

**SPEECH DELIVERED BY THE CONSUL GENERAL AT A
SCHENKER DINNER IN STUTTGART
HELD ON FRIDAY 31 OCTOBER 2008**

Programme Director , Mr Josef Lederer

Sehr geehrter Leiter der Geschäftsstellen Stuttgart Herr Etzel,
Sehr geehrter stellvertretender Vorstandsvorsitzender Herr Korn,
Sehr geehrter General Manager Herr Kusza,

Sehr verehrte Gäste,

Meine Damen und Herren,

Guten Abend.

Vor nicht einmal vier Wochen, bin ich in Deutschland angekommen, um mein neues Amt als südafrikanische Generalkonsulin anzutreten. Seit meiner Ankunft durfte ich von allen Seiten herzliche Gastfreundschaft und Freundlichkeit erfahren und so auch heute durch die Schenker Gruppe. Ich möchte mich bei Schenker Deutschland für Ihre Einladung bedanken und dafür, dass Sie Südafrika zum Mittelpunkt dieses Abends machen.

Das sind leider meine gesamten Deutsch-Kenntnisse, die ich dieses Monat gelernt habe. Aber ich verspreche Ihnen, dass ich bald fließend deutsch sprechen werde.

Deputy CEO of Schenker, Mr Michael Korn

Managing Director, Schenker Stuttgart, Mr Wilhelm Etzel

General Manager, International Forwarding, Schenker South Africa, Mr Andreas Kusza

Distinguished guests

Ladies and gentlemen

Good evening.

It has been less than one month since I arrived in Germany to take up my new position as Consul-General, and I continue to be humbled by the hospitality and kindness shown to me by all, including the Schenker Group. I would like to thank the Schenker Group for inviting us and for choosing South Africa as the focus of this evening's occasion.

That is, unfortunately, all the German I have managed to learn in this month. But I promise you I shall be fluent soon!

May I also take this opportunity to introduce my colleagues. Mr Riedwaan Ahmed is the Consul: Political and is also new to Germany. He just arrived last week. Mr Martin Ngundze is the Vice-Consul: Political and arrived 15 months ago.

South Africans, as some of you may know, can be a very relaxed group of people. We know when it is time to work, and we know when it is time to relax and have a good time. Schenker has provided us with the opportunity to relax this evening over what I am sure will be a wonderful meal. But as this is my first time here in Stuttgart since arriving in Germany, my presence here also provides me with a good opportunity to share with you a little bit about my country.

THE POLITICAL/ECONOMIC DEVELOPMENTS

With the end of apartheid and the onset of a democratic South Africa 14 short years ago, the government fought successfully to stabilise the post-apartheid economy. Inflation was brought under control, remaining consistently below 10% in recent years. South Africa has also experienced 14 *successive* years of real GDP growth, with the last three years seeing Real GDP growth of 5% or higher. This consistency also brought with it the creation of over 2 million jobs in the last six years.

Yet, as with all economies, South Africa faces several challenges. The launch of the Accelerated and Shared Growth Initiative for South Africa (or *AsgiSA*) in 2006, identified several constraints to the South African Economy. Such as:

- a costly national logistics system,
- a shortage of skills,
- a labour force constrained by skills shortages and by apartheid spatial patterns, and
- a regulatory environment that placed an unnecessarily large burden on Small and Medium enterprises.

AsgiSA also identifies ways of resolving these concerns:

- infrastructure programmes, for example, are being rolled out across the country. An expansionary R482-billion infrastructure expenditure plan – 6,6% of gross domestic product (GDP) has therefore been planned between 2008 and 2011.
- sector investment strategies have also been developed to boost industries surrounding tourism, biofuels and business process outsourcing (call centres).
- skills and education initiatives have been launched to ensure that skills shortages in the economy are given attention.

South Africa: A Gateway To Africa

South Africa, as the largest economy of the African continent, sees its future as inextricably linked to that of Africa.

Similarly, potential investors to South Africa should not see the South African market in isolation. An investment into South Africa could also be seen as an investment into the Southern African region. South Africa, as a member and current chairperson of the Southern African Development Community (SADC) is committed to fast tracking regional integration. To this end, the SADC Free Trade Area was launched in August 2008. SADC comprises fifteen member states, a population of 248 million and, a combined GDP of over 375 billion US dollars.

THE GLOBAL DOWNTURN

The integrated world we live in means, of course, that a global financial crisis will affect all.

South Africa is confident that we have what it takes to withstand these trying times. Our Minister of Finance, Trevor Manuel, said last week <and I quote> “We saw the signs early, and we took appropriate action. We can say to our people: Liduduma lidlule! The thunder will pass. We can say to our people: our finances are in order, our banks are sound, our investment plans are in

place, our course is firmly directed at our long-term growth and development challenges, and we will ride out this storm!” <end quote>

The financial stability assessment conducted by the IMF and World Bank during April and May this year concluded that the financial system in South Africa is fundamentally sound, and noted that our financial sector regulatory framework is sophisticated, modern and effective. The World Competitiveness Report ranked the soundness of South Africa’s banks 15th in the world, above both the US and Switzerland.

