

Pocket  
Guide to  
South  
Africa  
2004



**Pocket Guide to South Africa 2004**  
Second edition

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Unless otherwise specified, information contained in this book was the latest available as at October 2003.

# Contents

|                                   |     |
|-----------------------------------|-----|
| Foreword by President Thabo Mbeki | 4   |
| South Africa at a glance          | 6   |
| South Africa today                | 7   |
| History                           | 13  |
| South Africa's people             | 21  |
| Government                        | 27  |
| Provinces                         | 39  |
| Economy                           | 51  |
| National finances                 | 65  |
| Doing business in South Africa    | 75  |
| Foreign affairs                   | 85  |
| Communications                    | 95  |
| Transport                         | 105 |
| Agriculture, forestry and land    | 111 |
| Minerals and mining               | 121 |
| Energy and water                  | 129 |
| Education                         | 137 |
| Science and technology            | 143 |
| Housing                           | 151 |
| Safety, security and defence      | 157 |
| Justice and correctional services | 163 |
| Social development                | 169 |
| Environment                       | 175 |
| Arts and culture                  | 183 |
| Tourism                           | 189 |
| Health                            | 201 |
| Sport and recreation              | 209 |



In this 10th anniversary year since we achieved democracy, we can, as South Africans, take pride in the progress that freedom has brought. We can be confident of our ability as a nation, working together, to meet the enormous challenges of fully achieving our goal of a better life for all.

The pages of this *Pocket Guide to South Africa* attest to the progress and the challenges, the difficulties and opportunities.

It has been the historic mission of this generation of South Africans to confront and overcome Apartheid's pervasive legacy. The transformation of our society, and the reconstruction and development of our country have been and remain our strategic goals. Central to the

realisation of these goals is the restoration of the dignity of all South Africans and the eradication of poverty.

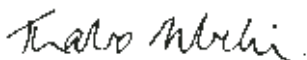
As we are celebrating the First Decade of Freedom, we can assert with confidence that social, political and economic stability prevails in our country, previously divided and torn by conflict; that many millions have gained access to basic services and benefits once denied them; and that the culture of human rights and democracy has taken root.

South Africa, once isolated from the international community by the inhumanity of Apartheid, now plays its part in Africa and the world, contributing to the collective effort to promote peace, development and human rights. The tide has turned.

Government's partnership with the people of South Africa, in a national effort to build a better life for all, has been critical to the progress made. The people's contract for a better tomorrow is taking shape.

While we take pride in the progress that has been made, we are acutely aware of the massive challenges that remain before the accumulated legacy of poverty and underdevelopment can be eradicated. We are learning the lessons of our experience, and resolve to build on what has been achieved.

The *Pocket Guide to South Africa 2004* reflects that experience and that determination. As we celebrate 10 Years of Freedom in South Africa, we do so as a people united for a better South Africa and a better world.



President Thabo Mbeki

# SOUTH AFRICA AT A GLANCE

|                      |                                                                                                                                                                                                                    |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Size                 | 1,219 090 km <sup>2</sup>                                                                                                                                                                                          |
| Key economic sectors | Mining services and transport, energy, manufacturing, tourism, agriculture                                                                                                                                         |
| Population           | 44,8 million                                                                                                                                                                                                       |
| Official languages   | English, isiZulu, isiXhosa, isiNdebele, Afrikaans, siSwati, Sepedi, Sesotho, Setswana, Tshivenda and Xitsonga                                                                                                      |
| Government           | Constitutional multi-party, three-tier (local, provincial, national) democracy. There are nine provinces                                                                                                           |
| Current GDP growth   | 1,3% (2003)                                                                                                                                                                                                        |
| Literacy             | 93%                                                                                                                                                                                                                |
| Urban population     | 57%                                                                                                                                                                                                                |
| Major cities         | Johannesburg, Cape Town, Durban, Pretoria, Port Elizabeth, Bloemfontein, East London, Kimberley                                                                                                                    |
| Currency             | 100 cents equals one Rand                                                                                                                                                                                          |
| Time                 | GMT +2 hours                                                                                                                                                                                                       |
| Distances            | Cape Town to Johannesburg 1 400 km (880 miles)<br>Johannesburg to Durban 600 km (380 miles)<br>Port Elizabeth to Bloemfontein 700 km (440 miles)                                                                   |
| Transportation       | Excellent roads, rail and air facilities (both domestic and international)                                                                                                                                         |
| Telecommunications   | World-class infrastructure. South Africa is ranked 23rd in telecommunications development. Internet access is widely available. There are three mobile (cellular) networks.                                        |
| VAT                  | Levied at 14%. Tourists may apply for tax refunds on purchases over R250 on departure                                                                                                                              |
| Health               | Top quality care is available throughout the country, although basic in rural areas. Inoculations are only required for those travelling from yellow-fever areas. Malaria precautions are necessary in some areas. |

For further information on South Africa, visit [www.southafrica.info](http://www.southafrica.info)



## South Africa today

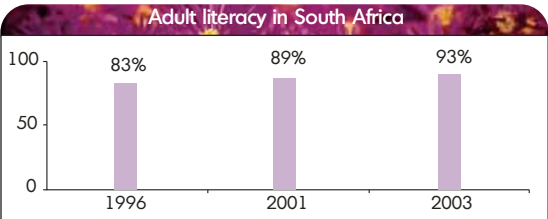
Just 10 short years ago a new democratic South African State was born with an inheritance which was anything but auspicious.

Black people had previously been denied the vote and meaningful access to the economy. From the sports fields to the factory floors, schoolrooms to neighbourhoods, South Africans were divided along racial lines, a divide enforced by repression and the denial of human rights.

The economy, isolated for years by the international community, was stagnating while debt was ballooning.

## Reconstruction and development

Since 1994, in line with the Reconstruction and Development Programme (RDP), government has set out to dismantle Apartheid social relations and to create a democratic society based on equity, non-racialism and non-sexism.



Source: *Towards a Ten Year Review*

The core of all post-1994 policies, the RDP commits the Government to meet people's basic needs while building a robust economy and democratising the State and society.

## Ten-Year Review

A decade after the achievement of democracy, government has been assessing how far it has achieved its objectives. Other organisations have assisted this objective review process, an essential exercise for determining how to set and meet objectives over the next decade.

### Focusing on people

Since 1994, the Public Service has been transformed, with Africans today occupying 72% of senior positions. An increasing number of women and people with disabilities are being appointed in high-level posts. Budgeting and financial management have been transformed, while Multi-Purpose Community Centres (which are being expanded to every municipality) are bringing government to the people.

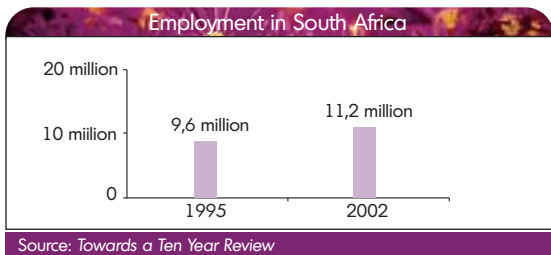
Government's *imbizo* outreach programme, including meetings with provincial executives, enables communities to interact directly with government to help speed up the implementation of programmes to improve their lives.

### Better service delivery

Policy and implementation are more integrated thanks to the Government's cluster approach, improved provincial and local government co-ordination and a national development framework. The fight against corruption has been given muscle with legislation, national campaigns, whistle-blowing mechanisms and special courts.

### Social Cluster

Social grants have been equalised between the races and the number of those benefiting has risen from 2,6 million in 1994 to over 7 million in May 2004.



Millions who previously had no access to electricity, water or sanitation now enjoy these services.

Other achievements:

- women and children under six enjoy free healthcare
- since 1994, over 2,3 million housing subsidies have been approved
- in the last decade, 1,56 million hectares (ha) of land has been distributed and 799 479 ha restored through land restitution.

Since 1993, government's social spending on the poorest 60% (especially the poorest 20%) has increased while decreasing for the better-off 40%, and has risen in rural areas.

## Economy Cluster

### Performance of the economy

- **Stability**

Resources have been freed up for social expenditure by slashing interest repayments. The budget deficit fell from 9,5% in 1993 to 1% in 2002/03, and public-sector debt fell from 60% to 50% during the same period. Negative per-capita growth in the decade before 1994 has since been transformed into 2,8%.

- **Economic reform**

Trade and industry have been restructured to make the country more competitive while labour reform has



Some major multilateral events hosted by South Africa since 1998:

1998 Non-Aligned Movement Summit  
1999 Commonwealth Heads of Government Meeting  
2000 United Nations (UN) AIDS Conference  
2001 UN World Conference Against Racism  
2002 World Summit on Sustainable Development and the African Union Summit.

created an environment in which both employers and workers have greater certainty and security. Many State enterprises have been restructured to promote competition, access to services and Black Economic Empowerment, while lowering costs and raising revenue which has been used to reduce public debt.

- **Employment**

Between 1995 and 2003, the number of people employed grew by two million from 9,6 million to 11,6 million. But the number of unemployed also grew because many more people (the economically active population) were either employed or looking for work – 16,8 million in 2003 compared with 11,4 million in 1995. At the same time, while many unskilled workers are unemployed, there is a shortage of skilled workers in many areas of the economy.

- **Empowerment**

Empowerment in the workplace is continuing, albeit slowly. By 2001, 13% of top management and 16% of senior management were black people. Black ownership of public companies was 9,4% in 2002 compared with



Some 30 bilateral agreements have been signed for science and technology (S&T) in the past nine years. There are several major S&T initiatives in South Africa with strong international participation, including the HIV/AIDS Vaccine Initiative.

## FACT

From 1996 to 2001, the South African population grew by 11% from 40,4 million to 44,8 million. But the number of households grew by 30% from 9,7 million to 11,8 million. In other words, the average household became smaller; greater freedom and a better quality of life resulting in fewer extended families. The reduction of the average household size from 4,5 to 3,8 persons implies government has to provide housing and services for almost three million instead of one million houses.

virtually nothing in 1994. The Broad-Based Economic Empowerment Act of 2003 will further promote participation of black people and women in the economy.

### Justice, crime prevention and security

With political violence almost a thing of the past, South Africa's justice and police resources have, since 1994, concentrated on stabilising crime.

Except for robbery and malicious damage to property, most of the 20 categories of serious crime have either stabilised or decreased in the last 10 years. While widely reported, robberies, including vehicle hijacking and bank robberies have declined significantly, cellphone theft (including misplacement) has increased dramatically, today accounting for 50% of all robberies. Murder rates are down by 30,7% since 1994.

### International relations

South Africa's post-1994 success in defining its place in the world is remarkable given its size.

After being shunned by much of the world for decades, South Africa is now actively promoting its own interests and those of the South in all significant regional, continental and multilateral institutions.



Access to means of communication has grown rapidly. By 2001, 32% of households had access to cellphones, 42% to land lines, 73% to radio and 54% to television.

## Challenges of the next decade

The next decade's challenges arise from lessons learnt in the First Decade of Freedom and new challenges created by the first stage of transformation.

Key challenges will be creating jobs for the millions seeking work, and equipping them for a changing economy in which higher skills are required.

After a decade of freedom and transformation, the Government, elected in April 2004, has embarked on a Programme of Action to consolidate democracy in South Africa and to put the country on a faster growth and development path.



## History

Modern humans have lived in what is today South Africa for over 100 000 years, and their ancestors for some 3,3 million years.

One site which is particularly rich in fossil remains, the area around the Sterkfontein Caves near Johannesburg, is justifiably called the Cradle of Humankind.

### Rock paintings

More recent evidence of early man are the many vivid rock paintings which were created by small bands of Stone Age hunter-gatherers, the ancestors of the Khoekhoen and San.

Some 2 000 years ago, the Khoekhoen (the Hottentots of early European terminology) were pastoralists who had settled mostly along the coast, while the San (the Bushmen) were hunter-gatherers spread across the region. At this time,

Bantu-speaking agro-pastoralists began arriving in southern Africa, spreading from the eastern lowlands to the Highveld.

At several archaeological sites there is evidence of sophisticated political and material cultures.



### European contact

The first European settlement in southern Africa was established by the Dutch East India Company in Table Bay (Cape Town) in 1652. Created to supply passing ships, the

colony grew quickly as Dutch farmers settled to grow produce. Shortly after the establishment of the colony, slaves were imported from East Africa, Madagascar and the East Indies.

## Conflict

From the 1770s, colonists came into contact and inevitable conflict with Bantu-speaking chiefdoms some 800 km east of Cape Town. A century of intermittent warfare ensued during which the colonists gained ascendancy over the Xhosa-speaking chiefdoms.

At approximately this time, in the areas beyond the reach of the colonists, a spate of state-building was being launched. The old order was upset and the Zulu kingdom emerged as a highly centralised State.

In the 1820s, the celebrated Zulu leader Shaka established sway over a vast area of south-east Africa.

As splinter groups from Shaka's Zulu nation conquered and absorbed communities in their path, the region experienced a fundamental disruption. Substantial states, such as Moshoeshoe's Lesotho and other Sotho-Tswana chiefdoms were established, partly for reasons of defence. This temporary disruption of life on the Highveld served to facilitate the expansion northwards of the original Dutch settlers' descendents, the Boer Voortrekkers, from the 1830s.

## Occupation

In 1806, Britain reoccupied the Cape. As the colony prospered, the political rights of the various races were guaranteed, with slavery being abolished in 1838.

Throughout the 1800s, the boundaries of European influence spread eastwards. From the port of Durban, Natal settlers pushed northwards, further and further into the land of the Zulu.

From the mid-1800s, the Voortrekkers coalesced in two land-locked white-ruled republics, the South African Republic (Transvaal) and the Orange Free State.

## The mineral revolution

The discovery of diamonds north of the Cape in the 1860s brought tens of thousands of people to the area around Kimberley. In 1871, Britain annexed the diamond fields. Independent African chiefdoms were systematically subjugated and incorporated. The most dramatic example was the Zulu War of 1879, which saw the Zulu State brought under imperial control, but only after King Cetshwayo's impis inflicted a celebrated defeat on British forces at Isandlwana.

### Gold

The discovery of the Witwatersrand goldfields in 1886 was a turning point in the history of South Africa. The demand for franchise rights for English-speaking immigrants working on the new goldfields was the pretext Britain used to go to war with the Transvaal and Orange Free State in 1899.

The Boers initially inflicted some heavy defeats on the British but eventually the might of imperial Britain proved too strong for the guerilla bands and the war ended in 1902. Britain's scorched-earth policy included farm burnings and the setting up of concentration camps for non-combatants in which some 26 000 Boer women and children died.

The incarceration of black (including coloured) people in racially segregated camps has been absent in conventional accounts of the War and has only recently been acknowledged.

## Union and opposition

In 1910, the Union of South Africa was created out of the Cape, Natal, Transvaal and Free State. It was to be essentially a white union.

Black opposition was inevitable, the African National

Congress (ANC) being founded in 1912 to protest the exclusion of blacks from power. In 1921, the Communist Party came into being at a time of heightened militancy.

In the face of a groundswell of opposition to racially defined government, the seminal Natives Land Act was legislated in 1913. This defined the remnants of blacks' ancestral lands for African occupation. The homelands, as they were subsequently called, eventually comprised about 13% of South Africa's land. More discriminatory legislation – particularly relating to job reservation favouring whites, and the disenfranchisement of coloured voters in the Cape – was enacted. Meanwhile, Afrikaner nationalism, fuelled by job losses arising from worldwide recession, was on the march.

## The rise of Apartheid

After the Second World War, in 1948, the pro-Afrikaner National Party (NP) came to power with the ideology of Apartheid, an even more rigorous and authoritarian approach than the previous segregationist policies.

While white South Africa was cementing its power, black opposition politics was evolving. In 1943, a younger, more determined political grouping came to the fore with the launch of the ANC Youth League, a development which was to foster the leadership of figures such as Nelson Mandela, Oliver Tambo and Walter Sisulu.

## Repression

In 1961, the NP Government under Prime Minister H.F. Verwoerd declared South Africa a republic after winning a whites-only referendum.

A new concern with racial purity was apparent in laws prohibiting interracial sex and in provisions for population registration requiring that every South African be assigned to one discrete racial category or another.

Residential segregation was enforced, with whole

communities being uprooted and forced into coloured 'group areas'.

## Separate development

At a time when much of Africa was on the verge of independence, the South African Government was devising its policy of separate development, dividing the African population into artificial ethnic 'nations', each with its own 'homeland' and the prospect of 'independence'. The truth was that the rural reserves were by this time thoroughly degraded by overpopulation and soil erosion.

Forced removals from 'white' areas affected some 3,5 million people, and vast rural slums were created in the homelands. The pass laws and influx control were extended and harshly enforced.

The introduction of Apartheid policies coincided with the adoption by the ANC in 1949 of its Programme of Action, expressing the renewed militancy of the 1940s.

The Programme embodied a rejection of white domination and a call for action in the form of protests, strikes and demonstrations.

## Defiance

The Defiance Campaign of the early 1950s carried mass mobilisation to new heights under the banner of non-violent resistance to the pass laws. In 1955, a Freedom Charter was drawn up at the Congress of the People in Soweto. The Charter enunciated the principles of the struggle, binding the movement to a culture of human rights and non-racialism.

Soon the mass-based organisations including the ANC and the Pan-Africanist Congress (PAC) were banned. Matters came to a head at Sharpeville in March 1960 when 69 PAC anti-pass demonstrators were killed. A state of emergency was imposed, and detention without trial was introduced.

## Struggle days

Leaders of the black political organisations at this time either went into exile or were arrested. In this climate, the ANC and PAC abandoned their long-standing commitment to non-violent resistance and turned to armed struggle, waged from the independent countries to the north.

Top leaders still inside the country, including members of the ANC's newly formed military wing *Umkhonto we Sizwe* (Spear of the Nation), were arrested in 1963. At the 'Rivonia Trial', eight ANC leaders, including Mandela, convicted of sabotage (instead of treason, the original charge), were sentenced to life imprisonment.

While draconian measures kept the lid on activism for much of the 1960s, the resurgence of resistance politics in the early 1970s was dramatic.

The year 1976 marked the beginning of a sustained anti-Apartheid revolt. In June, school pupils in Soweto rose up against Apartheid education, followed by youth uprisings all around the country. Strong, legal vehicles for the democratic forces tested the State, whose response until then had been invariably heavy-handed repression.

## Reform

Shaken by the scale of protest and opposition, the Government embarked on a series of reforms in the early 1980s, an early example being the recognition of black trade unions.

In 1983, the Constitution was reformed to allow the coloured and Indian minorities limited participation in separate and subordinate Houses of Parliament, which enjoyed limited support.

In 1986, the hated pass laws were scrapped. At this time, the international community strengthened its support for the anti-Apartheid cause.

## Apartheid's last days

In February 1990, newly elected President F.W. de Klerk announced the unbanning of the liberation movements and the release of political prisoners, notably Mandela.

## Democracy at last

After a difficult negotiation process, South Africa held its first democratic election in April 1994 under an interim Constitution.

The ANC emerged with a 62% majority. South Africa, now welcomed back into the international community, was divided into nine new provinces in place of the four provinces and 10 'homelands' that existed previously. In terms of the interim Constitution, the National Party and Inkatha Freedom Party participated in a Government of National Unity under Mandela, South Africa's first democratically elected president.

The ANC-led Government embarked on a programme to promote the reconstruction and development of the country and its institutions.

The second democratic election, in 1999, saw the ANC increasing its majority to a point just short of two-thirds of the total vote. South Africa was launched into the post-Mandela era under the presidency of Thabo Mbeki.

In the election on 14 April 2004, the ANC won the national vote with 69,68%. The inauguration of South Africa's third democratically elected President on 27 April 2004 was combined with the celebration of 10 Years of Freedom and attended by heads of state and government delegations from across the world. In his speech, President Mbeki vowed to fight poverty as a central part of the national effort to build the new South Africa.



In the First Decade of Freedom, much progress has been made in improving the lives of ordinary people. This commitment continues.

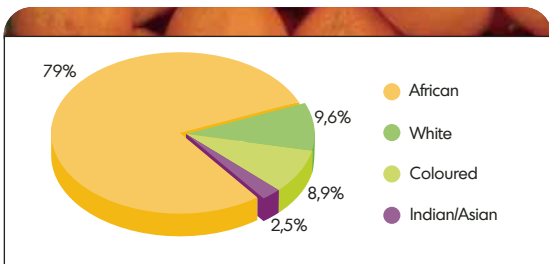


## South Africa's people

South Africa is a country where various cultures form a unique nation, proud of their heritage and proud of their unity in diversity.

### People

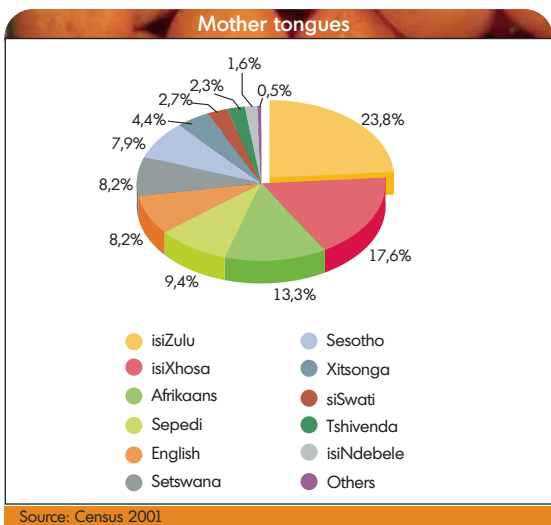
According to the 2001 Census, there were 44 819 778 people in South Africa on the night of 10 October 2001. They classified themselves as follows:



Source: Census 2001

The South African population is made up of the following groups:

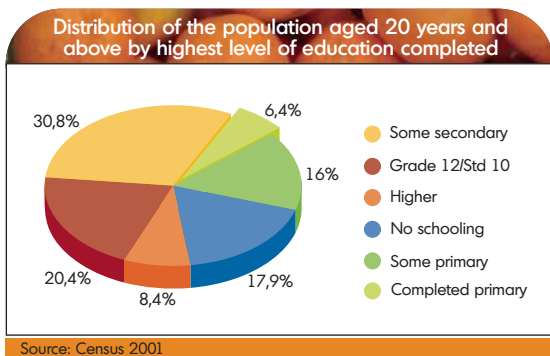
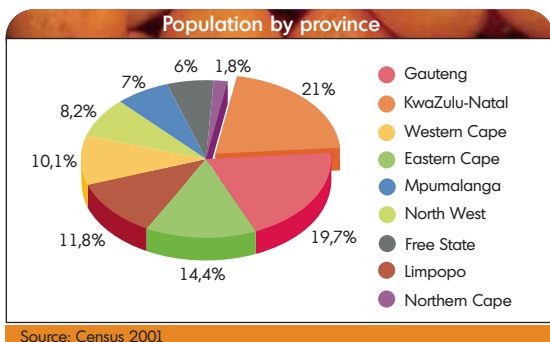
- Nguni people (the Zulu, Xhosa, Ndebele and Swazi)
- Sotho-Tswana people (including the Southern, Northern and Western Sotho (Tswana)
- Tsonga



- Venda
- Afrikaners
- English-speakers
- Coloureds
- Indians
- those who have immigrated to South Africa from the rest of Africa, Europe and Asia and maintain their own strong cultural identities
- a few members of the Khoi and the San.

## Languages

The South African Constitution states that everyone has the right to use the language and to participate in the cultural life of his or her choice, but no one may do so in a manner inconsistent with any provision of the Bill of Rights. Each person also has the right to instruction in the language of his or her choice where this is reasonably practicable.

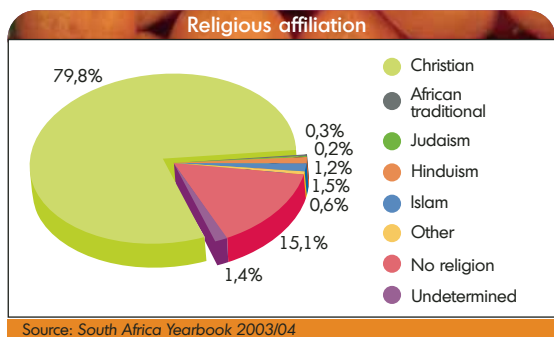


## Official languages

To cater for South Africa's diverse peoples, the Constitution provides for 11 official languages, namely Afrikaans, English, isiNdebele, isiXhosa, isiZulu, Sepedi, Sesotho, Setswana, siSwati, Tshivenda and Xitsonga.

Recognising the historically diminished use and status of the indigenous languages, the Constitution expects government to implement positive measures to elevate the status, and advance the use of these languages.

National and provincial governments may use any two or more official languages. While communications with the



public tend to be produced in more than one language, internal communications are mostly carried out in English.

## Religion

### Religious groups in South Africa

Almost 80% of South Africa's population is Christian. Other religious groups include the Hindus, Muslims and Jews. A minority of South Africa's population do not belong to any of the major religions, but regard themselves as traditionalists or of no specific religious affiliation.

Freedom of worship is guaranteed by the Constitution.

### Christian churches

#### African Independent Churches (AICs)

The largest grouping of Christian churches is the AICs, and one of the most dramatic aspects of religious affiliation has been the rise of this movement.

There are 4 000 or more independent churches with a combined membership of more than 10 million.

Most are regarded as Zionist or Apostolic churches.

The Zion Christian Church is the largest of these churches in South Africa and the largest church overall, with over four million members.

## Afrikaans churches

The *Nederduitsch Gereformeerde* (NG) family of churches in South Africa – the Dutch Reformed churches – represents some 3,5 million people. The *NG Kerk* has about 1 200 congregations countrywide. The other churches are the United Reformed Church of South Africa and the smaller Reformed Church in Africa, with predominantly Indian members. The *Nederduitsch Hervormde Kerk* and the *Gereformeerde Kerk* are regarded as sister churches.

## The Roman Catholic Church

In recent years, the Roman Catholic Church has grown strongly in number and influence, even though South Africa is predominantly Protestant. It works closely with other churches on the socio-political front.

