard Chidzero has called for an African economic community and monetary union to make the continent a power to be reckoned with in the global economy.

He told the closing session of a meeting of African central bank governors that the single European market and proposed monetary union within the European Community threatened to stifle Africa's traditional markets.

"Africa remains fragmented with economically weak regional groupings like the Economic Community of West African States (ECOWAS), the Southern African Development Coordination Conference (SADCC), the Preferential Trade Area (PTA) and the Maghreb Union, to mention just a few.

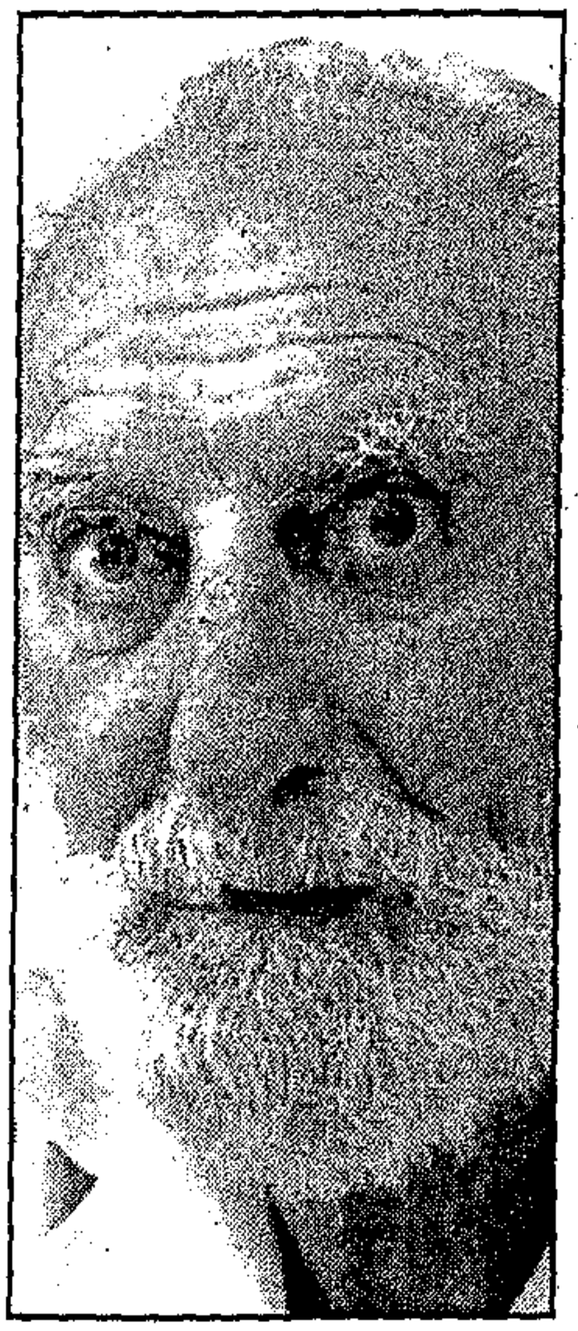
"The establishment of the African Economic Community would ... render Africa an economic force to reckon with in the global economy much to the benefit of her economies," he said.

"The establishment of a monetary union is by no means an easy task and hence has no overnight solutions. However, it is a direction in which Africa inexorably has to move and efforts at both national and regional levels have to continue," he said.

Chidzero said Africa's debt burden threatened the international monetary system because the continent was exporting capital to developed countries, through debt servicing.

The governors said in a communique at the close of the meeting that little progress had been made in arresting the protracted and deepening poverty in several African countries.

The governors said some of the preconditions for monetary integration were the increase of trade among African countries, cross-border investment, the flow of labour among African states and encouraging joint ventures. — Sapa-Reuter.



Prof Rubin Sher . . . vaccine would be expensive.

10-m orphans from Aids – prof

Sub-Saharan Africa can expect to have 10 million orphans in the near future because of Aids, according to Professor Rubin Sher of the South African Institute of Medical Research.

Speaking at the annual Fedhasa congress in Durban, he said Africa would have about 17 million cases by 1994.

In South Africa, the "worst case" projection was that there would be about 3 million deaths from Aids by 2006.

There was little prospect of a vaccine before at least the mid-Nineties. Even if one were discovered, it would be expensive.

Professor Sher said education remained the only "vaccine".

Making the disease notifiable would serve no purpose, nor would pre-employment testing.

Money should be spent on in-company information programmes on Aids prevention. — Medical Reporter.

African countries hit by BCCI failure

By Neil Behrmann (2-7-91) Star 12/8/91

LONDON — Individuals, businesses and civil authorities in Zimbabwe, Botswana and Swaziland will be sorely hurt by the Bank of Credit and Commerce International (BCCI) scandal.

According to a Wall Street Journal investigation, BCCI had $2 billion (R5,7 billion) worth of assets in Africa.

An auditor's report shows that more than $300 million (R858 million) of deposits are in southern Africa, with $159 million (R454 million) in Zimbabwe, $35 million (R100 million) in Botswana, $23 million (R66 million) in Swaziland and $86 million (R245 million) in Zambia.

The journal says BCCI's collapse hits prospects of hundreds of businesses in the region. Spanning 17 African countries , BCCI was one of the biggest banking players in Africa.

Operations here accounted for 20 percent of BCCI branches and 11 percent of total deposits, according to Western creditors.

Since BCCI was seized by Western regulators last month, the fallout has spread to Africa. Confidence is shaken, and many businesses are paralysed.

Exports and imports are falling because of unpaid foreign exchange contracts and frozen letters of credit. Government reserves are sinking because they are stuck in BCCI. Workers and civil servants could lose salary payments.

Cameroon's finance ministry says more than a third of the country's reserves were deposited at BCCI. Diplomats and bankers there say nearly a month of government salaries may be lost.

Bankers and aid officials say the situation is similar in countries such as Botswana.

BCCI developed foreign-exchange and trading business because of cozy relations with the region's strongmen and military rulers.

It offered speedy transactions, especially foreign exchange, with little paperwork. It hired influential local leaders to open doors and provide political protection.

Something rotten afoot in Africa — you can bank on it

Star 19/8/91. 2-9A

Only BBCI's African branches are still open while branches in the US and Europe have been closed down. RICHARD DOWDEN finds out why.

IN EUROPE, the Bank of Credit and Commerce International (BCCI) was closed down when it was found to be corrupt. In Africa, its branches have been kept open for the same reason. In many of the 17 African countries in which BCCI operates, it is close to the politically powerful — who are also rich.

There are reports, proven or rumoured, that BCCI was as corrupt in Africa as elsewhere. The closure of its branches in Europe and the United States caused a run on its branches in Africa, but in Nigeria, Egypt, Kenya, Seychelles, Mauritius, Zambia, Zimbabwe and Cameroon it has stayed open.

Unlike in Europe, BCCI played a central role in many African economies, and where it has closed, even temporarily, credit has run dry and business has ground to a halt.

But probably more important in the minds of some powerful politicians who stepped in to keep their local branches going was the fact that it provided them with easy loans and transferred their funds, often illegally, to Europe, where they and their families could shop and spend their holidays.

It was used by many African millionaires and east African Asians whose main wealth was kept in Europe but who maintained businesses in Kenya or tried to re-establish businesses in Uganda or Tanzania.

In west Africa, BCCI was used widely by the Lebanese community, who carry on much of the trading — legal and illegal — along the coast. Some of them will have been ruined by its closure.

BCCI appears to have wooed the rich and powerful in Africa in the direct personal way that became its hallmark, transferring funds with a minimum of paperwork compared with the painfully slow bureaucracies of most banks in Africa.

The bank seems to have made a particular pitch for African ambassadors and high commissioners, many of whom had their personal and embassy accounts with BCCI in London.

It also demonstrated its political commitment by enabling at least two poor countries to stand up to the International Monetary Fund at crucial moments, giving rise to suspicion in many African countries that its closure is yet another plot against the poor and Islamic.

BCCI also supported the Third World Foundation and former US President Jimmy Carter's agriculture assistance organisation, the Global 2000 Foundation. It maintained South magazine, which promoted a "Third World" view but folded in 1990.

"The Third World Prize", a cash award to heroes of developing countries, was also backed by the bank. Nelson and Winnie Mandela won it in 1981 and Julius Nyerere, the socialist former President of Tanzania, in 1985.

The biggest BCCI operation in Africa lay in Nigeria, where it had 48 branches and its assets were valued at $584 million (about R1,6 billion).

Like most private institutions in Nigeria, it has a reputation for corruption and in the past five years Nigeria has become a major drug-smuggling staging-post.

News of BCCI's closure caused customer panic, but the branches stayed open and the bank changed its name to African Bank International after the 60 percent foreign stake was bought by the Sultan of Sokoto, a close associate of Nigerian President Ibrahim Babangida.

In Kenya, BCCI was found guilty of coffee-smuggling three years ago and fined $30 million (about R84 million). In 1987, after BCCI was found to be transferring money out of the country illegally, George Saitoti, then Finance Minister, issued a notice saying it was not allowed to deal in gold or transfer money out of Kenya.

Despite this reputation, the 49 percent overseas stake in the country has been bought by Ketan Somaia, a Kenya Asian close to President Daniel arap Moi.

Mr Somaia has also bought the overseas stake in the branches in the Seychelles and Mauritius. He is believed to have paid around $35 million (about R98 million) for the stake in BCCI Kenya.

In Botswana, rumours of corruption led the Governor of the Central Bank to admit there had been an investigation, but he said there was no evidence of corruption.

In Zimbabwe, where the government has a 53 percent share, BCCI has remained open despite heavy withdrawals.

In Cameroon, the bank first announced it would close down, then changed its mind, but accounts are frozen and it is said to hold a third of the government's reserves. — The Independent News Service. □

The benefits of Gorbachev's policies for southern Africa will stay, says **Gerald L'Ange**

No turning back the clock

Star 21/8/91.

THE reform of apartheid will not have to be reversed and the ANC will not return to exile. The Cubans will not come back and neither will total onslaught.

None of the trends in southern Africa that were associated with Mikhail Gorbachev's coming to power in Moscow will be turned around by his ousting as president of the Soviet Union.

What many South Africans have come to regard as the bad old days of the Red Menace in Africa have gone for good and the Kremlin hardliners who have toppled Mr Gorbachev will not be able to bring them back, even if they succeed in making his ousting permanent.

The clock has gone too far to be turned back — in Africa, at any rate — since Mr Gorbachev's arrival on the scene signalled the start of perestroika and glasnost.

Those anxious times when ANC insurgents brought in bombs and bullets from across the borders, when white South Africa's sons went to fight in distant Angola, when the sanctions screws were made tighter and tighter, when South Africans were conditioned to resist a total onslaught, were directly related to the era of Soviet expansionism in Africa.

The Kremlin at that time found it necessary to compete with the West, and the United States in particular, on a worldwide front and to promote the influence of communism and Soviet hegemony as widely as possible.

Armaments were poured into the wars in Africa: in Angola, Namibia, Somalia, Ethiopia, Mozambique, Rhodesia and elsewhere. Arms, training and other support was given liberally to the ANC and Swapo.

In this atmosphere, the South African Government would have found it extremely difficult — even if it had wanted to — to abandon apartheid and the destabilisation of neighbouring countries that was considered essential to its defence.

But the cost of the Soviet Union's hegemonic efforts and of trying to match the United States in armaments and other technology was too much for its economy and it began to collapse, opening the way for perestroika and glasnost.

The Soviets began to make peace with the US and to support political rather than military solutions to regional conflicts.

Abandoning its hopes of a Red Africa, Moscow collaborated with Washington in bringing about independence for Namibia and the withdrawal of the Cuban troops from Angola.

It left its former proteges in Ethiopia and elsewhere to fend for themselves and made no effort to oppose the rising opposition to Marxism and one-party rule in Africa.

Even if the new bosses in Moscow want to return to the status quo ante, they will not be able to do it. They might cool the rapprochement with Washington, put brakes on arms control and reverse the trend towards democratisation within the Soviet Union.

But they will not be able to get back to where the Soviet Union was in Africa, any more than they will be able to divide Germany again.

The Soviet Union does not have the economic wherewithal to again fund political movements and back wars and in any case Africa's wars are fading out.

Political currents in Africa today are driven more by a desire for multiparty democracy and free-market economies than by the Marxist-Leninist dogma that tended to fill Africa's post-colonial ideological vacuums.

Namibia is happily independent, Angola seems set to find peace, Mozambique is heading fitfully in the same direction.

Cuba is not going to return for more Angolan-like adventures in Africa because it will no longer get funding from Moscow and can not finance them itself.

South Africa remains volatile, poised precariously on the edge of an unknown fate but driven by a powerful and universal urge to find a sane and safe future.

It would take more than interference from Moscow to upset this balance. For it would not be easy for the ANC to return to armed struggle and to again establish the necessary bases in or transit routes through neighbouring territories.

It is in any case highly unlikely that it would see any profit in doing this.

The long and short of it is that nobody in southern Africa wants to return to the old situation and it is doubtful that the Kremlin will want to either: They will be too preoccupied there with urgent internal politics to worry about all but the most essential international affairs.

The new regime has in any case professed a desire to maintain the new thinking of which Mr Gorbachev was the chief exponent.

One of the main worries in Africa has already been identified by Zimbabwe's leading newspaper, The Herald, which usually reflects government thinking. It expressed the hope that the fall of Mr Gorbachev would not lead to a reduction in Soviet aid in Africa.

Sharp cuts in this aid were predicted even before Mr Gorbachev's removal, however.

Despite the Soviet Union's own economic problems it had budgetted to provide for R22,4 billion in assistance to African countries between 1986 and 1990, according to figures reported by the Soviet news agency, Novosti. Much of this was in the form of credits and delayed loan repayments.

This year the Soviet Union was expecting to get only R4 200-million of the nearly R22 000-million due to it from Third World debtors.

Soviet academics had warned that a drastic cut in Soviet foreign aid was inevitable, although some had warned against the ending of all aid because of the damage this would cause to relations with developing countries.

"Oaths of ideological loyalty will substitute for all-round economic expertise, while joint projects will be given priority over free tank and missile deliveries," Novosti said.

Moscow's influence in Africa — as in the rest of the Third World — will be reduced more or less in proportion to the reduction of its aid. Given that a prime preoccupation of the new regime in Moscow will be to resolve the economic problems for which Mr Gorbachev is blamed, it is highly unlikely that it will reverse the reduction of foreign aid.

This will become even more unlikely if the Western countries implement their threats to withhold aid to the Soviet Union because of Mr Gorbachev's removal.

All in all, then, the prognosis must be that the toppling of Gorbachev from his pedestal will not reverse any of the benefits that came to southern Africa from his ascent to the pedestal.

It could affect benefits that might have been gained in the future, but it is unlikely to change the past. □

A gift horse needing its mouth looked at

Star 24/8/91 (279A)

SVEN LUNSCHE

EARLIER this month US Congressman Stephen Solarz expressed surprise and bewilderment at the failure of the ANC to welcome a multi-billion-dollar aid package for South Africa with open arms.

The ANC responded by saying an aid package of such proportions, offered to a post-apartheid government, needed careful consideration.

While there are lots of question marks over the ANC's general economic policy, the organisation is right to study the package in detail.

There seems to be a consensus that the economy will not survive without foreign investments and aid.

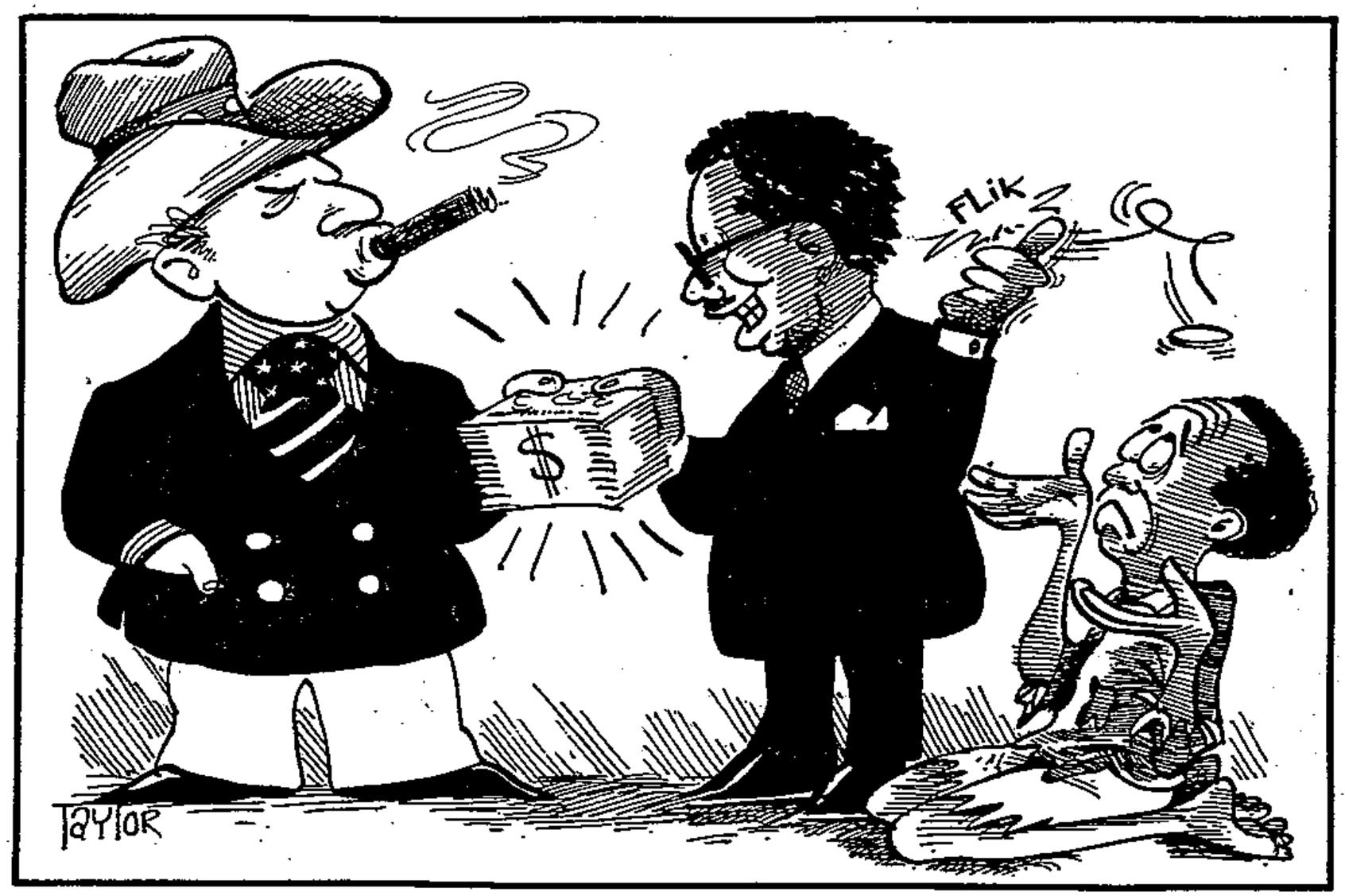
But it is vital that the power players in SA consider carefully the conditions attached to such aid.

Development aid to many Third World countries has not succeeded in boosting economic growth.

To the contrary. In a recent article, appropriately entitled "Beware the Siren Call of Foreign Aid", Nedbank chief economist Edward Osborn warns of the dangers inherent in such aid.

"Foreign aid has resulted in a syndrome of aid dependency where the aid intended for economic stability and growth has failed in achieving that, and hence more and more is requested," he writes.

Nowhere is this more evident than in Africa.



The World Bank estimates that Africa's external debt totals $226 billion this year, more than 50 percent of the continent's gross domestic product.

Over 50 percent of foreign exchange earnings go towards servicing interest and capital on foreign loans.

Despite the billions poured into Africa, there has been a serious decline of national income and a spread of poverty and destitution.

The situation is similar for states in Southern Africa.

In the circumstances it is not surprising that Mr Osborn says: "Aid is not a precondition for growth or the elimination of poverty.

"Indeed there is an appalling record of misuse of aid and much evidence of aid-engendering attitudes and policies that have been harmful to the process of development."

One of the worst aspects of foreign aid is that it has become a form of export promotion for Western countries, who have developed an international aid industry over the past two decades.

"Nearly two-thirds of capital and commodity aid, and even a higher proportion of technical assistance, is tied in the sense that the supply of the goods and services has to come from the donor countries.

"The benefits of the aid programme are tied, to a significant degree, directly to domestic industries, consultants and bankers of the donor country," Mr Osborn says.

He lists other shortcomings of foreign aid:

- Too often aid has gone into projects that are inherently uneconomic prestige projects, usually to underpin the popularity of the ruling party.
- The very availability of aid is itself corrupting in that it leads to the misallocation of resources and neglect of economic appraisal and standards.
- Donor countries often limit their aid to capital projects without due regard to the capacity of the recipient country to maintain the projects.
- Trade patterns become distorted as the freedom of choice of supply of the goods and services required for development is disrupted.

Turning to SA, Mr Osborn says it would indeed be foolish if SA were not to accept foreign aid, but "there should not be a loss of sovereignity in the area of economic policy".

He describes the Solarz plan as the pinnacle of arrogance in attaching conditions characterised by the commitments to economic liberalisation and growth of the private sector.

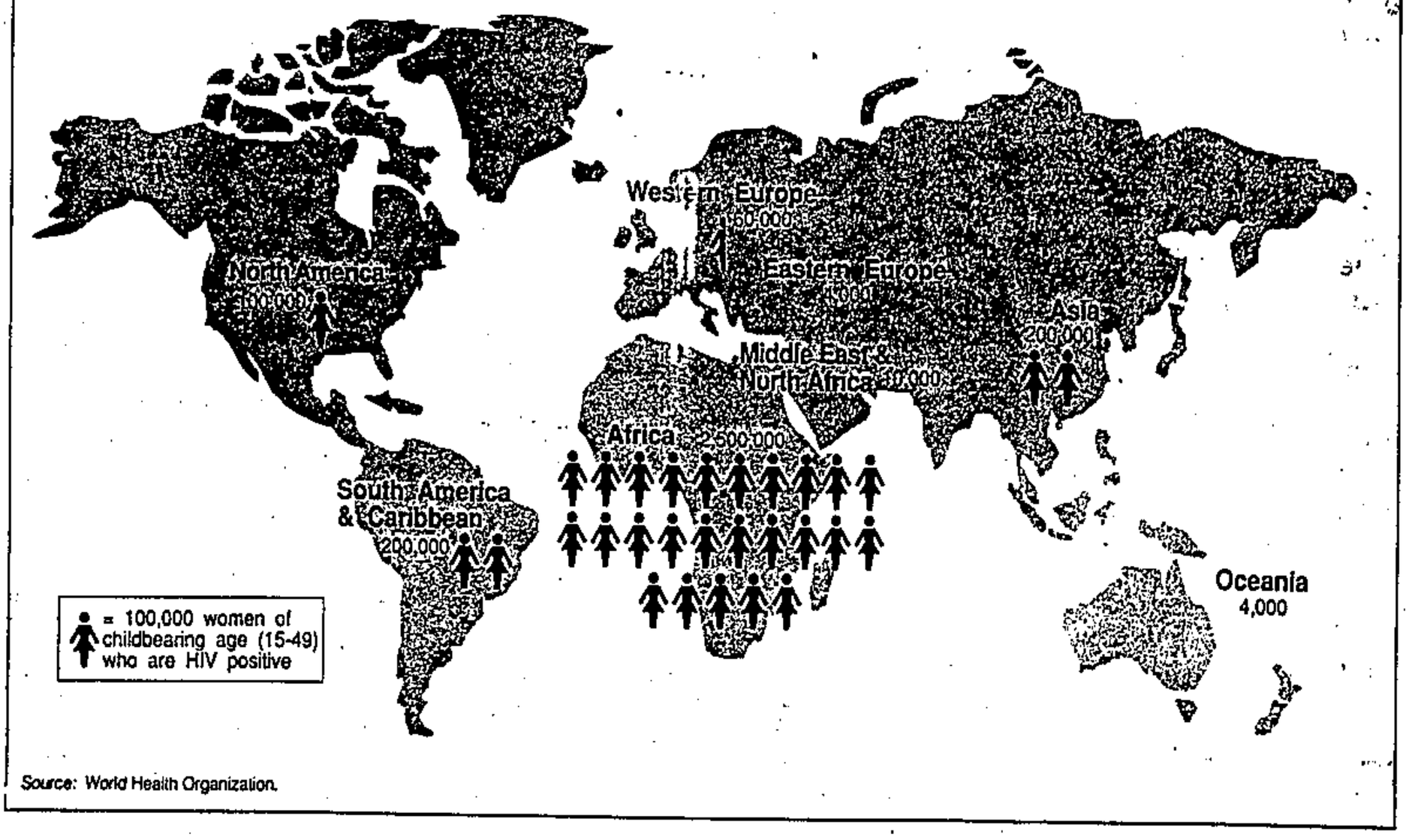
Mr Osborn says there would also appear to be no need for project and commodity aid to SA entailing a tied supply of goods and services because SA should strive to maintain a sound balance of payments.

Much more would be achieved in the creation of job opportunities and a reduction in poverty levels if aid were transformed into the opening up of trade opportunities. But this was likely to run foul of protectionist lobbies in the donor countries.

"If aid flows must take place, then they should be channeled through SA institutions and structured into spheres of enduring value," Mr Osborn says.

African babies' Aids nightmare

Star 24/8/91



THE devastating impact that Aids is going to have in Africa is dramatically shown by this graphic.

One of the most tragic aspects of the Aids pandemic in Africa is that, unlike other regions of the world, nearly half of those infected with the disease are women.

This means there are more doomed babies being born with Aids in Africa than anywhere else. The graphic, based on figures supplied by the World Health Organisation, is published in the latest edition of the United Nations magazine Africa Recovery.

Whichever way it is looked at, it shows the severity of the Aids infection in Africa compared with the rest of the world. The situation has been described by the UN Children's Fund (Unicef) as "a ca-

AFRICA NEWS SERVICE

lamity whose dimensions are scarcely comprehensible".

Of every 100 000 women of child-bearing age in Africa, 2 500 are infected with HIV, the virus that causes Aids. The comparative figure is 140 in North America, 70 in Western Europe and 30 in Asia.

Of the 8 million to 10 million adults estimated to be HIV-infected throughout the world, nearly 6 million are in Africa. And of these, 800 000 have full-blown Aids. In addition, 900 000 children are HIV-infected and nearly 500 000 of them have Aids.

The International Research Office of the United States Census Bureau estimates that in 25 years' time 70 million Africans could be infected with HIV.

UN estimates are that "child mortality rates may rise as much as 50 percent in much of sub-Saharan Africa during the Nineties, wiping out the gains in child survival that have been achieved over the past two decades.

"Another 10 million children may be orphaned by the deaths from Aids of their mothers or both parents."

Unicef says the key to preventing a massive toll among children is to contain the spread of Aids among women, since about a quarter of all pregnant women who are HIV-positive pass the infection on to their new-born.

African debt woes pile up

279A

Star 24/8/91

LUSAKA — The alarming levels of external debt in the preferential trade area (PTA) member states in Africa indicate the urgent need for regional co-operation in trade.

The editorial of the PTA newsletter says the total debt of the 17 members, excluding Somalia, rose from $36,42 billion in 1985 to $54,44 billion in 1989.

An economist at the PTA secretariat in Lusaka says the figure stated in the newsletter is conservative and estimates this to have gone up to $64 billion.

Zambia's debts amounted to $7,2 billion by 1989, second only to Sudan, whose external debt amounted to $12,3 billion in the same year.

The lowest figure is for Djibouti, with only $191 million.

Increases over 1985 figures in terms of rank percentage and not in real terms show Angola recorded the highest, followed by Burundi and Lesotho.

This aspect is attributed to donors demanding conditions on borrowed funds, while some of them require the debtor countries to source goods from them even if such goods are available locally.

Inadequate production of quality export goods has contributed to trade imbalances, falling prices of primary commodities, high interest rates, depreciation of national currencies and dependence on mono export products. — Sapa.

Regional trade a target of SADCC

B Day 26/8/91 2799A

ARUSHA — The 10 member countries of the Southern African Development Co-ordination Conference (SADCC) are working to increase intra-regional trade from the present five percent of total trade in the region to 12% by the year 2000.

Zimbabwe national news agency Ziana reports that SADCC co-ordinator for industry and trade Eli Simwela of Tanzania said steps were being taken to increase this-trade to 12% by the year 2000. These steps included removal of non-tariff barriers and improvement of the transport system.

Workshop

Simwela said SADCC was working closely with the Preferential Trade Area for southern and eastern African states to surmount the obstacle of formal tariff barriers. Eight of the 10 SADCC states were also PTA members, he said.

The official who, with other sector co-ordinators, was briefing newsmen on progress on Saturday night, said a workshop was to be held with businessmen and other officials to map out recommendations that could be made to the respective governments on how trade could be increased by removing unnecessary constraints.

The SADCC was compiling a trade directory with the help of a Zimbabwean company. Once complete, this would prove an invaluable aid to the region's businessmen, Simwela said.

The industry and trade sector had 18 projects valued at US$23,91m, and several studies had already been made on how to increase industrial investment in the region.

Another important aspect the sector was working on was the mobilisation of businessmen in the region. These constituted the investment community to make them aware that they had a role to play.

However, Simwela stressed that the most serious concern to his sector was the existence of physical barriers to trade, and these had to be removed. Policy-makers were being persuaded to remove them.

Charles Hove of the SADCC secretariat, explaining the small amount of intra-regional trade, said most member states had small industrial units which were mostly geared towards satisfying the domestic market.

Transport and communications sector co-ordinator Gilbert Mabila of Mozambique said the transport network in the region could cope with any additional intra-regional trade. — Sapa.



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SA key focus at SADCC meet today

279A
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ARUSHA. — Leaders of 10 African states will today consider admitting South Africa to their Southern African Development Co-ordination Conference (SADCC).

Today's summit will re-examine SADCC's future as sanctions against SA crumble. Conference sources said the meeting is expected to consider admitting SA when democracy is fully enstated.

The conference was formed 11 years ago to reduce economic dependence on an apartheid South Africa.

All SADCC states — Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe — will be represented, mostly by presidents or prime ministers.

Tanzanian PM John Malecela said in pre-summit talks last week a more sincere and serious approach was needed if SADCC was to survive — and described economic progress in the region as "pitiful'.

Ministers have agreed that no studies of new projects for co-ordinating trade in the SADCC area should be undertaken until a backlog of projects agreed in the past had been reduced.

Sources said it was agreed that the development of trade channels that were not dependent on SA would continue.

"The entry of SA will not mean the end of regional cooperation, or the end of SADCC," one official said.

But support from outside donors for projects has fallen by at least 30% in two years. SA finance could help to maintain the pace of development, he said.

An SADCC report — which will form the basis for discussion during the key summit — suggests that "dismal" economic circumstances in the region could be reversed by member countries following certain objectives, some of which are:

- To raise manufacturing's share of the region's GDP to between 15 and 17% by the year 2 000 from the current 12%;
- To generate at least 500 000 new manufacturing jobs by the year 2 000 from approximately 520 000 in 1985;
- To increase savings and investment ratio to achieve self sustained growth and thereby to reduce dependence on imported manufactures from 46 to 35% by the year 2 000;
- To increase intra-regional trade from 5% to 12% of total trade by the year 2 000;
- To reduce imports and export dependence on SA;
- To develop an indigenous capital producer goods sector;
- To raise levels of capacity utilisation and rehabilitate industrial establishments, and;
- To diversify the region's export base with manufacturers increasing from 10% (1980) to 15% of total export revenue and exported industrial output increasing from 10% to 20% by the year 2 000. Towards this end it was intended to foster labour intensive small scale enterprises.

ARUSHA. — SADCC members have started work to increase intra-regional trade from the present 5% of total trade in the region to 12% by the year 2000.

SADCC co-ordinator for the industry and trade sector, Eli Simwela, said steps were being taken to increase inter-regional trade from 5% to 12% by the year 2 000.

Measures included the removal of non-tariff barriers such as excessive bureaucracy and improving the transport system.

Simwela said SADCC was working closely with the Preferential Trade Area for Southern and eastern African states in order to surmount the obstacle of formal tariff barriers. Eight of the 10 SADCC states were also PTA members, he said.

SADCC executive secretary Simba Makoni said the meeting will be directed more at seeking more regional integration, rather than external funding for SADCC projects.

Zimbabwe's ministers of industry and commerce and regional and international cooperation, Kumbirai Kangai and Simbi Mubako, are the two most likely to have a tough job on their hands, as the intra-regional trade balance has consistently been in Zimbabwe's favour; much to the displeasure of the country's trading partners.

The discussion takes place against a background of shrinking growth rates and increasing debt burdens. Conference documents estimate the debt burden for SADCC countries — with a combined population of 83 million — at $25bn. — Sapa-Reuter and UPI

Summit to decide future of SADCC

Star 26/8/91

279A

ARUSHA (Tanzania) — Leaders of 10 African states began arriving here yesterday for a summit to decide the future of their Southern African Development Co-ordination Conference (SADCC), formed 11 years ago to reduce their economic dependence on white-ruled South Africa.

The SADCC's future is being re-examined as sanctions against South Africa crumble.

Today's summit will review economic and political co-operation within the SADCC and discuss future strategies. It is also expected to agree to consider admitting South Africa when democratisation there is complete, conference sources said.

All the SADCC states — Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe — will be represented, mostly by presidents or prime ministers.

Over the past week, Ministers and officials in the SADCC have been reviewing the organisation's past performance.

Tanzanian Prime Minister John Malecela described this as "pitiful", and said a more sincere approach was needed if the SADCC was to survive.

Ministers agreed that no studies of new projects in the SADCC area should be undertaken until a backlog of projects had been reduced.

Transport

The SADCC has drawn up plans for improving and integrating transport and port systems, and for developing trade within the 10-nation area independently of South Africa.

The group's executive secretary, Simba Makoni of Zimbabwe, said only 38 percent of the $8,6 billion (about R25 billion) needed to finance existing plans had been raised so far.

But Mozambique's Gilbert Mabila, the SADCC's co-ordinator for transport and communications, said traffic passing through the conference's countries had risen from 20 to 63 percent since 1980.

While 80 percent of the region's traffic used to move through South African ports, this was down to 30 percent.

The sources said the development of trade channels that were not dependent on South Africa would continue. "South Africa's entry will not mean the end of regional co-operation."

But support from outside donors for projects has fallen by at least 30 percent in two years. South African finance could help to maintain the pace of development, he said.

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Expansion plan upsets residents

Star 26/8/91

By Shirley Woodgate and Brian Sokutu

The expansion of Alexandra's East Bank with funds approved by the Independent Development Trust (IDT) has angered residents of Lombardy East, who claim that they were not consulted.

The project, launched with a R2-billion Government fund for social upliftment, of which R1,5 billion has been allotted for housing, is said to be one of 108 housing projects for the poor throughout South Africa. They will consist of 99 800 sites.

Wendy Marsh, secretary of the Lombardy East and Rembrandt Park Ratepayers' Association, said the first she knew of the expansion was when she read in the Sunday Star that formal housing was planned on the borders of their suburb.

"This is not what we have fought for over the last 14 years," she said. "We were promised that before Alex was extended towards Lombardy, London Road, running south of Alex to the N3, would be completed so that Alex residents had easy access to where they work.

"This would relieve already overcrowded Wordworth Road.

"We were also promised a multiracial golf course.

"Neither has happened and we were told that elite, not low-cost, homes would be built on our borders.

"Other issues are the threat of increased crime and dumping and greater pollution of the environment. The current smog-level which we suffer from Alex will definitely be increased."

Supporting the argument for a golf course, Lionel Keenan, chairman of the Lombardy East Ratepayers' Association, also expressed support for the IDT project.

"I have no problems with this project and have always suported it.

"But I insist that other services like roads and recreational facilities be built.

"If houses are built first, I foresee chaos as this will be contrary to the principles of proper town planning.

"It was decided that London Road be extended on the freeway so that thousands of commercial vehicles going through the residential area area be accommodated," Mr Keenan said.

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Southern Africa seeks SA boost

Star 27/8/91

ARUSHA — Leaders from 10 African states said yesterday that they looked forward to a post-apartheid South Africa joining a loose alliance set up to counter the economic dominance of the white-ruled state.

Ending the 11th annual summit of the Southern African Development Co-ordination Conference, chairman Quett Masire, President of Botswana, said the poor region needed South African participation to boost economic growth.

"The region cannot afford to wait any longer for South Africa to join the community of SADCC. We are impatient for the end of apartheid," he said.

The southern African grouping was founded in 1980 by the leaders of Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia, and Zimbabwe to co-ordinate efforts to counter-balance South Africa's economic power.

Namibia joined after gaining independence last year.

The reforming zeal of President de Klerk caught the SADCC by surprise. The SADCC, appearing increasingly irrelevant of late, has been trying to adapt to a new role.

Dr Masire told fellow heads of state that democracy in South Africa and the end of apartheid would give the organisation a fresh lease on life.

He said it was not known when South Africa would join the SADCC "because the process of negotiations to hand power to the black people has not even begun".

Zimbabwe's President Robert Mugabe said earlier that the SADCC was ready to admit South Africa once it was democratic and apartheid-free.

He told the heads of state and government in Arusha, a town at the foot of Mount Kilimanjaro, that South Africa's gross domestic product was three times that of all SADCC economies combined and its giant economy could help to restructure the economic imbalance of the region. — Sapa-Reuter.

Suspects' deaths: police deny lawyers' allegation

Star 27/8/91

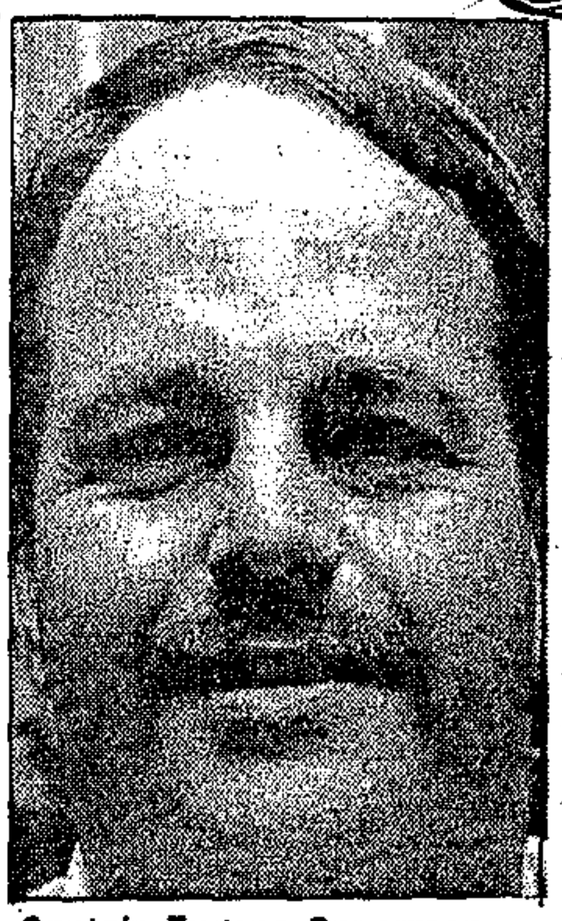
Crime Staff

The SAP has denied that three suspects killed by policemen last week were acts of revenge for the murders of two policemen and a traffic officer.

In a faxed statement to The Star yesterday, police spokesman Captain Eugene Opperman dismissed as "unfair" comments by Lawyers for Human Rights national director Brian Currin that the deaths of the suspects were "coincidental".

Mr Currin's comments — published in The Star on Friday — were in reaction to the killings of three suspects last Wednesday and Thursday.

Two of the men were shot dead in separate incidents on Wednesday by members of the newly formed special unit to investigate attacks on SAP members.



Captain Eugene Opperman . . . no evidence.

According to police, one of the men was in custody in connection with the fatal shooting of two policemen in Regents Park, Johannesburg, last Sunday, while the other — a suspect in the same case — was about to be rearrested after he had broken free.

A third — allegedly linked to the fatal shooting of a traffic policeman in Soweto last Tuesday — was killed on Thursday when police opened fire on a house in Pimville.

Mr Currin said the killings of the suspects smacked of "coincidence".

Captain Opperman said the "insinuation" that the first two suspects were killed "as a sort of revenge" was "devoid of any truth or substance".

He said the function of the new police unit was to probe all murders and attempted murders of policemen and women.

There was no evidence that the policemen involved had acted *mala fide* or outside the bounds of the law.

"According to available evidence both the men attacked the investigators and pointed firearms at them."

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Two stabbed men still to be identified

Two men stabbed to death in Johannesburg last week have still not been identified.

Police spokesman Captain Eugene Opperman said the men were stabbed in separate incidents.

One was stabbed in the chest on the corner of Fife and Soper roads in Hillbrow on Friday night and taken to hospital.

Captain Opperman said police had no idea how the man got to hospital as there was no record of an ambulance or private person bringing him in.

He could only be identified by Playboy bunny and dragon tattoos on his right shoulder.

The other man was found the following night on the corner of Simmonds and Harrison streets in central Johannesburg. He was also stabbed in the chest. His hands were handcuffed and he appeared to have been wearing a security uniform.

Both men were between 22 and 25 years old.

Anyone with information is asked to telephone Sergeant Kukard of the Brixton Murder and Robbery Unit on (011) 839-3322. — Staff Reporter.

'Informal housing' is seen as future mode

Star 27/8/91

By Kaizer Nyatsumba
Political Staff

Informal housing had to form a key component of a new negotiated housing policy in South Africa, a report released by the Urban Foundation in Johannesburg said yesterday.

The report, entitled "Informal Housing: Part One", said there was a need for "a unique policy process" in South Africa, formed by events elsewhere in the world but negotiated locally among all actors whose interests were at stake.

The report, part of the UF's "Policies for a New Urban Future", said spontaneous informal housing was a national phenomenon, and informal housing was now "a major component of contemporary urban residential landscapes".

Informal housing, said the 56-page report, was an important part of the residential fabric of South African towns and cities, and viewpoints which envisaged the re-housing of all or most of the present shack dwellers would have to come to terms with the scale and the fiscal consequences of the programme that was implied.

"Support for a housing policy with informal housing as a key component cannot be taken for granted. Informal housing has come to symbolise exclusion for many South Africans, and disorder and anarchy for others.

"If it is to gain broad support, a new policy will have to be widely discussed and debated, and not unilaterally imposed," the report said.

The report, according to UF chief executive D L van Coller, was the product of a major five-year study managed by the the UF's Urbanisation Unit under the aegis of the Private Sector Council on Urbanisation — a forum which brings together the major employer bodies, leaders from urban and business communities and the UF.

The second part of the report, entitled "Informal Housing: Part Two", will be released next year. It will outline an approach to the negotiation of a new consensus around housing in general and informal housing in particular.

● Urban living wears a new face — Page 23

R575. I should yo available.*

Africa looks forward to aid from SA

2 May 91

Sowetan 28/8/91.

ARUSHA - Southern African countries should "look forward with joy" to a post-apartheid South Africa joining the 10-member Southern African Development Co-ordination Conference, according to Zimbabwe President Robert Mugabe.

The Ziana news agency reported that Mugabe, who was addressing the opening session of a one-day summit of heads of state of the regional organisation in Arusha, said South Africa's economy was three times bigger than that of the SADCC economies combined.

South African participation would increase the organisation's resources and enable SADCC " to accelerate the developmental pace of our countries".

The Zimbabwean president began by saying there was a need for greater co-operation between the member nations unless they wanted to abandon their goal of collective self-reliance, preferring instead to relegate themselves to being "a perpetual begging bowl".

In his speech Mugabe delt with the possibility of donor fatigue and whether the organisation would have a role to play following peace in Angola and Mozambique and the apparent end of apartheid.

He said that, despite a hostile international economic environment, unfavourable weather conditions and destabilisation by apartheid South Africa, SADCC had made some modest achievements.

Donors

Mugabe said although it was true donors had played an important role in the funding of SADCC projects and in providing technical assistance, the regional grouping had already started formulating strategies to enable member countries to assume greater responsibility for the funding of projects.

It was argued that a post-apartheid South Africa could easily take the role of co-operating partner through the provision of aid and investment capital to the organisation's member states.

"It is our contention that the post-apartheid government in South Africa will be faced with the enormous task of reversing the structural imbalances created by apartheid as immediate priority.

"Although we are aware that South Africa's economy, apart from being the most sophisticated, is also bigger (three times bigger than that of the combined SADCC economies), we should look forward with joy to the membership of a democratic South Africa as that membership would increase the resources of our organisation and enable it to accelerate the developmental pace of our countries," Mugabe said.

"If, as is increasingly evident, the 1990s are likely to be a decade of trading blocs and growing multilateralism, particularly with the consolidation of Europe into a common market in 1992 ... then Africa must surely strive harder for economic integration and co-operation during this current decade," he said. - *Sapa*

Trade winds blowing in from the south

Star 29/8/91

As trade barriers drop, Zambians are in two minds about South Africa's commercial influence, reports BARNEY MTHOMBOTHI in Lusaka.

ZAMBIAN businessmen are not sure whether to applaud or bemoan the imminent arrival of South African competitors in their country.

While some feel the South Africans will stimulate competition and lead to the improvement of goods and services, others are apprehensive and there are calls for some form of protectionism against the "invasion" from the south.

Zambians got a taste of what could be in store for local business and consumers should SA companies gain unrestricted access into the Zambian market — at the recent Zambian Agricultural and Commercial Show.

South African industrial and commercial exhibitors walked away with all the top prizes. More than 30 South African companies took part in the exhibition. Their presence at the show is in itself a pointer to the direction in which the winds are blowing in Lusaka.

President Kenneth Kaunda personally met the South Africans and called for closer ties between the two countries as sanctions could, as he put it, soon be a thing of the past.

"We want more of you to come and join us. We love your companies," Dr Kaunda told the South African exhibitors.

Earlier this month, President Kaunda called for the lifting of sanctions on Pretoria, and many believe he was simply responding to the mood of the business community in Zambia.

After the exhibition, a Zambian newspaper ran a story with a headline saying "The South Africans are coming".

The newspaper's correspondent wrote: "I spent some time at the South African stands at the show. I watched with interest the enthusiasm shown by the Zambian public at the South African goods.

"I was also impressed by the unbridled confidence shown by the South African exhibitors which was accompanied by promises of delivery within a few days.

"My first reaction to all this show of salesmanship was to bemoan the imminent demise of Zambian industry.

"An increasing number of SA products are making their way on to local shelves.

"Canned South African beer, although more expensive than the local brew, is said to be more popular than anything Zambian Breweries can offer. South African wines have for a long time been going down rich Zambian throats."

But some South African exhibitors have warned that SA's investment in Zambia will remain insignificant even after trade links are established unless the Zambian authorities relax restrictions on the movement of money.

"There is too much control on the movement of money here. Investors want a climate where they can transfer funds in and out of the country easily," one exhibitor, Franz Lackinger, was quoted as saying.

The chairman of the Zambia Confederation of Industries and Chambers of Commerce, Alex Chikwanda, a former finance minister, said he was all for open borders. However, the question of free trade could not be tackled in isolation from the country's overall economic policies.

The mismanagement of the economy by President Kaunda's ruling party is one of the key issues in the current election campaign.

The opposition Movement for Multiparty Democracy (MMD), a party dominated by business interests and which many expect to win the elections, is committed to a policy of privatisation.

The MMD, should it come to power, is expected to accelerate business contact between South Africa and Zambia.

The MMD has, however, assured Zambian business that its privatisation policy would be based on what it calls national interest.

MMD economic spokesman Akashambatwa Lewanika has said his party would not seek to replace public monopolies with private ones. The policies his government would follow, Mr Lewanika said, would be based on the promotion of mutual confidence between the government and local as well as international business. — Star Africa Service. □

REGIONAL DEVELOPMENT

Waiting for SA

The Southern African Development Co-ordination Conference (Sadec) on Monday ended its 11th annual summit in Arusha, Tanzania, with one ray of hope focused on welcoming a "democratic" post-apartheid SA among its ranks. It might work.

The 10-nation Sadec, which includes some of the poorest states in the world, is again facing serious food shortages and has a combined debt of US$25bn. Despite some "modest" infrastructural achievements, it has in recent years looked increasingly irrelevant compared to its optimistic launch ambitions in Maputo in 1980.

"The region cannot afford to wait any longer for SA to join the community of Sadec. We are impatient for the end of apartheid," said the chairman, Botswana's President Quett Masire.

Zimbabwe PM Robert Mugabe observed that SA's economy was three times bigger than that of the Sadec economies combined. SA's participation would increase the organisation's resources and enable Sadec "to accelerate" their development. Sanctions against SA should, however, remain until a new constitution is agreed.

Dealing with the possibility of donor fatigue and whether Sadec would have a role following peace in Angola and Mozambique and the end of apartheid, Mugabe said that despite a hostile international economic environment, unfavourable weather conditions and brutal destabilisation by SA, Sadec had made some modest achievements which justified its continued existence. The group had started formulating strategies to enable members to assume greater responsibility for funding projects.

A post-apartheid SA could easily take the role of co-operating partner through the provision of aid and investment capital. "It is our contention that the post-apartheid government in SA will be faced with the enormous task of reversing the structural imbalances created by apartheid as immediate priority.

"Though we are aware that SA's economy, apart from being the most sophisticated, is also bigger, we should look forward with joy to the membership of a democratic SA as that membership would increase the resources of our organisation and enable it to accelerate our developmental pace," Mugabe said.

"If, as is increasingly evident, the Nineties are likely to be a decade of trading blocs and growing multilateralism... then Africa must surely strive harder at economic integration and co-operation."

The final communiqué stated that the region was undergoing fundamental economic, political and social changes which would have a major impact on its future.

The root cause of their economic problems was a lack of skilled people without professions and entrepreneurship, which resulted in low productivity, said Masire, painting a gloomy economic outlook for member states. Masire recognised that "no amount of foreign aid or investment will change this reality. Only our own innovation, creativity and hard work will take us forward."

The summit welcomed the ongoing process toward the abolition of apartheid, though apartheid was still firmly in place in the fabric of SA life. Particularly regretted was the continuing cycle of violence. Government was urged "to take decisive action to end the conflict."

The international community was called on to maintain sanctions against SA to ensure the process of reform and negotiation led to the establishment of a nonracial and democratic SA. "The summit strongly urged all countries, particularly African countries, to refrain from contact with SA until a new political dispensation acceptable to the majority of South Africans is in place."

The "liberation movements" were urged to co-ordinate their strategies, and efforts to establish a Patriotic Front were welcomed.

The Mozambique and Angolan peace processes were welcomed and Renamo was urged to "take these talks seriously."

Continued

279A FM 30/8/91

Meanwhile, member countries should attempt to increase the region's food supply, as a deficit of 2,8bn t was expected this year.

Namibia is to host the 1992 Sadec summit in Windhoek, where the organisation could change its name to the Southern African Development Community. ■

investment interest grows

LINDA ENSOR

CAPE TOWN — Foreign interest in investing in the Cape is picking up, with 70 known job-creating investments having been made in the last two years, says Western Cape Growth Organisation (Wesgro) executive director David Bridgman.

Over 550 jobs were created indirectly.

Bridgman says in the past year 367 businessmen from 31 countries — many of which did not have contact with SA for over a decade — have contacted Wesgro. B|Days 30|8|91.

However, there is still concern over links with SA.

"While a number of well publicised officially sanctioned business delegations have visited SA, many countries still do not wish to acknowledge business contacts with us and this is a situation we must recognise," he says.

DBSA 'could be financial powerhouse of Africa'

B|Days 30|8|91

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LESLEY LAMBERT

THE Development Bank of Southern Africa (DBSA) could become the World Bank of Africa, distributing and allocating international development resources in sub-Saharan countries, Sacob director-general Raymond Parsons said yesterday.

Addressing the Scandinavian-South African Business Association in Oslo, Norway, Parsons said the bank's expertise in channelling limited funds to many competing projects could be put to good use in Southern Africa now that political obstacles were falling away.

"The DBSA was originated with this aim of a broader Southern African perspective in mind," he said.

Currently, the bulk of DBSA funds flow into South African projects. Activities outside SA are limited mainly to Lesotho, Mozambique and Namibia.

Referring to current debate on the possibility of SA joining the Southern African Development Co-ordinating Committee (SADCC), Parsons said it could happen soon if SA "played its cards skilfully".

It would have to be sensitive to fear in the region about its economic domination. "Southern Africa does not wish to be recolonised by the new South Africa," he said.

But the SADCC could not afford to ignore the value of SA's role in the region. With only 40% of Southern Africa's population, SA was responsible for more than 80% of its GNP. It harvested more than 50% of the region's maize, about 90% of its wheat and supplied 70% of its meat. Hundreds of thousands of southern African workers were employed in SA, Parsons said.

In recent years, the value of the SADCC's trade with SA was about four times intra-SADCC trade, while about 70% of the region's trade volume passed through SA.

SA's total trade with southern Africa amounted to R6bn in 1987. Its non-bank investments in Africa were R3,4bn in 1988. The value of SA's exports to the rest of Africa rose by 40% in 1989 and by an estimated 22% in 1990.

Looking further north, he said economic co-operation between Africa's four economic powers — Nigeria, Egypt, Kenya and SA — could treble SA's economic growth rate with significant benefits for its southern African neighbours.

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SA seeks unified railway system

S/Times 1/9/91

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BUSSINES

Business Times Reporter

SPOORNET has a plan to integrate the railway systems of Southern Africa in a centralised authority.

It will propose at a meeting in Namibia this month that resources be pooled in a single railway system that would book rolling stock, rent time slots on tracks, control loading and movement and collect tariffs.

Each country would be paid for the use of rolling stock and track in proportion to its contribution to the network.

Locomotives

The project embraces SA, Zimbabwe, Botswana, Zambia, Namibia, Zaire, Swaziland, Mozambique, Malawi and Angola.

Spoornet says the sovereignty of each country's railway authority would not be affected.

At present a train moving between, say, SA and Zaire must have clearance from SA, Botswana, Zambia and Zaire. Each country has its own Customs department and charges different tariffs.

The proposed system would have a single tariff charged by the central authority, which would provide the rolling stock. SA has 7 000 wagons and 42 locomotives on hire in black Africa.

SA has 23 500km of track and 163 857 wagons compared with 19 000km of track and 45 794 wagons in the rest of the region. Spoornet has more than 4 000 locomotives and would provide most of the rolling stock to the central authority.

Spoornet international traffic manager Andre Heydenrych says the long-term objective is to promote greater independence from SA's transport system among northern neighbours.

"We are not looking at promoting SA's interests to the exclusion of our neighbours'. That would be short sighted. We have to start looking at Southern Africa as an integral region and where possible share resources.

"We are helping to rehabilitate Maputo port and the rail link with SA. We also want the Angolan port of Lobito and the Benguela railway link to Zaire to be restored. A technical team has gone to Angola to report on the state of the line."

Ironically, Spoornet's long-term strategy to reduce the dependence of frontline states on SA's transport network is close to that of the Southern African Development Coordination Conference (SADCC).

One of the subjects raised at this week's SADCC meeting in Arusha was whether to admit SA.

The Spoornet plan comes after a decade of sluggish progress by SADCC countries in developing transport infrastructure.

At its peak, Maputo handled 6-million tons of freight a year. Now it moves barely 1-million tons.

An SA technical team seconded to the port was recently asked to withdraw by Mozambican authorities and conditions at the port have deteriorated. Its rehabilitation is important for Eastern Transvaal coal producers who are using Richards Bay because Maputo would be cheaper.

Walter Louw, chief director of specialist services at the Department of Foreign Affairs, which funded the Maputo technical team, says Mozambique is under pressure to privatise the port.

Careful

Swazi sugar exports are going through Durban because of Maputo port's ineffiency. Zimbabwe is also directing traffic to Durban.

Spoornet's plan has received support from operational managers and awaits approval at general management level this month.

The plan will take several years to implement, says Mr Heydenrych.

"We have been careful to ensure that under the centralised railway authority, even a country like Swaziland will have an equal say to that of SA."

Business considerations setting pace of change

Star 10/9/91

WINDHOEK — Economic rather than political considerations could force the rate of change in South Africa, former Nigerian head of State, General Olusegun Obasanjo, said in Windhoek on Sunday.

He was speaking at the opening of an Africa Leadership Forum (ALF) conference on the Challenges of Post-Apartheid South Africa.

"The pace of business links with South Africa has quickened in the last few months and is well ahead of formal links," General Obasanjo said.

"In the end the business community could be calling the tune, leaving politians no option but to provide the right climate, in which positive trade considerations will fuel the economic integration of South Africa with her immediate neighbours and the rest of Africa."

He warned that whoever took over power in the "New South Africa" would inherit an economy in distress and gravely out of balance.

"If the South African situation can be ameliorated and rectified it may well serve as a lesson for and have impact on other countries which struggle with racial tension throughout the world," he said.

"South Africa is recognised as a great African country," General Obasanjo said, adding that the dilemma had been how to destroy apartheid without damaging its economy.

"A peaceful end to apartheid, as it now seems, would remove this dilemma, as it will leave the economy intact for South Africa to legitimately play an important role within the subregion and the continent as a whole.

Acceptance

"At the formal levels, the admission of South Africa into the Organisation of African Unity will symbolise Africa's acceptance and ratification of the end of apartheid.

If South Africa was to become "the entrepeneur" of Africa, it had to shed apartheid mentality and culture and demonstrate it belonged to the continent.

"The aim must be integration and co-operation rather than domination."

The Preferential Trade Area, Southern African Customs Union and Southern African Development Coordination Conference were bodies whose structures served as models for sub-regional cooperation.

The United Nations had estimated destabilisation due to apartheid had cost almost R18 billion.

A reduction in security spending should lead to expanded production capacity and greater economic efficiency.

There ought to be immediate gains from the "New South Africa" being a partner in the success of a "re-oriented" SADCC.

"We should add that the envisaged high performing regional organisations are an ideal plank and building block for the African Economic Community," he said.

A number of academics and politicians from Africa and abroad are attending the three-day conference in Windhoek, which was officially opened by Namibia's President, Mr Sam Nujoma.

South Africa is being represented by Dr Frederick van Zyl Slabbert and Dr Alex Boraine of the Institute for a Democratic Alernative for South Africa (Idasa).

While the focus of the conference would mainly be on economic issues, political and strategic matters were also to be discussed, ALF director Mr Felix Mosha of Tanzania said. — Sapa.

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Ease isolation of SA — Obasanjo

Star 11/9(91)

By Dale Lautenbach
Star Africa Service

WINDHOEK — General Olusegun Obasanjo, the former Nigerian head of state who arrived in South Africa last night, has called for "informal people-to-people and business contacts" with South Africans to remove the isolation created by apartheid.

Concluding a two-day Africa Leadership Forum conference in Windhoek, General Obasanjo said only the people of South Africa themselves should determine the moment when the death of apartheid might be proclaimed.

"But the local and international environment must encourage progression, rather that retrogression, of the process.

"Government-to-government and formal, official contacts may be slow in the early stages of the process. Informal people-to-people contact and business contacts must be encouraged as (they) could hasten the removal of the walls of isolation built by apartheid, and promote formal, official contacts without slowing down the process."

The general was reflecting the deliberations of the conference in his concluding summary after more than 60 delegates from Nigeria, South Africa, Namibia, Zambia, Zimbabwe, Lesotho, as well as a number of international academics, had debated the topic of "Challenges of post-apartheid South Africa to southern Africa in particular, and Africa in general".

Once the people of South Africa had declared apartheid dead, it would be up to the rest of Africa and the international community to ratify and reinforce the proclamation, said General Obasanjo.

A number of speakers, among them Bob Tucker, chairman of the Old Mutual-Nedcor Scenario Team, had cautioned against high expectations of a post-apartheid South Africa.

"In social and economic terms, South Africa is weak and unwell," said General Obasanjo. However, it was still the strongest economy in the region "and neighbouring countries look up to the new South Africa as a pre-eminent nation and economy within southern Africa.

"The perception and reality of an uncaring and dominating South Africa as an oasis in the midst of a desert of poverty and poor economies in the sub-region will be inimical to national security and stability and regional development and co-operation."

On the question of security in the region and whether a post-apartheid South Africa would signal an end to internal conflicts, cross-border raids, destabilisation and "dirty tricks", General Obasanjo called for southern Africa to "learn the lessons of the supremacy of economic power over military power".

In conclusion, he said the goal was not the end of apartheid, but rather the evolution of a nonracial, democratic society.

● The dream ... and the reality — Page 14

African countries have inflated expectations of the SA economy, a conferenc

The dream . . . and the real

Star 11/9/91



Allister Sparks

THERE has long been a dream in Africa, and in some quarters of South Africa as well, about the role South Africa could play in the continent once apartheid was gone.

It has been likened sometimes to the role Japan has played in the Pacific Rim. South Africa, the regional superpower, would at last be able to integrate its economy with the continent from which it has so long been isolated, and like a powerful locomotive engine, pull it out of the mire.

The notion gained strength as Africa's deepening economic crisis coincided with the collapse of communism and fears that the end of Cold War rivalry would mean a loss of interest in the Third World and a massive diversion of development aid and investment to Eastern Europe and the Soviet Union.

Faced with the prospect of being abandoned, many African countries saw the changes taking place in South Africa as a fortuitously timed hope of salvation.

This week they were told they were grasping at a straw. At a conference in Windhoek organised by General Olusegun Obasanjo, the former Nigerian president and co-chairman of the Commonwealth Eminent Persons Group that tried to get negotiations going in South Africa in 1986, economic analysts from various countries warned the African delegates that while their economies were in a mess, South Africa's was also.

It would be the lame leading the weak.

For two days the delegates listened to a catalogue of South Africa's ills; an economy that was "fundamentally misstructured and grossly underperforming", with a heavy dependency on raw material exports and an underdeveloped manufacturing sector turning out overpriced goods that made an export-led recovery highly improbable.

They heard about the way South Africa had spent the glory years of a high gold price building economic infrastructure and uneconomic import substitution industries (Sasol and Mossgas) while neglecting its human resources, so that today its people were "frustrated, angry and underdeveloped", which meant low productivity and high unit costs, and now the whole fabric of society was falling apart, causing an upsurge in violence and discouraging investors.

They were told also about the problems that lay ahead: the 43 percent unemployment rate among the economically active population, rising at a rate of 1 million every three years, which could only be contained if the economy attained the improbable growth rate of 5,6 percent a year.

That plus the terrible housing backlog meant there could be no question of the new South Africa having an open-door labour policy towards its neighbours. Foreign migrants from all except perhaps Lesotho would have to be stopped.

South Africa, like the rest of Africa, needed major structural adjustment. It would take years to fix. To which Dr Frederik Van Zyl Slabbert added the further sobering thought that the longer it took for South Africa to get through its political transition the more preoccupied it would become with its domestic problems and the less inclined to play a role in the region.

It came as a shock to the African delegates to have their dream shattered like this.

"We have been brought up to believe there was tremendous economic progess in South Africa, especially in technological expertise," protested Phillip Asiodu, former permanent secretary of Nigeria's Oil Ministry. "Won't someone please reassure me that our basic assumptions were not wrong."

"This is very sobering. We have been euphoric," added General Joseph Garba, another Nigerian who spent years chairing the United Nations Anti-Apartheid Committee.

While it was good that the inflated expectations of what a new South Africa could do for the continent should have been reduced to a more realistic level, I did feel the conference went too far. I don't think the picture is quiet as negative as that.

For a start consider the immediate gains that an ending of apartheid's wars will bring. The UN has estimated that South Africa's destabilisation operations during the "total onslaught" years cost the neighbouring states R175 billion. The staunching of that haemorrhage alone will constitute a considerable peace dividend.

It should also enable the countries of the region to cut their defence spending and redirect those resources to development (I say should because, regrettably, armies are regarded as national status symbols and governments are reluctant to reduce them).

If Angola, Mozambique, Zimbabwe and South Africa were to reduce the percentage of their gross domestic products allocated to defence down to the level of Canada or Japan, the collective saving would be in the region of R10 billion a year.

Professor Prakash Sethi, an Indian economist at the City University of New York, had some other positive suggestions.

There should be a common market, he said, with arrangements to ensure a stable fiscal and monetary system for the region.

Secondly, a series of autonomous regional authorities should be established to develop cross-national railway systems, highways and telecommunications networks. These should be modelled on the profit-making New York-New Jersey Bridge and Tunnel Authority, or the Scandinavian Airlines system, run by jointly appointed boards of governors and with the participating governments "acting like large shareholders rather than managers".

Finally, Professor Sethi suggested that regional governments could negotiate agreements to encourage heavy industries to spread large investments around several countries. Plants for the different parts of heavy industrial goods like machinery, buses and locomotives could be located in different southern African countries — engines in one, chassis in another — with the finished product selling in an enlarged market.

As Professor Sethi said, agreements like this would prevent each country forming its own status industries which would compete with each other and become white elephants.

Realism is healthy, but so is positive thinking. Sick though our economy is, we are still the regional superpower in relative terms and with creative thinking like Professor Sethi's there is much that can be done to make at least part of the dream come true. □

ETHIOPIAN ORTHODOX CHURCH IN SOUTHERN AFRICA
ESTABLISHED 1892
P O BOX

Bid to scale up foreign investment

SA's leaders sought out by world business

B10 ag 11/9/91 279A

PATRICK BULGER

PRESIDENT F W de Klerk, Nelson Mandela and Mangosuthu Buthelezi are being invited to address the world's business and financial leaders at a conference early next year which is designed to trigger large-scale international investment in southern Africa.

The conference at Davos, Switzerland, will give the leaders the opportunity to meet the CEOs of the world's most influential business, financial and aid institutions.

It is intended to highlight southern Africa as a potentially lucrative investment region in competition with Eastern Europe and Latin America.

The organiser of the conference is the Swiss-based World Economic Forum, a non-profit organisation whose mission is to promote contact between its 700 member companies, which include the world's leading multinational corporations, and the world's political leaders.

The forum's Africa manager Frederic Sicre visited SA at the weekend to brief local political organisations and to set up a preliminary investment conference in Switzerland next month.

Although the attendance of the three leaders at the Davos conference is still being secured, representatives of government, the ANC and Inkatha will definitely attend the preliminary southern Africa investment conference in Geneva.

The October conference will be attended by Economic Co-Ordination and Public Enterprises Minister Dawie de Villiers, ANC international affairs head Thabo Mbeki, an Inkatha representative and Development Bank of Southern Africa chairman Simon Brand.

Other participants will be government ministers from southern African countries and Southern African Development Co-Ordinating Conference chairman Simba Makhoni.

Sicre said Mandela would be briefed about the conference over the next few days and that negotiations were in progress to finalise the participation of De Klerk and Buthelezi.

The October conference will concentrate on southern Africa's investment potential in the light of political developments in SA and other southern African countries. Sicre said the conference would target business opportunities in southern Africa.

The meeting will focus on the new political order in SA, whether the southern African region can become a major world economic player, who will shape SA's future business environment, business strategies for kick-starting the SA economy and regional strategies for long-term growth.

It will be attended by about 150 senior executives from the US, Europe and Asia.

"Judging from the response we are having from the international community vis-à-vis this upcoming forum, we hope to be able to reinforce the co-ordination and co-operation schemes already drawn up for the regional context by establishing greater economic co-operation at the highest level," Sicre said.

SA gets firm with Harare over trade

Star 20/9/91

279A

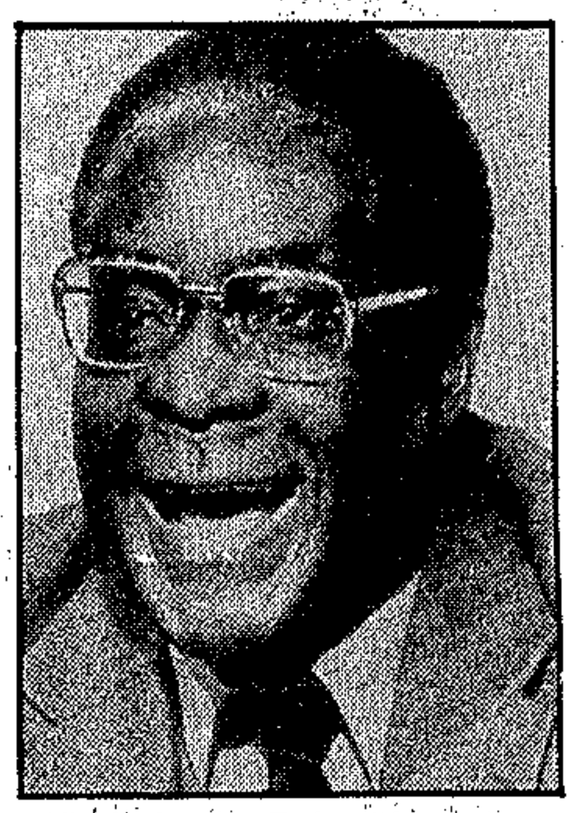
Political Staff

The South African Government told Zimbabwe officials in Pretoria this week that a preferential trade agreement which they are seeking depends on an improvement in attitude to South Africa.

Representatives of the Department of Trade and Industry, Foreign Affairs and Agriculture bluntly told a Zimbabwean delegation that South Africa wanted to normalise trade and political relations, but this was not possible in the light of Harare's continued hostility towards Pretoria.

Sources said they made it clear that a renewed preferential trade agreement, which Zimbabwe requested in June, hinged on a change of attitude.

It is understood that the Zimbabwe team stressed that the success of its domestic policy of economic liberalisation — freeing it from state control — rested heavily on its upliftment.



Zimbabwe's Robert Mugabe.

Vital to this was trade with South Africa, and concessions were needed to enable it.

It is understood the South African officials raised the Zimbabwe hardline position on continued and increased sanctions on South Africa.

They reminded the Zimbabweans of a harshly-worded draft resolution they produced at a Commonwealth meeting in June targeting South Africa — at the same time as Harare officially requested a renewal of favourable trade terms.

The Pretoria officials said also that they would be monitoring events at the Commonwealth Heads of Government (CHOGM) summit in Harare from October 10 to 22 to determine Zimbabwe's attitude.

Sources said the Zimbabwe delegation, understanding perfectly that much depended on an analysis of Zimbabwe's role at CHOGM, undertook to report back the South African Government's sentiments.

Another implication of what the Pretoria officials said was that the 11-year-old ban by President Robert Mugabe on minsterial contact between the two countries would have to be dropped.

No date has yet been set for a second meeting of the delegations.

● Trading partners — Page 11

Trading partners with snarls

Zimbabwe is seeking better trade terms with South Africa at the same time that it is opposing the relaxation of sanctions, reports GERALD L'ANGE.

PRETORIA'S suppressed irritation with Harare has begun to show.

It emerged in official accounts of the meeting this week in Pretoria between South African and Zimbabwean officials over a request from Zimbabwe for a revision of the preferential trade agreement between the two countries.

The South Africans appear to have taken a somewhat firmer line than usual in expressing Pretoria's irritation at what they see as the uncompromisingly sour face presented by Harare when the rest of Africa is beginning to smile on President de Klerk's reforms.

It seems unlikely at this stage that this irritation will lead to a deterioration in the already strained relations between the two governments. But a lot may depend on what Zimbabwe does at the Commonwealth summit in Harare next month.

According to official sources, the South Africans made it known a little more plainly than they have in the past that they find it odd that the Zimbabweans should seek better terms under the agreement (which is essentially what the Pretoria meeting was all about) at the same time as opposing the relaxation of international economic sanctions.

They pointed in particular to Zimbabwe's key role in persuading the Organisation of African Unity to maintain sanctions at its summit in Abuja, Nigeria, in June. President Mugabe himself led that attack and pushed it home, even though ANC leader Nelson Mandela was there trying to get sanctions conditionally softened.

Ironically, this happened at about the same time as Harare began seeking better trade terms from South Africa.

The Zimbabweans were impelled into that seemingly contradictory action by the knowledge that improving trade with South Africa is a key pillar of the economic restructuring programme on which Mr Mugabe's government is depending to save Zimbabwe's struggling economy.

The trade agreement benefits both parties, but it is of much more benefit to Zimbabwe, which does most of its trade with South Africa. The Republic counts its trade with Zimbabwe as a comparatively small part of its overall foreign business.

Widening gap

The imbalance is likely to increase rather than lessen if the Zimbabwe dollar continues to weaken against the rand, as economists predict.

Seemingly to emphasise their irritation, the South Africans said that if the agreement were to be revised, it should be signed by a cabinet minister and not by a senior public servant, as in the past. This was apparently not expressed as an ultimatum, only as a point of view.

It amounts to no more than an objection to President Mugabe's consistent refusal to deal with Pretoria at ministerial level. But it plainly is an objection that could quickly become an ultimatum if Pretoria were to come to believe that its interests were no longer served by taking a tolerant attitude.

The South Africans suggested that Pretoria's tolerance might be severely tested if the Zimbabweans pursued what is seen almost as their hounding of South Africa at the Commonwealth Heads of Government Meeting (CHOGM) which opens in Harare on October 16.

It seems inevitable, however, that Zimbabwe will do just what the South Africans don't want them to do at CHOGM.

Britain, which still regards itself as the senior partner in the Commonwealth, is said to be trying to get the South African issue played down at CHOGM, fearing that the progress towards a negotiated solution in South Africa could be set back if the Commonwealth nations play political football.

There is worried remembrance of the 1979 CHOGM in Lusaka, which led to the Lancaster House conference and independence for Zimbabwe. The British, it seems, do not think that kind of approach is what is needed for the entirely different South African issue.

The Zimbabweans, however, take a different view. In the first place, they think they are morally right. In the second place, they do not think they are out of step with the rest of Africa in demanding the maintenance of sanctions, and point out that the Abuja resolution on sanctions won general support.

And in the third place, it is argued, you can't very well have a CHOGM right next door to South Africa and virtually ignore the issue.

South African Director-General of Foreign Affairs Neil van Heerden does not believe that CHOGM 1991 will be anything other than a predictable expression of opposition to the South African Government.

As it is being held in Harare, and given "the expectations we have of the Zimbabwe government's attitude, one must assume that CHOGM must to some extent be a captive of the Harare syndrome, if I can call it that", he said.

Great store

Mr van Heerden, who described CHOGMs as "pre-programmed love-ins of a particular kind", appears not to attach much importance to the Harare meeting.

Mr van Heerden made it plain in the interview that South Africa is prepared to go to some lengths to establish good relations with Zimbabwe.

"We are setting great store by the possibilities of normalising relations with Zimbabwe," he said. "But right now we have no reason to be optimistic about the prospects."

The Zimbabweans appear to be slightly puzzled by the South African attitude. There is a suspicion in Harare that the displeasure of the South Africans arises partly from their having over-estimated Zimbabwe's influence in Africa and the rest of the world.

Perhaps CHOGM 1991 will show whether this impression is correct. — Star Africa Service. □

SA IN AFRICA FM 20/9/91

The north calls

279A

Though trade barriers are falling between SA and Africa, the Organisation of African Unity will not formally drop sanctions against this country until "the people of SA" say apartheid has been removed.

This is the view of General Olusegun Obasanjo, former Nigerian head of state and a nominee for the post of UN secretary-general, during a brief visit to SA last week. Obasanjo's views have in some ways been pivotal in SA's recent past and may prove so in the future.

Continue →

FM 20/9/91

A co-chairman of the Commonwealth Eminent Persons Group, whose report in 1986 ensured sanctions were universally applied against SA, Obasanjo was instrumental last year in mooting an economic strategy that could see increased trade between SA and the continent and that could lead to an economic revival on the continent that he calls "the Third World's third world."

Since most apartheid laws had been removed was this not enough to end sanctions? Obasanjo, pressing for anti-racist legislation to buffer the repeal of apartheid laws, says Africa is eager to welcome its pariah southern neighbour back into the fold. However, apartheid must be perceived to have been removed by the majority in SA.

Agreeing that sanctions are being undermined, Obasanjo nonetheless believes that an anti-apartheid stance must be maintained to ensure the removal of all legislated racism in SA.

In July last year when Obasanjo met State President F W de Klerk, he suggested that Nigeria and SA could become the economic axis on which the continent revolves. De Klerk received the idea with enthusiasm, suggesting that Egypt and Kenya also become points on that axis.

It is a concept receiving a great deal of attention as Africa attempts to move toward an economic community by the turn of the century.

Obasanjo (who is also chairman of the Africa Leadership Forum), says the four targeted countries in his economic power points idea have the infrastructure on which development can be based. "We are not shutting people (the smaller economies) out, we are shutting them in. If we talk of regional co-operation then of necessity, Zimbabwe, Zambia, Lesotho, Namibia, Angola and Malawi will benefit from sustained growth in SA. One can say the same of Nigeria."

Obasanjo dismisses criticism of the concept: "Most ideas are born and not utilised for years. Let's use these ideas and better them. Do we have a choice when the world is closing into economic zones?

"In North America, we have the USA coming together with Canada, Mexico, the Caribbean and Latin America. Europe will no doubt include the three new Baltic states and, by the year 2000, Europe will have considerably widened.

"If we want to progress quickly, we have to have centres. We have to make regions work more efficiently and move faster. The Southern African Development Co-ordination Conference can admit SA once apartheid is eliminated, or it can fuse with economic co-operation blocs that take care of eastern and central Africa too.

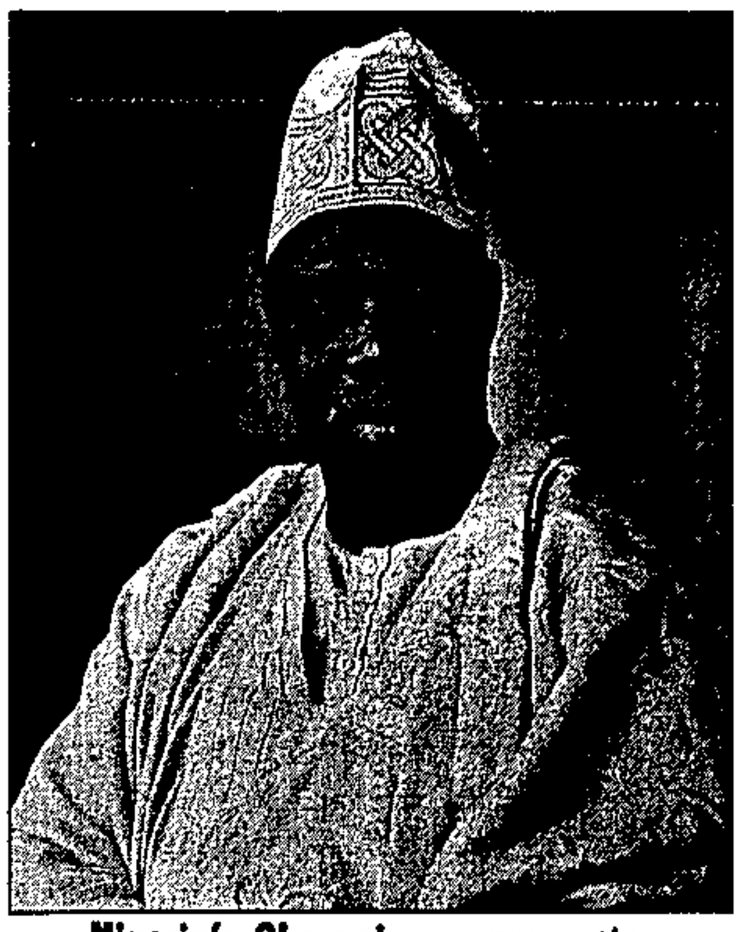
"We're talking of a model of economic co-operation which will lead to economic integration. There are 11 regional economic organisations in Africa. It is far too many; the creation of four economic power points will increase efficiency and growth."

Continue →

Chief Sonekan, chairman of the United African Corporation, who visited SA with Obasanjo, said that in terms of economic co-operation, "if anything is going to happen in the future, now is the time to lay the foundation. The industrial sector in SA is very solid and I think we can learn from that. The most important thing is to find out whether or not there can be acceptance on both sides."

He said that Nigeria was interested in SA's oil-from-coal technology. "We have a substantial amount of coal in Nigeria and that is perhaps an area we could work together on." FM 20/9/91.

Chief Obafemi Olopade, a director of the First Interstate Merchant Bank of Nigeria, who accompanied Obasanjo, said Nigeria and SA could begin building bridges now by creating facilities for entrepreneurs and business executives in both nations to have a cross-pollination of ideas and experiences. "I have been itching to come here for some time to see what I can do at government level, behind the scenes, to begin building strong foundations for future economic co-operation."



Nigeria's Obasanjo ... *promoting regional development*

Olopade said he had still encountered a lot of ignorance and fear in SA, but was convinced that with increased interaction between businessmen from the two countries, this would disappear.

Obasanjo and his group of top Nigerian businessmen and academics met top SA businessmen and senior government officials including State President F W de Klerk. He said the mistakes of Africa could be sourced to two primary causes: "Those of omission and those of commission. Those of commission were when Africans wanted to feather their own nests, or that of a section of the community. The mistakes of omission were often made because we lacked the knowledge or competence. If we gather up the leaders of Africa now in every field and begin working together, we can prevent the continent from becoming marginalised." ■

Worldwide capital shortage seen

279A

By Hugh Roberton
Star Bureau

Star 25/9/91

WASHINGTON — For the rest of the decade the prospects for private investment in developing countries will be influenced by the economic recovery of industrialised countries and by a possible worldwide capital shortage, the International Finance Corporation (IFC) has warned in its annual report.

South Africa will join the countries with access to IFC funding once its relationship with the IMF and the World Bank has been normalised.

The IFC, which is the World Bank's main instrument for channeling loans and investments to the private sector in developing countries, says the danger of a worldwide capital shortage will emerge "as Japan strives to contain its trade surplus and Germany increases imports and channels savings into restructuring East Germany".

Because of the large capital needs emerging in the Middle East and Central and East Europe, real interest rates will probably remain high for the rest of the decade, the report predicts.

"The implications for private business in developing countries is clear — only investments expected to yield high returns are likely to obtain financing."

The World Bank report says the IFC expects to commit $23 billion to $25 billion in new loans in the year starting on July 1.

With a capital increase of $1 billion likely to be approved by the IFC board in the next few months, the corporation expects to embark on a new period of growth in its investments in developing countries.

The greatest increase should occur in Central and East Europe, where the IFC expects approve projects valued at about $500 million a year — an increase of 190 percent over the 1991 figure.

"In sub-Saharan Africa, the IFC expects annual project approvals of $400 million, or more than double the volume for 1991, and an increase to $200 million in the Middle East and North Africa."

The report reveals that IFC projects in sub-Saharan Africa increased by 18 percent in 1991, and that 42 projects in the region, with a value of $200 million, have been approved over the year.

This expanded investment in the sub-Saharan region has required the IFC to open two new regional missions, one in Cameroon and another in Zimbabwe.

Road to the world widens

Star 25/9/91.

South Africa's avenues back to worldwide acceptance seem to be shifting all the time.
By GERALD L'ANGE of the Star Africa Service

THE BELIEF long held in Pretoria that South Africa's road back to international acceptance runs through Africa may be revised by the Department of Foreign Affairs.

It is certainly being reconsidered by Neil van Heerden, Director-General of Foreign Affairs.

"I have personally come to question somewhat the position of the past whereby we said that our road to the rest of the world leads through Africa," he said in an interview in Pretoria.

"It is true that the outside world does look at Organisation of African Unity (OAU) positions and the positions of important individual African countries when they consider dealing with South Africa.

"But there is another dimension to South Africa's place in the world, and that does not necessarily go through the African capitals.

"The world has grown very much smaller. South Africa has been an international player in trade and also politically.

"Whether through criticism or praise, we have had a high profile internationally, and that has carried us into the living rooms of people across the world."

That road had not run through Africa — it had gone directly to the international community, with South Africa recognised as a part of that community, Mr Van Heerden said.

While South Africa was "pushing to normalise our situation with Africa, we are also pushing to normalise our situation globally — politically, economically, culturally and in sport.

"I tend to come to the conclusion that the notion that we are tied to this road through Africa has changed, if indeed it was ever an entirely valid statement.

"There is another dimension to our position in the world than the African one.

"It also has to do a bit with the fact that Africa is under threat of being marginalised.

"And now that sanctions are going, people are going to look at South Africa as a market, as a tourist destination, as a trading partner per se, and not through the perspective of how this would fit into the overall African scene.

"In fact, there are indications that many major international players have burnt their fingers elsewhere in Africa and are looking at South Africa as a platform and a safe haven from which they can have African operations."

At the same time, Mr Van Heerden noted that recent developments had given greater substance to South Africa's claim to be an African country.

AndAfrica, itself, had changed radically over the past few years, with its peoples' demanding pluralistic democracy, and developing countries threatening to withhold aid if they did not get it.

While the traditional stand of the Organisation of African Unity had not changed, African countries were individually telling South Africa that the OAU rhetoric was no longer in keeping with the changed situation in the country and the continent in general.

Mr van Heerden said it would be interesting to see whether President Babangida of Nigeria, the new OAU chairman, would be "the person to take the issue of South Africa across the threshold into a new era".

"I wouldn't be surprised if precisely such an intention is on the agenda."

In response, South Africa was continuing to put out signals that it had a right to be, and wanted to be, part of the continent.

Mr van Heerden noted, however, that South Africa could not begin to meet Africa's enormous needs for aid, especially as it own domestic backlog must take priority.

This would dictate that a strict system of priorities must operate, based on South Africa's own national interests.

Trade would be an important criterion for developing relations with African countries but so would the "political weight" of other countries.

As a country in transition — with "lots of unfinished domestic business" — South Africa would want to avoid being caught up in friction and tensions elsewhere.

South Africa would not be a major donor of aid for a long time but would rather be a technical power.

As a regional force, South Africa must live in harmony with its neighbours.

What had been "a rather adverserial climate" in the region was changing, although there still was an adverserial relationship with Zimbabwe.

He hoped, however, that this relationship would also benefit from the "general sense of reconciliation and the acceptance of the need to talk to each other, even if we differ".

Discussing the Southern African Development Co-ordination Conference (SADCC), Mr Van Heerden said that it was increasingly being recognised that no regional association could succeed if it excluded South Africa. □



Neil van Heerden . . . South Africa cannot begin to meet Africa's enormous needs for aid.

FW to hit back at Mugabe – claim

Star 5/10/91

Q79A

GARNER THOMSON

LONDON — President de Klerk is to release detailed figures about the extent of Zimbabwe's trade with South Africa and its dependence upon economic co-operation.

According to the London-based political bulletin, Africa Analysis, the move is in retaliation for President Robert Mugabe's continued obstruction of SA's drive for friendly ties and increased trade with the rest of the continent.

The publication says in a report from Harare that Pretoria plans to release these figures just ahead of the start of the forthcoming Commonwealth Heads of Government meeting in Zimbabwe. "The aim will be to cause maximum embarrassment for Mugabe, who, as leader of the host country, will chair the conference," the report adds.

It claims the SA Government is "irritated" that the agenda of the summit — being held so close at hand — is loaded with items about apartheid. It holds Mr Mugabe at least partly to blame for this emphasis.

Africa Analysis claims the latest turn of events is "being kept under wraps for the moment".

"Mugabe has been warned that De Klerk insists that he must now make a public visit to South Africa if he wants a renewal of the preferential trade agreement between the two countries.

"The very least De Klerk will accept is an official visit by Zimbabwean Foreign Minister Nathan Shamuyarira as the start of a process 'to normalise relations'."

The bulletin claims that, while the economies of both countries are in a fragile state, experts advising Mr de Klerk believe the Zimbabwean leader is going to have to "blink first".

Unlocking the trade doors to Africa

RISKY BUSINESS

ST Times 6/10/91.

TWO weeks ago, 10 Premier International technical experts scurried out of Shaba province in Zaire with their lives.

They had flown into Zaire to investigate the feasibility of buying the food division of Gecamines, a copper mining interest, the day the country erupted into violence.

Soon afterwards, Premier International sent in two jets to evacuate 15 employees and their dependants from Lubumbashi. The remaining 10 employees got out from Kinshasa with South African government assistance.

The company left behind a burnt-out shell of a supermarket on the outskirts of Kinshasa. It had been looted before being destroyed.

Premier's other retail warehouse in Lubumbashi was spared by the intervention of Belgian troops.

Premier Group deputy chief executive Gordan Utian says his gut reaction to the destruction in Zaire was to turn his back and walk away from the country. But Premier will go back and rebuild once conditions in Zaire have stabilised.

"What hasn't changed is the need for us to be in the area," he says.

South African trade with Africa has grown by 25 percent a year in the past three years. Where some European companies have disengaged either to redirect their energies in the post-1992 EC single market or because they were simply fed up with the basket case that many believe Africa to be, the South Africans have stepped in.



SA businessmen are doing a thriving trade with Africa. But as the revolt in Zaire has shown, there are dangers attached. EDYTH BULBRING reports



INTO AFRICA ... President FW de Klerk with President Mobutu of Zaire before the country's crisis

Lesson

With invisibles, trade with Africa now totals some R10-billion and is set to increase. Foreign Affairs chief director for Africa Christo Prins says Africa is the natural market for South African food and and manufactured goods.

But as the revolt in Zaire has shown, it is a market which, though potentially lucrative, is also both difficult and potentially dangerous.

The lesson that Premier has learnt in its dealings in Africa over the past 12 years, Mr Utian says, is that while the entrance fee is high and the annual subscriptions enormous, the possibilities and potential exceed both.

The company's interests in Africa are said to be worth between R400 and R500-million a year — more than eight percent of trade between SA and the rest of Africa.

Mr Utian will not divulge how Premier conducts trade in most of the countries in sub-Saharan Africa — it is sensitive, he says.

But he will say that Premier has never embarrassed its customers — it has never appeared that they were doing business with South Africa.

In the past year of rapid political change in SA the need for offshore companies, bribes, false certificates and backdoor trading with Africa has declined.

Mr Laurence Meenehan, a manager of Enterprises Unlimited, a company which has traded in Zambia, Zaire, Burundi, Rwanda and Zimbabwe for eight years, says the political changes have cut export costs by three percent.

A year ago; Mr Meenehan would leave his South African passport at Jan Smuts Airport and travel to an African country on a "clean" passport to meet a business client.

Presenting his credentials from a front company in, for example, Belgium, he and his client, who knew he was a South African, would conclude a deal and open up a letter of credit between the client's bank and that of the front company.

Getting the goods to the destination would then involve falsifying certificates of the country of manufacture and the country of origin.

This involved payment of commission — bribes — all the way from South Africa through the frontline states to the final destination.

This was one of the simpler methods of doing business in Africa; other companies went to far more elaborate lengths.

Mr Prins says the best-known secret in Zimbabwe is that its trade with South Africa amounts to close on R2-billion a year.

The redundancy of "middlemen" in African trade, he says, is making it cheaper for Africa to import South African products. It is also making possible direct contact between South African and African business communities and the benefits of getting to know the countries' import needs.

Contact with African countries north of the neighbouring states has increased dramatically over the past months. In the first nine months of this year more than 60 delegations from these countries have visited SA openly.

South African businessmen have been welcomed at trade fairs in Zambia, Kenya and Mozambique this year — something that would have been unheard of three years ago.

Mr Prins expects trade with African countries outside the SA Customs Union to top between R6 and R7-billion this year. Hidden trade could bring the figure closer to R10-billion.

Besides Zimbabwe, South Africa's largest trading partners on the continent are Zambia, Zaire, Mozambique and Malawi. The only countries that South Africa had no dealings with last year were Equatorial Guinea and Djibouti.

Africa, excluding Customs Union partners, is already South Africa's sixth-largest trading partner and accounts for nearly 10 percent of this country's non-gold exports and some 25 percent of its manufactured exports.

Goods suitable for African needs are available quickly, production costs are lower, and technology and back-up services are close at hand in South Africa, Mr Prins says.

But all businessmen agree that the hitch to trade with Africa — besides political instability — is lack of foreign exchange.

Africa suffers a debt burden of $271,9-billion (R760-billion) and, Mr Prins says, the continent is getting poorer by the day.

The extent to which Premier trades with African countries fluctuates according to their ability to obtain foreign exchange, Mr Utian says.

"Africa is certainly no Fifth Avenue in New York," he says.

Despite this, there are still profits to be made. South African businessmen, Mr Utian says, have tapped only a small percentage of the available buying power because of political circumstances.

Credit Guarantee Insurance Corporation of Africa senior manager Gernot Kruger says his company will not insure risk of payment in Zaire and Zambia and has not done so for more than 10 years.

The company also stopped covering South African businessmen involved in capital projects and investments in Zaire the day the fighting broke out on September 23.

However, for trade with countries in the rest of Africa, the company will insure the trader against the client being unable or unwilling to pay.

This cover applies only to politically motivated acts — if the goods are impounded or confiscated — and does not apply to theft or vandalism.

The company will also insure a South African interest — like a warehouse — against being destroyed or confiscated on political grounds.

Credit Guarantee's insurance cover is increasing dramatically in Africa, he says. Mr Kruger says that in the two years to June 1991 the value of goods it insured rose by R900-million.

Mr Prins says Africa's inability to pay for goods could be alleviated by barter trade, which is negligible because of the complications involved. There are rich oil reserves in Angola, Gabon, Cameroon and Nigeria which South Africa would be interested in obtaining, he says.

Future

Mr Mossie Mostert, administrative manager for the SA Swanepoel Group, which has large business interests in Zaire — and also got burnt — says barter trade with that country has not been possible so far.

He puts this down to the reluctance of President Mobutu to allocate a part of the country's exports to the detriment of filling his own coffers.

Safto has a subcommittee working on assisting African countries to barter to alleviate the problems of foreign exchange.

Most of the businessmen agree that the future in doing business with Africa lies in joint-venture operations and development projects.

With the recognition of South Africa as part of Africa and the growth of political acceptability, the chances of South African businesses taking a slice of the African aid cake is looking favourable.

But first the dust from the rubble in Zaire will have to settle.

KEN OWEN IS ABROAD

Angola, Zimbabwe seen as primary investment targets

By Ramsay Milne
Star Foreign Service

NEW YORK — Angola and Zimbabwe are likely to join South Africa in the next decade as the primary targets for foreign investors tapping into the African continent, according to a wide range of US investment experts and businessmen.

Quoted extensively in the US Journal of Commerce, an authoritative industrial and commercial publication with semi-official links in Washington, the experts believe that South Africa, southern Africa's most industrialized nation, would serve as the "economic engine" for the region, with its wealth of natural resources and a potential market of 150 million consumers.

Trading bloc

Already loosely aligned into a mix of economic and political partnerships, southern Africa could eventually produce Africa's first significant trading bloc, according to the experts quoted in the report, most of whom represent major US corporations or investment institutions.

South Africa would make a starting-off point for the area, says William Moses, a research analyst at the Investor Responsibility Research Centre in Washington.

"It's like companies using Vienna to take advantage of Eastern Europe."

Millard Arnold, a senior associate with the Carnegie Endowment for International Peace, says one trading zone that could emerge in a post-apartheid Africa would encompass South Africa, Mozambique and the 18 current members of the Preferential Trade Area.

The group was started by the Organisation for African Unity about 10 years ago to promote trade in the region.

Its members are Angola, Botswana, Burundi, the Comoros, Djibouti, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Rwanda, Somalia, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.

Fairly free

Another possibility was for Mozambique and Zimbabwe to join the Southern African Customs Union, which already allows for fairly free trade among its five member countries, Mr Arnold says.

This would give goods entering Mozambique's ports improved access to South African consumers.

But, Mr Arnold warns, the region has a long way to go before it is able to set up a trading bloc that would help foreign investors.

Nonetheless, even though the area would not be economically viable for five to 10 years, US investors should be looking at the area now to remain competitive.

"US companies are unfamiliar with Africa and don't see the niches to be carved out of it, as Europeans do," he says.

"It takes two to three years to be up and running. By the time we get there, it may be too late."

SA invited by ivory cartel

LUSAKA — Four southern African countries have formed a regional cartel to market ivory following the international ban on the trade by many First World countries, reports Sapa.

The four — Botswana, Malawi, Zambia and Zimbabwe — took the decision in June at a meeting in Malawi.

Zambian Permanent Secretary in the Ministry of Tourism Luke Daka said in an interview the sale of ivory would be held in Botswana's capital, Gaborone, on a date to be announced shortly.

An invitation had been extended to SA and Namibia to join the four countries in the ivory trade.

Our London Correspondent reports that conservationists say poachers would kill up to 2 000 elephants a week if SA was allowed to start exporting ivory from its stock of legitimately culled herds.

A Daily Express report carried the warning following a UN proposal to lift the two-year ban on tusk trading.

Economic pragmatism is likely to prevail in southern Africa, writes **Stanley Uys**

Can bully boy become a friend?

Star 9/10/91

279A

WITHIN the next few years, South Africa's relations with its neighbours will be normalised. But what will the new era hold in store for these neighbours — beneficial economic co-operation, or even more pronounced economic "domination"?

The question of "domination" crops up regularly now.

Last year, the ANC felt obliged to announce that if it becomes the government in South Africa, regional co-operation will be "along new lines that would not be exploitative".

However, it is easier to pledge undying political friendship than it is to be a good economic neighbour. Economic community schemes look great on paper, but they cannot stop the big boy on the block doing what — economically — comes naturally.

The problem of "domination" was raised at a conference at Wilton Park. Two sharply different points of view were expressed: one that domination is unavoidable, because of the sheer strength of the South African economy, the other that post-apartheid South Africa will be too weak to dominate the region.

Simba Makoni, executive secretary of the Southern African Development Co-ordination Conference (SADCC), took the latter view. The South African economy, he argued, is strong only when measured against its present white base. When the "real South Africa" emerges from its (black) townships, and resources have to be redistributed, a different picture will emerge.

It is not coincidental, I think, that Mr Makoni is a Zimbabwean (he is a former Cabinet Minister). Zimbabwe's rivalry with South Africa goes back a century. One of the reasons why Rhodesia was founded was to provide a counter against the Boer Republics. Similarly, the Federation of Northern and Southern Rhodesia and Nyasaland was meant to provide a counter against South Africa.

Another Zimbabwean view voiced at the conference was that a post-apartheid South Africa will need its neighbours as much as they need it.

It will, for example, be more beneficial for South Africa to trade with the region than with "far-away" countries, as it is presently required to do in its apartheid isolation. South Africa and Zimbabwe, for example, might wish to market their minerals jointly.

"I do not anticipate a conflict situation with South Africa over trade," the speaker said. The PTA (Preferential Trade Area) and SACU (Southern African Customs Union) would have to be rationalised to ensure harmony, but then "we will see a very important trading bloc emerge. We could launch a pan-African economic community, and I would be very surprised if South Africa did not associate itself with it."

Utopian? At another conference, held in Windhoek in July, Dr Erich Leistner, director of the Africa Institute in Pretoria, warned against too-high expectations. Referring to "strong fears that South Africa's overwhelming economic strength might damage the smaller economies and lead to South African political hegemony over the region", he acknowledged that the ANC and PAC had rejected "hegemonic" links with the region. But, he noted, neither had yet presented "even the outline of an alternative relationship".

Dr Leistner is sceptical about the viability of a regional economic community. He doubts for instance that SADCC can offer anything that the PTA does not offer already, and he foresees an equally uncertain future even for the PTA. He advises South Africa not to push for full membership of either organisation too soon.

So what is the answer if it does not lie in a particular model of economic integration? Dr Leistner suggested that it was to be found in "responding pragmatically to the patent needs, constraints and opportunities to be found in the region". The organisational framework could be an Economic Commission For Africa (along the lines of the OECD), with a permanent secretariat (but not the SADCC secretariat).

At a third conference, held in Windhoek in September and sponsored by the Africa Leadership Forum, Professor Prakash Sethi examined in considerable detail South Africa's relative strength in the region, and warned that "South Africa has the economic muscle to exert tremendous pressure, and if it so choses, to throw its weight around the economies of its immediate neighbours in the SADCC countries."

He did not anticipate the "imperial" model being repeated, with South Africa as the "core" country and the periphery countries providing it with the raw materials to be converted into finished goods. But South Africa could easily exert "undue influence" on its neighbours to their disadvantage, influencing patterns of development among them in a way that might not be acceptable.

Professor Sethi does not think any of the traditional models of regional economic alliance are likely to be successful if South Africa is the dominant core and other African countries are on the periphery.

"There are strong historical impediments to such an alliance which must be built on a large measure of trust and respect for the sanctity of political boundaries and non-intervention in other countries' internal political affairs. Moreover, it is not certain that a non-racial, democratic South Africa would necessarily undertake policies and programmes that would build sustainable alliances even at the expense of short-term economic gains for itself."

Like Dr Leistner, Professor Sethi rules out a European Community for southern Africa — economic integration with the eventual goal of political integration. He proposes instead a system of "strategic economic alliances" incorporating elements of the EC and other regional economic blocs, but specifically adapted to the economic and political realities of sub-Saharan Africa.

Pragmatism, therefore, looks like being the order of the day. A post-apartheid South African government will want to be as helpful as possible to its neighbours, but — and this is what the experts are telling us — in economic relationships there is not much room for sentiment, even among comrades. □

Southern Africa workers' charter set to be ratified

By FERIAL HAFFAJEE

THE Congress of South African Trade Unions' national campaigns committee will this weekend ratify a charter of worker rights aimed at strengthening organised labour throughout the southern African region.

The Social Charter of Fundamental Rights of Workers in Southern Africa was drawn up at a conference in Malawi in August this year and sources expect that it will be ratified in February next year at a meeting of the Southern African Development Co-ordinating Conference (SADCC).

Drawing extensively on Cosatu thinking around its own workers' charter, it represents a transfusion of South African union militancy and experience into the weak and often oppressed unions of the Frontline states.

If SADCC countries ratify the charter, it will bind them to pass the charter's provisions into law. Its effectiveness will depend on a "supervisory procedure at regional level, implemented by a tripartite body, whereby complaints concerning violation of basic human and trade union rights can be reviewed, examined and the ensuing recommendations made public and enforced".

Tripartism is a key underlying principle of the charter, which was drawn up by Cosatu and the National Council of Trade Unions (Nactu) in collaboration with the Southern African Trade Union co-ordinating Council (Satucc), a substructure of the Organisation of African Trade Union Unity.

The charter also demands that signatories ratify and implement the relevant International Labour Organisation conventions and recommendations.

Satucc represents workers in Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe.

Representatives at the conference which drew up the charter said that it provided a framework for "active solidarity" and called on Cosatu to "take a leading role in the work of trade unions in our sub-region".

The charter, according to Cosatu international officer Mcebisi Msizi is essential because of the interdependence of regional states and the common problems facing workers in the different countries.

Among other things, it seeks to prevent multinationals "exploiting lower labour standards by moving their operations to countries where trade union rights are less respected and labour is cheaper".

The charter incorporates a comprehensive set of basic trade union rights, including the independence of unions from governing parties, the right to strike and to freedom of association. It also calls for the establishment of independent labour and industrial courts and the right to negotiation for workers in the case of "collective redundancies and dismissals".

Taking account of the widespread use of migrant labour in the region, the charter affirms the freedom of movement, residence and employment of migrant workers. It also demands family housing for migrants, to enable them to live with their families.

Finance & Economics

Finding the right trade partners

By STANLEY UYS
in London

WITHIN the next few years, South Africa's relations with its neighbours will be normalised. But what will the new era hold in store for these neighbours - beneficial economic co-operation, or even more pronounced economic "domination"?

The question of "domination" crops up regularly now. Last year already, the ANC felt obliged to announce that, if it becomes the government in South Africa, regional co-operation will be "along new lines that would not be exploitative."

However, it is easier to pledge undying political friendship than it is to be a good economic neighbour. Economic community schemes look great on paper, but they cannot stop the big boy on the block doing what - economically - comes naturally.

The problem of "domination" was raised at a conference here last week at Wilton Park, the elegant centre in West Sussex which is supported by the Foreign Office. Two sharply different points of view were expressed: one that domination is unavoidable, because of the sheer strength of the South African economy; the other that post-apartheid South Africa will be too weak to dominate the region.

Mr Simba Makoni, executive secretary of SADCC, took the latter view.

The South African economy, he argued, is strong only when measured against its present white base. When the "real South Africa" emerges from its (black) townships, and resources have to be redistributed, a different picture will emerge.

Another Zimbabwean view voiced at the conference was that a post-apartheid South Africa will need its neighbours as much as they need it. "I do not anticipate a conflict situation with South Africa over trade," the speaker said. The PTA (Preferential Trade Area) and SACU (Southern African Customs Union) would have to be rationalised to ensure harmony, but then "We will see a very important trading bloc emerge. We could launch a pan-African economic community, and I would be very surprised if South Africa did not associate itself with it."

Utopian? At another conference, held in Windhoek in July, I listened to the knowledgeable Dr Erich Leistner, director of the Africa Institute in Pretoria, warn against too high expectations.

Referring to "strong fears that South Africa's overwhelming economic strength might damage the smaller economies and lead to South African political hegemony over the region," Leistner acknowledged that the ANC and the PAC had rejected "hegemonic" links with the region. But, he noted, neither had yet presented "even the outline of an alternative relationship."

Leistner is sceptical about the viability of a regional economic community. He doubts, for instance, whether SADCC can offer anything that the PTA does not offer already, and he forsees an equally uncertain future, even for the PTA. He advises South Africa not to push for full membership of either organisation too soon.

The desirability of South Africa joining the PTA is open to doubt, says Leistner, "because the problems posed to the smaller economies by Zimbabwe and Kenya would be vastly magnified by South African participation. In fact, these two countries, in particular, could expect to suffer from South African competiiton."

One problem of a common market would be the heavy inflow of skilled and unskilled labour into South Africa from neighbouring countries.

The arrival of the unskilled would annoy unemployed South Africans, and the exodus of the skilled would deprive their home countries of much needed manpower. Similarly, investments and development in general would tend to polarise around the existing South African growth poles to the detriment of other countries.

As for Zimbabwe, if it joined South Africa in a common market, it would probably find that "much of its manufacturing sector would succumb to competition from firms south of the Limpopo." Prospects for industrial development in Malawi and Mozambique, too, would be adversely affected. Leistner detected no political commitment behind a Southern African community similar to the one behind the European Community. He concluded that "a common market was not a viable option for the Southern African region as a whole."

So what is the answer if it does not lie in a particular model of economic integration? Leistner suggested it was to be found in "responding pragmatically to the patent needs, constraints and opportunities to be found in the region." The organisational framework could be an Economic Commission for Africa (along the lines of the OECD), with a permanenbt secretariat (but not the SADCC secretarial).

At a third conference, held in Windhoek in September and sponsored by the Africa Leadership Forum (I did not attend it), Professor Prakash Sethi examined in considerable detail South Africa's relative strength in the region, and warned that "South Africa has the economic muscle to exert tremendous pressure, and if it so choses, to throw its weight around the economies of its immediate neighbours in the SADCC countries."

South Africa could easily exert "undue influence" on its neighbours to their disadvantage, influencing patterns of development among them in a way that might not be acceptable.

Sethi does not think any of the traditional models of regional economic alliance are likely to be successful if South Africa is the dominant core and other African countries are on the periphery.

A post-apartheid South African government will want to be as helpful as possible to its neighbours, but - and this is what the experts are telling us - in economic relationships there is not much room for sentiment, even among comrades.

Main issue is SA trade links

Profitably into Africa

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SHERWOOD EXPORT, registered as a close corporation, is the country's largest general trader in Africa with an annual turnover that would embarrass most of the listed companies on the Johannesburg Stock Exchange.

It was founded 20 years ago by ex-Northern Rhodesian, John Hood, to develop trade with black Africa.

Few people rated his chances of success. The noose of sanctions had started to tighten and South African companies were treated with suspicion in many countries. ST Times (Buss) 13/10/91.

But mention this company's name in Malawi or Zambia and the response is likely to be one of warm familiarity. Yet few people in SA know of its existence.

Its sales have grown every year for the past 20. In 1989 it received the State President's Award for Export Achievement in the service sector and last year won a second one.

"We have always adopted a very low-key profile because of the nature of the business we are in," says Mr Hood.

Today the company comprises eight divisions, including an in-house freight forwarding arm, a shipping company, mining supplies, pharmaceuticals, educational materials and general trading.

It employs 60 staff and operates out of impressive offices in Parktown, bristling with memorabilia from hundreds of trips into the interior.

At a time when South African companies are beginning to venture into Africa, Sherwood has built up an extensive lead in this fickle, but lucrative, market.

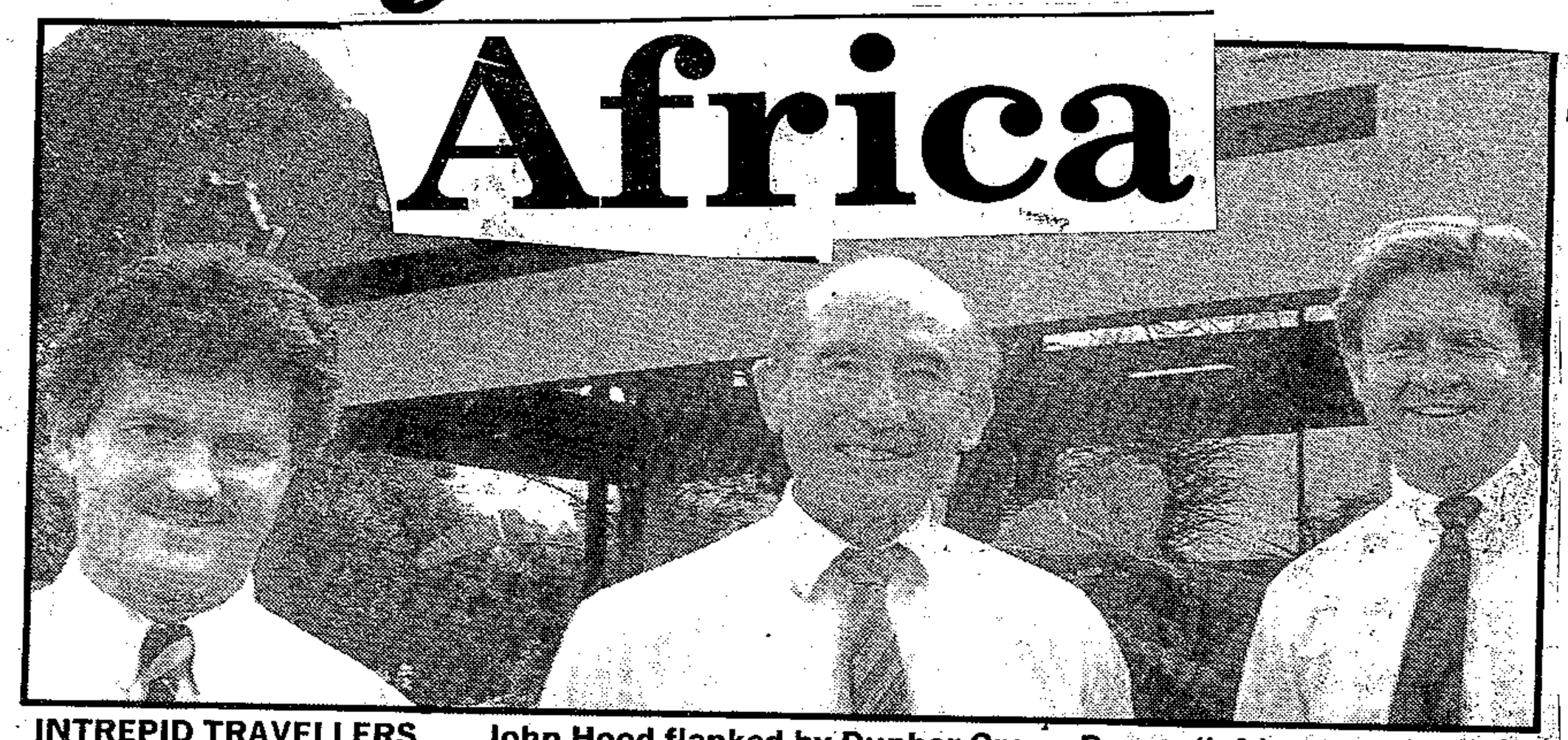
The company is run by Mr Hood and two chartered accountants turned traders — Robin Smith, the marketing director, and Dunbar Crewe-Brown, the executive director.

All are seasoned travellers in Africa, frequently visiting remote locations in search of business.

The key to Sherwood's success is building up contacts, says Mr Hood.

"You have to establish contacts at ministerial level because so much of business in Africa comes from government. But this is changing, as more parastatals are being privatised.

"Maintaining these contacts can be hard work. You have to travel a lot but, most importantly, you have to give good service. If you say you are going to deliver, you must deliver. At any one time we have eight or more staff scouting the continent for business."



INTREPID TRAVELLERS . . . John Hood flanked by Dunbar Crewe-Brown (left) and Rob Smith

By CIARAN RYAN

Rampant

Sherwood pioneered general trading in Africa at a time when conditions were least favourable. Communications are still difficult in many parts of the continent, corruption is rampant and customs officials can delay shipment for days.

"Drivers hauling Sherwood shipments have been shot at in the Tete province of northern Mozambique and one truck was blown up.

There are frequent expectations of bribery (or "sharing," as it is more politely called in some countries). Mr Hood recalls telexes arriving from Nigeria specifying the size of the "commission" demanded for awarding a contract.

"We suspect corruption when we lose tenders to suppliers that are considerably more expensive than we are.

"We have a case at the moment in Uganda, where a contract was awarded to a supplier who was 25% more expensive than ourselves and the other tenderers.

"This involved World Bank money and we brought it to the attention of the bank, which stopped the contract. We generally bring this sort of thing to the attention of the authorities, but in most cases it falls on deaf ears."

Twenty years ago, trade was conducted by letters of credit on behalf of government and parastatal bodies. Economic conditions started to deteriorate, commodity prices fell and foreign exchange dried up.

Incentive

The only people with hard currency were foreign aid organisations. Today, these aid organisations are Sherwood's major source of business.

In the old days aid was intended to promote business for the donor country's private sector, but as aid budgets were tightened the lowest tender generally won the contract.

Sherwood specialises in supplying an entire shopping list of items and, more recently, turnkey projects — such as the supply, delivery and erection of several warehouses in rural Mozambique, where it was necessary to fly in a construction team.

It uses the new government export incentive scheme to compete on price, offering door-to-door delivery.

Sherwood's main markets are Zimbabwe, Zambia, Mozambique, Malawi and Botswana. Sudan has been a strong source of business in the past, and Mr Hood clocked up 16 visits to the country in two years at one point. East Africa is once again becoming an important source of business, he says.

"Being a South African company we had to structure an off-shore base when dealing with many countries in Africa."

Political changes across the continent have had little effect on business, but as countries face increasing pressure to become "democratic" many companies are cultivating links across the political divide.

Mr Hood predicts: "I expect a marked change in Zambia, and I don't think President Kaunda will win the election this month. If the opposition gets in, trade will become freer with SA.

"As far as Zimbabwe is concerned, there needs to be a profound change in the attitude of government towards the private sector and, fortunately, there are signs of this now happening."

Sherwood earned a measure of goodwill in both Malawi and Zambia by financing trade with importers in these countries at a time when other companies wouldn't touch them. When conditions improved, Sherwood found itself in the pound seats.

Last year it sold 500 vehicles to Malawi, Zambia and Zimbabwe.

Cheaper

"We could sell more vehicles, but I feel certain vehicle manufacturers are not passing on the benefits of the government export incentive scheme.

"They tend to pocket a large part of the incentives as extra profit. We often find it cheaper to bring vehicles in directly from Japan."

Sherwood's biggest competitors are manufacturing companies who previously supplied Sherwood but are now selling direct into Africa.

"With the new SA opening up, many manufacturers are travelling into our traditional markets. However, they become quickly disillusioned with the numerous problems inherent in exporting to Africa and, consequently, they are happy to let us act as their agents."

Mr Hood says he is negotiating to buy a number of businesses in neighbouring countries.

Will SADCC live after apartheid?

Sowetan 14/10/91 (249A)

ARUSHA - Can an economic alliance founded to fight dependence on South Africa in the era of sanctions survive the end of apartheid?

That is the question hanging over the future of the Southern Africa Development Coordination Conference.

Formed in 1980 by neighbouring black African states to end the region's economic dependence on white-ruled South Africa, SADCC has been caught off-guard by the speed of change in South Africa.

As businessmen from Africa look forward to trading openly with Pretoria, an organisation set up to fight such links appears increasingly irrelevant - a relic of past conflicts.

The issue dominated a meeting of SADCC member states last August in this Tanzanian town at the foot of Mount Kilimanjaro. Deep splits emerged over the organisation's future.

"The end of apartheid in South Africa does not signify the end of SADCC," Zimbabwean President Robert Mugabe said in an interview at the summit. "Talk about SADCC fighting for survival is rubbish."

But South African businessmen say SADCC has never served the purpose for which it was created, and its existence could be in jeopardy in an apartheid-free South Africa.

"SADCC states that have some money - Botswana, Lesotho, Zimbabwe, Namibia and Swaziland - have all actively traded with South Africa.

"So without SADCC, trade still goes on," said Mr Boris Yawitch of the South African Foreign Trade Organisation.

FOCUS

Sapa-Reuter

Trade between SADCC members totalled only R2,7 billion compared to the R26,6 billion with South Africa between 1983 and 1986, the only period figures are available.

Capitalist Kenya

South African companies seeking business in black Africa turned up for the first time at the Nairobi International Trade Fair in early October.

Pro-Western and staunchly capitalist Kenya is not a SADCC member and has never been at the forefront of sanctions pressure against South Africa.

"The question is no longer whether or how, but when," said Mr Francis Machariah, chairman of the Kenya Chamber of Commerce and Industry, who last month led a delegation of businessmen to South Africa.

"We saw for ourselves the massive trading potential with that country as soon as the international community sees economic cooperation as acceptable," Machariah said.

SADCC's landlocked members rely on South Africa's transport network for exports and imports.

Corruption and incompetence have crippled alternative trade routes via Angola, Mozambique and Tanzania which the 10-member bloc has tried to develop.

But officials say there has been an increase in traffic through the ports of Dar es Salaam and Beira in Mozambique.

SADCC has spent millions of rands in Western aid rehabilitating the Angolan port of Lobito, its rail and road links to the copperfields of southern Zaire and northern Zambia and the war-shattered road and rail between landlocked Zimbabwe and Beira.

"At the port of Dar es Salaam, officials ask for 'cooperation' fees and many times commodities simply fail to reach their destinations," said a Tanzanian economic analyst.

"South Africa is more reliable and has a wonderful transport and communication system," said the official, who asked not to be named.

Weakening commodity prices, persistent droughts in parts of the region, rampant foreign exchange difficulties and civil conflicts have further battered the already dilapidated economies, economic analysts say.

Heavy debt

Economic sources say mismanagement, poor producer planning, deteroriating terms of trade and heavy debt burdens have taken steam out of the black states.

None of Africa's nearly dozen major economic or political groupings has achieved the goal of increasing intra-regional trade or promotion of political cooperation, analysts say.



ROBERT MUGABE ... "The end of apartheid in South Africa does not signify the end of SADCC."

Leaders from SADCC states who met last August said they looked forward to a post-apartheid South Africa joining their loose alliance to help boost economic growth.

SADCC states have long blamed many of their economic ills on South Africa's 1980s' strategy of destabilising neighbouring countries to reduce their political threat.

Urging a fresh response to the reforms of State President FW de Klerk, SADCC leaders appointed a five-member committee to "examine the changes taking places in South Africa and to recommend strategies for cooperation".

SADCC includes some of the poorest countries in the world. The region of 83 million people is saddled with approximately R75 billion debt, according to a SADCC survey for 1990.

NEWS IN BRIEF

Safair aims at Africa

SAFAIR, SA's largest freight airline, would embark on a major expansion programme and had earmarked African countries such as Angola, Tanzania and Zaire, the company's MD Braam Loots said yesterday.

Loots said although the airline had done work on a covert basis for several clients in the past, including the SADF, recent political changes had presented opportunities in several African nations which desperately needed air freight services.

6/10/91 (219A)

CSIR takes aggressive steps deeper into Africa

SEAN VAN ZYL

GOVERNMENT's scientific and industrial technology organisation, the CSIR, has embarked on an aggressive African expansion programme now that political attitudes towards SA have started to thaw.

Although the CSIR has been indirectly involved in southern Africa over the past two years through exported technology, the organisation was now marketing its management and technical services directly as far north as the Ivory Coast, Africa business development manager Loic Desselas said in an interview this week.

Desselas said most of the infrastructural development projects which the CSIR had targeted were of more than R10m and normally involved international funding. He added the CSIR was involved with a road-upgrading project in Malawi, which had been financed by the World Bank.

Although competition for African development projects was fierce between US and European technology developers, Desselas said the CSIR was ideally placed "as the organisation has been involved with developing and adapting technology for Third World conditions for years".

The CSIR was formed specifically to develop technology to suite African conditions.

"The First World technology available from overseas developers often exceeds the needs and financial resources of developing African countries."

Citing a case in point, Desselas said the CSIR recently adapted a solar cell system which could be used for cheap irrigation, among other things.

He noted the CSIR's annual budget of R400m accounted for roughly 25% of Africa's total research expenditure a year. The CSIR had the largest permanent research centre on the continent.

Although the organisation's revenue generated from Africa was "very modest", Desselas noted the groundwork of establishing contact with African countries and financing institutions like the World Bank was now in place.

As a result, he expected demand for the CSIR's services to increase dramatically in coming years.

Efforts

"The number of official African representatives who have approached the CSIR this year has more than quadrupled."

Desselas noted CSIR's marketing efforts were also opening up business opportunities in Africa for SA manufacturing companies. He added the CSIR only developed and marketed technology, and left the production to outside manufacturers.

"The CSIR is also looking to joint projects with local and outside private firms to manufacture developed equipment."

He added the Africa expansion programme was in line with a general reorganisation of the CSIR to that of a market-driven operation.

Once fully funded by government, roughly 55% of the CSIR's annual budget was now self-generated.

Africa facing hurdles

2-19A

Sowetan

By JOSHUA RABOROKO

18/10/91

THE Minister of Finance, Mr Barend du Plessis, on Wednesday said a number of sub-Saharan countries face a challenge in restructuring economies simultaneously with major social and political reform.

Addressing the annual meeting of the World Bank/International Monetary Fund in Bangkok, he said to ensure success, appropriate and well-timed external support as well as regional co-operation would be essential.

Responsibility

He said: "We see it as part of our responsibility to join other countries in our region in the promotion and implementation of policies which, in the context of individual countries and the region as a whole, will justify continued international support and participation - and at the same time secure our region's fair share in the expansion of world trade and new investments."

Southern Africa is ready to take off

WITH sanctions crumbling, Wills Aereboe & Associates is in a strong position to capitalise on growth opportunities. BDay 22/10/91

The firm has widened its scope of activities in its 25 years of operation and is now active in virtually the entire southern African region.

Over the past several years it has worked in Namibia, Botswana, Swaziland and, more recently, Mozambique.

MD John Wills says the firm is also looking to move back into Angola, from which it had pulled out several years ago.

In Botswana, work has ranged from extensions to the Gaborone Sun to work on the new Gaborone Private Hospital.

It has also done extensive work offshore, being involved in hotel/resort work on several Indian Ocean islands, including projects and refurbishments in Mauritius and the Seychelles.

The firm has made inroads with a number of projects in Madagascar and is consulting engineer for a multi-million rand Bazaruto island development, which is being handled by Gordon Schachat Investments.

Wills Aeroboe will be working on a variety of services, one of which involves the conversion of an old lighthouse into a casino.

Marx is going, but his legacy haunts African recovery

LISBON — African nations committed to shedding Marxist economic policies confront a tangle of worthless currencies, outmoded production and mismanaged state enterprises.

But in Africa, the problems — which are also faced by the Soviet Union and eastern European nations — are compounded by years of civil war, a history of drought and famine.

Central bank governors of the five Portuguese-speaking African nations, Angola, Mozambique, Cape Verde, Guinea-Bissau and Sao Tome e Principe, met this month in Lisbon to discuss their predicaments.

Angola and Mozambique, the biggest of the five nations, also have the biggest problems. Both countries have had potentially solid economies undermined by savage civil wars.

Among the structural problems facing Africa's command economies are:

☐ Official prices that ignore market realities and have spawned flourishing black markets;

☐ A lack of incentives to production, savings and private investment;

☐ Excess liquidity caused by central banks printing money to finance state companies, resulting in falling currency values;

☐ Exchange rates held down artificially. One dollar buys 66 Angolan kwanzas at official rates, 800 on the parallel market;

☐ Lack of basic goods means external aid is used to buy essentials rather than for productive investment;

☐ A shortage of trained managers with experience of free market conditions.

Finding the right solutions will not be easy.

Free market moves, which are likely to result in higher consumer prices, could increase hardship for populations already mired in poverty.

Credit can be reined in and interest rates increased to encourage savings and reduce the amount of money in circulation. But governments may find that this brings on a new set of economic problems including a slowdown in economic growth.

Devaluation of national currencies eventually gives them more weight, but could also provoke a fall in confidence in banking systems and governments.

African governments have begun selling off state-owned companies in a bid to improve efficiency and boost state funds.

Mozambique has privatised 120 so far and the process is expected to accelerated in the next five years. But there is a cost too. The Angolan newspaper Jornal de Angola recently estimated that privatisation plans would slash 75 000 jobs. — Sapa-AP.

Ambassador: form co-operation network

Sfar 24/10/91

By Esmaré van der Merwe
Political Reporter

US ambassador William Swing has proposed a network of human rights, security and economic co-operation agreements between southern African states which could serve as a model for the rest of the continent.

Addressing the SA Institute of International Affairs in Johannesburg last night, Mr Swing said regional co-operation had largely failed in Africa.

But it had a better chance of succeeding in the 10-state region south of Zaire and Tanzania because of significant moves towards peace and democracy in the region. And South Africa could play a leading role in this process.

"For decades, the battlefield in Pretoria's fight to uphold white minority rule knew no national boundaries. Thanks to courageous decisions by many South Africans, that long war is now over, with the struggle about to move to the negotiating table.



Time ripe . . . for peace, says ambassador William Swing.

"Thus, for the first time in memory, peace throughout this entire region is within reach. In fact, the ingredients are present for a lasting peace."

He said the previous priority given to abolition of apartheid had made it impossible to shine the spotlight on human rights abuses elsewhere in Africa.

Now the time was ripe to establish a regional mechanism to monitor human rights violations which could prove to be a powerful moral force.

On security co-operation, he suggested the setting up of a regional mechanism to create regional dialogue with a view to reducing tensions, overcoming historical suspicions and animosities, promoting arms reduction and resolving disputes which might arise.

A body for economic co-operation could increase southern African economic interdependence, he suggested.

Mr Swing concluded: "In a world where Africa as a whole runs the increasing risk of marginalisation, the states of southern Africa have little option but to build together an integrated region or otherwise risk oblivion and irrelevance."

Traders flock to fair in Bulawayo

MICHAEL HARTNACK

HARARE — SA companies have snapped up exhibition space at next April's Central African Trade Fair in Bulawayo following the removal of a Zimbabwean ban on their participation.

Trade fair GM Graham Rowe told the Zimbabwean Financial Gazette 27 SA exhibitors had confirmed their participation and another 20 were expected.

President Robert Mugabe's government has also rescinded 11-year-old bans on participation by South Korean and Taiwanese exhibitors, but they have not responded.

The presentation of an SA government stand at the fair was reportedly mooted by diplomats when they met their Zimbabwean counterparts in Pretoria last month, to discuss re-negotiation of the 1964 "most favoured nation" trade agreement Zimbabwe inherited from the Rhodesian government.

Zimbabwe's reaction is not yet known.

South Africans have not participated since 1979.

Because of the increase in the number of exhibitors, only limited space could be offered each one, said Rowe.

Germany aims for stronger SA links

BILLY PADDOCK

GERMANY hoped to develop and intensify economic co-operation and other relations with SA to help strengthen the economy, German Agriculture Minister Ignaz Kiechle said yesterday after meeting Foreign Minister Pik Botha in Pretoria.

Favourable political and economic development in SA would have a positive impact on neighbouring countries and could be a driving force for stability in the sub-Saharan region, he said in a statement.

Botha said he was pleased Germany would continue to contribute to southern Africa and other parts of the world in need of development despite the tremendous demands made on it in the reconstruction of east Germany in a new unified Germany.

During their meeting he had explained to Kiechle the difficulties of designing a new constitution and had emphasised the necessity of economic growth in southern Africa in order to support whatever constitution was agreed upon, Botha said.

"Without economic growth there will be no future for any of us in South or southern Africa."

Kiechle said southern Africa should pull together economically and politically and only if SA survived would the rest of southern Africa have a chance.

Earlier Kiechle held discussions with President F W de Klerk on bilateral relations between the two countries.

De Klerk said they had exchanged information on the progress of German reunification and the economic challenges flowing from it. "I also gave him some indication of plans to improve agriculture in SA and broaden private property ownership through development schemes."

Kiechle said he and De Klerk had agreed peace was possible in SA only with economic development.

Kiechle also met Agriculture Minister Kraai van Niekerk, ANC secretary-general Cyril Ramaphosa, members of the ANC Land Commission and representatives from other groups including agricultural, business and research organisations.

Churches maintain stand on sanctions

CAPE TOWN — There should be no general lifting of sanctions against SA until violence was controlled and agreement reached on an interim government, representatives of local and international churches said in a major policy statement in Cape Town yesterday.

The document, known as the Cape Town Statement, is the outcome of a four-day conference held under the auspices of the World Council of Churches and the SA Council of Churches.

It called for the establishment of a peace-keeping agency with all major political groups represented, for a general amnesty for political prisoners and exiles, and for restitution for blacks who had lost land and opportunities under apartheid.

University of Cape Town theologian Prof Charles Villa-Vicencio, one of the drafters of the statement, said in an interview that details of what sanctions could be lifted were not discussed because the church was not competent to make these decisions. — Sapa.



German Agriculture, Food and Forestry Minister Ignaz Kiechle examines a wooden African statuette at a curio shop in central Johannesburg yesterday. Kiechle, who is on three-day visit to SA, met President F W de Klerk, cabinet ministers and ANC officials yesterday. Kiechle said Germany hoped to help strengthen SA's economy.

Picture: ROBERT BOTHA

Forum to discuss SA's regional role on cards

279 A
6 Days 21/10/91

TIM COHEN

YAOUNDE — A regional conference to discuss SA's very sensitive role in the region is a "distinct possibility", says Foreign Affairs deputy director for Africa Derek Auret.

Auret, who was appointed to his post recently, said it was not clear when such a conference would take place.

But discussions on SA's role in the region were necessary to combat fears of SA domination and to gear SA's integration accordingly, he said in an interview.

Auret is on a trip to Ivory Coast and Senegal, principally to introduce himself, and he also visited Cameroon.

He was warmly welcomed to the Cameroon capital by a variety of ministers and during meetings was assured visas for South Africans would be issued speedily.

Auret emphasised that although SA was currently a "sexy topic" in Africa, his department would engage in its own version of US negotiator Chester Crocker's "quiet diplomacy".

But the barriers to SA were coming down "very, very fast" and expectations were high, he said.

"This is not surprising. What we are seeing is the coming to fruition of something that has been latent for some time."

Sapa reports that Organisation for European Co-operation and Development executive director Jean Bonvin said on Tuesday that Africa would have to attract foreign private investment and generate its own investment to survive.

Speaking at the All Africa Sidco 91 conference in Youande on Tuesday, Bonvin said the continent had seen private foreign investment halve in the last decade while it had doubled in Asian countries.

'Africa must not expect too much'

By Sven Lunsche
Star Africa Service

YAOUNDE — South Africa will have to dampen the high expectations African countries have of the role it can play in lifting the continent's stagnating economies, says Derek Auret, a senior South African diplomat.

Noting that South Africa was already trading with nearly all African countries, Mr Auret, the Deputy Director-General of Foreign Affairs with responsibility for Africa, said talks with various African countries were largely focussed on economic interactions.

"The idea of a more formalised structure for inter-African trade is very much under discussion and there is a lot of talk that South African can be the driving force behind such a configuration," he said in an interview during the all-Africa trade conference here.

"Through the contacts we are having now we must stress the need for bilateral relations and that we have no desire to dominate the region economically."

Mr Auret, who was appointed to his present post a few months ago, is leading a delegation in a visit to four West African countries — Senegal, Ivory Coast, Cape Verde and Cameroon — in what he described as an introductory visit.

Trade plan

In Cameroon he met the foreign minister as well as the ministers handling economic planning and energy affairs. "There is a general understanding that we need to interact economically to advance growth in both countries," he said.

He emphasised, however, that his task was to establish the framework in which private business could start trading without bureaucratic interference.

"South Africa can provide Africa with skills and technology, but trade will eventually have to be a two-way development."

Asked whether South Africa's rapidly expanding contacts with African states was undermining the sanctions stance of the OAU, Mr Auret said that "African countries are realising where their economic interests are.

"It is not an erosion of OAU policy, but with Europe walking away from Africa, we have to turn to our direct neighbours for economic cooperation."

Mr Auret rejected the idea that South Africa should limit economic relations in Africa to states that practice good governance, operate free market economies and allow multi-party democracy — a condition being demanded by many Western aid donors.

FM 8/11/91

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Winning the peace



Southern Africa can avoid being marginalised, says US ambassador William Swing, who told the SA Institute of International Affairs how we can get on better in the region.

At no time has the region had such a fortuitous set of circumstances: a favourable and promising global backdrop; a nascent regional framework; and a healthy confluence of forces and elements domestically in SA, the flagship of southern Africa.

Southern Africa at present offers Africa its greatest prospect for a functioning, even vibrant, region in the short-to-medium term. Regional co-operation has an opportunity to succeed in southern Africa — though it has largely failed elsewhere in Africa — because of a twin dynamic that is at work here: peacemaking and democratisation.

Southern Africa's record in peacemaking over the past two decades is much better than generally acknowledged and it is one in which outside powers ultimately abandoned post-colonial Cold War tactics to play a constructive role.

SA is at the epicentre of this peacemaking dynamic. For decades, the battlefield in Pretoria's fight to uphold white minority rule knew no national boundaries. Thanks to courageous decisions by many South Africans, that long war is now over, with the struggle about to move to the negotiating table.

In fact, the ingredients are present for a *lasting* peace. Armed resistance movements have discovered that without outside support and encouragement they cannot succeed, and in the emerging world order such support and encouragement have become anachronistic. The real success that liberation movements and governments have achieved has been a result of diplomacy, not military exploits.

In SA the debate on what forms of democracy are best suited to this country is well advanced. But similar discussions are taking place throughout southern Africa. Much of the future economic success and political stability of the region will depend on the outcome of this debate and on negotiations leading to the establishment of a new democratic order in the area.

The success of these or any other ideas on regional or domestic matters would require full consultation and consensus among all the competing political forces within SA.

SA's moves to jettison apartheid have produced in their wake a situation in which it is possible to conduct an honest dialogue on human rights violations elsewhere in Africa.

The protection of human rights and safeguarding of democracy are, or should be, the common glaring concern in the region. No one nation can fully insulate itself from the effects of civil conflict or human rights abuses in neighbouring states.

At some point, governments in the region will probably want to consider putting in place mechanisms for regular consultations on human rights issues, possibly in the same fashion as the Conference on Security and Co-operation in Europe, which originally provided for detailed treatment of human rights issues on a Europe-wide basis. In other words a Conference on Security and Co-operation in Southern Africa.

Initially, one would expect opposition to this idea. But the eventual emergence of such a conference or a Southern Africa Human Rights Commission, operating according to an agreed code of conduct and empowered to examine alleged human rights problems in member states, could prove to be a powerful moral force. Though admittedly ambitious, it would send a strong signal to the rest of the world about the region's commitment to democratic values.

Maintaining regional peace in the post-apartheid era will, to a large extent, be a task left to southern Africans themselves. Here one could examine as a possible model the Joint Commission on Namibia, moribund for having largely accomplished its mandate and now lacking a clearly defined new mission — and about to hold its final session in Havana next month.

The overall idea is to create a regional dialogue with a view to reducing tensions, overcoming historical suspicions and animosities, promoting arms reduction and resolving any disputes that might arise.

Finally, there is the overarching question of regional economic co-operation. Too much has perhaps been said already about the benefits which will accrue to the entire region from the demise of apartheid. The image of the new SA as a locomotive for economic development in the region and beyond has become overworked. Many serious observers are now concerned lest an apartheid-free SA should be inward-looking, protectionist and autarkic — too preoccupied with redressing the historical inequities of apartheid to concern itself with its immediate neighbourhood. Under this scenario, the new SA will be an aid recipient, with few resources to spare for its neighbours.

Moreover, it is argued, even if SA were to try to play an active role in an organisation such as SADCC, that institution would collapse because of SA's economic might. With SA's economy outperforming that of the 10 SADCC states combined in virtually every sector, Pretoria might so dominate the organisation that co-operation could become meaningless, or so the argument goes.

Despite these understandable fears, I believe that there is no alternative to seeking closer regional economic co-operation as a matter of active policy. Unlike much of the rest of Africa, southern Africa is rich in resources, infrastructure, know-how and development potential. What is urgently needed is for the SADCC to review its 10-year mandate to reduce the dependency of southern African states on SA and to devise a new mandate designed to increase southern African interdependence.

Global trends argue for some serious rethinking about how an SA without apartheid and its neighbours can achieve a greater degree of integration. In a world where Africa as a whole runs the increasing risk of marginalisation, the states of southern Africa have little option but to build together an integrated region — or otherwise risk oblivion and irrelevance. Like SA, the emergent southern African sub-area offers Africa its best hope yet for peace and democracy.

Chiluba backs SA accord

NEWLY elected Zambian President Frederick Chiluba yesterday called for more economic integration among the Frontline states to raise the standard of living of people in the region.

He said in Lusaka that the governments of the Frontline states should dispense with the confrontational approach and concentrate on improving the quality of life of the people.

SUNDAY TIMES
FOREIGN DESK

S Times 10/11/91

The president said South Africa was an economic giant which could play a significant role in this integration, and he urged all the Frontline states to support a political settlement in that country.

"Now that the liberation wars are over, we in the Frontline states should encourage economic interaction among our people at all levels," he said.

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Mr Chiluba said Kenneth Kaunda's government had committed Zambia to high indebtedness. He pledged to do everything possible to redress the situation.

SA is the pivot of African progress

S/Times (Buss) 10/11/91 279A

AFRICAN countries must strengthen relations with South Africa.

This country will become Africa's centre of development, says Jean Bonvin, director of the Paris-based Organisation for Economic Co-operation and Development.

He paints a gloomy — but not hopeless — picture of Africa as an economic disaster area.

Mr Bonvin warns African countries with their "inefficient public sectors, overprotected and unstable economies" that they have to "reform to allow freer business activity".

The OECD, a powerful aid agency, represents 24 donor nations.

Mr Bonvin spoke at a Cameroon-SA business conference in Yaounde last week.

Running

He says African nations should "restructure, liberalise and privatise".

Private money in Africa and Latin America accounts for 60% of investment in those countries with debt.

"In the past five years direct private investment in Africa has stagnated. Capital is running away from Africa."

Mr Bonvin says political instability and disastrous economic policies resulted in a $40-billion capital outflow from Africa in 1987 — half of the continent's foreign debt. Latin America, on the other hand, has received a huge inflow of capital since it began liberalising its economies.

"The development of the private sector is a priority."

It is a mistake for Africa to rely on outside investors to rescue it.

"Foreign investment can bear fruit in three years in Europe, but in Africa it takes far longer."

Nonetheless, Mr Bonvin believes Africa is in a better position to attract foreign investors than Eastern Europe.

By CHARLENE SMITH

"Eastern Europe has to start from scratch. Their factories are good for the scrapheap, their managers have to learn how to operate in a market economy.

"In many ways some African countries would be more attractive if they liberalised their economies and had proper market policies."

It is important for African countries to study the impact of the informal sector on their economies — 30% of economic activity in most developing countries is from the informal sector.

It is also vital to engender trust in banks and to get rural people in particular to take their money from under mattresses and place it in banks.

His view is backed by Tetteh Kofi, a Ghanaian professor of economics at the University of San Francisco.

Profesor Kofi says development takes place when a nation saves and invests at least 15% of its income annually.

Savings in Southern Africa are only about 11% compared to 24% in developed countries.

"Africa has a savings gap that can be filled by direct foreign investment. But that investment is not only inadequate, it is unevenly distributed. The five African countries that account for 90% of direct foreign investment in Africa are all oil producers."

Professor Kofi says: "Africa will have to come up with its own initiatives. Foreign investment is too erratic."

Mr Bonvin warns that aid is a fickle friend. Public development aid amounted to $15-billion in sub-Saharan Africa in 1989, a minimal rise over the $11-billion the region received nine years before.

"Africa receives 30% of the world's development aid, even though it has only 11% of the population of developing countries."

Some poor nations like Mozambique and Guinea-Bissau depend on aid for more than 70% of their income.

"If aid was reduced, consumption and development in those countries would crumble. This gives power to the donors which can amount to interference."

Mr Bonvin says Africa has the world's highest failure rate for development programmes.

"The World Bank has a 70% success rate for Africa compared to 98% for Asia and 81% for Latin America.

"If we want to make aid effective, we should stop putting it in government parastatals which have a high failure rate.

"Africa must seek other solutions. It will increasingly find difficulty in obtaining external financing. It has to rely on its own development and its private sector. This has to include streamlining the public sector and reducing external indebtedness."

Reform

External debt is crushing African economies. In 1981, Mr Bonvin says, the long-term debt of Africa amounted to 98% of continental gross domestic product.

"The ratio between debt service and exports is 26%. Sixty percent of interest due is not paid. A state which cannot honour its debts does not inspire confidence and will not obtain direct investment.

"It also discourages internal investment and prevents economic reform."

Africa's GDP increased by 4,2% between 1965 and 1980, but in the past decade the rate dropped to 2,1% while population soared.

"A Swiss Nobel Prize-winning economist said South-East Asian states had no hope of developing rapidly on Western models. Fewer than 10 years later South-East Asia has proved him wrong.

"Africa has to look within itself for the resources of its development."

South Africa needed for reconstruction

Sowetan 11/11/91

279A

AFRICA expects South Africa to power development on the continent, economists at a conference in Yaounde, Cameroon, have said.

The dismantling of apartheid and the creation of an equitable order in South Africa are facilitating the country's formal involvement in African ecnomic development.

A liberated South Africa would be a member of the Southern African Development Co-ordination Conference, which is already investigating the possibility of orchestrating resources to enable the whole region to benefit from those pooled resources.

A free South Africa joining the SADCC will develop immeasurable potential and even stimulate economic development in the south-west African Preferrential Trade Area and possibly in Africa.

The future of trade relations with the rest of Africa is positive due to the economic principle of supply and demand, African economists observed at the All-Africa Conference last week.

Participants contended that, because of its knowledge of local conditions and established industrial infrastructure, South African business is able to offer competitive services.

This also applies to South African merchandise, whose competitive prices, comparatively short delivery times and compatibility with African conditions stimulate demand.

There are few African countries which do not have trade agreements with South Africa.

The efficiency and credibility of South Africa's transport system, its technical and research services in agriculture, nature conservation, engineering, construction, transport, telecommunication, water and energy supplies, health, education and training, focus on the specific problems which plague Africa.

FOCUS

By JOSHUA RABOROKO who attended a business conference in North Africa. In this report he reflects on the mood of the conference.

As aptly put by the Minister of Foreign Affairs, Mr Pik Botha: "South Africa is part of Africa and must survive or die in Africa. It has a calling to assist in the development of Africa."

"What is needed now is a concerted effort to initiate, co-ordinate and execute an African development programme."

This historic conference was attended by 11 African states including Cameroon, Nigeria, Tunisia, Senegal, Morocco, Guinea and Togo.

The president of the Paris-based Movement for Dialogue and Cooperation, Mr Desire Atangana Onambele, said with the end of the century near, the collapse of communism and thawing of the cold war, Africa was still characterised by a lack of strategy.

"Now is the time to take up the challenge for economic growth. In this regard, the huge disengagement of the Soviets and lack of poliitical interest by the United States now frees Africa from numerous constraints.

"We at the MDC have invested a huge effort in our determination to bring Africans a truly great event and we are very fortunate to have the backing of several distinguished guests, including South Africa," he said.

Speaking on "Finance, Aid and Development in Africa", Mr Jean Bonvin stressed that most African states were in debt as a result of mismanagement of funds, corruption and lack of education and training.

Consequently many African states were in a state of poverty and poor economic conditions seemed to have dealt a heavy blow on any development with unemployment growing at an alarming rate.

One delegate said: "I know of a country in Africa where the state actually borrowed money from the monarchy - a clear indication of the extent of corruption.

"This monarch had obtained money from the international community but it was used for his own needs. He built his own economic empire. This is the reason why there are many *coups d'état* in Africa. Let us stop this," the delegate pleaded.

"Africa must learn that political power must be accompanied by economic power," another delegate said, adding, "Most African leaders are interested in empowering themselves and forget the interests of the people who elected them."

Different solutions were proposed and Mr Joas Mogale, general secretary of the Foundation for African Business and Consumer Services, said: "Southern Africa in particular has the potential to become a prosperous region.

"What is needed is for the nations of Africa to join hands and work together. It is time to put behind all the differences that have separated us in the past.

"There is a changing mood in Africa and also a growing realisation that true independence and a national identity can only be accomplished once economic stability has been achieved," he said.

Seven workshops during the conference came up with possible solutions that could be undertaken to make the African continent economically viable with less dependence on countries like the United States, the United Kingdom and the European Economic Community.

One of the salient points was reached with the appointment of a committee to look at stimulating inter-African developments.

Some of the solutions included:

The creation of an African Economic/Business Community like the EEC - a means through which finance could be channelled in Africa through the use of a unitary currency;

Investments must be directed towards utilising local potential and should include manufacturing, industry, agriculture, food production and rural development;

With the help of South Africans, transport and tourism should be encouraged in Africa and communications improved;

African markets and obstacles towards economic expansion must be looked into as a matter of urgency; and

The development of the informal and small business sectors must be encouraged and joint ventures and matchmaking, finance, aid and development among the African states must be encouraged.

This was backed by the Cameroon Minister of Social and Feminine Affairs, Mrs Yao Aissatou, who encouraged women to improve their agricultural skills.

Business Repo

Zim sees SA as market threat

By AUDREY D'ANGELO
Business Editor

THE Zimbabwean business community sees competition from the new SA in regional markets as a threat unless a programme of integration and co-operation is carried out.

Zimbabwe Banking Corporation economists say, in their Economic Review, that a peaceful constitutional settlement in SA and the ending of civil war in other southern African countries could lead to more overseas investment in the region as a whole.

"What has militated against large scale investment in the past was not perceptions about individual countries but the region as a whole."

However, the report warns: "A future democratic SA poses the greatest challenge to regional economies and this factor will need continued emphasis amongst local entrepreneurs.

"As Zimbabwe restructures its economy under the Economic Structural Adjustment Programme (ESAP) it must also brace itself for inevitable competition from its southern neighbour at home and in the SADCC and PTA (low income southern African countries) regions.

"The form of future regional integration and co-operation is a major issue which needs wider debate in both government and nongovernmental circles as they will be critical in shaping the future of the region.

"In the meantime," the bank suggests, "the aim should be to have some form of monetary union with individual currencies becoming convertible as economic reforms put the countries back on the path of sustainable growth."

Elliott's on the move in Africa

ST Times (Buss) 17/11/91 (279A)

By DON ROBERTSON

REMOVAL group Elliott International has acquired a majority stake in Swaziland Bearings.

This is its first expansion venture in Southern Africa.

Swaziland Bearings distributes SK bearings and seals. It has an interest in an industrial chemical and packing operation in Matsapha.

Elliott chairman Tom Ansley sees the acquisition as a promising diversification, but regards it as a "guinea pig" in the company's expansion into Africa.

Mr Ansley says that although it seems a strange diversification, bearings are transport oriented and the company services its own vehicles.

"The bearings business is a baseline from which to develop and expand into Swaziland. I am confident this company will soon be a force to be reckoned with."

Early next year, Elliott plans to introduce a removal and storage operation in Swaziland as well as enter the packaging market to produce paper, plastic and cardboard cartons.

"Swaziland has some interesting tax concessions, including a 37,5% corporate tax rate," says Mr Ansley

The company is also investigating investment opportunities in Zimbabwe and Mozambique.

Angola holds top spot for business

(279A) Star 19/11/91

By Dale Lautenbach
Star Africa Service

Angola has come out far on top of a survey of African countries in which South African business people were asked to identify their main countries of interest for future opportunities.

According to a survey by the South African Foreign Trade Organisation (Safto) of more than 100 companies, among them some of the most important on the South African scene, Angola was earmarked by 74 as a place where they hoped to develop new markets.

Second on the list was Kenya with 46 points of interest, third Zambia with 26 and next Zaire and Zimbabwe with 22 each.

Paul Runge, manager of Safto's Africa Business Development Group has for some months noted with excitement the growing interest in Angola.

He said the Safto survey bears out all the signals that he has been picking up as South African business people make their way back into African markets formerly denied them in all but the most clandestine dealings.

Waiting list

A fourth Safto-organised tour to Angola left this weekend. Mr Runge said visits to African countries by South African business people were proving increasingly popular and there was a waiting list for the Angola trips.

Mr Runge is convinced that South Africa has an important role to play in the development of the mining sector in Angola. Another area of great attraction to South African companies was the infrastructural upgrading necessary now as Angola emerges from 16 years of civil war in which so much of its transport and communications network was destroyed.

He warned that the international competition for work in Angola was fierce and was convinced that South African companies should be positioning themselves in the Angolan market now.

"A number of people feel that they should wait until the political scene in Angola is more stable following multiparty elections expected next September. I feel that would be a mistake, however. We must get in there now."

Much of the financing for big projects would probably come from the World Bank but that organisation was only now beginning to do a comprehensive survey of damage assessment in Angola.

Financing work in Angola was one of the major obstacles, said Mr Runge. He anticipated that South Africans might become involved in joint operations or "piggybacking" with other international companies

The response of the South African business community to the Safto survey bears out opinion that has been catching on in recent months. Earlier this year Neil van Heerden, Director General of Foreign Affairs, said Angola was potentially South Africa's best trading partner in Africa.

The South African and Angolan governments recently agreed to exchange trade missions which is another important step in facilitating the operation of South Africans in Angola.

FW pushing for regional conference

Star 29/11/91

2791A

By Jacqueline Myburgh

President de Klerk is in favour of "multilateral regional talks" among southern African countries "similar to those of the Conference for Security and Co-operation in Europe".

In an address to the SA Institute of International Affairs in Johannesburg yesterday, Mr de Klerk said he looked forward to a southern African economic association in which SA would play a constructive role.

He noted that the Organisation of African Unity — which SA would "inevitably" join — was looking at the eventual establishment of an African Economic Community.

Speaking to reporters after his address, Mr de Klerk said it was important to identify all the areas in which the region could benefit through co-operation, and this would have to be achieved through multilateral discussions. "The European Community did not fall out of the air — it ma terialised through negotiations," he said.

Mr de Klerk said existing structures such as the Customs Union and the Southern African Development Co-ordinating Conference (SADCC) should be incorporated to give an "African community" a sound foundation. He added that SA already had resident representation in 13 independent African states, and would soon open offices in Luanda, Nairobi and Lusaka.

This year "no fewer than 65 official delegations from African states, other than the SADCC countries, visited SA for talks with me or the Minister of Foreign Affairs," he said.

Trade with Africa, excluding members of the SA Customs Union, increased by nearly 25 percent to more than R5 billion. Trade with Zimbabwe, Zambia, Mozambique and Malawi increased by 13,4 percent to more than R3 billion.

However, SA did not have the resources to cater for the whole of southern Africa, let alone the rest of Africa.

"I wish to impress upon the countries of southern Africa the urgency of joining us in such a project, as further delays will do nothing but aggravate the economic plight of the region," he said.

METALS CONFERENCE

Platinum price hits capex programmes

MATTHEW CURTIN

THE expectations of new platinum projects worldwide have exceeded reality, but SA's position as the world's leading platinum producer is entrenched due to the technical advantages of its platinum deposits, says Irish Menell & Rosenberg analyst David Russell.

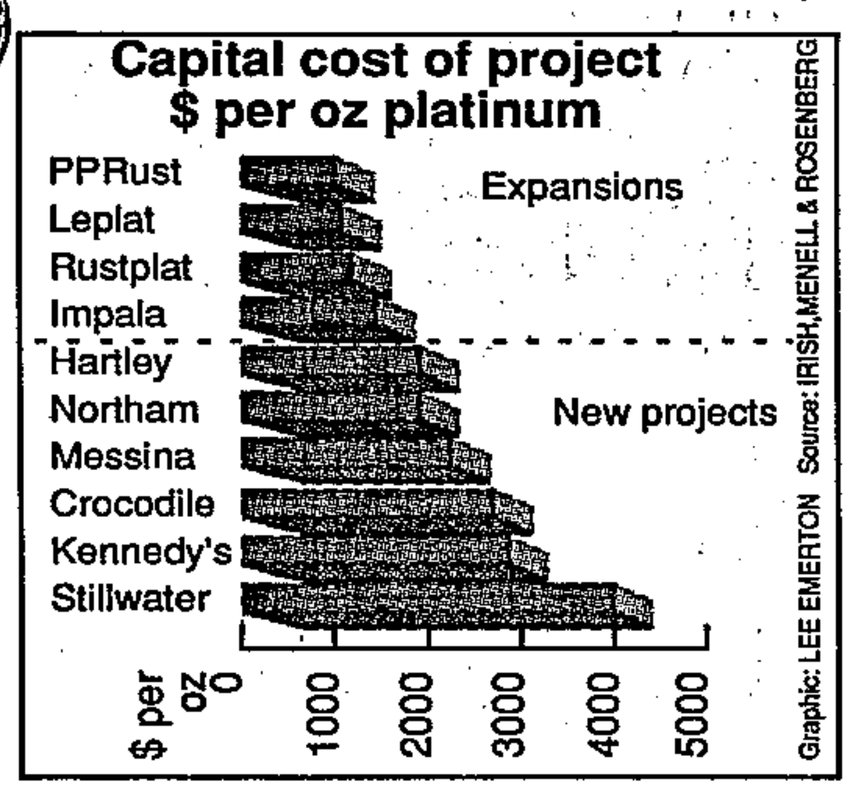
Addressing the Metals Bulletin Southern African Metals and Steel Opportunites Conference in Harare yesterday, Russell said weak platinum group metal prices had resulted in many producers reconsidering their capital programmes for expansion.

"The scale of projects as initially envisaged rarely reaches expectations and this has been a major stumbling block for proposed platinum ventures, indicating the complexity of platinum mining," he said.

Planned annual output from Rand Mines Kennedy's Vale and Crocodile River mines was 300 000 and 250 000 ounces respectively, while Impala Platinum's (Implats) Messina aimed at 300 000 onces and JCI's Potgietersrust Platinums (P P Rust) at 190 000 ounces. Kennedy's mines had been closed last year, and production targets at Messina and P P Rust went down to 60 000 and 170 000 ounces.