I therefore hope, Ladies and Gentlemen, that any potential investor would give South Africa serious consideration – even when the world faces uncertain times.

GERMAN SOUTH AFRICA RELATIONS

For those who have already invested in South Africa, and looking at the companies represented here tonight I see there are many, rest assured that South Africa values its relations with Germany.

Germany is our second largest export partner (behind the US) at 35, 3 billion Rands in 2007. Germany is also our largest import partner at 65, 5 billion Rands in 2007, an annual growth of 18,5% compared to 2006.

There are already 507 German investments in South Africa, with a total investment volume of €3,5bn in 2006. Trade relations between our two countries are kept alive by, among other things, a very active German Chamber of Commerce based in South Africa and it works very well with our business fraternity. I have had the pleasure of interacting with this chamber prior to my arrival and I can attest to their commitment to continued economic interaction.

German investments into South Africa also rest on a sound foundation.

South Africa and Germany have 57 agreements on bilateral cooperation in many areas of mutual interest. We have a very active Bi-National

Commission (BNC) with six working committees in Defence, Economy, Environment, Culture, Development, and Science & Technology.

MOTOR INDUSTRY ASSISTANCE

This brings me to something I may need some advice on. Before leaving South Africa, I heard many opinions about which type of official vehicle I should drive while in Germany. Some said BMW. Others said a Mercedes. Some had other ideas. Because so many German automotive companies are strong investors into South Africa, I feel this decision is tougher for me than for other Heads of Mission! I feel I should point out that when I arrived in Germany, there was a Mercedes Benz in my garage. It was not my choice, so I hope no company takes offence!

Nevertheless, I hope such investors have benefited from the Motor Industry Development Plan of the South African government. This plans' successors, the Automotive Production and Development Programme (APDP), and the Manufacturing Investment Programme (MIP), promise many benefits for similar investment between 2009 and 2020. Feel free to contact me or the Consulate for further details.

2010

Meine Damen und Herren, ich darf nicht vergessen Ihnen zu erzählen, wie aufgeregt wir in Südafrika sind. Die Vorbereitungen laufen sehr gut, für ein Ereignis, bei dem die ganze Welt zusehen wird. Der Fifa World Cup 2010 (zwei tausend zehn) wird zum ersten Mal in Afrika stattfinden. Viele sagen, Südafrika sollte sich privilegiert fühlen, Gastgeber für dieses wichtige und bedeutende Ereignis sein zu dürfen. Seien Sie versichert, Südafrika fühlt sich zutiefst geehrt, diese einmalige Gelegenheit erhalten zu haben. Aber wir sind auch zutiefst davon überzeugt, dass die Fussball – Fans auf der ganzen Welt begeistert sein werden von einer Fussball-Weltmeisterschaft, die -- glauben Sie mir -- die beste aller Zeiten sein wird.

Ladies and Gentlemen, I feel I would be failing if I don't mention the excitement that we have in South Africa. Preparations are well underway for a party that the world will be watching. The FIFA World Cup of 2010 will be a first for Africa. Many say South Africa should feel privileged

to be hosting such a prestigious event. And make no mistake, South Africa is humbled and honoured to be given this opportunity. But we cannot help but be convinced that it is Football fans around the world who will be enriched by what we are convinced will be the best World Cup yet!

Yet we are aware that it will be very *very* difficult to beat the magic that was the 2006 World Cup right here. We however promise you that the magic of the entire continent of Africa will travel southwards in 2010. There will be football! There will be a party! There will be excitement FIFA has not seen before!

The 2010 FIFA World Cup presents us with the opportunity to do more than celebrate. Germany's experience as the previous host cannot be overlooked and make it a natural partner for us. There have already been many South African delegations from all levels of Government that have visited Germany and I am sure there will be more visits in the coming months. To ensure an amazing FIFA World Cup in 2010, it will be the job of the Consulate and the Embassy in Berlin to ensure that we partner with Germany and German companies as much as possible in the short time remaining before kick-off in June 2010.

In conclusion, I would like to assure you, Ladies and Gentleman, that although only in its teens, the South African democracy is thriving. It is perhaps important to note that all recent changes of government or leadership have followed democratic channels. The governance and policies of South Africa are also bigger than any one individual. With many political parties represented in parliament, and with our many independent "watchdog" institutions, we know we will remain on the democratic path. As we head to our fourth democratic elections next year, we are convinced that the strong democratic foundations we have laid will only become stronger.

Once again, thank you to Schenker for this invitation, and thank you to all of you for taking this opportunity to learn about South Africa.

Vielen dank!