## Other Christian churches

Established churches in South Africa include the Methodist Church, the Church of the Province of Southern Africa (Anglican Church), and various Lutheran, Presbyterian, Congregational and Baptist churches. Together, these churches form the nucleus of the South African Council of Churches.

The largest traditional Pentecostal churches are the Apostolic Faith Mission, the Assemblies of God and the Full Gospel Church, but there are numerous others.

A number of charismatic churches have been established in recent years. Also active in South Africa, among the smaller groups, are the Greek Orthodox and Seventh Day Adventist churches.

## African traditionalists

Because the traditional religion of the African people has a strong cultural base, the various groups have different rituals, but there are certain common features.

A supreme being is generally recognised, but ancestors are of great significance. As a result of close contact with

Christianity, many people find themselves in a transitional phase somewhere between traditional African religion and Christianity.

### **Other religions**

Two-thirds of South Africa's Indians are Hindus.

The Muslim community in South Africa is small, but growing strongly. The major components of this community are the Cape Malays, who are mainly descendants of Indonesian slaves, as well as 20% of people of Indian descent.

The Jewish population is less than 100 000. Of these, the majority are Orthodox Jews.



## Government

The Constitution of the Republic of South Africa took effect in February 1997. The Constitution is the supreme law of the land. No other law or government action may supersede its provisions. South Africa's Constitution is one of the most progressive in the world and has been acclaimed internationally.

The Preamble to the Constitution states that its aims are to:

- heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights
- improve the quality of life of all citizens and free the potential of each person
- lay the foundations for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by law
- build a united and democratic South Africa able to take its rightful place as a sovereign state in the family of nations.

## Government

Government consists of national, provincial and local spheres. The powers of the legislature, executive and courts are separate.

### Parliament

Parliament consists of the National Assembly and the National Council of Provinces (NCOP). Parliamentary

sittings are open to the public. Several measures have been implemented to make Parliament more accessible and accountable.

| Parliamentary business, 2002/03       |        |
|---------------------------------------|--------|
| Bills introduced                      | 85     |
| Acts passed                           | 69     |
| Questions asked                       | 4 202  |
| Visitors                              | 21 806 |
| Source: South Africa Yearbook 2003/04 |        |

The National Assembly consists of no fewer than 350 and no more than 400 members elected through a system of proportional representation for a term of five years. It elects the President and scrutinises the executive.

### National Council of Provinces

The NCOP consists of 54 permanent members and 36 special delegates and aims to represent provincial interests in the national sphere of government.

| Seats by party                     |             |
|------------------------------------|-------------|
| Party                              | Total seats |
| African Christian Democratic Party | 6           |
| African National Congress          | 279         |
| Azanian People's Organisation      | 2           |
| Democratic Alliance                | 50          |
| Independent Democrats              | 7           |
| Inkatha Freedom Party              | 28          |
| Minority Front                     | 2           |
| New National Party                 | 7           |
| Pan Africanist Congress            | 3           |
| United Christian Democratic Party  | 3           |
| United Democratic Movement         | 9           |
| Freedom Front Plus                 | 4           |
| <b>Total</b>                       | <b>400</b>  |
| 2004 election results              |             |

## The Presidency

The President is the Head of State and leads the Cabinet. He or she is elected by the National Assembly from among its members, and leads the country in the interest of national unity, in accordance with the Constitution and the law.

The President of South Africa is Mr Thabo Mbeki.

## The Deputy President

The President appoints the Deputy President from among the members of the National Assembly. South Africa's Deputy President is Mr Jacob Zuma.

## Cabinet

The Cabinet consists of the President, as head of the Cabinet, the Deputy President and Ministers. The President appoints the Deputy President and Ministers, assigns their powers and functions and may dismiss them. No more than two Ministers may be appointed from outside the National Assembly.

| Cabinet Ministers               |                          |                                  |
|---------------------------------|--------------------------|----------------------------------|
| Portfolio                       | Minister                 | Deputy Minister                  |
| The Presidency                  | Essop Pahad              |                                  |
| Agriculture & Land Affairs      | Thoko Didiza             | Dirk du Toit                     |
| Arts & Culture                  | Pallo Jordan             | Ntombazana Botha                 |
| Communications                  | Ivy Matsepe-Casaburri    | Radhakrishna Padayachie          |
| Correctional Services           | Ngconde Balfour          | Cheryl Gillwald                  |
| Defence                         | Mosiua Lekota            | Mluleki George                   |
| Education                       | Naledi Pandor            | Enver Surty                      |
| Environmental Affairs & Tourism | Marthinus van Schalkwyk  | Joyce Mabudafhasi                |
| Finance                         | Trevor Manuel            | Jabu Moleketi                    |
| Foreign Affairs                 | Nkosazana Dlamini-Zuma   | Aziz Pahad and Sue van der Merwe |
| Health                          | Manto Tshabalala-Msimang | Noziziwe Madlala-Routledge       |

| Portfolio                            | Minister                  | Deputy Minister   |
|--------------------------------------|---------------------------|-------------------|
| Home Affairs                         | Nosiviwe Mapisa-Nqakula   | Malusi Gigaba     |
| Housing                              | Lindiwe Sisulu            |                   |
| Intelligence                         | Ronnie Kasrils            |                   |
| Justice & Constitutional Development | Brigitte Mabandla         | Johnny de Lange   |
| Labour                               | Membathisi Mdladlana      |                   |
| Minerals and Energy                  | Phumzile Mlambo-Ngcuka    | Lulama Xingwana   |
| Provincial & Local Government        | Sydney Mufamadi           | Nomatyala Hangana |
| Public Enterprises                   | Alec Erwin                |                   |
| Public Service & Administration      | Geraldine Fraser-Moleketi |                   |
| Public Works                         | Stella Sigcau             | Ntopile Kganyago  |
| Safety & Security                    | Charles Nqakula           | Susan Shabangu    |
| Science & Technology                 | Mosibudi Mangena          | Derek Hanekom     |
| Social Development                   | Zola Skweyiya             | Jean Benjamin     |
| Sport & Recreation                   | Mankenkisi Stofile        | Gert Oosthuizen   |
| Trade & Industry                     | Mandisi Mpahlwa           | Lindi Hendricks   |
| Transport                            | Jeff Radebe               |                   |
| Water Affairs & Forestry             | Buyi Sonjica              |                   |

President's Parliamentary Counsellor: Manne Dipico

## Provincial government

Each of the nine provinces has its own legislature of 30 to 80 members. They elect the Premier who heads the Executive Council.

Provinces may have legislative and executive powers concurrently with the national sphere, over:

- agriculture
- casinos, horse racing and gambling
- cultural affairs
- education at all levels, except university and university of

FACT

Provincial houses of traditional leaders have been established in all six provinces which have traditional leaders: Eastern Cape, KwaZulu-Natal, Free State, Mpumalanga, Limpopo and North West.

- technology (technikon) education
- environment and nature conservation
- health, housing and welfare
- language policy
- police services, public transport, traffic regulation and vehicle licensing
- regional planning and development and urban and rural development.

Provinces are also responsible for promoting trade, investment and tourism.

Provinces have exclusive competency over:

- abattoirs
- ambulance services
- liquor licences
- museums other than national museums
- provincial planning
- provincial cultural matters
- provincial recreation and activities
- provincial roads and traffic.

#### Premiers

| Province      | Premier           |
|---------------|-------------------|
| Mpumalanga    | Thabang Makwetla  |
| North West    | Ednah Molewa      |
| Limpopo       | Sello Moloto      |
| Free State    | Beatrice Marshoff |
| Northern Cape | Dipuo Peters      |
| Western Cape  | Ebrahim Rasool    |
| Eastern Cape  | Nosimo Balindlela |
| KwaZulu-Natal | S'bu Ndebele      |
| Gauteng       | Mbhazima Shilowa  |

### Provinces

Allocations for capital transfers for provincial infrastructure, which have been in existence since 2000/01, increased from R300 million in 2000/01 to R2,3 billion in 2003/04, and are projected to rise to R4,1 billion in 2006/07.

Provincial spending on capital doubled from under R4 billion in 2000/01 to a projected outcome of R10 billion in 2003/04.

## Local government

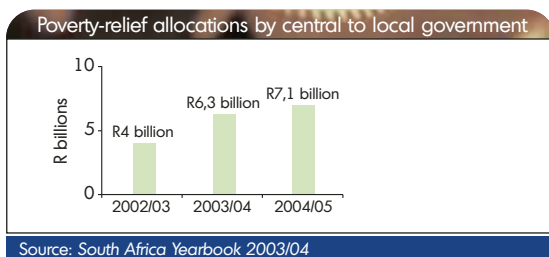
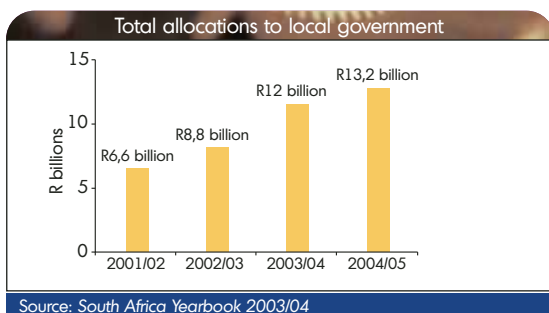
Local governments are not merely instruments of service delivery but are expected to act as key agents for economic development.

The largest increases in national government's 2002 Budget were in transfers to the local sphere, rising by 26% a year from 2001/02 to 2004/05.

## Municipalities

The Constitution provides for three categories of municipalities:

- metropolitan municipalities



Since 1998, the non-profit Municipal Infrastructure Investment Unit has helped finalise projects with a contract value of more than R6 billion.

- local municipalities
- district areas or municipalities.

Johannesburg, Durban, Cape Town, Pretoria, East Rand and Port Elizabeth are metropolitan areas. There are 231 local municipalities and 47 district municipalities.

Municipalities enjoy significant powers to corporatise their services. Legislation provides for them to report on their performance, and for residents to compare this performance with that of other municipalities.

The Consolidated Municipal Infrastructure Programme (CMIP) aims to provide basic levels of service to improve people's quality of life. By March 2003, six million households which previously had no access or only limited access to a basic level of service were benefiting from the CMIP, receiving water, sanitation, roads, storm water, solid waste and community lighting facilities.

The Municipal Infrastructure Grant (MIG) has been allocated R15 billion in the Medium Term Expenditure Framework which is in line with government's commitment to allocate more resources to accelerate the delivery of services, particularly to the poor, while at the same time creating conditions for economic development.

The MIG replaces all existing capital grants for municipal infrastructure and incorporates the following seven local government programmes:

- CMIP
- Local Economic Development Fund
- Water Services Project
- Community-Based Public Works Programme
- Municipal Sports and Recreation Programme
- National Electrification Programme to local government
- Urban Transport Fund.

## Communicating with the people

The Government Communication and Information System (GCIS) is primarily responsible for communication between government and the people. A high premium is placed on communication that emphasises direct dialogue, especially with people in disadvantaged areas. GCIS is involved in communication strategies and programmes for the whole of government at national level, and integrating the operations of all government departments.

GCIS is leading an intersectoral process to set up Multi-Purpose Community Centres (MPCCs) in every municipality, providing information on accessing government services, as well as offering some government services at the Centres themselves.

By April 2004, there were 55 operational MPCCs. It was expected that there would be 60 operational MPCCs by December 2004.

The GCIS is maintaining the website [www.gov.za](http://www.gov.za) and publishes the *South Africa Yearbook* and *Pocket Guide to South Africa*.

## The Public Service

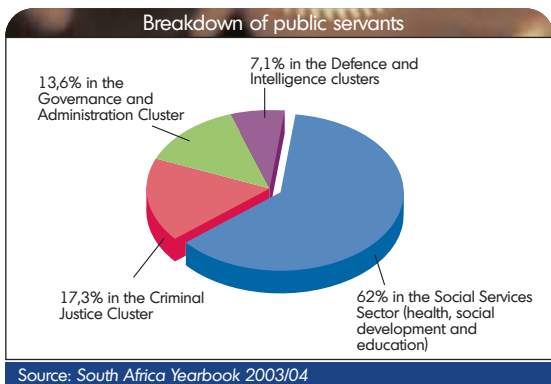
On 31 December 2002, the Public Service employed 1 040 506 people, 0,86% more than a year before. The Public Service has been extensively restructured, with employees being deployed particularly in service-delivery positions.

In August 2003, the roll-out of an additional type of public servant was approved: Community Development Workers (CDWs).



FACT

President Thabo Mbeki and senior government leaders regularly undertake *imbizo* outreaches, a programme of interactive government during which they meet the people and assess progress in delivering services to communities.



These people are skilled facilitators who will bridge the gap between government services and the people by assisting with matters such as birth certificates, identity documents (IDs), social-grant applications and small business start-ups, in their own communities.

CDWs are set to be fully deployed by December 2004.

### A public service that serves the public

The Government believes that the Public Service exists to create a better life for all. To this end, a support programme has helped five provincial administrations enhance the performance of specific institutions.

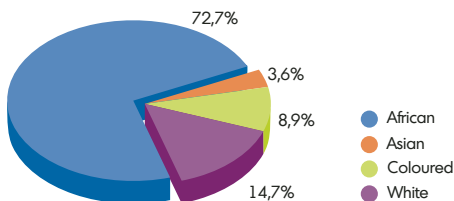
Promoting integrated, seamless service delivery is being pursued through the *Batho Pele* (People First) policy.

Various projects are being delivered through *Batho Pele*. These include:

- the electronic e-Gateway project to facilitate access to all government services and information
- modernising government, for example, through the Centre for Public-Service Innovation

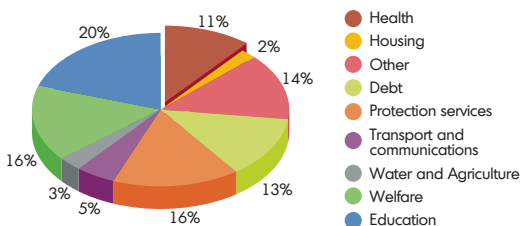


Public servants by race on 31 March 2003



Source: South Africa Yearbook 2003/04

Government expenditure 2004



Source: National Treasury

- the creation of new service-delivery mechanisms such as MPCCs and One-Stop Centres
- the Government Information Technology Officers' Council to alert government when and how to intervene to improve service delivery
- active auditing of national and provincial departments' anti-corruption capabilities by the Public Service Commission.

## Affirmative Action

The Government's Affirmative Action policy for the Public Service emphasises the management of diversity and the highest standards of service delivery.

## FACT

Local Economic Development programmes and the Social Plan Grant assisted 109 municipalities with funding for 95 local-development initiatives in 2002/03, creating 1 400 job opportunities.

The overall profile of the Public Service is very close to achieving perfect representivity, edging its way to matching the population profile in both race and gender. By March 2003, 52% were female but only 22% of senior managers were women.

## Home Affairs

The Department of Home Affairs has a network of offices in all the provinces. Where the establishment of fixed offices is not warranted, mobile offices or units service such areas on a regular basis.

The Population Register is being rewritten, and an associated Document Management System will be developed and rolled out gradually. This will consist of a large database, an online document-storage system, and a query interface for the retrieval and viewing of electronically stored documentation. The system will reduce processing time for each business transaction, while enhancing information integrity.

The rewriting of the Population Register is closely aligned with the implementation of the Home Affairs National Identification System (HANIS).

HANIS will significantly improve the accuracy and accessibility of personal identification, but, because of its



In his inauguration speech on 27 April 2004, President Thabo Mbeki said that the 2004 elections confirmed women as the largest number of voters and the strongest voice in favour of South Africa's social transformation.

scale, its successful implementation is the greatest challenge facing the Department. It will automate the manual fingerprint identification system, replace the ID with an identity card, and integrate these systems with the Population Register. HANIS is being established at a cost of just over R1 billion over five years.

### **Permanent residence**

The Department is responsible for admitting people suitable for immigration, such as skilled workers in occupations in which there is a local shortage.

Applications are particularly encouraged from industrialists and other entrepreneurs who wish to relocate their existing concerns or establish new concerns in South Africa.

Those wishing to enter the country as work seekers or for study purposes must have the relevant permit which is issued outside the country.

### **Independent Electoral Commission (IEC)**

The IEC is a permanent body created by the Constitution to promote and safeguard democracy in South Africa. Although publicly funded and accountable to Parliament, the Commission is independent of Government. Its immediate task is the impartial management of free and fair elections at all levels of government.



## Economy

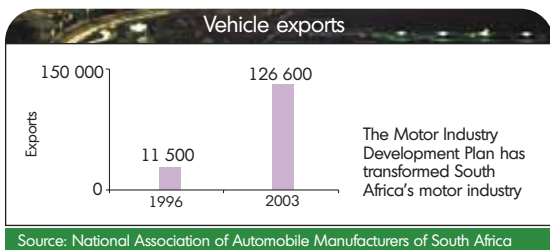
South Africa has experienced strong economic growth since the ending of Apartheid in the early 1990s. A profound restructuring of the economy has borne fruit in the form of macro-economic stability, booming exports and improved productivity in both capital and labour.

In 2002, manufacturing grew by 5,4%, the fastest increase since 1995. Lower inflation, interest rates and personal income taxes are buoying consumer spending. In 2007, the manufacturing sector is expected to be 40% bigger than it was in 1995.

Not surprisingly, South Africa's global competitiveness has soared. Manufactured value-added products are now increasingly eating into commodities' traditionally dominant share of exports.

### Domestic output

The South African economy grew by 1,9% in 2003, as compared with 3,6% growth in 2002.



Growth in real value added by the non-agricultural sector in 2003 increased by 2,2%. After growth slowed to just a half percent in the second quarter of 2003, real Gross Domestic Product (GDP) rose to 1% in the third quarter.

After increasing at a rate of 3% in 2002, the real value added by the primary sector declined by 1% in 2003.

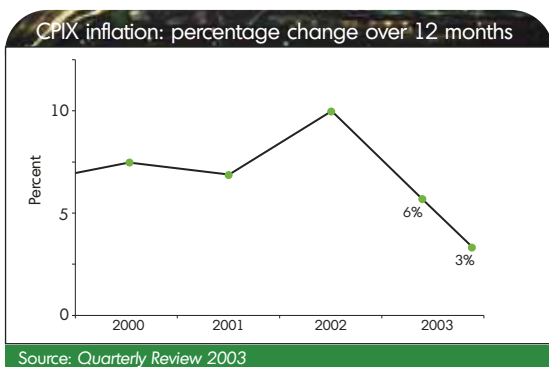
In 2003 as a whole, real GDP rose by 2%, while on a quarter-to-quarter basis, the lowest annualised growth rate recorded was 0,5% in the second quarter.

## Domestic expenditure

Compared with real GDP, real domestic expenditure rose considerably in 2003. For the year as a whole, real expenditure advanced by around 4%, while in the fourth quarter of 2003 its annualised growth rate amounted to 7%.

Growth in real gross domestic expenditure for 2003 was just below the rate of 4,5% attained in 2002.

The growth in real final consumption expenditure by households remained firm for 2003 as a whole, similar to that attained in 2002. All expenditure categories recorded solid expansions but spending on durable goods and services have actually witnessed accelerated growth compared with 2002.

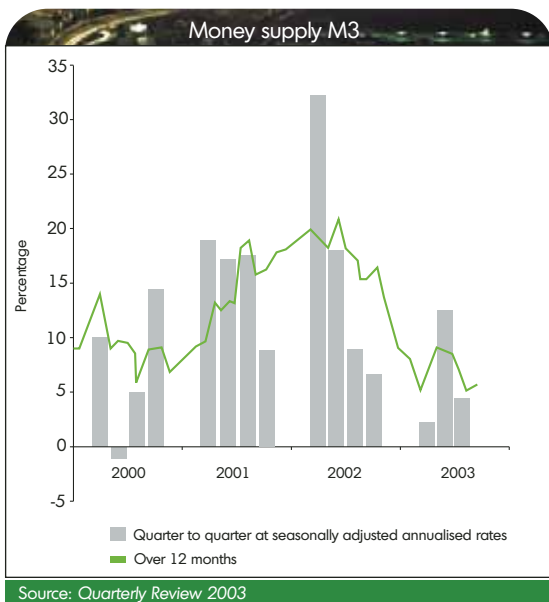


Growth in final consumption expenditure by households accelerated towards the final quarters of 2003.

Meanwhile, general government continued to contain the growth in its wage bill. As a result of these developments, the ratio of final consumption expenditure by general government to GDP edged up to 19% compared with 18,5% in 2002. Real gross fixed capital formation has expanded in an accelerated fashion for four consecutive years.

## Price inflation

Consumer Price Inflation rose from 5,4% in 2000 to 5,7% in 2001, and 10,1% in 2002. Consumer Price Index excluding mortgage rates (CPIX) accelerated from 6,6% in 2001 to 10% in 2002, reaching 11,2% in March 2003.



Since September 2003, monetary policy in South Africa has succeeded in maintaining CPIX inflation within the specified 3% to 6% target range. This was achieved less than a year after inflation had peaked at over 11% in November 2002. This success was a result of the monetary policy reaction to the inflation surge in 2002 following the depreciation of the Rand in late 2001, as well as other favourable developments, both domestically and internationally.

## Exchange rates

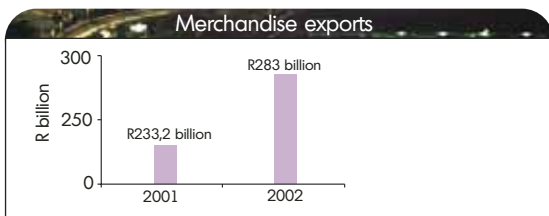
The weighted exchange rate of the Rand, which appreciated by 24,2% between the end of December 2001 and the end of December 2002, improved further by 16,2% between the end of December 2002 and the end of December 2003.

The net average daily turnover in the domestic market for foreign exchange, which had increased to US\$10,6 billion in the third quarter of 2003, rose to US\$11,3 billion in the fourth quarter of 2003 – its highest level to date.

## Foreign trade and payments

The South African economy weathered turbulent global economic conditions well in 2002/03.

While the current account of the balance on payments reverted from a surplus of R6,7 billion in 2002 to a deficit of R10,1 billion in 2003, it was still well within the boundaries



Source: Department of Trade and Industry

of sustainability, being equal to 0,3% of GDP. The deterioration in the current account of the balance of payments was due to a decline in the value of merchandise and gold exports, which outstripped the decline in the value of merchandise imports.

Consequently, the trade balance recorded a surplus of R28,5 billion in 2003, compared with a surplus of R48,9 billion in 2002. The value of merchandise exports declined throughout 2003 and for the year as a whole, the nominal value of merchandise exports declined by 10,6% to R256 billion from R286,4 billion in 2002.

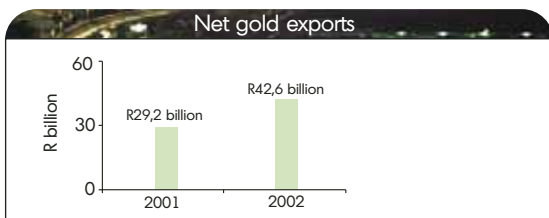
The Rand prices of exported goods decreased on average by 11,7% in 2003, mainly due to a decline in the weighted exchange rate of the Rand.

Since 1994, the Rand value of South Africa's exports as well as imports of manufactured goods has grown steadily. South Africa's export base is diversifying rapidly, with notable successes in processed agricultural goods, automobiles and industrial machinery.

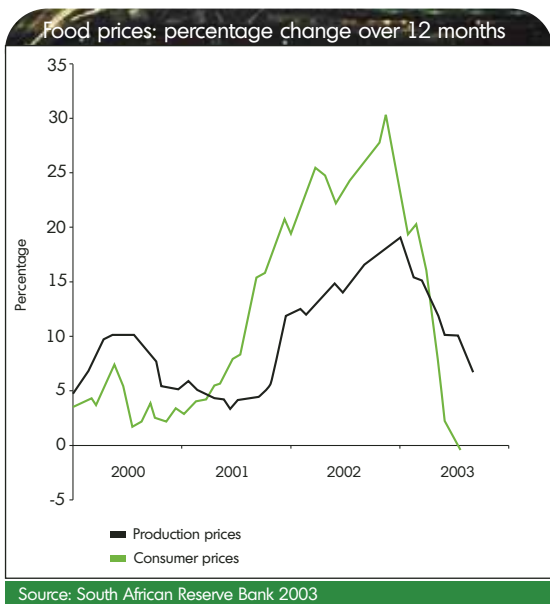
## Trade relations

### Africa

South Africa's economy is inextricably linked to that of the southern African region, and its continued growth to the economic recovery of the continent through the New Partnership for Africa's Development (NEPAD). In 2002,



Source: Department of Trade and Industry



16% of South Africa's exports went to the rest of the continent. Africa only accounted for 4% of South Africa's imports. However, this trade imbalance has largely been offset by South African investment into the rest of Africa, most of it aimed at infrastructural development.

### **Southern African Development Community (SADC)**

The centrepiece of South Africa's foreign economic policy is the SADC. Within the SADC, South Africa, Botswana, Lesotho, Namibia and Swaziland have organised themselves into the Southern African Customs Union (SACU). SACU shares a common tariff regime without any internal barriers. Trade with SADC countries increased significantly, from R16 billion to approximately R32 billion, between 1998 and 2002.

## Europe

Europe is the largest source of investment for South Africa and accounts for almost half of South Africa's total foreign trade. In 2001/02, manufactured exports to Europe grew by 19,8%. The United Kingdom is the third largest trading partner and the largest foreign investor in South Africa. Germany is South Africa's second biggest trading partner. The Netherlands is the fifth largest destination for South African exports and the fifth largest investor in South Africa.

The historic Trade, Development and Co-operation Agreement, which was provisionally implemented in January 2000, established a free trade agreement between South Africa and the European Union (EU). South Africa will grant duty-free access to 86% of EU imports over a period of 12 years, while the EU will liberalise 95% of South Africa's imports over 10 years.

