

Address at the University Of Hong Kong

12 December 2001

Professor Davis, Vice Chancellor of the University of Hong Kong,
Your Excellencies,
Honoured Guests,
Ladies and Gentlemen:

I am very happy to have the opportunity, once more, to visit Hong Kong and in particular to speak at this University. I bring to you warm greetings from the government and people of South Africa.

I am told that this university is one of China's pre-eminent institutions for higher education in management, economics and engineering technology and it is therefore an honour to be here today.

We are here as part of our engagements and consolidation of political, economic and social relations with the people of China, both in the mainland and here in the Hong Kong Special Administrative Region.

Historians have noted, in voluminous texts, ancient relations between the peoples of Africa and Asia. These close relations, of trade, diplomacy, social and cultural, took place over hundreds of years and were based on integrity, mutual benefit, friendship and solidarity.

The relations between the peoples of Africa and the Western world have not always been based on similar values.

For centuries, the Western world treated Africa as a source of cheap labour and raw materials. Necessarily, this has meant the export of wealth from Africa, rather than its expansion within the Continent.

In a very real sense, the enrichment of the West was predicated on the impoverishment of Africa.

The post-colonial period has not changed this situation fundamentally.

Indeed, the diversion of resources away from wealth creation accelerates in the post-colonial period, as more resources are needed to finance the new state machinery and to meet the pressing social needs of the people.

The net effect of all of this has been the entrenchment of a downward vicious circle, confirming Africa's peripheral and diminishing role in the world economy.

Despite this negative past, it is both possible and necessary to ensure that Africa enjoys a positive and optimistic future.

The starting point is the same material base that resulted in Africa becoming a marginalised Continent.

For its part, the African Continent has taken a decision to organise itself such that democracy and respect for human rights prevails; that there should exist systems of governance, with the necessary capacity, to ensure that the state is able to discharge its responsibilities with regard to such matters as development, democracy and popular participation, and to elaborate appropriate responses to the process of globalisation.

In this regard, the leadership and the people of Africa have embarked on an important process of the regeneration of the Continent.

In July this year, African governments adopted the New Partnership for Africa's Development, a far reaching and composite plan to give meaning and content to their decision.

It is in this context that I will speak to you about both the African continent and South Africa.

And I am happy that I am going to speak to you, not about the ravages of drought and famine, nor about the devastating intensities of conflicts and wars; neither of the plagues of locusts that consume everything growing, down to the roots; nor will we discuss debilitating diseases. Clearly, we will not discuss aid or charity.

Rather, we will talk about partnership.

The New Partnership for Africa's Development (NEPAD) has been formulated as a programme through which Africans have pledged to pull their countries and continent out of the morass of poverty and underdevelopment.

In formulating this New Partnership, the leadership and people of the continent were alive to the fact that there have been many initiatives in the past, yet these efforts were unsuccessful due to a combination of factors, including political, social and economic instabilities as well as the fact that Africans were spectators rather than active participants in most of the initiatives.

Accordingly, the New Partnership is based on a resolve by Africans to work together for everlasting peace, stability and security, and, to rescue forever the ordinary people from the brutalities and indecencies of wars and conflicts.

In this regard, it has been resolved to strengthen conflict prevention mechanisms, management and resolution of conflicts both at the regional and continental levels.

The New Partnership will also develop clear standards of accountability, transparency and participatory governance to ensure that the mass the people on the continent are not bystanders in the process in which they should and must be leading participants.

This New Partnership is driven by the desire on the part of the African people to ensure that democracy takes root in every corner of the continent, that military and undemocratic autocracies become the things of the past and that the mass of the people are, themselves, active agents of change.

Already, the number of democratically elected governments has been on the increase since the last decade of the last century, and accordingly many people on the continent have been empowered to assist in the entrenchment of the democratic processes and structures.

Having arrived at the correct position that sound economic policies are a catalyst to development, the people on the continent have resolved that there will be clear processes of restoring and maintaining macroeconomic stability, including working on such important economic elements as fiscal and monetary policies and setting up the necessary institutional frameworks.

This will be done in practical and concrete ways. For instance, we are starting with a project to improve the basic statistics that inform policy choices.

Further, as part of a process of ensuring that none amongst the peoples on the continent are ever marginalised, significant strides have been made towards the promotion of the role of women in political, social and economic processes.

The new Partnership stresses that the important aspect of the renewal of the continent is the building of the much-needed infrastructure in telecommunications and transport to support manufacturing, agribusinesses, and social development.

