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Madame Parisot, President of MEDEF. Fellow business leaders from Africa. Ladies and gentlemen.

It is my great pleasure to be here today and to contribute to this important discussion on behalf of the private sector from Southern African. Business Unity South Africa (BUSA) currently sits as the Secretariat for both the SADC Employers Group and the SADC Business Forum. It is this role and the work that these groups have done that informs my comments today.

I have been asked to address three issues and will attempt now to touch upon the impact of the world economic downturn on our region, the progress of regional integration in Southern Africa and some thoughts on our future economic prospects.

Impact of world economic downturn

It is now well understood that there was no country in the world that escaped unscathed from the unprecedented global economic crisis of the previous two years. The countries of my region, Southern Africa, were no exception. The SADC Employers Group undertook a study to assess the impact of the crisis late last year and we found a number of common themes for the region.

First, exports from the region declined as our key markets in the US and Europe bore the brunt of stock market fluctuations and reduction in demand for many products. This led to declining export receipts and revenues for both the business communities and governments in Southern Africa, with a resulting increase in the fiscal vulnerability of some countries.

The second impact I would like to highlight was the increase in risk aversion by investors. Despite the crisis having originated in established western economies, emerging markets saw a significant decline in investment flows and, in the case of Southern Africa, there was the withdrawal of portfolio investments and a decrease in FDI flows as well.

Thirdly, access to credit became more difficult. This not only impacted on traders but also presented a challenge for those seeking finance for major projects needed in our region.

In South Africa, in particular, there were significant job losses as we saw the mining and manufacturing sectors slow down. There have even been more recent aftershocks with continued job losses in retail.

A number of Southern African countries suffered an additional consequence through the reduction of donor support programmes. This was particularly the case for the least-developed and poorest in the region, such as Mozambique.

Ladies and gentlemen, in 2008 our region recorded an impressive average growth rate of 5.8%. This was reduced to a mere 0.1% in 2009 indicating the harsh impact of the crisis on developing countries who had little stake

in its origins. We need to get back on track if we are to meet our development objectives and to achieve economic growth that has a real impact on the lives of our people. The crisis did highlight that we have a robust domestic financial services sector and regulatory regime that was able to withstand considerable pressure. We are very proud that South Africa has one of the top five banking sectors in the world and continues to provide important access to finance and services in many countries on the continent.

There are now some signs of recovery but we will continue to monitor the situation closely. Many countries in the region developed initiatives to attempt to mitigate the worst impacts of the downturn. For example, in South Africa we put in place a unique framework developed by all the social partners that included assistance for companies in distress, alternatives to laying-off workers and new training schemes. This work is ongoing.

Regional integration

Ladies and gentlemen. There is no doubt that regional integration must be pursued with vigour and commitment if we are to continue to grow and see economic development in our neighbourhood of Southern Africa. One of the specific recommendations that came from our SADC Employers Group study on the impact of the global economic crisis was the need to promote and expand intra-regional trade. A number of key steps have already been taken in this regard. Five countries in the region – Botswana, Lesotho, Namibia, South Africa and Swaziland – operate as customs union and there is a larger free trade area (FTA) made up of most of the member states of the Southern African Development Community (SADC).

We have no shortage of good ideas and noble plans. The challenge lies in implementation. As the private sector from the region, we have emphasised this on many occasions to the decision-makers in governments. An integrated region provides greater opportunities for both trade and investment to be increased. It also has the potential to make a real contribution to achieving equitable prosperity in SADC. The process, however, must be driven by economic, trade and investment realities. It is only the private sector that holds much of the information needed and we therefore have a critical role to play in the integration process.

The SADC region did set itself a target of establishing a customs union by 2010. This is clearly not going to be met. Two years ago the SADC Employers Group recognised that this goal was overly ambitious and we called for the focus to remain on full implementation of the FTA. We have been disappointed to see that some countries have not been able to fulfil the commitments they took with regards to lowering tariffs, especially on sensitive products. There has also been slow progress, and in some cases regression, on key matters of trade facilitation, such as customs cooperation and harmonisation of standards.

If the regional integration objectives set by our political leaders are to be achieved then we need to see these declarations backed by action and a commitment of resources. The private sector in Southern Africa is willing to do our part and we look forward to working with partners such as the French in this regard.

Economic prospects for the future

I am not an economist, ladies and gentlemen, but if I was to make any prediction for the economic future of Southern Africa it is that it looks bright. As I explained earlier, we managed to weather the worst of the global economic crisis and have since then seen signs of recovery. The recent growth forecasts by the International Monetary Fund show that our region will grow at an average of over 4% in 2010. We continue to have some of the fastest growing economies in the world as our neighbours, including Angola and the Democratic Republic of Congo. It is also worth noting that Zimbabwe recently recorded its first year of economic growth for the last decade and now has an inflation rate that is only about 6.5%.

The particular difficulty we have faced in recent years has been to translate economic growth into more jobs and equitable prosperity. This remains a significant issue for Southern Africa and will be what dominates our future economic planning and debates. We would welcome the opportunity to share ideas with our colleagues from the rest of the continent and our partners in France. The contribution of the private sector to alleviating poverty and uplifting the majority of the African people has to be increased.

That brings me to the end of my formal remarks, ladies and gentlemen. I would however be remiss if I did not mention that in only 10 days South Africa will host the first match of the FIFA World Cup 2010. This is a momentous event for our country and continent as it is the first time the largest sporting event in the world will be held on African soil. It will be a chance for us to showcase exactly what we have to offer as a world class economy. We hope that some of you might be able to join us for this exciting event. Merci!