## United States of America (USA)

The USA is South Africa's number one trading partner in terms of total trade. Exports to the USA rose in nominal terms from R30 billion in 2001 to R35 billion in 2002. Imports from the USA increased in nominal terms from R25 billion to R31 billion from 2001 to 2002. South Africa is a beneficiary of the USA's Generalised System of Preferences (GSP), which grants duty-free treatment for more than 4 650 products, and of the Africa Growth and Opportunity Act, in terms of which an additional 1 783 products were added to the existing GSP products, until September 2008.

## Latin America

South Africa's major trading partners in South America are Brazil, Argentina, Chile, Mexico and Peru. South Africa and the MERCOSUR states signed a Framework Agreement in 2000 which commits them to working towards a free trade agreement. Trade between South Africa and MERCOSUR grew from R2,7 billion in 1994 to R6 billion in 2000.

## Asia

Between 1995 and 2002, trade with the Indian Ocean Rim Association for Regional Co-operation accounted for 14% of South Africa's global trade. Trade with India has grown particularly rapidly, now standing at over US\$2 billion.

In south-east Asia, South Africa's strongest ties are with Malaysia, today its second largest investor. Japan is South Africa's biggest trading partner in Asia and its fourth largest overall. At the end of 2002, total trade between the two countries stood at R43,9 billion. In 2002, bilateral trade with South Korea was worth over R10 billion, and with the People's Republic of China, more than R19 billion, a 40% rise over 2001.

## Economic transformation

### Small is big

The Government's National Strategy for Small Business aims to boost small enterprises, equalise income and wealth and create long-term jobs. Fostering entrepreneurship among women is a particular focus.

A single enterprise development agency will be established to provide more effective and accessible non-financial support to small enterprises through the merger of the Ntsika Enterprise Development Agency and the National Manufacturing Advisors Centres. Other agencies provide finance to new enterprises, and advice on entering the export market.

### National Empowerment Fund (NEF)

The NEF was launched in May 2004 to finance Black Economic Empowerment (BEE) businesses and reduce the real risk by developing creative and unique products that respond appropriately to the circumstances faced by black businesses.

## Our Economy

- The JSE Securities Exchange is one of the 15 largest stock exchanges in the world.
- South Africa's banking sector and data security is rated amongst the top 10 of the world.

## Our Government

- South Africa rates 3rd in the world in terms of management of public finance.
- South Africa has the 15th most efficient government in the world.

## Our Business Leadership

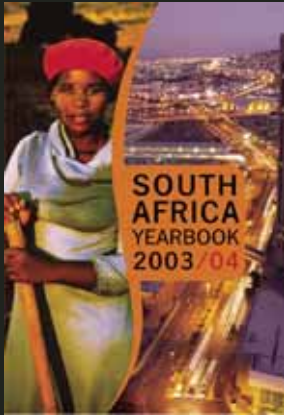
- South Africa ranks 3rd in the world with regards to social responsibility of business leaders.
- South Africa rates 8th in the world with regards to employee training.

## Our Infrastructure

- South Africa has the lowest cost of electricity in the world.
- South Africa's road infrastructure quality is ranked 3rd in the world.

To find out more unbelievable South African facts, go to [www.southafrica.info](http://www.southafrica.info)





# SOUTH AFRICA YEARBOOK 2003/04

**738 pages; full-colour photographs  
includes bookmark and detachable map**

South Africa Yearbook 2003 / 2004 is published by STE on behalf of the Government Communications and Information System (GCIS).

An annual publication, the SA Yearbook provides a comprehensive reference on all aspects of the country including: development, the land and its people, agriculture, arts and culture, communications, economy, education, finance, foreign relations, government systems, health, housing, minerals and energy, safety, security and defence, science and technology, sport and recreation, tourism, transport, water affairs and forestry.

**A valuable tool for South Africans and visitors alike.**

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[book.sales@ste.co.za](mailto:book.sales@ste.co.za)**



The Incubator Programme aims to provide sustainable work opportunities for black construction businesses of a significant size, with projects worth R2 million to R25 million being identified.

The Department of Trade and Industry and the National Treasury have agreed on an initial capitalisation of R2 billion for the NEF. Further work will be done to access additional resources based on the development of new products for the market.

The NEF will be guided by market principles. It will not offer free money to BEE firms and will operate with strict principles of recouping loans and other finance. The fundamental difference between the NEF and the existing finance institutions is its approach to evaluating the businesses, the scope of business sizes that it will be financing, and the range of products that it will have.

### Industrial Development Corporation (IDC)

Over the last five years, the IDC has facilitated the creation of 70 000 jobs and approved projects responsible for generating more than R20 billion per annum in export earnings.

The IDC also facilitated investments of more than R21 billion in South Africa, and provided loan finance to the value of R1,4 billion to historically disadvantaged businesses.

### Business Partners Ltd

Business Partners Ltd is a specialist investment group, providing customised investment, mentorship and property management services to small and medium enterprises in South Africa.

### State-owned Enterprises (SOEs)

The Department of Public Enterprises ensures that SOEs play a upliftment and development role.

At the beginning of September, government will

A community in Mpumalanga, which has been assisted to develop a successful lemon orchard, recently secured a contract from Coca-Cola.

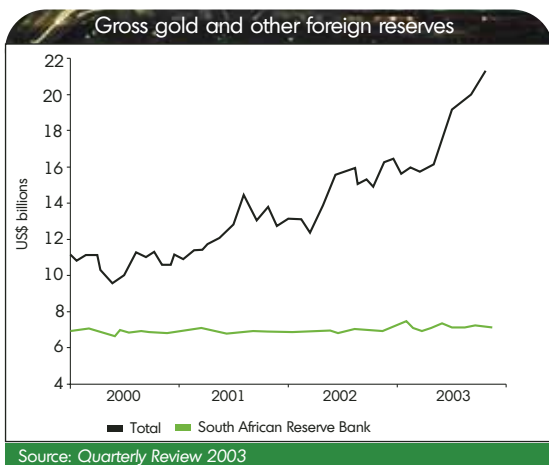
announce the detailed and enhanced investment plans of the SOEs, including the financial development institutions. In 2002, government carried out 11 SOEs restructuring transactions, bringing the number of transactions concluded since 1997 to 27.

By mid-2003, total proceeds amounted to R35,5 billion. Income for 2002 was R8,126 billion; R4,1 billion of which was generated from the listing of telecommunications company Telkom.

It was announced in June 2004 that Eskom, Transnet and Denel will remain as SOEs.

## Public Works programmes

The national Public Works Programme was implemented through the Community-Based Public Works Programme (CBPWP) and the Construction Industry Development Programme.





Since the launch of the Strategic Empowerment Programme for Women in Construction in August 2001, some R188 million worth of construction-related work involving more than 79 projects have been awarded to women-owned enterprises.

Projects in 2003 included work by 400 workers on the R19-million Repair and Maintenance Project at the Leeuwkop Prison, north of Johannesburg. The R16-million repair phase was completed in March 2003.

A total of 560 CBPWP projects were implemented in the 2002/03 financial year, employing 13 982 rural workers.

The CBPWP was discontinued at the beginning of the 2004/05 financial year. Allocations for poverty relief, which previously formed part of the CBPWP, were amalgamated into the Municipal Infrastructure Grant (MIG) under the Department of Provincial and Local Government.

As part of this Programme, 14 Multi-Purpose Community Centres had been established by June 2003. These Centres, together with Community Production Centres, create sustainable employment.

### Expanded Public Works Programme (EPWP)

Government launched the EPWP in May 2004. It is the largest job-creating initiative to be undertaken by government: to create one million jobs over the next five years through delivering certain types of infrastructure projects and other services using people rather than machines.

Municipalities and provinces will mainly deliver this Programme. Projects will include the construction of rural

Between 1999 and 2003, the Community-Based Public Works Programme and other construction initiatives of the Department of Public Works had:

- created 106 000 temporary jobs
- employed 39 125 women
- employed 41 323 youths
- employed 2 249 people with disabilities.

### Multi-Purpose Community Centres (MPCCs)

Since 1999, just under R20 million has been used by the Department of Public Works in the procurement of 15 of the 46 MPCCs currently rolled out nationally by the Government Communication and Information System. Eastern Cape and KwaZulu-Natal received six each, while three were built in Limpopo.

Source: Minister of Public Works, Stella Sigcau's Parliamentary Briefing, February 2004

or low-volume roads, water and sanitation trenches and sidewalks. In addition, government will step up spending on the maintenance of schools, clinics and other government buildings. EPWP projects will also be launched in the area of home-based care for people affected by HIV and AIDS, child-care projects, and in environmental projects like Land Care and clearing alien vegetation from river banks.

While most of the jobs created will be for a limited period, people employed will receive basic training that will allow them to find jobs in future. Government will be spending almost R20 billion on this Programme over the next five years.



## Provinces

The surface area of South Africa is 1 219 090 km<sup>2</sup>, divided into nine provinces, each with its own unique landscape, economic activities, people and attractions. Few, if any other countries, offer the visitor as much breathtaking beauty and astonishing variety.

Each province has its own legislature, premier and executive council. The provinces are: Western Cape, the Eastern Cape, KwaZulu-Natal, Northern Cape, Free State, North West, Gauteng, Mpumalanga and Limpopo.

### Western Cape

This is a region of majestic mountains; well-watered valleys; wide, sandy beaches and breathtaking scenery.

Cape Town, the legislative capital, is one of the world's most beautiful cities and is a must for every tourist. Other important towns in the province include Worcester and Stellenbosch in the winelands; George, renowned for



**WESTERN CAPE**

**Capital:** Cape Town

**Principal languages:** Afrikaans 55,3%  
isiXhosa 23,7%  
English 19,3%

**Population:** 4 740 981 (*Mid-year estimates, 2003*)

**Area (km<sup>2</sup>):** 129 370

**% of total area:** 10,6%

**GDPR\* at current prices (2002):** R159 623 million

**% of total GDP\*\*:** 14,2%

\* GDPR (Gross Domestic Product by Region)

\*\* GDP (Gross Domestic Product)

indigenous timber and vegetable produce (and, nowadays, for world-class golf courses); and Oudtshoorn, known for its ostrich products and the celebrated Cango Caves.

## Provincial economy

The agricultural sector accounts for over 55% of all South African agricultural exports; fruit and wine from the Cape are enjoyed around the world, as is seafood from the province.

The Western Cape's share of the national economy grew to 14,2% in 2002. Financial and business services are strong contributors to the provincial economy while information technology is set to become an important source of growth.



FACT

The Western Cape's *fynbos* is one of six floral kingdoms worldwide, with more plant species than the whole of Europe.

## Some tourist must-do's:

- Robben Island, the Apartheid island museum in Table Bay off Cape Town
- Table Mountain, seen from the spectacular, modern cableway
- the National Botanical Gardens at Kirstenbosch
- whale-watching at Hermanus
- a wine-tasting tour of the spectacular winelands.

## Eastern Cape

The Eastern Cape, a land of undulating hills, endless sandy beaches, majestic mountain ranges and deep green forests, is the second largest of the nine provinces. The region ranges from the dry, desolate Great Karoo to the lush forests of the Wild Coast and the Keiskamma Valley, and the mountainous southern Drakensberg region.

## EASTERN CAPE

**Capital:** Bisho**Principal languages:** isiXhosa 83,4%  
Afrikaans 9,3%  
English 3,6%**Population:** 6 503 201 (*Mid-year estimates, 2003*)**Area (km<sup>2</sup>):** 169 580**% of total area:** 13,9%**GDPR at current prices (2002):** R88 032 million**% of total GDP:** 7,9%

## Provincial economy

The Eastern Cape has excellent agricultural and forestry potential. The fertile Langkloof Valley has enormous deciduous fruit orchards, while the Karoo interior is an important sheep-farming area.

The metropolitan economies of Port Elizabeth and East London are based primarily on manufacturing, the most important being motor manufacturing. The Coega Industrial Development Zone near Port Elizabeth is one of the biggest initiatives ever undertaken in South Africa. A deepwater port at Coega is under development and the first ship will be able to dock there by September 2005.

## FACT

The Eastern Cape's booming ostrich industry earns the province R94,4 million a year.

## Some tourist must-do's:

- Grahamstown, the City of the Saints, a historical, educational and religious centre
- the endless golden beaches of Port Alfred and Kenton
- a walking tour of the Wild Coast
- the pachyderms of the Addo Elephant National Park.

## KwaZulu-Natal

South Africa's garden province boasts a lush subtropical coastline, sweeping savannah in the east, and the magnificent



## KWAZULU-NATAL

**Capital:** Pietermaritzburg

**Principal languages:** isiZulu 80,9%  
English 13,6%  
Afrikaans 1,5%

**Population:** 9 761 032 (Mid-year estimates, 2003)

**Area (km<sup>2</sup>):** 92 100

**% of total area:** 7,6%

**GDPR at current prices (2002):** R183 094 million

**% of total GDP:** 16,3%

Drakensberg mountains in the west. The warm Indian Ocean washing its beaches makes KwaZulu-Natal one of the country's most popular holiday destinations. Some of South Africa's best-protected indigenous coastal forests are found along the subtropical coastline.

The bustling metropolis of Durban has one of the 10 largest ports in the world.

### Provincial economy

KwaZulu-Natal was the second highest contributor to the South African economy in 2002, at 16,3% of GDP. Sugar-cane plantations form the mainstay of the agricultural economy. Other important agricultural contributors are dairy, fruit and vegetables, and forestry.

#### FACT

KwaZulu-Natal is the only province with a monarchy provided for in its legislation.

### Tourist must-do's:

- the 19th-century battlefields where imperial Britain clashed with the Zulu nation
- Durban's fascinating mix of East and West
- dolphin-spotting on the coast between the Umdloti and Tugela rivers
- experiencing Zulu traditions and culture at authentic villages
- deep-sea fishing off Sodwana Bay
- hiking in the magnificent Drakensberg mountains.



NORTHERN CAPE

**Capital:** Kimberley

**Principal languages:** Afrikaans 68,0%  
Setswana 20,8%  
isiXhosa 6,2%

**Population:** 818 848 (Mid-year estimates, 2003)

**Area (km²):** 361 830

**% of total area:** 29,7%

**GDPR at current prices (2002):** R22 546 million

**% of total GDP:** 2,0%

## Northern Cape

The Northern Cape lies to the south of the mighty Orange River, which provides the basis for a healthy agricultural industry. Away from the Orange the landscape is characterised by vast arid plains with outcroppings of haphazard rock piles.

The province is renowned for its spectacular display of spring flowers which, for a short period every year, attracts thousands of tourists.

### Provincial economy

Mining, particularly the production of diamonds and iron ore, dominates the economy. The province is also rich in asbestos, manganese, fluorspar and marble. Strong growth areas include game farming and food production.

FACT

The Big Hole in Kimberley is the largest hand-dug excavation in the world.

### Tourist must-do's:

- the Kalahari Gemsbok National Park, which, together with the Gemsbok National Park in Botswana, forms Africa's first transfrontier game park, the Kgalagadi Transfrontier Park
- the Fish River Canyon in Namibia is the second largest canyon in the world
- the Augrabies Falls, among the world's greatest cataracts
- the Sol Plaatje Museum in Kimberley.

# TOUCHING peoples' LIVES



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## Free State

The Free State lies in the heart of South Africa. Between the Vaal River in the north and the Orange River in the south, this immense rolling prairie stretches as far as the eye can see.

The capital, Bloemfontein, houses the Supreme Court of Appeal, a leading university and some top schools.



FREE STATE

**Capital:** Bloemfontein

**Principal languages:** Sesotho 64,4%  
Afrikaans 11,9%  
isiXhosa 9,1%

**Population:** 2 738 231 (*Mid-year estimates, 2003*)

**Area (km<sup>2</sup>):** 129 480

**% of total area:** 10,6%

**GDPR at current prices (2002):** R64 310 million

**% of total GDP:** 5,7%

### Provincial economy

Mining, particularly gold, is the biggest employer, followed by manufacturing. A gold reef of over 400 km stretches across Gauteng and the Free State. The province accounts for 30% of South Africa's total gold production, as well as contributing significant amounts of silver, bituminous coal and diamonds. The Free State has cultivated land covering 3,2 million ha. Field crops yield almost two-thirds of the province's agricultural income, with most of the balance being contributed by animal products.

FACT

The Free State is the third biggest province but has the second smallest population.

### Tourist must-do's:

- the sandstone formations at Golden Gate
- the spectacular scenery of the town of Clarens
- the King's Park Rose Garden in Bloemfontein

- the Basotho Cultural Village in the QwaQwa National Park
- the desolate beauty – and watersports – of Sterkfontein Dam.

## North West

North West borders Botswana, fringed by the Kalahari Desert in the west, and the Witwatersrand in the east. A province of varied attractions, North West is home to some of South Africa's most visited national parks, the celebrated Sun City and Lost City resorts, picturesque dams and dense bush.



**Capital:** Mafikeng

**Principal languages:** Setswana 65,4%  
Afrikaans 7,5%  
isiXhosa 5,8%

**Population:** 3 791 984 (*Mid-year estimates, 2003*)

**Area (km²):** 116 320

**% of total area:** 9,5%

**GDPR at current prices (2002):** R73 520 million

**% of total GDP:** 6,6%

### Provincial economy

North West is, thanks to platinum in particular, the dominant province in terms of mineral sales, which contribute 25,6% to the provincial economy. Diamonds are also mined here. Manufacturing activities include fabricated metals, food and non-metals. North West is South Africa's leading producer of white maize. Some of the world's largest cattle herds are found in the area around Vryburg.

#### FACT

The Rustenburg-Brits region is the largest single platinum-production area in the world.

### Tourist must-do's:

- Mafikeng, site of the Anglo-Boer War siege

- the *mamapoer* (moonshine) country of Groot Marico
- entertainment, gaming and sports at Sun City and the Palace of the Lost City
- a game drive or walk in Madikwe Game Reserve, home to 10 000 animals
- spotting the Big Five in the Pilanesberg National Park.

## Gauteng

Although geographically the smallest of the nine provinces, Gauteng (Sotho word for 'the place of gold') contributes more than a third of South Africa's GDP.

The main cities are Johannesburg, the biggest city in southern Africa, and Pretoria, the administrative capital of the country. First-time visitors to Gauteng (the Johannesburg International Airport is the main international gateway) are invariably struck by the sophistication of the province's infrastructure and the businesslike attitude of its people.

|                                                                                                  |                                                         |
|--------------------------------------------------------------------------------------------------|---------------------------------------------------------|
|  <b>GAUTENG</b> | <b>Capital:</b> Johannesburg                            |
|                                                                                                  | <b>Principal languages:</b> isiZulu 21,5%               |
|                                                                                                  | Afrikaans 14,4%                                         |
|                                                                                                  | SeSotho 13,1%                                           |
|                                                                                                  | English 12,5%                                           |
|                                                                                                  | <b>Population:</b> 9 415 231 (Mid-year estimates, 2003) |
|                                                                                                  | <b>Area (km<sup>2</sup>):</b> 17 010                    |
|                                                                                                  | <b>% of total area:</b> 1,4%                            |
|                                                                                                  | <b>GDP at current prices (2002):</b> R379 374 million   |
|                                                                                                  | <b>% of total GDP:</b> 33,8%                            |

### Provincial economy

Manufacturing, financial and business services and logistics make Gauteng the economic powerhouse of southern Africa. Success in attracting value-added new-economy investment is borne out by the burgeoning high-tech corridor in Midrand.

Gauteng has a greater proportion of its labour force in professional, technical, managerial and executive positions than any other province. Johannesburg houses the JSE

Securities Exchange, the largest in Africa. Hundreds of leading local companies have their head offices here, as do the regional operations of many multinationals.

FACT

Gauteng is the wealthiest province in South Africa, generating 33,8% of South Africa's GDP.

### Tourist must-do's:

- Soweto, home to two million and site of much of the anti-Apartheid struggle
- Pretoria in spring when some 50 000 jacaranda trees turn the city purple
- the Cradle of Humankind, the richest source of pre-hominid fossils on the planet
- bustling, funky downtown Johannesburg, city of gold.

## Mpumalanga

Mpumalanga (place where the sun rises) is bordered by Mozambique and Swaziland in the east, and Gauteng in the west. It is situated mainly on high plateau grasslands which roll eastwards for hundreds of kilometres. In the north-east, the province rises towards mountain peaks and then terminates in an immense escarpment. In some places, this escarpment plunges hundreds of metres down to the low-lying Lowveld, home to the Kruger National Park.



MPUMALANGA

**Capital:** Nelspruit

**Principal languages:** siSwati 30,8%  
isiZulu 26,4%  
isiNdebele 12,1%

**Population:** 3 246 729 (Mid-year estimates, 2003)

**Area (km<sup>2</sup>):** 79 490

**% of total area:** 6,5%

**GDPR at current prices (2002):** R77 835 million

**% of total GDP:** 6,9%

## Provincial economy

Mpumalanga combines mining and heavy industry with the cultivation of citrus, tropical and subtropical fruits and extensive forests. The southern hemisphere's three biggest power stations are located in the province, supplied by the Witbank coalfields which are among the most extensive in the world. Middelburg is a major steel producer and Secunda has a key oil-from-coal installation.


**FACT**

The town of Sabie is in the centre of the world's largest man-made commercial forest.

### Tourist must-do's:

- Kruger National Park and its ultra-luxurious, privately owned adjoining lodges
- the spectacular Mac Mac Falls outside Sabie
- the well-preserved gold-rush towns of Pilgrim's Rest and Barberton
- the stunning scenery of the Blyde River Canyon
- spectacular scenery at God's Window
- the historic train ride between Waterval-Boven and Waterval-Onder.

## Limpopo

In the extreme north of South Africa, Limpopo is a province of dramatic contrasts: bush, mountains, indigenous forests and plantations. Well-situated for economic growth and investment with other parts of southern Africa, between 1995 and 2001 the province recorded the highest real economic growth rate in South Africa. The greater part of the Kruger National Park is located within Limpopo.

## Provincial economy

Limpopo is rich in minerals, including copper, asbestos,



**Capital:** Polokwane

**Principal languages:** Sepedi 52,1%  
Xitsonga 22,4%  
Tshivenda 15,9%

**Population:** 5 413 586 (Mid-year estimates, 2003)

**Area (km<sup>2</sup>):** 123 910

**% of total area:** 10,2%

**GDPR at current prices (2002):** R72 562 million

**% of total GDP:** 6,5%

coal, iron ore, platinum, chrome, diamonds and gold. While exports are mostly primary products, the province is rich in resources particularly in tourism, agriculture and minerals. Cattle ranching is frequently combined with hunting. Tropical and citrus fruits are extensively cultivated while tea, coffee and forestry are important economic contributors.

**FACT**

Mapungubwe Cultural Landscape, a flourishing Iron Age metropolis, is South Africa's fifth World Heritage site.

### Tourist must-do's:

- the unforgettable bushveld scenery of the Waterberg
- fun and relaxation in the mineral baths of Bela-Bela
- the Big Tree (the biggest baobab in southern Africa)
- the springs of Tshipise which attract a million visitors a year
- the Modjadji Nature Reserve.



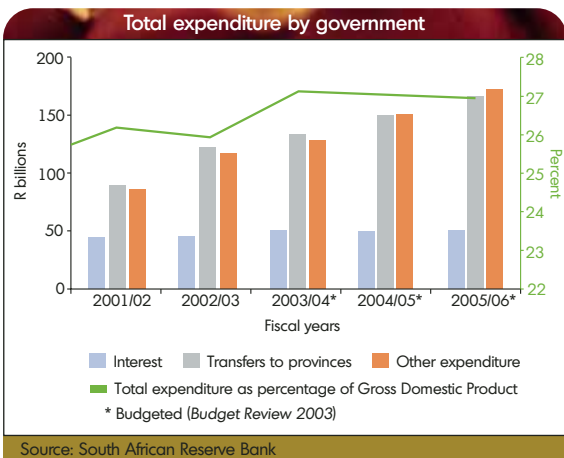
## National finances

South Africa's debt, both domestic Rand-denominated bonds and foreign debt issues, enjoys increasing recognition on international capital markets.

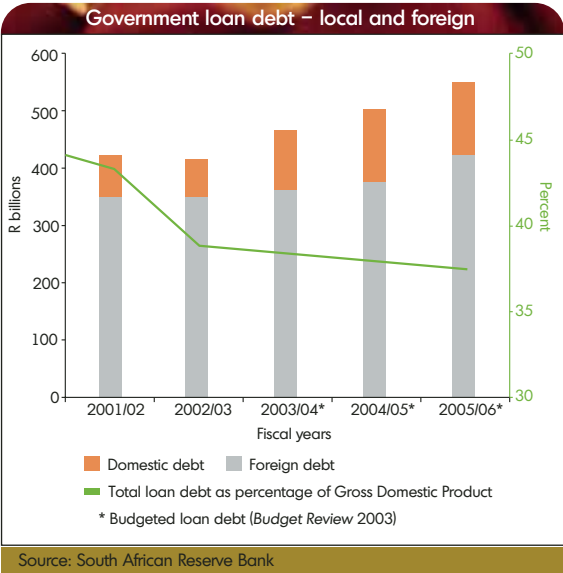
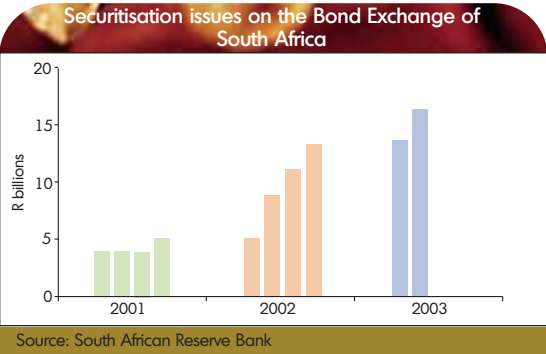
This reflects:

- the country's macro-economic success
- sustainable fiscal and macro-economic policies
- a sound and transparent approach to debt management
- a healthy balance of payments position
- the maturity of South Africa's financial markets.

South African foreign debt continues to trade at tighter spreads than the Emerging Market Bond Index.