Most of you will not know that within a year or two the basic spine of an electricity grid will stretch from Cape Town to Algiers increasing access to electricity for millions of people across the length of the continent.

The New Partnership seeks to promote the diversification of production and ensure that there is a clear process of capacity building and the generation of expertise while striving for a fair and equitable trading system that ensures market access to all, especially to developing countries.

For all these and many other measures to bear fruit, we have set up structures and mechanisms of the New Partnership for Africa's Development with a secretariat based in South Africa, which is overseen by a Presidential Implementation Committee of 15 countries, three each from the different regions on the continent.

This New Partnership for Africa's Development is a clear voice by the Africans that we no longer seek either dependency or marginal concessions, but require committed partners that will work together with Africans for mutual benefit.

Of importance, from next year, is that the Organisation of African Unity (OAU) will be transformed into a new structure, the African Union, which is a body with a new resolve to deal with conflicts and censure deviation from the norm.

As we have indicated, the positive signs are already there with more and more economies on the right track and an increasing number of people participating in democratic processes.

This can only mean a better environment for potential investors and those who wish to do business on the African continent. Both the people and the leadership on the continent are making a call for partnerships that should ensure that together we move towards a desired situation, where we no longer have pockets of affluence amidst global poverty and underdevelopment.

This important gathering here in Hong Kong is such a critical body of people that I am confident will respond positively to this call.

We recognise the special role of Hong Kong within China and your important strategic place in the linkages between Africa and Asia.

Further, because of the history of this country, which has seen China going through its own processes of transformation leading to political and economic stability, it is clear that you understand our own challenges in this regard.

I am therefore confident that the consolidation of our relations as happened at the Sino-Africa conference in 2000, will be invaluable for the realisation of our vision of African renewal.

Chairperson;

As far as South Africa is concerned, there has been increased trade between our country and China. Our exports to this area include amongst others, primary products like precious and semi-precious stones, agriculture and fishing products, manufactured products such as vehicles, engines and steels of many types. From Hong Kong we import products such as sporting goods, telecommunication equipment, radios and travel goods.

Such is the significance of our trading relations that we have a number of South African companies that maintain offices here, resulting in the formation of the South African Business Forum in 1997. I am informed that this organization acts as a coordinating body between the different business entities and has an impressive number of members.

Since 1994, we have made significant strides in terms of macroeconomic policy and prudent fiscal management of the economy. We have successfully transformed the South African economy from an inward looking to an internationally competitive, open trading system.

In addition, we have built a strong, resilient economy, with lower tax rates and higher revenue, improved savings and increased potential for counter-cyclical fiscal policy. In the past few years we have ensured an impressive decline in inflation from double to single digit.

Our export competitiveness has improved and our current account performance is strong. Investment has improved in both public and private sectors, particularly in the public corporations, manufacturing and financial services.

South Africa's external position is strong. We have eliminated a major foreign currency exposure inherited from the past; our foreign borrowings are relatively low and have been done at very competitive rates. This strength and the capacities of our financial markets have led to the rand being a highly traded currency. With uncertainty in the world markets, this trade has led to volatility in our exchange rate. Ironically, this arises from our strength and not our weaknesses.

However, our strong export capacity and increasingly attractive equity portfolio mean that there is an underlying stability in our external transactions.

Given this impressive economic performance, Moody's rating agency has improved the country's rating.

Furthermore, while we have retained our status as a country rich in minerals, and for many years our economy was based mainly on mineral resources, we have today, developed one of the most diversified emerging economies in the world.

This is illustrated by the composition of our exports. Almost one-third of these are a wide range of manufactured products, ranging from automobiles, through avionic equipment to sophisticated chemicals. Another third is metals, from stainless steel to platinum and soon titanium. The final third are our better-known gold, diamonds and virtually all other known minerals.

We supply products to leading multinational companies such as Daimler Chrysler, Boeing and Rolls Royce.

We have one of the most cost effective energy systems in the world and gas from Namibia and Mozambique in 2005 will make South Africa one of the most energy abundant economies in the world.

Our state-owned energy company, ESKOM has an elaborate programme of providing energy in many parts of Africa - in the east, west and north of the continent. Because of their important work, both in South Africa and on the continent, last Thursday, in New York, ESKOM, won the Financial Times energy company of the year award.

We have an advanced Telecommunications industry that is increasingly addressing both domestic and continental challenges. There are challenges also in the area of transport infrastructure, including the enormous needs around road, rail, port and other related infrastructure.