Russell said that outside SA platinum ventures "come and go with monotonous regularity". Exploration projects in Canada, Greenland, Australia and Zimbabwe waxed and waned with the fortunes of platinum.

In SA, producers enjoyed the strategic advantages from the make-up of platinum ore bodies. The high platinum to palladium ratio favoured SA producers, as palladium prices



were a quarter of platinum prices. In contrast, high-grade American and Soviet deposits were palladium rich, while grades in Zimbabwe were low.

By-product revenue from other platinum group metals and base metals were another boon. At P P Rust, estimates showed nickel and copper revenue would cut gross production costs from R118 to R13 a ton, making the mine the world's lowest-cost platinum producer.

Russell said platinum mining was expensive, noting the cost of sinking shafts at Gold Fields of SA's Northam mine was $16 250 a metre.

"This scale of expenditure is not for the risk averse or financially weak companies . . .In the case of Zimbabwe even government incentives to attract foreign investment may not be sufficient to attract hard currency investment if the local currency is depreciating rapidly," he said.

'African dilemma' curbs investment

MATTHEW CURTIN

SOUTHERN Africa is a prime area for investment because of its competitive transport and power costs, ample manpower and mineral resources.

Yet such investment has proved elusive because of the "African dilemma", Genmin mineral economics manager Francois Prins told the conference.

The solution to the dilemma was for the region to make a giant leap by developing its huge hydro-electric potential to provide the cheap power to mine, upgrade and add value to southern Africa's mineral resources. That would provide the economic backbone for the region and see it take off as a "world growth centre", he said.

The progress towards a southern African commonwealth heralded by the Southern African Development Co-ordination Conference (SADCC) needed to be cemented by including countries further north.

Prins said the African dilemma was a product of the region's general political instability compounded by economic problems and the spectre of the AIDS epidemic, which had put off investment.

The distance of southern Africa from major markets and from the coast plus the lack of infrastructure were extra problems which meant massive investments were vital to develop the region.

Southern Africa had most of the world's reserves of platinum group metals, chrome ore, and cobalt, and a major share of gold, diamonds, manganese, bauxite, vanadium, phosphates, copper and titanium minerals.

Prins said: "The cost development of power, labour and transport as seen by the SA producer has shown a general increase for labour, a mixed bag for transport, and constant cost for electricity, placing SA producers in a favourable position."

Industrialised nations 'must help'

FW calls for pact with SA neighbours

279A

B/Day 20/11/91

TIM COHEN

PRESIDENT F W de Klerk made an urgent appeal yesterday for a southern African regional conference to foster economic growth and security.

Addressing the SA International Institute of International Affairs, De Klerk said he looked forward to a southern African economic association or community in which SA would play a constructive, but not dominating, role.

"I wish to impress upon the countries of southern African the urgency of joining us in such a project as further delays will do nothing but aggravate the economic plight of the region," he said.

De Klerk said during the first 10 months of this year SA had hosted 65 official delegations from African states outside the Southern African Development Co-ordinating Conference (SADCC) countries.

Last year trade with Africa, excluding the Southern African Customs Union countries, increased by 24,4% to more than R5bn. Trade with Zimbabwe, Zambia, Mozambique and Malawi increased by 13,4% to just more than R3bn, he said.

Thought should be given to the idea of multilateral regional talks to foster confidence, economic growth and security along lines similar to those of the Conference for Security and Co-operation in Europe.

But De Klerk warned that industrialised countries would have to assist regional development as SA did not have the financial or skilled manpower resources to cater for the whole region.

He also warned that SA should not become a "refuge for the masses of unemployed" from neighbouring and more distant countries and that the havoc uncontrolled population movements had caused throughout the continent should be avoided.

He told journalists after his address there was a need to identify the areas in which the countries of the region could co-operate, but because two established regional groupings already existed — the SADCC and the customs union — much of the legwork had already been done.

In his speech, De Klerk reviewed SA's position in the international arena and concluded that there was cause for optimism. "It is in the interests of every South African, black or white, rich or poor, leftist or right-wing, that our country should gain the full benefits of normal international relations without any further delay."

But relations with the Commonwealth remained problematic, because, among other things, of its adherence to certain remaining sanctions. Although the decision to lift people-to-people sanctions was welcome, until it also addressed these other sanctions it could not claim to be impartial, he said.

The area that required SA's special attention was the Far East which offered enormous trade potential, he said.

The recent lifting of restrictions by Japan was most important and should help facilitate trade with other countries in the region.

● See Page 3

SA trade with Africa 'could double'

ET 21/11/91

Political Staff

A DOUBLING of South Africa's trade with Africa could be anticipated after the abolition of apartheid, UWC's Professor Rob Davies said yesterday.

He also said that with only 0,54% of the world's gross domestic product Southern Africa, including South Africa, would not be a major player in the world.

Prof Davies, a former exile who is co-director of the Centre of Southern Africa Studies at the University of the Western Cape, said at a SA Institute of International Affairs seminar in Cape Town that SA exported goods worth R4 007 million to Africa, almost six times the R713 million of goods it imports from the continent.

In 1980, 6,5% of SA's exports went to Africa and this had increased to 10% in 1990. However, 25-30% of SA's manufacturing exports went to Africa and as manufacturing was the key to the country's future economic growth, these exports were important.

"Apartheid was a barrier to the development of manufacturing exports in Africa.

"One could anticipate a doubling of SA's trade with the continent with the abolition of apartheid," Prof Davies said.

● A deputy director in the Department of Foreign Affairs, Mr J M Sterban, said at the seminar yesterday that SA had the potential to assist in the restructuring of the Southern Africa region, but its resources were limited,

"Our reserves have suffered as a result of sanctions. Low commodity prices, high inflation and emigration of skilled personnel have hurt the economy," he said.

FW urges regional economic indaba

Own Correspondent

JOHANNESBURG. — President F W de Klerk has made an urgent appeal for a Southern African regional conference to foster economic growth and security.

Mr De Klerk told the SA Institute of International Affairs this week that he looked forward to a Southern African economic association in which South Africa would play a constructive, but not dominating, role.

Delegations

"I wish to impress upon the countries of Southern African the urgency of joining us in such a project as further delays will do nothing but aggravate the economic plight of the region," he said.

Mr De Klerk said during the first 10 months of this year, South Africa had hosted 65 official delegations from African states outside the Southern African Development Co-ordination Conference (SADCC).

Lack of telephones a hang up in Africa

B(Bay 21/11/91

279A

A RECENT World Bank report showed that most developing nations' telecommunications authorities have failed to provide even the most elementary phone services and were, in the main, bungling bureaucracies.

At the Aitec South Southern Africa Computer Expo in Harare last week, Computer Society of SA's Peter Davies said the report cited waiting times of 10, 20 and even 30 years for basic phones, and indicated figures of 67 employees in the authority for every 1 000 phones installed.

In developed nations, figures of about two employees for every 1 000 phones were cited.

"Of 150 000 villages in Africa, some 120 000 have no phones; Africa has 12% of the world's population yet only 1,4% of its phones. SA has 5% of Africa's population, but 40% of the continent's phones.

"In Zimbabwe, there are three phones for every 100 people — and this is 50 times more than there are in Mozambique."

He stressed the importance of telecommunications for socio-political development.

The question is whether to deregulate telecommunications, because countries often use telecommunication earnings to fund other developments instead of ploughing funds back into enhancing their services.

Prof Robert Horwitz of the University of California's department of communication said that in Third World countries with histories of corrupt state bureaucracies, privatisation may be a good idea, but it depended how this was carried out. "Perhaps joint ventures are viable, but only if the subsequent company has both autonomy from political interference and clear-cut guidelines regarding its basic objectives.

"Under privatisation, there are often no means to expand services to rural areas, but new technologies such as cellular radio and party lines for these areas are becoming more viable."

It was probably not viable to have competitors in the telecommunications industry if a basic infrastructure did not exist.

"The telecommunications authority can't generally afford to both install the basic network and still compete

Govt says SA's role vital in establishing regional pact

LINDA ENSOR

CAPE TOWN — The SA government could play an invaluable co-ordinating role in negotiating with developed countries for a better deal for the southern African region, Foreign Affairs deputy director John Sterban said at a SA Institute of International Affairs seminar yesterday.

Sterban said the economic resources of SA were limited but it had the potential to assist in the restructuring of the region.

"The SA government is willing to meet other governments on the continent to discuss regional co-operation and development strategies with a view to drawing up structurally sound master plans which could receive the support of industrialised countries and ensure investment in the region," Sterban said.

He added that government believed SA's infrastructure and expertise, together with the resources and opportunities of southern Africa and the financial strength of industrialised countries, would provide the best prospect for successful future development.

However securing foreign investment would require an end to regional instability and violence.

Suffer

Sterban said government's foreign policy towards southern Africa was to create a regional bloc of sovereign nations.

He stressed that, in the face of a single European market in 1992, southern African countries had to group together or they would suffer a severe disadvantage in world trade.

"The future well-being of the entire continent will depend on how effectively the resources in the various regions can be jointly harnessed to increase economic performance in an increasingly competitive world," Sterban said.

Already there was substantial regional co-operation, Sterban said, though political sensitivies had meant this had been given little, if any, publicity.

For instance the SA transport system provided the only reliable link with efficient ports for Botswana, Lesotho Swaziland; Zimbabwe, Zambia, Malawi and Zaire.

During 1989 over 10 500 South African wagons and 50 locomotives were in service outside SA at any given time.

"SA's trade with other countries in Africa has shown healthy growth over the past years and is now estimated to exceed R10bn per annum," Sterban said.

He said co-operation also existed in the fields of medicine, veterinary services and agriculture.

SADCC rejects FW's proposal

279A

CT 22/11/91

Own Correspondent

JOHANNESBURG. — The Southern African Development Co-ordination Conference (SADCC) has rejected President F W de Klerk's proposal for a regional conference, saying it is already working on a plan for a regional economic pact.

The 10-member SADCC was planning to replace its manifesto, aimed at project co-ordination, with a formal pact on regional economic integration, SADCC economist Mr Michael Sefali said yesterday.

Mr Sefali said Mr De Klerk's proposal was premature as SA would join the organisation only once a new democratic government was in place.

He said he was surprised by Mr De Klerk's statements this week (on regional economic co-operation) and suspected the SA government simply wanted to reproduce and strengthen existing imbalances.

In the interim the SADCC was anticipating SA's incorporation and had established a planning committee which included the ANC and the PAC.

According to the Africa Institute Bulletin, members have agreed that a post-apartheid SA would be expected to fulfil the role of the existing SADCC sponsors through providing aid and investment capital to SADCC member states.

SADCC vetoes FW's plan

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TIM COHEN

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Sefali, who heads the team researching the technical aspects of the pact, said De Klerk's proposal was premature as SA would join the organisation only once a new democratic government was in place.

He said he was surprised by De Klerk's announcement this week and suspected the SA government simply wanted to reproduce and strengthen existing imbalances.

In the interim, the SADCC was anticipating SA's incorporation and had established a four-member planning committee which included the ANC and the PAC. The members are Mozambique, Zimbabwe, Zambia and Botswana.

The SADCC had invited SA to join once a new government was in place. Participation would have to be on the basis of three principles: equity, balanced regional development and mutual benefit, Sefali said.

According to the Africa Institute Bulletin, members have agreed that a post-apartheid SA would be expected to fulfil the role of the existing SADCC sponsors through the provision of aid and investment capital to SADCC member states.

The region is warned to lower its expectations, writes **Barney Mthombothi**

Africa needs a lesson in reality

Star 22/11/91

AFRICAN countries are so hopeful the new South Africa will come to their rescue that they treat with disbelief and incomprehension any explanation that this country will be too pre-occupied with its own social and economic problems to throw them a lifeline.

So says Erich Leistner, director of the Africa Institute, in the institute's publication Africa Insight.

Dr Leistner says African countries, starved of Western aid, are nursing frantic hopes that South Africa with its supposedly unbounded wealth will step into the breach to help them.

He says visitors to African countries regularly have to contend with these expectations. "Their attempts to explain South Africa's actual position are often met with polite disbelief. The visual impact of South Africa's bustling metropoles with their fleets of late-model cars, their gleaming high-rise buildings, functioning telephones, and luxurious suburban villas is greater than mere statistics on unemployment, housing, education and the like."

Dr Leistner says even "sobering words" from people like the ANC's Thabo Mbeki — who has argued that a future government may pursue policies harmful to its neighbours by reducing foreign workers to ease unemployment — have made no impression.

"If South Africa's rapidly normalising relationship with the rest of sub-Saharan Africa is not to get off on the wrong foot, it is imperative that its partners be familiarised with the country's structural social and economic realities," Dr Leistner says.

A conference in Windhoek in September, he says, appears to have begun the "re-education" of Africa on South African realities.

Such interaction between South Africans and opinion formers in neighbouring states will have to take place regularly, and all the participants will inevitably have a great deal to learn.

"South Africans will, for instance, have to appreciate that pursuit of their own national interests demands that they carefully take into consideration the needs of their neighbours too.

"The other countries in turn will have to realise that even under the best conceivable circumstances, the 'new' South Africa will not be able to dispense appreciable financial aid, and that for all practical purposes it will play its role as the region's 'engine of growth' only by way of commercial exchanges in respect of goods, power, water, transport, tourism and research."

Dr Leistner says if South Africa succeeds in revitalising its economy and attracting investment, it will be capable of generating the growth impulses the other economies of Southern Africa need.

Since economic interaction with the region will initially probably be based on bilateral agreements, the negotiation process is bound to give the other countries a deeper understanding of South Africa. — Star Africa Service. □

said. 26/11/91

A task force would study anti-trust legislation in developed and developing countries before Zimbabwe took action.

Known as the "water beetle", the water collector Clyens and Berlin have built consists of a cylinder on top of three hollow legs, with a brush hanging from the cylinder and a wax ball below the brush.

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Forgive Africa's debt — Nujoma

WINDHOEK — Namibian president Sam Nujoma has appealed to the international community for R83bn annually to assist African development and for "massive debt forgiveness".

He was speaking at the opening of the joint meeting of African planning ministers, UN development programme representatives and regional agency representatives in Windhoek yesterday.

Nujoma said each African country's specific objectives in investment, human resources development, protection of land and maritime resources, arresting flight capital and repatriation of capital should definitely be encouraged.

"At the same time, international action in areas of economic aid, including a massive R83bn annual inflow, massive debt forgiveness, and serious attention to commodity prices, will be an indispensable complement to our own efforts in Africa," Nujoma said.

He was addressing about 300 delegates from 45 African countries to discuss the next five-year programme on development aid to Africa.

The meeting is being sponsored by the UNDP and the Economic Commission for Africa.

The UNDP has pledged to spend about R4bn during this period.

Namibia had been accorded the maritime fisheries sector by the Southern African Development Coordination Conference, and Nujoma said the effective surveillance of this resource should not only deserve the attention of UN institutions and other agencies.

"In this regard, the European Community's common fisheries policy should surely be matched by a common fisheries strategy for the African economic community," Nujoma added. — Sapa.

'Western aid drying up'

By Helen Grange
Pretoria Bureau

The bad fact is that Africa can expect more moral support than funds from the West over the next decade — as more assistance will be ploughed into the Soviet Union and Eastern European countries, a Nato representative said in Pretoria yesterday.

Colonel Rolf Hallerbach, Nato representative for the magazine European Security, speaking at a conference on southern African security relations towards the year 2 000, said that in Europe and America "nobody feels in the mood to spend a single penny for more socialist-type experiments".

"Those who can't stop dreaming should consider the fact".

If countries in southern Africa could establish a self-contained regional trading block, inter-regional trading would be enhanced and a climate created for foreign investment, acting deputy director general of the Department of Foreign Affairs, Dereck Auret, said.

South Africa's trade with the region could also be greatly improved if the buying power of its neighbours could be enhanced through development.

South Africa, he said, currently exported between 25 and 33 percent of its manufactured goods to Africa.

Speaking on methods of integrating the military into a new South Africa, the director of the Institute for Defence Politics, Dr Jakkie Cilliers, proposed that the defence budget be discussed in public and approved by Parliament — thereby determining the manpower, structures and objectives of the forces.

There should also be no restriction on members of the armed forces or police force joining any legal political party. Although the armed forces and police were accountable to the constitution, they should not simply serve the government of the day.

He warned that with the dramatic cut in the defence budget, the SADF could easily end up as a low technology counter-insurgency force, suitable for little else but border control and support to the police.

"This would, in my opinion, not only be a tragic development for our country's stability."

SA 'springboard for mining'

THE international mining industry will have to look to the Third World for new mining ventures, and SA will provide the springboard for tapping the underexploited mineral reserves of this continent, says former Anglo American and De Beers chairman Harry Oppenheimer.

Addressing a recent mining seminar in London — which coincided with his 83rd birthday and which was organised by merchant bank S G Warburg — Oppenheimer said: "The best, the safest, perhaps the only way to approach the mining development of all southern Africa is through SA, which alone has the experience of local conditions, the technical skills, and the financial resources, know-how and connections which are required."

Oppenheimer recalled that Anglo had thought of SA "as a springboard for the development of the sub-continent to the North" in its early days, which took its political form in the development of the British Empire in Africa.

He said the geography of mining, which would be transformed by the changes in

MATTHEW CURTIN

Eastern Europe and Africa, was determined as much by the location of mineral deposits and the state of technology as politics and historical accident.

He said apartheid had, in a combination of ways, destroyed the whole sub-continent's economy.

Little exploration or investment had been undertaken in the region since the early '70s, which meant the potential for finding new deposits was probably good. Countries such as Zimbabwe, Namibia, Zaire, Mozambique, Angola and Tanzania had missed out on the gold boom of the '80s for political reasons although their prospects were now promising.

However, mining in Africa might be subject to exceptional political risks.

Developing countries were inclined to equate mining with exploitation in its worst sense, he said.

These countries tended to react to world recession by increasing instead of cutting basic mineral output.

S.A.D.C.C. — 1992

OCT. — DEC.

SA hauliers threaten to blockade Beit Bridge

B/DAY 1/10/92 (279A)

EDWARD WEST

RESTRICTIVE road transport practices between SA and Zimbabwe had led to threats of a blockade of Beit Bridge by local hauliers, transport industry sources said yesterday.

Road Freight Association spokesman Hugh Sutherland confirmed that the situation among SA hauliers trading in and through Zimbabwe was "volatile". He said although his association condemned such action, hauliers outside the association had threatened to blockade Beit Bridge.

Leading transport group Unitrans has joined the outcry and in its latest annual report denounced what it claimed was discriminatory Zimbabwean transport legislation and the SA government's "inability or unwillingness" to address the issue.

Unitrans said that while Zimbabwean operators were allowed to operate freely in SA, SA operators found it almost impossible to obtain permits to transport goods to and from Zimbabwe.

Sutherland said efforts were being made to restore a pont on the Caprivi Strip which would give hauliers direct access to countries such as Malawi and Zambia, bypassing Zimbabwe altogether.

Government had agreed to aid the civil engineering work on the approaches to the pont, but it would be up to the industry to fund the restoration of the pont, he added.

An industry source said government had ignored earlier pleas by the industry to address the issue of restrictive transport practices because it wanted to maintain good relations with neighbouring countries.

focus on drought

Sowetan 5/10/92 279A

The mighty Limpopo River is dry, a broad belt of dirt snaking through a landscape ravaged by a drought that has pushed millions of people to the edge of starvation, writes Sowetan Correspondent **Barry Renfrew.**

WHERE A TORRENT OF green water hundreds of metres wide should be flowing and nourishing crops, there is dust. People say they remember nothing like it in their lifetimes.

"You can't grow anything. The earth is dead," Hani Mkansi, a peasant farmer, said as she stared out over a lifeless field near the river.

Across southern Africa, the worst drought in 100 years has stripped many areas bare. Villagers in some places eat mud to stave off hunger pangs after months of surviving on leaves and roots that have now run out.

Fields are patches of windblown dust, hundreds of thousands of cattle are dead or dying and millions of desperate people depend on food from aid agencies struggling to meet the growing demand.

Up to 20 million people, or about a fifth of the population, are struggling to survive in the 10 nations of southern Africa. But aid workers do not expect a repeat of the disaster ravaging Somalia to the north, except possibly in war-torn Mozambique where the United Nations (UN) says three million people face death from famine and disease.

"With less than 50 percent of average crop yields anticipated during 1992-93, at least 18 million people face the spectre of starvation, even famine," said a UN report.

A quarter of Zimbabwe's 10 million people get food aid but almost as many have been turned away. Large parts of Swaziland depend on 21 overworked government water trucks.

In South Africa, the continent's strongest economy, aid groups feeding at least two million people have been forced to cut food allowances because they are overwhelmed by demand.

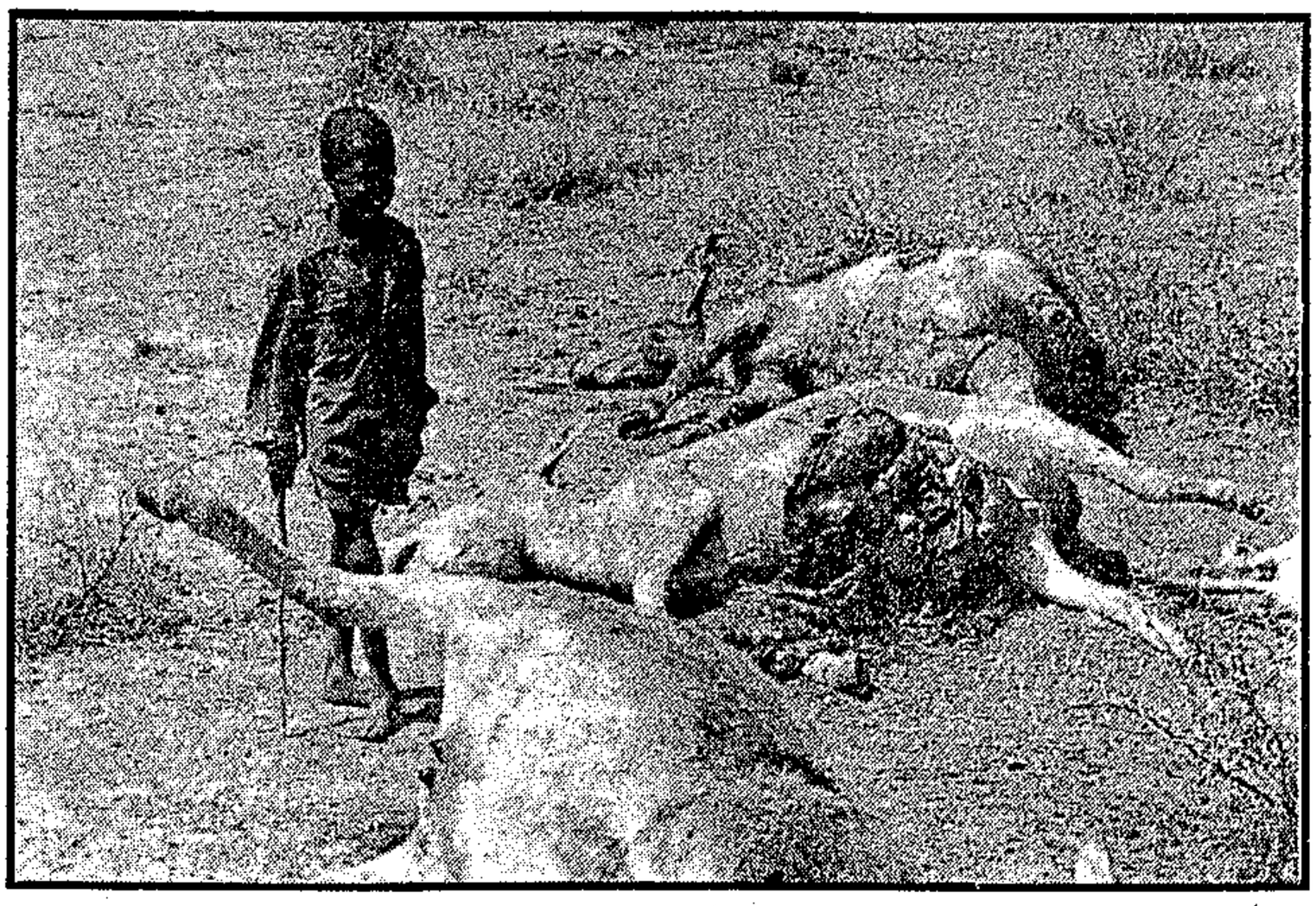
"It is worse, much, much worse than we anticipated ... field trips are journeys of discovery into previously uncharted depths of misery, human suffering and want," said Ina Perlman, head of Operation Hunger, a private South African aid group. "But this is Africa, where life is cheap."

Everywhere, the drought's impact has been made worse by incompetence and bureaucratic red tape, politics, corruption and violence. Much suffering could have been avoided if there had been planning and political accountability, aid workers say.

"Too much has been left for too long. We want action - not next month, not next week, not tomorrow, not today, but now," said Erich Bloch, an economist in Zimbabwe.

Mozambique has been shattered by a 15-year war between the leftist government and right-wing rebels. In some northern regions people are dying from malnutrition and related diseases.

"There is absolutely nothing left to eat," said Jean-Daniel Taux, a Red Cross offficial.



The devastating effects of drought

Millions of tons of food must be distributed across southern Africa to help keep people alive until next March and April when the first crops normally bloom. Average summer rains are expected in many areas but many impoverished farmers need seed and fertiliser to raise a new crop.

Haunted by past African famines that have claimed millions of lives, Western nations have been sending food. But the arrival of some aid has been delayed by lack of transport or tardiness by some donor nations in meeting promises.

Aid officials warn the situation could deteriorate rapidly if there are unforseen problems or if the rains fail again.

"Physical conditions can deteriorate quickly. Almost overnight you can reach a situation where people are beyond the point of no return," said John Hicks of the United States Agency for International Development.

The problem is exacerbated by the inefficiency of many area governments.

Bureaucrats in some areas make hungry people apply in writing for food; aid is sent to areas with food surpluses while famine areas are ignored; and theft takes a daily toll.

Zimbabwe sold off two million tons of corn in 1991 that was held as food reserves. Now it is importing corn at three times the cost of local crops putting a huge strain on its precarious economy.

Food aid in Malawi has been diverted to the north in an effort to calm opposition to the authoritarian government of President Kamuzu Banda.

"The government is trying to pacify people in the north but at the expense of the lives of people in the south," said an aid official who would not be named for fear of government retaliation.

Some European nations cut aid to Namibia after President Sam Nujoma spent almost $30 million (about R84 million) on an executive jet. Nujoma said the jet was needed for trips to seek drought aid. In South Africa the worst suffering has been in the rural homelands created under apartheid as separate nations for blacks and located in barren areas.

"It's been a mess for years, now it's a lot more critical," said Johann Rissik, an Operation Hunger worker in the homeland of Lebowa. "It's desperate. People are fighting over water."

By contrast, the drought has had little impact on white areas in South Africa where water is plentiful. Food is delayed because inefficient governments have not maintained railways. Emergency grain for landlocked Zambia has been stranded in harbours in neighbouring Tanzania because there are no railway freight cars. - *Sapa-AP.*

£3m from UK for southern Africa

Friday 7/10/92

LONDON — Britain is to donate a further £3m in aid for southern Africa, the Overseas Development Administration announced yesterday. (279A)

Overseas Development Administration Minister Lynda Chalker said half of the aid would go to technical assistance with drought management and to support British voluntary agencies in the region.

The other half would go to relief activities in Mozambique, one of the countries most severely affected by the drought, Chalker said in a statement.

"The situation in southern Africa continues to cause great suffering. We shall continue to do all we can to help," the Minister said.

The new aid brings Britain's total amount of bilateral aid for the drought to more than £51m, the Overseas Development Administration said. — Sapa-AP

Road hauliers threaten to block Beitbridge post

STAR 6/10/92

HARARE — South African road hauliers yesterday threatened to blockade the Beitbridge border post unless the Zimbabwe government reduced road permit and toll fees, reported Ziana national news agency.

They also demanded all permits for Zimbabwe-registered hauliers operating on the South African side be withdrawn.

The business development manager for the Road Freight Association of South Africa, Hugh Sutherland, said in an interview Zimbabwean road hauliers were enjoying an unfair competitive advantage because they were not being charged road permit fees in South Africa.

As a result, he said, it was cheaper for Zimbabwean hauliers to operate in South Africa.

"We are concerned that the Zimbabwean hauliers can operate free in South Africa, and it is causing unfair competition to our operators," said Mr Sutherland.

The association did not object to the Zimbabwean government charging high toll fees to maintain roads, but was demanding that South Africa charged similar fees for Zimbabwean operators.

"We want equal rates between the carriers of both countries," added Mr Sutherland.

The association had requested South African Transport Minister Dr Piet Welgemoed to negotiate with his Zimbabwean counterpart, Denis Norman, to have the permit rates and toll fees reduced.

"If nothing happens, our carriers will blockade Beitbridge in protest until something is done," Mr Sutherland warned.

"This threat is absolutely serious, because our operators talked to Dr Welgemoed in February and were told something was being done. But nothing has happened since and our hauliers are growing impatient." — Sapa.

18-million face starvation in southern Africa — UN

NJELELE — The mighty Limpopo River is dry, a broad belt of dirt snaking through a landscape ravaged by a drought that has pushed millions of people to the edge of starvation.

Where a torrent of green water hundreds of metres wide should be flowing, there is dust. People say they remember nothing like it. "You can't grow anything. The earth is dead," said peasant farmer Hani Mkansi.

Across southern Africa, the worst drought in 100 years has stripped many areas bare. Villagers in some places eat mud to stave off hunger pains.

Fields are patches of windblown dust, hundreds of thousands of cattle are dead or dying and millions of desperate people depend on food from aid agencies.

Up to 20-million people, or about a fifth of the population, are struggling to survive in the 10 nations of southern Africa. But aid workers do not expect a repeat of the disaster ravaging Somalia to the north, except possibly in Mozambique, where the UN says 3-million people face death from famine.

"With less than 50% of average crop yields anticipated during 1992-93, at least 18-million people face the spectre of starvation," said a UN report.

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Everywhere, the drought's impact has been made worse by incompetence and bureaucratic red tape, politics, corruption and violence.

Millions of tons of food must be distributed across southern Africa to help keep people alive until next March and April, when the first crops normally bloom. Average summer rains are expected in many areas, but many impoverished farmers need seed and fertiliser to raise a new crop.

Haunted by past African famines, Western nations have been sending food. But some aid has been delayed by lack of transport or tardiness by some donor nations in meeting promises.

"Physical condition can deteriorate quickly. Almost overnight, you can reach a situation where people are beyond the point of no return," said John Hicks of the US Agency for International Development.

The problem is exacerbated by the inefficiency of many area governments.

Bureaucrats in some areas make hungry people apply in writing for food; aid is sent to areas with food surpluses while famine areas are ignored; and theft takes a daily toll.

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In SA, the worst suffering has been in the homelands. "It's been a mess for years, now it's a lot more critical," said Johann Rissik, an Operation Hunger worker in Lebowa. "It's desperate. People are fighting over water." — Sapa-AP.

Zambian privatisation interests SA firms

B1 Dmy 1 (27pt)

SHARON WOOD

7/10/92

DOZENS of SA companies were interested in buying Zambian state-owned enterprises in the first step of the country's extensive privatisation programme, Investec Merchant Bank project finance manager Andrew Smith said yesterday.

He said the response to the bank's advertisement placed yesterday, listing 17 Zambian companies for sale, had been overwhelming.

Investec was introducing SA investors to the first tranche of the Zambian privatisation programme, focusing on smaller companies. The 17 companies had a combined turnover of R26,4m, but Smith said the turnover was bigger than it suggested because of the devalued Zambian kwacha.

The companies for sale ranged from tyre distributors and automotive repairs to a fruit cannery and ceramics company. Three were either in a development stage or were dormant.

Smith said individuals and listed corporates crossing the spectrum of SA business had contacted Investec and were making applications. Applications had not been limited to SA companies.

He said prequalified bidders could obtain tender packages from Investec which contained international aid agency-sponsored studies on each company.

Companies could either invest directly in the country or form joint ventures. Supply and trade-related deals were also possible, he added.

"The Zambian government would like to see new cash injected into the country and SA companies can see it as a new market to expand into," Smith said.

He added that the privatisation process would eventually expand throughout the Zambian economy and Investec's role would extend to finding ways to value and sell government property, assets and business. Currently 80% of Zambia's resources were owned by the government.

ANC and PAC behind famine-relief concert

WILSON ZWANE

INTERNATIONAL and local musicians are expected to converge on Harare for a concert next year to raise funds for famine relief.

The concert, organised by the ANC, the PAC and 10 southern African states, will be the first major concert held for this purpose in Africa.

The event — the Concert for Southern Africa — will be in Harare on April 17 next year.

ANC president Nelson Mandela, PAC president Clarence Makwetu and heads of Angola, Swaziland, Tanzania, Zambia, Botswana, Lesotho, Malawi, Mozambique, Zimbabwe and Namibia will be invited.

PAC relief and aid secretary Patricia de Lille said in a statement preparations for the concert began yesterday after the Southern African Development Community approved the project.

"Proceeds will go to the Southern Africa Recovery Fund, whose board of advisers comprises representatives from the ANC, PAC and permanent representatives to the UN from the governments of Zimbabwe, Botswana, Lesotho and Mozambique," she said.

The recovery fund would use concert proceeds to transport food to famine-stricken areas of southern Africa and to sponsor education programmes and workshops on farming techniques and business development.

US-based accounting firm Ernst and Young would administer, manage and disburse the proceeds, the PAC said.

De Lille said world-renowned US musician Quincy Jones would be among the performers. He had been "persuaded" to cancel another concert to support this one. Names of other musicians would be released later.

Tickets to the concert will cost US$4 each.

Homeland, right-wing alliance played down

TIM COHEN

PRETORIA — Politicians and diplomats yesterday played down the formation of an association of homeland leaders and right-wing groups who have called for the scrapping of Codesa and a review of the whole negotiation process.

SACP general secretary Chris Hani described the partnership as "degrading", saying "every decent black person and democrat in our country is nauseated by the depths into which Chief (Mangosuthu) Buthelezi has now plunged himself".

He called on Inkatha members to distance themselves from the "warm embrace" Buthelezi had given to "diehard white racists".

The SACP had been disturbed by many things the leadership of Inkatha had been saying over the past few years. "But enough is surely enough", he said.

Andries Treurnicht's CP represented the most backward white farmers who oppressed farm labourers, he said.

The NP, while welcoming the prospect of talks on aspects of the negotiations process, has said the meeting between the groups does not constitute a threat.

Secretary-general Stoffel van der Merwe indicated the parties did not have any fundamental basis for co-operation. Inkatha had always opposed apartheid, while the CP was seeking to reintroduce it.

Diplomats said yesterday the group's long-term interests were fundamentally different, although a review of the negotiations process could be valuable.

A succession of ambassadors have visited Buthelezi recently, partly to encourage him to rejoin the process, but the meeting on Tuesday rebuffed those efforts.

Political groups venting their frustrations was not a bad thing, one diplomat said, although it did mean that a meeting between Inkatha and the ANC might have to be shelved for some time.

Our political staff reports from Durban that PAC president Clarence Makwetu is due to meet KwaZulu Chief Minister and IFP president Buthelezi today, thursday to discuss the continuing carnage and interparty rivalry in Ulundi.

Makwetu will be accompanied by his deputy Dikgang Moseneke and four other national executive committee members.

PAC spokesman Patricia de Lille said the meeting had nothing to do with the recent homeland leaders and right-wing organisations summit held recently.

Other high-ranking PAC officials expected at the meeting will be secretary for projects development Elizabeth Sibeko, legal and constitutional affairs secretary Willie Serati, senior publicity and information officer Sipho Makhanda, and national executive committee member Joe Mkhwanazi. It is not known which IFP officials will accompany the IFP president, but IFP's national chairman Frank Mdlalose is expected to attend.

SA power for Zimbabwe

Business Day 8/10/92

279A

MICHAEL HARTNACK

HARARE — Zimbabwe was to begin large-scale importation of electrical power from SA — in spite of political fears in some quarters — Transport and Energy Minister Denis Norman announced yesterday.

Norman, who earlier this year pioneered cabinet-level links with SA to solve Zimbabwe's food imports crisis, told a news conference practicalities not politics had prompted continuing negotiations on imports via Beitbridge and Botswana. His announcement comes the day after President Robert Mugabe acknowledged his first meeting with Foreign Minister Pik Botha in 12 years in power.

"There have been so many problems in the past 50 years, but I think we are now getting the whole scene together," said Norman, hoping that past political difficulties would now be shelved, and a regional power and transport system achieved.

An article in the Herald newspaper, controlled by the parastatal Mass Media Trust, voiced fears yesterday of increasing Eskom influence in Zimbabwe in the wake of power blackouts which threaten to cost the economy more than R600m, said business sources.

Norman said: "That is an opinion which is expressed in a number of quarters in Zimbabwe. It is an opinion which I thoroughly understand but I am not sure I completely believe in." He said he was going ahead with negotiation with Eskom without a formal cabinet mandate. "I have always been a regionalist."

Imports via Beitbridge were planned to increase from 5MW to 50MW by January 1 and imports via Botswana to 60MW. Talks were taking place on the plan put forward in Zimbabwe last month by Eskom director Jac Messerschmidt for Zimbabwe to import 350MW from Matimba via a connection to Bulawayo.

Norman identified lack of spares and management problems at Hwange thermal power station as key reasons for the blackouts which have left some areas without power for up to 16 hours on successive days. The falling level of Lake Kariba was only a secondary cause.

Drought relief faces shortfall

STEPHANE BOTHMA

DROUGHT relief operations in southern Africa faced a shortfall of pledges and delayed arrival of shipments, the World Food Programme said at the weekend.

Although the region did not face famine — except in Mozambique — aid costing the UN about $4bn was being shipped in to fight hunger and rural impoverishment, the group's information officer Mercedes Sayagues told a media conference.

The countries receiving targeted food aid (free supply) and programme food aid (sold) are Angola, Botswana, SA, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe.

Sayagues said Malawi and Mozambique were most in need of aid and also had the biggest shortfall in programme food aid pledges.

Five times more food had to be brought into the southern Africa region than that which was brought into the Horn of Africa during the 1984/5 famine, she said.

The bulk of food aid only started arriving at ports earlier this month and that meant it would be delivered to villages during the rainy season which hampered the movement, Sayagues said.

To date, most of the food which arrived had been commercial imports, and on September 1 only 20% of the required food aid had reached southern African ports.

Dar es Salaam, Mozambique, SA and Walvis Bay ports were being used, with SA ports having handled the delivery of almost 4-million tons.

Graham Linscott comments on some disturbing parallels

Let's get off this slippery slope, fast

STAR 12/10/92

279A

A PEACE agreement in Mozambique, elections in Angola. It is 18 years since the coup in Lisbon began a precipitate decolonisation, yet neither country has got out of the starting blocks.

Both have been crippled by a flight of the skills and capital of the settler communities; by attempts to bend to African conditions the theories of Marx, as adapted by Lenin; and by civil war. One hardly needs X-ray vision to spot the potential parallels in South Africa.

We have a community which one political grouping insists are "settlers" (for each of whom a bullet is reserved), many of whose skills and qualifications place them in key economic and other roles — and make it possible for them to find similar niches elsewhere. Much of their capital has already departed. Many are poised on their perches right now.

We have people who seem determined that the theories of Marx and Lenin should be given just one last whirl — two-stage revolution, centralised political control and a command economy.

And we have the ingredients of civil war — heavily armed groups, territories, no-go zones, extreme intolerance, tit-for-tat atrocities and a win-at-all-costs mentality.

It was a conventional wisdom during the Cold War that a harsh, neo-fascist regime so killed off conditions necessary to democracy that it had to be followed by a communist one, as secondary infection follows a virus.

Spain and Portugal disproved the theory in Europe (though in Portugal's case it was a near thing). In Africa, Zimbabwe is a hybrid of multiparty democratic institutions and doctrinaire socialism, governed by a harsh legal apparatus put in place by the previous regime. Namibia appears to have so far disproved the virus theory, receiving independence in the post-Cold War era.

South Africa surely should then stand some chance of doing the same. The skids were put under Angola and Mozambique when the Portuguese made it clear they were bailing out fast, regardless of the consequences.

Alarmed as we might be by the tipping of dangerous criminals out of our jails, the army and the police force are not about to leave the country. Though the extreme Right might dispute it, we are not in Angola's 1975 position of having at the head of the caretaker administration a man who is also a card-carrying member of the Communist Party of the Soviet Union (in the Brezhnev days).

There is a chance for law and order, for compromise, for a recovery of the economy so that we do not have to endure the sheer hell Angola and Mozambique have gone through in the past 16 years or so. (Though this conciliation rules out such pleasurably gung-ho activities as marches on the strong points of political rivals).

There is a chance, if we seize it.

Angola earns oil revenues measured in millions of dollars a day. It was once one of the world's great coffee producers. Today it is in ruins. The men responsible are trying to shake hands and start over — but who would put money on the outcome?

Mozambique was never as blessed with resources as Angola. But, even under the Portuguese fascists, nobody compared it with Somalia in terms of misery.

Neither country set out to fight a civil war. It just happened, the way armed groups now clash in the streets of South Africa and communities live in terror.

It starts as a gentle enough slope, but is extremely slippery — and it soon steepens. □



Angolan Interior Minister Francisco Paiva, right, welcomes Pik Botha to Luanda. Picture: AP

Pik bears message from Savimbi to Dos Santos

BTDM 14/10/92

FOREIGN Affairs Minister Pik Botha was scheduled to deliver a message from Unita leader Jonas Savimbi to Angolan president Jose Eduardo dos Santos last night in a further bid to defuse growing tension in Luanda.

Foreign Affairs official Gary Scallan said yesterday Botha was also scheduled to meet Luanda's Catholic bishop Cardinal de Nacimento, who could also play a mediating role, later last night.

Botha met Unita leader Jonas Savimbi in Huambo, central Angola, earlier and could extend his stay beyond today to hold a further meeting with Savimbi, he said.

"At this stage Minister Botha's trying so hard to collect all the data he can. He had his first meeting at 2.30am this morning," Scallan said.

BILLY PADDOCK reports that US Assistant Secretary of State for African Affairs Hank Cohen said yesterday in Johannesburg the US and SA had agreed on a common policy towards the Angolan election results and the course of action to be followed to prevent a return to war.

He and Botha had vowed to support the UN decision on whether the election was free and fair and had agreed to urge Savimbi to accept the results.

It was unfortunate that Savimbi had questioned the validity of the elections instead of submitting his allegations to the UN.

RAY HARTLEY

He confirmed that the US would establish relations with a government emerging from a free and fair election.

Scallan said UN officials took "a very very wise decision" not to release the election results yesterday.

He said the situation in Luanda had calmed down substantially after restless Angolans were told the results had been delayed. However, sporadic gunfire could be heard on the outskirts of the capital.

Sapa-Reuter reports that two people were killed in Luanda on Monday night, and that yesterday Unita troops mobilised in at least five provinces.

Scallan said there had been a substantial reduction in the number of SA businessmen visiting the capital since tensions flared at the weekend. SAA had "acted pre-emptively" in cancelling a scheduled flight to Luanda on Monday. The move had created the wrong impression about SA's commitment to African countries, he said. The cancellation had left 126 passengers stranded at the airport.

He could not confirm reports Britain had decided to evacuate all non-essential personel from their embassy yesterday.

Scallan said seven Angolan parties supported Savimbi's accusations of electoral fraud.

Development policy for SA on the agenda

BTDM 14/10/92

A CONFERENCE on development and democracy in sub-Saharan Africa, convened jointly by the Africa Institute of SA and the Institute for African Alternatives, begins at the Balalaika Hotel in Sandton today.

Academics and policymakers from countries throughout Africa will attempt to map out a new development path for SA.

A spokesman for the Institute for African Alternatives said there were important policy pointers that could be derived from Africa's experience with democracy in the post-Cold War era and with their development efforts since gaining independence. (279A)

KATHRYN STRACHAN

Topics to be debated include renewing and restoring democracy in Africa, the role of the state and the civil service, growth with equity in regional co-operation, and the need for development-orientated government.

Sowetan 15/10/92 279 A

Africans develop

A FOUR-DAY international conference on development and democracy in sub-Saharan Africa began in Sandton yesterday. 15/10/92

The conference will culminate in a public meeting at 4.30pm at the Central Methodist Church in Johannesburg on October 19 where Nigerian Professor Bade Onimode will talk on "Development Challenges in Africa: Lessons for a New South Africa."

Grain operation is hi-tech

By FRED KHUMALO

WITH many parts of the country in the throes of one of this century's most severe droughts, Spoornet has started a massive project to transport food – maize and other cereal – to drought-stricken areas.

The operation is to bring 5,4 million tons of grain to SA and another 5,4 million tons to 10 similar drought-ravaged countries in southern Africa to help fight starvation.

It is estimated that 11 million tons of grain will be needed to stave off the looming food crisis.

So far, four million tons of grain have been brought to these shores. The programme is expected to end in April 1993.

"A lot of the food has safely reached its intended destination. Distribution will soon start – but our role is just the transportation to the recipient areas," said Portnet's grain operations control centre manager, Simon Swanich.

The operation initiated by the United Nations World Food Programme is being co-ordinated by Spoornet in conjunction with representatives from Botswana and Zimbabwe.

The massive operation has been made possible by satellite technology and sophisticated software systems, used in post-war Kuwait, which facilitate the speedy offloading of thousands of tons of grain on to railway trucks which then transport the grain as far afield as Malawi.

About 8,5 million tons will be routed through the South African ports of Durban, Port Elizabeth, East London and Cape Town, with the balance going via the Mozambique ports of Maputo, Beira and Nacala as well as the Tanzanian port of Dar-es-Salam.

Much-needed food

"We believe the food will reach the people in time," said Portnet's Willem Burger.

But he warned that bad weather, possible labour unrest and port and border bottlenecks could cause delays.

At least 3 000 railway wagons have been taken out of mothballs to provide sufficient rolling stock as ships from countries as diverse as the US, Canada and some parts of Europe keep coming to local ports to deliver the much-needed maize and other cereals.

The railway authority expects 6 000 trainloads to be used in the year-long operation. Combined, these trains would be 3 000 km long.

To guarantee professional efficiency, a 20-man team, with the aid of computers linked by satellite to a mainframe in the US, monitors on a 24-hour basis the movement of every ship from the time it leaves port, mainly in the Americas, until it arrives in SA.

The same computer-based monitoring applies to every trainload and truckload until the shipment reaches its destination.

"In the cases of countries such as Malawi this can be up to three months from the arrival of the ship (in Durban harbour)," said a Portnet spokesman.

Malawi has received 126 000 tons of grain; Zimbabwe has received 812 000 tons; Zambia 195 000 tons; Namibia 82 000 tons; Botswana 93 000; Swaziland 33 000 and Lesotho 70 000.

Angola has received only 2 000 tons – and these have been delivered only in the Unita-dominated southern part of the country.

"Our job is to transport the food. We can't take decisions as to the amount of food to be sent to different destinations," Swanich said.

BIDAY 19/10/92.

SA chain makes good Zambian link

LUSAKA — A SA food chain has established a market in Zambia to supply a variety of foodstuffs to state institutions and wholesale outlets.

Nutritional Foods financial director Charles Akeroyd said state supermarkets in Lusaka and Ndola were some of the consumer outlets for his company's food products.

"The potential for business in Zambia is limitless.

"We have the goods that Zambians want — the business climate is very good," Akeroyd said.

Nutritional Foods is owned by JSE-listed Merhold.

It specialises in supplying soups, bredies and gravies, cold and hot drink powders, desserts and soya mince blends. — Sapa.

Drought's effects may linger

HARARE — A specialist predicted yesterday it could take up to four years for agriculture to recover from the worst drought in southern Africa this century, and that millions of people would remain dependent on food imports.

Richard Masundire of the regional early warning unit of the 10-nation Southern African Development Community (SADC) said farmers were short of draught animals because of the drought.

"We estimate that, because of the lack of draught power and the inadequate preparation by governments in the region to give enough seed to farmers in time this year, agriculture's recovery could take between three and four years."

Masundire said that out of the 14,2-million tons of grain SADC members needed this year, about 6-million tons had now been imported and local production and stocks contributed another 7-million tons.

"They still have to transport the other 1-million tons between now and the next rainy season starting next month," he said, adding Malawi and Mozambique would continue to rely on food imports.

Masundire said the Zimbabwean government was behind schedule in providing free fertiliser, seed packs and tractors to the 800 000 small-scale farmers.

"We understand there are widespread shortages of the seed packs and so farmers are not prepared for the rainy season starting next month," he added.

Small-scale farmers are supposed to cultivate 1,6-million hectares of land in the coming season while the white commercial farmers who produce most of the country's food plant 700 000ha.

Richard Amyot, head of the Zimbabwe Commercial Grain Producers' Association, said the small farmers needed 15 000 tractors to plough the land, but only 400 were available. The farmers were receiving 10kg seed packs instead of 50kg packs.

"At this rate, even if the 400 tractors were to work day and night, they would only finish the work in seven years," Amyot said. — Sapa-Reuter.

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COMMENTS The company's only investment other than its cash resources of approximately R8,0 million, is its 68,7% interest in Picardi Holdings Ltd ("Pichold"). The results of Pichold are reflected elsewhere in this announcement.

DIVIDENDS In view of current negotiations with third parties, as published in the financial press,the board of directors has decided not to declare a dividend for the year at this stage.

Drought has 'hit SA hard'

GERALD REILLY

PRETORIA — The effects of the drought could not be checked or reversed overnight, Deputy Agriculture Minister Tobie Meyer said in Port Elizabeth last night.

Opening the SA Agricultural Union's annual congress, Meyer said major effects of the drought included a smaller balance of payments surplus, higher food price inflation and a restraint on economic growth.

Meyer said agricultural production had decreased by an alarming 6,7% in the past year. The value of capital assets in the industry increased by a mere 1,5% while gross fixed investments decreased by a startling 10%.

"This, together with an increase of 4% in agricultural debt indicates the parlous financial condition of many farmers," Meyer said.

Meyer said government's policy of replacing quantitative import control with tariff protection was justified economically as it eliminated the problems associated with import control evasion.

Caution advised on entry to new world market

BIDAY 22/10/92. (2791)

BILLY PADDOCK

AS SA returns to an unfamiliar world market it should be cautious about rushing into long-term decisions — such as applying to be reclassified as a "developing country" — until it has fully canvassed and discussed the best options available to it.

This is one of the main thrusts of a discussion document commissioned by Sacob from Africa Institute of SA director Erich Leistner. The document was submitted to Sacob on Monday and has been distributed to government and extra-parliamentary groups, including the ANC, for consideration and input. Sacob, however, has not yet decided on its recommendations.

Leistner argues that there are certainly benefits to be derived from reclassification to a developing country — stated by Finance Minister Derek Keys on Tuesday as government's intention — but there are also many negative implications.

In a convincingly argued analysis of SA's possible future relations with the EC and southern African states, Leistner evaluates SA joining the Southern African Development Community (SADC), the Preferential Trade Area (PTA), the Southern African Customs Union and the Multilateral Monetary Area (MMA) as well as the implications of being part of the Lomé Convention, which links African states with the EC.

He argues that links with the EC are the most important because of long-established ties, enhanced economic security, aid and investment, and EC support for regional groupings and a regional role for SA.

More precisely, the EC is SA's and southern Africa's foremost trading partner, accounting in 1990 for 44,7% of the customs union's imports and 27,3% of exports, with most of SA's neighbours being tied into the Lomé Convention.

Because world trade was increasingly dominated by a few giant economic blocs, a trade war is feared if the Uruguay Round of GATT talks fails. But should they succeed, block formations will become less attractive, decreasing the value of tariff and other preferences granted to the southern hemisphere.

Finally the EC, like the World Bank, favours regional market integration as a means of promoting the development of African countries and as a step towards freer world trade. The EC has indicated that SA's possible membership of the SADC would be "wholeheartedly encouraged" by the community as this would strengthen the economic potential of the region.

However, although popularly perceived as a desirable option, there are several reasons why the Afro-Caribbean-Pacific states and others would oppose the move.

Leistner says that SA may be able to convince member countries of GATT to reclassify it. But "such a retrogressive step, if it succeeded, might arguably cost it more in respect of international creditworthiness and foreign investment than it would gain by way of EC development assistance".

It is also understood from recent documents of Trade and Industry director-general Stef Naude that he is ambiguous about pursuing the option of reclassification.

SA needs to negotiate alternative agreements with the EC and need not go hat in hand because it can argue that it is the only sub-Saharan country where preconditions exist for a self-sustaining economic development; an economically revitalised SA would provide many opportunities for EC exporters and investors, not only in SA but, thanks to SA, in the surrounding countries; and with the Lomé Convention being seen as disappointing in forging development, the EC, by co-operating with established and demonstrably competently managed SA institutions and channelling funds through them, could enhance the effectiveness of its aid packages.

Therefore, regional ties have to be formed because of the inherent desirability of it and also because, in the eyes of the World Bank and the EC, SA is regarded as the saviour of the region economically.

Leistner emphasises that neither economic co-operation nor integration are ends in themselves and what matters is the extent to which they promote production, trade and investment.

SA should persist with the Southern African Customs Union because it works and is a source of great revenue to partners. The same applies to the MMA which should be broadened to bring in Botswana.

But SA should be cautious of joining either the SADC or the PTA in their present forms as this could further heighten tensions and conflict between these organisations. Therefore in its own interests as well as those of the region, SA should insist on rationalisation of the SADC and PTA as a condition for serious negotiations about membership.

Leistner also suggests that, like Europe, where the EC and the OECD function beneficially next to each other, southern Africa also needs a non-operational expert forum where regional policies and needs can be discussed outside the constraints of executive bodies with their own agendas.

LETTERS

A change in SA's trading status can cut both ways

B/Day 22/10/92 279A

ROBERT SWAIN

THERE is a certain ambiguity in SA claiming to be the gateway to the rest of Africa, with increasing linkage to institutions such as the OAU, the Southern African Development Community (SADC) and the Preferential Trade Agreement (PTA), when at the same time business seeks to divorce itself from being lumped together with the rest of Africa.

The challenge is to avoid "Afro-pessimism" from investors at the same time as encouraging the EC and other development funding bodies to continue addressing SA's internal and regional problems. Herein lies the crux of the future EC-SA relationship, as "developing" country status demands a different approach. Future trade and aid preferences between the EC and SA will be dependent on SA's classification.

There is an opportunity for SA to seek some sort of preferential trade agreement with the EC; a range of options exists between its present developed country status and seeking developing country privileges. The potential benefits of EC trade preferences are also dependent on the outcome of GATT, where SA is classified as a developed country.

The obvious drawback to seeking "developing status" is the effect this would have on the business sector in international circles. Conversely, increased aid to the new SA would help reduce the political instability and erode one of the major stumbling blocks to foreign investment.

The EC is a major market and the UK and Germany are its most important trade partners. Both these EC countries will therefore encourage the best outcome for SA with regard to EC trade preferences as they have the most to gain, although some Afro-Caribbean-Pacific (ACP) states and other developed nations (competitors of SA) would object to preferential treatment of SA in certain product sectors. Any GATT member could also challenge an EC-SA agreement if it thought its trading interests would be damaged.

SA's most useful trade arrangement would be that directed towards its labour-intensive areas — the same areas where neighbouring states enjoy EC assistance. Very few of SA's current exports to the EC would benefit from trade preferences. There would be firm objections within the EC to any beneficial arrangement for some of SA's exports which are EC sensitive, such as coal and steel. In addition, some of the more labour-intensive exports, if given a preference, would damage SA's neighbours.

Despite these problems, SA does require some kind of external assistance, primarily because of inadequate investment levels resulting from financial sanctions. If SA was to change its status to that of a developing country within the framework of the various EC trade preference options where this is required — Generalised System of Preferences, a reciprocal association, a non-reciprocal association, "associate" Lomé status, and full Lomé status — then it might well opt for a change in the financial world. This would have a direct effect on its ability to attract investment; some would argue a negative effect.

The problems associated with the co-existence of two different economies in SA — a developed OECD type and a Third World type — demand two different solutions. The eligibility of SA for these various trade agreement options (other than most favoured nation status) would firstly be dependent on the submission to GATT, and while the SA Customs Union remains, any agreement would also extend to the customs union's countries Botswana, Lesotho, Namibia and Swaziland.

In addition, if SA were to seek an association agreement — similar to the recent agreements between the EC and Poland, Czechoslovakia and Hungary — then subregional cumulation between SA and its neighbours would have to be negotiated.

If Lomé membership was pursued, then labour-intensive manufacturers would come under threat of exclusion to protect other ACP states, and EC producers might seek to protect themselves from SA competition in the semi-processed minerals sector (also open to challenge from non-EC states such as Australia and Canada).

Full Lomé membership is the most beneficial status the EC can confer. It would mean that regional processing would meet the requirements of the rules of origin and would therefore stimulate intra-regional trade — a policy goal of the EC in southern Africa.

It may also mean that preferences would extend to a wide range of products which SA may want to produce for export in the future, such as those in the floriculture/horticulture sector. Full Lomé status would allow SA tenders for European Development Fund aid contracts to carry out work within the ACP. This, in terms of the vast technological and management "know-how" of SA in finding "African solutions to African problems", would benefit all parties — the EC, the ACP states and SA.

Earlier this year an EC delegation to Harare indicated that membership of Lomé would be offered to SA after its first democratic election. If this occurs, then quotas restricting imports from ACP states to the EC would have to be expanded to ensure an equitable trade agreement.

The Stabex mechanism in Lomé, whereby downward price fluctuations for agricultural commodities are offset, would have to be examined carefully in SA's case, as would the Sysmin mechanism, whereby mining operations are aided by EC funding. These two Lomé mechanisms are unlikely to be able to cope with SA membership.

If Lomé status was to be offered, then it is likely that a strict quota system would operate in various product areas. SA's manufacturing sector is larger than any other ACP country and, although SADC states would want SA in the fold so that their products qualify under the rules of origin procedure, it is likely that other ACP states would be unhappy with facing increased competition from SA.

Finally, a change in SA's status to that of a developing state to achieve Lomé membership would involve the whole OECD in this deliberation — a problematic negotiation.

An EC-SA agreement should therefore err towards one unlikely to be challenged, particularly as it is so difficult to assess which industries will be competitive in the future.

About one-third of SA's present exports would find some benefit from preferential access to the EC. However, the major products where reductions in tariffs might be considered would only account for about 5% of total exports. The major beneficiaries would be the deciduous and citrus fruit, fish, and paper industries. Only ferro-alloy and fruit products might meet with major opposition from developing countries. Other products, such as sugar and beef, would fall foul of the commitments to other Lomé producers and Common Agricultural Policy restrictions.

The EC — about 25% of SA's export market — does not dominate, but it is important. Preferences gained on products from an EC agreement are unlikely to benefit SA greatly and would raise objections from ACP and developed countries.

With the new European Economic Area in Europe in 1993, there will be heightened competition from the rest of the world and SA must improve its performance to compete. External assistance is required but, given the lack of direct benefits to SA, it is doubtful that an EC preferential trade agreement, outside of one negotiated on a regional basis, would greatly enhance SA's position.

☐ Swain is director of Strategy Network International UK. This is an edited version of an article in the June edition of SA Foundation Review.

New role seen for development bank

ER 27/10/92 279A

Own Correspondent

JOHANNESBURG. — A reconstituted Development Bank of Southern Africa could become a key development agent for the southern African region if an African Development Bank proposal made earlier this month is put into action.

An African Development Bank study on regional integration in a post-apartheid southern Africa suggested the Development Bank of Southern Africa should be restructured to play a new role in the subregion. But the study warned that SA should not dominate the new bank.

The main role of the new bank was seen as poverty alleviation and addressing social issues arising from apartheid. The study suggested the Development Bank of Southern Africa should help channel regionally sourced and foreign development resources to poorer member countries, while maintaining normal banking relations with other richer member countries.

The study, which sees trade expansion as the cornerstone to integration, was discussed at workshops in Abidjan earlier this month. The study also proposed that natural and human resources, infrastructural and public utility co-operation should work parallel to trade expansion.

A source said the final draft of the African Development Bank study would be released early next year and it would be delivered initially at symposiums in countries in the region. Countries would be involved in determining the costs and benefits of integration.

Thereafter, the report would be delivered to the pan-African institutions, the African Development Bank, the OAU, and regional institutions such as the Preferential Trade Area (PTA) and the Southern African Development Community (SADC).

Finally, the study would be delivered to donor countries at symposiums in key centres, such as Bonn, Brussels, Lisbon, London and Stockholm.

A source said the presentation to donor countries would be an important step because the process of integration depended on mobilising development assistance.

PRODUCTIV

Africa 'must work hard to become a world player'

BD Pg 4/11/92 (29A)

JONO WATERS

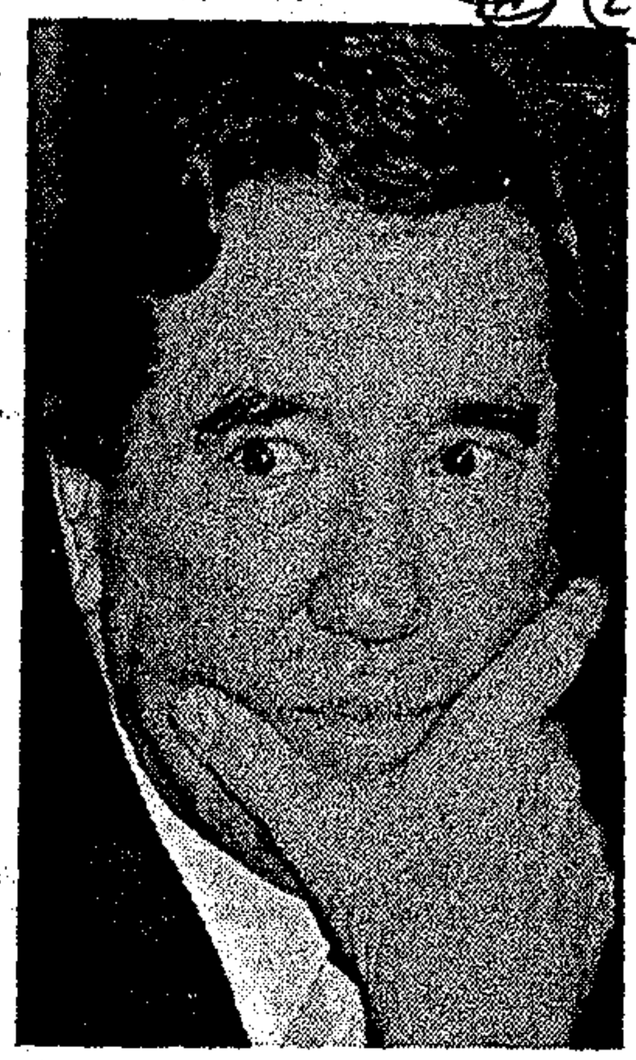
TOTAL factor productivity remained constant between 1960 and 1987 in subSaharan Africa against increases of 1,9% a year in East Asia, National Productivity Institute executive director Jan Visser said yesterday.

Delivering the keynote address, he said that since 1960, growth in productivity had accounted for a small proportion of output growth for most developing countries.

Visser said the World Bank had predicted there would be an increase of nearly 100-million poor people in subSaharan Africa which would make 30% of the developing world poor, compared with 16% in 1985.

"The correlation between productivity and economic growth is strong and positive, and Africa will simply have to increase productivity if it wants to become a world economic player," he said.

GDP in the subSaharan region decreased by 1,2% a year between 1980 and 1989, while it increased in all other regions except Latin America. The growth rate of 1% a year achieved by the subSaharan region was not high enough to accomodate the high population growth rate of 3,2% a year.



● VISSER

Visser said that in recent years, East Asia had grown rapidly through expansion in trade. Annual growth in real exports increased by more than 10% from East Asia, while they declined in subSaharan Africa.

Since agriculture provided Africa with 33% of Africa's GDP and 40% of its exports, the continent had a clear comparative advantage and it offered the best immediate opportunity for raising incomes, he said.

"Agricultural growth must be doubled to 4% a year to be able to increase Africa's standard of living." He said that even when full account was taken of the environmental limits to land exploitation, the scope for expanding production was great.

Over a longer period, policies should aim at fostering private investment and entrepreneurship in the industrial sector, he said.

Visser said education would affect productivity and growth, as a better educated person absorbed information faster and applied new processes more successfully.

Visser said the adult literacy rate in subSaharan Africa was only 48% compared with 71% in East Asia, and fewer than 50% of children were enrolled in primary school in the subSaharan region.

Visser concluded that to have an African productivity association dominated by governments and politicians would be fundamentally wrong, and he was pleased that no politician had been involved in the first assembly.

Far East investment should be lured

AFRICA could attract foreign investment from Far Eastern textile and clothing companies if it offered the right incentives, Hong Kong Polytechnic academic C Chan said yesterday.

He told the productivity conference the countries of the Far East were some of the world's major sources of textile and apparel suppliers but they had to move to cheaper producing countries if they wanted to remain competitive.

Foreign direct investment by Hong Kong clothing manufacturers could

Business Day Reporter

be beneficial to up and coming Third World nations, said Chan.

While it was difficult to estimate foreign direct investment from Hong Kong, one source had estimated it at about HK$4,3bn, of which a third was textiles and clothing.

As existing textile and clothing manufacturing countries lost their comparative advantage and protectionism by industrialised countries continued to have a restraining effect, manufacturers would continue to look for replacement sources to set up their factories.

"The African continent is the one place on earth that has the potential to host the outflow of direct foreign investment on the basis that it has abundance of labour at a relatively cheaper cost," said Chan.

Africa needed to formulate an action plan to initiate foreign investment. African countries that had started up export processing zones with incentive packages would succeed depending on politics and infrastructure including government regulation and transport.

Generating jobs cheaply

Business Day Reporter

SMALL business development was a low-cost generator of employment, Small Business Development Corporation spokesman Edwin Basson told delegates.

The SBDC advised 2,5-million informal entrepreneurs, employing about 3,5-million people and generating about 15% of measured GDP. The process of entrepreneurship in generating growth and creating wealth should be allowed to mature at its own pace, without government intervention, he said.





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La Motte Cabernet Sauvignon 1986

news in brief

Big Aids congress

A SOUTHERN African Aids congress, billed as the largest of its kind, is being planned for the end of August next year.

Organisers said its aim was to enable South Africans dealing with the epidemic to link up with the experience and expertise of key individuals working elsewhere in Africa. - *Sapa*

Africa 'ready for funds'

BRUSSELS — Africa was more prepared for investment that would help create free market economies than Eastern Europe, African Development Bank president Babacar Ndiaye said on Wednesday.

Africa and Eastern Europe were in competition for investment from Western firms, just as funds were drying up with the global recession biting and companies tightening their belts.

"If we compare Africa and Eastern Europe ... I would say our continent is more prepared for a market economy," Ndiaye told a conference of Belgian businessmen in Brussels.

He said Africa had greater experience with market economies than Eastern Europe.

He was also optimistic about the economic future of Africa, saying the continent was ready for what he called "more practical management", primarily through the privatisation of public industries.

Ndiaye reiterated that he saw SA as the root of a tree of potential African development, with central Africa as the trunk while western, northern and eastern Africa were the branches. — Sapa-Reuter.

'If Pretoria can help us, we must deal with them'

Black Africa looks south

279(1)
ARG 21/11/92

JOHANNESBURG. — South Africa's trade offensive into black Africa is picking up speed in spite of recession at home and deepening poverty in the rest of the continent.

Kenyan Supplies Minister Mr Musalia Mudavadi says: "Black-ruled Africa seeks only improvement in economic growth. If South Africa can help us achieve that, we must deal with them.

"The death of apartheid and the political changes make Pretoria a welcome trade partner."

Senior South African trade official Mr R Potgieter said South African exports to the rest of Africa surged to $5,04 billion in value last year from $3,74 billion in 1990 and $2,98 billion in 1989.

He said he expected growth of more than 26 percent in 1992 owing to fresh inquiries from African countries that previously had never dealt with the country.

Mr Potgieter said South Africa's new trading partners were interested in machinery, processed foods and wine, chemicals, industrial materials, mining equipment and automobile spare parts. He also reported motor vehicle inquiries and deals.

The Southern Africa Development Community (SADC) member states of Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe accounted for most known traditional trade between African states and Pretoria.

However, Organisation of African Unity (OAU) officials said many other African states secretly dealt with Pretoria in violation of a United Nations-sponsored economic embargo.

In contrast to its buoyant exports, South Africa imported goods from Africa worth only $800 million in 1991.

According to the South African Foreign Trade Organisation (Safto): "South Africa already has much of what the rest of Africa would like to offer."

African states, for over three decades harsh critics of South Africa's white minority rule, have reacted warmly to the dismantling of apartheid and looked to Pretoria's initiatives to boost regional trade and kickstart their economies.

Mr David Altman, a trade promotion executive in Nairobi, said: "After two years we want 'Made in South Africa' all over the continent."

In a major turnaround, Tanzania's national airline recently joined 10 others, including Kenya's, in flying to Johannesburg.

South African Airways already flies to eight African states.

Formerly a bitter enemy of apartheid, Tanzania also said its shipping company would begin sailing to Durban and Cape Town and signed a deal with Pretoria for electricity supplies.

Already, Pretoria and Nairobi have a protocol on expanding co-operation in agriculture, trade and education and Kenyan President Daniel arap Moi became the first African head of state in two decades to make a state visit to Cape Town in July.

In West Africa, Ghana this week invited South African manufacturers to its international trade fair in February 1993.

Safto's Africa manager Mr Paul Runge said: "This is a major breakthrough.

"The invitation to Ghana opens the door into West anglophone Africa which has been previously closed to South Africa."

But, the trade drive is not without its problems.

With sub-Saharan debt totalling $270 billion and the continent plagued by civil wars, disease, famine, corruption, poor management of state-owned companies and the worst drought this century in southern Africa, many economies are near collapse.

OAU trade experts in Addis Ababa, Ethiopia, said payment for goods was a problem for most of black Africa due to a currency squeeze.

A senior OAU official said: "Protocols would have to be reached between individual African states and Pretoria which allow for alternative means of payments to be implemented if this new partnership has to be successful.

However, Mr Nelson Mandela's African National Congress has said an economic embargo should be retained until further progress was made in South Africa's transition to non-racial democracy.

Even so, goods branded "Made in South Africa" are becoming increasingly fashionable in Africa. — Sapa-Reuter.

RLD

New Russian reform plan

B10AY 25/11/92 279A

MOSCOW — Russia's parliament should present a unified reform programme next week to a session of the Congress of People's Deputies, the highest legislature, leaders of an influential parliamentary group said in Moscow yesterday.

"We insist that the Supreme Soviet (parliament) submit to the Congress a single agreed document, even if it is only concrete urgent measures," Vitaly Vitebsky, deputy head of the industrial and energy committee, told a news conference.

He said a joint programme had been agreed to by President Boris Yeltsin's hand-picked reformist government and the Civic Union, a powerful centre-right political movement which claims support from about a third of Congress deputies.

But the result still had to be combined with a separate set of proposals drawn up by the Supreme Economic Council, an advisory group attached to parliament.

Vitebsky said that the government, Civic Union and Supreme Council proposals could form the basis of a unified reform programme to present to the Congress, opening on December 1.

He said differences existed over the degree to which prices should be regulated by the state but he added that the various proposals were "practically 70% compatible" as far as urgent measures were concerned.

"That is natural, because the corridor open to us for possible action is very narrow," he said.

Acting Prime Minister Yegor Gaidar is expected to present the joint government-Civic Union plan to parliament by tomorrow. — Sapa-Reuter.

ANC 'unhappy' with famine relief concert

WILSON ZWANE

THE ANC is unhappy about arrangements for a musical festival planned for next year in Harare to raise funds for famine relief, according to an informed source.

The staging of the concert was approved by the Southern African Development Community (SADC) recently and the PAC was mandated by the organisation — to which 10 southern African states belong — to facilitate the one-day event.

A source close to the PAC said the SADC mandate had created the erroneous impression that the PAC had hijacked the concert.

The source said US-based ANC officials were meeting the concert's promoters, Bay Area Promotions, in New York to "sort out the problems".

The source stressed that the concert was not "a PAC thing ... it is an SADC thing".

ANC spokesman Carl Niehaus denied that his organisation was involved in a wrangle with the PAC over who should organise the concert.

Niehaus said the ANC was not involved in the planning of the event as it had not been asked.

He was not aware of any meeting between ANC officials and promoters of the concert.

International and regional artists will perform live at the concert, which will be beamed worldwide via satellite.

Proceeds from the concert will go to the Southern Africa Recovery Fund (SARF) for transporting food to famine and drought-stricken areas in southern Africa, business development and farming technique workshops.

Maputo-Beira road is opened after 12 years

MAPUTO — The main road linking Mozambique's two main largest cities, Maputo and Beira, has been re-opened after 12 years in which no driver has dared risk taking his vehicle along the entire 1 100km.

A symbolic ceremony was held on Monday at the Inchope crossroads where the road to Maputo diverges from the Beira-Zimbabwe highway, attended by Culture and Youth Minister Mateus Katupha and the governors of the three provinces that can expect most benefits from re-opening the road, Manica, Sofala and Inhambane.

The stretch from Inchope to the Save River has been a no-go area for drivers for more than a decade. This passes through the sparsely populated district of Chibabava, Renamo leader Afonso Dhlakama's home area.

Rural Chibabava is a Renamo stronghold, and from 1980 Renamo succeeded in closing the road.

The re-opening shows confidence by the Mozambican authorities that the October 4 ceasefire agreement with Renamo will last. In general the ceasefire is holding, and no significant incidents have been reported along the Maputo-Beira road.

After the ceremony, trucks drove down the road carrying food aid into Renamo areas. Two buses set off hoping to reach the towns of Maxixe and Vilanculo, more than 500km to the south, in Inhambane province.

The main problem that these face is no longer the threat of ambush, but massive potholes and trenches dug by Renamo to obstruct traffic. — Sapa-AFP

NEWS FEATURE *US is about to turn its back on Africa to concentrate on its own salvation*

Into the back burner of politics

Sowetan 27/11/92

By Ismail Lagardien
Political Correspondent

■ **BATTLE OVER** Victims of the "good war" are found in America's backyard - the continent of Africa:

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THERE is a tendency among Western intelligentsia to promote the Cold War as having been "a good war" similar to the global perception in this realm of World War Two.

As the World War Two had "rid the world of the tyranny of Hitler" so, too, did the Cold War "rid the world of the tyranny of communism" one American academic said after the collapse of the East Bloc and subsequently, the Soviet Union.

Be that as it may, the fundamental difference between World War Two and the Cold War is the belief that the latter left no victims.

That is perhaps too cynical a view of the Cold War; because while it can be argued, relatively successfully, that the Cold War was primarily an ideological one, there was a battlefield and indeed millions of victims.

The difference between the two wars was that the victims in the former were not in the backyard of America, the lauded victors of the Cold War, they can be found in the Third World.

Besides also the ravaged East Bloc, Africa bore the brunt of the Cold War.

The alarming thing is that as America prepares itself for a period of domestic reconstruction through the more liberal Democratic government of president-elect Bill Clinton, Africa could quite easily slip into the back burner of global politics.

It is a simple case, perhaps, of: The battle is over, the war is won. Let the soldiers return to their families and their lives.

In his victory speech on November 4, president-elect Bill Clinton told his fellow Americans exactly that.

Face the challenges

"This election is a clarion call for our country to face the challenges of the end of the Cold War and the beginning of the next century, to restore growth to our country and opportunity to our people, to empower our own people so that they can take more responsibility for their own lives, to face problems too long ignored, from Aids to the environment to the conversion of our economy from a defence to a domestic economic giant," Clinton said.

If the Americans are turning inward, to their own problems, what, then, of the battle-scarred continent where that country was involved in proxy battles of the Cold War?

Can the US now simply turn its back on ravaged Africa after having fought some of its fiercest battles of the Cold War on the continent?

In principle, yes.

Worst still, in the New World Order of the incumbent president of the United States, there is no room for sick partners in the global economy, for example.

President George Bush has also declared himself an ardent advocate of zero population growth and is a staunch supporter of planned parenthood, a concept which first emerged during the 60s, when the drive for population control first surfaced through a tidal wave of propaganda about the so called population bomb and the "limits of growth".

There are arguments that suggest that planned parenthood was, at the time, a creation of the eugenicists - a group which aspired to the "improvement of the human race by careful selection of the parents" through the method of eugenics.

Bush's father, Prescott, was senior partner in the Brown Brothers, Harriman, investment bank. It is believed that the Harriman and other established families created the eugenics movement in America, which, it is said, instituted the mass sterilisation of the "feeble minded" and "racially inferior" during the 1920s.

It is also on record that Bush helped set up a programme in the 1970s which resulted in the escalation of involuntary sterilisation - especially among black Americans and other minorities.

In a court ruling in 1974, US Judge Gerhard Gesell established that: "Over the last few years 100 000 to 150 000 low-income persons have been sterilised annually under federally funded programmes.

Voluntary basis

"Although Congress has been insistent that all family planning programmes function on a purely voluntary basis, there is uncontroverted evidence ... that an indefinite number of poor people have been improperly coerced into accepting a sterilisation operation under the threat that various federally supported welfare benefits would be withdrawn unless they submitted to irreversible sterilisation."

Gesell concluded that "the dividing line between family planning and eugenics is murky".

Africa is ailing, and poor, and heavily populated...

The New World Order, in other words, is nothing but bad news for Africa.

What is needed on the continent, and particularly in sub-Saharan Africa, is a Marshall Plan not unlike the 1947 idea which encouraged European nations to work together for recovery after World War Two.

In terms of the original Marshall Plan - its real name was actually the European Recovery Programme - the United States agreed to aid Europe if its countries would co-operate in the redevelopment of that continent after World War Two.

However, Africa's recovery, without some kind of regional Marshall Plan, not necessarily devised by the West, will be a difficult passage.

Besides the drought, which is expected to continue its devastating swathe across the sub-continent, economic growth in Africa has to rise by 4 to 6 percent a year in real terms for living standards to be effected positively, according to the United Nations and World Bank surveys.

The World Bank and UN argue that while the full impact of the drought has not been felt yet, sub-Saharan Africa cannot, in the near future, expect to achieve even half of the envisaged economic growth.

Sub-Saharan Africa is therefore dry, even by the parched continent's standards.

"Sub-Saharan Africa's limited stock of capital in equipment, infrastructure and human resources precludes any sharp improvements in living standards... By (the year) 2000, per capita gains in real income will be minimal for the region as a whole and may be negative in some countries," the World Bank argues.

Focus on ethnic conflict is wrong

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STAR 30/11/92

"Democracy Dies in the Womb" proclaimed The Independent on Sunday, London, in a headline over a survey of the current situation in Africa by Richard Dowden.

The headline over-dramatises Dowden's conclusions; unfortunately, the impression gained by most readers usually comes from headlines rather than from a careful reading of an article.

What Dowden actually wrote was that "democracy in Africa, a candle of hope which flickered briefly, is guttering" — ie, not yet stillborn. He continued: "Ethnic conflict and an increasingly harsh economic climate are driving more and more African countries into intolerance and strife."

It is unarguably true that economic conditions account for many of the major difficulties of African countries, but to single out "ethnic conflict" as the other major cause of "intolerance and strife" is misleading. What is fundamentally wrong with the kind of analysis offered by Dowden is its failure to describe the dynamics of change in societies at a stage of transition as a *process*.

There are certain political phenomena that are universal to all societies undergoing fundamental change. The collapse of strongly-centralised regimes inevitably ushers in a period of disintegration: new competing forces emerge, and long-repressed grievances come to the surface. The ensuing power struggle over the shape of a new political system is conducted at a time of a weak and crumbling central authority.

The inevitable result is turbulence and conflict.

This is what is happening not only in Africa. In what was the Soviet Union there are currently 32 major ethnic and regional conflicts, and a weak divided centre. Yugoslavia is an extreme example of what happens when an authoritarian system collapses.

In situations such as these, the crumbling old regimes, or their immediate, usually temporary, successors use whatever means they still command to retain as much of their power as possible, while their challengers employ whatever methods open to them to mobilise support. One feature of this phase of the struggle is an appeal to ethnic or regional constituencies. But while ethnicity is a crucial factor in power struggles it is not the only factor.

In fact, in the majority of African countries ethnic communities have combined to strengthen their bargaining power. In Angola, for example, the ethnically based Unita was defeated by the multi-ethnic forces of the MPLA.

To concentrate too exclusively on inter-ethnic conflict results in a distorted picture of the nature of on-going power struggles.

The key element to understanding the difficult transition from single party and military regimes to multiparty democracy is to see it as a continuing political process. There is no straight line from authoritarianism to democracy; it is a wavering line of ups and downs, sometimes curving back on itself like a parabola. Freezing the frame of the focus at any particular stage is to lose sight of the momentum of ongoing change.

Setbacks are inevitable. The residual power at the centre can be relied on to engage in every trick to retain as much of its power as possible while the challengers not infrequently resort to pressure tactics that enhance conflict.

The road to a true democratic society is a long and stony one. It takes time — at least a decade. The African continent has only just begun its journey; to write it off now, as a "guttering candle" is to miss the incandescence of the hope that has begun to shine right across the continent. □

● *David Walker is at large, and his column will resume when he returns.*

16 hours crossing

Sowetan 2/12/92

THE Beit Bridge border post between South Africa and Zimbabwe will be open from 4am until 8pm from December 1 to 24.

A spokesman for the Department of Internal Affairs said the longer hours had been introduced to prevent traffic congestion during the Christmas period.

Sowetan Reporters and Sapa.

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LABOUR

Southern African unions come together

W\Mail 4\12 - 10\12\92

By FERIAL HAFFAJEE

COMMERCIAL sector workers from Lichtenburg to Lusaka are planning a joint set of non-wage demands to standardise working conditions at multinationals in the region.

Trade unions from Botswana, Lesotho, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe recently met in Johannesburg to map out a programme.

They plan to target companies like Edgars, Clicks and Wooltru which have interests throughout the region.

Negotiators from the same companies will meet regularly to draw up the joint demands.

A resource centre will be set up where company reports and the various recognition agreements will be kept to "build up an understanding of pay and conditions in the sector and to develop a collective bargaining strategy".

Unions will also develop a separate political strategy for multinationals and will train members on trade relations in the region.

The unions also resolved to establish greater links with the Southern African Development Community's Labour Commission.

If the Commission ratifies a union campaign, all SADC countries have to legislate its provisions into law.

Although South Africa is not a member of the SADC, it is represented by the Congress of South African Trade Unions.

The conference was arranged by Afro-FIET, a regional branch of the International Federation of Commercial, Clerical, Professional and Financial employees representing 11-million workers in 375 unions in 107 countries.

'South Africa will inherit a system burdened by decades of injustice. The ANC should not burden those problems by appearing to countenance greed'

Don't fall in the greed trap

A warning to the African National Congress from two African human rights activists: corruption leads inevitably to human rights abuses.

By **RAKIYA OMAAR and ALEX DE WAAL**

WILL the leadership of a post- apartheid South Africa rise above the greed, cruelty and ostentatious living that have dogged the leaders of many African countries? Recent revelations about financial improprieties in the African National Congress, well-founded criticisms of the lifestyles of some ANC leaders, credible reports detailing the torture of ANC dissidents and the extravaganza of Nelson Mandela's daughter's wedding are not encouraging signs.

Corruption is often seen as an impediment to economic progress. It is also seen as perpetuating injustice; when resources are siphoned off, the most vulnerable groups in society — the poor, refugees, the disabled and prisoners — are denied their basic needs. There is less awareness of the extent to which corruption is also a principal reason why governments abuse human rights.

Corrupt governments are necessarily secretive and repressive. Foreign aid has enabled authoritarian regimes in Africa — of both the right and the left — to maintain a wide network of patronage and to create formidable machinery for violence.

Corruption and human rights abuses thrive on each other everywhere in Africa. In Kenya, corruption in high government circles first became an international issue after the murder of the foreign minister, Dr Robert Ouko, in January 1990. But Ouko was not the only victim of powerful politicians anxious to conceal the extent of their greed.

In 1990, Reverend Alexander Muge, bishop of Eldoret, launched a public campaign against official corruption. He focused on illegal land acquisitions by senior ministers. He compiled detailed records of relevant cases and collected photographs of killings by the police during illegal evictions of squatters. He accused a "clique of ministers" of "unashamedly grabbing public resources". At the top of his list was Nicholas Biwott, minister of energy and President Arap Moi's closest advisor. Muge gave specifics on land grabs, such as the Growel Farm in Uasin Bishu, where, he claimed, Biwott's agents had confiscated a maize farm belonging to a squatter family settled there since 1962. He also called for a declaration of personal wealth by leaders.

Biwott was described as a "prime suspect" in Ouko's murder by the British detective called in to investigate the case. Throughout 1991, Biwott was repeatedly accused of serious corruption scandals. He was fired from his cabinet position, perhaps in anticipation of a major donors' meeting in Paris in November 1991. He is now accused of using his money to stoke ethnic violence which threatens to disrupt the country's chances of having genuine multi-party elections.

In August 1990, Muge was threatened with death by then minister for labour, Peter Okondo. Muge took the threat seriously and issued a press statement on the danger he confronted. The next day Muge was killed when his car was hit by a truck. Few Kenyans believe that Muge's death was an accident.

Life-President Hastings Banda of Malawi's capitalist policies have made him a favourite of the World Bank, the International Monetary Fund and of Western governments. Prominent among Malawi's political detainees, however, have been critics of the corrupt tactics Banda has used to build up vast personal wealth. In October 1987, an apolitical veterinary surgeon, Goodluck Mhango, was arrested and severely beaten by police. This followed the publication, by his exiled brother, Mkwapatira, of an article accusing the upper echelons of the national women's organisation, the Chituko Cha Amai Mu Malawi (CCAM) of corruption. Particularly sensitive was Mhango's analogy between the unpaid work of rural women for the CCAM and *thangata* — the hated colonial system of forced labour. On October 13 1989, Mkwapatira Mhango's house in Lusaka was fire-bombed. He died, along with nine other members of his family. The government is widely suspected of being behind the murders.

There are countless other examples in Africa. The Zimbabwean army stationed inside Mozambique and along important supply routes has long been accused of poaching and involvement in moving ivory, rhino horn and other goods between Mozambique, Zimbabwe and South Africa. Now, the family of Edwin Bhundani Nleya, a 35-year-old captain, has accused the army of murdering him, saying he had threatened to expose the army's involvement in these activities. Several other people, some of them investigating these illegal practices, have died under suspicious circumstances.

As elsewhere in the world, many of Africa's wars are driven, to a large extent, by predatory commerce. In Sudan, merchant-officer partnerships making fortunes out of artificial scarcities and looted goods have been an important reason for prolonging the long-standing bloody war in the south in which hundreds of thousands of people have died from war and famine. In Somalia, traders make a killing from selling guns and diverting and hoarding food meant for hungry people. Protection rackets for international aid agencies are now a major money-spinner for the warlords — a jeep-mounted heavy machine gun with operators rents at $100 a day and is rising.

It is not help to the starving in Somalia to express horror at the misuse of humanitarian assistance. Such practices do not come from nowhere. For 21 years, Somalia suffered a dictatorship sustained by rampant corruption. The world turned a blind eye to the evidence that the money and the armaments were being used to kill and silence the people of Somalia. Somali children are now paying the price of that neglect.

Neither corruption nor violence are, of course, new to South Africa. Throughout 1992, the government has been embarrassed and weakened, domestically and internationally, by reports of corruption, as well as atrocities carried out by the security forces. This included allegations in mid-year that millions of rand had been squandered through theft, incompetence and fraud by the Department of Development Aid, implicating senior politicians close to President FW de Klerk. But the ANC, whose actions and words will be subject to merciless scrutiny — often for the wrong reasons — cannot hope to compare itself to its predecessor and get away with it — at home or abroad.

South Africans will inherit a system warped by decades of injustice, cruelty, mistrust, official corruption and wildly unrealistic expectations. The ANC should not burden those problems by appearing to countenance greed, financial improprieties or nepotism. This will facilitate abuse of power and betray the trust and legitimacy it has so far enjoyed.

Insisting on accountability now is the only check against a drift towards the arrogant and arbitrary exercise of power, as well as the culture of corruption, secrecy and militarism.

●Rakiya Omaar and Alex de Waal are, respectively, the director and the associate director of the human rights organisation, Africa Watch.

Frontline meeting on air violations

AN EMERGENCY meeting of the Frontline states will take place in Harare tomorrow to discuss the alleged violation of neighbouring countries' airspace by SA aircraft, as relations between SA and Angola continue to sour.

The Foreign Affairs Department denied the allegations of airspace violations at the weekend, after formal complaints of more than 20 intrusions believed to have been undertaken by SA jets and transport planes.

The department said that after exhaustive investigations it could unequivocally state that no SA military aircraft were involved in any of the incidents listed.

Some of the intrusions listed suggested that aircraft were flying at 77 000 feet, the response said. "No SA aircraft has the

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ability to operate at that level and it must be assumed that the objects which were sighted may have been UFOs."

A Harare newspaper claimed last week the flights were evidence that SA was continuing to supply Unita with military equipment.

Foreign Minister Pik Botha said at the weekend no evidence had been produced by UN observers that the SA government or its forces were involved in the military operations in Angola.

Botha also confirmed that SA's Angolan representatives, both medical and diplomatic, had been withdrawn.

Angola's SA mission head Manuel Au-

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Frontline

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gusto said at the weekend: "SA must prove it is no longer supporting Unita and must justify the infringements of our and other countries' airspace."

After a meeting between Foreign Affairs officials and Angolan representatives in Pretoria on Friday morning, Botha said further communication between the two countries was pointless, as "it serves no purpose". Augusto said his government had requested SA to clarify the reasons behind its withdrawal of diplomatic and medical personnel. The explanation that SA staff were in danger was inadequate as they were in no more danger at present than they had been in previous weeks, he said.

Augusto said ANC and UN representatives had been invited to tomorrow's meeting in Harare.

If SA was believed to be involved in the Angolan conflict and was found to be supplying Unita with arms, the meeting would consider requesting the UN to impose disciplinary measures, Augusto said.

Meanwhile, Sapa-Reuter reports UN peace monitors held urgent contacts with Unita leaders yesterday to try to end clashes with government troops.

State-run radio said the UN was seeking to defuse the crisis after fighting, which has swept major cities, spread to Kuito, capital of Bie province in central Angola.

Kenya, Zambia targeted for trade

JOHANNESBURG. — The Department of Trade and Industry is planning two "hard-sell" trade missions for South African exporters to Kenya and Zambia in the new year.

The department said yesterday that the two trips were the first of a series in trade missions to Africa planned for next year.

SA exporters would have the chance to meet suitable importers and agents in Kenya from January 31 to February 6 and in Zambia from February 28 to March 6 next year.

Trade between SA and other African countries has been increasing rapidly since the lifting of economic sanctions imposed in the 1980's because of Pretoria's former apartheid policies.

SA exports to the rest of Africa in the first ten months of this year amounted to over R5bn from R3,5bn in the year to the end of August.

Imports from Africa to SA rose from R718m in the first eight months of 1992 to over R1bn in the year to the end of October. 279A

A number of African countries have set up interest and trade offices in SA this year, and with the implementation of Zambia's economic reforms, it has been courting SA business.

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SA is regarded as the economic powerhouse of the southern African region with its gross domestic product of over $100m equivalent to the total GDP of 44 countries north of it, including Kenya and Nigeria. — Sapa

From the outside

Can SA resolve its crisis of violence without international assistance? The civil war developing in Natal, the spiral of random violence in many other parts and bickering among political leaders suggest not. Establishing a transitional government would go a long way towards helping the parties to reach acceptable solutions but it might not be enough to keep SA on the road to a peaceful transition to democracy.

So far, all the main parties have resisted any role for international monitors beyond observer groups and participation by observers or investigators in the activities of the National Peace Commission and the Goldstone Commission. However, growing acceptance — by government in particular — of the credentials of the UN, the OAU and the Commonwealth, could open the way for increased involvement.

Though SA cannot be compared directly with other southern African trouble spots of the past two decades, international intervention has had reasonable success, since Zimbabwean independence in 1980, in ending conflict in the region and overseeing free elections. Zimbabwe, Namibia and Zambia are good examples, with Angola and Mozambique now regarded as failures.

Douglas Anglin, political science professor at Ottawa's Carleton University, says in terms of the number, variety and scale of foreign intervention initiatives undertaken, southern Africa has been at the forefront "serving as something of a laboratory for the continent and the world."

Speaking at a conference in Tanzania earlier this year on peace and security in the region, Anglin said international monitoring of the peace and democratisation processes became essential in Zimbabwe, Namibia, Angola and Mozambique "once the parties reached the point where they were prepared to abandon a military solution in favour of a political settlement."

His paper was published recently by the Centre for Southern African Studies at the

Continued

University of the Western Cape. Though he spoke before the Angolan election and subsequent crisis, as well as the signing and subsequent collapse of the Mozambique peace accord, Anglin's comments on what are essentially the prerequisites for success give clear indications of why the two countries have reverted to conflict.

In Angola, as in Zimbabwe, Namibia and Zambia, the major parties were committed to the electoral process because they believed they could win. But unlike the other three, the outcome of the Angolan presidential election was indecisive, which cast doubt on the fairness and freeness of the process, resulting in the resumption of hostilities.

In Mozambique, Anglin argued, a "major disruptive element" within the peace and monitoring process was the Renamo leadership's total lack of any sense of commitment or consistency.

The success of the transitions in Zimbabwe, Namibia and Zambia did not imply that international monitoring was unnecessary, but rather underscored the value of independent outside observers in ensuring free and fair elections.

Though Anglin did not discuss SA in detail, his general comments indicated the possible value of international mediation in ending SA's conflict — especially in Natal, where government appears powerless to play the role of honest broker.

There is little doubt that, to avoid an Angolan-type situation, intensive foreign monitoring of SA's electoral process will be essential to ensure acceptance of what is likely to be a close outcome. But ending the violence is obviously a far more pressing problem and one for which the international community has started to develop special skills. Anglin said the move beyond "conflict settlement" to "conflict resolution," especially in southern Africa, was "highly significant."

While similar in concept, the two functions differ. Conflict settlement seeks to modify the behaviour of parties by ensuring agreement with a set of agreed rules, whereas conflict resolution involves changes in attitudes, goals and values to eradicate the underlying causes of strife. "It goes beyond the preoccupation with the technical provisions of a treaty, to a concern for the spirit required to give it life."

Two issues are of particular significance: the integration and re-orientation of rival security forces and the broader question of national reconciliation. "Neither issue is the exclusive responsibility of international monitors, though monitors have been instrumental in promoting conflict resolution initiatives in each of the spheres."

Anglin says the world still faces formidable challenges in southern Africa, including possible roles in SA, Lesotho and Malawi. But "whether the international community is capable of demonstrating the imagination and commitment to seize these opportunities when they present themselves is by no means certain." ■

Frontline summit silent on Apla attacks

PATRICK LAURENCE

HARARE — Seven Frontline states yesterday called for an end to violence in South Africa, warning that it would derail negotiations and delay the formation of a nonracial and demoncratic South Africa.

But the seven states — Angola, Botswana, Mozambique, Namibia, Tanzania, Zambia and Zimbabwe — refrained from specifically condemning attacks on white civilians by the Azanian People's Liberation Army (Apla) and the refusal of the PAC to dissociate itself from the attacks.

Condemned

A communique issued after the summit — which was attended by ANC and PAC representatives — condemned violence generally and urged "all parties to go to the negotiating table".

At a press conference after the day-long summit, Zimbabwe Foreign Minister Nathan Shamuyarira was emphatic that the issue of Apla terror attacks had not been discussed.

Anticipating the direction of a question from Saturday Star he said: "No, that was not discussed."

Earlier, Zimbabwe's President Robert Mugabe called on the ANC, PAC and the Inkatha Freedom Party to form a united patriotic front against President F W de Klerk's administration. The front should draw all "bantustan" leaders into its ranks, Mugabe advised in his address.

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Mugabe's counsel was endorsed by the summit, which declared: "The strength of the oppressed people lies in unity and good leadership ... a common front would not permit the minority regime to pit them against one another and against the interest of the suffering majority."

Contravention

Another issue which occupied the attention of the summit was Angola, where the refusal of Unita leader Jonas Savimbi to accept defeat in the UN-supervised election in September has threatened to plunge the country into renewed civil war.

Associated with the spectre of a fresh round of fighting in Angola are the alleged contraventions of the airspace of four Frontline states — Angola, Botswana, Namibia and Zimbabwe — by South African aircraft. The summit expressed "disappointment and amazement" at Unita's stand, urged Savimbi to "respect the democratic process" and counselled him to join the government formed by President Jose dos Santos on December 4.

Covert

On South Africa's alleged attempts to intervene in Angola and subvert the democratic process, the communique said: "The summit views with growing suspiction the apparently renewed military activities of the SADF in southern Angola and condemns violations of the airspace of Namibia, Botswana, and Zimbabwe by South African aircraft."

In a statement last week, the De Klerk administration denied that South African aircraft had violated the airspace of neighbouring states on covert missions into Angola.

Sweeping moves to boost trade mooted in regional integration

BIDAY 21/12/92.

TIM COHEN

PRETORIA — Sixteen African countries, including SA, are involved in a major study on regional integration.

The study proposes a host of dramatic moves intended to boost regional trade.

Co-ordinated by technical groups in all countries involved, the study comes at a time when several organisations have signalled their intention to press ahead with regional integration plans.

Dramatic initiatives are being discussed, including a proposal that if participating countries do not approve investment applications from within the region in 45 days, approval will be assumed.

The study's preliminary findings suggest that countries in a position to press ahead with integration plans should move onto a fast track".

The study is backed by the Global Coalition for Africa, which includes the OAU, the World Bank, the African Development Bank and the EC, and is in its initial phase. Other participants include the Preferential Trade Area and the Southern African Development Community (SADC). SA's involvement is via a private consultancy.

The participants are Botswana, Burundi, Comores, Kenya, Madagascar, Malawi, Mauritius, Namibia, Reunion, Rwanda, Tanzania, SA,Swaziland, Uganda, Zamiba and Zimbabwe.

The study's function is to harmonise regional organisations' plans for integration and to improve inter-regional trade.

The technical working groups established in each country involved are lobbying their governments to endorse their recommendations.

The study suggests detailed proposals, including:

- ☐ Ratifying the Preferential Trade Area charter on multi-industrial investment;
- ☐ Exempting imports from participating countries from licensing, foreign exchange allocations and other restrictions;
- ☐ Getting all countries to adhere to a timetable for regional tariff reductions;
- ☐ Implementing the Prefential Trade Area's harmonised transport charges and abolishing all other charges;
- ☐ Gradually reducing and eventually removing all visa requirements, and
- ☐ Central banks channelling payments through a Preferential Trade Area clearing house to minimise foreign exchange liquidity needs.

The report adopts a rigorously reformist approach to trade and points out that a study of the import cycle in Ethiopia showed that 146 forms, 168 pages of documentation, 296 signatures and a total of nine months were required to import goods into the country.

The first draft proposes an independent body look into rationalisation of regional organisations and harmonisation of the Preferential Trade Area and the SADC.

279A

study

IEW '92: *War, drought and Aids took their toll on the region*

Fear in a handful of dust

W/Mail 23/12 - 29/12/92 (279A)

War in Angola and Mozambique, political changes in Malawi and Zambia — and drought all round.

ANDY MELDRUM *reviews 1992 in southern Africa*



The famished road ... A victim of the hell-ride from Komatipoort to Maputo

ANGOLA'S elusive quest for peace and Mozambique's determination not to repeat the same mistakes marked 1992 as a transitional year for southern Africa. While the entire region coped with the drought, Malawi, Zambia and Zimbabwe continued their journeys towards more democratic systems.

Throughout most of the year it appeared that Angola was far ahead of Mozambique in the race for peace. Angola achieved a ceasefire and peace process leading to elections before Mozambique's interminable negotiations in Rome had even produced a cessation of violence.

But by the time the results of Angola's elections were announced in early October, the whole settlement quickly unravelled as Jonas Savimbi's Unita rejected the outcome and fighting erupted throughout the country.

As 1992 came to a close Unita had taken control of the provincial capitals of southern and central Angola, where its ethnic support is based, and had also taken key positions in northern Angola. Despite Unita's return to the government of two northern cities and Savimbi's conciliatory statements, it appears highly probable that Unita will attempt to seize control of the entire country before January 20, when Bill Clinton becomes US president.

The Bush administration has withheld its recognition of the newly elected Angolan government, making it easier for Savimbi to wrest control.

At the same time, there are gathering rumours that the MPLA, under pressure from military hardliners, is preparing for a massive new year offensive to drive Unita back to its traditional strongholds.

The sinister hand of South Africa's Department of Military Intelligence (MI) cannot be ruled out as a factor in Angola. Known MI agents were with Savimbi throughout his election campaign and afterwards. The frontline states have accused South African planes of repeatedly violating their airspace, charging that South Africa's C-130 jets are flying heavy artillery and tanks to Unita-held areas. That equipment could well be used in an assault on Luanda.

The violence, chaos and despair in Angola at the end of 1992 contrasts sharply with the guarded optimism prevailing in Mozambique. Although its ceasefire only took effect in November, Mozambique rapidly learned the mistakes made in Angola and appears to be sprinting towards a lasting settlement.

Both the Frelimo government and the Renamo rebels have stated their commitment to the peace process and open elections. Even more decisively in favour of peace has been the United Nation's decision to send 7 500 personnel to Mozambique — it sent 800 people to Angola.

The UN special envoy to Mozambique, Aldo Ajello, has taken a high profile and is determined to see the UN force push Mozambique towards a genuine settlement. Admitting the UN made mistakes in Angola, Ajello insists the international force in Mozambique will not permit the election campaign to begin until all military forces are disarmed and dispersed from their camps.

Clearly, Mozambique's peace timetable, which calls for elections in October 1993, is unrealistic as it is already behind schedule in several key regards. In Angola, such lapses from the timetable were glossed over by the UN monitors, but in Mozambique Ajello has stipulated that a lengthier time frame must be set, giving the country at least 18 months to prepare for elections.

Political developments were not as decisive in the rest of the region, although drought continued to bring misery to millions and sap economic development. Millions of tons of food were imported to avert famine.

Malawi experienced tumult as activists pressed for an end to the one-party stranglehold in which President for Life Hastings Banda has held the country. Although Banda's regime is still firmly in control, former leaders like Chakufwa Chihana, now jailed, challenge the system, and it will be hard to turn back the clock.

In Zambia, the new government of President Frederick Chiluba struggled to run the bankrupt country more justly and efficiently than his predecessor, Kenneth Kaunda. As cholera broke out again in Zambia, the jury is still out on whether Chiluba's government can achieve real improvements in the living standards of Zambians.

Zimbabwe's political situation remained largely static, with President Robert Mugabe's government widely unpopular in the cities, but with no effective opposition to pose a challenge to it.

Careful watch for cholera outbreaks

DIRK HARTFORD

FEARS are growing of cholera outbreaks in SA following scores of deaths from the disease in recent weeks in Swaziland, Zambia and Zimbabwe.

A source at the Health and Population Development Department said yesterday there had been only one reported case of cholera in recent months, and that was "imported". The person had been cured.

One sample of cholera had also been found in a southern Natal river, but it seemed to be an isolated case.

The situation was being monitored closely with the co-operation of health officials in all southern African countries. Places where cholera could break out — such as the northern borders, rivers, prisons and camps — had been under surveillance for malaria and cholera for the past 18 months.

The source said the situation had been complicated by the drought as there was more surface pollution than usual which could flow into rivers when it rained.

The department has warned people living in rural areas to boil water before use and to be strict about hygiene. The Natal Parks Board has also warned holidaymakers gathering shellfish from rocks on the Natal coast to cook it thoroughly to avoid possible contamination by cholera and typhoid organisms.

Cholera has claimed 60 lives in the Zambian capital of Lusaka in the past two weeks and more than 850 people have been treated in the squatter settlements around the city. In Swaziland 13 cases of cholera have been reported in one village alone. And in Zimbabwe, 37 people have died recently from cholera. A further 1 000 cases have been confirmed.

Africa loses out to eastern Europe

KATHRYN STRACHAN

AFRICA was losing annual earnings of more than $130bn as a result of foreign assistance being directed to eastern Europe, Organisation for Economic Co-operation and Development (OECD) development centre president Louis Emmerij said.

In a report in the Development Bank of Southern Africa's latest newsletter, Emmerij said Africa was becoming increasingly cut off from the global economy, largely as a result of political and economic restructuring in eastern Europe.

Foreign direct investment, food aid and commercial credits from the developed countries to Africa had dwindled, said Emmerij. The IMF had continued to syphon financial resources away from Africa. This had amounted to $4bn in the past seven years, he said.

Although the amount of development assistance to the southern countries was about $55bn annually, the number of export barriers in developing countries, especially for agricultural products, and the trade barriers regulating multifibres,meant these countries had foregone annual earnings of more than $130bn — almost three times the amount of development assistance.

The UN Development Programme's report had included other items, such as international migration, bringing the total forgone earnings to $500bn a year.

Africa had been further marginalised by the developed OECD countries of the world because of "disturbing" human and natural tragedies.

In addition a marked failure in economic, social and political management over the past 15 years had resulted in an external debt burden of more than $270bn in 1991. But there was no satisfactory solution in sight, nor did creditors have the political will to take action.

"This has led some Africans to believe the debt situation is being used by creditors to control African countries politically and economically, leading to hardly disguised neo-colonialist practices," said Emmerij.

Not only were African countries young by comparison to developed nations, but independence came when there were sharp ethnic divisions, little or no education for the majority of the people and virtually no trained African administrators. Taken together, the extent to which some African nations had held themselves together after independence had been a major achievement, he said.

OUTSIDE INFO

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EC TAKES OVER NGO'S SPECIAL PROGRAMME

Political sting taken out of aid

In January of this year the Sanam Association and the Standing Committee of NGO's, the European NGO structures for aid to South Africa, were discontinued. The 90 million ECU (R300 million) which the EC this year allocated for aid to South Africa, will be spent without consulting the European NGO's. As a result, neither European nor South African NGOs have hardly any insight in how the money is spent. To make matters worse, European NGO's miss out on part of their income. *Outside Info* takes stock of the situation.

Since 1986 there has been a steadily increasing flow of money from the EC to South Africa within the framework of the special programme for victims of apartheid. At the time, European NGO's were asked to channel the flow of money in co-operation with the Southern African Catholic Bishops' Conference, the South African Council of Churches and the Kagiso Trust, founded especially for this aim. Protestant, Roman Catholic and secular organizations worked together, with the same set up as in Europe, where the Catholics were united in Cidse, the Protestants in Aprodev and the secular organizations in Sanam. The Standing Committee for NGO's functioned as an umbrella. In five years' time, a total amount of R445 million was spent on more than two hundred projects.

In 1991 things ground to a halt. The EC wanted to have a greater say in how its money was spent and opened an office in Pretoria, making the intermediary of European NGO's superfluous: the money could be spent directly in South Africa. "The NGO's failed to take this up with the EC", says general secretary Roel von Meijenfeldt of Sanam and the Standing Committee. "The matter was raised at the 'Changing South Africa, challenge for Europe' conference in Rotterdam in January 1992, but never taken any further. The problem is simply too big for the NGO's. The drying up of the flow of money has minimized the co-operation between European NGO's. They have retreated into their own camps. Co-operation within those camps does take place, but so far this has yielded no result, regrettably", argues Von Meijenfeldt.

Five per cent

Both the South African and the European NGO's pay the price. The sidetracking of the European NGO's by the EC was followed by the dismantling on the South African side:

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* Hani's death shocks Europe
* "Censorship can be positive"
* New publications

money is spent directly, without consulting the NGO's. Von Meijenfeldt: "They opened an office in Pretoria with a staff of eight. They have one black person, the driver, the rest are white. It's only one example. Outsiders dictate where the money should go. This results in resistance, as the projects lack local support." But the EC's change of policy has had sweeping consequences for European NGO's as well. Five per cent of the amount to be spent could be used on NGOs' overhead. "For an organization such as ours this would amount to an annual DFL 100,000 (R167,000)," says Rob Rozenburg of the Dutch humanist development aid organization Hivos. "One is not to say this aloud, but it makes a difference in the number of people one is able to employ to do the work. In informal conversations the South Africans are ashamed that this percentage is important for us, because it is at the expense of what can be spent in South Africa. It is hard to explain why it is important that money is made here", says Rozenburg.

He believes the EC intended to take the political sting out of the financial aid with the elimination of the European NGO's. "Officially they will maintain that the new scheme is more efficient, but in practice it means that the EC is aiming at a growing co-operation with the government in South Africa. There were fifty small-scale and experimental projects for adult education. Now there are only twenty left and these are forced to work together with the Ministry of Education. At the time, the EC went to South Africa with a sack of money and has put pressure particularly on the Kagiso Trust, forcing it to comply. Naturally, that is tempting."

Development agency

Von Meijenfeldt also refers to troubles between the Kagiso Trust and the European NGO's. "For a long time it was unclear what the Kagiso

a smaller scale. Our expertise is called in much more often. We used to only channel the money, but much more is at stake now. The situation has become much healthier in this respect. And we can make use of the experience and the contacts that were built up during the special programme." Vanheukelom has more confidence in the expertise of EC officials in Pretoria.

Just another country

"History will show if the South African NGO's were wise to threw in their lot with the EC", says Jan de Groot of the Dutch NGO Novib. "Once a transitional government has been installed, there is a big chance that the EC will only do business with it and sidetrack the South African NGO's. Then South Africa would benefit from a firm lobby in Europe, as the special programme will come to an end, the EC is unambiguous on that." Novib is a relatively large organization and has not suffered dramatically from the transfer of the EC's flow of money. "The budget we dedicate to South Africa has been lowered, but on the whole it makes no difference. We can still realize our obligations in South Africa and finance them out of our own resources."

Whether or not the South African NGO's will miss the lobby of Sanam and the Standing Committee will largely depend on the activities of the specially founded EC-NGO Liaison Committee. It has taken over the heritage of Sanam and the Standing Committee and is to function as the lobby group that keeps an eye on the interests of South Africa. Within the European sphere of influence, South Africa is now one step closer to the status of being just another country□

Hani's death shocks Europe



Campaigners handed over a petition at the South African Embassy in The Hague underlining the ANC's demands, relating to the death of Chris Hani. Unfortunatly, ambassador Nothnagel was not at the office. PHOTO: ANGELIQUE HENDRIKS

The death of Chris Hani caused much grief in The Netherlands. Some 500 people attended a commemoration service and campaigners handed over a petition at the South African Embassy in The Hague underlining the ANC's demands. Within the European Community (EC) there were indignant reactions following Hani's assassination.

A day after the assassination, the EC issued a statement condemning the attack. "It is indeed tragic that Chris Hani, who has been appealing for an end to violence and a return to peace should himself die from the bullet of an assassin." The statement goes on to say that the EC is prepared to help in the investigations concerning the murder and calls upon the parties concerned in South Africa to double their efforts to bring about a negotiated settlement. On 21 April the European Parliament accepted a resolution urging for the designation of a date for the elections. Effective government control of the security forces is essential if the negotiations are to succeed. The police force should have the confidence of the entire population.

The Working Group Kairos and the Holland Committee on Southern Africa have written a letter to Dutch foreign affairs minister Kooijmans, asking him to enter into consultation with ANC and SACP to see in which way the international community can play a role in the inquest into Hani's assassination. "It is astonishing to see how many ANC and SACP members involved in talks to curb violence or the political future of the country have been killed in recent years. Rarely were the perpetrators arrested and tried in court", the letter to Kooijmans says.

Meanwhile, there have been reports in the German press alleging that there is a link between Hani's murder and extreme right-wing groups in Germany. Arthur Kemp, a journalist of German descent, has been arrested for allegedly having had a hand in the preparations for the murder. Kemp writes for 'Nation + Europe', a blatantly racist monthly, published in Germany. A year ago he called for violence against blacks in South Africa, which was widely applauded at a meeting in the German town of Coburg. Kemp was a popular guest at pro-apartheid club meetings in Germany, where he pleaded for an all-white people's state.

Dutch development aid minister Pronk in his speech at the Amsterdam memorial meeting referred to these forces: "There are forces in South Africa that do not want peace, but cling on to power no matter what. For them this was not a senseless murder, but a token of that power. Now it is important to show that this murder was indeed senseless." Pronk ended his speech reading two poems of Sandile Dikeni:

"With the dark sun
hurling its curse
on a troubled people
and the wailing wind
singing the sorrows of the times
we grab our agony
hug it to our bosom
and say no more." □

Forging new links

On 28 and 29 June the South Africa Foundation is organizing a big conference in Brussels with the main aim of promoting new investments in South Africa. The title of the conference is 'Forging new links: South Africa and the European Community' and the more than forty speakers include Sir Leon Brittan, (European Commissioner for External Affairs), Prof. Wiseman Mkuhlu (IDT), Tito Mboweni and Aziz Pahad (ANC). □

OUTSIDE INFO

This newsletter is a quarterly information bulletin published by the Working Group Kairos. To this issue contributed: David de Beer, Erik van den Bergh, Robert Dorsman, Luuk Obbink Gitte Postel and Willem Schippers.

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The Working Group Kairos was founded in 1970 as a support group for the Christian Institute in South Africa (banned in 1977) headed by Dr. C.F. Beyers Naudé.

The Working Group Kairos aims at giving information about what is happening in southern Africa and about how we in the West are involved:

- A great deal of attention is given to the violations of human rights in South Africa. Information about violations of human rights is distributed in the Netherlands, but also in several other European countries and the USA, to human rights organisations, political parties, trade unions, members of the legal and the medical profession, churches, members of parliaments.

- Kairos is involved in educational work and decision-making processes with regard to Southern Africa in many churches in Holland.

- Kairos stimulated and organised campaigns to sever (economic) ties with the apartheid system (oil, coal, Shell etc.).

- Kairos maintains contacts with trade unions in and outside the Netherlands and aims at drawing attention to the developments of trade unions in South Africa.

In addition, Kairos tries to raise support for organizations and persons opposing apartheid and for the victims of the system.

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Trust wanted. It seemed that it wanted to act as the development agency of a future government and that it would be sensible enough to establish relations with the EC. The EC supported this. Later, Kagiso Trust acted as a community-based organization, but by then the European NGO's had already withdrawn. In Europe things collapsed entirely and there is little preparedness to work together and regaining the EC flow of money is almost impossible."

"The Standing Committee has done its utmost", says Rozenburg, who represents Hivos in Sanam and Sanam in the Standing Committee. "But as a European movement we adhered too long to the view of the organizations in South Africa. When it appeared that the Kagiso Trust was going to work together with the EC we should have raised the alarm, which we failed to do. We went along with it for nearly a year. The European anti-apartheid movements are solidarity movements and at a crucial moment they did not have the faintest idea of strategy and then you have yourself to blame. The South Africans did not have any idea of the kind of struggle that was being fought in Europe. Although I have to say that both the Council of Churches and the Bishops' Conference took a more critical stand than the Kagiso Trust. But the latter is by far the largest."

All in all it is a rather sad outcome: a disturbance of the contacts between European and South African NGO's, reduced income for European NGO's and a diminished influence of South African NGO's on the spending of EC funds. A number of European NGO's are quite unhappy with the situation, for a variety of reasons. "We depended on EC money for twenty to forty per cent", says Theo Nederstigt, speaking on behalf of both Cebemo and Vastenactie, two Roman Catholic aid organizations. "The EC's contribution was interesting from a financial point of view, but our existence didn't depend on it. The projects we supported still continue, but on a somewhat lower profile. It has been suggested that we were so keen on the EC percentage that we pocketed, but I can honestly say that we spent all of it. It was too little, more likely. For our partners things are far more serious. They have to file their requests in Pretoria where British-German criteria are applied, so to say. We used to be involved in human rights and the media but those subjects were too political, so now we have turned to water supply and construction. Important issues, but low profile."

"Worrying," says Richard Moseley Williams of Oxfam UK. Not for Oxfam itself, as it depended on EC for twenty per cent of its funding, but for its South African partners. "South Africa is slowly turning into a normal country, but it will still take a long time before it is. The falling away of the NGO's involvement in South Africa has resulted in a vacuum: the special programme was aimed at the victims of apartheid and nothing has taken its place", he said.

Political lever

The Holland Committee on Southern Africa was hard hit by the financial blow. "We have had to slim down and cut down on activities", says Gert Jan van Bruchem, a Holland Committee staff member. "In addition, we have to spend much more time on finding alternative funds." But he too points at the negative aspects involved for the South African NGO's: "They've lost a political lever in Europe. And the exchange of information has become much more difficult, because contacts have fallen away." Van Bruchem is quick to brush aside the criticism that the Dutch organizations have made a mess of things: "Our South African partners made the choice for the EC, and you can't just drop them. No one would have benefitted if the conflict had been fought out in the open."

Jan Dreezen of OXFAM Belgium points out that it is possible in principle to finance projects with EC money. His organization was hard hit when the EC decided to exclude European NGO's. "So far no one has tried to file a project, but it is clear that that is only possible when the South African partners are fully convinced about the need of the involvement of a European NGO and succeed in convincing the EC as well. Whether this is possible remains to be seen."

Apart from all the setbacks Dreezen's Belgian colleague Jan Vanheukelom of FOS (Fonds voor Ontwikkelingssamenwerking) sees a clear advantage in the new situation: "We are still doing the same work, but on

Beyers Naudé on Dutch television

The Dutch interchurch television service IKON recently aired one hour comprehensive documentary on the life and work of the Rev. C.F. Beyers Naudé (77).
He talked about his past as a member of the Broederbond, about the radical changes in his life having to overcome the racism within himself and he talked about his motivation to continue the struggle against apartheid with all the available energy. "I've gone through a full process of re-education", said Naudé. "The roots were deep and it has cost years. I think I've shed it all, but tomorrow I may discover something in myself which I didn't know existed."
Naudé, who played a crucial role in founding the Working Group Kairos in 1970, is determined to continue his activities instead of choosing peaceful retirement. "How could I enjoy life in South Africa when there's so much pain and suffering? I am privileged to be alive and owe the struggle to the memory of all the friends who were killed in the past. I am grateful and happy to be alive."
One of those friends he mentioned was Steve Biko. Naudé calls Biko's death the most intense experience in his life. The documentary also shows a meeting between Naudé and Nelson Mandela. "In the heat of the struggle he stood there like a cathedral", the ANC leader said. □

Making hope a reality

The future of southern Africa will be discussed at the conference entitled 'Making hope a reality', to be held in London on 14 and 15 June. Organized by the British Anti-Apartheid Movement (AAM) in co-operation with the UN Special Committee against Apartheid, its aim is to look into the future role of the international community and solidarity movements in the period of transformation and thereafter. The conference is an initiative of the Most Rev. Trevor Huddleston CR, and Mwalimu Dr. Julius K. Nyerere, who together founded the AAM on 25 June 1959. Speakers include Chief Emaka Anyaoka, Sir Shridath Rampal, Dr. Frank Chikane and Abdul S. Minty. □

Two ICFTU missions visit South Africa

Two ICFTU (International Confederation of Free Trade Unions) delegations visited South Africa in February. The first surveyed to what extent the financial aid to trade union lawyers has led to a strengthening of the position of trade unions, the second checked on how the international trade union movement can help combat violence.

In 1992 the South African trade union movement received some R3m from ICFTU, to be spent on organizing legal aid to trade unions and employees who were brought to court in industrial disputes. Two thirds of the budget is derived from the European Community (EC), according to staff worker Peer Coret of the FNV (Federation of Dutch Trade Unions). With a membership of over one million FNV is by far the largest Dutch trade union. The EC has threatened it will cut funds, since the need for support is said to be decreasing. "That's not the point", says Coret, who represented the FNV in the seven member delegation. "Politically things may look good, and employers and employees may have come to a better understanding on a central level, but on a company level they still clash, sometimes literally." According to Coret legal aid is of the greatest importance, as strengthening the position of the employees and trade unions largely depends on jurisprudence brought about by the administration of justice. "Employers have sought to destroy the trade unions in the courts", says Coret. He expects that the EC will heed the findings of the mission and continue its financial support.

Violence monitoring

The second mission was much more significant: some fifty delegates, including ICFTU's general secretary Enso Friso, talked with a large number of organisations, giving Cosatu the opportunity to make a bid for financial support to realize a long cherished wish: a violence monitoring unit. According to Coret the FNV vouches for R150,000 needed for the purchase of video cameras and salaries. Coret says he expects the Dutch government will make the money available. Coret: "If not, then we will campaign ourselves or consider raising funds from affiliated unions." The main task of the camera crews is the monitoring of violent incidents. "They must be on the spot instantly and gather evidence about a reluctant police force. The presence of cameras could have a precautionary effect." FNV's contribution is once-only. Next year it will consider whether further financial support is needed, but the amount will be a lot lower, as the equipment will have been bought. Other donations come from Scandinavia, Canada and ICFTU's solidarity fund. Moreover, Cosatu and Nactu have collectively urged that representatives of western unions stationed in South Africa pay attention to the violence alongside their regular assignment. "In addition to the need of extra UN observers, who should play a more active role in investigating violent incidents, there is a need for observers operating on behalf of the international trade union movement", says Coret□

Tambo memorial service in the Netherlands

Over three hundred people - South Africans and Dutch - attended a memorial service for Oliver R. Tambo, the late ANC president who passed away in April.
The speakers at the memorial service, which was held in the Dom Cathedral in Utrecht, included the Rev. W.R. van der Zee, the secretary-general of the Dutch Council of Churches, Zolile Magugu, chief representative of the ANC in the Netherlands and other ANC members.
In his address the Rev. Van der Zee drew a parallel between Moses and Tambo, saying that both men led their people through the desert but did not see the birth of the promised land. □

Fort Hare and University of Amsterdam to join hands

In March of this year the University of Fort Hare and its counterpart in Amsterdam signed a five year co-operation agreement which will take effect on 1 January 1994. For the first two years the University of Amsterdam has allocated an amount of R50,000 per year.

The agreement was signed during a visit to Fort Hare by chairperson J.K.M. Gevers of the university's governing body and Hans de Wit, head of the university's external relations office. The co-operation is a direct result of an initiative by Govan Mbeki, who in 1978 received an honorary doctorate from the University of Amsterdam. It was Mbeki who suggested the accord would be a useful continuation of the Govan Mbeki Fund. But that is not the only reason why the University of Amsterdam chose Fort Hare: it is the oldest black university and has a rich academic history. An important consideration is that the university has suffered a great deal under apartheid and needs support badly. "If we had considered purely academic merit, we would have chosen another university", says De Wit. "Our profiles do not match. For instance we have nothing to do with agriculture. But there are contacts with the University of Wageningen (which specialises in agriculture) and I hope those will also yield results." Another reason for the University of Amsterdam to support Fort Hare is that the latter is in charge of the archives of both the ANC and PAC.

A protocol has been drafted for the first two years. The University of Fort Hare will annually send a professor to fulfil a visiting lectureship for four months. For a period of four to eight weeks the University of Amsterdam will be in charge of lectures at Fort Hare. In addition to this, both universities will exchange students. In the first two years the University of Amsterdam will bear the costs. Thereafter Fort Hare will go in search of alternative funding. □

Chairperson J.K.M Gevers (middle) and Hans de Wit, head of the external relations office of the University of Amsterdam, visited the University of Fort Hare to sign an agreement between the universities. PHOTO: JAAP STAM/FOLIA



"Censorship can be positive"

There can be a positive side to censorship. Ms. Margreet de Lange, a Dutch Ph.D. student who got her doctoral degree in New York in April of this year begins her thesis as follows: "Censorship is a highly appropriate domain to study the interaction between literature and society." Nowhere is the relation between reality and fiction so laboriously worked out as in the Censorship Board publications. In *The Muzzled Muse: the Influence of Censorship on Literature in South Africa,* De Lange links up the ideological and social background of various groups of writers and the way in which the Censorship Board clashed with writers.

The first censorship act - the Publication and Entertainment Act - dates back to 1963. Any written statements that are indecent or obscene, blasphemous, or bringing any section of the inhabitants of the Republic into ridicule or contempt, or that are harmful to the relations between any sections of the inhabitants of the Republic, or prejudicial to the safety of the state, the general welfare or the peace and good order were officially banned. No particular mention is made of race or language, but the many clauses built into the act are clear indications as to the God which is not to be blasphemed or the population group ridiculed. The Publications Act, de Lange argues, is a reflection of the Afrikaners' "totalitarian Calvinism". Their political power is protected from encroachment in the name of God and authors have to contribute their bit by keeping up Christian morale, keep out of philosophical chaos and watch over the purity of language and people.

Pragmatic liberalists

But the way in which writers have reacted to the Act is revealing. Because of their language, their attitude and social position English speaking whites - de Lange typifies them as 'pragmatic liberalists' - have had least to do with a (particular) South African public. They used to dodge the Publications Act in trying to attain their goals. Publication of their books overseas was one of the possibilities open to them. If they really did want to reach their compatriots, they made use of 'evasive' literary techniques. Allegories and utopias were popular, as was dislocation - the use of another time and place as a setting for the (politically charged) story.

The confrontation between Afrikaner writers and censorship was less quiet. It took a long time before it occurred, on the one hand because until the mid-seventies Afrikaner writers gave little reason and on the other hand because censors were reluctant to admit that the unity in their own circle was broken. The banning in 1978 of *Magersfontein, O Magersfontein*, the novel by Etienne Leroux, one of the greatest Afrikaans writers of the time, fuelled so many angry reactions that the Publications Act was amended. Notions such as 'literary value' and 'likely reader' created possibilities to adapt the law more flexibly in certain cases.

Black writers did not profit. On the contrary. Eventually they were the ones who suffered most from the Publications Act, although initially it was aimed at white writers. In many cases their work was not even published, as they were 'banned' or publishers did not dare to run the gauntlet and publish their books. If they were finally published their books stood a good chance of being banned. No short cuts or mitigating circumstances for them. 'Evasive strategies' were no option either; writers would lose contact with their audience and literature would lose its (political) function if the relation with reality was made obscure. Banning was the next best option. Beside, the black writers' 'likely reader' was an extra stimulus for the censor to read closely. What was said was not all that important, but who would read it. The great danger lay in the townships. A not all too intellectual, English language novel published in paperback stood every chance of being rejected and subsequently banned.

The rather bold way in which de Lange defines ideologies occasionally raises questions. She tends to get dangerously lost in a huge number of details. On the whole though, the book makes for fine reading. It conjures up a clear and exciting image of how censorship makes itself felt. A commercial edition may be forthcoming. □

Albertina Sisulu: "No mother of the nation"

A 45 minute programme of the Dutch KRO (Roman Catholic) television featured the life of Albertina Sisulu.

Mrs Sisulu told of her youth, the early death of her parents, which forced her to take care of her younger brothers and sisters and about her confrontation with apartheid when she started working as a nurse at age 23. She was rather astonished when Walter Sisulu proposed to her as she was black and Sisulu 'coloured'. She reminisced about the cruel way in which she was pressurized by the state who used her children, but all to no avail. Further she told about the women's struggle, even within the ANC: "We wanted to have at least fifteen women in the NEC of fifty. We had to protest and walk out of the conference before we managed to get fourteen women in the NEC, that's where we are now."

Does she feel the mother of the nation? A title that has been bestowed on her. "I don't. If I was, I wouldn't have the people, the children in particular, dying in the shacks. I wouldn't be having the children that we call 'the twilight children' who hide during the day and come out during the night, begging along the road for food. Because that is happening in our country."

There is hardly any archive footage in the documentary, only photos are used as a backdrop. "Images would distract attention from the impressive story she has to tell", says Dolf Reijmers, the producer of the documentary. □

Rotterdam campaigns for Durban

In February an information campaign was held in Rotterdam on the situation in South Africa. As Rotterdam spends about one million Dutch guilders (R1.7 million) on projects in Durban, the campaign paid particular attention to this South African port.

In 1990 the Rotterdam Municipality decided to start saving money with the aim of financing various projects. A nice gesture, but one which leaves a funny taste in the mouth. During the years of the sanctions campaign the Rotterdam City Council never succeeded in closing its harbour to South African coal, fruit and oil. Throughout the 1980's the social democratic Labour Party remained divided on this hot issue, failing to come to a decision, and nothing happened. The Fund for a Democratic South Africa, the former Anti-Apartheid Fund, has been regarded by critics as a buy-off for a tainted past.

But it is a sizable sum and one can do a lot with it. By depositing part of the amount in a savings account, capital is formed which would finance longterm projects. The emphasis lies on literacy programmes, alternative media, health care and civics.

Classes

The campaign, aimed among other things to involve the people of Rotterdam in the Durban project, links up with this. During a six-week period children had classes in a replica of a South African classroom. Everything was for real: the children got a ticket for the "trip to South Africa", a passport and were picked up by a schoolbus. The children were taught by students from a teacher training college who in turn had carefully learned how to copy the South African situation.

"We had about 1,500 pupils," says Hans Bom, of the Werkcentrum Internationale Solidariteit (WIS), one of the organizers of the campaign. "We had to disappoint quite a number of schools. Especially learning a particular South African dance was popular with the younger children. The older children were taught more about Afrikaans and the South African situation. Teachers told us that the project was quite a success and surely worth repeating."

The campaign consists of various parts: an exhibit showing daily life in Durban, an exchange project of children's school pictures and their way of life, an exchange project between Rotterdam residents' associations and Durban civics and a co-operation scheme between Rotterdam health care centres and the Durban Chatsworth Community Clinic. There are plans to invite the Umlazi Cosmos Football Juniors from Durban for a tournament with the Rotterdam football youth. Bom says that the junior team of Feyenoord, a famous club Ruud Gullit used to play for, has already shown an interest. This links up perfectly with the campaign against racism on the football fields, a growing problem in the Netherlands. Young people increasingly and for vague reasons link the enthusiasm for their club with negative remarks about everything that is non-white and non-Dutch.

The campaign is organized by the Municipality of Rotterdam, the Werkcentrum Internationale Solidariteit, the Holland Committee on Southern Africa, the Azania Committee, Lagere Overheden tegen Apartheid and Rotterdam against Apartheid. □

In Rotterdam a replica of a South African classroom was build. FOTO: HANS BOM



Warc keeps DRC out

According to Dr. K. Blei, secretary-general of the Netherlands Reformed Church, 1993 and 1994 will be crucial years for the white DRC in South Africa. Blei was an observer at the WARC (World Alliance of Reformed Churches) consultations held in Johannesburg from 3-5 March. The consultations were held to see to what extent the South African DRC had complied with WARC's conditions for re-entry. The South African DRC was expelled from the WARC in Ottawa in 1982 because of its complicity with the apartheid system.

According to Blei, the DRC is still far from re-entry. "The consultations had a difficult start, but eventually the outcome was a surprise. Initially the delegations of the DR Missionchurch and the DRC in Africa felt rejected, offended and disappointed by the effort of the white DRC. The document tabled was worded in veiled terms and didn't contain any new elements. But after the interval the white DRC suddenly came with the intense desire to participate in the unification process of the DR Missionchurch and the DRC in Africa. The stance of the DRC with regard to the unification process is a measure of its condemnation of apartheid, so its new position is a major U-turn. Yet it remains to be seen what the U-turn is worth, as the DRC's new position will have to be endorsed by the synod. In the past the synod has failed to ratify statements made earlier by church officials. So we'll have to wait and see. The synod will convene in October 1994 and not until 1995 the WARC can take a final decision on the DRC's re-entry. But everything depends on what happens in reality", according to Dr. Blei. □

Delegations said to "alert people"

In April the Dutch union of public employees AbvaKabo, the largest union of its kind with a membership of some 250,000, started a campaign in support of its South African sister unions NEHAWU, POTWA and SAMWU. The aim is to broaden the financial support (some R450,000) that the union donates annually, in addition to recruiting new benefactors among its membership.

The initiative was taken by the Abva-Kabo's nationwide South Africa Group. Secretary Gerhard Corsten of the working group says: "We want the members to actively support the sister unions instead of union policy being dictated from above. In order to increase the commitment we will publish a quarterly magazine with a monthly overview of the donations received."

Corsten is notices a decline in interest in South Africa. "There is a general feeling that everything will turn out fine. But visiting delegations from South Africa that come to tell us how things really are, have a strongly motivating effect on people. They wake people up." This is necessary, according to Corsten, not only to recruit benefactors, but also to convince the union's annual congress that support remains a need in the future. "A new decision is to be taken in 1994 and we will have to mobilize massive support because the national executive doesn't just approve of all our proposals. As for me, I think support could be improved, but we need grassroots approval." The campaign started with the organisation of a seminar on South Africa. □

Ecumenical conference on investment

The World Council of Churches and the SACC will organize an ecumenical conference in the Netherlands from 9 to 12 June on "Investment in a Changing South Africa". The aim of the conference is to set up a code of conduct for prospective investors in South Africa.

In February 1992 a similar conference was held in Broederstroom in South Africa. "That was the onset", says the Rev. Bert Boer, who was involved in the preparations on the behalf of the Netherlands Reformed Church. "But there were not any concrete proposals for a code of conduct. Now a concept has been developed inside South Africa which will be discussed at the forthcoming congress. Basically, the new code says that new investments in the South African economy will have to break through the existing inequalities. Simply investing for the sake of the economy in general will mean that the existing structures are maintained.

The draft code of conduct does not just mention trade union rights, working conditions and the relationship between employer and employees, but also the relationship between companies and the community at large. Trade and industry will have to take responsibility in the field of the environment, education and employment.

The congress in the Netherlands is especially meant to seek support from church organizations and anti-apartheid groups in Europe and North America. These groups can call upon firms in their respective countries to adhere to the code of conduct if they have plans to invest in South Africa. Boer expects some eighty participants from Europe and North America. Dr. Frank Chikane and Prof. Sampie Terreblanche from South Africa have been invited to attend the conference. □

New publications

* Evelien Groenink and Bart Luirink, Zuid-Afrika tussen Township en Tafelberg.
Uitgeverij Odysee, Amsterdam, 1992; 296 pp.
Dutch 'alternative' travel guide with political, cultural and social aspects of South Africa.

* Balanced Regional Development Southern Africa and Europe's Role, AWEPA/African European Institute, Amsterdam, 1993; 48 pp.
Report of the conference held in London in November 1992 with brief contributions by Fr. Smangaliso Mkhatshwa, Dr. Zac de Beer and others.

* R. Eefting, Industrial Relations in a new South Africa. An analysis of nine large South African employers' associations. Department of Policy Studies, Nijmegen University, 1992; 99 pp.
Study based on survey of employers' organizations affiliated to Saccola.

* Amandla: Land in zicht?
Special issue on land ownership and redistribution published by the Working Group Kairos and the Holland Committee on Southern Africa (Feb/March 1993).

* Working Group Kairos - Jaarverslag 1991-1992 (Annual Report).
Utrecht 1993; 64 pp.
Contains an overview of the most important activities and publications of Kairos in addition to giving a brief sketch of developments inside South Africa and the Dutch involvement with South Africa.

* Violence in the Vaal. Report by a Dutch Violence Observation Mission to the Vaal Triangle (4-25 March 1993); 72 pp.
This report is the outcome of a rather unusual venture: three Dutch police trade unions combined to send an observation mission to South Africa in order to get a first-hand account of police and police related violence disrupting the negotiated road towards a democratic and peaceful South Africa.

* Special Report of the director general on the Application of the declaration concerning Action against Apartheid in South Africa. International Labour Office, Geneva, 1993, 96 pp.
Annual overview of recent developments in labour and social matters in South Africa, including, amongst other things, a summary of activities undertaken against apartheid by governments, employers' organisations and trade unions. □

S.A.D.C.C. — 1991

DEC.

Southern Africa urges lifting of ivory ban

SOUTHERN Africa is taking on the "bunny-huggers" — overzealous wildlife conservationists — in a campaign to legalise ivory sales and unlock a multimillion dollar resource.

A ban on the ivory trade imposed in 1989 comes up for debate in March when the UN Convention on International Trade in Endangered Species (Cites) meets in Japan.

SA, Zimbabwe, Botswana and Namibia will press for resumption of trade so they can profit from their elephant herds.

A Cites team which visited SA in June has recommended that SA be allowed to resume strictly controlled sales because its elephant population is healthy. But the recommendation is no guarantee that Cites members will vote to lift the ban.

"Emotional lobbying by bunny-huggers like Greenpeace will probably win the day," said a National Parks Board official.

The man who almost single-handedly brought about the ban, Kenyan wildlife services director Richard Leakey, visited SA last month to put his case.

SA conservationists were unimpressed. Wildlife Society director Tony Ferrar said: "The polarity remains. Essentially what he said was 'We're up the creek, and we're asking you to join us.'"

At a public meeting during his visit, Leakey acknowledged that Kenya's wildlife had been mismanaged.

The black rhino population plunged from 20 000 to just over 300 in 25 years and elephants fell from 65 000 in the early '70s to 17 000 at the end of 1988.

To stop ivory poaching, Leakey organised the public burning of 12 000 tons of

☐ To Page 2

Ivory ban

☐ From Page 1

tusks worth $3m.

"I had the idea to burn it because it was a shocking thing to do, and by goodness it got the world's attention."

The ban drove the price of ivory from $60/kg to less than $3/kg.

But Leakey said the price of ivory had rebounded to $15 on expectations that southern Africa would resume the trade.

"The reopening of a legal trade will result in the creation of an illegal trade.

"If we are to make Africa work, we must work together and accept that sometimes it is necessary to put the interests of others ahead of the interests of oneself."

SA conservationist John Ilsley said Leakey was asking southern Africa to make too big a sacrifice.

He said SA had built up its elephant population from a handful in 1920 to about 8 500 now. SA had 30% of all black rhino in Africa and 90% of all white rhino.

"A country with one of the most successful records of conservation in Africa is being dictated to by a country with one of the worst," said Ilsley, a trustee of the Rhino and Elephant Foundation.

"Since the ban, SA's parks have lost about R7m in revenue a year," he said.— Sapa-Reuter.

Customs union partners could easily form a common market

STAR 3/12/91

By Des Parker

DURBAN — South Africa and its customs union and monetary area partners are likely to become the centre of a regional common market, says Gavin Maasdorp, director of the Economic Research Unit (ERU) at the University of Natal.

He believes SA, Namibia, Botswana, Lesotho and Swaziland are closer to forming a common market than is generally realised.

It would take only formal agreement on the free movement of labour to make a common market a reality.

The ERU is the SA partner in a regional project funded by UsAid and the German Konrad Adenauer Stiftung research organistion to investigate economic integration and co-operation in southern Africa.

The project will culminate in a conference in Harare at the end of next year to present the findings to decision and policy-makers from all countries in the region.

The ERU is running one of five sections into which the study has been divided, that of trade and investment, which Professor Maasdorp says is the most important.

Interviewed after a workshop in Durban this week of economists and officials of the IMF, UsAid and Safer, Professor Maasdorp said political change in South Africa had run ahead of the country's neighbours.

"They have not really started to think about the implications for their economies and politics of the new SA," he said.

"Although SA is the dominant economic power, the major provider of transport and of jobs for migrant labour, it has been frozen out of trade and economic treaties like the SADCC (Southern African Co-ordination Conference) and the African PTA (Preferential Trade Area) for political reasons.

Stressing that Pretoria was likely to leave major policy decisions to a post-apartheid government, Professor Maasdorp said: "Over the next few months we will have to canvass points of view from governments and businesses of the region and at the end produce a document making recommendations about how southern Africa should approach the question of trade and economic integration."

While Malawi and Zambia were unrealistically keen to join the SA Customs Union, trade integration tended to be "very difficult" because it required countries to surrender varying degrees of independence.

Professor Maasdorp said politicians resisted measures likely to reduce their authority or impinge on national unity.

Former British prime minister Margaret Thatcher had contributed to her own downfall in part through her single-minded opposition to aspects of the EC.

Market integration worked best in conditions of civil tranquility and among countries of similar economic persuasion — and even then it did not happen overnight. Even democratic, free-enterprise Western Europe had taken much of the latter half of the century to evolve the EC in its present form.

"There's still a lot of potential and actual political turmoil in southern Africa — which is not reassuring — but there is a strong tendency towards adoption of the mixed economy model.

The democratisation process in Africa looks unstoppable, writes **Barney N**

Pla

Multiparty tide sweeping i

STAR 9/12/91 (279A)

DURING an after-poll celebration in Zambia last month, a demonstrator brandished a placard with a message whose prediction was to prove spot-on within a matter of weeks. "Next stop Nairobi," it said.

Last week President Daniel arap Moi of Kenya, under heavy domestic and international pressure, finally agreed to follow Zambia and take the route to multiparty democracy.

Nobody has protested as loudly against democracy in Africa as President Moi. His utterances about the vices of multiparty politics — which Kenneth Kaunda had tried to mimic — were well known in Zambia and his sympathy with the Zambian leader's predicament much resented.

President Moi had hoped his Zambian counterpart would hold the line against the tide of multiparty politics and therefore divert attention from Kenya. That failed.

Now a combination of internal and external factors has conspired to force Mr Moi to embrace what he had insisted all along was the greatest evil after Satan.

Kenya's decision is likely to have ramifications on the continent, especially in east and southern Africa. Kenya is the most powerful economy in east Africa. Also, a U-turn by President Moi, the champion of the one-party state, is bound to influence those with similar views.

There is already evidence that the authorities in Malawi are for the first time thinking aloud about democracy. President Kamuzu Banda last week told his parliament to make a final decision on one-party rule. It is, however, not clear whether the ageing president is himself in favour of a new political dispensation.

The opposition in Malawi is banned, the media is government-controlled and the president's foes are in exile in Zambia. Last month President Banda was the first head of state to congratulate President Chiluba on his defeat of Dr Kaunda. It did not seem to occur to him that such a poll would be impossible in his country under present circumstances.

If Western countries apply the sort of pressure that was brought to bear on Kenya, Malawi will be in no position to resist.

There are stirrings in Tanzania, still the one-party state that former president and guru of African socialism Julius Nyerere created. The ruling Chama Cha Mapinduzi of President Ali Mwinyi still remains the sole organised political force in the country.

But a National Committee for Constitutional Reform has been formed by Abdulla Said Fundikira, at one time Dr Nyerere's minister of legal affairs, to campaign for political reform.

In nearby Uganda, political parties have been banned since President Yoweri Museveni's National Resistance Army shot its way into power in January 1986, with a promise to hold elections within four years. The promise was not kept but two years ago the government held elections to what it calls local resistance councils.

Ugandans are still grateful to Mr Museveni's NRA for rescuing them from Milton Obote's murderous armies. But support for Mr Museveni could erode if he fails to crush rebel activity in the north by the Uganda People's Democratic Army and Alice Lakwena's Holy Spirit Movement.

The removal or attempts to remove despots in many countries has simply plunged those countries into anarchy, as is happening in Somalia, Zaire as well as Togo, where many were killed last week as mutinous soldiers tried to expel an interim government.

For years, rebels in Somalia fought to dislodge Siad Barre from power, a feat they finally achieved in January. But now, al most a year later, thousands have been killed in renewed internecine fighting and there is no prospect of either peace or democracy. One rebel group, the Somali National Movement, has declared northern Somalia an independent country, and warring factions of the United Somali Congress are involved in a fight for supremacy in the south. Some Somalis have sought refuge in South Africa.

Zaire is walking the same path, with the wholesale looting by government soldiers and President Mobutu Sese Seko's inability to agree to terms with the opposition plunging the country into chaos, which could lead to civil war.

Angola so far offers a ray of hope. The peace accord signed by the MPLA and Unita in Lisbon in May has ended 16 years of one of the bloodiest civil wars on the continent. All the parties are committed to multiparty elections in late 1992.

Mozambique is also edging towards multiparty politics. The country has a new constitution and the Frelimo government is showing some eagerness to relax restrictions on media and political activities. Some political parties have already been formed.

President Chissano says he is ready to sign a ceasefire. But Renamo, currently engaged in talks with the government, wants to tie Frelimo down to specifics before it agrees to a ceasefire.

The opposition has failed to dislodge President Didier Ratsiraka from power in Madagascar. Now an agreement has been reached that allows President Ratsiraka to remain a symbolic head of state while Force Vives, a collection of opposition parties, wield real power through what is known as "a high State authority".

In Seychelles, President Albert Rene has announced that his government will allow the participation of other political parties and has called on exiles to return.

Swaziland, which banned political parties in 1973, has also been experiencing some restlessness among its subjects. An underground movement, Pudemo, has been active in the past 18 months distributing pamphlets, demanding a democratic government with a constitutional monarchy.

Things are, however, looking up for Lesotho, the other kingdom in the region. The military government of Elias Ramaema which took over by force in April seems determined to fulfil its promise to turn the country over to democratic rule by mid-1992.

The authorities say the drawing up of a new constitution is nearing completion, voters are being registered and the delimitation is going according to plan.

No country on the continent has been left unaffected by the multiparty tide, be it under civilian or military dictatorship.

But the biggest test for democracy in Africa is yet to come. The military government in Nigeria, the continent's most populous nation and potentially the most powerful, is committed to handing over the reins of power to a civilian government next year.

A successful transition in Nigeria would provide the biggest fillip yet for democracy to take root in Africa. □

Chiluba desires SA trade

HARARE - Zambia's President Frederick Chiluba has said open trading with South Africa does not compromise his opposition to apartheid.

Chiluba, on his first visit to Zimbabwe since defeating Dr Kennth Kaunda, said after meeting President Robert Mugabe: "We will continue to stand together opposed to apartheid."

Relations

Trading had always gone on, and the break had been in the language, he said.

He said relations with Zimbabwe were "pretty good".

Of the incident when his vice-president, Mr Levy Mwanawasa, was seriously injured in a car crash in Lusaka on Sunday, Chiluba said for the moment he would call it an accident. Mwanawasa is in South Africa for treatment.

SA seeks Customs Union alternative

S/Times (Buss) 15/12/91 (2.79A)

By ZILLA EFRAT

THE Department of Trade and Industry (DTI) is engaged in a study aimed at developing a broader and looser structure for economic co-operation to replace the Southern African Customs Union (SACU).

In addition, several other organisations have begun re-evaluating SA's future role in the region.

The DTI study, done in collaboration with other departments, will examine existing instruments for economic co-operation in Southern Africa. African countries will be consulted, says the DTI.

The University of Natal's Economic Research Unit (ERU) is a partner in a regional project to investigate economic integration and co-operation in Southern Africa.

Options

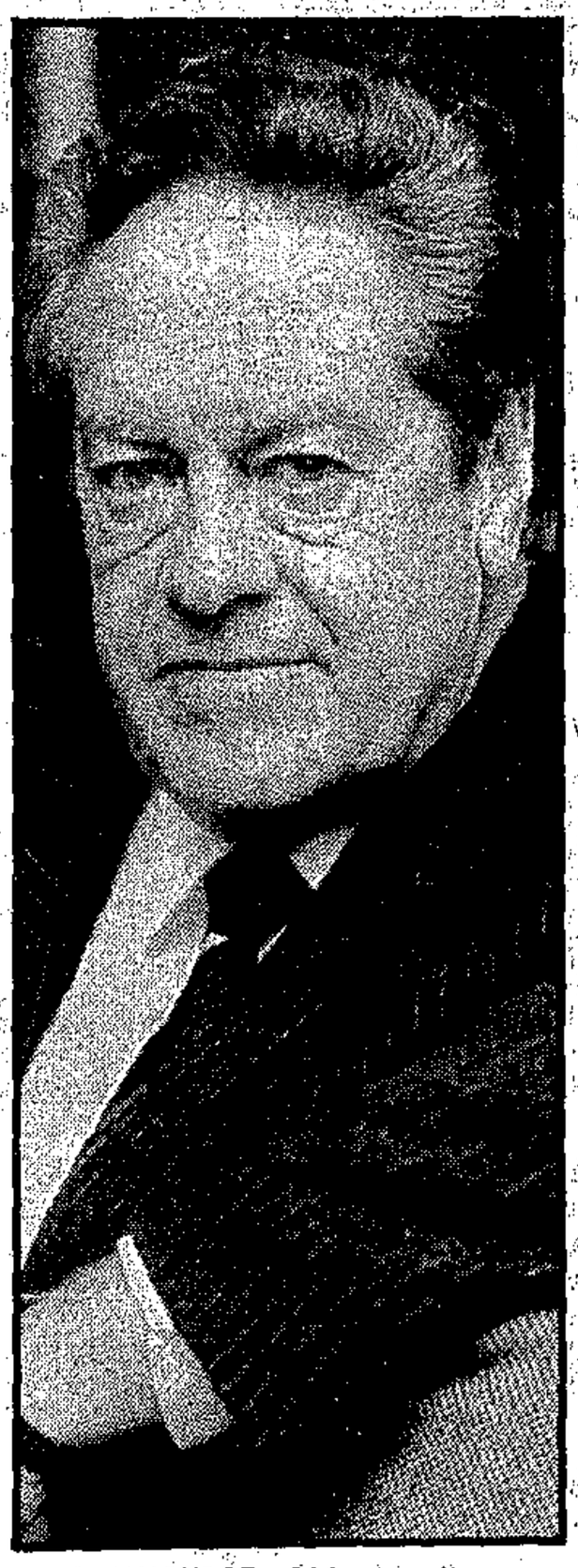
Other partners in the project, funded by US Aid and German research group Konrad Adenauer Stiftung, include the Harare-based Southern Africa Foundation for Economic Research and consultants in Botswana and Malawi.

The World Bank is also believed to be evaluating SA's role in the region.

The South African Chamber of Business (Sacob) is examining options for more regional co-operation.

Sacob deputy director-general Ron Haywood says that given political changes and the need for economic growth in Southern Africa, the question is no longer if SA will become an integrated player in the region, but when.

But before SA does, the best route must be chosen. Options include SA's joining structures like the Preferential Trade Area (PTA) or the Southern African Development Co-ordination Conference (SADCC), the expansion of SACU or strengthening bilateral agreements with countries in the region.



RON HAYWOOD: Africa on its own

However, Mr Haywood says more is required to assess which is the best option, something Sacob will do soon.

After the creation of a common European market, the global movement is to the formation of trading blocs.

With increasing recognition of the need for Africa to stand on its own, representatives from both SADCC and the PTA have spoken about SA's joining their organisations once it has resolved political problems.

SADCC was formed in 1980 to lessen the dependence of its 10 member countries on SA by providing infrastructure like rail links, roads and harbours. The PTA's aim was to facilitate trade and investment in the region.

In spite of the existence of the PTA and SADCC, trade between member countries is only 5%, leaving much scope for improvement, says Mr Haywood.

There has been talk about the duplication of the two organisations and the need for SADCC to refocus its goals.

ERU director Gavin Maasdorp says if the common market approach has merit, the core exists for Southern Africa in the form of SACU and the common monetary area (CMA).

Gradual

Professor Maasdorp says that together these are close to a common market. Their structures have been in place for a long time and have proved successful.

The ERU project is investigating whether the SACU-CMA could be extended to include other countries in the region.

Professor Maasdorp says there is talk that several Southern African countries are keen to join SACU once SA's political problems have been resolved.

Another option is for SA to gradually build up economic relations with countries in the region by signing bilateral agreements on matters of mutual interest.

Professor Maasdorp says there could be different levels of economic integration with SACU at the core and outer rings, consisting of preferential trade areas and sectorial co-operation.

However, economic integration has strong political connotations because it requires countries to surrender some of their economic sovereignty. For this reason it will be a slow process.

SA links with Africa 'regular'

GERALD REILLY

PRETORIA — Open and regular contact between SA and other African states was increasingly taking place, said newly appointed Deputy Foreign Minister Renier Schoeman.

In the first 11 months of the year 70 official delegations from African states other than the SADCC countries visited SA, he said.

Schoeman said this process would be continued and intensified next year.

Government was eager to meet all other governments in the region in a co-operation and development forum aimed at drawing up a comprehensive and structurally sound masterplan.

Schoeman said SA should place special emphasis on developing interdependence with other countries in the region rather than a one-sided dependence.

SA's credibility on the continent had risen to an unprecedented level.

In the past two or three years trade growth with the rest of the continent had increased by between 20% and 25%.

"Against this background there is no doubt the scene is set for our trade to expand even further, both in volume and in the variety of destinations" he said.

The future lay firmly in consolidating regional economic interests and the World Bank had pointed out that a stable SA would be a great regional asset.

Schoeman said there was growing realisation in Africa that a vital element was missing in certain regional structures.

He referred to comments by Tanzanian Prime Minister John Malecela, who said the SADCC had failed in its original purpose in that it had neither reduced economic dependence on SA, nor created regional economic integration.

BUSINESS

Pretoria details African trade

THE Government has released details of its trade relations with the rest of Africa disclosing business links with nearly every country despite the sanctions campaign.

The figures are the first released since 1985 when publication of trade figures with individual countries was stopped because of the sanctions campaign.

Zimbabwe is by far the largest trading partner, accounting for 31 percent of the trade in the continent.

After Zimbabwe, Zambia is South Africa's largest trading partner on the continent, followed by Mozambique, Zaire and Malawi, all SADCC countries.

The five biggest exporters to South Africa were Zimbabwe, Malawi, Ivory Coast, Mozambique and Zaire.

The five biggest importers were Zimbabwe, Zambia, Zaire, Mozambique and Malawi.

Exports to Africa grew by 40 percent in 1989 and by 22 percent last year. - *Financial Times*



Connie Nkosi notched up another first when she joined the all-male management team of the South African Rail Commuter Corporation. Appointed as corporate communications manager, she took up her post on December 2. Connie was the first black woman to receive her MBA from the University of the Witwatersrand in 1982. During her five years as manager of SA Perm in Soweto from 1985 to 1990, she became the first recipient of the Kelloggs\Black management Forum's Excellence in Achievement Award during 1987. In 1988 she took a management course at the Wharton School of Business in Philadelphia in the US.

African states snap up SA maize

GERALD REILLY

PRETORIA — The demand for SA maize from other African countries had been overwhelming this year mainly because of drought, failed crops and the needs of exploding populations, Maize Board GM Hennie Davel said yesterday.

Total forex earnings from the latest season's 1,1-million-ton surplus from buyers in African countries as well as overseas are estimated at between R430m and R450m.

Of the 1,1-million tons, 384 000 tons were exported to African countries and 512 000 tons were shipped abroad — 89% to Japanese buyers.

In Africa consignments have been railed or will be railed to Zaire, Zambia, Zimbabwe and Angola.

The board also supplies maize to Botswana, Lesotho and Swaziland and TBVC states but they are regarded as part of the domestic marketing programme.

Davel said it was clear SA was becoming the bread basket of the southern half of the continent.

