

REPORT ON ROUNDTABLE BUSINESS FORUM ON THE OCCASION OF THE STATE VISIT, 8 - 9 OCTOBER 2009

1. BACKGROUND

A Roundtable Business Forum was held on the 8 October on the occasion of the state visit to Brazil by President Zuma. This platform was utilised to showcase South Africa as an investment destination, promote SA goods and services and forge partnerships. This forum attracted both the South African and Brazilian companies from the biofuels, agroprocessing, energy, mining, finance, pharmaceutical and construction sectors.

World Trade Center hosted the aforesaid event. World Trade Center Sao Paulo is part of the international World Trade Center Network and consists of Business Club, Business Tower, Convention Center and D&D design shopping mall. WTC Business club has 500 members that are in the main from the business fraternity. In the past the Consulate partnered with the Federation of Industries in the state of Sao Paulo (FIESP) for similar events because of their (FIESP) economic importance. FIESP represents all industries in the province and accounts for approximately 40% of Brazil's GDP. WTC Business club was chosen in order to expand our database and to reach out to new captains of industry.

2. OBSERVATION

Dr Rob Davies, the Minister of Trade and Industry led a mission to Brazil on the 7 - 9 October 2009. This happened on the occasion of the state visit to Brazil by the President of the Republic of South Africa, his Excellency Jacob Zuma. He was accompanied by the Chief Executive Officer of Business Unity South Africa, Mr Jerry Vilakazi and forty five SA leading companies who represented aforementioned sectors.

The roundtable business forum was preceded by a briefing on the 7th October which was addressed by Minister Davies, Messrs Jerry Vilakazi and Sadiq Jaffer, Chief Director: Department of Trade and Industry. The Minister outlined the importance of Brazil as a strategic partner, bilaterally, trilaterally and at multilateral fora. Further, he urged SA companies to unearth the business opportunities which this country presents. He reflected on bilateral trade between the two countries which is lopsided and is in Brazil's favour. He pledged the Government support in facilitating access to Brazilian market. Mr Jerry Vilakazi reiterated the Minister's message of redirecting their focus from traditional markets and exploiting the opportunities Brazil offers.

On the 8th October the Minister gave a key note address at the roundtable business forum. The auditorium was full to its capacity with decision makers, CEOs and presidents of industry who were interested in doing business with South Africa.

Mr Rakesh Vaidyanathan, in his remarks as the moderator of this session, defined the theme of this event and reflected on the strategic importance of the two countries in trade and their complementarities.

In his address the Minister highlighted the importance of furthering South South cooperation especially for South Africa with Latin American countries and the strengthening of trade and investment links between Brazil and SA. He encouraged SA entities to actively engage Brazilian businesses and forge partnerships. He reflected on technical barriers which inhibit further market access. He undertook to engage his counterpart in addressing the aforesaid.

Mr Jerry Vilakazi, CEO of BUSA addressed the business audience on behalf of SA companies. He expressed his appreciation to SA companies for partaking in this mission which demonstrates their commitment to furthering the Government's agenda of South South trade cooperation. Further, he mentioned the importance of the establishment of CEOs forum between BUSA and their counterpart CNI. BUSA had consultations with CNI on the establishment of this forum which aims at promoting economic and technological cooperation between SA and Brazilian companies. He highlighted some of the business opportunities which SA offers and extended an invitation to Brazilian entities to visit SA with a view of forging partnership.

One hour slot was afforded to captains of industry from both side to make proposals on key areas of interest. The highlights were presentations by CEO of Eskom, Mr Jacob Maroga and Vice President of Marcopolo, Mr Luiz Roberto Fonseca Ribeiro. Mr Maroga articulated the area of possible collaboration with SA viz. energy and biofuels. He highlighted SA technological advantages in the energy sector. Mr Luiz Roberto Fonseca Ribeiro urged the Brazilian entities to do business with SA and shared his experience in establishing an assembly plant in South Africa.

Chief economist of Bradesco (the leading bank in Brazil) gave a glimpse of the performance of the Brazilian economy in the current global economic crisis and reflected on some of the measures which were taken by Brazil to cushion the impact thereof. Further, he elaborated on some of the business opportunities which SA entities could seize in Brazil. The morning session was concluded by a question and answer session.

The second session of the roundtable business forum commenced with the report back by Chief Executive Officer of BUSA, Mr Vilakazi and Chairman of the board of the World Trade Center, Dr Ozires Silva to President Zuma on the morning session's deliberations. This was followed by the remarks by Minister Davies.

The President of the Republic of South Africa graced the occasion by his presence and gave a key note address to business audience who gathered in the auditorium which was jam packed. The president emphasized the importance of South African businesses exploiting the opportunities which the powerhouse economies of the South offer and that SA companies should redirect their focus on exportation of raw materials to Europe and North America and rather focus on forging partnerships with the South. He mentioned that African countries, including South Africa, have already established trade and investment cooperation framework arrangements with South America countries. This provides a platform for South African entities to explore the potential for trade and investment in Brazil. He reflected on trade which is lopsided that in Brazil's favour. He committed to engage with relevant authorities on the technical barriers which SA products are experiencing that could contribute to the bridging of this trade imbalance.

Further, he highlighted the essential MOU which will be signed between the South African Department of Trade and Industry and Brazilian Ministry of Development , Industry and Foreign Trade which is viewed as the stepping stone to the strengthening of trade and promotion of investment. The MOU will provide for the development of implementation plan that will focus on the structuring of trade and investment initiatives to benefit both South Africa and Brazil.

The President's address was followed by a networking lunch which afforded both Brazilian and South African entities an opportunity to interact and establish areas of mutual interest.

The Friday session was dedicated for follow ups and site visits. The construction and energy delegation paid a site visit to Carmargo Correa which is a Brazilian leading entity involved in the aforesaid sectors. SA delegation was led by Chief Executive Officer of Eskom, Mr Jacob Maroga. The meeting agreed that SA will provide the project proposals which will highlight specific areas of collaboration. This was followed by site visit to Sinduscon, Brazilian Construction Association. Sinduscon profiled their organization including their mandate and support services they provide to their members. SA delegation was advised about the forthcoming mission to SA scheduled for March 2010. This mission aims at exchanging information, skills and establishing partnership with SA companies that were involved in the 2010 World Cup infrastructure development. SA delegation undertook to facilitate this mission and lend the necessary required support.