The primary objective of domestic debt management has in recent years shifted to reducing the cost of debt to within acceptable risk limits, with diversification of funding instruments and ensuring flexible government



access to markets as secondary goals. Recourse to foreign borrowing has been stepped up, allowing the fiscus to contribute to reducing the foreign currency exposure of the South African Reserve Bank in its forward market portfolio.

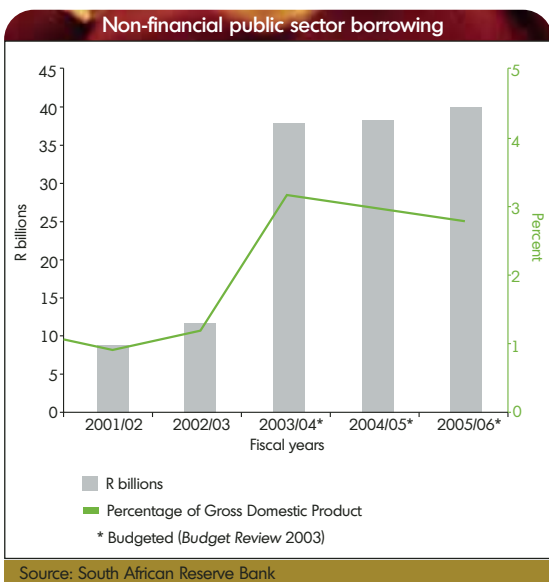
State debt costs continue to fall as a share of government expenditure. This share was projected to be 4,1% of Gross Domestic Product (GDP) in 2003/04 and is expected to decrease to 3,8% of GDP in 2005/06.

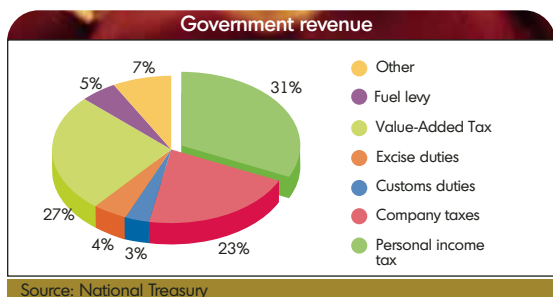
The liquidity in the domestic government bond market, measured by the increase in nominal trades, has improved substantially in recent years.

## Financial markets

### Primary capital market

By 31 March 2003, the Bond Exchange of South Africa





(BESA) had granted listings to 272 bonds issued by 43 borrowers, with a total nominal value of R442 billion. Approximately 60% of this debt was issued by central government.

Public-sector borrowers reduced their outstanding domestic marketable bond debt in the first 11 months of the 2002/03 financial year. Net redemptions of fixed-interest securities amounted to R4,2 billion from April 2002 to February 2003, compared with net redemptions of R15,2 billion in the same period of 2001/02.

In contrast, the outstanding nominal value of private-sector loan stock listed on BESA increased rapidly in 2002, from R28,9 billion in June 2002 to R40,9 billion in March 2003.

Government raised R10,7 billion through foreign-currency denominated debt issues in the international bond markets in 2002/03, compared with R12,4 billion in 2001/02.

## Secondary capital-market activity

The monthly average yield on long-term government bonds increased from 10,3% in November 2001 to 12,6% in March 2002. By the end of March 2002, the market settled down and the monthly average yield on long-term government bonds declined to 9,9% in February 2003, its lowest level since 1980. The decline in bond yields was the result of, among others, the appreciation of the Rand and

## FACT

The Auditor-General has the resources to implement its wide-ranging brief – it has 1 448 staff and a budget of R589,7 million.

the improved near-term outlook for inflation. However, the bond market rally lost momentum from the beginning of March 2003.

Trading activity on BESA declined by almost 2% from a record R12,4 trillion in 2001 to R12,2 trillion in 2002.

## Managing public finances

The Public Finance Management Act, 1999, holds heads of departments accountable for the use of resources and emphasises regular financial reporting, independent auditing and measuring output and performance.

State departments are closely monitored by the National Treasury and any deviations are referred to the Auditor-General for investigation.

### Taxation

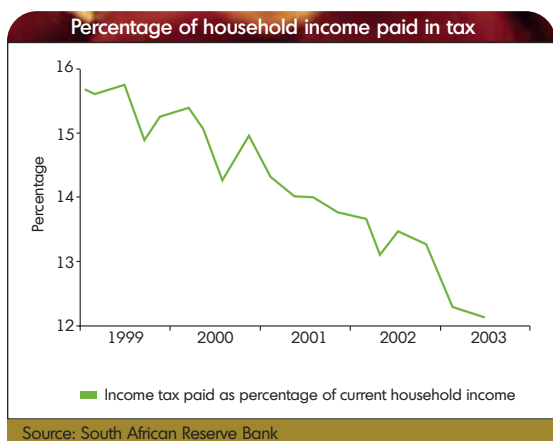
In the 2003/04 financial year, the South African Revenue Service met its revised revenue target of R303,3 billion.

South African residents are (subject to certain exclusions) taxed on their worldwide income. Companies are taxed at a rate of 30%. Capital Gains Tax was introduced in 2001.

Value-Added Tax is levied at a standard rate of 14%. Transfer duty, estate duty, stamp duty, marketable securities tax, customs duty and excise duty are also levied. Local governments levy rates on the value of fixed property.

A skills development levy applies at the rate of 1% of payroll, for employers with an annual payroll of more than R250 000.

The 2004 tax proposals provided for, among others, personal income-tax relief of R4 billion, and eliminated stamp duties on mortgage loans and *ad valorem* duties on recorded music, print film and some cosmetic products.



## Auditor-General

The Constitution guarantees the independence of the Auditor-General. The office audits national, provincial and local government. The Auditor-General has the power to audit the activities of public entities without the approval of the CEO or directors.

## South African Reserve Bank

The Bank, which is independent, formulates and implements monetary policy and regulates the supply of money by influencing its cost.

An important responsibility of the Bank is to ensure that the banking system as a whole is sound and meets the requirements of the community.

The Bank acts as a banker to other banking institutions. It is also the custodian of the statutory cash reserves and provides facilities for the clearing and settlement of inter-bank obligations.

## Monetary policy

The main objective of monetary policy is to secure a stable financial environment. Policy is therefore not applied to address short-term cyclical events.

The National Treasury and the Reserve Bank have set a target of 3% to 6% for the Consumer Price Index excluding mortgage costs (CPIX) for 2002 and 2003. A lower target range of 3% to 5% has been set for 2004 and 2005. In September 2003, inflation fell to within the target range.

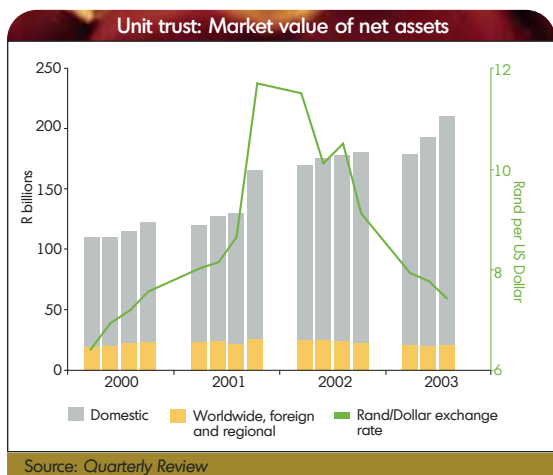
## The banking industry

At the end of December 2002, 42 banks, including 14 branches of foreign banks, were registered with the Office of the Registrar of Banks. Another 52 foreign banks had representative offices in South Africa. The banking institutions collectively employed 115 734 workers at 8 438 branches and agencies.

**Banks' loans and advances by industry**

|                                              | June 2002<br>R billion | June 2003<br>R billion | Percentage<br>change |
|----------------------------------------------|------------------------|------------------------|----------------------|
| Agriculture, forestry & fishing              | 14,3                   | 16,7                   | 17                   |
| Mining                                       | 12,5                   | 13,4                   | 17                   |
| Manufacturing                                | 47,8                   | 41,9                   | -12                  |
| Construction                                 | 7,7                    | 8,5                    | 10                   |
| Electricity, gas & water                     | 10,4                   | 14,6                   | 40                   |
| Trade & accommodation                        | 24,5                   | 26,7                   | 9                    |
| Transport & communication                    | 14,3                   | 15,9                   | 11                   |
| Finance & insurance<br>(including interbank) | 282,8                  | 310,3                  | 10                   |
| Real estate & business<br>services           | 65,4                   | 71,2                   | 9                    |
| Community, social &<br>personal services     | 41,5                   | 31,4                   | -24                  |
| Individuals                                  | 281,0                  | 333,7                  | 19                   |
| Other                                        | 62,2                   | 75,8                   | 22                   |
| <b>Total</b>                                 | <b>864,3</b>           | <b>960,1</b>           | <b>11</b>            |

Source: South African Reserve Bank



Four major groups dominate the South African banking sector, holding 82% of its assets:

- Amalgamated Banks of South Africa (Absa) Group Limited
- Standard Bank Investment Corporation Limited
- FirstRand Holdings Limited
- Nedcor Limited.

Industry-wide net income after tax declined to 0,4% of total assets in 2002. As a percentage of equity, industry-wide net income after tax decreased from 9,2% in 2001 to 5,4% in 2002.

## Insurance companies

On 31 March 2003 there were:

- 96 short-term insurers with total gross premiums for 2002 of R31,5 billion and total assets of R38,6 billion
- 75 long-term insurers with 2002 net premium income of R184,5 billion and total assets of R802,8 billion
- 29 management companies managing the assets of 466 separate unit trusts.

## Development Bank of Southern Africa (DBSA)

The primary purpose of the Bank is to promote economic development and growth, human resource development and institutional capacity-building. The Bank's mandate is focused on infrastructure.

DBSA co-funded projects created 42 000 jobs in 2002/03. Its bank-financed projects added R8,4 billion to GDP in 2002/03.

About 14 organisations act as managers of participation mortgage-bond schemes in South Africa. Investments totalled R3,8 billion on 31 December 2002.



We could fill an entire book with stories of how **the dti** has transformed from an inward bureaucracy-bound institution to a customer-orientated organisation. Or how we have changed the lives of millions of South Africans through our Business Express project and incentives. Perhaps list our achievements. But time is money and that is our interest. Creating economic freedom for all South African citizens.

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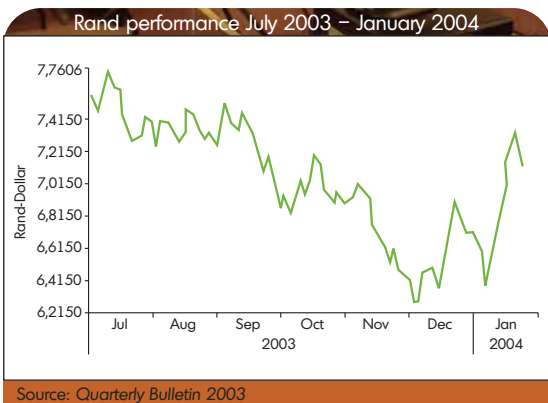
## Doing business in South Africa

While in the past South Africa's economy was characterised by artificial intervention and market manipulation, post-Apartheid growth and economic resilience have been achieved by fostering investment and competition.

Excellent investment opportunities exist in a number of sectors. These include tourism, mining and mineral beneficiation, hi-tech industries and communications, manufacturing, transport and agriculture.

### Policy

In recent years, South Africa has made great strides in opening the domestic economy to international competition.



### Business confidence, average per year

| 1996  | 1997  | 1998 | 1999 | 2000  | 2001  | 2002  | 2003  |
|-------|-------|------|------|-------|-------|-------|-------|
| 100,2 | 101,0 | 97,1 | 94,5 | 100,0 | 106,0 | 104,1 | 119,7 |

November 2003

Source: South African Chamber of Business

Achievements include:

- a market-related and competitive exchange rate
- no restrictions on the type or extent of foreign investments
- strengthening competition policy
- abolishing exchange control for non-residents and a reduction in that applicable to residents
- a significant reduction in tariff barriers, ahead of the World Trade Organisation timetable
- providing world-class investment incentives.

## Attracting investment

Old manufacturing support schemes, such as the Tax Holiday Scheme and the Regional Industrial Development Programme are being replaced with a suite of six incentives, some of which are still being finalised. The components of the suite are:

- Small Medium Manufacturing Enterprise Development Programme
- Skills Support Programme
- Critical Infrastructure Facility
- Industrial Development Zones (IDZs)
- Foreign Investment Grant
- Strategic Investment Programme.

## Trade and Investment South Africa (TISA)

TISA, a division of the Department of Trade and Industry, aims to develop South Africa's industries.

The Micro-Economic Reform Strategy (MRS) proposes micro-economic improvements in priority sectors. With

## Trade in merchandise and services

| Macro-economic stability         | Period               | Quantity                                                        |
|----------------------------------|----------------------|-----------------------------------------------------------------|
| Budget deficit                   | 1993<br>2003         | 9,5% GDP<br>1% GDP                                              |
| Public sector debt               | 1994<br>2003         | 64% GDP<br>50% GDP                                              |
| Net open forward position (SARB) | 1994<br>1998<br>2003 | \$25 billion<br>\$22,5 billion<br>\$0                           |
| Foreign reserves                 | –                    | Risen from<br>1 month's import<br>cover to<br>2,5 month's cover |

Source: *Towards a Ten Year Review*

responsibility for the MRS, TISA's role has been broadened from investment and export promotion to an all-encompassing agenda of sector development.

From March 2003, TISA has been responsible for developing the following priority sectors:

- agroprocessing
- chemical and allied industries
- clothing, textiles, leather and footwear
- cultural industries
- exportable services (business process outsourcing)
- information and communication technologies and electronics
- metals and mineral-based industries
- tourism
- transport industries.

## National Industrial Participation Programme (NIPP)

In terms of the Programme, large government contracts may be awarded to foreign companies supplying appropriate

### FACT

By April 2003, the National Industrial Participation Programme had generated R2 billion worth of investment through 155 projects, translating into R7 billion in local and foreign sales.

During 2002, eight strategic investment projects were approved. Expected investment is R2,4 billion. Tax allowances totalled R1,7 billion. These projects are expected to create 1 458 direct and 8 085 indirect jobs.

technology which would normally represent a drain on foreign reserves and negatively affect local businesses. Contracts worth more than US\$10 million must satisfy industrial participation obligations equal to 30% of the contract value. These obligations may be discharged through investments, subcontracting, export promotion or similar undertakings.

### Spatial development

To encourage investment in geographic areas of greatest poverty and economic potential, 11 Spatial Development Initiatives (SDIs) and four IDZs have been created and are at varying stages of delivery.

Those created are:

- SDIs: Maputo Development Corridor; Lubombo SDI; Richards Bay SDI, including the Durban and Pietermaritzburg nodes; Wild Coast SDI; Fish River SDI; West Coast Investment Initiative; Platinum SDI; Phalaborwa SDI; and Coast-2-Coast Corridor
- IDZs: Gauteng, Coega, East London, Saldanha and Richards Bay.

The SDI concept may have a variety of focuses, such as:

- Industrial – KwaZulu-Natal and Fish River SDIs
- Agritourism – Lubombo and Wild Coast SDIs

Thresholds above which mergers and acquisitions must be reported have been raised. At the same time, merger fees have been significantly reduced, for example, those for large mergers have been halved from R500 000.

- Sectoral mix – Maputo Development Corridor
- IDZs – Coega, Saldanha and East London.

IDZs are located near major transport nodes such as ports or airports. The benefits of IDZs are: support to investing companies, especially for greenfields development projects; access to transport for export; waiver of import duties for export products; and subsidised skills training.

### Coega

In 2001, work started on the Coega Deep Water Harbour and Industrial Development Zone (IDZ) near Port Elizabeth. By the end of March 2003, contracts worth more than R500 million had been awarded for various projects within the IDZ.

Investments committed for the Coega Project – both the IDZ and the deep water port of Ngqura – amount to R5 billion. The French aluminium group Pechiney selected Coega over other sites in Canada and Australia for the first of a new generation of smelters.

## The Enterprise Organisation

The Organisation provides incentives in four key areas for:

- investments that promote higher rates of domestic and foreign direct investment in targeted sectors, through tax incentives and cash grants for investment
- investment in critical economic infrastructure through public-private partnerships
- investments that will create world-class management practices and promote the transfer of important skills and knowledge
- initiatives to promote businesses owned and managed by women and black people.

## Help for exporters

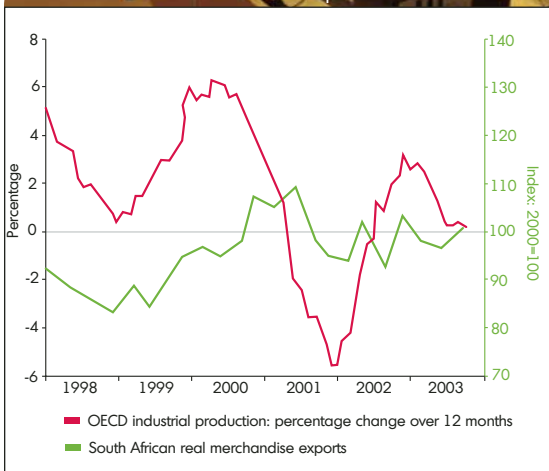
The Export Credit Finance Guarantee Scheme for small and medium enterprises (SMEs) facilitates finance for SMEs that lack working capital for export. Pre- and post-shipment finance of up to R1 million may be obtained for

### FDI in Dollar

|                           | 2002          | 2003          |
|---------------------------|---------------|---------------|
| Foreign direct investment | \$3,8 billion | \$5,5 billion |

Source: BusinessMap Foundation

### OECD industrial production and SA real merchandise exports



Source: Quarterly Review

export orders. Finance is provided by banks and can constitute up to 90% of export orders.

Guarantees are issued by the Credit Guarantee Insurance Corporation and are reinsured by the Department. The exporter has to have assets of less than R5 million, or fewer than 200 employees.

Through the Export Finance Scheme for Capital Projects, exporters can compete internationally by offering prospective overseas buyers competitive repayment rates denominated in US Dollars.

## Venture capital

The Venture Capital Fund is a joint initiative between the Department of Trade and Industry and the Council for Scientific and Industrial Research to provide early-stage capital, and to a lesser extent, expansion capital, for technology-based small, medium and micro enterprises, and management support for investee companies.

## Incubators

The Department of Trade and Industry directly funds four Technology Business Incubators which provide an environment in which technology-based companies are nurtured. These are the:

- Furniture Technology Centre
- National Fibre Centre (specialising in natural fibres)
- Downstream Aluminium Centre for Technology
- Mpumalanga Stainless Steel Initiative.

Other incubators are supported by the European Union and the private sector.

## Competitiveness Fund

The Department of Trade and Industry's Competitiveness Fund was launched in September 2003 to provide grants of up to 50% of entrepreneurs' eligible costs. The Fund committed over R200 million to more than 1 300 companies during its first phase of operation.

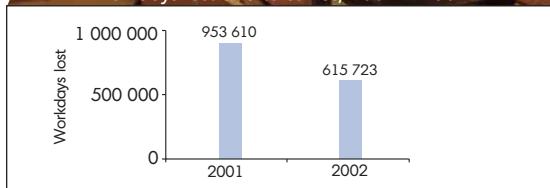
## Employment and skills development

At the June 2003 Growth and Development Summit, government, business, trade unions and community leaders



By February 2004, a skills development strategy had been launched, 25 Sector Education and Training Authorities established, 478 learnership programmes registered and 70 000 learners enrolled. An estimated 29% of workers underwent training in 2002/03.

Workdays lost due to strikes, 2001 – 2002



Source: Department of Labour

recommitted themselves to creating jobs and boosting training. Employers and unions agreed to strengthen the 25 Sector Education and Training Authorities. These government-business-labour organisations were established in March 2000 to identify and meet skills needs in each sector.

## Taxation

Companies are taxed at a rate of 30%. In addition to this, secondary tax is levied on companies at a rate of 12,5% on dividends. A formula tax applies to gold-mining companies. Small-business corporations (annual turnover limit will be increased to R5 million) benefit from a graduated tax rate of 15% on the first R150 000 of taxable income and can write off certain investment expenditure in the year in which it is incurred.

Small businesses also receive double deductions for expenses initially incurred, with respect to a new business, capped at the first R20 000 of available deductions.

## Black Economic Empowerment (BEE)

Government will use a scorecard to measure progress in achieving BEE by various enterprises and sectors, adapted to the particular circumstances of each sector.

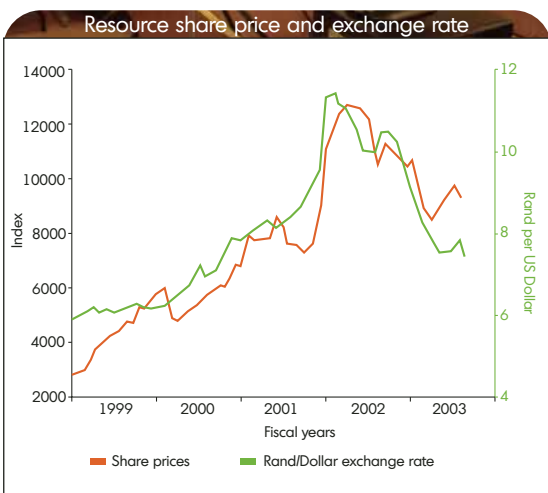
These scorecards will be used when granting licences or concessions, selling assets or entering into public-private partnerships.

Over five years, to December 2002, there was an increase of 39% in empowerment funding. In the first six months of the 2002/03 financial year, R1,2 billion was allocated to fostering BEE.

Black businesses with turnover not exceeding R12 million can qualify for cost-sharing cash incentives under the Black Business Supplier Programme while emerging black contractors are eligible for bridging finance for working capital. Since August 2001, 79 construction projects worth R188 million have been awarded to women-owned businesses.

## Exchange control

The Government is committed to an open capital market and the gradual relaxation of exchange controls. The private individual investment allowance was increased to R750 000 in February 2000. In February 2003, moves towards the



Source: South African Reserve Bank

prudential regulation of institutional investors' foreign investments were announced. These investors are allowed to invest up to 15% of total assets for long-term insurers, pension funds and fund managers, and 20% of total assets for unit-trust companies.

From 2002, the exchange control allowance for South African corporates investing in Africa was increased from R750 million to R2 billion. For investment elsewhere the allowance was doubled to R1 billion.

### JSE Securities Exchange (JSE)

The JSE is the largest securities exchange in Africa and has a market capitalisation several times that of all the other African markets combined.

In 2001, the JSE incorporated the South African Futures Exchange presenting two new divisions – the Financial Derivatives Division, which covers the equity and interest-rate futures and options markets, and the Agricultural Products Division, which covers commodities futures and options.



## Foreign affairs

From being an international pariah just over a decade ago, South Africa has transformed itself into a respected and valued member of the international community which frequently looks to it for leadership.

Representations, April 2004

| South African representation abroad       | Total |
|-------------------------------------------|-------|
| Embassies/High Commissions                | 82    |
| Consulates/Consulates-General             | 16    |
| Honorary Consulates                       | 45    |
| Other (e.g. Liaison Office)               | 4     |
| Non-Resident Accreditation                | 106   |
| International Organisations               | 7     |
| Foreign representation in South Africa    | Total |
| Embassies/High Commissions                | 112   |
| Consulates/Consulates-General             | 54    |
| Honorary Consuls/Honorary Consular Agency | 73    |
| Other (e.g. Liaison Office)               | 1     |
| Non-Resident Accreditation                | 12    |
| International Organisations               | 20    |

Source: Department of Foreign Affairs

## South Africa and Africa

The African Union (AU) was inaugurated in Durban in 2002. The objectives of the AU are, among others, to:

- achieve greater unity and solidarity between African countries and the peoples of Africa

- defend the sovereignty, territorial integrity and independence of its member states
- accelerate the political and socio-economic integration of the continent
- encourage international co-operation, taking due account of the Charter of the United Nations (UN) and the Universal Declaration of Human Rights
- promote peace, security and stability on the continent
- promote democratic principles and institutions, popular participation and good governance
- promote and protect people's rights
- establish the necessary conditions to enable the continent to play its rightful role in the global economy and in international negotiations
- promote sustainable development at economic, social and cultural level, as well as the integration of African economies
- promote co-operation in all fields of human activity to raise the living standards of Africa's peoples
- advance the development of the continent by promoting research in all fields
- work with relevant international partners in eradicating preventable diseases and promoting good health on the continent.

By September 2003, the setting up of the Commission of the AU was in progress. South Africa will be entitled to 22 posts on this body which will support the work of Specialised Technical Committees.

The Pan African Parliament (PAP) was launched on 18 March 2004 in Addis Ababa. South Africa will attempt to host the permanent seal of the PAP.

The AU Peace and Security Council Protocol entered into



South African emergency professionals helped in the aftermath of the devastating earthquakes which struck Algeria and Iran in 2003.



FACT

Within the region, South Africa played a leading role in the negotiating process which led to a peace agreement being signed in Rwanda in October 2003. It was similarly a key player in trying to end hostilities in the Democratic Republic of Congo. Angola's process of reconciliation has been supported with food and humanitarian assistance.

force in December 2003 and consists of 15 member states, five of whom will serve a three-year period and 10 who will serve for a two-year period each.

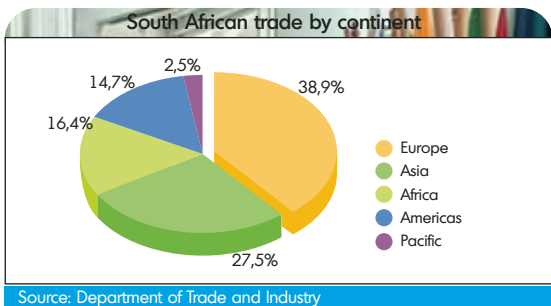
### New Partnership for Africa's Development (NEPAD)

A mandated initiative of the AU, NEPAD's adoption, by virtue of its conception of a development programme placing Africa at the apex of the global agenda, is one of the most important developments of recent times.

South Africa is an enthusiastic supporter of efforts to put NEPAD imperatives into the outcomes of international



Source: Department of Trade and Industry



conferences and multilateral talks. Its representatives sit on the Heads of State and Government Implementation Committee and its Steering Committee. The NEPAD Secretariat's full-time core staff are located in Midrand, near Johannesburg.

