

**SPEECH BY DEPUTY PRESIDENT TM MBEKI, AT THE "ASIAN TIGERS AND THE AFRICAN LION"
BUSINESS CONFERENCE: GALLAGHER ESTATES**

26 MARCH 1996

Chairperson,
Honourable Minister Mr Lim Hng Kiang
Distinguished participants:

I would like to thank Dr Denis Worrall and the rest of his colleagues at Omega Investment Research both for the work they have done to organise this important Conference and for giving us the opportunity to participate in it, even briefly.

On behalf of our President. Nelson Mandela our Government of National Unity and in my own name, I am also honoured and pleased to welcome to our country our distinguished guests from South East Asia.

I trust you will have a pleasant stay with us, see a bit of our country and achieve the common purpose of strengthening the business and economic ties between ourselves.

But I also hope that this encounter will also help further to expand the existing relations of friendship among our peoples as well as increase our knowledge of one another and one another's countries.

The political relations between ourselves were formed and strengthened during the course of our common struggle for the emancipation of all our countries from colonial and apartheid domination.

We are privileged once more to express our appreciation to you for the fact that you stood with us during the difficult years as we fought against the system of apartheid, refusing to tire and to turn your backs on a struggle which to some might, at times, have seemed too long and possibly hopeless.

We are therefore particularly happy that you have been able to visit a free South Africa, to see the fruit of your labours and sacrifices and more, to discuss with us where we go from now, building on the firm political and economic foundation of co-operation that has already been set.

Almost two years after our historic first democratic elections, we can report to you that the democratic system in our country has taken root, thanks to the commitment of the overwhelming majority of our people to ensure that we should never again experience the oppression of one people by another and the denial of any individual of his or her right to participate in determining the future of our country.

The necessary democratic institutions have been and are being established. Popular participation in public life ensures that everyday we entrench the practice of government by the people. As the political change brings about continuous improvement to the quality of life of all our people, so do the millions claim ownership of the new democratic order.

The unfounded fears that some had entertained that these masses would explode in anger if two days after liberation they had not acquired a new house or a job have failed to materialise, precisely because the ordinary people of our country see the new South Africa as their own, the product of the struggle they themselves waged, a young plant to be nurtured and cared for by themselves and with great delicacy.

This, in the end, is what guarantees stability - that in as much as the people were their own liberators, so will they be the architects of their own development and prosperity.

The miracle of our transition to democracy originates from these sentiments which led our people, both black and white, to conclude that they share a common destiny and that the only guarantee of a better life

for each was not the segregation of one from another, but the joining of hands by all, in a common effort to build a new society of democracy, non-racialism and non-sexism.

This majority shares a common resolve to overcome the legacy of our past and in a spirit of reconciliation, to effect the necessary transformation which will make South Africa, in the words of President Mandela, a winning nation.

A critical element of that transformation is the rebuilding of our economy. Fortunately, after many years of stagnation and decline, we have begun to record positive rates of growth.

There is no reason why we should fail to continue this tendency. Indeed, we are determined to follow the example of our ASIAN guests by achieving high rates of growth on a sustained basis.

In this regard I must mention that we have been very keen to learn whatever we could of the factors that led to the ASIAN economic miracle. We greatly appreciate the willingness demonstrated by all the ASIAN countries to assist us in this regard and to open their doors to us so that, among other things, we could send our people to your countries for purposes of acquiring the skills which have been a central part of the miracle you have achieved.

The growth we are aiming at must also mean the development of our society so that we address the social ills that are the legacy of the past. These include unacceptably high levels of unemployment and pervasive poverty that afflicts millions of our citizens.

In addition to the political stability we have spoken of, our Government has adopted policies which will ensure the achievement of the necessary macro-economic balances to ensure the creation of circumstances conducive to growth and development.

Among others, this entails the management of public finances so that the public sector does not siphon off too much of the national wealth for purposes of meeting recurrent expenditures that are too high.