On the controversial Zimbabwe export deal Davel said the board would start railing 100 000 tons as soon as the money — R45m — was in the bank.

Earlier this week it was reported from Harare that the deal was threatened by Zimbabwe's forex shortage. However, Davel said he had been assured by the Zimbabwean Grain Marketing Board yesterday that payment would be made today.

He said some African countries had asked for options to buy bigger volumes — 200 000 tons are still available — but whether these could be granted would depend on the success of the 1991/1992 crop.

Davel said of the overseas buyers Japan's purchases were by far the largest.

'Reduce burden of debt'

STAR 19/12/91

By Hugh Roberton
Washington Bureau

The World Bank has appealed to wealthier countries to reduce the crushing debts of sub-Saharan Africa, pointing out that the interest alone on these debts now amounts to $10 billion (about R27 billion) a year.

Total debts in the region now amount to about $176 billion (R473,2 billion), the bank estimates.

Reduced

In the past four years donor countries have written off a further $7 billion (R18,9 billion) and have reduced interest payments by about $900 million (R2,36 billion) a year.

But the burden remains enormous, the bank says.

Its chief economist for Africa, Ishrat Hussain, has pointed out that the region has received none of the special treatment accorded to countries like Egypt, Poland and the Soviet Union.

Egyptian debts were written off as a reward for Egypt's support for the West in the Gulf War and its helpful role in facilitating peace in the Middle East, and Poland's debts were substantially diminished as a means of helping the country move away from Marxism.

Commended

Mr Hussain commended a proposal by British Prime Minister John Major which would write off about $46 billion (R124,2 billion) in African debts to wealthier countries and would reduce interest payments by about $2,3 billion (R6,2 billion) a year.

But he pointed out that the proposal had been made a year ago and that there had been no indication of a decision by the donor countries since then.

●From PAGE 6

Africa's old order moves on

Africanist Congress but to leave all negotiations to be between the liberation movements and Pretoria.

The sweep of democracy through southern Africa has left Zimbabwe in the balance. Mugabe has astutely chosen to ride the democratic tide, rather than tough it out. Early in 1991 the Mugabe government formally put aside its plans to establish a one-party state. Then the government lifted the state of emergency and Zanu-PF rejected Marxism in favour of a free market economic system.

Although Zimbabwe has not had a change of government, things are beginning to work differently. The government still controls the daily newspapers and the radio and television systems, but the independent weekly newspapers have brought a bit of newly critical attention to the government, particularly in the field of human rights.

The popular magazine *Parade* publicised the case of Edwin Nleya, an army captain who was found dead after planning to publicly denounce an ivory poaching and smuggling ring in the army. Even more significantly, two new papers, *The Sunday Times* and *The Weekend Gazette*, hammered away on the disappearance 18 months ago of Rashiwe Ghuza, a pretty office worker whose affair with a security officer had gone sour.

The newspapers' crusades resulted in the arrest of an officer of the Central Intelligence Organisation (CIO) and an official admission by police that they were afraid to act against the CIO. It is unlikely Ghuza will be found alive but the case may cause the CIO to be brought to book to operate according to the rule of law.

The new life shown by Zimbabwe's press comes at a time when the Mugabe government is wrestling to liberalise the centrally-controlled economy. A 47 percent devaluation of the Zimbabwe dollar over 1991, rising prices and static wages have brought the difficulties of the economic restructuring home to the average Zimbabwean. It remains for the government to take some of its own medicines and reduce the budget deficit and slash the size of the cabinet and the bloated bureaucracy.

The trend towards more open democracies, more press freedom, more respect for civil liberties throughout southern Africa to a large extent is dependent upon the region's economy. It is unlikely this movement towards more responsive governments in more open societies can be sustained without improved economic growth and improved living standards.

Zambia, Zimbabwe, Angola and Mozambique are all going through structural adjustment programmes designed by the World Bank and International Monetary Fund.

REVIEW '91/ *The old order moves on*

Winds of change ... if the money flows

W/Mail 19/12/91 - 2/1/92

279A

REVIEW OF THE YEAR '91

In southern Africa, nationalist leaders, propped up by one-party states, and state controlled economies are on the way out. In their wake, come negotiations for multi-party democracies and a free market ... if the economic situation improves.

By ANDREW MELDRUM

ZAMBIA'S new president, Frederick Chiluba, rode Africa's democratic tidal wave into Zimbabwe last week for a quick two-day visit. Robert Mugabe was businesslike, if not subdued, when greeting Chiluba, the five-foot tall union leader who toppled the giant Kenneth Kaunda from his 27-year reign.

Mugabe's ruling Zanu-PF party is similar to Kaunda's Unip in its monolithic structure and lack of grassroots responsiveness, so the Zimbabwean president must have warily eyed the Zambian newcomer. Mugabe has troubles of his own with the trade unions and he could well view Chiluba as a troubling portent of his future political challenges.

Chiluba diplomatically emphasised that he was not coming to Zimbabwe to spread Zambia's democratic shake-up to its neighbours.

"We are not selling our system elsewhere ... There hasn't been a military takeover in Zambia, it was a democratic process insuring continuity and Zimbabwe believes in this," said Chiluba.

He said his most important task would be to sort out Zambia's critical economic problems.

"Zambia is too rich a country to remain so poor," he said, adding that he expected "a lot of social frictions" once his government removed food subsidies and slashed jobs on the swollen government payroll.

Chiluba said although his new administration had decided to carry on business openly with South Africa, his government intended to continue Kaunda's diplomatic pressure through the frontline states to bring about the end of apartheid. He said the frontline states would also continue to encourage negotiations to bring peace to Mozambique.

Chiluba, who had to battle in his election campaign against Zambia's state-controlled daily newspapers, radio and television, stated unequivocally that Africa needed a freer press.

The Zambian leader's short, succint trip to Zimbabwe, which was followed by similar whistlestop visits to Malawi, Tanzania, Mozambique and Angola, highlighted the trends that have swept through southern Africa in the past year and will certainly shape regional events in the coming year.

Chiluba is proof that the democratic winds are bringing changes to the staid post-independence order. The first generation of nationalist leaders are on their way out as are the stultifying one-party state structures that have sustained them. State-controlled economies are also coming to an end while negotiation and political accommodation are seen as the way to resolve long-running wars like the Angolan and Mozambican conflicts. Diplomatic pressure on Pretoria to accept majority rule will continue, while a more pragmatic attitude will encourage mutually beneficial economic relations.

All this is good news that bodes well for southern Africa. The troubling aspect is the region's economies are in such bad shape that they might not be able to sustain the new freedoms and democracies. Another worry is that Mozambique's start-stop negotiations are not settling that painfully destabilising war and the super-powers apparently are not interested in applying the necessary pressure on Renamo to agree to peace.

The success of Zambia's first multi-party elections in 17 years displayed the irresistible force of the continent's democratic tide. The boiling unrest in Zaire and Kenya should prove that point even further in 1992, with the the prediction that the lid will blow off the Mobutu pot while Daniel arap Moi's pressure cooker will continue to rattle noisily.

Malawi remains quietly under the iron grip of the Banda regime, as run by his Official Hostess, Cecilia Kadzimira, and her uncle, John Tembo.

As in Namibia, the super-powers proved their effectiveness in settling Africa's long-running wars by swiftly bringing an end to the 17-year Angolan civil war. Previous African efforts to mediate a peace failed, but when the Soviet Union and the United States agreed there should be a settlement, it was quickly reached and peace established with amazing speed. The coming year should see Angola proceed towards multi-party elections in September. The voting will shake-up the existing order, but a relatively peaceful transition is expected.

The frontline states, particularly Zimbabwe, have tried to encourage an equally effective settlement in Mozambique, but that remains the region's most intractable war.

Mugabe, the frontrunner to replace Kaunda as frontline spokesman, has clearly determined that Zimbabwe's role should be to bring together the African National Congress and Pan

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Dictators have fallen, but this is not a brave new world, writes

New light on 'African dawn'

STAR 24/12/91

Richard Dowden

IN THE past 14 months 10 African countries have changed their leaders. Only two were overthrown by the traditional method of changing governments in Africa: the coup. Four have been voted out in multiparty elections — a breakthrough in African constitutional history. Three others succumbed to rebel movements after years of civil war. And in one case — Mali — the army took power in order to hand it to a constitutional assembly.

It has been seen as the "second liberation", freeing Africa from corrupt megalomaniacs, a second dawn bringing democracy and freedom; as in Eastern Europe, the tyrants will be replaced by parliamentary democracies presiding over freedom and prosperity. This is a deep misconception.

In Africa, there is no common pattern of political opposition or understanding about the sort of government the continent needs. The common factors are well known: the Soviet Union's withdrawal from Africa pulled the rug from under its allies and removed an alternative political model. The West no longer had to prop up tyrants just because they were anti-communist. Through the World Bank and the International Monetary Fund (IMF), the West pushed for privatisation, free markets, floating currencies and other economic reforms. Realising these could not come about without political reform, Western donors began to write "good governance" on to the agenda.

The immediate effect of the structural-adjustment programmes was a sharp drop in living standards for urban Africans and a steep rise in the price of food, education and health care. The corruption and remoteness of the old leaders were the emetic in an already unpalatable dish of high prices, shortages and unemployment that the people had been forced to swallow. Perhaps the multiparty democracy movement in Africa is no more than an uprising against impoverishment.

If so, then the new leaders will be no more successful than the old in dealing with it. The crunch will come for Frederick Chiluba, the new Zambian president, when he has to reward the electorate for putting him into power by raising the price of food, fuel and every other essential. The result could be rapid disillusionment — including for the financial institutions which may find that, after all, dictatorships can impose tough economic reforms more easily than democracies.

But even if its causes are primarily economic, the multiparty democracy bandwagon is, in the short term, as unstoppable as the independence movement of 30 years ago. In France's former colonies, governments were forced to legalise opposition parties and hold sovereign national conferences made up of politicians, lawyers, teachers and others. In Togo and Niger, conferences have rewritten the constitution and appointed new governments.

The former British colonies have been more pragmatic. Ghana and Nigeria have military governments that are pledged to bring back civilian government. President Museveni in Uganda retains a broad-based government but shows no sign of enduring an electoral test. Only Kenneth Kaunda in Zambia took the plunge and held an election. He announced he would accept its outcome and his victorious opponent has encouraged him to stay on as leader of the opposition — an important precedent for the continent.

But what happens next? Africa contains such a vast diversity of ethnic groups, social structures, languages and beliefs that it is impossible to generalise about a traditional African political or social system. Its ancient societies were squeezed artificially into nation states only 30 years ago.

The family, village, tribe and language groups are still vital components of African politics. The pre-colonial political systems — kingdoms in Uganda, Zambia and South Africa, nomadic clans in Somalia and Mali, tribal chieftainships in Ghana and Tanzania — were broken long ago, however. They are inappropriate for the modern world and no one looks to them as models for Afric. political development.

Where can Africa turn in the search for a new political order? Less than five years ago advocates of multiparty democracy were regarded as cranks or subversives. Africa's way was the one-party state. Such opposites as President Nyerere of Tanzania and the British high commissioner in Kenya could agree on that — national unity was best preserved by single-party government. Yet, in theory, democracy should be well suited to Africa. Most African societies are very open: talking, arguing, negotiating are all African talents. There has always been a contradiction between the God-like status the continent's leaders have assumed and the easy openness of its societies.

The first obstacle to building democracy, however, is that African countries are poor and likely to get poorer. The second is that the newly elected leaders are essentially technocrats, not decision-makers. Economic policy is no longer made by them. The World Bank and the IMF establish economic criteria, backed by Western and Japanese aid donors.

But even when African governments do sign up to these terms, they are still far from salvation. Despite statements by donors that they will reward free-market policies, aid flows to Africa have fallen in the past five years. And the promise of private investment as a natural product of economic reform is not being remotely fulfilled. Ghana, which implemented both World Bank and IMF policies with the masochistic fervour of a reformed sinner, has seen no flood of investment.

Aid is of secondary importance to trade, but should the new leaders look to their own resources, they would find that the prices paid for most of their commodities continues to fall. An assessment by the Overseas Development Institute predicts that Africa will benefit least from the new General Agreement on Tariffs and Trade (Gatt), far behind Asia and Latin America.

Even without the economic problems, there is still a question mark over the appropriateness of multiparty democracy to Africa. Advocates of the one-party state used to point out that religious, linguistic, ethnic, regional and tribal differences in African states were so great that parties would split down these lines and break up the new states. Nothing has changed to alter this argument.

Stephen Riley, author of "The Democratic Transition in Africa", says: "The most serious political threats to the new African democracies will come from the military, and from ethnic conflict and secessionism ... in the '60s, the African 'solution' for ethnic conflict was the supposedly unifying effects of single-party regimes. Freer, pluralistic politics will mean that ethnic divisions come to the fore with potentially divisive and destructive effects."

An even gloomier view — in the short term — was taken by African intellectuals at a seminar in Kenya earlier this year. Asked to write a history of Africa from the perspective of 2057, they prophecied "a bitter and continuing history of failure to institutionalise the democratic process while overbureaucratising government". They also predicted delinkage from the rest of the world "by default", through the failure of Africa to pay its debts, an absence of new investment and the lack of a market for Africa's traditional goods.

There are many grounds for pessimism. Liberia and Somalia have already hit the buffers. Zaire seems to be going the same way. But there are also models of hope: in Zambia and Benin, dictators have given way to democracy and conceded defeat in elections. Kenya seems to be moving down the same route. Which way will the rest of Africa go? — The Independent News Service. □

Fears are voiced for preferential trade area

LUSAKA — The preferential trade area (PTA) for eastern and southern Africa is threatened with collapse because inter-regional trade is not consolidated, says secretary-general Bingu wa Mutharika. (279A)

The threat of collapse was now more pronounced following the shift of Western aid to the war-ravaged Gulf and Eastern Europe, coupled with the impending EC. Business Day 27/12/91.

"Constraints on regional trade is hogwash. Our markets will be swallowed by emerging giant markets. Which markets are we looking for?" he asked.

The 18-member PTA, with 200-million people, had a problem in competing favourably with the international market through small and medium-scale enterprises.

But the region recorded a decline in economic growth because of lack of information, among other things. To redress the situation a media liaison officer had been appointed.

Other ills cited included poor transport infrastructure and lack of competitive goods.

The PTA would give priority attention to transport, information and customs in 1992, Wa Mutharika said, adding the regional body hoped to achieve its goal of removing trade barriers by the end of next year.

He said the forthcoming summit to be held in Lusaka on January 30 and 31 would examine and give priority to transport, customs and information.

Wa Mutharika admitted the transport sector needed streamlining to remove hitches that hindered free and easy movement of people in the region.

In the information sector, which was vital in the selling of the PTA, Wa Mutharika said several measures had already been taken to ensure a smooth flow of information about the goods produced. — Sapa.

Aid guru says development funds should play a subsidiary role, reports **Michael Chester**

Crucial tips from Africa's ruins

STAR 27/12/91

AS THE seasoned director of the Africa Institute, Dr Erich Leistner has watched a new dawn break over dozens of countries on the continent as old political regimes have crumbled in recent years. And he has heard all the promises that were pledged about a brave new economic era.

In turn, with growing dismay, he has also watched as many of the dreams have faded into disillusion — with billions of rands in development funds wasted or squandered.

Now that South Africa stands on the brink of its own new dawn, Dr Leistner hopes its political and economic architects will heed the lessons that have had to be learnt the hard way elsewhere on the continent before they set the seal on development priorities.

He spells out the advice on caution in a special article in the current edition of "Developer", a publication of the KwaZulu Finance and Investment Corporation, which examines the entire role of foreign funds in economic development.

South Africa, he believes, should draw its fundamental lessons from experience across its borders in sub-Sahara Africa. He delivers the sharp reminder that the whole region, despite a multi-billion-rand cascade of funds from overseas, is now littered with what he calls "development ruins".

All in all, no less than $100 billion (about R275 000 million) in international aid was ploughed into the region during the 1980s.

Yet, when no fewer than 1 000 World Bank aid schemes came under review, it was revealed that 51 percent of all agricultural projects launched in East Africa had ended in failure. In West Africa, the failure rate was little better at almost one third.

The scarcity of success reports makes the Africa Institute suspect the casualty list may be even longer.

"The blatant failure of countless projects has dampened the almost universal optimism that characterised aid-giving in the '50s and '60s," writes Dr Leistner.

"But even though many serious and well-qualified analysts have long been deeply sceptical of aid, or even condemned it outright, powerful influences have ensured an ongoing flow of funds and experts into the less developed countries."

Often, the motives were not hard to find.

As long as the superpowers rattled their sabres in the Cold War, for instance, Africa was deemed to hold a strategic significance — and Western aid found it convenient to ignore tyrannical regimes, disdain of human rights and ruinous economic policies.

However, with the Cold War over and countries of the fractured Soviet Bloc now crying out for funds, Dr Leistner finds donor nations and agencies have become far more critical of Africa's performance. Western aid, he notes, is now increasingly subject to strict conditions that demand evidence of democratic political systems, observance of human rights — and market-oriented economic policies.

It still leaves Dr Leistner often wondering about the basic motives behind a lot of aid programmes. Does the donor country think first about its own national interest and ask whether aid will promote its exports? Will it enhance the donor's international influence somehow? Will it sustain a particular politician or political party in power?

He believes such displays of self-interest by donors run the risk of back-firing and weakening rather than strengthening the receiving country's development potential. It may easily turn investment and spending in the wrong direction — for instance, tying aid to capital equipment or services the donor is anxious to export, even though such imports may be totally unsuited to local circumstances.

In another example, aid in the form of food shipments may reduce the donor country's surplus stocks — but accustom whole populations to exotic foodstuffs and in the end undermine local food producers by turning traditional staple diets upside down.

A sure way to guarantee the failure of a sophisticated industrial project may be to insist on technical and administrative standards that prove beyond the ability of local manpower to handle.

Also, many donors, as well as recipients, tend to prefer glamorous capital projects that can be opened with lots of fanfare and publicity.

In turn, many of the schemes may fail because no provision has been made for high running costs and maintenance.

All in all, the Africa Institute has found the primary and most intractable reason for poorly-designed aid programmes has been ignorance and misjudgment about social, political and other basic conditions in recipient countries.

"The conclusion is inescapable," writes Dr Leistner, "that people's attitudes and skills are vastly more important in bringing about economic development than are natural and financial resources — though an inflow of resources from outside can facilitate and speed up a development process once it is in train."

He lists three specific lessons that have been learned:

- Throwing money at under-development problems merely causes social disruption — unless recipients are able and willing to use the cash constructively.
- The impact of aid on development is by no means proportional to the amount of cash flowing in.
- Foreign aid is not a pre-condition for economic progress or the elimination of poverty.

"Experience in Africa," he adds, "has shown that foreign aid is apt to promote incompetent and corrupt government and social disruption rather than economic development.

"Outsiders genuinely seeking to improve the living conditions of less-privileged people must go about this with empathy and modesty. Financial aid should play only a subsidiary role.

"Since South Africa's policy for the development of its less-privileged population groups and regions has until recently been determined almost exclusively by political and ideological considerations, the country has failed to learn important lessons that overseas donors have in the meantime absorbed in Africa.

"It is to be hoped that our country's development and aid policies will henceforth be guided by the lessons that others have learned at heavy cost to the people of Africa." □

Top Zambian in SA for trade talks

STAR 28/12/91

LUSAKA — Zambian Foreign Affairs Minister Vernon Mwaanga is in South Africa for talks with Government officials and to visit the country's Vice-President, Levy Mwanawasa, recuperating at Johannesburg's Brenthurst Clinic.

Mr Mwaanga is expected to talk to South African Foreign Affairs officials about the exchange of trade missions between Lusaka and Pretoria.

Zambian President Frederick Chiluba said on Thursday that Mr Mwaanga would explore possibilities of consolidating trade links, which for many years had operated in the shadows.

"We want to trade officially because Pretoria has been a long-time trading partner," Mr Chiluba said when he blessed Mr Mwaanga's visit to South Africa, the first such official trip by a Zambian government official since independence in 1964. (SBG) Q79A)

Zambia was also expected to establish diplomatic relations with Pretoria after a declaration letter in Harare by the Commonwealth heads of governments had been adhered to.

Zambia has since re-established diplomatic relations with Israel. — Sapa.

Africa on collision course with Aids

Sowetan 31/12/91

FOCUS

SAPA-REUTER

DAKAR - Even the most conservative official estimates of the Aids infection rate expect the disease to wipe out at least 25 per cent of Africa's workforce by the year 2010.

Economists warn that the Aids pandemic threatens Africa with economic chaos beyond anything it has yet endured as it kills five million or more adults in the next eight years.

African officials say the entire world has a stake in helping their countries stem a disease that is already laying to waste some economic sectors of the continent.

"Africa must not be abandoned," said Dr Kekoura Kourouma, head of Guinea's national Aids programme. "Remember, a sick population will not be able to work, will not be able to pay its debts."

One in every 40 adults in Africa is already infected with the HIV virus that causes Aids. These victims are part of Africa's economic engine - 15 to 49-year-old farmers, mine workers, even the educated elite.

Research presented at an International Conference on Aids in Africa held here this month found that the labour-intensive agricultural and mining industries, the two most important economic sectors of sub-Saharan Africa, are already suffering the impacts of Aids.

Satellite pictures show evidence of farmland returning to the bush and homes abandoned in some African villages where the population has been decimated, researchers said.

In Zambia, where infection rates are as high as 20 percent in cities, the country's critical copper mining industry is threatened with collapse as Aids cuts into the workforce.

The economic impact of the disease is being felt in the more economically stable countries and classes of the continent as well.

Kenya, for example, lost several million shillings in foreign exchange in 1988 after Western Press reports of the Aids breakout there caused a steep drop in tourism. The government has since been accused of suppressing public dissemination of information on infection rates.

Infection

In Uganda, a study found that women with high income male sexual partners were at significant risk of infection.

Even South Africa will face huge economic costs, despite having fewer than 1 000 Aids cases to date. A mathematical model designed by South African researchers predicted that, based on the most conservative projections, Aids will cost South Africa 2.3 to four percent of its Gross National Product by the end of the century.

The costs to South Africa of caring for victims and of lost productivity could total R30,6 billion rand between 1991 and 2000.

Acquired Immune Deficiency Syndrome has hit Africa harder than any other region of the world. The World Health Organisation estimates that six to seven million African adults are already infected with the HIV virus, out of 10 million worldwide, and one million Africans have died so far.

WHO projects that at least 14 million adults in Africa will carry the infection by the year 2000. Since virtually all HIV- positive adults develop the fatal Aids symptoms within 10 years of infection, WHO says it is clear that more than five million currently infected adults in sub-Sahara Africa will die in the next eight years, and deaths will continue to increase into the next century.

"These millions of projected Aids deaths will double or triple the total number of deaths in young and middle-aged adults from all other causes by the end of the 1990s," said Dr Michael Merson, director of WHO's Global Aids Programme.

Aids systematically destroys the body's immune system, leaving the victim prey to infections. It can only be contracted through blood and bodily fluids, usually through sexual intercourse or intravenous drug use.

But its pattern of infection in Africa has been far different from than in industrialised nations.

In North America and Europe HIV initally hit homosexuals and drug users the hardest, but in sub-Sahara Africa 90 percent of HIV infections have always been spread through heterosexual intercourse.

Preventative measures, especially condom use, have been slow to get off the ground through a combination of government disinterest, lack of funds, illiteracy, religious taboos and widespread promiscuity.

The burden on overstretched public health budgets is already crushing, African officials said. In some cities 80 percent of hospital beds are occupied by Aids victims.

Few patients can afford AZT, the primary drug for the symptoms of Aids, which costs R238 000 a year to administer. Even wealthy South Africa has decided not to offer AZT to Aids victims in its public hospitals.

But even without AZT, caring for victims is still expected to take up between 34 and 70 percent of South Africa's total health care expenditures by the year 2000.

Costs go beyond health care and lost workers, however. In Africa, extended families are the norm and one wage can support several dependents.

Researchers say that as parents die, 10 million African children may be orphaned by 2000, overwhelming the orphanage system.

Productivity will drop off even before death, as weakened workers stop to rest and family members take time off from their labours to care for them. Regular funerals and the traditional grieving time they require, will also reduce productivity among survivors.

Governments are already hard pressed to manage other indirect costs of Aids. Uganda's policy of paying funeral allowances for civil servants, including the cost of a coffin, may have to be withdrawn, economists say, as death rates in this group continue to rise.

Report warns of grain shortage

LUSAKA — The Southern African Development Co-ordination Conference (SADCC) faces a grain deficit of about 20% during the 1991/92 marketing year, says a Food Agriculture Organisation report to be presented to the SADCC summit in Mozambique next month. B1 Daily 31/12/91

The government-owned Times of Zambia reported yesterday that statistics compiled for the period up to end-June showed total grain availability in the region during this season would amount to only 11,698-million tons compared with the required 14,496-million tons.

All countries would have to import their cereal requirements, amounting to 1,87-million tons, to ensure satisfactory food security and maintain food reserves at desired levels, the newspaper reported.

Tanzania, Zambia and Zimbabwe which reported grain surplus in the previous year, are assessed as grain deficit areas this year and would need to import 0,26-, 0,20- and 0,19-million tons respectively, if they are to maintain normal levels of strategic reserves. (279A)

The report predicted Angola and Mozambique would experience acute food security problems because it was unlikely the current import gap would be bridged.

Other countries including Tanzania, Zambia (which had not received any grain imports by June 30) and Zimbabwe might have to reduce strategic reserve levels, which could jeopardise future food security.

The SADCC is scouting for $17,84m for the funding of 18 projects to develop and promote intra-regional trade. It has already secured $3,73m from Nordic countries and other international agencies. — Sapa.

FINANCIAL MANAGEMENT

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The BA rate is already discounting a drop in interest rates.

SADCC facing cereals deficit

(279A)

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S.A.D.C.E. - 1992

JANUARY - SEPTEMBER

Zimbabweans set record in SA visits

MICHAEL HARTNACK

HARARE — A record number of Zimbabweans visited SA in 1991, the head of SA's trade mission in Harare, Nico Nel, said this week.

Visas issued to Zimbabwean businessmen fell to 73 000 last year from 237 000 in 1990 as a result of new procedures, but Nel estimated the number of visitors to SA rose by up to 20%.

The steady flow of business between SA and Zimbabwe also prompted a Zimbabwean trade delegation to visit Pietersburg in October. A Northern Transvaal Chambers of Commerce delegation will pay a return visit to Bulawayo and Harare from January 18-20 to meet the Zimbabwe National Chambers of Commerce and the Confederation of Zimbabwean Industries.

Zimbabwean sources have also confirmed the arrival in Bulawayo of the first, 1 200-ton consignment of SA maize, brought by rail at a landed cost of R560 a ton to avert food shortages in February and May.

Due to "disincentive" prices to local growers — just over R130 a ton — Zimbabwe's once mountainous maize stockpile has been flattened.

Bureaucratic delays at the Zimbabwean Finance Ministry threatened to cancel the Grain Marketing Board's purchases of 200 000 tons of SA maize.

Regional integration support pledged

Own Correspondent

MAPUTO. — ANC deputy president Walter Sisulu yesterday pledged his organisation's support for regional economic integration, emphasising the importance of the regional market for SA manufactured goods.

Sisulu emphatically rejected SA economic "hegemony" at the start of the 12th annual Southern African Development Co-ordination Conference's (SADCC) summit.

Sisulu warned that SA's contribution to the economic life of the subregion was likely to be limited in the early stages.

"We do nevertheless believe that by actively participating in the restructuring of existing relations on a more equitable basis and addressing current imbalances, a climate conducive to development and mutually beneficial cooperation can be created," he said.

Almost all speakers spoke positively about the changes taking place in SA reflecting an increasing concern in the SADCC about SA's future role in the region.

While hailing Codesa, Botswana vice-president Peter Mmusi said the time was not right to establish normal relations with SA.

Africa must increase food production, says World Bank

Technology can avert a nightmare

STAR 9/1/91

279A

A senior World Bank official has called for a doubling of food production in Africa to avert a "nightmare scenario" brought about by population pressure, environmental destruction and the stagnation of agriculture.

At a meeting of the Special Programme for African Agricultural Research (Spaar) held in Rome, Edward Jaycox, regional vice-president for Africa, said food production must increase by an average of 4 percent a year to meet the region's needs.

Production is currently increasing at only 2 percent a year.

Something has to be done about population growth in Africa, he said, "but the rate of change in agricultural technology has also to be speeded up enormously".

To meet these goals, Spaar representatives agreed to move ahead with a comprehensive plan of agricultural research and environmental protection in the countries of the Sahel region.

Research efforts are to be concentrated in Mali, Burkina Faso and Senegal to help boost production of sorghum.

A similar plan has been drawn up to assist war-torn Mozambique and Angola work out their agricultural research priorities. Botswana, Lesotho, Namibia, Swaziland and Zimbabwe will collaborate on the research.

Over the last 30 years, agricultural growth in sub-Saharan Africa has averaged only 2 percent annually, while the population has grown at about 3,1 percent a year.

Most of the growth in agricultural production has come from expanding cultivable areas. But cultivable land is increasingly limited, and future growth will depend on increasing production on available land, requiring improved farming techniques and modern technology.

According to a Spaar statement, Africa's technological base is inadequate to meet the region's needs.

Some progress has been made in the last decade, but Africa needs to develop new crops and farming systems which reduce deforestation and reverse the declining fertility on croplands.

Representatives of 20 multilateral and bilateral aid agencies, 12 African countries and 18 regional organisations participated in the Rome meeting.

Spaar was established in 1985 by a group of aid donors concerned about the failure of African agricultural production to keep pace with the region's rapid population growth. □

Common regional labour law sought

B1 Day 9/11/92

MOVES to transform the entire southern African region into a cohesive economic community should include a programme to create a common labour law system.

This is the view of UCT labour law unit researcher David Woolfrey, who believes a "harmonised and enlightened" labour system is essential to balanced and equitable economic development.

Writing in the Industrial Law Journal, Woolfrey said investors had to contend with an industrial relations environment that varied considerably from country to country.

"Transnational" investors in southern Africa faced a multiplicity of labour law systems," he said.

"Migrant workers shed rights and obligations, and acquire new ones, as they move across national frontiers."

Woolfrey said the need for labour law harmonisation was possibly more pressing in southern Africa than it had been in Europe because sharp disparities in wage levels and general conditions of serivce would increase the temptation for "social

SUSAN RUSSELL

dumping" as countries competed for scarce foreign investments.

"Those countries with a high rate of unionisation and well-developed labour law systems may find themselves outbid in the market for capital by those offering a haven from labour strife and a relatively cheap supply of labour," he said.

The approximation of labour standards, Woolfrey said, would go a long way towards averting this process.

Basic

"Investors will not be able to shop around for the most docile and legally handicapped work-forces.

"Workers will not have to move in search of basic minimum working conditions and organisational rights."

Opposition to a harmonised labour law system was likely, though, he added, because the typical Third World problems of poverty, high inflation, unemployment and lack of technology and skills meant a high premium was placed on employment creation and economic growth.

"Inevitably, pressures for economic deregulation and the provision of investment incentives in the form of cheap labour, a union-free environment, will run counter to any calls for labour law harmonisation."

But Woolfrey stressed that an enlightened labour system was essential and would promote industrial democracy thus contributing to overall social consensus and stability.

"The SA Commercial Catering and Allied Workers' Union has already initiated demands for regional wage bargaining and has formed alliances with unions in Namibia, Botswana and Swaziland".

Those interested in promoting sound industrial relations policies and practices in southern Africa, Woolfrey said, should do everything within their power to ensure labour issues were placed squarely on the agenda of current regional political and economic planning.

Growth options in sub-Sahara

Sowetan 13/1/92.

2791F

SOUTH Africa believes it has what it takes to become the engine for growth in much of sub-Saharan Africa, but not without help from the rest of the region.

"Unless African countries get their act together, drop trade barriers and create conditions more conducive to investment, growth is going to be the one-way affair that everyone fears," said Mr Andrew Maggs, manager of the Johannesburg-based Africa Trade Intelligence Programme.

With trade opportunities opening up daily in a potential market of 150 million people, local businessmen are criss-crossing borders.

Likewise, delegations from at least 23 African countries visited South Africa last year. But they were looking less for markets than pitching for investment, particularly in manufacturing and mining.

South African officials are keen to see a cohesive economic community evolve in Southern Africa, but other countries fear its domination of the weaker, less developed markets.

Sensitive to the resentment that would cause, South Africans see joint venture projects, even in the

FOCUS

services sector, as a logical means of sharing economic benefits in the long term. But it is not going to happen on its own.

Standard Bank's group economist, Mr Nico Czypionka, sceptical of grand ideas such as a common market, says South Africa cannot do anything by itself and "can only act as a catalyst".

He said African countries seeking growth would have to offer incentives such as attractive tax and investment codes, stable currencies, attractively priced labour and less bureaucracy.

"The fastest growth in the EC (European Community) is in Portugal because it has created a desirable environment for location," Czypionka said.

For South Africa to assume a pivotal role in regional economic growth, it will have to meet its own challenges.

These include access to world capital markets, fiscal discipline in the face of high expectations among the five-to-one black majority for greatly enhanced living standards in a post-apartheid society, and a return to health of its own sanctions-bled economy.

Mr Ron Haywood, deputy director-general of the South African Chamber of Business, is optimistic, saying the country is already becoming part and parcel of the regional economic scene.

"The agreement late last year between (South Africa's state power company) Eskom and Namibia, Angola and Zaire to start feasibility studies for the western leg of the proposed Southern African electricity grid is of critical importance to manufacturing capabilities."

Haywood said South African representatives are likely to attend the annual conference in Zambia in January of the 18-nation Preferential Trade Area of Eastern and Southern African countries.

South Africa's entry into the mainstream of other economics and the PTA's own, but slim, hopes for a common market are expected to be discussed.

Meanwhile, the Africa Trade Intelligence Programme has targeted Nigeria, Uganda, Angola and Kenya for special investigation this year, having already covered Mozambique, Madagascar and Cameroon.

But Maggs said South Africa cannot secure many business contracts overnight, although the foreign exchange savings it offers through shorter supply lines and the relatively depressed rand give it an advantage over European countries and others.

Angola, for instance, has for years imported most of its goods from Portugal on open account, which requires no prior bank guarantees on payment. The best route for South Africans there would be via reconstruction, in which it has specialist civil engineering expertise, he said.

Because of a regional shortage of funds, Maggs is advising companies to tap into World Bank aid projects, which involve services as well as development contracts.

Deputy Foreign Affairs Minister Mr Renier Schoeman spoke for many in summing up South Africa's hopes for future ties on the continent. "Its destiny is linked to Africa," he said.

Africa, analysts say, must help South Africa to help them. - *Sapa-Reuter*

STAR 16/1/92

SA could soon join development organisation

Q79A

MAPUTO — South Africa could soon be part of the Southern African Development Co-ordination Conference (SADCC), which was originally formed to reduce its member countries' economic dependence on South Africa.

A joint planning committee is being established to discuss South Africa's integration into the regional body.

It consists of representatives of the ANC, the PAC and some of the 10 SADCC member countries.

The annual SADCC consultative conference between member states and representatives of donor countries and organisations is due to take place in Maputo on January 30 and 31.

SADCC set for showdown over multiple membership

B/Day 22/1/92 (279A

TIM COHEN

THE 10-member Southern African Development Co-ordination Conference (SADCC) is set to initiate a showdown with the SA Currency Union (SACU) and the Preferential Trade Area (PTA) over the issue of member states belonging to more than one of the regional organisations.

The organisations involved, SADCC, SACU and the PTA, share a number of members and currently have very different functions.

But following SADCC's reorientation into an organisation aimed at economic integration rather than economic co-operation, a duplication of activities is expected. The re-orientation of SADCC is expected to take place at its conference at the end of January when its 10 members will replace SADCC's founding memorandum of understanding with a treaty.

Botswana, Namibia and Swaziland are members of both SADCC and the SACU, while almost all the 10 SADCC members are or are about to become members of the 22-member PTA which includes almost all southern and east African states.

A summary of SADCC's conference theme document issued by the organisation says there is an urgent need to rationalise the activities of the three organisations if conflict and wasteful duplication are to be avoided.

"The current memberships in the three organisations will become increasingly unworkable, as the final destination of economic integration of southern Africa is approached," the document notes.

"SADCC member states will ultimately need to consider seriously the viability of belonging to more than one regional integration organisation."

The change in the functioning of SADCC, established to counter SA's domination of the region, come about primarily as a result of changes taking place in SA which is now expected to become the organisation's eleventh member.

The document anticipates that the development of a post-apartheid SA will be followed by a period of economic and social adjustment within SA to redress the legacy of apartheid.

But SADCC expects SA, which it says was responsible for "massive destablisation" resulting in damages estimated to have cost $60bn in 10 years, to make good the slump in donor funding afflicting the organisation.

At the last SADCC conference in Tanzania, where the decision was taken to review the organisation's founding document, SADCC agreed on alternative measures to ensure the success of its programme of co-operation between states.

Post-apartheid SA is expected to "fill the role of the present co-operating partners (aid donors) through the provision of aid and investment capital to SADCC member states," the organisation said after the conference.

SADCC's document rejects a laissez faire approach to regional integration, although it states that closer regional integration is imperative for SADCC members. The laissez faire approach would be "inappropriate" because of the gross disparities within the region and would tend to entrench existing inequities and imbalances.

SA, which has an economy three times the size of all SADCC economies combined, currently dominates the region and there is a danger of further economic polarisation unless countervailing measures are taken, the document notes.

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Rights offer opens – circulars posted
Last day for dealing in letters
Last day for splitting of letters (by 14:30)
Listing of new ordinary shares commences on th
Rights offer closes, payment to be made by 14:30

Common market planned for African trade area

LUSAKA — The Preferential Trade Area (PTA) for eastern and southern Africa plans to establish a common market for the region before the year 2000, to undermine smugglers taking advantage of price differences and restricted trade.

PTA secretary-general Bingu wa Mutharika said in Lusaka yesterday the grouping would streamline cross-border investments within the member countries.

The PTA and the Southern African Development Co-ordination Conference (SADCC) had overlapping membership but different objectives, and would hence work parallel to each other, he said.

Heads of state of the PTA countries would meet in Lusaka at the end of this month to decide on whether to combine the SADCC and PTA, and also to work out programmes that would bring maximum benefit to all members.

The PTA counted among its successes the Federation of Industries and Chambers of Commerce.

"Travel for people in the region has been greatly eased by the use of the currencies of member states while much PTA trade passing through the clearing house has also eased movements of goods," Wa Mutharika said. — Sapa.

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Crucial talks on future of SADCC

279A

STAR 23/11/92

HARARE — Southern African states meet in Mozambique next week in a crucial conference with Western donors seeking a clearer idea of the region's economic future before providing more aid.

Ministers of the 10-nation Southern African Development Coordination Conference (SADCC), formed 11 years ago to cut the region's economic dependence on South Africa, first meet in Maputo tomorrow to discuss regional integration.

With Pretoria's move away towards multi-racial democracy and the progessive lifting of international sanctions, SADCC's original reason for existence has gone.

"This meeting is going to be a fairly critical one," said a diplomat of a Western donor nation. "SADCC is looking at whether it is becoming irrelevant and what can be done to save it."

He said there was a greater move towards regional economic integration with the dismantling of sanctions on South Africa and its inevitable involvement in the region.

SADCC comprises Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe.

In its 1991 report and a theme document for next week's annual donors' consultative conference, SADCC stresses regional economic integration. — Sapa-Reuter.

SADCC looks for direction

ET 23/11/92

219ff

THE Southern African Development Co-ordination Conference (SADCC) — formed 11 years ago to reduce the region's economic dependence on SA — will have to consider how to reverse this aim and work together with this country when it meets in Mozambique next week.

Reuter reports that the conference will be crucial for the future of the SADCC, with Western donors seeking a clearer idea of the region's economic future before providing more aid.

Ministers of the 10 countries in the SADCC first meet in Maputo tomorrow to discuss regional integration.

With SA's move away from apartheid towards multi-racial democracy and the progessive lifting of international sanctions, SADCC's original reason for existence has gone.

"This meeting is going to be a fairly critical one," said a diplomat of a Western donor nation. "SADCC is looking at whether it is becoming irrelevant and what can be done to save it."

He said there was a greater move towards regional economic integration with the dismantling of sanctions against SA and its inevitable involvement in the region.

SADCC comprises Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe.

In its 1991 report and a theme document for next week's annual donors' consultative conference, SADCC stresses regional economic integration.

Donors now want a plan of action from SADCC on how it expects to evolve and meet the challenge of a resurgent SA before they pledge more money to the group.

As of July 1991, SADCC had 559 projects under way valued at $8,5bn, for which it had secured $3,5bn in foreign funding. The bulk of this was for transport and communications, followed by energy.

A Western diplomat said there was a conflict within SADCC between those arguing that integration could not be managed, but must be driven by the private sector and market forces, and those who say it has to be controlled centrally.

"Another issue is whether in fact SADCC is the most appropriate institution to carry such a policy out," the diplomat said.

Diplomats said SA, with an economy three times the size of all the SADCC countries' economies combined, was cool towards the organisation.

They said SA would have to be taken into account in future in any regional aid schemes, particularly if it became a recipient of donor aid for post-apartheid reconstruction.

"The need to reduce dependency on SA has gone," one diplomat said.

"There will be no money for SADCC projects that don't take SA into account," another senior western diplomat said. — **Business Staff and Reuter.**

Concern over economic ties

LUSAKA — The head of a 20-nation trade group of eastern and southern African nations yesterday cautioned member states against rushing into bilateral trade pacts with SA without careful study.

Preferential Trade Area (PTA) secretary-general Mbingu Wamutarika said reforms in SA had long-term implications for the trade group.

But he said he was concerned at the pace at which SA was moving to establish bilateral economic ties with PTA members.

"This is not a very healthy move because there are a lot of things we do not know about the SA economy, or the strength of our own vis-à-vis SA. BIDay 24/1/92

"We need to make a very sober and thorough assessment of the SA economy and those of the PTA countries to see where we stand and assess the benefits for us," Wamutarika said.

The PTA, formed in 1982 to boost trade and development among its members, holds its 10th annual summit in Lusaka at the end of the month. The PTA council of ministers starts a five-day session today ahead of the summit. (279A)

The meetings will assess progress so far and adopt a strategy for the 1990s aimed at a common market by the year 2000. (261) (246)

Meanwhile, the SA Foreign Trade Organisation said in Johannesburg yesterday that the first official invitations to SA businesses to exhibit at international trade fairs in Angola and Zimbabwe had been received and that the trade organisation had been approached by the Zambian trade fair organisers to encourage exhibitors to participate in their show.

The value of exhibiting in key African markets was demonstrated at last year's Kenya International Trade Fair where SA exhibitors made excellent contacts and sales. — Sapa-Reuter.

CT 24/11/92 (279A)

Trade group urges caution on SA pacts

LUSAKA. — The head of an 20-nation trade group of eastern and Southern African nations cautioned member states yesterday against rushing into bilateral trade pacts with South Africa without careful study.

Preferential trade area (PTA) secretary-general Mbingu Wamutarika said in an interview current reforms in South Africa had long-term implications for the trade group.

But he said he was concerned at the pace at which South Africa was moving to establish bilateral economic ties with PTA members.

"We need to make a very sober and thorough assessment of the South African economy and those of the PTA countries sector by sector and sub-sector by sub-sector to see where we stand and assess the benefits for us," Wamutarika said.

The PTA, formed in 1982 to boost trade and development among its members, holds its 10th annual summit in Lusaka at the end of the month. The PTA Council of Ministers starts a five-day session today ahead of the summit.

The meetings will assess progress so far and adopt a strategy for the '90s aimed at a common market by the year 2000.

The summit coincides with a meeting of the 10-nation Southern African Development Coordination Conference (SADCC) with Western donors in the Mozambique capital Maputo next week.

PTA members are Angola, Burundi, Comoros, Djibouti, Ethiopia, Kenya, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Somalia, Sudan, Swaziland, Tanzania, Uganda, Zaire, Zambia and Zimbabwe. — Reuter

ARG 25/11/92 (279A)

Africa opens up for trade with SA

JOHANNESBURG. — Three African countries are offering trade openings worth millions of rands to South African companies.

Official invitations to show at trade fairs have come from Angola and Zimbabwe — and Zambia has asked the SA Foreign Trade Organiser to encourage companies to show.

Building Angola 92, to be held in Luanda from April 22 to 26, is urging South African firms to exhibit in construction, public works, transport and communication.

Angola's postwar infrastucture is officially estimated to need expenditure of more than R6 000 million to put right.

The Zambia International Trade Fair is another important opening.

Zambia's fair will be opened by President Frederick Chiluba in Ndola on July 1.

Zimbabwe's trade fair attracted 230 000 visitors and 467 foreign companies last year. — Sapa.

Graham Linscott discusses the bid to join 'poor nations club'

No place like Lome - if SA can make it

STAR 27/1/92 (279A)

PIK Botha now and then rumbles about South Africa's right to be admitted to the Lome Convention. Foreign Affairs have established a mission at Lome (capital of Togo) at least partly to lobby for admission, while it also lobbies in Brussels.

Everyone agrees that admission to Lome would be an excellent thing because it would give us preferential access to the markets of the European Community for our manufacturers and agricultural producers.

The Lome Convention is a kind of relic of the colonial era. French, Belgian and British former dependencies in Africa, the Pacific and the Caribbean have preferential access to the European Community in a way other, stronger former dependencies such as Australia, New Zealand and Canada do not.

However, almost everyone agrees that Pik Botha has a fat hope. Lome was not designed for the likes of us.

But all our neighbours are signatories. What happens as trade and other barriers disappear?

A United Nations agency in fact suggests South African admission to Lome as the most likely among a set of possible scenarios.

A briefing paper of the UN's Africa Recovery programme suggests that market-led regional integration is likely to lead to a regional customs union. This would consist of the present Southern African Customs Union (SACU) — South Africa, Botswana, Swaziland, Lesotho and Namibia — and the countries of the Southern African Development Co-ordination Conference (SADCC) — Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe. Note the already existing overlap.

The paper is by economists Colin Stoneman and Carol Thompson and it opens up the exciting prospect, for South Africa and its neighbours, of a dynamic relationship with a burgeoning Europe.

"The main bargaining parties would be Europe, South Africa and the SADCC countries," the economists say. "Europe would offer South Africa Lome membership (or similar terms) in exchange for making concessions to SADCC countries in transitional arrangements during their entry into an expanded SACU.

"Non-SACU members would initially be attached through bilateral trade agreements which would have escalation causes towards free trade and then full customs union membership." □

No room for labour monolith

B/Day 29/1/92 (279A)

PETER DODDS

B/Day 29/1/92

THE author of a recent article in the Industrial Law Journal advocated a common labour law system for southern Africa (Business Day, January 9). The same article referred to an SA trade union engaging in regional wage bargaining and forming alliances with unions in Namibia, Botswana and Swaziland.

The implication is that a common labour law system and regional union activities are one and the same thing, which they are not. It is possible to find merit in the argument that disparity in protective labour legislation should be reduced to the minimum, but there are dangers for the region in a monolithic trade union movement.

The primary social and political obligation in Africa today is to accord proper recognition to the fact that the wages sector — the trade unionists — constitute what Marxists call the "labour aristocracy". They are, already, a privileged elite in each of the countries of the region. Recent figures suggest that only one in 12 matriculants is likely to find a niche in the workforce and that, generally, there are eight to 10 applicants for every vacancy.

The wages sector constitutes a small minority; the unemployed, the underemployed, the subsistence farmer and the informal sector are the vast majority, a position which will worsen, progressively, as populations continue to grow, AIDS notwithstanding.

It is a dangerous fallacy, in those circumstances, to suggest that social consensus and stability will follow in the train of "social democracy". Social democracy will benefit the minority who have already democratised their salaries and increased the gap between themselves and the have-nots, those whose earnings are already protected by joint negotiation, labour tribunals and minimum wage regulations and whose working conditions are protected by complex legislation, enforced by the taxpayer through the ministries and departments of labour.

Further protection for the already privileged would outrage the have-nots and it would not be difficult to imagine the repercussions. The author would probably deny that he is advocating a closed shop for southern Africa's wage sector, but that would be the outcome if his proposals were put into effect.

His concerns are clear when he writes: "Those countries with a high rate of unionisation and well-developed labour law systems may find themselves outbid in the market for capital." What it amounts to is a tacit admission that the "high rate of unionisation" has priced the SA employee out of the regional market, and only by extending the tentacles of local unionism to the rest of the region can local competition be eliminated.

There is no apparent reference to productivity. If all employees are equally productive in the same market there is logic in advocating common wage rates, but they are not, and the market place is different.

A monolithic union movement in the southern region would have the capacity to safeguard its members' interests to a degree well beyond the demands of equity but, in the foreseeable future, there is little likelihood of its membership growing. Even if it did, it would not be sufficient to reduce materially the pool of unemployed.

Population numbers will increase, and the wage-earning minority will become smaller in proportion to those without a finger on whatever economic cake is available to be shared.

"Methinks he doth protest too much" is probably a suitable response to the author's arguments. What started off as a reasonably laudable proposal that disparities in labour law in the region be reduced ended up as a motion that it could be accompanied equitably by a common approach to employee organisation and representation.

The former had a measure of common sense in its favour; the latter is neither economic nor moral. It is not beyond the realm of fantasy that the author was musing on other uses to which a monolithic regional union structure could be put. Ministers at the Southern Africa Labour Commission meetings have always agreed that in many social and economic spheres they have common cause, but they stop well short of surrendering sovereignity in matters of wages.

Whose system of labour law and industrial relations is being held up as the paradigm? Are SA industrial relations the yardstick for regional industrial democracy, or are they simply a slightly more sophisticated version of the political phenomenon which those who have spent time in Africa to the north will have experienced in the 1950s?

Big Brotherism is out of date. This is particularly relevant in the light of the author's comment: "Investors will not be able to shop around for the most docile and legally handicapped work force." What the author is saying is that investors will have no choice; they will have to accept whatever the monolith offers, which is not much of an option.

Instead of southern Africa being a stimulating, colourful and competitive free market, it would be a dull grey area, akin to Eastern Europe and equally unattractive.

The reality is that productivity in SA must be raised as dramatically as the rise in wage rates over the past two years. To be competitive in first world manufacturing markets, local labour costs and productivity levels must be on a par which, currently, they are not.

Foreign investors are not likely to be attracted to a situation where wage levels have little link with economic reality. Equally, they are not likely to swarm into a regional closed shop where union hegemony — rather than the imperatives of high productivity, industrial calm and economic earnings — is paramount.

☐ **Dodds is a former director of the Swaziland Federation of Employers.**

Call for PTA-SADCC merger

LUSAKA — Members of the Preferential Trade Area for eastern and southern Africa and the Southern African Development Coordination Conference should consider merging to avoid dupication of activities and enhance development in the sub-region.

This was one of the views expressed by the 17th meeting of the Council of Ministers for the PTA which ended here on Monday night.

"Continued duplication of regional institutions in the sub-region, in particular PTA and SADCC, hinders rather than enhances the process of intergration.

"Time has come for member states to consider the issue seriously and the sooner PTA and SADCC are merged the better for the sub-region," the ministers observed. (279A)

But a representative from the SADCC intervened and reiterated the commitment of his organisation to continue cooperating with the PTA. He did not see the merger of the two bodies as essential. CT 29/1/92

The Council of Ministers was informed that the PTA had received a total of about $30m as assistance from the international community in reponse to its recent request for technical and financial aid.

Organisations which helped the PTA included the African Development Bank, the Commonwealth Secretariat, UN Development Programme. — Sapa

SADCC merger suggested

LUSAKA — Members of the Preferential Trade Area (PTA) for eastern and southern Africa and the Southern African Development Co-ordination Conference (SADCC) should consider merging to avoid duplication of activities and enhance development in the subregion.

This view was expressed at the meeting of the council of ministers for the PTA which ended in Lusaka on Monday.

"Continued duplication of regional institutions in the subregion, in particular the PTA and SADCC, hinders ... integration. The time has come for member states to consider the issue seriously and the sooner the PTA and SADCC are merged the better," the ministers observed.

But an SADCC representative reiterated the commitment of his organisation to continue co-operating with the PTA. He did not see the merger of the two bodies as essential.

The council of ministers was informed that the PTA had received about $30m in assistance from the international community recently.

Organisations which helped the PTA included the African Development Bank, the Commonwealth Secretariat, UN Development Programme, Germany, World Health Organisation, China and Austria. — Sapa.

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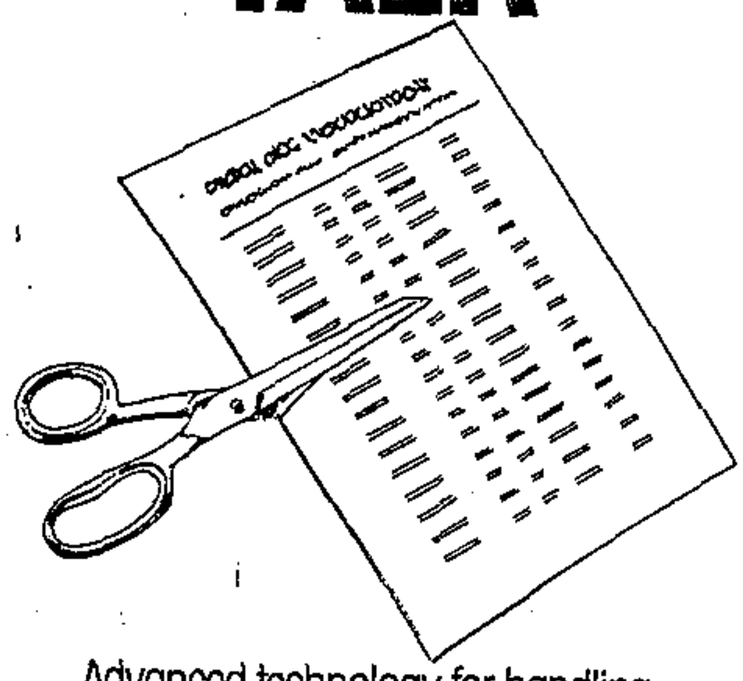

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SADCC conference to examine SA's role

279A
Sl Day 30/11/92

MAPUTO — Economic integration in southern Africa and SA's role in the area are key issues at a two-day formal meeting of western donors and the Southern African Development Co-ordination Conference (SADCC) states opening in Maputo today.

Ministers and officials met in sectoral groups yesterday to discuss progress in areas ranging from mining to transport, energy and tourism.

The SADCC comprises Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe.

Delegates said the emphasis was on moving away from state control.

SADCC spokesman Kgosinkwe Moesi said yesterday the organisation was moving beyond co-ordination to make a viable start towards economic integration.

"It is very important at this juncture that our (donor) co-operation partners should be with us from the start," he said.

As of mid-1991, SADCC projects had received foreign funding of about $3,5bn towards total costs estimated at $8,5bn.

Moesi said the SADCC had never been just an anti-apartheid group. The aim had been collective self-reliance, with the objective of a post-apartheid SA joining it.

An SADCC committee is working on a treaty to create a formal framework leading towards economic integration. Moesi said a draft treaty should be ready for a SADCC summit in August.

The 18-nation Preferential Trade Area (PTA) of eastern and southern Africa starts its two-day summit in Lusaka today after trade ministers at a preliminary meeting called for a merger of the PTA and the SADCC.

Nine of the 10 SADCC members belong to the PTA, but there appears to be little interest in such a merger within SADCC at the moment, and it is not an issue at the Maputo conference.

Asked about Pretoria's future dealings with the SADCC and the PTA, SA trade commissioner in Maputo David Laubscher said: "It will be a political decision and one that will be influenced by the future course of SADCC and the PTA."

Meanwhile, government ministers from Finland, Sweden, Norway and Denmark, who met yesterday for an annual session ahead of the SADDC conference, stressed the need for private business involvement in Africa's economic development. — Reuter.

Regional alliances debated

279A

CT 30/11/92

MAPUTO. — Economic integration in southern Africa and SA's role in the area are key issues at a two-day SADCC meeting with Western donors opening in Maputo today.

And Preferential Trade Area (PTA) leaders from 18 east and southern africa states will begin a two-day meeting in Lusaka to discuss ways of boosting intra-regional trade and the possible merger of the two regional economic blocs.

Officials said the annual PTA summit was likely to be dominated by talks on merging the organisation with the 10-nation Southern African Development Co-ordination Conference (SADCC).

As of mid-1991, SADCC projects had received foreign funding of around $3,5bn towards total costs estimated at $8,5bn.

Asked about Pretoria's future dealings with SADCC and the PTA, SA's trade commissioner in Maputo, David Laubscher, said: "It will be influenced by the future course of SADCC and the PTA."

"South Africa has been saying for a long time that regional co-operation is a must." — Sapa-Reuter

SADCC to ease sanctions

(179A) ET 30/1/92

Own Correspondent

MAPUTO — The Southern African Development Co-ordination Conference has decided to relax sanctions against South Africa in line with measures adopted by the Commonwealth's Harare summit.

On the eve of an SADCC conference here aimed at preparing the ground for regional economic integration, the organisation's Council of Ministers has decided to fall in line with the Commonwealth's position, which calls for the immediate suspension of "people-to-people" sanctions.

However, the Commonwealth position also specifies that trade and investment sanctions should remain in place pending the implementation of an interim government.

The 10 "frontline states" which make up the SADCC have established a Joint Planning Committee consisting of four member states and the ANC and PAC which will examine ways of "reordering existing patterns of economic relations in the region".

The council has also re-affirmed the critical importance of establishing a framework for orderly relations in the region after apartheid.

The Joint Planning Committee, which met for the first time last Monday, has proposed that policies of countries in the region should be co-ordinated to ensure a "firm regional position on major issues" emerges.

The Council of Ministers also noted that the experiences of regional co-operation and changing domestic, regional and global circumstances had made economic integration "imperative" for SADCC countries.

● Namibia has lifted its sports ban against South Africa in codes that have encouraged multiracial participation.

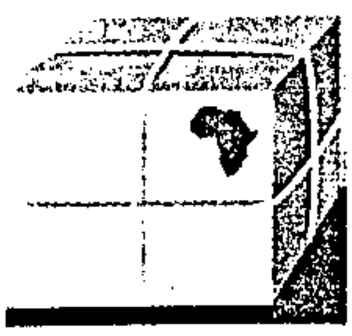
Sapa reports that Information and Broadcasting Permanent Secretary Mr Bob Kandetu told a media briefing in Windhoek yesterday that the Namibian cabinet had taken the decsion at its weekly meeting on Tuesday.

● **Regional alliances — Page 10**

TRADE WITH AFRICA FM 31/1/92

Don't presume too much!

African trade doors are opening wider but the big uncertainty is payment



Heart of darkness or pot of gold? Contemplating modern Africa — with poverty and debt spread pretty evenly across most of the territory, and an infamous reputation for corruption on top of that — businessmen and investors tend quietly to choose the first description and look elsewhere with their merchandise. But for SA, there is a fresh understanding of the opportunities and complexities of the continent of which we are a part.

Capitalising on this requires the fortitude of a latter-day Livingstone.

The facts speak for themselves. Of the 45 countries in sub-Saharan Africa, 32 fall into the category of low-income nations which, according to World Bank ratings, means a per capita income of fewer than US$500 a year. In 1990 the continent owed $234bn in long-term external debt — 98% of its GDP.

For all that, in its 1991 *World Economic Outlook*, the bank predicts a modest improvement in economic growth for Africa as a whole during 1992 — despite rising inflation and a decline in GDP growth in sub-Saharan countries. The current account deficit for the continent will narrow by $1,5bn.

At trade level, that provides a gap. After all, since President F W de Klerk rejoined the world in February 1990, African countries have been opening their arms to South Africans both as tourists and businessmen. Of the major markets all except Nigeria, Libya and Tanzania trade in some way or other with SA and direct air links between Kenya and SA are already in place. Others are in the pipeline.

The process began before De Klerk. Sanctions closed important world doors to our manufacturers but a to-and-fro of trade links with Africa actually expanded during this grim period. For understandable reasons, Customs & Excise does not yet release trade figures between individual countries; however, it says exports from SA to the whole of Africa have risen from R3,4bn in 1989 to R4bn in 1990 and to R5,1bn, according to preliminary figures, for 1991. This trend is expected to increase significantly this year.

Scepticism remains over the depth of the African potential. The central problem is of course: how do they pay? Most often, the answer is not reliably — not without a helping hand. So a confirmed letter of credit is essential.

Obviously, countries where others will finance imports and trade generally are those with the greatest potential for SA businessmen. At the same time, such dependence indicates too often a record of default and political instability. With whom do you do business if an elite is displaced? This applies not only to countries which have to endure coups.

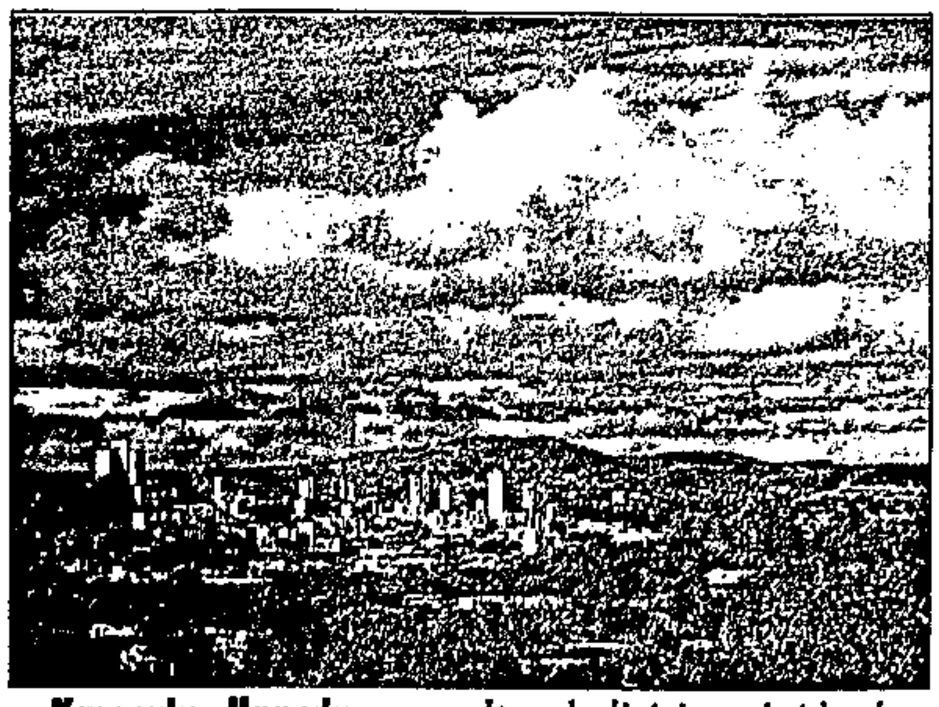
Spreading democracy, as in Zambia, is displacing long-time rulers whose followers, over the years, became firmly entrenched in powerful bureaucratic positions.

Nonetheless, in 50% of Africa's countries, development assistance makes up more than 15% of their GDP. For some, it's much more. Investments and imports of low-income countries are financed 100% and 75% respectively by aid. Can this possibly undeserved good fortune last?

The World Bank, for one, is becoming more selective about which countries it chooses for aid. The quantum of aid to Africa has fallen in the wake of revelations of squandering and spending with minimal controls. Strings are now attached to assistance — recipients have to be moving towards democracy, more human rights and environmental protection.

With renewed world legitimacy, we are in a position to help spend what aid flows remain — productively. Safto manager Andrew Maggs comments: "South Africans are well poised to win World Bank tenders for projects north of our borders. They can offer shorter lead times than Europeans and the Japanese; cheaper prices because of the weak rand, close proximity to the countries and technology consistent with the requirements of Africa."

But that means familiarity with the operations of the World Bank — how it is organised, in what lending activities it is involved and how it develops projects.



Kampala, Uganda ... *cultural divisions bridged*

"There is a set format for bidding for World Bank projects," Maggs says. "People have to identify projects which could use their products or services and learn the tendering techniques."

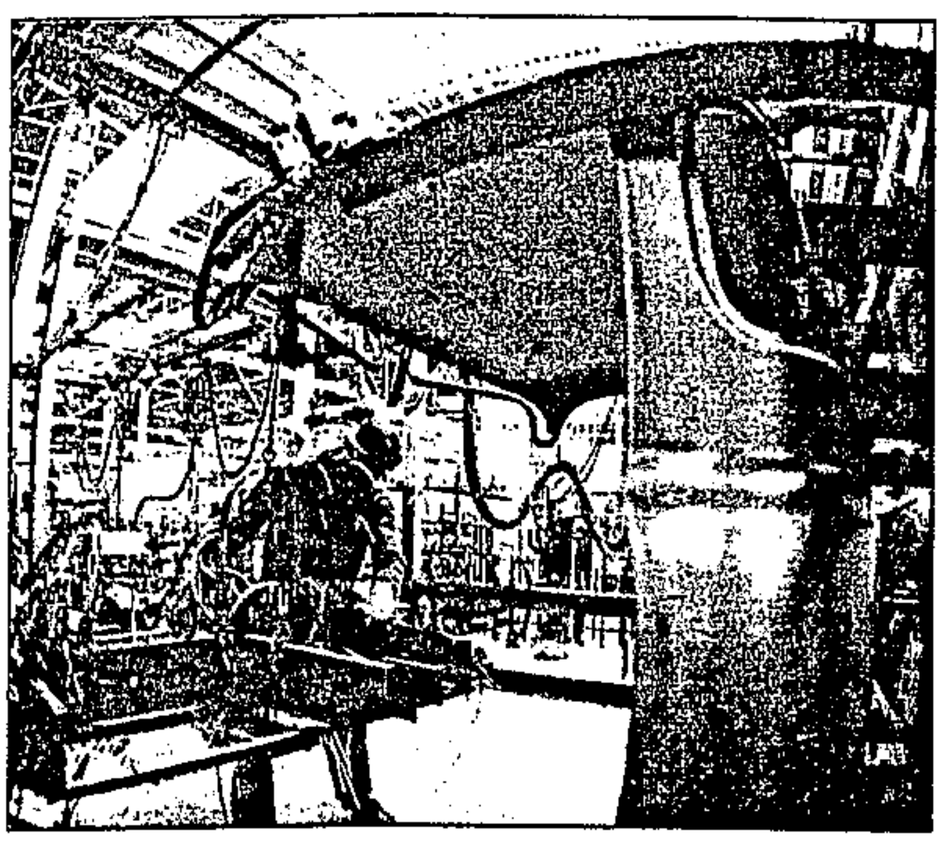
He reckons there are enormous opportunities for South Africans in the preparation phase of projects. For a start, consulting engineers can design projects which could benefit SA suppliers. The World Bank project cycle moves from identification through preparation and appraisal to negotiations and board presentation, implementation, supervision and evaluation. Maggs reckons South Africans have a place in all stages.

But the emphasis of the World Bank has shifted from basic infrastructure and industry to more comprehensive programmes aimed at growth, provision of basic services and improvement of income distribution. According to a World Bank document, *The Project Cycle*, "lending for agriculture and rural development, oil and gas, urban sites and services, water supply and sanitation, small-scale enterprises, education, health and nutrition has been introduced or greatly expanded." The bank produces a monthly summary of its projects.

Would-be exporters of products and services to Africa also need to know what type of lending the World Bank does. Within the bank four institutions all provide multilateral lending with different objectives:

☐ The International Bank for Reconstruction and Development lends funds to creditworthy developing countries, with relatively high per capita income, at variable interest rates;

☐ The International Development Associ-



Kenyan cars ... *new demand for components*

FM 31/1/92

ation is the soft-loan wing of the World Bank — providing interest-free assistance on concessional terms to the poorest developing countries not sufficiently creditworthy for World Bank funding;

☐ The International Finance Corporation promotes growth in developing countries through support of the private sector; and

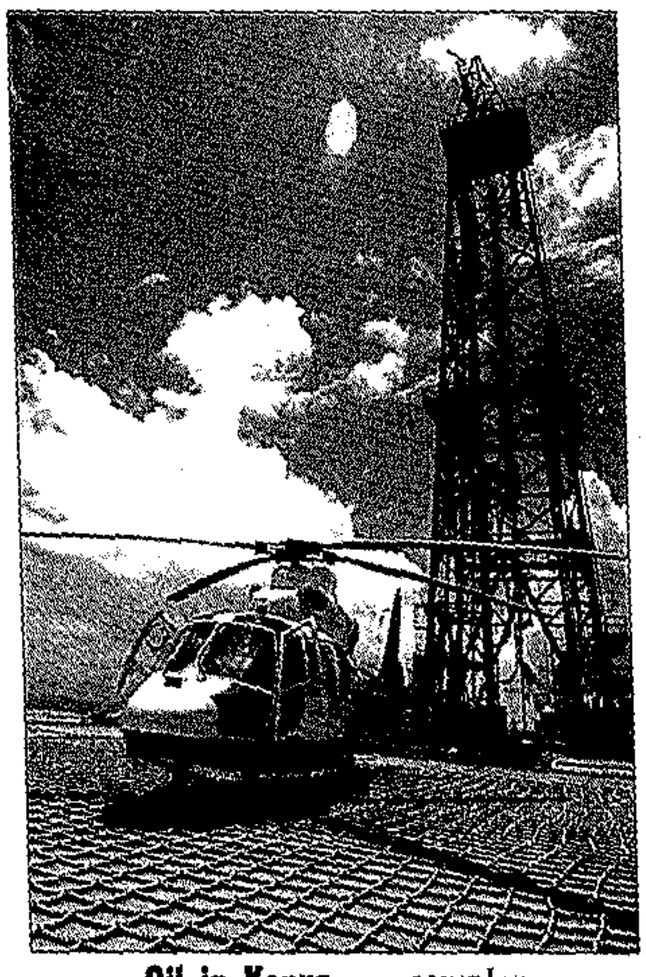
☐ The Multilateral Investment Guarantee Agency encourages foreign investment in developing countries by providing guarantees to foreign investors against loss caused by noncommercial risks.

Edesa — a development bank started by Anton ("If they don't eat, we don't sleep") Rupert in 1973 — has recently opened offices in SA. Its aim is "to foster economic development in Africa by providing finance and know-how to private enterprise in Africa on a commercial basis, and assisting governments and parastatals," says SA project manager Victor Viseu. Many of its projects are run on a debt:equity basis. Edesa is trying to get South Africans to offer expertise and technology. "We try to get the partnerships together," Viseu says.

Outside World Bank parameters, other opportunities for trade arise with private businessmen. SA's finished products are acceptable in Africa whereas they might even now not be as well received in more industrialised countries. According to Safto, 25% of all SA finished products are exported to African markets, for which they might have been tailormade. Maggs is, however, swift to deflate any euphoria over African trade.

For a start, South Africans must break into markets which have been exploited by others for many years. Angola buys from Portugal — and the Portuguese have a language advantage. South Africans sometimes also have to familiarise themselves with African cultures, for all the myth of being part of Africa.

Contact Kenya MD David Altman says space at the June exhibition for SA businessmen in Nairobi has been 70% sold. BMW, Midas and companies within the Tiger, Barlows and SA Breweries groups have already taken space as well as other food companies and automotive parts suppliers. Altman says more than 250 import permits have been granted recently to Kenyans for trading with South Africans. "The Kenyans have realised they can save more than 25% on products imported from SA." He adds they can get an import permit only if they have the foreign exchange to pay for purchases.



Oil in Kenya ... *complex trade patterns and partners*

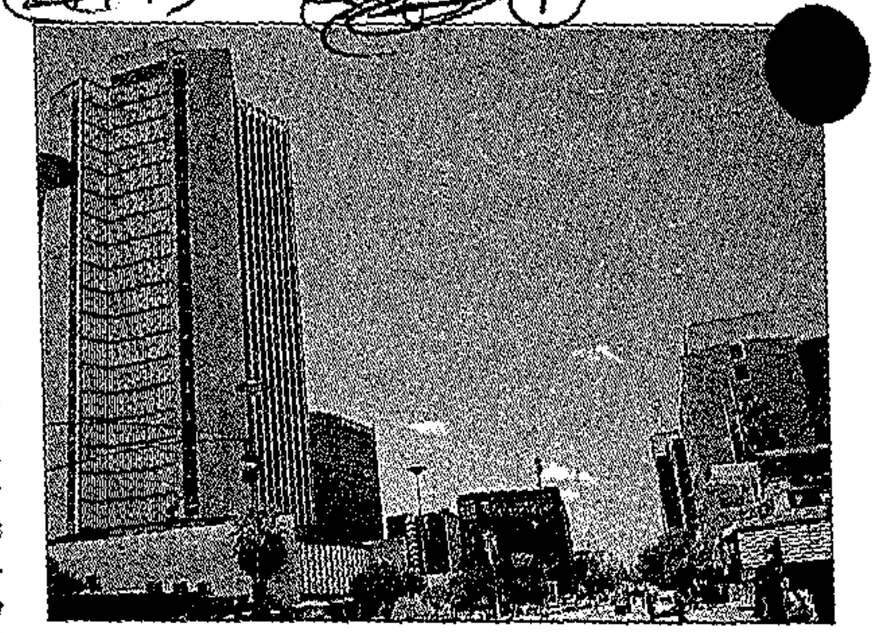
If Kenya can save 25%, countries closer to SA like Angola and Mozambique can save more. Viseu comments: "Angola and Mozambique have had development aid curtailed because of their political ideologies and ongoing wars. But peace accords and changes in political and economic policies could soon change this, making these two countries the lands of great opportunities for South Africans." He reckons Angola will be SA's number one African trading partner and "if Maputo runs properly, it could handle the majority of the Transvaal's exports."

SA's trade and diplomatic ties with both Angola and Mozambique have been strengthened — most remarkably in the case of Angola, where a state of war a few years ago has been replaced by formal cordiality. Both countries offer a potentially rich diversity of primary exports — from oil to prawns — as well as huge markets for manufactured goods and investment in the creation or reconstruction of infrastructure. But both have yet to emerge from gruelling civil wars; and in the case of Mozambique peace is proving elusive while the central government actually has little control outside the cities.

As well as direct export, South Africans have the option of entering into joint ventures or individual direct investment. These moves should be considered only on the basis of benefits such as lower tariffs received by members of the Preferential Trade Area as well as the preferential rates of the Lomé Convention. SA is not a member of either of these but, for example, Kenya is promoting its Export Processing Zone by emphasising its membership of Lomé, duty- and quota-free entry into the EC and the preferential treatment some of its manufactured products are entitled to in the US, Japan and Canada.

Kenya also offers firms operating in the Export Processing Zone numerous incentives. They include exemption from income tax for the first 10 years; exemption from import duties on machinery, raw materials and intermediate outputs; and unrestricted sale or purchase of goods to and from the domestic market.

Maggs suggests that anyone thinking of a joint venture or solo investment should first study the country's investment code. Kenya, Togo, Madagascar and Mauritius are good bets. Angola provides generous mining concessions. The drawback of direct investment in Africa is economic and political instability. In the political flare-up in Zaire late last year, companies such as Metro Cash & Carry lost when its store was looted burnt down.



Harare beckons ... *making aid flows productive*

There are also opportunities for trilateral trade — as with the Lesotho Highlands Water Project. In Francophone countries, South Africans could go into partnership with French companies which provide both cultural contacts and finance. SA then provides the proximity and opportunity for fast delivery times.

Because of inappropriate financial policies, barter is also popular in Africa. African countries mostly provide raw materials and agricultural products; and Kenyan green beans (for example) have hit the vegetable shelves of Woolworths.

But trade with Africa is still relatively small compared to trade with SA's traditional trading partners. Customs & Excise preliminary figures show exports for the 1991 year total R66,2bn while exports to Africa come to R5,1bn — 7,6% of the total. Imports for the year amount to R48,3bn compared to imports from Africa of R865,2m — a mere 1,8%.

The opportunities are there: SA is being looked at by the rest of Africa as the continent's technological powerhouse. But Africa in its latest phase has discarded many of the conventional trading rules, which sometimes undermined the integrity of the normal payment system. South Africans must approach the new markets with caution and in depth. Even so, the possibilities are exciting in a way they have never been before. ■

SABVEST'S PLACE

In our leading article on the Annual Accounts Award (*FM* January 24) the "Top Twenty" table listed "Salvest" in ninth position. This should have been Sabvest, the holding company of the SA Bias Group. We regret the error.

UNIFYING THE CITIES FM 31/1/92

Undoing apartheid

Reflecting national events, local level power-sharing has been given new vigour

Attempts to overcome the legacy of apartheid and forge unified cities date back to the Seventies. In essence, the idea is simple: rate bases are shared and the less privileged benefit from the contributions of their wealthier neighbours. This means taxing Peter to subsidise Paul — but the idea makes both practical and emotional sense.

After all, cities *are* unities when it comes to the provision of services and the planning of infrastructures. Blacks did not ask to live in remote townships — and the dangers of glaring socio-economic divisions are evident in crime rates and racial polarisation.

Alas, most of these plans had come to nothing until recently. Smaller local authorities fear loss of autonomy; specifically, white authorities are reluctant to lose revenue through subsidising services for people who are not paying for them. And there is of course the worry of increased rates and tariffs in white areas.

Cape Town City Council — surrounded by no less than 55 local authorities in the Cape Peninsula — performed strongly among the early reformers. But the attempt has become bogged down, partly because of the complexities of evolving practical mechanisms for unity.

In the last three years, two events have served to kick-start the process once again — and this time on a national scale, involving over 200 local authorities.

First, there was the famous Greater Soweto Accord, which led to the formation of the first truly nonracial approach in the Central Witwatersrand Metropolitan Chamber. And enabling legislation came in the form of the Interim Measures for Local Government Act of 1991.

The Act deliberately avoided prescriptions. It provided guidelines for the kinds of agreement local authorities could enter into — while allowing for the legal implementation of any agreement reached by consensus.

The main aim was to establish nonracial, viable local authorities. Metropolitan government could be the next phase. Cape Provincial Administration chief director (local government) Albert Louw comments on the process: "If it was not open-ended, it would never have been accepted."

The Act outlines six options for co-operation at local level:

☐ The possible transfer of personnel from one authority to another;

☐ The rendering of services by any local authority as an agent for another;

☐ The making of joint decisions by two or more authorities;

☐ The establishment of a single local administration;

☐ The establishment of a joint authority (with members retaining their identities); and

☐ The establishment of a single authority and thus the dissolution of existing, racially based ones.

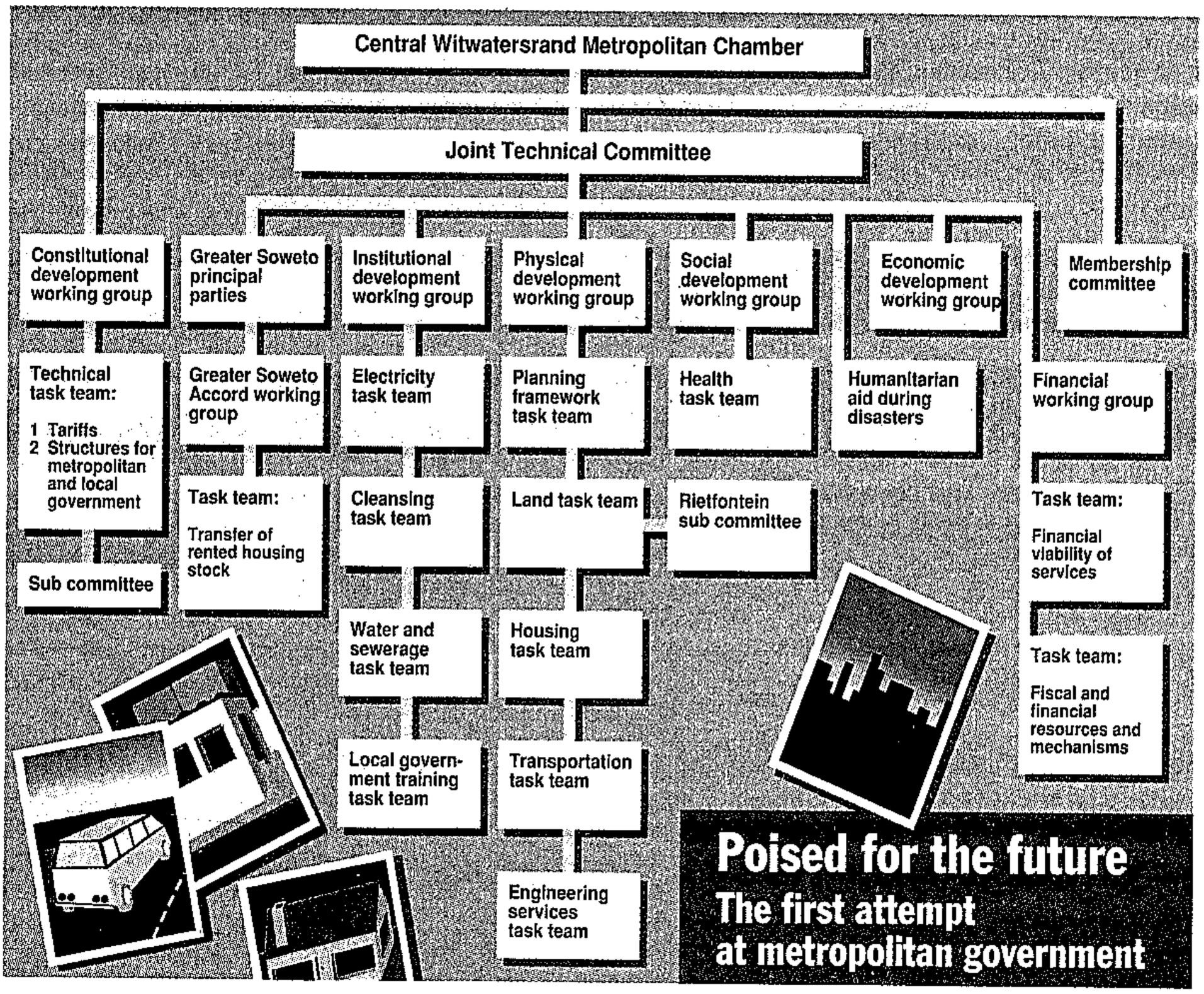
Implicit in these options is the extent to which agreement can be reached on the sharing of rates and taxes. The Interim Act does not affect the regional services councils (RSCs), which started up in 1987 as a result of the passing of the Regional Services Councils Act, 1986. Mainly these will remain in place and their revenue allocated, at their discretion, to new local authorities.

However, in an October 1991 report by the Council for the Co-ordination of Local Government Affairs on metro government, it was envisaged that while the RSCs could be retained in rural areas, they could be abolished in cases where metropolitan authorities are set up.

The chairman of the investigating committee, Department of Local Government & National Housing Deputy Director-General Chris Thornhill, says it is impossible to predict how long the establishment of metropolitan councils will take. Their formation is subject to negotiation. "Furthermore," he adds, "Codesa might decide to discuss these issues as well, resulting in their, and local government, becoming part of the Codesa negotiating process."

Thornhill says that of the five possible metropolitan areas that can be formed around Port Elizabeth, Pretoria, Cape Town, Durban and Johannesburg, only Johannesburg has made any significant progress. Many local authorities have entered into discussions about co-operation but have not finalised their agreements.

He adds that though the chamber — the most advanced joint negotiating forum to date



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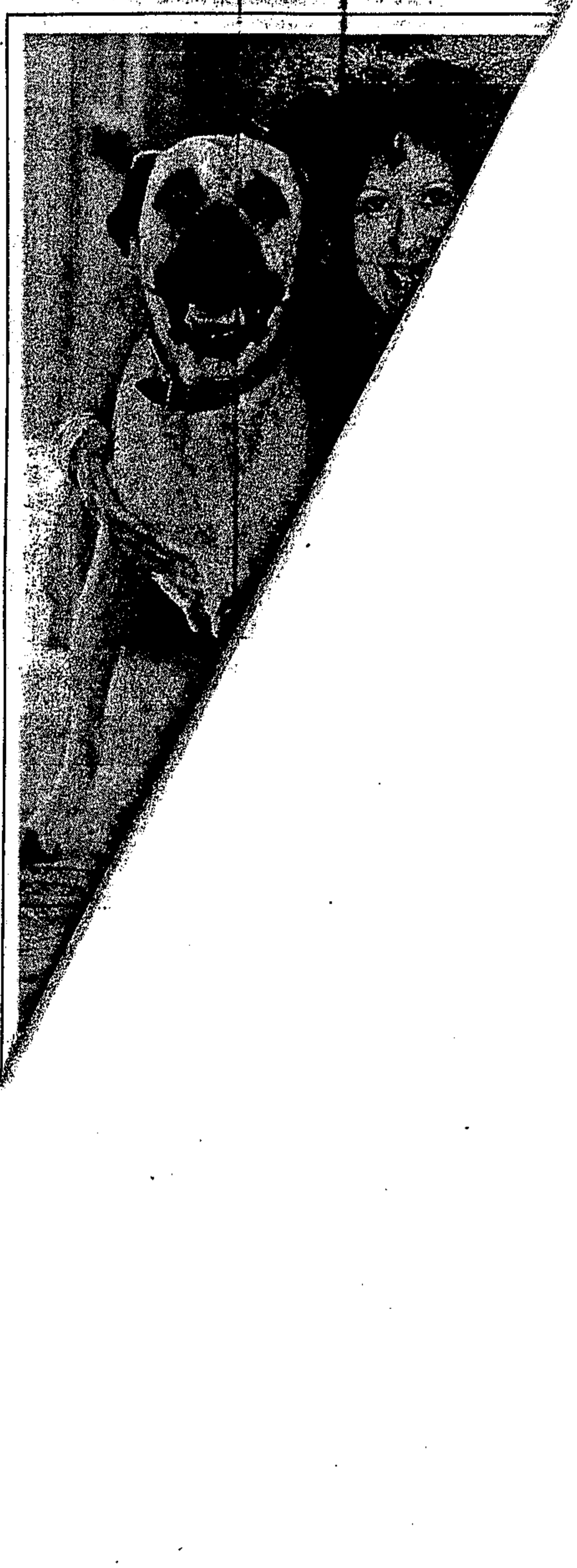
279A ARG 31/1/92

African common market could link 240m people



Argus Africa News Service

LUSAKA. — The countries of Southern and East Africa are going ahead this week with efforts to form what could be the continent's largest common market.

The concept, which would join about 20 countries with a combined population of 240 million people, is being promoted at two different conferences — the Southern and East African Preferential Trade Area (PTA) meeting in Lusaka and the Southern African Development Coordination Conference (SADCC) in Maputo.

It is envisaged that the two organisations would be merged in the new common market.

South Africa would almost certainly be the nucleus of the market, which is hoped to be in existence by the year 2 000 at the latest.

But measures are being discussed to ensure that South Africa does not come to dominate the grouping at the expense of the other members.

A key element proposed at the SADCC meeting in Maputo is that the common market should be based on free enterprise economic policies and multi-party political systems.

South Africa is likely to be drawn into the moves to form the market even before the Republic has settled on a new system to replace apartheid.

Opening the 18-nation PTA's meeting yesterday, President Frederick Chiluba of Zambia proposed that South Africa be allowed to attend future PTA meetings.

The Zambian leader said the issue of South Africa's participation in regional economic developments must be faced "if we are to gain the benefits of her membership and avoid the dangers".

He said that already many African countries, including some PTA members, had forged ties with South Africa, and developed countries had upgraded their links "while we are waiting on the sidelines, once again marginalised.

"Yet we have a more vital interest in what happens in South Africa than any other country. The scale and magnitude of the South African economy is such that it can destroy us as much as it can uplift us."

Afro-market on cards

STAR 31/1/92 (279A)

Not one, but two, conferences are discussing how a regional African trade bloc could be formed that would harness South Africa's economic powerhouse, making the Republic an ally instead of a threat.

DESPITE worries about domination by South Africa, the countries of southern and east Africa are going ahead with efforts to form what could be the continent's largest common market.

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"Yet we have a more vital interest in what happens in South Africa than any other country. The scale and magnitude of the South African economy is such that it can destroy us as much as it can uplift us."

In an interview with The Star Africa Service in Lusaka this week, President Chiluba said Zambia would open a trade mission in South Africa soon.

Before he opened the formal session today, the PTA countries' trade ministers had recommended that the organisation merge with the SADCC.

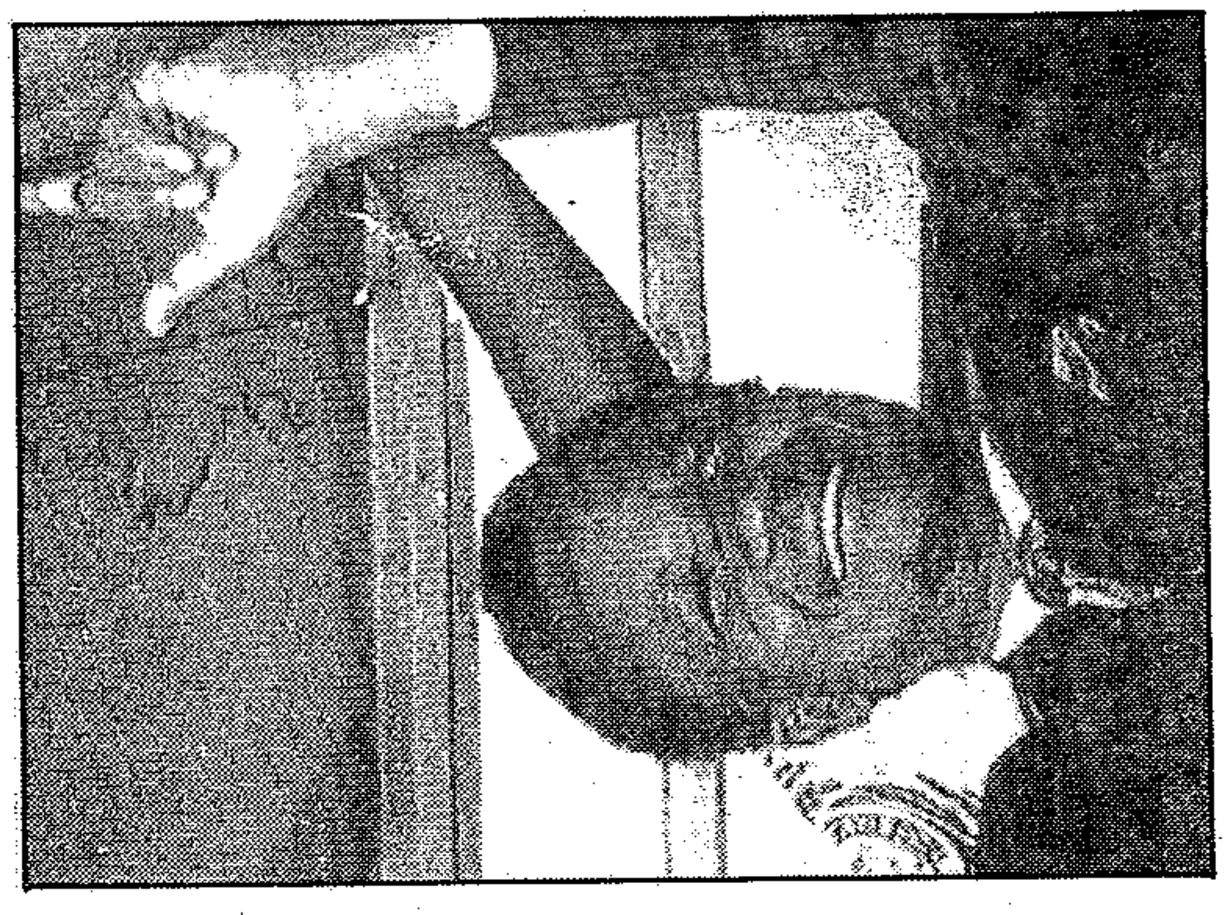
And at the SADCC, a keynote document calls for the creation of a single regional market in which there would be free movement of people, services and investment capital.

The document calls for economic integration of the region to be speeded up so that when South Africa joins the regional economic community the infrastructure will be largely in place already.

This could well be decisive, says the document, "in determining whether it will be South Africa that joins SADCC, or SADCC that joins South Africa."

It warns that economic integration is no longer merely desirable, but has become "imperative for growth, development and, indeed, survival."

The document says the framework of regional co-operation must provide for "common economic, political and social values and systems, such as free enterprise, free elections and multiparty systems, respect for the rule of law and guarantees of human rights." — Star Africa Service. □



Let South Africa attend ... Zambia's Frederick Chiluba.

Summit rejects SA regional 'hegemony'

Bday 31/1/92 279A

TIM COHEN

MAPUTO — ANC deputy president Walter Sisulu yesterday pledged his organisation's support for regional economic integration, emphasising the importance of the regional market for SA manufactured goods.

Sisulu emphatically rejected SA economic "hegemony" at the start of the 12th annual Southern African Development Co-ordination Conference's (SADCC) consultative conference. Sisulu joined other speakers in rejecting an SA orientated approach to economic development and he warned that SA's contribution to the economic life of the sub-region was likely to be limited in the early stages.

"We do nevertheless believe that by actively participating in the restructuring of existing relations on a more equitable basis and addressing current imbalances, a climate conducive to development and mutually beneficial co-operation can be created," he said.

Sisulu, who was speaking on behalf of the ANC and the PAC, said the liberation movements' desire for eventual economic integration derived, in the first instance, from their belief that it would be in the best interest of SA and its people.

In the context of SA's need to become a more significant exporter of manufactured goods, he said: "The countries of Africa will be potentially important trade partners for a democratic nonracial Africa.

"Already, some have suggested that an increase in regional trade could provide a much needed 'kick-start' for growth and development in a post-apartheid SA."

Almost all speakers spoke positively about the changes taking place in SA, reflecting an increasing concern in the SADCC about SA's future role in the region.

While hailing Codesa, Botswana vice-president Peter Mmusi said: "The unco-ordinated withdrawal of sanctions, before the process of change becomes irreversible, threatens to undo the fruits of decades of international co-operation."

The time was not right to establish normal relations with SA.

"Recent developments seem to suggest that the SA government is succeeding in creating a euphoria for change, in order to reduce international pressure and to gain international legitimacy and acceptability," he said.

Mmusi said his government also viewed with concern the "weakening of the unity of the oppressed majority". He urged members to unite effectively under the banner of the patriotic front.

In order to achieve the SADCC's aim of developing economic integration, it would be necessary to enhance the organisation's status, redefine its mandate and strengthen its institution, he said.

Mozambique President Joaquim Chissano invoked the spirit of the pioneers of Pan Africanism in support of the SADCC's attempt to achieve integration. Pan Africanists were advocating union at the turn of the century, he said.

Bid for united African economy

279A

STAR 1/2/92

KATONGO CHISUPA

LUSAKA — The heads of state meeting of the Preferential Trade Area (PTA) of eastern, central and southern Africa has resolved that it should merge with the Southern Africa Development Coordination Conference (SADCC).

The meeting agreed that this should happen within the context of the Ajuba Treaty for the Africa Economic Community.

President Frederick Chiluba, the new chairman of the organisation, is expected to transmit the resolution to all heads of state and government of the SADCC for their consideration.

Member states also agreed that the PTA secretary-general should carry out a study of the relations between member states and South Africa.

On the basis of this study, a collective decision would be made at the next summit.

President Chiluba and Ugandan leader Yoweri Museveni differed on the approach to South African membership of the organisation. Mr Chiluba suggested that South Africa become an observer member and join at a later stage, but the Ugandan leader insisted that apartheid must first be eradicated before the PTA could accept SA.

Leaders from the 18 member-nation organisation adopted the PTA trade and development strategy and agreed that measures should be taken to transform the PTA into a common market.

President Chiluba, hosting the first international conference since he took office in November, described the meeting as successful and urged all member countries to work hard in promoting the PTA.

● See Page 13

engine to Africa

A MAJOR shake-up in economic relations in southern Africa is expected as South Africa comes in from the cold. FRANS ESTERHUYSE spoke to Africa specialist Professor Willie Breytenbach of the University of Stellenbosch about the emerging new economic scenario.

Pulling out of morass a priority

DECISIONS that could affect the lives of hundreds of millions of people are facing leaders of 10 southern African states who met in Maputo this week.

They attended a crucial session of the Southern African Development Co-ordination Conference (SADCC), formed nearly 12 years ago to reduce the region's economic dependence on the hated apartheid regime.

With apartheid on the way out, the future of the SADCC in its present form is in the balance, as the very purpose of its existence falls away.

At the same time it faces the challenge of new directions in Western economic policy towards Africa, and a potentially powerful role for a new democratic South Africa.

One of the first positive moves the conference made this week was to endorse the Commonwealth position of the phased lifting of sanctions on Pretoria.

However, there is much more than meets the eye in the latest developments and in the challenges and options facing not only the SADCC but also South Africa, according to Professor Willie Breytenbach of Stellenbosch University's department of political science.

He said in an interview this week that even after apartheid, conditions in the subcontinent could get far worse before they get better.

He envisages a future economic order based on a free-market system and private enterprise — with socialist dreams dumped overboard.

'The signs are clear that the days of socialism in Africa have gone. Foreign funds are not going to be attracted by the old ideas'

Increasingly the message coming to Africa from the West and from powerful institutions such as the International Monetary Fund, the World Bank and the European Community is: go for a free market and private enterprise; go for better financial management and development.

Professor Breytenbach says the signs are clear that the days of socialism in Africa have gone.

Foreign funds are not going to be attracted by countries adhering to the old ideas.

The thinking among Western powers and world economic institutions is increasingly that a new democratic South Africa could be the hub of the subcontinent, even the Japan of Africa.

Some even say Johannesburg-Midrand could become the Hong Kong of southern Africa.

A powerful economic role for a new democratic South Africa in the subcontinent is on the cards — but political stability will be an important consideration.

Professor Breytenbach says outside forces, such as the Euromarket and Western economic institutions, are likely to prefer to deal more directly with a post-apartheid South Africa with its stronger economy.

One issue that looms large in the reshaping of subcontinental relationships is that of economic inequality.

The enormity of this problem is shown by the fact that South Africa's gross domestic product is almost 3½ times that of the 10 SADCC states together.

This huge imbalance of economic power — in itself a major issue — creates much uncertainty.

For example, the dependence of neighbouring states on South Africa's stronger economy — long a source of contention — could remain as important as before, or even become more important.

Also worrying to many members of the 10 is the spectre of Africa's marginalisation in the international context deepening as South Africa becomes politically more acceptable to the world.

Africa is being abandoned economically because of its own internal crises and because of the new opportunities for Western capital, technology and trade in the Pacific Rim and Eastern Europe.

The issue is this: will these outside donors and dominant trade partners focus on the region as a whole or on South Africa as the "springboard" into Africa?

An important decision awaits South Africa's first genuinely post-apartheid government: will it promote regional interests, or will it make full use of its new-found attractiveness to further its own interests?

The disappearance of apartheid, and better prospects for growth in South Africa, could attract millions of workers from marginalised African neighbours.

This could be helped by Africa's many crises — weak states, unemployment, mass movements of refugees, high population growth, collapsing commodity prices, rising debts and, worst of all, food insecurity.

Professor Breytenbach notes that for the ANC the most urgent priority must be South Africa's 7 million — mostly black — unemployed.

With apartheid and destabilisation apparently a thing of the past, South Africa seems certain to rejoin the African fold.

A basic question is: will South Africa join the SADCC — or will the SADCC in fact join South Africa?

Another important development towards peace and stability in southern Africa is expected to be the formation of security accords.

'Conditions in the subcontinent could get far worse before they get better — and the future economic order will based on a free market'

Professor Breytenbach suggests that the legacies of a decade of destabilisation (the 1980s), decades of militarisation (since the 1960s) and high levels of violence in South and southern Africa (well into the 1990s) will make such accords more or less unavoidable.

One way of curbing this will be to let a new South African Economic Community, involving South Africa and the SADCC states, acquire a security dimension in the post-apartheid, post-destabilisation era — an institution similar to the Council for Security and Co-operation in Europe, established in 1990 after the end of the Cold War.

SA must tiptoe past coup engine
STAR 11/2/92

Bush's aid dollars do double duty – as carrot and stick

279A

STAR 1/2/92

HUGH ROBERTON

WASHINGTON — President Bush has asked Congress to keep United States aid to South Africa at the level he doubled it to last year — $80 million, or about R220 million.

And, in his 1993 budget proposals, he has given a huge aid increase to Angola and Zambia.

The increase in aid to southern Africa, and a corresponding cutback in assistance to African countries with poor human rights records, signals the Bush administration's determination to give strong and sustained support to the emerging democracies of the region as well as to change in South Africa itself.

Aid to Angola, whose government the US has yet to formally recognise, is to go up from $8 million to $25 million (about R22 million to R66 million) in 1993 as an encouragement to maintain their ceasefire.

Zambia's aid will more than triple, from $10 million to $33 million (about R28 million to R92 million), following the end of one-party rule.

But aid to Kenya, Zaire, Liberia, Madagascar, Malawi and the Sudan — all countries where there have been grave human rights abuses — has been slashed in what is an unambiguous sign of US displeasure.

Last year Mr Bush announced that he would double aid to South Africa, but this was seen as an adjustment for the year and not as a continuing increase. The fact that he has asked Congress to maintain aid at the $80 million level in 1993 amounts to a doubling of assistance in next year's budget.

The total foreign aid budget will be $22 billion (about R61 billion), of which Israel ($3 billion, or about R8,4 billion) and Egypt ($2,2 billion, or about R6,1 billion) will be the largest single recipients. Aid to countries which supported the US-led coalition in the Gulf War will rise significantly.

Countries whose relations with the US have taken a turn for the worse will get less. Pakistan, previously a major recipient, will receive only $50 million (about R140 million) following its decision to pursue a nuclear weapons programme despite US objections.

The Philippines, which terminated a treaty allowing the US to maintain a naval and air base near Manila, will have its 1993 allocation halved.

comes in from the cold. Weekend Argus Political Correspondent **HANS ESTERHUYSE** interviews Africa specialist Professor Willie Breytenbach of the University of Stellenbosch about the emerging new economic scenario.

Future SA shapes as new Japan

279A
ARG 1/2/92

DECISIONS that could affect the lives of hundreds of millions of people are facing leaders of 10 states, including the most prominent "frontline states" who met in Maputo this week.

They attended a crucial session of the Southern African Development Co-ordination Conference (SADCC), formed nearly 12 years ago to reduce the region's economic dependence on apartheid South Africa.

Now, with apartheid on the way out, the future of the SADCC in its present form is in the balance. The very purpose of its existence has fallen away. At the same time it faces the challenge of new directions in Western economic policy towards Africa and a potentially powerful role for a new democratic South Africa.

One of the first positive moves the conference made this week was to endorse the Commonwealth position of the phased lifting of sanctions against South Africa.

However, there is much more than meets the eye in the latest developments and in the challenges and options facing not only the SADCC but also South Africa, says Professor Willie Breytenbach of Stellenbosch University's department of political science.

He told Weekend Argus that conditions in the sub-continent after apartheid could get "far worse before they get better".

He envisages a future economic order based on a free market system and private enterprise — with socialist dreams dumped overboard.

Increasingly the message coming to Africa from the West and from powerful institutions such as the International Monetary Fund, the World Bank and the European Community is: go for free market and private enterprise. Go for better financial management and development.

At the same time, factors which have impeded South Africa's relations with the continent in the past are falling away. Notably, Africa's rejection of apartheid and the acrimony in regional relations during years of destabilisation.

Professor Breytenbach says the signs are clear that the days of socialism in Africa have gone. Foreign funds are not attracted by countries adhering to the old ideas.

The thinking among Western powers and world economic institutions is increasingly that a new democratic South Africa could be the hub of the sub-continent, even the Japan of Africa.

Johannesburg-Midrand could become the Hong Kong of southern Africa.

A powerful economic role for a democratic South Africa in the sub-continent is on the cards — with political stability an important factor.

The 10 SADCC states are Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe.

Professor Breytenbach has outlined further details of his vision in a paper to Stellenbosch University's Institute for Futures Research. Among trends he foresees is South Africa and the SADCC states and structures moving closer.

Outside forces such as the Euromarket and Western economic institutions are likely to prefer to deal more directly with a post-apartheid South Africa, with its stronger economy.

One issue that looms large in the reshaping of sub-continental relationships is that of economic inequality.

The enormity of this problem is shown by the fact that South Africa's gross domestic product (GDP) is almost three-and-a-half times that of the 10 SADCC states together.

This huge imbalance of economic power — in itself a major issue — creates uncertainties.

Ramifications of this imbalance include:

■ Dependence of neighbouring states on South Africa's stronger economy could remain as important an issue as before, or even become more important. Future relations could either reinforce this hegemonic pattern or attempt to foster more equitable outcomes.

■ The crisis of Africa's marginalisation in the international context deepens at a time when South Africa becomes politically more acceptable to the world. Africa is being abandoned economically in the face of its own crises and against a backdrop of new opportunities for Western capital, technology and trade in the Pacific Rim and Eastern Europe.

The issue is: will these outside donors and dominant trade partners focus on the region as a whole or on South Africa as the springboard into Africa?

■ Important decisions on post-apartheid South Africa's role await the government of a new democracy here. Will South Africa try to promote regional interests, or will it rather make full use of its newfound attractiveness for the sake of its own immediate needs?

■ The disappearance of apartheid and prospects of better economic growth in South Africa could attract milllons of workers from marginalised Africa. Pressures that could force open the floodgates for such migrations to South Africa could arise from Africa's many crises — weak states, unemployment, mass movements of refugees, high population growth, collapsing commodity prices, rising debts, and insecurity about food.

Will the South African economy bear this additional burden? Will the African opportunity not turn into an albatross?

All these issues imply many obstacles ahead, says Professor Breytenbach.

With apartheid and destabilisation apparently a thing of the past, South Africa seems certain to rejoin the African fold.

A basic question is is: will South Africa join the SADCC or will the SADCC join South Africa?

A reshuffling is expected between two major blocs in southern Africa — the networks to which South Africa belonged and those from which South Africa was excluded.

Professor Breytenbach expects new links between South Africa and the European Community. Rather than being linked multilaterally, South Africa is more likely to "join" the Euromarket on a bilateral level, that is, in the same market-driven way as some erstwhile Eastern bloc economies are now gaining access to the European market.

Meanwhile economic inequality in the sub-continent is still so vast that the speedy transformation of southern Africa into an Afromarket (with zero tariffs and free trade) with South Africa as an equal member is unlikely for the foreseeable future.

It is more likely that integration will evolve gradually. Firstly, in political and diplomatic relations — with at least half-a-dozen more ambassadorial links within the next two years. Secondly, technical co-operation, especially intra-regional water and electricity projects, are bound to increase — probably with foreign funding, for example, by the World Bank.

Another important development towards peace and stability in southern Africa is expected to be the formation of security accords.

Professor Breytenbach suggests the legacies of a decade of destabilisation (the Eighties), decades of militarisation (since the Sixties) and high levels of violence in South and Southern Africa (well into the Nineties), will make such accords unavoidable.

One way of curbing this will be to let a new South African Economic Community (SAEC), involving South Africa and the SADCC states, acquire a security dimension in the post-apartheid, post-destabilisation era — an institution similar to the Council for Security and Co-operation in Europe, established after the Cold War in 1990.



Burden of post-apartheid role in the sub-continent

Building a new super power

ST Times 2/2/92

CHARLENE SMITH reports on South Africa's options in the wake of this week's SADCC conference

SHOULD South Africa belong to a southern African regional parliament?

Proposals for such a regional parliament were mooted at this week's meeting of the Southern African Development Co-ordination Conference in Mozambique.

Not only is the idea receiving favourable consideration from the government and the ANC, but plans for such regional co-operation are already far advanced.

Whether the idea will result in a southern African equivalent of the European parliament or a powerful trading bloc remains to be seen.

There is already talk between SA and its neighbours of a regional defence force, economic integration, including a regional development bank, and the melding of laws that would generate regional growth and stability.

Although SA and the subcontinent are advancing along a road that will entrench regional co-operation — in part as a response to the powerful new economic blocs created in Europe, the Pacific Rim and the Americas — southern African states are not keen to begin full negotiations with SA until a democratic constitution has been negotiated and elections are either under way or have been held for a new government.

Ugandan President Yoweri Museveni told a Preferential Trade Agreement meeting in Lusaka this week that trading with SA now would strengthen the white-led government and slow the shift to democracy. Similar views were expressed at the SADCC.

But the issue is further complicated by the fact that both the PTA and SADCC are jostling for sub-regional economic control. Ironically, the prize will go to whichever secures South African membership. SADCC is against linking its forces with the PTA.

The PTA would be the more natural victor — unless plans for a regional parliament are accepted, this would exclude the PTA, which is an economic bloc extending as far as East Africa.

It was formed in furtherance of the Lagos Plan of Action which envisages an African economic community by the year 2000. SADCC could find the Organisation of African Unity resisting plans for a southern African regional political and economic super power at the expense of the rest of the continent.

At present, the continent is divided into approximately 11 regional economic zones. Comparatively, Europe and Asia have only three economic blocs, the Pacific Rim has one and Central and South America share four.

SADCC, by the nature of its formation, is also considered to have a short life expectancy. It was formed as a response to SA regional destabilisation with the aim of economically isolating SA.

Those against it say a democratic SA will remove SADCC's *raison d'etre*. Member states are Angola, Namibia, Botswana, Zambia, Zimbabwe, Tanzania, Malawi, Mozambique, Swaziland and Lesotho (which all also belong to the PTA).

This week's SADCC conference called for a "development integration approach" (with reference to "when SA joins SADCC"), which would promote greater mobility of investment capital within the region, create a single regional market and progressively remove barriers to allow the free movement of people within the sub-continent.

They want inter-state organisations such as regional railway, airline and power authorities. Moves are far advanced for such integration.

Eskom has large power grids that will come on line before the end of the century to electrify the subcontinent, Transnet and Spoornet have advanced plans for enhancing regional rail and air links.

A suggestion for regional integration not covered by this week's SADCC conference, but already receiving close attention — particularly from the SA Department of Foreign Affairs, which believes it is important to foster trust — is the creation of a regional defence force.

Carlos Cardoso, a former Mozambican government figure, suggests: "If modelled along the lines of the Helsinki Accord, which established the Conference for Security and Co-operation in Europe, a multilateral structure may be established for co-operation on economic and security issues."

It is unlikely a future SA will agree to free movement of people across the subcontinent until regional economies have dramatically strengthened, reducing pressures to migrate.

Robert Davies, of the centre for southern African studies at the University of the Western Cape, said: "The post apartheid era will spawn one of the most important African migrations of modern times in which perhaps millions of people will be drawn to SA."

Sub-Saharan trade in focus

SHERIDAN CONNOLLY

SUB-Saharan trade and investment will come under the spotlight when high-level speakers from as far afield as Kenya, the Ivory Coast, Angola and Namibia meet in Johannesburg in March for a first regional conference.

The organiser, the South African Foreign Trade Organisation (Safto), said the conference would take place alongside the 1992 Southern African industry and technology fair. 279A

Safto said delegates would explore opportunities for expanding trade and investment in sub-Saharan Afica and would discuss ways of motivating project work and the infrastructural pre-conditions for economic growth in the region. BI Day 3/2/92

"SA's role as the springboard into southern Africa and the engine for growth on the continent will be of particular interest to the European delegates who will be on the lookout for opportunities to fund joint ventures in Africa," it added.

A senior executive from the World Bank in Washington as well as representatives of major multilateral Aid bodies would attend.

Safto said a private sector conference of this magnitude would mark a new era, as previously such conferences had been held beyond SA's borders to protect political and trade sensitivities.

AFRICA–

PTA and SADCC having communication problems

BIDAY 6/2/92 (279A)

HARARE — Two major economic groups in eastern and southern Africa are apparently locked on a collision course, mainly because government ministers seem unable to communicate with each other.

The 18-nation Preferential Trade Area (PTA) of eastern and southern Africa called last week for a merger with the 10-state Southern African Development Co-ordination Conference (SADCC). But the latter shows no intention of accepting this idea, despite a nine-nation overlap in membership.

Dependence

"Ministers don't talk to each other within the same government, let alone communicate adequately with other governments," one diplomat observed.

SADCC, comprising Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe, was formed in 1980 to lessen economic dependence on SA.

Almost two years later the PTA, which includes the SADCC members except Botswana, plus Burundi, Comores, Djibouti, Ethiopia, Kenya, Mauritius, Rwanda, Somalia and Uganda, was set up to promote trade and lead to a common market.

Diplomats say relations between the two groups have been rancorous at times, particularly on the part of the PTA which appears to resent SADCC's ability to raise development funds.

Western donors have reacted coolly to a PTA proposal for a $50m revolving development fund, while SADCC has helped to co-ordinate about $3,5bn in foreign development funds for its region in the past 12 years.

In an embarrassing clash of dates, the PTA held its annual summit in Lusaka and SADCC its important annual donors' conference in Maputo on the same days last week.

PTA members pledged to seek a quick merger with SADCC, which in turn received an endorsement to push ahead with a policy of regional integration for its own members.

PTA secretary general Bingu Wamutharika said in Lusaka that SADCC had lost its reason for existence because of SA's political reforms.

"SADCC was established as a result of apartheid, which is already on its way out, and the question that the leaders of SADCC cannot postpone any longer is: what is the reason for SADCC's continued existence?" he said.

SADCC officials agree there must be greater co-ordination and co-operation between the two groups, but say there is no suggestion SADCC will disappear.

Initially a loose co-ordinating body for regional development, SADCC has set itself on the path to regional economic integration with plans for a formal treaty arrangement at a summit in August.

Problem

Western donors, who were looking for a new direction for SADCC in the post-apartheid era, and a better definition of its future relations with SA, expressed satisfaction at the future mapped out for regional integration.

SADCC officials and diplomats say the problem with the PTA lies in the member governments.

"What we see as a problem is the member states themselves. But I don't think there's a conflict between the two because we have not reached the stage that countries find themselves choosing," SADCC spokesman Kgosinkwe Moesi said in Maputo. — Sapa-Reuter.

Regional cartel to control output of elephant tusks

South (Southside) 6/2 – 12/2/92.

(279A)

THE 1989 INTERNATIONAL ban on the sale of elephant tusks and their products has forced Botswana, Malawi, Zambia and Zimbabwe to form a regional cartel to control the output, marketing and prices of these products. Namibia is expected to join soon. South Africa has announced it will start unilateral trading.

The aim is to open up markets in Western European countries, some of which were unwillingly dragged to enforce the ban.

As predicted by the affected countries in 1990, the ban is seriously affecting these countries' ecology.

The ban was engineered in 1989 in Lausanne, Switzerland during a meeting of the Convention on International Trade in Endangered Species (CITES) of wild fauna and flora.

The ban arose from the rapid decimation of rhino species and elephants in east Africa due to poaching and poor management practices.

Botswana, Malawi, South Africa, Zambia and Zimbabwe protested.

They argued that they had large elephant and rhino herds and implemented wildlife management schemes that keep these animal herds at ecologically manageable levels.

CITES has since refused to yield, forcing these countries to stockpile elephant tusks and ivory products while elephant herds grew to unmanageable levels.

In Zimbabwe, at least, poaching has not significantly fallen off. The activity has been pushed further underground due to a thriving black market, particularly in the Far East.

According to the chief investigations officer in Zimbabwe's department of national parks and wildlife management, Mr Graham Nott, 954 rhinos and 258 elephants have been poached since 1984. He said 145 poachers had been killed in 221 contacts.

A further 289 rhino horns and 148 elephant tusks have been recovered while poachers masterminded 784 daring incursions.

The cartel, formed in Malawi last June, is likely to hold the first sale in Gaborone, Botswana, at the end of 1991.

The elephant population crisis caused by the ban can be estimated by its impact on Zimbabwe.

The population has risen to 70 000 — double the number the country's natural habitat can hold. In a recent press conference National Parks deputy director George Pangeti said Zimbabwe had stockpiled tusks worth Zim $60 million due to the ban.

Botswana had more than 60 000 herd in the Chobe Game Reserve at the last count. The two countries are required to cull 35 000 and 3 000 respectively and these tusks are likely to gather dust unless the cartel succeeds in opening up viable markets.

Pangeti says some western countries offer to pay part of the cost of destroying the ivory in foreign currency that would have been earned, as Kenya did a few years ago.

Zimbabwe refuses, preferring to find an alternative market through the cartel and to earn more foreign currency crucial to its international trade.

The issue CITES has not adequately addressed is the proper management schemes currently operational in countries like Botswana and Zimbabwe.

The cartel countries' biggest disadvantage is that most CITES members have rapidly dwindling elephant herds and Southern Africa is increasingly becoming the hub for elephant sightseeing — hence the accusation that the ban is emotional and unrealistic. □

TAMBAYI MUCHUKUCHI — *AIA*

Southern African economic union is on the horizon

B/Day 6/2/92

TIM COHEN

279A

A FAVOURITE jibe about the Southern African Development Coordination Conference (SADCC), established to decrease the Frontline states' dependence on SA, has been that its efforts were consistently toasted with SA wine.

The jibe reflects SA's past relationship with countries in the region; a commitment to trade, under the table if necessary, combined with a cynical and dismissive attitude to the SADCC's reason for existence. At times, dismissiveness approached arrogance. SA politicians boasted about SA's economic prowess compared with its neighbours, while overlooking SA's own shortcomings.

In his address at the SADCC 12th consultative conference in Maputo last week, ANC deputy president Walter Sisulu referred to this smugness, pointing out that terms like "powerhouse of the region" continued to recur in official discourse.

But, for better or for worse, the simple truth is that SA does dominate the region. The GDPs of all 10 members of the SADCC (Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe) combined was $27,2bn in 1989, only a third of SA's $80,4bn. More damning for the SADCC, though, is another simple truth — SADCC states are more dependent on SA now than they were when the organisation was formed, academics have found.

The SADCC counters by claiming that it was never just an anti-apartheid organisation, pointing out that its founding statement, the Lusaka Declaration, included the aim of the "reduction of economic dependence particularly, but not only, on SA".

But even here, the organisation has failed. To the extent that the SADCC member states may have lessened their dependence on SA, they increased their dependence on other regions, especially the Nordic countries and the EC, admits the UN department of public information briefing paper, Africa Recovery.

The SADCC has gained substantial funding for a range of projects. Its 1989/90 Annual Progress Report shows that more than $3bn has been secured, although $4,5bn is still being sought. Of the funds secured, $2,4bn has been concentrated in the transport and communications sectors, "showing that success has been rather unbalanced", the study says.

One would have thought that the SADCC would have been humbled by this less than stunning report card, but at last year's summit it decided on a course of action which constitutes a dramatic quantum leap for the organisation. In the context of moves toward economic blocs in other regions of the world, but more particularly because of political changes in SA, the organisation has embarked on a programme aimed at economic integration.

At the conference, the SADCC spelt out in its theme document what is envisaged. The goal is nothing less than a form of political union, complete with regionally co-ordinated monetary and fiscal policies, the phased reduction and eventual elimination of internal tariffs, freer movement of capital and labour, and a regional parliament.

In the light of the SADCC's record, one might be tempted to dismiss the aim of economic integration as another extravagant and overambitious plan destined to fail, or get no further than the drawing board. But there are several reasons why the aim is not only desirable, but also necessary and possible.

The first is that, although Western nations and institutions might have been sceptical about the SADCC's past aim of decreased dependence on SA, the conference demonstrated they are enthusiastic supporters of economic integration Former US assistant secretary of state for African affairs Chester Crocker called the SADCC "the triumph of ideological economics" at its inception. But the mood has changed dramatically. At the conference, speaker after speaker from Nordic countries to Japan, from the EC to the World Bank, endorsed the aim with a vigour that transcended diplomatic-speak.

The second is that the SADCC's main success has been its creation of a regional identity among member states. In fear and awe of the monster down south, the SADCC members put aside their many differences and huddled together for warmth. The effect was that they began to feel like allies. The SA establishment may not be well aware of this. But the ANC and PAC have always had observer status at the SADCC meetings, and the ANC, particularly, apparently feels more closely allied to the SADCC than to other regional groupings.

Thirdly, the concept of regional economic integration makes good sense for all the countries involved. Although the SA political and military threat has all but disappeared, the perception of the SADCC countries is that this has been replaced by a threat of SA economic hegemony. They feel the need for a forum to regulate relations between member states and SA, and the SADCC appears best to perform this function. To this end, the SADCC is now courting the ANC almost desperately, and representatives speak of when rather than whether SA will join it.

For SA's part, local manufacturers need to use SA proximity to countries in the region to give them an edge over international competitors. In addition, negotiations over the movement of labour to SA will be necessary to prevent SA being flooded. And, in the long term, SA shortages of water and power could be remedied by the SADCC member states. The natural advantages of economic bloc formation would also apply here. Economies of scale can be achieved and unnecessary duplication can be scrapped. Particularly, military overspending could decrease with a joint security plan.

But, for all the advantages, there are serious obstacles to overcome. The most tricky problem relates to the 18-nation Preferential Trade Area (PTA), which held its summit in Lusaka at exactly the same time as the SADCC held its conference, reflecting an element of competition between the two organisations.

The PTA appears better equipped than the SADCC to deal with economic integration as it has long aimed at a free trade area, while the SADCC is involved more in project co-ordination. At its summit, the PTA recommended the organisations merge. But the SADCC officials and the ANC, attached to the idea of a southern African regional bloc, seem less than enthusiastic.

The SA Customs Union, which has four SADCC members, is less of a problem. ANC representatives in particular are toying with the idea of including it in the SADCC's integration plans, perhaps extending a restructured union to the whole region. Perhaps unwittingly, this demonstrates a politically unpalatable truth: rather than SA joining the SADCC, the SADCC will in fact be joining SA.

The more fundamental problem with regional economic integration relates to the type of integration envisaged. The SADCC theme document defines the philosophy as a "development integration approach". This comes down to a regional coordination approach. Traces of commandist economic theory still recur and, given the ANC's bias toward commandist economics, these are likely to increase.

Instead of allowing trade to drive economic integration, the SADCC members tend to see the proposed new SADCC as principally a regulatory body. This has the potential to render the new SADCC merely a group of bickering bureaucrats, arguing about who should get compensation for what. Market-led integration is not favoured, but the SADCC is coming under strong pressure from the World Bank and the EC particularly to adopt this method.

There was no SA wine at the SADCC Maputo conference, but everything from the cars that took delegates to the conference to their conference identification badges had distinct "Made in SA" odours. Perhaps the most positive thing to come out of the conference was that this just does not matter any more.

Plan to lift leopard ban

STAR 6/2/92 279A

LONDON — A global ban on trade in leopard skins may be lifted next month, boosting a flagging fur industry and raising fears that Africa's big cats will again fall prey to poaching.

With the number of leopards increasing in Botswana, Malawi, Namibia, Zambia and Zimbabwe, the countries want to end a 17-year ban on commercial trade in their fur.

The request to revive the lucrative trade for a four-year trial is expected to win strong support at the meeting of the 104-nation Convention on International Trade in Endangered Species which opens in Japan on March 2.

There are now around 300 000 leopards in Africa and scientists agree that the animal is no longer highly endangered.

But conservationists fear that reopening the trade will revive popular demand for leopard-skin coats, which nearly result ed in the animals' extinction in the '60s and '70s.

They also believe renewed fur trading would threaten the survival of rarer spotted cats, such as jaguars and cheetahs, which have similar skins.

In Britain, the anti-fur group Lynx is launching a campaign this week to urge Environment Secretary Michael Heseltine to oppose the move.

"Britain must take the lead in resisting these disastrous proposals," said Carol McKenna, Lynx's campaign director.

"Customs officers won't be able tell the difference between a leopard skin and a jaguar skin," she said.

Conservationists are also afraid that renewed trade in leopard skins would find a ready market in countries where fur coats remain popular.

Even in Britain, where the anti-fur campaign has had most effect, fake spotted-cat coats have recently become very fashionable.

"Even if leopards are no longer strictly endangered, we will take a lot of persuading that reopening the trade won't lead to a dangerous upsurge in the spotted-cat skins," said James Martin-Jones, conservation officer at the World Wide Fund for Nature.

But Peter Jackson, World Conservation Union's specialist on big cats, stressed it was impossible to defend the trade ban on scientific grounds as southern Africa's leopards were now too numerous to be classified as endangered.

"We wouldn't oppose an experimental period of commercial trade." he said.

The demand to reopen the leopard-skin trade is one of several controversial southern African proposals that threaten to undermine the conservation basis of the United Nations wildlife convention.

Others, almost certain to be thrown out, include lifting trade bans on products from the endangered black rhino. — Observer News Service.

'Southern Africa's image must change'

BULAWAYO — Southern Africa has to shed its image of violence and political instability — cultivated in Europe during the past two decades — to enable it to attract tourists, a survey has found.

The recent survey on the region's potential for tourism carried out by the Commonwealth secretariat and the Southern Africa Development Co-ordination Conference (SADCC) countries noted that the SADCC region could become a market for European tourists only if it shed the image foreign tourists percieved of a "violent region". B1Day 7/2/92

Bill Williams, who carried out the study in Scandinavia, Europe and Pacific countries, said there was not much information for consumer awareness to develop the region's potential.

"The image of SADCC countries is often that of violence due to South Africa's current political problems. (2799)

"The wars in Angola and Mozambique create a picture of instability for the whole region," he said in an interview before addressing Bulawayo-based Safari tour operators and hoteliers.

"Some tourists appear unaware that there is now peace in Zimbabwe ...

"These still prefer to go to SA because of its aggressive marketing strategy, despite its violent political situation."

Williams said independent southern Africa's wildlife, traditional life and culture — major tourist attractions — had an untouched image compared to African countries further north like Kenya and Tanzania. — Sapa.

'Ban on trade of ivory must stay'

279A

STAR 12/2/92

SYDNEY — The African elephant is in renewed danger from poaching despite a 1990 ban on ivory trading, the World Wide Fund for Nature (WWF) said yesterday.

The fund, one of the world's leading conservation groups, is urging governments to resist pressure from southern Africa to lift the ban at crucial talks in Japan next month.

The WWF will "flatly oppose any resumption of international trade in ivory", John Sherlock, the fund's director in Australia, told reporters.

Southern African nations, led by South Africa and Zimbabwe, will submit proposals to relax the ban at the meeting of the Convention on International Trade in Endangered Species (CITES) in Kyoto from March 2 to 13.

CITES, which has 112 member nations, agreed in 1989 to list the African elephant in its Appendix I, which bans commercial trade among members.

But six African countries — South Africa, Zimbabwe, Zambia, Botswana, Malawi and Namibia — are pushing for the elephant to be downlisted to Appendix II, which would allow a controlled trade in ivory, hides and skins.

The WWF said the ban had to stay because "there are not sufficient safeguards in place, especially in importing countries to prevent illegally obtained ivory infiltrating a legal trade".

Frightening

A WWF report, released ahead of the Kyoto meeting, said the ban had reduced illegal hunting but was only the first step in establishing an effective conservation programme for elephants.

The report — based on a survey last year in Zambia, Tanzania, Malawi, Cameroon, Ivory Coast and Zaire — said stopping the slaughter depended directly on having the money available to enforce anti-poaching laws.

"Given this relationship, it is frightening to note that four out of the six target countries ... have experienced overall budget cuts since the ban began," the report said.

It said aid donors had not provided the funding promised to these states.

Africa looked almost exclusively to foreign donors to help the fight against poachers.

The WWF said that since the ban took effect in January 1990, the biggest drop in poaching had been in Tanzania, which used national and external funds to fight against poachers.

Malawi was the only country which saw an increase in poaching.

Many of the million or so political refugees from Mozambique in Malawi were responsible for killing elephants. — Sapa-Reuter.

Southern Africa turns to science to revive ivory trade

B10ay 12/2/92 (279A)

MICHAEL CHERRY

THE two-week meeting in Tokyo of the Convention on International Trade in Endangered Species (CITES) beginning on February 27 promises to be controversial. Six southern African states (SA, Namibia, Botswana, Zimbabwe, Malawi and Zambia) will attempt to persuade the convention to exempt their elephant populations from the world ban on trade in elephant products imposed at its last meeting in October 1989.

Until recently, there has been no way of ascertaining whether ivory originates from a country where culling is permitted, or from one where elephants are in danger of extinction. But now these countries are planning to market culled ivory which has had its origin certified, using a technique developed at the University of Cape Town, and published in 1990 in the international journal of science, Nature.

The CITES decision to declare the two-year moratorium particularly enraged Botswana, SA and Zimbabwe, which derived considerable income from exporting ivory procured from culling their populations of African elephants.

The problem is that populations in these countries — in which poaching is largely under control — have grown, counter to a contintental trend which has seen this species decline from about 1,34-million in 1979 to 609 000 today. Over the same period, Botswana's herd increased by 150% (from 20 000 to 51 000), Zimbabwe's population grew from 30 000 to 43 000, and SA's own smaller herd is up from 7 800 to 8 200. As most of these elephants live in fenced-off reserves, populations have to be culled when they grow too large or the animals destroy their habitat.

All six nations registered immediate reservations about the ban, but as long as importers (particularly Japan, which imported almost half the world's ivory in 1989), observe it, these are of little avail unless new markets are created. This is a real possibility, as demand for ivory does exist in several other Far East states such as Taiwan, South Korea, and Saudi Arabia, which are not members of CITES.

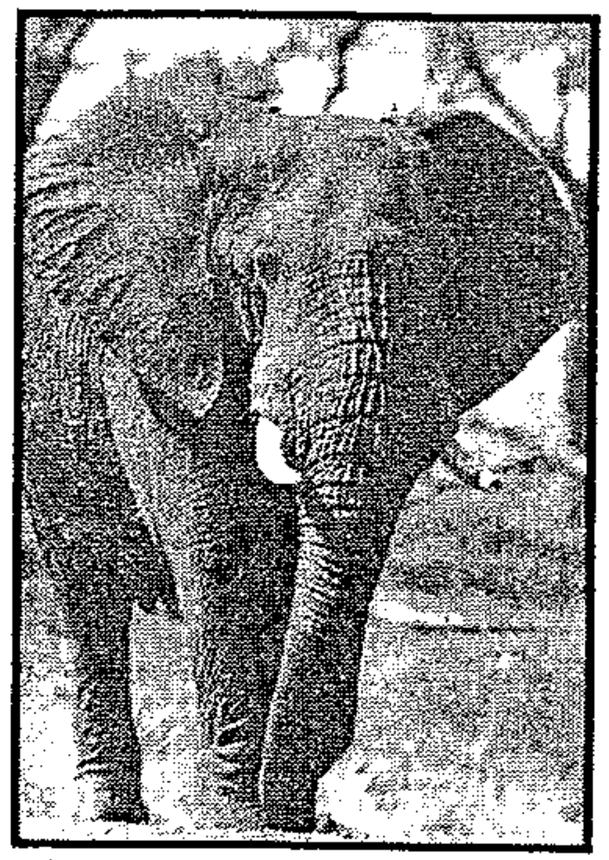
SA agreed to abide by the two-year moratorium, but applied to CITES in April to have its elephant population transferred from Appendix I (species in which trade is forbidden) to Appendix II, where it is strictly controlled. A CITES panel visited the country in June to assess the state of its elephant population, and in October released a report recommending that the transfer be allowed. The elephant populations of the five other states are currently being assessed by a second CITES panel to see if they can be accorded similar status. Their report is expected later this month.

Ivory is currently being stockpiled in SA, as culling programmes in the Kruger National Park are continuing. The National Parks Board will lose an estimated R6m in revenue over the two-year period. Zimbabwe and Botswana have probably suffered considerably higher losses, and are far more strapped for cash.

The five states which are members of SADCC (Botswana, Namibia, Zimbabwe, Malawi and Zambia) are concluding plans for the establishment of the Southern African Ivory Marketing Centre , which will auction the ivory at a market in Gaborone. The profits will be ploughed directly back into conservation programmes, according to David Cumming of the Zimbabwe Department of National Parks and Wildlife.

In addition, the scheme will provide a close link between ivory traders and the conservation authorities which control culling operations. SA plans to market its ivory independently of the marketing centre, but is planning to use the same technique to certify the source of ivory whenever necessary.

The technique involves measuring the isotope ratios of three elements (carbon, nitrogen and strontium) in samples of ivory and bone in order to derive different isotopic "signatures" for elephants from different localities.



Africa's elephant population has declined from about 1,34-million in 1979 to 609 000 today.

It was developed by a team of researchers led by Prof Nikolaas van der Merwe, who holds a dual appointment at UCT and at Harvard, which conducted a trivariate isotopic analysis of samples from 10 different African countries. Most carbon in nature exists in the form of its common isotope, but about 1% is made up of a distinctive one.

Photosynthesis can follow one of two alternative pathways, depending on how carbon dioxide is fixed, producing different amounts of these two isotopes. This is reflected in the diets of consumers, so elephants which eat savannah grass have a higher percentage of the rarer isotope in their tissues than those which browse in woodland, and those living in dense forests have even less.

The second clue involves ratios of two different nitrogen isotopes which are related to rainfall. In low rainfall areas, certain isotope levels in the bone collagen of African mammals are proportionately elevated, and the rainfall regime from which they originate can be estimated accordingly. A correlation of carbon and nitrogen isotope ratios for elephant samples is a reflection of relationships between climate and vegetation.

But even these combined ratios still do not uniquely characterise the continent's populations of this species, as overlap in the distribution of the ratios is found when dealing with individuals from similar environments. In such cases the ratio of two strontium isotopes can be determined to complete the picture. This ratio in animal bone is determined by that of strontium in its diet, which varies according to the age of parent rocks in the region. Samples thus reflect the geological history of an area: soils developed on old granitic rocks have different ratios from those from areas with rocks of basaltic composition.

This development has made it possible, in practice, to permit a partial lifting on the ivory trade ban. But lobbyists in favour of the ban counter that it has been successful in removing much of the incentive to poach. They point out that before the introduction of the ban, the proportion of the total world demand for ivory that was being met by legal culling, was very small. The remainder was "confiscated" by governments from poachers and sold.

Southern African countries are among those accused of exporting more ivory before the ban than could have been produced from culling. SA, in particular, has allegedly been an important centre for trade in poached ivory from other African countries, notably Angola and Mozambique.

The world's largest ever illegal cache of ivory, comprising seven tons of tusks from 490 elephants, was discovered by Namibian police just north of Windhoek in September 1989, after having followed the culprits from the Angolan border. Samples from Angola represent an important gap in the existing isotopic signature database, which Van der Merwe hopes to fill.

Kenya's director of wildlife, Richard Leakey, claims the price of raw ivory fell from $60/kg to between $2-$3/kg after the introduction of the ban, but has recently risen again to $15/kg in the expectation that trading will resume again next year.

The six southern African states' move is being opposed by another group of countries, including Kenya, Tanzania, Ghana and Zaire, which admit they do not have the resources to control poaching. They argue that the ban should remain until Western nations provide the necessary aid to enable them to manage their elephant populations effectively.

☐ Cherry is in the department of terrestrial vertebrate biology at the SA Museum.

Harry O argues for closer economic ties

B/Day 13/2/92

279A

HARARE — Political and economic changes in southern Africa are a step in the right direction but will not result in an attraction of foreign investors overnight, mining magnate Harry Oppenheimer said yesterday.

Briefing journalists after meeting President Robert Mugabe at Zimbabwe House Oppenheimer, retired chairman of Anglo American Corporation, said he saw prospects of "positive new reactions" in business activities in the sub-region.

But he said this would not happen quickly, Ziana national news agency reported.

Oppenheimer said investors might look in other directions such as eastern Europe, because of favourable changes also taking place there.

If the economies of southern Africa could be integrated more strongly, then he did foresee them attracting more foreign investment.

"For instance, if Zimbabwe can work together with SA and SA also works together with Zimbabwe, they could attract more foreign investment."

He said because SA was an economically strong country, its existence in the sub-region would help boost trade.

Oppenheimer said he and Mugabe had talked about the political changes in SA. They had agreed events were moving in the right direction and that a democratic and free SA would emerge soon.

Oppenheimer is in Zimbabwe for a five-day visit. He will tour Anglo operations and address senior staff of the Corporation in Zimbabwe at a dinner in his honour.

□ Anglo CE Roy Lander said yesterday the drought in Zimbabwe had threatened the corporation's business activities in the Lowveld with certain projects being suspended.

Speaking to reporters at Zimbabwe House, Lander said his organisation was supportive of Zimbabwe's economic structural adjustment programme.

"However the current drought is threatening our activities, particularly in the lowveld."

Lander said Anglo had recently pumped millions of dollars into Bindura nickel mine in order to upgrade and modernise its operations.

Anglo was also involved in various sectors of the economy in line with the objectives of the adjustment programme, he said. — Sapa.

Govt in talks with African trade partners

BILLY PADDOCK (279A)

GOVERNMENT was involved in discussions with its African trading partners to save the continent from further marginalisation and continuing economic degradation, Foreign Affairs deputy director-general Derek Auret said yesterday.

The 11 southern African states, including SA, could not "go it alone" in building a strong economy. But by forming regional economic units, they had more than a 50% chance of becoming viable.

In an interview, Auret said the West, donor countries and the world's strong economies had a responsibility to assist Africa because of its colonial legacy.

"It is important to say to them it is no longer good enough to use African countries to achieve political successes for their own purposes. What they now have to do is have some economic successes in Africa. The potential is there to a far greater extent than the former East European countries, in terms of natural and human resources," he said.

It was important for Africa to establish regional economic units to spur development and to compete with the world. And it was vital for SA that such a unit was successful in southern Africa. Economic co-operation would stimulate confidence.

He said the notion of regional development centres had become generally accepted; the Southern African Development and Co-ordination Conference had discussed the issue, which was accepted by all its members. B|Day 13/2/92

The SADCC has proposed economic and political integration along the lines of a united Europe. At its meeting two weeks ago it had accepted the inevitability of the new SA being incorporated.

Auret said the four main centres for regional development could have Nigeria, Egypt, Kenya and SA as their economic hubs. These countries were already the strongest in their regions.

He insisted that co-operation had to come through intensive consultation.

There still had to be discussion on the structure needed to facilitate co-operation.

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Trade talks B|Day 13/2/92 (279A) (279)

☐ From Page 1

It had been suggested that the SADCC could be adapted for the task, but Auret pointed out that the Development Bank and the SA Customs Union could make important contributions and should be included in any new body.

He said it was in West's interests to help bring about economic change in Africa as the continent supplied resources. Involvement would ensure supply at a fair price.

Europe might be investing in Eastern Europe to prevent mass migration to Western Europe, but there was also a real possibility of mass migration to Western Europe from the African countries.

If Africa did not move quickly, it risked marginalisation.

The idea would be to develop the hubs into economic units which could compete with other international units. Individual countries would be far better off within a strong economic unit.

Auret said establishing regional units had many implications: customs tariffs and barriers, currency matters and technical matters would have to be dealt with.

Ivory exports 'are backed by Cites'

B1 Daily 13/2/92

HARARE — Convention on Trade In Endangered Species (Cites) specialists visiting Harare recommend southern African states be allowed to resume ivory exports, says Zimbabwe's Ministry of the Environment.

"If parties to Cites are objective in their assessment they will find that no other country in the world apart from the developed (states of) Europe and America have a better management system than the ones practised in southern Africa," the ministry said.

Its claim comes despite intensive lobbying by Kenya wildlife services director Richard Leakey for retention of the ban on ivory trade when Cites members meet in Kyoto, Japan, next month.

The World Wide Fund for Nature (WWF) is pressing for continued suppression of elephant product trade although Leakey has reportedly offered to support resumed southern African trade in elephant skin and meat.

The Zimbabwean ministry said its delegation would seek to have elephant transferred from Cites appendix one to appendix two, allowing regulated trade. The move would be supported by Botswana, Malawi, Namibia, Zambia and SA. — Sapa. (279A)

Govt in African trade talks

Political Staff

JOHANNESBURG. — Government was involved in discussions with its African trading partners to save the continent from further marginalisation and continuing economic degradation, Foreign Affairs deputy director-general Derek Auret said yesterday.

There was no way any of the 11 southern African states, including SA, could "go it alone" in building a strong economy. But by forming regional economic units they had more than a 50% chance of becoming viable.

Speaking in an interview, Auret said the West, donor countries and strong economies of the world had a responsibility to assist Africa because of legacies left behind by colonial powers. CT 13/2/92

"It is no longer good enough to use African countries to achieve political successes. It is important to have some economic successes in Africa. The potential is there to a far greater extent than the former east European countries — in terms of natural and human resources," he said.

It was important for Africa to get regional economic units established to spur development and to compete with the rest of the international community. And it was vital for SA that such a unit was successful in Southern Africa.

He said the notion of regional development centres had become generally accepted as the way forward.

WWF call to lift elephant hunting ban

STAR 13/2/92

Star Bureau

LONDON — The World Wildlife Fund has called for elephant hunting to be legalised where herds are increasing and properly managed.

And, according to Zimbabwe's Ministry of Environment, a panel of specialists from the Convention on International Trade in Endangered Species (Cites), who are visiting Harare, have recommended that southern African states be allowed to resume ivory exports.

The debate about how to save African elephants is intensifying prior to next month's Cites meeting in Japan.

John Newby, head of the WWF's African campaigns, said his organisation was seeking the support of European nations for a "proper conservation policy rather than a simplistic ban".

He added: "The average African would be glad to get rid of the elephant because it tramples his crops and sometimes his children. We must look forward 50 years and find an economic reason for Africa to keep its elephants."

But at this stage, he said, hunting should be permissible only for the skins of the animals and not for their ivory.

The Herald quoted Zimbabwe's Ministry of the Environment as saying that the visiting panel of Cites' specialists had recommended that southern African states be allowed to resume ivory exports.

"Their report was favourable towards reopening of ivory trade," the Ministry said.

"If parties to Cites are objective in their assessment they will find that no other country in the world apart from the developed (states of) Europe and America have a better management system than the ones practised in southern Africa."

The claim by the Ministry comes despite intensive lobbying by Kenya's director of wildlife services, Dr Richard Leakey, for retention of the 1989 ban on ivory trade when Cites members meet in Kyoto, Japan, next month, although Dr Leakey has reportedly offered to support resumed southern African trade in elephant skin and meat.

The Zimbabwean ministry said the country's delegation would seek to have elephant transferred from Cites appendix one to appendix two, allowing regulated trade.

The move would be supported by Botswana, Malawi, Namibia and Zambia, which last year launched an ivory marketing centre under the aegis of the Southern African Development Co-ordination Conference (SADCC). The move has South Africa's tacit support. — Sapa.

Subcontinent could be left high and dry

STAR 14/2/92

279A

The economic damage wrought by the drought could pose severe political problems for countries in southern Africa, reports HANS-PETER BAKKER of The Star Africa Service.

AT A TIME when the countries in the southern African region hoped to see an upturn in their economies, with peace in sight in Angola and Mozambique and exciting prospects for open trade with South Africa, their hopes are being dimmed by crippling drought.

The economic damage caused by the drought could pose severe political problems for these countries' leaders as unemployment, poverty and crime increase.

Efforts to entrench free-market systems and multiparty democracy in the subcontinent could be set back.

With stocks of maize, the staple food, depleted throughout the subcontinent, most if not all of its countries will be forced to divert scarce foreign exchange to import maize, or seek food aid.

Even Angola, which was blessed with enough rain, will not be able to avoid the effects of the drought in its neighbouring countries.

Emergency food aid to the countries in the area is becoming a matter of urgency, but aid agencies are not very optimistic about either further donations or the logistics of getting food to the places where it will be most needed.

Maize is the staple diet of most of the people living in the region and is used widely to feed livestock.

In South Africa, usually a maize exporting country, thousands of farmers face ruin in the devastation, which is likely to cost the country more than R2 billion in imported stocks.

The Maize Board estimates that this year's crop will be a 50-year low of between 4 million and 5 million tons — 2 million tons less than local consumption demands.

Economists predict that the effect on the economy will be a retarding of the bottoming-out of the recession, price rises and a drain on foreign reserves.

The depleted supplies in South Africa are further exacerbated by commitments already undertaken to export maize mainly to the Far East, but also to neighbouring countries.

The vast quantities needed to satisfy local demand will place additional pressure on the transport system, which will be further clogged up by the enormous demand for food from the other drought-stricken countries in the region.

The drought has not been merciful to war-torn Mozambique, where hundreds of thousands of people have been displaced by the war and would have been facing severe food shortages even without the drought.

In Mozambique's central provinces of Sofala and Manica, the failure of the rains has played havoc with the maize crops.

Thousands of peasant families who in the past have been able to sell surplus crops now face starvation.

Another country severely affected by the drought is Zimbabwe, whose crucial economic restructuring programme is in danger of being derailed.

Large areas in the south, south-west and east of the country have already lost their maize crops.

Predictions are that the country will have to import a million tons of maize to supply its consumption.

Social Welfare Minister John Nkomo expects the need for emergency food aid to swell to 6 million people.

Some farmers with records going back to the turn of the century have described it as the worst drought in more than 80 years.

Production from the commercial farming sector is expected to drop to only 30 percent of last year, and supplies from the communal areas could drop by about 90 percent.

One of the most immediately pressing effects of the drought is the critical shortage of water in many areas, particularly in the south.

The drought problem is being exacerbated by transport difficulties: in the Buhera district in the east of Zimbabwe, officials say 40 000 people are facing starvation because food aid has not arrived.

Swaziland, which normally has consistent rains, has also not escaped the drought. Under normal conditions Swaziland imports only about 20 000 to 40 000 tons of maize from South Africa, but this year it will have to import much more.

Thousands of rural Swazis and refugees engaged in subsistence farming in the Lubombo district have been warned to save water, which is now being supplied to them by tankers from distant sources.

The Ministry of Agriculture has warned that the drought, which is already killing large numbers of cattle and ruining maize crops in north-eastern Swaziland, could become the worst drought-induced crisis in the country's history.

The minister also warned farmers to sell off some of their cattle immediately rather than have them starve to death through lack of pasture and water.

Even in Botswana, a country not unused to drought, emergency measures are being applied. Most of the country is in the grip of drought, except for areas near Chobe in the north.

Cattle are dying in the Jwaneng area and further reports of cattle dying in major villages like Molopolole, 55 km from Gaborone, have been received.

David Finlay, executive chairman of the Botswana Meat Commission, has warned cattle farmers to sell their livestock while they are still in good condition.

The government has set up an inter-ministerial drought committee, which has toured the country to assess the drought. The committee's report is expected to result in President Quett Masire declaring much of the country a drought-stricken area.

In Zambia, President Frederick Chiluba has declared half the country a disaster area, apparently due to the drought.

But reports from Zambia are conflicting. Two weeks ago Zambia's deputy minister of agriculture proudly predicted a bumper maize crop following late, but timely, rains.

Southern Namibia had good rains in September and October but virtually nothing since.

The situation has been aggravated by very high temparatures, and a meteorologist said: "If the region doesn't get rain before the end of summer, it will be a disaster."

The southern parts of Malawi will be severely affected by the drought, according to Regie Mugwara, sector co-ordinator for food security in the Southern African Development Co-ordination Conference.

The estimated 1 million Mozambican refugees in Malawi are in the south of the country.

In Tanzania, serious food shortages are being experienced despite rains in the north. Relief supplies of 52 000 tons are urgently needed to meet the needs of 1,7 million people in Dar es Salaam and 870 000 elsewhere, according to Mr Mugwara.

Lesotho, landlocked within South Africa, is suffering alongside SA, from which it normally imports much of its basic foodstuffs. The drought has hit at a time when the economy of Lesotho has been put under unusual strain by the return of thousands of mineworkers who were laid off from South African gold mines. □

Drought decimating southern Africa

STAR 14/2/92

By Hans-Peter Bakker
Star Africa Service

2791

Virtually the entire southern African region is reeling in what could become the most devastating drought in a century.

From Tanzania in the north to the Cape Province in the South, millions of people could face famine as crops are laid to waste and watercourses dry up.

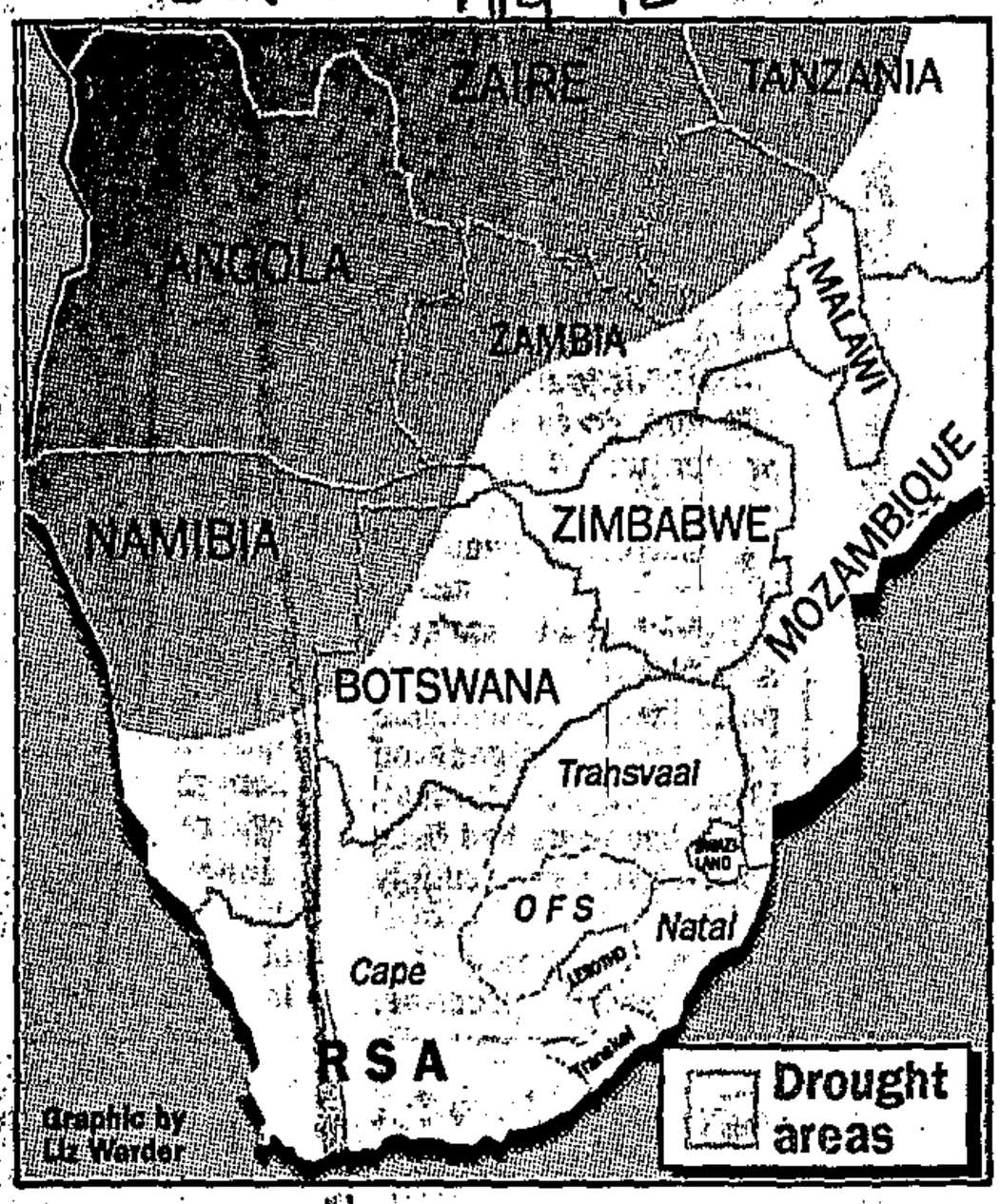
The drought grips much of South Africa, southern Namibia and Botswana, Swaziland, Lesotho, all of Zimbabwe, southern Zambia and much of Malawi, Mozambique and Tanzania.

In former years of shortages, South Africa was often able to provide staple foods to hard-hit countries in the region, but 1992/93 threatens to be one of the worst in recorded history as South Africa faces the prospect of having to import about 3 million tons of maize for its own consumption.

To make matters worse, the United Nations World Food Programme predicts serious congestion on the region's transport system. Most provisions will have to be imported via Durban.

And, said a WFP spokesman, traditional donor countries are already far stretched to provide food aid to war-torn Ethiopia and Somalia and in flood-ravaged Bangladesh, and would be hard pressed to provide the short-term requirements in southern Africa.

The spokesman said it was feared that many people in the region would die before the end of the year. "Even if we get the food, it will be logistically impossible to get it to the areas where it is urgently needed."



Thousands of farmworkers and villagers are facing bleak prospects, and already crowded cities will swell with millions seeking means to survive — with unemployment and crime rising as a result.

The drought also promises to play havoc with the region's hopes of economic and political stability.

In South Africa, hopes of an upturn in the economy are fading and dreams of a more favourable trade balance will be dashed as the country imports foods to survive.

Zimbabwe is one of the worst-hit countries in the area, with estimates of more than a million tons of maize needed to make up the shortfall and with more than 2 million people already having applied for emergency food aid and another 4 million more expected to make the appeal soon.

In Mozambique, the drought promises to take a high human toll with many thousands of people already displaced by the war, and the cities holding little promise of survival for the stricken rural population.

Regie Mugwara, sector co-ordinator for food security in the Southern African Development Co-ordination Conference region, is worried that the message of the seriousness of the situation is not getting through to policy-makers in the area.

He said his unit was "quantifying" the extent of the drought to enable countries in need to apply for donor assistance. "But there is a danger that everyone will come asking for food aid at the same time."

● Subcontinent could be left high and dry — Page 13

REVIEW: *Trade with Africa*

Trade on sanction's end

As the sanctions walls come tumbling down businessmen look north. But what are the prospects? **REG RUMNEY** reports

SOONER or later South Africa will join the regional economic club from which apartheid for so long kept it blackballed.

At the recent annual Southern Africa Development Co-ordinating Conference the organisation's executive secretary told the closing press conference that once a non-racial constitution was adopted in South Africa, the country would automatically become a member of the SADCC.

So what? sceptical businessmen will ask.

Look behind the lofty rhetoric. The SADCC was established by southern African governments to lessen dependence on a South Africa ruled by a racist regime.

Some of those southern African states are also linked to South Africa by the Southern African Customs Union. Some are linked to the Preferential Trade Area, which includes 10 other East African countries.

Whatever else the SADCC did, it demonstrably failed to significantly weaken South Africa's economic grip on the region. The PTA, too, has not managed much better to influence trade flows within the region, according to the Nedcor February *Guide to the Economy*.

Nedcor comments on southern African countries' trade patterns: "Excluding South Africa, and to some extent Zimbabwe, the principal exports of individual countries are limited to a few primary commodities, most of which are directed beyond the continent."

"Angola exports crude oil, Zambia exports copper and its by-products. These account for more than 90 percent of exports by these countries.

"Except for South Africa, most of these countries have little to offer one another in terms of manufactured products even for domestic consumption."

The share of manufacturing in total economic wealth as measured by the gross domestic product of these countries has remained very small. Manufactured exports as opposed to primary commodities accounts for an average of 11 percent for the nine southern African countries, compared with South Africa's 25 percent or so.