### South Africa and the Southern African Development Community (SADC)

An enthusiastic member of the SADC, South Africa envisages the community becoming the foremost regional economic community on the continent.

The aim of the SADC is to provide for regional peace and security, sectoral co-operation and an integrated regional economy. The SADC member states are Angola, Botswana, the Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, the Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.

#### FACT

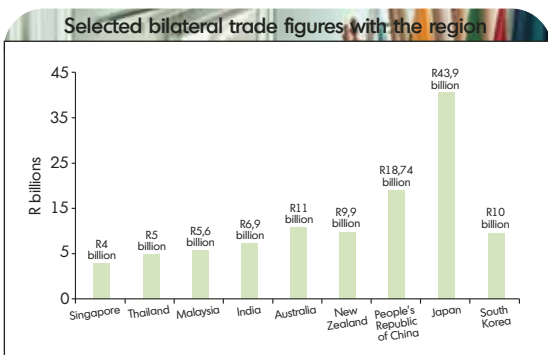
In September 2003, South Africa, Botswana and Namibia signed a Memorandum of Understanding on the development of the Trans-Kalahari Corridor. This followed the completion of a highway linking the three countries with the Namibian port of Walvis Bay.

## Asia and Australasia

Nations in the Asian and Australasian region have 31 Diplomatic, Consular and other Missions in South Africa. Before 1994 there were only three.

Since 1994, South Africa has continued to strengthen its relations with the region through increases in two-way trade; personal exchanges between high-level dignitaries; and the finalisation of new instruments of co-operation in the scientific and technological fields, through technology transfer, investments and overseas development assistance in capacity-building.

For South Africa, as part of the Indian Ocean Rim (IOR), which encompasses the eastern African coastal countries, the Arabian Peninsula, south-east Asia, Australia and the Indian subcontinent, the Indian Ocean Rim Association for Regional Co-operation (IOR-ARC) is considered an important regional economic entity. The IOR-ARC Initiative, currently backed by 19 countries including South Africa, creates an opportunity for countries of the South to serve their economic interests.



Source: Department of Foreign Affairs

### Structure of South African trade: exports



Source: Department of Trade and Industry

## The Middle East

Before 1994, South Africa's diplomatic interests in the region were concentrated solely in Israel. This has changed dramatically, with trade relations with the entire region burgeoning.

In 2001, bilateral trade with the region stood at R35 503 billion, most of it energy imports.

South Africa's leading trade partners in the region are Saudi Arabia, Iran, Kuwait, Qatar, Israel and the United Arab Emirates.

South Africa supports a just, equitable and comprehensive peace process in the Middle East and an end to the illegal occupation of land that has led to conflict and violence between the peoples of the region.

In September 2003, Qatar and South Africa signed an agreement for the development of a large-scale fuel grade



The Development Bank of Southern Africa has established the Africa Partnerships Unit to promote the implementation of NEPAD's vision and to assist the NEPAD Secretariat.

methanol project, targeting an output of 12 000 to 15 000 t per day.

## The Americas

The United States of America (USA) is South Africa's largest trading partner. Total trade was more than US\$7,25 billion in 2001.

Exports to the USA in 2001 under the General System of Preferences Programme through the African Growth and Opportunity Act were worth over US\$400 million.

US President George W. Bush visited South Africa in July 2003.

In November 2003, President Thabo Mbeki paid a State visit to Canada, with that country becoming the first to create a fund to support NEPAD.

In December 2000, a Framework Agreement for the Creation of a Free Trade Area between South Africa and the MERCOSUR bloc was signed.

South Africa maintains formal diplomatic relations with all the Latin American countries.

## Europe

South Africa has 25 Missions in Europe, while these countries are, in turn, represented by more than 50 Embassies and Consulates-General or Trade Missions in South Africa.

Collectively, western Europe is South Africa's largest trading partner and the main source of foreign direct investment and development assistance.

Germany has pledged its firm support for NEPAD, its

|                                            |               |
|--------------------------------------------|---------------|
| <b>Top sources of imports (2002)</b>       |               |
| Germany                                    | R43,2 billion |
| USA                                        | R32 billion   |
| UK                                         | R25,1 billion |
| Japan                                      | R19,1 billion |
| China                                      | R14,3 billion |
| <b>Top five export destinations (2002)</b> |               |
| USA                                        | R35,9 billion |
| UK                                         | R27,6 billion |
| Japan                                      | R24,8 billion |
| Germany                                    | R22,2 billion |
| Netherlands                                | R12,6 billion |
| <b>Trade by economic region</b>            |               |
| EU                                         | 35,8%         |
| Nafta                                      | 13,4%         |
| North-east Asia                            | 12%           |
| SADC                                       | 11,3%         |
| Chinas                                     | 6,3%          |
| Others                                     | 21,2%         |

Source: Department of Foreign Affairs

priority areas being conflict prevention and good governance.

South Africa and the United Kingdom continue to build a special partnership, with Britain showing strong support for NEPAD, the AU and for conflict resolution. Another staunch supporter of NEPAD is France, which demonstrated its commitment to Africa by hosting special summits in 2003.

The Nordic and Benelux countries' involvement in development and civil society has recently strengthened their historically close ties with South Africa and Africa.

In September 2003, Deputy President Jacob Zuma visited the Netherlands and Spain.

In 2002 and 2003, President Mbeki and Deputy President Zuma met with Heads of State or Government as well as

senior Ministers from Italy, Greece, Switzerland, Austria and Sweden.

The European Union (EU) is South Africa's largest trading partner while South Africa ranks as the EU's 15th largest trading partner.

In terms of the SA-EU Trade, Development and Co-operation Agreement (TDCA), which provisionally came into force in January 2000, South Africa will eliminate tariffs on 86% of EU exports within 12 years while the EU will phase out tariffs on 95% of South African exports over 10 years. The TDCA is expected to substantially increase South Africa's trade with Europe.

The European Programme for Reconstruction and Development, with a budget of €127 million, is the single largest foreign-financed development programme in South Africa. From 1995 to 1998, the EU provided 43% of all foreign grant aid to South Africa. Further assistance is supplied through soft loans from the European Investment Bank.

## United Nations

South Africa has consistently appeared on the UN Secretary General's 'Roll of Honour' of countries that pay their dues timeously. President Mbeki represented South Africa at the 58th Session of the UN General Assembly in September 2003.

South Africa will serve as vice-chairperson of the Economic and Financial Committee of the General Assembly. This follows South Africa's chairpersonship of the Special Political and Decolonisation Committee the previous year.

## The Commonwealth

South Africa rejoined the Commonwealth in 1994 after an absence of 33 years. In 1999, South Africa hosted the

Commonwealth Heads of Government Meeting (CHOGM). President Mbeki used CHOGM to strongly argue South Africa's position on development, trade and the African Renaissance.

### **The Non-Aligned Movement (NAM)**

South Africa joined the 115-member NAM in 1994, and chaired the organisation from 1998 to 2003.



## Communications

South Africa boasts an outstanding telecommunications infrastructure and a diversity of print and broadcast media. Telecommunications is the fastest growing industry in South Africa.

### Access

The Department of Communications aims to give ordinary South Africans access to information and infrastructure. This includes:

- telemedicine
- tele-education
- convenience measures such as teleshopping and tele-banking.

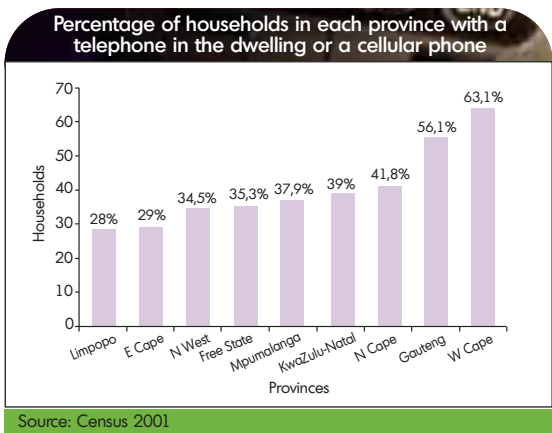
The Telecommunications Amendment Act, 2001 provides for operators, especially black- and women-owned operators, to be licensed in areas with teledensities of less than 5%.

The process to appoint a Second National Operator continues.

### Mobile communications

South Africa is the world's fourth fastest growing cellular communications market. By October 2003, there were 15 million cellular users, a number expected to grow to 21 million by 2006.

The country has three mobile operators: Vodacom, MTN and Cell C.



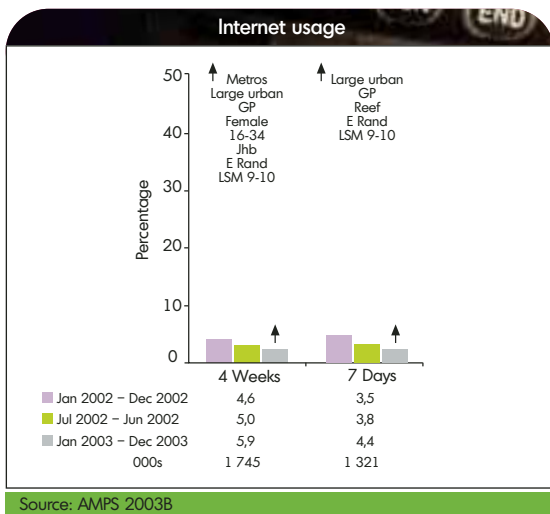
Vodacom, which is 50% owned by Telkom, has 61% of the cellular market, with seven million customers.

MTN has almost five million subscribers and coverage of 900 000 km<sup>2</sup> (including sea), giving access to 94,5% of the population.

The country's third cellular operator, Cell C, began operations in November 2001. By August 2003, Cell C had 1,5 million subscribers.

## Internet

Some 2,89 million South Africans (one out of every 15) had access to the Internet by the end of 2001. The number was expected to grow to around 3,1 million by the end of 2002.



## Bringing communications and services to all the people

In the 2001/02 financial year, 100 Public Internet Terminals (PITs) were established countrywide.

By April 2004, 55 Multi-Purpose Community Centres, at which rural and historically disadvantaged communities can access communications and government services, had been established.

Inside these Centres, telephony and PITs are available. By the end of 2004/05, 18 Citizens' Post Offices will have been established. These Post Offices, mostly in rural areas, will have space dedicated to both traditional and new electronic communications.



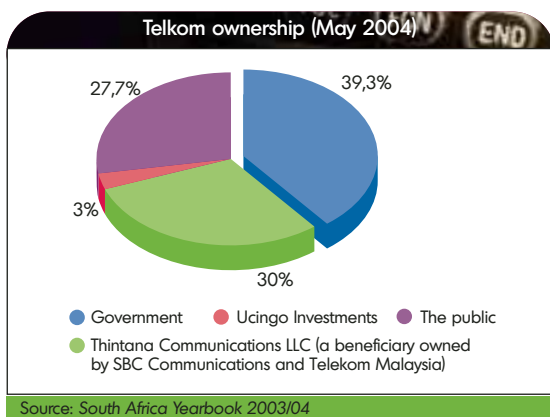
FACT

In 2002/03, the Telkom Foundation's expenditure amounted to R39 million. Some 42% went to Mathematics and Science and Technology education, 32% to empowerment projects, and 11% to other education and training.

## Telkom

On 7 May 2002, Telkom's five years of exclusivity ended, opening the door to competition. During those five years, Telkom transformed itself into a competitive player, providing total communications solutions in the information and communications technology sector.

In 1997, Telkom embarked on an extensive five-year capital-investment programme in the fixed-line business. In the five years up to March 2002, investment in this area was R41,7 billion, of which R27,9 billion was used for network modernisation and line roll-out. Specific targets for extending services were set and mostly exceeded. Since 1997, Telkom has spent R14 billion on meeting empowerment objectives alone.



On 5 March 2003, Telkom listed on the JSE Securities Exchange (JSE) and the New York Stock Exchange. The first day of the listing raised R3,9 billion, making it the biggest initiative so far on government's programme to restructure State-Owned Enterprises, and the second biggest global initial public offering in 2003.

Group revenue grew 10% during 2002/03, reaching R37,6 billion, largely due to a fixed-line tariff increase, but also boosted by growth in Vodacom's mobile customers.

## Postal sector

The Government-subsidised SA Post Office (SAPO) is required to provide a basic letter service that is reasonably accessible to all. The SAPO:

- delivers to an area of more than 1,2 million m<sup>2</sup>
  - uses 2 760 postal outlets and 30 mail processing centres.
- SAPO delivers mail to 6,5 million addresses of which 3,4 million are street addresses.

Since 1999, the SAPO only enjoys a monopoly on letter mail up to 1 kg. In terms of its 25-year licence, SAPO is expected to meet explicit service targets and is monitored by a regulator.

Annually, the SAPO prints more than 384 million stamps and serves stamp collectors and dealers throughout the world.

## The media

The freedom of the press and other media is guaranteed by South Africa's Bill of Rights.

### Broadcasting

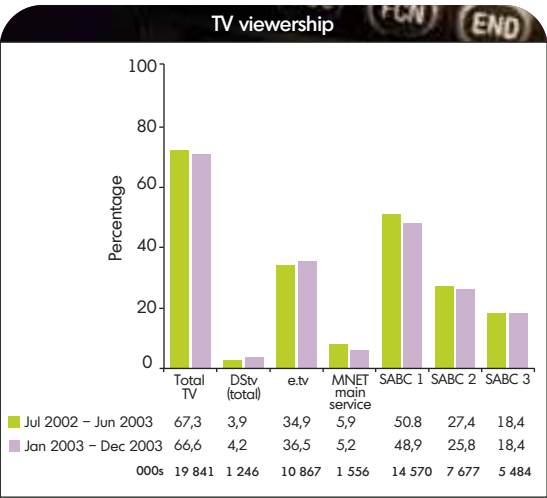
The independence of the public broadcaster, the South African Broadcasting Corporation (SABC), is guaranteed by legislation. The SABC is being corporatised and restructured to better fulfil its mandate.

### Radio

The SABC's national radio network comprises 20 stations with a combined daily audience of 20 million. Radio News has 13 editorial offices and 1 300 correspondents. Targeting the rest of Africa and the Indian Ocean islands, Channel Africa broadcasts in English, French, Kiswahili and Portuguese.

In addition to the SABC, private radio stations licensed by the regulator, the Independent Communications Authority of South Africa, are: Classic FM in Gauteng; Cape Talk MW in the Western Cape; P4, a jazz station in Cape Town; Kaya FM, a multilingual youth radio station in Gauteng; Y-FM, broadcasting in Johannesburg in isiZulu, Sesotho and English; Radio KFM; Radio Algoa; Radio Oranje; Highveld Stereo; Radio 702 in Gauteng; East Coast Radio; and Radio Jacaranda.

In the past 10 years, 94 community radio broadcasting licences and 10 commercial licences have been awarded.



Source: AMPS 2003B

Eighty-eight percent of the rural population listens to the radio in a seven-day period, compared with 79% in 1994.

## Television

South Africa has by far the largest television audience in Africa. There are more than four million licensed television households.

The SABC's national television network comprises four full-spectrum free-to-air channels, two satellite pay-TV channels aimed at audiences in Africa, and Bop-TV, which the SABC runs on behalf of the State. News bulletins are broadcast in all 11 official languages.

In October 1998, the country's first privately owned free-to-air television channel, e.tv, started operations.

M-Net became South Africa's first private subscription television service when it launched in 1986.

Today, it has over 1,2 million subscribers in 49 countries across Africa. It features broad-ranging programming on its two terrestrial channels in South Africa. The main channel focuses on films, sport and general entertainment. The second channel offers sports programming and specialised community channels for specific communities.

Formed in 1995, MultiChoice Africa became the first African company on the continent to offer digital satellite broadcasting. Services include 55 video and 48 audio channels operating 24 hours a day.

## Print

Technically, the local print media rate among the best in the world. However, the recent juniorisation of the newsroom has impacted negatively on most major publications.



FACT

The Institute for Satellite and Software Applications is building a micro-satellite that will be able to scan water and electricity meters from space – saving municipalities millions and giving consumers more accurate accounts.

### Biggest weekly and daily newspapers

| Paper                | Audited circulation Jul – Dec 2002 |
|----------------------|------------------------------------|
| <b>Weekly papers</b> |                                    |
| Sunday Times         | 504 295                            |
| Rapport              | 338 702                            |
| Soccer-Laduma        | 200 645                            |
| City Press           | 188 546                            |
| Die Burger           | 116 370                            |
| <b>Daily papers</b>  |                                    |
| The Star             | 164 364                            |
| Sowetan              | 154 747                            |
| Beeld                | 101 212                            |
| The Citizen          | 80 886                             |
| The Cape Argus       | 78 423                             |

Source: Audit Bureau of Circulation

South African newspapers and magazines are mainly organised into press groups, which have burgeoned as a result of take-overs. The major press groups are Independent Newspapers, Media24, CTP/Caxton Publishers and Printers, and Johnnic Publishing.

Other important media players include Primedia, Nail (New Africa Investments Limited) and Kagiso Media. Nail has unbundled into a commercial company (New Africa Capital) and a media company (New Africa Media).

### Newspapers

In 2003, the newspaper market consisted of:

- 17 dailies
  - seven Sunday newspapers and 24 weeklies
  - 161 local or country newspapers, most of them weeklies.
- The only truly national newspapers are the Sunday newspapers, *Sunday Times*, *Rapport*, *Sunday Independent*, *Sunday Sun* and *City Press*.

### Magazines

Magazine circulations declined by 2% in the second half of 2002 compared with the same period in 2001. There has,

however, been an explosion in the number of titles in recent years, with the business-to-business magazine sector remaining larger than the consumer market.

The major magazine publishers are Media24, Caxton, Johnnic, Associated Magazines and Ramsay Son & Parker.

### Online media

Most of the bigger publications have websites. There are more than 600 'netzines' in South Africa, with at least 16 of them specialising in daily news.

### News agencies

The national news agency, the South African Press Association (SAPA), is a co-operative, non-profit organisation.

The main foreign news agencies operating in South Africa are Reuters, *Agence France-Press*, Associated Press, *Deutsche Presse-Agentur* and United Press International.

| Above the line adspend         |                    |            |                    |            |
|--------------------------------|--------------------|------------|--------------------|------------|
| Category                       | 2002<br>R millions | %          | 2003<br>R millions | %          |
| Daily newspapers               | 1 694,7            | 16,8       | 1 859,9            | 15,7       |
| Weekend newspapers             | 795,2              | 7,9        | 968,3              | 8,2        |
| Community newspapers           | 531,0              | 5,3        | 661,4              | 5,6        |
| Consumer magazines             | 1 033,7            | 10,3       | 1 123,5            | 9,5        |
| Trade, technical,<br>financial | 372,6              | 3,7        | 364,8              | 3,1        |
| Total print                    | 4 427,2            | 43,9       | 4 977,9            | 41,9       |
| TV                             | 3 591,2            | 35,6       | 4 401,9            | 37,1       |
| Radio                          | 1 415,9            | 14,0       | 1 716              | 14,5       |
| Cinema                         | 78,1               | 0,8        | 87,4               | 0,7        |
| Outdoor                        | 427,6              | 4,2        | 518,3              | 4,4        |
| Knock & drop                   | 92,4               | 0,9        | 117,1              | 1          |
| Internet                       | 45,7               | 0,5        | 49,4               | 0,4        |
| <b>Total</b>                   | <b>10 078,1</b>    | <b>100</b> | <b>11 867,9</b>    | <b>100</b> |

Rounding off occurs. Important note: excludes self promotion by TV stations on TV. According to AdEx, TV accounted for R3 591,2 million (35,6%) of the R10 078,1 million spent on media in 2002, compared with R857,6 million in 1991.

Source: AC Nielsen's Ad Ex

**Media diversity**

The independent Media Development and Diversity Agency (MDDA) is jointly funded by government, the media and other donors.

Headed by a nine-member board, the MDDA works to foster diversity, particularly in community and small commercial media, and to redress imbalances in the industry.

**Advertising**

Several South African agencies are active in Africa. Among the top three are McCann-Erickson Africa, Ogilvy Africa and FCB Africa.

The industry is self-regulated by the Advertising Standards Authority.



## Agriculture, forestry and land

South Africa has a dual agricultural economy: a well-developed commercial sector and a predominant subsistence sector. About 13% of the country can be used for crop production. High-potential arable land comprises only 22% of total arable land. Some 1,3 million ha are under irrigation.

Agricultural activities range from intensive crop production and mixed farming to cattle-ranching in the bushveld, and sheep farming in the more arid regions.

### Economic contribution

Primary agriculture contributes about 3% to the Gross Domestic Product (GDP) of South Africa and less than 9% of formal employment. However, there are strong linkages into the economy, so that the agro-industrial sector actually comprises 15% of GDP.

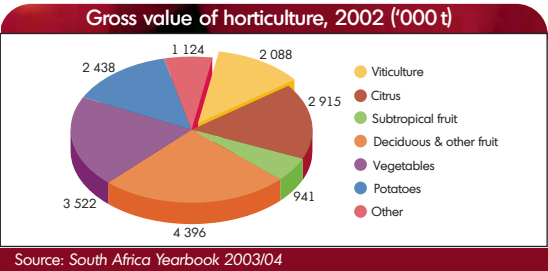
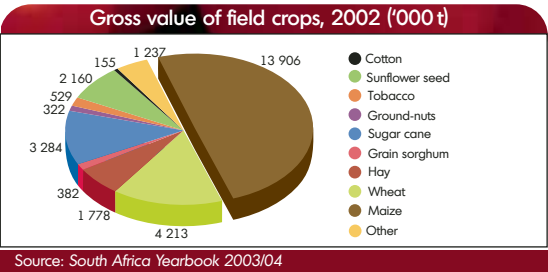
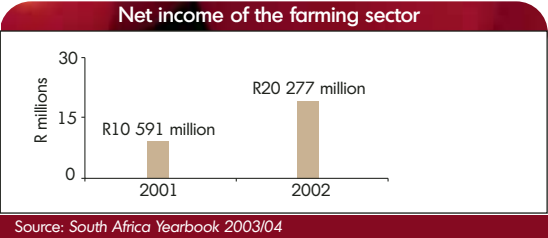
South Africa is self-sufficient in virtually all major agricultural products, and in a normal year is a net food exporter. However, the country remains vulnerable to drought.



FACT

To accurately work out which grains are planted on which land, the Agricultural Research Council has developed a system which utilises the Global Positioning System, Remote Sensing Imagery and Internet-based data-capturing. Accurate information is vital for marketing, pricing and futures trading.

For the past five years, agriculture has contributed on average 8% of total South African exports. The largest export groups are wine, citrus, sugar, grapes, maize, fruit juice, wool, and deciduous fruit such as apples, pears, peaches and apricots.



## Production

Overall, prices of agricultural products increased by 26% from 2001 to 2002. Prices of field crops increased by 35%, and horticultural and livestock products both increased by 23%.

### Field crops and horticulture

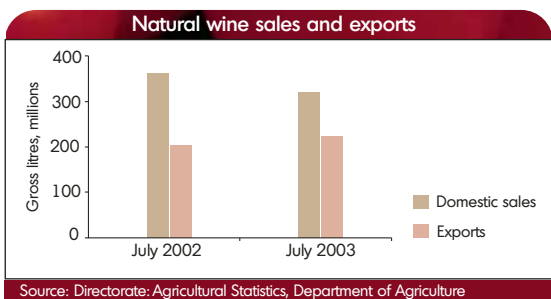
- Maize is the largest crop, followed by wheat, sugar cane and sunflowers. South Africa is the main maize producer in the Southern African Development Community with an average production of 9,1 million tons (Mt) a year over the past 10 years. Local commercial consumption of maize amounts to about 7,5 Mt.
- Wheat is produced in the Western Cape and the Free State.
- South Africa is the world's 11th largest producer of sunflower seed.
- South Africa is the world's 12th largest sugar producer. Some 2,5 Mt of sugar is produced per season.

### Some other crops:

- The Oudtshoorn district in the Western Cape is responsible for about 90% of the lucerne seed produced in South Africa.
- Deciduous fruit exports represent 11% of the country's total earnings from agricultural exports.
- South Africa is the eighth largest wine producer in the world. In 2002, the grape harvest yield was 8,3 hectolitres, of which 66% was used in wine-making. About

| Livestock (million) |      |      |
|---------------------|------|------|
|                     | 2001 | 2002 |
| Cattle              | 13,5 | 13,6 |
| Sheep               | 28,8 | 29,0 |
| Pigs                | 1,6  | 1,6  |
| Goats               | 6,8  | 6,7  |

Source: Agricultural Statistics, Department of Agriculture



106 330 ha of land are under cultivation with about 317 million vines.

- Citrus production is largely limited to the irrigation areas of Limpopo, Mpumalanga, the Eastern and Western Cape, and KwaZulu-Natal.
- Pineapples are grown in the Eastern Cape and northern KwaZulu-Natal. Other subtropical crops such as avocados, mangoes, bananas, litchis, guavas, papaya, granadillas, and macadamia and pecan nuts are produced mainly in Mpumalanga and Limpopo and subtropical coastal areas.

## Livestock

In 2002, there were 13,6 million cattle and 29 million sheep in South Africa.

Cattle ranches are found mainly in the Eastern Cape, parts of the Free State and KwaZulu-Natal, Limpopo and the Northern Cape.

Sheep farming is concentrated in the Northern, Eastern and Western Cape, Free State and Mpumalanga. Fifty percent of sheep are fine-woolled Merinos.



FACT

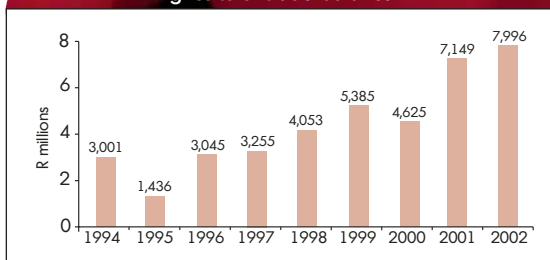
The dairy industry's 4 300 milk producers employ about 60 000 farm workers and indirectly provide jobs to another 40 000. Milk production for 2002/03 was 1,94 million litres.

