

POLITICS TODAY



AN EXECUTIVE BACKGROUND BRIEFING FOR PROGRESSIVE BUSINESS

PBF UK Business Briefing and Centenary Book Launch

London - May 2012

The ANC Treasurer General recently addressed the annual PBF UK business Briefing and investment promotion event in central London. This is the fourth year of the event, which is intended to project a positive profile of South Africa as an investment and trading destination and gateway to Africa.

Amongst the attendees were the SA High Commissioner to the UK, Dr Zola Skweyiya, the Deputy High Commissioner, Ms Bongjwe Qwabe and senior UK Parliamentarians like former Minister, the Rt Hon Peter Hain MP, former Minister for Business, Lord Peter Mandelson; Lord Anthony St John, Lord Richard Risby, former UK High Commissioner to South Africa, Lord Paul Boateng and former UK High Commissioner to South Africa. Ann Grant, Vice Chair of Standard Bank and Mr Krishna Patel, CEO, Global Private Banking and Group General Manager of HSBC Bank. There was also a strong business presence with many linkages into South Africa.

In his speech, which is printed in full hereafter, Dr Phosa made a powerful plea for further strengthening of commercial and other bilateral relationships between South Africa and the UK.

In his response, Mr Peter Hain congratulated the ANC on its centenary and said it was highly appropriate that the international launch of the publication - "Unity in Diversity - 100 Years of the ANC Leadership 1912-2012" should take place in the UK from where the anti-apartheid struggle was driven with such commitment and global impact and effect.

MEETINGS WITH POLITICIANS:

At the invitation of the Labour Party, Dr Phosa called on the Labour PARTY Chair and Deputy Leader, Rt Hon Harriet Harman to discuss ANC/Labour Party matters and later addressed Labour MP's and Peers, inter alia on the ANC's Centenary and the current political situation in South Africa.

PRESENTATION OF THE ANC CENTENARY BOOK - "UNITY IN DIVERSITY - 100 YEARS OF ANC LEADERSHIP 1912-2012" TO SPEAKER OF PARLIAMENT:

Dr Phosa also presented to the Speaker of the House of Commons, the Rt Hon John Bercow, MP for Buckingham, for the House of Commons Library, a copy of the centenary book for use by Parliamentarians, for which the Speaker expressed his appreciation.

Concluding his visit, Dr Phosa called on Minister Stephen O'Brien of the UK Department for International Development (DFID) and held fruitful discussions with him.

SPEECH BY ANC TREASURER-GENERAL, DR MATHEWS PHOSA, AT THE PROGRESSIVE BUSINESS FORUM EVENT, CORINTHIA HOTEL, WHITEHALL PLACE, LONDON - 22 MAY 2012:

Ministers, distinguished guests, my Lords, Ladies and Gentleman

Let me start with the fact that we have close relationships in South Africa with your High Commission, your business agencies, as well as a number of individual companies invested there.

In particular, United Kingdom Trade and Investment has played a major role in promoting your interests in our country by creating close and practical links with South African businesses and decision-makers. As recently as last week Lord Marland visited us and discussed the strengthening of commercial and other relationships between our two countries.

We remain committed in doing everything in our power to ensure that we do, in fact, double the trade between our countries by 2015. To do so we need to understand the principle of both local and global partnerships and ensure that we are in the forefront of innovation, entrepreneurship, and the creation of co-operation across continents and global business alliances.

On a year on year basis, we have done well in moving towards that goal. Our UK-South Africa bi-lateral trade was increased during the last year by 15 percent, illustrating the depth and strength of the economic ties between our countries.

In that context Africa will increasingly look towards finding those long-term, sustainable and mutually beneficial business relationships that bring both expertise and substantial investment to our shores. The leakage of investment and jobs is a concern that our continent cannot afford, and one that we are working hard to address.

Within that context, South Africa and other favoured destinations of British and global business entrepreneurs and institutions will also become more and more creative in designing, co-designing and re-focusing multilateral institutions aimed at assisting

emerging markets to achieve their optimum economic potential.

The current structuring, processes and decision-making of these institutions do not favour Africa nor do they create the optimal natural commercial balance and synergy that local opportunity and global or regional investment and investment assistance should.

We are earnest in our search for synergetic solutions, but we will seek out those multi- and bi-lateral solutions that offer us the most attractive outcomes and long-term benefit.

The financial and development institutions that serve us should reflect these realities, whether it is in development banking, financial services or related institutions and organisations

There is consensus on the continent that a major part of our economic revival should be based on infrastructure creation and, with that as a point of departure, our development institutions, and their focus and processes, should reflect that.

South Africa remains favoured a destination for British companies wishing to bring their expertise to our country, region and continent and we deeply appreciate your commitment, investment and friendship.

The initiatives which our President announced recently to roll out a number of substantial infrastructure projects presents such an opportunity.

At the very least you have the financial expertise to present to us a number of solutions to ensure that the cost, project

finance packaging, project management and governance of these projects are done to the very best global standards.

You have proved repeatedly that you have that expertise in your private sector institutions.

Your interaction with us, should, however, be structured in such a way that you ensure that local expertise and benefit is created, that you benefit from these exercises in partnership with local businessmen and women, and that you create a substantial long term presence in our country and in the continent.

Our dire need for job creation presents us with a situation where we will make choices in the case of such substantial opportunities that will ensure the lasting commercial effect locally of our decisions- as it pertains to the participation of both British and global companies.

There is no doubt that the ANC, as a governing party, will evolve it's decision-making structures to ensure that we reflect the challenging realities of global interest in resource rich countries, emerging markets and, in that context, South Africa specifically.

It might be that one of the conclusions we come to is to ensure that we shorten the time between the verbalization of our challenges, and the formulation of policy solutions to it. The debates around nationalisation, foreign direct investment and the improvement of our infrastructure has gone a long way towards our deeper understanding that we need to ensure that there is no doubt in investors' minds

regarding the economic direction in which we want to take the country.

I wish to make it clear, within the context of my remarks about policy certainty, that nationalisation is not policy of the ANC, nor do we plan a shift in that direction.

The debate about the nature and extent of the state's intervention in the minerals sector is not a new one. To be truthful, this debate in the party is almost sixty years old. We commissioned an internal, no-status report on the issue, which we received early in January.

We will debate that report in June at our Policy Conference, and make recommendations on it to our elective conference in December. In my view, the middle always holds in the ANC, and the outcome, as I have said before here in London is largely predictable. We will attempt to find this middle ground in negotiated outcomes that will benefit global mining interests, but also create substantial local opportunities and benefit.

We are in the process of celebrating one hundred years of the existence of our party. In that process we have produced a book which we believe illustrates the pride and passion with which we view our achievements as a liberation movement, a political party, and as for the last 18 years, the ANC in government.

We urge you to invest in this publication, as we have no doubt that it will become a collector's item in years to come.

I thank you.