"The nine southern African countries' imports from South Africa accounted for 45 percent of their total imports in 1987.

"If SACU members are excluded then the remaining countries' imports from South Africa accounted for about 20 percent or $0,8-billion of their total imports of $3,9-billion.

"South Africa imported less than five percent of its total imports from the nine countries, or $0,6-billion. If South Africa's imports from SACU members are excluded, the imports by South Africa from the remaining countries other than Zimbabwe, are insignificant."

Nedcor believes the pattern of trade did not change much after 1987.

What goes for southern Africa goes for the rest of Africa.

To quote from the Standard Bank SA's January report: "Africa's political support for sanctions since the 1960s and its official unwillingness to have any dealings with South Africa are not reflected in the most recent trade figures.

"South African exports, particularly of manufactured goods, to the rest of the continent flourished for most of the 1980s.

"Admittedly from a very low base, exports increased by almost 250 percent between 1980 and 1990, with a surge in activity in the second half of the decade.

"By contrast the share of imports from Africa has remained at a stable average two percent for the same period, mainly because Africa cannot meet South Africa's requirements for manufactured goods.

"In the last decade South Africa has conducted trade with 49 African countries; the major markets being Zimbabwe, Zambia, Zaire, Mozambique and Malawi."

South Africa remains the region's economic giant.

But the SACC has set an important precedent. It could form the basis of a regional customs union. Aside from increased trade, for South Africa there is the prospect of being granted membership of Lomé, which guarantees duty and levy-free access to European markets. For infant industries in southern African states the danger is that they would be swamped by the might of South African industry. However, some protection terms could be negotiated and South African economic domination may be curbed to some extent by domestic economic pressures. Also the export focus of South African industry is likely to be outside Africa, because of foreign exchange shortages in many African countries.

A host of other problems such as bureaucracy and inefficient transport systems provide a form of deterrent to trade.

However, integration of South Africa in the SADCC could provide a free-trade zone of around 150-million people. Combined with the PTA it could be a market of 21 African countries and 240-million people. It must be an exciting prospect, even if it is still some way in the distance.

Calling all dreamers.



Do you dream of unspoilt, sundrenched beaches, as far

s the eye can see? Of pristine white sands dotted with palms?

ream of the bluest of seas, warm with the Indian Ocean current and laden with

eef teeming with exotic tropical fish?



Do you dream of snow-capped bold peaks, majestic

savannah? Of four-wheel safaris through the tall

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ECONOMICS

Devaluations in Africa back trading rand

SIMON WILLSON

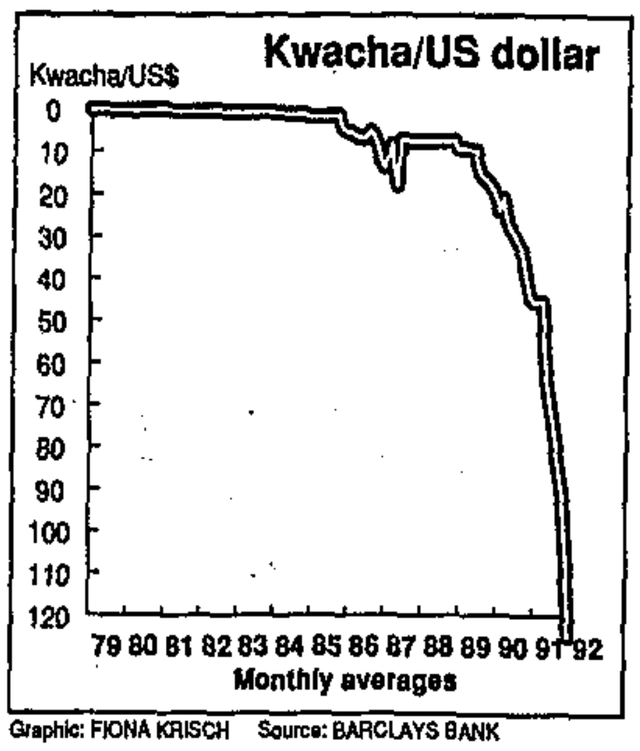
WHOLESALE devaluation of several of southern Africa's currencies is set to lend further support to the trade-weighted rand as SA trade with the countries of sub-Saharan Africa rises.

States in the sub-Saharan region have, in the past 12 months, embarked on an unprecedented and almost co-ordinated round of free market-oriented reforms. Some countries have initiated the reforms as part of a general, national economic liberalisation following the overthrow of long-esconced dictatorships; others have freed their markets in a careful campaign to appease and encourage creditors. But a common thread running through the reform measures in the sub-continent has been the devaluation of national currencies.

Devaluation, as the term is commonly understood in the Western industrial context, is hardly adequate to describe the collapse in the values of several southern African currencies recently.

Devaluations in the 5%-15% range that cause such remarkable political and economic turbulence in advanced industrial countries are barely measurable on the scale of southern African currency devaluation.

Three months ago Angola devalued the kwanza by 50% overnight. Last month Zambia devalued the kwacha by 25% at a stroke. At times towards the end of last year the Zimbabwe dollar was allowed to slide in an officially sanctioned devaluation by around 15% a week. The Zimbabwean dollar has now fallen by 56% in the past six months.



Graphic: FIONA KRISCH Source: BARCLAYS BANK

Even at its fastest rate of descent, the depreciation of the Rubicon rand looks pedestrian in this company. In absorbing the impact of disinvestment from and loss of confidence in SA in the mid-'80s, the rand took a year to fall 22,5% against the dollar.

The plunging parities of neighbouring countries' currencies is of minor but growing significance to SA and the rand. Before February 1990, SA's sub-Saharan trading volumes were prominent among those hampered by political constraints. SA's domestic reforms have, however, transformed the country's potential commercial relationships with its immediate neighbours. Trade is now increasingly open and, from the SA authorities' point of view, is an ideal avenue for the promotion of basic manufactured exports in the quest to diversify out of primary products.

An avalanche of devaluations north of the Limpopo therefore means more, these days, than it ever used to. As trade volumes increase between SA and its neighbours to the north, the impact on the rand of the tumbling values of trading partners' currencies becomes significant. The rand's effective, or trade-weighted, value is increasingly affected by these more minor currencies as SA's trading relationships diversify away from the relatively few traditional partners retained during the days of commercial isolation.

Weighting

Tacit acknowledgement of the rand's increased trade-weighted exposure to other currencies is carried in Standard Bank's measurement of the effective rand. The basket of trading-partner currencies against which the rand's value is measured now includes the Zimbabwe dollar, both to account for the rising levels of trade with Zimbabwe and as a proxy for other leading southern African currencies.

The Zimbabwe dollar carries a 3,28% weighting in Standard's rand basket — a reflection of what the bank says was R1,06bn in SA exports to Zimbabwe in 1990 (the last year for which complete figures are available) and R0,44bn in imports. Trade with Zimbabwe comprises 2,7% of SA's total external trade.

"The Zimbabwean dollar started to depreciate sharply against the rand last August," a bank study of the effective rand said recently, "and, despite its relatively low weight in our index, the strong appreciation of the rand against the Zimbabwean dollar dontributed significantly to the rise in our effective exchange rate index."

When SA's political, commercial and cultural relations with the rest of Africa were either non-existent or covert, the sharp movements seen in African currencies over the past year were of little significance. Today, however, African currency movements of the kind depicted on the chart in respect of the Zambian kwacha can no longer be ignored. They affect the trade-weighted value of the rand already and, as the members of the southern African subcontinent forge closer links in the years ahead, are likely to influence the rand even more.

'No let up on ivory ban'

STAR 19/2/92

By Julienne du Toit

Kenya and the director of that country's wildlife service, Richard Leakey, are putting increasing pressure on southern African states, including South Africa, to uphold the ivory ban.

This precedes next month's meeting of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Cites) to be held in Kyoto, Japan, where some African states will fight to lift the moratorium on ivory trading.

Mr Leakey said Kenya wanted the elephants to remain on Appendix I, which means no trading in elephants or elephant products, "except perhaps the Kruger National Park population".

He added the final decision on this would be made in Kyoto.

The World Wide Fund for Nature (WWF) has said that while the two-year ban has not been enough time for elephant populations to recover, most ivory-producing states agree they have noticed a dramatic drop in ivory demand since the ban went into effect.

They urged accelerated financial assistance and park protection for the ban to be effective in most parts of Africa.

In an investigation in six countries, the WWF said the biggest drop in poaching was in Tanzania, followed by Zambia, Zaire, Cameroon and Ivory Coast.

The only place where poaching had increased, according to the report, was Malawi. Insufficient resources and a proximity to corrupt military establishments, expanding refugee camps and easily infiltrated national borders were factors, said the WWF.

Civil wars and political unrest often have devastating effect on elephant populations said WWF's Dr Holly Dublin.

South African conservationists feel the country is losing out on much needed revenue for its parks because of the ban on ivory sales to foreign tourists. At the moment, ivory and elephant products may be sold in the country, but cannot be taken outside its borders.

Minister of Environmental Affairs and National Education Louis Pienaar said last week the South African Cites working group would propose the downlisting of the South African elephant, the white rhino and crocodile populations to Appendix II.

This would mean that international trade could be allowed under a rigidly controlled system, but South Africa would then be able to decide to maintain the moratorium under special circumstances.

Mr Pienaar said these proposals would be submitted because the populations in this country were in a very healthy state, and are being managed scientifically.

South Africa's stance will be influenced by the progress made with effective control measures by countries that influence ivory, he said.

By Ruth Ansah Ayisi

Who will join whom? (279A) SA poses problem for SADCC

South 20/2 - 26/2/92.

TWELVE years after it was founded, the Southern African Development Co-ordination Conference (SADCC) has reached a turning point which is key to its survival.

While the SADCC was established to reduce dependence on South Africa and to promote regional development, a radical step was taken last month towards economic integration and looking to a future with South Africa as its 11th member.

Although the SADCC's 12th annual conference in Maputo last month decided South Africa will be allowed to join when a democratic government has been installed, plans for regional integration are being made in the light of South Africa becoming a member.

The critical issues now facing the SADCC will be how to prevent South Africa dominating the region, and how to improve inter-regional trade and continue to attract donor support once apartheid has been dismantled.

Workable programme

The keynote document at the conference warned the organisation's member states to take the initiative towards economic integration and to create a workable programme and effective institutions before South Africa comes on board.

This will determine whether it will be South Africa that joins SADCC or SADCC that joins South Africa, says the document.

Some analysts believe a democratic South Africa could continue to dominate rather than integrate into the region.

The fact that the South African economy accounts for about three-quarters of the region's total gross domestic product and has some 35 million people — a third of the southern African population — is a reality that does not change with the dismantling of apartheid.

However, the ANC deputy president Mr Walter Sisulu, a key speaker at the conference, promised a democratic government "would renounce all hegemonic ambitions associated with the white minority government and would not seek any role as the self-appointed custodian of the region's interests in external relations".

He said such integration would be in the interest of South Africa too.

Sisulu said the South African economy needed to shift from its "excessive dependence on exports of mineral products and become a more significant exporter of manufactured goods". He said "the countries of Africa will be potentially important trade partners."

Apart from trade advantages, said Sisulu, South Africa had an obligation to co-operate with its neighbours "both in overcoming the imbalances which characterise the existing regional economy and redressing the consequences of apartheid destabilisation".

South African aggression cost the region's economy an estimated US$60 billion between 1980 and 88, according to a study by the United Nations Economic Commission for Africa.

Warned

Sisulu, however, warned against SADCC's forging links with South Africa before a democratic transformation. He was also cautious about how much South Africa could contribute to the economy of the region initially because the task of redressing inequalities within his own country would be overwhelming.

It is possibly too early to predict how a future South African government will cope with the pressures from SADCC and its own people. South Africa faces rising unemployment, a fall in the gold price and a heavy national debt.



ANC DEPUTY PRESIDENT: Walter Sisulu

Integration will indeed make big demands on member states, especially South Africa and to a lesser extent Zimbabwe, not to shoot ahead with national plans and leave their poorer neighbours out in the cold.

The first practical step towards integration would be the adoption of a treaty formalising SADCC, said the organisation's executive secretary Mr Simba Makoni.

The treaty, which is expected to be signed at the next SADCC heads of state summit scheduled for August in Windhoek, would require member states "to engage in serious consultations and negotiations on integration in various areas".

The type of regional integration envisaged is similar to that of the European Community (EC), including a single regional market, freer movement of goods, services, and people and of investment capital.

There are also plans to have a single currency and a regional parliament.

Reactions

Reactions to this ambitious plan were a mixture of optimism, cynicism and caution.

Mozambican President Joaquim Chissano, in his opening address, pointed out it was the first time SADCC had held its conference when there was the possibility of lasting peace in the region.

Chissano hoped the current round of peace talks in Rome between his government and the Renamo rebels would move from political issues to military ones, and include the signing of a general ceasefire to end 16 years of war.

Other analysts were sceptical of how the diverse countries of SADCC could come together under a treaty with binding economic and political goals.

Investors could be more attracted to post-apartheid South Africa where profits were more certain, than to a poor country like Mozambique, whose infrastructure has been wrecked by war.

The other controversial issue will be the free movement of labour. If visa restrictions were lifted within southern Africa, there was the danger of a "brain drain" from the current SADCC member states to South Africa.

This would be likely to spark angry protests from South African trade unions.

Scepticism

Scepticism also surrounded the fact that Swaziland and Malawi, the two countries that have made little progress towards multiparty democracy, will be members of a regional parliament.

United States delegate Mr Ted Morse, head of the regional office of the Agency for International Development (USAID), queried whether all SADCC members were ready for "the good governance, accountability and rule of law that has to be present for economic integration to take place".

Morse warned that while the US is providing US$430 million in aid to southern Africa this year, alongside contributions through the World Bank and the African Development Bank, the justification for donor support to SADCC in the past had much to do with the struggle against apartheid.

He said it would be more difficult now to explain to Americans why such a level of funding should be maintained in the southern African region.

Namibia to have more food, fewer racists

By Gwen Lister

(221) (221A)



crease production of sheep and goats.

Ways to increase vegetable and fruit production were also being examined. There was not a proper distribution of food, and this needed to be looked at.

The government would further assist in the erection of silos for times of drought so that maize, mahangu and sorghum could be stored.

Discussions had started with Middle East countries for the export of mutton to that region. This would have started sooner had it not been for the Gulf War, Nujoma said.

● Education was the second important thrust of the government's policy for the year ahead.

There were still about 30 000 to 40 000 young people without access to schooling, and a shortage of funds was hampering progress in this regard.

There was a need for more training and better education for all children, and in the year ahead emphasis should be placed on vocational training to provide skills to workers, specially in the field of agriculture.

Health was the third priority, said. This had been an area ted by the South African istrators.

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Bringing light and opportunities to Africa

STAR 24/2/92 (279A)

"By transferring electric energy to where it is most needed," says Eskom chief executive Ian McRae, "we believe that not only can we help boost the southern African sub-continent's economies, but also vastly improve the quality of life for all the people of the region."

The impact of electricity goes way beyond the everyday convenience of turning on a light, a stove or a television. It affects education, health and the environment.

It unlocks the productive potential of the people by enabling them to use power tools and equipment. It allows them to make more skilled inputs by freeing them of time-consuming manual labour.

It provides the cheap, dependable energy that drives mining, industry and business and makes internationally competitive exports possible. It could also be the catalyst to trigger economic growth in the entire sub-continent of Africa.

The resources necessary to generate sufficient electricity for the entire sub-Saharan Africa are abundant, and Eskom — with its 45 000 employees, its skilled base and infrastructure — is confident it is the best placed organisation to drive such a effort.

In fact work on the project, which will link countries and governments in an unprecedented network of co-operation and mutual economic benefit, has already begun.

"The improving political situation will bring about better co-operation between the sub-Saharan countries, and the end of South Africa's isolation," says Mr McRae.

"Power companies have been able to build bridges across political divides, deep-seated conflicts and distrust by appealing to common needs. It becomes increasingly clear that isolation is not the answer for any southern African country.

"We need to stand together to become strong, because help from the rest of the world may not materialise.

"In South Africa, where people have no electricity and where the survival of any future democratic government is dependent upon sustained economic growth and a visibly improved standard of living for the poor majority, Eskom has an equally crucial role to play."

It is one of the Big Five or Six in the world in terms of electricity generation and produces 60 percent of all the power on the African continent.

With the benefit of a new, streamlined management core and a more focused attitude to business. Eskom has committed itself to reducing the real cost of electricity by 20 percent over the next five years, although it already claims to be the cheapest power supplier in the world.

Education has a high priority in South Africa and electricity gives it a specific boost by providing better lighting for studying and reading, and facilitates the use of television and electronic teaching aids.

Public health is vastly improved by electricity. Modern medicines depend on electronic equipment for diagnosis and treatment, sterilising and refrigerating facilities are essential for surgery and drug stocks. The smoke generated by burning fuels in urban areas is a health hazard.

Electrification impacts on every facet of the economy as well. One of the factors crucial in ensuring that exports of manufactured goods or beneficiated minerals from South Africa are competitive internationally, is cheap, dependable electricity.

The importance of the informal, small business sector as a job creator in South Africa is well known. Once again electricity plays a crucial role.

"Clearly a person without electricity is a disadvantaged player in the economy," says Eskom chairman Dr John Maree.

Apart from the jobs created directly by supplying electricity, there is a multiplier effect that comes into play when electricity reaches a home or a workshop.

It stimulates demand for a hot-plate, a kettle, a TV, and has a ripple effect into the economy.

"If we can electrify 1,5 million homes over the next five years as we plan to do, we would create half a million jobs and our GPD would grow by five percent," says Dr Meree.

Electrification of underdeveloped regions is a long-term investment in the future. It could unite the people of Africa in a strong economic community, and it could play a major role in bringing light, peace and prosperity to our land.

M&R set to open a subsidiary in Zambia

JABULANI SIKHAKHANE

INDUSTRIAL holdings group Murray & Roberts (M & R) is to incorporate a subsidiary in Zambia, paving the way for the company to tap into the rebuilding of Zambia's infrastructure.

Incorporation of the Zambian subsidiary will also enable M & R to tender for projects in other Southern African Development Co-ordinating Conference (SADCC) member states.

A memorandum of understanding, signed by Zambia's local government and housing minister Michael Sata and M & R CE Dave Brink in Johannesburg yesterday, provided for M & R to be a preferred contractor in Zambia.

The memorandum said resources would be set aside to investigate opportunities to help Zambia rebuild its infrastructure, which had degenerated during the past 30 years. The cost of rebuilding the infrastructure would be more than the country's current foreign debt of $6,5bn.

Zambia's identified needs were: road construction; housing; agriculture; mining; cement, concrete block and brick production; a factory for prefabrication of grain storage facilities; schools; clinics; and offices.

The memorandum said the M & R subsidiary would enjoy a tax-free period of five years. After that it would be subject to tax on a sliding scale, building up to the full corporate tax rate.

No import duties would be levied on government-related imports necessary for the company to fulfil its obligations.

All profits earned in Zambia would be fully remittable and profits earned on exports from Zambia would qualify for retention wherever M & R wished.

Sata said profits earned by the M & R subsidiary on projects in other SADCC countries would qualify for export earnings status.

M & R's capital and assets in Zambia would be designated in US dollars and could be repaid freely in the same currency.

Zambia's new government had committed itself to privatise 80% of the country's economy, Sata said. He said government had also received support from the international community, including the writing off of some debts and interest.

Government hoped to balance its budget next year, remove foreign exchange controls, legalise merchant banking and liberalise the economy.

Roberts Construction, which merged with Murray & Stewart to form M & R in 1967, was one of the biggest contractors in Zambia before and just after that country's independence.

M&R agrees to help in rebuilding Zambia

STAR 21/2/92 279A

By Derek Tommey

Construction company Murray & Roberts has agreed to a request by Zambia's Minister of Local Government and Housing, Michael Sata, "to come home" and help rebuild the neglected infrastructure.

David Brink, chief executive of M&R, says the group will start operations in Zambia shortly, providing permission can be obtained from the SA Reserve Bank.

The decision came after a meeting between Mr Brink and Mr Sata in Johannesburg this week when it was announced that Zambia would be opening a trade mission in SA.

Mr Sata has long links with the group. He worked for Roberts Construction before independence.

Both men signed a memorandum of understanding in terms of which Murray & Roberts will establish a company in Zambia.

Mr Sata said the value of infrastructural work that needed to be done was probably equal to Zambia's foreign debt of $7,5 billion (about R21 billion).

Needs so far identified include:

- Construction of roads and bridges.
- Provision of housing and related services.
- Provision of agricultural works.
- Restoration of mining projects.
- Production of cement, concrete blocks and bricks.
- Erection of a factory for the prefabrication of grain storage facilities, schools, clinics, housing and office units.
- Provision of reinforcing steel and culverts.

Murray & Roberts will help procure suitable financing.

In exchange, the company will receive a five-year tax holiday, and thereafter taxes will be levied on a sliding scale.

Mr Sata said Zambia in any event intended reducing company tax. It also intended abolishing exchange controls as soon as possible.

Companies now earning foreign exchange need not repatriate it to Zambia.

No import duties would be levied on government-related imports necessary for Murray & Roberts to fulfil its obligations.

Murray & Roberts (Zambia) would be able to remit to South Africa all profits made in Zambia in US dollars and all foreign exchange earnings made outside Zambia.

Mr Brink said the potential in Zambia was phenomenal. M&R has tremendous resources it could bring to bear in Southern Africa.

Roberts was very active in Zambia in the old days and played a big role in building up the economy.

"We are looking forward to the opportunity of again participating in the development of the country," he said.

Mr Sata said that Zambia had a major reconstruction problem. The previous government had controlled 87 percent of the economy.

When the new government come to power last November, inflation was running at 118 percent, and the foreign debt was equal to $US1 140 per head of population.

The new government felt its function was to govern and to leave the running of business to businessmen.

Zambia had therefore decided to denationalise almost all businesses nationalised by the government of former President Kenneth Kaunda.

By September the inflation rate should be sharply reduced and by next year Zambia expected to balance its budget and end exchange controls completely.

Mr Sata said Zambia was one of the most fortunate states in Southern Africa.

"Our debts are not just being rescheduled, but are being cancelled."

SA in bid to open new trade route

SOUTH African businessmen are involved in a R5-million project to cut a trade route through Central Africa that will benefit the entire sub-continent.

Travelling time for goods to Central Africa from Southern Africa is as long as three months, using sea and rail routes up the east coast.

Angela Self, the SA Foreign Trade Organisation manager for its regional

By CHARLENE SMITH

trade centre, says that if the route through Mpulunga in the south of Lake Tanganyika (Zambia's inland port) is improved, it will reduce transport time of goods to 15 days.

Mpulunga handles 75 400 tons of freight a year.

Exports will travel up the inland lake to Bujumbura in Burundi, an excellent port which was recently opened. It is operating at half capacity because of bottlenecks at Mpulunga.

The European Economic Community has examined ports on the lake.

Miss Self estimates that improvements will improve handling capacity to at least 100 000 tons a year.

An initial problem is that trade will be in one direction only — from the south. It is hoped that a dual flow will develop.

The port handles cement, sugar, steel and food from Zimbabwe, Zaire, Malawi and South Africa. The goods are sent to Burundi, Rwanda, Uganda, eastern Zaire and the Sudan.

All trade sanctions between SA and Africa have not been lifted.

Miss Self says the Zambian Government is enthusiastic about the project. She is forwarding management proposals for the project before seeking funds.

"It is possibly too small to get investment finance, but I hope that aid agencies will look at it favourably."

SA businessmen see Zambia as a major trade centre and African clearing house.

SA recently signed a flyover agreement with Burundi.

SA firms in major push into Zambia

B1Day 24/2/92

JABULANI SIKHAKHANE

SA FIRMS are set for a major expansion drive into Zambia and are also the likely candidates to benefit from the privatisation of government-owned assets.

Zambian Local Government and Housing Minister Michael Sata, who was on a seven-day visit to SA last week, invited SA companies to come and share "the spoils and profits of Zambia's rebuilding of its economy".

Sata also signed agreements with financial services group Investec and industrial holdings group Murray & Roberts which provide for the two companies to enjoy a preferred status in Zambia.

He said on Friday that his visit had been successful, adding he had received good co-operation from SA industrialists.

"We are looking foward to the resolution of SA's problems so that business can flow freely between Zambia and SA," Sata said.

He extended his government's welcome to Murray & Roberts and Investec, "who are both pioneers in terms of being the first companies to invest in Zambia".

On Friday industrial holdings group Murray & Roberts said it would incorporate a subsidiary in Zambia, paving the way for the company to tap into the rebuilding of the country's infrastructure, in which multilateral aid funding will be a key ingredient. The cost of rebuilding Zambia's roads, houses, schools, warehouses and offices is likely to exceed its current foreign debt of $6,5bn.

M & R and the Investec Group will, subject to SA Reserve Bank approval, incorporate subsidiaries in Zambia.

Investec will act as an adviser on the restructuring and unbundling of Zambian government assets.

A memorandum of understanding signed on Friday by Sata and Investec chairman Bas Kardol provides for Investec to become Zambia's preferred financial, banking and property adviser.

Kardol said that Investec would investigate possible opportunities such as restructuring of existing government debt.

"We also see ourselves as playing a part in negotiating and structuring finance needed for infrastructural development, specifically rail and air transport, as well as advising on valuation and methods of disposing government-owned property assets," he said.

The memorandum provides for Investec Merchant Bank to look at the privatisation of appropriate businesses and the restructuring and promotion of new capital issues.

Sata said about 80% of Zambia's economic resources were controlled by government.

Investec might also be required to assist the Zambian Central Bank with the man-

☐ To Page 2

Zambia

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☐ From Page 1

agement of the country's foreign currency.

Investec would also manage four government pension and provident funds. The four funds have a total membership of 320 000. One of the funds, for employees in the Ministry of Local Government and Housing, was valued at 2-billion Zambian Kwacha, Sata said. B1Day 24/2/92

He added that Investec's subsidiary in Zambia would have access to other SA Development Co-ordinating Conference (SADCC) member states.

The new Zambian government had committed itself to the liberalisation of the economy. Corporate tax had been cut from 45% to 40% and Sata said this would be further reduced next year.

To boost investment, he said, foreign investors would enjoy a tax-free term of five years. All profits earned in Zambia would be fully remittable and any profits earned on exports from Zambia qualified for 100% retention.

Genmin, Gencor's mining arm, is also understood to be involved in negotiations to help or even possibly take a stake in the government-owned Zambian Consolidated Copper Mines.

● Picture: Page 3

Smear tactics used to stop ivory trading

(279A STAR 24/2/92.

By Julienne du Toit

A smear campaign is on to counter the southern African states' attempt to have the moratorium lifted on trade in elephant products, according to South African conservationists.

Reports appeared yesterday in Britain's Independent on Sunday newspaper and the London Sunday Times alleging that the South African Defence Force was acting as a conduit for tusks of elephants shot by Renamo soldiers in Mozambique.

These are old reports, said head of the Endangered Wildlife Trust Dr John Ledger.

"I'd be very sceptical about their allegations. Anyway practically all trade in ivory has stopped since the moratorium.

"It's highly improbable that any organised attempts are going on to smuggle ivory, unless it's to stockpile it in the hopes of the ivory trade resuming. But I really doubt it."

He said exactly the same allegations came out just before the last Convention on International Trade in Endangered Species (Cites) 1989 when the worldwide ban was imposed.

"Possibly some of it is true, but it is three to four years old, and only involved individual members."

A spokesman for the SADF categorically denied any involvement on the part of the Defence Force in ivory smuggling.

Cites is to review the ban in a meeting starting on March 2.

Head of the Wildlife Society of Southern Africa Tony Ferrar is going to put the case of local non-governmental organisations to Cites delegates.

The Independent quotes an unnamed source as saying the Defence Force is just part of the pipeline, a link between Renamo and the buyer.

The newspaper said the US Defence Intelligence Agency (DIA) had interrogated a Renamo guerilla, named only as Macuacua, who said that he regularly took part in ivory poaching operations.

As a member of a certain section he was often asked to go into an area with many elephants to kill them for their tusks, he said.

His group would then take the tusks to a camp near the border, where the tusks were given to a group of whites, including a white woman.

Macuacua, described by the DIA as a man "unlikely to dream up stories", said he did not know what Renamo received in exchange for the deal.

A DIA report said they concluded the SADF was often involved in ivory smuggling from "other intelligence sources", which they did not name.

All conservationists contacted by The Star said that while they had heard plenty of allegations, rumours and innuendoes — they had yet to see any tangible proof of the allegations and doubted they were true.

EC urged to support SA economic development

B/Day 24/2/92

LINDA ENSOR

CAPE TOWN — EC Commission vice-president Martin Bangemann is to recommend to the commission that the economic development of SA and southern Africa be underpinned by a wide range of supportive measures from the EC.

Bangemann announced this at a media briefing on Friday to mark the opening of an SA office of the Friedrich Naumann Foundation. Bangemann is chairman of the foundation's board of trustees.

The measures would be aimed at providing public backing to private industrial co-operation between EC countries and SA, although ideally the measures would apply to a southern African regional bloc.

The measures could, for example, provide guarantees for investment; grant a southern African regional bloc greater access to the EC market with its 350-million consumers; and include SA in a private and publicly funded system of insurance covering the risk of losses incurred when investing in countries with which the EC has industrial co-operation agreements.

Other measures could provide political backing in the form of investment protection agreements, agreements for capital transfers and the transfer of profits, and the legal protection of intellectual property rights.

Bangemann said it was incumbent on European countries to back the political development of SA towards a fully fledged democracy.

Democracy without economic growth and stability was not possible and economic development could take place only with international co-operation.

Bangemann said he would recommend that Europe offer this co-operation to SA.

In his address at the opening of the foundation, Bangemann stressed the importance of regional co-operation.

It was impossible in the modern world to attempt to foster economic development on a national basis, he said. Doing away with the Customs Union in southern Africa would be a first, shy step towards regional integration. More important would be the standardisation of technical and tax systems and possibly the introduction of a common currency.

The Freidrich Naumann Foundation has an annual budget of about DM30m, of which about DM2m has been allocated to SA projects. It is involved in projects throughout the world but its attempts to improve living conditions in developing countries had not had the success desired, Bangemann said. A lack of regional co-operation had been a major obstacle to economic development.

He saw the foundation's role in SA as being to stimulate debate by holding seminars and conferences on different subjects and to bring out constitutional and other experts to SA.

Absa knocks R100-m off price for Bankorp

STAR 25/2/92

Finance Staff

Absa has chopped R100 million from the price it is prepared to pay for Bankorp.

Absa said yesterday that as a result of valuations based on its own accounting practices and policies it had reduced its offer from 312,5c to 288,5c for each Bankorp share — a reduction of 7,68 percent. This will reduce Absa's offer price from R1,31 billion to R1,21 billion.

Bankorp' shares are currently trading at 250c.

Absa will finance the takeover by issuing 107,5 million new Absa shares at 1125c.

Bankorp ordinary shareholders will receive 100 Absa shares for every 390 Bankorp shares, and not 360 as previously decided.

The scheme is subject to approval by Absa and Bankorp, sanction by the courts and approval of the additional shares by the JSE.

Analysts said that the reduction followed a "due diligence" exercise.

While it will be a blow to Bankorp shareholders to receive less than the original offer, the comparitively small reduction suggests Bankorp is not in such bad shape as had been thought.

Keys sees partnership role for EC in new SA

STAR 25/2/92

279A

By Neil Behrmann

LONDON — South Africa and other Southern African nations should negotiate a trade agreement with the European Community, Minister of Trade and Industry Derek Keys suggested yesterday.

At a Business Research International conference in London, Mr Keys said that South Africa would become the "economic flywheel" for sub-Saharan Africa.

The world cannot stand idly by and see the other sub-Saharan countries be delinked from world economic growth and consigned to some kind of "too-poor-country scrapheap", he said.

There was thus a need for the developed world and South Africa to form a partnership, which would see South Africans playing crucial economic roles elsewhere in Africa, Mr Keys said.

This would have a favourable impact on trade within the region and with the rest of the world, he said.

"In this connection, one would also wish to contemplate some arrangement of linkage to existing economic power concentrations."

Probably the EC would be the best economic power bloc, said Mr Keys.

Either Southern Africa should enjoy some existing EC trade arrangement or negotiate a separate arrangement for the region, entailing corresponding benefits and obligations, he said.

"South Africa's prospects for increasing exports are quite promising," he said.



Derek Keys . . . to everyone's benefit

"We have a stream of products heading north and a stream of products to which value can be added," he said.

Exports were typically between 25 percent and 32 percent of gross domestic product, he said.

There were four basic determinants of any SA government's trade and investment policy, said Mr Keys.

Firstly, it should encourage internal markets to grow for decades ahead.

Secondly, it should develop the industry so that it could supply internal markets, while lowering tariffs for goods that could not be made locally.

Thirdly, businessmen should be encouraged to stimulate exports by developing value-adding plants.

"Like all governments, we would like to see income per capita growing by at least one percent per annum, implying growth close to four percent a year," said Mr Keys.

"This may be beyond us, although I don't think that it is, but just maintaining per capita income still implies real growth of around three percent," he said.

The greatest growth would be in demand for the basics of living, notably food, shelter, clothing and education, he said.

"We are starting to get some good quantitative advice from a number of sources, which is helping to define the limits of the possible," said Mr Keys.

"Just how much in the way of resources is it feasible to apply to socio-economic ends and to what cost?" he asked.

"Nobody wants to even mildly inconvenience the golden goose, let alone kill it, if its egg production can be stimulated to everyone's benefit.

"I think it's Mr Mandela himself who said he doesn't care what colour the cat is, as long as it catches mice."

Mr Keys predicted that President FW de Klerk would win the referendum hands down and that Codesa would swiftly negotiate an interim government.

"As the political pressure gets transferred to the right quarters and the economy gets into higher gear, inflation should decline.

"Once capital flows swing from outwards to inwards," he said, "the rand will appreciate and reduce inflation by a point or two," he forecast.

Defence cutbacks hit Grinaker

By Derek Tommey STAR 25/2/92

Tough conditions in the construction industry and a cutback of defence orders for electronic equipment hit Grinaker Holdings in the six months to December.

Attributable profit dropped by 57 percent from R14,5 million to R6,2 million and earnings dropped from 41,5c to 17,8c a share. The interim dividend has been halved from 10c to 5c a share.

Grinaker's electronic subsidiary, Grintek, fared rather better. A reduction in defence contracts affected Grinaker Electronics, one of its two operating companies. But its second operating company, Siltek, managed a 15 percent rise in earnings.

This helped limit the drop in Grintek's earnings in the six months to 11 percent from R13,8 million to R12,3 million, and the decline in earnings a share to 10 percent from 7,1c to 6,4c.

Nonetheless, the interim dividend has been cut by 29 percent from 2,4c to 1,7c a share.

Grinaker chairman Jan Robbertze said yesterday the construction company's earnings were 62 percent lower and similar results were expected for the second half.

He said the construction group had suffered from decreasing margins, particularly in civil engineering and related activities. Order intakes declined in real terms.

Talks to decide African elephants' fate

STAR 29/2/92

(279A)

TOKYO — The fate of the African elephant will be on the line next week in Kyoto, Japan, as supporters and opponents of the ivory trade square off at an international convention on endangered species.

"We are very hopeful there will be no resumption of the ivory trade, but the topic is likely to be extremely controversial and it will be a tough battle," Simon Lyster, an official of the World Wide Fund for Nature, said in Tokyo yesterday.

The eighth conference of the signatories to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Cites) is to be held in Kyoto from March 2-13.

The conference will bring together some 1 400 government officials and experts from the 112 signatory countries to consider levels of protection for endangered species of animals and plants in international trade.

The African elephant dominated the last Cites meeting, held in Lausanne, Switzerland, in 1989, when it earned classification in the treaty's Schedule 1, so that all international trade in any elephant parts was banned.

Five southern African countries, noting that their elephant populations are growing again, will propose at Kyoto that the elephant be returned to Schedule 2 of the treaty, which would allow a controlled resumption of the ivory trade.

The proposal by South Africa, Botswana, Malawi, Zimbabwe and Namibia has prompted an outcry among dozens of non-governmental organisations that have flocked to Japan for the conference.

"Any downlisting would be a signal to the ivory traders, and poaching all over Africa is likely to increase," Jeff Canin, who will lead the Greenpeace delegation to Kyoto, said yesterday.

ELISABETH ZINGG

Greenpeace is especially opposed to any change in the listing, saying it is too early to speak of a "recovery" hardly two years after the ban in the ivory trade took effect on January 1 1990.

From 1979 to 1989, the number of African ele-

See Page 13

phants fell from 1,3 million to about 600 000, mostly because of poaching.

In the absence of official figures from several countries since 1989, Greenpeace has estimated that current herds total between 573 000 and 598 000, with a slight increase in southern Africa, while elsewhere on the continent, numbers are still declining.

Poaching has increased in recent months in South Africa and Zimbabwe, and the British Environmental Investigation Agency has accused the military in both countries of involvement in elephant poaching and ivory smuggling.

The debate will be heavily influenced by a report to be released next week by a panel of experts set up at the Lausanne Cites meeting to study the issue.

Countries such as Spain and Belgium have come out in favour of the South African proposal but most other Western countries, including the United States, are awaiting the panel's report before declaring their stance.

"Elephants have never been threatened with extinction in South Africa and Zimbabwe," said Steve Edwards, an official of the World Conservation Union, who supports a compromise.

One compromise that might mollify the southern African countries — which otherwise might quit Cites — would be to put the elephant in Schedule 2 but maintain the ban on the ivory trade.

Resumption of trade in elephant meat and hides — which are used in boots in the United States — would generate income to allow countries to improve their own conservation efforts to ensure sustainable management of their elephant herds.

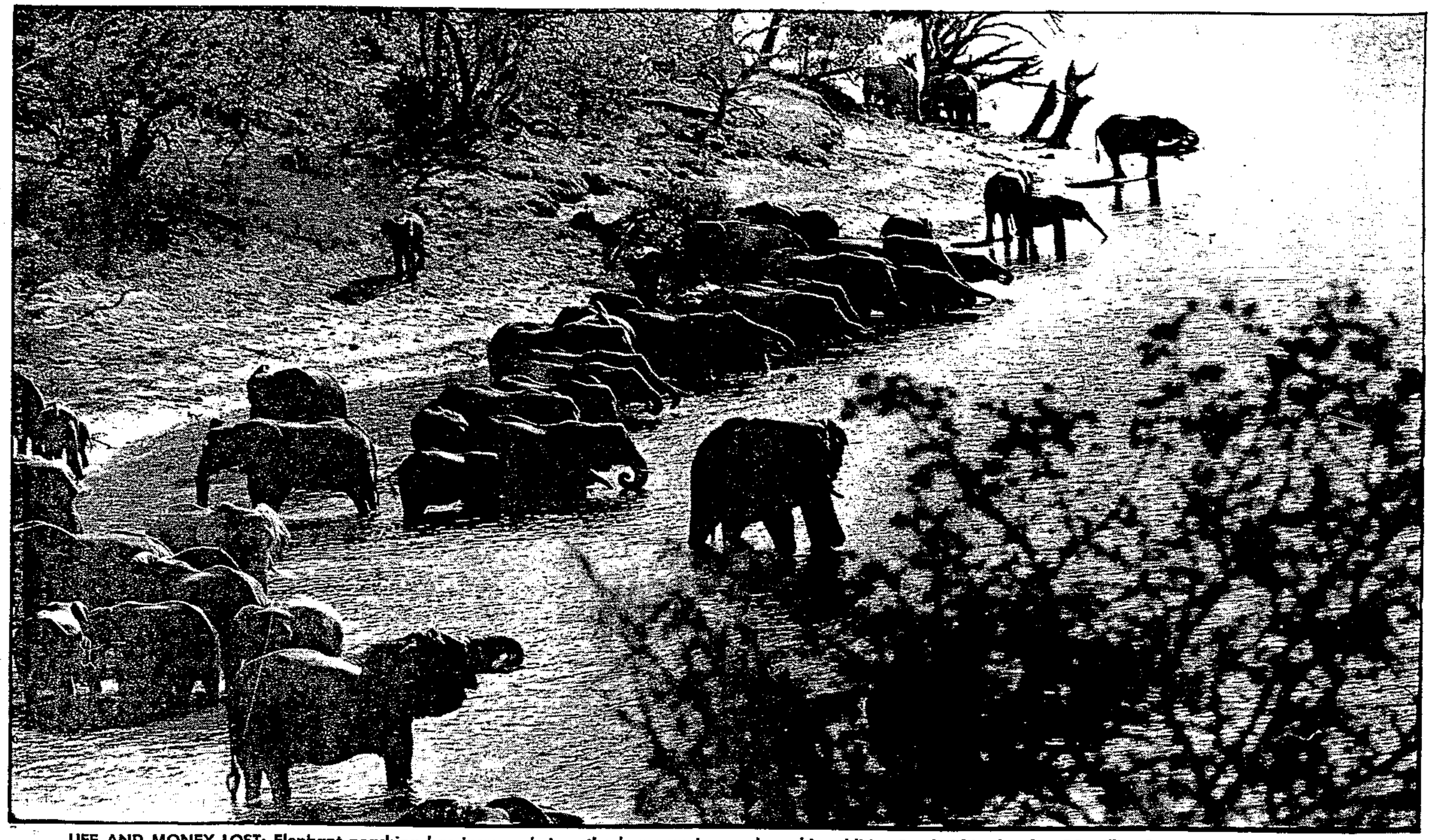
Greenpeace and other ecological movements reject any compromise, saying it would be the first step to a resumption of the ivory trade.

It is universally agreed that since 1990, trade in ivory has completely collapsed, especially in Hong Kong and Japan. — Sapa-AFP.

279A
29/2/92

WILDLIFE MANAGEMENT: *Sustainable utilisation of wildlife is the answer for future programmes, argues SA conservationist JOHN ILSLEY*

Ivory ban 'has failed'



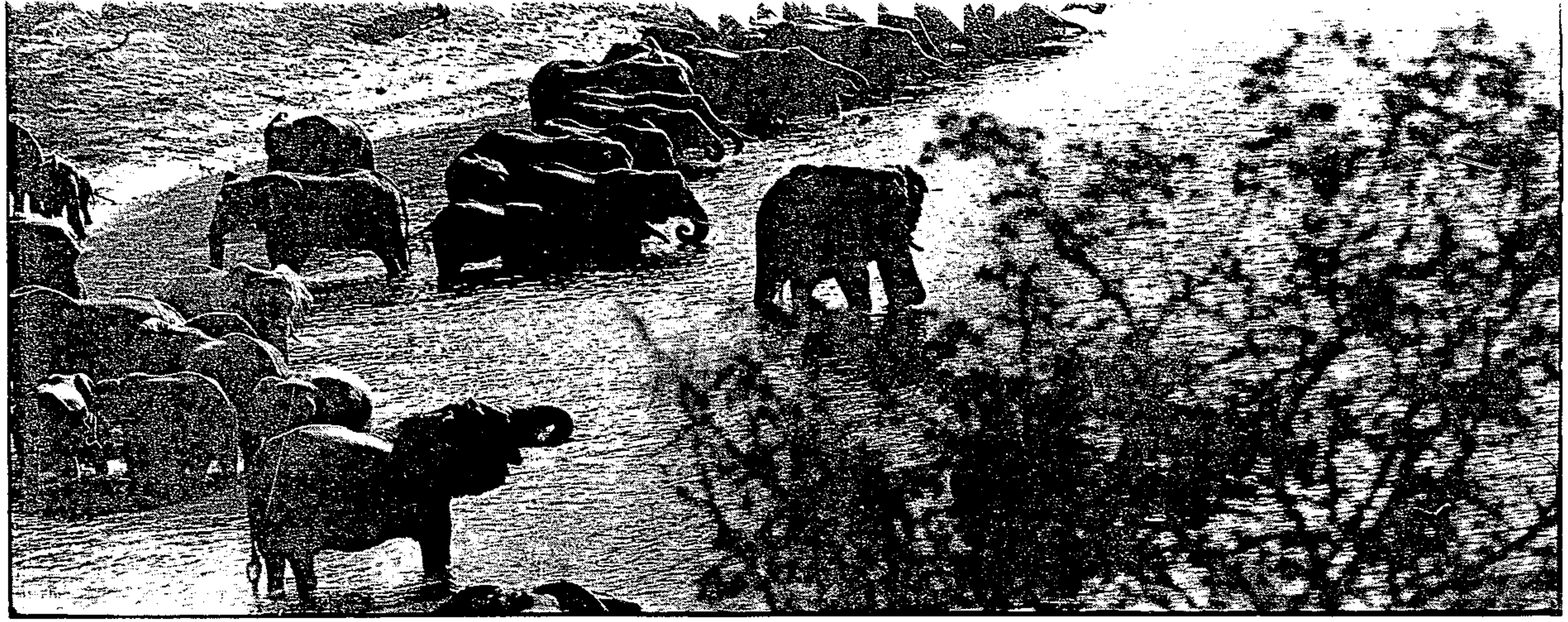
LIFE AND MONEY LOST: Elephant poaching has increased since the ban was imposed, and in addition South Africa has lost R9 million from sales of ivory and skin.

SOUTH Africa's self-imposed ban on ivory trading — in accordance with a 1989 Con-

THE Convention on International Trade in Endangered Species (Cites) will be meeting for two weeks in Kyoto, Japan, beginning on Monday. A panel of experts, which visited South Africa recently, will *report that this country's*

Cape Town.

● Introducing stricter controls at Customs points, so reducing South Africa's undesired role as



LIFE AND MONEY LOST: Elephant poaching has increased since the ban was imposed, and in addition South Africa has lost R9 million from sales of ivory and skin.

THE Convention on International Trade in Endangered Species (Cites) will be meeting for two weeks in Kyoto, Japan, beginning on Monday. A panel of experts, which visited South Africa recently, will report that this country's elephant population is in no danger of extinction. South Africa will use the opportunity to push for commercial trading to be allowed in products from its elephants.

SOUTH Africa's self-imposed ban on ivory trading — in accordance with a 1989 Convention on International Trade in Endangered Species (Cites) ruling — has failed in southern Africa.

That is according to Rhino and Elephant Foundation spokesman John Ilsley.

Statistics over the past two years show that around 30 of South Africa's 8 500 elephant population fell prey to poachers in the past two years, more than were lost during the five years preceding the Cites decision.

Similarly Zimbabwe, which before the ban lost about five elephants a year to poachers, is now losing around 100 a year.

"South Africa has also lost around R9 million which would have been made from sales of elephant skin and ivory and which would have, according to its existing policy, been ploughed directly back into conservation," Mr Ilsley says.

Kenya, on the other hand, says the ban has been successful in curb its enormous poaching problem, which was one reason for the ban being imposed in the first place.

"I don't believe the ban has been successful in achieving its aim of stopping the illegal slaughter of endangered elephants in southern Africa.

"Statistics show this trend has actually increased.

"Perhaps, overall, one could say the ban has been worthwhile in that international trade in ivory, which was spinning out of control at the time the ban was imposed, has been slowed down, giving us a breathing space to allow us to reorganise and set up better, more effecient and effective control systems."

Political expediency compelled South Africa to go along with the 1989 Cites ban voluntarily, even though it has never had a poaching problem. South Africa's elephant population, Mr Ilsley points out, has increased from 23 in the 1920s to around 8 500 today.

A Cites panel of experts, which visited South Africa recently, will report to the conference that South Africa's elephant population is not in danger of extinction.

This, combined with the statistical data, is what South Africa will use to persuade the Conference — meeting for two weeks in Kyoto, Japan — that it is expedient to move its elephant population from Schedule 1 (endangered animal, no com mercial trade in its products allowed) to Schedule 2 (threatened animal, commercial trading allowed).

Zimbabwe and Botswana are both expected to forward the same argument and request to the Conference.

"It is unlikely that the Conference will allow us to resume trading in ivory, so we will go for a compromise.

"South Africa will reluctantly agree to continue to observe the voluntary ban on ivory trading for a further two years — if its elephants are listed on Schedule 2 — after which time it will sell ivory only to Japan for use domestically and under very strict conditions so that abuse and corruption will be stamped out."

Japan, adds Mr Ilsley, is the only country that has a domestic market for ivory. Other countries, both in Europe and Asia, import ivory which is then processed into jewellery or ornaments and sold to tourists who take it back to their countries.

Japan does not rely on tourism to dispose of the ivory it imports. Most of this is used in its 400-year-old *hanko* industry — personal seals made out of small blocks of ivory.

While consumer demand for ivory accessories in Japan dropped after than ban had been imposed, *hanko* remains popular.

According to a report released earlier this month by the Environmental Investigation Agency, Japan has for many years been the world's largest ivory consumer, taking as much as 40 percent of the ivory in international trade.

"In the years before the ban, Japan was importing an average of 100 tons a year and in spite of a significant reduction in local demand, it remains the single biggest consumer of ivory."

Steps being considered by South Africa to tighten up loopholes exploited by traders nclude:

- Excluding all private traders from dealing in ivory.
- Allowing only the National Parks Board to sell ivory obtained from controlled culling.
- Strictly supervising this ivory during the shipping process, perhaps even introducing bonded containers which would be sent directly to Japan.
- Paying greater attention to policing illegal ivory trade though the SAP's Endangered Species Protection Unit.
- Refining and possibly introducing the unique "fingerprinting" (isotopic testing) system for ivory currently being developed by the Archeometry Research Unit at the University of Cape Town.
- Introducing stricter controls at Customs points, so reducing South Africa's undesired role as the main transit point in southern Africa for illegal ivory.

Mr Ilsley says it seems that Kenya, whose 1989 arguments at Cites resulted in the ivory-trade ban, would support shifting South Africa's elephant population to Schedule 2 with the compromise plan as a codicil.

By observing the ban for a further two years, Japan will also have the opportunity of improving its controls to ensure the ivory does not land up in the hands of illegal dealers.

The Sadecc countries will propose a simlar deal for Sadecc members — tightening loopholes and trading only with Japan — and Botswana has already identified a site in Gaborone where it will set up a central selling point for Sadecc members, including Zimbabwe with its herd of 70 000.

"But the first hurdle will be to get the world to accept that our elephants are not endangered and to move their listing from Schedule 1 to Schedule 2.

"Sustainable utilisation of wildlife is the answer to future conservation and must include the ability to trade in products obtained through a controlled programme," says Mr Ilsley.



MALAWIAN CONTRACT . . . signing the R-data contract in Cape Town for the Malawi Ministry of Works software package are, from left, Eric Msolomba, GM Water Affairs; Charles Katete, the Ministry's principal accountant; Folger Nyrongo, chief accountant; Evan Chipazi, senior accountant; and Rod Dunbar, managing director of R-data

Cape company gets contract with Malawian government

CAPE TOWN software company R-Data has been awarded a contract to implement a full accounting facility for the Malawi Ministery of Works, based on the company's South African-produced software Promun.

The fully-integrated package includes all the essential accounting routines such as general ledger, creditors, orders and cash book, and is designed to run on a variety of hardware platforms.

An addition to the Ministry of Works contract is a water billing system for the submission of accounts for all water consumption throughout Malawi.

Promun has been developed to cater for the needs of local authorities.

The software is configured upon a fully-fledged distributed database system which allows users to access up to 240 databases simultaneously, and alternative database support is incorporated.

R-Data's systems are operating throughout South Africa, with technical support and training facilities available at all levels from basic computer concepts to fully-integrated financial systems.

R-Data personnel are in Lilongwe to set up the system and train Malawi personnel.

All systems will be live by April 1.

SA can outdo Japan — KK

C/Pres 1/3/92

By SEKOLA SELLO

SOUTH Africa must become part of southern Africa's economic system in order to unleash the economic potential of the region, former Zambian President Kenneth Kaunda said in Johannesburg on Friday.

Kaunda said the region had the potential to surpass even economic giants such as Japan.

He called on SA to join the Organisation of African Unity and on the economic front to become a member of the Preferential Trade Area and the Southern Africa Development Co-ordination Conference in order to create a common southern African market.

Kaunda said this while addressing guests at the first anniversary function of the Institute for Multi-Party Democracy on Friday night. This was his first visit to this country.

He also urged people of the subcontinent to bury geographic or linguistic differences.

"To continue operating as we are at the moment perpetuates our misery ... inward looking states based on nationalistic differences do not advance our interests."

The Zambian statesman also warned South Africans against the currently popular belief that the free market system would address the material problems of the poor.

He said the notion that capitalism was the panacea needed to solve the problems of developing countries was "too simplistic" and "wishful thinking".

Kaunda pointed out that since he was ousted from office four months ago by Frederick Chiluba, who has "embraced the free market economy wholeheartedly", inflation in Zambia was running close to 400 percent for "the first time in the history of our country" and prices were skyrocketing daily.

While critical of capitalism's ability to address the problems of the poor, he said he could not prescribe an economic system for South Africa.

This, he said, would be decided by the people themselves.

Kaunda was met at the airport by ANC national chairman and his long-time friend, Oliver Tambo.

The Zambian leader said the warm reception given to him reminded him that "Zambia and South Africa are one".

Kaunda was questioned on his presidential perks when he addressed students and scholars at the University of Pretoria yesterday.

He told an attentive audience that the new Zambian government had contravened human rights when it passed retroactive legislation affecting the retirement benefits of politicians and civil servants.

Apparently referring to himself and his ousted government members, he said those who benefited from a retirement scheme had been told to repay the government and some had lost their vehicles and houses.

"The post-apartheid government in South Africa must avoid making the mistakes the new government in Zambia is making," Kaunda said.

Kaunda said his ministers had "ordinary" lifestyles.

"We had cars but Zambia is a big place and you can't expect us to go on foot."

Africa sees SA in new light – Kaunda

279A

STAR 2/3/92

By Brian Sokutu

Southern Africa would no longer give military support to the country's liberation movements to topple the SA Government, former Zambian president Kenneth Kaunda said in Johannesburg yesterday.

Speaking at a press conference after a series of meetings with ANC president Nelson Mandela, President de Klerk, IFP leader Mangosuthu Buthelezi, PAC president Clarence Makwetu and SACC general-secretary Frank Chikane, Dr Kaunda said there was now a shift in southern African countries' perception of South Africa.

Known for their military support to Umkhonto we Sizwe (the ANC military wing) and Apla (PAC military wing) cadres since the banning of extra-parliamentary organisations in 1960, African countries "would not wish to interfere in the peace process taking place by supporting the armed struggle".

Asked to comment on the white referendum, Dr Kaunda said: "There should have been no need to have a referendum at this point in time. But in South Africa, we're not dealing with a normal situation, but a complex one.

"There is no other way out to peace in South Africa other than voting 'yes'."

Advice

Dr Kaunda described Mr de Klerk as an honest and sincere man. "I have no cause to change my analysis," he said.

A guest of the Institute for Multiparty Democracy, Dr Kaunda, who rounds off his three-day visit to South Africa today by meeting Azapo leaders, said he was sorry not to have met AWB leader Eugene TerreBlanche.

"I was scheduled to have met him this afternoon, but he behaved so well by sending one of his colleagues to deliver a message that he could not meet me as he was busy forming a coalition to fight the referendum."

"Just before I came here I heard Mr Terre-Blanche on the radio addressing his supporters, saying whites were chased in Northern Rhodesia, Southern Rhodesia and now here in South Africa.

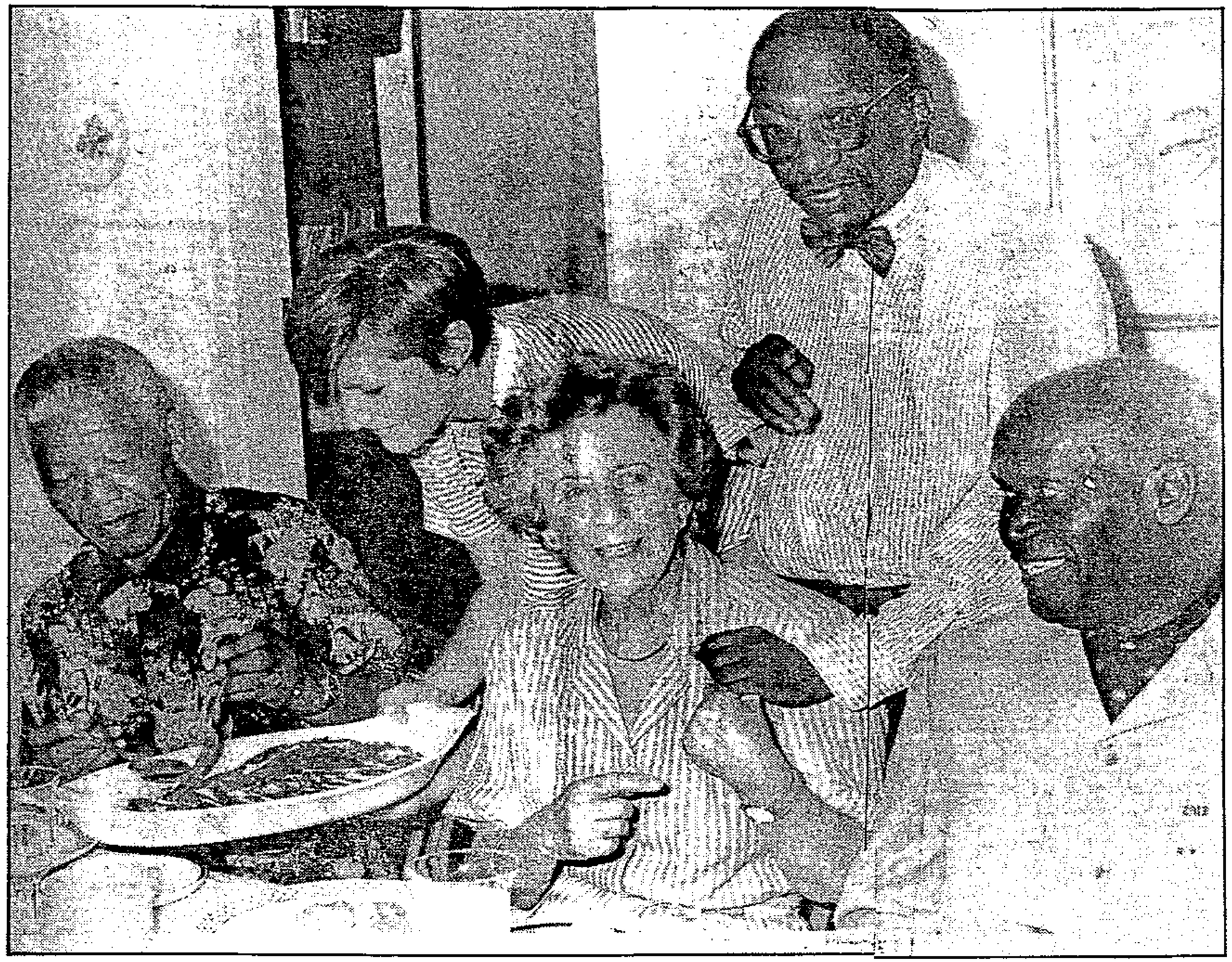
"My message to him is that nobody chased whites from Zimbabwe and nobody will chase him (Mr TerreBlanche) from his own country.

"We're merely calling for an end to apartheid and an establishment of a system of government based on one person, one vote.

"Abolish apartheid and join the OAU to strengthen the continent's economy," he urged.

"My advice to all is that the peace process requires more vigorous support from all leaders. Entrenched positions should be avoided because that will perpetuate the mass killings taking place now," he said.

(Report by B Sokutu, 47 Sauer St, Johannesburg)



In town . . . former Zambian president Kenneth Kaunda (right) yesterday at a lunch hosted by the Editor-in-Chief of The Star, Richard Steyn. Among those attending were ANC president Nelson Mandela, veteran politician Helen Suzman and Sowetan editor Aggrey Klaaste (standing).

ADVERTISEMENT

Meeting Africa's needs — the key to SA economic success

BD day 2/3/92

279A

Deirdre Blain

NO DOUBT the IMF's recent disclosure of a lacklustre 2% aggregate growth in the world's major industrial economies for 1992 — down from its October forecast of 2,9% — will be much on the minds of attendants at an Interexec conference in May on how to expioit profit opportunities in subSaharan Africa.

Despite euphoria over the progressive lifting of sanctions against South Africa, IMF's announcement indicates bifocals, and not rose-tinted spectacles, are what's needed for local businesses looking to new export markets for their products.

"Obviously we can't ignore overseas trading partners, but if South Africa's economy is to get an export-led kickstart to recovery, it seems increasingly likely that it will come from markets closer to home," says general manager Dennis Cox, of Interexec Seminars & Symposia.

"Eastern European economies are largely defunct, the major western markets are sluggish, yet the Nigerian stock market all share index rose by a spectacular 50% at end-December, and we understand Botswana is listed as one of the fastest growing economies in the world."

"Billions of dollars in investment and foreign aid are pouring into Africa annually," he continues.

"This, together with the growing trend towards free market economies, has resulted in many African markets reflecting exponential growth patterns with ensuring lucrative and still untapped business opportunities."

The Interexec conference, scheduled for the 5 and 6, will take a look at subSaharan profit opportunities for local business and more specifically at how to exploit these openings to the full. Speakers will address in detail how to minimise risks and maximise the chances of successful intra-continental trading, in the fastest possible time.

Guest speaker Dr Ophelia Jatta, an internationally renowned expert on African economic and business affairs, having visited more than 38 African countries, will deliver the keynote address entitled 'Meeting Africa's needs: the key to (South Africa's) success'.

The American Harvard graduate holds a BSc in accounting, an MA in internatinonal economics and business, and a Juris doctorate in international law.

"Economic co-operation between African states generally, and southern African states specifically, irrespective of political differences, is the vital key to economic upliftment throughout the region," says Jatta.

"The effect of African countries in the past banding together to isolate South Africa from world trade has been to weaken the economies of each and every one of them.

"Just as these countries are now realising the need to bring South Africa back into the Preferential Trade arena, it is in South Africa's own best interests to boost and assist the economies of its neighbours.

"Strengthening ties and not allowing politics to destroy the economic base is more likely to attract foreign investment to the region as a whole, with South Africa the natural economic hub."

A lot of companies burnt their fingers because they did not know how to enter this market properly. They did not fully understand the economics of the region, transport routes and other African peculiarities. They did not go fully prepared, with their eyes open.

The Interexec conference will focus on the practical and tough issues of business marketing into these areas, says Cox.

An impressive line-up of speakers will address subjects of interest to the full spectrum of South Africa's business community, including manufacturing, engineering, building and the commercial sector.

The conference programme will also encourage participation from delegates and a free exchange of ideas and experience.

Says Jatta: "It's going to be a very worthwhile exercise, even for those who already know what's being said. The conference will provide an opportunity for companies to network together and explore joint venture opportunities.

The time has come for South Africa to walk through the front door to the international trade arena and to take a leadership role in world business activity."

For more information on this, contact Interexec Seminars and Symposia at: (011) 803-8467.

DT7222

'Ivory' panel criticises Botswana and others

TOKYO — Botswana, Malawi and Namibia, which are seeking a resumption in ivory trading, were criticised over their elephant conservation records in a report released yesterday.

A panel of experts set up at the last meeting of the Convention on International Trade in Endangered Species of Fauna and Flora (Cites) to study the plight of elephants in southern Africa released the report on the first day of the organisation's eighth conference in Kyoto.

The report noted that Botswana had 55 000 elephants and had cracked down on poaching, but added there were serious reservations about efforts to control the ivory trade.

They also complained of a lack of co-ordination between various government agencies in Botswana.

Malawi and Namibia, with about 2 000 and between 4 500 and 6 500 of the animals respectively, did not have more elephants than were needed for the long-term viability of the species there, the report found.

Zimbabwe and SA have joined the bid for a controlled resumption in the ivory trade, with all five countries arguing their elephant populations were beginning to bounce back.

They said income from ivory sales would help finance efforts to conserve elephants.

SA was the subject of a separate report, generally favourable, released in October.

The report noted that in Zimbabwe, only about 100 of some 77 000 elephants were thought to be killed by poachers annually.

The five southern African countries count among them 150 000 of the 600 000 elephants estimated to live on the African continent. The report says their number has increased slightly, contrary to what is happening elsewhere in Africa. — Sapa-AFP.

M&R takes in Angola on path through Africa

JABULANI SIKHAKHANE

INDUSTRIAL holdings group Murray & Roberts (M & R) is positioning itself to play a major role in the rebuilding of the economies of southern African countries.

M & R said yesterday it had signed a protocol with the oil-rich province of Cabinda in Angola providing for M & R to assist with infrastractural projects.

The deal was signed in Johannesburg at the weekend by Cabinda governor Augusto Thomas and M & R CE Dave Brink.

Last month M & R signed a memorandum of understanding with Zambian local government and housing minister Michael Sata.

Sata signed a similar deal with financial services group Investec, which will act as an adviser on the restructuring and unbundling of Zambian government assets.

In Zambia M & R will incorporate a subsidiary to help with the reconstruction of Zambia's infrastructure, expected, according to Sata, to cost more than $6,5bn.

M & R is also investigating business possibilities in Kenya, which has a free trade zone in Mombasa, and is already involved in Zimbabwe, Malawi, Botswana and Namibia.

In Cabinda M & R will assist with training in aspects of construction and engineering, supply of prefabricated houses, schools and hotels, and production of concrete bricks and blocks. It will also assist with harbour works and road construction, construction materials, agriculture and mining exploration.

The first prefabricated schools, hospitals and houses will be delivered in the next three months.

In a statement Thomas said Cabinda was the richest province in Angola with vast potential for development. "I believe M & R will be able to assist Cabinda in this regard and am looking forward to a close relationship with the group."

Brink said while the recent agreements represented an important initiative, they were not expected to have a substantial

☐ To Page 2

Angola

☐ From Page 1

effect on M & R's bottom line, at least until the projects got off the ground.

He added that the World Bank and the International Finance Corporation spent billions of rands on project finance in southern Africa and they needed delivery mechanisms. The World Bank alone is estimated to spent $9bn a year financing projects on the subcontinent.

"We see ourselves as efficiently providing those delivery mechanisms. Cabinda and Zambia are obvious targets. Both have the fundamental ability to pay. Cabinda has oil and Zambia has copper and cobalt," Brink said.

Leakey leads effort to retain ivory ban

TOKYO — Conservationist Richard Leakey is battling to unite African nations attending a world wildlife conference in prolonging a ban on ivory trading.

"I'm looking for a unanimous African initiative that will state that there is to be no ivory trade," Leakey said yesterday. "I'm very concerned that we give a clear message to traders and poachers ... that no ivory will be traded, period."

Zimbabwe, SA, Namibia, Botswana and Malawi, which have healthy elephant populations, have come to the conference in Kyoto, Japan, seeking resumption of limited trade in ivory to bring in revenue. However, east African nations want to continue the ivory ban until their herds have had a chance to re-establish themselves.

Leakey, director of Kenya's wildlife service, was instrumental in having the ivory ban imposed in 1989.

He said elephant populations had stabilised since the ban and growth could be expected soon, as long as the ivory ban remained.

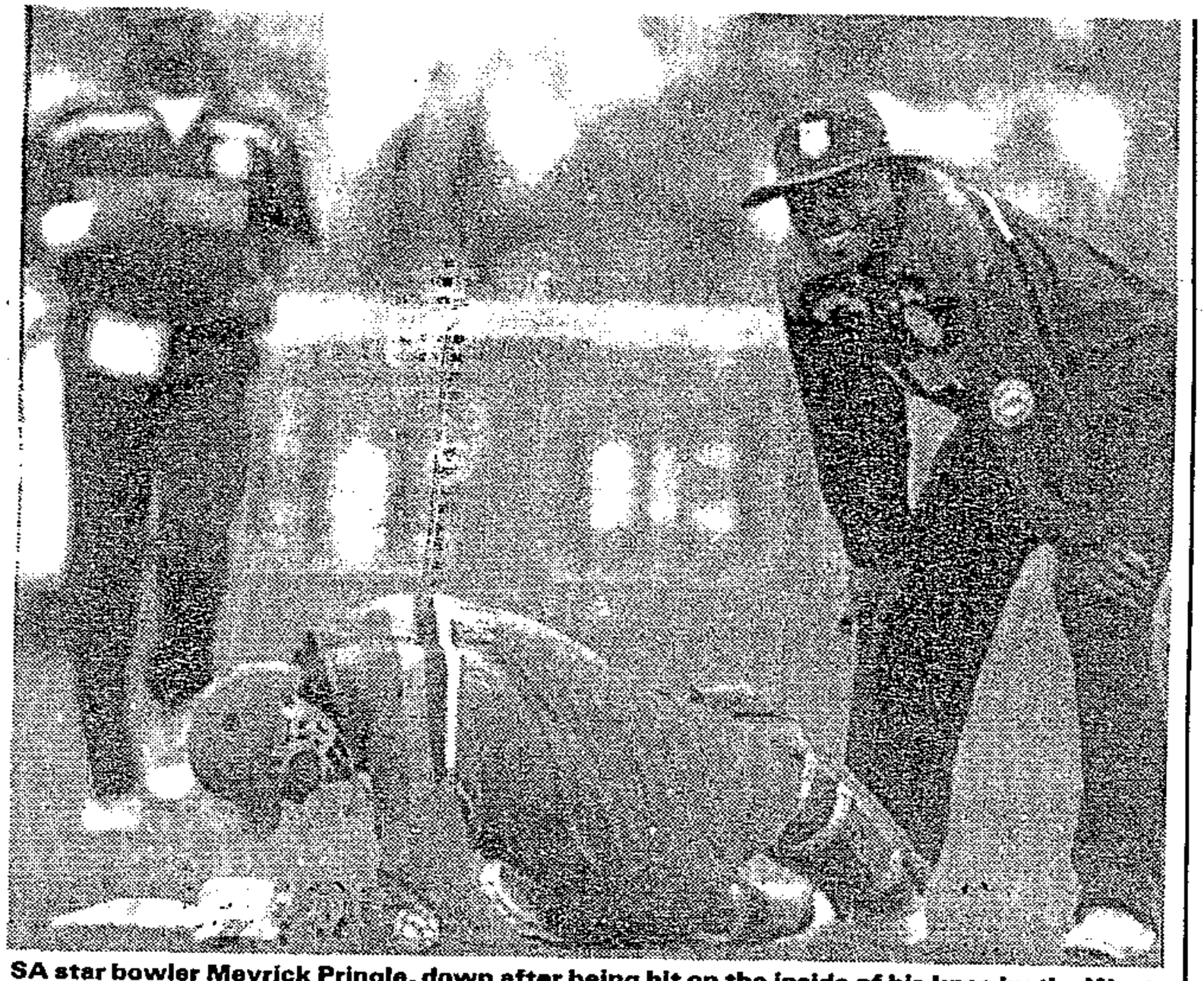
The price of ivory has recently crept up on traders' hopes that Cites delegates might vote to relax the ban. Some delegates say there could be a compromise, allowing for trade in elephant hides and meat.

Britain's Prince Philip, president of the World Wide Fund for Nature, told the conference the illegal trade in endangered species, with its poachers and smugglers, was just as dangerous as the drug trade.

"Many people know about the war against the drug barons and the huge sums of dirty money that flow from the business that destroys so many human lives," he said. "I believe that the illegal trade in endangered species is just as dangerous."

The trade had been directly responsible for the extinction of many species. "As in the drug trade, money from these criminal operations finds its way into bribery, corruption and violence," he said.

The prince suggested Cites "train an international force of expert advisors ... to assist governments and their customs authorities" in enforcing Cites regulations. — Sapa-Reuter.



SA star bowler Meyrick Pringle, down after being hit on the inside of his knee by the West Indian bowling, is checked out by Desmond Haynes during yesterday's World Cup encounter at Lancaster Park, Christchurch. SA decisively beat the West Indies by 64 runs. Picture: AP

Russian delegates looking for local business partners

CAPE TOWN — Russian businessmen gathered in Cape Town yesterday for a two-day seminar aimed at expanding trade links between their country and SA.

Opening the Marvol Group-sponsored meeting at a Sea Point hotel, SA businessman Deon de Wet said the Russians had to realise that the route to Africa was through SA, especially following political breakthroughs in SA.

Both countries were emerging from a background of unrest and archaic laws.

"A 'yes' vote in the March 17 referendum will set our lives free to negotiate a better future for SA," said De Wet.

"I am convinced (President) F W de Klerk will get all the support and a mandate for a resounding victory."

Both countries were already involved in business ventures in the fields of aviation and solar panels.

The Lonhro Group's Tiny Rowland had suggested that SA and Russia, given their expertise, should get involved in joint mining enterprises.

De Wet said the Russian trade delegates were well connected with that country's government, but were in SA in their private capacity.

LINDA ENSOR reports that the Russian aerospace industry representatives were looking for possible SA participation in a joint venture to manufacture light civilian aircraft.

Marvol SA MD Johannes Dreyer said Russian design bureau Rusjet had designed a civil aircraft and was looking for partners.

"A market niche has been identified for the designing and building of a small aircraft with limited seating and freight carrying capability for use in African conditions. It will also have the capability for short take off and landing.

"It is an affordable aircraft with low maintenance and operational costs. The possibility of a SA-Russian venture to manufacture this aircraft is being looked at," Dreyer said.

"The possibility of upgrading the passenger seating in the Antonov-124 to acceptable business standards will also be discussed."

"The idea is to combine the transport of passengers and freight. At the moment the Antonov-124 is a very crude aircraft used for military purposes. SA has the ability to upgrade it internally."

Egypt looks south for new markets

STAR 6/3/92

Africa's two biggest economies, Egypt and South Africa, may soon find themselves competing for markets, Star Africa Service correspondent NEIL MOORHOUSE reports from Cairo.

EGYPT looks set to move south to exploit an untapped African market for its goods at a time when the other economic giant on the continent, South Africa — with apartheid crumbling — is pushing hard to win friends in the north.

This could set the stage for a competition for markets by Africa's two largest economies.

President Hosni Mubarak's recent tour of African nations marks a new phase in Egyptian relations as the country turns south for new business.

Hitherto, the volume of Egyptian trade with Africa has been remarkably low. Between 1980 and 1990, Egypt's annual exports to Africa amounted to an average $24 million (about R67 million). Surprisingly, trade with Arab countries is also low.

But Egypt is looking to develop business contacts as well as asserting a greater role in Africa. Omad Gad, under-secretary of the Ministry of Foreign Affairs and director of its African department, says the government is seeking to use funds for African development to support Egyptian exports to African markets.

Egypt is also seeking to launch joint agricultural and industrial projects with African countries to encourage commercial exchange throughout the continent.



On the lookout . . . Egyptian leader Hosni Mubarak.

How to achieve greater co-operation will be another matter. Kamal Hilaly, chairman of the El-Nasr Export-Import Company, believes greater customs concessions to African exports would support trade.

One major obstacle to the furtherance of trade, according to Egyptian business investors, is transportation. As a sign of its willingness to ease the problem, the government has plans for an inter-African road network.

The development of the African market is part of a move by the Egyptian authorities to a greater market-oriented economy. At present, 85 percent of Egyptian industry is government-owned. Under the new public-sector companies' law, up to 49 percent of the shares in about 350 such companies may be sold on the Egyptian stock exchanges.

The urge for greater co-operation with African nations may also be part of a move among Arab countries to respond to the supposed economic threat posed by the European Community. Some countries in the region see the European economic bloc as an attempt to keep out foreign imports. □

SCENE *around*

A "gypsy" entrepreneur flies in; the free flow of ideas receives a boost. **MARIKA SBOROS** reports.



Hard at work . . . Rich Mkhondo makes a few calls from the dinner table.

KK speech baffles audience

STAR 6/3/92

WITH friends like former Zambian president Kenneth Kaunda, the Institute of Multi Party Democracy (MPD) has displayed its commitment to the free flow of ideas.

The MPD hosted a conference at the University of the Witwatersrand last weekend on the theme "In Search of Democracies, Majorities and Minorities".

Dr Kaunda, on his first visit to South Africa, was given a standing ovation when he arrived late to deliver the conference's opening address. His topic was "Democracy in Southern Africa, Balancing Majorities and Minorities".

He then proceeded to denigrate most of what the MPD is trying to promote. His audience listened in polite silence (some veteran political activists described themselves as "stunned") as he attacked multi-party democracy as unworkable in an African context. The free-market system also received short shrift from the former head of state.

At the end of a rather long-winded and rambling speech, the audience once again rose to its feet to give him a standing ovation.

(279A)

Delegates were drawn from the spectrum of players on South Africa's vibrant political stage, and groups involved in change and negotiation. The Conservative Party was invited, conference organisers say, but declined to attend.

The press contingent was strong ... and enterprising. Reuters news agency writer Rich Mkhondo came complete with portable telephone from which he made essential calls from his table during dinner.

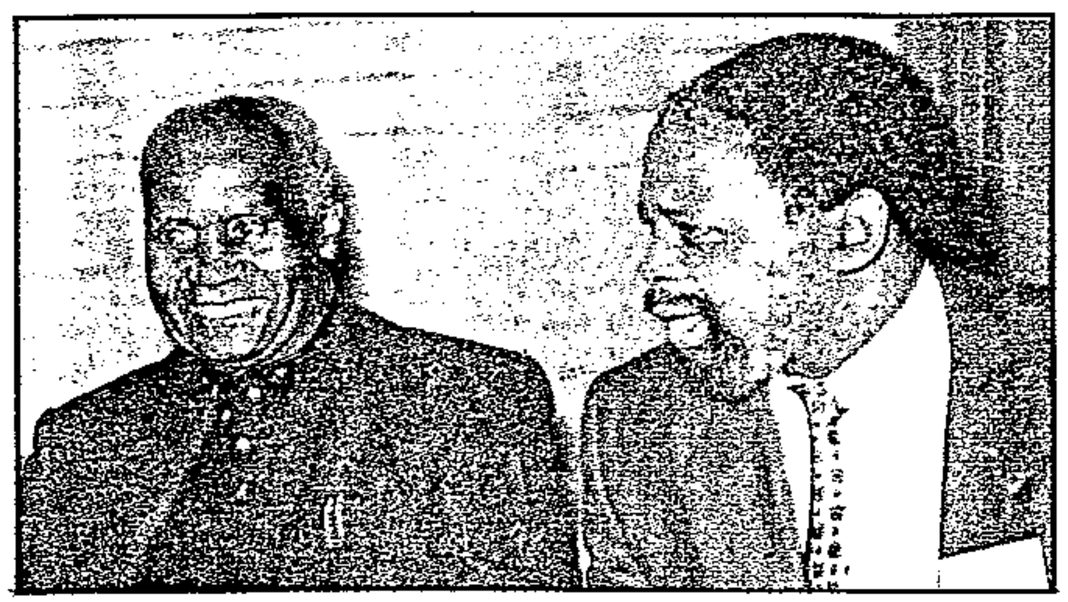


Table talk . . . former Zambian president Kenneth Kaunda and Oscar Dlhomo, head of the Institute for Multi-Party Democracy. Pictures: Alf Kumalo

A lipstick in her briefcase

WHEN Cyndi Kaplan's pharmacist husband abandoned an academic career to study medicine at the grand old age of 38 she was delighted, despite being only 24 at the time, with a six-week-old daughter and a toddler son to support.

The former Capetonian undertook to "fill the bread bin for the next seven years, occupation unknown".

Now, 15 years later, she is an established businesswoman, speaker and author in Sydney, Australia.

She had no "brilliant career" planned, she says. The only goal was economic survival.

She did not want to fall back on her training as an art teacher and psychologist, and opted instead to turn her hobbies into a business.

She designed needlepoint, then activity toys which she produced, marketed and sold to South African supermarkets.

Another goal became emigration, so she disregarded the obstacles of sanctions, set up an agency in Australia and exported her products.

"My business grew from a cottage industry to an international commercial venture," she says.

She travelled the world "like a gypsy", enjoying the stimulation of the foreign markets and the diverse cultures she encountered.

She "juggled the roles of wife, mother and breadwinner like an acrobat and survived, sane and solvent".

Women of today (and tomorrow) must dispel the illusion that they will always be looked after or taken care of financially by men or their families, she says.

Women want good careers, good marriage and healthy, happy children, Mrs Kaplan says.

"A tool to this lifestyle is the opportunity of enterprise."

In the past year she has travelled all over Australia, speaking to over 10 000 women in business.

SHE has met hundreds of capable, successful, talented women.

No "tall poppy syndrome" there, she says. The women have opened their hearts to applaud and acknowledge the achievements of other women.

Mrs Kaplan is in South Africa to promote her book, "There's A Lipstick In My Briefcase" (Godiva), a guide for the new woman entrepreneur, and to conduct a lecture tour.

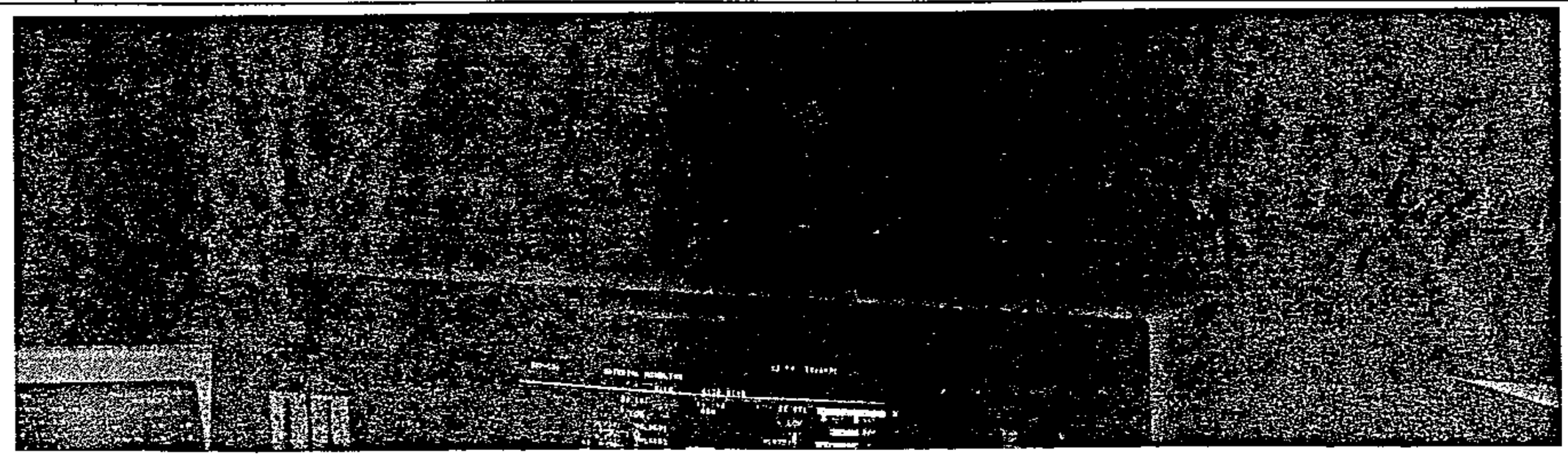
Her book will be published in a South African version, to be distributed by Struik publishers in a few weeks' time.



Gypsy juggler . . . Cyndi Kaplan is wife, mother and brilliant busineswoman. Picture: Andrew Ingram

ON MONDAY

SA firms are trying to help executives retrenched through mergers, takeovers, management changes or as a result of the recession.



UK gives drought aid

Sowetan 6/3/92

LONDON - Britain will give R43,4 million in drought aid to Southern African countries, the government announced on Wednesday.

The aid package includes R24,2 million for Zambia and Zimbabwe, to ease their balance of payments difficulties and enable them to import essential food supplies, Minister for Overseas Development Mrs Lynda Chalker announced.

A total of 10 000 tons of food aid will be sent to war-ravaged Mozambique and 5 000 tons of food aid will be provided for Mozambican refugees in Malawi, at a total cost of R18 872 million, Chalker said.

Britain also would offer to help distribute the aid, she added. - *Sapa-AP*

Southern African nations relax slightly on ivory ban

B/Day 6/3/92.

279A

TOKYO — Five southern African nations yesterday offered the first concession in a heated battle over the ivory trade which has dominated a world wildlife conference in the ancient Japanese capital of Kyoto.

Botswana, Malawi, Zimbabwe and Namibia said they would consider a voluntary moratorium on the ivory trade which is currently banned worldwide. SA said it would continue to forbid any import or export of ivory or ivory products for the time being. The five have not, however, withdrawn their requests that the African elephant be reclassified under the Convention on International Trade in Endangered Species (Cites) to allow a limited trade in ivory.

International Union for the Conservation of Nature delegation head, Simon Stuart, said the union hoped all participants would recognise there had been a significant advance which could form the basis for negotiations on a compromise.

The five African nations issued two separate statements. SA said that in recognition of continued sincere concern over the ivory trade, it would continue to forbid any import or export of ivory or ivory products until the next meeting.

Ministers from the other four countries said they were prepared to compromise and would consider a voluntary moratorium "for a reasonable period", which would allow the establishment of a trading system that would not encourage illegal opportunities for ivory trading.

A vote on the proposal to move the African elephant from Appendix I, which prohibits all trade, to Appendix II, which would allow some trade, could come as early as Monday.

The proposal needs a two-thirds majority, but an official said he did not expect it to be passed.

Many non-governmental organisations are fiercely against any reclassification, saying poachers would see it as the first step to re-opening the ivory trade.

On Wednesday evening, Japanese customs authorities confiscated 27 illegal ivory tusks in their biggest seizure since the ban went into effect in 1990. Southern African nations say they need their elephant resources for revenue and blame the developed North for not providing enough funds to help them in conservation efforts.

Stuart said it was up to the 112 member nations of Cites to decide.

Emotions on the ivory question have been calmer at this meeting than they were at the previous session, when one participant was kicked and punched for saying he was in favour of culling elephants.

□ Sapa-AFP reports from Nairobi that Tanzania has lifted a three-year ban on elephant hunting imposed to stop poachers slaughtering the animals for ivory, Tourism Minister Abubakar Mgumia said yesterday.

Contacted by phone in Dar es Salaam, he said Tanzania had decided to lift the ban.

Neighbouring Kenya opposes moves to ease the ban on ivory trading, although some wildlife experts admit that even its elephant herds have swelled to a point where there are already too many of the animals.

UN figures indicate that Africa has an estimated 609 000 elepants, down 50% from 1981. Sapa-Reuter.

The ivory war

The future of the African elephant and those who benefit from trading in ivory and skins — rural communities and men of war — will be decided when Cites opens in Japan this week.

EDDIE KOCH *reports*

MILLIONAIRE mercenaries and impoverished rural people, two species on opposite ends of southern Africa's political landscape, will each be affected by the outcome of the most heated environmental debate this decade: to ban or not to ban the sale of ivory.

If the ban on elephant products is upheld, rural people will lose the right to make a living from one of their most valuable natural assets. But if the ban is relaxed, corrupt military men who make their fortunes from dealing in the tusks of dead elephants will be rubbing their hands in glee.

These are the horns of a dilemma on which all genuine conservationists in South Africa find themselves. The only way out of the quandary is for this fraternity to lobby strongly against any form of military involvement in the illicit ivory trade.

South Africa's delegation to the eighth international conference of countries that have signed the Convention on International Trade in Endangered Species (Cites) has gone into the summit at Kyoto in Japan with a potentially progressive position and an unusual array of allies.

The conference, which lasts until next Friday and is billed as a summit that will finally decide the fate of the African elephant, is being attended by a high-powered team of state officials and conservationists from non-government organisations.

They will argue for elephant to be transferred from the Cites Appendix I list of endangered species, which prohibits the trade in products from these animals, to the convention's Appendix II, which will allow legal trade in elephant products to resume.

But, in a gesture of support to those countries which believe a pause in the ivory trade is necessary to stamp out illicit poaching and drive down the price of tusks on the black market, the South Africans will agree to a zero ivory quota until the next gathering of Cites members.

Dr Richard Leakey, director of the Kenya Wildlife Service and Africa's most vociferous proponent of the ban on trade in elephant hide and tusks, has agreed to the compromise — and the South Africans can, for once, rely on extensive support from some unlikely bedfellows.

A central tenet of South Africa's position is that elephant and other animal species are among the only resources that rural communities in many parts of southern Africa can exploit to make a living and, thus, it is important to win the principle that these people be allowed to use wildlife resources in a sustainable way.

"Wildlife must and can pay its way. And that payment must reach the people who have no choice but to live cheek by jowl with wild animals in remote areas," says Tony Ferrar, executive director of the Wildlife Society of Southern Africa and member of the South African delegation to Cites.

"Conservationists in southern Africa must consolidate a clear and powerful message, delivered with conviction, that defines the policy of sustainable economic use of wild species. This must be done not only for the good of those species but for the benefit of local people and the economic and ecological systems on which they depend."

The position will be supported by progressive conservationists from all over southern Africa, including proponents of the Campfire programme in Zimbabwe. This is a promising scheme in which villagers are given control over wildlife in their tribal areas in exchange for sale of their products. Several of these communities have built creches, schools, clinics and other facilities from the proceeds of conservation programmes in their areas.

Backing will also come from a reputable team of researchers attached to the Wildlife Trade Monitoring Unit at Cambridge University in the United Kingdom.

In a recent book, *Elephants, Economics and Ivory*, members of the unit argue the ivory ban is having a detrimental effect on innovative conservation programmes in southern, and South, Africa that encourage local communites to participate in the preservation of wildlife rather than to engage in poaching.

But enter the military and things no longer look so good for the South Africans. The London-based Environmental Protection Agency (EIA), a vociferous group of researchers opposed to any relaxation of the ivory ban, recently issued a report which claims that the Mozambican army, the SADF and Renamo and are heavily implicated in ivory wars that are driving some of the sub-continent's remaining herds to extinction.

EIA director Allan Thornton's report is thin on evidence about the SADF's said involvement in this conspiracy. But there have been more reliable indications recently that members of the South African military are profiteering from poaching in Mozambique's war zone.

The Defence Intelligence Agency, an undercover unit attached to the United States Defence Department, last month leaked a report which claimed that support for Renamo rebels in Mozambique was still being supplied by elements in the SADF as late as February 1991. The DIA's agent says that his informant, a defector from the rebel movement, provided evidence of "another Renamo connection to South Africa — ivory poaching".

The report cites the informant as saying: "When he was a member of a section he was often tasked to go into a huge area with lots of elephants to kill the elephants for their tusks. He said this group brought the tusks to a camp near the border, where the tusks were given to a group of whites, including a white woman."

Documents captured by the Mozambican army when it overran a Renamo base at Gorongosa in central Mozambique last year record instructions from rebel leader Alfonso Dhlakama to his chief of staff, one General Anselmo, that a consignment of ivory be airlifted to South Africa.

Another document, this time from a Renamo field commander to Dhlakama, says: "We need anti-aircraft weapons. We can provide ivory on a landing strip. When we have the anti-aircraft (weapons), the ivory must be ready to be taken out."

The Weekly Mail has also seen film footage, taken by a foreign television crew last year, which shows Renamo insurgents hawking ivory tusks across the electrified fence that separates southern Mozambique from South Africa — in full view of an SADF platoon.

First all-African publishers' group formed

279A

W/Mail 6/3-12/3/92

INDEPENDENT South African publishers were among the founders of the first all-African publishers' organisation, formed at a conference in Harare last month.

The African Publishers' Network (Apnet) has been created as an interim step towards the establishment of an African publishers' association that will stretch across the continent. Among its 11 founding members, all from sub-Saharan Africa, are the Independent Publishers' Association of South Africa (Ipasa) and publishers from Nigeria, Kenya, Mozambique, Tanzania and Namibia.

Apnet's first aim is to create an information network for African publishers who have been isolated by distance, language and the lack of an efficient communications service. This will be done through the publication of a bi-monthly newsletter that will, according to an Apnet statement, "fill an existing information gap about shared problems and experiences, as well as give a clear and unified voice to all publishers in Africa, which has been sorely lacking". Apnet has also started investigations into the foundation of an African Publishing Institute that would provide training in publishing.

African publishers met in Bamako, Mali, in 1988 to discuss common problems — the beginning of the long process that led to the formation of Apnet. Further meetings of African publishers and donor agencies were held last year in Sweden, New York and Italy.

At the Zimbabwe International Bookfair in August, the creation of a training project was discussed, and the creation of Apnet was the next step — a step made just in time to place these proposals before the various donors, who met in Harare a few days later. The Apnet statement said that "the proposals were sympathetically received by the donors present. Delegates noted with appreciation a new direction in donor aid, with donors widening their interests to include support for indigenous African publishing initiatives."

The members of Apnet are, in the main, smaller indigenous publishers, and one of Apnet's long-term aims will be the development of indigenous African publishing. While the larger international publishers provide in-house training, the smaller ones need to pool their resources and assist each other to raise the level of expertise in African publishing.

"There's a lot of investigation and research to get done," said Monica Seeber, Ipasa's training project co-ordinator. "But it was a very exciting conference, and shared experience is the start of shared skills."

Shaun de Waal

Zambia: Anglo's Columbus?

By CIARAN RYAN

THE Zambian Government is negotiating with Anglo American and Genmin about privatisation of State-controlled Zambian Consolidated Copper Mines (ZCCM).

Sources in Lusaka say talks between Zambia and Anglo started soon after the election of the new government. Anglo owns 27,3% of the mining group through holding company Zambia Copper Investments.

Anglo spokesman Michael Spicer says: "Anglo remained a shareholder throughout nationalisation.

"As a consequence of last year's election, the new policy of openness, the move to a mixed economy and talk of privatisation, we decided we would like to be as helpful as possible as an existing shareholder and play a more positive and active role in future.

"Old management attitudes were hostile to Anglo. This is no longer the case and this we regard as an incentive.

Columbus

"Several high-level visits have been made to Zambia, including some by technical teams. We continue to discuss technical co-operation with the government and management of ZCCM."

Genmin chairman Brian Gilbertson says his group is also talking about mineral interests in Zambia "including ZCCM".

He will not comment on the possibility of a Columbus-style joint venture with Anglo in Zambia.

But a mining industry source says the funds required to recapitalise ZCCM might be too onerous for any single bidder, making a joint venture a distinct possibility.

Genmin was invited by ex-president Kenneth Kaunda to study ZCCM, but appeared to have been wrong-footed when he lost the election.

ZCCM is the backbone of Zambia's economy, accounting for more than 90% of its foreign currency earnings. For this reason, the Zambian Government is nervous of parting with its controlling interest.

But at the same time it wants the mine to be run as efficiently as possible.

Code

Anglo would be keen to get a bigger share in ZCCM and Genmin, too, would want to get its foot in the door.

ZCCM urgently needs recapitalisation and any bidder would want guarantees from Zambia that it would not renationalise the mines or interfere in the remittance of dividends.

Steven Mwaba of Zambia Industrial & Mining Corporation (Zimco) says 120 State-owned enterprises are for sale.

A new investment code provides incentives for investors, says Mr Mwaba.

According to a source in Lusaka, the Zambian Government is considering converting the country into an export processing zone, removing virtually all foreign-currency and trade restrictions in an effort to boost the economy.

The irony for Anglo is that it could end by reacquiring — at a knock-down price — the position in ZCCM it was forced to relinquish to the Zambian Government in 1970 at the height of its nationalisation drive.

Anglo was forced to sell its majority stake in ZCCM to the government at book rather than market value in 1970. The shareholders, primarily Anglo, were paid more than $330-million for the 51% share.

Anglo paid the proceeds from the bonds to its new international investment arm, Minorco, to fund its international operations.

Minorco used some of the money in Anglo's South American mining ventures, some North American mines and ultimately in Salomon Brothers.

In June 1991 Minorco's cash holdings totalled $1,9-billion.

After nationalisation Anglo continued to manage the ZCCM mines until this arrangement was ended in 1973, resulting in Zambian copper production declining from 719 000 to 416 000 tons by 1988.

Taxes

The consequences for Zambia's economy were devastating — gross domestic product, measured in constant 1980 prices, declined from $988-million in 1974 when copper prices peaked to $184-million in 1988.

The government under Dr Kaunda bled ZCCM dry, charging taxes of up to 73% of profits.

One possibility would be to split ZCCM into its component parts — Nchanga Consolidated Copper Mines (NCCM) and Roan Consolidated Copper Mines (RCCM) — ahead of privatisation.

Investec recently announced that it had been retained to investigate ways of restructuring Zambia's national debt.

It will also provide finance for infrastructural developments and help the privatisation programme.

Murray & Roberts is returning to Zambia to assist in housing, construction and civil engineering projects.

A new investment code allows for a five-year tax-free holiday.

On a recent visit to SA, Zambian Minister of Local Government and Housing Michael Sata indicated that exchange controls would shortly be abolished and company tax reduced.



BRIAN GILBERTSON: Interested

Regional development is punted

SHERIDAN CONNOLLY

WITHOUT sufficient job opportunities, price stability and economic co-operation and development in southern Africa, the objectives of regional economic development would not be achieved, Regional and Land Affairs Department chief director Hans Van Rensburg said at the weekend.

He told the SA Chamber of Business Transvaal congress government's regional policy aimed to develop regional economies' potential to the optimum, in co-operation with the private sector, to increase the prosperity of all SA's inhabitants.

Development possibilities and comparative advantages could be optimally exploited only if government formulated strategic guidelines. It was essential that a healthy climate be created for development to enable institutions to advise on development matters at regional level, he said.

Concessions 'unlikely to coax lifting of ivory ban'

B1 Day 10/3/92 279A

KYOTO — Southern African nations offered further concessions at an international conference yesterday in an effort to revive the ivory trade, but participants said a trade ban was unlikely to be lifted.

Zimbabwe, Malawi, Botswana and Namibia said in a statement they would agree to a moratorium on commercial exports of raw and worked ivory until the next Convention on International Trade in Endangered Species (Cites) in 1994.

More than 100 nations are meeting for the current Cites talks ending on Friday.

The statement said during this two-year period, they would draw up an acceptable system of limited trade in elephants and in elephant products. If they failed to do this they would accept a trade ban.

Last week the four said they would agree to a voluntary moratorium for a "reasonable" amount of time.

The African elephant is listed on Appendix I of the Cites treaty which prohibits all commercial trade. The four nations together with SA want it downlisted to Appendix II which allows limited trade in elephants and elephant products.

SA also said last week it would continue to forbid any export or import of ivory until the next Cites meeting.

The five argue that their elephant populations are healthy and may even need culling and that their people should benefit from some trade in elephant products.

But other African countries oppose a downlisting, fearful that it would set off another round of poaching.

There are 112 members of Cites, 40 from Africa. A two-thirds majority is needed to pass a proposal.

"I don't think there is any chance whatsoever of a downlisting proposal going through," influential wildlife expert Richard Leakey, of Kenya, told Reuter.

Leakey said fighting poachers armed with machineguns was rather like fighting a war. Kenya loses as many as 15 to 20 game wardens and conservationists a year in the war for ivory or "white gold".

A delegate from Venezuela, Mirna Quero, said she thought the ivory trade ban had not been in place long enough to allow for a downlisting.

Venezuela will give its official position on elephants today, when a Cites committee will discuss the issue in a public forum for the first time.

Participants said that while many countries understood the needs of southern Africa to use its resources for revenue on a sustainable basis, this was unlikely to result in support for a downlisting.

Jorgen Thomsen, head of Traffic, which monitors international trade in fauna and flora, told Reuter the revised proposal would not get the needed majority.

"I think it is crucial for the future of Cites. If we can get the elephant issue right, then we can get it right for other species as well," he said.

Meanwhile, Japan is trying to avert an international ban on the prized bluefin tuna by offering wider conservation plans at Cites, a foreign ministry official said yesterday.

The official said Japan, the US, Canada and Morocco were preparing a counter-proposal to a blanket ban on tuna fishing which they were expected to submit this week.

Sweden has proposed banning commercial trade in western Atlantic bluefin tuna and limiting trade in eastern Atlantic bluefin tuna. — Sapa-Reuter.

SADCC reappraising its role

STAR 11/3/92 (279A)

Because the SADCC was created largely to oppose apartheid some believe that when apartheid is buried the SADCC must be buried with it. But the organisation's executive secretary thinks differently, as he made clear in an interview with BARNEY MTHOMBOTHI of the Star Africa Service in Gaborone.

THE Southern African Development Co-ordination Conference (SADCC) has set itself two main tasks: preparing for South Africa's admission and mapping out the route to regional economic integration.

The "final destination", SADCC officials say, is a regional parliament, which would include South Africa, the economic powerhouse in the subcontinent.

The subtext, however, is a strong desire by the SADCC to confound its critics who believe that, with the imminent disappearance of apartheid in South Africa, the organisation will lose its raison d'etre.

Simba Makoni, the SADCC's youthful executive secretary, says his organisation has embarked on a thorough reappraisal of its mission and intends to play a pivotal role in the development of the region.

Dr Makoni, a former Zimbabwean Energy Minister, said the SADCC hopes to be the vehicle that will lead the subcontinent to the establishment of a regional parliament.

"The first step is the conversion of the SADCC from an informal club of friends to a legal entity with binding instruments.

"We're expecting that when the heads of state and government meet this year, they will consider and, hopefully, approve a treaty.

Some SADCC states were also members of the Preferential Trade Area (PTA), which comprised countries in east and southern Africa, and the Southern African Customs Union, countries linked with SA in the rand monetary agreement.

The PTA last month recommended a merger between it and the SADCC.

The SADCC, established with the objective, among others, of lessening dependence on South Africa, was now looking forward to that same country joining — and strengthening — it.

But Dr Makoni said reduction of dependence on South Africa was an objective which was grossly misunderstood.

"The SADCC was not formed to exclude South Africa.

"But have we managed to reduce our dependence on SA? My answer will be yes.

"For example, in 1982, practically 80 percent of regional traffic was transitting through the South African system. By 1990 60 percent of regional traffic was going through regional (SADCC) ports.

"We can now dial direct to all our national capitals without going through Johannesburg or Cape Town and we can now fly between our capitals on SADCC national airlines without connecting through Johannesburg."

Attempts to reduce this reliance on South Africa, however, would not cease with the passing of apartheid.

"It didn't make economic sense in 1980 for Zambia's copper to go from Kitwe to Cape Town. It doesn't make sense now and it won't make sense in 20 years' time. It makes a lot of economic sense for that copper to go to Beira.

"It doesn't make economic sense for Malawi's tea to come from Mulanje to Durban when Nacala is there, 750 km down the line."

A suitable port for the PWV, SA's economic heartland, for instance, he said, was not Durban or Richards Bay, but Maputo.

"It is in South Africa's interest that Maputo is rehabilitated and operated at maximum efficiency. That fact of economic efficiency is what will determine our relationship with SA."

Dr Makoni said SADCC membership for a democratic South Africa would be automatic.

"It will be a simple procedural thing for the president of SA to sign an instrument of accession, just like President Nujoma did barely three weeks after Namibian independence."

The SADCC estimated that about R170 billion worth of damage was done to their countries by South African aggression and destabilisation.

But, Dr Makoni said, these were the sins of the old South Africa, which should not be visited on the new.

Would not South Africa, with a GDP three times more than all 10 the SADCC countries combined, likely to be too dominant within the organisation?

"There is no denying that South Africa is big," Dr Makoni conceded, "but big is not necessarily equal to dominant, or overbearing. It is important for a new South Africa to see to it that it will not wield its weight in a manner that will lead to hegemony or domination." □

▪Underwriting loss falls

Anger as elephant trade ban remains

STAR 11/3/92

279A

KYOTO — Africa's elephant population suffered a sad day yesterday. Three years after the world decided on a total ban on trade in ivory and other parts to protect the elephant, too much kindness threatens to kill the beast.

At the meeting of the Convention on International Trade in Endangered Species (Cites) in Kyoto, five southern African nations delivered an impassioned plea for the resumption of limited trade in elephant products, excluding ivory. But in the face of unyielding hostility from other African nations to any relaxation of the total ban, the five — Zimbabwe, Botswana, Namibia, Malawi and South Africa — backed down.

Zimbabwe and Botswana subsequently said they would consider withdrawing from Cites.

The irony is that all the Cites delegates in Kyoto agree that was is necessary to protect the African elephant. No one wanted to see a resumption of the slaughter of elephants by ivory poachers that halved the elephant population in Africa in the '80s.

Southern African countries, who have devoted considerable energy and money to managing wildlife, said they needed to be allowed to trade in elephant skins and meat to relieve overpopulation while making it worthwhile for their people to protect the elephant.

Disaster

Zimbabwe, which claims it has one-quarter of Africa's elephant population, was pushing for limited trade under tight control. But Kenya and several western and central African states argued that resumption of trading would open the door to poachers.

"At present there are not sufficient forms of control in place," said Richard Leakey, head of the Kenyan delegation. "And any suggestion that trade was to be resumed would be a disaster."

The southern African countries announced they would abandon their proposal for a resumption of limited trading.

In a joint statement they said they would confer with their governments, after returning home, on the benefits of remaining within Cites.

A chill ran through the hall, and the chairman, Martin Holdgate, intervened to say the statement was "an extremely serious one in the history of Cites". Africa was divided against itself.

A proposal to ban trade in bluefin tuna fished in the western Atlantic was withdrawn yesterday by Sweden, bowing to pressure from Japan, Canada and the United States.

Japan, which consumes nearly half of the 38 000 tons of bluefin tuna fished in the world, had lobbied intensively against the Swedish proposal.

Sweden also dropped a second proposal that would have imposed controls on trade in eastern Atlantic bluefin. — The Independent News Service.

Frontline to meet on SA reform

Sowetan 11/3/92

BLACK Africa's frontline states will hold a one-day summit in Lusaka tomorrow to discuss the situation in South Africa ahead of next week's referendum on political reforms.

The frontline leaders will also select a new chairman to replace Zambia's President Frederick Chiluba, who inherited the post from former President Kenneth Kaunda, Zambian Foreign Minister Vernon Mwaanga said in a telephone interview from Lusaka.

"The purpose of the meeting is ... to discuss the situation in Southern Africa in general, with particular emphasis on developments in South Africa, and also to get briefings from the governments of Angola and Mozambique on the situation in their respective countries as far as the peace process is concerned," he said.

The Foreign Minister said the ANC and the PAC would attend the summit.

The frontline states comprise Zambia, Zimbabwe, Tanzania, Mozambique, Angola, Namibia and Botswana, with Nigeria a co-opted member.

Mwaanga said Zambia had been closely following the debate in South Africa leading up to next Tuesday's whites-only referendum on political reform.

He said a "no" vote "would be an absolute tragedy, not only for South Africa but for the region as a whole".

"It would turn the clock many years back.

"A 'no' vote would certainly be a vote for armed conflict, and we think that in 1992 armed conflict is the last thing we would like to see in this region," he said.

Mwaanga said the meeting would agree on a new frontline chairman as Chiluba felt he was not really competent to head the group since he only took power with Kaunda's electoral defeat at the end of last October.

The minister said consultations on a new chairman had been underway since November and he expected a quick decision at the summit - although he declined to speculate on who would be named.

The frontline summit was due to have taken place last month but was postponed for various reasons, including a trip by Chiluba to Britain and the United States to gain backing for Zambia's economic reforms. - *SA Press Association Reuter*

Southern Africans say they might quit Cites

B/Days 11/3/92

279A

KYOTO — Five southern African nations yesterday angrily withdrew proposals, before a major wildlife conference, to ease an international ban on elephant trade.

Four of those countries — Zimbabwe, Botswana, Malawi and Namibia — said they might quit a treaty controlling trade in endangered species altogether.

The four nations, along with SA, had submitted proposals to the Convention on International Trade In Endangered Species, seeking to sell the meat and hides of culled elephants.

International trade in African elephants was banned at the convention in 1989.

The African nations say this income could then fund conservation. They also promised to voluntarily respect a ban on ivory trading.

But the assurance failed to persuade delegates from 112 nations to support the proposals, despite guarded support from some conservation groups.

Yesterday, speaker after speaker opposed the plans, and the African nations withdrew.

"We are indeed extremely perplexed," said Botswana delegate Ponatshego Kedikillwe.

Zimbabwe, Botswana, Malawi and Namibia threatened to quit the treaty or exercise their "right of reservation," which allows them to trade in elephants with non-convention members.

The status of nearly 100 species is being considered at the meeting, but the elephant question has attracted the most attention.

Environmentalists believe the lucrative trade in ivory has been a major factor in the depletion of the elephant population. More than a quarter of Africa's 600 000 elephants are in the south.

Although environmentalists agree some southern herds are growing, opponents of the southern African proposal said allowing hide and meat trade would send poachers the wrong message. — Sapa-AP.

Zambia signs military agreement with the US

B/Days 11/3/92

LUSAKA — Zambia and the US signed a military agreement yesterday signalling new relations with the West, on the training of military personnel in technical and professional fields.

US deputy commander-in-chief (European Command) Gen James McCarthy and European command surgeon at US HQ Vernon Chong arrived in Lusaka yesterday to effect the new pact.

The US would also train Zambian military officers and offer assistance in other areas under the American Military Assistance Programme, McCarthy said.

At the signing ceremony at a Lusaka hotel, US ambassador to Zambia Gordon Streeb said McCarthy's visit demonstrated a new phase of military relations between the US and Zambia.

McCarthy said the US had watched the democratisation of Zambia with respect and saw it as a model for other African and eastern European countries.

"The peaceful transition to democracy is a model even for the former Soviet Union."

Training offered would be responsive to the role of the military in a democracy and would help the Zambian military in providing both security and leadership in the third republic.

Zambia has never had formal military links with the US but has links mostly with Eastern bloc countries. — Sapa.

Frontline states to focus on developments in SA

HARARE — Black Africa's frontline states will hold a one-day summit in Lusaka tomorrow to discuss the situation in SA ahead of next week's referendum.

Frontline leaders will also select a chairman to replace Zambia's President Frederick Chiluba, who inherited the post from former president Kenneth Kaunda, Zambian Foreign Minister Vernon Mwaanga said.

"The purpose of the meeting is ... to discuss the situation in southern Africa in general, with particular emphasis on developments in SA, and also to get briefings from the governments of Angola and Mozambique on the situation in their respective countries so far as the peace process is concerned," he said. (279A)

Mwaanga said the ANC and PAC would attend the summit. Bloay 1/13/92

The frontline states comprise Zambia, Zimbabwe, Tanzania, Mozambique, Angola, Namibia and Botswana, with Nigeria a co-opted member.

Mwaanga said Zambia had been closely following the debate in SA leading up to Tuesday's referendum. A "no" vote "would be an absolute tragedy, not only for SA but for the region as a whole".

"It would turn the clock many years back. A 'no' vote would certainly be a vote for armed conflict, and we think that in 1992 armed conflict is the last thing we would like to see in this region," he said. — Sapa-Reuter.

Report by I MacKenzie, Reuter, c/o Sapa, 141 Commissioner St, Jhb.

Africa opening up for business

279A STAR 12/3/92

By Michael Sparks

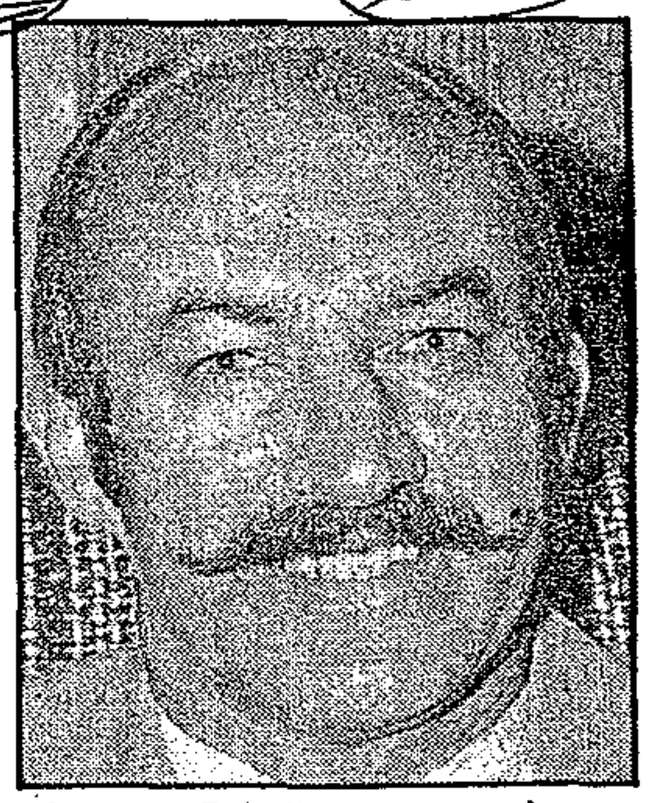
South African companies, particularly those in the construction field, are aiming their sights with some success beyond the traditional trading partners of the apartheid years.

While the number of construction contracts signed with countries like Mozambique, Angola, Zaire, Zimbabwe, Zambia, Kenya and Madagascar may not be all that impressive just now, the fact that companies can openly tender for contracts in these countries is a dramatic change from a few years ago.

Aid organisations

According to SA Foreign Trade Organisation executive Paresh Pandya one of the reasons for this openness was that aid organisations and development banks, which play a major role in financing large projects, were no longer opposed to South African company's involvement.

Mr Pandya said groups like the African Development Bank, the World Bank and United Nations development organisations had changed their view, especiallyas



Juergen Schultz . . . new doors are opening daily.

South African companies would be bringing with them invaluable knowledge of local conditions.

Concor's managing director Juergen Schultz says: "There is no doubt that with the political changes, new doors are opening daily."

Basil Read managing director Chris Jarvis said the changes came not a moment too soon as people in the construction industry were being forced to look elsewhere for business as the recession and the shortage of money in the country meant fewer large scale projects being undertaken.

A spokesman for LTA agreed, saying that larger contractors were being forced to look further afield in order to survive the recession.

Money shortage

But as Mr Schultz explained, the shortage of money was one of the things which made it difficult for South African companies to make successful, competitive bids.

"The most important commodity in Africa is money. But we have no funds available to compete with the financial packages being offered by European companies when they tender for projects," Mr Schultz said, referring to high interest rates here.

However, Concor has been awarded contracts for projects, including the renovation of Maputo's grand-style Polana Hotel and believe they are very close to some projects in Angola.

Group Five chairman Stan Hughes said his company started work on a joint venture in Zimbabwe six months ago, renovating a motel.

Mr Hughes said the possibility of counter-trade with countries like Angola were very promising, where that country's oil could help pay for construction projects. But he added that such a venture would need the involvement of the various governments to succeed.

Very welcome

Mr Jarvis spoke of a trip arranged by Safto where a number of contractors were invited to see the Zairean authorities to look at the revamping of their road system. "We were treated like VIP's," he said, adding Safto also arranged a trip to Angola where they had direct dealings with that government and his company was also looking at projects in Madagascar.

"Most countries to the north of us need a great deal of infrastructural work, whether because of war damage like Zimbabwe, or through neglect like Zaire where there were 140 000 km of roads in 1960, but now half that," Mr Jarvis said.

He added that diplomatic ties between South Africa and other African countries would increase the links created by businessmen.

One problem facing corporations planning to do business north of the border was concern about payment after a project.

Profits

In addition corporations werehesitant to commit funds to countries like Zimbabwe where repatriation of profits is severely restricted. "If a company cannot repatriate the profits, then what's the point?" asked one executive.

Aid to African countries is seen as providing great potential for South Africa's construction industry says Stocks and Stocks business development general manager Michael Armstrong. "The good thing about the involvement of development organisations is that payment is guaranteed, in hard currency."

Mr Armstrong added, "South Africa has the resources and the ability to provide a catalyst for aid money which will lead to secondary development in those countries."

Africa holding thumbs for a 'yes'

STAR 12/3/92

GERALD L'ANGE of The Star Africa Service reports.

SOUTH AFRICA's neighbouring states are hoping for a "yes" vote in Tuesday's referendum, because they have a lot to lose if the vote goes the other way.

Both in these countries and elsewhere in Africa a negative vote would, according to knowledgeable analysts, result in the immediate suspension of SA's reacceptance in the continent.

The National Party's reforms have been popular in neighbouring countries not only for moral reasons but because they have opened up desperately needed opportunities for trade and other exchanges. The general expectation is that a "no" vote would at least stall the reform process and threaten to squeeze off these opportunities.

Even before the reform process began, the southern African countries gave only token observance to economic sanctions on SA, for they could not afford the damage that full compliance with sanctions would do to their economies. They did, however, apply sporting, cultural and any other boycotts they felt they could afford.

While trade with South Africa continued and even expanded, the neighbouring states had to forego the economic and technical aid SA was beginning to offer.

Perhaps the biggest benefit of reform, as far as the neighbouring states are concerned, is the opportunity it offers for the formation of a regional trading bloc revolving around SA. Such a bloc is regarded as essential to help southern Africa emerge from its present economic doldrums and compete in a world whose politics as well as economics are increasingly determined by trade blocs.

Knowledgeable observers believe a negative vote would cause other countries which have been opening up to SA to suspend these moves. It would be seen as a slap in the face for black Africans, just as apartheid was. And it is expected that the militant struggle against white domination will be resumed, again drawing in neighbouring states.

Governments such as Angola, Botswana and Zambia which are about to open reciprocal trade or diplomatic offices would probably stop these proceedings, at least for the time being.

Possibly taking their cue from the ANC, neighbouring countries initially condemned the referendum as an unnecessary, racist exercise offering whites an opportunity to veto reform.

However, information from these countries suggests they have come to accept the inevitability of a white referendum and to hope the majority will vote positively in it.

No neighbouring government initially came out openly in support of a "yes" vote but several are understood to have privately expressed the hope that the vote will go that way.

Zambian Foreign Minister Vernon Mwaanga said a negative vote would be "an absolute tragedy for South Africa and the whole region".

"It would turn the clock many years back. A 'no' vote would certainly be a vote for armed conflict, and we think that in 1992 armed conflict is the last thing we would like to see in this region."

An analyst said southern African leaders "realise that reform is inevitable and cannot be stopped. They know that a negative vote would only delay the process, not stop it. But they are concerned about anything that might destabilise the region and they would see a negative vote in that light."

Like South Africans themselves, African governments are expected initially to adopt a wait-and-see attitude in the event of a negative vote, to see what effect it would have on Codesa and on the NP's ability to govern.

Until the domestic consequences of a negative vote became clear, they would probably suspend all but trade dealings with South Africa.

A "yes" vote, on the other hand, would be welcomed throughout Africa. □

LONRHO

279A FM 13/3/92

Liquidity doubts still linger

Activities: *UK-based multinational with mining, agricultural, commercial and industrial interests in 60 countries.*
Control: *R W Rowland with 14% is the biggest shareholder.*
Chairman: *M J J R Leclézio; MD & CE: R W Rowland.*
Capital structure: *653,4m ords. Market capitalisation: R5,1bn.*
Share market: *Price: 785c. Yields: 8,2% on dividend; 8,9% on earnings; p:e ratio, 11,2; cover, 1,1. 12-month high, 1 640c; low, 615c. Trading volume last quarter, 6,5m shares.*

Year to Sept 30	'88	'89	'90	'91
Turnover (£m)	4 216	5 108	5 476	4 846
Pre-int profit (£m)	225	273	272	207
Pre-int margin (%)	5,3	5,3	5,0	4,3
Earnings (p)	23,4	27,1	23,6	14,2
Dividends (p)	10,1	14,2	15,7	13,0
Net worth (p)	203	222	216	204

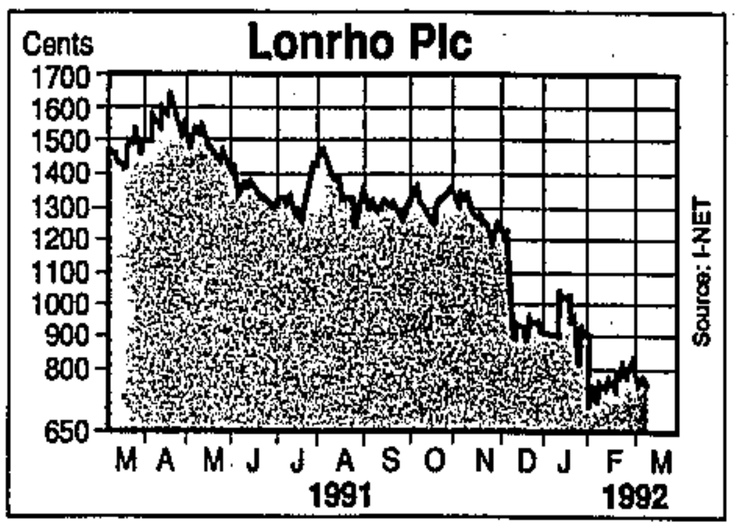
Disappointment at the preliminary figures (*Fox* January 31) was compounded when the annual report revealed that the £66m dip in pre-tax profit would have been even worse but for £39m profit on sales of property and fixed assets — up from only £6m in financial 1990. Treat these as exceptional and adjusted pre-tax profit would be down from £267m in 1990 to £168m — or by some 37%.

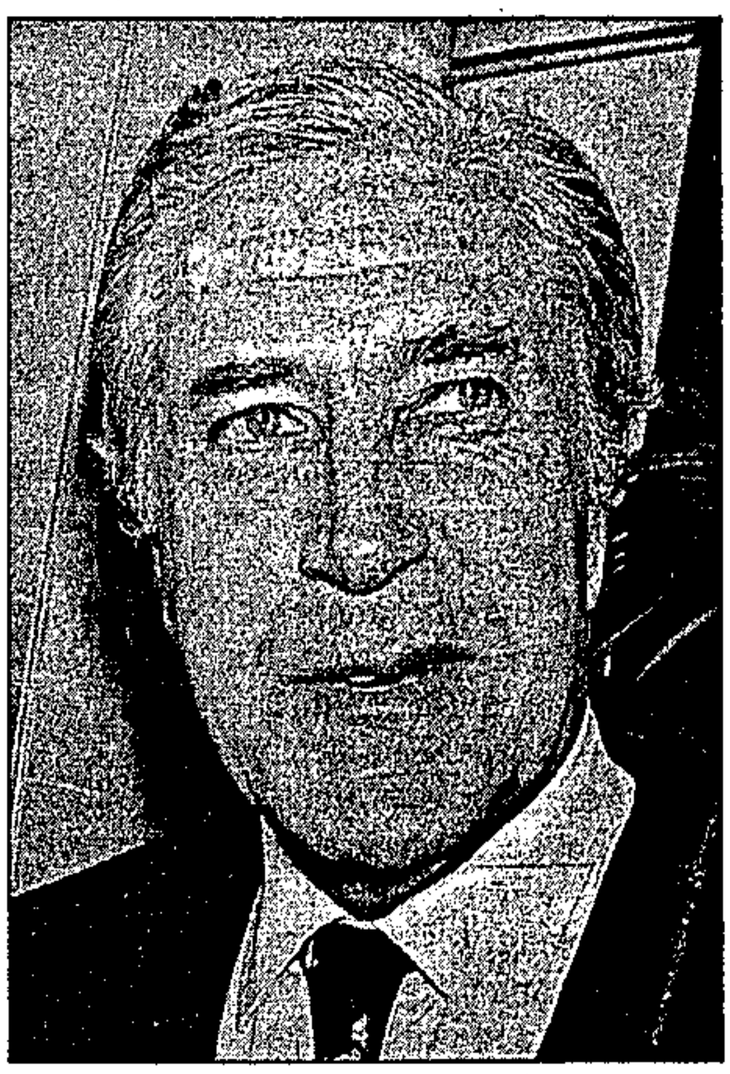
Further helping the picture, capitalised interest, mostly on the hotel building programme, rose from £13m in 1990 to £27m.

Another significant item concerns the impact of exchange rate losses — taken below the line — on a reported NAV of 204p a share, barely changed from 1988's 203p. Management's efforts over the past three years, in other words, have created no incremental value — and with the lowest earnings since 1985 and dividends since 1988, current results are nothing to crow about either.

At the time of the preliminary, the company blamed the downturn of precious metals prices for "nearly half" the drop in second-half profit. Given the annual pre-tax profit from mining of £77m, this implies a split between the two halves of about £54m in the first half and £23m in the second.

This is in spite of a 29% increase in annual output of platinum group metals in SA and a 42% rise in gold output at Ghana's Ashanti





Lonrho's Rowland ...
what assets can he sell?

Goldfields — a combination that puzzles analysts.

But all major activities except finance (up a negligible £1m) kicked in lower profits: motor distribution (off 35%), manufacturing (65%) and leisure (30%) all actually did relatively worse than mining.

Hotel and motor distribution interests were hit by recession and/or the Gulf War, but printing and publishing interests generally seem to have done well.

Record profits

On the positive side, Lonrho, which claims to be the largest commercial food producer in Africa, turned in record profits from sugar, with an "exceptional" performance from the Malawi estates offsetting lower production, because of bad weather, in Swaziland and Mauritius. Other agricultural operations in Malawi and elsewhere in Africa had a bad year, though.

Geographically, pre-tax profits from Africa fell by only £18m; it was the UK, with a £36m drop, that was the main culprit. The UK contributes 40% of group turnover (£1,9bn) but only 9% (£19m) of pre-tax profit. That compares with 1990 turnover of £2,2bn and pre-tax profit of £55m.

Apart from being a totally inadequate return, this could make it difficult to recoup UK Advance Corporation Tax.

The divisional breakdown in the review of operations is not identical to the profit breakdown in the P&L account, which hampers analysis. But the company is clearly stung by suggestions that it has difficulty repatriating profits from the Third World to its London base, saying that 87% of £283m year-end cash in the bank (1990: £355m) is held in Europe and the US by companies operating in those territories. As long-term loans are £888m, this is a less than total reassurance.

Lonrho does not publish a holding company P&L account or a cash flow statement, making it difficult to gauge the upward flow of cash — which many analysts see as one of its major problems. Ability to repatriate funds, of course, will also be a determining, and possibly limiting, factor in asset sales.

CE Tiny Rowland says the capital investment programme is winding down, but year-end commitments were still £156m (1990: £170m), including £99m (£79m) on platinum mining. He expects borrowings — and hence gearing — to fall this year, encouraged by asset sales — which, other reports have suggested, could raise up to £400m.

That would certainly transform the balance sheet. The trouble is that the best-quality assets are always the most saleable — which may be one reason for the frequent (and as frequently denied) rumours that the platinum interests could be sold to Gencor, with whose Impala Platinum there is already a link.

Another traditional area of concern has been the lack of management depth. What happens when Rowland (now 74) is no longer around to polish the egos of African heads of State? To deflect this, Lonrho last year doubled the number of associate directors (drawn from top management) to 20.

Rowland sees this year as one of "good housekeeping" and says Lonrho "remains soundly based to move back to its normal pattern of turnover and profit." The group has withheld the (3p) first interim for this year, but this should apparently not be seen as any portent of total distribution.

Rowland underlines the opportunities in

PRE-TAX PROFIT BREAKDOWN (£m)

	1991	1990	1989
Trade	35	40	26
Motors	32	49	45
Manufacturing	7	20	35
Mining	77	99	67
Leisure	14	20	56
Financial Serv	23	22	26
Agriculture	19	23	18
	207	273	273
UK	19	55	109
Europe & Other	33	33	19
Southern Africa	65	85	62
Other Africa	85	87	70
The Americas	5	13	13
	207	273	273

Continued
P.T.O.

Frontline states prepare 'worst-case scenario'

Binday 13/3/92

LUSAKA — Africa's Frontline leaders, fearing a political crisis in SA, met in Lusaka yesterday for a one-day summit to examine the regional impact if whites rejected political reform in next week's referendum.

Compounding their fears is the worst drought on record, devastating crops and the effect violence in SA, with its key ports and railways, could have on relief transportation efforts.

Opening the meeting, Zambia's President Frederick Chiluba said he hoped the summit would help the peace process unfolding in SA. (279A)

Zambian Foreign Minister Vernon Mwaanga said before the session: "We have prepared a worst-case scenario which we will be discussing."

"If there is a 'no' vote, we think it would be an absolute tragedy for the people of SA and our region." — Sapa-Reuter.

Africa's problems mount

w/mail 13/3-19/3/92 279A

The severe drought in already troubled southern Africa has created a flood of problems for countries in the region.

By **ANDREW MELDRUM**

THE drought gripping the entire southern African region is not only withering crops, it is also creating serious economic and political problems for the region's various governments.

Scorched fields of failed crops mark the parched landscape across the continent from Angola on the Atlantic to Mozambique on the Indian Ocean and including the central countries of Malawi, Zambia and Zimbabwe.

Including South Africa's needs, the region will have to import an estimated 10 to 11 million tons of grain this year, putting a tremendous strain on the region's ports, railways and trucking networks.

The cost of importing the food and distributing it will badly dent the efforts of Zambia and Zimbabwe to restructure their economies and will put further strain on Angola's transitional period towards national elections in September.

Daily life in war-ravaged Mozambique is already extremely difficult, but the drought will make people, and Renamo rebels, even more desperate for food. Aid workers fear that widespread hunger in Mozambique combined with the large number of easily available weapons may result in widespread banditry.

Also feeling the pinch is Malawi, as it has more than 1,2-million extra mouths to feed from its still-burgeoning population of Mozambican refugees.

Normally a maize exporter, Zimbabwe is particularly hard hit by the drought and the country has experienced massive crop failure.

"People are already suffering," said Mavis Ngazana, who recently toured Zimbabwe's driest area, the southern Matabeleland province. "Families are walking miles to get water, cattle are dying and people are already scavenging for wild melons and edible roots. Many people are going to go hungry."

Experts predict widespread malnutrition unless a massive and very thorough drought relief programmes gets food supplies distributed to every corner of the country. Zimbabwe's battered and broken down transport fleet is ill-equipped to deliver such large quantities of food throughout the country.

Many of Zimbabwe's rural schools have had to close, or to reduce hours of classes, because of the shortage of water. Mines are threatened with closure because they do not have enough water for their extraction process.

Zimbabwe's cities have not been spared drought-caused troubles. Municipal reservoirs of water are rapidly shrinking causing Bulawayo, Mutare, Masvingo and Gweru to impose water rationing measures. Harare's water has taken on a peculiar odour and taste as weed-killing chemicals and algae have become more concentrated in the dwindling supplies of the city's Lake Chivero.

The critical drought situation has also heated up Zimbabwe's already burning land issue. The once dormant land debate has come back to life and is stirring racial and class tensions.

With its new Land Acquisition Bill, Robert Mugabe's government intends to buy half the 11-million hectares currently owned by the large-scale commercial farmers, virtually all of them white. The Bill empowers the government to set its own prices for the farmland it buys and it specifically prevents the farmers from appealing to the courts if they feel the government's prices are too low.

The Commercial Farmers' Union has mounted a slick television and newspaper campaign against the land Bill, arguing the government takeover would badly reduce Zimbabwe's agricultural productivity and therefore the country's economic viability.

Behind closed doors the World Bank and key Western diplomats have also lobbied against the Bill, saying it represents government undue interference in a vital economic area, just as the Harare government is supposed to be opening up the economy to market forces.

Recently it appeared the Mugabe government intended to significantly soften the land Bill, as a result of donor pressure at a Paris meeting.

But last week, when announcing the drought a national disaster, Mugabe emphatically and angrily stated that his government will not back down on the land Bill because it is "a do or die issue". Scotching the reports that the Bill would be modified, Mugabe said: "If anyone gets cold feet on this issue, I will put coals under them to heat them up."

Mugabe argued that the land had been taken from the blacks without any compensation just 50 years ago, and now his government intended to return the land to the people. He said pressure from international donors would have no influence on the land Bill, whether or not it would affect how much aid Zimbabwe would get for drought relief.

If passage of the Bill is delayed, warned Mugabe, then the commercial farmers could suffer mass action by peasants.

"The commercial farmers must realise that if we do not proceed, then the people will proceed on their own and seize the land, and we cannot drive them from those lands," said Mugabe. The Land Acquisition Bill sailed through.

The land debate has largely divided Zimbabwe between blacks and whites, between haves and have-nots. In recent weeks these tensions have risen to levels not experienced in Zimbabwe since the days of independence. Whether it is a wise policy for Zimbabwe economically is not the point, the land Bill's promise of good farmland for the country's black farmers is exciting many passionate supporters. And, no doubt with his eye to the 1995 national elections, that is just what Mugabe wants to encourage.

☐ DROUGHT

Cruel blue skies parch Africa's battered south

ZIMBABWE'S President Robert Mugabe called it a "national disaster".

In Zambia, the government has raised maize prices though much of the crop has been written off and the memory of bloody food riots that left at least 27 dead in 1990 is still fresh in many minds.

Operation Hunger says three million tons of maize will have to be imported by South Africa.

Zimbabwe must import 340 000 ton of wheat in the next 18 months.

Under cruel blue skies, farmers and governments from Namibia and Angola on the west coast to Madagascar in the Indian Ocean have since January been facing up to the "drought of the century".

Zambia's new government has blamed the Kaunda regime for failing to set up strategic grain reserves. "This is a disaster that has been waiting to happen," according to Agriculture Minister Guy Scott.

Famine looms

Local authoritiesin Bulawayo want to harness the mighty Zambezi River, 450 km away. The city has only 11 weeks of water reserves left.

The scale of the disaster was revealed two weeks ago when the United Nations Food and Agriculture Organisation (FAO) in Nairobi forecast that the region faced widespread famine and would have to import six million tons of cereals compared to less than two million in a normal year.

South Africa's white farmers have been laying off vast numbers of black workers, according to press reports, though no official figures are available.

Namibia, which has seen total crop failure in Ovamboland, is among countries that have begun making approaches to foreign donors for food aid.

For Zambia and Zimbabwe the problem is compounded by their dependence on foreign ports.

Rebels in Mozambique have agreed not to attack rail corridors from the coast, but moving food around that war-devastated country is a perilous exercise. Starving Mozambique itself needs at least a million tons of food. – Sapa-AFP

Frontline States push for a 'yes'

WINDHOEK — Delegates to the Frontline States summit in Lusaka hoped SA whites would be guided by the fact that peace and security for all South Africans depended on the continuation and amicable conclusion of Codesa, they said in a communiqué on Friday.

"The choice before the white voters is to join in a new democratic SA or to remain in the dark days of apartheid and racism," the southern African state's representatives said.

In Harare, defence and security ministers of the seven Frontline States accused SA of continued attempts to destabilise their countries despite positive political developments in the Republic.

In a communiqué at the end of a two-day meeting which reviewed interstate defence and security in southern Africa, the ministers accused SA of gathering economic and military intelligence from the Frontline States.

"The ministers observed that as long as apartheid, civil strife and political instability continue in SA, that country will remain the main threat to the peace, stability and economic development of member states."

They noted "with concern" political hurdles still to be surmounted in SA.

Calling for a speedier resolution of the political obstacles, the ministers affirmed their support for liberation movements and urged SA political parties to join in the peace process.

They had taken note of the white referendum to be held on March 17 and hoped the outcome would contribute to democracy.

The Frontline States also expressed support for the peace process in Angola. They urged the government and Unita to continue working for national unity and to take all necessary steps to ensure a peaceful general election.

Emotional factors swayed Cites voters, says expert

STAR 17/3/92 279A

By Julienne du Toit

Emotion and politics may have put paid to the African elephant and many other species, according to one of South Africa's top wildlife experts.

Mr Tony Ferrar, head of the Wildlife Society of Southern Africa, who is the first to have arrived back from the Convention on International Trade in Endangered Species (Cites) which ended in Japan last Friday, yesterday had scathing words on the emotional meeting.

The African elephant was concentrated on to the detriment of other more endangered species because it has become a "mythical, overblown humanoid wild animal" to Westerners, he said.

The lion, which one expert said had a population of fewer than 200 000, was not mentioned at the meeting in Kyoto. And the rhino, with a population of 11 000, was given scant attention, Mr Ferrar added.

Priority

These animals were not a conservation priority to Westerners, who were daily told how close the lives of African elephants — of which there are 600 000 — are to those of humans.

The Cites members voted overwhelmingly against scientific data presented by monitoring, scientific and funding bodies of the International Union for the Conservation of Nature (IUCN), the United Nations Environmental Programme (Unep) and the Trade Records Analysis of Flora and Fauna in Commerce (Traffic), he said.

Cites itself was the loser of the conference, said Mr Ferrar. At best it had become irrelevant to southern African states which have kept their animal populations stable for years.

"At worst it is a hindrance to their initiatives."

Cites members showed themselves to be incapable of making rational, scientifically based decisions, said Mr Ferrar.

Burn

Two British elephant support groups had given Zambia money to withdraw from the southern African alliance and burn its confiscated ivory.

"About R30 000 of that money was to go to Traffic. Now it's up in smoke," said Mr Ferrar bitterly.

He said US and British lobbies empathised with the southern African standpoint, but their governments had advised them to not to alienate elephant-loving voters by lobbying against the bans.

"The rural people of Africa who live under the horny hoof of the elephant will continue to derive no benefit from the creature that destroys their crops and sometimes them."

● The Government representatives that formed part of the South African delegation to Cites, who return later this week, will soon decide, with conservation bodies, whether to withdraw from Cites or continue a voluntary moratorium on trade.

African leaders talk on co-operating

Sowetan 19/3/92

GABARONE - Zimbabwean President Robert Mugabe, Botswana President Sir Ketumile Masire and Namibian President Sam Nujoma yesterday met in Gaborone to discuss ways of consolidating co-operation between their countries.

In a brief address, Mugabe said the three wanted to look at how they could share borders.

"We want to look at how we can, as neighbours, share a point of Caprivi Strip... We want to see how we can make our countries work together in certain directions," said Mugabe.

He said Zimbabwe and Botswana had built a culture of co-operation and they wanted to extend that type of relationship to the newly independent Namibia.

Mugabe, referring to South Africa's referendum, said although indications were that the whites had voted "yes", the three leaders would still have to confer because a yes vote did not mean automatic majority rule.

He said the leaders would also discuss the drought. - *Sapa.*

Africa is relieved it was 'yes'

Sowetan 19/3/92

279A

HARARE - Black Africa heaved a sigh of relief yesterday over the white backing State President FW de Klerk received for political reform in South Africa.

Black "frontline" states in Southern Africa had feared a "no" vote in yesterday's whites-only referendum would lead to violence spilling over into the region.

"We are encouraged by the results, particularly by the fact that this mandate De Klerk has been given will enable him to continue with the peace process," Zambia's Foreign Minister, Mr Vernon Mwaanga, said in Lusaka shortly before flying to Pretoria.

He said he would meet South African Foreign Minister Mr Pik Botha today and have talks with other political leaders.

Zimbabwe, whose President Robert Mugabe was elected to chair the "frontline" states at a summit in Lusaka last week, also hailed De Klerk's sweeping victory.

"This is some of the best news we have received from South Africa and we hope De Klerk will proceed with speed and confidence to establish a multiracial democratic system," a Foreign Ministry official in Harare said.

Officials said Zimbabwe had put together an emergency plan to cope with a feared influx of refugees if the Conservative Party had won and civil war had broken out in South Africa.

"We are glad our worst fears are over," one said.

They said they had monitored the situation there through Zimbabwe's trade mission and an "unofficial" delegation.

In Nigeria, whose President Ibrahim Babangida is current chairman of the Organisation of African Unity, officials welcomed the South African result.

"The 'yes' vote which has now endorsed the negotiating process has removed a major obstacle to the efforts to transform South Africa from a racially segregated country to a nonracial, united and democratic society," a Foreign Ministry statement said. — *South African Press Association-Reuter.*

Africa hails landslide victory

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"The 'yes' vote which has now endorsed the negotiating process has removed a major obstacle to the efforts to transform South Africa from a racially segregated country to a non-racial, united and democratic society," a Foreign Ministry statement said.

"The federal government congratulates President de Klerk, the people of South Africa and all the progressive and anti-apartheid forces for their affirmative stand on this crucial referendum which is central to the country's future.

"Africa and the rest of the world now urge white, black, coloured and Indian groups working within the framework of Codesa to proceed to take appropriate steps towards ending violence, oppression and racism in SA," the foreign ministry said. — Sapa-Reuter-AP.

SA extends its links in Africa

Sowetan 20/3/92

279A

SOUTH Africa has recently signed two agreements that illustrate its expanding links with the rest of Africa.

Under a co-operation agreement with the Ivory Coast, Eskom and its Ivorian counterpart, the Energie Electrique de la Cote d'Ivoire, will exchange technical information and consulting services. They will also co-operate in construction projects, maintenance and staff training.

The two countries, according to Eskom, have interests in the proposed development of large, multinational electricity supply schemes in Southern Africa and West/Central Africa.

Economic recovery

Eskom chief executive Mr Ian McRae said at the signing ceremony on March 13 that economic recovery and wealth creation in Africa were closely bound up with bringing electricity to the millions of people who still did not have it.

On the same day as the electricity agreement was concluded, South Africa signed an agreement with Swaziland for a joint water scheme, an agreement that will soon be expanded to include Mozambique.

The agreement opens the way for new economic development in the Komati Basin, initially through the building of a R328 million dam at Driekoppies in the Eastern Transvaal, on the Lomati River close to the border with Swaziland.

Later a second and larger dam, costing R432 million at today's prices, will be built in Swaziland on the Komati River, at Maguga.

At the end of this month South Africa and Swaziland will sign an agreement with Swaziland governing the use of the Komati Basin waters. - *Sowetan Correspondent.*

Relief will spread beyond our borders

STAR
20/3/92
279A

The effects of Tuesday's referendum will be felt far beyond South Africa's borders, reports MICHAEL HOLMAN.



War in Angola . . . hopefully the referendum will reach into the heart of a violent sub-continent.

THE ALMOST tangible sense of relief that gripped South Africa as a result of the referendum will be felt well beyond the country's borders.

The white electorate's ringing endorsement of President de Klerk's search for a negotiated settlement has as many implications for a long suffering region as it does for South Africans themselves.

After three decades of conflict, costing hundreds of thousands of lives and causing incalculable material damage, southern Africa can hope that peace is, at long last, at hand.

Not all the trials and tribulations of the states of the region can be laid at apartheid's door. Mismanagement and incorrect policies have contributed to their predicament.

But just as the region's wars have been the single most damaging factor, so a regional peace and a stable, friendly post-apartheid SA will be the single most important factor in their efforts to revive often shattered economies.

Apartheid has dominated southern Africa, first propping up minority white governments, later cajoling, coercing or cudgelling black-ruled neighbours into submission.

From Angola on the western seaboard to Mozambique in the east, not a country escaped the tactics of Pretoria, sometimes brutal, sometimes misleadingly benign.

Mozambique, still battling rebels who not so long ago enjoyed Pretoria's support, has endured both.

Pretoria's campaign, which ended only when President de Klerk took office 2½ years ago, had two main objectives.

The first was to drive the guerilla wing of the ANC out of its bases in Angola and Mozambique, and keep them out of Botswana and Zambia, in an effort to create a *cordon sanitaire* around South Africa.

The second was to ensure that SA controlled the region's routes to the sea, and direct the bulk of the area's trade through South African ports.

Admittedly, the region provided fertile soil for South African intervention.

Southern Africa has had to undergo two wars of independence, said one African diplomat recently, looking back on events since 1960.

"The first was seeking to end colonial ties with Britain or Portugal, the second with South Africa when we became the front line states.

The second has been the toughest: being caught up in South Africa's struggle."

For Angola, Mozambique and Zimbabwe, the first round was costly enough.

But as the diplomat indicated, the second round of fighting proved the most devastating for Mozambique and Angola, caught up in civil wars exploited by Pretoria.

For these front line countries, trying to sustain fragile ceasefires, yesterday's referendum will be seen as a critical step in the peace process.

Sapped by sanctions, drained by conflict at home, and acknowledging that apartheid was unworkable, Pretoria ceded independence for Namibia which paved the way to the withdrawal of Cuban troops from Angola, and the ending of the country's civil war.

The process is now culminating in the most important development of all, reaching into the heart of violence in southern Africa: The devastating giant has taken a fundamental step towards reaching peace at home. — The Financial Times News Service. □

SA, Zambia to co-operate

279A

DARIUS SANAI

SA AND Zambia announced yesterday that they would seek to involve other drought-ravaged southern African states in organising the distribution of more than 10-million tons of imported grain on a regional basis.

Foreign Affairs Minister Pik Botha told a news conference yesterday he had discussed with visiting Zambian Foreign Minister Vernon Mwaanga how to organise a co-ordinated response to the worst drought to hit the region in more than a century.

Botha, who was speaking at Jan Smuts Airport before leaving to visit the Far East, spent an hour with Mwaanga, who had just arrived on a five-day tour of SA.

He said he hoped major producers such as the US, Canada and the EC would be prepared to sell grain to the region at reduced prices.

Mwaanga said he had proposed the idea to Botha, who had shown great enthusiasm for such a scheme. All countries affected by the drought "must be seen to respond together as a region" on the problem, Mwaanga said. He was spearheading the effort to organise co-ordinated action, and would speak to senior government ministers in all the other states involved.

Between 10- and 12-million tons of imported grain would be needed to meet the region's requirements. To distribute this grain effectively and efficiently, the whole transport system of the region would have to be rationalised. A co-ordinated plan was necessary, he said. Zimbabwe needed 2-million tons of grain, Malawi 800 000 tons,

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Co-operation

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Zambia 900 000 tons, Mozambique 1,5-million tons, and SA, Botswana, Namibia, Swaziland and Lesotho between them between 5- and 7-million tons.

Botha said he hoped the world's major producers would look sympathetically towards the needs of southern Africa. "They must not just look at the former Soviet republics and central Europe," Botha said. "Now is the time for them to prove that they have not forsaken Africa."

Mwaanga said Zambia and SA would soon establish diplomatic ties.

Botha, referring to his tour of four Asian countries, said he would hold lengthy discussions on trade and political matters with Japan's government and business representatives. He would also visit Taiwan, South Korea and Singapore.

Senior Foreign Affairs sources confirmed there was a "strong probability" that President F W de Klerk would visit the Far East and Pacific Rim countries later this year.

ANC: Delay deals with neighbours

5/Times [Buss] 22/3/92

279A

THE ANC believes there should be a moratorium on the government's attempts to draw neighbouring states into bilateral negotiations with long-term implications for future economic co-operation.

Professor Robert Davies, a researcher working with the ANC's economic policy department, says agreements under discussion should be subject to greater scrutiny by a broader range of forces in SA and by regional organisations.

This is because they could hamper the development of an "equitable, mutually beneficial and non-hegemonic" pattern of regional co-operation after apartheid.

An ANC working group is examining options for SA's future dealings with southern African countries. While its policies are not yet rounded off, the ANC has repeatedly expressed support for closer regional co-operation in southern Africa.

This support comes against the background of increasingly competitive international markets and concern that other regional trade blocs may become more protectionist.

The Southern African Development Co-ordination Conference says it will allow a future democratic SA to become a member. Until then, liberation movements such as the ANC and PAC will represent SA through a joint working committee.

But the ANC expects regional co-operation to begin to take off more openly and systematically once an interim government is in place.

Professor Davies, a co-director of the University of the Western Cape's Centre for Southern African Studies, says the ANC believes co-operation must be rooted in ending existing regional disparities.

By ZILLA EFRAT

"We cannot ignore the gap of more than 5:1 between exports and imports to Africa, or the appalling damage and distortions caused by the policies of destabilisation."

He says there is no chance of promoting growth and development in SA while the rest of southern Africa stagnates.

Clandestine migration from crisis-ridden neighbouring countries is already swelling the ranks of SA's unemployed and homeless.

Balanced

Also, it is well known that the smuggling of arms and drugs to SA is among the most lucrative forms of "unrecorded trade" in the region.

Professor Davies says these trends will continue, and may worsen, unless there is balanced growth throughout the region after apartheid.

SA would have to boost the income-earning capacity of its neighbours while improving the productivity and competitiveness of its own industries. And the only way to do this was through closer regional co-operation.

'Yes' vote 'paves the way for Engen in Africa'

B'day 3/4/92

279A

MATTHEW CURTIN

LAST month's "yes" vote in the referendum had paved the way for oil and fuel producer Engen to become the dominant player in the sub-Saharan region, said MD Rob Angel.

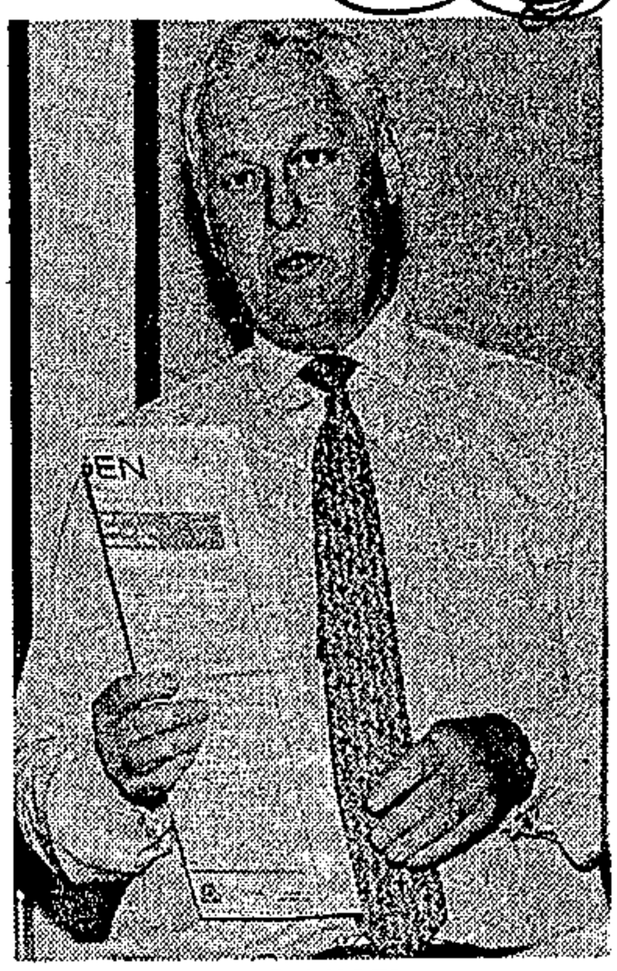
Angel said the vote would enable Engen, the Gencor group's energy arm, to achieve its potential in Africa, and had improved chances that the UN oil embargo on SA would be lifted by the end of the year.

Speaking at a news conference in Johannesburg yesterday, he said Engen had necessarily been secretive about its activities in Africa, but this was decreasingly the case today.

Engen had a formal presence in 15 African countries outside of southern Africa (SA, Botswana, Lesotho, Namibia and Swaziland). Angel said the group was selling a wide range of its products — from fuel to lubricants — in these countries.

The limit on exports to the subcontinent and Indian Ocean islands was not the size of the market but Engen's refining capacity.

The 30% increase in Engen's refining capacity, which would come on stream in late July with the completion of the phase 1 Genref expansion programme, would immediately be taken up by refining for subsidiary Trek and meeting export demand.



● ANGEL

In the six months to end-February, the group had sold more fuel and oil products on the continent than it had in the whole of financial 1991, when exports stood at 300-million litres, 5% of total sales volumes.

Exports now accounted for about 10% of sales, which in the interim stood at R3,2bn.

Angel said Engen officials returned last week from a visit to the Congo, where the country's oil industry authorities had invited the group to explore for oil and restructure its downstream infrastructure. Engen was involved in a joint drilling programme with BP in the Congo.

He said Engen had started drilling a second oil exploration well in Gabon, six weeks after the completion of a first well, from which results had been encouraging.

Engen was bidding with other overseas partners, including Chevron, for two offshore oil exploration licences in Namibia. Exploration off the SA coast in the Bredasdorp Basin was continuing at a slower pace.

There were no likely large oilfields in the basin and Engen was waiting for new technology to become available to maximise the potential exploitation of small pockets of oil which could be drilled economically.

He said West Africa was the area of greatest potential for oil discoveries. Engen was involved in three countries in the region, and in another five in East and Central Africa.

Drought likely to bring big upsurge in poaching

HWANGE — Wildlife experts fear the drought devastating southern Africa will lead to an upsurge in poaching in Zimbabwe, where 60 rhinos have been killed in the first three months of this year.

"There is no military solution," ecologist Mike Murphree said. "We will simply be fighting and killing poachers until rhinos are all gone, or until it is no longer viable for the rhinos to reproduce."

Drought has added to the problems of anti-poaching units guarding wildlife in such areas as the vast Hwange National Park in western Zimbabwe.

There is little vegetation cover left for rhinos to hide in, and they are concentrated at remaining water holes where poachers lie in wait in spite of the efforts of anti-poaching units which killed 145 poachers, many of them from Zambia, between July 1984, and the end of November last year.

Experts now fear that the drought, causing widespread crop failure and cattle deaths, will prompt an upsurge in poaching among Zimbabweans themselves, which will be more difficult to control than poachers crossing from Zambia.

Rhino horns are valued in the Far East as a sex stimulant and medicine, and in the Arabian peninsula for traditional dagger handles.

Since the international rhino horn trade ban was imposed 16 years ago, world rhino populations have plummeted by 95%. Wildlife experts say 110 rhinos were killed in Zimbabwe last year. The current Zimbabwe population of rhinos is between 1 000 and 2 000.

— Sapa-Reuter.

Parks board rules out 'rebel' ivory role

B1 Day 23/3/92 279A

DARIUS SANAI

SA WOULD not be joining the "rebel" Southern Africa Centre for Ivory Marketing (Sacim) to try and sell its growing ivory stockpile, a senior National Parks Board source said at the weekend.

The source said that although SA agreed with the four Sacim states — Zimbabwe, Botswana, Namibia and Malawi — that sustainable development with limited international sales of ivory was the only way forward for conservation in southern African states, it was diplomatically and politically unwise to embark on "rebel" ivory sales.

"We accept that the international climate is bad for ivory sales at the moment. It would be foolish to fly in the face of deeply held emotions," the source said.

The Zimbabwean government last week accused Western environmental lobbyists — who succesfully applied pressure for the continuation of a ban on international ivory sales this month — of putting their "money spinning lobby industry" before scientific facts on elephant conservation.

Delegates at this month's Convention on International Trade in Endangered Species (Cites) in Japan refused to lift the ivory ban, in spite of evidence that the elephant population in countries like SA and Zimbabwe was thriving.

SA culls 300-400 elephants a year in the Kruger Park and other game reserves. Government says it has not sold any ivory since the Cites ban came into effect in 1989, resulting in a growing stockpile.

The Parks Board source said that some of the lobby groups represented genuinely strong public opinion in Western countries on elephant culling, but that the "burning emotions" on the matter would hopefully decline during the next few years.

He said he hoped the lobbyists would realise that conservation cost money, and that it was possible to collect ivory through the natural death of elephants.

A country with an elephant population of 10 000 would collect 200 tusks a year in this way, the source said.

However much SA sympathised withn the views on ivory held by the other southern African countries, it had to avoid a confronational approach to the issue, the source said.

Time to liberate Africa from the US policymakers

B/Day 24/3/92 279A

SIMON BARBER in Washington

MICHAEL Clough, chief Africanist at the ponderously respectable Council on Foreign Relations, is advising Democratic presidential nominee-apparent Bill Clinton on African issues. He swears he does not want Assistant Secretary of State for Africa Herman Cohen's job if Clinton wins in November, and there is no reason not to humour his protestations.