## Total agricultural exports

|                                            | 1998    | 1999    | 2000    | 2001    | 2002    | Average:<br>five years |
|--------------------------------------------|---------|---------|---------|---------|---------|------------------------|
| Total South African products<br>R millions | 147 547 | 165 143 | 210 022 | 245 448 | 308 054 | 215 243                |
| Total agriculture products<br>R millions   | 13 699  | 14 774  | 15 820  | 20 075  | 25 460  | 17 966                 |
| Agriculture as %<br>of total exports       | 9,3     | 8,9     | 7,5     | 8,2     | 8,3     | 8,3                    |

Source: Directorate: Agricultural Statistics, Department of Agriculture

## Agricultural trade balance



Source: Directorate: Agricultural Statistics, Department of Agriculture

## Strategic Plan for South African Agriculture

This Plan recognises the need to improve commercial production, profitability and global competitiveness while ensuring equitable access to the sector, deracialising land and enterprise ownership and ensuring sustainable resource management.

The national Department of Agriculture, the National African Farmers' Union and Agriculture SA have established an institutional framework for implementing the Plan.

## FACT

In 2003, the South African Government announced a R170-million donation towards food aid in southern Africa.



FACT

The South African potato-processing industry has grown 100% over the past five years.

## Food security

An Integrated Food Security and Nutrition Programme, adopted in July 2002, aims to eradicate hunger, malnutrition and food insecurity by 2015.

In 2003, some 244 000 households, which spend less than R200 a month on food, received food parcels while plans were implemented to link these people to the formal social security net.

## National Food Pricing Monitoring Committee (FPMC)

The FPMC was established in January 2003 in terms of Section 7 of the Marketing of Agricultural Products Act, 1996. The Committee is tasked with monitoring the prices of food, particularly basic foodstuffs, and investigating any sharp or unjustified food-price increases. The FPMC Report was finalised in December 2003 and submitted to the Minister of Agriculture.

## Land and Agricultural Development Bank of South Africa (Land Bank)

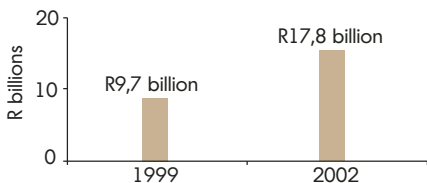
The Bank provides a comprehensive range of retail and wholesale financial products and services designed to meet the needs of commercial and developing farmers and agriculture-related businesses.

By April 2003, the Bank had assisted 14 000 black clients who are not beneficiaries of the Government-supported Land Redistribution for Agricultural Development (LRAD).

The number of loans advanced to development clients increased by 35% from 66 846 in 2000 to 90 155 in 2001, a total loan value of R446 million compared with R413 million the year before.

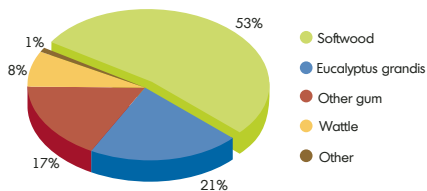
Micro-finance is available to clients with no security who may borrow amounts from R250 to R18 000.

### Capital investment in the forestry industry



Source: South Africa Yearbook 2003/04

### Plantations by species



Source: Department of Water Affairs and Forestry

## Forestry

South Africa has one of the largest planted forests in the world. Production from these plantations approached 15,1 million m<sup>3</sup>, worth more than R11 billion, in 2001. Together with processed products, the total industry turnover was R22 billion in 2001. More than 11,8 Mt (pulpwood, mining timber, matchwood and charcoal) and 3,2 million m<sup>3</sup> (sawlogs, veneer and poles) were sold in this period.



FACT

South Africa's national tree, the yellowwood tree (*Podocarpus*) can grow to a height of more than 40 m with a girth of 8 m, and can live up to 800 years.

In 2002, South Africa's exports of forestry products amounted to a net R5,7 billion, more than 97% of which was in the form of converted value-added products. This represented an increase of some 380% in a decade.

The forestry sector employs about 151 000 people. With a claimed multiplier effect of four to one, some 600 000 people owe their employment to forestry.

## Indigenous forests

There are approximately 530 000 ha of indigenous high forest in South Africa, amounting to 0,45% of the country's land surface.

About half of the 1 100 indigenous tree species found in South Africa grow along the south and east coasts and on the southern and south-eastern slopes of inland mountains. The other half is spread over the interior plateaus.

## Reforming forests

The Department of Water Affairs and Forestry is pursuing a reform programme in the forestry sector which will eventually see the Government leasing all State-owned forest land to the private sector.

In 2001, the remaining 22 800 ha of State-owned forest plantation in the KwaZulu-Natal package was sold to a consortium which included a black empowerment company representing local communities. The process for identifying a preferred bidder for the largest package of State-owned forests, in Komatiland, was being finalised in 2003. The last assets of the wholly-owned State enterprise,



FACT

According to legislative amendments in 1999, the Minister of Agriculture and Land Affairs may make land awards where claims have been negotiated. These changes resulted in an exponential increase in the number of claims settled. By 2002, approximately 36 489 of 68 000 claims lodged had been settled, involving about 85 000 households.

the South African Forestry Company (Ltd), were expected to be sold in 2004.

The restructuring process includes phasing out plantations on tens of thousands of hectares not environmentally suited to forestry.

## Land Affairs

The Department of Land Affairs' responsibilities include deeds registration, surveys and mapping, cadastral surveys, spatial planning and land reform.

A project to upgrade townships surveyed under the Apartheid Government has made it possible for thousands of people to register properties as freehold where previously they held lesser rights.

The Chief Directorate: Surveys and Mapping is in the process of installing a network of 38 active GPS (global positioning system) base stations, known as TrigNetData. Data generated by this network will provide users with exception-

**Cumulative statistics on settled restitution claims  
1995 – 29 February 2003**

|                      | Land restoration | Financial compensation | Alternative remedy | Total no of claims settled | Beneficiaries involved |
|----------------------|------------------|------------------------|--------------------|----------------------------|------------------------|
| Urban claims settled | 14 677           | 25 336                 | 2 477              | 42 490                     | 259 671                |
| Rural claims settled | 2 743            | 3 225                  | 5                  | 5 973                      | 356 758                |
| Total                | 17 420           | 28 561                 | 2 482              | 48 463                     | 616 429                |

1. The above statistics have been compiled based on the information reflected in the Database of Settled Restitution Claims.
2. In order to improve the accuracy of the statistics, the Database of Settled Restitution Claims is subjected on an ongoing basis to a process of internal auditing.
3. Project Basisa is currently being used to clean/update the Landbase System, as a further mechanism to address any inconsistencies in the statistics.

Source: Department of Land Affairs

ally high-position accuracy using stand-alone GPS receivers.

The Chief Directorate plays a leading role in the African Reference Framework Project, which aims at harmonising and linking spatial reference systems across Africa and which will connect Africa to the rest of the world. This will support access to regional spatial information in support of various development projects.

## Land reform

The LRAD policy aims to give previously disadvantaged people access to land, especially agricultural land.

From August 2001 until December 2002, the Department of Land Affairs transferred 295 024 ha to 140 227 beneficiaries. During the first quarter of 2002/03, the Department transferred 214 farms through LRAD, yielding 185 609 ha to 6 769 beneficiaries.

Between June 2003 and March 2004, the Department settled 1 655 black farmers through LRAD and the cumulative figure of beneficiaries of LRAD since the launch of the programme in 2001 is 19 736.



## Transport

South Africa's sophisticated road, rail and air transport infrastructure serves millions each day, keeping the wheels of business and industry turning to promote socio-economic development.

### Agencies

The four bodies tasked with commercialising certain elements of the Government's operational activities are the South African National Roads Agency Ltd, the South African Maritime Safety Authority, the Cross-Border Road Transport Agency and the Civil Aviation Authority.

### Transnet Limited

Transnet is a public company wholly owned by the Government. It is a dominant player in southern Africa's transport infrastructure.

Transnet consists of 10 divisions – Spoornet, the National Ports Authority (NPA), Port Operations, Freight Dynamics, Petronet, Metrorail, Propnet, Transtel, Transwerk and South African Airways (SAA).



FACT

On 31 July 2003, the Durban Container Terminal handled 2 555 container vehicles through its gates – the highest number in a 24-hour period in the port's history.

### South African roads:

South Africa's national road network currently covers 7 200 km, with about 20 000 km of primary roads planned in the future.

The roads include 1 400 km of dual carriageway freeway, 440 km of single carriageway freeway and 5 300 km of single-carriage main road with unlimited access. Approximately 1 900 km are toll-roads, serviced by 27 mainline toll plazas.

Source: [www.southafrica.info](http://www.southafrica.info)

The company handles 176 million tons (Mt) of rail freight per year, 2,8 Mt of road freight and 194 Mt of freight through the harbours. It also flies 6,1 million passengers per year. Transnet is worth about R69 million in fixed assets and has 80 000 employees.

## Road transport

South Africa has the longest road network of any country in Africa.

In 2003/04 provincial budgets for infrastructure and road development rose by 7,5% to R5,1 billion.

Construction of the N4 Maputo Corridor Toll-Road has been completed, one of the few privately financed cross-border toll-roads in the world.

Minibus taxis are responsible for 65% of the 2,5 billion annual passenger trips in urban areas, as well as a high percentage of rural and inter-city transport. A Taxi

| New vehicle exports                              |         |         |            |
|--------------------------------------------------|---------|---------|------------|
| Sector                                           | 2002    | 2003    | March 2004 |
| Cars                                             | 113 025 | 114 909 | 9 115      |
| Light commercials                                | 11 699  | 11 283  | 787        |
| Medium, heavy, extra heavy commercials and buses | 582     | 469     | 33         |
| Total exports                                    | 125 306 | 126 661 | 9 935      |

Source: National Association of Automobile Manufacturers of South Africa

**Percentage of adults owning cars:**

1998: 17,1%  
 2000: 16,8%  
 2002: 15,4%

Source: South African Advertising Research Foundation

Recapitalisation Programme is set to replace the current ageing minibus taxi fleet with new, safer, purpose-built 18- and 35-seater vehicles which will be locally built.

### Goods transport

Eighty percent of all freight carried in South Africa is done so by road. Nearly 7% of Gross National Product is spent on freight transport.

About 69% of road-freight tonnage is carried by firms or operators transporting freight in the course of their business, and 29% by road haulage firms.

### Rail transport

Spoornet is the largest division of Transnet, and specialises in freight transport and long-distance passenger services. It also operates the Blue Train, a luxury train service. Transnet has an annual turnover of R13,1 billion and utilises 30 400 km of track, 2 410 locomotives, 88 000 wagons, and 2 097 passenger coaches.

With 80% of Africa's rail infrastructure, Spoornet also connects with other networks in sub-Saharan Africa.

Spoornet plans to invest R1 billion a year in rail transport over the next 15 years.

#### FACT

In mid-2003, the Department of Transport was reviewing its R4-billion annual transport subsidies. Each subsidised bus passenger gets about R198 in subsidies a month – 6,7% of the average household income. In the 2001/02 financial year, there were almost 380 million subsidised passenger trips.

It is expected that initial demand for the planned Gautrain Rapid Rail Link serving the Johannesburg-Tshwane corridor will be 104 000 passengers a day. An estimated 57 000 jobs will be created during construction.

#### Total goods conveyed by rail ('000 tons)

| Year ending 31 March | Total   |
|----------------------|---------|
| 1996/97              | 180 356 |
| 1997/98              | 186 843 |
| 1998/99              | 182 655 |
| 1999/00              | 178 804 |
| 2000/01              | 185 183 |

Source: Spoornet

### Other specialist Spoornet divisions

**Coal Line** – Responsible for transporting export coal from Mpumalanga to the Richards Bay Coal Terminal.

**Ore Line** – Which hauls iron ore over the 861 km track from Sishen in the Northern Cape to Saldanha Bay.

**Shosholoz Meyl** – Which offers daily inter-city passenger services.

**Metrorail** – Which provides commuter rail services in the Witwatersrand, Pretoria, Western Cape, Durban, Port Elizabeth and Cape Town. Metrorail transports two million commuters to and from work daily.

### Civil aviation

International airports are: Johannesburg, Cape Town, Durban, Bloemfontein, Port Elizabeth, Pilanesberg, Lanseria, Gateway (Polokwane), Nelspruit and Upington.

The Kruger Mpumalanga International Airport, near Nelspruit, was opened in October 2002.

The Airports Company of South Africa (ACSA) owns

### Passengers departing from airports operated by ACSA in 2001/02

|               |           |
|---------------|-----------|
| Domestic      | 6 903 680 |
| Regional      | 266 569   |
| International | 2 877 185 |
| Non-scheduled | 75 597    |

Source: ACSA

and operates the nine principal airports, including the three major international airports in Johannesburg, Cape Town and Durban. The others are domestic airports in Bloemfontein, Port Elizabeth, East London, George, Kimberley and Upington.

ACSA's flagship development, the new R750-million domestic terminal at Johannesburg International Airport, will increase its capacity to serve more than 18 million passengers annually.

ACSA has committed R1 billion to the upgrading and development of Cape Town International Airport. A R10-million interim expansion project to extend the domestic terminal was completed in May 2003.

Construction of the new King Shaka International Airport 50 km outside Durban will start soon.

## SAA

In addition to serving Africa, SAA operates services to Europe, Latin America and the Far East.

By December 2003, SAA was the only airline in South Africa which operated:

- 272 flights a week between Johannesburg and Cape Town
- 234 flights between Johannesburg and Durban
- 96 flights between Europe and South Africa
- 34 flights between the United States of America and South Africa
- 36 flights between Asia Pacific and South Africa
- 202 return flights a week between Johannesburg and major African cities.

## Ports

The NPA controls seven of the 16 biggest ports in the region: Richards Bay, Durban, East London, Port Elizabeth, Mossel Bay, Cape Town and Saldanha.

Some R4,3 billion has been budgeted by the NPA for infrastructural investment.

Handling 55 Mt of cargo through five cargo terminals annually, Durban is the busiest port in southern Africa.



## Minerals and mining

South Africa's mineral wealth is staggering. Some of the country's most important minerals are:

- gold – the unique Witwatersrand Basin yields some 98% of South Africa's gold output
- diamonds – the country is among the world's top producers
- titanium – heavy mineral-sand occurrences containing titanium minerals are found along the coasts
- manganese – enormous reserves of manganese are found in the sedimentary rocks of the Transvaal Supergroup
- platinum-group metals (PGMs) and chrome – more than half of the world's reserves occur in the Bushveld Complex in Mpumalanga, Limpopo and North West
- vast coal and anthracite beds occur in the Karoo Basin in Mpumalanga, KwaZulu-Natal and Limpopo
- copper phosphate, titanium, iron, vermiculite and zirconium are found in the Phalaborwa Igneous Complex in Limpopo.

## Reserves

South Africa's reserves of seven commodities are the biggest in the world.

These are:

- manganese
- chromium
- PGMs
- gold

- vanadium
- alumino-silicates
- vermiculite.

South Africa's total primary minerals output increased by 17,1% to R115,2 billion in 2002. Total processed mineral sales increased by 8,4% in 2002 to some R24,5 billion.

South Africa's mineral production, 2002\*

| Commodity             | Unit | Production | %    | World rank |
|-----------------------|------|------------|------|------------|
| Aluminium             | kt   | 707        |      | 7          |
| Alumino-silicates     | kt   | 161,8      | 36,9 | 1          |
| Antimony              | t    | 5746       | 4,1  | 3          |
| Asbestos              | kt   | •          | *    | *          |
| Chrome ore            | kt   | 6 436      | 49,5 | 1          |
| Coal                  | Mt   | 221,5      | 5,8  | 6          |
| Copper                | kt   | 130        |      |            |
| Diamonds              | kcar | -          | -    | -          |
| Ferrochromium         | kt   | 2 351      |      |            |
| Ferromanganese        | kt   | 934        |      |            |
| Ferrosilicon          | kt   | 184        |      |            |
| Fluorspar             | kt   | 232        | 5    | 3          |
| Gold                  | t    | 399        | 15,7 | 1          |
| Iron ore              | Mt   | 36         | 3,3  | 8          |
| Lead                  | kt   | 49         | 1,7  | 8          |
| Manganese ore         | kt   | 33 22      | 17,1 | 2          |
| Nickel                | kt   | 38,5       | 2,9  | 9          |
| Phosphate rock        | kt   | -          | -    | -          |
| Platinum-group metals | kg   | 239 761    | 65,9 | 1          |
| Silicon metal         | kt   | 42         | 1,0  | 7          |
| Silver                | t    | 113        | 0,6  |            |
| Titanium minerals     | kt   | 2 643      | 53,9 | 2          |
| Uranium               | t    | 998        |      |            |
| Vanadium              | kt   | 25         | 37,6 | 2          |
| Vermiculite           | kt   | 210        | 58   | 1          |
| Zinc in minerals      | kt   | 64         | 0,7  |            |
| Zirconium minerals    | kt   | 425        | 46,7 | 1          |

Mt = megaton, kt = kiloton, t = ton, car = carats, kcar = kilocarats

\* Preliminary data • Production ceased – Confidential information

Source: Minerals Bureau

## Gold

World supply and demand for gold decreased by 1,5% to 3 978 tons (t) in 2002.

The average gold price traded at a five-year high of \$310/oz. However, by the end of 2003 this had recovered to over \$400/oz.

World mine supply decreased by 36 t to 2 587 t in 2002, but South African gold production increased for the first time since 1993 to 397 t, while revenue rose by 22,4% to £3,94 billion.

The country's first new underground gold mine in 20 years, Avgold's Target Mine, was officially opened in March

South Africa's mineral reserves, 2002

| Commodity             | Unit | Reserves | %    | World ranking |
|-----------------------|------|----------|------|---------------|
| Alumino-silicates     | Mt   | 51       | 37,4 | 1             |
| Antimony              | kt   | 250      | 6,4  | 4             |
| Asbestos              | Mt   | Moderate |      |               |
| Chrome ore            | Mt   | 5 500    | 77,5 | 1             |
| Coal                  | Mt   | 55 333   | 10,7 | 5             |
| Copper                | Mt   | 13       | 2    | 13            |
| Diamonds              | kcar | *        | *    | *             |
| Fluorspar             | Mt   | 80       | 18,2 | 3             |
| Gold                  | t    | 36 000   | 40,4 | 1             |
| Iron ore              | Mt   | 2 300    | 3,4  | 10            |
| Lead                  | Mt   | 3,0      | 2,1  | 7             |
| Manganese ore         | Mt   | 4 000    | 80   | 1             |
| Phosphate rock        | Mt   | 2 500    | 5,3  | 4             |
| Platinum-group metals | t    | 70 000   | 70,0 | 1             |
| Silver                | kt   | 10       | *    |               |
| Titanium minerals     | Mt   | 220      | 30   | 2             |
| Uranium               | kt   | 284      | 9,1  | 4             |
| Vanadium              | kt   | 12 000   | 31,6 | 2             |
| Vermiculite           | Mt   | 80       | 40   | 2             |
| Zinc                  | Mt   | 15       | 3,5  | 5             |
| Zirconium minerals    | Mt   | 14       | 19,4 | 2             |

Mt = megaton, kt = kiloton, t = ton, car = carats

\* Confidential information, kcar = kilocarats

Source: Minerals Bureau

2002. Two months later ARMgold, the country's largest black-controlled gold producer, listed on the JSE Securities Exchange. During 2002, the company was South Africa's largest, and the world's 11th largest producer of gold.

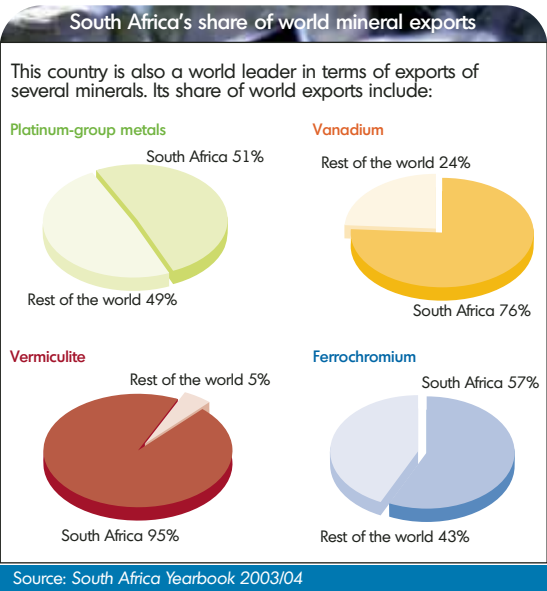
### Coal

Revenue from coal increased by \$163 million, or 5,7%, in 2001 to regain the \$3-billion level that was last exceeded in the 1995 to 1998 period.

Just over 30% of production was exported, accounting for 63% of revenue.

### Platinum-group metals

South African PGM production increased by 4,7% to 240 t in 2002, but PGM revenue decreased by 14,6% to \$3,31 billion. The average platinum price for 2002 was



## FACT

The Department of Minerals and Energy played a leading role in the establishment of the Kimberley Process, which aims to prevent conflict diamonds from getting into the global diamond-market and to protect legitimate trade.

By May 2003, all the world's diamond industries and approximately 70 countries were participating.

2% higher at \$540/oz, while the average palladium price was 44,1% lower at \$337/oz. (At the end of 2003, platinum prices were comfortably over \$800/oz).

In five years, domestic sales grew from almost zero to \$415 million in 2002, largely because of the rise in local production of vehicle catalysts.

### Base minerals

Refined copper, nickel, cobalt, titanium and zirconium concentrates dominate this sector, with support from zinc, lead and arsenic concentrates. The sector contributes some 12% and 4% respectively to total primary local sales and total primary export sales.

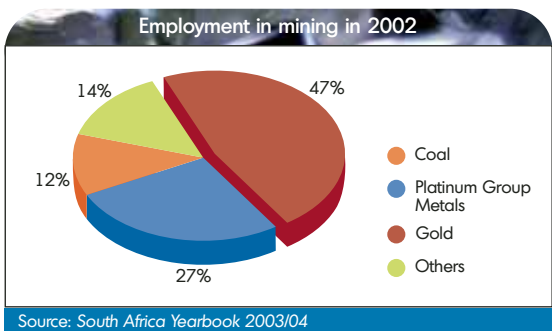
About 44% of total revenue is made up of local sales for further added-value operations.

### Ferrous minerals

This sector consists of the ores of iron, manganese and chrome, dominated by iron ore. It has been a leading performer in the primary minerals industry in recent years, with revenue in Dollar terms growing at almost 3% annually. The worldwide recession in 2001, however, negatively affected demand.

### Processed minerals

Ferro-alloys and aluminium dominate this sector, with solid support from titanium slag, phosphoric acid, vanadium, zinc metal and low-manganese pig-iron. Through investment in beneficiation, this has been the outstanding



performer in the mineral industry over the last 16 years, with revenue in Dollar terms growing at 5,5% annually.

### Other minerals

Dominated by diamonds, this segment recorded sales in 2002 of almost \$1 billion.

## The industry

In 2002, mining contributed R30,6 billion or 8,5% of gross value added, an improvement of R13,86 billion from 2001. Mining's contribution to gross value added had declined between 1996 and 2001.

Mining employment rose 1,5% from 407 154 in 2001 to 413 087 in 2002.

Sales of primary mineral products accounted for 34,3% of South Africa's total export revenue during 2001. Including processed mineral products, this came to more than 40%.



FACT

The biggest diamond ever found, the Cullinan Diamond, was found in South Africa. Its largest fragments today adorn Britain's crown jewels.

In 2001, earnings from platinum surpassed those from gold for the first time, with revenue from PGMs reaching \$3,88 billion compared with gold revenue of \$3,37 billion.

There is still great potential for growth in the exploitation of minerals, especially where the country is ranked number one in terms of reserves. For example, in manganese, chrome and PGMs, South Africa has 80%, 77% and 70% of the world's reserves respectively.

Over the last few years, South African mining houses have transformed into large, focused mining companies that include Anglo Platinum, AngloGold, De Beers, Implats and Iscor. The Chamber of Mines represents 85% of mining production.

Including suppliers and considering the multiplier effect, many millions rely on the industry for their livelihood.

## Policy

The Minerals and Petroleum Resources Development Act, 2002 aims to:

- recognise that mineral resources are the common heritage of all South Africans
- promote the beneficiation of minerals
- guarantee security of tenure for existing prospecting and mining operations
- ensure that historically disadvantaged persons participate more meaningfully
- promote junior and small-scale mining.

In terms of the Act, new order rights may be registered, transferred and traded, while existing operators are



FACT

Only 84 derelict and/or ownerless asbestos dump complexes in South Africa still need to be rehabilitated. It is envisaged that the rehabilitation will be finalised within the next 10 years at a cost of R100 million.

| Number of mining operations |     |
|-----------------------------|-----|
| Diamonds                    | 90  |
| Coal                        | 57  |
| Gold                        | 33  |
| Chrome                      | 20  |
| PGMs                        | 17  |
| Others                      | 561 |

Source: Chamber of Mines, *The South African Mining Industry Fact Sheet*, 2002.

guaranteed security of tenure. Mining rights are valid for a maximum of 30 years, renewable for another 30 years, while prospecting rights are valid for up to five years, renewable for another three.

An empowerment charter for the industry, which is supported by mining houses and labour, targets:

- 15% ownership of mines by historically disadvantaged people within five years
- 40% of junior and senior management positions to be held by previously disadvantaged South Africans within five years
- 26% ownership within 10 years
- 10% participation by women within five years.

Government is committed to helping junior and small-scale miners to upgrade their operations into economically viable units. The first step is to legalise these mines.

Funding to assist small-scale mines was increased from R5,1 million in 2002/03 to R15 million in 2003/04.



## Energy and water

Bringing clean and affordable water and energy within everyone's reach is a key national goal. At the same time, planning ensures that these key drivers of economic growth are delivered reliably and cost-effectively to industry, commerce and agriculture.

