

SA-India Business Interaction

Thursday 3 June 2010

Mumbai, India

Remarks by Ms. Futhi Mtoba
President of Business Unity South Africa

- Your Excellency Jacob Zuma, President of South Africa.
- Honourable Indian Minister of Commerce and Industry, Mr Anand Sharma.
- Dr Davies, South African Minister of Trade and Industry.
- Other Honourable Ministers.
- Reverend Majeke, South African High Commissioner to India.
- Ms Busi Kuswayo, South African Consul General in Mumbai.
- Mr Hari Bhartia, President of CII.
- Sir Ratan Tata and Mr Patrice Motsepe, Co-Chairs of the South Africa – India CEO's Forum.
- Business leaders from India and South Africa.
- Ladies and gentlemen.
- On behalf of Business Unity South Africa (BUSA), I would like to join my colleague, Mr Bhartia, from CII in welcoming you all here today. It is my privilege to be leading such an important business delegation to participate in this State Visit.
- As this is my first opportunity to do so, I would like to thank you Mr President for making such a big effort to involve the private sector in your engagements overseas. This means a lot to BUSA and we are pleased that the South African business community has responded so positively to the initiatives you have taken.
- India has a special place in the hearts of many South Africans. There is no doubt that we have extremely strong people to people links between our countries

and this year we celebrate 150 years of the Indian community in South Africa.

- In more recent years we have started to see these long-standing connections reflected in the trade and investment flows. Yesterday we got a chance to reflect in more detail on developments in our economic partnership.
- There were some interesting presentations on the experiences of South African companies, namely ACSA and Adcock Ingram, which have already invested in India. This was followed by lively discussions in five sector specific panel sessions.
- It is my task today to provide an overview of these deliberations and to reflect on the particular opportunities and challenges that were identified by the private sector participants from India and South Africa.
- I listened with interest to the feedback that was provided by the sector panel chairs and realised that there were a number of cross-cutting issues that I would like to highlight.
- Firstly, South Africa was clearly identified as a hub for the Southern African region and a gateway to the rest of the continent. This is a message that we at BUSA have been putting forward for a number of years and it was reassuring to hear it being recognised by our Indian colleagues. One specific suggestion following on from this concept was from the financial services sector. They proposed the establishment of a trade agency for South Africa in India that can promote more actively the services offered by South African banks in Africa.
- The second common theme was the need to promote a greater level of technology transfer between South African and Indian companies, universities and government agencies. Here there were many examples provided, such as in the areas of biotechnology, smart metering of electricity, nuclear energy, coal to liquids, film-making and micro-finance. Anand Singh generously offered to also transfer expertise in the media area to India in

support of the Commonwealth Games – following on what will naturally be an impressive performance in broadcasting the FIFA World Cup this month!

- Thirdly, we heard a familiar refrain on the need to improve skills and capacity through enhanced cooperation on training. A number of concrete initiatives are being explored by the private sector in this regard. This includes the training of more pharmacists for South Africa and exchanges in the creative industries. The importance of human capital can never be underestimated and incentives could be provided to encourage the development of specific programmes between South Africa and India.
- The last common theme I want to touch on is the need for our respective Governments to improve the regulatory environments so as to encourage more business to be done. Particular constraints were identified with regards to approval processes for facilities and medicines in the pharmaceuticals sector by the South African authorities as well as the limitations on foreign ownership in the financial services industry in India. The infrastructure and transport representatives also called for the creation of an enabling regulatory environment to promote private-public partnerships (PPPs).
- Mr President, I would not do justice to the extensive interactions we have already had as business if I did not also draw to your attention a few of the very specific issues raised by the key sectors.
- In mining and energy, South Africa and India share concerns about the need to ensure that we make real progress in “greening” our enterprises. Both countries have a heavy reliance on coal-fired power stations and it is therefore important for us to begin a dialogue about the technologies and experience of sequestration.
- It was interesting to note that both the mining and energy panel as well as the infrastructure and transport panel independently reported on concerns about the capacity of the Richards Bay Coal Terminal to service South Africa’s export markets, including

India. The Indian private sector indicated that they were willing to work with South Africa in addressing the problems that face the Terminal.

- A call was made to establish a joint fund for financing of infrastructure development projects in both South Africa and India. This could involve both our development financing institutions and private banks.
- The financial services representatives asked that the Reserve Bank of India designate the South African Rand as a convertible currency. This would be a major step forward in encouraging more trade and investment across all sectors.
- The recently announced incentives for foreign films produced in South Africa were welcomed. The two Governments were again encouraged to sign a co-production agreement that would promote even deeper linkages, including between SMEs.
- In pharmaceuticals, the Indian and South African participants agreed on the need to collaborate more closely in the global market place to leverage our competitive advantages.
- Mr President. Business people usually prefer action to words and this was made very clear yesterday. A number of the sectors suggested the establishment of small steering committees to monitor the ongoing development of the relationship between South Africa and India.
- BUSA supports this proposal. We are keen to ensure follow up to our interactions here this week and will be working closely with CII and our other Indian partners to make progress on the issues identified.
- Shortly we will see the re-launch of the South Africa – India CEO's Forum and no doubt a recommitment by both BUSA and CII to strengthen our cooperation. With this group of business leaders guiding us, we believe that we can support the sectors in the work they have identified. We will call on our government colleagues to join us in this venture and are grateful for the time you have taken today to give us your endorsement of our efforts.