Nonetheless, his views are worth a look, especially since he has taken the trouble in this election year to lay them out in an accessible little book, Free at Last? US Policy towards Africa and the End of the Cold War.

Had he delayed publication for a couple of months, he might usefully have added apartheid to the subtitle, since the soon-to-be former government of SA has done almost as much to drive US Africa policy as the now defunct Soviet Union.

With the Soviet Communist Party gone, and the NP (at any rate, as we have come to know and despise it) going, it is Clough's contention that Africa must now be liberated from US policymakers as well. On the whole, this is an attractive suggestion, not least because Clough would also be freeing the place from his own tender mercies in the event Clinton won and were to offer him the top Africa job.

His weaknesses were on embarrassing display at the book launch last week, which happened to coincide with the SA referendum. He took the opportunity to lambast the Bush administration's "inexcusable" failure to spell out in lurid detail the sanctions that would be reimposed were "no" to win. An interesting point of view, given that 68,7% of whites were busily voting "yes" as he spoke — and all without benefit of overt threats from Washington. One hates to think what might have happened had the administration not "failed" so miserably.

Happily, this is precisely the kind of proactive foolishness that Clough eschews in the book itself. Here, his motto is the Hippocratic "first do no harm" and the policies he espouses are those "that will limit the damage US officials can do to the continent".

For some, a little benign neglect would fill the prescription admirably. However, regional experts on the Council on Foreign Relations do not generally argue that their specialities are worthy of neglect. Clough is no exception, though his counter-argument is not that compelling. "Ignoring Africa becomes a recipe for haphazard policy." That is generally the pattern anyway, but academics always yearn for tidiness.

Clough is on surer ground when he trashes the notion that the US can "lead a crusade to save the continent from poverty, political repression and civil war". Such an effort, in his view, would make the post-war reconstruction of Europe and Japan look cheap and easy by comparison. SA alone could use an immediate capital infusion of about $10bn to lay the foundations for a stable non-racial democracy. The costs of rescuing Angola, Ethiopia, Liberia, Mozambique would be "even greater ... with far less prospect of short-term payoffs".

US taxpayers, already peevish about any kind of foreign aid, would never stand for this. Even to attempt it "would require a stock of ideas, resources and, most of all, a degree of commitment that Washington does not possess". Besides — and this is a particularly bold point — "as long as the illusion exists that the US will take on Africa's burdens, African leaders will have an incentive to delay making the sacrifices that will be necessary if the continent is to right itself".

Neglect and hyperengagement are, of course, straw men, mown down as Clough advances to his own preference. And, truth be told, it is not a bad one. Clough would effectively privatise US relations with African countries, tightly restrict official development aid and focus instead on empowering Africans at the grassroots level.

Africa's problems, he argues, derive largely from "the imbalance that exists between the state and civil society". And he spares no one in assigning the blame. The superpowers, politicians, bureaucrats, intellectuals and activists of both left and right, the international aid agencies and financial institutions — all have done their bit over the past three decades to "sustain the pretensions" of the continent's authoritarian thugs and help them "insulate themselves from the demands and pressures of civil society".

Forthright stuff, especially since Clough himself was once among those who cooed and billed over the likes of Zambia's Kenneth Kaunda. Now he is even prepared to quote with approval such pillars of political incorrectness as the British economist Lord Bauer, who has been arguing in vain for years that official aid transfers serve mainly to "increase the resources and power of recipient governments compared with the rest of society".

With democracy marching across the continent, it may be argued that Clough has woken up a little late, but at least he has woken up. He has also smelled the Zeitgeist. What the US must concentrate on now, he says, is strengthening African "civil society". To this end, he has a few modest proposals. All governments that fail to guarantee civil liberties of their citizens should, by law, be denied official US aid. In such cases, assistance should be channelled to independent non-governmental organisations. There should be no military aid to Africa, period. Nor should the US provide support to political candidates or parties of any stripe.

"I may prefer Nelson Mandela to Chief Buthelezi in SA, or Amos Sawyer to Charles Taylor in Liberia, or John Garang to Mohamed Beshir in Sudan ... but I strongly doubt that US national interests will be much affected over the long run by which, if any, of these leaders eventually triumph." Yes.

Finally, Clough argues, "more US aid and increased executive branch involvement with African issues are not the answer to Africa's problems". Rather, he says, private, non-profit organisations — the so-called "third sector" — should be encouraged to "facilitate the development of a diverse network or personal and institutional linkages that would empower Africans and heighten the interest of important American constituencies in Africa".

Things get a little warm and fuzzy here, but what Clough appears to be advocating is a privatisation of US policy toward Africa along the same lines as has already been occurring in eastern Europe, where legions of private groups and individuals have stepped in not only with humanitarian assistance but to offer support and advice in areas ranging from economic, legal and constitutional reform to worker safety, health care and the environment.

Not a bad idea to mobilise the same kind of engagement in Africa, especially in light of current budget constraints and voter hostility to official transfers, but Clough's infatuation with non-profit non-governmental organisations goes a little too far. Traditional diplomacy is still going to be needed, and it is hard to see how messes like Zaire or the Mozambican civil war can be resolved without it, though in the latter case, Clough could argue the Vatican's involvement only proves his point. What is the Catholic Church if not the world's largest non-governmental organisation?

Completely missing from his analysis is any mention of the for-profit private sector. For most of Africa, surely, new investment is the single most pressing need. Clough has not a word on its role or how it might be encouraged. As he admitted at his book launch, economics is not his subject. In which case, one can only hope he is not just being politic when he says he does not want to be assistant secretary of state for Africa.

US experts start Africa relief plan

STAR 25/3/92

By Hugh Roberton
Star Bureau

279A

WASHINGTON — A team of 13 American relief experts left for South Africa and nine other countries in the region today to assess the impact of what has been described as Africa's worst drought this century, and to prepare for the shipment of up to 10 million metric tons of emergency food supplies.

The US team will be co-ordinating an international relief operation which, a State Department spokeswoman said today, was likely to prove so large that "considerable donor assistance" would be needed to cover costs and ensure that a major tragedy was averted.

Negotiations are now under way between the US, the countries of the EEC, Canada, Japan and other potential donors.

Besides South Africa, the US team will visit Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Zambia and Zimbabwe over the next three weeks, and will be drawing up a programme to provide not just food supplies but also assistance in the fields of health, water and sanitation.

The first hint that a major disaster was looming in southern Africa came from US satellites which form part of the US Famine Early Warning System. Assessments from space indicated that between 70 and 90 percent of crops in many parts of the region had been devastated.

American officials then began formal inquiries in each of the 10 countries. What they discovered set off alarm signals at the Agency for International Development.

Grain transport warning

By Robin Drew
Star Africa Service

279A

Star 26/3/92

HARARE — Close to 10 million tons of maize will have to be procured, shipped, landed and moved around southern Africa between now and the 1993 harvest, says the Southern African Development Co-ordination Conference regional early warning unit.

Of this total, four million tons will be for South Africa.

A bulletin from the unit said: "There is very serious concern regarding the ability of available port, rail, road and storage infrastructure within the region to cope with grain movements of the anticipated magnitude."

Regional co-operation and co-ordination were essential, it said.

The bulletin said Zimbabwe and South Africa had been the hardest hit by the drought, probably the worst this century, but that the drought had also devastated large parts of Botswana, Lesotho, Mozambique, Swaziland and Zambia.

The maize output from the SADCC countries would be down 40 percent on last year's output, which had already been below average at 7,9 million tons.

279A

The Financial Gazette, March 26, 1992

Prospects for Sadcc food output bleak — Mugwara

HARVEST prospects for the 1991/92 cereal crops in all 10 Sadcc countries and South Africa continued to deteriorate during last month following the worst drought to affect the Southern African region this century.

Hardest hit are Zimbabwe and South Africa, but below normal rainfall has also devastated large parts of Botswana, Lesotho, Mozambique, Swaziland and Zambia, turning them into disaster areas, according to a top official of the Harare based Sadcc food security unit.

Mr Reggie Mugwara, the head of the unit, said this week that preliminary production forecasts indicate a combined Sadcc maize harvest of about 4,6 million tonnes; down by 40 percent on last year's, below average output of 7,9 million tonnes. Sadcc countries hardest hit were Zimbawe, where the maize crop is now forecast at only 500 000 tonnes compared with 1,6 million tonnes last year; Zambia, where the current crop is only 36 percent of last year's, Botswana (42 percent); Lesotho (45 percent); Swaziland (45 percent) and Namibia (26 percent).

The drought has also severely affected South Africa where the Maize Board said that country currently was expecting a maize harvest of only 2,8 million tonnes, or about 40 percent of last year's crop.

Current assessments suggest that the Sadcc countries will need to import a total of 5,4 million tonnes of maize, more than double last year's import requirements, between April and May this year, and through to the 1993 crop harvest. "This import requirement will rise even further if present dry conditions persist. Together with South Africa's own import requirement of 4,0 million tonnes, this means that close to 10 million tonnes of maize will have to be procured, shipped, landed and moved around Southern Africa between now and the 1993 harvest," Mr Mugwara said.

In Zimbabwe, he said crop conditions and yield prospects continued to deteriorate during February in the wake of the worst drought since 1967. Complete crop failures were reported in several areas of Masvingo, Manicaland, Midlands, Matabeleland North and South provinces. Maize production forecast had been revised substantially downwards to 500 000 tonnes out of which only 100 000 tonnes are expected to be delivered to the Grain Marketing Board (GMB), barely enough to last one month.

With six million people in the country facing severe food shortages, government has declared the drought a national disaster. Maize import requirements up to the 1993 harvest were presently assessed at 1,7 million tonnes. To date, the government has approved commercial imports of 554 000 tonnes, including 100 000 tonnes for the current marketing year.

Farming Reporter

Mr Mugwara said that abnormally hot and dry conditions affected almost the whole of Zambia during February and led to a serious deterioration in maize yield prospects. Current forecasts indicate maize harvests of 520 000 tonnes compared to 1,4 million last year. Import needs up to the 1993 harvest were currently assessed at over 800 000 tonnes. Current stocks of 190 000 tonnes plus remaining deliveries of 86 000 tonnes from South Africa were expected to last until the end of May, at which time further imports were expected to start arriving.

"In the short term, some 132 000 tonnes of maize and 13 000 tonnes of wheat should begin to arrive from mid April.

However, in view of past experience this may be somewhat optimistic. In any event, the delivery schedule is extremely tight. In view of severe foreign exchange limitations, all imports will have to be provided by donors," he said.

The rains that fell last month were below normal in all parts of Mozambique, giving rise to serious concerns that yield prospects in the previously favourable northern provinces would deteriorate. All provinces south of the Zambezi River and lowland areas of Zambezia Province were already seriously affected by the drought. Preliminary forecasts indicate a maize harvest of 250 000 tonnes compared to 327 000 tonnes last year.

"Total staple cereal imports of 1,1 million tonnes are needed for the 1992/93 marketing year, including 840 000 tonnes of maize. Donor pledges currently stand at 833 000 tonnes of cereals including 613 000 tonnes of maize. Despite these pledges, serious food shortages are imminent as present stocks in the provinces and major cities are extremely low. Severely limited transport and storage capacities are creating major disruptions to food distribution effots," Mr Mugwara said.

Following a promising start to the growing season, especially in the northern areas of Malawi, February rainfall was much below normal throughout the country and, as a result, drought conditions extended further north than had previously been reported. Crop conditions and yield prospects deteriorated considerably since January. The 1991/92 maize harvest was currently forecast at 916 000 tonnes, 43 percent down on last year's harvest of 1,6 million tonnes, but may deteriorate further if present dry conditions continue.

"With maize stocks currently running at 260 000 tonnes, imports of between 500 000 and 800 000 tonnes will be needed to satisfy national requirements including nearly one million refugees up to the 1993 harvest," he said.

In Botswana crop conditions had deteriorated further throughout the country as a result of very poor rainfall and abnormally high temperatures. Most of the maize crop had already failed, while sorghum was under severe moisture stress. A Drought Declaration was expected to be announced by government soon. Preliminary forecasts indicate a maize harvest of only 5 500 tonnes as compared to 13 000 tonnes last season. More than 50 percent of the maize crop was expected to come from the large scale commercial farms in Panda Matenga in the extreme north east, although this area was also now seriously affected by drought.

Commercial import requirements to cover national food needs up to the 1993 cereal harvest are assessed at 279 000 tonnes, consisting of 134 000 tonnes of maize, 93 000 tonnes of wheat and 52 000 tonnes of sorghum, he said.

Mr Mugwara said that Swaziland expected a maize harvest of only 69 000 tonnes compared to 153 000 tonnes last year. However, recent hail damage in the highveld was expected to reduce this forecast further. Maize imports of at least 78 000 tonnes were needed to safeguard national supplies until the 1993 harvest.

Namibia, he said, was expecting, cereal harvest of 44 000 tonnes compared to 106 000 tonnes last season. Maize production prospects for the season had been revised downwards from 50 000 tonnes earlier in the season to 13 000 tonnes.

Maize import requirments of at least 85 000 tonnes were envisaged to offset poor domestic cereal availability during the 1992/93 marketing year.

Lesotho was expecting a cereal deficit of 300 000 tonnes during 1992/93 marketing year, while Tanzania was expected to import 396 000 tonnes of maize, 73 000 of rice and 78 000 tonnes of wheat.

Crop production prospects in Angola had generally worsened as heavy rains in the agriculturally important centrl region destroyed about 10 percent of the maize crop and up to 50 percent of beans; an important food crop in the country, Mr Mugwara said.

8

PARTNERS IN PRINT

LEADERSHIP, a publication in the Times Media group aimed at decision-makers, has joined forces with First magazine in the UK to produce Partnership, which will trace SA potential growth in southern Africa.

Partnership will examine prospects for growth in the area and offer advice for British and European investors and traders in what is expected to become a major economic community.

Aspects covered by Partnership will include changing patterns of trade between Europe and southern Africa, prospects of new trading developments, the ability of financial services to support foreign investors, the potential of tourism, agricultural activity, raw-material beneficiation and available off-shore financial services.

Partnership will be published in June with an initial circulation of 35 000 in both the UK and SA. Sitimes (BUSS) 29/3/92

AVIATION AFRICA 92

Sub-Sahara depends on SA — the key is aviation

ST Times [B455] 29/3/92 2794

AVIATION AFRICA 92

On Wednesday, Aviation Africa 92, the largest ever South African aviation trade show, opens its doors at Johannesburg's Jan Smuts Airport. Major international manufacturers are taking part, and as a result Africa's eyes are focused on South Africa and its aviation industry. Sunday Times aviation correspondent ROGER MAKINGS reports on the current state of the industry, its developments and the challenges that lie ahead.

AVIATION is the key to development in southern Africa — and without it countries north of the Limpopo and south of the Sahara face bleak and ever-deteriorating futures.

Gone are the days when East and West vied for the attention of southern African countries with unlimited aid. They have identified larger markets worthy of exploration in the now-liberated eastern Europe with better chances of returns on their investments.

With many of the countries landlocked and road systems in poor repair, the only way they can kick-start their parlous economies is by trading with and through South Africa, the country which, it would seem, has been given the task of motivating these economies.

Cheaper

To achieve this southern African countries have to improve their aviation infrastructures, says Cor Beek, executive director of the Commercial Aviation Association and organiser of the Aviation Africa '92 show.

"It is far cheaper to extend a runway, upgrade landing systems and lease modern aircraft than it is to rebuild hundreds of kilometres of roads," says Mr Beek, who also points to the obvious benefits of aviation as a means of transport.

"Even if their roads and railways were in good repair, these vehicles have to fend off attacks by bandits. Length of time en route would also be a problem in the case of produce."



COR BEEK
'SA gateway to Africa'

He says most African countries realise this and because of the changes in South Africa are now prepared to be seen openly "doing business in the south".

And for this reason the major manufacturers of aircraft, airport technology as well as related aviation industries have decided to exhibit at the Aviation Africa '92 show at Jan Smuts airport from April 1, making it the biggest in SA since its inception in 1975.

The show now ranks in size with those held in Singapore and Dubai, with global giants like Boeing, McDonnell Douglas, Airbus Industrie, British Aerospace and Aerospatiale exhibiting and hoping for a slice of the expected action.

Contacts

"South Africa is the gateway to Africa — we have the harbours, airports and roads as well as the industry and skilled labour which the major companies can use to launch their products. Our entrepreneurs are geared to dealing with the Africans and know their countries."

But it is up to South Africa, as the economic power in the region, to get the ball rolling and become the motivating force in the drive to get sub-Saharan economies going.

"Our aviation infrastructure is probably the best in Africa, and because of our proximity it would be advantageous to Africa to come to us for the assistance they will need to upgrade their aviation capabilities," says Mr Beek.

Loss-making African airlines are in a sorry state mainly because of bad management, widespread corruption, government interference and a lack of capital.

"We have the expertise to solve all these problems and, in fact, a helping hand is already being extended to some countries to remedy these shortcomings."

SAA has assisted numerous fledgling airlines — Air Mauritius and Air Namibia, to name just two successful operators in southern Africa — by leasing aircraft and crews to them and helping to train their own staff as well as servicing their aircraft.

But how are these cash-strapped countries to pay for the services SA is able to provide?

Barter

"We could conceivably introduce a system of barter — though a new concept in aviation it is not new in world economics. These countries have an abundance of labour and minerals and some produce which they could exchange for South African services.

"This is a problem we will have to solve. If we don't, the whole sub-Saharan continent will collapse eventually, dragging SA with it," says Mr Beek.

CAA may need new venue for 1994

Safair's bridging role

SAFAIR, with its wide network of operations, can be described as probably the only truly dedicated African airline on the continent.

For years it has been crisscrossing Africa, often in the face of international sanctions, to carry SA-manufactured freight to hard-pressed countries north of the Limpopo. And these countries, until two years ago, would never admit to having dealings with the airline.

"But all that has changed and we are aggressively pursuing new business on the continent — and getting it," says Safair MD Braam Loots.

He believes the airline is poised to play a crucial bridging role in the return of South Africa to the African economic marketplace, at the same time helping to invigorate trade relations between many of its countries.

"The will to open trade between SA and our neighbours to the north is irrepressible, and the need for an exchange of goods undeniable. Also, the demand for a reliable transport infrastructure is overwhelming, and Safair is in a unique position to meet all these requirements," he says.

With its fleet of eight Hercules transport aircraft capable of landing on short, dirt runways, crews with an intimate knowledge of the sub-Saharan routes and topography and a management team that has wide-ranging contacts in Africa, Safair is confident of substantially increasing its foreign-operations turnover.

International business had already decided that South Africa should be the conduit between Africa and world markets, and because of poor road and rail links on the continent it would seem that aviation, and Safair in particular, had a pivotal role to play.

Mr Loots says that Safair, active in Kenya, Angola, Cameroon and Zaire, is flying freight not only from South Africa into Africa but from one African country to another and domestically for some countries.

"Safair is a thoroughly African aviation company, one that is structured and equipped to suit African markets and flying conditions.

Contract

"We know Africa and we understand our customers, and we've gone to great lengths — even in the years when we were shut out — to put together the aircraft, trained personnel and the maintenance facilities that can handle anything the continent can throw at us."

Maintenance is another aspect of aviation that the company is deeply committed to. Recently it won a contract to do a major inspection of an Angolan Boeing 737 at a cost of R2,5-million, and it has African contracts in the pipeline.

"It is cheaper and quicker for us to maintain African aircraft than for them to be sent to Europe or the US," says Mr Loots, whose company is licensed to work on Hercules, Boeing 707s, 737s, ATR 72s, BAe 146s and Convair aircraft.

Chris Bester, Safair's general manager of engineering and maintenance, says the airline is talking to several African countries about caring for their fleets, which could bring in business worth R25-million "in the short term and much more in the longer term",

With approximately 12 000 sq m hangar space and 3 500 sq m of workshop space and spares worth more than R200-million, the company's facilities at Jan Smuts can be compared with the best in the world, says Mr Bester.

But the airline's activities don't end there. With the second-largest fleet of Hercules L-100s in the world, a cargo-dedicated BAe-146 jet, and two Boeing 707s, it operates scheduled and non-scheduled freight and passenger charter flights — which it plans to expand in the future — from the Cape to Cairo and the Atlantic to the Indian Ocean.

'Yes' will boost ExecuJet

THE overwhelming "yes" vote in the recent referendum will significantly boost ExecuJet's business in Africa, says the managing director of sales, Mr Andre du Plessis.

"Companies have been holding back on contracts waiting for the referendum's outcome, but now that it's been positive we can expect business to boom," he said.

ExecuJet specialises in flying major SA company executives into Africa.

"We are popular with a SA companies because of our expertise in Africa in getting flight clearances, our wide range of contacts, knowledge of conditions and the range of our Learjets, which enable us to fly non-stop to destinations as far away as Kenya," said Mr Du Plessis.

"Flying into Africa is fraught with problems, which include corruption, inferior air-traffic control and a total lack of medical services. It is therefore essential to use long-range aircraft that can fly high and fast and do not need to make time-consuming and expensive refuelling stops."

Mr Du Plessis says companies involved in construction, road transport and foods flying mainly to destinations like Zambia, Zaire, Malawi and Zimbabwe are their biggest customers.

Frontline appeals for end to violence

STAR 30/3/92

279A

HARARE — The one-day meeting of Frontline states held in Harare at the weekend ended with the leaders calling for the removal of obstacles to the peace process in South Africa.

In a communique issued after the meeting, the Frontline leaders appealed to South African blacks to end the factional battles in which thousands of people had been killed in the last few years.

"The summit called for an end to this carnage," the communique said.

The leaders noted the positive outcome of the whites-only referendum and considered the likely impact of that result on the peace process.

The summit expressed the view that more remained to be done for the democratisation process to succeed.

"In particular, the remaining obstacles to the creation of an atmosphere conducive to constitutional negotiations ought to be removed," the communique said.

The meeting reiterated its strong appeal for unity among black South Africans, especially between the African National Congress and the Pan Africanist Congress, in the face of constitutional talks.

"A special appeal was made to the liberation movements to recognise their common objective and to unite in the face of the common enemy."

The summit, which was chaired by President Robert Mugabe, noted with grave concern the escalation of violence in South Africa resulting in the loss of innocent lives and the destruction of property.

Reaffirming its continued support to the South African liberation movements until victory was achieved, the summit expressed its determination to continue monitoring the evolving situation in South Africa closely and effectively.

It invited the liberation movements to inform the next OAU ad hoc committee meeting in Tanzania on April 28 on their preference with regard to the composition, mandate and location of a monitoring mechanism for this purpose.

Mr Mugabe said the international community should retain sanctions on Pretoria until the reform process was "absolutely irreversible".

He told a news conference that the big white "yes" vote was not enough.

"I think those who have lifted sanctions on the result of the referendum are being deceitful," said Mr Mugabe. — Sapa-Reuter.

Liberation movements express doubts

STAR 30/3/92

HARARE — The Pan Africanist Congress told the Frontline meeting in Harare that the central issue in the South African problem was the drawing up of a nonracial constitution by elected representatives of all the people in that country.

In his presentation, PAC second deputy president Dikgang Moseneke said the "yes" vote won by President de Klerk in the recent whites-only referendum was not a vote for democracy and majority rule, but merely a vote to ward off sanctions on South Africa.

Mr Moseneke said the euphoria and expectations surrounding the referendum result were not only deafening, but also devoid of any objective analysis.

A democratic forum to discuss the new constitution was yet to be set up and agreed upon, he said.

ANC deputy president Walter Sisulu said the South African Government's interim arrangements, which it presented at working group 3 of Codesa on March 23, had raised serious problems about the Government's conduct in negotiations.

"The pre-election transitional arrangements have the effect of leaving all powers in the hands of the present Government, thereby allowing it to act both as referee and player," Mr Sisulu said. — Sapa.

African states turn to SA for drought aid

STAR 30/3/92 (279A)

HARARE — Leaders of seven black African states turned to their long-time nemesis, South Africa, at the weekend for help in surviving a devastating regional drought.

After a one-day summit in Harare, presidents of the Frontline states said South Africa should play a major role in drought relief.

They called on the Southern African Development Co-ordination Conference to meet "as soon as possible" to co-ordinate regional relief efforts.

A delegation of SADCC officials should then visit South Africa to "secure its co-operation in this endeavour," they said in a joint statement.

The 10-nation SADCC was established in 1980 to try to reduce dependence on trade with South Africa.

South Africa's modern rail and transport network is regarded as vital in plans by most southern African nations to import food from Latin America and the United States to avert mass starvation. — Sapa-AP.

Zimbabwe to resume sale of ivory despite Cites ruling

HARARE — Zimbabwe has decided to sell its ivory stocks in spite of the ruling by the Convention of International Trade in Endangered Species (Cites) barring trade.

"We have about 25 000 tons of ivory in our stock. We are to start selling this ivory with immediate effect even if it means being outside the Cites umbrella," National Parks and Wildlife Management Department director Willie Nduku said.

Southern African states assured the recent Cites meeting in Kyoto that they had no intention of behaving irresponsibly as a result of the Cites decision.

Zimbabwe, Malawi, Botswana and Namibia decided to form the Southern African Centre for Ivory Marketing (Sacim), which meets in Namibia on April 14.

Zimbabwean Environment and Tourism Minister Herbert Murerwa said the Sacim countries would remain members of Cites and continue to fight the ivory trade ban.

At the Cites conference in Japan early this month, Zimbabwe proposed the down-listing of African elephants to Appendix II, which allows limited and controlled trade, from Appendix I, which prohibits all commercial trade.

Although Zimbabwe, along with Malawi, Botswana and Namibia had the guarded support of the Cites secretariat, the World Conservation Union and the World Wildlife Fund, the southern African nations decided to withdraw their proposal when it became clear they would be badly defeated if the issue went to an open vote.

Botswana delegate Ponatshego Kedikilwe, who withdrew the proposal on behalf of the four states, said: "We are indeed extremely perplexed. It seems to us that the goalposts have been removed and this brings into doubt the integrity of Cites."

Most parties went to the conference with fixed positions often based on wrong perceptions that effectively blocked any ability to respond to better or enhanced understanding of the issues involved.

One delegate said most conservationists had not understood Zimbabwe's position and that there had been a lot of misinformation from western non-governmental organisations on its management of wildlife resources. He said most parties in Cites took Zimbabwe to be the base for illegal ivory marketing. Instead, Zimbabwe had invested in a policy which promoted wildlife's high economic value.

☐ National Parks Board sources have previously indicated SA will not join any "rebel" ivory marketing initiative. They said while SA agreed that limited ivory sales served conservation, it would be politically unwise to embark on rebel sales. — Sapa.

Exchange controls must remain, maintains Reserve Bank adviser

B10ay 1/4/92 279A

SHERIDAN CONNOLLY

EXCHANGE controls would be retained until SA earned enough foreign exchange to pay for the bulk of the country's imports at high growth levels, and attracted sufficient investment to finance the remaining current account deficit, Reserve Bank adviser Desmond Krogh said at a conference yesterday.

Krogh said one of the first steps of exchange control relaxation would be in respect of non-resident transactions. The abolition of the financial rand could, however, not be expected as long as the terms of the present debt rescheduling agreement were in force, he warned.

"Very few, if any, constraints remain on SA's accessibility to overseas financial markets other than that imposed by its own exchange control regulations," Krogh said.

He said the only disappointment was the slow progress made in reducing the size and deficit of the government's budget which was, however, closely linked to the unstable transitional socio-political conditions.

Krogh said although good progress had been made in regaining control over money supply growth and in the strengthening of SA's financial system, all the basic conditions which justified the retention of exchange controls over residents, and in the form of the financial rand system as far as non-residents were concerned, still applied.

Over the last 30 years, exchange controls had been applied in southern African countries with varying intensity, either because of structural economic or political reasons, or both, he said.

He said for SA to be the anchor economy of the southern African region, it would at least require a relatively stable new political dispensation and a dynamic economy. These conditions were "still at the programming stage after a decade of social upheaval and economic stagnation," he added.

Krogh highlighted the successful financial experience of "diverse but dynamic" Asian economies such as Korea and Taiwan to illustrate that there was ample scope, even with exchange controls, to develop a whole range of sophisticated financial services in a regional as well as a global context.

He said it was only after these two countries had reached the stage of becoming sizeable capital exporting countries that they could begin to relax their exchange controls simultaneously for residents and non-residents, and actively embark on achieving greater international financial intermediation.

Be pragmatic on finance, SA told

SA's entry into the global financial market would be eased if it adopted pragmatic and authoritative financial regulations, said Michael Gordon-Williams, head of compliance at London-based Smith New Court. B/Day 1/6/92

Gordon-Williams told a Johannesburg conference on the outlook for southern African financial markets that the basis for a good market was sensible and effective regulation. This would gain investor confidence and greater market activity. One lesson learnt in the UK was not to allow regulators and parliamentarians free rein on codification, he said.

"The complexity of structure and the difficulty in interpretation that we experienced with those first rule books taught us lesson No 1: in a self-regulatory environment it is essential to have practitioner involvement at the highest level when drawing up or amending the codes of practice," he said. 279A

The regulatory environment should also walk the fine line between protection for the individual and allowing professionals to conduct business with a minimum of effort. Clarity in documentation and implementation would help to alleviate the cost of compliance. — Reuter.

Rivers are untapped resource

DEVELOPMENT of southern Africa's untapped wealth of hydro-electric resource on the Zambezi and Congo rivers could turn the region into one of the world's growth areas, said a senior Eskom official.

Financial planning manager Hugh Ashby told a conference on capital expenditure prospects that the vision of an integrated sub-Saharan transmission network was no longer a pipe dream.

However, there had to be political stability and free market economies in the region to attract the enormous amounts of capital investment needed for such power projects, he said.

Ashby said the hydro-electric capacity of the Zaire River was estimated to exceed 100 000 mw, more than the installed hydro power of the US and four times SA's existing capacity needs.

Ashby said a complementary northern African power grid was envisaged which would be integrated with the Eureopean electricity transmission system.

Eskom had reached agreement on the rehabilitation of the Cahora Bassa hydro-electric scheme in Mozambique, predicated on the supply of about R50m of equipment from SA.

"Once stability in Mozambique has been restored there will be considerable demand for more hydro schemes on the Zambezi," he said.

Capital needed for such investments would come from international development agencies. — Reuter.

w/mail 3/4-9/4/92

Last, great hurdle for the Frontline

279A

w/Mail 3/4-9/4/92

By ANDREW MELDRUM

IN response to the referendum outcome, southern Africa's seven Frontline states have embarked on a mission to promote negotiations for a new South African constitution and to encourage unity between the African National Congress and the Pan Africanist Congress.

The Frontline leaders welcomed the yes-vote victory, but urged the South African government to bring an immediate end to township violence.

Newly elected Frontline chairman Robert Mugabe convened a summit in Harare last weekend at which the Frontline heads of government greeted the referendum result as "a victory for all progressive forces" but "noted with grave concern the escalation of violence in South Africa that has resulted in the loss of innocent lives".

The summit endorsed the Convention for a Democratic South Africa (Codesa) talks, but called on the government to remove "the remaining obstacles to the creation of an atmosphere conducive to constitutional negotiations".

A special appeal was made to the ANC and PAC to "recognise their common objective and to unite in the face of the common enemy". ANC vice-president Walter Sisulu and PAC second deputy president Dikgang Moseneke attended the summit.

Considering the relatively weak economic health of the seven Frontline members — Angola, Botswana, Mozambique, Namibia, Tanzania, Zambia and Zimbabwe — and the fact that they no longer provide military bases for the liberation movements, it may appear that the Frontline positions carry little weight.



Robert Mugabe

But in international diplomacy the Frontline still counts. The Organisation of African Unity (OAU) forms its policy on South Africa on the advice of the Frontline states. The United Nations in turn takes its policy on South Africa from the OAU, so decisions and appeals made by the Frontline states do indeed have an impact on South Africa.

The Harare summit was comprised of the new Frontline leadership which has taken over from the former crusaders of the Frontline effort to bring majority rule to southern Africa in the 1970s and the 1980s.

It is no coincidence that the government of its new chairman has taken the most hard-line stance against the Pretoria government. The election of Mugabe indicates that the Frontline's position will be individual accommodation with South Africa, particularly in the economic field, but that the establishment of full diplomatic relations will have to wait until there is majority rule.

With the beginnings of constitutional change in South Africa, the regional alliance has embarked upon the task of promoting acceptable constitutional negotiations and of bringing together South Africa's rival nationalist groups.

Historically, the Frontline's major achievement in the Zimbabwean peace process and transition to majority rule was to force the antagonistic nationalists, Robert Mugabe and Joshua Nkomo, to form a Patriotic Front which attended the Lancaster House talks in London in 1979. The front broke up shortly after Zimbabwe's independence, but it nevertheless achieved majority rule.

Now the Frontline states face a similar task in bringing the ANC and PAC together under one banner. It seemed that goal was accomplished last year with the formation of a new Patriotic Front in Harare, but this dissipated with the differences between the ANC and the PAC over Codesa.

The Frontline's last, great effort may be to persuade the two groups to present a united front to work out a new constitution, for once one person-one vote elections are achieved in South Africa, the Frontline states will have achieved their goal of liberating all of southern African from minority rule.

Will the alliance then cease to have a reason for being? This is unlikely. It seems more probable that South Africa will then join the alliance, which is already positioning itself to carry on as a regional force.

scene from the SABC's popular *Ke Nyala Mang*. and double bass.

take over control of the facility.

SA to have 83 million people by 2020

THERE will be nearly 83 million in SA by the year 2020, says the latest issue of *World Population Profile*, published by the US Bureau of Census in Washington.

In 1991, the report says, SA was home to 40 601 000 people; in 1950, 13 575 000; by the turn of the century the population is expected to be 51 375 000; and in 2010 more than 66 million.

The report projects a rapid growth rate for Africa's entire sub-Saharan region.

Zimbabwe, with a current population of nearly 11 million, will have more than 21 million by 2020. Namibia, with 1,5 million today, will have nearly four million in the year 2020.

Sub-Saharan Africa has a population of 558 377 000. By 2020, it will be 1 279 014 000 — the world's fastest-growing region.

In 1950, Sub-Saharan Africa had 200 million inhabitants less than Europe. By 1991 it had 56 million more than Europe and is home to some 10 percent of the world's population.

Africa has the largest proportion (46 percent) of its population under the age of 15 years. This is in sharp contrast with the 21 percent in the world's developed regions.

While Africa has the highest birth rate, it also has the highest death rate. Its annual birth rate of 45 a 1 000 people compared with the world average of 26, while its death rate of 14 a 1 000 compares with a world average of nine. SA is the only large country in sub-Saharan Africa with a birth rate under 35 a 1 000.

A child born in Africa today can expect to live about 52 years. The world's average life expectancy is 63 years.

SA is ahead of the world average with a life expectancy rate of 64,2 years, which ranks SA 17th among the world's 25 largest countries. The leader is Japan with a life expectancy of 79,2 years followed by Italy with 78,1 years. — Sapa

Student
PROMINENT Soweto advocate John Motaka called me

Emergency maize from US on way

WASHINGTON — The United States is speeding emergency food shipments to southern Africa to help the region cope with one of the most severe droughts in its history.

State Department deputy spokesman Richard Boucher said the maize crop is down more than 50 percent in the entire 10-country area, and losses range between 70 and 90 percent in Lesotho, Namibia and Swaziland.

South Africa and Zimbabwe normally are grain exporters but both have been required to import substantial quantities.

"The severity of the drought has resulted in the need to import approximately 8,1 million tons this year," Mr Boucher said. "Of this amount, we believe 3,4 million tons will be required to supplement commercial imports, and thus would be in the form of humanitarian food assistance."

He said an additional 366 000 tons of food aid has been approved as a supplement to the existing programme and, beyond that, 291 000 tons are awaiting final approval.

Other countries affected by the drought are Angola, Botswana, Malawi, Mozambique and Zambia. — Sapa-AP.

● Hints of thaw — Page 5

Malawian labour leader arrested

LILONGWE — A prominent Malawian dissident was arrested yesterday, minutes after he returned home from Johannesburg for a showdown with the authoritarian government of President Hastings Banda.

Labour leader Chakufwa Chihana, 52, was bundled into a waiting car by security agents after he attempted to read from a prepared text on the tarmac at Lilongwe Airport, witnesses said.

Chihana left the plane waving a text calling for the ousting of Life President Kamuzu Banda, a return to democracy and respect for human rights, witnesses said.

There was no immediate comment from the government.

A Western diplomat, who was at the airport, said Western embassies intended to protest against the government's action.

Passengers on the flight from Johannesburg said Chihana expected to be jailed upon his return and "counted down" his last hours of freedom as the flight approached the capital, Lilongwe.

In Johannesburg Chihana's colleagues in the National Democratic Alliance called for an immediate suspension of Western aid to Malawi as a response to his arrest.

Chihana, secretary-general of the powerful Lilongwe-based Southern African Trade Union Co-ordinating Council, attended a meeting in Zambia last month of Malawian dissidents who pledged to organise a democracy conference in their homeland in defiance of laws banning such gatherings.

On Sunday, Chihana accused Banda of leading one of Africa's most repressive regimes. He predicted his return would mark a turning point in the quest for democratic reform in Malawi.

Calls for democracy have intensified since Roman Catholic bishops demanded reforms in a pastoral letter circulated early in March. The government declared the letter a "seditious document". — Sapa-AP.

Parks hoard R7m in ivory

THEO RAWANA

THE National Parks Board has an ivory stockpile worth R7m, but it will not sell it in violation of the Convention on International Trade in Endangered Species (Cites) ban, says chief executive director Robbie Robinson.

Robinson says the parks have a population of 7 500 elephants and cull between 300 and 400 a year.

"We have R7m of ivory in our stockpiles and can produce R3m a year.

"Although we believe in the sustainable utilisation of wildlife, we will not be going against the decision of Cites.

SA will wait until debate has sorted out the issue.

Delegates at a meeting of Cites in Japan last month refused to lift the ban on ivory trade, sparking a defiant reaction from Zimbabwe, which said it would set up an ivory marketing centre in Gaborone with Botswana, Namibia and Malawi.

Robinson would not comment on Zimbabwe's plans.

PEANUTS By Charles Schulz



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Southern Africa's drought scorches beyond maize fields

w/Mail 10/4-15/4/92

279A

By ANDREW MELDRUM

SOUTHERN AFRICA'S drought respects no boundaries, scorching crops right across the continent from Angola on the west coast to Mozambique and Tanzania on the east. And it is weighing heavily in the political balances throughout the region.

In some instances the effects of the drought are tipping the political scales in favour of change, such as in Malawi. In other countries the drought is hindering the process of democratic reform, as in Zambia. It is also threatening Angola's hard-fought peace and is troubling Namibia's hard-won stability.

Of course, the biggest victim of the drought is maize. Fields of the failed crop stretch from the Atlantic Ocean to the Indian Ocean and questions are being raised about the suitability of maize as the region's staple grain. The demands of hungry populations have also forced leaders to question the political wisdom of remaining so dependent upon maize.

Maize was introduced to Africa by the Portuguese, who brought it from the Americas. It was widely promoted by colonial agriculturalists as a staple food and a lucrative export grain.

Only now, with the widespread crop failure and the region's need to import an estimated 11-million tons of maize, are experts and peasants alike considering indigenous and drought-resistant grains like sorghum and millet.

Namibia has lost 80 percent of its maize crop, forcing the government to spend foreign currency on imports that it had planned to use on improving housing and education.

Lesotho expects to harvest just 45 000 tons, compared to its normal 120 000 tons. This should scramble the already confused political situation there as the population braces for the expected skyrocketing of prices.

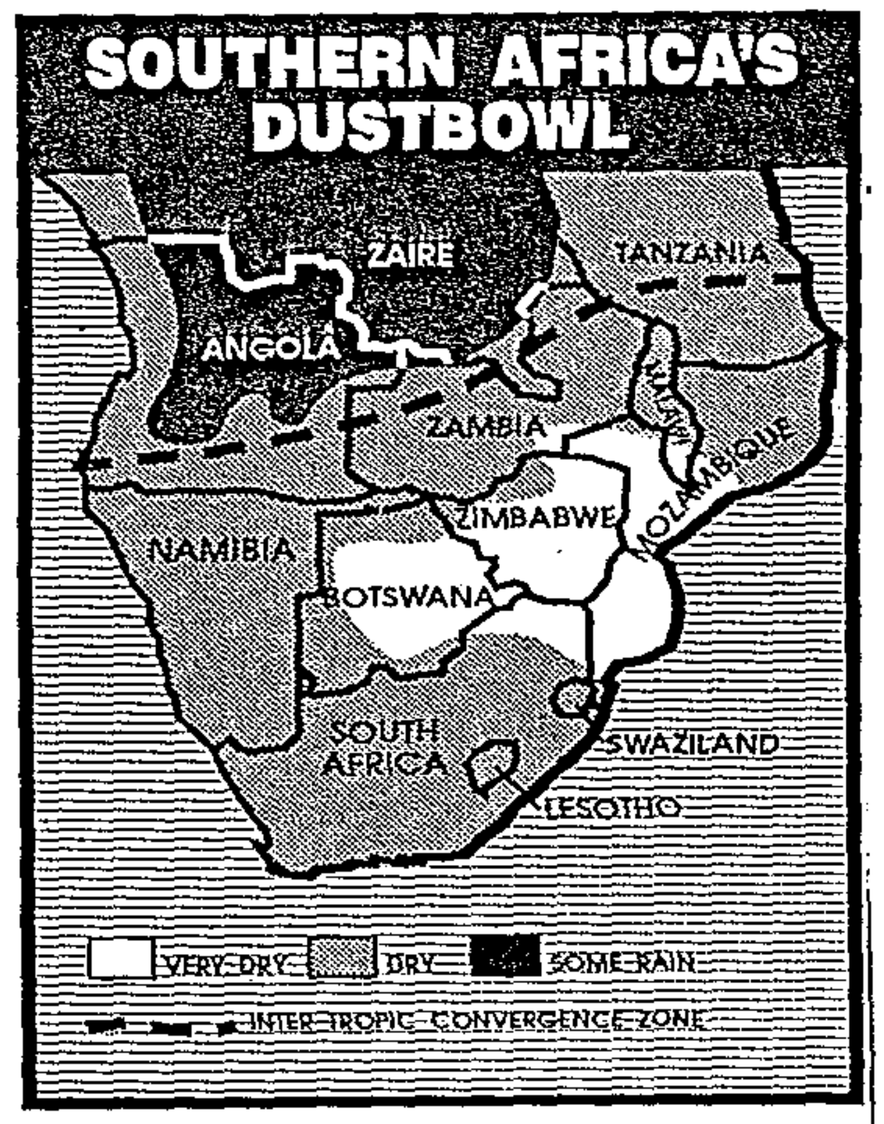
Normally lush Malawi has only produced 700 000 tons, half its usual yield. With an extra 1,2-million Mozambican refugees to feed, the Malawi regime is particularly vulnerable to pressure for political reform from nations donating food aid.

Maize plays a prominent role in Zambia's politics, as well as its diet. Former president Kenneth Kaunda kept the urban population happy with low, state-subsidised maize prices. But the subsidy became a heavy burden on the state budget and the low prices offered to producers gave farmers little incentive to grow maize.

When Kaunda tried to remove the subsidy and raise maize prices, in 1986 and again in 1990, food riots broke out. The June 1990 disturbances rocked the country and launched the democratisation process that led to Kaunda's defeat at the polls.

The drought has made it even more difficult for President Frederick Chiluba's new government to carry out a tough economic structural adjustment which includes the removal of subsidies. Now Kaunda, leader of the opposition, is trying to make political capital of the high food prices.

In Angola, the drought is threatening to undermine the ceasefire agreement and progress towards national elections. About 100 000 army and rebel fighters have, as stated in the peace accord, gathered at designated camps to avoid disturbing the peace in the run-up to the national elections in September. But the drought has caused a maize shortage that is shoving hungry, armed soldiers out of the camps in search of something to eat. They could upset the plans to establish a new government.



Mozambique's war still rages and the drought has proved to be fuel for even more banditry and violence. There is not enough food in the country, but plenty of arms and ammunition. Neither the government nor the rebel Renamo movement are able to control their hungry troops effectively and armed bands from both sides are marauding the countryside in search of food.

For years southern Africa has been plagued by wars and misery, but generally enough rain has fallen for people to feed themselves. The promise of peace, democracy and stability which appeared within the region's grasp last year has been made that much harder by the drought's scorching effects.

Regional business conference planned

BP Bus 14/4/92

279A

SHARON WOOD

SEVERAL southern African business leaders will take part in a conference this month hosted by the SA Foreign Trade Organisation (Safto) and the SA-British Trade Association in SA to discuss the future of the region's trade and investment.

Safto Africa division head Paul Runge says it is the first time a conference of this nature — at which practical business matters, not politics, will be discussed — has been arranged in SA. "People throughout the region are now realising the necessity of working in a trading bloc in line with international trends of economic co-operation," he says.

Speakers will include former Nigerian president Olusegan Obasanjo and former Zairean economic planning minister Crispin Mulumba Lukoji. Speakers from Kenya, Tanzania, Mauritius and Ivory Coast will also attend.

Minor changes in Africa from Major

W\mail 16/4-23/4/92

By ANDREW MELDRUM: Harare

CONTINUITY will be the chief component of British policy towards southern Africa put forward by John Major's newly elected government.

Support for the FW de Klerk government and the Convention for a Democratic South Africa (Codesa) talks, continuing pressure on the one-party regimes in Kenya and Malawi, assistance to Zambia's new government and the promotion of market economies are expected to be the hallmarks of the new Major government's policies towards southern Africa.

If there was any doubt about the substance of Major's foreign policy it was put to rest this week with the reappointment of Lynda Chalker as minister of state for foreign and commonwealth affairs. Chalker lost her parliamentary seat in the elections but, because he wanted to keep her in his cabinet, Major had her made a Baroness and sent to the House of Lords.

The lofty title aside, Chalker will no doubt remain a no nonsense, forceful yet flexible distributor of Britain's aid, always with an eye to encouraging the political and economic trends that Britain desires. Chalker runs the Overseas Development Administration (ODA), Britain's chief aid organisation.

The Major foreign policy will be guided by the principle of encouraging "good governance" — made up of political pluralism, market economies, respect for civil and human rights, reduced government roles in the economy and reduced government deficits, effective opposition to corruption and general accountability of government to the voters.

Speaking to the Southern Africa Association in London recently, Chalker said Britain would work to persuade the international community to underpin South Africa's constitutional reform process by relaxing trade and financial sanctions, by supported renewed access to the International Monetary Fund (IMF) and the World Bank and by the encouragement of new investment and strategically targeted aid.

Kenya and Malawi will get less carrot and more stick, as Britain attempts to influence the regimes of Daniel arap Moi and Kamuza Banda to undertake major reforms to respect basic human rights and to install multi-party democratic systems.

Zambia is the shining example of such democratic values, as evidenced by the country's return to multi-party politics and the change of government by the ballot box, not bullets.

Accordingly, Britain wants to lend its support to President Frederick Chiluba's government, particularly its efforts to strengthen democracy, to reduce government control of the economy and promote free enterprise.

After years of good relations with Britain, Zimbabwe now appears to be caught on shifting sand with neither completely friendly nor antagonistic relations. That is a result of the Mugabe government's mixed results in meeting the Major standards of good governance.

Towards southern African in general, the Major government plans to encourage regional political cooperation and increased economic integration. Britain will continue to be a major donor to the Southern Africa Development Coordination Conference (SADCC).

Bringing in the maize

FM 17/4/92

The massive effort to import nearly 9 Mt of maize may be denting the foreign exchange reserves of SA, Zimbabwe and other countries affected by the drought, but it is boosting the local transport industry.

Trucks and goods trains are kept busy as the shipments land in SA ports to be distributed throughout southern Africa.

The maize loads won't solve all the industry's problems but they will help to keep equipment more profitably employed.

Last year was a slow year for transporters. Independent private-sector truckers carted 488,1 Mt of goods in the 12 months to November, 5,3% less than in the same period the previous year, according to the latest figures from the Central Statistical Service. And there was a 7,3% decrease in the number of trucks in use in November, compared with the same month the year before.

Government-owned public transporters Spoornet and Autonet are also believed to have carried less tonnage last year. Now Spoornet has slowed the demolition of its oldest wagons and private road hauliers are blowing the cobwebs off vehicles they had mothballed because of the recession.

André Jacobs, executive director of the National Association of Private Transport Operators, which represents truckers who carry mostly their companies' own goods, says the road transporters that will benefit quickly are those with "bathtub" trailers that can convey bulk, unbagged maize. Those with flatbed trailers can convey only bagged maize, which is not available yet.

Carting maize by road will not be cheap. Hauliers operating 30 t payload vehicles "won't be able to do more than 10 trips a month between Durban and Harare," Jacobs says. "To cover costs, including the empty-leg return trip, and still show a profit, they will have to charge R480/t, which is a lot of money to transport a high-bulk, low-value commodity such as maize." In fact, that figure is about what the maize itself costs.

Spoornet has allocated 6 000 wagons — with a capacity of 44 t each — to transport to inland silos, for storage and bagging, the 4,7 Mt SA is importing for its own use. And it has allocated 7 000 wagons with a capacity of 40 t each to transport the nearly 4 Mt that other nearby countries have ordered so far — Zimbabwe 2 Mt, Zambia 900 000 t, Malawi 800 000 t, Botswana 80 000 t and Lesotho 50 000 t. Spoornet is not saying what it is charging.

The huge transport operation begins at local ports, where a total of 220 ships will bring the maize in; 140 of those will be laden with maize for SA, the rest with maize destined for other countries in the region. Durban will handle at least 4,5 Mt of maize, Cape Town will handle 1,2 Mt and East London will handle 1,13 Mt.

The maize lift began last week. The first ship, with 47 250 t on board, docked in Cape Town on Tuesday and the next one, with 53 000 t, arrived in Durban three days later. The shipments continued this week.

An operations office has been set up in Johannesburg to co-ordinate the effort. It is staffed by representatives of all the importing countries and their railways. Spokesman for the office Jacques Pienaar says Spoornet and Portnet can handle everything that arrives.

"If the designated ports cannot handle everything, we will use Saldanha Bay or Richards Bay as a backup." He says the seemingly antiquated hoists being used can each unload ships at a rate of 30 t an hour. Up to eight will be used per ship, "and if we need more capacity, we'll bring in pneumatic unloading equipment."

The operations office plans to haul two 40-wagon trains across Zimbabwe's border at Beit Bridge every day. As the operation unfolds, the office will decide how much maize will be carried by train and how much by truck.

The biggest obstacle in this sprawling relief scheme — aside from the bottleneck at Beit Bridge that has delayed road hauliers carrying regular maize shipments for up to a day — is the Zimbabwean government. It insisted that all the maize crossing Beit Bridge by road be carried by Zimbabwean hauliers.

But officials of the SA Ministry of Transport balked and finally reached a compromise that reserves one-third of the traffic into Zimbabwe for SA trucks.

That is only one example of Zimbabwe's bloody-mindedness. It is also insisting that its locomotives haul all trains once they cross Beit Bridge. Spoornet is opposing this vigorously and has logic on its side. Changing locomotives takes time and increases the turnaround time of trains — and with 78 Spoornet locomotives hired out north of the Limpopo, chances are one Spoornet locomotive would be switched for another.

Meanwhile, Namibia will import the maize it needs through Walvis Bay. Portnet, which runs the port, will provide the equipment and staff needed to handle maize in bulk. Walvis Bay has never had to import maize in bulk before. When Namibia had a drought, SA always had maize to spare and so it was railed there. ■

services had not been delivered. ■

AFRICA FM 17/4/92 279A

A lot in common

The significance of the historic meeting between President F W de Klerk and Nigerian ruler Major General Ibrahim Babangida lies mainly in the symbolic value of rapprochement between the continent's two giants.

Nigeria dominates the west African region, while SA is the economic powerhouse

cont'n —>

of southern and, potentially, sub-saharan Africa. The accords struck between the two states will form a bridge between Africa's most populous country (120m) and the most prosperous and technologically advanced.

This, says Stellenbosch Africanist Willie Breytenbach, advances the hope of arresting Africa's seemingly ineluctable drift towards world economic marginalisation. The Nigerians — and others — see SA as the springboard to Africa.

The immediate spin-off from the remarkably warm encounter between De Klerk and Babangida will be in the setting up and improvement of bilateral relations. This could have important implications for diplomacy and trade. Investment is not, however, expected to flow either way very soon. Though it is an oil-rich State, with oil accounting for over 90% of GDP, Nigeria is in economic straits as a result of years of corruption and mismanagement and the fall in the oil price.



Nigeria's Babangida ... *self-interest above ideology*

The ANC, meanwhile, has clearly lost another diplomatic round as a result of the De Klerk-Babangida meeting, which it opposed. This follows similar losses for the ANC in relation to Europe, Japan and the US over sanctions, not to mention the ex-East Bloc countries which quickly sought links with Pretoria. Despite two visits to Nigeria by Nelson Mandela, ANC protestations were ignored by the Nigerians in favour of self-interest.

However, all indications are that the question of SA's membership of the OAU (of which Babangida is the current chairman), as well as of other multilateral organisations such as the African Development Bank, will only seriously come on to the agenda after an interim government is formed in SA.

Even then, opposition to SA's joining may be expected from hardliners Zimbabwe, Tanzania, Ethiopia and Uganda, who could insist on such a step only after an elected post-apartheid government is in place.

Yet Nigeria remains the big fish in the OAU and the Commonwealth. Bilateral relations with Abuja, therefore, are critical to SA rejoining the African fold. Most other African States could well be swayed by Nigeria's pragmatism and back SA membership upon the formation of an interim government — in which the ANC will, of course, play a key role.

Apart from Malawi, which has long stood out as the only OAU member to have formal ambassadorial relations with Pretoria, Ivory Coast last week announced it is to establish full diplomatic relations with SA. Zaire will soon follow suit, as will Zambia, Morocco and Senegal. Kenyan trade delegations have visited SA and diplomatic relations cannot be far away.

Angola recently opened a charge d'affaires office in Pretoria as a prelude to exchanging ambassadors and Seychelles last week announced it is to set up a diplomatic presence in SA. Strangely, neighbours Botswana, Lesotho and Swaziland have yet to announce readiness to exchange envoys — though, like Zimbabwe, they have had trade and consular representation here for years.

According to Breytenbach, Nigeria and SA share a quaint parallel in their problems of transition to democracy. It is interesting, he says, that in Nigeria bureaucratic and military power is wielded by the Muslim Hausa and Fulani tribes based in the north of the country, who comprise 29% of the population. In SA, the Afrikaners occupy a similar position. The other major Nigerian tribal groups are the Yoruba (20%) and Ibo (17%), in a country with 250 ethnic groups and 395 languages and dialects.

Thus, says Breytenbach, the common problem of the ruling elites is: how to share power without losing control? There is no single ethnic group in either country that is big enough to form a majority and govern on its own. Nigeria resorted to military rule, which it has had for all but 10 years since independence in 1960, while SA resorted to apartheid. Both countries are engaged in the process of transition in which, says Breytenbach, the two dominant features are ethnic politics and the option of coalition government.



President De Klerk ... *most significant African contact*

Empathy with the white South African's burden may, then, have had something to do with Babangida's flowing praise of De Klerk's reform initiatives. ■

Maize by the ton pouring in for Africa

ST Times [Cape Metro] 19/4/92

279A

By KURT SWART

THE first ship bringing maize to drought-stricken parts of the Western Cape this week offloaded 47 250 tons of yellow maize in Duncan Dock, Cape Town.

The massive Greek bulk carrier Captain George Tsangaris transported the cargo from the United States and was the first in a fleet of ships delivering maize to the Western Cape.

Other ships will deliver a total of seven million tons of maize to different ports in South Africa and Mozambique in a major operation to ward off looming starvation in parts of southern Africa.

The 47 250-ton load was the first consignment of 500 000 tons to be imported through Cape Town from the US and Argentina.

Starving

The reason for the Western Cape intake is the failure of the crop in the maize belt of the Transvaal and the Orange Free State, which normally supplies the Western Cape with maize.

"The operation is only for this year," said Maize Board manager Mr Peter Cownie. 'We pray the crop will succeed next year.

"We are importing 4,5 million tons for South African use, mainly for animal feed rather than human consumption. Durban harbour will unload 3,7 million tons, 300 000 tons will come through East London and 500 000 through Cape Town."

Mr Cownie said that although "the drought is the worst this century", no people or animals were yet starving in South Africa. He said the maize import was a result of "planning ahead".

The Captain George Tsangaris arrived on Tuesday last week at H-Berth. It would take about 10 to 12 days to offload the bulk carrier, with Portnet staff working 24 hours a day, six days a week, in 12-hour shifts.

"This maize is for local use and will be railed to Riversdale, Malmesbury, Worcester, Riebeeck West, Klipheuwel, Eendekraal, and Dal Josaphat," said a Portnet spokesman. "The second ship, expected tomorrow or Tuesday, will offload 33 000 tons."

A key role for city's harbour in huge relief programme

The offloading and distribution was an involved operation needing tight co-ordination, said the spokesman.

"We are offloading at an average rate of 360 tons per crane hour and an average rate of 2 160 tons per shift. In one 12-hour period our workers managed to offload 3 872 tons, filling 86 rail trucks," he said.

A further 2,5 million tons will be offloaded at South African ports for transport to drought-stricken countries like Zimbabwe and Zambia.

South Africa's harbours are key factors in the massive international operation to stave off mass starvation in southern Africa following the region's serious drought.

According to reports, Zimbabwe maize reserves will run out within two weeks.

Serious

Like other southern African countries ravaged by drought, Zimbabwe faces a race against time to bring in maize and 28 000 tons of American maize is expected in Beira in Mozambique on Tuesday.

A shipment of 53 000 tonnes arrived last weekend in Durban, while 27 000 tons is expected in Port Elizabeth on April 25.

A maize ship arrived in Durban Harbour on Tuesday with 20 000 tons of grain destined for Zambia.

Forecasters at the United Nations Food and Agriculture Organisation (FAO) say the region, including South Africa, must import 10 million tons of maize in coming months to feed some 60 million people.

Transport is a problem for countries like Zimbabwe, Zambia and Malawi, which depend on Mozambican and South African ports. Security problems exist in getting the maize to the areas it is needed, particularly in Mozambique, where transport is frequently attacked by Renamo rebels.

Apart from maize, Zimbabwe will have to import 340 000 tons of wheat, 175 000 tons of sugar, 15 000 tons of rice and 160 000 tons of oilseeds.

On Tuesday hundreds of hungry people waited in vain for maize to arrive in Bulawayo from SA and Mozambique, the Ziana news agency reported.

Kroonstad and Viljoenskroon in the Free State were declared drought disaster areas this week. Heilbron and Frankfort, also in the Free State, were declared drought disaster areas earlier this month.

SA invited to democracy conference

STAR 21/4/92

By Hugh Roberton
Star Bureau

WASHINGTON — Senegal's Minister of State, Abdoulaye Wade, announced here yesterday that South Africa would be invited to attend a Pan African Conference on Democracy with 47 other African countries in Dakar from May 25 to 29.

The conference will review the struggle for democracy in Africa, with special reference to sub-Saharan countries.

It will also discuss the setting up of a body to mediate in disputes and to avoid and resolve conflicts, and will invite observers from several countries outside Africa to serve on a body which will act as monitors.

Although Mr Wade did n
say so, African diploma
suggested that the conferen
could play a role in seeki
an end to violence in Sou
Africa, and might also mon
tor progress at Codesa.

There was also a stron
possibility, they said, that th
observers appointed at th
conference would be asked t
monitor future elections i
South Africa.

SA, neighbours discuss food aid master plan

PRETORIA — A master plan to fend off widespread famine in southern Africa will be discussed in the Union Buildings today at a crisis meeting of government officials from southern African states.

SA's ports will be the gateway through which much of the huge amounts of food aid from abroad will be channelled, according to government sources.

Chaired by Foreign Affairs Africa deputy director general Derek Auret, today's meeting will include senior government representatives from Zambia, Malawi, Zimbabwe and Botswana. A commercial official from Mozambique will also be present. Representatives of the donor community have also been invited.

Spoornet chief director of land transport management Len Dreyer will represent Transnet.

A Foreign Affairs spokesman said yesterday that the conference would discuss the extent of relief needed in the various countries, the logistics of transporting the grain from the ports and the vital aspect of determining transport priorities.

GERALD REILLY

A senior Transnet spokesman said yesterday that SA's ports and its rail system could cope with up to 8,2-million tons of imported maize and other grains, including SA's own import requirement of 5-million tons this year.

It is understood the Maize Board will assist by making silo space available for imported maize until it can be loaded onto the grain trains.

The current drought has destroyed most maize and other crops throughout southern Africa. The UN's Food and Agricultural Organisation (FAO) estimated last week that 11,5-million tons of imported food would be needed to limit the threat of starvation in the region.

The FAO estimated that drought alone had exposed 13-million Africans to possible starvation and whole regions to famine.

Sapa reports from Cape Town that Finance, Water Affairs and Forestry Deputy Minister Japie van Wyk told Parliament yesterday that the SA and Zimbabwean governments were investigating 24-hour shipments of food aid.

Distribution plan for drought relief

(279A)

PRETORIA — Drought-stricken southern African countries are to establish a co-ordinating mechanism for the speedy distribution of food relief.

This was decided at a meeting of delegates from SA, Botswana, Malawi, Mozambique, Zambia and Zimbabwe as well as donor countries in Pretoria yesterday.

Meeting chairman Derek Auret, Foreign Affairs deputy director-general for Africa, said representatives from the various countries would serve on the operations group of Transnet to meet the objectives.

Sapa reports that he said consensus had been reached on the need for a closely co-ordinated regional approach to manage the drought-relief operation. Requirements of the individual countries and the logistics of transporting the food had been discussed. BIDay 23/4/92

Zimbabwe's delegation said it was happy with the arrangements, and that there was no controversy regarding SA's central role in the operation.

Meanwhile, our political staff reports from Cape Town that government is considering giving farmers suffering because of the drought a subsidy to enable them to retain full-time farm workers.

Agriculture Minister Kraai van Niekerk said in reply to a question in Parliament that a working group set up recently was giving its attention to such financial assistance. It should complete its work within two weeks.

"In the end the availability of funds and the ability to administer such a scheme will be the deciding factors," he said.

□ Sapa-AFP reports from The Hague that the Netherlands is to give food aid worth almost $45m to Zimbabwe, Mozambique, Namibia and Malawi.

SA has central role in drought relief scheme

279A

STAR 23/4/92

Southern African countries facing food shortages because of drought will establish a co-ordinating mechanism to ensure the speedy distribution of food supplies, a meeting of delegates from South Africa, Botswana, Malawi, Mozambique, Zambia and Zimbabwe, as well as donor countries, agreed in Pretoria yesterday.

The deputy director-general for Africa of the Department of Foreign Affairs, D W Auret, who chaired the meeting, said representatives of the various countries would serve on the operations group of Transnet to achieve the objectives set by yesterday's conference.

Adopting

He said consensus had been reached on the necessity of adopting a closely co-ordinated regional approach to effectively manage the drought-relief operation.

"Food requirements of the individual countries, as well as the logistical aspects of landing and transporting food to all the countries in the region on an expeditious and equitable basis, were discussed," said Mr Auret.

Zimbabwe's delegation said it was happy with the arrangements and that there was no controversy regarding South Africa's central role in the operation. — Sapa.

'Hostile' trade bodies send delegates to SA

SHARON WOOD

TWO regional trade organisations, formerly hostile to SA, are sending delegates to speak at an SA function next week.

The Southern African Development Co-ordination Conference (SADCC) and the Preferential Trade Area (PTA) will each send two senior representatives to a trade conference organised by the SA Foreign Trade Organisation (Safto). BIDaily

Both groups aim to liberalise trade, encourage economic co-operation and create a regional common market. The SADCC was originally created to reduce its members' dependence on SA. 24/4/92

A senior PTA representative, who did not wish to be named until the conference, agreed this week to attend along with SADCC Regional Business Council chairman Harry Thomson. (279A)

The additions to the conference's speakers top a list from multilateral funding agencies and the private sector in Nigeria, Tanzania, Ivory Coast, Angola, Namibia, Zimbabwe, Zaire, Botswana, Mauritius, Madagascar, Malawi and Reunion.

"The burning need for regional co-operation in sub-Saharan Africa to create the infrastructure for a prosperous trading bloc and to overcome disasters such as drought will be addressed at the conference," Safto Africa division head Paul Runge said.

SA a 'godfather' to southern Africa

BIDay 29/4/92 279A

SA HAS a key role to play in regional integration, which is crucial for future economic growth in southern Africa, says Southern African Development Co-ordination Conference (SADCC) regional business council chairman Harry Thomson.

Thomson was speaking at a Safto conference in Johannesburg yesterday, and in an interview afterwards said: "Every regional grouping needs a godfather and I think SA is that for southern Africa."

While a mandate had not been given by the SADCC official institutional mechanism to accept SA, the 10 member countries were all dealing and trading with SA already. He did not believe any SADCC countries were hostile to SA.

The benefits of regional integration would be in providing economies of scale, creating a competitive environment, raising levels of investment, strengthening the bargaining positions of member countries and facilitating the free movement of human resources.

Thomson put forward recommendations for the region's successful integration. Goverments would have to move towards real exchange rates, give more independence to central banks, harmonise monetary regimes and develop private sectors.

The conference drew representatives from countries throughout southern Africa, many of them speaking for the first time in SA.

Preferential Trade Agreement (PTA) secretariat senior trade expert Prega Ramsamy said the PTA was working to increase the low inter-regional PTA trade.

"I have full expectations that a post-apartheid SA will participate in this endeavour."

Inter-regional PTA trade was only 4,6% in 1989, and 90% of PTA trade went to the outside world, he said. The PTA aimed to increase inter-regional trade to 20% of total PTA trade by 2000.

SHARON WOOD

Delivering the keynote address earlier former OAU chairman General Olusegun Obasanjo said SA had the human and matrial resources to overcome political, economic and other challenges, reports Sapa.

He said foreign trade had thrived during the "Cold War" era without much attention being paid to political, social or human rights.

With particular reference to SA, Obasanjo said apartheid had fed on the fear of communism and had thrived as the bastion of defence of Western security and values. But since the end of the Cold War, behaviour and conduct within a civilised order of human society had become a consideration.

Multinationals

He added this trend had become a condition for full and unrestricted participation in world trade and for being accepted "as a decent member of the international community".

He said that once the political situation had been settled, the SA economy would be strengthened through the injection of foreign investment.

Safto international division GM David Graham said a number of multinationals were investigating SA as a base for trade into the rest of Africa, Reuter reports.

"Ultimately, it will become the hub of the south," he said, adding that Safto, a private sector promotion body, had been approached already by multinationals.

The country offered transport links into Africa, communications, infrastructure, industrial capacity, appropriate technology and project management skills. It also offered a disciplined regulatory environment — one that Western companies could relate to — and financial services.



Delegates at the Safto trade conference yesterday, from left: Mauritius Gas Transport director Banymandhhub Sunil, Tanzanian Investment Promotion Centre director-general C George Kahama, OECD Development Centre director Jean-Roger Bonvin and Botswana Selebi-Phikwe Development Project representative Joe Beirne. Pictures: ROBERT BOTHA

REVIEW: *Technology in Africa*

Grid will bring power to the people

W\Mail 24/4–29/4/92.

Plans to install a power grid accross the sub-continent are well underway but the scheme is being hampered by civil wars and lack of finance, reports
MONDLI MAKHANYA

EVEN before plans for a southern African power grid get off the ground, regional co-operation on electrical power has already begun.

Faced with a huge shortage of electricity, the Zimbabwe Electricity Supply Authority (Zesa) has asked Eskom to bail it out, which Eskom readily agreed to do. Plans are now afoot to put up lines from Matimba power station in the north-western Transvaal to Bulawayo.

Co-operation between Mozambique and South Africa around reconstruction of Cahora Bassa is at an advanced stage — with repair of the line from the dam to the South African border due to start soon. It is due to be completed by 1995.

Eskom subsidiary Rotek has also agreed to assist in maintenance and reconstruction of Angola's power lines once Namibian experts have removed landmines from around the lines. It also wants to train Namibian and Angolan technicians at its Midrand training site. A hydroelectric power scheme has been in construction for several years between Lesotho and South Africa with the Lesotho Highlands water scheme.

Comments Wits University Electrical Department head Jan Reyndeer: "The beginnings of a regional grid are already underway. It should be in place in 15 to 25 years' time."

This co-operation between utility companies — which has come ahead of political approval — illustrates the inevitability of the proposed grid which will involve Angola, Zimbabwe, Zaire Mozambique, Angola, Tanzania, Kenya and South Africa. The fact is they all depend on each other for cheap electricity.

Southern Africa has enormous potential for generating hydroelectrical power. It is said the Zaire River could generate up to 100 000 megawatts of power. Angola's Cunene River also has such potential. Cahora Bassa is capable of producing 2 000 megawatts of electricity but sabotage by Renamo rebels has meant it now generates only 20 megawatts.

Countries such as Kenya, Zaire and Lesotho have the added incentive of earning foreign from selling hydroelectric power to the regional industrial powerhouse of South Africa.

In South Africa itself power giant Eskom will not be able to meet domestic and industrial power needs by the end of the decade and will require hydroelectric power from its neighbours. South Africa's energy authorities would also like to lessen dependence on pollutants coal and uranium. South Africa's coal reserves are expected to be exhausted in 50 years.

Economic restructuring programmes in frontline states and the advent of democracy in South Africa has given the project added impetus. For the frontline states to make International Monetary Fund-prescribed economic restructuring succeed, a stable electricity supply is needed.

Locally a future government — faced with a situation where only 25 percent of the population has access to electricity — will be under extreme pressure to electrify the townships and as far as possible extend the supply to rural areas.

The same pressure will come to bear on frontline governments, where currently only 10 percent of the population has accces to electricity.

In the short term, however, it is Eskom which stands to gain the most. It presently produces excess capacity and has had to mothball a number of power stations due to falling demand.

The crisis in the mining industry — which is Eskom's largest client — and the consequent shutting down of marginal mines has accelerated this process.

Eskom spokesman Peter Adams notes that with the energy authority having accepted the idea "the next phase is to sell the project to the political authorities and to find financing, which will be formidable tasks".

Eskom chief executive Ian McRae — whose brainchild the scheme is — has been criss-crossing the subcontinent meeting industrialists and heads of state trying to sell the scheme. Thus far even the Southern African Development Co-ordinating Conference has approved the idea.

The plan is now in place and cash-strapped Mozambique has secured a South African-guaranteed World Bank loan to finance the repair of the Cahora Bassa dam.

"We are just waiting for a guarantee that the lines won't be blown up again once we put them up. Renamo's leadership has given us this guarantee but we are not sure how much control they have over their people in the bush," says Adams.

But there is no doubt that the task ahead for the grid's participants is formidable. There will be over 3 000km worth of transmission lines to put up and vast amounts of technology to be imported.

It is understood that German, Japanese and North American technology companies hvae been approached to provide the technology to put the scheme together. Italian companies are already involved in the repair of Cahora Bassa and an Italian loan has been granted for it. But it will not exclusively be an outsiders' job.

"South Africa has great capacity in designing technology," points out Reyndeer.

Beaming health to starved Africa

W\Mail 24/4–29/4/92

For doctors in Africa it is prohibitively expensive to get details of the latest medical developments. Now a health satellite will beam information to Africa every month.
By **ALLAN THOMPSON**

A NEW health satellite project will help doctors and academics in southern Africa to get access to vital medical information and to communicate better with their counterparts in other developing countries.

Through the Healthnet satellite network, information from libraries, hospitals and universities in the industrialised countries will be beamed directly to medical research facilities and hospitals.

The lack of foreign exchange makes it often extraordinarily expensive to receive the latest medical information in countries like Zambia, Tanzania and Zimbabwe.

Because of limited resources, the University of Zambia was forced a decade ago to cancel its subscriptions to medical journals. In Tanzania, it can cost the equivalent of two-thirds of a week's salary for a doctor to send a fax message, and nearly as much to receive one. And telephone and mail services are often poor. In Uganda, where an estimated 24 percent of the population is HIV positive, current information about the Aids-causing virus is scarce.

Healthnet hopes to ease communication between doctors in Africa. Its organisers say innovative use of satellite technology will help them receive journal articles and communicate with medical centres around the world.

The Healthnet project was begun by SatelLife, a United States-based international non-profit agency. SatelLife was conceived by the International Physicians for the Prevention of Nuclear War, in a reaction to President Ronald Reagan's Strategic Defence Initiative, known as Star Wars. It got off the ground in 1989.

Last July, SatelLife's low-earth orbit satellite was launched to transmit information and receive messages from ground stations based at medical institutions in the developing world.

Said Julia Royall, deputy director of SatelLife: "The idea is to facilitate transmission of medical information in Third World countries, for doctors to enhance communication not only with each other, but with colleagues in the rest of the world."

The satellite, no bigger than a beachball, revolves around the earth at an 800km orbit twice a day. Initially, ground stations have been set up in six countries: Zambia, Tanzania, Uganda, Kenya, Zimbabwe and Mozambique. Each has an IBM-compatible computer, a type of ham radio and a modem to connect the computer and radio.

The satellite sends and receives messages using radio waves. Its continuous signal is picked up by the radio attached to the computer. Once the signal is recognised, a message transfer takes place at the ground station. The information can either be stored in the station's computer or printed out.

Doctors and academics will be able to make requests for specific information from libraries and university databases. Tanzania's station, for example, has established an information-sharing arrangement with Massachusetts General, John Hopkins Hospital and Massachusetts Library.

The satellite stays within range of each ground station for about 15 minutes, transmitting a page every second. It can deliver about 50 000 pages of electronic mail each month to Africa. Included in the transmissions will be literature from the *New England Journal of Medicine*, which is donating its articles for the project.

Organisers hope to set up stations in 15 African countries and, if successful, will expand the system to other parts of the world. Within each country, it is hoped the ground stations will act as a hub for the distribution of medical information by telephone or through special computer software.

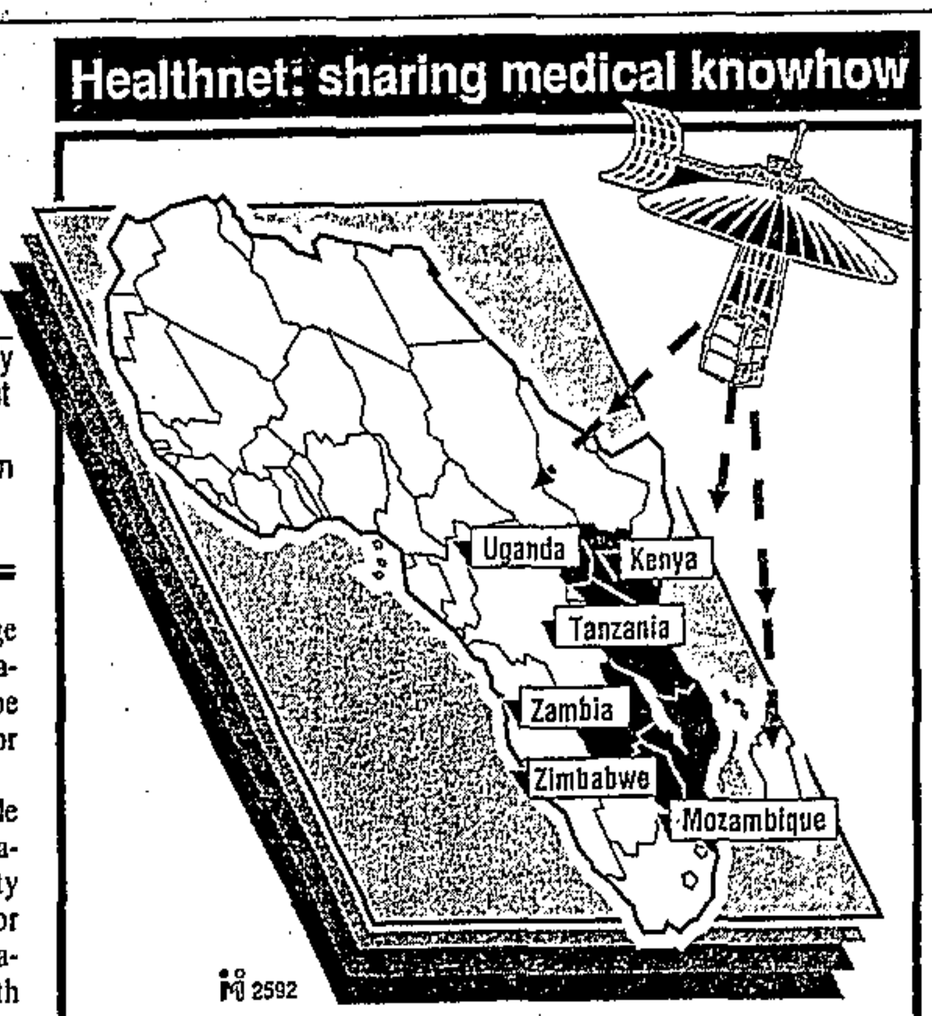
The host countries must provide a secure location for the ground station and an operator to be trained to run the equipment. A user council is established in each country with representatives from a variety of medical and scientific organisations.

SatelLife does not own the satellite; it bought the operating capacity from Survey Satellite Technology, the British company that launched it into orbit.

The cost of the ground stations — about $7 500 each for the experimental stage — has been covered by such sources as the McArthur and Rockefeller foundations in the US. Canada's International Development Research Centre has helped by buying 10 percent of the satellite's air time. The operating capacity, a million-dollar item, has been funded by a grant from NEC Corporation, of Tokyo.

There have already been twinning arrangements between some libraries in Canada and Zambia, for example. And the Aids Network, a group established in east Africa to help spread information about the disease, will also be able to make use of the satellite. — Gemini News

Healthnet: sharing medical knowhow



	Pop (1989)	Pop per doctor (1984)	Health expenditure (as% of GNP) 1986
Zambia	7.8m	7,150	1.2
Zimbabwe	9.5m	6,700	2.9
Tanzania	23.8m	26,200	1.2
Kenya	24m	9,970	1.7
Uganda	16.8m	21,900	0.2
Mozambique	15.3m	37,960	1.8

Source: Human Development Report, World Bank

Healthnet will help doctors in Africa share medical knowhow

Harare's a step ahead

W\Mail 24/4–29/4/92.

By ANDREW MELDRUM: **Harare WHILE work is progressing to get the SatelLife's Healthnet system up and running throughout southern Africa, the University of Zimbabwe's medical library already has in place a computer system to retrieve information for staff and students at the Medical School, and a newsletter to bring rural hospitals and clinics up to date.**

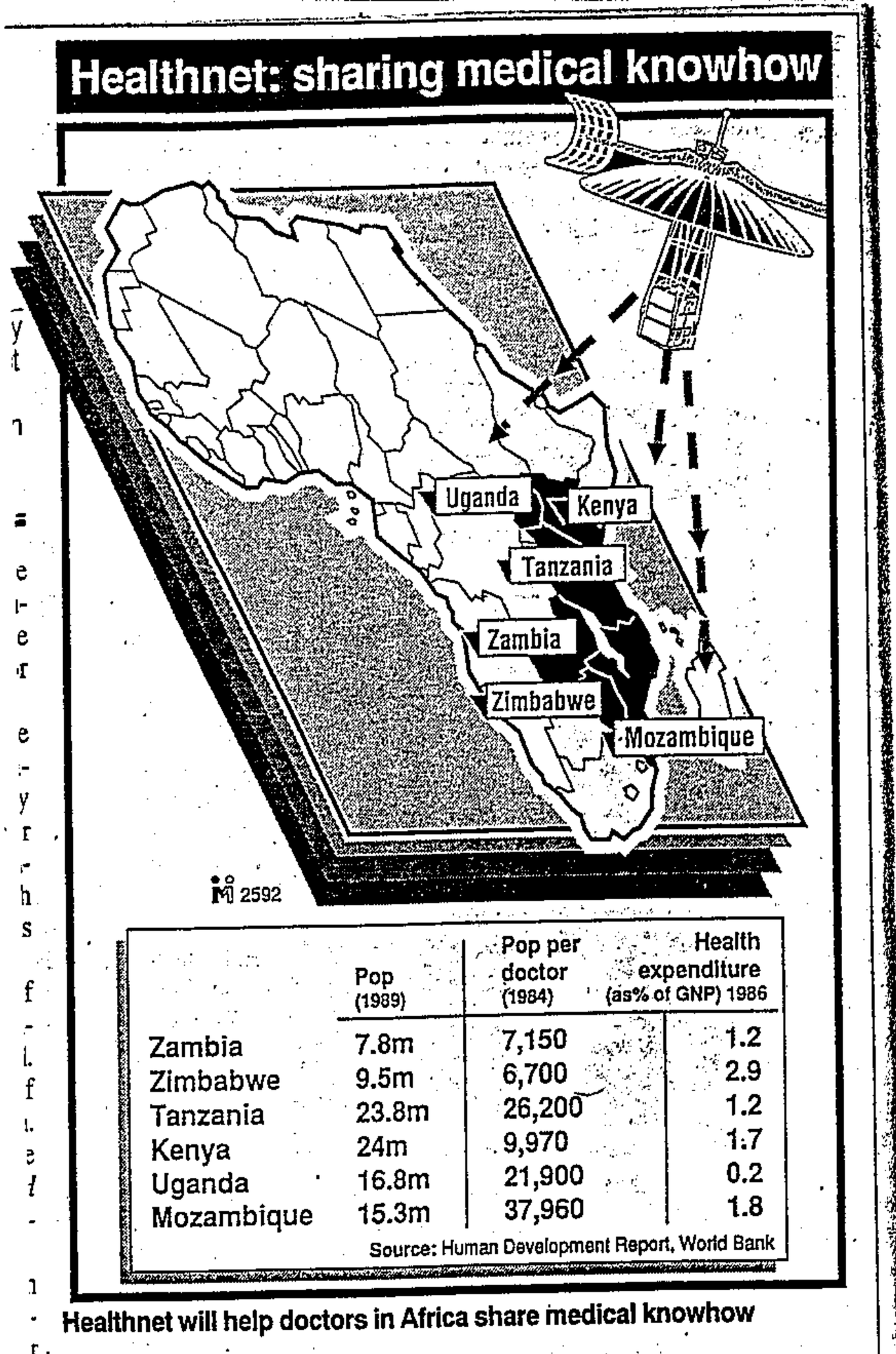
"It's an amazingly quick, easy way of getting instant access to the current literature in the international health field," said Helga Patrikios, the medical library's director. "And then it is relatively easy to get that information out to our doctors and other health-care personnel in the rural areas."

Three microcomputer workstations have been funded by the Carnegie Corporation of New York to bring optical disc databases to Zimbabwe's health professionals — in particular Medline, the index to 3 500 biomedical journals. CD-ROM (Compact Disc Read-Only-Memory) is the medium — it combines enormous storage capacity (over 400 MB per disc) with user-friendly retrieval software. The world's most comprehensive biomedical database, Medline is stored on seven discs and updated every month.

According to Zimbabwean professionals the CD-ROM system is fully appropriate to the country's needs, indeed, appropriate for use throughout southern Africa and the developing world.

"More and more doctors, nurses and students are coming to us for literature searches," said Patrikios. "Last year we were doing about 120 searches a month — this year, with two extra work stations, it's up to about 190 or 200 a month. We're pleased that for the first time we can deliver really current information to our users."

One of the important spin-offs of the CD-ROM service is the news digest that is produced and sent to health workers throughout the country. Doctors choose articles from the monthly update discs that focus on the major health issues in Zimbabwe and the region. The digest, *Current health information Zimbabwe (CHIZ)*, is printed by the Zimbabwe Ministry of Health and is circulated to health professionals throughout Zimbabwe and to the World Health Organisation and Ministry of Health offices in neighbouring countries.



	Pop (1989)	Pop per doctor (1984)	Health expenditure (as% of GNP) 1986
Zambia	7.8m	7,150	1.2
Zimbabwe	9.5m	6,700	2.9
Tanzania	23.8m	26,200	1.2
Kenya	24m	9,970	1.7
Uganda	16.8m	21,900	0.2
Mozambique	15.3m	37,960	1.8

Source: Human Development Report, World Bank

Healthnet will help doctors in Africa share medical knowhow

Harare's a step ahead

w\Mail 24\4-29\4\92. 279A

By ANDREW MELDRUM: Harare

WHILE work is progressing to get the SatelLife's Healthnet system up and running throughout southern Africa, the University of Zimbabwe's medical library already has in place a computer system to retrieve information for staff and students at the Medical School, and a newsletter to bring rural hospitals and clinics up to date.

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Giving birth to Africa's big problem

Sowetan 24/4/92



Mother and children . . . sexually active women are not using contraceptives.

Women

By SIZAKELE KOOMA

CHILDBEARING among adolescent African women is a relatively common event, a recent study on 11 sub-Saharan African countries reveals.

The study was prepared for an Inter-African conference on adolescent health.

It was conducted by the Population Reference Bureau in collaboration with the Institute for Resource Development/Macro International.

The 11 nations surveyed were Botswana, Burundi, Ghana, Kenya, Liberia, Mali, Nigeria, Senegal, Togo, Uganda and Zimbabwe.

The survey data, presented as a chartbook, determines that teenage motherhood in the above countries occurs at a time when African "social organisations that traditionally provided support to young mothers are weakening".

Risks

"It stunts young African women's economic potential and can carry significant risks for both the mother and her infant," it says.

Mali rated highest with a total of 51 percent of young women, aged between 15 to 19, having been pregnant or with a child during the time of the survey.

Liberia and Uganda had the second and third highest rate of teenage mothers, scoring 45 percent and 37 percent respectively.

But in most of the countries a majority of the pregnancies occured after marriage. In Mali, for example, 80 percent of the teenagers fell pregnant after they had been married and virtually all sexual experience occurs within the context of marriage.

Needs

The survey shows high unmet needs for family planning, especially in Botswana and Kenya where 62 percent of unmarried, sexually active women were not using contraceptives but did not want to get pregnant soon.

It also reveals that infants born to mothers under 20 years of age are at greater risk than infants of women in the middle of their reproductive years.

The elevated risk is particularly pronounced in Burundi, Mali, Nigeria, Senegal and Zimbabwe.

The study concludes that sub-Saharan countries should raise awareness about the causes and consequences of adolescent childbearing.

"The data point to the need to consider several types of policies and programmes that could help adolescent women achieve their full potential," it says.

It lists the poilicies that should be included as:

Discourage

Policies that discourage early marriage and childbearing by providing viable educational and employment alternatives;

Programmes to establish or expand family-life education, for teenagers in and out of school;

Programmes to help young women stay in school, even if they have children;

Information, education and communication programmes aimed at the partners, parents and other relatives of adolescent women;

Policies that increase access to high-quality, appropriate family planning services and counselling for sexually active adolescents; and

Maternal and child health programmes that seek out teenagers who may not know what health care they and their babies need or where to obtain services.

New approach to to channel maize

Sowetan 24/4/92

279A

SENIOR Foreign Affairs officials and delegations from Botswana, Malawi, Zambia and Zimbabwe aim to take a closely co-ordinated, regional approach to channelling shipments of maize from South African ports to neighbouring states.

A conference held in Pretoria on Wednesday night to co-ordinate the drought relief operation decided representatives from all

Sowetan Correspondent

delegations present would be nominated to serve on the operation group of Transnet to manage future co-ordination and working methods.

The group will meet shortly to establish an effective co-ordinating mechanism to realise the objectives set by the conference.

Specific issues which were discussed during the conference included the food requirements of the individual countries and logistical aspects of landing and transporting the food to all the countries in the region on an "expeditious and equitable basis".

Zimbabwean delegate Dr SB Marume, Deputy Secretary of the Zimbabwean Ministry of Transport, said he was hopeful the objectives set by the conference would improve the country's situation within the next few weeks.

He said substantial shipments of food were expected to arrive in May and June, and their speedy distribution would help alleviate the shortage.

"The situation in Zimbabwe at the moment is perhaps not as bad as in other states but it is not good, considering people used to having plenty must now make do with very little," he said.

The meeting was chaired by the Deputy Director-general for Africa in the Department of Foreign Affairs, Mr DW Auret.

85 million people face food shortage

UP until 1990, the Southern African Development Co-ordination Conference was producing enough food to feed its total population of more than 85 million people. Today the threat of widespread food shortages looms across the region, turning traditional food exporters such as Zimbabwe into food importers. Many people are wondering what went wrong.

According to a SADCC report presented at the 12th annual consultative conference held in the Mozambican capital of Maputo recently, all the 10 member states "will require food imports in order to ensure satisfactory food security and maintain food reserves at desired levels".

The situation during the 1991/92 season is particularly worrying if one considers that the region is anticipating a food deficit of 2,8 million tonnes as a result of the current drought, compared with a deficit of 950 000 tonnes during the 1990/91 period. This current season's deficit represents about 20 percent of SADCC's annual food requirement.

However, the nature and extent of the insecurity varies considerably from country to country, said the report.

Hardest hit is Mozambique, where an estimated 982 000 tonnes of grain will have to be imported to avert a countrywide famine. With a food deficit of 620 000 tonnes looming over war-ravaged Angola, the two countries' food shortfalls this year account for 63 percent of their total annual requirements.

Dubbed Southern Africa's "breadbasket" because of its ability to produce not only enough food to feed its people, but also for export to neighbouring countries, Zimbabwe already has made funds available to import 100 000 tonnes of maize from South Africa at an unbudgeted cost of US$15 million.

With the exception of only two years when drought led to low maize yields, Zimbabwe has been exporting an average of a quarter of a million tonnes to the region since independence in 1980. However, the country's projected 1,5 million tonnes expected over the 1991/92 season will not be met if the current dry spell continues.

A recent SADCC report admitted that "the collapse of maize production in Zimbabwe has sent shock waves through the SADCC countries which now need about two million tonnes of grain in the next year to feed their population of 85 million people".

In Malawi, the burden of meeting food requirements for more than one million refugees who have fled war in Mozambique has pushed the country from a marginally surplus position to a shortfall of 134 000 tonnes. No SADCC country has been spared from this year's food shortages as the Tanzanian government battles with a shortfall of 247 000 tonnes, the third largest in the region after Mozambique and Angola.

The South African Maize Board recently announced that the country will soon be joining the queue for food imports as the worst drought in 80 years threatens to wreak havoc to the country's maize production.

Drought, however, has not been the only cause of the current food shortages in the region. In some cases, inappropriate government policies have also been blamed as contributing to the crisis.

Agricultural experts have expressed concern at the manner in which some governments exercise controls over producer prices. For a long time a number of agricultural parastatals have been offering unrealistically low prices to maize producers which do not take into account the ever-increasing costs of production borne by farmers.

On the other hand, what has been termed "food politics" practised by the developed North has been responsible for many of the woes that have afflicted surplus food producers in their efforts to be self-sufficient.

In order to understand the politics of food, it is useful to critically analyse the situation of Zimbabwe, the traditional breadbasket of Southern Africa and co-ordinator of the food security sector in SADCC.

Back in 1986, after realising two record harvests, thus ending a three-year drought which had started in 1982, Zimbabwe introduced drastic measures to cut the production of white maize in an effort to reduce its huge stockpiles.

Maize production was cut by 50 percent and incentives to grow other crops such as flowers, tobacco, groundnuts and cotton were offered. With local consumption level at 700 000 tonnes, the country was faced with a surplus of more than one million tonnes.

The mounting stockpiles led to the twin problem of storage and marketing. This prompted the Government to embark on a rigorous marketing campaign resulting in exports to neighbouring countries that included Mozambique, Botswana, Tanzania and South Africa.

Other overseas markets proved difficult to penetrate and hopes that international relief agencies would purchase substantial food for famine-stricken countries were not fully realised.

A world glut and the preference of these agencies to source supplies from their home countries, as donations from governments, resulted in lower food exports. Observers argued then that buying Zimbabwean maize would not only help to dispose of its stockpiles which were proving expensive to maintain but would reduce transport costs for donors.

Some responded positively and countries like Australia and Canada entered into barter deals with the Zimbabwean Government. Wheat was given to Zimbabwe in return for maize which was then sent to Mozambique.

Others, however, did not see any wisdom in such a policy. Some Western governments brought yellow maize grown by heavily subsidised farmers in their own countries as food aid to the region or dumped it on the international markets. The result was a decline in prices, thus penalising farmers from developing countries who receive lower subsidies, if any at all, from their governments.

Zimbabwean farmers have always blamed Government's control of producer prices as having contributed to a switch from maize to the production of other crops.

What is often overlooked is that when Zimbabwe was sitting on a stockpile of maize, it was losing about US$80 a tonne by selling on the world market. The surplus harvest could only be sold at a loss. The Government also had to pay huge bills in interest charges on money borrowed to buy maize from producers.

As recently as 1990, while faced with a massive food surplus, the chairman of the Agricultural Marketing Authority, Cde Cephas Msipa, lamented the fact that Zimbabwe had already priced itself out of the world market because of its expensive maize. The high selling price was the result of paying high producer prices.

He argued then that producer prices had to be market-oriented to avoid deficits and the subsequent burden on the national budget and the taxpayers.

It is important, however, to note that European Community export subsidies, while providing cheap food imports for such countries as Angola and Mozambique, work to the disadvantage of traditional food exporters like Zimbabwe. They have the effect of making food from industrialised countries cheaper. As a result the practice has imposed enormous burdens on the ability of less developed economies to develop their agricultural sector and increase their earnings from this sector.

— SARDC Feature.

Post-apartheid era faces great challenge

Sowetan 24/4/92 (90) (1988) (B&B) (279A)

POST-APARTHEID Southern Africa faces an enormous challenge of turning the transport sector into a vehicle of real economic empowerment.

This was one of the views expressed by many leaders during the annual meeting of National African Federated Transport Organisation (Nafto) held in Johannesburg last week.

They said South Africa was on the verge of an era which promised a better future for transport and related organisations such as Nafto and the Southern Africa Black Taxi Association, and indeed the entire Southern Africa.

It should be noted that economic performance of sub-Saharan Africa, and in particular its transport component, has left much to be desired.

In this sub-region apartheid has been chiefly destructive on the economic and social nucleus, especially on transport networks in the SADCC sub-region.

The new political era dawning on South Africa will provide Southern Africa with a golden opportunity to release its full potential of realising the dream of creating a Cape-to-Cairo transport network.

Change

The opportunities are further enhanced by the "winds of change" in the sub-region.

These are manifested in the growing role the private sector is assuming in the economy, the emergence of a bigger voice for professionals and renewed determination by Southern African countries to take charge of their own destiny.

Among the leaders who addressed the conference, whose theme was "Opportunities and challenges facing the new South Africa - the role of transport in economic empowerment", were presidents of the ANC Mr Nelson Mandela, the PAC's Mr Clarence Makwetu, Azapo's Mr Pandelani Nefolovhodwe and Nafcoc's Dr Sam Motsuenyane.

FOCUS

By JOSHUA



RABOROKO

International participants included the secretary-general of the Preferential Trade Area for Eastern and Southern African States, Dr Bingu Wa Mutharika, and the director-general of the Eastern and Southern African Management Institute (Esami), Dr Kasuku Mutukwa.

Joint ventures

The opportunities and challenges were aptly put by Mutukwa when he said: "There are now massive opportunities for investment, for joint ventures, for facilitating free movement of goods and people in respect of all modes in the Eastern and Southern Africa sub-region."

He said a healthy political dispensation in South Africa might allow the sub-region's economic interdependence and overall growth taking advantage of the country's (SA) industrial and technological skills.

Second, substantial infrastructural facilities have been provided whose usage could be free from the political restraints of the past.

Third, a wider market and a joint approach could increase the bargaining power of the sub-region.

Fourth, given trade liberalisation, increased opening up of trade and therefore transport demand between South Africa and the sub-region, the transport integration would take place in an environment better disposed towards regional co-operation both at continental level and at the second-tier PTA level, where Esami was recognised.

He said Nafto trucks and buses should be able to go as far as the equator and beyond. Indeed, he added, in these changed time, the "dream of Cape-to-Cairo" transport services is within reach.

"In pursuing various strategies bent on the realisation of her objectives, Nafto can count on the support of Esami. We are putting our management development programme and consultancy services at the disposal of the new South Africa."

Revenue

Mutharika said: "It is a well documented fact that the Republic of South Africa dominates the markets of the sub-region, especially those of its neighbours and beyond, to which it exports manufactured and other goods. And in turn these countries are an important source of revenue for South Africa's transport sector, especially its harbours and railways.

"According to SADCC estimates, total trade between its member countries and South Africa amounted to 6,5 billion US dollars as compared to intra-SADCC trade of less than 2 billion dollars in 1986."

Mutharika said a trade-related area of co-operation between the PTA and post-apartheid South Africa was the creation of Eastern and Southern African common market. "This would imply the merger of the South African Customs Union with the PTA", he said.

The liberation movement collectively concurred with the notion of regional and continental economic co-operation transport.

Optimistic

Mandela said he hoped Codesa would be one of the vehicles of creating a post-apartheid base for a transport network and co-operation in Southern Africa.

He said he was optimistic that sanctions would go and more investment would help empower the Africans economically. But, he added, before that could happen "we need to join hands for peace and reconciliation in the sub-region."

He urged trade unions, political and business organisations to debate the future economy of South Africa.

Makwetu asked the transport organisations to join hands in exploiting the new route from Cape to Cairo. It was up to them to take advantage of the opportunities.

Nefolovhodwe said transport would play a vital role in promoting healthy business.

President of Nafto Mr Peter Rabali said his organisation planned to diversify from freight transport to help transport people across the continent.

Food relief project is up and running

B/Day 24/4/92

279A

GERALD REILLY

PRETORIA — The massive food relief project to fend off starvation in southern Africa was fully under way with thousands of tons of maize being offloaded daily at SA ports and railed to Zambia and Zimbabwe, a Transnet spokesman said yesterday.

He assured Transnet's usual clients that there would not be disruption of normal commercial traffic.

Road hauliers were experiencing congestion at Beit Bridge, but Spoornet was confident the grain trains would run regularly from the ports with no delays.

Seven trains had offloaded 7 980 tons of maize in Zimbabwe since April 16. Another train was expected to pass through Beit Bridge last night with 2 300 tons of maize, and a ninth was expected later today.

Zambia has received two train loads of maize through Beit Bridge. Another four are in transit.

The remaining loads from two ships with a total cargo of 20 390 tons will be railed at a rate of two trains a day to each of the countries.

Yesterday another 4 000 tons of maize for Zimbabwe arrived at Durban; 10 000 tons of barley was on a ship anchored outside Durban harbour, and 56 000 tons more maize was expected in eastern Cape ports before the end of the month.

Sapa-Reuter reports Zimbabwe's Grain Marketing Board chairman Cephas Msipa acknowledged that a hiccough in the supply chain could cause serious problems for Zimbabwe. "We are still living from hand to mouth, although the situation has improved significantly. But one supply train derailment could upset our supplies completely," he said.

Msipa said Zimbabwe would have to import 1,6- to 1,7-million tons of maize before the next harvest.

US Assistant Secretary of State for African Affairs Herman Cohen said after meeting President Robert Mugabe in Harare yesterday the US would give Zimbabwe substantial drought relief. It would donate 700 000 to 800 000 tons of maize to the southern African region.

Meanwhile, relief workers warned in Harare that in six months southern Africa could be plunged into famine far worse than that experienced in the Horn of Africa seven years ago, Sapa-AFP reported.

Save the Children (US) regional director Gerard Salole said: "This is the megadrought that is going to knock all other droughts and other crises of Africa into insignificance ... it's a Cape-to-Cairo affair."

Salole was involved in relief work during the 1985 famine in Ethiopia, Somali and Sudan.

Tove Wang of Norwegian relief agency Redd Barna said: "We have five to six months of a pre-famine situation. The challenge is to prevent it." Unless red-tape was cut and donors pledged generously, famine would strike the region in six months.

About 10-million tons of grain are needed by SA, Botswana, Malawi, Mozambique, Zimbabwe and Zambia to feed about 60-million people during the next 12 months.

Grim harvest of donor policies

w/mail 24/4-29/4/92 (279A)

Foreign aid donors to southern Africa have contributed to the problems of the region by insisting that controversial agricultural policies be adopted,

writes **CAROL THOMPSON**

STARVATION is already apparent in Mozambique, while Malawi and Zambia are increasingly anxious for international food aid.

In Zimbabwe the maize shortages are causing political heat. Influential MP Sabina Mugabe, sister of Robert, cancelled meetings in her constituency because she has no answers about the lack of maize deliveries. The Zimbabwe Congress of Trade Unions (ZCTU) has called for the resignation of Agricultural Minister Witness Mangwende.

But one crucial aspect of the debate is being omitted: who is responsible for the agricultural policies which allowed the region's food shortage to reach such a desperate stage? The maize shortage in Zimbabwe, and throughout the region, is not simply due to drought, but also is the result of agricultural policies pushed by donors.

As co-ordinator for food security in the Southern African Development Co-ordination Conference (SADCC), why can't Zimbabwe "get its prices right" for maize? Where are the regional grain storage facilities discussed by the SADCC since 1982?

Although international food aid will keep many southern Africans alive this year, donors have often compounded the hardships of natural disasters.

The United States, for example, pressed the Zimbabwean government to lower the price offered to farmers for maize production, arguing that Zimbabwe's surplus maize was costly to store and that its high grade tobacco could bring in foreign exchange.

Zimbabwe resisted this policy for several years, citing the SADCC goal of regional food security in grain.

By the 1990s, however, the price of maize was lowered to encourage commercial and small farmers to shift to tobacco, which they did.

Zimbabwean cereal production fell 21 percent in 1990-91. The 1991/92 producer price was the lowest in real terms since 1970, and farmers responded by planting only 60 percent of the hectarage planted in maize in average years.

Even in the midst of drought, irrigated maize instead of tobacco would be feeding more people. And because the international demand for maize is high this year, inflated prices will consume the foreign exchange earned by tobacco.

To cut the expense of storing grain in a surplus year, as early as 1986 the Zimbabwe government proposed a triangular trade/aid package.

Zimbabwe would pay for wheat it imported from the US with exports of white Zimbabwean maize to Mozambique. The Zimbabwean maize would become American food aid to Mozambique.

But in 1986-87 when Zimbabwe had a surplus of two million tons, the US agreed to Zimbabwe transferring only 7 000 tons of maize to Mozambique in exchange for US wheat. By 1988 there were no triangular transactions with the US.

The US Department of Agriculture was resisting the policy, explicitly stating that US food aid was to reduce surplus (and highly subsidised) American maize. It did not matter that American yellow maize is considered cattle feed by Mozambicans, explained a US Agency for International Development (US AID) official, for "they will acquire a taste for yellow maize", eventually creating a market for US maize. This year Zimbabweans have a chance to acquire the same taste.

With a Zimbabwe surplus of 1,54 million tons in 1989, Zimbabwe's Commercial Grain Producers Association asked the US to stop dumping maize into Malawi. US AID assured the organisation that it was only contemplating shipping maize for relief in Mozambique.

Shortly thereafter, a lorry on its way to Malawi was in an accident in Zimbabwe, spilling yellow American maize all over the road. Another 17 000 tons were still off the coast of South Africa. Not only ignoring the transport corridors refurbished by SADCC, the US was also dismissing any idea of using the stockpile of Zimbabwe maize, which would reduce the costs of storage.

The European Community (EC) also has added to the burden of the drought. The SADCC has planned since 1982 to build regional grain storage silos, so a surplus producer like Zimbabwe could have a guaranteed market and a deficit country like Mozambique would know ready reserves were at hand. The EC agreed to finance the first three years in 1988, but then told the SADCC that it would decide who received the grain and when.

The SADCC refused, with the head of the SADCC Food Security Unit stating: "We cannot allow foreigners to administer our food aid programme ... Major donors are using food aid as a weapon to influence policies of governments."

Because the costs are high to build silos and initially store the grain, the project is still not off the ground, yet regional reserves could have greatly reduced costs this year.

Southern Africa's ability to respond to the worst drought this century is constrained by over a decade of apartheid aggression in the region (costing $65-billion 1980-90 with more than 1,6-million killed, according to the United Nations International Children's Education Fund). Can those who have been Western partners of apartheid simply claim "donor fatigue" for southern Africa?

An early report estimates that only one-third of the 10 million tonnes needed for the region will come in the form of aid. The rest will be purchased by the debt-burdened countries from commercial sources at international prices. Some donors have been partners in the successful projects of the SADCC, such as transport corridors which are bringing in the life-saving maize. Perhaps the donors will also admit that their agricultural consultancies have proven to be not only inappropriate, but fatal, for a drought-prone region.

●**Carol Thompson, currently senior research associate at the University of Zimbabwe, is author of *Harvests under Fire: Regional Cooperation for Food Security in Southern Africa* (1991).**

Lifeline operation gets rolling

DURING the next few months, workers in the Transnet operations room in Johannesburg will co-ordinate the shipping by rail of millions of tons of desperately needed imported maize to several southern African countries.
BRENDAN TEMPLETON reports.

STAR 24 25/4/92 (279A)

TRANSNET operations room co-ordinator Andrew Wilson faces the biggest job of his life — saving the lives of millions of people threatened by famine in drought-stricken southern Africa.

During the next few months Wilson will have to deal with delegates from dozens of countries as they co-ordinate the progress by rail of 8,2 million tons of desperately needed imported maize.

The operations room inside the Paul Kruger Building in Wolmarans Street, Johannesburg, is quiet now, but things are destined to pick up as the big shipments of maize start arriving regularly.

In the next few months delegates from Zimbabwe, Zambia, Malawi, Mozambique and Botswana will be paying regular visits to the office.

Wilson will also be dealing with countries and organisations donating the much-needed maize for southern Africa's 60 million inhabitants.

The tall, gangly man with a friendly smile is quietly confident that Transnet will be able to ensure the maize gets to its destinations.

He points out that the size of the maize shipments is not the main problem — 8,2 million tons makes up barely 4 percent of the 200 million tons Transnet handles annually.

Trying to co-ordinate all the parties involved in the operation will be the real poser, he says.

And, with the prospect of having to handle some of Zaire's maize imports as well, the number of parties could increase.

The main adversary to be faced is time.

Already reports are filtering in about food riots and of people eating river silt and tree bark in a frantic search for nourishment.

The task is not an easy one. The grain is desperately needed and the organisational problems amount to one huge logistical nightmare.

The size of the operation means that in the coming months more than 44 000 sacks of maize will have to be bagged every day, loaded on to trains and then moved across thousands of kilometres — without delay.

Wilson and his colleagues face the problem of trying to co-ordinate incoming ships and the railway systems of five, possibly six, different countries so that no unnecessary delays take place.

Officials have to be ready to sidestep any mishap which could cause bottlenecks — rough seas, a derailment, even war.

Tensions surrounding the dispersement of the relief maize are already rising in Zimbabwe, and the battle over scarce resources in Mozambique can only intensify as the drought continues.

In Zimbabwe, the government is using riot police to guard maize deliveries after recent outbreaks of violence when hungry people tried to grab food as the precious grain trains arrived.

But while the drought may pose a threat to peace, it is bringing old foes together.

This was seen at a Pretoria meeting this week when officials from Zambia, Zimbabwe, Malawi, Botswana, Mozambique and South Africa met to decide how best to distribute the incoming maize.

Despite initial opposition from Zimbabwe's President Robert Mugabe over South Africa's central role in the operation, the meeting went ahead smoothly, and officials agreed to set up a co-ordinating body to oversee the project.

Delegates at the meeting were officials rather than ministers, in deference to Zimbabwe's fears that South Africa would try to make political mileage from the situation.

Transnet's liaison officer Jacques Pienaar is confident that the combined expertise of South Africa and its neighbours will ensure that the operation runs smoothly.

Zimbabwean officials also believe their country will be able to handle the daily influx of almost 7 500 tons of maize.

Of that, 5 000 tons a day will be for its own use. Most will be coming from South Africa, but about 2 700 tons will be coming from Mozambique's new R207 million Beira harbour.

Because of the deficiencies of the Beira Corridor rail service to Zimbabwe, 1 000 tons will be transported by a fleet of trucks escorted by Zimbabwean soldiers to protect them from raids by "bandits" operating in war-ravaged Mozambique.

Pienaar believes the face-to-face co-operation will result in strong relationships.

The biggest task will be to try to co-ordinate the incoming shiploads with South Africa's rail system and the rail systems of neighbouring countries.

More than 220 ships carrying grain are expected to arrive off southern Africa during the coming months, and these will have to be directed to harbours with available docking facilities.

"What we are trying to do is to ensure that the transportation of maize does not disrupt the running of routine services, both on our side of the border and theirs," Pienaar says.

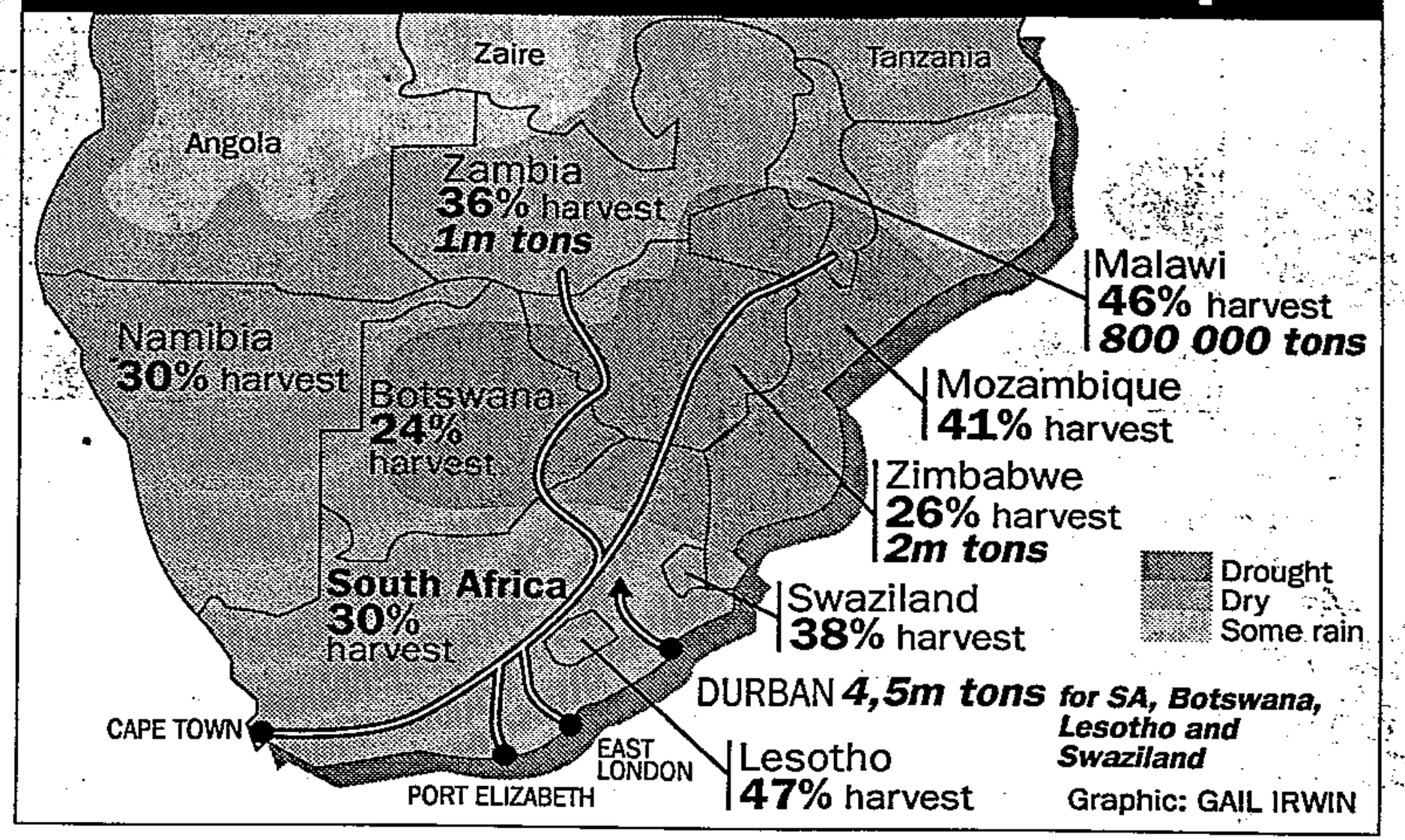
That means getting maize trains at specific points when other trains are not running. If this fails, chaos could ensue.

Of the 8,2 million tons to be transported by Spoornet, 4,4 million tons are destined for consumption in South Africa, Botswana, Lesotho and Swaziland.

Zimbabwe will receive 2 million tons from South Africa through Beit Bridge, Malawi 800 000 tons and Zambia 1 million via Mafikeng and Botswana.

Wilson smiles — this will be one South African cross-border operation that the Frontline states will welcome.

What is left of the harvest and maize imports





STILL QUIET: But in the next few months these workers in Transnet's operations room will be co-ordinating massive rail shipments of maize into southern Africa.

Things look bleak for battered region

cipren 26/4/92

CP Correspondent

SOUTHERN Africa's economic plight was highlighted during the past week's meeting between SA, Botswana, Malawi, Mozambique, Zambia and Zimbabwe to work out a co-ordinated mechanism for the distribution of food relief throughout the region.

Millions of tons of maize will have to be distributed within a short period to ward off starvation in many areas.

Food will help in the short term, but the main problem remains the pathetic state of the region's total economy. There is little doubt that growth in SA, the economic engine of the region, is going to be far less than expected even a few months ago as a result of the drought.

The estimated cost of importing food on an annual basis ranges between two and three billion.

MONEY TALK

However, the real impact is far greater because SA as a net exporter of maize used to earn money on world markets. This revenue will now be lost.

While city dwellers will probably feel the effects of the drought mainly through higher prices for maize products, the real crisis is in the rural areas. Thousands of farmers are insolvent and unable to pay their workers, many of whom will probably land up in the overcrowded cities.

Job opportunities will remain scarce and could decline further as firms which have been battling to make ends meet could go under in coming months.

A highway into Africa

STAR 28/4/92 279A

After years of sitting out in the cold, South Africa is now finding itself warmly accepted by most of the continent's countries in all spheres, including business, sport, culture and the academic world, writes GERALD L'ANGE of The Star Africa Service

WHAT WAS once a rocky road to reacceptance in Africa has suddenly begun to look something like a five-lane freeway for South Africa.

This country is rapidly finding acceptance at the levels of government, business, sport, culture and academics.

A striking sign of this was the meeting in Pretoria last week of government representatives from Botswana, Malawi, Mozambique, Zambia, Zimbabwe and South Africa to co-ordinate the transport of emergency maize shipments from South African ports.

It was the first time representatives of all these governments had sat down in South Africa with officials of a Government they had until recently spurned as a pariah. To some extent they were driven to the meeting by need made urgent by the drought. It was, nevertheless, the respectability bestowed on Pretoria by the wanning of apartheid that made it politically and morally possible for them to attend the meeting.

Pretoria may have been tempted to exploit its neighbours' starvation by exacting a political fee for transporting their emergency maize imports, such as getting their agreement to establish a permanent regional organisation revolving around South Africa. If it was, it resisted the temptation and accepted the creation of a lesser body: a committee to co-ordinate emergency shipments.

The mere fact of the meeting was perhaps seen as enough of an advance, for it established the acceptability not only of meeting jointly with South Africa at government level but of doing so on its own turf. This is almost as good as restoring diplomatic relations, as several African states have recently done.

Other recent signs of the new order were the reopening of postal services to Angola after 16 years of boycott and the almost bizarre case of South African soldiers going back to Angola to help lift the landmines they and other combatants had strewn thickly during the war.

This week it is the business community's turn to demonstrate how smoothly the traffic of trade is now moving between South Africa and the rest of the continent. At the invitation of the South African Foreign Trade Organisation (Safto), businessmen from several African countries and representatives of trade and aid bodies will meet at the Carlton hotel in Johannesburg to discuss what Safto calls a new scenario for trade and investment.

The conference will have minimal Government and academic representation. The more than 20 speakers will include representatives of private corporations and of trade and development organisations from Africa and Europe, such as the African Development Bank and the Organisation for Economic Co-operation and Development.

Even more notable will be the presence of three African bodies that once avoided South Africa like the plague: the Preferential Trade Area (PTA), the Southern African Development Co-ordination Conference (SADCC) and Tanzania's Investment Promotion Centre.

Paul Runge, head of Safto's African operations, says the conference will "give other Africans a chance to pitch themselves at the South Africans, the multilaterals and the Europeans".

Like the inter-governmental meeting in Pretoria, the Johannesburg conference will bring together parties who have never met on South African soil before. Mr Runge says it is yet another example of how the positive vote in the white referendum has "opened the floodgates".

At the sporting level South Africa has been formally welcomed back into Africa in several fields. The country's weightlifters competed in Kenya, and South Africa took part in the African badminton championships in Mauritius. South Africans will return to the Davis Cup tennis competition this week in Tunisia. But the most dramatic return has been at the athletics meetings in Dakar and Germiston.

Academics have moved with some freedom in Africa despite the academic boycott, but the openness with which these exchanges can now take place is demonstrated by a conference on Africa that was to be opened by former Zambian president Kenneth Kaunda at Potchefstroom University yesterday, with participation from African countries that include Ghana, Nigeria and Kenya.

Cultural traffic with Africa still tends to be a one-way affair, with South African artists performing in Africa rather than the other way round, although recently a top Kenyan pop group arrived in this country. But there now seems to be little other than personal choice or financial considerations to bar African artists from South Africa.

So the road to Africa seems to be wide open in all lanes. If there are any stop-signs they are economic rather than political. □


BD 29/4/92

279A

Swiss interest

SOUTHERN Africa had a tremendous reservoir of resources which the world needed, Swiss-based International Public Affairs Centre president Marc Battaille said yesterday. Foreign businessmen were looking at the region with interest, he said after a meeting between the 33-man delegation and President F W de Klerk.

REPORTS: Business Day Reporters, Sapa, AP-DJ.

STAR 29/4/92

279A

World needs region's resources – expert

CAPE TOWN — Southern Africa had a tremendous reservoir of resources which the world needed, Swiss-based International Public Affairs Centre (IPAC) president Dr Marc Battaille told President de Klerk yesterday.

Mr Battaille was attending a meeting at Tuynhuys between the 33-man delegation and the president.

The group, which represents a wide spectrum of economic sectors ranging from finance and banking to construction, machinery and pharmaceuticals, was visiting South Africa to "learn at first hand in order to do our strategic planning".

Possible future investment would be considered.

IPAC, the equivalent of the US Business Round Table, is an independent association of international businessmen who visit various countries to meet political and business leaders and assess investment potential.

During its two-day visit, the group will also meet Deputy Minister of Finance Theo Alant, Minister of Mineral and Energy Affairs George Bartlett, members of the parliamentary standing committee on foreign affairs and ANC representatives. — Sapa.

SA handling bulk of maize imports for region

By Sven Lünsche

South Africa is co-operating closely with neighbouring countries and multi-lateral aid agencies to coordinate the imports of up to 9,5 million tons of maize to the drought-stricken Southern African region.

Providing an update on the maize crisis Portnet's deputy chief executive Nick Oosthuizen said yesterday that the bulk of the maize for the region was being channelled through South African harbours.

"We have established an operational control centre in Johannesburg which comprises representatives from the various Southern African countries and interested parties in SA as well as the United Nations Food Programme," Mr Oosthuizen told Safto's conference on "A new scenario for trade and investment in Southern Africa".

South Africa is taking up the bulk (4,5 million tons) of the total 11 million tons which are being imported by countries in the region.

But South African harbours are also being used to transport the bulk of the maize imported by Malawi (planned imports: 800 000 tons), Zambia (1,5 million tons) and Zimbabwe (2,5 million tons).

In addition Mozambique has been forced to import 1,5 million tons, which will arrive directly at harbours in Maputo and Beira.

"The capacity of the countries' railway and other infrastructural systems will be stretched to the absolute maximum and we will need to co-operate closely to deliver the maize to the consumers," Mr Oosthuizen said.

In his address to the conference the Southern African Development Conference Committee (SADCC) Regional Business Council chairman Harry Thomson said the future for economic growth and development in Southern Africa hinged on the integration of markets and the free movement of resources in the region.

SA 'godfather' for region — SADCC

279A

CT 29/4/92

Own Correspondent

JOHANNESBURG. — SA has a key role to play in regional integration, which is crucial for future economic growth in southern Africa, says Southern African Development Co-ordination Conference (SADCC) regional business council chairman Harry Thomson.

Thomson was speaking at a Safto conference in Johannesburg yesterday, and in an interview afterwards said: "Every regional grouping needs a godfather and I think SA is that for southern Africa."

While a mandate had not been given by the SADCC official institutional mechanism to accept SA, the 10 member countries were all dealing and trading with SA already. He did not believe any SADCC countries were hostile to SA.

The conference drew representatives from countries throughout southern Africa, many of them speaking for the first time in SA.

Preferential Trade Agreement (PTA) secretariat senior trade expert Prega Ramsamy said the PTA was working to increase the low inter-regional PTA trade.

Delivering the keynote address earlier former OAU chairman General Olusegun Obasanjo said SA had the human and material resources to overcome political, economic and other challenges, reports Sapa.

He said that once the political situation had been settled, the SA economy would be strengthened through the injection of foreign investment.

Safto international division GM David Graham said a number of multinationals were investigating SA as a base for trade into the rest of Africa.

"Ultimately, it will become the hub of the south," he said, adding that Safto, a private sector promotion body, had been approached already by multinationals.

The country offered transport links into Africa, communications, infrastructure, industrial capacity, appropriate technology and project management skills.

SA is beginning to lose pariah status

Sowetan 29/4/92

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Sowetan Africa News Service

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The conference will have minimal government and academic representation.

The more than 20 speakers will include representatives of private corporations and of trade and development organisations from both Africa and Europe, such as the African Development Bank and the Organisation for Co-operation and Development.

Even more notable will be the presence of three African bodies that once avoided South Africa like the plague: the Preferential Trade Area, the Southern African Development Co-ordination Conference and Tanzania's Investment Promotion Centre.

Mr Paul Runge, head of Safto's African operations, says the conference will "give other Africans a chance to pitch themselves at the South Africans, the multilaterals and the Europeans".

Runge says it is yet another example of how the positive vote in the white referendum has "opened the flood gates".

At the sporting level South Africa has been formally welcomed back into Africa in several fields. The country's weightlifters competed in Kenya and South Africa took part in the African badminton championships in Mauritius.

Former Zambian president Kenneth Kaunda will be the guest speaker tonight at a banquet organised by the Potchefstroom Town Council.

So the road to Africa seems to be wide open in all lanes.

If there are any stop signs they are economic rather than political.

Down south the grass is greener

By KUDZAI MAKOMBE

ZIMBABWEAN Justin Pabwe, a qualified electrician, is one of many professionals preparing to leave the Frontline states in search of better opportunities.

"The expectations of us young people have been raised by our level of education," he explains. "I was at university for four years and I expected a much higher standard of living. I want a house in a low-density suburb and a car, and I want my family to be able to live well."

The recent brain drain has seen thousands of professionals and skilled workers seeking positions "down South": in South Africa, its "homelands", Botswana and Namibia. Doctors, lecturers, engineers and teachers are also increasingly on the lookout for international postings. And the situation is expected to worsen as political and economic relations normalise between the Southern African Development Co-ordinating Conference states and South Africa.

The Frontline states have found that it is not enough to invest in education to train badly needed professionals. They must also be able to offer good jobs, working conditions and, most of all, financial compensation that can compete with their richer neighbour, South Africa, as well as the developed countries of Europe and North America.

Not all the emigrants are leaving for better pay and working conditions. Many point out that they have a better chance to specialise in their chosen fields in South Africa and that if more suitable opportunities arise in their home countries, they intend to return.

In Zimbabwe, 448 doctors were among the 15 000 skilled people who emigrated between 1980 and 1990. In the early years, the emigrants were mostly whites who could not accept black majority rule, but in recent years the flow has included more and more educated blacks.

In 1991 alone, more than 200 doctors left Zimbabwe for South Africa and Botswana. Of the 500 doctors who graduated at the University of Zimbabwe between 1980 and 1990, only 50 have remained in the country. And 75 percent of the veterinary graduates since 1986 are now working outside the country.

The reasons are obvious. According to the Zimbabwean health ministry, senior doctors in Zimbabwe are earning the annual equivalent of US$9 135 while their counterparts in Botswana are earning US$13 441. In addition to this, Zimbabwe's rate of taxation is higher than Botswana's.

Zimbabwe recently took steps to redress this situation by granting a 40 percent raise to all government doctors. But for many, it is too little too late. "I can't even buy a two-bedroomed flat or a new car with that raise. I'm planning to move to South Africa," said one young doctor.

A similar exodus of lecturers from the universities of Zimbabwe and Zambia is causing serious staff shortages, undermining the standard of tertiary education and reducing the number of places available to aspirant professionals.

Those who opt to stay are often lured by private-sector salaries that are significantly higher than government pay. A doctor working at a Mozambican government hospital said many are also discouraged by the poor administration in government hospitals.

The Mozambican government is against private health care and fears that privatisation could result in the loss of some 200 medical doctors to the private sector. No wonder: the monthly salary of a Mozambican government doctor is about US$285.

The irony is that those governments which thought they were saving money by keeping professional salaries low have found that they often must pay higher wages, in foreign currency, to hire expatriates. — SARDC

Moves towards regional trading bloc

WitMail 3014-7/5/92

279A

Intra-regional trade among southern African countries is a paltry seven percent of the regional trade. A conference this week sought ways to improve the situation.

By **MONDLI MAKHANYA**

MOVES towards the establishment of a southern African trading bloc are gaining momentum.

Spurred by the solidifying regional blocs in other parts of the world — especially western Europe — member nations of the Preferential East African and South African Preferential Trade Area (PTA) agreement and the Southern African Development Co-ordinating Conference (SADCC) are working towards revitalising these bodies.

They hope to increase intra-regional trade, which accounts for only about seven percent of the region's total trade at present. These organisations are also looking to much closer co-operation with the Southern African Customs Union — of which South Africa is the dominant member with Botswana, Swaziland and Namibia as its partners.

But high tariff walls between southern African nations, inefficient communications systems and physical infrastructure, the virtual absence of financial institutions in most southern African countries, foreign exchange problems and high external debt are hampering increased regional trade.



Delegates to this week's Safto conference get down to business Photo: KEVIN CARTER

At a Southern African Foreign Trade Organisation (Safto) "Southern Africa: A New Scenario for Trade and Investment" conference in Johannesburg this week speakers from across the region stressed the need for such a trading bloc. The appallingly low level of intra-regional trade is unlikely to grow much in the short term.

Zambian trade expert Prega Ramsammy told the conference that mere adherence to the trade liberalisation programmes entailing gradual removal of trade tariffs between PTA countries — scheduled to be completed by 2000 — would increase trade among Southern Africa nations to 20 percent of total trade.

But, says SADCC regional business council chairman Harry Thomson, some governments have vested interest in dragging their feet over tariff reform because they use these tariffs to boost state coffers.

Another major problem is "tied-aid" — the insistence by Western donors that goods bought with their donation be sourced in the donor countries.

Thomson emphasised certain prerequisites for the proper functioning of the trade bloc — once it gets off the ground: "We need to have fixed exchange rates between the countries, and it is also essential to have properly co- ordinated monetary and interest rate policies ... Governments must also guarantee the independence of central banks. Both the private sector and the informal sector need to be developed."

Zimbabwe businessman Keith Aitkenson supported this by saying that R100-million worth of trade between South Africa and Zimbabwe was via the informal sector — unregistered traders buying goods in South Africa to sell in Zimbabwe without declaring them at the border.

The region is also plagued by inefficient information systems, which makes it much easier for businessmen to deal with overseas countries than with their own neighbours. Zambia's trade information, for instance, is more than 10 years out of date.

This is further exacerbated by the lack of financial markets: southern Africa has just three stock exchanges — in South Africa, Zimbabwe and Botswana. To illustrate the sorry state of the financial services sector, Aitkenson told the conference about a payment his company was expecting from Mozambique. It took them six months to track the cheque down and it was eventually found in a Chicago bank.

For South Africa such a bloc would be of great benefit. Infrastructural decay and the destruction caused by civil war provide great opportunities for South Africa, the only country in the region with sound infrastructure and advanced technology. Furthermore, says Safto Africa manager Paul Runge, institutions such as CSIR and Eskom have good training programmes which countries busy with reconstruction would find beneficial.

Runge added that if South African companies rid themselves of "Afro-pessimism" and their perception of their region as bankrupt, they would discover there is a great demand there for manufactured products, which bodes well for the local manufacturing sector.

"Of the R9-billion trade with Africa last year a large proportion was composed of cars, chemicals and plastics and other manufactured products. So it should be clear to South African businessmen that there is a great demand for beneficiated products in Africa."

Also, notes Thompson, the country can sell itself as source for international donors looking for supplies to help the million of refugees in the sub-region.

Africa on course to grow poorer, Safto event told

THE West had confidence in SA's future despite the volatile situation, OECD Development Centre director Jean Bonvin said yesterday.

Speaking in Johannesburg at the SA Foreign Trade Organisation (Safto) conference on investment in Africa, Bonvin said, however, all economic indicators pointed to Africa slipping deeper into poverty — when most other regions in the developing world were prospering.

More than two thirds of sub-Saharan Africa is classified by the World Bank as low-income — or having a per capita income of below $500 a year.

Bonvin said Africa's main burden of the past was its external debt, but conceded this debt was perhaps not as large as that of Latin America. In 1990 African long-term external debt amounted to $234bn, equal to its GDP — with $141bn for sub-Saharan countries.

Official Development Assistance now exceeded 15% of GDP for more than half these countries with two thirds of imports being financed by aid.

Bonvin said the results of aid had been less satisfactory in Africa than elsewhere. It was clear aid favoured the exaggerated growth of the public sector — without making its expected contribution to growth.

He stressed a complete overhaul of public finance in Africa was essential for any revival of the economy.

Solutions included:

- Liberalising economies and bolstering political stability to attract foreign investment;
- Encouraging local investment by mobilising savings, restructuring the financial system and privatisation; and
- Creating an environment for private enterprise.

But Bonvin said the prospect of direct foreign investment in the Third World appeared uncertain — due to a looming world shortage of capital in the 90s.

He said there was the danger that Africa would become the forgotten continent since capital was being pumped into the restructuring of eastern Europe and the Middle East. "The fundamental problem is that Africa needs to change its image so that the investor sees it as a politically stable region, safe for his capital."

Bonvin gave the assurance that if this was achieved investment capital would flow into Africa under the same yield conditions as in Asia.

Addressing the conference, Zimbabwean businessman Eddie Cross said transport was a vital ingredient in generating economic growth in southern Africa, and more than 90% of regional trade was carried by rail.

Cross, chairman of Cross Holdings and director of the Indian Ocean Export Company, said SA played an important role in the region's transport infrastructure.

"SA has as many as 10 000 wagons and 50 locomotives north of the Limpopo at any one time, and carries 75% of the region's exports and 50% of its imports," he said.

The total rail capacity of the Southern African Development Conference Committee's (SADCC's) member states was half that of SA's, he said.

Angolan ambassador to Namibia Alberto Ribeiro-Kabulu told the conference Angola's infrastructure was in a poor state and there were opportunities for SA businesses to help in Angola's rehabilitation.

Ribeiro-Kabulu outlined transport, energy, telecommunication and urban renewal as the four areas where Angola needed infrastructural aid. — Sapa.



PREGA RAMSAMY: First official visitor from Preferential Trade Area

Another step on road to acceptance

ST Times [BUSS] 3/5/92 279A

By ZILLA EFRAT

SAFTO's conference on Southern Africa this week could be followed by a comprehensive Preferential Trade Area (PTA) study on South Africa.

This is the view of PTA expert Prega Ramsamy. He is the first PTA representative to visit SA in an official capacity.

PTA members include Ethiopia, Kenya, Zambia, Zimbabwe and Angola.

Mr Ramsamy says post-apartheid SA will have an important role to play in regional co-operation, but it will have to avoid dominating the others.

The PTA study is another step to SA's becoming an integrated player in Southern Africa as large trade blocs develop in other regions of the world.

The PTA, which has decided to merge with the Southern African Development Co-ordination Conference (SADCC), aims to boost the economic development of its 17 member states.

Representatives from both SADCC and the PTA say SA will be able to join their organisations once it has sorted out its political problems.

Safto international manager David Graham says Safto is considering organising a workshop to enable SA companies to learn more about PTA.

Safto's conference in Johannesburg was attended by people from Africa and Europe. It was so successful that delegates decided another should be held next year.

Markets

The need for the SA financial sector to become more active in Africa was highlighted. Some speakers said SA banks were not active enough in establishing offices in African countries.

SA's capacity to supply large African markets, such as Nigeria with a population of more than 100-million, was also questioned.

Businessmen from Africa expressed their preference for dealing directly with SA producers and not with middlemen who boosted prices and caused delays.

Several speakers said much aid was available for development projects in Southern Africa. But because of failure to identify viable projects, much money was not used.

It emerged that SA could capitalise on available aid in the areas where it had strong expertise. These included mining, rural development and the environment.

Head of Safto's Africa department Paul Runge said many delegates made important personal contacts at the conference which led to a host of initiatives and behind-the-scenes negotiations.

The Tanzanians invited SA companies to visit their country.

Many of the visitors were in SA for the first time.

Mr Graham says many delegates believe SA is finally integrated in Africa.

He says SA delegates showed a new sense of support for regional co-operation and genuine interest in what other African countries are doing.

"In the past, South African companies tended to look only at what they could export to Africa."

The conference was attended by delegates from former boycotting countries like Nigeria and Tanzania. Addresses were also given by representatives of the Organisation for Economic Co-operation and Development, the African Development Bank, the UN Development Programme and the World Bank's private-sector arm, the International Finance Corporation.

In the audience were visitors from Kenya, Zaire, Botswana, Mozambique, Mauritius, Madagascar, Namibia, US, Sweden, Belgium and France.

Adcock	428,2	+15	67,7	+13	118,0	+18	33,0	+18
Firstbank	—	—	344,3	+30	257,7	+20	60,0	+11
Faircape ▲	34,6	−1	−1,9	N/A	−28,1	N/A	—	—
Presto	13,8	+13	0,2	N/A	1,2	N/A	—	—

▲ 12 months

Badger US in Africa

US-BASED international project management group The Badger Company Inc and Murray & Roberts subsidiary Engineering Management Services (EMS) are to enter a joint venture.

The project management company, to be called Badger Africa, will focus on the chemical and petrochemical fields. Its target market will be Southern Africa.

The venture will be launched in June.

Improved growth predicted for Africa

B Day 7/5/92

LINDEN BIRNS

US-based aircraft manufacturer McDonnell Douglas predicts Africa's economic growth will outstrip that of the rest of the world in the short term and that air traffic with Europe will grow by more than 7% over the next eight years.

According to the company's recently published World Economic and Traffic Outlook, Africa could be expected to experience at least 3,1% growth a year over the next eight years.

The rest of the world was forecast to experience only 1% annual growth.

The company attributed the improving African economic growth rate to the change in foreign loan policies, political changes and the reduced influence of former east bloc countries on the continent.

The report also predicted SA would experience growth of about 0,4% this year, compared with -0,3% last year and -1,6% in 1990.

A result of economic growth would be increased air traffic.

McDonnell Douglas predicted a 6,2% increase in domestic air travel for Africa this year, with a predicted growth rate of 7% a year for the rest of the decade.

Europe-Africa air traffic the largest volume of which was between Johannesburg and Europe, was expected to grow 7,8% this year, and

Increase

7,5% a year until the year 2000.

This was about 2,4% lower than the forecast world average for 1992 and about 0,4% higher than the forecast global average until 2000.

The company predicted Europe-Africa air freight would increase by about 10% this year, and by 8,% a year over the next eight years.

This was in line with predited growth for the rest of the world.

McDonnell Douglas recently embarked on a campaign to raise its market profile in Africa, after having achieved only a few minor airliner sales in Africa during the past three decades.

US and other banks' flexibility on foreign loan repayments and even write-offs was likely to encourage growth in less developed African countries.

Many of these would have learnt, from experiences in the 1970s and 1980s, to make better economic use of loans to build more solid foundations, the outlook added.

The forecast warned that Africa would have to rely on its own resources to a larger extent than before, and that substantial economic, social and political changes would be needed.

A greater free-market economy would have to be developed together with a more responsible political system.

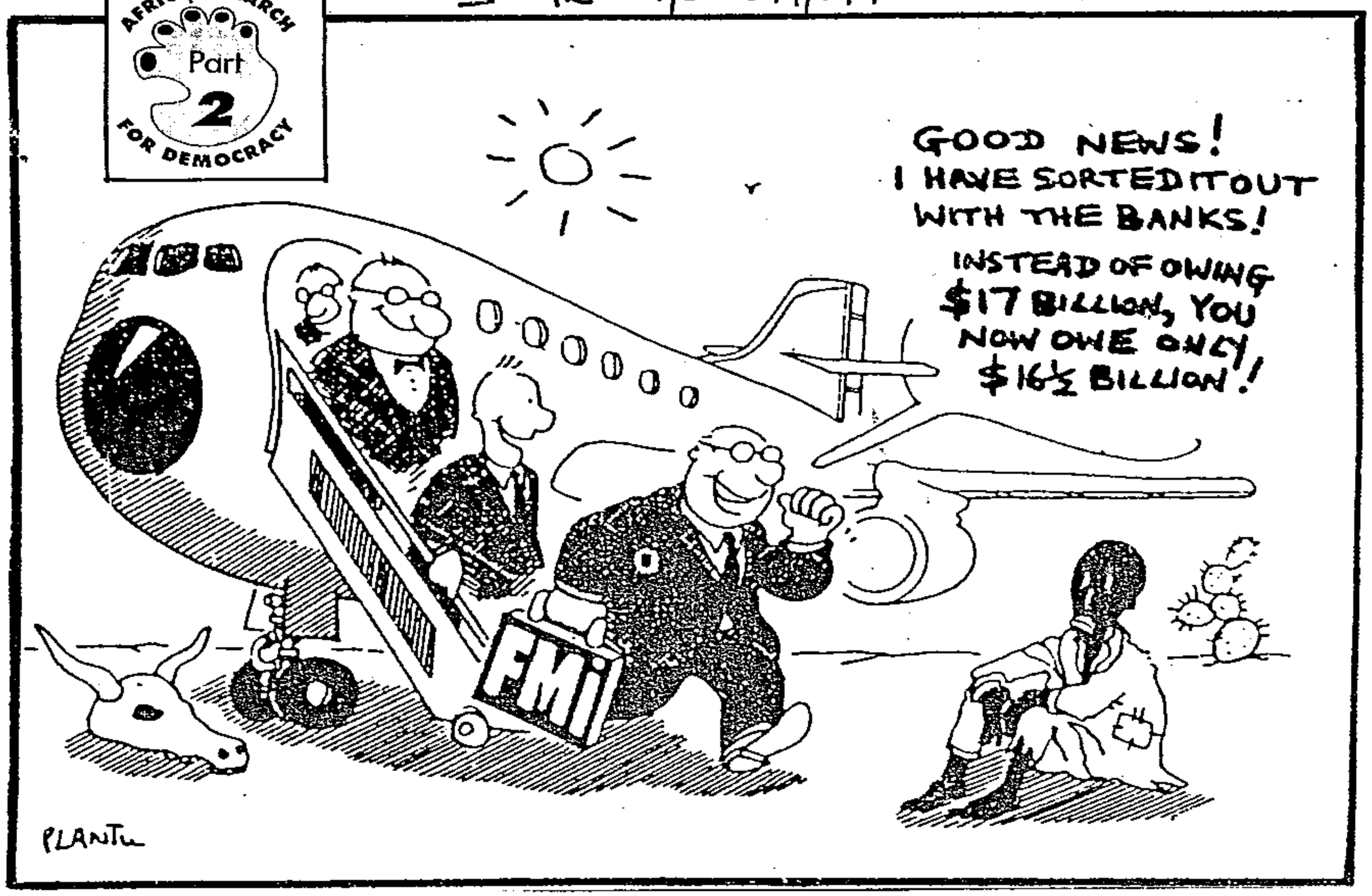
Africa's freedom on a shoestring

South 9/5 - 14/5/92

279A

AFRICA'S MARCH FOR DEMOCRACY Part 2

As Africa's debts mount and living standards decline, democratic gains may soon be hanging by a thread. **Santorri Chamley** looks at the future in this second article of a four-part series:



THE ROAD to democracy in Africa appears to have been paved, but warnings are being sounded that the fallout from the continent's economic nightmares may threaten newfound freedoms.

As observer Mr Francis Laloupo says: "The margins of economic manoeuvre in countries which opted for democracy in the face of bankruptcy are slight.

"Given the extent to which natural resources have been pillaged, and the dependence of Africa on the vagaries of the external market, how will Africa's fledgling democracies be financed?"

In the face of so much adversity, what are the chances of survival for African democracy?

According to the Report of the United Nations Programme of Action for African Economic Recovery and Development, by 1990 Africa's debt had almost doubled its1980 figure.

It now stands at $280 billion (about R784 billion) and is rising rapidly. This includes $150 billion (about R420 billion) for sub-Saharan Africa, over 112 percent of Gross Domestic Product.

Servicing the mounting debt has become the main burden confronting the continent.

Each year sub-Saharan African countries pay US$12 billion (about R33,6 billion). This is only one third of the interest due and about 30 percent of export earnings.

Debt is costing Africa more than the continent is spending on the welfare of its people, including health and education.

Arrears on long-term debt rose from $221 million (about R618,8 million) in 1980 to $7,2 billion (about R20,1 billion) in 1989.

During the sixties and seventies, the GDP of most African countries increased by six percent annually. By 1988, the debt crisis had slashed the GDP to around three percent.

By 1990, increasing debt and balance of payment difficulties had forced 33 countries to implement stringent Structural Adjustment Programmes and Economic Recovery Programmes.

The price of former regimes' mismanagement of economies, together with rampant corruption and declining commodity prices, is being paid. Those feeling the crunch of a sharp decline in living standards are the millions of Africans least able to bear its burden — the urban and rural poor, women and children.

The number of African families unable to meet their basic needs has doubled within a decade. Over 30 million people out of a population of 552 to 570 million are unemployed; average incomes have fallen by as much as 30 to 80 percent in the more beleaguered countries.

The impossibility of earning a living has driven at least 60 000 skilled workers from the continent.

This year alone, drought threatens 27 million people in 14 countries; and around 40 million people have been displaced by environmental disasters and war.

Structural adjustment has social and political implications.

There have been widespread disturbances linked to economic programmes.

Such programmes were initially designed to be implemented over a short period to stabilise and balance national economies. After a decade, most countries are still "adjusting".

Nigerian economics professor Dr Bade Onimode asks: "How long are our countries supposed to adjust?"

"Almost without exception, the effect of structural adjustment has been to undermine the fragile structures of democracy in our societies, in the sense that they usually require authoritarian regimes to implement them successfully.

"This is why in many of our countries, structural adjustment has tended to coincide with, if not provoke, the militarisation of politics and growing authoritarianism."

After three decades of suppression, and a system that enriched a few on the backs of the masses, the one-party, military-ruled state has clearly lost credibility.

The economic crisis and current political ferment emphasise the need for alternative forms of government.

But unless Africans begin to see some tangible results from the sacrifices they have made, the recent reforms and moves to democracy will be threatened.

Can the incoming leaders reverse years of economic freefall and create viable, successful economies?

Will multi-party systems bring democracy and alleviate poverty?

And as Zimbabwean writer Mr Chenjerai Hove asks: Will the incoming leaders resist the lure of power and its capacity to destroy people's participation in determining their own destiny?

— Index on Censorship, London

First time for SA

(29A)

S1 Times (Buss) 10/5/92

Business Times Reporter

ANOTHER milestone in increased Southern African regional co-operation will be achieved in Johannesburg next week.

The Preferential Trade Area (PTA) and Southern African Development Co-ordination Conference (SADCC) will be officially represented for the first time in SA at a Safto conference. The name of the senior PTA representative has not been disclosed, but Harry Thomson, chairman of the SADCC regional business council in Malawi, will attend.

The conference will focus on increasing co-operation in several related fields.

Sowetan
11/5/92

3-m are starving to death

11/5/92

MAPUTO - Mozambique estimates up to 3 million of its people could starve to death in the worst drought Southern Africa has seen this century.

The government, in collaboration with United Nations agencies, plans to ask the world this week for urgent assistance for the tormented nation of 15 million people.

279A

"The current Southern African drought is threatening Mozambique with the worst disaster in living memory, putting the lives of millions of Mozambicans at risk," says a draft of the appeal.

The United Nations Food and Agriculture Organisation said in Rome last Thursday that 17,2 million Africans would need foreign help to survive the year, mostly because of drought, but also because of war. - *Sapa-Reuter*

ESI

STAR 12/5/92

Maize on its way

The maize import programme to provide food to millions of southern African people affected by drought is well under way and the tempo is set to increase, Transnet said yesterday. (279A)

SA asks EC for drought aid in southern Africa

SA HAS formally approached the EC for emergency drought relief aid for southern Africa.

Sapa reports that in a letter to the EC, SA said the drought could spell disaster for the region if emergency measures were not taken.

An EC spokesman in Pretoria, confirming the request, said the organisation would respond regionally.

A Foreign Affairs spokesman said although SA was traditionally not an aid recipient, the drought would place enormous pressure on the country's already restricted budget.

However, SA is expected to be excluded from a UN-sponsored conference in New York next month when donor countries will be asked to pledge aid for the region.

Agriculture Minister Kraai van Niekerk yesterday urged banks and suppliers not to sequestrate drought-hit farmers until his department had worked out details for distributing its R3,8bn in drought aid.

But in Parliament, Deputy Minister Tobie Meyer warned that drought aid to farmers could be withheld if they did not keep proper financial records. Speaking during the agricultural development budget vote debate, he said a departmental survey had found that 41% of farmers in Petrusburg had not kept financial records. "This raises questions about the management prowess of our farmers," he said.

GERALD REILLY reports from Pretoria that Van Niekerk said in an interview banks, other financial institutions and input suppliers had a duty to get meaningfully involved in the operation to rescue the farming industry from disaster. It could not be questioned, said Van Niekerk, that the farmers' producer price index had fallen far behind the consumer price index.

FNB senior GM Viv Bartlett said yesterday wherever possible the bank helped farmers in financial difficulties. But where it was apparent that an applicant for further aid could not trade himself out of his problems, "we have no alternative".

A Volkskas spokesman said the bank treated all cases involving financially distressed farmers with sympathy. However, there were some sequestration proceedings in the pipeline — involving heavy legal costs — which could not be halted. But these involved hopeless cases beyond further reasonable aid.

Dries Bruwer (CP Lydenburg) told Parliament yesterday that commercial banks had told him they were prepared to consider forming a consortium to take over the functions of the Land Bank.

Such a move would mean that the farmer, who worked with his commercial bank on a day-to-day basis, would have a more direct line to total financial servicing. A farmer often had to borrow from his commercial bank anyway when the Land Bank came breathing down his neck for repayment of loans.

Removing the administration of some Land Bank funds from the activities of co-ops might improve relationships between co-ops and their members, as the co-ops would not have to chase after farmers.

Bruwer also said the CP would oppose the establishment of subsistence farmers on high-yield agricultural land because this was not in the interests of SA. The state would have to take a very careful look at the justification for subsistence farming as against the interests of commercial farmers.

□ Public Enterprises Minister Dawie de Villiers said Eskom had written off almost R500 000 in unpaid electricity bills incurred by western Transvaal farmers last year.

Replying to a question from Bruwer, he said the debt of R498 634 had been notched up by 260 farmers. In the central Transvaal Eskom wrote off R158 101 owed by 78 farmers, and in the Free State debt of R52 524 was also written off.

African Development Bank pins hopes on SA

DAKAR — The African Development Bank opened its three-day annual meeting yesterday in the Senegalese capital buoyed by hopes that a post-apartheid SA would strengthen the continent's economy, but worried it could take a decade to reverse falls in living standards since 1980.

The bank is expected to savour a modest improvement in fortunes in 1991, when economic growth for the continent, excluding SA, edged up to 2,5% from 2,1% in 1990.

But with a population of 600-million people growing faster than anywhere in the world at 3,1% annually, individual incomes fell again.

The bank, in a briefing paper, estimated it would take seven to 10 years of sustained, real economic growth at 4% annually to recover per capita income losses suffered in the '80s.

The bank's Babacar Ndiaye told a pre-conference seminar SA had a key role to play as an engine of economic recovery, but Pretoria would not immediately start channelling investments to African nations.Once SA revived its economy, it had a role to play. BD Day 13/5/92

He would welcome SA membership of the bank. According to bank statutes, however, SA must first become part of the OAU.

SA officials, who took part informally in last year's meeting of the bank, will attend officially this week for the first time as observers. The ANC will also take part.

Philippe Lietard, director of African investment for the World Bank's International Finance Corporation, which funds private sector ventures, said the size and range of SA's economy, which accounted for 40% of sub-Saharan Africa's economy, would be attractive to foreign financiers. Its creditworthiness could help it win funding from international lenders such as the African Development Bank and World Bank. (279A)

Derek Auret, deputy director-general in SA's Foreign Ministry, said regional integration of economies was vital as regional blocs were being formed in North America, Europe and the Far East. — Sapa-Reuter.

Renewed pledge to rescue shaky African economies

DAKAR — Industrialised countries have renewed their commitment to financing a rescue of Africa's floundering economies, allaying fears aroused by aid demands from eastern Europe and the former Soviet bloc.

They told the annual meeting of the African Development Bank on Wednesday this should go hand in hand with reforms by African countries themselves. These ranged from efforts to develop market economies, attract investors, alleviate poverty, protect the environment and curb Africa's 3,1% annual growth in population.

"We will continue to be an active partner in collaboration in extending assistance to (African) countries ... making adequate self-help efforts," said Japan's International Finance Bureau deputy head Sugisaki Shigemitsu.

He echoed sentiments expressed by delegates from the US, Britain, Canada and the Netherlands.

The meeting was told Africa's economy slowed for the third successive year in 1991, recording growth of 2,4% compared with 3,5% in 1990. Living standards fell again, to their lowest levels in 30 years.

Growth of 4% a year throughout the 1990s was needed just to maintain existing living standards, said UK delegate Peter Freeman.

Conditions beyond Africa's borders were unlikely to help it much and modest gains at best were forecast for commodity prices.

Freeman said the budgets of developed countries were also constrained. This made it unrealistic for Africa to expect any substantial increase in overall aid in the next few years.

Wethington outlined US economic policy towards Africa — helping to meet social and other needs while stressing the merits of democracy and free markets. — Sapa-Reuter.

Operation Hunger gives drought evidence, seeks US Congress aid

Crisis worse than Ethiopia's

STAR 7/15/92 (279A)

By Hugh Roberton
Star Bureau

WASHINGTON — The drought in southern Africa has caused a bigger crop loss than the devastating drought in Ethiopia and Sudan in 1984 and 1985, the Agency for International Development warned in testimony to Congress yesterday.

And the executive director of Operation Hunger, Ina Perlman, told the Africa sub-committee that although South Africa would be able to import enough maize to meet its shortfall, up to 2,5 million destitute people in the country would not be able to afford to buy it, and would be at grave risk.

Eight experts from the State Department, the Department of Agriculture, other agencies and international humanitarian relief organisations gave testimony on the impact of the drought.

According to the Agency for International Development, which operates under the aegis of the State Department, the average cereal crop loss for the region is expected to be between 50 and 60 percent.

"South Africa and Zimbabwe, which normally export grain to their neighbours, have been especially hard hit. Their crop losses are projected to be in the range of 70 to 80 percent," the AID statement said.

"This crop loss is worse than that suffered by Ethiopia and Sudan in the terrible African drought of 1984-1985.



Ina Perlman . . . R9 million a month needed to feed 2,2 million hungry people.

"The 1984 drought required the biggest emergency relief effort ever mounted in Africa. Because of the large area and extent of the crop loss, southern Africa's needs may be even greater."

The AID statement added that the large loss of life which occurred in the Horn of Africa in 1984 was not necessarily inevitable in southern Africa.

Several factors — the developed economies of South Africa and Zimbabwe, the early recognition of the problem on the part of governments in the region and early warning of the crisis — gave realistic hope of avoiding catastrophe.

Mrs Perlman told the subcommittee that Operation Hunger estimated it would need R9 million a month to feed about 2,2 million people.

She said there were clear indications that the already top-heavy bureaucratic structure in South Africa, which had impeded Operation Hunger's initial distribution of funds, was to be expanded and reinforced, and might well cause "unacceptable delay and interference", especially in the homelands.

But she said if the organisation had adequate funding to purchase food, it had the neceesary structures in place to deliver food aid speedily with maximum effectiveness and control.

The US has pledged almost $235 million (about R675 million) in drought assistance to the southern Africa region, and is attempting to co-ordinate an international relief effort which will include the European Community, Canada and Japan.

● HARARE — Robin Drew reports that women sang and danced in a remote village in the Gokwe North area of the Zimbabwe midlands province when Christian Care lauched a R5,5 million programme to provide food for famine-hit communities.

Three thousand malnourished children will benefit immediately from supplementary feeding scheme.

A feeding point in each village in the area will be run by mothers who have been given basic instruction in nutrition.

● Anglican bishops have allocated R100 000 for drought relief work, reports Sapa. The money will be made available through churches in the sub-continent.



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Row deepens over

THE POLANA HOTEL

THE HINTERLAND OPENS UP

Karos takes first step into Africa

S/Times (Bus) 17/5/92

279A

KAROS Hotels has its eyes fixed on Africa — its large stake in the new-look five-star Polana is but the first step on the road to expansion in the sub-continent.

Talking to joint managing director Stan Hoffmann, it becomes apparent that Karos is a far-sighted company which has been quietly and steadily following a well-planned course for several years. It is becoming a familiar name with a firm foot in the hotel trade.

While others were building five-star palaces, Karos was saving capital but not stinting on style. It bought up "the grand old ladies" on the hotel scene around the country and refurbished them to offer a combination of affordable three- and four-star old-fashioned charm with modern services.

While foreign tourism slumbered, Karos concentrated on offering corporate and resort packages for South Africans. But now that international flights to Jan Smuts Airport are increasing, Mr Hoffmann predicts new-found prosperity and the means for expansion.

"We have achieved our major objectives in South Africa — only two or three projects to be rounded off to complete our national hotel spread," says Mr Hoffmann.

Reserve

"Now our policy is to expand into Southern Africa — countries such as Namibia, Zimbabwe and Zambia."

The company owns land in Namibia and plans are on the table. In addition, there is a possibility of further involvement in Mozambique.

There are plans to develop a major game reserve on the eastern boundary of the Kruger National Park. Mr Hoffmann hints that the plans are of great interest to his company.