In addition, our hospitality and tourism industries are ever growing and present limitless opportunities. Once again, we extend our sincere gratitude to the government of the Peoples Republic of China for granting South Africa Approved Tourists Destination Status.

Chairperson,

We offer tremendous investment opportunities in the areas of agri-business, food and beverages as well as in the clothing, textile, marine and biotechnology industries.

Furthermore, we have a free trade agreement with the countries in the Southern African Development Community (SADC), which offers a market of approximately 200 million people.

We have negotiated a free trade agreement with the European Union and market access agreements are being negotiated with Mercosur and EFTA. Early in the new year, we will commence with exploratory talks with China on this same matter.

South Africa is also a beneficiary under the terms of the United States' Africa Growth and Opportunities Act (AGOA). This allows for duty free and quota free access of, amongst others, textile and clothing exports to the USA.

Of importance, South Africa together with China can and should forge strong South-South links to ensure that the New Partnership for Africa's Development succeeds.

I am confident that our mutual partnership and solidarity in the struggle against colonialism and apartheid have set solid basis for designing and constructing a new path in Africa's long journey towards development and prosperity.

We have to ensure that China's economic progress is also Africa's advancement away from economic marginalisation. We must make it a point that Africa's development is equally China's victory against poverty.

We face the myriad of modern challenges in a world characterized by economic and technological processes that are moving at a very extraordinary and unparalleled rapid pace. Each year there are constant and unprecedented expansions of the resources that can be, if we so choose, used to tackle, decisively, the current challenges of underdevelopment and poverty.

Everyday we read statistics, which indicate the numbers and percentages of people who die or barely survive because of poverty, underdevelopment and disease. These statistics also show us the discrepancies of the distribution of resources, and even how we can together change the life circumstances of billions of people throughout the world.

Yet, these statistics are cold, have no feeling, and therefore cannot even begin to relate to us the reality of the children's pangs of hunger, and the hopeless emptiness of those who have no means to eke out a living. We have feelings and can relate to these realities.

Through the New Partnership for Africa's Development we say, together let us engage to change these conditions and do so not as charity, but as part of a process that is of mutual benefit to all parties.

But we need to engage with one another for many other reasons, which will be of mutual benefit to our two countries.

Though we are products of different countries and continents, divided by oceans and separate time-zones, we have, nonetheless, stood together for the betterment of all of humanity.

Of particular importance is the fact that China has resolutely marched side by side with the people of Africa even when many of our countries had attained independence and were waging new struggles against underdevelopment and poverty. We meet here today still engaged in these struggles against hunger, disease, degradation and marginalisation.

I believe that we have to increase our collaboration in this regard. Both our common and diverse experiences in having to deal with underdevelopment and our respective locations in Asia and Africa suggest that an exchange of ideas will be useful, offer each of us insights in what ought to be done and demand of us unflinchingly to come up with solutions to the problems of the people of our country.

After centuries of conflict born out of colonialism and apartheid, and out of racist ideology through which one section of the population imposed their will upon others resulting in loss of lives and entrapment of black people in conditions of poverty, backwardness and underdevelopment, South Africans have won the battle for equality amongst different peoples.

Thus have we embarked on a journey towards a truly non-racial and non-sexist society fully conscious that we have no choice but to accept the multi-facetedness of who we are, of the West marrying the East, of Africa being part of a modern world economy and building a new worldview for a new world order in which our various yet interconnected identities must serve to strengthen our roles in ensuring prosperity for all our people.

As we meet here in China, first in Beijing, then in Shanghai and finally now in Hong Kong, we are struck by the similarities of the tasks that lie ahead for each of us, although on different scales. These similarities, in addition to the friendships that exist between our two countries suggest an affinity for each other, a common consciousness of the road ahead and a genuine sincerity and concern for the other that belongs to close family relations rather than mere friends.

As we leave here today, we shall be taking part of you with us, as we believe you too shall retain something of us. The vast distance of an ocean may divide us, but our state visit here has created a deeper and long-lasting unity that will bode each and both of us well in the future.

We ask you to look at South Africa, above all, as a place of opportunities to visit, to do business with, to develop, as indeed we ask this of you for the entire continent of Africa.

In turn, we consider the challenges of China in the same way and are eager to encourage more business people to visit and to stay so as to become part of the development of the Chinese economy into a massive giant of the 21st Century. We give our commitment to this mutual process of working together for China, for South Africa, for Africa and the developing world.

I urge you all in whatever ways possible to contribute to this new history and shape our new reality together.

I thank you.