### Energy in South Africa

- Electricity prices in South Africa are among the lowest in the world.
- The production and distribution of energy contributes 15% of Gross Domestic Product (GDP), creating about 250 000 jobs.

South Africa has the world's 11th highest commercial primary energy intensity, with large-scale, energy-intensive primary mineral beneficiation industries and mining industries being vast consumers of power.

Technical/business performance indicators: Eskom

|                                      | 2002    | 2003    |
|--------------------------------------|---------|---------|
| Total electricity sold, GWh          | 187 957 | 196 980 |
| Coal burnt in power stations, Mt     | 96,46   | 104,37  |
| Energy availability factor, %        | 89,30   | 87,50   |
| Peak demand on integrated system, MW | 31 621  | 31 928  |
| Nominal capacity, MW4                | 42 011  | 42 011  |
| Net maximum capacity, MW4            | 39 810  | 39 810  |
| Power lines (all voltages), km       | 325 010 | 336 270 |
| Electricity customers, (thousands)   | 3 418   | 3 505   |

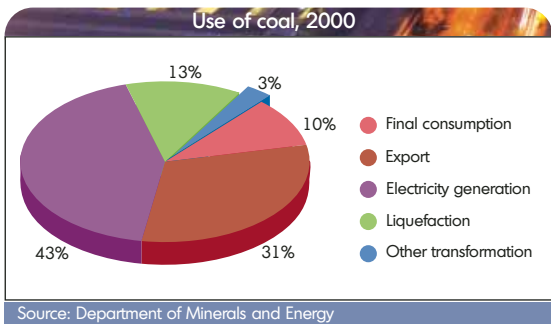
Source: Eskom Annual Report

## Electricity

### Grid connections

| 1994–1998   | 1999–2002   | Total       |
|-------------|-------------|-------------|
| 2,3 million | 1,5 million | 3,8 million |

Source: *Towards a Ten Year Review*



## Power sources

### Coal

South Africa is the world's sixth largest coal producer, with about 46% of output coming from open-cast mines. Many deposits are exploited very cheaply.

### Nuclear

Eskom Koeberg Nuclear Power Station's two reactors outside Cape Town supply 1 800 megawatts to the national grid when both reactors are operating at full power, contributing about 6% to South Africa's electricity.

#### FACT

South Africa has 34 nuclear medicine-imaging centres, of which 75% are privately owned. These centres together perform between 25 000 and 30 000 diagnostic procedures per annum. In addition, 30 oncology clinics and hospitals are equipped with teletherapy and accelerator equipment used in nuclear therapy to treat life-threatening diseases.

The National Nuclear Regulator is the prime safety regulator and is responsible for the protection of persons, property and the environment against nuclear damage through the establishment of safety standards and regulatory practices. It exercises regulatory control related to safety over the siting, design, construction and operation of nuclear installations and other actions.

### Liquid fuels

South Africa consumed 21 267 million litres (ML) of liquid-fuel products in 2002. Thirty-six percent of the demand is met by synthetic fuels (synfuels) produced locally, largely from coal and a small amount from natural gas. The rest is met by products refined locally from imported crude oil.

From April 2003, the Basic Fuel Price Formula was phased in to replace the In Bond Landed Cost Pricing Mechanism, a move expected to save fuel users more than R1 billion a year.

To offset fuel levy increases, the diesel fuel rebate was increased by 15 cents a litre in February 2004, thus providing relief for the agricultural, forestry and mining sectors.

### Sasol

The Sasol group of companies comprises diversified fuel, chemical and related manufacturing and marketing operations, complemented by interests in technology development, oil and gas exploration, and production.

Its principal feedstocks are obtained from coal, which the company converts into value-added hydrocarbons through Fischer-Tropsch process technologies. The company supplies 41% of South Africa's liquid fuel needs. It also



Sasol is bringing natural gas from fields off Mozambique 865 km to Mpumalanga. Initial capacity is 120 million gigajoules a year, equivalent to 4 000 MW. The first batch of gas was delivered to Secunda at the end of February 2004.

provides 200 000 direct and indirect jobs, contributes R34 billion annually to South Africa's GDP, and produces 23% of the country's required coal.

## Indigenous oil and gas resources and production

The EM gasfield complex off Mossel Bay started production in the third quarter of 2000, and will ensure sufficient feedstock to PetroSA to maintain current liquid-fuel production levels at 36 000 barrels (bbls) of petroleum products a day until 2009.

PetroSA's gas-to-liquid plant supplies about 7% of South Africa's liquid-fuel needs.

PetroSA's new oilfield, Sable, situated about 150 km south off the coast of Mossel Bay, is expected to produce 17% of South Africa's oil needs.

The field, which came into operation in August 2003, was initially projected to produce 30 000 to 40 000 bbls of crude oil a day and 20 million to 25 million bbls in the next three years.

## Eskom

Eskom currently supplies 95% of South Africa's electricity.

The utility is among the top seven in generating capacity and among the top nine in terms of sales. Eskom was incorporated as a public company on 1 July 2002.

Eskom does not have exclusive generation rights but does enjoy a practical monopoly on bulk electricity. It also operates the integrated national high-voltage transmission system and supplies electricity directly to large consumers and some residential consumers.

Recommendations to restructure the electricity supply industry will see:



### FACT

In 2002, Eskom electrified 211 628 homes, against government's target of 205 371.

- companies other than Eskom acquiring 30% of the generation market
- the State establishing a transmission company for the medium term
- a sophisticated multi-platform electricity market eventually being developed
- a distribution company overseeing a move from the current fragmented system to one dominated by six regional distributors.

### **Integrated National Electrification Programme**

Between 1994 and 2003, some 3,8 million households were connected to the extended national electricity grid. According to Census 2001, the percentage of households using electricity has increased from 57,6% to 69,7% between 1994 and 2001.

During 2002/03, a further 24 776 households, 974 schools and nine clinics were grid-electrified at a cost of R950 million.

From 2003, poor households in areas connected to the grid have received up to 50 kilowatt of free basic electricity. In non-grid areas, such households are provided with a subsidy of up to 80% of the market cost to provide them with access to electricity.

### **Energy and the environment**

South Africa's per capita production of greenhouse gases is well above global averages and that of other middle-income developing countries.

The economy is carbon intensive, producing only US\$259 per ton of carbon dioxide emitted, as compared with US\$1 131 for South Korea, US\$484 for Mexico and US\$418 for Brazil.



**FACT**

The first wind farm in Africa was opened at Klipheuwel in the Western Cape in February 2003.

Coal is used by about 950 000 households countrywide, resulting in indoor air-pollution problems.

Fuel wood is the primary energy source of three million rural households. Studies have shown that fuel-wood users are exposed to even higher levels of particulate emissions than coal users.

To address this situation, the Department of Minerals and Energy is investigating improved woodstoves and other alternatives, such as solar cookers and biogas, as well as speeding up electrification.

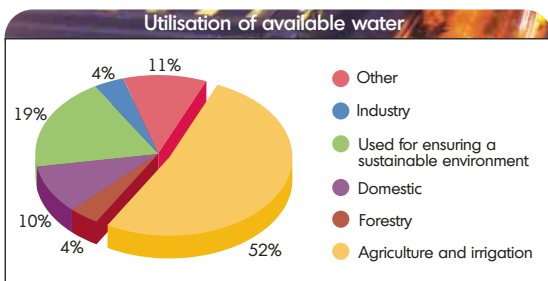
## Water

South Africa is largely a semi-arid, water-stressed country. Nationwide, the average rainfall is only about 500 mm, the minimum required for successful dry-land farming. To overcome the problem of variable river flows, many large storage dams have been built.

Dams experience high evaporation rates, further reducing available water, as do commercial afforestation and sugar-cane farming.

On average, South African rivers receive about 50 billion m<sup>3</sup> of water a year with a further six billion m<sup>3</sup> available from underground aquifers.

Of this 56 billion m<sup>3</sup>, 21 billion m<sup>3</sup> is utilised as follows:



Source: South Africa Yearbook 2003/04



The Working for Water Programme has created 20 000 jobs as well as having a profound environmental impact.



In July 2003, the nine millionth connection of safe water since 1994 was made. In 2002/03, some 1,2 million people received water-supply infrastructure and 65 105 toilets were installed. In 2003/04, R321 million was allocated to provide sanitation to 120 000 people.

Government is on target to eradicate the backlog in water infrastructure and sanitation infrastructure by 2008 and 2010 respectively.

#### Percentage of all rainfall returned to the sea:

Worldwide average: 31%

South African average: 9%.

### Free basic water

By June 2003, 78% of municipalities were implementing the Free Basic Water Policy, launched two years earlier.

This meant that 27 million people were receiving free basic water, some 6 000 litres per household per month.

### Water policy

South Africa is developing a multidisciplinary approach to managing its scarce water resources. This is aimed at conserving resources and determining the reserve water required for basic human needs, and maintaining ecological flow for aquatic ecosystems.

The strategy also describes provisions for authorising water use, water conservation, demand management and water pricing.

It outlines plans for investment in new dams and related infrastructure over the next 25 years, and proposes arrange-

### Water services

| Services                                            | Period      | Quantity                                                 |
|-----------------------------------------------------|-------------|----------------------------------------------------------|
| Proportion of households with access to clean water | 1996        | 60%                                                      |
|                                                     | 2001        | 85%                                                      |
|                                                     |             | 9 million citizens/<br>3,7 million additional households |
| Expenditure on water and sanitation                 | 1995 – 2003 | R5 billion                                               |
| Access to sanitation                                | 1994 – 2003 | 49%–63%                                                  |
| Increase in electricity connections                 | 1996        | 32%                                                      |
|                                                     | 2001        | 70%                                                      |
| Use of electricity in poor areas for heating        |             | 49,1%                                                    |

Source: Towards a Ten Year Review

### Major dams in South Africa

|                     | Full supply capacity<br>(10m <sup>3</sup> ) | River          |
|---------------------|---------------------------------------------|----------------|
|                     |                                             |                |
| Gariep              | 5 341                                       | Orange         |
| Vanderkloof         | 3 171                                       | Orange         |
| Sterkfontein        | 2 616                                       | Nuwejaarspruit |
| Nuwejaarspruit Vaal | 2 603                                       | Vaal           |
| Pongolapoort        | 2 445                                       | Pongola        |

Source: Department of Water Affairs and Forestry

ments with neighbouring countries for managing shared rivers.

One of the most ambitious binational water projects ever is the Lesotho Highlands Water Project between South Africa and Lesotho, the first phase of which was completed in 1998.

The first phase consisted of the construction of three dams, various tunnels and a hydroelectric plant.



## Education

The right to education is enshrined in South Africa's Bill of Rights – not only for children but also for adults. Since 1994, the Education Budget has risen from R31,8 billion to R75 billion in 2004/05. To redress inequalities between schools, non-personnel expenditure within provinces favours poorer learners.

### Learners

In mid-2003, there were more than 11,7 million school learners, 448 868 university students, 216 499 technikon students, and over 356 000 Further Education and Training (FET) college students. There were 27 458 schools with 354 201 educators.

By mid-2003, South Africa had more than 11 373 libraries, 9 416 of them school libraries.

Universities, technikons and technical colleges are undergoing rationalisation, which will reduce the overall number of institutions through mergers from 36 to 21.



FACT

Girls' school enrolment in South Africa is among the highest in the world.



FACT

Between 1999 and 2002, more than one million adult learners completed literacy and Adult Basic Education and Training courses. Since 1994, literacy has risen from 86% to 93%.

In 2003/04, the National Student Financial Aid Scheme utilised R850 million in loans and bursaries to support students from the poorest communities in receiving tertiary education. Of the R850 million, R210 million came from repaid loans, an amount which is expected to grow annually.

## Structures

South Africa has a single national education system, which is organised and managed by the national Department of Education and the nine provincial departments.

## Policy

Schooling is compulsory between the ages of seven and 15. All learners are guaranteed access to quality learning. There are two types of schools: independent (private) and public.

At public schools parents vote on the level of school fees. Poor parents are given exemptions or reductions.

According to a plan of action to improve access to free, quality education, released in June 2003, compulsory school fees are abolished for 40% of learners in the poorest schools where adequate levels of resourcing are reached.

## Curriculum 2005

Curriculum 2005 is based on the concept of Outcomes-Based Education which regards learning as an interactive

School enrolments

| Education                                      | Period      | Enrolment         |
|------------------------------------------------|-------------|-------------------|
| Enrolment (Early Childhood Development or ECD) | 1999 – 2002 | 150 000 – 280 000 |
| Primary school enrolment                       | 1995 – 2001 | 95,5%             |
| Secondary school enrolment                     | 1992 – 2001 | 85% (+15%)        |

Source: *Towards a Ten Year Review*

## FACT

Government has set a target of making every learner in the country information and communications technology-capable by 2010, and for connecting all schools to the Internet by that time.

process between educators and learners. The focus is on what learners should know and be able to do (knowledge, skills, attitudes and values). The goal is to produce active and lifelong learners with a thirst for knowledge and a love of learning.

A revised Curriculum will be phased in, starting with Grades R to 3, in 2004.

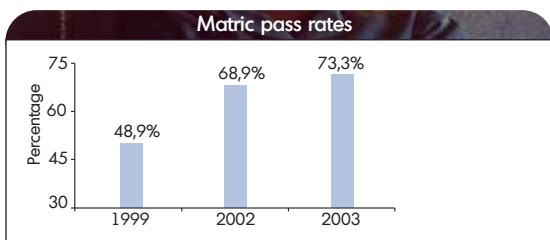
### Further Education and Training

FET consists of all learning and training from National Qualifications Framework Levels 2 to 4, or the equivalent of Grades 10 to 12 in the school system and National Technical Certificate 1 to 3 in FET colleges.

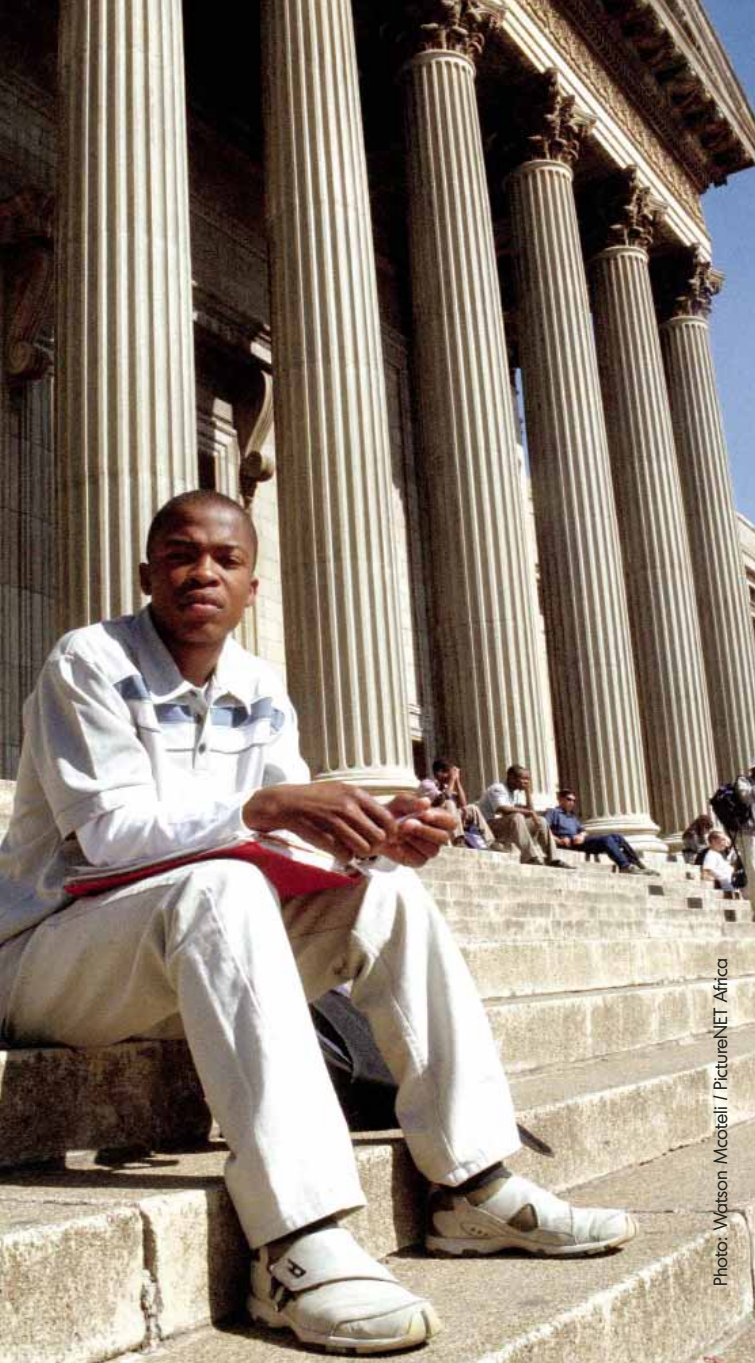
The FET Curriculum is shifting towards a balanced learning experience that provides flexible access to lifelong learning, higher education and training, and productive employment.

FET comprises three different pathways: academic, vocationally orientated and occupation-specific.

In 2002, the 152 technical colleges were merged to form 50 multi-campus FET colleges.



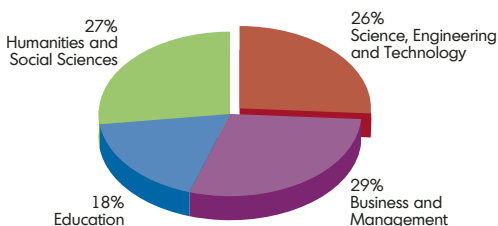
Source: Department of Education



## FACT

The world's first free public library service was established by Governor of the Cape, Lord Charles Somerset, in 1820, by levying a tax on the sale of wine. His library formed the basis of what is today the National Library of South Africa in Cape Town.

Enrolments in major fields of study at public higher education institutions, 2001



Source: Science, Engineering and Technology

### Higher education transformation

According to a strategic plan for higher education, within 15 years enrolment at these institutions will rise from 15% to 20% of school leavers. Within five years, enrolments in the humanities will decline while those in Business and Commerce, and Science, Engineering and Technology will rise.

The 2001 National Plan for Higher Education also envisages:

- a single distance-education institution being established through the merger of the University of South Africa (UNISA) and Technikon South Africa, and the Distance Education Campus of Vista University
- research being funded through a separate formula based on research output
- targets being set to increase the numbers of black and female students and academic staff.

## **Institutional restructuring**

In October 2003, the Minister of Education announced the new names of the merged institutions of higher learning:

- the merged universities of Potchefstroom, North West and Vista (Sebokeng campus) will be called the North West University
- the University of Pretoria will retain its name after incorporating the Mamelodi campus of Vista University
- UNISA will retain its name after merging with the Vista University Distance Education Campus
- technikons Pretoria, North West and Northern Gauteng will be called the Tshwane University of Technology
- Technikon Witwatersrand and the Soweto and East Rand campuses of Vista University will merge with the Rand Afrikaans University in 2005 and be called the University of Johannesburg
- the Medical University of South Africa (Medunsa) and the University of the North will merge to become the University of Limpopo
- the University of Port Elizabeth, Port Elizabeth Technikon and Port Elizabeth Campus of Vista will be called the Nelson Mandela Metropolitan University from 2005
- the University of Transkei, Border Technikon and the Eastern Cape Technikon will be called the Eastern Cape University of Technology
- the East London Campus of Rhodes University will be incorporated into the University of Fort Hare
- the universities of Cape Town and the Witwatersrand will remain unchanged
- Cape Technikon and Peninsula Technikon will be called the Cape Peninsula University of Technology.



## Science and technology

South African science and research are world class. To expand the country's scientific and technical leadership, government's budget for these areas has increased by 27,6% in the past five years.

### Strategy

In 2002, the Department of Science and Technology's Research and Development Strategy was approved. This enhanced the National System of Innovation through which a multitude of role-players work to pursue goals of economic development and progress.

### Innovation Centres

Three Biotechnology Regional Innovation Centres are focused on specific regions of the country and areas of technology. These include human and animal health,



FACT

International research collaboration includes 60 active projects with France, and eight with the People's Republic of China. Others include Belgium, Germany, Hungary, Sweden, Italy, India, Nigeria, Russia, the United Kingdom (UK) and United States of America (USA).



FACT

The South African Large Telescope (SALT), being built at Sutherland in the Northern Cape, is a multimillion-Rand project involving Germany, Poland, the USA, New Zealand and the UK. It will be the largest single optical telescope in the southern hemisphere.

plant biotechnology and industry/environmental-related biotechnology.

Backed by the European Union, the Godisa National Incubation Programme was launched in 2001. The Programme aims to encourage technology transfer and to help small businesses compete in the global economy. Eight technology-transfer centres have been established.



FACT

The Agricultural Research Council's Bee-Keeping for Poverty-Relief Programme has been implemented in 35 rural and peri-urban areas. Communities produce honey, wax and wax products, as well as items such as protective clothing.



FACT

South Africa is bidding to host the ambitious Square Kilometre Array (SKA) radio telescope, a telescope that will have multiple receiving surfaces and will provide radio astronomers with one million m<sup>2</sup> of collecting area. The Northern Cape is an ideal location for the SKA's core array.

## Supporting innovators

### Technology for Human Resources for Industry Programme (THRIP)

Supported by government, business and education, THRIP invested R404 million in 266 projects in 2003 to improve South Africa's competitiveness.

### Innovation Fund

Designed to help turn research into new products through large-scale grants, the Fund will support projects to the tune of R161 million over the next three years.

### Research capacity-development programmes

These seek to boost historically black universities by supporting individual researchers and encouraging a postdoctoral research culture.

## National research facilities

South Africa has five national research facilities which are managed by the National Research Foundation (NRF). The NRF is responsible for promoting and supporting basic and applied research. These are the:

- Hartebeesthoek Radio Astronomy Observatory (HartRAO), west of Johannesburg, Gauteng
- South African Institute for Aquatic Biodiversity (SAIAB) in Grahamstown, Eastern Cape
- iThemba Laboratory for Accelerator-Based Sciences in Faure, Western Cape
- South African Astronomical Observatory (SAAO) in Cape Town, Western Cape, and Sutherland in the Northern Cape, and the Southern African Large Telescope (SALT)
- Hermanus Magnetic Observatory (HMO).

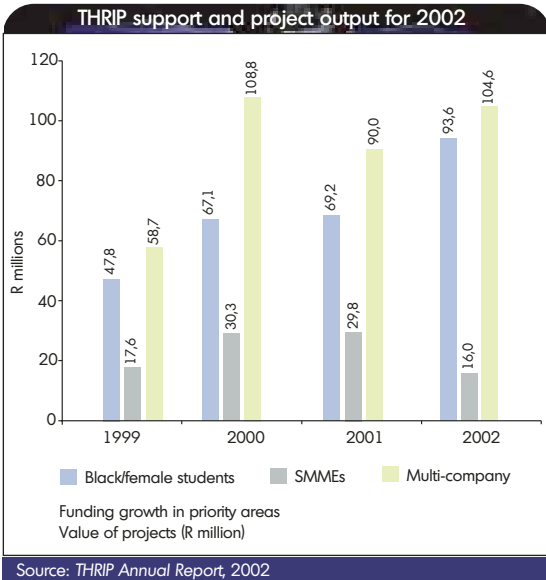




Photo: Guy Stubbs

### **Hartebeesthoek Radio Astronomy Observatory**

HartRAO is South Africa's national research facility for radio astronomy and space geodesy. A 26-m telescope operates as a single dedicated instrument in a variety of fields, while participating in global networks of radio telescopes.

### **South African Institute for Aquatic Biodiversity**

The SAIAB is a leading centre for the study of fish and biodiversity in Africa and the surrounding seas. The institute is responsible for the national collection of fish (more than 450 000 specimens) and promotes knowledge and awareness of fish and aquatic conservation.

### **iThemba LABS**

iThemba LABS has established itself as a major commercial centre for radiation. Its Major Radiation Medicine Centre will become the centrepiece of cancer control in southern Africa and an internationally recognised centre of excellence in cancer treatment, research and training.

### **South African Astronomical Observatory and Southern African Large Telescope**

The SAAO has seven telescopes at Sutherland used for optical and infrared observations. The US\$30-million SALT, an 11-m optical telescope, will be completed in 2004.

### **Hermanus Magnetic Observatory**

The HMO is of strategic importance as a player in space and earth sciences, as well as geospatial information. It conducts research of the earth's magnetic and geomagnetic fields and space environment.

## Science Councils

### **Council for Scientific and Industrial Research (CSIR)**

The CSIR is the largest community and industry-directed scientific and technological research, development and implementation organisation in Africa.

Some 7 000 clients are served every year, and 60% of the CSIR's income is funded externally.

The CSIR's functions are centred in eight market-orientated business units:

- Food, Biotechnology and Fine Chemicals Technology
- Building and Construction Technology
- Defence Technology
- Water, Environment and Forestry Technology
- Information and Communications Technology
- Manufacturing and Materials Technology
- Mining Technology
- Roads and Transport Technology.

### **Mintek**

The national mineral research organisation, Mintek, is a world leader in its field. Now 70 years old, Mintek provides service-test work, process development, consulting and innovative products. Only about 37% of the annual budget of R220 million is funded by the State.

### **Human Sciences Research Council (HSRC)**

The HSRC conducts large-scale, policy-relevant, social-scientific projects for public-sector users, non-governmental organisations and international development agencies.

The HSRC's top researchers focus on poverty reduction, skills enhancement, job creation and the elimination of discrimination and inequalities.

### **Medical Research Council (MRC)**

Established in 1969, the MRC conducts research through

six national programmes, and collaborates with most of the world's top health-research agencies to improve the nation's health status and quality of life.

The MRC disseminates research information through the National Health Knowledge Network. The Council recently established the African Biotechnology Information Centre in co-operation with various universities.

The MRC National HIV/AIDS Lead Programme co-ordinates the South African AIDS Vaccine Initiative.

