

IBSA-BRIC BUSINESS FORUM  
14 APRIL 2010

OPENING REMARKS BY MR MTHUNZI MDWABA  
VICE PRESIDENT OF BUSINESS UNITY SOUTH AFRICA

- His Excellency, the Mayor of Rio de Janeiro City, Eduardo Paes, Secretary of Economic Development of the State of Rio de Janeiro, Julio Bueno, Director of Trade Promotion&Investment Department, Minister Norton Rapesta, our South African Minister of Trade&Industry, Rob Davies and other Ministers Present, Fellow leaders of organised business from Brazil, India, Russia and China. Ladies and Gentlemen.
- It is my pleasure to be here today leading the South African business delegation on behalf of Business Unity South Africa.
- On behalf of the South African delegation, I would like to commence by expressing our sympathies to the people of Rio who suffered during the recent floods and those in China affected by the earthquake yesterday. Our prayers and thoughts are with you.
- This is a truly momentous occasion. It is the first time that we have come together in this format as the business communities of IBSA and BRIC. We believe that this is an excellent opportunity to have a forum going forward for purposes of continuity, improved consultation and communication.

## CHECK AGAINST DELIVERY

- We are at the forefront of history and have a unique opportunity to strengthen the economic relationships that exist between our countries. Enhancing South-South partnerships is a goal that is shared by both the government and business community of South Africa.
- Ladies and gentlemen, Business Unity South Africa has been an active member of the IBSA Business Council for a number of years. This has been a successful body and during its time trade and investment between the three countries has increased.
- We are excited to explore today the possibilities for interacting with our colleagues from business in China and Russia as well.
- At a bilateral level, South Africa has extensive linkages with these two countries. China became our most important trading partner in 2009 on the back of a number of years of fast growth in both exports and imports. We have also seen significant investments made by China into South Africa. For example, with me in the South African delegation today are senior representatives of Standard Bank-ICBC – one of the largest deals made with another developing country by China. You will no doubt be aware that although we were negatively impacted like everyone else by the Global Economic Crisis, it's onset was ameliorated by our excellent financial services sector – our banks being rated at number 5 in the world, ahead of Switzerland in terms of controls and efficacy. It was also assisted by a pre-existing counter-

cyclical infrastructure budget of approximately \$100 Billion which excluded the FIFA World Cup infrastructure expenditure.

There is also interest from South African companies in taking advantage of opportunities for investment in the Chinese market – MIH Naspers is also part of our delegation and they have invested in the communications/media sector.

- South Africa and Russia have traditionally been linked by historical political ties but we are now seeing a renaissance in our economic relationship as well. We launched the South Africa – Russia Business Council four years ago and have recently appointed a new South Africa Chair – Mr Robert Gumede to replace Mr Tokyo Sexwale who recently went into Government and is now one of our Cabinet Ministers. The Council has started to identify possible projects for cooperation in the mining, aerospace and food sectors. These will be taken further in our ongoing bilateral interactions.
- Ladies and Gentlemen, South Africa sees considerable synergies in a number of areas among the five countries represented in IBSA-BRIC. For example, South Africa is a leading minerals producer. We could benefit from not only the export markets provided by the other countries but also through the exchange of technologies to enable greater beneficiation of our resources.

## CHECK AGAINST DELIVERY

- There is already a degree of intra-industry trade in vehicles and iron and steel products among IBSA-BRIC countries but this could be enhanced.
- The identification of the specific strengths of each country in the pharmaceutical, health care and bio-technology sectors could also go some way to not only increasing trade but also addressing the major health challenges faced in each of our countries.
- As a major agricultural exporter, Brazil will remain a valuable source of both food and inputs for livestock feed for many of our countries. Food security is another common and ongoing concern.
- Ladies and gentlemen. Recent economic modelling has shown that if we removed barriers to merchandise trade between our countries then we would all benefit.
- A key to this is also to improve the infrastructure and connectivity. More air and shipping links (and South Africa could play a key role as far as Maritime initiatives are concerned given it's well developed as well as centrally located ports are concerned) would make it easier to trade and facilitate the movement of investors and other business people. Greater competition in the transport sector on the routes between the countries would be welcome.
- At the global level the economic power of the IBSA-BRIC countries has been growing. The increasing influence of the five countries on economic issues has been seen most clearly in the G20 and at the World Trade Organisation. South

African business has welcomed the commitment made by our leaders to ensuring a global trading system that takes into account the needs of developing countries. We hope that this will be achieved through the conclusion of a Doha Round that respects the principles of development. We also support the initiatives taken by the G20 in partnership with the ILO to ensure that the negative impacts of the global financial crisis were minimised and to maximise the recovery. In this regard, the inaugural G20 Labour Ministries meeting in Washington on the 19<sup>th</sup> – 21<sup>st</sup> April is of particular significance.

- As the private sector, we must make the most of the opportunities provided by the strong political commitment demonstrated by our leaders to improve trade and investment opportunities at the global level and among our countries. I hope that the sectoral discussions that will take place today will result in some concrete suggestions as to how we can do this.
- Ladies and Gentlemen, in June and July this year South Africa will be hosting the FIFA World Cup of Soccer. This will be our chance to show the world that our continent is capable of staging a truly world class event.
- We had heard that the English invented football and that the Brazilians perfected it. In 2010 we simply hope to show that South Africa was destined to host the best of the beautiful game. I keep telling colleagues and friends all over the world that we are certain to be excellent hosts, the best so

far in world cups, but Brazil and other countries will probably play a better world cup than our team – although we could surprise some people in this regard as well.

- If Bafana Bafana are not quite ready to be world champions by next year then perhaps we will have a chance in Brazil in 2014! We have a lot of expertise we can provide insofar as logistics and infrastructure preparedness is concerned with regards to the World Cup and know that some South African Construction companies are already in talks with Brazilian counterparts as we speak at home.
- Finally, I would like to thank our Brazilian hosts in arranging this event and offering us such warm hospitality and look forward to fruitful and constructive deliberations.