Consequently, this has meant that we have committed ourselves not to increase the overall tax burden, but to stay on the road on which we have already embarked, of a continuous reduction of the dissaving by the public sector which resulted from the policies of the previous regime.

We are also committed to the removal of exchange controls over time and have already taken major steps in this regard, affecting especially the ability of foreign investors to move their capital in and out of the country freely.

Our President has already indicated that with regard to the remaining controls, the question is not whether these will be removed but merely when they will be ended. In this regard I would like to mention that we are fully conscious that we are part of the global economy and have a responsibility to ourselves to be as competitive in terms of investor friendliness as any comparable country in the world, including the ASIAN countries.

Beyond this, we are also determined to ensure that we further open up our economy to greater and more varied trade exchanges with the rest of the world. This must include continuous change in the mix of products we export in favour of modern manufactured goods and services with less reliance on our historic exports of precious minerals, raw materials and food products.

We are also committed to the implementation of the undertakings we made in the context of the Uruguay Round and the rules of the World Trade Organisation, in a manner that is sensitive to the central goal of job creation and the avoidance of policies that might result in further job losses.

The Government is also working towards the finalisation of a comprehensive Growth and Development Strategy, which should also be agreed with our social partners, labour and the private sector.

That Growth and Development Strategy will, among other things, seek to identify the areas of our economy which are critical to such goals as job creation, the modernisation and enhancement of the international competitiveness of the economy and the achievement of the sustainable high growth rates we have spoken of.

Among these must feature the major development of the infrastructure in both rural and urban areas, the growth of the hospitality industry and the necessary infrastructure, the restructuring of state assets among other things to attract foreign capital, to raise the levels of our performance to world standards and to provide affordable services to greater numbers of our people, the modernisation of various sectors of the manufacturing industry to enable it to provide goods both in the local and international markets at competitive prices, the implementation of a major housing programme and human resource development.

We are also an integral part of the region of Southern Africa and a member of the Southern Africa Development Community. We are committed to the view that all of us in this region must work towards greater regional co-operation, towards our economic integration. This we must do in a manner that will contribute to balanced regional development in the interest of all our countries, including South Africa itself.

We are therefore speaking of a market of at least 100 million people, which is characterised by the need for reconstruction and development similar to our own.

In the end, what we have spoken of are the enormous business opportunities for trade and investment that the challenges of reconstruction and development in South Africa and in Southern Africa afford the enterprising and far-sighted business person.

Part of the critical importance of this Conference is that it further enhances the interaction among ourselves, the countries of the South. It enables all of us to investigate and discover possibilities and opportunities that we may never have thought existed.

We are greatly encouraged by the fact that in the short period since our transition to democracy, the economic relations between ourselves and ASIAN countries have grown significantly.

I am informed for instance that our trade with Singapore is already over one and a half billion Rand, with Malaysia and Thailand following closely behind with a billion Rand each. At the same time, we are experiencing encouraging inflows of investment, once again with Singapore leading and an expectation of a further and significant increase in investments from Malaysia.

I am certain that all of us present in this room are conscious of the fact that all of this represents merely the beginning of an interaction that has great possibilities that would benefit all the players as we implement practically the shared vision of ever-increasing South - South co-operation

That interaction will further be buttressed by the fact that friendly relations exist among our peoples and governments. Furthermore, the period since our transition to democracy has seen an important exchange of visits among ourselves, involving our governments, the private sector and tourists.

We are also all members of the non-aligned Movement, all of which factors point to a common resolve to build our relations on a comprehensive basis and with a view to lasting friendship among our peoples.

Once more I would like to welcome our foreign guests to the new South Africa and to this Conference, I am certain that this occasion will afford us the opportunity we both seek of enhancing the contact with one another across the Indian Ocean and discovering areas of mutually beneficial business co-operation.

It is also pleasing to see so many of our leading business people participating in the Conference as they are critical to the achievement of the common national objective of creating a better life for all our people and contributing to a world of shared prosperity.

On behalf of our Government I wish the Conference success and commit our Government to do all that is necessary and possible to support the positive results of your deliberations.

Thank you.