

## **Welcome address at the Southern Africa World Economic Forum**

4 July 1999

Hon President of the World Economic Forum, Prof Klaus Schwab,  
Your Excellencies Head of State and Government,  
Minister, Premiers, ambassadors and High Commissioners,  
Distinguished Business Leaders from home and abroad,  
Delegates, ladies and gentlemen

I am very pleased to welcome you this year's Southern African interaction under the auspices of the World Economic Forum.

I must also thank you most sincerely for agreeing to postpone this session from the dates originally set for last month and to apologise for the inconvenience this caused many of the participants.

But as you will remember, at the time we were still caught up in the process of constituting our new parliament and government in the aftermath of our elections of 2 June.

It must be correct to say that we meet annually because of us are interested in the economic and social success of the African continent in general and this region of Southern Africa in particular. I would therefore like to take this opportunity, speaking on behalf of the governments of our region, to thank Prof Klaus Schwab, Fred Sicre and the World Economic Forum, as well as our business participants who come from elsewhere in the world, for their sustained interest in the future of our region.

As a region, we remain firmly committed to the objectives of:

democracy, peace and stability;  
high and sustained rates of economic growth and development and a continuous improvement in the standards of living of our people;  
the modernisation of our economies to ensure that they respond successfully to the process of globalisation; and,  
overcoming the major social problems we face such as the scourge of HIV/AIDS, land mines, crime and corruption.

Undoubtedly, we will have an opportunity to discuss all these matters during the course of our meeting.

What those discussion will also confirm is that, as a region, we are determined to do everything in our power ourselves to address all these challenges, drawing on all the resources and talents within our region.

Nevertheless, it is also clear that we also need to form an all-weather partnership with the rest of the international community which will significantly improve our chances of success. In the all-important area relating to issues of democracy, peace and stability, one of our biggest contemporary challenges is the resolution of the conflict in the Democratic Republic of Congo.

Great progress has been achieved in the negotiations currently taking place in Lusaka, Zambia. We are convinced that, despite all the difficult issues that had to be resolved, agreement will be reached.

We remain convinced that a stable, prosperous and sovereign Democratic Republic of Congo is central to the success of the vision of an African Renaissance.

The situation in the Kingdom of Lesotho has stabilised in the aftermath of the SADC intervention to support the democratically elected government of that country against forces which sought to overthrow it by force of arms.

The people of Lesotho themselves are engaged in various processes intended to deepen democracy and to eliminate the factors which, at intervals, have brought about political instability.

Our whole region is also involved to support these processes.

I have no doubt that steps will also be taken to help the people of Angola to find a solution to the long drawn-out conflict in that country.

All of us are determined that we should transform the SADC region into a Free Trade Area. Detailed technical negotiations have been taking place with the presentation of country offers for trade liberalisation.

The SADC Trade Ministers will meet in a week's time to consider this matter.

We are convinced that our own parliament will ratify the SADC Trade Protocol in time for its implementation by the 1st of January, 2000.

As a country, we are very interested that we do achieve the objective of the balanced economic development of our region.

We are therefore keen that the productive capacity of our fellow-member states of SADC should increase so that trade integration is complemented by investment flows to the smaller economies to mitigate their adjustment costs.

In this regard, we commend our own private sector for the interest it has shown in the economies of the countries of our region with over \$1 billion invested in these countries in 1997 alone, half of which was direct investment.

As governments, we will continue to encourage this process, among others through such Spatial Development Initiatives as the Maputo Development Corridor which brings together Mozambique and South Africa and the Lubombo SDI which brings together Mozambique, Swaziland and South Africa.

In a short while, South Africa will be presenting a five-year integrated regional development plan to its partners in SADC covering a variety of areas including the economic infrastructure, human resource and entrepreneurial development.

The decision to prepare this plan was taken last year, partly in response to an agreement reached with the President of the World Bank, Jim Wolfenson, to reprioritise the Bank's activities so that they are consistent with the plans of our region itself.

In this context, we must also mention the fact of the important agreement reached last year by Africa's Telecommunications Ministers to develop this infrastructure throughout our Continent.

We have been pursuing the implementation of this agreement actively and will tackle the further development of this sector in our region within the context of the "African Connection" which seeks to ensure that Africa inserts itself into the modern communication and information world.

Once again, I must apologise to our colleagues in SADC that the process of preparing this plan has taken longer than was intended. We will try to make good this default as soon as possible.

As a region, we also remain preoccupied with this issue of highly indebted countries and welcome initiatives which genuinely seek to address this important challenge.

Our own Government has taken its own initiatives to forgive the debts of some of the countries of our region.

A number of the countries in our region are gold producers. As we have all seen, the mere announcement by Great Britain that it will reduce its gold reserves over time immediately produced a very negative effect on the price of gold.

This has threatened the viability of various gold mines and created a potentially disastrous effect on our economies.

We do not believe that it can be correct that we seek to solve one problem by creating another focused on undermining our efforts at strengthening our growth and development capacities.

None of the programmes we have spoken of can succeed without private sector participation.

I hope that our discussions will provide all of us with an opportunity to proceed beyond the general to focus on the specific investment, trade and other opportunities the positive development of our region offer.

If I may make a few comments about our own country, the updated South African GDP figures recently released by Statistics South Africa have, among other things, confirmed the resilience of our economy.

This is underwritten by a process of restructuring of our economy which has responded well to such pressures as the lowering of tariffs, deregulation, changes in the subsidy regime and, generally, the rapid insertion of ours into the world economy.

We will take new initiatives or enhance the impact of existing policies further to open up the economy, to modernise it and to make it internationally competitive.

These will relate to such issues as raising our investment and savings ratios, Competition Policy, a focus on key sectors of the economy, the development of small, medium and micro businesses, the promotion of public-private partnerships, the restructuring of state assets and a review, with our social partners, of elements of the labour market.

As we have said, we will also maintain our stance on macro-economic questions, being convinced that only in this way will we contribute to the long-term health of our economy.

We will also work towards better co-ordination of fiscal and monetary policy, respecting the independence of the Reserve Bank. All of us, including the Bank, look forward to sustained progress towards the lowering of interest rates. Both as a country and a region, we will also continue and enhance our attention to other matters I mentioned earlier such as HIV/AIDS, crime and corruption.

I have no doubt that progress will be achieved in all these areas. Once again, we count on the private sector, we count on the private sector, both foreign and domestic, to join hands with us on all these matters, for the mutual benefit.

We look forward to an open dialogue among us and successful deliberations as we all work together to build the better life which is surely due to every human being.

Thank you.