Karos' experience with the Polana has been "difficult and time consuming", but Mr Hoffmann says it was a "fantastic challenge".

In spite of the logisitical problems and lengthy diplomacy, the Polana project was "well worth it". The difficulties have not put Karos off further foreign investment.

He pays tribute to the "professional team" involved in putting together the deal and undertaking the refurbishment of the Polana, particularly Karos executive director Paul Johnson, who oversaw the project on behalf of the company, and Polana general manager, David Ankers — "our man in Maputo" — whose input far exceeded the call of duty.



STAN HOFFMANN: Old and new blend

No magic wands around for that economic miracle

STAR 18/5/92

THE floodgates to the rest of Africa are opening up rapidly for South Africa. Sanctions are teetering on the brink, and their end is bound to be hastened by the call for their abandonment by the deputy president of the African National Congress, Walter Sisulu.

The visit by President de Klerk to Nigeria has cleared the way for trade and other links between the two African countries with the greatest economic clout. A political seminar held in Cairo, which was attended by South African and Egyptian academics and politicians, also forged new links.

Except for Zimbabwe and, to a lesser extent, Namibia, opportunities for South Africa's trade links now exist with the entire continent.

Apart from the European Community and some of the countries in the Far East, the markets of Africa hold the greatest prospect for South Africa.

However, the great test for Pretoria is likely to be its success in developing economic co-operation within southern Africa.

Superficially seen, an economic grouping would appear to offer great advantages to all 10 countries in the region. But the difficulties of establishing structured institutional relations are formidable.

These difficulties are rigorously examined by the South African economist, Jesmond Blumenfeld, in a study sponsored by the Royal Institute of International Affairs, London.

His central theme is the relationship of dependence and interdependence among countries of greatly varying economic strength and political agendas.

Blumenfeld cites as one reason for caution the, as yet, uncertain future strength and prosperity of the South African economy itself.

A second reason he advances is the uncertain future economic prosperity of the region as a whole, including the scale of cross-border economic relations. These will depend upon the political stability in the region, and upon the domestic economic policies pursued by each of the governments. Future stability remains an open question.

Beyond these reasons, Blumenfeld argues that the conditions for translating the "need" for economic co-operation into effective practice are not matched by evidence of a general desire for reconciliation and rapprochement.

Blumenfeld goes on to say that "effective economic co-operation universally requires politically difficult choices and adjustments, including surrender of some sovereignty.

"The experience of the Southern African Development Co-operation Conference (SADCC) has confirmed that sovereignty is not likely to be surrendered very readily in southern Africa, with or without apartheid.

It would therefore be prudent to discount grandiose ideas about a southern Africa Common Market.

"The belief that in the post-apartheid era, conflict between South Africa, on the one hand, and the neighbouring states, on the other, will evaporate, is too simplistic partly because the nature and duration of the transition to majority rule in South Africa and because the characteristics and strength of the post-apartheid economic system are still too uncertain.

"There is — and will remain — throughout southern Africa a legitimate fear that South Africa, however governed, will always exercise overweening economic power over its neighbours. This fear will need to be addressed before there can be any prospect of creating a prosperous regional order."

Blumenfeld believes that, in practice, the emphasis on regional economic co-operation is likely to remain on more ad hoc and essentially bilateral arrangements.

Blumenfeld discounts the scope for Western policy in the region. His cautious conclusion is that southern Africa may not be capable of the "economic miracles" which Western Europe and the Pacific Rim have achieved.

"There has been too much economic dislocation in southern Africa and there remain too many political imponderables and too many reasons to fear the alternative scenario in which the region would be consigned to increasing despair and decline." □

At a glance, SA shows Africa the way

STAR 19/5/92.

DID YOU know that Soweto has more vehicles than many African countries, South Africa generates half the electricity in the entire continent and Mozambique's foreign debt exceeds its total gross national product (GNP)?

These and other statistics on various aspects of life in Africa are contained in a publication, "Africa at a Glance", which is published by the Africa Institute.

One of the problems facing individuals or businessmen venturing into Africa is the lack of detailed and reliable information about a new market and the economic performance of the various countries.

"Africa at a Glance" seeks to satisfy this need for readily accessible, concise and affordable data about the rest of the continent. It contains just about anything a stranger or investor would want to know, including political changes as well as economic and social aspects in all 52 independent countries and island states.

A new statistical measure, the human development index (HDI), which is said to be a more realistic gauge of human development than GNP per capita and the various social indicators, has been used to assess the countries.

The HDI combines GNP per capita and indicators such as life expectancy, adult literacy and average years of schooling to present a composite measure of human progress.

For instance, Libya, which has Africa's highest per capita GNP, drops to fourth place among African countries in the HDI. Tanzania, ranking close to the bottom of the GNP per capita ratings, has a significantly improved rating, and South Africa, with the fourth largest per capita GNP on the continent, takes second place, after Mauritius.

There are all sorts of interesting statistics. But the wealth of information once again emphasises the pre-eminence of South Africa in the continent.

For instance, the country, with 6 percent of sub-Saharan Africa's population, accounted for 35 percent of the sub-Saharan and 80 percent of the 10 southern African countries' GNP in 1989.

South Africa is Africa's leading producer of sugar (26 percent of the total volume/mass in 1989), of maize (32 percent), fish (41 percent), meat (16 percent) and milk (19 percent).

In the southern African context, South Africa produced 62 percent of the sugar, 66 percent of the maize, 67 percent of all cereals, 90 percent of all fish, 70 percent of all kinds of meat, 76 percent of the milk and 69 percent of various kinds of fruit.

Of 20 selected minerals produced in Africa in 1990, SA had the continent's largest reserves of 12 and was the leading African producer of 10.

Zaire was Africa's leading producer of diamonds, cobalt and tin as well as the world's largest producer of cobalt.

Whereas Namibia was the leading African producer of uranium, Nigeria of petroleum and Zimbabwe of asbestos, Niger had the largest reserves of uranium, Libya of petroleum and South Africa of asbestos.

South Africa generates half the electricity in the entire continent, its railways handle 69 percent of the rail freight in Africa and half the tarred roads south of the Sahara and two-thirds of the tarred roads in southern Africa are in SA.

— Star Africa Service. □

top local competitors in the South African National Precision Flying Championships at Rustenburg.

Maize rescue drive gathers pace

The giant maize import drive to alleviate the impact of one of the worst droughts in history and to supply basic food to nearly 60 million people in southern Africa is well under way.

This was said yesterday by Spoornet spokesman Jacques Pienaar, who added that the rail transporter had discharged nearly 500 000 tons of imported maize for local consumption and re-export to neighbouring countries.

Another six vessels with a combined cargo of 170 000 tons of maize were being unloaded in South African ports.

"It is the first time in the history of the United Nations Food Help Scheme and the World Food Programme that such an operation is conducted as a preventive measure, and South Africa's logistical abilities and capabilities have been successfully put to the test," he said.

Since the first maize shipment arrived in April, Portnet had unloaded 265 334 tons for local consumption and 1 791 101 tons for re-export to neighbouring countries.

Mr Pienaar said Spoornet had distributed about 73 percent of all cargo discharged at the harbours, with nearly 103 000 tons of maize already delivered locally and close to 113 000 tons delivered to Zimbabwe, Zambia and Botswana. Another 13 trainloads were en route to Zimbabwe. — Sapa.

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Freeing of national economies

Star Africa Service

NAIROBI — Delegates from 30 sub-Saharan African countries will convene in the Tanzanian town of Arusha on May 25 for a two-day conference on liberalising national economies and promoting regional integration.

The meeting, organised jointly by West Germany's Friederich Naumman Foundation and the Confederation of Tanzanian Industries, will focus on the role of the private sector in the freeing of African economies and on integrating these economies through regional bodies such as the SADCC, PTA and Ecowas.

Bank's plan for region is welcomed

TIM COHEN and SHARON WOOD

THE ANC yesterday welcomed an African Development Bank study on southern African regional integration.

Two consultants to the bank, which has strong links with the OAU, arrived in SA on Monday to oversee the large-scale project which has been in progress for six months.

ANC economic planning department deputy director Max Sisulu said the study was particularly important because it was looking at practical, short- to medium-term measures which would assist regional integration.

The ANC was involved in the study and taking part in its steering committee, Sisulu said.

The steering committee had been set up to oversee the work of the study team. It was meeting at regular intervals to revise the progress of the study.

The study would be undertaken in conjunction with the ANC's own study on regional integration being undertaken by the academics at the University of the Western Cape.

The ANC was also participating in the Southern African Development Co-ordination Conference (SADCC) study on regional integration and specific ideas being proposed by the Preferential Trade Area (PTA).

Sisulu said it made sense for the ANC to take on board the regional dimension when examining the restructuring of the SA economy.

The ANC would be in favour of close co-operation between the bank and a substantially restructured Development Bank of Southern Africa, Sisulu said.

A document outlining the study's strategy said it would analyse economic and social conditions in countries in the PTA, SADCC, SA and Madagascar.

The study aimed to identify complementary economic activities, potential for trade growth and the constraints on capital flows within the region.

The two principle objectives of the study were to review alternative scenarios for the process of regional integration and to develop viable strategies.

African banker sets sights on Cape-to-Cairo market

STAR 21/5/92

By Rory Channing

DAKAR — Africa's top banker talks openly of what few dared dream until now — a common market stretching from Cape Town to Cairo.

Babacar Ndiaye, president of the African Development Bank, believes the eventual integration of a democratic, non-racial South Africa into the continent's mainstream will bolster its weak economies and give it an effective voice in world affairs.

Once South Africa recovers from sanctions and prolonged recession and tackles substantial housing, education and other backlogs built up under apartheid, it will act as an engine of growth in southern Africa and beyond, he says.

"Then, when Africa takes off, it will have a different voice in international forums — they will listen to us," he told a seminar ahead of the bank's annual meeting here in mid-May.

The African Development Bank, the Organisation of African Unity and the United Nations Economic Commission for Africa, have endorsed proposals for the formation of an African economic community by the year 2025.

Mr Ndiaye says the continent resembles a big tree rooted in the south. "For this tree to be complete, for this organic tree to survive, the roots must become an integral part of Africa."

The ADB is involved in an extensive study on southern African regional integration and two members of the bank have been in South Africa to study the impact of SA's inclusion into regional economic and trade bodies.

Challenges

Mr Ndiaye does not underestimate challenges laying ahead.

He has warned bank members that when South Africa does join its ranks, it will do so initially as a borrower rather than a contributor of resources despite its mineral and other riches.

Elsewhere in Africa, people are now worse off on average than in the early years of independence, the bank says.

The continent has been wrought by severe drought, civil war, weak world prices for its mineral and farm exports, and a $270 billion foreign debt bill. Its population growth of 3,1 percent a year is the world's highest.

The bank estimates Africa will need economic growth of four percent annually over the rest of the decade, almost double that posted in the 1980s, just to restore 1980 living standards.

Mr Ndiaye believes a recharged South African economy, which accounts for 40 percent of sub-Saharan output, will make a difference especially at a time the single European market looms, as do similar blocs in North America and Asia.

"We need South Africa, at that level, in order to fight against marginalisation in Africa," he said.

The bank already is preparing to help South Africa the moment it becomes eligible for membership, which would be when the OAU opens its doors to Pretoria.

Mr Ndiaye has proposed a special fund to provide aid to the Third World sector in that country where the lot of the five-to-one black majority stops far short of that for whites.

The bank, whose foreign shareholders include the industrialised nations, could help not only with direct loans, but by mobilising resources from other institutions, he says. — Sapa-Reuter.

SOUTHERN AFRICA

FM 22/5/92

Contractors branch out

279A

SA-based developers, professional consultants and other construction-related companies are casting their eyes beyond SA's borders in search of future work. And, with the notable exception of Zimbabwe, countries like Angola, Mozambique, Zambia and Botswana thanks to foreign investment and development aid appear to be in a position to pay for it.

In Mozambique and Angola, for instance, demand for housing from various countries wishing to establish or upgrade their diplomatic presence has spawned two upmarket housing schemes worth R570m.

Consulting Projects & Development International (CPDI), a "southern African" company established for the development of property and infrastructure in sub-Saharan Africa, says the need for diplomatic staff housing is so acute in Angola that it is currently providing pre-fabricated "park homes" in a temporary settlement outside Luanda. They are currently being occupied by SA and UK diplomatic staff as well as by the staff of a multinational company. However, interest in the upmarket residential village taking shape on the outskirts of Luanda has also come from oil companies, as well as from Portuguese residents.

Construction of the first of a total of 260 units will begin in August in a joint venture with a local construction company and will include the provision of all the necessary infrastructure. A development similar in concept and size is expected to start on the northern side of Maputo before the end of the year.

CPDI, which has signed joint venture agreements with local companies in both countries, has been quietly laying the groundwork for these and other schemes over the past year.

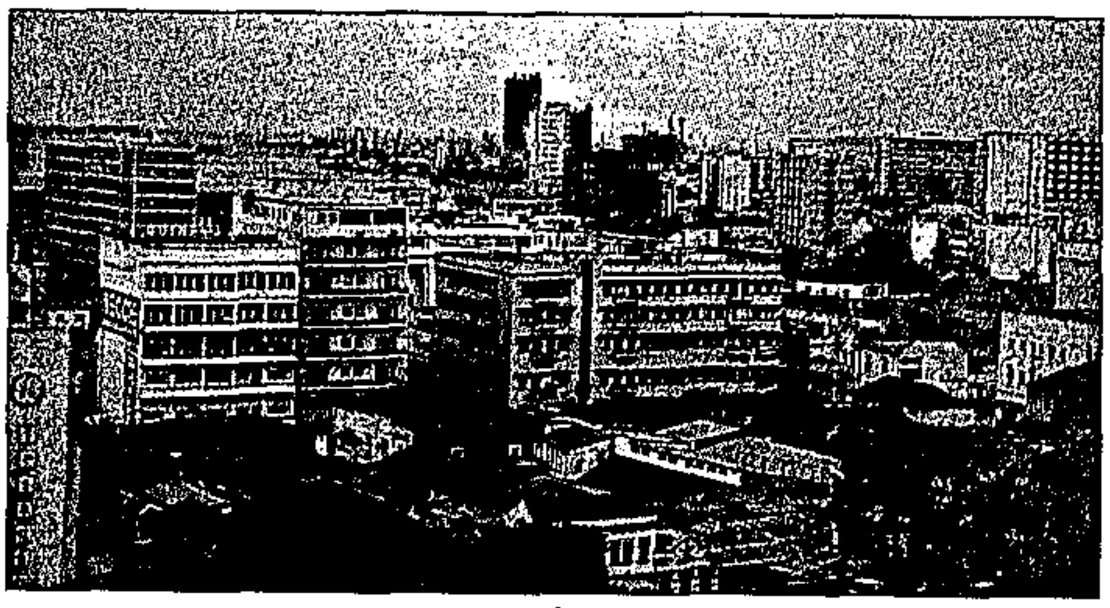
In Angola, CPDI has been requested by local government officials to undertake a study for the rehabilitation of the Luanda airport.

The company has distinguished itself from other turnkey operators by catering to local demand for professional, one-stop, consulting. This has meant forming a multi-disciplinary entity drawing on the 1 000-strong staff and resources of its four associate companies: architect Burg Doherty Bryant & Partners, quantity surveyor and cost controller Farrow Laing & Partners, project manager Pivotal Projects and consulting engineer Hill Kaplan Scott. All have undertaken turnkey projects in southern Africa for their own account.

The Murray & Roberts Group (M&R) is also in Angola, though somewhat further north, building schools and houses in the oil-rich province of Cabinda. M&R business development director Roger Veysey says the company has signed a protocol with the Angolan government enabling it to operate there. It also recently signed a "memorandum of understanding" with the Zambian government which gives the company preferred contractor status.

M&R is now in the process of setting up a new company in Zambia to undertake various projects. As with CPDI, the thrust of M&R's work will initially be to assist the government in rebuilding the country's infrastructure. Once this is done, it will assist the government with the procurement of suitable financing as well as train Zambian citizens in aspects of the construction and engineering industries.

The company will benefit from a number of new initiatives, including a tax-free period for the first five years, after which it will be subject to tax on a sliding scale rising to the promulgated tax rate. In addition, no import duties will be levied on government-related imports necessary for the company to fulfil its obligations. All profits earned by the company in Zambia, will be fully remittable, while any profit earned on exports from Zambia will qualify for 100% retention. ■



Luanda ... *signs of life after the war*

Midas hosts 'Africa' at Midrand headquarters

BDay 22/5/92

ANTHONY MACKAISER

A LEADING motor accessories company is to host a three-day convention in Johannesburg with the aim of boosting exports to Africa. Businessmen from several African countries will attend the Midas African Export Convention which gets under way at the company's Midrand headquarters on Sunday.

The annual convention is designed to promote the export of locally manufactured components and quality branded automotive parts and accessories to African countries.

Attending will be delegates from Zaire, Tanzania, Kenya, Zambia, Zimbabwe, Malawi, Mozambique, Uganda, Madagascar, Botswana and Swaziland.

Midas export director Giovanni Schule said the convention formed part of his company's efforts to market themselves outside SA.

One of the highlights of the convention will be the presentation of a series of locally made television programmes to be screened throughout sub-Saharan Africa in English and French.

The convention ends next Tuesday.

279A

African States call for closer regional trade

Sowetan 22/5/92

279A

LUSAKA - The presidents of Zambia and Botswana have called for strengthened regional trade and co-operation as a way of boosting the weak economies in Southern Africa.

Speaking in Lusaka, Bostwana President Quett Masire said countries in the region should ensure that trade between them was consolidated.

"This is even more apparent now that South Africa has joined the league of democratic countries in the world and Southern Africa in particular," he said.

Masire was speaking at an official dinner hosted for him by Zambian President Frederick Chiluba on Wednesday night.

"It is regrettable that trade among developing countries in Africa is minimal compared with developing countries," Chiluba said. "It is time that we boosted trade amongst ourselves now."

Masire said his country would assist in hastening food relief moving through Botswana.

The two leaders began bilateral talks yesterday on, among other things, the effects of the drought in the region, including the shipment of food relief from overseas through Botswana. - *Sapa.*



ARNE BENNBORN: SA in top 20

Scandinavians in a rush to catch the African boat

S/Times (1455) 24/5/92 279A

THE apparent desire of Scandinavian countries not to miss the post-sanctions boat back to South Africa poses the question: what are they so afraid of missing?

Norway and Sweden claimed this week that there were few reasons to maintain economic sanctions

Arne Bennborn, Swedish executive vice-president of Swiss group ABB Asea Brown Boveri, cast some light on the puzzle this week when SA group Powertech and ABB announced a restructure.

By JULIE WALKER

Powertech holding company Altron sought a link with Asea in 1979, but lost out to Anglo American Industrial Corporation. Seven years later it had a second bite at the Asea cherry when Amic accepted Ventron and Altron scrip for its holding.

Pressure on Swedes to disinvest five years ago meant Asea and Powertech had to interrupt their links. Powertech established a technical relationship with Swiss Brown Boveri. Conveniently, Brown Boveri merged with Asea to become the world's largest electrical group, ABB.

ABB Powertech — formerly BBT — will operate almost exclusively in power transmission and generation.

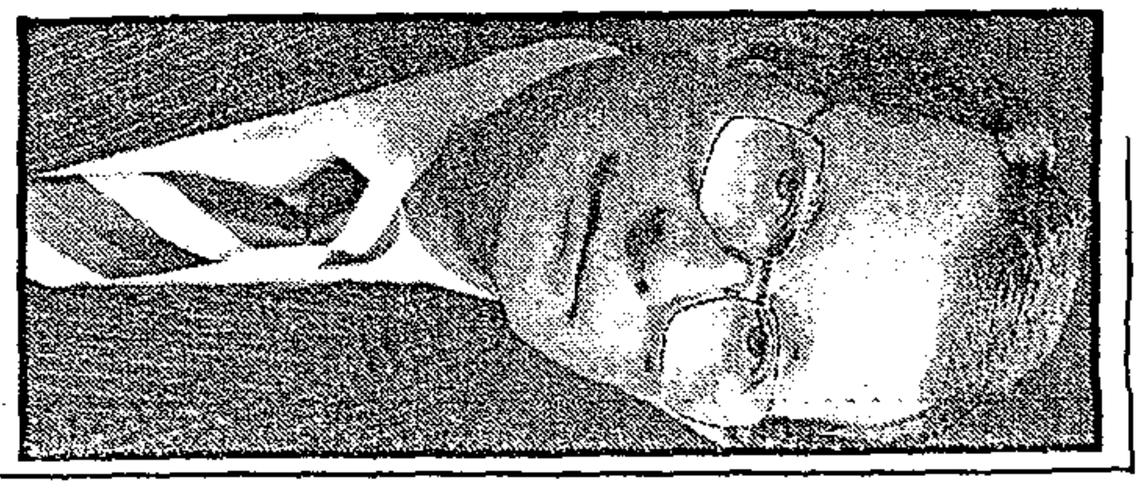
Another company, to be wholly owned by ABB South Africa, is ABB Industry. The juiciest bait lies in projects such as Columbus and Alusaf, to which ABB will have direct access. Until now, BBT handled such projects on a marginal commission basis.

ABB Powertech and ABB Industry should achieve sales of R300-million and R130-million respectively in the first financial year.

Mr Bennborn says SA should be counted among the top 40 countries in the world, which account for 95% of the world's economic activity. The spice of sub-Saharan Africa lies in its potential as a relatively undeveloped area.

He has a graph showing electrical generating capacity per capita in each country against gross national product.

Obviously, wealthier countries have more power, but Mr Bennborn will not concede that anyone predicted the rapid climb of many of the newly industrialised nations in the past 20 years. The theory is that SA and Southern Africa are next for the boom.



PETER WATT: We can make it

People

Soft loans to poor countries in the region are likely to be the only means they have of paying for infrastructural development initially. But electrification will be among the priorities. It is hoped that Scandinavian donors will be at the fore.

Powertech executive chairman Peter Watt says his company has the skills and the capacity to manufacture the requirements for electrification. ABB has established the marketing channels.

Mr Bennborn says capital and resources are easily transferred, but people make ventures work. SA has the best level of education in the region and will help to bring about a power grid.

● *Denmark is also keen to return to SA — its Lego group is being relaunched next week. Finnish mining equipment companies are also opening their doors in SA — see page 5.*



Institute of Transport in Southern Africa president and Spoornet CE Barry Lessing announced details on Friday of an international conference aimed at stimulating discussion on an integrated transport system for southern Africa. Picture: BRIAN HENDLER

Transport congress is planned

LINDEN BIRNS

AN INTERNATIONAL congress intended to stimulate planning for an integrated transport system for southern Africa is to be held in Johannesburg during October.

At least 12 speakers from eight countries will present papers at the two-day congress.

Institute of Transport in Southern Africa president and Spoornet CE Barry Lessing said on Friday that the objective was to create a greater awareness of, interest in and commitment to the role and value of multimodal transport in southern Africa.

The shortage of skills and capital in the region's transport industry and macro issues such as environmental protection, population and economic growth demanded better planning and co-ordination in the sector.

Speakers, including London City Transport planning director David Bailis and Hong Kong's Urban Planning Centre director Harry Dimitriou would cover topics such as the structuring of transport systems in a rapidly growing economy.

Balancing act for SA mines

B|Day 25/5/92 (279A)

MATTHEW CURTIN

SA MINING houses are engaged in a delicate strategic balancing act. They are caught between the differing demands and potential of business in southern Africa and overseas, says Johannesburg Consolidated Investment (JCI) group strategy consultant Nick Segal.

Segal said at the weekend: "It is a difficult policy decision for a mining house to take to commit resources in a greater southern Africa rather than elsewhere, with the conflicting influences of the need for regional economic stability and the attraction of hard currency business overseas."

In the mining sector, Segal said "with all things being equal" there was probably a tendency to favour regional projects, because of political influences, macroeconomic demands and the similarity of mining codes.

Business would also take comfort from growing World Bank and International Finance Corporation involvement in developing southern African economies, because of the promise of economic stability which such involvement brought with it.

"Balance in regional development is vital. SA may appear as a honeypot to its neighbours — and relatively, it is — but the country has huge problems in its own hinterland," he said.

"You have to ask the question why SA should help develop the region with all the problems it has at home."

Politically, SA's integration into the region was clearly a priority, although there would be inevitable caution from southern African countries.

Economic development in southern Africa had to complement rather than dilute development in SA. Segal said there would be "natural synergies" if the PWV region was complemented by similar metropolitan centre in the region. Hence the current focus of development strategy in trying to stimulate nodes of growth in southern Africa, to stem the flow of unskilled people to SA.

However, the answer for a mining house would depend on whether involvement in the subcontinent boosted its bottom line and complemented the corporation's strategy.

Segal said for many companies it was crucial that they "think internationally". "A new government in SA will no doubt be cautious about local investment overseas, so business has to present a well thought out case in its favour."

Unless SA business ensured it had internationally competitive companies, it would lose out. Even in southern Africa, there was stiff competition for investment and development projects from foreign companies in spite of the commitment of local business to SA and the region. Segal noted all the most prosperous countries had companies which were world leaders in their fields.

It was interesting that, for example, Sappi, had "gone international", with its recent acquisitions in Europe establishing it as a world player in its sector.

However, other companies tended to look more closely at southern Africa because of their existing expertise and the resource-based nature of the regional economy.

For these companies, the decision to invest in southern Africa was not difficult. Analysts have said SA companies with a role to play in infrastructural development included Eskom and construction group Murray & Roberts which stood to gain from aid-funded projects aimed at rebuilding the economies of countries like Angola, Mozambique and Zambia. For others, African markets might be too difficult to reach.

Segal said: "JCI would look hard at favourable mining opportunities in southern Africa as it would any others elsewhere in the world."

The key benefits locally were those of logistics and familiarity with mining in African conditions.

Africa is starving

Sowetan 26/5/92

IN Somalia, ravaged by war, skeletal children fight for grains of rice spilling from a truck.

Women dig for ants with sticks in the parched soil of Zimbabwe.

From the arid, sun-baked Ethiopia to teeming refugee centres in Malawi and Mozambique, millions of people depend on donated food.

Why can't Africa feed itself? When most of its nations gained independence in the early 1960s, the continent was self-sufficient in food. But war, drought, overpopulation, a collapsing environment and disastrous policies have created a permanent crisis.

"African governments have neglected agriculture for years and one sees the results now," said Mr Erich Leistner, director of the Africa Institute, a private research group in South Africa. "I really think it's going to get even worse."

The Ethiopian famine of the mid-1980s claimed a million lives. Today, an estimated 20 million people are at risk of starvation in Ethiopia, Somalia and Sudan in the Horn of Africa, the most famine-plagued part of the globe.

Even the strongest agricultural nations live from crop to crop. When the rains did not come to Southern Africa this year, all 11 countries had to import grain, including South Africa and Zimbabwe, fertile lands that traditionally have surpluses.

Some 30 million people are at risk of starvation in southern Africa, according to the US Agency for International Development.

The region is far more developed than the Horn of Africa and is expected to escape widespread famine, but hunger-related deaths have been reported in Zimbabwe and Mozambique.

Civil wars have caused the greatest privations and no country has suffered more than Somalia, where an estimated 100 people, most of them children, die of starvation every day.

Africa's population grows by 3,1 percent a year, the highest rate in the world. International organisations say food production has averaged only 2 percent annual growth since 1960.

On the island of Madagascar, the Betsiboka River has turned crimson from erosion of the red soil.

"At waterfalls, where you would expect to see some white foam, there is nothing but solid red, like a stream of lava," said Mr Scott Armbruster, a University of Alaska researcher.

Peasants burn the rain forests to clear farmland, and fell trees for firewood, denuding the landscape at a furious pace.

Some environmental problems appear largely beyond man's control, as in Mauritania where the expanding Sahara Desert covers 99 percent of the land.

The continent still has enough fertile land to feed its population. But most food is grown by subsistence farmers, who often overwork their small plots because they lack training.

In many cases, government policies work against the farmer. President Kenneth Kaunda, who ruled Zambia from 1964 until last year, sought to make his supporters happy by keeping food prices low through government subsidies.

The result: Zambia imports much of its food, only 10 percent of arable land is farmed and crops often rot because of rural roads so poor that truck drivers refuse to travel them.

In neighbouring Zimbabwe, President Robert Mugabe's government plans to confiscate half of the 4 500 commercial farms, almost all owned by whites, to win support from the black majority.

The aim is to resettle black peasants, who are desperate for land.

West Africa has escaped widespread shortages in recent years, but even that region cannot grow enough food for its people.

Under pressure from the World Bank and other international institutions, African countries have been restructuring their economies and devoting more resources to agriculture.

Mr Harold Norton, a development aid worker in Africa for more than 30 years, believes the continent could feed itself "if the technology were made available, the wars were stopped and the agriculture policies were changed.

"The question is, will any of that happen?" - *Sapa-AP.*

STAR 27/5/92

Japan aids southern Africa

TOKYO — Japan is to extend aid grants totalling 10,9 billion yen (about R237 million) to nine drought-hit southern African countries — Zimbabwe, Mozambique, Zambia, Malawi, Namibia, Angola, Lesotho, Tanzania and Swaziland.

279A

Troubled Africa has little to offer Premier

279A STAR 28/5/92

The Premier Group, which runs one of the largest trading networks in Southern Africa, has begun to question rosy predictions that it and similar conglomerates will soon become the region's engine of economic growth.

Payment and transport problems, corruption and a lack of investment in countries to the north have been worsened by civil disturbances, deputy chief executive Gordon Utian said in a recent interview.

"The politics are causing huge problems," he said. "The whole industrial cycle in Africa is not working at the moment. You can't sell goods to Africa because they can't pay for them.

"One's got to be very, very careful about us being the engine of Africa. Africa needs investment more than trade — if you can create that consumer power and get the whole thing working again, there's a big reward for the successful guy."

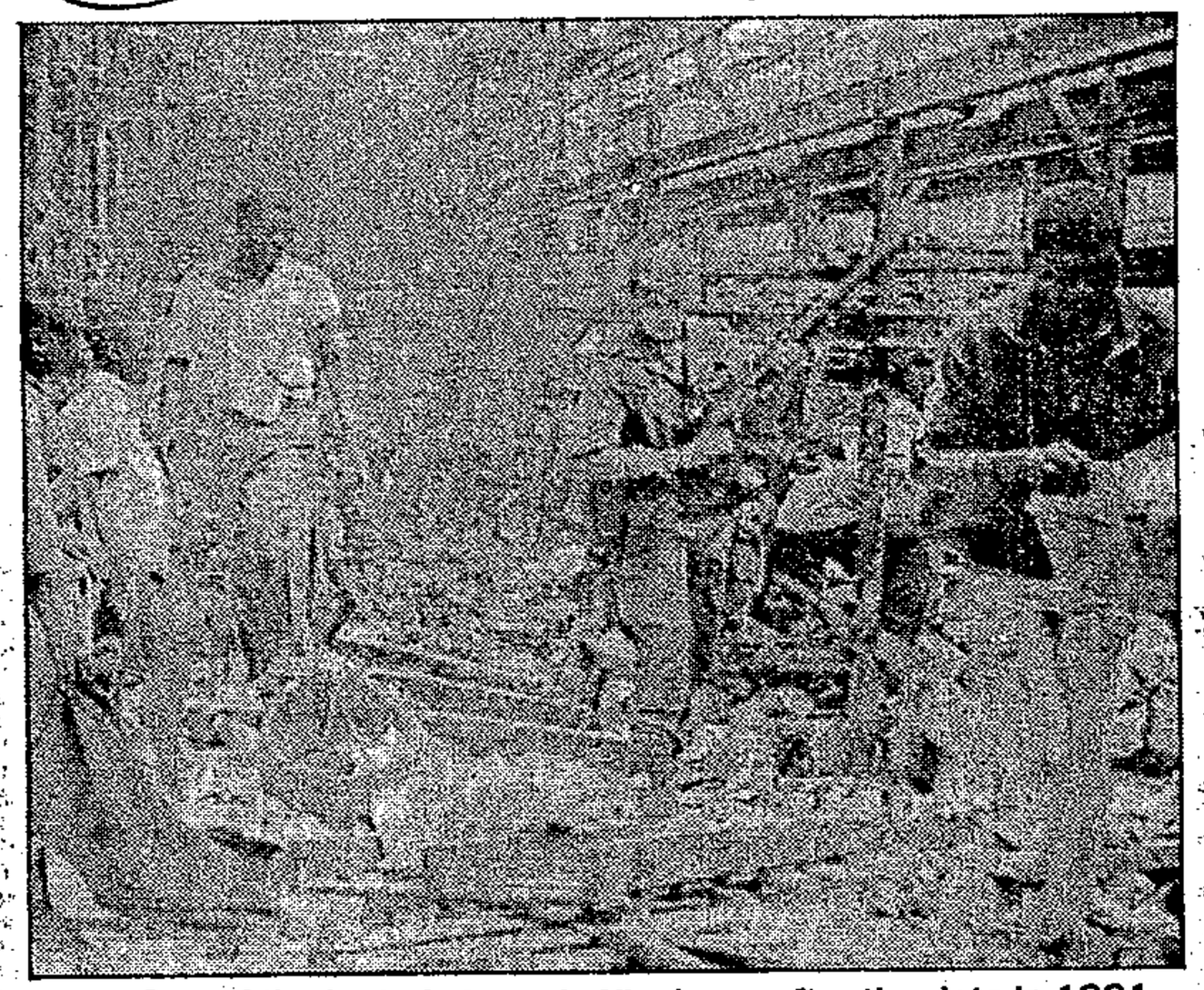
The company has seen its Africa trade take some hard knocks.

In Malawi, 15 wholesale stores were looted and $600 000 of goods stolen in unrest in early May.

In Zaire, rioters looted and destroyed a subsidiary's wholesale cash and carry business in Kinshasa and Premier's retail store network in Lubumbashi last year.



Gordon Utian . . . industrial cycle in Africa not working at the moment



One of the looted stores in Kinshasa after the riots in 1991

Mr Utian said a reshuffle of Mozambique government officials in December "put us out of business" as preferential tariffs negotiated with their predecessors were scrapped.

Referring to problems in Angola; he said: "The lack of infrastructure, lack of an ability to get something done, people on the ground, systems and operations that work — it's just not there."

In addition, as sanctions crumbled, individual South African traders were entering the scene — "opportunists who climb into a situation like this to make a quick buck.

"There is an enormous amount of bribery," Mr Utian said, adding that despotic African leaders still sought control of their economies and paid only lip service to capitalism.

"Zaire was a typical case. You never knew where your money was going. There was always somebody who had to be looked after. It puts a ceiling on the kind of business Premier can do, compared with the trader who's prepared to go and do things on his own. He doesn't have a board of directors to come back to."

Last year Premier split its Africa trade arm, Premier International — a small part of its total business — into trading and investment operations. The company's Metro trade arm now has 200 wholesale outlets in Southern Africa.

Company results do not isolate International's performance from other group activities, but Mr Utian said International probably had not traded profitably over the past two years despite a rise in South African trade with Africa generally.

South African trade with the continent, mainly with Southern Africa, rose by a hefty 150 percent to R5,92 billion in 1991 from R2,37 billion in 1987, says the South African Foreign Trade Organisation (Safto).

Trade has always been heavily in South Africa's favour. South Africa is Mozambique's largest supplier of goods and provided 37, 23 and 20 percent, respectively, of Malawian, Zambian and Zimbabwean imports in 1990.

But exports to Africa are less than one-tenth of South Africa's total exports. Mr Utian said any rise depended on stability in black Africa and the lifting of sanctions to allow aid to be conducted through South Africa.

"The challenge is getting these different African countries to start investing — joint ventures, joint projects, using aid, using overseas firms who see opportunity.

"What I'm hoping for is that when sanctions are taken off South Africa and you get donor countries and World Bank money coming back here, we will be able to start an investment chain up into Africa.

"We are going to have to start investing in Africa if Africa is going to return to normali ty," he said. — Sapa-Reuter.

'Mugabe a threat to mining'

279A MICHAEL HARTNACK

HARARE — Zimbabwe's Chamber of Mines outgoing president Rodney Banks has accused President Robert Mugabe's government of imperilling the R1,1bn-a-year industry's future through political reluctance to buy electricity from Eskom.

Banks told a news conference on the eve of the chamber's annual congress that the electricity crisis, now jeopardising 56 000 jobs at 65 major mines, "could be solved.

"It just needs somebody to make the right decision, and it has not got to be a political decision," he said.

Banks said SA could supply 450MW (200MW virtually immediately) and a further 400MW as soon as Ellisras in the northern Transvaal was connected to the Zimbabwean grid. BIDay 29/5/92

Zambia hoped to surcharge Zimbabwe for supplying electrical power from Zaire through its power lines. Dreams of acquiring power from Mozambique's long dormant Cahora Bassa scheme might take three years to materialise.

Banks said in a worst case scenario the country stood to lose R750m or more in mineral exports if it failed to act on the SA power option, which was made more attractive by lack of need for a long-term contractual commitment.

"We don't have to guarantee we are going to take it for five years," he said.

Banks also condemned Zimbabwean cabinet ministers, none of whom would be at this year's chamber congress due to their departure in large numbers for the world environmental conference in Brazil.

Banks believed that with thousands of unemployed and drought-stricken Zimbabweans now dependant on illegal gold panning for a living, the country was losing up to R90m a year in gold exports due to smuggling, much of it in diplomatic bags.

He urged Zimbabwe' central bank to resolve the problem by offering the gold panners a legal outlet.

Speedy action was also needed to remedy the massive environmental damage being done to river systems by the gold panners, he said.

Banks said the current drought posed a grave threat to mining, which needed water for underground plant, processing and the domestic needs of labour.

'Don'tplungeintoAfricantrade pacts'

TWO African Development Bank consultants are in SA to discuss with key political players the country's role in regional integration. But a leading African expert has warned a future SA government to tread warily. BARNEY MTHOMBOTHI of the Africa News Service reports.

STAR 30/5/92 279A

A FUTURE democratic South Africa has been warned against joining either the Southern African Development Co-ordination Conference (SADCC) or the Preferential Trade Area (PTA) — the two organisations promoting regional development and trade.

Dr Erich Leistner, a senior researcher at the Africa Institute, says that joining the two bodies, which are eagerly awaiting SA's arrival, could carry enormous risks and very little, if any, benefits for this country.

Instead, he says, a new South Africa should insist on a total rethink of the entire institutional framework of regional economic co-operation in southern Africa.

This reassessment, he says, should include the functions, structures and interrelationships of all major regional bodies, including the SADCC, the PTA, the Southern African Customs Union and the Common Monetary Area, in order to arrive at a framework that would suit the region's developmental requirements.

In a highly critical article in the institute's publication, Africa Insight, Leistner dismisses the achievements of the SADCC in particular as modest. Spectacular regional schemes such as the Cahora Bassa and the Kariba hydro-electric projects, he says, predate the SADCC, and trans-border projects such as the Lesotho Highlands Water Scheme are taking place outside its orbit.

He says South Africa has nothing to gain by joining the organisation, but instead could find itself carrying the burdens of the entire region on its shoulders. "South Africa must have no illusions about the environment within which it would have to operate if it were to join the SADCC."

The SADCC's financial position places a question mark over its long-term future, especially as foreign funding is drying up. Both the PTA and SADCC are keenly awaiting the arrival of South Africa, which they hope will help resuscitate the region's ailing economies.

The SADCC has reacted to the changes in South Africa by seeking to transform itself from a body merely co-ordinating development projects in the region into a vehicle for regional integration. It says the "final destination" of this new direction could be a regional government with the power to overrule national parliaments.

The organisation is attempting to deal with flagging Western donors by proposing a regulatory framework within which South Africa could be safely accommodated. This they hope will tame the giant — harnessing South Africa's economic resources to develop the region while making sure it does not dominate its neighbours.

But Leistner, a former director of the institute, says this new approach is ill-advised and, like all previous similar schemes, will fail. "Whereas the SADCC's original basic approach was sound, its current policy proposals are makeshift, not the answer to the region's long-term needs.

"Rather than trying to pursue a policy of economic integration that would inevitably end in the same frustration and failure that has marked integration schemes elsewhere in Africa, the countries of southern Africa should pragmatically build upon the facets of functional co-operation that are already an outstanding feature of the region."

These include transport, power, water, telecommunications, tourism, minerals and agriculture.

There is also a vast scope for expanding bilateral and multilateral trade arrangements.

Leistner says that instead of following the European Community model of integrating economies, southern African countries need a non-ideological, non-interventionist and open-ended consultative body along the lines of the Organisation for Economic Co-operation and Development, which he says has been an outstanding success.

Only eight weeks to get food to region

HUGH ROBERTON

WASHINGTON — Substantial shipments of emergency food aid to southern Africa will be needed in the next eight weeks to avert widespread hunger and suffering throughout the region, the US Office of Foreign Disaster Relief said in a report released this week.

And US relief experts warned that the drought could soon begin to threaten peace efforts in Angola and Mozambique as well as moves towards democracy in countries like Zambia.

There was also a risk of a sudden escalation in Aids because of the deteriorating health of the 30 million people already being affected by the drought, and the lack of water could soon threaten up to half the livestock in some countries.

"Large numbers of people will be at serious risk of under-nutrition by August if food is not delivered regularly and in sufficient quantities," the report said.

An urgent meeting is to be held in Geneva next week at which the US will seek to co-ordinate an international relief effort under the auspices of the United Nations, officials said.

At this stage, they added, the US was committed to supplying a million tons of food aid out of the 10 million tons which a team of US experts have calculated will be necessary to ward off disaster in the 11 bone-dry countries of the region.

The European Community has agreed to supply 800 000 tons, and a further 6 million tons would probably be purchased by countries on the commercial market — the bulk of such purchases being made by South Africa and Zimbabwe.

This means that at least 2,2 million tons of food will have to be provided from other sources and at this stage there is no indication that the additional food will be forthcoming.

The US is not expected to increase its assistance beyond a million tons at this stage because of budgetary constraints.

About 98 000 tons of US food aid was shipped to countries in the region during May, but officials say this amount will have to be vastly increased to meet the quantity needed before August.

The country worst hit by the drought is Mozambique, where Renamo continues to bedevil relief efforts.

Officials fear that even if sufficient food is delivered to Mozambican ports, Renamo attacks and the general lack of transport and infrastructure would prevent delivery to many thousands of people who are close to starvation.



NICK SEGAL: Johnnies hard at work on several deals

Mining houses move into Africa despite fears

279A

STimes (BUSS) 31/5/92

By IAN ROBINSON

SOUTH African mining companies are moving into Africa in spite of concern expressed among some businesses about trade prospects.

Mining companies' optimism is in contrast to a pessimistic statement by Premier Group deputy chief executive Gordon Utian this week that "one's got to be very, very careful about us (SA) being the engine of Africa".

He said politics caused huge problems and Africa needed investment more than trade.

However, Premier chief executive Peter Wrighton told Business Times that the group remained bullish about long-term prospects in Africa. Premier had experience, people and systems and was prepared "to take a few bumps on the way".

Only 4% of total mining exploration expenditure worldwide has been spent in Africa.

Most SA mining houses are looking for opportunities in Africa, but are reluctant to name countries they are operating in until deals are concluded.

Gold Fields (GFSA) is poised to become the first SA company to manage a mining project in Zaire.

Hold

Director of new development Bernard van Rooyen says GFSA has formed a partnership with a small group of Belgian investors, the Zairean State mining corporation and the International Finance Corporation (IFC), which is affiliated to the World Bank. It is hoped to develop a gold mine at Kilo Moto in northeastern Zaire.

GFSA is the principal private shareholder and will operate the project.

The project is on hold because the IFC cannot confirm its commitment until a more representative government is established. The move to democracy will start next month when the Convention Nationale is reconvened to draw up a new constitution.

The mine is being operated by the Belgian partners, but GFSA plans to expand annual production to 2,5 tons of gold and will explore the surrounding area.

GFSA has also made proposals to the Ghanaian Government about the development of two projects scheduled to be privatised.

Johannesburg Consolidated Investment (JCI) group consultant strategy and public affairs Nick Segal says the mining house has several projects in Africa.

JCI is "attracted by the concept of being international".

Rand Mines has established an international resources group to look at foreign operations, particularly in Africa.

A Genmin spokesman says the group is involved in exploration in West Africa including Ghana and the Ivory Coast. It is also interested in the copper industry in Zambia and Zaire.

Chairman Brian Gilbertson and Genmin executives visited Zambia several times in the past year.

Rio Tinto and Minorco are said to have approached Zambian Consolidated Copper Mines (ZCCM) about a share in its copper mining.

Anglo American spokesman for foreign mining operations was not available for comment, but the group may be allowed to play a more active role in ZCCM.

Anglo holds an interest in ZCCM through Minorco and it is believed that a ZCCM board meeting was held in Johannesburg for the first time this month.

It is believed that both Anglo American and Premier Group are involved with Gecamines, which produces most of Zaire's copper in Shaba province. Premier says it has been approached by Zairean authorities to take a part in Gecamines' food arm, Gecamines Development. But the involvement is on hold after riots.

De Beers is also involved in mining diamonds at Miba in Kasai province.

Modular

Van Eck & Lurie (VEL) of Johannesburg — the minerals and metals division of Bateman Project Holdings — has supplied modular diamond recovery plants to Angola, Zaire and Guinea. It is executing orders for four projects for Brazil's Odebrecht.

Odebrecht is managing the exploration and extraction of diamonds in the Quango region of Angola on behalf of Endiama, the State mining corporation.

Food train exercise no piece of cake

STAR 1/6/92.

Searing heat and crippling drought have withererred maize and wheat crops across the African subcontinent. Enormous quantities of grain are now being donated or bought to feed hungry populations. Spoornet is transporting the biggest volume of food relief yet. JULIENNE DU TOIT looks at what is involved.

IMAGINE a train so long that the locomotive would reach Harrismith before the last truck left Johannesburg station.

Obviously there is no such train, but that is how long it would be if Spoornet had to transport this year's drought relief maize in one go.

Out of the 11 million tons of grain, some of it bought, some of it supplied by the United Nation's World Food Programme, Spoornet is transporting 8,5 million tons — the biggest transportation exercise in food and aid relief in the world. Even the Ethiopian drought relief effort involved only 2 million tons of food.

South Africa gets 4,7 million tons, Zimbabwe 2 million, Zambia 900 000 and Malawi 800 000, while small amounts are going to Lesotho, Botswana and Swaziland.

This adds up to a total of 5 700 trains, each with 38 trucks, with each truck carrying 39 tons of grain.

The only exercise that comes close is the Kuwait Emergency Recovery Programme, the restocking of Kuwait with everything from food, rubber bands and generators to fire engines and syringes after the country was devastated in the Gulf War.

In fact the American logistics company that organised the recovery programme has been called in to assist Spoornet's logistics subsidiary, Viamax Logistics.

The Americans say that in this operation, the volumes are far bigger and the multiple destinations complicate the issue.

The logistics are staggering. At any time, about 20 ships from Argentina and the United States are on their way to South Africa to unload grain in ports that are geared for loading and exporting.

Machines that pump grain into ships stand idle, while cranes lift the huge loads on to railway trucks to be carried to silos all over South Africa and neighbouring countries. Suctioning the grain off the ships would be easier, but that damages it.

In fact, this is what makes this exercise different from other Spoornet operations. Spoornet transports between 50 and 60 million tons of coal a year, but that is comparatively easy to load and unload.

"You have to be more careful with maize and wheat. It's going to land up on somebody's plate," said Viamax projects manager Shaun McCormack.

The grain that is not going through South Africa is being landed at Walvis Bay in Namibia, Dar es Salaam in Tanzania, and Beira, Nacala and Maputo in Mozambique.

Getting the food from the ships to the countries that need it is not easy.

Malawi, for instance, is just not geared to unload consignments of loose maize, so contractors have to put Malawi's grain into 50 kg bags.

A third of the Zimbabwean and Zambian consignments also have to be bagged — a total of 36 million bags.

Spoornet has to know where its trains are at any given moment, whether they have been unloaded, whether they are waiting at Beit Bridge or which trucks can be brought back for reloading.

At the moment, it is all being done by hand. In the grain operations room at Spoornet's headquarters in central Johannesburg, ships are marked as arrows heading steadily across the map from the United States and Argentina.

One, stationed just above Cuba, is marked "hijacked". The crew mutinied over a pay disagreement while sailing through the Caribbean and diverted the ship to Cuba, where its cargo of about 30 000 tons of maize is rotting in the tropical heat and humidity.

Other charts show exactly how many tons have been transported so far by ship and by train, where the loads in transit are, and how much each train and ship is carrying.

Twenty shiploads have arrived so far at Cape Town, Durban, Port Elizabeth and East London. About 230 are still expected.

People sit working on charts and watching the boards, keeping track of every movement, and co-ordinating the exercise for the least possible waste of time and transport.

The American logistics company is going to computerise the whole system for Spoornet. From the moment a purchase contract is signed, before any grain is loaded from silo to ship across the Atlantic, it will be logged on the computer.

That will give three to six months' planning time, as opposed to the current 14 days — the time it takes for a ship to sail between the Americas and Africa.

Spoornet will also be linked to satellite and UN input to keep track of trains and the unloading beyond South Africa's borders.

The huge operation started in April and has yet to hit its peak.

And what if the drought carries on?

"We'll just have to do it all again," said Spoornet communications adviser Jacques Pienaar.

● The Star Africa Service reports that the supply of maize in Zimbabwe has improved dramatically and the long queues have disappeared. □

SA warned against joining the SADCC

Sowetan 11/6/92 279A

Two African Development Bank consultants are in South Africa to discuss with key political players the country's role in regional integration. But a leading African expert has warned a future SA government to tread cautiously. BARNEY MTHOMBOTHI of *Sowetan* Africa News Service reports.

FOCUS

A FUTURE democratic South Africa has been warned against joining either the Southern African Development Co-ordination Conference or the Preferential Trade Area - the organisations promoting development and trade.

Dr Erich Leistner, a senior researcher at the Africa Institute, says joining the two bodies, which are eagerly awaiting the Republic's arrival, could carry enormous risks and very little, if any, benefits for South Africa.

Instead, he says, a "new" South Africa should insist on a total rethink of the entire institutional framework of regional economic co-operation in southern Africa.

This reassessment, he says, should include the functions, structures and inter-relationships of all major regional bodies, including SADCC, PTA, the Southern African Customs Union and the Common Monetary Area in order to arrive at a framework that would suit the region's developmental requirements.

In a highly-critical article in the institute's publication, Africa Insight, Leistner dismisses the achievements of SADCC in particular as modest.

Spectacular regional schemes such as the Cahora Bassa and the Kariba hydro-electric projects, he says, predate SADCC, and trans-border projects such as the Lesotho Highlands Water Scheme, are taking place outside its orbit.

He says South Africa has nothing to gain by joining the organisation, but instead could find itself carrying the burdens of the entire region on its shoulders.

Both the PTA and SADCC are keenly awaiting the arrival of South Africa which they hope will help resuscitate the region's ailing economies.

SADCC has reacted to the changes in South Africa - apartheid was it main raison d'etre - by seeking to transform itself from a body merely co-ordinating development projects in the region into a vehicle for regional integration.

It says the "final destination" of this new direction will be a regional government which could have the power to overrule national parliaments.

This they hope will tame the giant - harnessing South Africa's economic resources to develop the region while making sure it does not dominate its neighbours.

But Leistner, a former director of the institute, says this new approach is ill-advised and, like all other similar schemes before, will fail.

"Whereas the SADCC's original basic approach was sound, its current policy proposals are makeshift rather than the answer to the region's long-term needs.

"Rather than trying to pursue a policy of economic integration that would inevitably end in the same frustration and failure that have marked integration schemes elsewhere in Africa, the countries of southern Africa should pragmatically build upon the facets of functional co-operation that are already an outstanding feature of the region."

These include transport, power, water, telecommunications, tourism, minerals and agriculture. There is also a vast scope for expanding bilateral and multilateral trade arrangements.

Graham Linscott reports on a new study which offers various options and advises caution

Is a southern African trading bloc such a good idea?

STAR 4/6/92. (PTA)

REGIONAL trading blocs are emerging worldwide. There is the European Community, which will achieve full economic union this year. The United States and Canada have entered a free trade arrangement, which might eventually take in Mexico and part of the Caribbean as well. The Asia-Pacific Economic Co-operation Forum takes in 12 nations.

Should southern Africa do the same, especially as eastern Europe has emerged as a strong contender for investment capital?

Although many businessmen and politicians speak enthusiastically of South Africa becoming part of a regional common market, conditions are not necessarily favourable, Professor Gavin Maasdorp, director of Natal University's Economic Research Institute, argues in a new book.

He says South Africa's industrial strength and Zimbabwe's comparative development could put the less developed countries of the region at a disadvantage. They might do better to pursue bilateral relationships and co-operative agreements within the region as they do now.

Professor Maasdorp, who is an authority on the infrastructure and economies of southern Africa, explores various options, which are complicated by the overlapping existence of the Southern Africa Customs Union (SACU) — of which South Africa is the leading member — the Southern Africa Development Co-ordination Conference (SADCC) and the Preferential Trade Agreement (PTA), which was set up by the Organisation of African Unity. Some states already belong to all three.

He notes that the SACU countries have followed a market-orientated system, which is not true of all the SADCC members, though they appear to be now moving in this direction. If regional consensus could be achieved on the mix of state/private sector participation in economic matters, economic co-operation would become much easier. Accord might be easier to achieve in the South Africa/SADCC area than in that covered by the PTA, which stretches as far as the Horn of Africa, he says.

SACU (South Africa, Botswana, Lesotho, Swaziland and Namibia) could then be converted into a common market or even an economic union. This Southern African Common Market could then conclude with the remainder of SADCC an agreement to gradually reduce trade barriers and increase economic cohesion, which would resemble the "concentric circles" agreement between the European Community and the European Free Trade Association. He suggests SADCC could then be extended by taking in Zaire, Madagascar and Mauritius.

Professor Maasdorp says whatever process unfolds, there is nothing to prevent the countries of the region co-operating across a wide range of economic and technical matters, especially in transport and telecommunications, agriculture, science and education and the environment.

The book, which he co-edits with his Economic Research Unit colleague, Alan Whiteside, contains contributions from eight other economists and political scientists — five South Africans, two Zimbabwean and one British.

● *"Towards a Post-Apartheid Future" by Gavin Maasdorp and Alan Whiteside (Macmillan).* □

Aid for Africa a matter of life and death

Guardian W [in W/mail] 5/6-11/6/92. 279A

By Victoria Brittain

SOUTHERN Africa faces a tragedy of colossal proportions. Eighteen million people are threatened with starvation and 180 million lives are blighted by the worst drought in living memory, the United Nations says.

Across 10 countries, the drought has dried up mighty rivers such as the Limpopo, the Zambezi and the Orange, and reduced farmers to poverty or destitution. The social, political and economic fabric of these nations is under intolerable stress. People everywhere are on the move, in desperate flight from dried up bore holes and withered harvests.

For the most fragile countries, like Mozambique, where people are already dying of hunger and thirst, it is a human catastrophe which dwarfs European crises such as that in the Balkans. Another 19 million people in the Horn of Africa are short like the south, of 4 million tonnes.

The UN and the Southern African Development Co-ordination Conference (SADCC). are appealing to the international community at a conference in Geneva this week for $685 million to buy 4 million tonnes of emergency grain for Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe.

In addition, $150 million of non-food aid is needed, and $21 million for regional logistics and programme co-ordination.

The UN emergency appeal for the Horn of Africa last January has obtained only half the $620 million sought, and there are few grounds for optimism regarding southern Africa.

The aid requested is "the absolute minimum if economic and social chaos is to be avoided," Ibrahima Sy, of the Organisation of African Unity, said. The UN secretary-general, Boutros Boutros-Ghali, said: "The lives of thousands of men and women and thousands upon thousands of children are at stake. The work at hand must be done urgently as a moral duty."

Across the region, cereal production has dropped by half. Grain import needs for the SADCC countries (which excludes South Africa) have tripled in a year from 2 million tonnes to 6 million tonnes, 4 million tonnes of which have to be found outside the region. New information from SADCC's early-warning units indicates that total needs may be even higher.

The crisis has hit every country, though to a different degree: South Africa, the region's greatest exporter, has seen its maize harvest plummet by 67 per cent; Zimbabwe, an exporter of grain, now needs food aid and, in some places, has run out of water; Namibia's production is down by 71 per cent and cattle herds are dying; Botswana has lost its entire maize crop; Tanzania has 800,000 people in need of food aid; Malawi has 4.7 million people, mostly refugees, in need of emergency food; in Lesotho, where more than half the population habitually lives below the poverty line, subsistence farmers have no resources to fall back on; Mozambique, the worst affected country, has produced only one-third of its harvest, while the number needing food aid is up from 1.8 million six months ago to 3.1 million.

The region's ports of Dar es Salaam, Nacala, Beira, Maputo, Cape Town, East London, Port Elizabeth, Durban, Walvis Bay, Lobito, and Luanda have a combined capacity of 11.8 million tonnes and are all on standby to move an unprecedented volume of food if the pledging conference is successful.

So far about half the needs have been promised by the EC, the US, Japan, and Canada. The first shipments from the World Food Programme (WFP) arrived last week in Durban and Dar es Salaam for transport by rail to the landlocked countries of Zambia and Malawi. Another seven WFP ships are due soon in Mozambican ports. The logistical challenge of moving 400 per cent more grain than ever before in the region is daunting, and severe bottlenecks on unrepaired roads and rail networks are expected.

Compounding the food shortages is a forecast of large-scale epidemics of cholera (which has already struck Angola, Mozambique, Tanzania and Zambia), dysentery, typhoid and meningitis because of the water shortages. The appeal includes water and primary health care programmes.

UN officials say the water table is "precariously low" in many places and there is clear evidence that ground water levels are dropping and water sources drying up or becoming saline. Long-term prospects for agricultural recovery may be affected. Draught oxen are dying, hand tools are unavailable, and most small-scale farmers will be without seeds and fertilisers next season.

The drought exacerbates a long-term crisis of health facilities in several countries. Budget cuts in social services including health have effectively been imposed under World Bank and International Monetary Fund structural adjustment policies (SAPs). But SAPs themselves are now jeopardised as governments are obliged to divert foreign exchange into payments for food.

A curate's egg view on Africa

Weekly Mail Reporter

THE worldwide recession is abating and the world may see growth in excess of one percent this year, according to the International Monetary Fund's latest *World Economic Outlook*.

Coming at the same time as predictions of an upturn in the South African economy later this year, the report bodes well for South African exporters whose sales abroad have been depressed by the two-and-a-half-year slump.

However, many African nations are unlikely to see much growth. While the continent will benefit from the increase in commodity prices as the recovery picks up in industrialised countries, drought will stifle the effect of this in southern Africa.

The report says the success of other African regions hinges on the structural adjustment programmes being undertaken there. Noting that growth in developing countries with high and fluctuating rates of inflation has been much lower than those with low inflation, the publication also cautions against a lack of fiscal and monetary control in developing countries which, it says, is the primary reason for the rise in deficits.

Kenya and Nigeria are singled out as countries where free market oriented structural reforms are failing because the governments have failed to address market rigidities and large price distortions caused by this past excessive control.

But the report expresses faith in the IMF-sponsored structural adjustment programmes which, it says, should be strengthened as they have improved the creditworthiness of various countries.

Insofar as the former Soviet Union states are concerned, the report argues that as harsh as economic reform may be, it is best to be bold and implement market reform from the very beginning.

Key elements of assistance given to this region thus far include technical assistance, financial assistance to build up foreign reserves and finance essential investments; and the opening of markets to products from these states.

Raymond Ackerman sends report to Rio

Bl Day 5/6/92

PATRICK BULGER

A SOUTHERN African conference of development and environment ministers should be established to cut through the region's environmental malaise, says a report prepared by Pick 'n Pay's Raymond Ackerman for the Rio Earth Summit.

The report was compiled by Ackermann as one of four African council members of the Geneva-based Business Council for Sustainable Development.

Ackerman says the southern African region, with its 50-million people living on 300-million hectares, is characterised by a growing population and weakening economy.

The report was presented to ANC president Nelson Mandela yesterday and will be handed to President F W de Klerk when he returns from his travels.

Ackerman says it is feasible to set up large-scale, environment-friendly and self-sustaining developments.

"Success with comparatively small-scale, multi-participant schemes would pave the way for more ambitious schemes for agriculture, industry and tourism. An enlightened and open-minded approach by the various governments would be essential, particularly as multi-participant schemes tend to cut across ethnic, cultural and national traditions and the time-honoured practice of patronage.

"To overcome this difficulty it is suggested that something like a southern African conference of development and environment ministers be set up, with a small permanent secretariat and one or more professional environmental scientists, economists and social anthropologists as fulltime consultants."

It is suggested, also that "the Southern African Development Co-Ordination Conference could be made accountable to this additional body. With respect to its achievements to date, the SADCC appears to need tighter and more responsive links to top government and an increase in dynamism which such links, if elevated enough, could promote", the report says.

"The ministerial-level conference could be structured to reinforce the necessary resoluteness of governments facing allocation quandaries and weakened by in-house indifference to the real priorities. Further, it is realistic to suggest that this conference could well form the core of the transnational disaster management committee that the southern African region will require not many years hence."

Environment Minister Louis Pienaar said yesterday politics barred SA from the summit and could thwart the purpose of the meeting, Sapa-Reuter reports.

Pienaar told a businesswomen's conference in the Cape that the government was determined to keep environment issues above politics and to ensure that the use of resources and development programmes were sustainable.

AFRICA BRIEFS

Protest over Nigeria arrests

■AMNESTY INTERNATIONAL has protested to the Nigerian government over the arrest of Dr Beko Ransome Kuti, chairman of the new pro-democracy coalition, Campaign for Democracy.

Kuti, who was arrested in a pre-dawn raid by 200 riot police, is being held incommunicado. Two others, Femi Falana, and Baba Omojola, also linked to a campaign calling for the resignation of the military government, were arrested.

Islamic leader attacked

■ONE of the Middle East's most prominent Islamic fundamentalist leaders, Sudan's Hassan Tourabi, is in an Ottawa hospital with severe injuries following an attack on him by a Sudanese exile.

Tourabi, regarded as the strong man behind the military regime of General Omar Bashir, is known for his ties with the Islamic underground movements in the Gulf and north Africa.

Regarded as the Islamic movement's "Lenin", his Western tour has been marked by rowdy protests by Sudanese political refugees.

Peace troops die

■THREE Senegalese peacekeeping troops have been killed by Liberian rebels in a 10-hour gun battle in the far west of Liberia.

Other Senegalese were taken hostage in the first serious incident since the peace force was deployed in April.

Food aid looted

■GUNMEN at the airport in the Somali capital, Mogadishu, have looted six tons of food as well as drugs flown in to save starving children, according to relief workers.

Kaunda steps down

■AFTER being jeered and booted down at a rally where he was due to speak, former Zambian president Kenneth Kaunda announced that he is to retire from politics in August at the general congress of his United National Independence Party (Unip).

Last weekend Kaunda attempted to speak at a rally in the Copperbelt town of Chilamombwe but he was overwhelmed by angry shouting from the crowd and police escorted him from the stadium. Kaunda has become widely unpopular because Zambians blame him for corruption and the country's economic decline. Recently a reform group within Unip left the party charging that Kaunda was clinging to power and frustrated any attempts at change.

$500-million for drought

■DONOR nations have pledged $500-million to alleviate problems caused by southern Africa's severe drought, it was announced in Geneva, Switzerland, on Tuesday.

The funds were raised for the 10 countries of the Southern Africa Development Co-ordination Conference (SADCC): Angola, Botswana, Lesotho, Namibia, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe.

It is estimated that 18-million people in those countries are severely affected by the drought. South Africa was not included in the appeal, but South African officials attended the conference.

The United States, the European Community, the Nordic countries and Japan were the largest donors. About $250-million of the total was for emergency food aid, $139-million was for medicines and other non-food aid and $137-million was in cash to be used where it was most urgently needed.

Malawian leader still detained

■MALAWIAN authorities failed for the second time to produce detained democracy campaigner Chakufwa Chihana in court on Tuesday, prompting his lawyer, Bazuka Mhango, to accuse the Banda government of trampling human rights.

More than 500 people gathered outside the High Court as Mhango pressed authorities to produce Chihana and make public whatever charges they may have against him. Chihana was detained in April when he attempted to make a speech in favour of multi-party democracy in Malawi, which has been a one-party state for nearly 30 years.

The detention of Chihana, a regional trade union leader, sparked unprecedented anti-Banda government riots in Lilongwe and Blantyre. — Compiled by foreign staff with Kathy Evans, Mark Huband in Abidjan and Andrew Meldrum in Harare.

Japan pledges to promote investment

TOKYO — SA and Japan have agreed to co-operate in promoting the economic development of the southern African region.

This was disclosed by Japanese Foreign Ministry officials after Wednesday's meeting between President F W de Klerk and Japanese Premier Kiichi Miyazawa.

Miyazawa said his government planned to encourage vigorous participation by Japanese business in SA.

He also agreed to consider the establishment of air links between the two countries and an investment protection accord to promote Japanese investment in SA.

PATRICK CULL

While the investment code was likely to be a longer-term project some progress is expected to be made as far as air links were concerned.

The President meets Japanese Export-Import Bank president Mitsuhide Yamaguchi today before attending a state luncheon hosted by Emperor Akihito.

The meeting with Yamaguchi was regarded as important, and sources disclosed yesterday that representatives of the bank

☐ To Page 2

Japan

☐ From Page 1

would visit SA shortly to assess the possibility of giving a loan to the Development Bank of Southern Africa.

The Japanese approach to the President's visit was made clear in an editorial yesterday in the authoritative Mainichi Daily News.

Noting that to sustain growth of 4% a year, SA would require about R20bn of annual capital infusion from abroad. The editorial said closer economic ties with Pretoria were in Japan's interests because of SA's rich raw materials and "its place as the core of economic development in southern Africa".

But it said domestic stability in SA must come first through the complete liquidation of apartheid, and the birth of a new state based on reconciliation of all races.

Yesterday De Klerk spelled out SA's case for investment to a high-power audience of 35 top executives.

Among those present at the Federation of Economic Organisations luncheon was the Nissan Motor Co president, Kannematsu's chairman, the senior executive vice-president of Toshiba, the Bank of Tokyo deputy president, the deputy GM of the Africa division of Toyota, and the acting GM of Mitsubishi.

Before lunch yesterday, De Klerk met Japanese Transport Minister Keiwa Okuda and his international trade and industry colleague Kozo Watanabe.

The path to a fairer business climate and more prosperous economy was charted at a recent accountants' congress, reports **Quentin Wilson**:

State should 'spread the skills'— Gerwel

South 6/6 – 10/6/92

EDUCATION and training could not be left to the free market. If it were, a few elite groups would continue to monopolise taught skills, Professor Jakes Gerwel told a recent congress of chartered accountants.

The University of the Western Cape rector said state intervention was necessary to avoid the perpetuation of an unequal system.

"But a highly centralised, bureaucratic state operating in a command-dist fashion is not the answer," he told the congress held at a Cape Town hotel.

Rather, a large degree of "decentralisation" was needed. Schools should be given more power and "popular participation" in the running of their affairs.

Gerwel also said that: "Whether we adopt the ANC-Cosatu starting point of 'growth through redistribution' or the corporate sector's 'redistribution through growth', the priority is the provision of enough highly-trained professional and technological human resources."

He said the training of blacks in these categories would start a process which could result in a deracialisation of these occupations.

But he warned though that "this privileging of the skilled" would still leave Africans at the lower levels of the system. Women would remain in inferior positions compared to men "at all levels of the hierarchy".

"It would be utopian and unrealistic to assume that the eradication of social inequalities will be possible in a post-apartheid South Africa. This is because the mixed economy which will continue to exist, however modified, will be dominated by the private corporate sector."

The vice-president and secretary of the World Bank, Mr Timothy Thahane, said privatisation would be a key to economic growth.

"Few governments have embarked on privatisation for purely ideological reasonst.

"Experience shows that most governments, including those in Sub-Saharan Africa, have undertaken privatisation to raise efficiency and stop the financial drain from loss-making public enterprises."

According to Thahane, state enterprises have been inefficient, overstaffed and poorly controlled financially.

"Their costs are a weighty burden on governments and taxpayers — the very group expected to benefit.

"In Sub-Saharan Africa, cumulative losses by state-owned enterprises reached five percent of Gross Domestic Product from 1989 to 1991."

He said growth was likely to accelerate when governments and markets complemented each other with their respective strengths.

The private sector had proved to be the most efficient generator of incomes, employment, managerial expertise and technological innovation, he said.

The state should supply public services that the private sector generally could not perform well, such as security, the judiciary and education, Thahane said.

Pepcor group chairman Mr Christo Wiese said South Africa should become less dependent on capital and more so on labour.

It was essential to recognise the dual nature of South Africa's economy and to adopt both First World and Third World strategies to achieve sustained economic recovery and growth, Wiese said.

Zimbabwe and SA to sign historic accord

HARARE — President Robert Mugabe has approved a second meeting tomorrow between Transport Minister Denis Norman and his SA counterpart Piet Welgemoed to seek Pretoria's help with Zimbabwe's food crisis, sources say.

PATRICK BULGER reports an SA Foreign Affairs spokesman confirmed Norman's visit and said the two ministers would sign an agreement on co-operation of drought relief efforts.

The spokesman said the agreement would be historic as it would be the first ministerial-level accord between the countries since 1980.

On April 1 the Zimbabwean cabinet, acting during Mugabe's absence in Ireland, dispatched Norman to Cape Town for the first ministerial-level contact.

MICHAEL HARTNACK

Since Norman's talks with Welgemoed, an average of two SA trainloads of maize have been arriving daily, but Mugabe's officials have reportedly outraged SA's Foreign Affairs Department by saying discussions were "purely technical" and indicated no thaw in Mugabe's censorious attitude to "the apartheid regime".

In response apparently, Harare trade mission former head Nico Nel has not been replaced by SA since he finished his posting in mid-May.

A bungle over maize-producer prices and delays in building an essential dam flattened Zimbabwe's once mountainous maize stockpile and wrecked its sugar industry for the next two seasons. As a result, Mugabe must import about 1,9-million tons of maize and at least 300 000 tons of sugar.

Norman said last week that accelerated imports since April meant the country now had enough maize to avert food shortages until the year end.

Sources said he was expected to sign a "memorandum of understanding" tomorrow.

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PLEASE ATTACH STAMP

Ministers escape airliner wipeout

STAR 9/6/92.

Out of Africa

27/7

GERALD L'ANGE



DID you know that a planeload of southern African Cabinet Ministers was nearly wiped out when their aircraft almost ran into the tail of a slower plane just after taking off from Jan Smuts Airport?

This moment of high drama went unreported in our own newspapers because none of them got to know about it. But Botswana's Minister of Commerce and Industry, Ponatshego Kedikilwe, told the story when he got back to Gaborone.

According to him, the near-miss happened, or nearly happened, shortly after the Boeing 737 airliner took off from Jan Smuts on May 21. It was carrying Cabinet Ministers and other officials from member states of the Southern African Development Co-ordination Conference to Windhoek for an SADCC meeting there. Mr Kedikilwe refused to identify the airline to which the plane belongs, other than to say that it was one of the SADCC countries.

He said it made a sudden and sharp turn to the left, then veered hard right and then returned to its original course.

"I was certain we would perish," he told the Botswana Gazette.

About 45 minutes later, the pilot advised his passengers that it had been a normal manoeuvre and there was nothing to be alarmed about. Whereupon one of the passengers exclaimed: "If that was normal then that pilot must go back to school!"

Mr Kedikilwe related that after the plane touched down at Windhoek, another Cabinet Minister told him the pilot had admitted that he had had to take sharp evasive action because he had suddenly found himself about to run up the tailpipe of a smaller plane dead ahead.

If that was the case then there was possibly a big booboo by the air traffic controllers at Jan Smuts. Or maybe they were the heroes; maybe the smaller plane strayed off course and Air Traffic Control gave a warning just in time to avert disaster. When I approached Air Traffic Control to find out what, if anything, did happen, they had no knowledge immediately of the alleged incident but said they would look into it and get back to me. Stay tuned.

In the meantime, we are free to speculate about what kind of a field day the news media would have had, with Cabinet corpses strewn from Muldersdrif to Nagaliesberg, if the alleged near miss had been a hit.

Near miss or not, Mr Kedikilwe obviously believes it was one and he must now be getting a little nervous about flying. He had another narrow escape in 1988 when Botswana's presidential jet was shot down by an Angolan MiG while President Masire was flying to Luanda for a meeting with his Angolan counterpart. With some fine flying, the president's pilot was able to make a crash landing and so saved Mr Masire, Mr Kedikilwe and the rest of the party from death.

We still do not know what led to that particular booboo, since both governments have refused to say whether Botswana was at fault for not notifying the Angolan authorities of the flight or whether the Angolans were at fault for not telling the MiG pilot that the Botswana president was going to be in his air space.

The presidential 10-seater BAE125 executive jet was fixed up and flew again and eventually was sold, leaving Mr Masire jetless. Lately, he has been borrowing an executive jet from a wealthy Indian businessman, which I am told is commonly known in Botswana as the Curry Rocket.

The president is soon to have his own jet again, however. His office has ordered a Gulfstream, at a cost of about R40 million, which is now being fitted out with presidential amenities before being delivered. Being an American plane, it will come complete with an American crew. Coming after the speculation about United States involvement in Botswana's big new air base (which the US has denied) this is certain to cause more speculation about growing American influence in Botswana.

Unconfirmed reports say Mr Masire's jet is identical to the one being bought by the Namibian government for President Sam Nujoma. □

Why the world points finge

STAR 9/6/92.

279A

WHEN William Weld, the US Attorney for Massachusetts, retired after serving in the Justice Department's criminal division, he wrote: "I would like to underscore a concern that increasingly troubled me throughout my years of involvement in law enforcement. My concern is that, while Americans frequently deride other countries for corruption in their public institutions, they greatly underrate public corruption as a political and economic problem at home."

What William Weld wrote about Americans applied no less to other Western nations and to the Japanese. Their own record of corruption is generally treated as aberrations and not inherent in their political system itself. Yet, corruption is endemic in every country in the world, and under every kind of political system. None is exempt.

As has now been shown, communism produced corrupt societies in the USSR and throughout Eastern Europe despite the high moral tone set by Marxists. Japan — one of the closest regulated countres in the world — has been rocked by a succession of corruption scandals that have toppled prime ministers, finance Ministers and other top officials and financiers.

Name any country in Europe, the Arab world and in Asia (except for Singapore), or in Latin America, and one can list scores of scandals involving corruption. Current cases involving corruption during the apartheid years show that South Africa is among the most corrupt countries on the continent.

Yet, nobody talks about South Africa, Japan, the United States, Britain or other countries as corrupt societies in contrast with the habitual reference to corruption in Africa. Why are African leaders and governments stereotyped as corrupt?

This portrayal of Africa is by now so imprinted on the minds of Europeans, Americans and Asians that if average newspaper readers are asked to apply a description to Africa they can usually be relied upon to say "corrupt", "dictatorial" and "nepotistic".

My purpose is to raise two important issues: what lies behind the portrayal of Africa as exceptionally corrupt; and what are the reasons for the corruption that, in fact, does exist in African countries?

The answer to the first question is that the almost universal characterisation of Africa as riven by corruption is motivated by racism. It stems from an earlier, and still widely persistent, idea that blacks are somehow inferior and are incapable of governing themselves efficiently and cleanly.

Nor is the racism confined only to the white world; it is to be found equally among Arabs, Asians and Japanese.

In the special case of white South African attitudes there is an additional reason which helps to explain what lies behind the widespread denigration of Africa: their historical need to justify white supremacy.

It is an irony that a country that has been subjected to single-party, undemocratic and corrupt rule (just look at the Government's role in buttressing the corrupt rulers of many of the homelands) should have accused the whole of Africa with precisely these vices.

Now that the political climate in South Africa has happily changed, most white South Africans are still imbued with the racist attitudes of the past.

It is likely to take years for this mindset to change. What could help is the cultivation of more responsible reporting to the mass media of the true conditions in the continent now that it is opening up to coverage by South African journalists.

Turning now to the second issue — the reasons for corruption which undoubtedly exists on the continent — several different reasons account for it.

First, there has been the absence of democratic government with counter-balancing institutions capable of curbing corruption.

The suppression of opposition parties in many African countries, the absence of a free press and of opportunities for critical opinion to be expressed, have made it easier for corruption to go unchecked and unpunished.

A second reason is the psychological drive of people emerging from poverty to acquire wealth.

The emerging new political class often consists of people drawn from an underprivileged sector of society who, for all their lives, have known only dire poverty. Self-enrichment for a successful politician and his family has been a universal feature of the exercise of unchecked power.

A third reason is that in the fragile, nascent period of independence, those who have managed to gain power have never been sure how long they will hold office, hence the need to make hay while their usually brief tenure of power lasts.

A fourth reason has been the need to provide funds to organise and maintain the power of the ruling party by selling government contracts and through patronage.

Now, over most of the African continent, has come a day of reckoning for the first generation of the post-independence political class. The coming of this Second Independence has been hastened by popular discontent over the abuse of power, the extent of corruption, and the absence of human rights. Democracy is on the march from north to south and from east to west.

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Why the world points fingers

STAR 29/6/92.

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A fourth reason has been the need to provide funds to organise and maintain the power of the ruling party by selling government contracts and through patronage.

Now, over most of the African continent, has come a day of reckoning for the first generation of the post-independence political class. The coming of this Second Independence has been hastened by popular discontent over the abuse of power, the extent of corruption, and the absence of human rights. Democracy is on the march from north to south and from east to west.

But unless the advent of democracy produces effective institutions capable of curbing the excess of unrepresentative power, there is the risk of the emergence of a new political class as greedy as the one they seek to replace. Nevertheless, in the longer term, accountable government based on sound democratic principles is the only sure way of ensuring that the period of the Second Independence won't be blighted by the misdemeanours and mistakes of the First Independence which was fought against alien rule.

It is important that the complexities of change should be properly understood, and this calls for responsible reporting which requires, above all, recognition of the racism that is present, to a greater or a lesser extent, in every one of us — white and brown and black — no matter how pious we might feel about our success in having overcome our own inbred attitudes. □

This report is a shorter version of an essay which appears in the latest issue of Reality, a liberal monthly published in Maritzburg.

First World know-how for the Third World

THE CSIR's role in SA and in Africa generally is already well known, with the organisation having conducted many projects in collaboration with other African countries.

The focus of these projects has fallen on infrastructure, quality of life and industrial development, with the CSIR harnessing First World technology for many Third World applications.

When it comes to building, many low-cost building methods have been developed and applied in a number of African countries.

In the transport arena, the contract sponsored by the World Bank for rehabilitating Malawi's road network was awarded to the CSIR, and the organisation has also acted as advisor on road construction and inspection projects in several other countries.

Energy projects include research into smokeless fuels and stoves, as well as other appropriate technologies. Investigations are also underway into low-cost electricity reticulation in rural areas in central and southern Africa.

Water projects include the CSIR's role as expert adviser to engineering consultants for the Khatse Dam, part of the Lesotho Highlands water project.

In Namibia, it treated the Khan River's water and Rossing Uranium effluents, while CSIR researchers have also advised Lesotho on an aquatic weed problem and undertaken effluent and eutrophication research in Botswana, Swaziland, Zimbabwe, Nigeria and Chad.

Investigated

The introduction of protein, vitamin and mineral enriched foods and soya-based foods developed by the CSIR is being investigated in various countries.

Kenya and Zimbabwe have utilised CSIR advisors on aquaculture.

In the health arena, the CSIR developed a self-contained mobile dental unit with potential applications in many parts of Africa.

For the mining industry, the CSIR has developed techniques for the design and management of diamond mining in hostile, inshore coastal zones at Oranjemund, and analyses are undertaken for mining groups in Swaziland, Zimbabwe, Mozambique and Botswana.

Agricultural industry can benefit from satellite imagery provided and interpreted by the CSIR. This has wide applications for both agricultural and environmental planning in countries such as Botswana, Malawi, Zaire, Zimbabwe, and Zambia.

Experience enhances working in Africa

BIDay 9/6/92 279A

MORE than 40 years of dealing with technology-related problems in Africa have given the CSIR a special understanding of the needs of the various components — First and Third World, urban and rural — of southern African communities.

The organisation's Africa Strategy, which forms part of its International Strategy, seeks to harness the full scope of this Africa-specific expertise.

A network of representatives in about 14 African countries has been established to assist its "into Africa drive". A number of projects are currently being pursued, some in collaboration with industrial partners, in response to specific requests by African governments.

Its participation in the Lesotho Highlands Water Project is a good example of the CSIR's role as a technology partner in Africa.

The organisation is also expanding its interaction with development agencies and is now registered as a consultant with the World Bank and the Deutsche Gesellschaft fur Zusammenarbeit.

In response to the rapidly changing competitive environment, the CSIR's core mission statement has been amended to emphasise the importance the organisation attaches to providing technology through the implementation of R & D.

Support

The revised mission statement says: "The CSIR's business is to perform research and development to gain technology and thereafter to ensure its implementation in order to:

- ☐ Be the technology partner of industry in the formal and informal sectors to promote economic growth;
- ☐ Provide scientific and technological support to enhance decision-making in the public and private sectors; and
- ☐ Provide technology solutions that improve the quality of life in urban and rural developing communities."

Achieving the goals means the CSIR must advance aggressively its role as the technology partner of SA industry and the informal sector, to enable them to compete profitably in global markets.

The CSIR's corporate strategy emphasises the need to continue the process of organisational development within the framework of strategic units in selected market areas; the need to identify and strengthen the organisation's core competencies and products; and the need to standardise approaches to strategic analysis, planning and control throughout the organisation.

In order to streamline organisational activities in information technology, the Board approved the restructuring of the Centre for Advanced Computing and Decision Support (Datatek), the Division of Information Services (Infotek), and the Management Information Systems Programme (MIS) into one strategic unit under the aegis of the Division of Information Services.

The second thrust area defined by the core mission expresses the commitment of the CSIR to enhancing the quality of decision-making by supplying policy makers in the public and private sectors with information from R & D.

One component in pursuit of this aim is a Policy Studies Unit headed by Gideon de Wet.

Its first report reviewed the role of science and technology policies in economic development in 17 countries. The report was widely disseminated and well received.

More recently, a report entitled An Audit on the Science Policy and System of the RSA was submitted to the Department of National Education. The Policy Studies Unit will continue to play a major role in the CSIR's corporate technology management initiatives.

Provision

A second component relates to the provision of knowledge-based or Geographic Information Systems-based decision support systems.

These systems are usually developed under contract to specific clients or partners.

The importance of support for developing communities, led to the creation of a third programme, the Corporate Programme for Developing Communities, which was added to the two existing functions, Mining and Environmental Services, which were designed to integrate the CSIR'sresource base.

The Environmental Services Programme was asked to carry out the second and third phases of the most extensive environmental impact assessment ever undertaken in SA — to assess the impact of two options at Eastern Shores, St Lucia.

A national report to the UN Conference on Environment and Development was done for the Department of Environmental Affairs. A number of environmental audits and impact assessments have also been done for clients in the public sector and in the mining and paper and pulp industries.

The Mining Programme continues to strengthen its ties with the industry.

A development which benefits SA's manufacturers — specifically with the lifting of customs barriers in a unified Europe — is that the application for formal recognition by the Western European Calibration Co-operation has been accepted for SA's National Calibration Service (NCS), which is administered by the CSIR.

Volkstaters approach Codesa on homeland

BIPaw 9/6/92

AFRIKANER secessionists have applied to Codesa for limited participation to present a plan for an Afrikaner Volkstaat in the north-western Cape.

Afrikaner Volkswag chairman Carel Boshoff said yesterday Volkstaters had approached Codesa's management committee to open negotiations on the principle of an Afrikaner homeland.

"We believe in negotiations and wish to further our ideas at Codesa. We want limited participation because we do not believe we have anything to say about a future constitution. We stand for secession and we believe we have a viable proposal," Boshoff said.

He said a transition stage would be necessary as there was no part of SA where Afrikaners were in the majority at present. A new dispensation must make allowance for secession as well as drawing up borders

PATRICK BULGER

and making arrangments for the voluntary settlement of Afrikaners. Once a majority had been established, the region would have a right to secede in terms of agreements negotiated at Codesa.

Boshoff said an Afrikaner Volkstaat would be built around the Orange River basin, which would be the principal resource.

He said he was unimpressed with new CP proposals for a Volkstaat comprising existing CP-held constituencies. He said the CP had accepted the terminology of a Volkstaat but he did not think the content of CP policy had changed or that its proposals were practical.

Meanwhile, a high-ranking CP team will meet government negotiators on Thursday to discuss ways in which the CP can present its ideas for negotiation.

SA 'crucial to revival'

279A

ADRIAN HADLAND

SA was the natural cornerstone for an economic revival in southern Africa, Scientific Advisory Council chairman Chris Garbers told 150 foreign businessmen yesterday.

Garbers was speaking at a conference in Johannesburg on investment and trade opportunities in SA.

BIDay 9/6/92

He said SA, which represented only 6% of Africa's population and 4% of its surface area, provided 23% of the continent's GNP, 50% of its electrical power output, 45% of mining production and 83% of its steel production.

"By virtue of its economic strength and industrial expertise it is well-placed to play an important role in the region," he said.

Other speakers addressing potential investors yesterday included Kagiso Trust general secretary Eric Molobi, Institute of Multi-Party Democracy chief executive Oscar Dhlomo and CSIR president Brian Clark.

Speakers today include the ANC's head of international affairs Thabo Mbeki and Siemens CEO Reinhard Sanne.

Codesa slows to a crawl

PATRICK BULGER

CODESA committees looking into levelling the political playing field and the reincorporation of the TBVC states met yesterday as negotiations slowed to a crawl. BIDay 9/6/92

Both committees spent much of their time drawing up agendas in preparation for further meetings.

But the management committee which is due to discuss the constitutional dispute between the ANC and government did not meet yesterday.

ONE PLUS ONE
EQUALS EDEE

Boost for African industry

279A

GAVIN DU VENAGE

THE UN Industrial Develpment Organisation (Unido) is stepping up its drive to develop industrial projects throughout Africa this year.

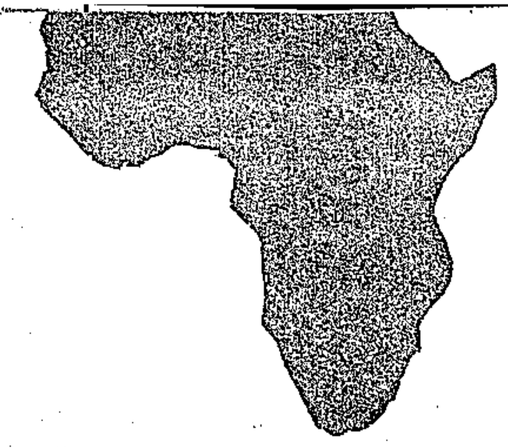
It already has 50 investment projects worth $30m planned, and hopes to have further pledges of funds when it holds an investment forum in December on behalf of the 16 states of the Economic Community of West African States. Bloomy 12/6/92.

Since 1989 Unido has channelled $343m into more than 150 projects. These range from the supply of low-cost housing materials in francophone Africa to a $1m polypropylene bag company in Mali.

It has also facilitated investment promotions on behalf of many African economic groups and countries such as the SADCC and Nigeria.

The Nigerian forum attracted 400 sponsors and resulted in 78 letters of intent and seven agreements concluded on the spot.

Unido also prepares investors' guides to individual African countries as well as organising presentations and promotional tours to industrial nations.



The Crisis of Developm Adjustment or Transfor

New Nation [Learning IN] 12/6-18/6/92.
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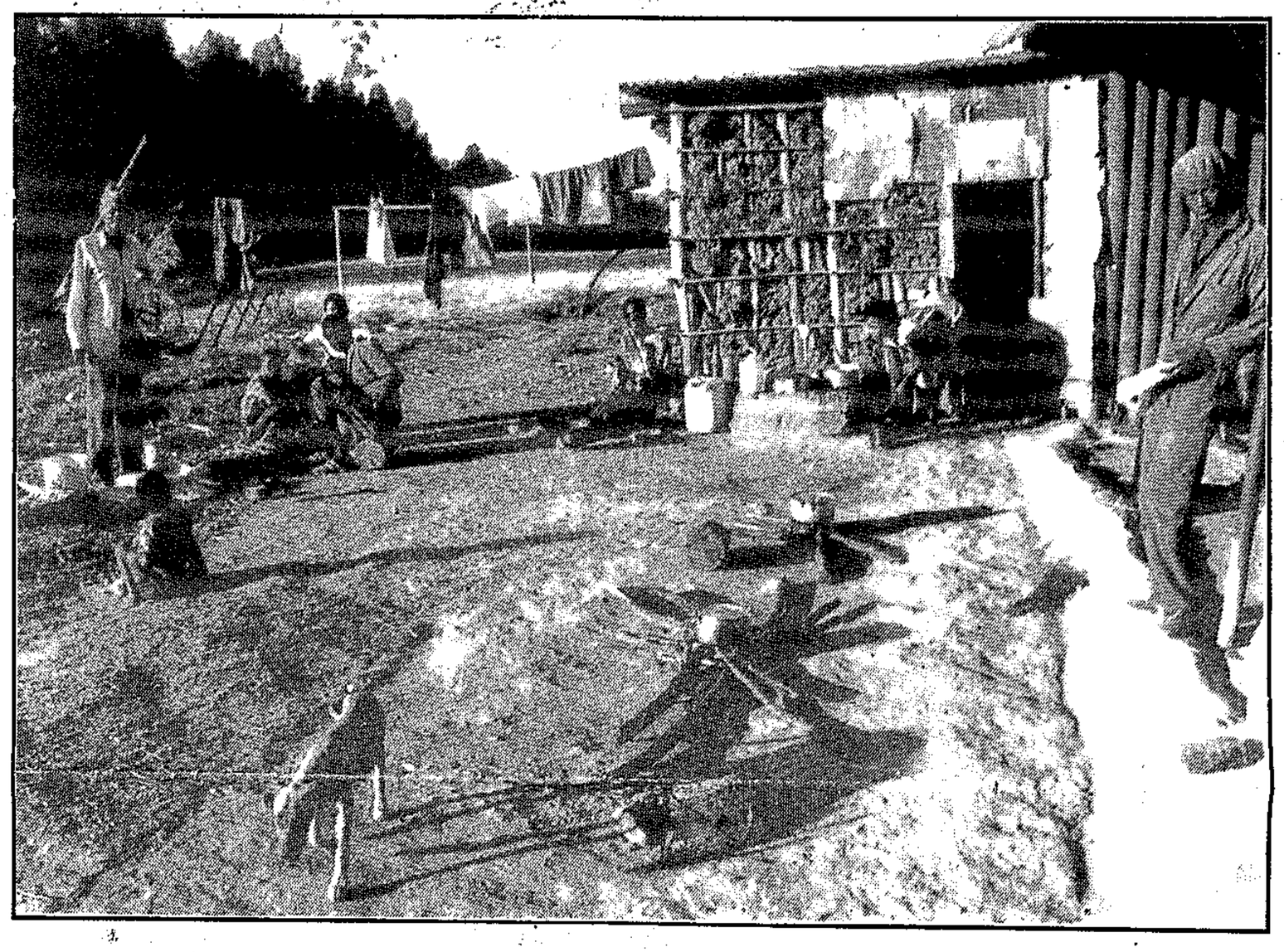
"The deepest roots of the debt crisis lie, therefore, in an international system that is not only profoundly unequal, but one resembling 'global apartheid' whereby the White North, in collaboration with autocratic' African elites', continues to subvert' the economic future of Black Africa. This arrangement has to be challenged vigorously."

Fantu Cheru, Ethiopian Social Scientist

"The economy must be stimul basic goods and services whic affordable electricity for all, sc clinics and hospitals, commun

COSATU



In the last few weeks we looked at various problems of development in Africa. Most people believe the path of development most African countries have followed in the past 30 years must be changed. But there is much disagreement about what type of change is needed. This article looks at the ideas of "adjustment" and "transformation", and how they differ on the important questions affecting Africa's future development.

What is the "adjustment" view?

Capitalist economists and institutions like the World Bank and International Monetary Fund (IMF) believe that what is needed is "adjustment". To them adjustment means adjusting economic policy so that capitalists can earn profits more freely. In their view, if more profits are earned by business, the benefits will "trickle down" to the majority of the population.

What is the "transformation" view?

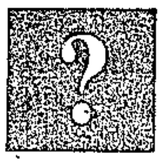
Socialists on the other hand, generally believe African economies need "transformation." In their view, most African governments still do not control the economic power in their country. Socialists say most African economic institutions serve the same purpose they did during colonialism - making profits for overseas companies and a few local capitalists. Socialists think that these economies must be "transformed" so that they can become self-reliant and become capable of producing and developing their own technology.



Should the government play an active role in the economy?

The Adjusters Say: We think governments should stay out of economic affairs. Business should earn and control the profits from production. If business is restricted heavily through taxes or price controls, the economies of African countries will never grow and poverty will increase. We have seen that governments are inefficient when it comes to running businesses. The worst thing that governments can do is nationalise. We totally oppose nationalisation.

The Transformation View Says: If market forces are left to operate freely, the rich will get richer and the poor will get poorer. We say the government must intervene to make sure that profits are used to benefit the working class and the peasantry. Nationalisation and price controls may be necessary. Without them prices for basic necessities will keep on rising and foreign companies will keep taking their profits out of Africa to develop their own countries.



Should African countries increase their ties with the capitalist countries?

The Adjustment View Says: It is obvious that African countries cannot stand on their own. They lack the technology and skilled personnel. We believe African countries should produce more of what they produce most efficiently: cash crops and minerals. African countries can then trade their products to the industrialised countries for the machinery and skilled personnel that they need. This way everyone benefits. The industrialised countries get the raw materials they need for manufacturing and African countries earn high profits on their exports which they can use to buy what they need. Once Africa has become efficient in producing its raw materials, the ability to produce a greater variety of goods will develop.

The Transformation View Says: We say that the present situation is based on exploitation. African countries are doing what they did during colonialism: simply exporting raw materials without developing their own ability to produce manufactured goods. Africa must move toward self-reliance. This means expanding local production of manufactured goods and developing their own skilled personnel. As long as African countries export only one or two raw materials, they will be slaves to the West. This is especially true in agriculture. A country that produces coffee but not food can never stand on its own. Rather than increasing ties with the capitalist countries, African countries must start trading more with each other. Only by developing regional power can African countries bargain with the capitalists from a position of strength.



Should development concentrate in the rural or urban areas?

The Adjustment View Says: Without a doubt the rural areas are the most underdeveloped parts of Africa. We say that development must benefit the small farmers, especially women who have been ignored in most development programmes. Rural people can best be assisted with the agricultural education and loans which help to increase production of cash crops. Farmers who have shown the ability to produce efficiently should be especially encouraged. Inefficient farmers should not get land. Those who have proven to be efficient producers, such as most of the white farmers in South Africa, should be encouraged, not restricted by the government through high taxes or nationalisation of their land.

The Transformation View Says: Without a doubt, the rural areas are the least developed parts of Africa. We say that development must benefit the small farmers, especially women who have been ignored in most development programmes. These people can best be assisted by giving them land. Here governments must take action. As long as a few large-scale farmers own huge amounts of land while the majority of peasants grow crops on small plots of land, there can be no development in the rural areas. Once land has been redistributed, the government must provide farmers with the training and loans that they need in order to succeed. In the long run there may be various types of production units - family farms, co-operatives, or even state farms. But if co-operatives and state farms are to succeed, they must have sufficient government assistance and must be run democratically.



What type of governmental structure can best promote development?

The Adjustment View: One thing is certain, no development can take place without democracy. It is clear to everyone that the parliamentary system used in the industrialised countries is the most successful political system yet invented. A country can only be truly considered democratic if it follows a multi-party system where the people elect their leaders through free and fair elections. Such elections must allow all adults to vote.

ent in Africa: 6 nation

279A

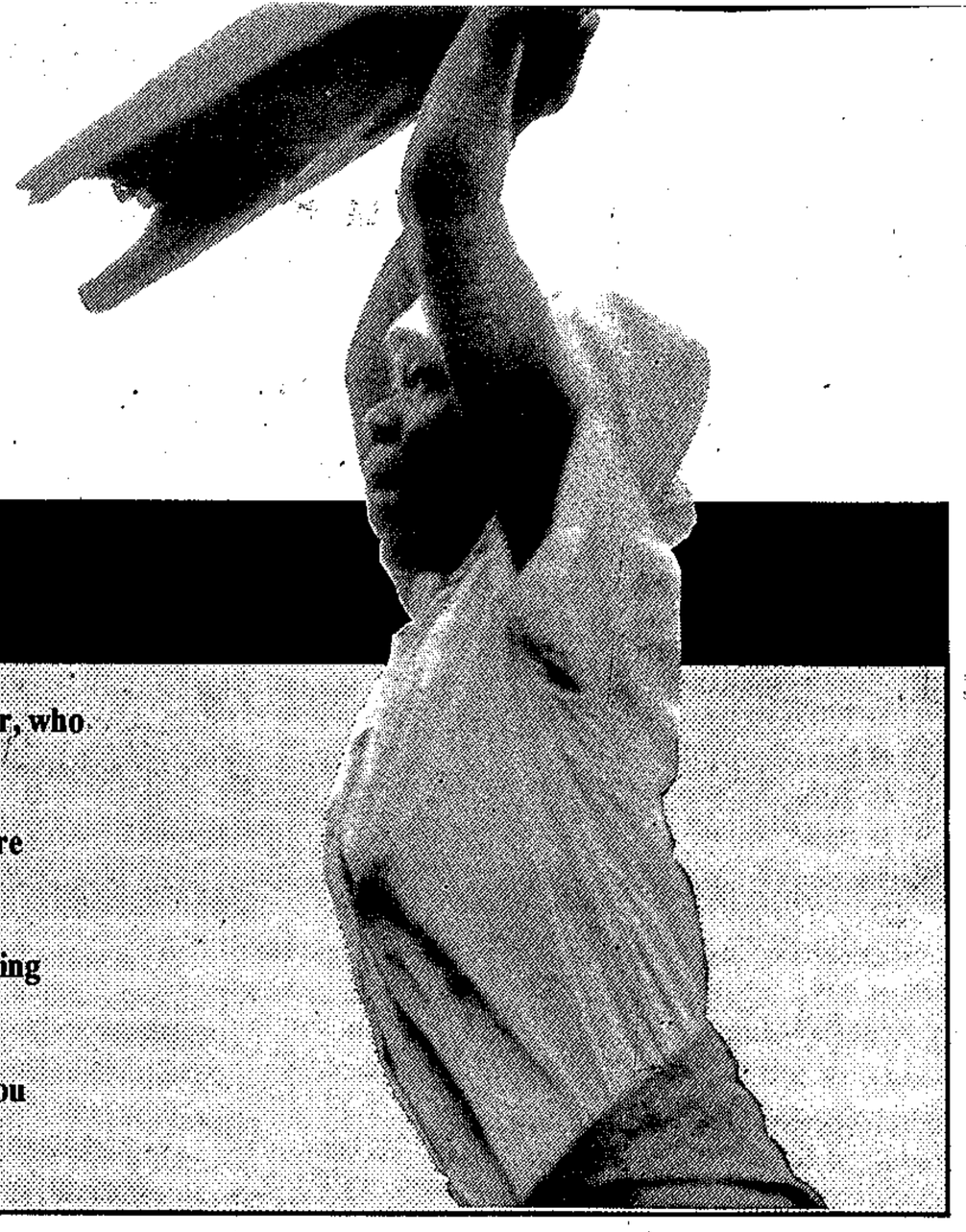
ed by directing very big investments into the h the masses need: affordable housing for all, ools for all, proper roads and transport services, cations and recreation facilities and so on."

ithout a foundation of democracy we know that Africa ll continue to suffer from corruption and inefficiency.

e Transformation View: One thing is certain, no velopment can take place without democracy. Yet, as we e it, democracy can take many forms. The parliamentary stem used in the capitalist countries may not be the best r Africa. In fact, many capitalist countries are not very mocratic when it comes to sharing the wealth. African untries must work out their own forms of democracy. In me cases, multi-party systems may develop. Other untries may end up with a one-party state with various ctions and points of view competing with each other thin that party. The true test of democracy is more than hether leaders are freely elected, but also to what extent e people themselves have a voice in the development path osen by their government.

his is the end of our series on "The Crisis of evelopment in Africa". If you want back-opies of any of the articles in this series, please rite to:

earning Nation,
.O. Box 11350,
ohannesburg



• New Words •

***Autocratic*: Someone with unlimited power, who does not worry about being democratic.**

***Elites*: A group of people in society who are powerful and have many privileges.**

***Subvert*: To destroy or undermine something that people believe in.**

***Credit*: Money that is lent to you, which you must pay back.**

Skills

This week, we are going to look at facts and opinions. Both opinions and facts are important ingredients in constructing an argument. But what exactly is the difference between them? You may think this is an easy question, but there are many times when the difference between fact and opinion is difficult and tricky.

Which of the following are facts, and which are opinions?

a) African countries will have to spend less on weapons and the army if they want to invest more money in health and education.

b) On November 11, 1991 President Dos Santos of Angola announced that the country's first multi-party elections would be held in September 1992.

c) It has been proved that AIDS is a disease which only affects white people, homosexuals, and drug-users.

a) This statement is an opinion. Most people would agree with this opinion. They would say - ***"that's a wise opinion, it's logical, it makes sense."*** But an opinion such as this one, however wise it is, can be made much stronger if it is supported or re-inforced by facts. Here is an example of a factual statement which would strengthen that opinion:

While great differences exist from country to country, for the African continent as a whole, per capita expenditure (the amount spent on each person) in 1983 was as follows: 30 dollars on the military, 30 dollars on education, and 7 dollars on health.

b) This statement is a fact. That is exactly what happened. It was filmed and reported, and many people all over the world saw or heard Dos Santos saying it. It is clearly not an opinion, but a fact. Here is an opinion on a similar topic:
Without democracy, Africa will never develop.

Does Dos Santos' announcement support or strengthen the opinion about African development? Not really. To support such an opinion, the sort of facts that could be very useful would be details about growth or development in African countries which had set up democratic governments.

c) The person who is saying this is trying very hard to convince us that it is a fact. That is why he uses the words - ***"It has been proved..."*** Almost everyone who knows something about AIDS would disagree with this statement. To attack it, they would show us factual information such as the number of black people who are not gay or drug-users but who have already died of AIDS.

So, is the statement a fact or an opinion? Well, this isn't easy. We could be tempted to call it an opinion, because the speaker clearly can't support what she is saying with real information.

But, because the statement is pretending to be a fact, it is probably better to call it an incorrect fact. We would want to say to this person - ***" Your facts are incorrect. Such a thing has never been proved. In fact the opposite has been proved - anyone can get AIDS, if they don't take the necessary precautions."***

Now try this exercise. Read the list of facts in the box to the left. All these facts are 100% correct. Then look back at the various viewpoints and arguments in the main article. See if you can match up certain facts in the list with the opinions in the article. You may want to number the facts first, and then to write the number of a fact next to an opinion in the article. Try and be clear about why the particular facts you choose strengthen or attack an opinion presented in the article.



FACTS

- **More than 90% of Ghana's export income comes from cocoa**
- **2 Out of every 3 African labourers works in farming or agriculture.**
- **29 of the 36 poorest countries in the world are in Sub-Saharan Africa**
- **Africa spends over 18 billion rands every year on importing food**
- **In countries like the Sudan and Kenya, the spread of export crops such as coffee and cotton, has taken over land once used to grow staple food crops**
- **On average, women in Africa grow more than twice as much food as men.**
- **In Africa, women have far less access to land and credit than men**



THE EXECUTIVE COMMITTEE
WHAT IS ITS ROLE ?

This week we look at the role and of the executive committee in an organisation. Executive committees are an important part of an organisation, but sometimes they don't work properly. Have you heard members of your organisation saying the following:
"The executive never tells us anything"
"The executive never does anything, they just talk"
"Our executive thinks they own the organisation" New Nation 12/6-18/6/92.
These problems with executives are common. The reason for these complaints lies in the fact that executives often don't know what their job is, or what members want them to do.

In this article we hope to answer some of the following questions for organisations, and their executive committees, namely: (Learning NJ

- **What is an executive committee?**
- **How does the executive remain accountable *to the organisation?**
- **What work should the executive committee do?**
- **How does the executive committee provide leadership for the organisation?**



What is an executive committee?

It is impossible for all the members of an organisation to meet every time a decision needs to be made, unless the organisation only has a handful of members. The organisation therefore elects a group to look after its day-to-day affairs. This group is called the executive committee, or simply the executive. The executive must act on behalf of the organisation, and in its best interests. Usually the executive shares out the work among the committee into portfolios, which are special areas of work. It is usually the most experienced, committed and skilled members who are elected onto the executive. The approach of the executive should always be to act on the basis of policy *decisions taken by members. They have the responsibility of taking forward the policy decisions of the membership in day-to-day situations.

The executive and accountability

The executive is an elected structure. Its mandate is to take forward the work of the organisation. So it is very important for the executive to be accountable to the members who elected them.

How is the executive held accountable?

The executive should:
- Report on all executive decisions and actions to the membership.
- Implement the wishes of the organisation.
- Report on all the money spent by the organisation.

The executive should not:
- Take decisions on behalf of the organisation outside the broad agreements already decided by the membership.
- Keep some discussions and decisions from the membership.

Keeping the members informed

The executive should regularly report back to the membership to keep them informed. Report-backs tell the membership what the executive is doing, as well as the progress the organisation is making. The reports could be written or discussed in the meeting.
What is included in reports?
1. Summary of all executive decisions.
2. Report-backs on all mandates given to the executive.
3. Financial reports.
4. Meetings attended, as well as held by executive.

Question: Does your executive report-back to you in your organisation? How often does this happen?

What work should the executive committee do

The executive must:
1. Keep up-to-date records of membership.
2. Keep a mailing list of members, other organisations and individuals.
3. Inform members of all work and progress.
4. Deal with incoming and outgoing correspondence.
5. Keep files and records, for example financial records.
6. Give notices of meetings.
7. Keep proper minutes of meetings.
8. Pay organisational bills and accounts.

The executive also needs to act on behalf of the organisation in some cases. The executive should:

1. Meet with other organisations.
2. Sit on joint committees, such as crisis committees, campaigns committees, etc.
3. Attend conferences and congresses of other organisations, sometimes to speak, often just to observe.

All these tasks are the collective responsibility of the executive, but often particular tasks will fall within the particular portfolio of an executive member.

How does the executive provide leadership to the organisation?

It does this through collective actions as an executive, as well as through the individual acts of the executive members. It tries to set an example by the hard work and commitment of the executive.

The following guidelines are important:

1. Arrive on time for meetings.
2. Follow correct meeting procedure.
3. Do not get unnecessarily angry or emotional in meetings.
4. Listen to what members are saying, learn from them and respects others views.
5. Be open to criticism. Do not use status to intimidate others.
6. Contribute in a constructive *way to discussions, by being supportative, but also critical when necessary.
7. Work alongside other members in practical day-to-day tasks such as putting up posters, going door-to-door, etc.
8. Do not engage in loose talk outside meetings which is destructive.
9. Serve the interests of the organisation at all times, not the interest of the individual executive member.

Conclusion

Your executive is there to carry out your wishes in your organisation. If the executive is not working well then it is also your responsibility to give them advice on the mistakes they are making. If your executive is working well you should tell them so. Being an executive member can be difficult work, and they would like to know if they are doing their job properly.

• New Words •

Accountable: Being responsible to your organisation, and having to explain your actions to them.

Policy: Your organisations aims and plan of action.

Constructive: Making helpful suggestions

• Questions for readers •

Question 1:
Does your organisation have an executive? Does every member of your organisation know what your executive is supposed to do?

Question 2:
Is your executive carrying its mandate forward? Is it accountable to the membership?

• Resource List •

The Human Awareness Programme has more information on the role of the executive committee. You can contact them at the following address:

The Human Awareness Programme
4th Floor Conlyn House
156 President Street
Johannesburg
2000

Their telephone number is (011) 337-8716

Next week we will look at the different portfolio's in the executive

Literary Conventions

Point of View

A poem, story or novel may seem to be a single 'body of words,' which we know was composed by the author. However, when we look more closely at any literary composition, we will notice that it may not always consist of only one 'voice.' In fact, pieces of writing often consist of *more than one voice*. That is, even though a writer has written a story or novel all by herself, she can use ways of speaking, or '*voices*', which are not her own. This means the writer can represent differing views on any one matter.



'...something there is that doesn't love a wall...'

The most obvious way in which different voices are created in a literary compos ion is through what are known as 'characters.' The characters in **Romeo and Juliet**, or instance, each represent **different points of view**. For an example of how differe nt points of view may be represented in literature, read I,i,64-93 of **Romeo and Ju liet** before you continue.

In these lines of the play, we may see as many different attitudes towards peace and fighting as there are characters. Benvolio wishes to stop the fighting between the servants of the Capulet and Montague households (I,i,60-61) and asks Tybalt to help him. From Tybalt's point of view, however, this is a ridiculous suggestion, and he challenges Benvolio himself to a fight. The Officer who enters at that point is of the opinion that all the citizens should fight **both** the Montagues **and** the Capulets.

When Capulet and Montague enter, they wish to join the fight in order to defend themselves, but both their wives are against this. Yet even the wives have differing points of view on the matter: while Lady Montague simply wishes to pacify (calm down) her husband, Lady Capulet tells her husband that he should not fight because he is too old. Finally, from the prince's point of view, there should be no fighting whatsoever. According to the prince, any person who instigates a fight deserves to be punished.

Different 'voices,' or points of view, in literature, thus reflect a basic reality, namely that there is never only one point of view, but that there will always be as many points of view as there are people who speak.

In **dialogue**, such as we find in **Romeo and Juliet** I,i,64-93, it is relatively easy to tell who is speaking when. Sometimes, a passage may not contain dialogue, but will indicate who is speaking in other ways.

The voice of the first person: *I*

On p. 11 of your poetry anthology, in Alan Paton's poem **The Hermit**, the hermit himself is speaking. We can guess this because the poem is entitled **The Hermit**, and then proceeds to speak in the voice of an **I**. When you read something that is written from the point of view of an **I**, we say that it is written in the **voice of the first person**. The **I** in Paton's **The Hermit** proceeds to tell us that it wants to be left alone. This confirms that it is the hermit's voice that is speaking.

(**Note**: A hermit is a person who lives alone and avoids contact with other people.)

Robert Frost's poem **Mending Wall**, on p.12 of the **Wind at Dawn**, is also written in the voice of the first person. The I in Frost's poem is an apple farmer. (See line 24.)

Often, we are inclined to think that the voice of an **I** in a poem is the voice of the poet himself. This may or may not be the case. We have to be sure that we can **prove** or **argue** our point of view. In Frost's poem, the **I** is the poet himself. Answer the following questions on this poem, to see if you are able to argue this point.

Questions:

1. **Mending Wall** tells us about two farmers who are repairing the wall that divides their lands. Do the two farmers have the same point of view with regard to this repair-work? Explain your answer.

2. Quote the reasons which the apple farmer gives for thinking that the wall is unnecessary.

3. There are a few sections of dialogue in the poem. They are indicated by means of quotation marks ('...'). One of these portions of dialogue is spoken by the apple farmer (lines 30-36). In these lines he argues with his neighbour about the wall, and says that he does not enjoy the fact that the wall even exists. At this point he repeats some words which we have read earlier in the poem. Which words does he repeat?

4. In lines 1-4 we are told the reason why the wall breaks. Why does the wall break each year?

5. From your answer to question 4, you will have discovered that the **something** that doesn't love a wall is the frost. Notice that when the poet **repeats** the words **Something there is that doesn't love a wall**, he is talking in the voice of the first person. He is implying that, like the frost, the I in the poem also doesn't like the wall. Now, there is a small clue which tells us that this I is in fact not only an apple farmer, but the poet himself. Can you find this clue?

Check your answers before continuing.

The pun on the word *frost*

The above questions have allowed you to discover a **pun** in Frost's poem. A **pun** is a play on words, so that a word is made to mean two things at once. The **frost** that doesn't love the wall in lines 1 and 35 refers **both** to real frost **as well as** to the poet Robert Frost.

Answers

1. No. The apple farmer thinks it is unnecessary to repair the wall, while his neighbour thinks it is a good thing.

2. My apple trees will never get across/And eat the cones under his pines

3. Something there is that doesn't love a wall

4. As a result of the frozen ground-swell, or frost. Frost causes the earth to harden and expand during the winter mornings. The expansion of the ground underneath the wall, and its subsequent contraction when the frost thaws, dislodges the stones of the wall.

5. The clue is Robert Frost's own name! The poet Frost, and the frost of the winter months both like to destroy walls.

Altech seeks African solutions

B/Day DUMA GQUBULE 15/6/92

ALTRON subsidiary Altech is gearing itself for a major export drive into sub-Saharan Africa.

In the group's 1992 annual report, executive chairman Don Snedden said Altech's location, commitment to the continent and experience of African conditions, would give it the edge in finding "African solutions for Africa".

While the group would take advantage of every opportunity in the developed world, the main thrust would be in Africa.

The group was negotiating significant joint-venture agreements with a number of adminstrations. The successful conclusion of these negotiations would combine local and Altech expertise.

In the year to end-February Altech reported a 7% increase in earnings a share to 880c on a higher turnover of R930m. A total dividend of 297c (268c) was declared.

Reviewing the results, Snedden said late deferrals of government expenditure had held sales at the previous year's levels. But considerable progress had been made on diversification programmes, offsetting reductions in government expenditure with contributions to turnover which promised to be more significant in future.

The annual report disclosed that Altech's telecommunications and systems division, Altech Electronic Systems Group, showed a 10% decrease in turnover to R565m, or 68% of group turnover. Altech Electronic Distribution Group increased turnover by 34% to R235m, or 19% of group turnover. Altech Industrial Electronics group's turnover rose by 5,7% to R130m, or 13% of group turnover.

The technology development budget came to R111,6m, or 12% of group turnover. The development of a number of new products had reached fruition. These included Rurtel, a telecommunications suitable for rural areas, a computer-based vehicle tracking system and a new electronic detonator for the mining industry.

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its market share should at least be maintained for the foreseeable future," Mr Cook said. — Sapa

STAR 18/6/92.

Orient takes over safari operation

279A

By Tom Hood

CAPE TOWN — Orient Express Hotels, owner of Cape Town's Mount Nelson, has boosted its investment in southern Africa to R57 million by the takeover of Gametrackers, a luxury safari operation in Botswana.

The London-based group will spend R9 million upgrading six game camps and a fleet of 12 safari vehicles.

Air Xaxaba has also been bought for an undisclosed figure and its three Cessna 206 aircraft will transport guests and luggage between the camps, says Nick Seewer, regional director of Orient Express Hotels.

Upgrading

The game camps will be upgraded to high standards with staff trained at the Mount Nelson Hotel but numbers will be restricted to between 16 and 20 guests.

Mr Seewer says: "Gametrackers is a valuable acquisition. We intend to make a contribution to the preservation of one of the world's last great wilderness areas."

Four of the camps are at the Okavango Delta in Botswana's Moremi wildlife reserve and two are further north in the Savuti channel of the Chobe National Park.

Tariffs range from R6 800 for seven days to R12 800 for 13 days.

Now Visser puts Pep in the Brits

ST Times (Russ) 21/6/92

By JULIE WALKER

AFRICA's largest retailer Pep aims to take on the nation of shopkeepers by opening 200 stores — it has already opened 17 in Scotland — in Britain in the next few years.

Group chairman Christo Wiese says Pep is furthering its international operations within Africa beyond Namibia, Lesotho, Swaziland and Botswana, where Pep Botswana shares were listed last week.

Challenge

Taking note of the hazards of trading in Africa, Mr Wiese said Botswana had been most successful and would likely be the springboard for entry into Mozambique, Angola and Zimbabwe.

The UK chain will trade as "Your More Store" under the guidance of former Pep Stores retail MD Johan Visser, who entertained members of the Investment Analysts Society with an impromptu speech as part of a Pepkor group presentation on Thursday.

He claimed he was not in Scotland on account of his English or for the weather but to relish the challenge: "I'm a retailer and I know my business."

Having been involved in the opening of 300 stores in Pep's Southern African stable in the last four years, 200 in the UK does not daunt him.

"Many people do not understand what being poor really means, or that living on £100 a week makes you count every 20p. A third of the UK population is in the D/E income group, nine million earn less than £100 a week and three million are unemployed.

"That represents a low-income market 10 times the size of SA's working population in the same bracket."

B'Day 22/6/92

Time to tap into Africa's tremendous potential

2794

AFRICA is seen as a poverty-stricken, AIDS-ridden and marginalised continent by many.

But astute businessmen, including South Africans, realise they could tap into more than $10bn in development aid allocated to Africa every year, much of it never spent because appropriate projects are not identified.

They also see the enormous potential of the Sub-Saharan market of more than 450-million people with spending power contributing to annual GDP in excess of $220bn.

Changes

They know that SA is believed to have made about R10bn from exports to Africa last year and that trade north of the borders grew 40% in 1989, 20% on top of that in 1990 and a further 22% last year.

Sweeping political changes of the past few years and the growing interest in doing business in Africa has swelled membership of Safto's Africa Business Development Group (ABDG).

Chairman Ian McRae says the group has also been forced to reassess its role and restructure to meet the changed needs and circumstances.

Surprisingly most players say changes started before President F W de Klerk's landmark 1990 speech.

ABDG manager Paul Runge says things really started happening in about 1989, with the Cuban withdrawal from Namibia and its subsequent independence.

"The whole of Africa is a village and things have a ripple effect." Runge believes the last domino to be toppled will be the dropping of trade sanctions by Tanzania and Nigeria.



IAN MCRAE



PAUL RUNGE

Spoornet's Andre Heydenrych says the thawing of east-west conflict made Africa less strategically important and foreign countries are no longer pumping in money.

Foreign donors also became increasingly disillusioned with Africa's continued deterioration and have focused mainly on eastern Europe for development assistance.

Runge says De Klerk added momentum to these developments, opening Africa's doors to SA.

Many SA concerns can now admit that they have been doing business in Africa for years and others are considering joining them.

Checklist

Political stability is first on the checklist when looking at the risk profile of countries in Africa, says Runge.

"Has the country had, or is it planning, multi-party elections."

Next is an agreement with the IMF.

Lack of finance remains a major constraint to trade and other work in Africa and SA's membership of the African Development Bank is seen as essential.

Other important factors to be considered are market size and diversity, colonial heritage and geographical location. Good physical access is important to do successful business, says Runge.

Attitudes

Proximity to SA and things like landing rights, visa arrangements are important.

SA businessmen also need to look at countries' attitudes to SA, language, economy diversity, maritime agreements and inspection services agreements. An SA representative on the ground also helps, he says.

Zimbabwe remains most important for SA, buying a quarter of all SA exports, says Runge.

Zambia is another well-established market.

Recently acquired markets for SA include Kenya, Angola and Madagascar and very new markets are Tanzania and Nigeria.

To do good business, says Runge, countries need good physical access.

Markets to which SA has access but where there is minimal activity include Gabon and Morocco, which Runge belives should be exploited more.

He says SA companies should prioritise their efforts in Africa. "Now that we are no longer desperate for any contact outside SA, we can choose where and which projects and markets to become involved in."

Safto conference a hit

SAFTO's recent two-day conference — on southern African trade and investment was such a success that a follow up is already being planned for next year.

The conference highlighted current trade and investment opportunities in the sub-continent and speakers and delegates came from as far afield as Nigeria, Kenya, Tanzania, the US and Europe.

Organisers of the conference say SA delegates in particular showed a new awareness for the need for regional co-operation. Fruitful contacts were made.

A publication of the conference's speeches and presentations will soon be available from Safto for R150.

Sought-after SA mining houses to focus on Africa

B/Day 22/6/92

MATTHEW CURTIN

IN A scramble for foreign investment, dozens of developing countries including former members of the Soviet Union are courting SA mining houses to back new and existing mining projects. The SA response is likely to be cautious and focused on sub-Saharan Africa, says Gencor new business division manager John Clemmow.

He said at the weekend that the recent Union Bank of Switzerland investment conference held in Tashkent — capital of former Soviet republic Usbekhistan and attended by Anglo American and Gencor representatives — was a sign of the high reputation resource-rich developing countries had of SA.

But, he believes some of the best mining opportunities lie in Africa. Many countries have been under-explored and existing mining operations have often not been developed to their full potential. On the political front, there is a growing willingness among African governments to change policies to encourage investment. And the sub-Saharan region has some of the world's best ore bodies," Clemmow said.

He noted that a potentially economic Uzbekh copper deposit shown to SA visitors during the recent visit to the republic had a grade of 0,4%, compared with much higher levels on the copperbelts.

He said there were perceptions among governments that SA mining groups were seen to have advantages over their overseas rivals.

First, they constituted some of the largest in the world, with Anglo/De Beers in the top three, and Gencor not far behind. They were seen as long-term investors interested in large mining projects.

Clemmow said that Gencor nevertheless had strict criteria by which it evaluated possible overseas projects, the first of which was size. There might be room for small business development schemes in the mining sector supported by the group in the longer term. small projects requiring cash injections of only $1m to $2m were not large enough to justify Gencor's involvement at the moment.

Gencor would invest only in resources which fitted the group's strategy. It is understood that SA mining houses were increasingly interested in overseas oil, gas, and base metals reserves rather than precious metals. Compared with its rich reserves of gold, platinum and coal, SA had few economically viable copper, nickel, oil and gas reserves.

Clemmow said country-risk was another key factor, with SA mining houses more willing than their rivals to investigate opportunities in Africa. Because of the political and economic problems on the continent, other mining groups which already had geographically diverse portfolios were more circumspect about putting money into African ventures.

"If we assume that SA will succeed economically, and it is an assumption we have to make, then the rest of Africa is likely to do well too, and is worthy of our attention," he said.

A final criterion was Gencor's need for a financial return on its investment, and the ability to extract profits from the country it invested in. Projects had to provide a good rate of return and be accompanied by a suitable investment code in the country in question.

He said that SA investment on the continent would go hand-in-hand with the involvement of international financial institutions. The World Bank and its private sector arm, the International Finance Corporation (IFC), were able to set the macro-economic conditions and precedents necessary for securing syndicated foreign loans and encouraging joint ventures to develop new mines. SA had normally equity financed mining projects, but might now look for overseas loans and joint ventures.

Gencor's mining arm had forged an alliance with French state mining group Bureau de Recherches Geologiques and Minieres to explore and develop mines in Africa and overseas. Gold Fields was a joint-venture partner with Belgian entrepreneurs to develop a gold mine in north-eastern Zaire. The project's go-ahead depended on political stability being returned to the country for the IFC to agree to provide and guarantee loans.

Business Day SURVEY

Sweeping political changes of the past few years has swelled membership of Safto's African Business Development Group. And astute businessmen are realising they can tap into more than $10bn in development aid allocated to Africa every year but mostly never spent because appropriate projects were not identified. **TANIA LEVY** *reports.*

Africa is keen to see what SA has to offer

SA WILL be present for the first time at the OAU All-Africa Trade Fair after being invited to exhibit at the Zimbabwe International Trade Fair, which runs concurrently.

SA's virtual inclusion in the OAU fair, one of the largest trade events on the continent, is a sign that it is on the brink of full re-acceptance by Africa.

"It is an absolute coup," says Safto's international trade fairs marketing executive Ann Matthews. "It shows the OAU's obvious desire to include SA and proves that trade overcomes political boundaries."

Before last August's Nairobi show, SA had not taken part in an African trade fair. Since then it has been included in the Angolan Building Fair in April and the Zimbabwe National Trade Fair last month, which led to the invitation to the Zimbabwe Regional Export Fair.

It will take place in Bulawayo from September 2 to 4, in conjunction with the sixth OAU fair, which takes place every four years at a different venue in Africa.

It is attended by African and international visitors and usually includes exhibitors from most of the 51 OAU member states.

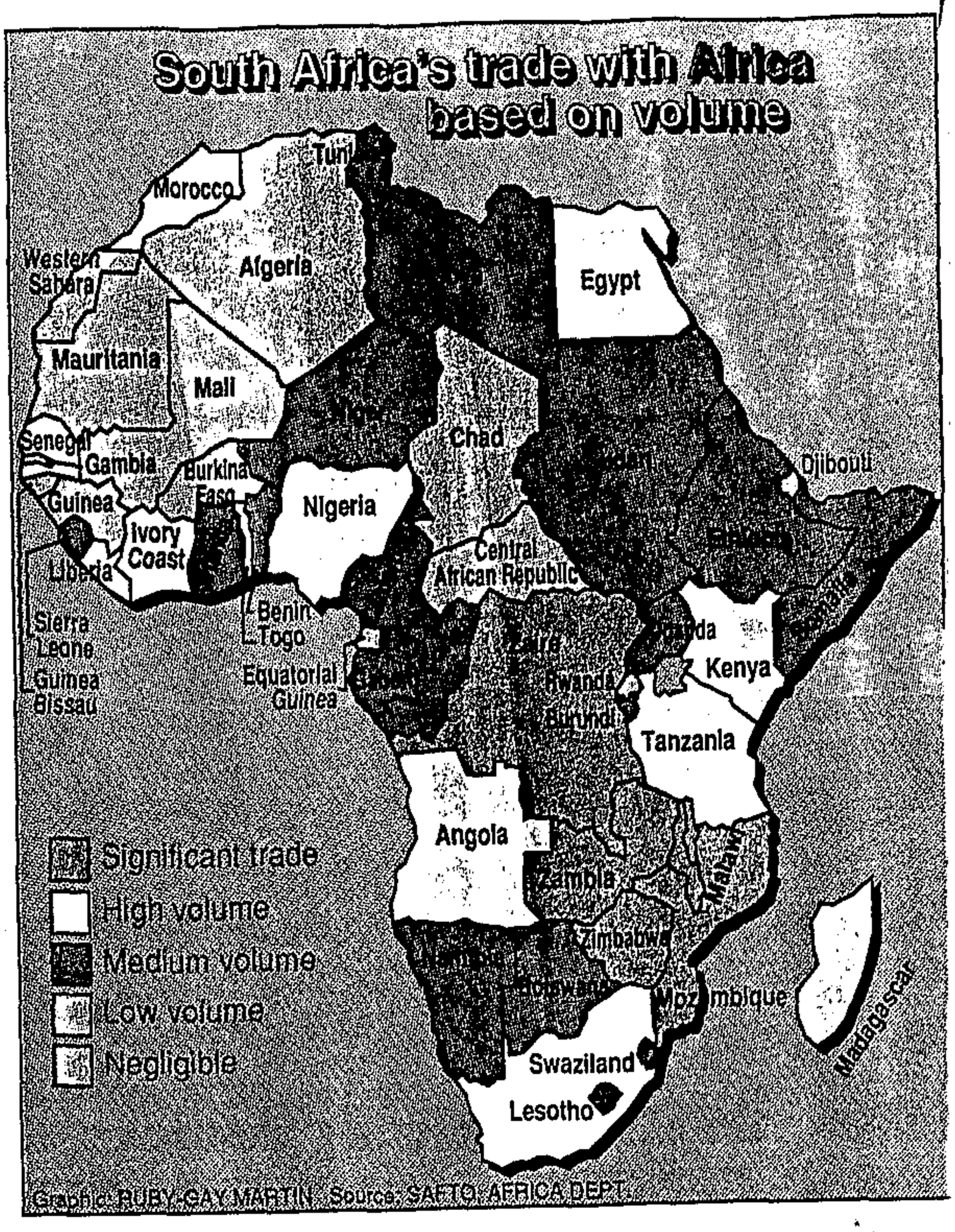
Booked

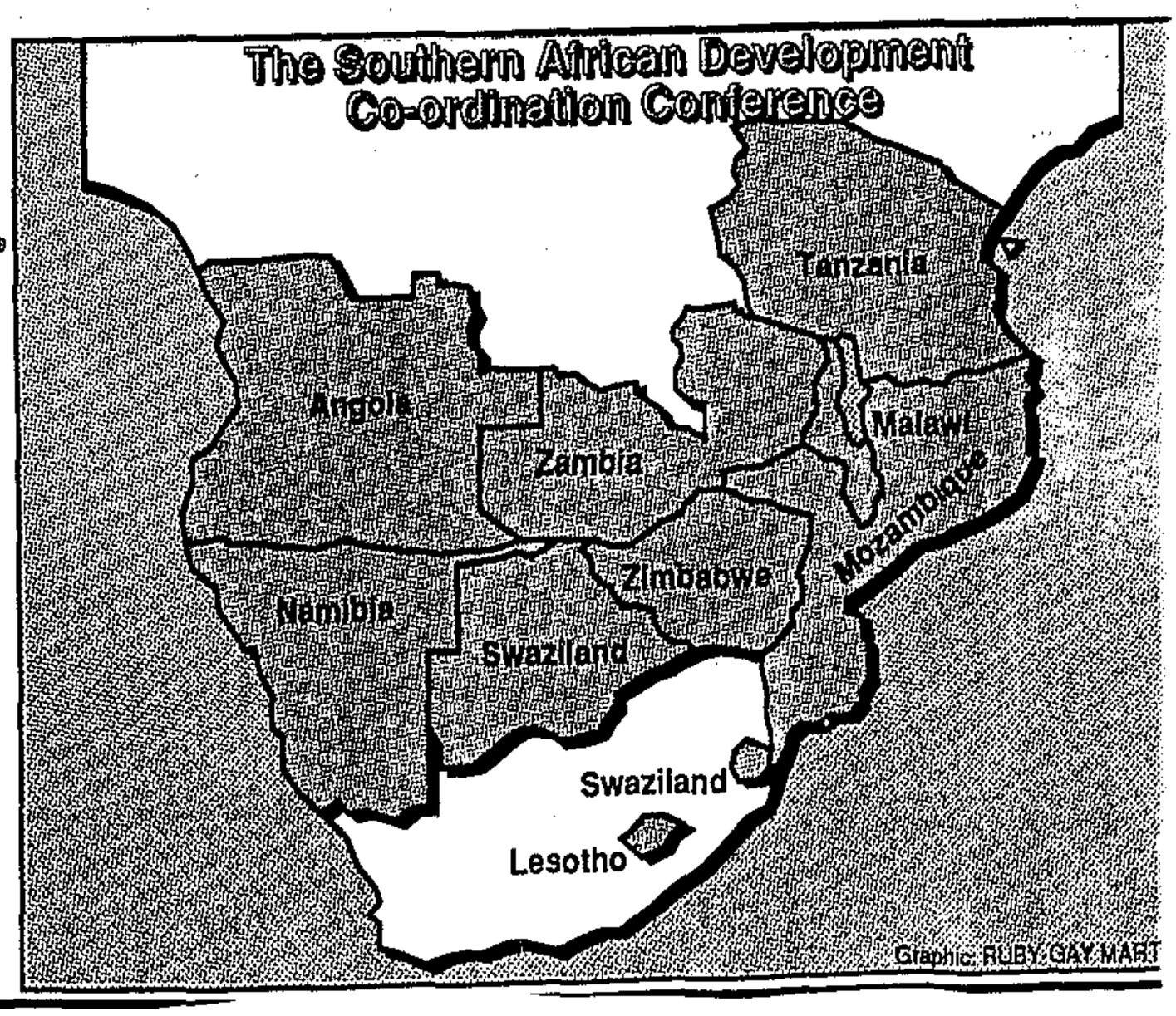
Safto has already booked space for 29 exhibitors and companies already committed are from light industry, mass feeding products, agriculture and mining.

Matthews says there has been a huge surge in invitations to SA to participate in trade fairs, particularly in Africa.

South Africans know little about most potential markets after years of sanctions and foreigners are also curious to see what SA really has to offer.

She believes the invitations will continue to flow in for the next year or two.





Growing interaction sees lawyers team up

JOHANNESBURG attorneys Werksmans has teamed up with commercial law firms in southern Africa to form Lex Africa.

Werksmans partner Howard Pelkowitz says the initiative makes particular sense with the ever-increasing amount of work flowing between SA and the rest of Africa.

Werksmans initiated Lex Africa to meet clients' growing needs for legal and business advice, arising out of the increasing interaction.

The association includes Zimbabwe's Scanlen and Holderness, Armstrongs in Botswana, Lorent and Bone in Namibia and a leading Swaziland commercial law firm, whose name can not yet be disclosed.

Discussions with law firms in other African states are at an advanced stage, says Werksmans partner Sean Larkan.

Drought: Spoornet rolls to the rescue

279A

B(Day 23/6/92

SPOORNET will spend more than R20m to move the millions of tons of maize which will flow into drought-stricken southern Africa in what has been called the biggest ever food and aid relief transportation exercise.

But Spoornet international traffic manager Andre Heydenrych worries that funding will run out by year-end and leave SA in debt.

"Spoornet is spending millions in good faith but it is a risk," he says.

Spoornet can only hope the international donor community will realise the large investment being made by companies like Spoornet and sister company Portnet and be "liberal" with its handouts, he says.

Exclusively

Spoornet will spend most money on bringing an extra 5 000 rail trucks out of mothballs to be used exclusively to transport the estimated R1,5bn worth of maize, says Heydenrych.

It will also have to hire or buy suction machines to off- and on-load maize, instead of using cranes. It will use as many of its 150 000 pool of rail trucks as possible to distribute the maize,which is being sent mainly from the US and Argentina.

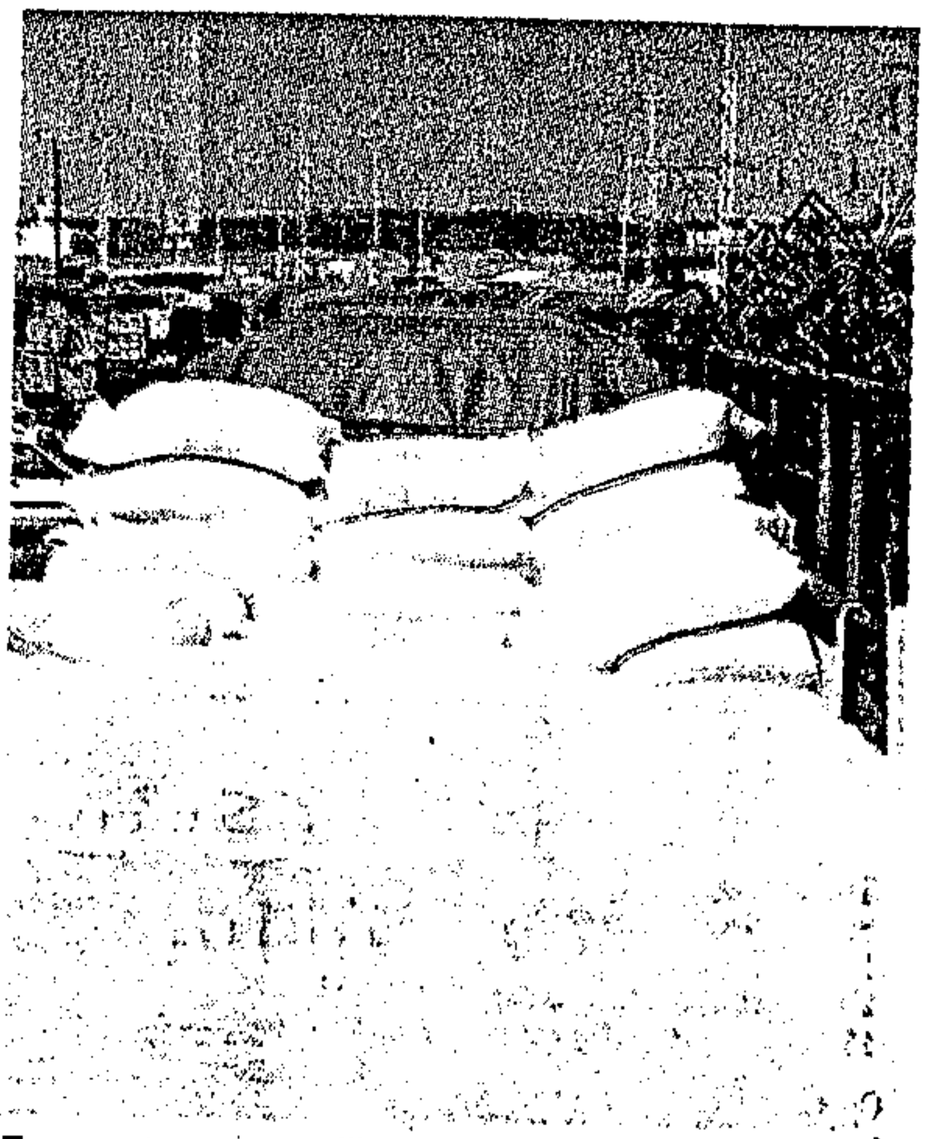
Heydenrych says that so much maize is involved that every transport corridor in the region will be used to the maximum.

Already Spoornet is running up to six trains a day across Beit Bridge to distribute maize to Zimbabwe. Heydenrych says this is the first time SA trains have been able to go straight into Zimbabwe and turn around there rather than at the border.

About 2-million tons of maize is expected to go to Zimbabwe and about 800 000 tons to Malawi.

Zambia will receive 900 000 tons and SA is expected to buy 4,5-million tons of maize and import at least R50m of wheat.

All maize destined for Malawi will be taken to Zimbabwe, bagged and then taken by road.



Transport systems will be stretched to capacity to distribute the millions of tons of maize relief.

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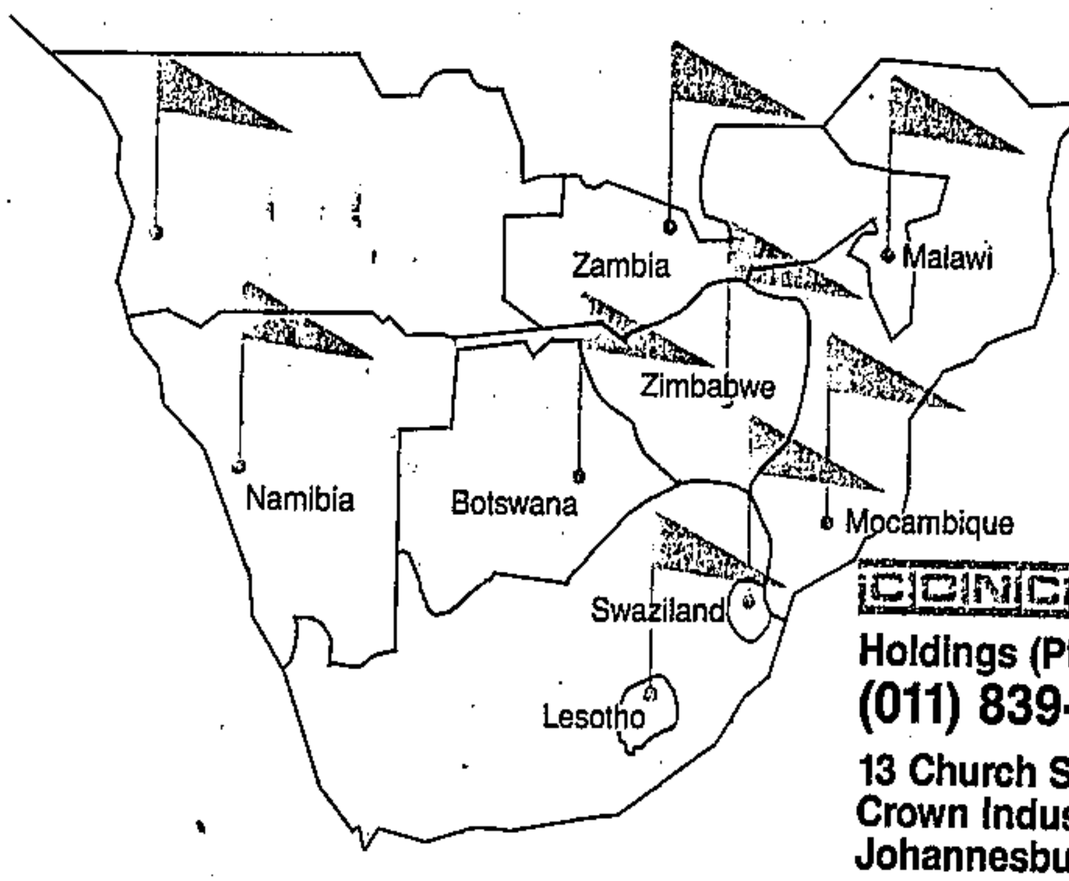

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Railways hold the key to region's economic health

A HEALTHY transport system is a sine qua non for southern Africa's economic revival, says Spoornet international traffic manager Andre Heydenrych.

The railway network is vital for international trade, development work or investment.

It the backbone of the economy, he says.

Already about 60% of trade in the region involves rail transport, with the rest using roads.

A serious drawback is the minimal rail interconnection between neighbouring states in the region, says Heydenrych.

Only about 7% of trade in southern Africa is internal. Most takes place with overseas countries, so rail routes have traditionally been export-orientated, linking towns with ports, rather than with other towns.

Colonies

Zimbabwe, SA, Botswana and Zambia are linked only because they are all former English colonies.

Heydenrych says the last major road project in the area was the line between Gaborone and Walvis Bay. Nowadays there is no money to finance major new routes. Rather, existing ones will have to be rehabilitated and expanded if possible.

Heydenrych says Zimbabwe has always been SA's main area of operation. About 40% of SA's imports from Africa come from Zimbabwe.

Asked about Zimbabwe's clamp on trade with SA, Heydenrych says Spoornet has continued dealing with other African countries for more than 30 years, despite politics. The main difference was that this co-operation could not take place openly.

Heydenrych says he would like to see all 10 railways in the southern African region incorporated into a single organisation and to work as an integrated system with no changeovers at the borders.

Streamlined

This would enhance rail's competitive edge over road, offering clients a streamlined and co-ordinated service and a single body to deal with.

But other railways in the region fear Spoornet's strength, believing it would take over their operations, he says.

This could be avoided by giving each railway an equal ownership in the joint corporation.

"We have no desire to dominate but would rather lead from the centre. We are part of the continent and realise we need to all work together."

He believes that with time distrust of SA will break down. But he admits the idea of a regional railway is "very much a dream".

Even if agreement were to be reached, it would probably take up to 20 years to become a working reality.

The practicalities of making it happen would be very difficult given the disrepair and destruction of lines over the years.

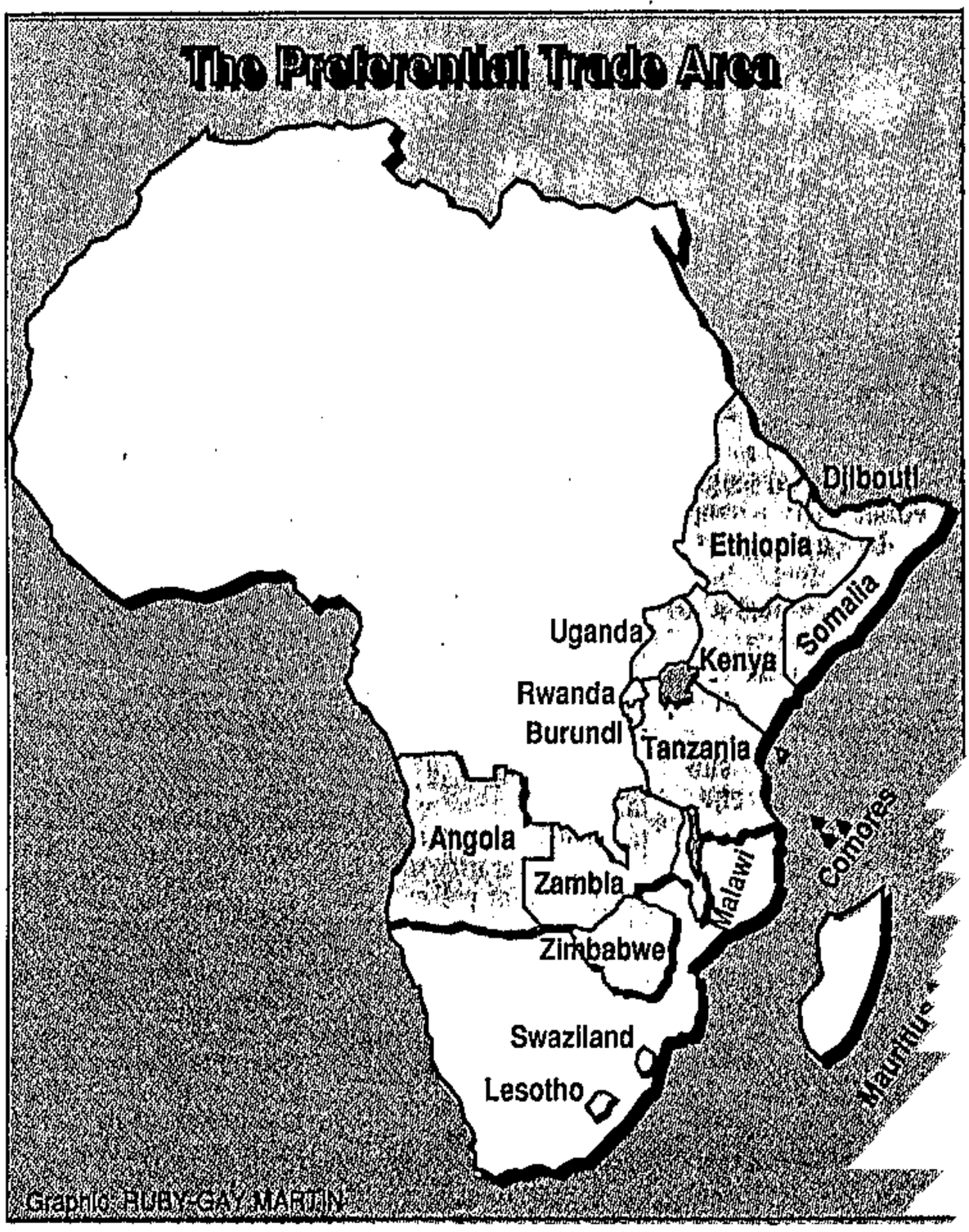
Heydenrych says Zaire, Malawi and Angola's rail lines are in the worst state.

The Benguela line, between Zaire and Angola, alone would need hundreds of millions of dollars to rehabilitate.

The line between Mozambique and Malawi is out of commission.

The Maputo-Zimbabwe link is being rehabilitated but this work and running of trains is seriously hampered by Renamo activities, he says.

While the north-south route is in reasonably good condition, there are areas of disrepair such as the Victoria Falls bridge.



Drought: Spoornet rolls to the rescue

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Transport systems will be stretched to capacity to distribute the millions of tons of maize relief.

Opening trade doors forces Safto to rethink

279A

B/Day 23/6/92

SAFTO's Africa Business Development Group (ABDG) has been forced to take a critical look at itself as more and more trade opportunities open up in Africa.

With more than 80 members, including SA's top companies, the ABDG acts as a facilitator, helping SA business and industry establish links in Africa.

It also acts as a conduit for African countries seeking to make contacts in SA and is increasingly the voice dealing with government on African issues.

ABDG chairman, Eskom CE Ian McRae, says the ABDG has had to take a hard look at whether it is meeting members' requirements regarding Africa.

"The ABDG must change," he says. While the changes in SA and Africa's political arena and resulting trade opportunites mean a greater role for the ABDG, McRae believes it needs to be restructured.

"We have already started breaking into smaller groups to better meet the differing needs of member companies."

Categories

McRae says there are two broad categories of ABDG members: those involved in construction-related projects and those involved in buying and selling-type trade.

While he believes there is still scope for a broad umbrella body to co-ordinate activities and plenary sessions where all members come together, these should be less frequent than the smaller group sessions.

Rennies business development manager Craig Lee says he would like to see the ABDG become more proactive and dynamic. It should strive to develop clout so that it is recognised as the main trade body to deal with in the region.

He would like the ABDG to go beyond its role as information provider and contact facilitator. It should get out into Africa, and pull members with it, he says.

IMS Holdings group export consultant Jean Labesse says that since about 1988 the ABDG had been aware that isolation was thawing and SA would be increasingly re-accepted into Africa.

He agrees that its role needs re-assessing and says this is taking place.

"Before it was the key to opening doors, now that they are open the ABDG needs to play a more in-depth and focussed role, helping members successfully enter markets and identify the best projects."

Unanimous

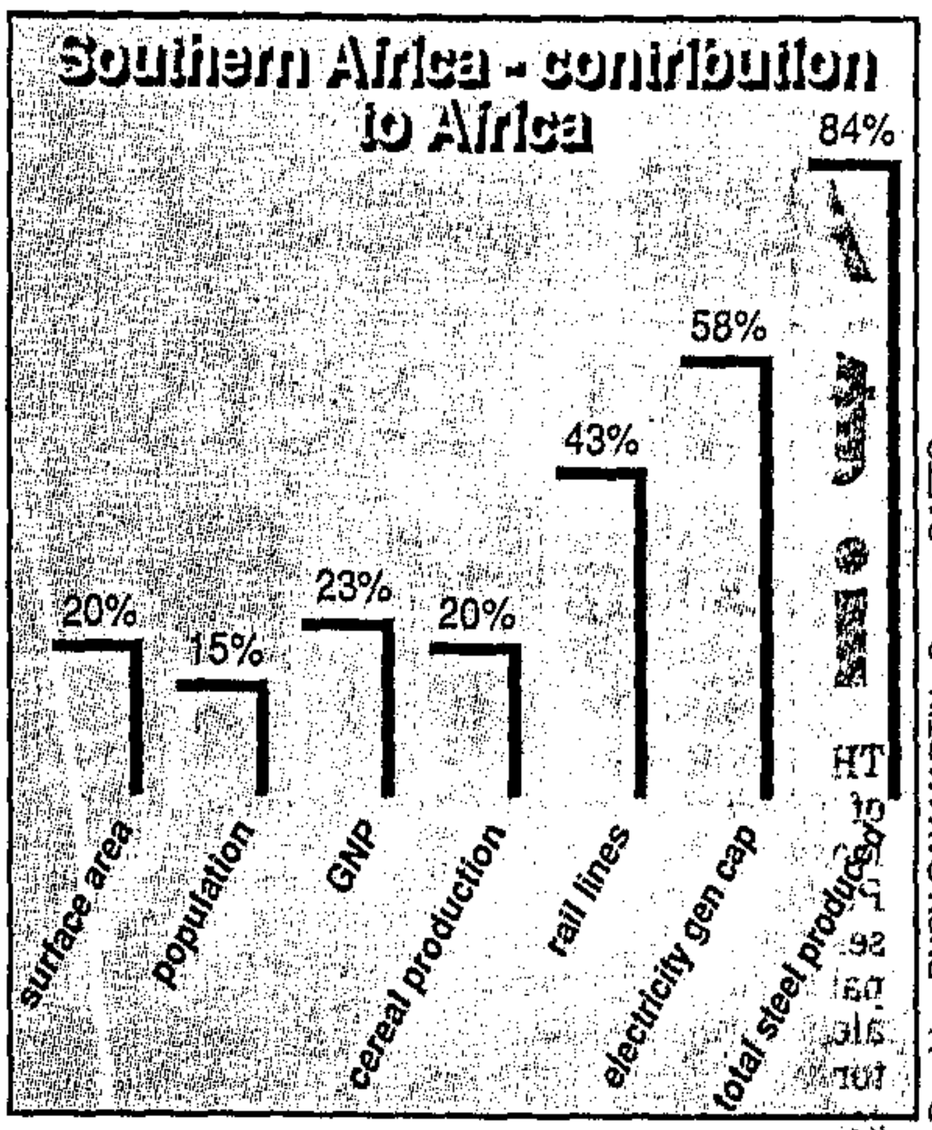
ABDG members are unanimous on the indispensable role it plays in communication.

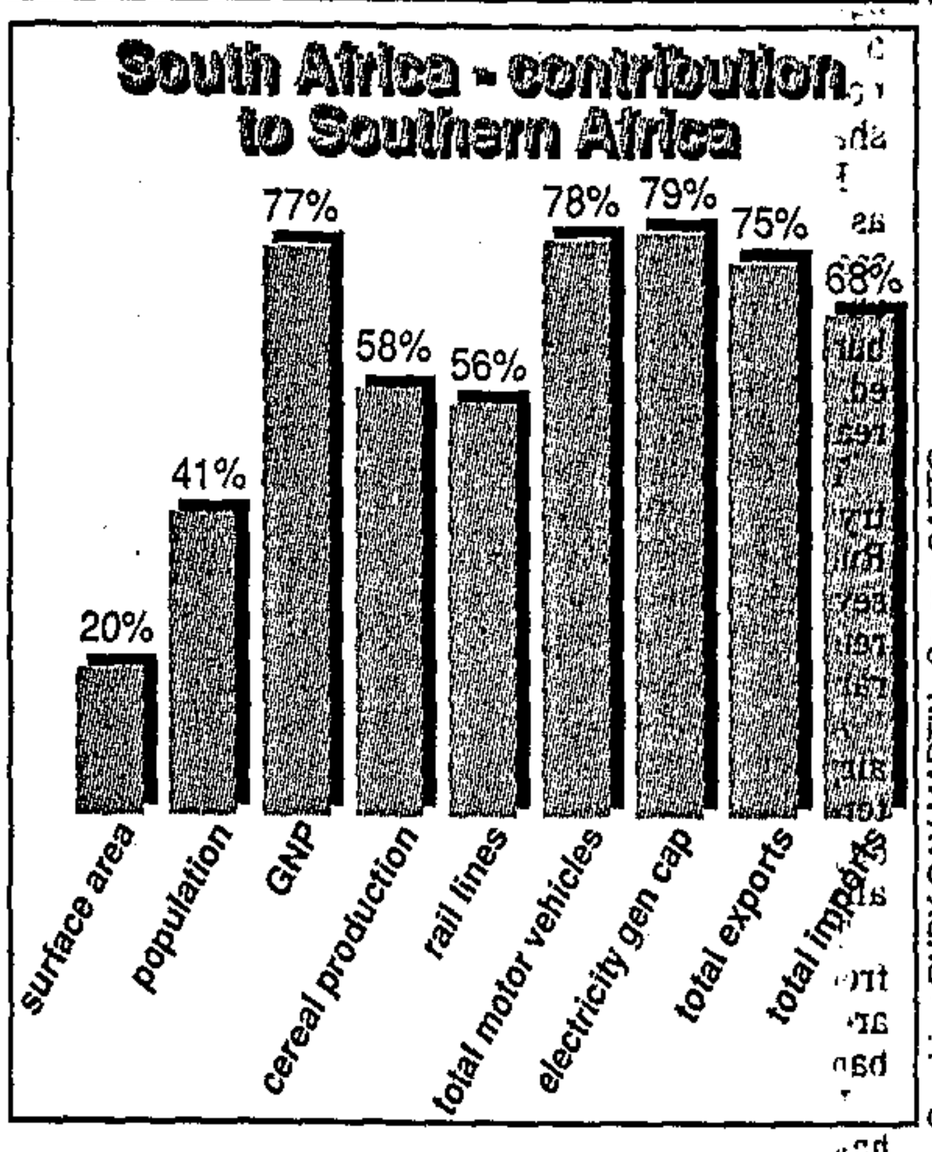
Noristan export development manager Darryl Moss says the ABDG plays an important role as an information clearing house.

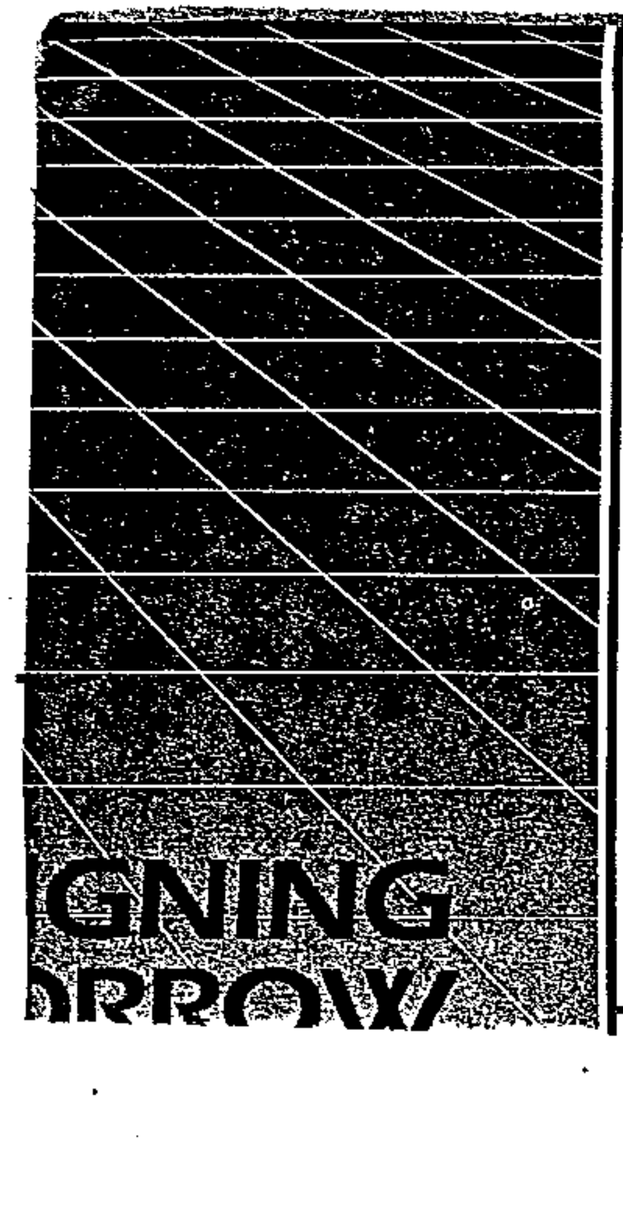
It is virtually impossible to get market information out of Africa, he says.

Most African countries do not have up-to-date trade publications.

McRae is adamant that members should not expect the ABDG to do their groundwork for them. If companies want opportunities they need to look for themselves, get out there and sell themselves. The ABDG cannot do their marketing for them.







dear with in the region.

Limited ability to absorb CSIR technology

AFRICA has limited ability to absorb the CSIR's technology-flavoured solutions, says its marketing and business developmemt vice-president Mike Groch.

The CSIR is responsible for about 10% of the continent's spending on the creation of technology and research development.

And if the CSIR's three focal areas — human settlement, industry and environmental impact — are considered, it accounts for a quarter of Africa's technological research and development.

The next largest African player is the size of just one of CSIR's 13 divisions.

Groch says countries' technological capacities have to be enhanced if they are to be successful business partners. Countries with good tertiary education insititutions or organisations like the CSIR should be SA's main targets.

These include the Ivory Coast, Botswana, Malawi, Kenya, Zimbabwe, Lesotho and Swaziland.

Like most of Africa, the CSIR has been involved in the continent in an ad hoc way for years, says Groch.

But since the mid-1980s it has embarked on a concerted pro-active strategy to gain substantial income from this business.

The CSIR Africa Strategy is aimed mainly at 14 countries and focuses on human settlement, development and environmental issues.

Projects

Existing projects include road maintenance contracts in Zambia and Malawi, the Lesotho Highlands scheme, water purification studies in Zimbabwe and Botswana and coastal management in Namibia, including assessing the cost-effectiveness of reclaiming land to make diamond extraction easier.

Groch says development work involves a complex range of issues affecting quality of life such as adequate water supply, sanitation, transport and housing.

The CSIR is involved in environmental rehabilitation and impact work.

Groch says there is increasing international pressure for environmentally sound development, with funding agencies like the World Bank, linking financing to environmental criteria.



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Bordeaux offers port as gateway to Europe

B/Day 23/6/92

GAVIN DU VENAGE

A DELEGATION from the Bordeaux Chamber of Commerce and Industry arrived in SA at the weekend to promote its harbour as a gateway to Europe.

Chamber spokesman Robert Beynat said yesterday the city had a long history of trading with the rest of the world and had a well-developed communications network with which to assist foreign traders looking at Europe.

He said Bordeaux also had substantial investments in Africa, and SA businessmen could benefit through joint ventures with chamber members.

He said vast amounts of aid were flowing into Africa. To date SA had been excluded from taking advantage of these, but by setting up joint ventures with the French could make use of international funds to expand into Francophone countries.

Beynat said Bordeaux was also a gateway to Spain and Portugal, while UK ports offered access only to northern Europe.

Meanwhile, a Moroccan trade delegation signed a mutual co-operation agreement with Safto yesterday.

Safto international division GM David Graham said the agreement would be significant for SA trade opportunities in Africa.

"This is the first formal commercial link between two private sector trade bodies and represents a gateway into an important north African country," he said.

In 1989 Morocco had a GNP of $53bn. Graham said Morocco would also provide access to the Magreb, consisting of Algeria, Mauritania, Tunisa and Morocco. He pointed out that Algeria had the largest economy in Africa after SA.

Delegation head Mohammed Mounir Bensaid said the two countries could benefit from co-operation, especially in penetrating European niche markets. He said SA and Morocco both exported citrus fruits, but at different seasons, and should work together rather than compete.

Morocco already had a signifant presence in Europe but the growing sophistication of the market demanded better planning. SA could participate in transport, agriculture and mining, he said.

Bensaid said Morocco provided easy access to capital and companies engaging in exports operated tax-free.

At present Morocco has only an "office of interest" in SA.

Only mixed maize products 'for now'

PRETORIA — Pure white maize products were no longer available on shop shelves, Maize Board GM Peter Cownie said yesterday. B/Day 23/6/92

He said the mixing in of at least 70% yellow maize with white maize for the production of maize products was inevitable because of the drought.

It was not possible to obtain sufficient quantities of quality white maize elsewhere in the world to supplement SA's supplies, he said.

Yellow maize, which was mainly imported from the US and Argentina, was the best quality available.

Cownie said although there was a difference in colour, the mixed maize product was as nutritious as that produced from standard white maize.

Meanwhile, the Foreign Affairs Department said many trainloads of grain had been despatched to neighbouring countries ravaged by the drought.

It said the first meeting of the Strategic Group for the Southern Corridor would be held in Johannesburg today.The group co-ordinates imports for southern Africa.

From April 7 to June 21, 40 vessels had unloaded more than a million tons of grain at SA ports. (27PA)

During this period, 187 trains had been despatched with grain to Zimbabwe, 16 to Zambia, 23 to Malawi, eight to Botswana, two to Swaziland and 14 to Lesotho.

The department said SA would have to import 5-million tons of maize and 1-million tons of wheat to meet local demand. — Sapa-Reuter.

African region 'sitting on gold mine'

BIDay 23/6/92 279A

MATTHEW CURTIN

MONTREUX — Africa south of the Sahara, excluding SA, would produce at least 165 tons of gold a year if its geological potential was matched by the right commercial and political environment.

International Financial Corp senior investment officer Mark Keatley told delegates at the Financial Times World Gold Conference in Switzerland yesterday that the region had to face two main challenges in its bid to become a major gold producer.

Sub-Saharan countries had been starved of spending on exploration, which stood at $100m a year in the region, compared with $180m a year in SA and a global total of $2,5bn. He said this "represented a major underinvestment by all yardsticks".

The IFC, the World Bank's private sector investment arm, urged African governments to continue improving the political and commercial environment for such investments, while international mining companies had to respond to improved opportunities by devoting more spending to Africa, and gold mining in particular. BIDay 23/6/92

Sub-Saharan Africa also had to overcome a "serious lack of equity capital investment in mining projects". Political risks prevented the listing of African mining ventures on world stock markets, and only SA and Zimbabwe enjoyed such opportunities on the continent.

The IFC was backing the relisting of Ghanaian gold mining companies should market conditions improve.

Keatley said Ghana was the prime example of the region's potential, with the country's gold production, based on ore bodies similar to those on the Witwatersrand, likely to reach 33 tons a year when current upgrading programmes were completed in the mid 1990s.

Keatley said African gold production had increased 22% between 1990 and 1991 to 84 tons from 68 ton, with important production coming from diverse areas such as Mali, Namibia, and what seemed to be an impending gold rush in Tanzania.

Rand Mines gold division chairman John Turner and Chamber of Mines CE Tom Main told the conference sub-Saharan Africa had a long way to go before realising its potential.

Plan for regional electricity grid starts to pay dividends

BDay 23/6/92

ESKOM CE Ian McRae is starting to see the rewards of five years of "slog" trying to sell his idea of an electricity grid for sub-Saharan Africa.

"Things are starting to move quickly now, it's very exciting," he says.

Ten days ago Eskom signed a co-operation agreement with Zambia's Electricity Supply Corporation, involving the supply of services and exchange of technical information.

Eskom and the Ivory Coast's Energie Electrique de la Cote d'Ivoire have also reached agreements. The two utilities will not only co-operate regarding services and information but will team up on construction projects, maintenance and training.

Other developments bringing the grid a step closer include a feasibility study into linking Zaire, SA, Angola and Namibia under SA co-ordination.

Negotiations are going ahead to try secure funding for the rehabilitation of the Cahora Bassa Dam System.

Mozambique has secured an SA government-guaranteed loan from the Italian government for Cahora Bassa's rehabilitation but is still $40m short. The World Bank, African Development Bank and European Investment Bank have been asked for assistance.

He says agreement has been reached on links between Cahora Bassa and Zimbabwe and tenders will probably go out in August.

SA is looking at taking up excess capacity from a hydro-electric project on Angola's Namibian border. A project under construction on Angola's Capinda River will have to link into the grid for full use.

The possibility of a coal-fired station in Botswana is being investigated and work is being done to link Kenya and Tanzania to Owen Falls in Uganda.

McRae says it will probably take eight to ten years before the grid is a reality.

But important elements have begun to be put into place. Behind the idea of a regional power grid is McRae's belief that power is central to economic growth. The region, comprising the 18 countries from Zaire, Uganda and Kenya southwards, has a population of about 200-million but less than 10% have access to electricity.

On the positive side the region is blessed with a wealth of power generating sources, he says.

The idea is to develop viable power-generating projects in all countries. A grid is essential for smaller countries which need to export power to make electricity affordable.

McRae says the drought has highlighted the need for power connections between countries.

Zimbabwe is in dire straits because it imports power from Zambia, which is conserving its resources as the water level of Zambezi River and its dam drops. A power link between SA and Zimbabwe would have been tremendous help, he says.

SA BUSINESSMEN ARE SCARED OFF BY SHORTAGE OF FUNDING

AFRICA's lack of money is the major limit to business, says Absa International assistant divisional manager Pieter Louw.

His view is supported by every ABDG member interviewed.

Scarce funds are the most important element, detering SA and other businessmen from grabbing a wealth of opportunities, ranging from trade in almost anything to technological and management transfer, restructuring roads, ports and banking institutions to setting up wealth-creating projects in agriculture, mining and tourism, says Louw.

One way to overcome the money problem is to use aid or development funds. SA's membership of the African Development Bank will be an important breakthrough in this regard and Louw is optimistic it will happen soon, provided SA's political process keeps going.

But relying on aid money is essentially a short-term, project-based approach rather than a solution for ongoing business in Africa, he says.

Louw believes the true key to doing successful business in Africa is to invest in the development of countries' resources.

SA companies need to put money into grassroots development projects which will ultimately facilitate exports, he says.

The pay off for SA businessmen is that in the longer run countries will be able to use their export proceeds to pay for SA goods and services.

Serious

"South Africans serious about long-term prospects in Africa have a major role to play by investing now," says Louw.

Unfortunately, there are too few SA companies which are committed enough to exports and a long-term presence in Africa, he says.

SA's banking sector has an opportunity to help establish financial intermediaries in most countries to the north.

Credible financial institutions, supported by sound government economic policies, are a precondition to trade.

Reliable financial institutions would also encourage the wealthy sectors in these countries to put their money into the formal economy rather than operate in the informal parallel markets which thrive almost everywhere in Africa, he says.

SA's banking system can not be imposed anywhere but local banks can provide manpower and technical support.

Absa International helps establish payment mechanisms for companies trading in Africa.

Louw believes that political issues in Africa are important, but that they short-term obstacles.

Countries' current political structures should be evaluated and weighed up against resources and political and economic policies.

Firm suited to meet power needs

B1 Pay 23/6/92.

ROSHERVILLE Engineering believes it is ideally placed to serve Africa's power industry.

Since the early 1900s, Johannesburg-based Rosherville Engineering has dealt with the complex maintenance of power generating equipment, including turbines, transformers and switchgear.

Recent visits to and from neighbouring countries have shown that there is a keen interest in establishing co-operation agreements or joint ventures with SA companies like Rosherville.

It says the recent World Energy Council meeting highlighted the fact that the eyes of the First World are focused on eastern Europe, forcing African countries to acknowledge their interdependence. (@ 279A)

They have also realised that the costs of using overseas expertise are enormous.

It has therefore become vital to use local resources and develop local skills.

Rosherville is the perfect partner, having realised early on that rehabilitation of well-tried equipment to prolong its life held advantages over buying new equipment.

Rehabilitation costs a fraction of the cost of capital goods and existing staff do not need to be re-trained.

Spares can be manufactured locally, again at greatly reduced costs. And spares can be upgraded by using more sophisticated materials.

Rosherville has created a large infrastructure of equipment and skills.

It has also developed a pool of diverse experience in problems relating directly to the African environment, for example unique weather conditions.

Rosherville hopes that its ideal positioning to service southern African needs will allow it to play a role in maintaining heavy power equipment but also in upgrading the sub-continent's skills levels.

Rennies reveals links between freight firms

B10ay 23/6/92.

RENNIES' freighting subsidiaries Renfreight and Manica have come into the open about their relationship after years off pragmatically covering it up during the sanctions era.

Manica, which celebrated its 100th anniversary this year, historically marketed its freighting service exclusively outside SA and built up an extensive southern African network encompassing more than 40 locations north of SA's borders. It invested more than R100m in assets in Africa when many other international concerns were pulling out of southern region.

Its links with SA and sister company Renfreight were covert. Manica brochures omitted SA completely and its head office had a London address.

The new Renfreight was formed through the merger of the air and sea operations of Renfreight Air Cargo and Renfreight Forwarding in April this year. They have concentrated on the SA market for over 150 years.

Although concentrating on different markets, the two companies always worked together but it is only recently that they have been able to publicise and capitalise on this fact.

Renfreight CE Eddie Stead says the reason for coming out into the open was the groundswell of demand for effective support by SA buinesses wanting to trade in southern Africa. This was reinforced by African and international attitudes to SA with the changing political climate in SA and the southern African region.

Manica CE Gary Hopcroft says the restructuring would have taken place whether SA was reaccepted internationally or not. The group made a business decision to concentrate its efforts on freight management. However, political developments made it easier to do this by deepening the Manica-Renfreight relationship.

He says there are no plans to merge the two companies into one as both have strong, well-known images in their respective markets.

Manica will continue to focus north of SA, while Renfreight will target the local market. Their collaboration will continue but be more openly marketed as a plus to clients, in SA and southern Africa.

Agreement

Overseas clients doing trade with southern Africa, including with SA, are targeted through an international agency agreement with LEP International, one of the world's leading freight forwarders and other foreign agents.

Stead says the two groups have positioned themselves to follow the international trend to expand freight forwarding to embrace all aspects of freight management.

They will still be involved with traditional clearing and documentations functions, but not in isolation. Traders are no longer satisfied with such a limited service, but rather want a total freight management package tailor made to their specific commodity, he says.

Besides clearing freight, Renfreight will consult on packaging and transport from point of supply to consumption.

Manica and Renfreight's extensive presence on the ground in all southern African countries means they are aware of economic and political developments affecting freight such as forex freezes, sabotage of railway lines or changes in customs regulations.

As experts in their field Manica and Renfreight deal with all these concerns on a client's behalf.

Hopcroft says while there has not been a visible increase in cargoes yet, he believes regional trade has grown. Renfreight has seen a marked increase in queries from SA businessmen wanting to trade in Africa.

Hopcroft says there has also been a tremendous increase in operations in Zimbabwe through the Open General Import License which promotes rehabilitain by industry. Manica is moving heavy machinery and equipment needed for the rebuilding .

He says Renfreight and Manica's main opportunity is in managing export goods, ranging from agricultural products from Malawi and Zimbawe, to copper from Zambia and Zaire.

Another large opportunity lies in the management of aid projects. Hopcroft believes aid bodies will start looking to SA to ensure effective distribution of aid.

The largest short-term prospect is the distribution of food aid especially to Mozambique, Zimbabwe, Malawi and Zambia.

Stead says astronomical volumes of maize are involved and while Renfreight is glad to be involved in its management, all SA resources are going to be stretched by the aid programme. In fact the entire region's infrastructure will be taxed.

He says this is just one example where regional collaboration is vital.

The region needs to decrease dependence on aid and pull together to make the region work.

Hopcroft has the same sentiments. "We need regional solutions."

Time to tap into Africa's tremendous potential

B/Day 23/6/92

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AFRICA is seen as a poverty-stricken, AIDS-ridden and marginalised continent by many.

But astute businessmen, including South Africans, realise they could tap into more than $10bn in development aid allocated to Africa every year, much of it never spent because appropriate projects are not identified.

They also see the enormous potential of the Sub-Saharan market of more than 450-million people with spending power contributing to annual GDP in excess of $220bn.

Changes

They know that SA is believed to have made about R10bn from exports to Africa last year and that trade north of the borders grew 40% in 1989, 20% on top of that in 1990 and a further 22% last year.

Sweeping political changes of the past few years and the growing interest in doing business in Africa has swelled membership of Safto's Africa Business Development Group (ABDG).

Chairman Ian McRae says the group has also been forced to reassess its role and restructure to meet the changed needs and circumstances.

Surprisingly most players say changes started before President F W de Klerk's landmark 1990 speech.

ABDG manager Paul Runge says things really started happening in about 1989, with the Cuban withdrawal from Namibia and its subsequent independence.

"The whole of Africa is a village and things have a ripple effect." Runge believes the last domino to be toppled will be the dropping of trade sanctions by Tanzania and Nigeria.



IAN MCRAE



PAUL RUNGE

Spoornet's Andre Heydenrych says the thawing of east-west conflict made Africa less strategically important and foreign countries are no longer pumping in money.

Foreign donors also became increasingly disillusioned with Africa's continued deterioration and have focused mainly on eastern Europe for development assistance.

Runge says De Klerk added momentum to these developments, opening Africa's doors to SA.

Many SA concerns can now admit that they have been doing business in Africa for years and others are considering joining them.

Checklist

Political stability is first on the checklist when looking at the risk profile of countries in Africa, says Runge.

"Has the country had, or is it planning, multi-party elections."

Next is an agreement with the IMF.

Lack of finance remains a major constraint to trade and other work in Africa and SA's membership of the African Development Bank is seen as essential.

Other important factors to be considered are market size and diversity, colonial heritage and geographical location. Good physical access is important to do successful business, says Runge.

Attitudes

Proximity to SA and things like landing rights, visa arrangements are important.

SA businessmen also need to look at countries' attitudes to SA, language, economy diversity, maritime agreements and inspection services agreements. An SA representative on the ground also helps, he says.

Zimbabwe remains most important for SA, buying a quarter of all SA exports, says Runge.

Zambia is another well-established market.

Recently acquired markets for SA include Kenya, Angola and Madagascar and very new markets are Tanzania and Nigeria.

To do good business, says Runge, countries need good physical access.

Markets to which SA has access but where there is minimal activity include Gabon and Morocco, which Runge belives should be exploited more.

He says SA companies should prioritise their efforts in Africa. "Now that we are no longer desperate for any contact outside SA, we can choose where and which projects and markets to become involved in."

Safto conference a hit

SAFTO's recent two-day conference — on southern African trade and investment was such a success that a follow up is already being planned for next year.

The conference highlighted current trade and investment opportunities in the sub-continent and speakers and delegates came from as far afield as Nigeria, Kenya, Tanzania, the US and Europe.

Organisers of the conference say SA delegates in particular showed a new awareness for the need for regional co-operation. Fruitful contacts were made.

A publication of the conference's speeches and presentations will soon be available from Safto for R150.

Understanding the Southern African economy

SOUTH 27/6-11/7/92

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IN A RECENT book entitled "Economic interdependence in Southern Africa — Conflict and Co-operation", Jesmond Blumenfeld demonstrates that it makes sense to talk of a Southern African regional economy.

He analyses how the discovery of diamonds in Kimberley in 1867 and gold on the Rand in 1886 resulted in a regional economy with a base in South Africa.

He identifies four processes as the pillars of this newly-created regional economy:

Firstly, the construction of the railway network covering Botswana, Lesotho, Swaziland (the BLS countries), the two Rhodesias, Nyasaland, Mozambique, Angola and the Belgian Congo created a transport infra-structure for the development of trade, labour migration and the institutional arrangements to eliminate trade barriers.

Secondly, given the level of mining technology of the time, large unskilled labour forces were required to exploit the newly-discovered minerals. This proved a major problem as new minerals continued to be discovered, such as coal in Southern Rhodesia and copper in Northern Rhodesia and the Belgian Congo, to mention a couple.

Competition for labour was considerable, forcing employers to recruit labour from entire regions, resulting in large-scale population movements. This migration created a historical-sociological affinity among people from particular regions. The affinity removed non-tariff barriers to trade, making it easy for investments to take a regional dimension.

Thirdly, the development of trade in goods and services was greatly facilitated by the railway network. Cotton, tobacco, maize and tea could now be grown for export.

Considerable South African capital was invested in neighbouring countries for the production of these commodities for export. Manufactured goods were exported to these countries from South Africa. Currency convertibility at the time was a further financial factor which enhanced regional trade.

Fourthly, most of the countries covered by the railway system were British colonies, with the exception of Angola, Belgian Congo and Mozambique. The British colonies made institutional arrangements for the facilitation of trade.

In 1910 the Customs Union was formed, covering the four South African provinces and the BLS countries. Special trade agreements were made with the two Rhodesias and Nyasaland. Labour agreements were made with Mozambique.

These processes were the pillars of what today can be regarded as the regional economy of Southern Africa. During the last decades, however, political conflict in Southern Africa has made it impossible to realise the welfare gains of this regional economy.

Cross-border economic relations became ridden with hostility and suspicion. Gains which should have been made through exploiting historical links were turned into instruments of economic warfare.

Vigorous attempts were made through organisations like SADCC to undo almost a century of economic links in the region.

This unhappy phase of this region's development is coming to an end with the dying of apartheid. There is now an opportunity to examine the nature of the links and how they may be exploited for mutual benefit.

By providing a historical account of the development of the Southern African economy and presenting a systematic explanation of the concepts of dependence and interdependence, Blumenfeld has laid the foundation for further study of this timely issue.

On this foundation, Southern African interstate economic relations can be examined, formulated and eventually rebuilt for the welfare of all. **PATRICK NCUBE**

UN sets up SA office to aid huge food shipments

S/Times (Buss) 28/6/92

279A

By KEVIN DAVIE

THE United Nations World Food Programme (WFP) has opened an office in Johannesburg to help co-ordinate the flow of desperately needed food aid in Southern Africa.

Ten countries with a combined population of 18-million have been targeted by the WFP, which estimates that 6,1-million tons of maize will be needed to prevent famine from blighting the sub-region.

SA, which is expected to import about 4,5-million tons of grain at a cost of about R1,8-billion, is excluded from relief programmes because it can pay its way. It has not asked international agencies for help.

The operation to beat famine is co-ordinated in SA by Portnet and Spoornet.

Portnet's Simon Swanich says 21 shiploads of grain are now on the water. Another 12 ships have arrived in SA ports.

About 300 shiploads are needed as part of the overall import programme.

Alert

The WFP's Bronek Szynalski said in an interview with Business Times in Johannesburg this week that $500-million had been pledged by donor countries, but much of the relief money had to be translated into shipments.

"We need to send an alert to donors," Rome-based Mr Szynalski said. "There should be more food moving now."

The WFP estimates that the 10 affected countries will need to import 6-million tons of maize, of which about two-thirds will come through SA ports.

Mr Szynalski said about 200 000 tons of maize had been landed in SA or was on the water. Another 200 000 tons was due to leave.

Donors had pledged 1,9-million tons of maize in total, about half of non-commercial needs of the 10 countries of 4,1-million tons.

Mr Szynalski said the drought affected more people over a wider area than the disastrous one in the early 1980s which caused considerable damage in North Africa.

He said this operation was the largest tackled by the WFP in terms of numbers of people affected.

"But we're getting involved much earlier, we're better prepared and the people are in much better shape. There has been no major displacement of people yet."

The WFP's aim was to get food to people before they started moving. "The worst thing in a famine is when people start moving in search of food."

The position could not be described as famine yet — "we hope to prevent it".

The WFP's representative in SA is Arnt Breivik, who is head of the WFP's logistic advisory unit.

Mr Breivik praised the efforts of the SA team co-ordinating the import of maize to South and Southern Africa.

"There have been teething problems, but SA has taken the lead. They've put up an operations room and they've put up the right people.

"They're doing a good job."

● See page 3

Big trade hunt in Africa

C/Pres 28/6/92 279A

ECONOMIC prospects for Africa depend increasingly on the fortunes of two dominant states in the region – SA and Nigeria.

Their leaders share the analysis that Africa's economic development revolves around four growth poles – SA, Nigeria, Kenya and Egypt. Of the four poles, Nigeria and SA are the most significant for Africa in terms of economic muscle and population. Although Egypt is a major recipient of Western aid its predominant orientation to the Middle East has reduced its importance as an actor in Africa.

For foreign commercial interests it is Nigeria and SA, within and beyond their respective sub-regions, that have the most potential to develop as platforms from which to export to other countries in the region. While SA's potential as a harbinger of economic development under current conditions is seriously overstated in Africa, it is a market which constitutes about one percent of global business and one that few multinational companies can afford to ignore.

Shattering myths

Some of the most extreme illusions about SA's economic role in Africa are likely to be shattered in the next few years.

Industrial structures are likely to be further rationalised with much African business moving to SA as the logical regional industrial hub. While SA does not have a competitive advantage internationally in manufacturing, it does have a marked comparative advantage in Africa where manufacture makes up more than 30 percent of its exports. SAWith South African exports to Africa of some R6-billion (US$2-billion) and imports from Africa of just R1,5-billionin 1990, the trade relationship is very one-sided. Commodities are SA's main buying interest in Africa: Nigerian and Angolan oil, cocoa from the Ivory Coast and Ghana, Kenyan and Ugandan coffee, Zambian copper and Zimbabwean tobacco.

Coping with SA's domination in the African economic context will be a key problem for policy-makers in post-apartheid Africa; the only possible counterbalance is Nigeria. Success or dislocation in one of the "pole economies" will quickly affect the other countries in the region.

■ A difficult transition to democratic rule:

Moving from apartheid in SA's case – and military rule in Nigeria's case – to democracy is a critical process for both countries. A central issue in both countries is how far federalism can contain ethnic rivalries. Current developments suggest both countries will face a protracted period of authoritarian rule in this decade.

■ Dependence on commodity production:

Despite its relative sophistication in the African context, SA is still predominantly a primary commodity producer. Mineral exports alone made up 46 percent of SA's merchandise exports in 1991 and in non-drought years it grows the equivalent of a third of Africa's maize requirements; crude oil makes up 95 percent of Nigeria's exports.

■ Gross inequalities of wealth:

Inequalities in Nigeria have been worsened by recession, particularly in urban centres, over the past decade. While the overall GNP per capita in SA was $US2 460 (R6 888) in 1990, for whites it was $US6 530 (R18 284) and for blacks $US670 (R1 876), according to the World Bank.

■ Growing unemployment:

Estimates of unemployment in SA vary from the government's 18 percent to unofficial estimates as high as 40 percent; all are agreed it will rise further. In Nigeria, few accept the government's unemployment figure of 11 percent, while some economists claim it is higher than 25 percent.

■ Hectic rate of urbanisation:

Both countries are among the fastest urbanising societies in the world.

Johannesburg's crime rate is soaring as it replaces Detroit and Rio de Janeiro as the murder capital of the world.

■ Overblown and unproductive sectors:

The army of Afrikaner clerks who people SA's 15 racially based departments will be weeded out, but any restructuring of the civil service is unlikely to cut total numbers as social spending on blacks rises. Privatisation, however, has cut down some traditional government fiefdoms. Since 1986, the Nigerian government has cut the civil service payroll and started an ambitious privatisation programme. Both strategies have stalled and are unlikely to be resuscitated before a change in government. The efficiency of both civil services has been hampered by growing corruption.

■ Oversized military and security establishment:

This year, half SA's total defence budget of R4 380-billion was allocated to special projects or "dirty tricks". Until January next year at least, Nigeria's military will directly control the national budget.

Both countries see their military prowess (questionable in both cases) as integral to their standing in Africa and an important component of a possible peace-keeping force launched by the Organisation of African Unity, which they would hope to dominate between them.

■ Capital flight:

Both countries have suffered inordinately from capital flight and disinvestment.

■ Chronic lack of investment in education and training:

Apartheid's worst legacy to the economy is the lack of skilled South African workers. In Nigeria's education system, where spending on each pupil was cut by more than half in the 1980s, the effects have been similar.

■ Poor export performance:

With rich natural resources and long-established markets for its primary commodities, neither economy has developed the necessary marketing skills to export its processed and manufactured goods.

However, SA, with its GDP more than double Nigeria's, will remain and probably reinforce its position as the dominant economy in the region.

Africa as a bloc was virtually invisible in the negotiations for the General Agreement on Tariffs and Trade; a constructive Lagos-Pretoria axis could help change this. – Africa Confidential

No easy gateway to Africa for SA

279A

C1 Press 28/6/92

■ MONEY TALK

GLIB talk by local and overseas politicians that South Africa is to become the economic engine which will pull Africa out of its present economic depression, is gradually being tested in the real world of business.

The results are disheartening.

Political turmoil, a lack of infrastructure and systems – ranging from government departments to road and railway systems that simply don't work – are frustrating efforts by SA businessmen to increase trade in Africa.

Nonetheless trade with the rest of Africa has risen by 150% since 1987.

Top company Premier Group – South Africa's second largest food group with substantial pharmaceutical interests – says it is experiencing great difficulties in doing business with Africa now that sanctions are disappearing.

Political unrest, in many instances caused by efforts to get rid of dictators, are causing instability which often makes economic growth impossible.

Premier deputy chief executive Gordon Utian says that the whole industrial cycle in Africa is not working. "One has got to be very, very careful about us being the engine of Africa. Africa needs investment more than trade."

Premier has suffered massive losses in central Africa in recent times as a result of political disturbances. In Malawi 15 wholesale stores owned by Premier were looted of about R1,5-million in goods stolen recently, while in Zaire its large wholesale cash-and-carry operation in the capital Kinshasa was razed to the ground after being looted. In Lubumbashi Premier's retail network was looted during an uprising against the Mobutu government.

In Mozambique difficulties occurred after a reshuffle of government officials. Preferential tariffs which were negotiated between Premier and the previous officials were simply scrapped by the newcomers.

Utian said in Angola serious problems were encountered because of a "lack of infrastructure, of an ability to get something done, people on the ground, systems and operations that work – it's just not there".

An "enormous amount of bribery" added to the difficulties.

Utian hoped that future aid from donor countries and the World Bank would be channelled through South Africa. An investment chain could then be started up into Africa.

"We are going to have to invest in Africa if Africa is to return to normality," he claims.

Only crumbs for the needy...

Clpress 28/6/92. 279A

Africa's silent agony brushed aside by concerns of the rich

WHILE 117 world leaders, 30 of them African, ate dove eggs wrapped in salami and roast veal *a la Diplomate* at the earth summit in Rio, southern Africa – suffering its worst drought in more than 100 years – came away with crumbs.

This was because the needs of northern governments, northern corporations and the northern media dominated the recently concluded UN Conference on Environment and Development (UNCED).

Grassroots activists from Africa and the Third World found little concern about democracy at the summit.

Southern African officials were clearly frustrated at the limited resources rich countries were willing to commit to poorer countries' efforts to preserve the environment.

"UNCED has achieved a lot. It was historic in its importance but, I regret to say, it has also failed in some respects," Botswana President Sir Ketumile Masire said in his speech on behalf of African countries at the summit's closing plenary.

"It's a step – it's not a solution – but it is a positive step," commented Mozambique's Mineral Resources Minister, John William Kachamila.

"But what the developing countries need is something a lot bigger," he added.

Tanzanian president Ali Hassan Mwinyi told world leaders the global environmental crisis consists of two kinds of emergencies: "loud" ones such as global warming, and "silent" ones which affect the daily lives of billions of the world's poor.

His remarks underlined the wide gulf between the priorities of the rich, industrialised north and the urgent needs of the poor in the south.

Southern African officials and activists alike were angered by richer countries' dismissal of issues such as fuelwood exhaustion, toxic waste disposal, or the dumping of dangerous pharmaceutical products, as "local" concerns less important than the "global" issues – such as climate change and ozone depletion – preoccupying the North.

Some were clearly frustrated by US intransigence on issues of concern to both Africa and the world.

Bush

"It's not possible to believe President George Bush's election campaign considerations are more important than the contents of the biodiversity treaty," Zimbabwean president Robert Mugabe told a press conference in Ecuador while en route to the earth summit.

Despite appeals made by several presidents of SADCC member states, the conference ignored one of southern Africa's most pressing problems: reconstruction of rural and urban environments devastated by white South Africa's wars of destabilisation against its neighbours.

In fact, the US pressed consistently to exclude mention of war as a source of environmental degradation.

Hence there was no discussion of possible funding for converting the region's "surplus armies", after decades of Cold War-fuelled conflict, into "green battalions" which could help repair the massive war damage in countries like Angola and Mozambique.

Usually at odds in domestic arenas, southern Africa's heads of state such as Tanzania's Mwinyi found common ground with the region's activists in stressing the primary importance of poverty as the most critical factor fueling environmental degradation.

"The loud emergencies have yet to affect many people," Mwinyi told summit leaders.

"But the silent emergencies – the more immediate issues of human survival – are already wasting many lives. Some 1.5-billion people in developing countries do not have access to health services.

SADCC country delegations had arrived in Brazil sharing a common position thrashed out last year in a series of UN Economic Commission for Africa and Organisation of African Unity meetings.

A central priority was to ensure the issue of increasing desertification – a scientifically contentious subject – be recognised as a global problem rather than just an African concern.

African delegates were clearly pleased when the conference agreed to set up an Inter-governmental Negotiating Committee (INC) to negotiate an international convention on drought and desertification control.

But the failure to deal with the southern African drought was the most depressing feature for this region. – AIA

Sub-Saharan Africa has most Aids cases

279A STAR 29/6/92

By Barney Mthombothi
Star Africa Service

DAKAR — The World Health Organisation (WHO) has released its latest update on the spread of Aids, and it makes for grim reading — especially for sub-Saharan Africa.

Taking into account extensive under-diagnosis, under-reporting and reporting delays, the WHO estimates that by the end of this year close to a million adult Aids cases would have probably occurred in sub-Saharan Africa, or about two-thirds of the estimated global total, says the report, released at the weekend at the OAU summit in Dakar, Senegal.

It says that by the end of 1987, sub-Saharan Africa had about 2,5 million HIV infectious people. This had jumped to a cumulative total of 6,5 million by early this year, a figure it says is a conservative estimate.

North America, the other trouble spot, has only about one million HIV infections.

The report estimates that about 75 000 HIV-infected infants would have been born in Africa by the end of 1992, and the projected total by the end of the 1990s is almost 5 million. Up to 70 percent of infants of HIV-infected mothers will be born uninfected.

During the 1990s, as many as 10 million children under 10 may be orphaned as a result of maternal Aids in the region, the report says.

Heterosexual transmission of HIV continues to be the predominant mode of spread, the report adds.

Practices such as male or female circumcision, ritual scarification, and use of unsterile needles and syringes are believed to account for only a small portion of total HIV infections in sub-Saharan Africa.

The impact of Aids will be greatest in large urban areas, especially in east and central Africa. In such cities, Aids deaths in young children and those in the 15 to 49 age groups may well reduce expected population growth by more than 30 percent.

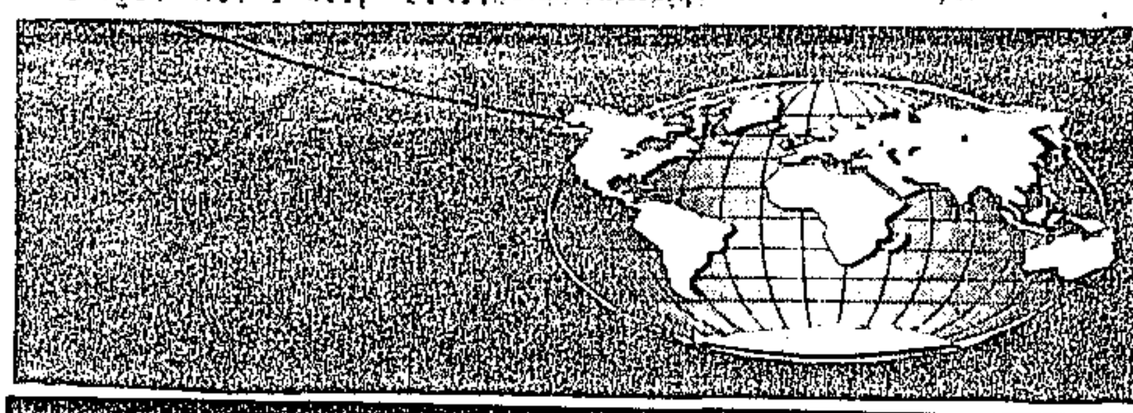
"The adult mortality rate may more than triple," it says, adding that the population in these countries is expected to continue growing in the 1990s.

The report says the health and social support infrastructure will be inadequate to cope with the clinical burden of HIV-related disease.

Up to 80 percent of all patients in some urban hospitals in central and east Africa are HIV-infected.

"An adequate response to this unprecedented epidemic will require substantial resources so that countries in sub-Saharan Africa can continue to strengthen HIV/Aids prevention and control programmes and take care of the ever-increasing numbers of Aids patients and orphans."

The report says the only way to defeat the spread of Aids is to mobilise and unify national and international efforts against the disease.



INTERNAT
ISSUE

The Crisis of Development i
AIDS and Development

"Our husbands are killing us. They go around chasing after all kinds of girl friends, then they come home and want us to have sex. What can we do?"
Zimbabwean woman

Last week we looked at the reasons for the food crisis in Zimbabwe and Ethiopia. This week we will look at the effects of a new disease on the development of Africa - Aids* *(See the New Words Box).* Millions of people are infected by the HIV* virus in Africa, and have got Aids as a result.

There are two important reasons why we should think about AIDS when we are discussing the development of Africa:

- **Stopping the spread of AIDS and providing medical care for AIDS victims is using and will continue to use many resources in most African countries.**

- **Many people argue that the political and economic underdevelopment of African countries means that more people get AIDS and die in these countries than in developed countries such as the United States of America.**

AIDS and Development

Every country with AIDS patients has a responsibility to look after them and give them all the help they can. In order for a country to control and treat AIDS victims, many resources have to be used. For example, many hospital beds are being occupied by people who are suffering from AIDS. Countries which have a very limited supply of medicines and medical personnel are using a large amount of these resources on AIDS. The rest of the health care system then gets less medicines, fewer nurses and doctors, and less equipment.

But this is not the only way AIDS uses up the limited resources of a country which are needed for development. Childcare is another demand growing out of the spread of AIDS. In countries like Uganda where many children have lost one or both parents to AIDS, much of the country's welfare Department is devoted to looking after these "AIDS orphans."

A last way in which AIDS drains the resources for development is that, like slavery, it takes the young and strong people out of the population. Most victims of AIDS are in the sexually active age group, from 15-49. People of this age are very productive for the economy. If large numbers of the people between 15 and 49 die, a country's workforce will be seriously affected.

Underdevelopment and the spread of AIDS

But other people believe that while a vaccine or safe sex is very important, AIDS cannot be controlled in the underdeveloped countries unless the problems of underdevelopment are also solved. Several problems of underdevelopment have been linked to the spread of AIDS.

- **A Lack of Information:** For a cure or "safe sex" to be successful, people need information. This means two things.

Firstly, the government must make information about AIDS available to the population. Some African countries have tried to keep the presence of AIDS quiet, often thinking the presence of AIDS will scare away foreign tourists.

Secondly, in order for information campaigns to be successful, people themselves must have a certain level of education. In countries with high levels of illiteracy, public education about AIDS is much more difficult.

- **Economic and Political Factors:** AIDS is most commonly spread through sexual contact. When families and lovers are separated due to economic or political factors, the chances of spreading diseases like AIDS increase.

In a country like South Africa where there are a large number of migrant labourers, spouses or lovers are separated for most of the year. This creates a situation where they may often look for other sexual partners, thus increasing the likelihood of one or both of them acquiring AIDS.

Another result of a weak economy is that women may end up with only one employment opportunity, namely prostitution. In countries like Kenya prostitution is so widespread that many European male tourists come into the country for "sexual tourism". This sort of international sexual exploitation helps spread AIDS.

A similar thing often happens when there are wars. Armies are mostly made up of men. In times of war, soldiers are separated from their wives or lovers for long periods of time. As a result many soldiers call on prostitutes. This sort of sexual contact can increase the spread of AIDS as well.

- **Inequality:** Inequalities mean that those with less money and resources are more likely to get AIDS. For example, poor people are likely to have less resistance to disease, particularly if they are malnourished. In addition, they are less likely to be able to afford to buy condoms, which can protect against the disease. For women, even if they can afford to buy condoms they may not be able to convince their husbands or sexual partners to use them.

Even if a cure is discovered, the rich may be the only ones who can afford it. At present the most widely used anti-AIDS drug is called AZT. It does not even completely stop the disease. It costs about R10 000 per year for one person. How many South Africans can afford AZT?

In Harare, the capital city of Zimbabwe, about one mother in five is currently HIV positive.

New Nation
[Learning Nation]
29/5-4/6/92
279A

"Blaming Al
weakness anc

• New World

HIV: This is the virus that leads to the disease AIDS. HIV means Human Immune Deficiency Virus.

AIDS: Acquired Immunodeficiency Syndrome (AIDS). Normally when someone gets sick, their body fights the disease or the virus which is making them sick. However, when someone who has AIDS gets sick, their body cannot fight the disease and they die.

Myths: A myth is an invented story which people believe to be true, but which is actually untrue.

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Conspirac
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Epidemic:
infecting r

Is there a solution to the A

There is much debate about how to stop the spread of AID
wait for a cure to be discovered. But governments in most
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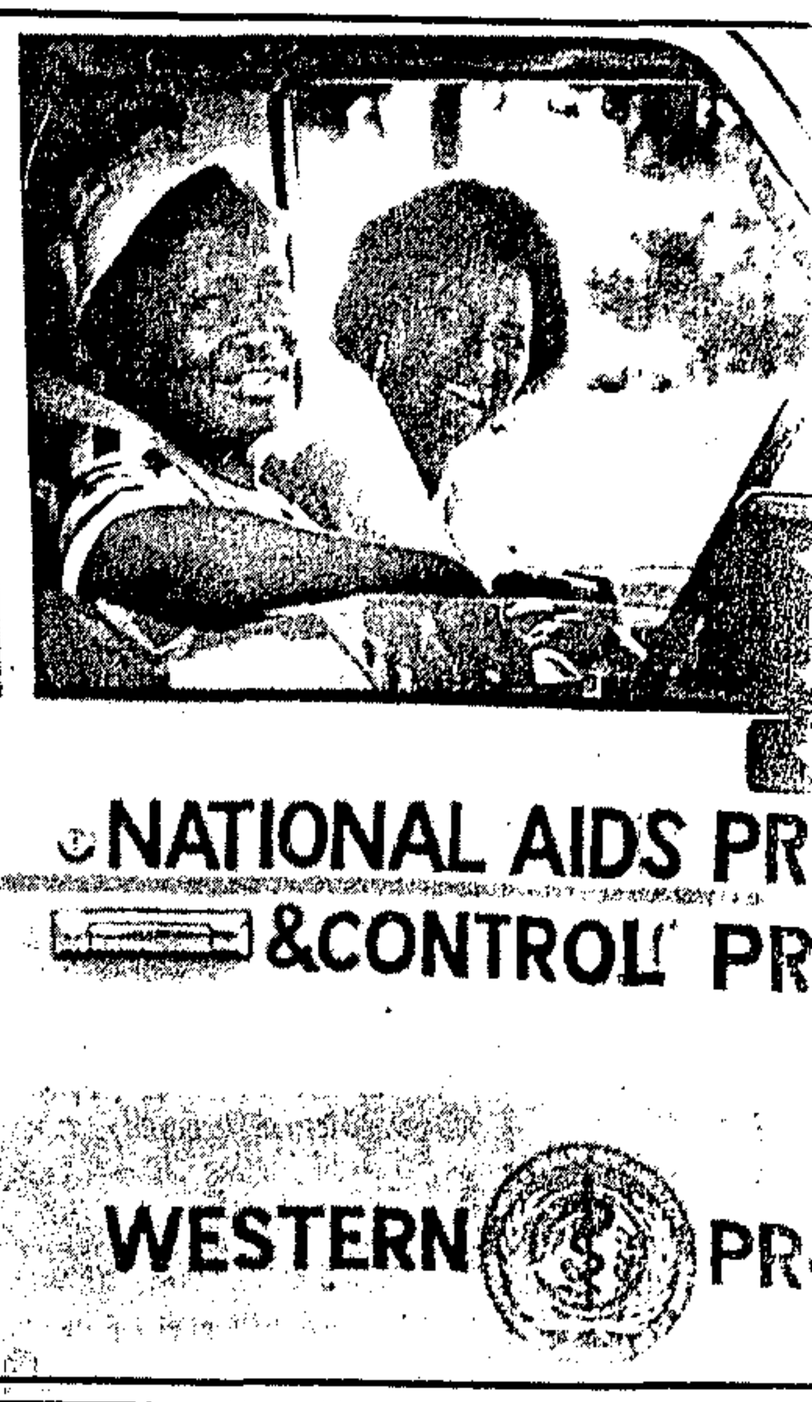

NATIONAL AIDS PR
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ent in Africa: 5

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"Blaming AIDS on Africa was a legacy of a "colonial mentality" which capitalises on our weakness and underdevelopment to attribute everything that is bad and negative to the so-called "dark continent".

Abdul Mumini Aminn, Governor of the State of Borno in Nigeria



• New Words •

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HIV Positive: A person who has the virus in their blood is said to be HIV positive. A person can be HIV positive for several years before getting sick with AIDS.

Conspiracy: A conspiracy is something which a group of people secretly plan and do against other people.

Epidemic: A disease that is spreading fast and infecting many people.

• Myths about AIDS •

Much false information has been spread about AIDS. This has led many people to believe certain myths about AIDS. Some of these myths are:

1. AIDS does not really exist. It is an imperialist conspiracy*. No! AIDS affects millions of people throughout the world, including Africa. The World Health Organisation presently estimates that more than 5 million people in Africa are HIV positive. More than half of these are women. In South Africa statistics are not very reliable but at least 100 000 people are HIV positive.

2. AIDS started in Africa. No! There has been no conclusive proof to date about where AIDS comes from. It does not matter. When AIDS first became known many people in Western countries tried to blame it on black people, saying that it started in Zaire or the West Indian island of Haiti. Their ideas have not proven to be true.

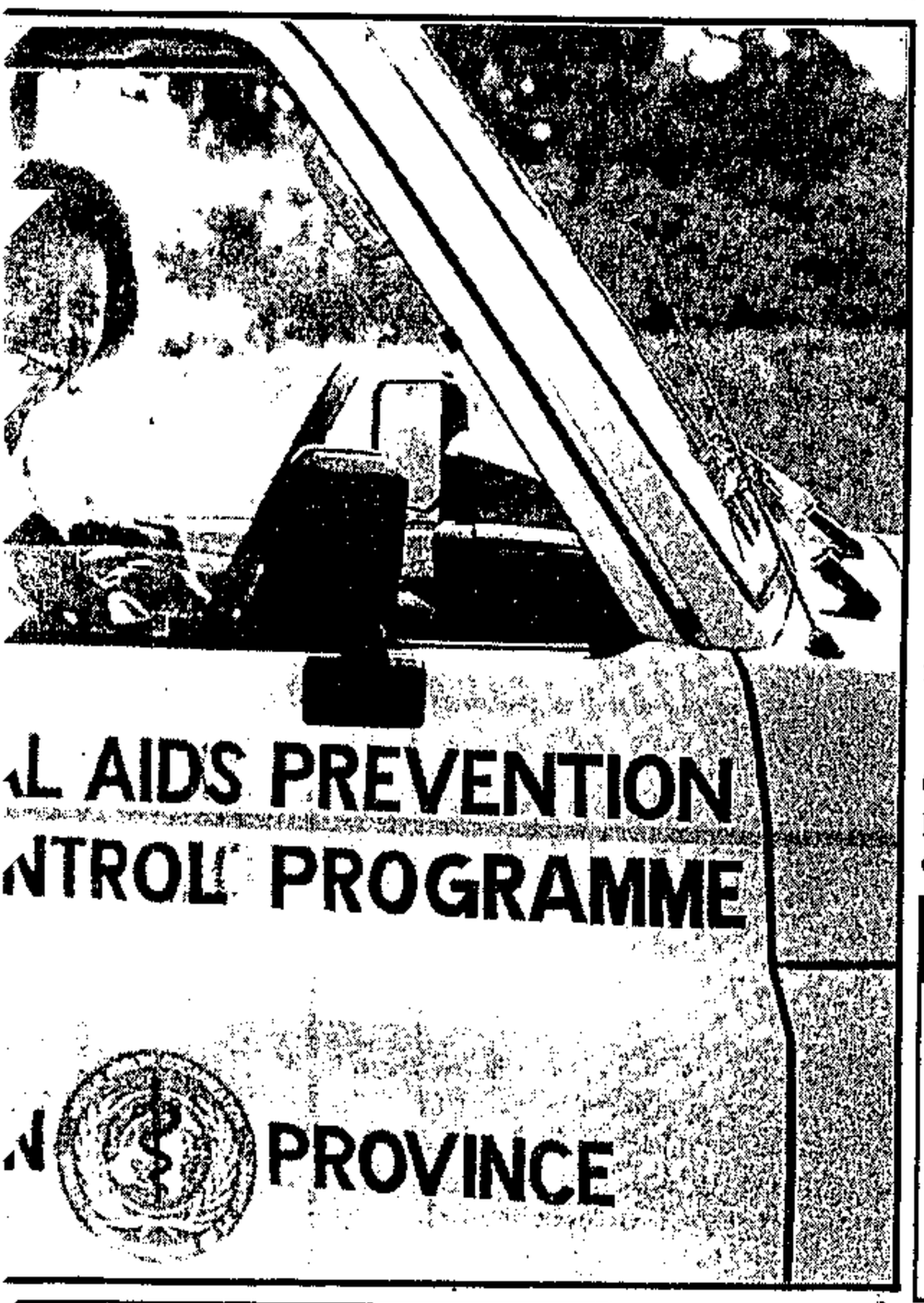
AIDS kills more adults in Abidjan, the capital city of the Ivory Coast, than any other disease.

3. AIDS is a homosexual disease. Wrong! It is true that in the United States most of the early victims of AIDS were gay men. However, since then the disease has spread to all groups of people. In Africa almost all of those who are HIV positive are heterosexual.

4. AIDS is a disease affecting whites. No! AIDS is disease found all over the world, and affects people living in Africa, Asia, Europe and the Americas. AIDS does not discriminate on the basis of colour, sex or religion.

e a solution to the AIDS Crisis?

to stop the spread of AIDS. Some people say that all we can do is
ut governments in most African countries are not simply waiting
e discovered which can cure AIDS. Campaigns encouraging "safe
ting sex with one sexual partner have begun in many countries.



Uganda: The Battle Against "Slim"

Ugandans call AIDS "slim", since those with AIDS become very thin. Uganda has been hard hit by AIDS. There are 600 000 children who have lost one or both parents to AIDS. In response Uganda has undertaken a huge programme against AIDS.

Unlike many leaders, the Ugandan President Yoweri Museveni has supported anti-AIDS programmes. He says:

"To not be open about AIDS is just ignorant. This is an epidemic*. You can only stop it by talking about it - loudly so that everyone is aware and scared and they stop the type of behaviour that encourages the spread of AIDS."

Uganda now has AIDS education in their primary school syllabus. People are encouraged to "love carefully" in order to stop "slim". Much of this education work is conducted by people who are themselves HIV positive*.

Questions for Readers?



Question 1:
Aids is a white disease!

No you are wrong. AIDS is a black disease!



Who do you believe? Do any of them have the right answer? Why?

Name some other myths about AIDS.

What will happen if people continue to believe these myths?

How would you stop these myths from spreading?

Question 2:
How can the development of Africa help stop the spread of AIDS?

Question 3:
A Ugandan man said: "We cannot live without sex. What else is there, where is the enjoyment? We might as well be dead."

Are doctors saying that people should not have sex?

How can people protect themselves against AIDS when having sex?

• Resource List •

There are many organisations working against AIDS in South Africa. Here is a list of some of them:

Township Aids Project
PO Box 4168, Johannesburg, 2000
Telephone: 982-1016

Community Aids Information and Support Centre
(They provide free AIDS tests.)
Po Box1477, Johannesburg, 2000
Telephone: 725-6711/3
Telephone Hot line: 725-6710

African Research and Educational Puppetry Programme
PO Box 51022, Raedene, 2124, Johannesburg
Telephone: 485-1164
Fax: 640-2934

AIDS Centre
Telephone: 725-6551/2

AIDS Committee
Telephone: 403-4250

AIDS Consortium Project
Telephone: 403-6918

STAR 11/7/92

UK steps up aid to Africa

LONDON — Britain said yesterday it was increasing aid to drought-stricken southern Africa by £10 million (about R53 million). 2-791A

GAVIN MAASDORP

IN MY OPINION

Debating how best to be neighbours



Professor Gavin Maasdorp is the director of the Economic Research Unit at the University of Natal, Durban. He is also a co-ordinator in a project on economic co-operation undertaken by the Southern Africa Foundation for Economic Research.

As SA is brought back into the fold of Africa, the future of regional economic co-operation in southern Africa is being debated at conferences and studied by international agencies. One of these studies — by the Southern Africa Foundation for Economic Research in Harare — is examining the four main regional bodies: the Southern African Customs Union, the Common Monetary Area, the Southern African Development Co-ordination Conference (SADCC) and the Preferential Trade Area for Eastern and Southern African States (PTA).

The SADCC promotes co-operation on various projects. The customs union, the PTA and, perhaps less directly, the monetary area are concerned with trade integration. The customs union is the only arrangement in the region that provides for true economic integration, but the PTA aspires to the same goal and the SADCC is now also examining trade integration.

The issue is whether southern Africa is ready for economic integration, given the enormous imbalance in economic size between SA and the rest of the region. If it is ready, can the customs union and the monetary area be widened to include other countries, or should the PTA or SADCC be the basis of an expanded group that would include SA? If the region is not ready for integration beyond the existing customs union, then which of the PTA and SADCC models would be better to build on?

Discussions with government officials, aid agencies and business in southern Africa yield widely divergent views on each of the four bodies. Clearly, all have their weaknesses and the benefits from membership are not uniform among countries or firms. There is agreement with the objectives of the SADCC and PTA, but there scepticism about their efficacy and relevance.

The SADCC is widely regarded as fighting for its survival, trying to find a new role in a changing region and, in practice, as having been a mere conduit for aid funds. The PTA is known for establishing institutions — the Clearing House and the Trade and Development Bank — and mechanisms such as trade fairs for stimulating regional trade. Yet the inability of several PTA members to participate effectively is a problem.

The political commitment of member countries to both these organisations is often questioned: support is token, subscriptions are not paid and some governments prefer one to the other. The interest of donors in both bodies is waning after a discernible shift towards the PTA a year ago.

It is not cost-effective to have two organisations. Perhaps the region could be split into southern and eastern blocs, with the SADCC operating in the southern region, which is generally regarded as being more coherent, and the PTA in the east.

The customs union is viewed with mixed feelings in its four countries outside SA — Botswana, Lesotho, Swaziland and Namibia. They say it makes it difficult for them to industrialise and that SA does not consult them enough. The general view, however, is that the union is beneficial and that is why the four countries have remained members.

The benefits of a free flow of goods cannot be exaggerated — goods are available promptly at the quality and specifications required and at competitive prices. The four economies have been linked so closely to SA for so long — nearly 100 years — that despite criticism, no-one wants to be the first to leave the fold and face the great unknown.

The monetary area is viewed in a similar light, an important benefit being that it provides ready access to foreign exchange. Indeed, outside of the customs union and monetary area, the region is characterised by goods and foreign-exchange shortages.

The mood increasingly in southern Africa is to move away from grandiose plans to pragmatic, achievable arrangements. Successful trade integration requires a convergence of economic policies and monetary management as well as currency convertibility. Though there is greater agreement now on economic policies, some economies are in such poor shape that they will take years to turn around. Thus trade patterns will not change quickly — the main markets will remain in the hard-currency countries.

What can be done then?

First, bilateral and multilateral agreements on energy, water and transport services would reduce revenue-flow imbalances and increase interdependence between SA and its neighbours. Second, if there is any merit in greater integration, perhaps it should proceed not on a grand geographic scale but among economies that are ready.

The customs union and the monetary area could be the core. Together, they are already very close to a common market but they would need a secretariat and some renegotiation. An association agreement with other countries could then be devised, with individual countries joining the core group when they are ready, as with the EC.

In the end, SA should try to mitigate the unpopularity that is usually faced by regional hegemonic powers.

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Amcham setting up regional network

B Day 3/7/92

SHARON WOOD

THE American Chamber of Commerce (Amcham) is setting up branches in Swaziland, Namibia, Botswana and Mozambique and changing its name to the American Chamber of Commerce in Southern Africa.

Executive director Michelle Cohen said yesterday the chamber was no longer an exclusively SA body. Its role was to facilitate trade and investment throughout the region "in a neutral manner".

Affiliation would give members "more voice with government at home and abroad", Cohen said.

The US community had approached Amcham because it felt affiliation with the chamber would be a useful way of gaining greater leverage locally and regionally, and promote US trade and investment.

Fifteen US businesses were joining the chapter and would mount a membership drive to recruit more companies.

Stalemate at SADCC

Sowetan 7/7/92

■ African Ministers reject proposals on dissemination of information:

279A

Sowetan Africa News Service

MAPUTO - A meeting of SADCC (Southern African Development Co-ordination Conference) information ministers ended in failure on Friday when they could not agree on a final communique.

Aim, Mozambique's official news agency, reports that debates on a communique went on late into the night and that all the drafts were rejected.

According to Aim, the organisers were criticised for poorly prepared documentation and for a lack of prior consultation.

The meeting took no stand on issues like Press freedom, the circulation of information in the region, and the suppression of entry visas for journalists from other SADCC member states.

Aim reports that such a stand would have embarrassed some SADCC members, particularly Malawi, where the media is under tight control and foreign journalists are not welcome.

STAR 8/7/92

279A

Japan aids southern Africa

TOKYO — Japan will give some $700 million (about R2 billion) over the next three years to sub-Saharan Africa and other impoverished nations to support their economies, a Japanese foreign ministry spokesman said yesterday.

Another satellite launched

CAPE CANAVERAL — A rocket roared from its seaside launching pad yesterday with the 14th in a series of military navigation satellites. The Navstar Global Positioning System satellite will join 13 other advanced Navstars in a 20 100 km-high orbit.

Murders: guide executed

[illegible] executed a tour guide yester-

Frontline seeks UN probe of violence

279A

STAR 10/7/92

By Esther Waugh
Political Reporter

The Frontline states will propose at next week's United Nations Security Council meeting that it is the South African Government's responsibility to take steps to end violence.

A draft resolution, a copy of which is in the possession of The Star, expresses concern that the violence in South Africa and its consequences for peaceful negotiations could constitute a threat to peace and security in the region.

The Frontline proposal runs counter to the Government's view, expressed in a letter to foreign governments a week ago. Foreign Minister Pik Botha said then that, in terms of the UN Charter, no valid basis existed for the Security Council to consider the situation in South Africa.

The Security Council is set to meet on Wednesday after a call by the ANC for such a meeting to discuss the violence.

The draft resolution requests UN Secretary-General Boutros Boutros-Ghali to urgently appoint a special representative to investigate the underlying causes of the violence, and urges the international community to maintain punitive measures imposed on South Africa "for the purpose of bringing an early end to apartheid".

ANC director of international relations Thabo Mbeki last night disclosed that the ANC had asked Mr Boutros-Ghali, and he had agreed, not to send a "goodwill mission" to South Africa until after Wednesday's meeting.

In a letter to Mr Boutros-Ghali earlier this week, Mr Botha asked him to urgently send the mission, led by former US secretary of state Cyrus Vance, before Wednesday's meeting.

● ANC president Nelson Mandela is expected to attend the Security Council meeting, reports Sapa-AP.

Merger on cards for two African trading blocs

B1Day 10/7/92 @ 279A

MICHAEL HARTNACK

HARARE — In a move which would affect members of the Southern African Customs Union such as Botswana, southern and east African Preferential Trade Area (PTA) states are seeking the organisation's integration with the Southern African Development Co-ordination Conference (SADCC).

This was disclosed on Wednesday by PTA secretary-general Bingu wa Mutharika, in an interview with Zimbabwe's media.

"The decision to merge the two has been agreed in principle by PTA members. What remains is whether SADCC members would be equally agreeable," said Mutharika.

Economists in Zimbabwe see the only resolution of the issue in eventual full-scale talks between the 23 members of the PTA and a post-apartheid SA on a merger with the Southern African Customs Union.

Three of the 10 nations in the SADCC — Botswana, Swaziland and Lesotho — are not members of the 23 nation PTA because of their link to the customs union.

During its decade in existence, the PTA has experienced major difficulties translating high-sounding rhetoric on inter-African co-operation into practice. Many PTA member states continue to penalise each other's transport operators, demand settlement in Western "hard" currencies, and strangle fledgeling trade with bureaucratic red tape.

Definitive figures for inter-PTA trade remain vague. Zimbabweans have had difficulties having the community's agreed unit of account, the uapta, accepted in countries such as Kenya.

However, Mutharika predicted a current PTA trade fair in Dar es Salaam would generate US$200m in deals.

The PTA has evolved a schedule listing 690 products eligible for customs rebates.

In contrast to the PTA, the SADCC is oriented towards economic development (especially co-operation promoting independence of SA), and survives in spite of repeated friction between two key states, Botswana and Zimbabwe, over their conflicting trade policies.

"Unity is strength. By combining resources and experience, we will end up providing better service within the region," Mutharika said.

SADCC secretary-general Simbi Makoni has recently spoken far more positively about future co-operation with Pretoria, but to date no one has mooted integration of the PTA with the Southern African Customs Union.

AFRICA NEWS Amnesty accuses South Africa ● Lesotho prepares for elections

Africa improves on human rights

Sowetan 10/7/92 279A

■ Amnesty says hundreds of SA Government opponents were executed with the approval of the security forces:

LONDON - Africa's surge toward democracy in 1991 brought "immense changes" in the human rights situation in many countries.

But some governments continue to murder their opponents, the human rights organisation Amnesty International said yesterday.

And in South Africa, hundreds of Government opponents were extra-judicially executed "with the acquiescence or direct involvement of the Government's security forces", Amnesty International said in its 1991 annual report.

"Extra-judicial executions were reported in countries like Chad and Mali, whose new governments had come to power only a few months earlier pledging to respect human rights," it said.

Demonstrators demanding political reform were shot in Cameroon, Madagascar, Mali and Zaire, and opposition party supporters were detained in many states, it said.

By the end of 1991, most of Africa's one-party states had been abolished, Amnesty International said.

Political change ended entrenched patterns of human rights' abuses in Zambia, which lifted semi-permanent emergency laws allowing detention without trial, and in Ethiopia, where the new government released hundreds of detainees, it said.

But extra-judicial executions continued in Chad, Mali, Mauritania and Rwanda in 1991, the report said.

In Burundi, 1 000 or more extra-judicial executions were committed "against a backdrop of ethnic tensions", it said.

Some 300 black political prisoners were executed in Mauritania. *Sapa-AP*



Three African drug traffickers sit with 5,8kg of heroin after their arrest on July 8. The suspects are, from left, Dovi Dit Albert of Benin, Motombo Woyele of Nigeria and Mohamed Swaray of Liberia.

Setting sights on the north

C/Pres 12/7/92 (279A)

■ MONEY TALK

THE highly successful trade fair held in Nairobi by SA business has certainly whet the appetites of the commercial communities of east Africa and our own to do business.

A common reaction by visitors, including a number from neighbouring states such as Tanzania, was to express surprise at the range and quality of South African-made products.

Yet it is not all plain sailing. Our businesspeople have discovered there are many obstacles when doing deals in Africa, the main one being a tremendous scarcity of foreign exchange. In other words, a key question that must be answered – and this is not always easy given the continent's lack of sophisticated financial systems – is: How will goods be paid for?

Certainly the buyers are eager, but in many instances their purchasing ability is dependent on the flow of aid.

This aid is often linked to conditions that any purchases should be made in the donor countries. So even if a customer wishes to buy from a South African business, he cannot do so, unless the business is prepared to take a chance with credit.

No doubt the exhibition in Nairobi has proved there is potential to greatly increase trade with Africa. But it has also shown that many of our export companies will have to build infrastructure to handle complications such as government regulations on licences, duties and the efficient transfer of payment to SA.

One has to bear in mind that not a single country in Africa has a truly convertible currency. Business must be done through a third currency, mainly the US dollar.

There is great potential in barter trade. But here the crux is whether the customer country produces goods SA needs.

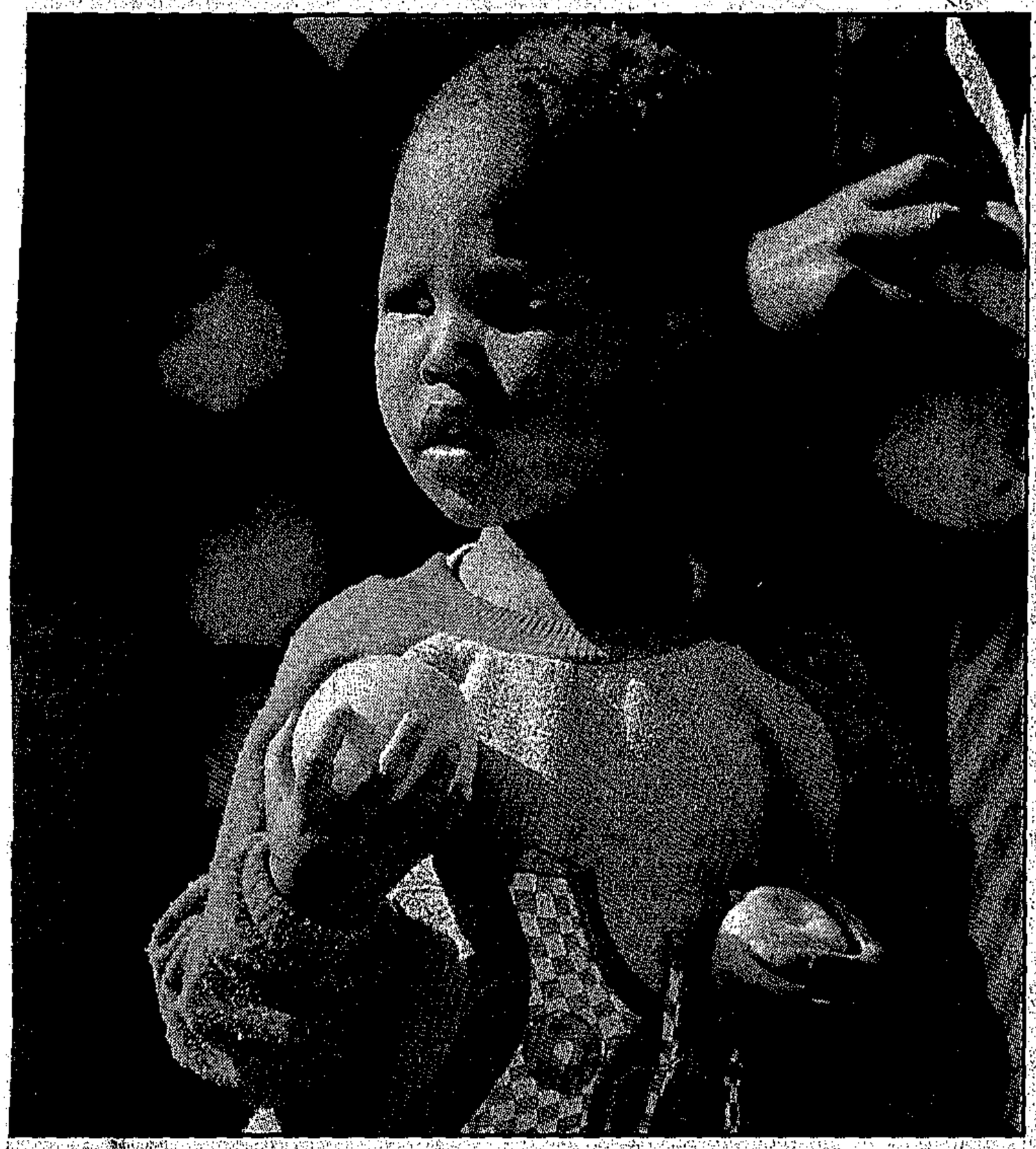
Barter is an exciting but extremely complicated minefield. Yet one can be sure that it will gradually expand as we and the rest of Africa start to better understand each others' ways of doing things.

Another important development, now that the doors to trade groups in Africa are gradually opening, is access to markets in the Southern African Development Co-ordination Conference (SADCC) and the Preferential Trade Area (PTA).

Finance from sources such as the African Development Bank can smooth the way to entry into these markets.

A lot of homework will have to be done by SA businessmen to develop trade with our neighbours to the north. Making contact such as the fair in Nairobi and hopefully at the OAU fair in Bulawayo in September, is just the beginning.

Egypt is a huge but competitive market and it will be interesting to see if we can succeed so far north.



Juicy delight . . . this wide-eyed youngster from the Takalane Home for Handicapped Children in Diepkloof, Soweto, got the first taste yesterday of 1 000 bags of oranges, 1 000 bags of nartjies and 300 kg of mealie meal donated by farmer Hendrik Schoeman to Operation Hunger, the Johannesburg Child Welfare Society and the SA Vrouefederasie. Picture: Joao Silva

Southern Africa 'facing catastrophe'

By Shirley Woodgate 2791

A hunger catastrophe is unavoidable in southern Africa unless massive international help is forthcoming, a leading German food emergency aid group warned in Johannesburg yesterday.

Addressing a press conference after touring drought-stricken parts of the northern Transvaal with Operation Hunger, Welthungerhilfe spokesman Bernd Hoffmann warned that all stored supplies would be exhausted by September and the next rains in the region were expected only in November.

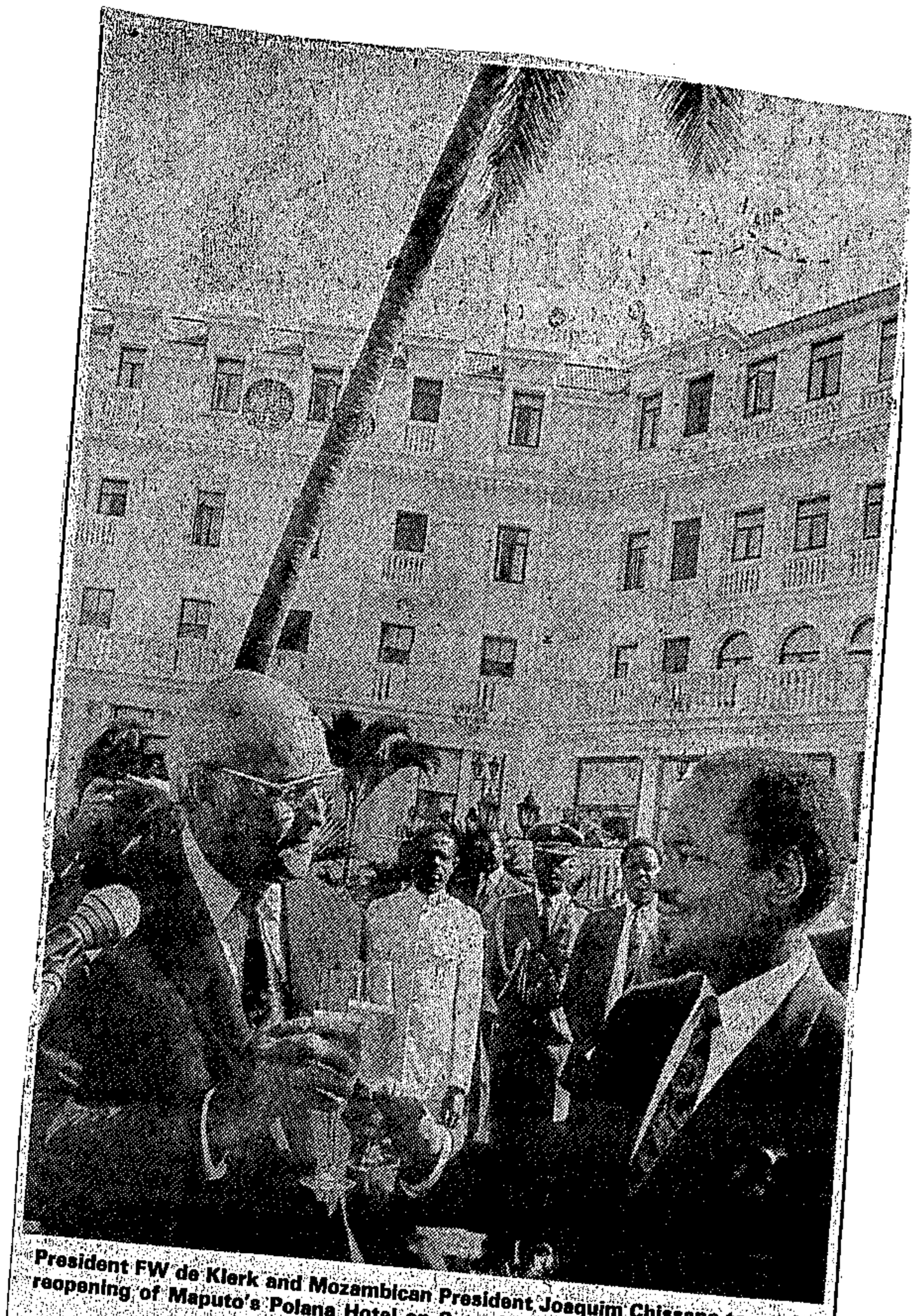
He said his German government-backed emergency aid agency, responsible for pumping significant aid into the region, would appeal for assistance for the areas.

Spelling out the extent of the crisis after a fact-finding visit to countries in southern Africa, he said the crisis had affected 18 million people in the region.

Operation Hunger chief executive Ina Perlman confirmed that the drought, together with the economic depression, had caused a crisis of such severity that neither Government nor private-sector funds would be enough.

STAR 17/7/92

Her organisation, which had received an initial R10 million injection of funds from the Government, now awaited a positive response to its second application for assistance.



President FW de Klerk and Mozambican President Joaquim Chissano toast the reopening of Maputo's Polana Hotel on Saturday. Picture: BRIAN HENDLER

Talks strengthen ties with Mozambique

MAPUTO — SA and Mozambique moved closer to establishing stronger diplomatic ties following talks between President F W de Klerk and President Joachim Chissano on Saturday.

Following the discussions, both presidents emphasised the need to bring about regional economic integration and peace.

Chissano said the reopening of Maputo's Polana Hotel, which was a joint SA-Mozambique enterprise, was a significant beginning to economic co-operation between the two countries.

He and De Klerk officiated at the reopening on Saturday following the completion of a R44m refurbishment of the hotel.

De Klerk said southern Africa had to redouble efforts to bring about regional economic integration but emphasised that peace was an essential prerequisite for growth.

De Klerk said he and Chissano had agreed that progress was being made to bring peace to the region and a positive environment was being created in which problems could be addressed.

"This part of Africa should be seen as a safe haven for investment where the natural treasures of our sub-continent can be unlocked and used to improve the quality of life of all our people," De Klerk said. — Sapa.

Regional reforms threaten railroad

B|DAY 21/7/92 (279A)

DAR ES SALAAM — Moves towards peace and reform in southern Africa threaten the existence of a railroad built to punish SA for apartheid.

The Chinese-built Tanzania-Zambia railway, planned to reduce the reliance of black states on SA ports, looks increasingly less relevant as apartheid is dismantled and regional peace plans gather pace.

"Apartheid has crumbled and we see signs of peace in Angola and Mozambique. These are good developments but for Tazara it simply means a hell of a lot of competition," one railway official said.

The aim of the so-called Tazara line was to give independent African countries an alternative to SA ports by carrying their exports to Tanzania for on-shipment.

Rivals included SA routes, the Beira railway in Mozambique, Angola's Benguela railway which is privately owned by Belgian conglomerate Societe Generale, and truck companies in the region.

Civil wars in Angola and Mozambique since 1975 reduced railway traffic on the Benguela and Beira lines to a trickle and SA trade suffered because of sanctions.

All that has changed. Zambia, Zimbabwe, Mozambique and Angola are all openly dealing with SA. Angola's civil war is over and there are moves to end strife in Mozambique too.

Zambia alone accounts for half of Tazara's traffic. Up to 35 000 tons of Zambian copper is hauled to the Tanzanian port of Dar es Salaam each month, while a further 10 000 is sent by rail via Zimbabwe to the Mozambican port of Beira.

For now, drought in southern Africa means Tazara will have its work cut out hauling relief food. But in the longer term, its future looks very insecure, railway and aid officials say.

The 1 860km railroad from Kapiri Mposhi in central Zambia to Dar es Salaam carried up to 1-million tons of cargo in 1991-92, up from 900 000 tons the year before. Officials estimate up to 1,5-million tons could be moved this year because of the drought.

But Tazara's survival after that is threatened by perennial chronic shortages of rolling stock and working locomotives which have prevented the railway from meeting its full capacity of up to 2,5-million tons of traffic a year.

Freight capacity could fall during the coming year as more of Tazara's aged Chinese-built engines are taken out of service and trains travel at slower speeds due to the poor state of the track.

Foreign donors have given up to $230m to a 10-year 1984 programme to modernise Tazara but are suspicious of the communist influence of its Chinese technicians.

Aid officials say Tazara's officially swift transit times are unreliable and freight tariffs, although currently cheaper than other railway routes, could be undercut by trucking companies. — Sapa-Reuter.

Another Chiluba minister quits

B|DAY 21/7/92

LUSAKA — Allegations of widespread corruption caused the resignation yesterday of a second member of President Frederick Chiluba's cabinet.

Minister of Science, Technology and Vocational Training Akashambwata Lewanika said in a letter to Chiluba he would step down from the cabinet but retain his seat in parliament.

Lewanika, a founder of Chiluba's Movement for Multiparty Democracy, said in his letter the government "seems to condone the misdirection of public offices and resources to private concerns. This undermines government credibility. It betrays our people".

He also accused MPs of suppressing a parliamentary subcommittee report exposing top-level corruption. Chiluba made no comment on the resignation.

Youth and Sport Minister Baldwin Nkumbula quit last week.

He declined to provide specific allegations of corruption, but said the country's new leaders should refrain from plundering the nation's wealth.

Chiluba, 49, a trade union leader, ousted Zambia's founding father Kenneth Kaunda in elections last October. He pledged to stamp out corruption and human rights abuses associated with Kaunda's 27 years in power. — Sapa-AP.

Emotional return for Moshoeshoe II

B|DAY 21/7/92

MASERU — Lesotho's King Moshoeshoe II returned home to an emotional welcome yesterday after more than two years of exile in London.

Ululating women, sobbing uncontrollably, mobbed him as he got down from a chartered plane.

They smothered him in hugs and kisses, placed a traditional Sotho basket-weave hat on his head, and strew blankets on the ground to pave his walk to the terminal building.

Moshoeshoe's return is being monitored by two emissaries from Commonwealth secretary-general Chief Emeka Anyaoku, who brokered the terms of his return with Lesotho's six-man ruling military council.

Police at the airport were extremely edgy as hundreds heard the king make a homecoming speech.

Fears have been expressed his reappearance could raise the political temperature ahead of November elections to return the kingdom of 1,8-million people to civilian rule.

Moshoeshoe went into exile in February 1990 after a row with Lesotho's former military ruler, Maj-Gen Metsing Lekhanya, over the powers of the monarchy.

He had only ceremonial powers under Lesotho's first constitution, drawn up after independence from Britain in 1966.

But he frequently dabbled in politics, leading to parliamentary legislation in 1970 providing for his removal in case of unconstitutional behaviour.

Limited executive powers were granted to the king once more in 1986, but taken away again in 1990 after Moshoeshoe was involved in a constitutional altercation with Lekhanya, leading to his exile.

The head of the military council, Maj-Gen Elias Ramaema, flew to London in June to draft the terms of the king's return.

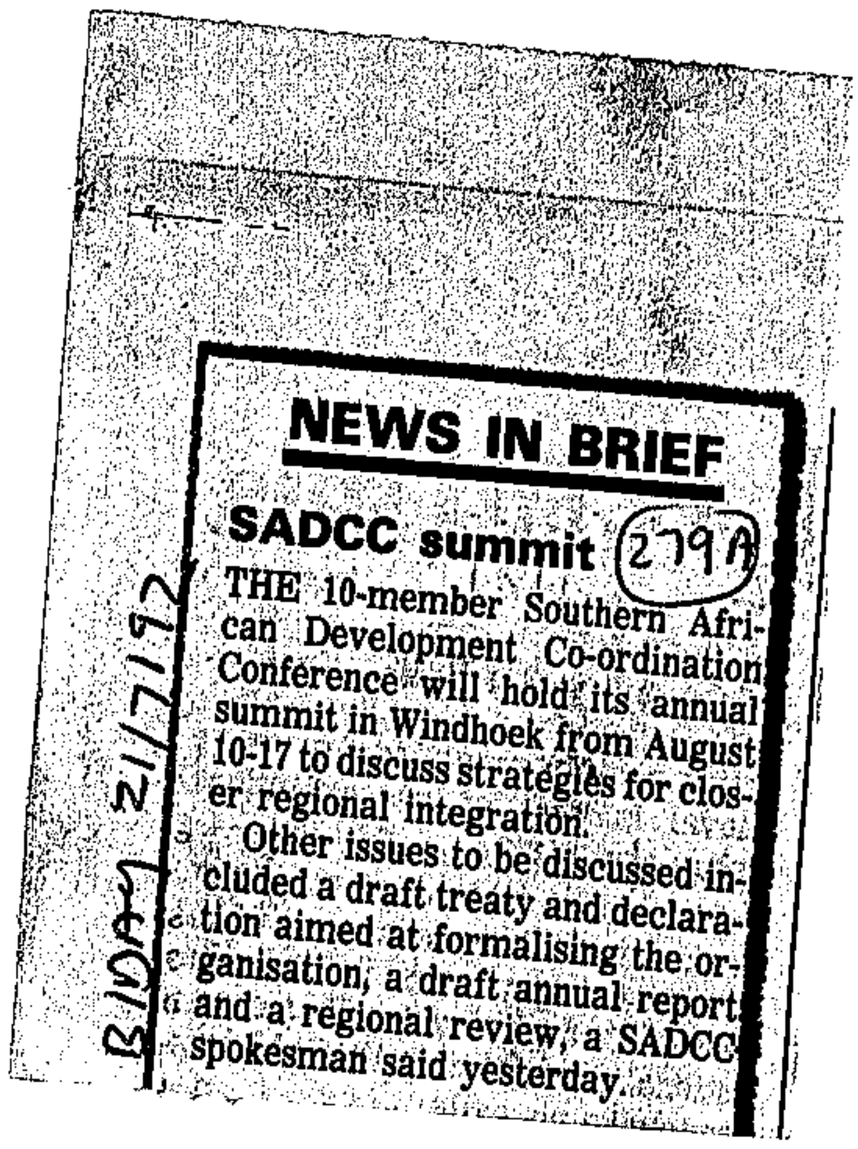
After 14 hours of intensive talks, aimed at ensuring that the return did not disrupt Lesotho's return to civilian rule in November, both sides agreed that "his majesty's early reurn to Lesotho should proceed in a manner which enhances the propects for greater peace, stability anmd national reconciliation".

"The achievement of this objective implied the continuation in office of the present administration, and the protection of the integrity of the current process of democratisation."

The agreement stipulated the government would have a hand in the arrangements for the return.

Moshoeshoe has already objected to media reports that he is returning as an ordinary tribal chief and is insisting on the title His Majesty.

He was due to celebrate his arrival with a feast at the royal palace at Matsieng yesterday. — Sapa-AFP.



NEWS IN BRIEF

SADCC summit

279A

THE 10-member Southern African Development Co-ordination Conference will hold its annual summit in Windhoek from August 10-17 to discuss strategies for closer regional integration.

Other issues to be discussed included a draft treaty and declaration aimed at formalising the organisation, a draft annual report and a regional review, a SADCC spokesman said yesterday.

BIDA 21/7/92

Aids: count rising

AMSTERDAM - A million people were infected with Aids in the first half of 1992, with countries in sub-Saharan Africa and southern Asia bearing the brunt of the killer virus, World Health Organisation figures show. Sowetan 22/7/92

The figures, released in Amsterdam on Monday at the eighth International Conference on Aids, gave a chilling picture of the spread of the pandemic which is outrunning the modest progress of scientific efforts to combat it. "One person is infected

(92) (279A).

'Dramatic' rise in trade with Africa

LINDA ENSOR

CAPE TOWN — SA's two-way trade with Africa, taking in the Southern African Customs Union, had increased dramatically over the past three years to R12bn, Department of Foreign Affairs director for Africa Justus de Goede said yesterday.

Speaking at a UCT Graduate School of Business Association function, De Goede said that in 1991 two-way trade increased by 20% to R6,6bn excluding the Customs Union following a 20% rise the previous year. These figures, he said, belied the view that the lack of finance in Africa inhibited trade.

The largest increase in trade had been with Senegal, Egypt and Cameroon, where "enormous jumps" had been achieved albeit off a low base.

A drawback was the fact that trade was skewed in favour of SA exports. Whereas the ratio was R4 of exports to R1 of imports in 1989, this had increased to R7 to R1 in 1991.

At present Zimbabwe was SA's biggest trading partner in Africa, followed by Mozambique, Malawi, Zambia, Mauritius and Zaire.

De Goede expected barter trade to be a significant portion of trade in future, with an exchange for oil being particularly important.

He said African businessman were keen to trade with SA, and 60 trade and business missions from African countries were coming to SA a year. His department was also promoting trade and business with 41 African countries.

NEWS FEATURE The fight goes on to combat one of Africa's oldest problems



The face of hunger: Mrs Elizabeth and little Daniel Modise wait patiently for food aid in one of Lusaka's squatter camps.

Drought, war spark African refugee crisis

Sowetan 27/7/92 279A

■ WAR AND FAMINE UN fights to end the causes of instability in Africa:

NAIROBI - War and drought have forced up to 7,5 million Africans into exile, about a third of the world's total refugee population.

And a further 10 million have been displaced in their own countries, the United Nations estimates.

Africans in many nations, long afflicted by drought, have lost their ability to tide themselves over the lean years due to war and economic collapse.

The UN says some 40 million people in sub-Saharan Africa need international food aid this year - 10,6 million tonnes of it - and refugees are the most needy of all.

In the long-term, many African aid officials say, the underlying causes of poverty need to be tackled before stability can be restored.

"There can be no lasting peace or prosperity as long as millions of people continue to endure an existence defined by poverty and hunger," UN Secretary-General Boutros Boutros-Ghali said in a message to a UN World Food Council summit in Nairobi last month.

But Western donors who once pumped aid into the continent's development are scaling down assistance: With the end of the Cold War Africa has lost its strategic importance and help is needed in the former Eastern Bloc countries.

Conflicts in nations such as Ethiopia and Angola ended in the wake of the Cold War. Other old conflicts drag on, such as those in Mozambique and Sudan.

But new ones in nations such as Liberia, Rwanda and Somalia have erupted, driven by age-old ethnic hatreds that could spread to other states in the region.

In Somalia alone, 800 000 people or nearly one-in-six of the total population have crossed into neighbouring countries due to 18 months of tribal fighting and drought following the overthrow of dictator Mohamed Siad Barre.

Tribal massacres in Rwanda forced hundreds of thousands of people from the Tutsi tribe into exile in the 1950s and 1960s.

That caused yet more civil strife when Tutsi rebels invaded from neighbouring Uganda.

"Many Rwandan refugees are not keen to go back after all these years, but all they seek is recognition, the right to go back, the right to a passport," an official of the rebel Rwandan Patriotic Front said.

After years in exile, the UN also found only 13 000 out of 20 000 South African exiles from the black nationalist movements fighting white rule wanted to go home this year.

"When they look at what's going on at home and what little those who have gone back have found, they want to wait," said Karen Abu Zayd, chief of the UN High Commission for Refugees.

Staunching the flow of refugees will require nothing less than international political intervention, many analysts say. The Organisation of African Unity's annual summit this month resolved to try to end conflicts in the region but stopped short of creating a body that could intervene in them.

Many diplomats say the onus is now on the shoulders of the UN to solve conflicts African governments cannot.

But developing countries do not want UN intervention to be forced on them, saying the UN charter should respect states' sovereignty under all circumstances. - *Sapa-Reuter.*

Peace initiatives a threat to Tazara

Sowetan 27/7/92 279A

■ STIFFER COMPETITION Political changes in southern Africa set to decrease reliance on the Tazara railroad:

DAR ES SALAAM - Moves towards peace and reform in southern Africa threaten the existence of a railroad built to punish South Africa's white rulers for apartheid.

The Chinese-built Tanzania-Zambia railway, aimed to reduce the reliance of black states on South Africa's ports, looks increasingly less relevant as apartheid is dismantled and regional peace plans gather pace.

"Apartheid has crumbled and we see signs of peace in Angola and Mozambique. These are good developments but for Tazara it simply means a hell of a lot of competition," one railway official told Reuters.

The aim of the so-called Tazara line was to give independent African countries an alternative to South African ports by carrying their exports to Tanzania for shipment.

But reform in South Africa and moves to end civil strife in the region have enhanced the potential of alternative routes by which the region can get its goods to overseas markets.

Rivals include South African routes, the Beira railway in Mozambique, Angola's Benguela railway which is privately owned by Belgian conglomerate Sociate Generale, and truck companies throughout the region.

Civil wars in Angola and Mozambique since 1975 reduced railway traffic on the Benguela and Beira lines to a trickle and trade with South Africa suffered because of sanctions to punish white minority rule.

All that has changed. Zambia, Zimbabwe, Mozambique and Angola are all openly dealing with South Africa and have set up trade missions in Pretoria. Angola's civil war is over and there are moves to end strife in Mozambique too.

Zambia accounts for half of Tazara's traffic. Up to 35 000 tons of Zambian copper is hauled to the Tanzanian port of Dar es Salaam each month, while a further 10 000 are sent by rail via Zimbabwe to the Mozambican port of Beira.

But managers at Tazara and aid officials say Zambia's recent decision to normalise relations with Pretoria, could have enormous implications for Tazara.

"This move will no doubt deliver a severe blow to Tazara and we should begin to feel the results within the next six months to a year," another official added. "The new government in Zambia has refused to protect us. We are now open to stiff competition."

For now, drought in southern Africa means Tazara will have its work cut out hauling relief food. But in the longer term, its future looks very insecure, railway and aid officials say.

The 1 860km railroad from Kapiri Mposhi in central Zambia to Dar es Salaam carried up to one million tons of cargo in 1991-92, up from 900 000 tons the year before. Officials estimate up to 1,5 million tons could be moved this year because of the drought.

But Tazara's survival after that is threatened by perennial chronic shortages of rolling stock and working locomotives which have prevented the railway from meeting its full capacity of up to 2,5 million tons a year. - *Sapa-Reuter.*

BUSINESS Help for entrepreneurs to set up businesses, expand or diversify

Recovery will come from inside

■ Small businesses are vital to economic growth on the continent:

By Joshua Raboroko

AFRICA'S economic recovery will depend to a large extent on the rapid development of the indigenous sector, according to the Africa Project Development Facility's annual report for 1991, released in Washington this month.

APDF, which was established in 1986, provides advisory assistance to sub-Saharan Africa's small and medium sized businesses.

According to coordinator Mr Alexander Keyserlingk, these businesses "are vital to economic development in the region".

Keyserlingk is expected to be one of the speakers at the Sowetan Small Business and Entrepreneurial Development Conference that is to be held at the Eskom Training College in Midrand from September 13. APDF helps entrepreneurs set up businesses or expand or diversify an existing one, find local or foreign investment partners, and secure debt and equity finance. It does not finance projects.

During 1991, it worked on 23 projects in African countries. The projects, which have total investment costs of R144 million, are expected to result in the creation of 2 000 jobs.

About 11 projects were agricultural industry, the sector in which demand for APDP's services has been the heaviest, 10 in manufacturing and two in hotels and services. It helped raise R96 million or 66 percent of the total funding requirements for the projects. For the first time, projects in the West and Central Africa outnumbered those in East and Southern Africa.

This reflects the increase in private sector activity in Ghana and Nigeria, said APDF advisory board member Mr Makarand Dehejia, who servies as a vice-president for engineering at the International Finance Corporation, APDF's executive agency.

He noted that African entrepreneurs "continue to show the ability to fulfill and successfully manage a large variety of enterprises despite difficult conditions, including a severe shortage of equity funding in several countries".

The APDF is sponsored by IFC, the United Nations Development Programme and the African Development Bank.

Russian newspaper to boost ties with Africa

CAPE TOWN — Why was a rubber stamp marked 'Department of Co-operation and Development' kept alongside false beards, wigs and foreign passport forging equipment in a secret Communist Party workshop in Moscow?

Russian journalist Sergey Parhomenko concludes in the first edition of New Bridge, a bi-lingual newspaper aimed at fostering business and other contacts between Russia and southern Africa, that it was used to help SA communists and trade union leaders slip in and out of their own country.

The seal was found when government offices were being set up in the Communist Party central committee's former building in Moscow after the collapse of the Soviet Union.

Parhomenko says: "It is easy to suppose who the fake documents were meant for. SA communists and trade unionists visited the Soviet Union since the '20s and '30s and were followed in later years by members of the banned liberation movements.

"It looks as if they were helped here with forged documents so they could travel to other countries and penetrate their own."

The English edition of New Bridge, which will be air-freighted to SA, is intended to acquaint southern African business circles with the new economic laws and rules of Russia and the former Soviet republics.

The first English edition carries detailed information on a number of Russian companies, institutes and other organisations looking for southern African partners, markets or finance.

The Russian edition will aquaint Euro-Asian readers with SA — its political and economic legislation, economic possibilities, and problems of immigration.

Listed as a "founder" of the newspaper is Russian diamond marketing organisation Almazzoloto, which has a billion-dollar annual sales contract with De Beers Centenary. — Sapa.

'Africa must not block imports'

BIDAY 28/7/92

MICHAEL HARTNACK

HARARE — For the sake of a better future, African economic groups must look outwards and not block imports, Zimbabwe's leading economist Prof Tony Hawkins said here yesterday.

The head of business studies at the University of Zimbabwe said it was impossible to talk of all sub-Saharan Africa as a single unit, but it was conceivable that West Africa, southern Africa and East Africa might separately group together around Nigeria, SA and Kenya.

"Bear in mind that the critical thing is to make it outward-looking, rather than inward looking — trying to keep out imports," he said.

Hawkins said for real regional co-operation to develop, governments had to relinquish power and autonomy, which they were most reluctant to do.

"You have to have a cultural change," he said, noting Africa's record of creating inefficient parastatal monopolies behind tariff barriers, which can act as vehicles for politicians to create "patronage" jobs.

Hawkins said fear of post-apartheid SA dominating a regional grouping seemed more prevalent the closer countries lay to Pretoria.

SA and Kenya welcomed the prospect of co-operation, but neighbouring Zimbabwe feared for its manufacturing industries, noting SA's major advantages of scale and technology.

Experience suggested the sub-Saharan problem lay with weak, inefficient implementation of reforms, he said.

He attacked dependence on commodity exports, noting that as the developed world's high-technology industries became more efficient, they required less and less raw materials, meaning depressed prices.

Obstacles remain to economic integration

BIDAY 28/7/92

HILARY GUSH

ALTHOUGH ample opportunity had arisen from the end of political constraints on SA trade, there were still many obstacles to SA's reintegration into the world economy, a visiting UK academic said yesterday.

Jesmond Blumenfeld, of Brunel University in West London, is a Bradlow fellow of the SA Institute of International Affairs and is in SA to finalise a paper on incorporating the domestic economy into the international arena.

"SA has a long history of state intervention in resource allocation. Shedding this history will be very difficult regardless of who is in power or what government the new SA has," he said.

Industrialisation had always been subject to political manipulation and the attainment of international competitiveness was a complex task. Manufacturers still imported an overwhelming majority of their capital goods, intermediate goods and spare parts, he said.

Although a stable political settlement was needed to attract foreign investment he cautioned against the belief that this was all SA needed to regain its position in the world economy. Structural problems also plagued the domestic economy.

A highly competitive international capital market made it difficult to attract investment. This constituted a chicken-and-egg situation: foreign capital would not flow back into SA until political and economic stability was guaranteed. This, however, could not be achieved until there was investment.

Blumenfeld said there was a conflict between job creation and the kind of goods SA could produce competitively for export.

The manufacturing industry was traditionally capital intensive: the price of capital relative to labour was still cheap and it would be difficult to reverse this trend and generate labour-intensive practices.

"The cliche that SA is the gateway to southern and central Africa is certainly true and the contribution of export earnings from the regional market should not be knocked.

"On the whole central and southern African countries are poor and thus SA's reliance on the regional market for salvation is dubious," he said.

Blumenfeld was sceptical of the success a regional common market would have; trade relations with African countries would continue on a bilateral basis.

He hoped SA's neighbours would become exporters of commodities besides migrant labour, water, live animals and electricity. Financial sanctions which had prevented SA's return to international capital markets were still in place.

This was clear from the inability of the World Bank and IMF to lend to the SA government.

Blumenfeld cautioned that an end to financial sanctions would not lead to a huge inflow of capital, although funds for infrastructural projects and technical assistance would become available.

He suggested that export incentives should be moved avay from those set out in GEIS and towards supply-side measures. Rebates on training programmes and substantial investment in human capital were examples.

Past atrocities are haunting Mugabe

MICHAEL HARTNACK

HARARE — Escalating fury over the discovery of bodies in disused mineshafts threatens to undo all President Robert Mugabe's recent efforts to revive political support in Matabeleland for his government. BIDAY

The controversy over the bodies — believed to be opposition supporters killed by government troops — has overshadowed Mugabe's recent tour of Zimbabwe's western provinces — once the stronghold of former Zapu leader, vice-president Joshua Nkomo.

Mugabe travelled around promising land to drought-stricken peasants, but the tour was plagued by the revival of memories of the 1981-87 Matabeleland unrest when thousands were killed.

Churchmen have appealed to SA's Archbishop Desmond Tutu to join them in a march to Antelope mine in memory of all opposition supporters allegedly killed by Mugabe's security forces. Most atrocities were blamed by Amnesty International on his North Korean-trained Fifth Brigade. 28/7/92

Churches have demanded an apology to the people of Matabeleland for the victimisation of civilians during the violence that preceded Mugabe's 1987 unity pact with Nkomo, payment of damages for burned homes and businesses, and support for orphans.

They also want publication of a report on the atrocities — kept secret by Mugabe for the past seven years — prepared by former chief justice Enoch Dumbutshena. BIDAY 28/7/92

The Zimbabwe Human Rights Association at the weekend called for a new inquiry into all cases of those who died in mysterious circumstances.

focus on Africa

279A

Hans-Peter Bakker of the *Sowetan* Africa News Service takes a cynical and personal look at South Africans - especially those of the white variety with apparently indissoluble links with more distant parts of the world:

Sowetan 29-7-92

WHILE much of Africa is eagerly awaiting South Africa's return to the continent, most people here prefer to remain largely ignorant about the rest of the land mass to which the country is inextricably attached.

They prefer to associate with countries like Germany, Great Britain or the United States, rather than acquaint themselves with the shambles in Africa, ignoring the fact - sad to some, but real nevertheless - that we are Africans in Africa.

Our future lies more than ever before with the African continent. And the sooner we accept that the better for all of us.

More and more businesses are sending teams into African countries to investigate business opportunities.

A future government is sure to have much closer ties with Tanzania than with Great Britain and the political or economic developments in Zimbabwe and Angola are much more likely to affect South Africa than internal political developments in France or Israel.

Ask the average South African where Burundi is and he is likely to tell you it is in the Himalayas or in South America.

Strike conversation

South African newspapers are fixated by the latest romps of the British Royal family.

On the other hand it is quite possible to strike up a conversation with a taxi driver in Lusaka (that is in Zambia, just north of where Rhodesia used to be) about the crisis facing Kenya's President Daniel arap Moi.

He will know who Babangida is and that Sierra Leone has just experienced yet another coup. He will happily chat about the Renamo-Frelimo war and Dos Santos' moment of truth at the end of September.

Good luck

And above all he will have a pretty good idea about what Mandela and FW have been up to.

Back in South Africa, it is rare to find even a well-educated person able to display the same range of knowledge - besides, of course, the tiresome fascination with which we examine our own navels.

While most Africans north of the Limpopo remain abreast of developments on our continent, South Africans are allowing themselves to be left shamefully behind.

Possibly the changes have been too sudden, and most of them are still too busy wiping the sleep out of their eyes to notice that the once impregnable laager on the Limpopo River has all but disappeared.

Maybe the newspapers must share some of the blame. Newspapers in Nairobi and Dar es Salaam are every day filled with news and features on the African continent.



South African newspapers are fixated by the latest romps of the British Royal family.

No exceptions

In contrast South African newspapers, virtually without exception, are so fixated by our own crisis and by the latest romps of the British Royal family that articles on African issues are sadly few and far between.But the fault also lies with a society - especially the white society - which prefers to think of Africa as an unfortunate failure. And the less they know about it the less chance there is of it coming down here to sully their little bit of pseudo-Europe.

SADCC to sign trade treaty

279A
CT 30/7/92

GABORONE. — The Southern African Development Co-ordination Conference (SADCC) said yesterday it would consider signing a regional trade and investment treaty in its next heads of state summit.

"The 10 SADCC member countries are going to integrate economically, no matter what happens in South Africa, but the door will be open for a democratic South Africa to join," said the organisation's secretary Simba Makoni.

Makoni said the SADCC would consider signing a Southern African trade treaty at its August 17 summit to be held in Windhoek. — Reuter



Garth Sutherland has been appointed marketing director of Polycell.



Peter Nelson has been apppointed commercial director of the Mondi group.

BEIT BRIDGE BORDER

Some great northern prospects

A steady increase in traffic over the Beit Bridge border between SA and Zimbabwe has been noted over the past three years. The lifting of sanctions by countries in sub-Saharan Africa and, more recently, drought relief for Zimbabwe, have triggered moves to improve infrastructure on both sides of the line.

Zimbabwe is nearing completion of an enlarged border post and SA's Department of Public Works has decided to bring forward its own plans to ease congestion. It sees separation of commercial vehicles from private, taxi and pedestrian traffic as the key to alleviating bottlenecks. Expenditure of R12m will provide facilities to streamline inspections (meaning inspection pits, forklifts, separate traffic lanes and a State warehouse) and furnish ample parking for those waiting their turn.

As an interim measure, land adjacent to the bridge has been cleared for commercial vehicle parking. Personnel will be increased substantially.

The Department of Transport has recorded increases of 18,3% and 3,4% for ordinary passenger traffic and commercial vehicles respectively over two years — 1989 and 1991. But the increase in actual numbers of all vehicles from 13 940 in April 1991 to 25 118 for April 1992 gives a more vivid picture of developments. For 1992-1997, the department is budgeting for an annual 8% increase in passenger traffic and 5% in commercial traffic — and, thereafter, annual 4% and 2,5% increases respectively.

The Department of Public Works' announcement that it will commit R12m to the revamp coincided with a visit by the Meridien Group, which has been looking to buy land in the immediate area over the past few months.

Meridien — developer of Midrand's new CBD and part-owner and redeveloper of the Grand Central and Lanseria airports — is considering a mixed-use commercial development.

Certain oil companies have also been appoached by individuals to commence some sort of service station development at the bridge.

Government's commitment to Beit Bridge is what developers have been waiting for. Observers believe that in addition to a garage operation, there is potential for food outlets, grocery, motor spare and luxury item retailers, restaurants and a hotel group. Catering group Fedics is also interested in these projects.

The border closes between 8 pm and 6 am daily (though this is extended during holidays). This could provide a niche for limited service hotel accommodation for the many truckers, or for tourists. Feasibility studies will take these factors into account.

According to Messina mayor Jack Klaff — whose town has a population of 15 000 and is 10 km away from the border — retail demand is greatest for white and electronic goods.

National retailers, however, have inspected the area in the past, he cautions, and have not felt demand in the town sufficient to warrant entry. Instead, they have opted to set up shop on the N1 — the Great North Road to Zimbabwe — in the northern Transvaal's regional centre of Pietersburg. The Game group is the most recent case.

Klaff believes these retailers have ignored the potential of the transient population — some say as many as 100 000 people a month go through Messina.

He says the town's existing hotel, the Impala Lily — always fully booked — plus a second hotel, the soon-to-be resuscitated Limpopo Inn, should be able to cope with increasing traffic.

The Limpopo Inn closed down some years ago — "when Messina was going down the tubes" — and was converted into a military barracks. It was recently sold on auction to a Durban syndicate for R400 000.

Messina's emergence into a bustling town has been underscored by the development of De Beers' Venetia Mine, 80 km away.

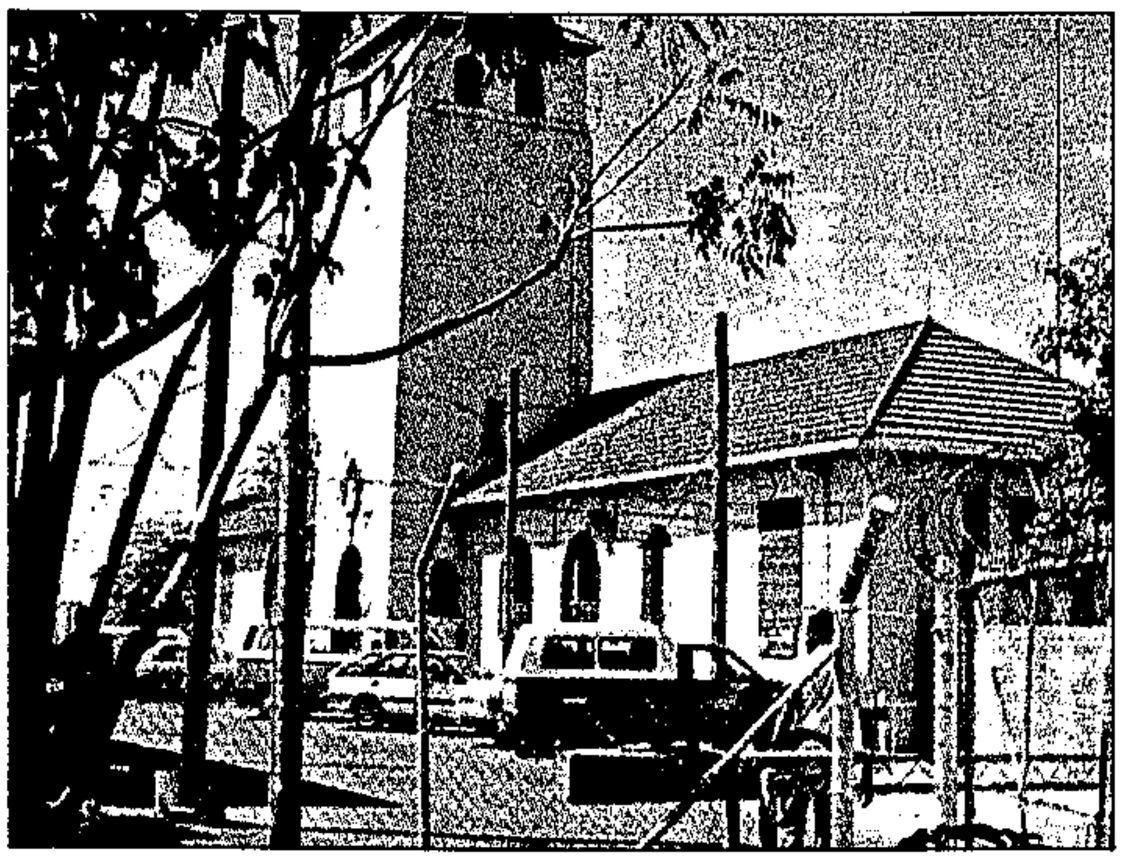
De Beers chairman Harry Oppenheimer will officially open the mine on August 14 and, in the interim, 200 houses have been built for mine workers in the town.

Klaff says demand is so great for rented accommodation that an ordinary three-bedroom, two-bathroom house — if one can be found — is letting at R2 500 a month. Commercially zoned land is currently priced at R100/m².

Klaff hopes Messina will be a conduit for tourism in the area. The mooted Limpopo River Valley Reserve (*Property* May 29) may one day help fulfil that dream.

Meanwhile, the Department of Public Works will put its construction tenders to the market in January 1993. These will be followed — a few months before the project's scheduled completion in early 1994 — by tenders for duty-free shops. This retail component is envisaged as an important income earner for the department.

The allotted R12m does not include housing for additional staff. Five houses have been bought so far. Another three are under negotiation and 30 more will be built in the next couple of years. ■



Beit Bridge border post today ... *what tomorrow?*

DURBAN

New lease of life

A R400m fund has been established by the Durban City Council to kickstart some of the city's most ambitious development projects. However, city management committee chairman Peter Mansfield believes this is just the beginning.

He says: "It should provide the impetus for the private sector to invest heavily when they realise the profit potential of participating in the schemes."

Allocations for the projects are:

- ☐ The Victoria Embankment (R29m);
- ☐ Point (R125,5m);
- ☐ A new regional library and cultural/education centre (R89m); and
- ☐ An international conference/convention complex (R154m).

Mansfield says raising the R400m will have little or no impact on rates — an average increase of 14,8% has just been announced (1% down on last year). He adds that though the council doesn't have the money in the bank, it knows where it will come from. It will be generated between now and 1997, primarily from the city's capital development fund which should bring in R160m; and unit trusts realising R25m.

Additional funds will come from the sale of council-owned land and the balance from interest earnings and other surpluses.

African students to debate human rights

KATHRYN STRACHAN

BIDAY 31/7/92

STUDENTS from universities all over Africa will meet for the first time to discuss human rights issues in southern Africa later this year.

The meeting — organised by the Pretoria University's Centre for Human Rights Studies — will be held in Harare in September and will take the form of a moot court competition.

Pretoria University spokesman Tessa Wessels said the purpose of the competition, entitled "Southern Africa — From human wrongs to human rights", was to encourage communication between the various law faculties and to create an awareness of human rights.

The finalists will argue a typical bill of rights case before a panel comprising the chief justices of seven African countries.

Students from the universities of Botswana, Lesotho, Madagascar, Mauritius, Rwanda, Tanzania, Uganda, Zambia, Zimbabwe and all SA universities have indicated they will take part.

Brighter future for sub-Saharan Africa predicted

GAVIN DU VENAGE

ECONOMIC prospects for sub-Saharan Africa were looking brighter despite a past dismal performance, New Products Library (NPL) said in its survey of export and investment oportunities in the region. B/DM 3/17/92

NPL CEO Tony van der Schyff said in the report that political and economic reform, absence of superpower rivalry, privatisation, deregulation and increased tourism had improved the outlook.

Most countries will become more dependent on imports, although the nature of these is likely to change as the demand for more sophisticated products and services increases.

Growth will accelerate from 1% per annum during the past decade to 4% during the '90s, as policy reforms and substantial aid create trade opportunities.

In spite of severe foreign exchange constraints, sub-Saharan Africa had somehow been able to pay for imports, sustained at levels of $35bn per annum throughout the '80s, and IMF and World Bank figures say this will almost double.

Investment will go mostly to reconstruction of war-damaged and run-down infrastructure, human resources, small business, tourism and energy.

Tourism in particular is expected to become a significant source of foreign exchange, and already governments are formulating policies to encourage foreign visitors.

This will be hampered by the perception of Africa as being riddled with AIDS, but a side benefit of this will be a large increase in health care spending.

Branded products and foodstuffs will make up the bulk of imports, while demand for luxury goods declines.

NPL says World Bank estimates show that sub-Saharan Africa's import ratio will increase 70% by 2000.

Although most countries' individual economies are too small to compete effectively in world markets, the area, with SA as the leading force, will constitute a sub-regional market worth $200bn by 2000.

AFRICA NEWS More deaths from drought recorded in Southern Africa ● News briefs

78 starve to death

Sowetan 31/7/92

279A

■ Food relief dries up or fails to reach drought ravaged areas:

MBABANE - The toll of deaths attributed to the drought in Southern Africa has begun to climb steeply.

About 10 people died in one area of Swaziland and 23 in a single district of Mozambique.

At least 40 children and five elderly people are reported by the government in Zimbabwe to have died of malnutrition associated with the drought.

Assessments of which deaths are directly attributable to the drought are necessarily subjective but the yardstick that appears to be used is whether the deaths might have been avoided had people who live by subsistence farming in rural areas been able to reap crops.

In Swaziland the assessment of 10 deaths in the Hluti district was made by nuns who work closely with the local people. They said the 10 had died from starvation because crops had failed in the area and the supply of relief food had ceased.

Sister Michelle Beni of the Hluti Mission said 400 local people had been identified as needing food but no food had arrived in the area since May. Emergency supplies donated by Italy had run out.

A spokesman for the drought relief committee said this week that 350 000 people in the country needed food aid but supplies only reached 70 000.

Five countries join hands in bid to avert power crisis

STAR 11/8/92

279A

FIVE southern African countries have agreed to combine their resources to avert a critical power shortage in Zambia and Zimbabwe.

The generating capacity of the Zambezi River, which supplies Zambia and Zimbabwe with hydro-electric power, is expected to fizzle out within months.

Power companies from South Africa, Zaire, Botswana, Zimbabwe and Zambia decided in Lusaka last week that power should be drawn from South Africa and Zaire to alleviate the situation.

Eskom chief executive Ian McRae said power should begin to flow across the Limpopo to southern Zimbabwe within six weeks.

AFRICA NEWS SERVICE

A 50 MW powerline Eskom was building across the border at Beit Bridge was expected to be completed within six weeks, and supplies running through it by November.

Botswana had also agreed to facilitate the transmission of power to Zambia and Zimbabwe from South Africa.

A Botswana line would carry about 150 MW once completed.

Although Zaire was dependent on hydro-electric power, the drought had not affected the Zaire River's flow.

Zaire was expected to send about 150 MW to Zambia and Zimbabwe, McRae said.

NEWS ANALYSIS *Number of poor set to soar in Africa*

1,1 billion live in abject poverty

Sowetan 5/8/92

■ **CHILD LABOUR** *Education for youngsters is the first casualty as many families struggle to make ends meet:*

WASHINGTON - More than 1,1 billion people live in abject poverty - on less than R2,75 a day - and the number is growing.

However, the World Bank's latest World Development Report 1990 indicates that there have been significant long-term improvements in reducing the mortality rate of children under five, and life expectancy - an important indicator of health and well-being - has risen to an average of 62 years.

Despite this impressive progress, more than 1,1 billion people lived in poverty in the developed world as of 1990. There was no significant progress in reducing poverty during the second half of the 1980s, with the numbers of poor people increasing at roughly the rate of population growth.



The young from poor backgrounds are susceptible to disease and malnutrition.

Poverty varies

The percentage of people living in poverty varies by region. In South and East Asia, the percentage has continued to decline steadily.

The percentage has increased in sub-Saharan Africa, the Middle East, North Africa and Latin America.

The majority of the poor are concentrated in two regions - South Asia, with 500 million to 600 million poor people, and sub-Saharan Africa, with 200 million to 250 million poor. They earn less than R1 110 a year.

How much a person earns and spends to sustain a bare minimum standard of living are important measures of well-being. But other indicators, such as a person's health, life expectancy, nutritional status and literacy also help to measure the human condition.

Health care

The poor lack adequate nutrition, clean water and access to social services such as basic health care or primary school education, and they have extremely low incomes and few assets.

Poverty is most severe in rural areas where arable land may be scarce and harvests poor and where drought, floods and environmental degradation are common. The World Bank's World Development Report 1992 points out that about half the world's poor live in rural areas that are environmentally fragile.

Overcrowded slums

Poor people living in towns and cities generally have higher incomes and better access to social services than rural families. However, they often suffer more from other aspects of poverty, and they often live in overcrowded slums and squatter settlements.

As in rural areas, water and air pollution often are serious problems in urban areas. Sanitation is inadequate, and shanty towns are vulnerable to flooding and landslides. The ranks of the urban poor are expected to swell rapidly as cities throughout the developing world expand.

In the developing world, the burden

> **"Africa needs a strategy to address poverty both as an economic and social phenomenon"**

of poverty disproportionately falls on women and children. When measured by health, nutrition, education and labour force participation, poverty among women often is severe.

Women in many societies are expected to manage the household, rear children and be the main food producers or have other employment. They typically work longer hours, and if they are paid at all, they receive lower wages.

The problem of child poverty is particularly acute. The very young are highly susceptible to disease, malnutrition and illness. Child labour is common in developing countries, and many households depend on it for their subsistence. But the work children perform often is at the expense of schooling.

For many poor people, the costs of sending children to school outweigh the future benefits - especially for girls, whose economic value often is reckoned to be lower than that of boys. Poor households are more likely to invest in education for boys than for girls.

What are the prospects for reducing poverty? It will depend on economic growth and the effectiveness of each country's economic strategy. The World Development Report 1992 concludes that even under fairly hopeful assumptions about economic recovery, there will be more than 50 million more poor people in the year 2000 than in 1985. But if economic growth is low and recent trends in poverty continue, there could be 200 million more - a total of about 1,3 billion - poor people by then.

The outlook for the rest of the 1990s is that the number of poor people in Asia would decline, and the adverse poverty trends in Latin America and Eastern Europe would be reversed. Sub-Saharan Africa is the only region in which the situation is expected to deteriorate.

With an increase in the proportion of Sub-Saharan Africa's population in poverty, the number of poor in the region would rise by about nine million a year on average. By the end of the decade, about one-half of the world's poor would live in Asia and one-quarter would live in sub-Saharan Africa.

Social services

The main objective of the Bank's lending and advisory work is to help its borrowers reduce poverty. The World Development Report 1990 outlined a two-part approach for reducing poverty by promoting sustained economic growth to generate income-earning opportunities for the poor and improving poor people's access to social services such as education and primary health care so they can take advantage of opportunities.

An additional, but essential, part of the strategy is the establishment of a system of targeted transfers and safety nets to assist people who are not able to take advantage of new economic opportunities.

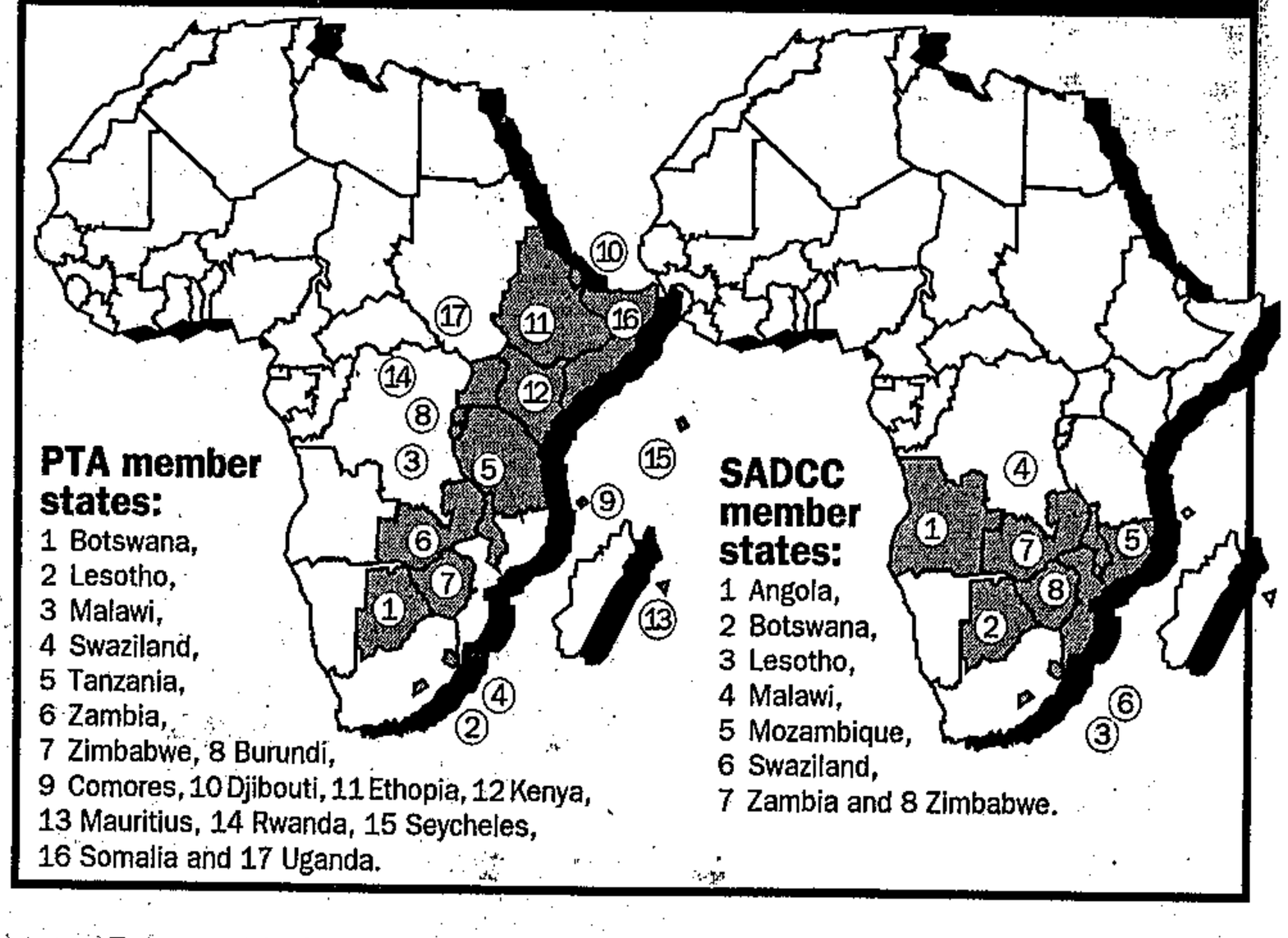
Meetings held last month in Lusaka and Maputo explored the possibility of the Southern African Development Coordination Conference (SADCC) and the Preferential Trade Area (PTA) merging.



Sipho Shabalala looks at the implications:

Soweten 7/8/92.

Territorial trade treaties



THE SADCC AND PTA have similar objectives and were established to promote regional economic co-operation among the African member states. Membership of these organisations overlap - with nine of the 17 SADCC member states belonging to PTA.

The SADCC was launched in 1980 with two major objectives: to reduce the dependence of the Southern African states on the South African economy and to increase economic co-operation among these states in the areas of industrialisation, manpower development, food security, transport, agricultural development, mining and other developments.

According to the PTA Treaty, it is "... the aim of the preferential Trade Area to promote co-operation and development in all fields of economic activity particularly in the field of trade, customs, industry, transport, communications, agriculture, natural resources and monetary affairs with the aim of raising the standard of living of its peoples, of fostering closer relations among its member states and to contribute to the progress and development of the African continent".

Objective to eliminate barriers

The critical initial objective was to eliminate tariff barriers and non-tariff barriers in trade, remove restrictions on services such as insurance, and dispose of foreign exchange constraints in inter-regional trade.

It is quite obvious that there is a lot of duplication between the two regional economic units, leading to less efficiency and effectiveness.

In 1982, for instance, one study showed that "only five percent of the total exports of SADCC countries, and 4,4 percent of their total imports" came from regional trade. Zimbabwe dominated the area with almost half of regional trade originating from her.

South Africa accounted for seven percent of SADCC exports and 30 percent of their imports. This picture has not changed. The SADCC Industry Report presented in the recent 1992 summit conference in Mozambique stated that "Inter regional SADCC trade still remains low, and has not exceeded five percent of the regions' total trade". The economic conditions and progress within the majority of the SADCC states are distressful, to say the least.

The same story has been apologetically and with a feeling of shame repeatedly been told in the PTA summit conferences.

As is evident, and a result of their histories, these countries have more trade with Europe, the Far East and the Americas than they have with each other — as happened in Europe before the launch of the European Economic Community. Until recently, when the last barriers were removed, a truck took three days to carry goods from western Europe to the farthest state in eastern Europe as it had to pass through several border gates and checks, with differing requirements to enter countries. European countries are now buying from each other, leading to better economic growth in these country and lesser transportation costs.

The benefit of integration

The integration of the SADCC and PTA will benefit southern Africa along these lines, in addition to eliminating duplication of activities. At the moment there is very little inter-regional trade with customs and trade barriers affecting the passage of goods between the north and south and from east to west.

Regional co-operation will thus:

- eliminate duplication of activities;
- promote efficiency and effectiveness; and
- expand regional trade.

More importantly, the SADCC and PTA states must put their houses in order to strengthen themselves for the arrival of a new potential member: the new African state after the demise of the existing settler colonial state geographically called South Africa.

It is evident that South Africa will dominate the region and be a Big Brother. Secondly, resources and investments from the world will flow to South Africa first because she is the most industrially advanced in the region, and African states will have to make do with what remains, or what South Africa does in their countries. The power will shift from Zimbabwe to South Africa, a prospect Zimbabwe does not relish.

The merger of PTA and SADCC is thus necessary but, it is not sufficient to achieve regional co-operation. There is, firstly, a potential for political and bureaucratic conflict as the two organisations merge.

The merger proposed should preferably be a Regional Economic Authority (RECA) with two main aims: the first dealing with trade and associated infrastructural and services requirements; and the second focussing on industrialisation and technological development programmes.

El Nino's devastating legacy

STAR 12/8/92

279A

The worst drought in 100 years may cripple southern Africa's economies for years to come, even if good rains fall, reports HANS-PETER BAKKER.

RAINS may be not far off now, but southern Africa will need more than one normal season to recover from what is proving to be one of the most destructive droughts ever to hit the region.

A spokesman for the Weather Bureau in Pretoria said the winter had so far been "normal" and indications were that the dreaded El Nino, a heating of the Pacific Ocean believed to be responsible for periodic droughts in the subcontinent, was subsiding.

That could mean a summer with good, normal rainfall. But then again, according to the spokesman, "El Nino only makes itself felt in November and until then I cannot put my head on a block that the region will get good rains".

As it is, much of southern and east Africa is heavily bowed under what has been described as the worst drought in a century and nobody wants to countenance the catastrophe of yet another rainless summer.

Many people have already died as a result of the drought and in some areas, villagers are eating animal skins and the bark from trees to stay alive. Apart from deaths from starvation following massive crop failures, many have died from malnutrition and from diseases such as cholera and typhoid brought about by the drought conditions.

Eleven south and east African countries have been especially badly hit by the drought: South Africa, Lesotho, Swaziland, Botswana, Namibia, Zimbabwe, Zambia, Mozambique, Tanzania, Malawi and Madagascar. The long-term effects of the drought on the region's fragile economies will be severe.

South Africa has the economic strength and infrastructure to recover relatively quickly. Other, less fortunate countries like Mozambique, Zambia and Zimbabwe will take many years to emerge from the effects of the drought.

A giant international relief effort that is now well under way may save the lives of many millions of hungry people, but the prognosis for the longer-term recovery of the region is not good.

Large numbers of rural people are expected to migrate to towns as food sources disappear. Whether they will be able to return after the rains and resume their old life is problematical, for in some areas seed grain and breeding livestock have been lost, leaving them nothing with which to make a fresh start.

When the rains do come, they are likely to cause severe erosion and loss of topsoil, as much ground cover has died or been eaten by livestock.

Zimbabwe, Zambia, Tanzania and Mozambique are all undergoing IMF and World Bank-led economic structural adjustment programmes which require drastic cuts in government spending. These programmes are now in jeopardy as governments are forced to pay for food and emergency measures.

About 12 million tons of grain have to be imported this year to feed more than 18 million people. In June the United Nations appealed for R2,4 billion for the giant relief effort. So far about R1,7 billion has been pledged by the developed nations. The grain is available, but problems have arisen with its distribution to outlying communities.

Zimbabwe is one of the worst hit. It lost 74 percent of its grain harvest and now needs more than 2 million tons of food aid to survive. About 140 000 head of cattle and many thousand wild animals have died. At least 40 children have died from drought-related causes.

Zambia lost two-thirds of its crops and expects to have to import a million tons of maize.

The Limpopo has been reduced to a trickle along much of its length and has dried up altogether in Mozambique.

The official Mozambican news agency AIM reports that this year 146 people have died from the drought in the southern province of Gaza.

In Swaziland 350 000 out of its 800 000 people will need emergency aid. The death of 10 people has raised the question about the effectiveness of Swaziland's drought relief committee. So far only 1 200 tons of an estimated 45 000 has been distributed.

In Lesotho, farmers could produce only about 25 percent of the maize required and a famine is threatening the lives of 200 000 people.

President Quett Masire of Botswana has declared his entire country drought-stricken after it lost almost its entire maize crop. It is rapidly losing its cattle breeding stock and indications are that it will take 10 years to rebuild its herds

Namibia's grain production is down by 71 percent. Cattle are dying and, according to President Sam Nujoma, it needs 123 000 tons of grain for the 1992/93 year.

In Malawi the drought meant a 54 percent loss of its harvest and 4,7 million people now need emergency relief aid.

In Tanzania's southern regions an estimated 800 000 people need food aid.

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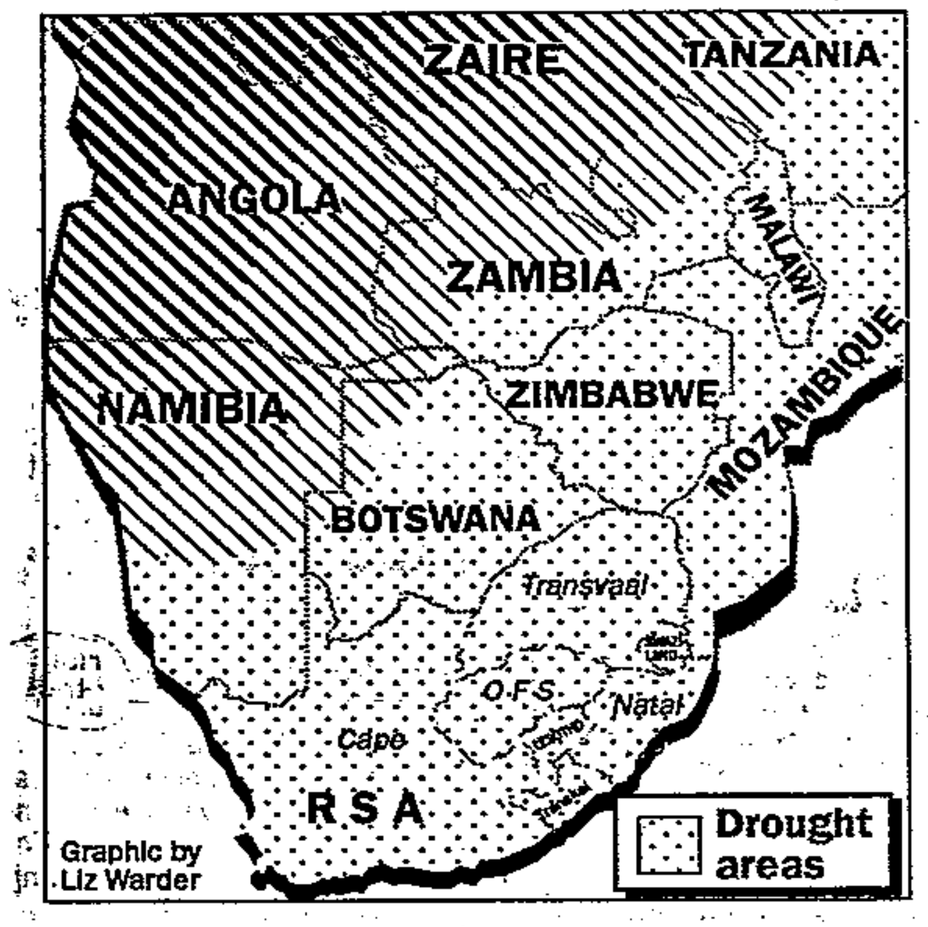
For now, millions of people in southern Africa are waiting anxiously for the summer rains to begin reviving the parched subcontinent — but how many more people will die and how much longer will it take to recover if the rains stay away for yet another year? — Star Africa Service. □



Graphic by Liz Warder

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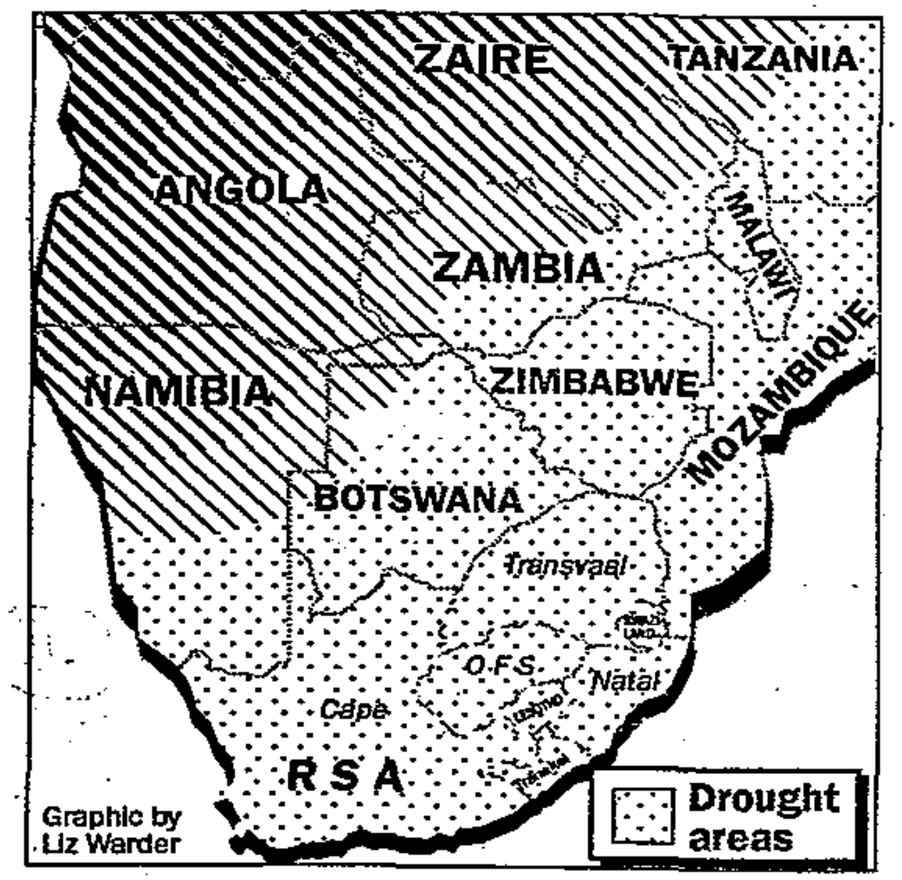


Graphic by Liz Warder

A ritual rejection of CFA franc's devaluation

BIDAAY 12/8/92 279A

SIMON WILLSON

WINTER brings ritual to Africa, it seems. Here on the southern tip, many locals spend July and August hurling naartjies at touch judges. In west Africa at this time of year, it is the season for rejecting devaluation of the CFA franc.

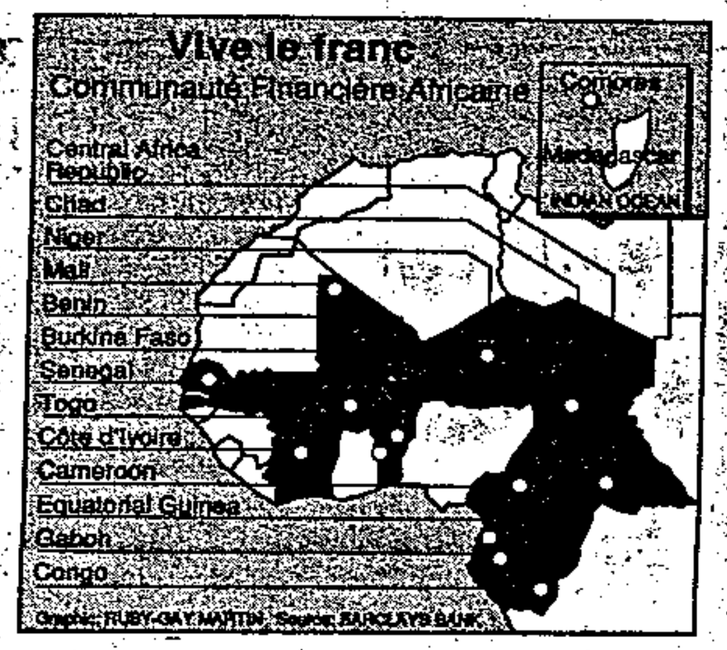
At the beginning of the month the 14 members of the Communauté Financière Africaine (CFA), whose common currency is the eponymous CFA franc, had to perform their now traditional, mid-year reassertion that the currency's fixed exchange rate against the French franc would remain at CFAf50.

That done, representatives of Africa's franc zone went home after their annual get-together in Dakar, Senegal. The CFA franc is safely pegged at CFAf50 to the French franc for another year, with all the attendant net benefits to CFA members.

As the first chart shows, the CFA is concentrated in west Africa among states that used to be French colonial territories. The countries are no longer ruled from Paris. But there are Club Méditerranee resorts dotted around the zone, and the occasional garrison of French troops, and regular airfreighting of French lettuce to these equatorial outposts, all of which preserve a reassuring neo-colonialist stability.

The CFA franc's free convertibility into French francs at a fixed exchange rate makes it one of Africa's few genuinely hard currencies. The fixed French franc rate has been unchanged since the establishment of the CFA in 1948, which must make it the world's longest-lasting fixed-rate currency. It has sat out the dollar's de-linking from gold, the oil price shock, the creation of the European monetary system and the Third World debt crisis without budging.

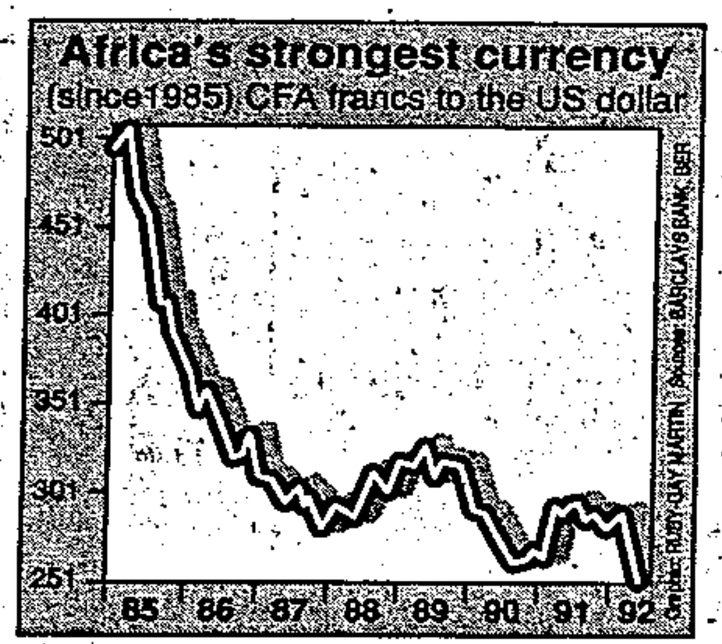
A fixed exchange rate through these turbulent times did much — together with the French garrisons — to shore up long-serving governments in the region. Leaders like Ivory Coast president Félix Houphouët-Boigny, in power since 1960, were able to keep the prices of Western consumer imports down with a strong currency. Firm commodity prices, at least until the mid-'80s, offset the strong currency's drag on exports, while the guarantee of French franc convertibility made international borrowing for grandiose domestic projects relatively easy.



It was a good arrangement for France, too. CFA members had to keep two-thirds of their reserves in French francs, to do all their forex transactions in the Paris market. French contractors could effectively dismiss exchange risk when quoting for prjects in the territories, and French commodity trading houses had a built-in advantage in marketing the states' formidable resources.

But the second chart shows why the CFA franc has begun to irk both sides in this once cosy set-up. It is all very well to be pegged to a hard currency which floats against the dollar, but when the fixed rate brings this kind of volatility in such a short period of time, the defaults of the system come under strain.

Commodity prices have been on a downtrend since the mid-'80s while, simultaneously, the dollar has been falling from its 1985 record Deutschmark high. The CFA franc, therefore, has been strengthening at a time when it should have weakened to reflect the lower export earnings that came with the slump in commodity prices.



This has obliged CFA countries to preserve export competitiveness by deflating. Inflation in the CFA is outrageously low by developing-country standards: Ivory Coast inflation was -1,5% last year and is heading for 1% this year.

But local leaders can no longer buy off their constituencies with high domestic living standards.

The US and IMF are thought to want a devalued CFA franc so that CFA members can start to pay off their rapidly accumulating foreign debt with higher growth and more exports. The French Treasury is believed to be feeling the pinch of running large overdrafts for CFA states.

Once the EC moves closer to full monetary union in the mid-'90s, the CFA franc is unlikely to be able to sustain a CFAf50 peg to its French counterpart, which will by then be administered by the Bundesbank. European monetary union will, at least, provide a fig leaf for the devaluation decision when it comes. Until then, the CFA states might as well make full use of their smoke-and-mirrors exchange rate and thumb their noses at the international institutions while they can.

SADCC poised to chart new economic map

BIDAY 13/8/92 (279A)

SHARON WOOD

THE map southern Africa will use to guide it to economic health could be finalised in the next few days at the Southern African Development Co-ordination Conference (SADCC) summit in Windhoek.

Member countries are scheduled to sign a treaty which will replace the SADCC's original founding document. If all members sign, it will give SADCC the authority to oversee and co-ordinate regional integration in southern Africa.

There is little doubt about the benefits of creating an economic bloc through regionalisation to boost the subcontinent's economic power. Such regionalisation is an international trend, evidenced by the creation of the EC and other economic blocs throughout the world.

However, southern Africa faces a formidable task. Its record of economic development is poor, despite the creation of several regional vehicles to boost its potential.

The region continues to rely heavily on international donor funding and there are few corporations that will invest in the region without World Bank or IMF backing.

Perhaps the largest stumbling block in creating a regional economic bloc is the disparate levels of economic development. There is no African blueprint on how to overcome this obstacle.

The process is made more difficult by the prospect of SA's inclusion in the SADCC. On the one hand, SA's neighbours have to avoid domination by the largest and healthiest economy in the region. SA, on the other hand, has to ensure that the task of revitalising the region is not dumped squarely on its shoulders, particularly since SA has to concentrate on its own economic reconstruction.

However, the SADCC plans to go ahead with the process of regionalisation without SA, which is expected to become the 11th member only once its own political house is in order and a democratically elected government is in place.

There has been intensive discussion and research by a wide range of organisations on the structure and process regionalisation in southern Africa should take.

An African Development Bank research project into regional integration is near completion, as are important sections of a World Bank study. The SADCC itself addressed the issue in detail in its theme document at its donor conference in Maputo earlier this year.

The direction of the integration process will probably be disclosed in the theme document, which analyses various ways of moving towards regional integration and outlines the one believed to be best for southern Africa. According to the SADCC, the possibilities include trade and market integration, integration through project co-operation and a development integration approach.

It is the latter that the SADCC has chosen. It believes the most important benefit of this approach is that it sets out from the premise that incompatibilities arising from underdeveloped productive structures and trading patterns make it impossible to promote integration through laissez-faire policies. Instead it regards conscious effort by co-operating parties as essential.

The goals of this process are expected to be co-ordinated regional monetary and fiscal policies, a form of regional parliament, the elimination of internal tariffs and freer movement of capital and labour.

These are optimistic goals and success will ultimately depend on consensus. But African analysts warn that leaders in the region will have to do away with their political egos and concentrate on the good of the region as a whole before there is any chance of achieving this.

But the SADCC is not blind to the major obstacles that must be overcome before these goals will be achieved. It pinpoints some of the obstacles as bureaucratic, regulatory and administrative non-tariff barriers, the non-convertibility of currency, inadequate physical and economic infrastructure and low demand because of the underdeveloped and incompatible economies of the countries in the region.

Despite these problems, it says the creation of a single regional market is important because it can provide an environment conducive to new types of investment in more productive and competitive industries. These should be oriented towards supplying the entire regional market or for producing manufactured goods for exports from the region.

It also notes that the process will have to be flexible and allow smaller groups of countries to move at a different pace. In this way, it is hoped that integration will contribute to building a balanced and equitable relationship in which present disparities are reduced.

This week's SADCC summit will show whether leaders in the region are ready to put words into action by signing the treaty and giving SADCC the mandate to regulate the process of regional integration. If this happens, it will be the first concrete step on a long road towards regional integration which, members hope, could transform southern Africa into a competitive world player.

LETTERS

Regional integration must evolve one step at a time

B/DAY 13/8/92.

RICHARD GIBB

279A

THE collapse of statutory apartheid has improved the likelihood of regional integration taking place in southern Africa. This has been welcomed throughout the region with a mixture of both satisfaction and anxiety. Satisfaction at the prospect of co-ordination replacing conflict, anxiety at the thought of SA retaining, and perhaps even intensifying, its hegemonic position.

Africa has a dismal track record in the field of regional integration. The collapse of the Central African Federation and the East African Community is a reminder that the path to integration is littered with obstacles. Despite these warnings, most of the governments within southern Africa support the idea of closer regional co-operation. It is seen as a way of promoting economic development and making sure that southern Africa is at least listened to by the international community.

The potential advantages are great. The countries of southern Africa are all too small to go it alone. They lack size and the necessary purchasing power to support a sophisticated and diversified industrial base. Even SA, the economic powerhouse of the region, needs these vital ingredients.

In a recent study the World Bank observed that African economies are very small. The economy of sub-Saharan Africa is no larger than that of Holland. The 10 countries of the Southern African Development Co-ordination Conference (SADCC) have a combined economy smaller than that of Hungary. If SA is included in this total, the southern African economy is slightly smaller than that of Finland, or about a third the size of Brazil's.

There are also advantages in grouping together in a world increasingly dominated by large trading blocs. The EC's project to create a genuine common market by December 31 1992 is a good example. The threat of a Fortress Europe excluding imports from overseas has persuaded other states to join forces. The US, Canada and Mexico are establishing a free trade area and the Asian Economic Co-operation Forum has been formed with a membership of 12. By working together the countries of southern Africa can enhance their bargaining power with other trading blocs.

The first thing that needs to happen is for the whole region to rationalise and rethink the entire institutional framework of regional co-operation. At the moment it is a complete mess. Historically the region has been divided by two competing groups; SADCC and the Southern African Customs Union. There is also a third group, the Preferential Trade Area for East and Southern Africa (PTA).

The primary goal of the SADCC was to reduce the dependence of southern African states on apartheid SA. It failed.

The customs union, which includes SA, aimed to increase trade between its member states. For Pretoria this meant increasing the levels of dependence southern Africa had on SA. For political reasons, SA was in the past willing to pay generous compensatory payments to the countries of the union. They not only provided a market for SA manufactured goods but also helped reduce the threat of sanctions.

The PTA, which excludes SA, is the most ambitious attempt at integration within the region. The PTA hopes to create a common market by the year 2000. Needless to say, its progress to date has been disappointing. Countries have been reluctant to implement agreed tariff reductions and promote regional trade.

The PTA is a free market approach to regional integration. However, it lacks geographic identity and cohesion. There is no doubt that its call for a common market to be established by the year 2000 is premature and unrealistic.

So that leaves the customs union and SADCC. The customs union has several fundamental inadequacies. It has no headquarters and no permanent staff. It is organised on a rather random and ad-hoc basis with little attempt to foster integration. The union is also dominated by Pretoria. SA takes all the decisions and is not obliged to consult its partners. The union is therefore too much associated with apartheid SA to provide a suitable framework for regional co-operation.

With apartheid removed, Pretoria will also feel less inclined to subsidise the customs union at current rates. Faced with the need to spend more on its neglected black population, SA could not afford to expand the union to incorporate other states. The union provides no blueprint for future regional co-operation.

This leaves the SADCC. It has the political advantage of having its headquarters outside SA. It is also perceived to be an indigenous response to the need for regional co-operation that has received encouragement and support from the West. In the past, SADCC solidarity has been built on the liberation struggles and a common apartheid threat. This unity is now threatened.

Although the SADCC has built up a reputation for success, it is difficult to see why. It has failed to make significant progress on its two most important objectives: reducing dependence on SA and promoting regional trade. Throughout the '80s trade among the SADCC countries actually declined by 5%. So if SADCC is to provide a framework for regional co-operation, combining the present 10 members and SA, it will have to change radically.

In recognising the need for change, the SADCC has proposed a series of policies that will transform it from a body that oversees joint projects to a vehicle for economic and political integration. At this year's Maputo conference, the SADCC proposed policies that would radically transform the institution. Priority was given to the needs of closer economic integration and the desirability of macroeconomic co-ordination.

These policies would need new regional bodies with powers above those of member state governments. This would be similar to the EC model. The SADCC also perceives a need for political co-operation and intervention that depends on a pooling of sovereignty. New regional institutions with supranational powers therefore need to be created.

It is here that the SADCC could learn from the European approach to integration. The founding architects of the EC recognised the impossibility of creating European unity in one mighty constitutional stroke. Supranational and federal structures cannot be imposed overnight. The first EC in 1952 was concerned with only coal and steel. Even after 40 years of active integration, Europe approaches the sovereignty issue with extreme caution. Denmark's rejection of the Maastricht Treaty on European Union illustrates why.

The SADCC proposals would create supranational organisations and macroeconomic policies before even a functioning trade area had been established. It would turn out to be politically impracticable. The European approach suggests that it would be more appropriate to adopt policies of a more limited nature by restricting integration and co-operation to a few selected areas.

Within southern Africa, agriculture, tourism, energy, transport, water and the environment are areas where this approach to integration could successfully be deployed. In these selected areas, new regional institutions would need to be established that pool the sovereignty of member states. This functional approach promotes integration but does not offend the sentiment of nationality or the pride of sovereignty.

In 1950 a famous European statesman commented that Europe would not be made at once or according to a single plan. It would be built through concrete achievements that create an identity. The same is true for southern Africa.

☐ Gibb, a senior lecturer at the University of Plymouth and a specialist on the EC, is visiting UCT's geography department where he is studying the problems of a southern African common market.

Industry taking the lead in forging African links

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GOVERNMENT has been criticised for hanging back on formulating a comprehensive technology policy which would assist SA industry to compete internationally. But industry is now taking the initiative.

Twelve organisations representing major players in SA's business, industrial and technological sectors met last night to start The Africa Initiative, which is aimed at opening African markets for SA organisations by inviting the continent's key decision makers here.

This will help obviate the need for individual organisations to make forays into Africa in search of markets.

Headed by SA Engineering Association chairman Roy Marcus, the initiative is the brainchild of the engineers and Systems Exhibitions. A board of trustees will raise and supervise sponsorship funds from industry to bring delegations to SA.

The scheme will target representatives of government departments and major business, as well as representatives of the World Bank, the African Development Bank, Preferential Trade Area for eastern and southern Africa, SADCC, Africa Round

Reports by
MELANIE SERGEANT

Table, the Commonwealth Development Corporation and Caisse Centrale. EC delegations and members from various chambers of commerce and foreign trade organisations will also be targeted.

Organisations expected to co-operate in the venture include the Foreign Affairs Department, Nafcoc, the CSIR and KPMG Consulting, as well as Systems Exhibitions.

A National Technology Week, with the theme Technology for Africa, is planned for September 1993, giving SA's industrial and technological sectors a year to prepare to demonstrate their ability to meet Africa's technological needs, says Systems Exhibitions marketing director Jo Melville.

The prime purpose of the drive is to focus on the importance of technology to SA's economy.

"By inviting a number of important business and industrial delegations, companies and organisations involved will gain the most cost-effective method of reaching Africa's purchasers and decision makers."

Housing trust defends computer hire

THE seemingly expensive move by the SA Housing Trust's subsidiary Kayalethu Home Loans to spend R2m over two years to rent a computer system to handle its bond administration can be justified, trust officals believe.

Head of corporate marketing for the trust and Kayalethu Home Loans, Mike Fowlds, says the organisation looks after 25 663 bonds valued at about R571m.

The new system, which will be rented for R85 000 a month, thus translates to a cost of R3,31 a bond a month.

"This amount is peanuts, and probably less than it is currently costing us to administer our bonds utilising our small, home-grown system," he says.

The rental option was taken because of uncertainty about rationalisation in the low-cost housing market.

He says the trust is the only significant player providing bonds in the lower income bond market.

"We have branches all around SA at the centre of each project. It is necessary to have administration at the various centres and link them to our head office in Johannesburg, so our costs are probably far higher than those of traditional bond finance houses.

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"With the current talk of formulating new policies and having a national housing strategy for SA, it is important to rationalise the housing effort because duplication has been a problem in the past.

"Buying a system prior to full clarity of the rationalisation process would not have made too much sense," he said.

Weather Bureau hoping for supercomputer

IF government approves the budgets, the Weather Bureau could soon go to tender for a multimillion rand supercomputer.

Industry sources point to possible suppliers being Unidata through subsidiary Sepco which has the Convex agency, as well as Unidata-owned Cortech which owns the Cray agency.

Persetel would not comment on whether it would offer a Hitachi machine which was effectively a commercial mainframe transformed into a supercomputer through the use of vector processing. Other contenders include NEC, Fujitsu and IBM.

Described as "highly sensitive", the tender was expected by some sources to be announced as early as October. The plan was believed to be worth more than R50m.

The bureau currently uses a large Control Data mainframe, which was classed as a supercomputer during the late 1980s.

SA's violence on agenda at Windhoek summit

BIDAY 14/8/92

SHARON WOOD

WINDHOEK — The violence in SA and the stalemate at Codesa will be scrutinised by the Southern African Development Co-ordination Conference (SADCC) at its annual summit in Windhoek.

SADCC information officer Kgosinkwe Moesi said at a news conference yesterday SA was an area for concern and both the SADCC council and the summit would look at the role the organisation could play in facilitating change in SA.

Moesi said the SADCC acknowledged SA had a very powerful economy and there needed to be a rearrangement of relations if the guiding principles of SADCC were to be met. These were balance, equity and mutual benefit.

But the liberation movements of SA were at one with the SADCC, he added. Representatives of the ANC were taking part in the summit, but would not be signatories to the treaty, or have voting rights.

A treaty, to be signed on Monday, will create a legally binding instrument which will enforce obligations if they are not met by member countries. Moesi said the SADCC would set up a tribunal to settle disagreements between member countries.

This could not be described as a regional parliament yet, but the SADCC was looking at creating a regional goverment and other associations to express the collective will of the region. "The thinking of the community is not simply confined to the economic community," he added.

Reuter reports that he said harmonising economies in southern Africa was the first step towards regional integration.

"The first thing we will have to deal with is to harmonise our macroeconomic policies. Then we can work towards the free-trade zone, a customs union . . . even a regional parliament," he said.

In addition, the treaty did not specifically address establishment of a regional defence force, Moesi said.

"We are thinking of a community that is not simply confined to economics," he said.

"We are talking about co-operation in security, diplomacy and monetary affairs, so in time some of these things will be established."

The summit is also to focus on programmes in food security, transport, the environment and land management because of the drought in the region, Sapa reports.

Both council and summit would review measures set up under a regional drought task force to allievate effects of the drought and decide if extra outside assistance was necessary, Moesi said.

Moesi said the theme document, delivered at the donor conference in Maputo earlier this year, could be seen as a blueprint for the future economic integration of the region.

The document set out a development integration process, with the SADCC as the co-ordinator and regulator of the process. Eventual goals were monetary and fiscal regional integration, the eventual elimination of tariffs and freer movement of capital and labour throughout the region.

SADCC would identify practical and pragmatic programmes and there would be a timetable outlining what would be achieved during the next few years.

THIRD World countries have become trapped in an impossible cycle of increased borrowing and rising debt by northern creditors, in "aid" deals brokered by the IMF and the World Bank. This should ring alarm bells for South Africa as it prepares to leap into world money markets with the eager encouragement of these two organisations, writes BEN TUROK.

SOUTH Africans are frequently told that they are overcoming their isolation and rejoining the world community. Well and good. But what kind of world are they reentering? And what can they expect when they finally do so?

In the 1970s, the then German Chancellor Willy Brandt launched an important report which argued that we lived in an interdependent world and that north and south were closely linked. But the nature of this connection was not fully spelt out and remained a matter of controversy. Now that the East-West conflict has ebbed away, the focus is on North-South relations, and the picture that emerges is not a happy one.

The most salient feature is that the G7 group of industrial countries in the north now have a totally dominant position in the world economic order at the cost of southern subordination. Despite protestations about the flow of "aid" and talk about "poverty alleviation", the bare fact is that Third World debtors are paying their northern creditors an average of R80 million more than they receive in lending each year.

The reason for this is the preponderant self-interest of the North at the cost of the South. In the 1970s, commercial banks, the International Monetary Fund and the World Bank induced southern governments to borrow freely, leading to a rapid build-up of debt. Soon the massive scale of this misfortune became evident as interest was added to capital, bringing severe repayment problems.

The scale of the debt came to pose a near-fatal threat to the survival of US banks and the international banking system. The IMF and World Bank stepped in and took control of the whole debt crisis, to the point where they are now in charge of over half the Third World's official debt.

But why should this debt "overhang" have been allowed to occur? Many economists argue this was because Third World governments were induced to borrow to increase their spending on foreign imports — in other words to open up their economies to foreign investment which had previously been closed to them. IMF and World Bank advice was central to this, and these institutions continue to advocate debt-building policies.

The heart of the present problem is that inward flows are being diverted to servicing obligations to the point where the situation gets totally out of hand. In the years 1982-90 total payments of interest and capital by the South were a staggering R3 725 billion. During the same period there was a flow of finance from North to South to the tune of R2 567 billion, leaving a net reverse flow to the North of R1 158 billion.

> *Now that the East-West conflict has ebbed away, the focus is on North-South relations, and the picture that emerges is not a happy one.*

Because of the debt build-up from accumulated arrears, the debtor countries as a whole were 61 percent worse off in 1990 than in 1982. Sub-Saharan debt increased by 113 percent during this period, and Africa paid back R500 billion between 1983-90, the worst period economically in recent history. It is now repaying, in debt-servicing alone, far more than what it originally owed.

Most damning is the record of the IMF. There has been a net transfer from Africa to the IMF of R12,7 billion between 1983-90, the very time that many African countries were under "structural adjustment programmes", imposed by the IMF, which were supposed to lead to recovery. Percy Mistry, a former top manager at the World Bank, says: "While the IMF is exerting considerable influence over Africa's economic policies, it has been extracting resources at an unconscionable rate. Africa actually pays heavily for the privilege."

Curiously enough, the new funds flowing to the South from multilateral institutions like the IMF have actually been applied to the debt-servicing of private creditors, mainly commercial banks. So the IMF now has the role of debt-collecting agency for private capital, since the banks continue to receive interest payments while official creditors allow debtors to postpone repayments.

This should ring alarm bells for South Africa's entry into world money markets, and in particular into relations with the IMF and the World Bank. These organisations have already sent many teams into South Africa and they have been in contact with many officials, non-government organisations and movements.

These contacts are private and no IMF officials will speak to the press. Reports have been drawn up, which are not generally available, in which advice on "post-apartheid" economic policies is freely given. Most worrying is the clear anxiousness of both these bodies to prescribe a structural adjustment programme for South Africa which must inevitably resemble that imposed on other Third World countries, and now, eastern Europe.

Borrowing from the North might have been useful to the South if international conditions had been more favourable. The problem arose because, as repayments fell due, so the capacity to repay declined, partly due to increased interest rates, partly because of falling revenues from exports.

AFRICA experienced a 30-percent fall in the terms of trade in the last decade due to falling commodity prices in the North. In 1986 alone, Africa lost R95 billion from falling export prices, which was more than the aid it received.

No wonder that the collective gross national product for Africa fell from R1 000 billion in 1980 to R700 billion in 1990. Per capita incomes have fallen by 2,2 percent annually over the decade, making a total decline of 30 percent. There are now 335 million people living in absolute poverty in countries where health and education expenditures have been slashed.

Since South Africa remains an exporter of mainly primary commodities, the dangers of getting into debt at a time of instability on world commodity markets are obvious. Ought it not to learn the lessons from other Third World countries? Or does South Africa think it is already part of the First World?

> *While the IMF is exerting considerable influence over Africa's economic policies, it has been extracting resources at an unconscionable rate.*

The dangers are particularly severe because of the world recession. The recent G7 summit of heads of state in Munich drew attention to the global economic situation, and especially to the unemployment crisis in the North. Their communique argued that growth in the North would help other countries too.

To this end they favour the signing of an agreement which "must create more open markets for goods and services". Since protectionism remains rampant in the North, they are presumably talking about opening up the South, so one sees that the old polices remain in place.

The North will lend to the South to provide finance for imports from the North, thereby creating jobs in Europe and the US. These loans, not gifts, will once again incur debt-servicing and so the problems are compounded.

THE G7 also argued for increased competition globally, a formula that guarantees that the strong North will easily outclass the underdeveloped south. Without undue cynicism, one is bound to conclude that the G7 are now managing the world economic order to serve their own interests without hindrance.

The former East Bloc was once an obstacle to G7 domination, and the Non-Alignment Movement was also a forum for Third World resistance. These have gone and we are left with the cries of anguish coming from the Third World poor and some subdued complaints from their governments.

This is the global system awaiting South Africa. Why are some of its leaders in and outside government so careless about the terms on which it gets involved?

● *The author is director of the Institute for African Alternatives (IFAA). He recently attended the alternative economic summit in Munich which was sharply critical of the G7. His paper on debt and development is available at R10 from IFAA, 4th Floor, 41 De Korte Street, Braamfontein 2001. (Phone 330-6752.)*

First step to Southern African Community

S/Times (B&SS) (279A)

By ZILLA EFRAT

16/8/92

THE Southern African Development Co-ordination Conference (SADCC) is to be replaced by a formalised organisation.

The Southern African Development Community (SADC) will be formed in its place tomorrow after the heads of its 10 member sign a treaty in Windhoek.

SADCC will change from a loose club focused on co-ordination to a formalised organisation moving to the full economic integration of Southern Africa.

The ultimate aim is to set up a community similar to the European Economic Community.

Tariff barriers and even borders between member states could eventually vanish, leading to a common market of 80-million people. A regional parliament and airline are possible in the long term.

Legal

SADCC information officer Kgosinkwe Moesi says that although the organisation will benefit from Europe's experience, Southern Africa's circumstances and interests will determine what kind of community emerges.

An important aspect of the treaty is that will it create a legal instrument to ensure that member states meet their obligations. A tribunal will be formed to rule on any problems.

SADC's secretariat will be increased and it will operate with a broader mandate.

One source says reference is made in the treaty to the setting up of SADC headquarters. Speculation is that they will be in Gaborone.

Mr Moesi says SADC will be founded on the recognition that member countries share a common future. SADC's major principles will be based on equity and mutual benefit.

SADC's likely priorities include the harmonisation of trade rules and macro-economic policies, as well as a reduction of tariffs among member states.

After the treaty has been signed, protocols which bind member states will be negotiated for different areas of co-operation.

A clearer picture should emerge when the next theme document is presented at SADC's conference early next year.

The treaty is a continuation of decisions made at the Harare summit in 1989 where it was decided that the organisation should be strengthened and given legal status.

Mr Moesi says SADC is seen as a building block that could become part of a larger continental grouping.

The 10 member states have had 12 years' experience in working together and have built up much faith in one another.

Mr Moesi believes that a post-apartheid SA will have a role to play in SADC. The ANC and PAC took part in this week's SADCC meetings.

A joint planning committee is examining the implications, challenges and opportunities of admitting SA.

Once an interim government is in place, SADC will start considering SA's integration, says Mr Moesi.

The Southern African Customs Union's (SACU) principles do not necessarily contradict SADC's objectives.

Mr Moesi says once a post-apartheid SA is in place, SADC could look at broadening the customs union for regional benefit.

Conflict

Both the SADCC Council of Ministers and the summit will look at the violence in SA, the stalemate in Codesa and ways of helping to achieve change.

Sources close to the proceedings say a merger between SADC and the preferential trade agreement (PTA) — much talked about earlier this year — is unlikely.

They expect more emphasis to be placed on co-operation between the two. At this stage, no conflict of interest is envisaged for those countries that belong to both organisations.

One source, however, says this will change as SADC members move to further economic integration.

Eight of SADC's 10 members also belong to the PTA.

Another $1bn aid may be needed

By ZILLA EFRAT

SOUTHERN Africa could ask the international community for more than $1-billion in additional drought aid before the year is out.

SADCC food security sector co-ordinator Reggie Mugwara says drought's worst effects are yet to be felt.

In April, SADCC forecast that between 18-million and 20-million people were becoming vulnerable and would have to start relying on food aid. ST Times Bass

The figure has shot up to 25-million and is still rising.

Mr Mugwara expects SADCC — due to become the SADC — to appeal to member states to defer certain projects and make more scarce foreign exchange available for food imports.

"There is no point in building roads if there will not be people left to drive on them", says Mr Mugwara. 16/8/92

"The international community will help us more if we are seen to be helping ourselves." (279A)

Basic

After a joint UN-SADCC conference in Geneva in June, $600-million was pledged to help Southern Africa.

This was less than the $854-million SADCC sought as the basic minimum.

A SADCC task force is analysing the situation. In addition to pledges received, Mr Mugwara says the bare minimum required by the region now is about $750-million. But increasing non-food requirements like water and medical supplies could lift the figure above $1-billion.

Food shortages are most severe in Mozambique, followed by Malawi, Swaziland, Zambia and Zimbabwe.

Sub-Sahara is in better shape

279A S/Times [B4SS] 16/8/92

PROSPECTS for sub-Saharan Africa in the 1990s appear far brighter than in the past.

New Products Laboratory chief executive officer Tony van der Schyff says prospects have become better because of political reform and democratisation, the end of superpower rivalry in Africa, redefined and restructured foreign aid, economic change, deregulation and increased tourism.

Besides issues relating to housing and the rehabilitation of infrastructure, including the import of producer goods, intermediate goods and spare parts, investment will tend to focus on education and training, energy, food and beverages, health care, mining and tourism.

Mr Van der Schyff says: "Greater attention will be paid to investment in human resources. The World Bank expects annual spending in this field to double from about 5% to 10% of gross domestic product by the year 2000.

"Tourism is seen as a source of significant foreign-exchange earnings and this has caused dramatic changes in governments' attitudes. They are adopting a flexible and pragmatic approach."

Hotels

Kessel Feinstein Consulting director Gillian Saunders says tourism among SA's neighbours is increasing. Zimbabwe has experienced a 10% a year compound growth in tourist numbers. The Zimbabwe Sun reports an average occupancy rate of 74% in all its properties.

"Namibia, Botswana and Malawi have a fledgling foreign tourist trade and even Zambia is attracting holiday-makers," says Mr Saunders.

SA hotel companies have not been slow to react and several are involved in cross-border ventures. The benefits extend to other SA sectors.

Mr Saunders says Kessel Feinstein Consulting has carried out hotel market research, financial viability and valuation work in 11 African countries.

Logistix, which supplies hotel and tourism-related computer systems, has installed machines in Zimbabwe, Malawi, Botswana, Namibia and Kenya.

"Booker Tate Engineering's SA arm has been involved in hotel development throughout Africa. The projects have often involved SA architects, interior designers and sub-contractors.

"Much of the furniture, fittings, plant and equipment as well as crockery, cutlery and linen, has come from SA. In addition, SA dried foods, wines and spirits, spare parts and even some fresh produce have found regular markets." However, not everyone is so sanguine.

Nedtravel Group managing director Gordon Young believes that with the emphasis on tourism increasing internationally, SA and its neighbours are being left behind.

"Many countries in Africa give priority to industrialisation as a means to increase growth. Often this is because the political organisations involved do not fully understand the employment potential tourism offers.

"Through a strategy directed primarily at tourism Mauritius has achieved a consistently high growth rate — expected to exceed 6% this year.

"Around the world one in every 18 workers is employed in the tourism trade."

Mr Young suggests Southern Africa should formulate a common policy to best tap the tourist potential.

Zoo

"The Cape is popular for five months of the year. What do we do in the months such as August? We cannot simply pack all our tourists into the Kruger Park and turn it into an enormous zoo.

"Many attractions on the sub-continent complement those in SA. In our low season areas such as the Okavango Swamps, Etosha Delta and Victoria Falls are ideal.

"It is essential to set up a tourist sub-region which must be marketed aggressively to compete with favourites, such as Florida and the Far East."

SA 'will not lead regional forum'

(279A)

BIDAY 17/8/92

SHARON WOOD

WINDHOEK — A new regional economic body is to be formed today, with SA being warned that when it eventually joins it will have to "know its place" among its 10 neighbours.

The Southern African Development Community (SADC) will be established by a treaty signed by leaders of the current Southern African Development Co-ordination Conference (SADCC).

SA would not be the locomotive of the region's economy and such a notion would be shot down if it was brought to the SADC SADCC executive secretary Simba Maconi said at the weekend.

Maconi added that once there was democracy in SA it would be welcome to join the SADC.

The SA Customs Union (SACU) would have a place in the development of the SADC. Maconi said it would be a potential subset of the SADC. "It is much easier to build a fuller customs union based on the SACU."

He said it was the only functional customs union on the continent, and although it was imperfect and inequitable, it could be amended and strengthened.

An SADC would be implemented formally and practically before the African economic community was developed, a process expected to be completed within 34 years.

Maconi said the process of integration would take place by protocols in the various sectors. He hoped a timetable for the integration process would be decided on and presented at the organisation's annual donors conference in January next year.

"We are articulating a vision at best, and nothing is fine-tuned."

A spokesman for SADC's food security sector said over 2-million tons of food aid were still required because of the drought, but SADC would try to raise the funds within the region because it could not always look to the international community for money.

He hoped a food reserve project would be implemented within the next six to eight months, which would help countries in the region pay for food.

Heads of state from Southern African Development Co-ordination Conference (SADCC) countries hold their summit in Windhoek today. An expert on African affairs advises against a post-apartheid South Africa joining the SADCC. **Barney Mthombothi** of Sowetan Africa News Service reports:

279A Sowetan 17/8/92

SOUTH AFRICA HAS been warned against a headlong rush to economic integration with its neighbours.

Dr Erich Leistner, senior researcher at the Pretoria-based Africa Institute, says in a recent paper that a democratised South Africa should not join bodies such as the Southern African Development Co-ordination Conference (SADCC) and the Preferential Trade Agreement (PTA) until the broader context of southern African economic interaction has been thoroughly analysed.

Leistner says only once reasonably broad understanding has been reached within South Africa about its own economic needs and means, as well as the objectives of external economic policies, can it meaningfully engage in serious discussion with its neighbours about the policy framework for regional interaction in the post-apartheid era.

Studies to pinpoint such relevant issues, he suggests, should begin now.

Leistner's views on the subject seem to swim against opinion in the region which expects a majority-ruled South Africa to join SADCC as a matter of course.

This, it is argued, will immeasurably strengthen the region's standing and bargaining in international forums and therefore enhance its ability to gain international aid.

Economically prosperous neighbours

Leistner says South Africa's national interest calls for economically prosperous and politically stable neighbours. To this end, conditions favourable to private investment and commercial exchange must be promoted in the region.

"The best ways to achieve this must be determined in the light of practical possibilities rather than pre-conceived ideas about the advantages of economic integration," he says.

He suggests South Africa's policy framework should be based on the following:

- The gradual evolution of a Southern African Economic Community should be accepted as a long-term goal;
- The Southern African Customs Union (Sacu) - comprising South Africa, Namibia, Botswana, Lesotho and Swaziland - should form the nucleus of regional integration;
- South Africa should conclude bilateral trade agreements and extend existing ones with countries in the region in order to enlarge the range of goods traded as well as the geographical area;
- Existing co-operation in respect of transport, telecommunications, power, water, tourism and research should be co-ordinated and intensified.

Leistner says the idea of Sacu or the Common Monetary Area as the core of regional integration is popular because of the organisation's longevity and fairly smooth functioning.

All that is needed to make it a common market, he says, is to allow the free mobility of labour.

Labour mobility would probably lead to a permanent flow of unskilled workers, notably from Lesotho, and create political and economic problems for the South African Government.

But in view of Lesotho's dependent economic position, the issue of its becoming part of a new South Africa or, alternatively, of forming a common market with South Africa, is being seriously thought about.

Leistner says South Africa's international stature as well as its prospects for obtaining financial assistance from international agencies will be enhanced if it is seen to lead southern Africa's efforts to become a region that is attractive to private capital and enterprise.

Neither economic co-operation nor integration are ends in themselves, he says. "What matters is the extent to which they promote trade and investment in the region."



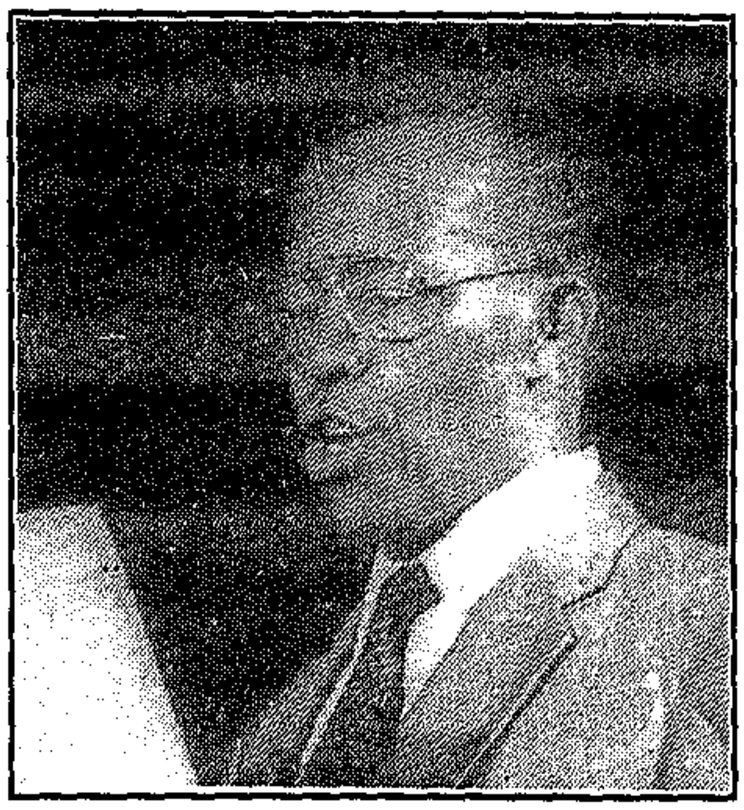
Robert Mugabe



Daniel Arap Moi



Sam Nujoma



Quett Masire

US AIDS report 'alarming'

KATHRYN STRACHAN

GOVERNMENTS and political leaders have done very little to combat the spread of AIDS, Johannesburg's City Health AIDS prevention programme director Clive Evian said yesterday.

Responding to an alarming new US government report warning that sub-Saharan Africa would soon be devastated by the disease, Evian said it was no coincidence that the region was the worst hit by AIDS.

The report said few African political leaders had put their full force into anti-AIDS campaigning and fewer still shared the medical profession's sense of urgency.

AIDS was linked directly to poverty and the breakdown of community and family life was responsible for the spread of the virus, Evian said.

"Wars and famines have played havoc on society and it is inevitable — particularly in SA with its migrant labour system — that AIDS will spread."

Violence and unrest in SA had made people fatalistic about their lives, Evian said.

Industry was the most strategic place for preventing the spread of the virus, by providing education, creating a normal environment and encouraging people to live with their families, he said.

Millions of South Africans would be infected within a couple of years, yet government had not put any real effort into combating the disease, he said.

The report, one of the bluntest and most alarming since the virus was first identified in 1981, claimed the disease was at its worst in sub-Saharan Africa, and was going to get far worse.

Among the consequences predicted were infection rates of up to 40% for young adult populations in urban areas, and a decline in regional trade as governments restricted the free flow of labour and Western investors saw AIDS as a reason to put their money elsewhere.

Higher education strategies would be in ruins as policymakers faced the grim question of spending money on young people who were likely to die before the cost of training could be recouped, the report said.

One study concluded that in five central countries, AIDS medical care and screening alone would consume all foreign aid, if foreign assistance remained at current levels.

Joint resource strategy urged

BIDAY 18/8/92

GERALD REILLY 279A

THE time was opportune for southern African countries to co-operate in a long-term strategy on water management, Water Affairs and Forestry Minister Magnus Malan said yesterday.

The growing realisation of the dependence of countries on limited and shared water resources, as well as the recurrent threat of drought, had spurred negotiations between SA and its neighbours, he said.

Opening a Water Week conference at the CSIR, Malan said the positive political climate in the region meant joint strategies were attainable. One such strategy was the re-use of water to supplement fresh water resources.

The Development Bank of Southern Africa's Brian Hollingworth said water planners were confronted by alarming policy and strategy deficiencies which prevented comprehensive water programmes being initiated in developing communities.

The sudden attention on developing communities held the danger that policy and strategy approaches focused on developing communities would become separate from overall national water supply management.

Co-ordinated management and planning was vital, speakers agreed.

Ramaphosa asks fledgling SADC to help

B|DAY 18/8/92.

SHARON WOOD

WINDHOEK — The ANC yesterday called on the members of the newly formed Southern African Development Community (SADC) to act together to put pressure on the SA government to negotiate.

At the signing ceremony which brought the SADC into being, ANC secretary-general Cyril Ramaphosa suggested an appropriate regional "organ" be formed to observe and support ANC efforts to secure the transfer of power.

The ANC wanted negotiations to resume, but could not be expected to deal with a regime which negotiated in bad faith and was "hell-bent" on retaining power.

Sapa-Reuter reports that the new community, endorsed by its 10 member countries, replaces the Southern African Development Co-ordination Conference set up in 1980 to reduce dependence on SA.

Signatories to the treaty are Botswana, Mozambique, Namibia, Zambia, Zimbabwe, Tanzania, Angola, Swaziland, Lesotho and Malawi.

In his opening speech as host, Namibian President Sam Nujoma said countries of the region were being asked to put regional interests above national considerations "and, if necessary, be prepared to make necessary sacrifices and concessions in the overall interest of the region." This would test their political maturity, he said.

Shortly after the treaty was signed Zimbabwe and Namibia signed bilateral agreements, binding them to co-operate in economic, scientific, technical and cultural matters.

This was the first concrete step in the process of staged economic integration foreseen by the SADC. (279A)

The formal and practical implementation of the SADC is expected to be completed within 34 years — the time it is expected to form the African economic union.

A timetable has not been formulated, but SADC executive secretary Sam Maconi expects this to be announced at the organisation's donor conference next January.

Protocols and bilateral agreements will form the backbone of the SADC. The treaty

Conhrac 9

force SA back to the table

legally obliges member countries to harmonise political and socio-economic policies and plans, and to create institutions to mobilise resources.

Officials said they hoped the SADC would develop into a common market with a regional parliament.

The African leaders urged the SA government to speed the transition to democracy, which they set as the condition for SA's membership of their community.

But SADC chief economist Charles Hove said the community hoped to establish mechanisms for co-operation and integration before then.

Nujoma expressed concern at the recent spate of deaths in detention and the overall lack of control by SA authorities over security force elements.

Botswana President Ketumile Masire said Codesa should resume its activities and continue to search for the most appropriate ways of putting an end to the suffering of the SA people.

In a joint declaration, the 10 African leaders said: "Colonialism, racism — especially apartheid — and destabilisation have left southern Africa a legacy of wide disparities, deep economic dependence and social dislocation.

"There is an urgent imperative to restructure regional economies and relations towards balanced, equitable and mutually beneficial growth and development," the declaration said.

Regional leaders endorse new body

279A

STAR 18/8/92

By Dale Lautenbach
Star Africa Service

WINDHOEK — The heads of state and government of the 10 Southern African Development Co-ordination Conference (SADCC) members and representatives of the South African liberation movements yesterday morning signed a declaration and a treaty to launch the Southern African Development Community (SADC).

The new body will replace the SADCC and create protocols which bind its members to promote regional integration towards the formation of an economic community.

The new organisation plans to include SA as soon as this country has democratic rule.

SADCC acting chief economist Charles Hove earlier revealed that the 10 SADCC member states needed a further 2 million tons of drought aid in the immediate future.

Dr Simba Makoni, SADCC executive secretary, admitted that the body had found itself woefully unprepared for the drought despite earlier pledges by the 10-member organisation that it should prepare to meet drought in the future.

Dr Hove said it was not known where money for the additional 2 million tons would come from. The SADCC Drought Task Force appointed in April was following up on the $600 million (R1,6 billion) pledges made in Geneva by the international community in June but, if necessary, member states would have to dig into their own pockets to buy the necessary food.

The SADCC and South Africa had collaborated on transport and logistics for drought aid deliveries and it had been calculated that 55 percent of the incoming aid had come through the SA system with the remainder coming through SADCC-member transport corridors.

This figure, released by the SADCC transport commission, does not clarify whether aid coming through the contested enclave of Walvis Bay, technically still part of South Africa, has been counted in with the 55 percent or with the SADCC 45 percent.

Dr Hove said co-operation with South Africa in the drought relief operation had been "an important indication of the co-operation possibilities that do exist".

African treaty 'to defuse SA threat'

279A CT 18/8/92

WINDHOEK. — Leaders of 10 Southern African states signed a treaty here yesterday creating a development community to defuse the threat of economic competition from a powerful post-apartheid South Africa.

The treaty of the Southern African Development Community (SADC) was signed at the University of Namibia by leaders from Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe.

The new community with a population of 80 million replaces the South African Development Coordination Conference (SADCC), formed in 1980 to reduce the dependence of South Africa's neighbours on its white-controlled economy.

"It is time to reduce the areas of conflict and maximise the areas of co-operation," Tanzanian President Ali Hassan Mwinyi said yesterday. Officials said they hoped SADC would develop into a common market with a regional parliament.

SADC chief economist Mr Charles Hove said South Africa, with a gross domestic product almost three times that of the entire SADC, would be invited to join the community as an equal partner as soon as white rule had ended.

"Colonialism, racism — especially apartheid — and destabilisation have left Southern Africa a legacy of wide disparities, deep economic dependence and social dislocation," the 10 said in a declaration.

Talks stalemate

SADC officials estimate that a South African campaign of military and economic destabilisation cost their countries $60bn (about R168bn) and about 1,5 million lives in the decade to 1988.

The leaders reiterated their concern at the violence and stalemate in negotiations in South Africa. "The situation there has not altered enough to warrant a change of strategy on our part," SADC chairman President Ketumile Masire of Botswana said.

Mr Masire said he was perturbed at the failure of the black leadership in South Africa to "speak with one voice" and called for the reactivation of the Patriotic Front.

On his way to the meeting yesterday, Zambian President Frederick Chiluba said he hoped South Africa would be considered for membership of the SADC.

The ANC yesterday called on countries in Southern Africa to establish an "organ" to observe and support efforts towards a transfer of power in South Africa. Addressing the SADC, ANC secretary-general Mr Cyril Ramaphosa said merely appealing to the region to put pressure on South Africa was insufficient.

The ANC and Pan-Africanist Congress enjoy participatory status in the SADC. — Sapa

Drought spurs plans for regional grid

Eskom pact with African neighbours

B/DAY 20/8/92

279A

PETER DELMAR

ESKOM has reached agreement with its Zimbabwean counterpart on a R350m power grid system to be extended later to sub-Saharan Africa.

Eskom CE Ian McRae said in Johannesburg yesterday that the drought had accelerated the need for implementing the grid, which would link SA with 17 other countries. The scheme was likely to become a reality within a decade at a cost of R8bn.

The urgency surrounding the establishment of the grid could result in some mothballed Eskom power stations being brought back into service.

McRae said work on providing Eskom power to Zimbabwe and Zambia was already under way. Both countries would run out of hydroelectric power by the end of the year if the drought persisted.

In terms of the proposal, the work would be jointly financed by the Zimbabwe Electricity Supply Authority (Zesa) and Eskom. Eskom would cover costs to the Zimbabwe border and Zimbabwe the costs inside its borders. The total cost of the project would be about R350m, with the Matimba-Zimbabwe connection costing more than R200m.

The supply project involved strengthening the power system between Eskom and the Botswana Power Corporation via Gaborone to Bulawayo and installing a new 500MW line from Matimba power station in the northern Transvaal to Bulawayo.

Work on the line via Gaborone had begun and the Zimbabwe government would soon consider proposals for the Matimba-Bulawayo link, compiled by Zesa.

Agreement on the project represents a major breakthrough for Eskom. Despite enjoying a close relationship with its counterpart in Zambia, relations with Zimbabwe have traditionally been frosty.

It is believed Zimbabwe Transport and Energy Minister Denis Norman — who spearheaded Zimbabwean co-operation with Spoornet on the transport of millions of tons of maize — played a key role in negotiations.

McRae also disclosed that Eskom and the electricity authorities of Zaire, Zambia, Zimbabwe and Botswana had agreed last month on initial steps, including detailed studies, for a sub-Saharan grid.

"The focus (at the meeting in Lusaka) was on the immediate and short- to medium-term solution to the threat in power supplies in Zimbabwe and Zambia as a result of the drought. The gathering took place with the full backing of the respective governments. A sense of urgency prevailed which transcended politics."

McRae said the link-up would bring far-reaching social, economic and political benefits to the region and would give SA a

☐ To Page 2

☐ From Page 1

Eskom

major economic boost in terms of technical and consumer goods demand.

SA electricity prices would benefit from the grid through improved economies of scale. Initially, as an exporter of power, Eskom would be able to make better use of its excess capacity. Later, as a possible partial importer, it would benefit from reduced capital expenditure demands.

McRae said Eskom had spare capacity to the year 2000, but the grid could mean that it would put into service some of the three power stations and two power station units it had mothballed.

An end to the drought would not delay the process towards the grid.

McRae predicted a mix of power sources for the grid, with new hydroelectric dams and new mines being built. Cahora Bassa would have to be involved, as would stations in Cabinda, Angola, Ipupa Falls in Namibia/Angola and Betoka Gorge on the Zambezi. Major extensions of the grid proper would span Botswana, Zimbabwe, Mozambique, Tanzania, Zaire, Uganda, Kenya and Angola.

☐ Sapa reports from Harare that Norman told parliament yesterday plans were under way to import 50MW of electricity from SA.

He said authorities in Botswana, Zaire, Zambia, SA and Zimbabwe were looking at ways of how the five nations could share the supply of electricity.

Norman said the drought in the subregion was having serious implications on power generation from major hydroschemes on which Zimbabwe depended to a large extent for its power.

And Zesa corporate planning manager Simbarashe Mangwengwende said yesterday that power rationing could soon be introduced in Zimbabwe because of the critical shortage of energy.

SOUTHERN AFRICA (279A)

Regional dream FM 21/8/92

Southern Africa this week took another step towards one of the oldest dreams of independent Africa — the idea of an African common market. Six heads of State, two Prime Ministers and two Finance Ministers last Monday signed the Treaty of Windhoek, establishing a Southern African Development Community (SADC) in place of the 12-year-old Southern African Development Co-ordinating Conference (SADCC).

South African eyes were on the summit as never before. ANC secretary-general Cyril Ramaphosa and PAC president Clarence Makwetu were there as observers. The 11th signatory to the treaty — and surely its best hope and only hope of success — is set to be a democratic SA.

The new body could become something very different from the old SADCC, set up in 1980 by the frontline states to counter economic destabilisation and dependency on SA. Its chief success over the years has been in mobilising funds for regional projects — mainly transport and communications. According to Namibia's President Sam Nujoma, SADCC has finished or at least started about 550 projects worth US$8bn.

The new SADC sets a framework for a much tighter unity that extends to harmonisation of economic policies as well as regional peace-keeping, foreign affairs and security issues. It follows a June 1991 treaty signed in Abuja, Nigeria, establishing the framework for an African Economic Community.

The fledgling community rejected the idea of a merger with the 18-nation Preferential Trade Area of east and southern Africa.

The new community legally starts when the treaty is ratified by two-thirds of the 10 member states (Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe). But secretariat chairman Simba Makoni says it takes effect from this week.

There was much discussion of SA, both situation reports from the liberation movements on violence and negotiations, and continuing talk on the effect of integrating SA into the region's economy.

SA will not be admitted as a formal member, explained Makoni, until it has a "legitimate" government.

For the ANC, Ramaphosa repeated that "we recognise and accept an historic obligation to co-operate with our neighbours in overcoming the imbalances which characterise the existing regional economy and in addressing the consequences of apartheid destabilisation." He warned that SA would initially be so occupied with its own problems it would have little to contribute except technology. ■

By Mathatha Tsedu
Investigation Editor

Sowetan 21/8/92

AID WITHHELD

Norway says find the money elsewhere in the State budget:

NAMIBIAN president Mr Sam Nujoma is a worried and embarrassed man. He bought an R80 million presidential Falcon jet which was delivered just as his government was asking for R22 million in drought aid from Nordic countries.

And now questions are being asked about the jet and whether buying it was right during the devastating drought.

The government says those opposed, including the Norwegian and Swedish governments, are interfering in domestic affairs and trying to influence the outcome of local elections due in November.

This government statement followed the Norwegian decision that Namibia would not be given any money for drought aid as the country was "relatively better off ... as shown by her ability to buy the Falcon jet ... and could probably also find money for other purposes in the budget".

Defended president

The jet has also led to the dismissal of a farm labourer who apparently defended the decision to buy it in an argument with his employer, Mr Heid Hartmuth.

Mr Izak Mulenyane told *New Era* newspaper that Hartmuth had spoken against the buying of the jet and when Mulenyane defended it, he was fired.

The government's response to the furore has been that with the Namibian Airline unable and ill-equipped to release part of its limited fleet to the president when he travels, it was necessary that a jet be found to ferry not only Nujoma, but other government officials around.

It has become a messy affair in the light of the pending elections and a big embarrassment, especially as the national flag painted on the jet is painted upside down.

But then Nujoma is not alone, as his information minister, Mr Hidipo Hamutenya, pointed out when cross questioned during a Press conference.

Botswana, Hamutenya said, had just received its own jet which was even more expensive but no one was making any noise about it.

And indeed that is so. For the 12 seater Gulfstream 4 built in Atlanta, Georgia, flew into Botswana three weeks ago.

Zambia, which is struggling to survive the drought and recession, sent its presidential jet to the United States recently for renovation at the cost of millions of rands.

President Frederick Chiluba, who travelled to Washington late last year on a normal flight of the national airline, today uses Kaunda's former plane exclusively.

Zimbabwe has a presidential jet that is ,however, used by the national airline when it is not used by the government.

In Tanzania, where the government also owns a presidential jet, the 232 members of parliament have each been given Japan's latest model in cars, costing R26,3 million in all.

"The joke about it all is that Tanzania does not even have the roads on which these cars can travel. So you find the spectacle today of these members of parliament who drive around the dusty streets of Dar es Salaam in cars that have fridges and other electronic gadgets," one editor, Mr Ndimara Tegambwage, said.

In years gone by, donor nations such as Norway an Sweden would have kept quiet and continued to give money. But as the winds of change blow through Africa, bringing with them vigorous parties and militancy by citizens, there is a discernible openness that is emerging.

What will the situation be like when a black led government takes over here?

We will have to wait and watch to see whether the temptation of executive private jets will not be too tempting for the new leadership.

But if present tastes and trends in black leadership is anything to go by, we should prepare ourselves for fleets of executive ministerial jets.

The name changed, but not much else

BIDAY 21/8/92 (279A)

SHARON WOOD

THE treaty creating the Southern African Development Community (SADC) has been signed, and member countries have committed themselves to a process of integration. But the way forward for the newly formed SADC is unclear, and analysts fear that the grand plan will not be designed, let alone implemented.

Even the ship's captain has no idea how the planned regional integration will be practically implemented. Executive secretary Simba Maconi talks of broad principles of co-operation, such as equity, balance and mutual benefit, but says priorities still have to be established before protocols can be implemented in the various sectors. But there are no specific plans as yet.

The bilateral agreement between Zimbabwe and Namibia, reached hours after the treaty was signed, may be a hint of what is to come. The agreement obliges the two countries to co-operate in the broadly defined areas of trade, economics, culture, technical and scientific matters but there are no details of what the co-operation will involve.

The organisation's strength lies in its 12 years of proven co-operation, a development analyst says. An example of this is the latest regional drought relief project, which saw the creation of the Regional Drought Task Force and an extensive mobilisation of food resources.

However, the ultimate problem facing the region is a lack of funds for the projects needed to bolster the member countries' economies. Access to donor funding has been under pressure for some time now, given the international demands of other emerging capitalist economies. International agencies did dig into their pockets to fund the drought relief project. But it is clear that the SADC executives realise that if the drought continues and more money is needed, it will not come from donors and the region will have to mobilise resources internally. There is no suggestion where the financial resources will come from.

The SADC member countries are also unskilled in the mechanics of industrialisation, making the challenge of creating a coherent plan of economic integration all the more steep or, as some feel, impossible.

In addition, a development analyst warns that there could be preoccupation with other regional events, such as the drought and political developments in Angola and Mozambique, which could draw SADC's attention away from formulating a practical blueprint to be presented at a donors conference in January next year.

Africa analysts say a main reason for the formalisation of the organisation this week was to increase the stature of the region and put muscle behind the organisation when it presents its financial needs at the conference. However, they say the international agencies are aware that it will be little more than a name change until SA joins the organisation. This is accentuated by the fact that the organisational structure of the SADC will remain largely unchanged from that of SADCC, with the member countries each responsible for a specific sector and the secretariat remaining in Gaborone.

SA featured prominently at the Windhoek summit, and once again there was confusion about its future role in the organisation. Maconi was emphatic that SA would not be, and should not attempt to be, the region's locomotive. However, SA is the only country in the region with the resources to implement a development programme, and even it is severely stretched financially.

The issue of the Preferential Trade Area and the SADC merger was dismissed by the heads of state of the member countries. The belief was that the two organisations had different agendas and could happily exist as autonomous groupings.

A source close to SADC said that at present there were was no conflict between the two organisations. But he added there was likely to be conflict further down the line, and the members would then have to make a decision. However, an analyst said at that time there would not be a decision to make because the PTA member countries would hopefully be firmly entrenched in the SADC.

The spirit of camaraderie was running high at the summit, but there was a distinct air of nervousness about the region's future. Member states were concerned about dropping the "C" when SADCC, the conference, changed to SADC the community. But they found relief in the fact that the abbreviation would still sound the same as an acronym — perhaps another sign of how much change can be expected in the SADC.

SADC just a new gentlemen's agreement

W/Mail 21/8 - 27/8/92 (279A)

Southern Africa's 'informal gentlemen's club' has changed its name and perspective, but very little else. By **GRAHAM HOPWOOD**

WHAT Southern African Development Co-ordination Conference executive secretary Simba Makone termed an "informal gentlemen's club" finally bit the dust at the SADCC Heads of State Summit in Windhoek this week.

The SADCC, the regional grouping formed in 1980 to counter economic destabilisation and dependency on South Africa, dropped a "C" from its acronym and was re-born as the Southern African Development Community.

Ostensibly, the six presidents, two prime ministers and two finance ministers were in Windhoek to give birth to a new economic community in the region, following the treaty signed in Abuja in 1991 which set up a framework for an African Economic Community. But, while the winds of democracy and peace may have changed the perspective of the "gentlemen" who created the SADCC 12 years ago, it seems that at this stage the events in Windhoek do not amount to much more than a flamboyant pan-Africanist gesture.

The Windhoek treaty, which commits the 10 countries to forming an economic community, will legally become operational when two thirds of the member states ratify it. However, the treaty, which replaces the original Lusaka Declaration of the SADCC, provides only a framework for integration in economic affairs.

The details of what it will mean in terms of cross-border investment and trade, and freer movement of labour and capital, have yet to be thrashed out in a series of protocols. The closing communiqué was sparse on detail about the protocols, saying only "it is important to follow up ... with a clear elaboration of the issues, structures and timetables".

With the small print of the treaty still missing, observers are left considering a number of uncertainties which lie in wait for the new SADC.

One is the response to the periodic droughts affecting the region, still not sorted out after the 12 years of the SADCC. Although the organisation's chairman, Quett Masire, has been successful in raising more than $600-million through the SADCC's appeal for drought relief, plans for regional food reserves have remained on the drawing board since 1986. The closer and tighter mechanisms envisaged, but not spelt out, in the Windhoek treaty are aimed at ensuring a more timeous response next time drought strikes.

Another grey area is the SADC's relationship to other regional economic bodies. In a surprising move, the 10 leaders rejected a proposal from the 18-nation Preferential Trade Area (PTA) that the two organisations merge into a Common Market for Eastern and Southern Africa (Comesa) — despite the fact that eight members of SADC are in the PTA. Instead, the summit decided to set up a commission to look into harmonising the workings of the two separate bodies.

The other regional economic community — the Southern African Customs Union (Sacu) — was not on the agenda in Windhoek, largely because talk of integration and mergers are out of bounds until the SADC is able to welcome Sacu's dominant member, South Africa, into the fold.

While both the SADC leaders and the South African participants — Cyril Ramaphosa, of the African National Congress, and Clarence Makwetu, of the Pan Africanist Congress — said they looked forward to the day when a "democratic" South Africa would join the new economic order, the uncertainty about if and when this might happen was clear when Masire said the situation in South Africa "had not altered enough to warrant a change in strategy on our part".

There was much debate over South Africa, with the PAC and ANC giving reports on the present situation and continuing discussion over the potential impact of integrating the region's economic giant within the SADC. In an attempt to control loose cannons within the regional body, the SADC leaders expressed concern at the "weakening of consensus" on relations with South Africa and urged member countries not to go beyond existing relations with the South African government.

Ramaphosa dismissed the idea that a democratic South Africa would be the "locomotive" for regional economic growth, saying this was being articulated by the "new diplomacy of the apartheid regime". He repeated the ANC's assertion that it accepted "an historic obligation to cooperate with our neighbours in overcoming the imbalances in the existing regional economy".

Taxpayers carry insolvent airlines

STAR 22/8/92 (B04) (Q79A)

MANDY JEAN WOODS

SOUTHERN African Development Community (SADC) member states' airlines are operating in a permanent state of insolvency.

The latest World Bank report on aviation in southern Africa says government interference, a lack of skilled management, poor fleet handling and an absence of commercial orientation have all contributed to spiralling losses which, given that the SADC airlines are government-owned, are carried by taxpayers.

SADC member states include Angola, Mozambique, Swaziland, Lesotho, Namibia, Zambia, Botswana, Tanzania, Malawi and Zimbabwe.

Despite SADC airlines' inability to cover their operating costs and overwhelming evidence that they will not be able to service additional debt, the airlines have secured investment commitments of some $1 billion (about R2,7 billion) for the period 1989-1992, the report says.

Investments totalling some $500 million (about R1,35 billion) for new long-haul aircraft have recently been negotiated or are imminent. They will increase excess seating capacity, which has little prospect of being filled. The result could be combined annual losses of more than $40 million (about R108 million).

The plans of the most expansive re-equippers (Malawi, Mozambique, Zambia and Zimbabwe) represent fleet capacities equal to their total international markets. Even in the unlikely event that these airlines take over all traffic, the passenger volume would still not fill 65 percent of their available seats, the World Bank notes.

The rates of loss are set to increase rapidly as re-equipment programmes are completed.

Most of the financial plans, traffic forecasts and revenue levels used by the airlines to justify these investments are based on unrealistic assumptions, misleading airlines and governments alike.

With one exception, SADC airlines show losses on domestic operations, the report notes. Even with load factors averaging between 65 and 70 percent, overall losses are an appalling 30 percent of revenue because of very low fares, poor aircraft utilisation and infrastructure deficiencies.

Typical symptoms of the lack of commercial orientation include indecisive management, unclear responsibilities and authority, low staff discipline and morale, little or no interest in inter-airline co-operation, excess capacity and inappropriate aircraft.

A comprehensive strategy, including airline restructuring and the formation of an SADC aircraft leasing company, is required if the regional aviation industry is to survive, the World Bank says.



PURSUING PROFITS: Air Botswana is one of the more successful SADC airlines.

Mozambique and SA sign trade accord

279A

STAR 25/8/92

Pretoria Correspondent

Full diplomatic relations between South Africa and Mozambique could be established soon, following the signing of the first formal trade agreement between the two countries.

Mozambican Foreign Minister Pascoal Mocumbi and his South African counterpart, Pik Botha, signed the agreement, providing for the establishment of representative trade offices, in Pretoria yesterday.

Mr Mocumbi said while further co-operation between the two countries depended on internal stability in Mozambique and the establishment of full democracy in South Africa, there was "a good chance" full diplomatic relations could be established in the near future.

Mr Botha said the signing of the agreement could be the first step towards greater co-operation between the two countries.

It created "tremendous potential" for joint ventures between the two countries and would enable South Africa to assist Mozambique with its economic development projects.

Ailing Pana on its last legs

STAR 22/8/92

RALF KRUEGER

DAKAR — In sub-Saharan Africa, a dream which many African politicians had held of a new world information order is collapsing.

An attempt by the Organisation of African Unity (OAU) to set up a counterweight against Western media concerns through Africa's own news agency is on the brink of failure.

Africa's first such enterprise, the Pan-African News Agency (Pana) based in Dakar, is, after less than 10 years, about to collapse.

It is a failure which has taken place in stages. Ever since the first news item was transmitted by the agency on May 29 1983, Pana has been plagued by money problems caused by its members' tardy payments.

Pana's debts with postal and telecommunications companies have reached six-figure proportions. It was not uncommon for services to be interrupted for days at a time because of unpaid telephone bills.

At the end of 1991, Pana's managing director Aguste Mpassi-Muga had to put many employees on forced holidays. Further drastic cuts extended Pana's agony: transmission time was reduced on weekdays from 12 to seven hours, on weekends from seven to four hours.

"The agency has been forced to take these measures because the member (OAU) states have not responded to appeals to meet their outstanding fees," Mpassi-Muga complained.

It was not the first such appeal which went unheeded. Acute money worries accompanied Pana from the very beginning. Of the 38 African countries which ratified the OAU's statutes to found the agency in 1979, only four of them as of mid-1988 had paid their fees in full.

But now the point has been reached where the Africans face having to take drastic action. The outstanding fees have piled up to 18 million dollars (R54 million).

In an emergency relief measure, eight African states at a recent crisis session pledged 1,5 million dollars (R4,5 million) to keep Pana afloat. Other countries are supposed to say how much of their outstanding fees they are willing to pay. — DPA.

Africa ignored despite its many opportunities

S/Times (BUSS) 30/8/92 (D) (279A) (T)

By CIARAN RYAN

ALBERT Nelissen, who opened more doors in Africa than the Department of Foreign Affairs, retires this week with a hint of disappointment about the world's growing lack of interest in the continent.

The outgoing chairman of Premier International finds SA's phlegmatic commitment to investment in Africa particularly irksome.

Mr Nelissen, 58, says: "After 12 years of flying around Africa I am exhausted and a bit disappointed. There are boundless opportunities in Africa.

"SA companies look all over the world for opportunities. Apart from one or two exceptions, they ignore Africa when it is throwing its arms open to us. Premier International demonstrated that trade with Africa was possible — and profitable."

Tone

While SA companies were abandoning their African interests, Mr Nelissen was in Lusaka to open trade avenues for Premier. On his second visit, he met former President Kenneth Kaunda, whom Mr Nelissen still counts as one of his closest friends.

Dr Kaunda introduced the affable Belgian to the ANC's Oliver Tambo and Thabo Mbeki in the early 1980s when such contacts were viewed by the PW Botha Government as subversive, if not treasonous.

The temperate and conciliatory tone of the ANC leadership at that meeting conflicted sharply with National Party propaganda.

Mr Nelissen says: "I never discussed politics with anyone. My purpose was to establish friendships, build trust and open up communication.

"Oliver Tambo particularly impressed me. Were it not for his poor health, I think he would have a vital role in SA's future."

Dr Kaunda introduced Mr Nelissen to a host of African luminaries.

The art of doing trade with Africa is to hedge against coups and political insurrection by garnering support among existing and potential leaders.

Mr Nelissen established a working relationship with Dr Kaunda's successor, Frederick Chiluba, while remaining friendly with the former president.

He was a frequent house guest of Zaire's President Mobutu Sese Seko, but maintained a healthy dialogue with his rival and newly appointed Prime Minister Etienne Tshisekedi.

Denial

Mr Nelissen says Mr Mobutu has been unfairly maligned by the world press. It is claimed he has a personal fortune equal to the country's national debt of $8-billion.

"I asked him if this was true and he emphatically denied it. He certainly has many assets, but insists he does not even have the cash to pay staff at his Monaco property."

When called on to send food to drought-ravaged central Africa, Mr Nelissen happily obliged, dispensing with the usual trade formalities.

In the past decade Premier built a trading empire in Africa worth an estimated R400-million a year. It pioneered the concept of bonded warehouses, a type of supermarket where purchases are settled in foreign currency and declared to customs officials at the check-out counter.

Mr Nelissen concedes that trading in Africa is a fickle business. Contacts with Zaire have all but ceased in the wake of last year's riots.

Mozambique closed foreign-currency supermarkets on the instructions of the International Monetary Fund (IMF) which has taken virtual control of the economy.

"The IMF is responsible for a lot of suffering in Africa. It insists that governments do away with food subsidies when people have less money. It's not that easy. The result is food riots, undermining political leadership."

Golf

As chairman of Premier International, Mr Nelissen was almost impossible to track down: one day in Cairo, Maputo the next and the rest of the week in some dusty outpost looking for business opportunities. In 12 years he visited 43 countries.

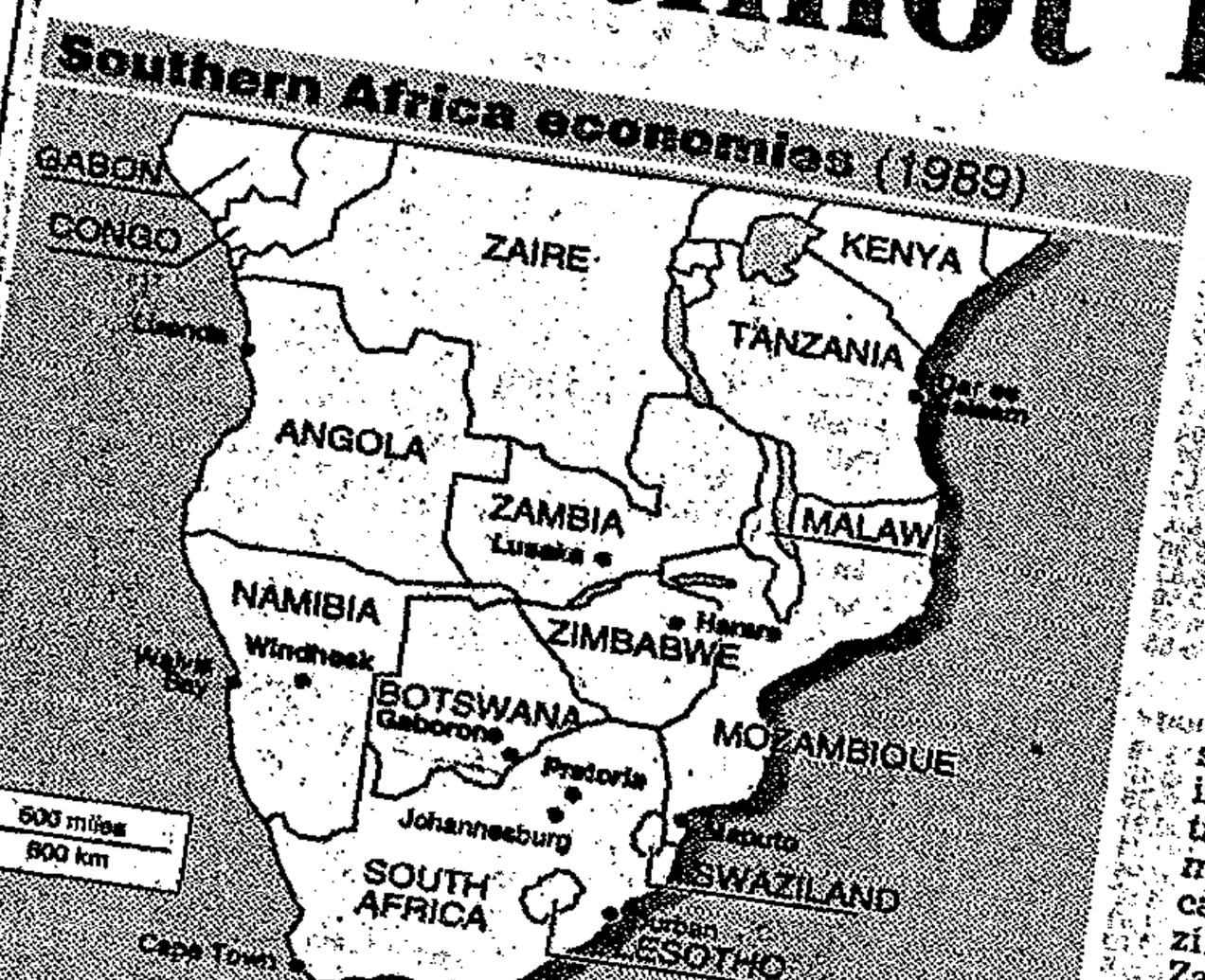
"I haven't had time for a normal family life. I want to spend a few months in Europe, catch up with my reading ... and learn to play golf."

Already the job offers are rolling in from those seeking to tap his network of political and business contacts in Africa.

His advice to those who would follow in his footsteps? "Build long-term relationships, get to know the politicians, establish trust and discard the common notion that you have to bribe your way through Africa — corruption is on the decline."

SA cannot flourish in isolation

STAR 1/9/92



Southern Africa economies (1989)

	Population (m)	Total GNP ($m)	GNP per capita ($)
Angola	9.70	6.014	620
Botswana	1.22	1.947	1.600
Lesotho	1.72	0.809	470
Malawi	8.23	1.481	180
Mozambique	15.36	1.229	80
Namibia	1.30	1.625	1.175
Swaziland	0.76	0.685	900
Tanzania	25.63	3.075	120
Zambia	7.84	3.056	390
Zimbabwe	9.57	6.219	650
South Africa	34.93	85.918	2.460

Source: University of Natal

Economic need has concentrated political minds in southern Africa where seven countries are co-operating in the handling of 8,2 million tons of maize imported into the region, which has been devastated by one of the worst droughts this century.

At the heart of the scheme is Spoornet, the state-run South African rail company, enjoying a level of regional co-operation which would have been unthinkable during the apartheid years.

Although co-operation over the shipments was prompted by fears in some areas of possible starvation, it is also a sign of it being more acceptable for South Africa's neighbours — Lesotho, Swaziland, Zimbabwe, Botswana, Zambia and Malawi — to be seen doing business with it now that a transition to democracy is under way.

This raises the question of what steps South Africa should take to integrate itself formally into the region and what sort of economic assistance the international community can offer.

At the heart of these issues lies one broad plank of consensus: The southern African region will prosper or perish as a unit.

Although differences in wealth and resources between countries mean that there will not be an even rate of progress or failure, it is inconceivable that South Africa will flourish in splendid isolation or that its neighbours will progress without it.

South Africa is well aware, in the phrase of Dr Anton Rupert, the famous tobacco entrepreneur: If your neighbour doesn't eat, you don't sleep peacefully.

Already there are 27 000 Mozambican refugees living in the eastern Transvaal, victims of drought and civil war. Refugees are also filtering into the northern Transvaal from Zimbabwe.

Not only does this sort of inflow strain limited resources, but the economic fragility of South Africa's neighbours also limits what ought to be important markets.

Capital scarcity

According to a study by the London-based Overseas Development Institute (ODI), Africa accounts for only 7 percent of South Africa's exports, with a quarter of this going to Zimbabwe.

Aside from trade and humanitarian concerns, regional politicians are also aware that, in an era of capital scarcity, they have a lot of work to do if they are to garner even a fraction of international capital flows, very little of which currently come to Africa.

The main obstacles to foreign investment in the region are problems of political instability, economic decay and a dilapidated infrastructure.

Peace, however, is only the first step. The extent to which governments will subsequently be able to forge a framework of economic co-operation remains to be seen.

The potential for regional integration is also complicated by South Africa's dominant position whereby its gross national product exceeds the combined GNP of the 20 member countries of the two regional trade groupings — the Preferential Trade Area (PTA) and the Southern African Development Community (SADC), the new version of SADCC — By about 40 percent.

Conventional wisdom suggests that greater economic convergence is necessary for successful integration.

In their more sanguine moments, South Africa's neighbours look on it as a market for their goods, and a source of funds for projects which other international investors or governments won't fund. Underlying that, however, is an anxiety that normalisation of South Africa's political situation may be to their disadvantage.

Thus the ODI special report, which investigates the possibility of granting financial and trade privileges to South Africa, found that the most common reaction outside South Africa when the possibility of European Community preferences was raised was incredulity.

The report finds, however, that the gains from preferential trade regimes with the EC would be small because the bulk of South Africa's exports are metals and minerals, which face low barriers. — Financial Times.

Southern Africa 'moving economically closer'

By TOSH LEVETT-HARDING

THE countries of Southern Africa are moving closer together economically, in spite of political differences, Pepkor executive chairman Christo Wiese told Sea Point Rotary Club yesterday.

"In 1990 close on R3bn worth of goods went to countries in Southern Africa, with Zimbabwe the republic's foremost trading partner in the region.

"With the exception of Zimbabwe all these countries have, in recent times, turned their backs on Communism and Socialism and have, perhaps in desperation, embraced the principles of a free market economy as the only hope for survival."

As a strong supporter of free market principles, Wiese said he vigorously opposed any approach that said Peter should be robbed to pay Paul. "For it is only through sustainable growth that the wealth can be created to raise the quality of life for both Peter and Paul.

"This is as basic a truth as the one that the wealth that SA requires to meet the reasonable aspirations of the majority simply does not yet exist — it will have to be created."

Wiese emphasised that the SA economy at present was hardly capable of meeting the needs of its 37m people — let alone their aspirations.

Of these 28m were black and millions were withut work, without homes and without hope.

Stressing the need for beneficiation of natural resources, Wiese said SA's mineral deposits constituted the world's largest and most diverse treasure house.

"Not only gold, of which we still produce 35% of the world's output, or platinum of which we produce 80%, but also uranium, chrome and manganese.

"There is, as we all know, no correlation between a country's richness in natural resources and successful economic development."

But these resources represented an enormous advantage if correctly used in the overall planning and development of the economy.

Discussing the tourist industry, Wiese said this had a huge potential. About 500 000 non-African tourists a year visited SA at present and this number was expected to grow to 2m by the end of this decade.

If SA could increase its income from tourism to only half the world average it would create 2m tourist-related jobs.

SA already had a first world infrastructure with its modern transport and communications system, established financial markets and a sophisticated banking and insurance sector. These were all essential components of a base on which to grow.

Another plus factor was the disappearance of sanctions and an apparent desire by the rest of the world to see SA succeed for the benefit of the continent as a whole.

It had been estimated that the direct cost of sanctions to SA between 1985 and 1990 was about R45bn — money which could otherwise have been used for wealth creation.

This had reduced SA's per capita disposable income by 10%, halved the average annual growth rate from 3% to 1,5% and cost at least 500 000 jobs.

279A
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Common market for southern Africa?

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ARGUS 5/9/92

Many political options are being discussed for the African sub-continent. One of them is the idea of a common market. DR RICHARD GIBB, senior lecturer at the University of Plymouth and a specialist on the European Community, is visiting the Environmental and Geographical Sciences Department at UCT and working on the concept of a southern African common market.

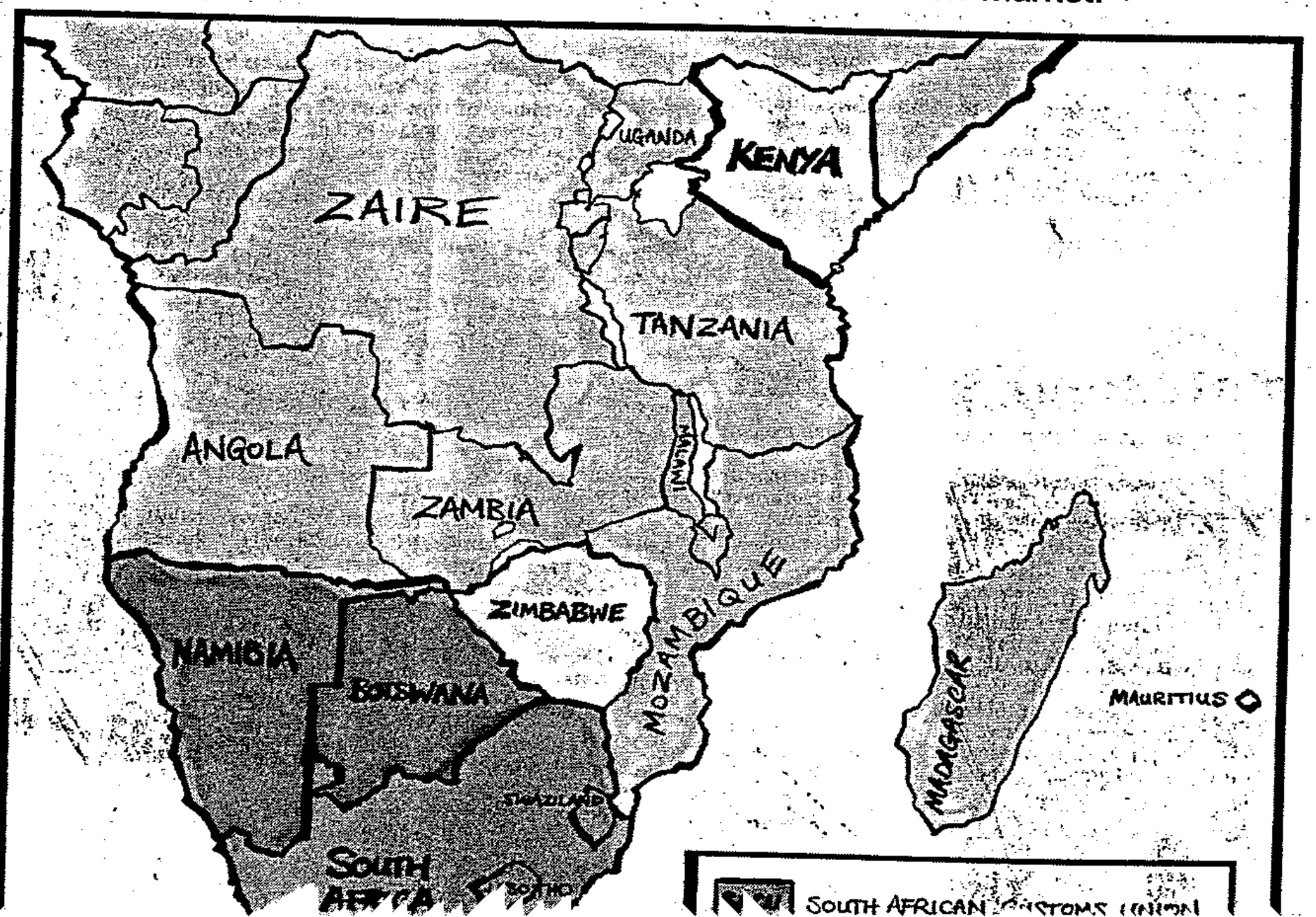
FOR over 40 years, southern Africa has been dominated by political strife and tension. Things are now starting to change. The possibility of co-operation replacing conflict and confrontation has never been so good.

South Africa's move back into the international community has been welcomed throughout the region with a mixture of both hope and despair. Hope that scarce resources at last can be moved from security and defence to economic development. Despair at the prospect of South Africa retaining, and perhaps even intensifying, its hegemonic position.

It is not surprising that southern Africa should fear South Africa. The basic realities of economic power give Pretoria, under any political party, an enormous advantage. South Africa has a population less than half that of the rest of the region, but has an economy almost three times bigger.

Under Mr P W Botha, Pretoria pursued a policy of destabilising the countries of southern Africa. South Africa's campaign of aggression and destabilisation had a debilitating impact.

Between 1980 and 1988 destabilisation resulted in 1,5 million deaths. The dismal record of destabilisation is estimated to have cost southern Africa $63 billion (R176,5 billion). There is, therefore, a great deal of suspicion over South Africa's policy



SADC last week. Already, it has made it clear that a democratic South Africa will be welcome to join the new organisation. It has also agreed that any future integration plan must take South Africa into account.

The 1992 Windhoek meeting of the SADC heads of state reflected a desire to have in place a working and operationally recognised structure before South Africa joined the organisation.

However, there is a real threat that SADC will set its sights too high. Originally, the organisation shunned the common-market approach to regional integration.

It followed a policy of project co-ordination. The aim was to foster regional integration via co-operation over joint undertakings, such as railway or energy projects. It failed abysmally.

The move from SADCC ro SADC is a radical transformation designed to convert the body into one that actively promotes political and economic integration.

Issues familiar to EC observers are all of a sudden on the agenda: Macro-economic co-ordination, political integration and the pooling of sovereignty. SADC also wants to create regional bodies, like the Council of Ministers in Brussels, with powers above those of member state governments.

Although it continues to pay lip-service to its original stance of not creating a common market, many of the new policies proposed by SADC bear a remarkable resemblance to those contained in the Treaty of Rome that established the EC in 1957.

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In spite of this suspicion, most of the governments within the region support the idea of closer regional co-operation. Why?

Perhaps the single most important reason is President De Klerk's determination to end the destabilisation era and promote friendly relations with neighbouring states. Mr De Klerk's commitment to abandon statutory apartheid has restored South Africa's acceptability as a partner for regional co-operation.

There is also a trend towards countries joining forces in a world increasingly dominated by large trading blocs. To most non-EC countries, 1992 represents a threat. A threat to free trade as Europe becomes inward-looking and protectionist — the so-called "fortress Europe".

Other states of the world have reacted to this by themselves joining forces. The Asian Economic Co-operation Forum and the American-Canadian-Mexican free trade area are good examples.

The emergence of these new trading blocs has helped reinforce the benefits of southern Africa working together. All the countries of southern Africa are too small to go it alone.

The World Bank, ever eager to promote regional co-operation, observed that the economy of sub-Saharan Africa was no larger than that of Holland's.

Southern Africa, including South Africa, has an economy slightly smaller than that of Finland and about a third the size of Brazil's. Joining forces offers the prospect of enhanced bargaining power and more say in world affairs. So, the scene looks set for some form of regional co-operation to take place.

The first thing that southern Africa needs to do is sort out the existing web of regional organisations. At the moment, they reflect the confrontational history of the region. There are three major groupings: The Southern African Development Community (SADC), the South African Customs Union (SACU) and the Preferential Trade Area (PTA).

In 1980, the majority-ruled countries of the region formed the Southern African Development Co-ordination Conference (SADCC), now the SADC. Its aim was to reduce southern Africa's dependence on South Africa.

Although the SADCC built up a reputation for success, it is difficult to see why. It failed to reduce southern Africa's dependence on Pretoria. It also failed to generate trade between member countries.

In the past, SADCC solidarity was built on the liberation struggle and a common apartheid threat. South Africa's commitment to negotiate a constitutional future threatened this solidarity and its very *raison d'etre*.

Partly in response to this threat, the SADCC last week changed its policy and name. The new organisation is called The Southern African Development Community — SADC. Its aim is to promote regional integration and establish an economic community.

In sharp contrast to SADC, the South African Customs Union exists to promote trade between South Africa and its neighbouring states. SACU members include Botswana, Lesotho, Swaziland and Namibia.

SACU's aim is to promote trade between member countries. Pretoria used SACU as part of its anti-sanctions campaign by emphasising its dependence of members on South Africa. It is also an important market for South African manufactured goods.

Although SACU has a long history dating back to 1910, it has a number of fundamental weaknesses. Most importantly, it is controlled by South Africa. Pretoria takes decisions without consulting its much smaller partners.

The organisation has no secretariat, permanent staff or headquarters. It therefore operates on a rather random and ad-hoc basis.

In the past Pretoria has been willing to compensate the other SACU countries in order to gain the political benefits of international recognition. This significantly increased the revenue duties collected by the smaller countries.

However, with sanctions no longer a serious threat, Pretoria will feel less inclined to provide such subsidies. The need for South Africa to spend more on its neglected black population may force Pretoria to rethink the wisdom of supporting SACU.

The third regional organisation in southern Africa is the PTA for eastern and southern Africa. The PTA is part of a wider ambition to create an African common market by the year 2000.

Needless to say, the PTA's progress has been disappointing. The organisation, which excludes South Africa, is dominated by three countries: Zimbabwe to the south, Kenya to the east and offshore Mauritius. The tension caused by some states doing better than others has resulted in a failure to develop the free trade approach.

The PTA also lacks geographic and structural coherence. There is no doubt that its call to establish a common market by the year 2000 is both premature and unrealistic.

There is an urgent need for southern Africa to decide on its own priorities and rationalise this confusing set of regional groups. The existing groups have different and often contradictory objectives. This muddle is made worse because some countries belong to a number or all of the regional organisations.

The need to rationalise was recognised by SADCC when it changed to is a radical transformation designed to convert the body into one that actively promotes political and economic integration.

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SADC now wants the free movement of goods, people, capital and services. It also wants to create a common external tariff similar to that in the EC.

The policies outlined by SADC, if adopted, almost certainly would overstretch the capacity of member states to support the organisation. They also would represent a significant loss of sovereignty, perhaps even greater than that experienced in the EC after some 40 years of active integration.

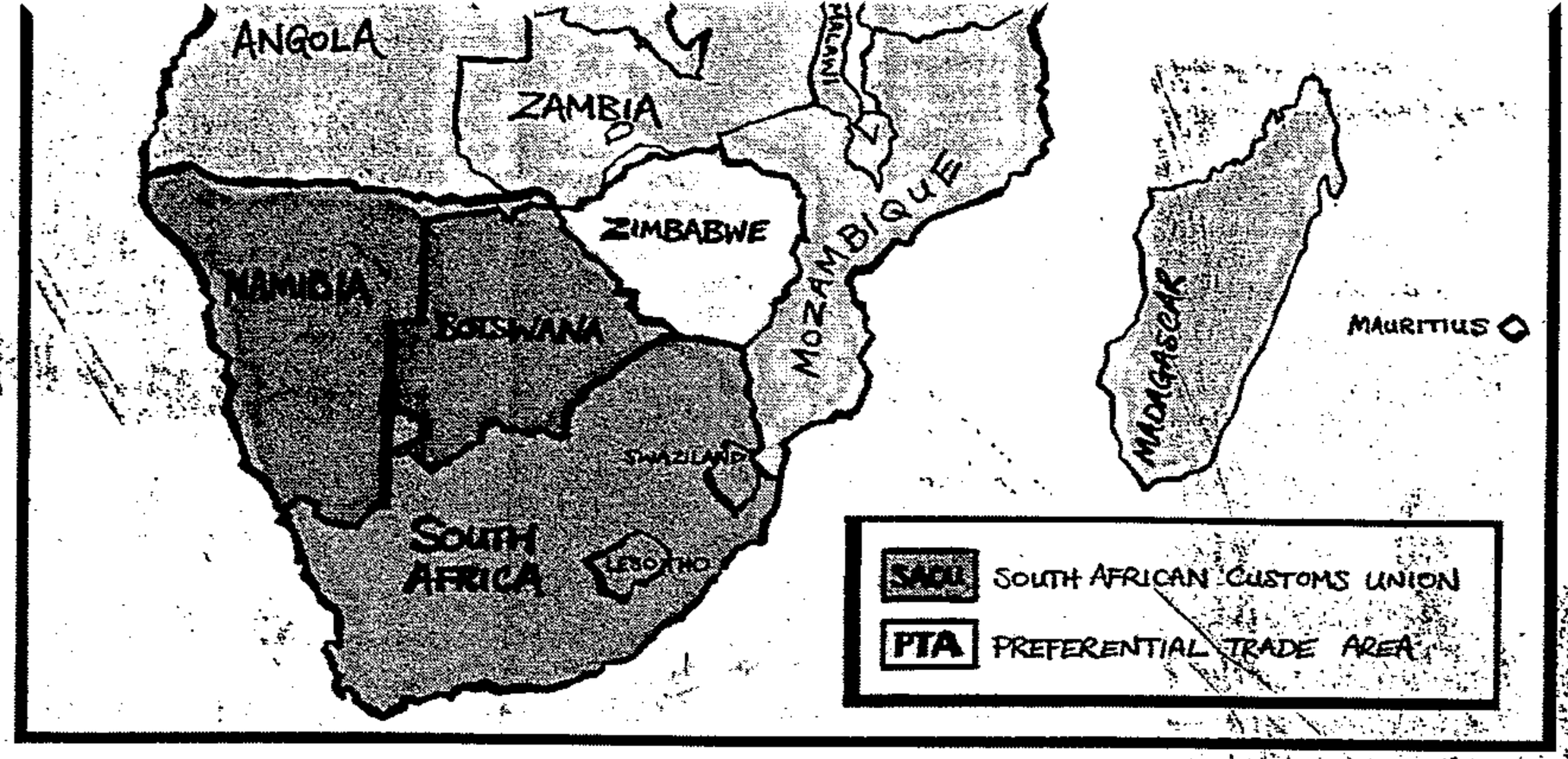
The founding architects of the first European Community, the European Coal and Steel Community, recognised the impossibility of creating a United States of Europe overnight.

They recognised the futility of trying to create European unity in one mighty constitutional stroke. Federal and confederal structures cannot be imposed easily.

The European approach was based on restricting integration to a few selected areas. This started off with coal and steel. Then energy and trade. It was a step-by-step approach designed to promote integration but at the same time respect sovereignty.

Southern Africa could do worse than study the experiences of the EC and seek to avoid the pitfalls and blind alleys that already have beset its path.

It would do better to concentrate its integrative efforts on a few selected areas, within which it may well be appropriate to create supranational bodies and laws.



Bambazonke, that's being a bad neighbour!

NEIGHBOURING states are getting a bit nervous about what they call "bambazonke" once South Africa becomes a democratic state.

That's slang for big cities or countries dominating the small, drawing investment funds and jobs and being where the power lies.

Our neighbours have good reason to fear that South Africa, freed from apartheid, will try to dominate the region, attract all the investment and trade — and generally treat countries to the north as provinces.

Already South African government and big business are setting forth into the region to build contacts, promote exports and generally make their mark. In the process, they tend to be arrogant — "we can make everything you want" — and expect to be treated as saviours of the region's badly ailing economies.

Many neighbouring states, once staunch supporters of sanctions, are itchy to get business, trade and finance links going with South Africa again — it is just so much closer than the distant European markets they have had to rely on.

But they also wonder about laying themselves open to being swamped by South Africa right now, before democracy, when they know from bitter experience that democracy itself is likely to be costly for South Africa — and it might not be as rich a country after democracy as it is now.

All these issues, and others, were discussed in Windhoek recently when heads of state and senior ministers and officials from the Southern African Development Co-ordination Conference (SADCC) met.

The meeting was meant to revamp the 12-year-old regional grouping to meet the challenges of the vastly different economic environment of the nineties, including a post-apartheid South Africa.

The countries are Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe.

With the backing of mainly European donors, SADCC was established to co-ordinate mobilisation of aid for "Frontline" states to reduce dependence, mainly on South Africa but also the rest of the world.

Its main success has been co-ordinating radical improvement in transport and communication between members, but it has also done important work in co-ordinating research to ensure food security in a largely drought-stricken area.

Because Botswana, Lesotho and Swaziland (the so-called BLS states) also belong to the South African Customs Union (SACU), SADCC initially left trade-related matters alone. Members worked out their own trade arrangements, if they chose, with South Africa. Namibia is also a SACU member.

But it was realised in the mid-eighties that it was no use improving transport and communication between member states if they did not also make things to trade with each other on those routes. This would also stimulate the economies of member states.

So attention was paid to promoting new industries and creating links between businesspeople in various states so they could know what they could buy and sell to each other.

In this they were influenced by the Preferential Trade Area for Eastern and Southern Africa (PTA), which covered all SADCC states, except Botswana, and nine others in eastern Africa. Botswana did not join the PTA because SADCC headquarters were based in Gaberone and, well, all it had to export was diamonds (bought by South Africa's De Beers) and it didn't mind buying things from the consumer paradise "down south".

PTA had been set up in 1980 to promote the development of a common market in the region and encourage industries and businesses to buy and sell from each other to help build each other's economies.

The rapid growth of protectionism in world trade — and the fact that developed countries are not all that keen to buy raw materials anymore because of various technological developments — and the effect of this on foreign exchange earnings, made such regional trade logical. This was particularly so when the PTA introduced a system whereby member countries could buy from each other in their own currencies through their central banks, paving the way for monetary co-operation as in SACU.

Given these developments, and perhaps Botswana's reluctance to join the PTA and a general reluctance by some states to see a merger of PTA and SADCC, SADCC has now transformed itself into a Southern African Development Community (SADC).

SADC appears to have more or less the same aims and objectives as PTA, but for a smaller number of countries who see a link-up with the South African economy, possibly through an expanded SACU.

But SADC could also be an important forum through which the 10 member states could co-ordinate and harmonise economic policies, ensure strong regional growth — and use some kind of muscle to ensure South Africa does not try to dominate at the expense of others.

Some say it is a pity SADC and PTA will now not merge. The cost of duplicating their efforts is something they can ill-afford, but each has different donors with different agendas.

And he who pays the piper calls the tune. — **Lynda Loxton**

Polishing up the Russians

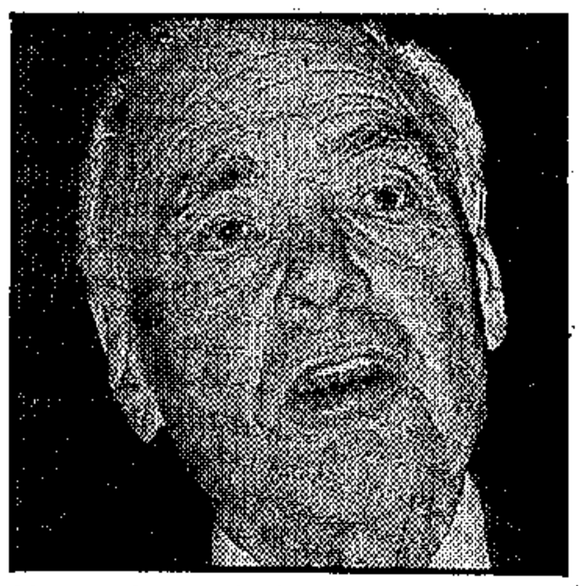
STAR 10/9/92 (279A)

The Oppenheimers visited Moscow to look after their interests, reports PETER PRINGLE.

THE OPPENHEIMERS were in town this week cutting quite a dash as they tried to ensure that Russian diamonds stay within the strict boundaries of their diamond-selling monopoly, De Beers.

On Tuesday they opened elaborate new offices on Tverskaya Street where all the fashionable Western retailers are vying for space. Parliamentary deputies and businessmen came.

Seven cars whisked the De Beers team around from official offices to the Cultural Foundation, where the company donated more than R4 million of fine art and Russian treasures, including a long-lost letter from Pushkin, another from Turgenev and still another from Tolstoy to Gandhi found in South Africa by De Beers' former chairman, Harry Oppenheimer.



Harry Oppenheimer . . . on his first visit to Russia.

His son Nicky, who is deputy chairman, explained: "We have a tradition of extending ourselves into the cultural life of the countries where we do business. There's a synergy between the beauty of a diamond and the beauty of the art we see here."

"Very interesting," said Harry Oppenheimer as he toured his own generous gifts.

He was making his first visit to Russia at the age of 84, although his De Beers company has been dealing with the Soviet Union, often at arm's length during the Cold War, for the past 30 years.

Nicky Oppenheimer admitted that the world diamond market was going through difficult times. Recessions hit jewellery companies first and De Beers more than most because for years it has controlled all but a small percentage of the diamond market.

The job of the diamond merchants was to bring back confidence, said Nicky Oppenheimer. "Confidence is uniquely important to the diamond trade."

But confidence in De Beers is also demanded by the diamond producers.

Russia digs out 25 percent of the world's diamonds — after southern Africa's 50 percent — and if Moscow decided to go it alone in the market that would seriously upset the controlled price set by De Beers. The price of diamonds could crash.

Since the new Russian government emerged, De Beers executives have been flying into Moscow in the company's jet, buttering up politicians in Moscow and in the main diamond-producing region of Yakutia in eastern Russia.

Some members of the Russian parliament, sniffing capitalist exploitation, are determined that Russia should have more control over the sale of its diamonds than it had under the corrupt communist government, which MPs accuse of selling out to De Beers.

The Oppenheimers, and a dozen fresh-faced, smartly suited De Beers executives, are equally determind that there should be business as usual.

The Russians replied to the deluge of expensive gifts with something also priceless that costs almost nothing: a brilliant concert by child prodigies.

"It was a small demonstration of our own power," said Svyatoslav Belza, the Cultural Foundation's compere. — The Independent. □

The world tires of endless African calamity, reports **Hugh Roberton** from Washington

US goodwill begins to wane

STAR 10/9/92

SOUTH Africa's political violence has become so commonplace that only the most exceptional instances — Boipatong and, most recently, the massacre at Bisho — are reported in even those American newspapers which pride themselves on their international coverage.

The smaller massacres which occur in Natal, and the weekend bludgeonings and necklacings in the Vaal triangle, which cumulatively account for vastly more deaths than the Boipatongs and Bishos, are almost invariably ignored, even by black-owned newspapers and radio stations.

This growing indifference is part of a trend which embraces virtually all of sub-Saharan Africa. The region is slowly being written off by influential Americans at all points on the political spectrum as a hopeless mess of violence and corruption, where disease and famine have become the entrenched natural order and where decades of generous US aid has produced precious few results.

There may be those in the government and the ANC who would contest this view, who would argue that Americans remain deeply concerned and eager to help. But they are only partly right, and ever decreasingly so, for there are some ominous trends to the contrary.

It is an open secret at the State Department, for instance, that a huge cutback in the US diplomatic presence in sub-Saharan Africa is now imminent, with some accounts suggesting that entire embassies will be closed in countries with a population of less than 5 million. The studies now being done, and written about in specialised publications, talk of more than 70 diplomatic posts being eliminated and many more development aid posts being cut.

The US presidential election is in full swing, but neither candidate has bothered to make a definitive statement on Africa, let alone South Africa. The public, as the polls show, couldn't care less — and that goes for most black American voters as well. To some extent the end of the Cold War — during which Africa was an intense arena for superpower rivalry — is a reason for the change, but similar diplomatic retractions are not on in the pipeline elsewhere in the world.

One of the most distinguished Africa analysts in the US, Professor Carol Lancaster of the Foreign Service School at Georgetown University, had this to say in a recent assessment:

"US interest in helping poor countries worldwide to improve their economic wellbeing appears to have weakened greatly in recent years. There is some satisfaction with our past successes (for example, Korea and Taiwan). There is discouragement and frustration with our failures, above all in Africa.

"And there are signs of impatience and fatigue on the part of the US public towards recurring disasters in that unfortunate part of the world.

"Although the past may be a poor predictor of the future aid policies towards Africa, current trends do suggest a likely evolution of the US role in the region. Aid to Africa will decline in dollar and percentage terms. In addition to the possible elimination or merging of some USAID missions, there is a clear prospect that a number of diplomatic missions, unable to justify their existence and expense in the face of budgetary stringencies and demands for resources in other parts of the world, may be closed down or reorganised.

"It seems likely the US diplomats will play less of a role in trying to shape events in the region or — more important — helping Africans to resolve conflicts among themselves."

Can South Africa emerge as an exception in this morass of disillusionment? The country, after all, boasts of being the powerhouse of the continent, where Africa's renaissance and salvation might begin.

There remains tremendous goodwill for South Africa in the US, and a sense of a deeper involvement and commitment than now exists for most other countries on the continent. But with each massacre, patience is eroded. And nothing is eroding it faster than the glib assertions of innocence and the devious apportionment of blame by spokesmen for both the Government and the ANC.

The threat to South Africa's relations with the US, as much as Africa's as a whole, is the "fatigue" of the American public with endless disaster — massacres, wars, famines, corruption. In the end it is all South Africans who bear the consequences and it will matter very little who the culprits were if the last hope for Africa evaporates in the US. □

STAR 2/19/92

IMF urges more relief for Africa

279A

By David Canning

WASHINGTON — Representatives of the IMF's Group of 24 have urged the international community to step up flows of capital to drought-hit Sub-Saharan Africa.

They said resource flows to the region needed to be much bigger.

Funds at concessionary rates were needed, given the region's widespread poverty and low levels of saving and investment.

Group chairman Alhaji Aqhmadu Abubaker said turmoil in international financial markets was hindering growth in developing countries.

He urged developed nations to address their problems of low output, weak trade and continued large fiscal deficits so that more balanced and stronger international trade could be achieved.

No end to Africa's woe

WASHINGTON — A population boom dampened the benefit of a 2,4 percent rise in Africa's gross domestic product (GDP) in 1991, the World Bank said yesterday.

Africa's sub-Saharan population grew by 3,2 percent between 1980 and 1989, allowing only a 0,6 percent growth in per capita GDP, the World Bank said. STAR

The population boom worsened the continent's woes, including poverty, starvation, AIDS and malaria. 16/9/92

The number of poor in sub-Saharan Africa has grown from 191 million to 228 million since 1985.

In most African countries, exports grew by 2,6 percent and imports by 3,5 percent in 1991. — Sapa-AFP.

Joint tasks for SA, Italy

PETER DELMAR

SA's government was negotiating with Italy's government on southern African infrastructural projects worth about R200m, a Foreign Afairs spokesman said yesterday. BIDAY 18/9/92

In terms of a protocol signed between the two governments earlier this year, the Italians would provide finance and SA the technical expertise. Major spin-offs were expected for SA contractors. 279A

The Foreign Affairs Department was expected to suggest similar co-operation with German Development Co-operation Minister Carl-Dieter Spranger when he visited SA next month.

Italy had pledged funding to upgrade Mpumulungo port on Lake Malawi in northern Zambia. The project was expected to cost more than $11m. The port was considered a vital overland link between SA and eastern and central Africa. It was understood the Italians had indicated that they wanted Portnet to manage the port after it was upgraded.

Other projects under discussion included improvements to Mozambique's Ressano Garcia rail and road links with SA, expected to cost R50m, the $188m upgrading of Maputo harbour and updating Mozambique's geological maps.

Italy was also expected to pledge money for a major upgrading of roads and bridges in southern Angola.

A Foreign Affairs spokesman said SA companies would be deeply involved in the projects.

Foreign funders' reluctance to deal with SA in the past had doubled the cost of their projects.

Developing world's growth thwarted

279A

B/DAY 21/9/92

SIMON WILLSON

WASHINGTON — Income per head in sub-Saharan African countries will fall again this year for the third year in a row, a new World Bank forecast says.

The Bank also predicts 1992 will be a third successive year of falling per capita GDP for the world's developing countries as a whole. This would be the developing world's longest fall in living standards since World War Two.

Presenting the forecast at the weekend, bank chief economist Larry Summers acknowledged that special factors had thwarted the efforts of some sub-Saharan economies to adapt and restructure.

"Growth in southern Africa continues to lag because the drought in parts of the region has offset the beneficial effects of policy reforms in many countries."

After falling by 1,7% in 1990 and by 1,4% last year, income per head in sub-Saharan African countries is forecast to decline by 0,4% this year before recovering to 0,5% next year.

Income per head in all developing countries is expected to fall by 1,4% this year after declines of 0,5% in 1990 and 1,7% last year. The bank forecasts a recovery to 1,7% next year.

Summers isolated three principal ways in industrial economies affected growth in the developing world. The most important was that developing countries' growth was directly associated with their export performance to industrialised markets.

A one percentage point increase in average OECD growth would, according to a new World Bank study, mean an extra $20bn a year in export revenues for the developing world.

The study indicated a one-point increase in OECD growth would boost sub-Saharan Africa's total exports by $1,5bn a year, and would raise region's exports to the EC by $700m, to North America by $500m and to the rest of the OECD by $200m.

A second major link between growth in the industrial and developing worlds was through industrialised countries' trade barriers, the Bank found.

A 50% reduction in trade barriers among major OECD countries, of the type sought by the GATT, would boost developing countries' exports to the OECD by $50bn over time. More than half of such an increase would be accounted for by higher textile exports to industrial countries.

The third way in which the developing world was affected by industrialised economies was in the behaviour of commodity prices, Summers said. Higher growth and lower real insterest rates in the industrial world meant stronger commodity prices.

The bank found average commodity prices were set to fall this year for the third consecutive year, and would have fallen by a total of nearly 25% in the '89-'92 period. Any resumption in global growth would lead to a strengthening in commodity prices.

IT firms unite to woo hinterland

BIDAY 22/1/92

MELANIE SERGEANT

IN a drive to bring SA information technology (IT) prowess to the fore in the minds of potential African buyers, several of SA's top business and technology organisations have formed "The Africa Initiative".

The move is aimed at opening more doors in Africa for organisations by inviting the continent's key decision-makers to attend a major show in September next year.

The initiative will be formally launched to industry by the SA Engineering Association and Systems Exhibitions on October 8.

It has been welcomed by the Foreign Affairs and Trade and Industry departments and Safto.

Early indications from private sector companies show good support for the project.



279A

JO MELVILLE

Altech company ISIS marketing director Sheldon Baverstock says: "As a company committed to exporting expertise, products and services into Africa, senior members of the Altech Group have welcomed the initiative, and have agreed to look at the many ways in which they could co-operate to ensure its success."

Systems Exhibitions marketing director Jo Melville says the project could be described as the first Commonwealth of Industrial, Technological and Business Games to be held in Africa.

It will be staged in Johannesburg from August 30 to September 3 next year.

Melville says the underlying theme will be National Technology Week — Africa, encompassing technology and its link to economic growth.

The week's activities will include Electrex, The Africa Show, which is a general industrial and trade exhibition, and about 15 or 20 conferences and seminars addressing the theme "Appropriate Technology for Africa".

Safto's Africa Business Development Group director Paul Runge says SA has certain inherent advantages in trading with Africa.

These include proximity, the weak rand and our African identity.

One of SA's key assets is the fact that it has adapted technology for utilisation in various areas ranging from mining to rural development and telecommunications, he says.

Tailor-made

"There are certain SA companies manufacturing products tailor-made for Africa.

"For example, bricking machines, vulcanising systems to repair caterpillar tyres, the CSIR, which is involved with adapted water technology and rural development, and Geological Survey, which is heavily involved in mining in west Africa.

"Although everyone talks about adapted technology, to put this into practice for mutual benefit, SA needs an exposé of this nature, not only for key players to see the products available, but for people to make direct contact with one another."

Delegates are being invited from the G-7, the African Development Bank, the Preferential Trade Area for eastern and southern Africa, the Southern African Development Community, the World Bank, the International Finance Corporation and various regional associations.

The international aid community has shown interest in the back-up, maintenance and management that SA companies can provide for projects.

Runge says SA companies should be gearing up to get involved in smaller projects, not only in large infrastructural development projects.

186

Positive

"The concept is simple: if one gets the right people and the right products together at the same place, the result has to be positive for all involved."

Foreign Affairs Department development director Z W J du Plessis has committed the full support of his department, which will co-operate and assist with travel arrangements, visas, and help with contacting people and organisations in African countries.

The move should cut down the need for individual organisations to make forays into Africa to look for new markets.

Chaired by chairman of the SA Engineering Association's Roy Marcus, the initiative will raise and supervise sponsorship funds from SA industry to bring the delegations to SA.

Marcus says it could cost about R500 000 to bring 50 top-level delegates to SA.

Co-operation key to conservation

JONO WATERS

Blotta 22/9/92.

AN ELEPHANT tusk or a rhino horn can provide an individual with 10 times the average annual income in countries like Zambia and Mozambique. Rhino horns are believed to fetch about US$12 000/kg — as much as a kilogram of gold.

Rapidly expanding populations and weak economies, wrecked through coups and successive corrupt administrations, have impoverished much of Africa and placed great pressure on environmental resources.

Many southern African countries have little money for conservation and rely on aid from international conservation bodies to preserve wildlife.

In Zimbabwe the policy for dealing with poachers is shoot to kill. More than 100 poachers have been shot since operations were stepped up in the mid-'80s.

Namibia decided the only way to keep its rhinos alive was to saw off their horns and started a dehorning operation in 1989. The horns grow back at 9cm a year.

2794

Horrified

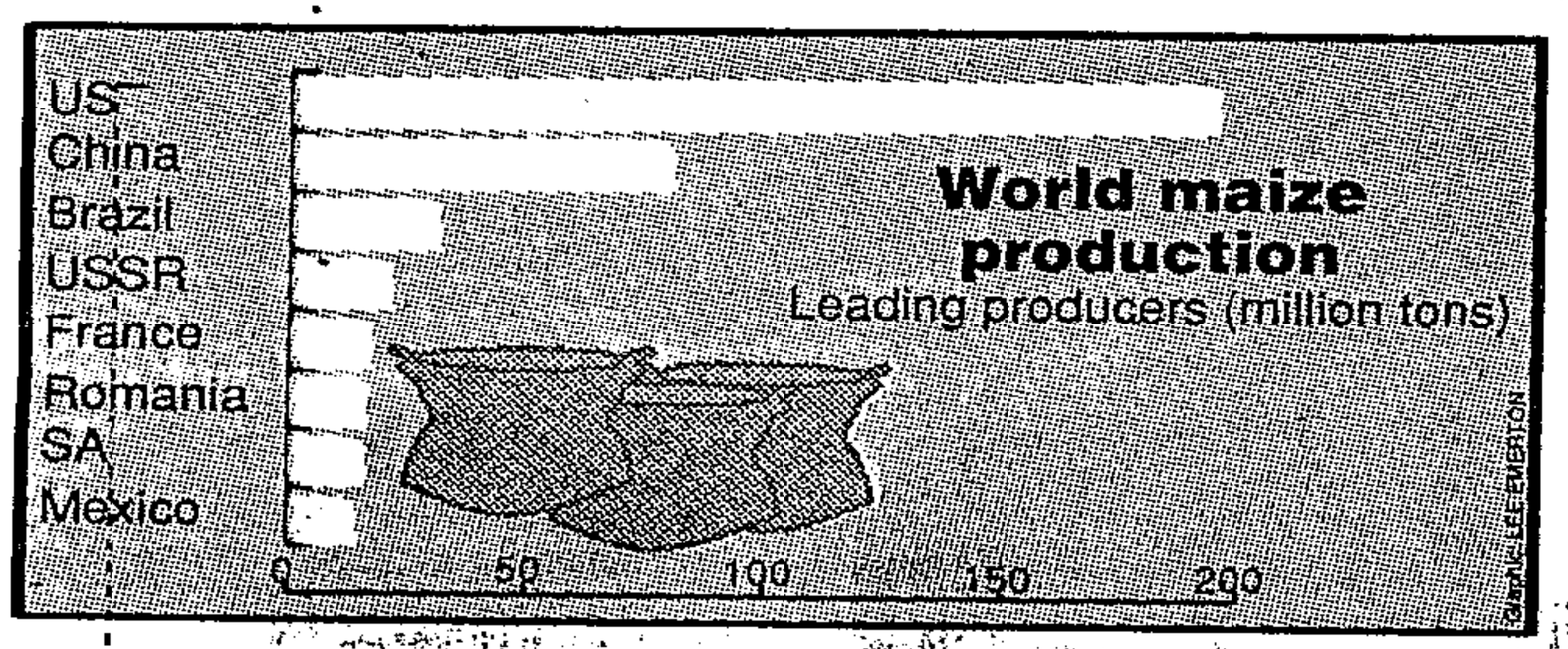
Zimbabwe followed suit, after refusing to consider it five years previously. In a recent dehorning operation in the Matusadona National Park, rangers were horrified to discover that only 15 of the estimated 150 rhinos in the 1 500km² park had survived.

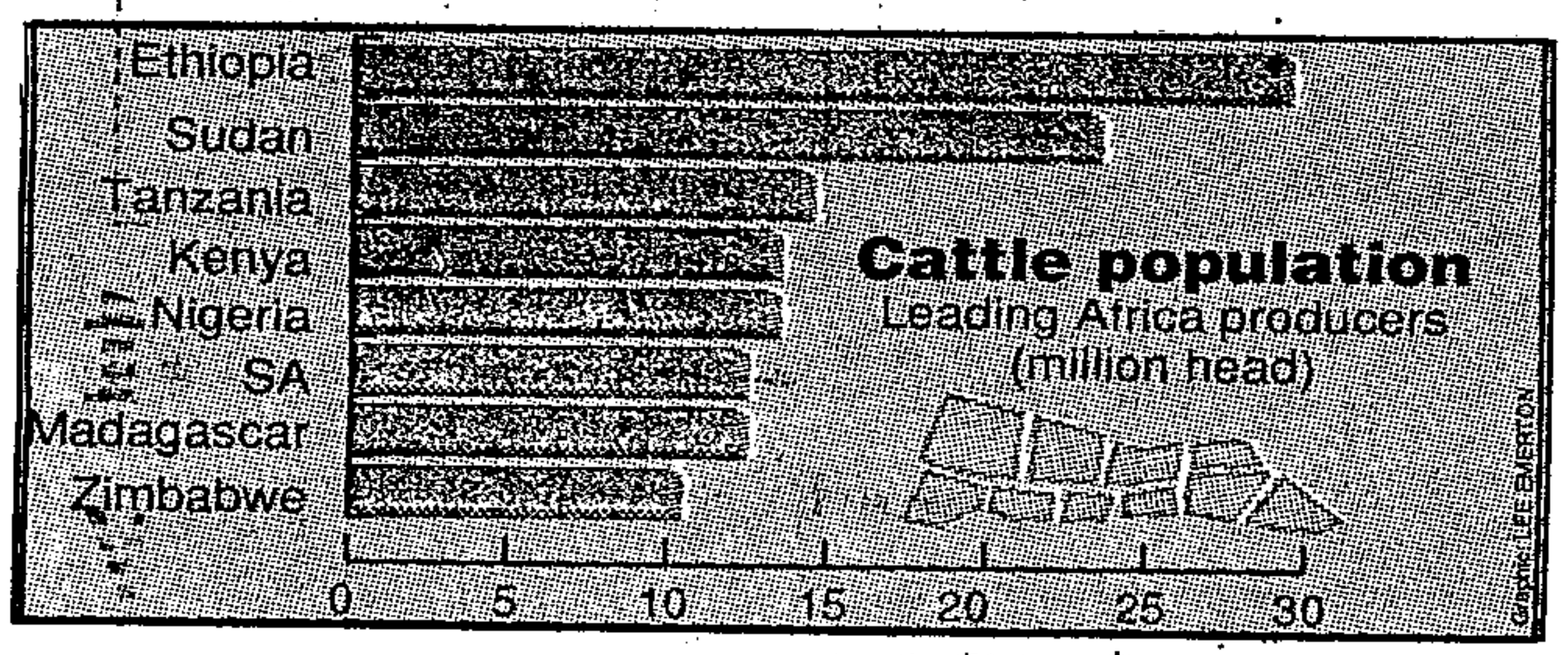
Kruger National Park wildlife manager Lynn van Rooyen said the park had no plans of "ever going that far" but said it would depend on the incidence of poaching. He said the park had 59 white rhinos and between 300 and 400 black rhinos.

About 85% of the world's rhinos are thought to have been killed in the past 30 years, and less than 11 000 animals from five species are believed to be left in Africa and Asia. Africa's black rhino population has dropped drastically, from an estimated 70 000 in 1970 to 3 000 today.

One observer points out that the hope for Africa's wildlife, an important drawcard for tourism, will come through countries sharing expertise and cooperating with each other on issues such as the combating of poachers.

The possible formation of the 180 000ha Limpopo Valley game reserve where Zimbabwe, Botswana and SA borders meet could be a step in the right direction.





Local computer companies look north

B/DAY 22/9/92. 279A

MELANIE SERGEANT

WITH the SA market for computer products overtraded and depressed, local companies are making concerted efforts to sell their products further afield.

Indeed, many realise that if they do not move into sub-Saharan Africa posthaste, vendors from other countries will soon steal a march on them.

South Africans have certain advantages, not least of which is their geographical location. Many products have been developed to cater for African conditions, and expertise developed to ensure they suit Third World environments.

Siemens, Altech and Plessey, for example, are targeting developments of rural telecommunications systems, among others.

And millions of rands are being ploughed into developing low-cost computer based education systems.

One of these is from ISIS Information Systems, which believes it has created a simple, cost-efficient teaching tool in MASS-ED, geared for conventional and adult education.

Many software packages which are developed in SA, or sourced overseas and represented in SA, are also finding their way into Africa.

Pink Software, for example, recently appointed an agent in Kenya, while Accsys payroll and time and attendance software systems are represented as far afield as Zimbabwe and Malawi, and the company is forging links in Kenya.

Accsys MD Dick Bradley says: "In Zimbabwe, money is a problem, although interest is high. Old equipment needs to be replaced with newer technology, so the potential is tremendous but is hamstrung by the shortage of foreign aid.

"In Malawi, the wheels turn slowly, but the money does come through, and in Kenya we've had several orders, but a lack of funding is holding sales back.

Dimension Data marketing director Fred Phillips says his company launched an Africa drive last year.

"We've had success, and our order book for projects in Swaziland and Botswana already amounts to about R5m for the year to date."

Few opportunities are seen for Dimension Data in other sub-Saharan countries, however, because of the lack of infrastructure in the telecommunications and related fields.

Botswana is top of the pops among most IT vendors in SA. This is obvious from the large number of SA companies which have opted to exhibit at October's Aitec southern African computer and communications expo in Gaborone.

SA-based Electronic Power Services MD Andrew Ingram says because Botswana boasts one of the most stable and fast-growing economies in Africa, computerisation has taken off over recent years.

Computer Aided Design specialist group AFRACAD is well placed to provide Botswana with solutions for design and draughting software which is widely used to design municipal roads, water supply and storm water drainage.

Safto director of Africa Business Development Group's Paul Runge says that prior to entering African markets with large projects, it is often best to secure foreign finance, and to present the project and finance as a package deal.

Desmond Colborne asks if Africa, and South Africa, are being written off

Key question for 'lost continent'

STAR 22/9/92

279A

WHEN will Afro-pessimists brighten up and stop seeing Africa as a "lost continent" of conflict and catastrophe? This question is vital for South Africa, too often seen these days as going the African way: down the tube. It is also a question important to France which, of all countries outside Africa, is still most involved in the affairs of our continent.

Africa now represents only about two percent of the world's economic product and two percent of its trade, attracting less than three percent of international investment. What a change from the '60s when a country like Ghana produced as much as South Korea and when decolonisation catapulted leaders like Nkrumah, Sekou Touré and Senghor on to the world scene. But in those days Africa in general, and South Africa in particular, was not only a question of conscience but a source of wealth.

These days, Africa as a whole is seen as a source of problems, Aids and unwanted immigrants. It has been well and truly marginalised, relegated to the sidelines. But less so in France than elsewhere. There are still 8 000 French soldiers based in Africa, the economies of francophone African countries are part of the France zone and francophone leaders attach great importance to their annual summit meeting with France — one is due next month, in Gabon.

Last week in France meanwhile, Africa was again, as in the "good old days", enjoying more attention. A number of television programmes and a big conference of Africanists, in the French Senate (involving senior officials, officers, professors, analysts and businessmen) focused on Africa.

Even in France, such a focus is, nowadays, unusual. Too many other questions are in the forefront and Africa is out of sight.

And when Africa is in the news these days, it is more and more as a disaster zone. Charities ring the alarm bell over Somalia today and perhaps the drought in the south tomorrow.

Even the dramatic events in the Ciskei attracted only the briefest flurry of media interest, and the story, outside Britain, was hardly ever in the headlines or on the front pages. As a story, it faded fast. Europe's attention span for African affairs is becoming shorter and shorter.

So the one-and-a-half day conference in the French Senate was an unusual opportunity to reflect on Africa's destiny and provide some well-meaning advice. Here are some of the conclusions reached.

(1) Time horizons have to be expanded. 30 years is a blink of an eye in the history of Africa, the birthplace of the human race. So the failure of the post-decolonisation period is hardly conclusive.

(2) Africa has been geopolitically devalued by the end of the cold war. It is no longer of particular interest ideologically, diplomatically or economically.

(3) African economic development has lagged far behind that of the other parts of the developing world. "Asia is an antheap — at work. Africa is an antheap — at rest."

(4) Africa's capacity for economic development? A much talked about book by a young Cameroun woman, Axelle Kabou, is titled "And if Africa refuses to develop?" At times there seems to be almost a "repulsion" towards productive investment. Dependency hang-ups and cargo cults abound — they have to go. A former Senegalese Cabinet Minister quoted Senghor: "As long as we Africans don't think for ourselves, we will become increasingly dependent on the outside world."

(5) For economic growth to resume, the economy should go private and the state should go public. The state too often served private interests and should be "nationalised", while the economy needed privatisation.

(6) Aid was now conditional, depending on economic and political progress in recipient countries. A French Cabinet Minister has even spoken about "the right to interfere."

(7) Although the Organisation of African Unity was somewhat discredited, there had to be more inter-African solidarity. African economic spaces had to be enlarged, as in the rest of the world. Regionalism is an increasingly important factor.

(8) There should not be exaggerated expectations about South Africa's role. Apart from current political problems, its economic capacity in world terms is modest, with a gross national product only half the size of Austria's. Development at home would take priority. If however, a major problem for Africa was marginalisation, South Africa could combat this, as a major hub, linking southern Africa to Europe, Asia and elsewhere. But South Africa could not go it alone. As an engine of growth, it needed petrol (investments, trade) to keep going. As a gateway to the region, it should be part of trilateral arrangements. Would France, as the country outside Africa with the biggest investment there, cooperate more with South Africa in the broader interests of the continent? □

● *Desmond Colborne is Paris Director of the South Africa Foundation.*

the Restoration of Democracy | lenjin tribe and other groups, | going for leadership which has

Drought brings hunger and misery

STAR 23/9/92

More than 20 million people in southern Africa are dependent on food aid and if good rains do not fall soon, many could die. Economic reforms are needed to pre-empt droughts, writes WINNIE GRAHAM.

MORE THAN half the population of southern Africa — from Angola in the west to Mozambique in the east — is on the brink of starvation.

Health workers on the subcontinent fear that if good rains do not fall soon, tens of thousands of malnourished people, particularly the very old and young, could die from diseases ranging from gastro-enteritis to pneumonia.

Thousands are surviving on the roots of plants and many have to walk kilometres in search of water.

The International Committee of the Red Cross (ICRC), which is co-ordinating relief work in the region, has figures which show that 18,1 million people in 10 countries south of the equator — excluding South Africa — are now dependent on food aid. Without it, death would be inevitable.

In South Africa, Operation Hunger alone feeds 2,2 million people, pushing the figure to *more than 20 million.*

ICRC regional disasters preparedness delegate Dr Ailse Holloway said from Harare this week that half the population of Zimbabwe — about 4,6 million — were receiving food aid. However, the government had been forced to cut basic food rations from 15 kg of maize meal a month to 5 kg.

The position in Malawi, where 5,7 million people could not survive without assistance, was no better. In Mozambique another 3,2 million were starving, in Zambia 1,7 million and in Angola 1,4 million, she said.

The problem in Tanzania, where 500 000 needed help, was not as acute. According to the ICRC 250 000 people in Namibia, 75 000 in Swaziland and 170 000 in Lesotho needed aid.

"Botswana is probably the least affected of southern African countries, probably because it does not have an agriculturally based economy," Dr Holloway said. "Just 100 000 people need assistance there."

She believed the worst effects of the drought had yet to be felt. Subsistence farmers, who usually grew enough maize for their own needs and a little extra for cash, had had a crop failure two years in a row, leaving families without food reserves or money.

"People are now being forced to sell their draught animals. When the rains come they will have no means of ploughing their fields," she said.

People in the rural areas were sending their children to town so that family and friends could feed them, and urban dwellers with jobs were sending food parcels to family members.

"We are not in a Somalia situation — yet. But there are bad months ahead. It is difficult to know if anyone has actually died of starvation. Hunger makes people weak and susceptible to all kinds of diseases."

Dr Holloway said drought relief programmes were expensive. About R2 billion would be spent during the next year simply keeping people alive.

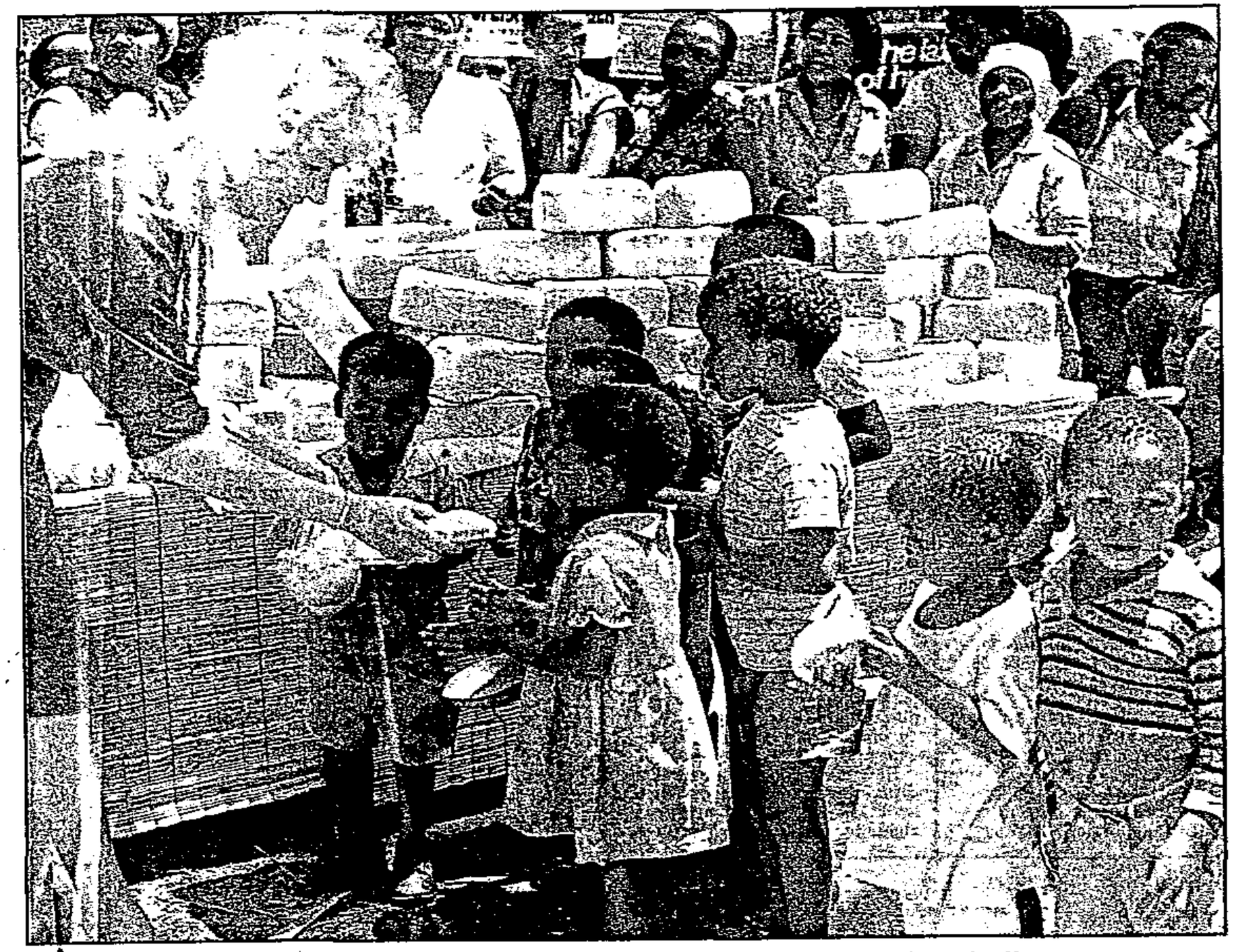
Economic reforms in most southern African countries were desperately needed so that similar disasters could be averted in future.

"Donors cannot be expected to keep finding money for people starving in Africa. We all know the drought is likely to be repeated. The kind of money being spent on relief would have an enormous impact if similar amounts could be used for drilling boreholes, building *clinics and improving housing,*" Dr Holloway said.

The drought situation in South Africa is considered "far worse than anticipated" by Operation Hunger executive director Ina Perlman. She described field trips as "journeys of discovery into previously uncharted depths of misery, human suffering and want".

Yet South Africa was better off than other countries in the region, mainly because hunger relief was being linked to long-term development.

Mrs Perlman said: "It has been a hard 12 months and the next 12 can only be worse. I believe our determination to have rapid-response structures in place when the early-warning lights started flashing in January have paid off. But even if it rains in October, there is no such thing as an instant crop. People will still need help, at least until February 1993 at the earliest." □



Feeding the starving . . . Transvaal youngsters receive food aid from Operation Hunger.

focus on Africa

Sowetan 23/9/92.

Private enterprise has only received lip service in Africa, says **Joshua Raboroko**, who reports on the *Sowetan*/Development Bank SA summit on business and enterpreneurial development in Africa:





Mike Mohohlo and Frans van Rensburg of the Development Bank meet Sowetan Day Editor Thami Mazwai. The three organised the three day conference.

PRIVATE enterprise has long been recognised as a key factor in the development process in Africa.

Owners of capital innovate and assume risks. They employ hundreds of people and manage large labour forces. They open up markets.

They find new combinations of materials and products. They initiate change and facilitate adjustment in dynamic economies.

Yet, private business ownership has been played down in many African countries over the past 30 years. In part this has occured because indigenous entrepreneurs were presumed to be scarce and foreign businesses were distrusted.

During his visit to South Africa Harare-based manager of Africa Project Development Facility (APDF) World Bank Mr Omari Issa put it aptly: "We have demonstrated that African entrepreneurs are plentiful."

Earlier, the belief was that African men/women were confined to the informal sector. In a short period of time, APDF has confirmed the existence of small and medium-sized businesses that are owned by Africans.

Sowetan and Development Bank of Southern Africa last week presented a three-day summit that focused on Business and Entrepreneurial Development in Africa.

Participants were African entrepreneurs; Commercial and Development Finance Bankers; International Finance and Development Agencies; Representatives of the APDF; liberation movements and chambers of commerce.

The conference focused on how indigenous African entrepreneurs could work together and promote/cultivate the spirit of competitive business on the continent.

APDF general manager Mr Alexander Keyserlingk said as soon as a political settlement was reached in South Africa "we will enter with the aim to help business people".

After his visit to some of Soweto's entrepreneurs, he said there was a great potential for business to create jobs and wealth.

"This shows that Africans are genuine entrepreneurs. The success of many businesses depends directly upon a climate supportive of vigorous small businesses.

"APDF, by assisting African entrepreneurs in taking advantage of new opportunities, contributes substantially to the creation of that nurturing business environment and the new jobs that are an important consequence."

The conference outlined the problems encountered by African entrepreneurs in obtaining debt and equity financing.

This problem was appropriately put by SBDC general manager Mr Jo Schwenke when he said: "In South Africa we have a dilemma that many businesses cannot be viable with high gearing while those same businesses would do moderately well if financed with equity.

To solve this problem, he said, it was proposed that the Government each year for five years grant R2 billion, which would be invested into properly constituted development venture capital funds.

The role and importance of promoting more African women entrepreneurs were highlighted by women who have a long tradition of commercial activity in the African private sector.

Businesswoman Mrs Mokgadi Tlakula said women grew more than half the food produced in the world; yet governments and aid programmes tended to exploit their labour without supporting it, maintaining it, or enhancing it.

She said black women could not hold title to land, married women were not legally capable of entering contracts without the consent of their husbands.

For example, she said, rural black women in the Northern Transvaal have carved a niche in making candles, making clothes, producing food, making sweets, vaseline, bricks, building latrines and houses, baking cakes, bread, selling liqour and achaar.

Eventually, she added, they would capture some of the business and make it their own, the only thing was that competition was unfair.

She urged the Government and industrialists to consider giving contracts to women.

The conference felt a massive affirmative action must be embarked upon by the corporate world business.

Premier Group chief executive Mr Peter Wrighton said many companies had affirmative action on their agenda.

Key role in relieving agony of Africa

By David Canning

NEW YORK — South Africa had a key role to play in relieving "the agony of Africa, and of its own people," Conrad Strauss, chairman of Standard Bank, said at a National Foreign Trade Council Foundation seminar here. STAR 24/9/92

He said that while there naturally were fears that SA would dominate its neighbours, many opportunities for mutually-beneficial co-operation were opening up between it and other countries in the region.

Trade with Africa had grown by 25 percent a year in recent years.

While there was a strong imbalance in favour of South Africa, there also was considerable scope for correcting that problem. South Africa could benefit, for example, from some of Africa's resources like water and potential electricity generation.

Multi-nationals were increasingly using SA as the logical entry point for doing business with the continent, as it had the only really viable first world economy in Africa.

It accounted for a third of the continent's trade and its infrastructure was being developed to facilitate linkages with Africa.

"If you put South Africa into the Southern Africa Development Conference, it would have 70 to 75 percent of the combined GDP."

The next most important country would be Angola, with eight percent, and then Zimbabwe, with six percent.

Nigeria, often described as the giant of Africa with three times South Africa's population, had a GDP only one third the size of South Africa's — $32 billion against SA's $102 billion.

Financial sanctions in a sense had produced a positive spin-off in helping South Africa to establish a sound external balance sheet.

The debt service ratio was only about six or seven percent and foreign debt at $18 billion was 17 percent of GDP and 65 percent of exports.

In comparison, the Australian debt service ratio was 42 percent and debt, as a percentage of exports, was 240 percent.

Drive to rout hunger moves into top gear

STAR 26/9/92

Computer link tracks food across world

27/9/A

RORY CHANNING

A HUGE drive to stave off famine in southern Africa is moving into top gear, oiled by high-tech computers keeping track of a food supply line stretching round the world.

With the region hit by the worst drought this century, the operation has South Africa and its black-ruled neighbours working together on an unprecedented scale.

"If you look beyond this project to what it could mean for regional co-operation and use of infrastructure, the sky is the limit," project spokesman Jacques Pienaar said.

The operation, roughly halfway through its expected life-span, is the biggest of its kind when measured by the amount of food to be delivered and the 10 countries involved.

Relief grain is tracked from its origin to its final destination using computer technology which helped rebuild Kuwait after the Gulf War.

Pienaar expects the operation, launched in time to prevent mass starvation across the region, to hit top gear next month.

"We have not had widespread famine. We have prevented that, except for parts of Mozambique," said Pienaar, spokesman for Spoornet.

Since the project's first food shipments arrived in South Africa in April, more than 3,3 million tons have passed through the ports of Durban, East London, Port Elizabeth, Cape Town and the enclave of Walvis Bay, still administered by Pretoria.

A million tons of this has already been taken north by train into neighbouring states, the main lines snaking hundreds of kilometres through Mafeking into Botswana or via Beit Bridge into Zimbabwe.

Project advisers estimate the region's food import needs at 10,83 million tons over the year.

All but a million tons of this will be handled by South African ports, which will reroute more than 3,8 million tons through the so-called Southern Corridor to landlocked neighbours Botswana, Malawi, Zimbabwe, Zambia, Lesotho and Swaziland.

Food is also reaching the needy through three other rail corridors — from Walvis Bay, Dar es Salaam, and Beira and Maputo.

The Southern Corridor nerve centre, the so-called Grain Operations Control Centre (GOCC), is in the Johannesburg headquarters of Spoornet. Resembling a war operations command post, with large maps tracking sea and rail shipments, it is staffed by officials from Botswana, Zambia and Zimbabwe, and SA's port and rail networks and its Maize Board.

The Southern Corridor strategy group, which meets monthly, also includes an official from the 10-nation Southern African Development Community and the UN World Food Programme.

South Africa is expected to import 6 million tons of grain for itself and for neighbours such as Lesotho and Swaziland this year.

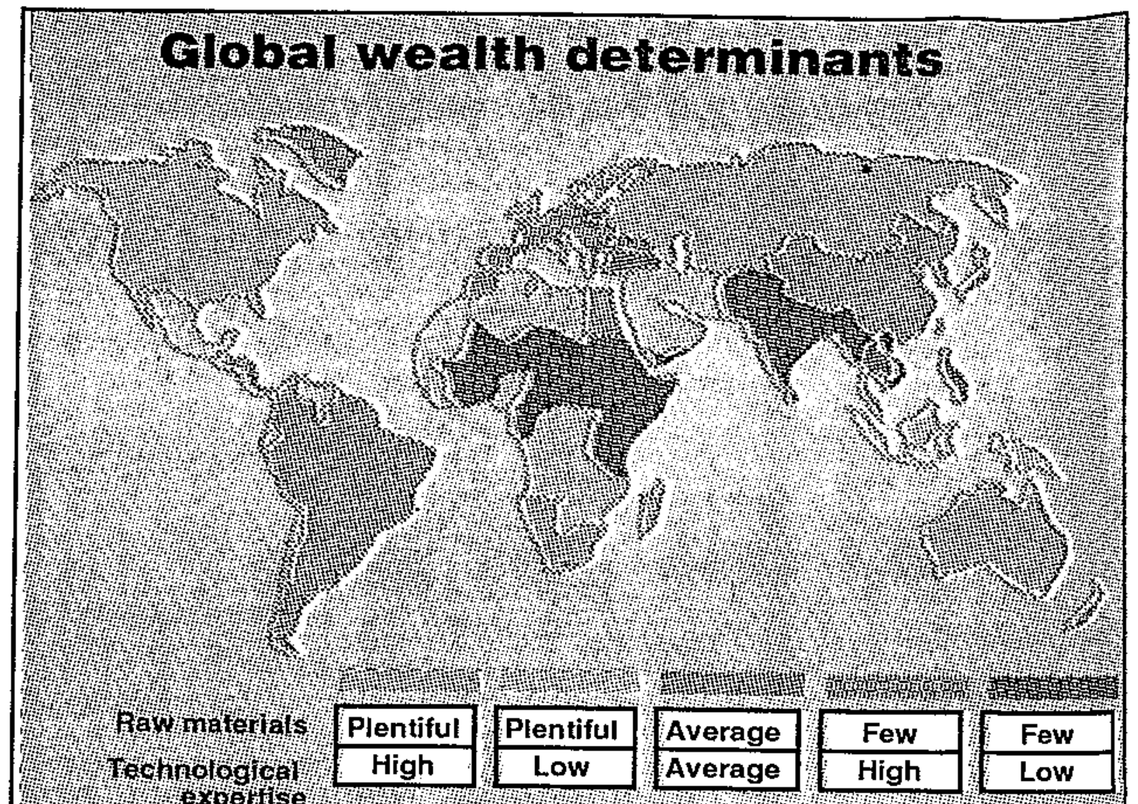
Challenge

Industrialised nations, however, have pledged more than $525 million (about R1 470 million) as drought relief.

The logistical chal-

Business Day SURVEY

SA has the most developed economy in southern Africa and is expected to become a member of the newly formed Southern African Development Community (SADC) when a democratic government is in power. But there is heated debate about SA's future role. While SA could bring tremendous benefits, there is a real risk it would dominate the region and absorb most of the benefits of integration.



Electrification drive slows as forum stalls

PETER DELMAR

PLANS to accelerate the provision of electricity to SA's powerless communities received a serious setback earlier this month with the failure of the national electrification conference to agree on details of a national forum.

It had been hoped the forum would be established at the conference and that it would embark on the restructuring of the electricity supply industry.

Some organisers agreed that, with the benefit of hindsight, their optimism might have been naive. The forum is now expected to be launched in December, at the earliest.

The conference, convened by the Development Bank of Southern Africa, agreed on the forum's goals and terms of reference.

But agreement could not be reached on who should serve on the forum.

The conference was attended by about 150 representatives of interested parties, including political bodies, Eskom, the supplier municipalities, development agencies, researchers, business and labour groups and government.

At the outset, Eskom CE Ian McRae outlined why the forum had to work.

Apart from the immense improvement in standards of living which electrification on the required scale would bring to millions of South Africans, there would be important economic spin-offs.

"It will enable entrepreneurs to start new ventures, thus creating jobs and wealth for themselves and others. Through the multiplier effect, stimulation to economic growth can be achieved. These benefits, together with the availability of adequate generation and transmission capacity, afford SA a window of opportunity which we must grasp with determination."

Eskom, McRae said, had neither the desire nor the resources to undertake the electrification SA required.

"What is needed to make electrification happen is a shared vision and common objectives among all role players in an efficiently structured electricity distribution industry where resources are harnessed in a concerted effort to meet customer needs."

Eskom's plans to electrify about 912 000 homes by the end of the century at the rate of 164 000 a year. This year it will bring power to about 120 000 homes. The Eskom vision is that the rest of the electricity supply industry will electrify another 3-million households. McRae told the conference electrifying 6-million — or 80% of households without electricity — before the end of the decade was possible.

Apart

A key issue facing the forum is just who would provide the money for the electrification.

Illustrating just how far apart the players are on this question, Eskom's finance executive director Mick Davis crossed swords withSA National Civic Organisation (Sanco) president Moses Mayekiso.

Mayekiso slated Eskom's "insulting violation of international financial sanctions". Davis responded by saying there was simply not enough capital available domestically to meet SA's developmental needs and that the country would have to look abroad.

Eskom believes World Bank financing for part of the drive could be secured if the programme had enough support.

Another of the major players to give its support to a new, restructured "regionalisation" of the electricity supply industry was the Association of Electricial Undertakings.

But their representatives stressed the industry was a massive one and turning it around overnight was not feasible.

Association spokesman Jan Malan said local authorities had become dependent on using surpluses from the sale of electricity to subsidise other services. Money should be used to fund electrification, but the implication was clear: further burdening of the haves, and not through their electricity bills alone.

Mayekiso described the financing of electricity as highly objectionable, saying Eskom had failed to consult communities.

He proposed a "lifeline" system in which each household would be given a basic amount of electricity at little or no cost, while paying progressively more according to consumption.

Cross-subsidisation between corporate and community consumers or between rich and poor residential areas should also be put on the table, as should state subsidies.

Numsa spokesman Bernie Fanaroff said Eskom would spend a large amount of money on beneficiation projects like the Alusaf smelter. The forum should examine whether supplying such projects was in the country's best interests.

The forum will have its work cut out to bridge the yawning gaps between the parties, but the fact that government and the ANC were the major initiators of the conference and that it enjoyed support of major parties indicates there is enough commitment to make it work.

Region following global trend of 'economic blocs'

SHARON WOOD

COUNTRIES in southern Africa have responded to the global trend of creating regional economic blocs.

In order to achieve this, they have recently formed the Southern African Development Community (SADC).

Its aim is to enhance the economic power of the region and to prevent its further marginalisation from mainstream global economic activity.

The region has relied heavily on international aid during the past few decades, but emerging capitalist economies of eastern Europe and the Latin-American countries have seen aid to Africa diminish, a trend likely to continue in the future.

Replaces

The SADC replaces the former SA Development Coordination Community (SADCC), which was formed in 1980 to reduce dependence on apartheid SA primarily, and to increase inter-regional trade.

It failed in both respects, but did build a history of coordination between member countries Zambia, Zimbabwe, Botswana, Malawi, Mozambique, Lesotho, Swaziland, Angola, Tanzania and the newest member, Namibia.

Recent experience has shown that the formation of an economic bloc brings several benefits to member countries.

These include economies of scale, monetary and fiscal co-ordination, and productive investment of capital and labour, because the flow between countries is not restricted. Reduction of tariffs also reduces cost of trade between countries.

Perhaps the most important benefit is the exploitation of comparative advantages. Some countries will have richer natural resources— or cheaper labour — or more capital.

Within a regional bloc, production of a product would tend to take place in the country with the comparative advantage. This should avoid duplication of production, as well as uncompetitive industries.

It is for these reasons that the SADC has been formed. There are critics who view the new organisation as merely the SADCC with a new name. It is true that the SADC is still in its infancy, and that the structure will remain unchanged for the time being.

Details of the new organisation are expected to be announced in January next year.

A theme document presented at a donors' conference earlier this year broadly outlines the way forward. It sets out the basic principles of a development-integration approach which the SADC believes is the best way to address the problem of integrating countries at different stages of economic development.

Historically, economic blocs have only been successful with member countries at similar stages of economic development.

SADC countries could also encounter problems with comparative advantages, because they produce similar products — mainly minerals and agricultural products — and few have developed industrial sectors.

Heated

SA has the most developed economy in the region, and is expected to become a member of the SADC when a democratic, post-apartheid government is in power.

However, there is heated debate about the role SA should play once it becomes a fully fledged member. While SA could bring tremendous benefits to the region, there is a real risk that it would dominate the region and that most of the benefits of integration would flow into SA.

In addition, analysts warn that SA cannot be expected to nurse the region back to economic health.

The development-integration approach takes account of incompatibilities arising from under-developed production structures and trading patterns in the region.

It recognises that conscious effort is needed to identify strategies to overcome obstacles to integration and stresses that political co-operation is needed in the early stages.

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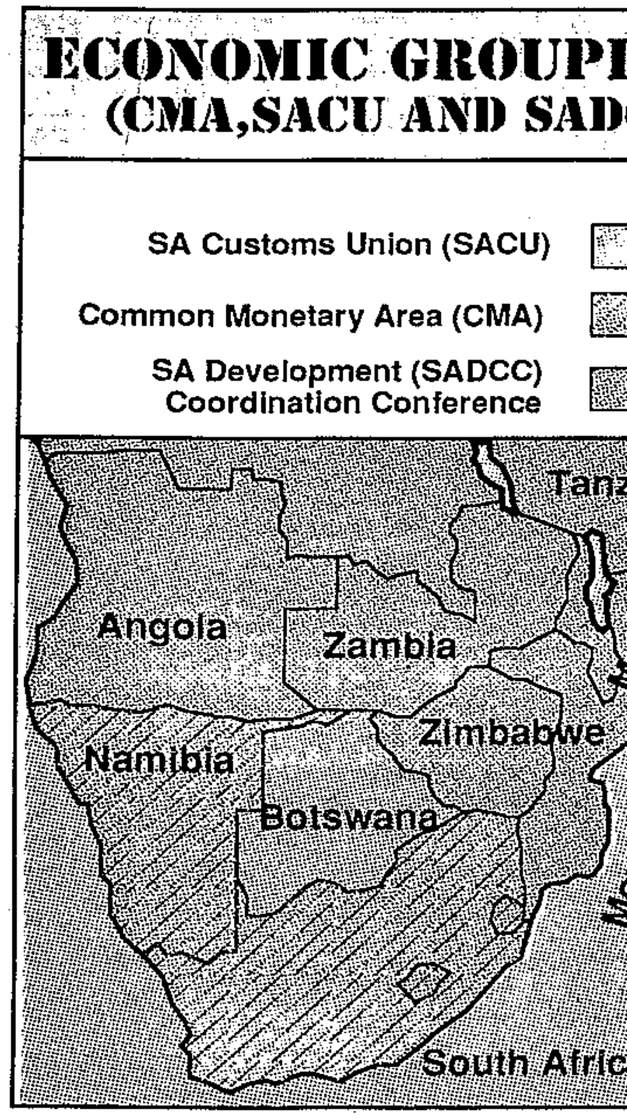

Economies of scale part of African solut

SHARON WOOD

OPERATING stock exchanges on a regional basis will contribute to the economic health of countries in the southern African region, says JSE president Roy Andersen.

If this happens, companies will be able to raise capital in all markets with exchanges, and underlying assets will be situated in one or more of the markets. However, Andersen says this is a long-term venture. Foreign exchange control in the region is a limiting factor which stops the free flow of investment.

Andersen says the recent Africa and we must work together to generate economies of scale so that the region can compete in international markets."

At present there are small, undeveloped stock exchanges in Harare, Botswana and Mauritius. The Namibian stock exchange is about to open its doors and the JSE has been cooperating closely with it to ensure the two exchanges are compatible, says Andersen. The JSE has also had an extensive exchange of ideas and technology

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It says trade liberalisation must also be complemented by compensatory and corrective measures.

The theme document declares set priorities for integration. These are: To create greater mobility of investment capital in the region; to allow free movement of goods and services; and to remove barriers affecting labour mobility.

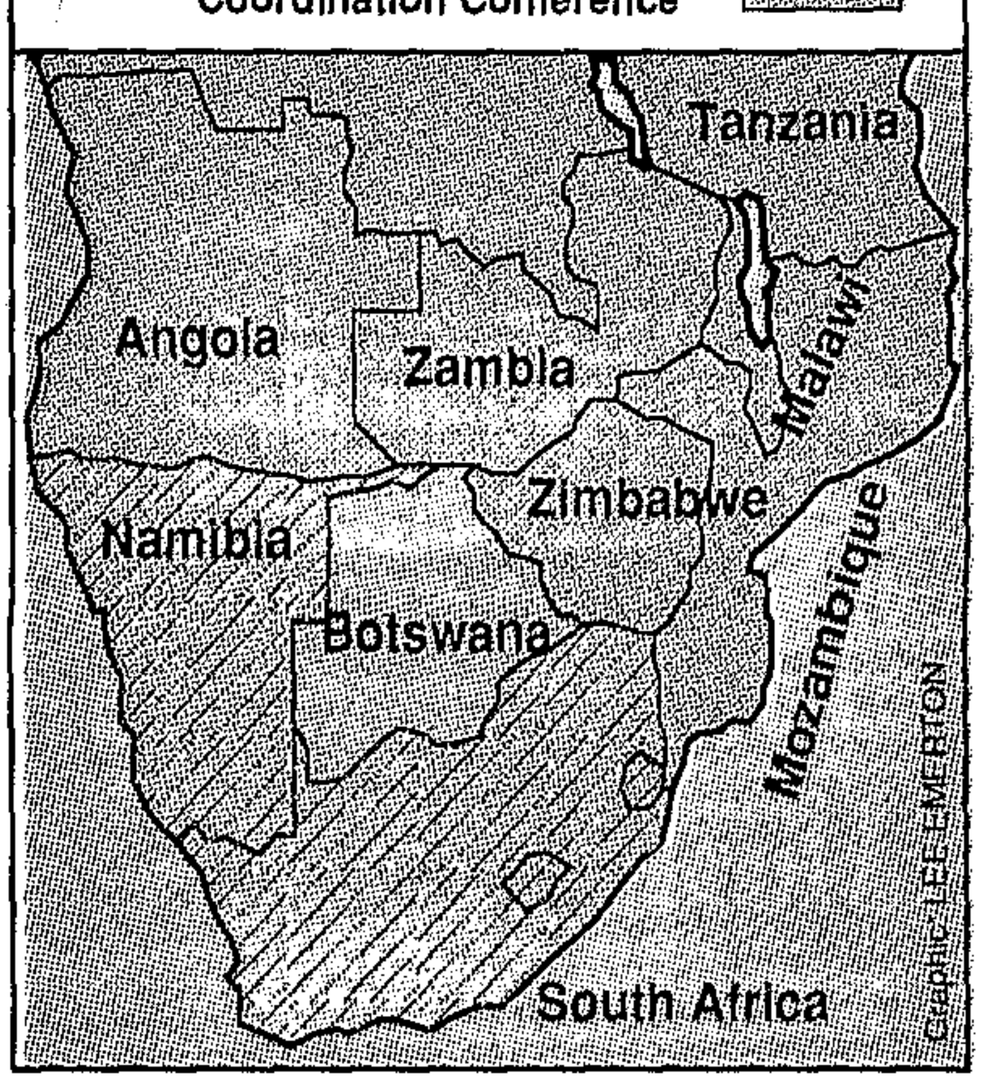
The SADC also intends to integrate fiscal and monetary policy, with the possibility of one central bank for the community.

ECONOMIC GROUPINGS (CMA,SACU AND SADCC)

SA Customs Union (SACU)

Common Monetary Area (CMA)

SA Development (SADCC) Coordination Conference



Economies of scale part of African solution

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Andersen says the recent creation of a Southern African Development Community (SADC) will speed things up. "The solution to Africa's problems lies in Africa and we must work together to generate economies of scale so that the region can compete in international markets."

At present there are small, undeveloped stock exchanges in Harare, Botswana and Mauritius. The Namibian stock exchange is about to open its doors and the JSE has been co-operating closely with it to ensure the two exchanges are compatible, says Andersen. The JSE has also had an extensive exchange of ideas and technology with Nairobi, and the Zambian stock exchange is to be modelled on the JSE.

The question of how stock exchanges will operate on a regional basis will be addressed at the first African stock exchange conference in early 1993. With the support of the France-based International Federation of Stock Exchanges, representatives of all stock exchanges in Africa will attend the conference.

Andersen says the opening up of sub-Saharan Africa to SA has doubled the market for many SA companies. In so far as the JSE is concerned, of the 31 foreign companies listed on the exchange, more than half are situated in the southern African region.

"SA can become a more attractive investment opportunity, operating as the gateway to the region. It will provide SA companies with economies of scale, but this will only apply in certain areas such as clothing, food and commodities and not high technological products. The limited foreign exchange in the region remains a problem."

He says SA needs to pull two factors together but warns that the country must be careful to avoid dominating the region and must not make promises it cannot keep.

The key role of the JSE in the future will remain the gathering of the nation's savings and passing them on as efficiently and securely as possible to the users of capital.

STOP OR STARVE

HIV could lead to region's economic and political collapse

B|DAY 22|9|92 279A

LINDA ENSOR

SOUTHERN African countries, which face enormous problems of poverty and underdevelopment, are also plagued by the spread of the HIV infection which is predicted to have catastrophic economic and financial effects.

Soaring health care costs, maintenance of orphans, spread of associated diseases such as TB, loss of production and death of the most productive members of the workforce are some of the likely consequences of the pandemic.

"Socio-economic disintegration and even political collapse are feared as a result of the epidemic's selective impact on young and middle-aged adults," World Health Organisation (WHO) Global Programme on AIDS director Michael Merson wrote in the book AIDS in Africa.

Doctors Peter Lamptey and Gail Goodridge made a call for international support to combat AIDS in Africa as the critical lack of resources of African governments meant a low number of interventions.

Another contributor said the overwhelming majority of Africans with HIV infection "remain deprived not only of therapy but also of treatment of many opportunistic infections and sometimes of the most basic care".

Merson said the epidemic had been most dramatic in sub-Saharan Africa. The WHO estimated there had been about 6-million HIV infections and 800 000 AIDS cases in adults as well as 900 000 HIV infections and almost 500 000 AIDS cases in infants and children in sub-Saharan Africa.

WHO also estimated that during the '90s 10-million to 15-million children in sub-Saharan Africa would lose their mothers to AIDS.

"What these dry statistics mean in human terms is almost unimaginable for those who have not seen the African pandemic at first hand," Merson wrote.

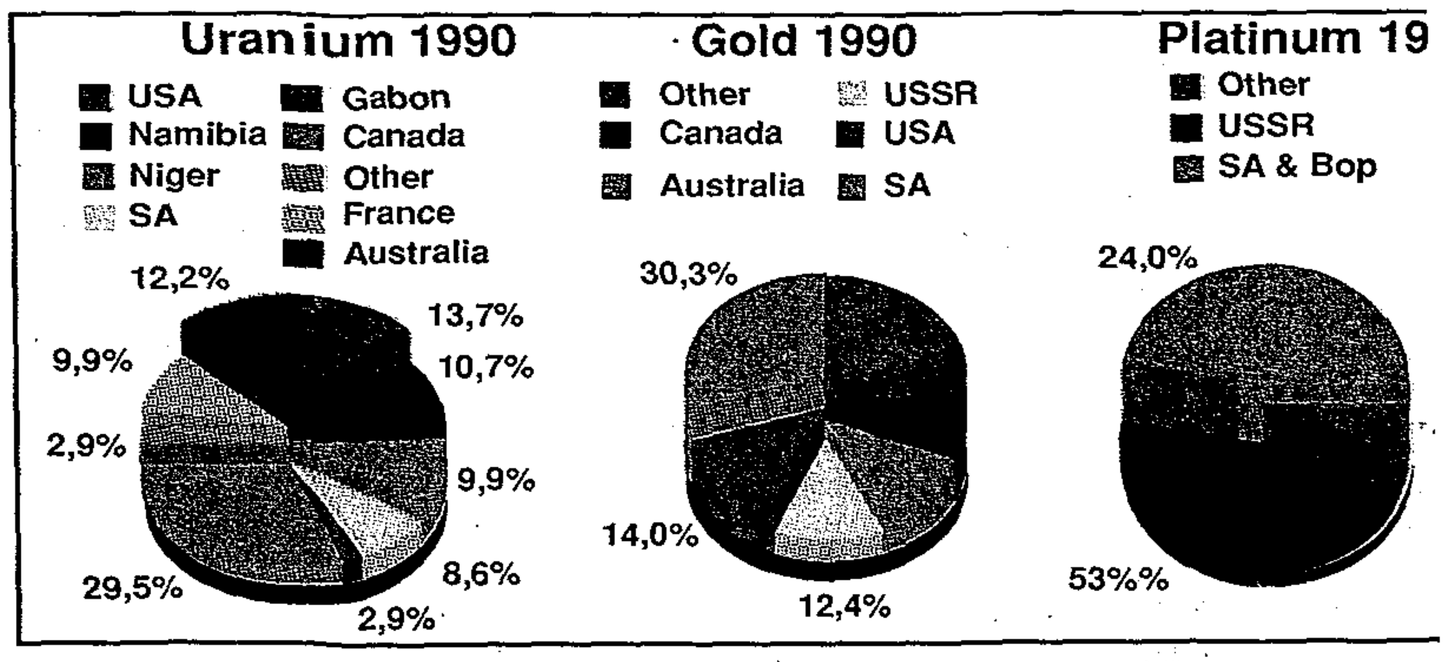
Elderly people were being left without support as their grown children died. What remained of the extended family struggled to take care of the growing number of orphans, but many were abandoned.

"Health services are overwhelmed; in some places up to 40% of all hospital beds are occupied by people with HIV-related diseases, especially tuberculosis."

The publication said there were more than 1-million infected adults with HIV in Zambia. In 1990 up to half of hospital beds in most Zambian hospitals were occupied by AIDS-related cases.

Statistics compiled by life assurer Metropolitan Life at the end of 1991 showed 1,49% or 300 000 of the SA population was HIV-infected, with predictions of 900 000 being infected by 1995.

The WHO has estimated by the year 2000 half of the 30-million to 40-million people with HIV worldwide would be in Africa.



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Tongaat-Hulett Sugar Limited

Delicate balancing a by the mining industr

B|DAY 22|9|92 279A

MATTHEW CURTIN

MINING may be the key to development of southern Africa, but the region is not necessarily in a position to attract the investment needed to start new ventures.

SA's mining houses are engaged in a delicate strategic balancing act. They are caught between the differing demands and potential of business in southern Africa, as opposed to overseas, says JCI group strategy consultant Nick Segal.

He says: "It is a difficult policy decision to commit resources to southern Africa rather than elsewhere. There are conflicting influences — the need for regional economic stability on the one hand and the attraction of hard-currency business overseas on the other."

Similarity

In the mining sector, Segal says, "all things being equal", the tendency is to favour regional projects because of political influences, macro-economic demands, SA's access to potential mines and similarity of mining codes.

But all things are rarely equal, and the political uncertainty and economic decay in much of central and southern Africa militates against most companies committing resources to the region.

David Russell, mining Malawi borders.

SA coal group Trans-Natal, along with the Mozambican government and Brazilian company Companhia Vale do Rio Doce, is conducting a feasibility study which could lead to a multibillion-rand revamp of the Moatize mine, the country's only surviving coal producer.

However, not only do the partners have to upgrade mining facilities, but they have to consider upgrading a 520km stretch of the Tete-Beira railway, and build new port facilities in Beira.

There is burgeoning SA interest in tapping the region's mineral resources. Genmin has paid well-publicised visits to Zambia, and Johannesburg has been full of rumours of Genmin's impending takeover of Zambian Consolidated Copper Mines (ZCCM).

But industry sources say that despite the willingness of Frederick Chiluba's government to return state-run enterprises like the copper mines to private-sector control, a combination of the mines' poor condition — starved of capital investment for years — and resistance to change from below cabinet level makes the involvement of a company like Genmin unlikely in the short-term.

Stymied

has approved the scheme.

However, the green light for the project depends on the IFC being able to sign agreements with the Zairean government, in which the corporation would take a 10% stake in the project and help raise R47m in borrowings.

The IFC has not been able to do so because of political turmoil in Zaire.

Russell says there is potential for a successful cooperative approach to tapping the sub-continent's mineral resources.

He suggests that in the long-term, one might see the mining of Malawian bauxite and its conversion to alumina.

These mining facilities could be linked to a regional electricity grid tied to Eskom's existing infrastructure.

Fuelled

The grid would connect Malawi to power stations fuelled perhaps by Mozambique's offshore oil and gas reserves. And the Malawian alumina would be fed to Alusaf for export.

Segal says mining houses and business can take comfort from growing World Bank, IFC and EC involvement in developing southern African economies, because of the promise of economic stability which such involvement brings.

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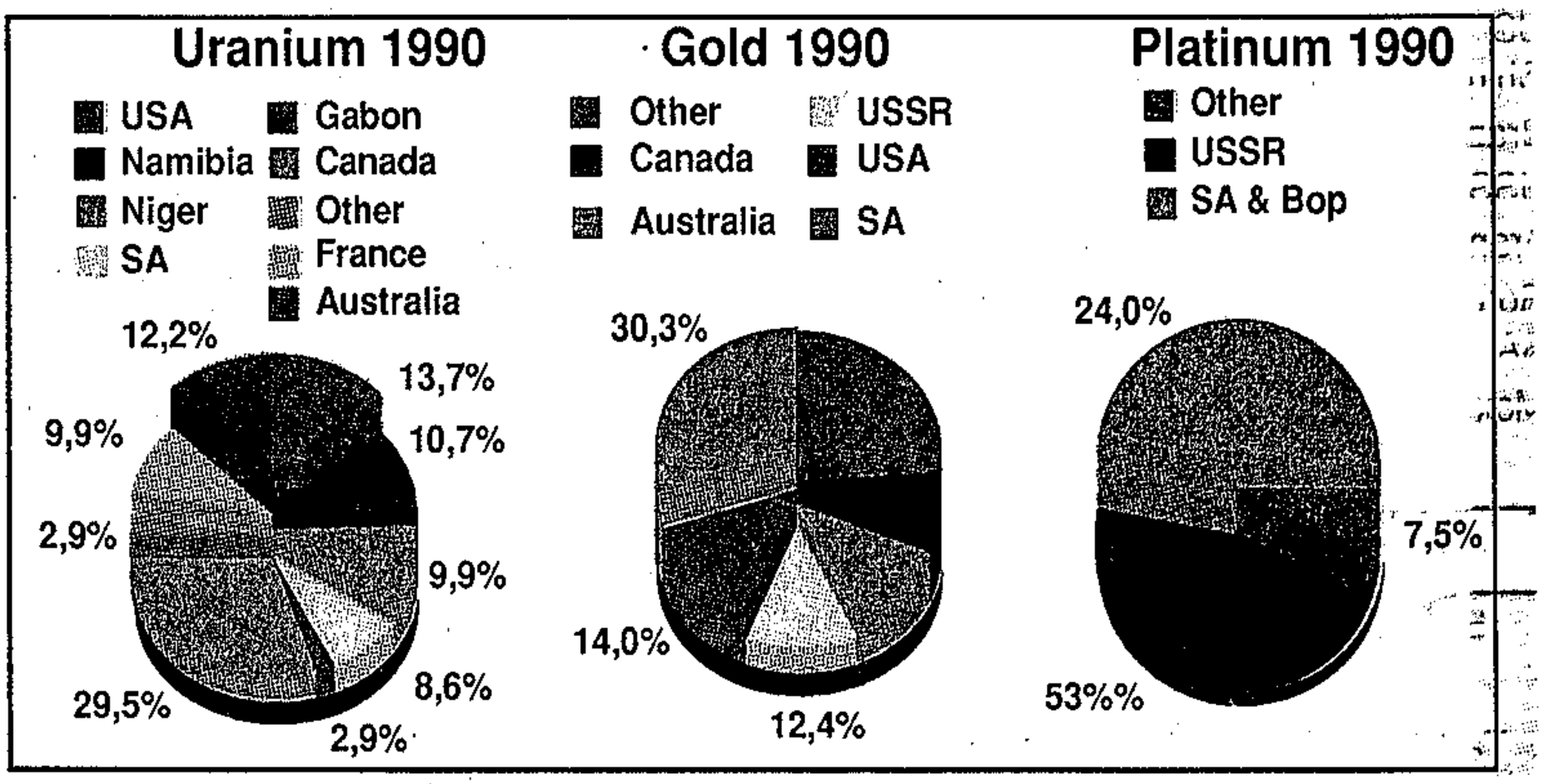

Delicate balancing act by the mining industry

B1DAY 22/9/92. 279A

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But all things are rarely equal, and the political uncertainty and economic decay in much of central and southern Africa militates against most companies committing resources to the region.

David Russell, mining analyst at stockbrokers Irish Menell Rosenberg, says: "Political normality is crucial in order to encourage investment and closer co-operation in the region." Mineral deposits are often remote and infrastructure non-existent, or in a poor state.

An example is the Moatize coalfield near the town of Tete in Mozambique, between the Zimbabwe and Malawi borders.

SA coal group Trans-Natal, along with the Mozambican government and Brazilian company Companhia Vale do Rio Doce, is conducting a feasibility study which could lead to a multibillion-rand revamp of the Moatize mine, the country's only surviving coal producer.

However, not only do the partners have to upgrade mining facilities, but they have to consider upgrading a 520km stretch of the Tete-Beira railway, and build new port facilities in Beira.

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Stymied

Political problems have stymied the attempt by Gold Fields of SA to rejuvenate gold mining in the north-eastern corner of Zaire, near the Ugandan and Sudanese borders.

A consortium — including Gold Fields, a group of Belgian entrepreneurs, and the International Finance Corporation (IFC), the private-sector development arm of the World Bank — has approved the scheme.

However, the green light for the project depends on the IFC being able to sign agreements with the Zairean government, in which the corporation would take a 10% stake in the project and help raise R47m in borrowings.

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He says, however, that "balance in regional development is vital. SA may appear a honeypot to its neighbours — and relatively, it is — but you have to ask the question: Why should SA help develop the region with all the problems it has at home?"

Politically, SA's integration into the region is a priority, although there will be inevitable caution from southern African countries.

Economic development in the region has to complement rather than dilute development in SA.

Segal has said there would be "natural synergies" if the Pretoria-Johannesburg area was complemented by a similar metropolitan centre in southern Africa, hence the current focus of development strategy in trying to stimulate growth nodes in southern Africa in order to stem the flow of unskilled people into South Africa.

Crucial

He says that for many SA companies, it is crucial to "think internationally". Unless local business ensures it has internationally competitive companies, it will lose out. Even within southern Africa, there is stiff competition for investment and development projects from foreign companies.

Analysts say SA companies with a role to play in infrastructural development include Eskom and Murray & Roberts, which stand to gain from aid-funded projects aimed at rebuilding the economies of countries like Angola, Mozambique and Zambia.

For others, African markets might to be too small and too difficult to reach.

Segal says: "JCI would look hard at favourable mining opportunities in southern Africa, as it would at others elsewhere in the world".

But the starting point must be a mining proposal of quality for a commodity in which the group is confident and which can be exploited at low cost. He says JCI would examine such a proposal equally carefully, whether it be from southern Africa, elsewhere on the continent or in Latin America.

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