### **Agricultural Research Council (ARC)**

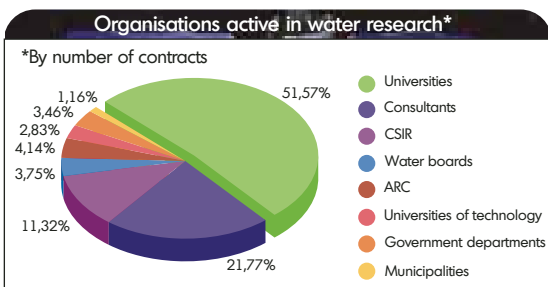
The ARC is committed to the promotion of agriculture and related sectors through research, and technology development and transfer.

### **Council of Geoscience (CGS)**

The CGS supplies the country with geoscience data to establish a safe cost-effective physical infrastructure.

### **South African Bureau of Standards (SABS)**

The SABS produces, maintains and disseminates standards. It promotes standardisation in business and government and administers compulsory standards on behalf of the State. It also certifies international quality standards such as ISO 9000 and ISO 14001.



Source: South Africa Yearbook 2003/04

## **Other important research bodies**

The National Institute for Tropical Diseases in Tzaneen, Limpopo, does ongoing assessment of various malaria control programmes.

The South African National Antarctic Programme manages three bases, one at Vesleskarvet in Dronning Maud Land, Antarctica; a second on Marion Island in the south Indian Ocean; and a third on Gough Island, a British territory in the South Atlantic Ocean.

## **Mine-safety research**

The Safety in Mines Research Advisory Committee aims to advance mineworkers' safety. It has a permanent research management office overseeing research in rock engineering, engineering and occupational health.

## **Energy research**

The Chief Directorate: Energy of the Department of Minerals and Energy manages a policy-directed research programme. This includes transport energy, renewable energy and energy for developing areas, coal, electricity, energy efficiency, energy economy and integrated energy-policy formulation.

## **Agricultural research**

Agricultural research is conducted by the ARC, several universities and the private sector.

## **Water research**

Water research in South Africa is co-ordinated and funded by the Water Research Commission in Pretoria.

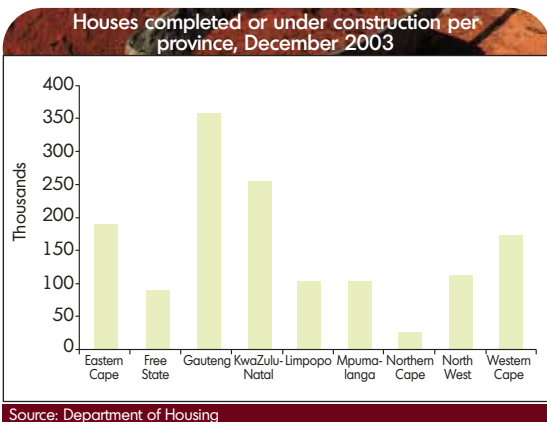


# Housing

Giving people decent secure homes is a cornerstone of government's commitment to a better life for all.

## Achievements

Between 1994 and 2003, 1 985 545 subsidies were approved for an expenditure of R24,22 billion. Moreover, 481 373 houses that were built in the Apartheid era were transferred to occupants through the Discount Benefit Scheme. While the cost to government was approximately R3,6 billion, the replacement cost of these houses (that is, the value to occupants) is approximately R24 billion. Thus, about R48 billion of housing assets have been transferred to citizens since 1994.



With respect to improving gender equality in housing ownership, 49% of all subsidies approved were granted to women. The outcomes of providing subsidised housing indicate that a total of over six million citizens received housing between 1994 and 2003.

## New approach

Resource constraints and changing demographics have recently necessitated a more rigorous focus on quality rather than quantity.

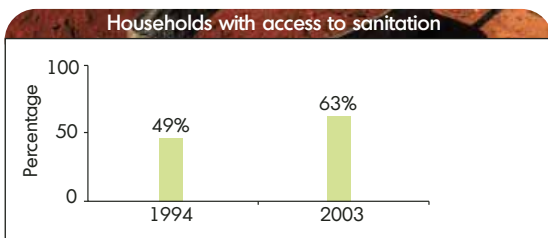
In future, the Housing Programme will focus on:

- balancing rural and urban development
- countering housing fraud
- facilitating urban renewal, particularly in inner cities
- monitoring and performance evaluation
- developing a co-ordinated housing rental policy.

## Human Settlement Redevelopment Programme

This Programme aims to improve the quality of the urban environment and address the legacy of dysfunctional urban structures, frameworks and imbalances through multi-year housing development plans.

A multi-pronged approach, this Programme aims to redevelop depressed areas, counter spatial distortion,



Source: Towards a Ten Year Review

provide essential community facilities and re-plan existing settlements. This could entail slum clearance and resettlement.

Housing projects today aim to encourage previously marginalised communities and particularly women contractors.

Rural communities (which account for 31% of the housing backlog) are a particular priority.

Other focuses are on:

- upgrading informal settlements
- promoting subsidies which encourage people to save towards their housing, and subsidies for those with disabilities.

Recent housing legislation has been aimed, among others, at:

- The construction of more rental housing. (Special tribunals have been set up in three provinces to mediate disputes between landlords and tenants.)
- Requiring lending institutions to disclose mortgage information to prevent discriminatory lending.
- Requiring all home-builders to register new houses with the official Defect Warranty Scheme managed by the National Home-Builders Registration Council.

In 2002, government announced that its Public Sector Hostel Redevelopment Programme was being redirected towards creating sustainable rental housing stock. Pilot projects costing R12 million were conducted in four provinces, and new finishing norms and costing parameters were introduced to replace previous funding limits.



FACT

More than 87% of people in the rural areas earn less than R2 500 a month. These people make up 68% of the Rural Housing Loan Fund's end users. The Fund has given loans worth R220 million to more than 45 000 rural borrowers for incremental housing and home improvement.

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## Housing subsidies

In April 2004, the Department of Housing increased housing subsidies by up to 11,68% to counter the effects of inflation.

| Income           | Housing subsidy |
|------------------|-----------------|
| zero to R1 500   | R25 800         |
| R1 501 to R2 500 | R15 700         |
| R2 501 to R3 500 | R8 600          |

Indigent, aged, those with disabilities and health-stricken: R25 580.

## Subsidies

All housing-subsidy beneficiaries are required to contribute either in kind or financially.

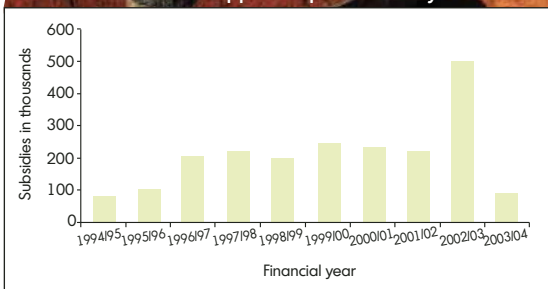
Those contributing in kind, through the People's Housing Process (PHP), are expected to build their own houses.

The PHP has resulted in more, bigger and better structures.

South Africa's approach to home building is similar to that of Cuba's. Thirty-eight architects and designers from that country have helped to support the PHP process.

Those participating in housing projects are also eligible for subsidies. Up until March 2002, some 2 510 housing projects, representing 1 247 974 housing opportunities, were approved.

Total subsidies approved per financial year



Source: Department of Housing

## Delivery partners

The Department works with a variety of organisations towards the goal of affordable and decent housing for all. These include:

- The National Housing Finance Corporation, which approved facilities worth more than R1,4 billion and disbursed R1,15 billion between May 1996 and March 2003.
- By March 2003, the National Urban Reconstruction and Housing Agency – a partnership between the Government and the Open Society Institute of New York – had arranged financing for 550 projects and the completion of 124 000 houses.
- A joint venture between the Department of Housing and the Council of South African Banks, Servcon Housing Solutions manages non-performing loans (NPLs) and properties in possession (PIPs) in areas where normal legal processes have broken down. Servcon inherited 33 306 properties with a value of R1,277 billion. By 31 March 2003, it had exceeded its targets by disposing of 54,2% of properties. The number of properties on Servcon's books has declined to 19 398 with a value of R714 million.
- Thubelisha Homes, a not-for-profit company, helps the owners of PIPs or NPLs relocate to more affordable homes. By May 2003, Thubelisha had delivered over 4 500 houses. Another 10 000 were planned over the next three years.
- Another not-for-profit company, the Social Housing Foundation, aims to build capacity for social housing institutions. By mid-2003, some 59 social housing institutions had been established, providing 33 500 housing units.
- The Rural Housing Loan Fund's approved retail intermediaries provided 10 936 housing loans to low-income households in 2002/03.



## Safety, security and defence

The Department of Safety and Security has set four key strategic priorities for 2002 – 2005. These are:

- combating organised crime, specifically drugs, firearms, vehicle theft and hijacking; corrupt police officials and organised commercial crime
- reducing levels of serious and violent crime
- fighting crimes against women and children
- improving service delivery at police stations.

### The fight against crime

By April 2003, the South African Police Service (SAPS) had 132 121 employees. It planned to enlist 9 550 entry-level constables and 4 010 civilians in the 2003/04 financial year.

| Reducing crime and enhancing stability |             |               |
|----------------------------------------|-------------|---------------|
| Crime                                  | Period      | Improvement   |
| Murder                                 | 1994 – 2003 | 30,7% decline |
| Vehicle hijacking                      | 1996 – 2003 | 33,7% decline |
| Bank-related crime                     | 1996 – 2003 | 52,2% decline |

Source: *Towards a Ten Year Review*

### Crime Intelligence

During 2002, about 6 758 individuals involved in drug-related offences were arrested, and illicit substances worth R330 million seized.

By February 2004, there were 39 undercover operations registered at Crime Intelligence.

## Community involvement

In 2002 alone, 70 000 people volunteered to work at local police stations. A sector policing plan which allows communities to become involved in smaller policing areas will be phased in at 1 139 police stations.

By February 2004, sector policing had been fully implemented in 943 (about 16,4%) of the 5 756 sectors.

## Building for security

- Community Safety Centres bring all relevant departments under one roof, including the SAPS and the departments of Justice, Correctional Services, Health and Social Development. The focus is on deep rural and informal settlements. Such Centres have been built in five provinces and, by mid-2003, were being constructed in another three.
- In 2002/03, a three-year plan was developed to provide victim-friendly facilities for handling violent crimes such as rape and domestic abuse. By mid-2003, such facilities had been established at 130 stations.

## Defence

The mission of the Department of Defence is to defend and protect South Africa, its territorial integrity and its people.

The Department of Defence, under the auspices of the New Partnership for Africa's Development, participates in a variety of initiatives to secure peace and stability on the continent.

The South African National Defence Force (SANDF) is an all-volunteer force consisting of a Regular Force core and a Reserve Force.



**FACT**

Uniformed members of the SANDF have the right to join trade unions. They may not, however, go on strike or picket.

The Automated Fingerprint Information System (AFIS) became operational in 35 decentralised Local Criminal Record Centres in September 2002.

The automation of the process has contributed towards an increase in accuracy, productivity and service delivery. Faster response times lead to more previous-conviction reports being produced. For a period of 35 days in 2001, it was only possible to produce 163 369 previous-conviction reports. However, since the introduction of the AFIS, it has become possible to produce 293 386 previous-conviction reports for the same period.

The Criminal Record Centre has also experienced an increase in the identification of scene-of-crime fingerprints. A total of 3 481 more identifications of scene-of-crime fingerprints were made in 2002 than in 2001.

In addition to military matters, the Department of Defence is involved in search-and-rescue operations, hydrography and securing national key points.

### Peace support

SANDF staff have been deployed as military liaison officers in Uganda, in support of the United Nations (UN) Mission for the Democratic Republic of Congo (DRC), and the UN and African Union Missions for Ethiopia and Eritrea. Some 160 specialised members of the SANDF are stationed across the DRC, as are 1 300 members in the east of that country.

Seven hundred South African soldiers are in Burundi to provide protection to politicians returning from exile. This commitment will rise to 1 600 members.

### Requirement of main equipment

A Ground-Based Defence System (Phase 1) was contracted for delivery from 2004 to 2006.

Rapid-deployment logistical vehicles for paraforces and special forces were delivered at the end of 2002.

#### FACT

According to a report released in November 2003, South Africa is the world leader in solving serial murders.



Support Proudly South African-accredited companies, products and services.

**PROTECT SOUTH AFRICAN JOBS.  
PROMOTE SOUTH AFRICAN QUALITY.**

Let's make 2004 a Proudly South African year. The South African Government has been instrumental in the development and launch of the Proudly South African campaign, along with organised business and labour under the auspices of the National Economic Development and Labour Council (NEDLAC). Led by the Department of Trade and Industry, which provided the initial funding, all government departments are involved in supporting the campaign.

The Proudly South African symbol signifies that a company or product uses at least 50% local content, meets high quality standards, and practices fair labour standards as well as environmental responsibility. By supporting these companies and products, we can help protect the jobs of the people who made them, and even create new jobs by increasing demand for locally made goods.

**For more information, go to [www.proudlysa.co.za](http://www.proudlysa.co.za)**

By November 2003, the first three South African Navy valour-class patrol corvettes were officially named and launched.

South Africa is acquiring three types of 209 submarines from Germany.

The National Conventional Arms Control Committee oversees policy and sets control mechanisms for the South African arms trade.

## Armaments Corporation of South Africa (Armcor)

The primary function of Armcor is to acquire defence products and services for the SANDF, and to co-manage, with the Department of Defence, the development of technologies for future weapon systems and products. It also manages the disposal of excess, forfeited, redundant or surplus defence material for the SANDF and subsidiary companies, which directly support defence technology and acquisition strategies.

Armcor provides the Department with tender board functions, project security and arms-control compliance assurance.

## Denel Group of South Africa

Denel is a profit-driven company wholly owned by the State. Fifty-one percent of its airmotive division, however, is owned by France's Turbomeca. Recognised as a world leader in artillery systems, the group employs 10 500 people.

Through offset deals, Denel supplies aerostructures for Gripen and Hawk aircraft to BAE Systems and Saab. It has started licensed manufacturing of the Agusta A119 Koala



FACT

In June 2003, Denel was contracted on behalf of Boeing to provide critical mission assistance during the launch of the Mars Exploration Rover. The first Rover landed on Mars in January 2004, its initial performance exceeding expectations.

helicopters for AgustaWestland and provides parts to the Boeing Company.

### **Intelligence services**

There are two civilian intelligence structures: the National Intelligence Agency (NIA) and the South African Secret Service (SASS).

The NIA's mission is to provide the Government with domestic intelligence and counter-intelligence. This work includes monitoring local support of international terrorist groups, as well as domestic terrorism.

The SASS is South Africa's foreign-intelligence capacity. Executive control is exercised by a civilian Ministry and a Cabinet committee.



## Justice and correctional services

Judicial authority is vested in the courts, which are independent and subject only to the Constitution and the law. No person or organ of State may interfere with the functioning of the courts.

### The courts

#### Constitutional Court

This is the highest court in all constitutional matters and deals only with constitutional issues. The Court's work includes deciding whether Acts of Parliament and the conduct of the President and executive are consistent with the Constitution, including the Bill of Rights.

The Court's decisions are binding on all persons including organs of State, and on all other courts.

#### Supreme Court of Appeal

The Supreme Court of Appeal is the highest court in respect of all other matters. The Court has jurisdiction to hear and determine an appeal against any decision of a High Court. Decisions of the Supreme Court of Appeal are binding on all courts of a lower order.



FACT

Between 2000 and 2002, District court rolls decreased to 127 per court, and to 106 in Regional courts. The conviction rate in District courts is over 80%, and in Regional courts approximately 70%.

## High courts

There are 10 court divisions and three local divisions which are presided over by judges of the provincial courts concerned.

A provincial or local division has jurisdiction in its own area over all persons in that area. These divisions hear matters that are of such a serious nature that the lower courts would not be competent to make an appropriate judgment or impose a penalty. Except where minimum or maximum sentences are prescribed by law, their penal jurisdiction is unlimited and includes life imprisonment.

The Land Claims Court and the Labour Court have the same status as the High Court. In the case of labour disputes, appeals are made to the Labour Appeal Court.

## Regional courts

Regional courts are established in each regional division to hear matters within their jurisdiction. Unlike the High Court, the penal jurisdiction of the regional courts is limited.

## Magistrate's courts

Magisterial districts are grouped into 13 clusters. By March 2003, there were 370 Magistrate's offices, 51 detached offices, 107 branch courts and 234 periodical courts in South Africa, with 1 772 magistrates.

## Small Claims courts

Cases involving civil claims not exceeding R7 000 are heard by a commissioner in the Small Claims Court. By July 2003, there were 142 such courts. The commissioner is usually a practising advocate or attorney, a legal academic or other competent person who offers his or her services free of charge.



The South African Human Rights Commission promotes a culture and respect for human rights. It also monitors the observance of human rights.

Neither the plaintiff nor the defendant may be represented or assisted by counsel at the hearing. There is no appeal to a higher court.

### Equality courts

These courts, which are to be rolled out countrywide, enforce legislation which outlaws unfair discrimination and upholds equality. By June 2003, there were 62 Equality courts.

## National Prosecuting Authority (NPA)

The NPA structure includes the National Prosecuting Services, the Directorate: Special Operations, the Witness-Protection Programme, the Asset Forfeiture Unit (AFU) and units such as the Sexual Offences and Community Affairs Unit and the Specialised Commercial Crime Unit.

### Asset Forfeiture Unit

By June 2003, the AFU had initiated over 300 cases and frozen nearly R500 million worth of criminal assets. There was more than R25 million in the Criminal Assets Recovery Account, which will be used to fight crime.

### Sexual Offences and Community Affairs Unit

Various concrete steps have been taken to give effect to the national crackdown on sexual offences:

- Four multidisciplinary rape care centres, known as the Thuthuzela Care Centres, have been established. Here rape investigations are speeded up and 'humanised'.
- New child-witness rooms have one-way glass partitions.
- Forty Sexual Offences courts have been established.

#### FACT

At the end of March 2003, 704 people were in the Witness-Protection Programme. In the first three months of 2003, 114 witnesses testified, resulting in 141 convictions and combined jail sentences of 2 626 years.

## Integrated Justice System

This System aims to use technology to improve the co-ordination of the activities of departments in government's Justice, Crime Prevention and Security Cluster.

The System will entail, among other things:

- a Virtual Private Network
- an automated fingerprint identification system and DNA database
- an Integrated Case-Flow Management System, including case, person (offender, victim and witness) and exhibits
- better tracking of people, including inmates.

## Improving court productivity

Productivity in courts is increasing, as are the number of new cases. Between January and December 2002, the lower courts finalised 833 594 cases, of which 421 213 were withdrawn.

The Court Process Project will automate civil and criminal case-management systems. The objective is to implement it in all Magistrate's courts as well as community safety centres and prisons countrywide.

Other outcomes include:

- Court managers are being recruited to improve court efficiency.
- Between 1991 and 2001, there was a 49% increase in the number of daily court sittings.

FACT

The Integrated Justice System has resulted in the average case-cycle time declining from 110 days to 74 days.

Courts are working longer hours, and between 1999 and 2001 there was a 49% increase in the number of daily court sittings. As a result, the number of cases finalised in courts has increased since 2001.

To deal with case backlogs, 3 027 Saturday and additional court days were introduced. Between January 2002 and March 2003, these courts finalised 27 570 cases. More courts are being encouraged to sit over weekends to reduce unacceptable case backlogs.

According to the Truth and Reconciliation Commission (TRC), some 22 000 individuals or their surviving family members appeared before the Commission. Of these, 19 000 required urgent reparations, and virtually all of them, where the necessary information was available, were attended to as proposed by the TRC with regard to interim reparations.

With regard to final reparations, during 2003/04, government planned to provide a once-off grant of R30 000 to those individuals or survivors designated by the TRC. This was over and above other material commitments.

- There has been a positive reversal in the ratio between sentenced and other prisoners.
- In 2002, 18 new permanent judges were appointed while further appointments are being processed. Some R20 million was set aside to employ more magistrates and prosecutors.
- In 2003/04, R264 million was budgeted for building and upgrading courts.

## The Public Protector

The Public Protector is independent of government and is responsible for investigating any improper conduct in State or public affairs. In 2002/03, the Office received 15 680 new cases and 13 108 cases were carried forward from 2001/02. Of these, 21 707 cases were finalised in 2002/03.

## Correctional Services

In March 2003, the Department of Correctional Services had 33 385 staff and 189 748 offenders in 241 prisons. In April 2003, there were 48 000 parolees and 24 500 probationers.

Prison overcrowding is estimated at 67%. To alleviate this, unsentenced juveniles have been transferred to places

Department of Correctional Services spending, 2003/04:

- R3 554 million on incarceration
- R398 million on the rehabilitation of offenders
- R260 million on community corrections
- R1 547 million on facility management and capital works
- R2 455 million on administration.

South Africa has:

- eight female prisons
- 13 youth correctional facilities
- 134 men-only prisons
- 72 prisons for both men and women
- 14 temporarily inactive prisons closed for renovations.

of secure care, some sentences have been converted to correctional supervision, and facilities have been renovated or upgraded.

No prisoner may be released before he or she has served at least half their sentence. The Criminal Law Amendment Act, 1997 makes provision for much harsher sentences for serious crimes. These changes are expected to place an even greater burden on the prisons.

An independent judicial inspectorate regularly visits all prisons to report on conditions and prisoners' treatment.

Rehabilitation is a key policy. The budget for rehabilitation has increased by 8,3% per annum from R264,8 million in 1999/2000, and is projected to amount to R427,5 million in 2005/06.

As part of the Department's rehabilitation initiatives, a total of 22 360 offenders were trained in a variety of skills in 2002. The further establishment of training centres in the various provinces is aimed at equipping offenders with basic technical skills in a variety of fields such as brick-making, brick-laying, woodwork, welding, garment-making, etc. Training is also provided in business skills to equip individuals to operate their own small businesses upon release.

FACT

Ninety-four prisoners escaped between January and August 2003, compared with 166 in the same period during 2002, representing a 43% reduction.



## Social development

The Department of Social Development works with religious groups, non-governmental organisations, business, labour and communities to uplift society and eradicate poverty.

Between 1999/2000 and 2002/03, the Social Development Budget grew from R19,4 billion to R31,2 billion.

| Social grants |             |               |
|---------------|-------------|---------------|
|               | 1994        | 2003          |
| Expenditure   | R10 billion | R34,8 billion |
| Beneficiaries | 2,6 million | 6,8 million   |

Source: Towards a Ten-Year Review

While large amounts of money are being allocated to social development, the responsible Ministry is working to create a social ethic of care and human development, rebuilding family and community relations.

Since 1998, policy has progressively shifted towards a social-development model which addresses the root causes of poverty.

Social grants, however, remain a key element of programmes to eradicate poverty.

### Legislation

Recent Bills include:

#### The Older Persons Bill

- aims to maintain and protect the rights of the elderly



A pensions medical officer is no longer required to attest to an applicant's eligibility for disability and care dependency grants. Panels have now been introduced to assess such applicants.

- regulates the registration of facilities for older persons
- maintains and promotes the status and safety and security of the elderly.

### **New child-care legislation**

- will allow more than one or two persons to acquire parental rights
- will establish a Child and Family Court at regional court level
- will recognise child-headed households
- will establish a register of persons unsuitable to work with children.

### **Payment of social grants**

The number of people benefiting from social grants increased from 2,6 million in 1994 to over 7,7 million by February 2004, at total cost of over R34,8 billion per annum.

The Government aims to register all children eligible for the Child Support Grant (CSG) of R170 a month by 2005. Over half of unregistered children and eligible people are in the poorest provinces: Free State, Limpopo, KwaZulu-Natal and the Eastern Cape.

By February 2004, over four million children had been registered for the CSG.

In 2003, it was announced that the age of eligibility would be progressively increased up to 14. This will result in a further 3,2 million children receiving the CSG. Govern-

#### **Uptake of Child Support Grants**

|                    | 1998   | 2004      |
|--------------------|--------|-----------|
| Number of children | 58 000 | 4 million |

ment has budgeted R11 billion for the age extensions.

Currently, there are over 1,3 million beneficiaries of the Disability Grant.

### Poverty-Relief Programme

This Programme helps communities to undertake development for themselves, and targets women, children, youth, the elderly and people with disabilities.

Since 1997, the Department has administered more than R563 million, providing support to over 3 600 community-based projects. In a three-year period, 60 000 people would have earned wages generated by poverty-relief projects.

#### FACT

The Inyosi Bee-Keeping Poverty-Relief Project in the Eastern Cape focuses on producing wax products. It has created jobs for 500 people. The project has received R2,4 million from the Department of Social Development.

### Food security

In October 2002, the Cabinet allocated R400 million to counteract soaring food prices, famine and food insecurity in South Africa and the Southern African Development Community region.

Some R230 million of the allocation was used to buy food parcels for the poorest families.

In 2003, government committed R1,2 billion to finance food security over the next three years.

### HIV/AIDS

In 2003, the Department was allocated R65,9 million for HIV/AIDS programmes. A particular focus is on households headed by children.

The Home- and Community-Based Care Programme is being implemented in conjunction with other departments.



Photo: Guy Stubbs

## FACT

Victims of crime and abuse, particularly women and children, are supported by 120 specialised projects around the country.

The Programme provides life skills classes for children and youths, voluntary testing and counselling services, and a range of care and support services focusing on families and children orphaned through the AIDS-related deaths of their parents.

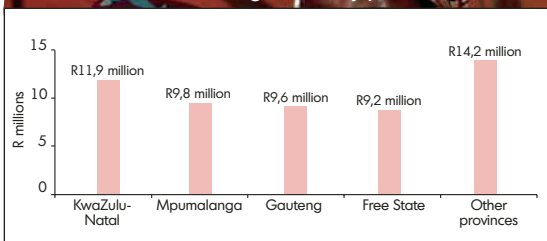
By June 2004, the Department was supporting over 314 home- and community-based care centres.

By August 2003, about 10 000 caregivers had been trained in home- and community-based care. The number of home- and community-based care programmes doubled from 466 in 2001 to 892 in August 2003.

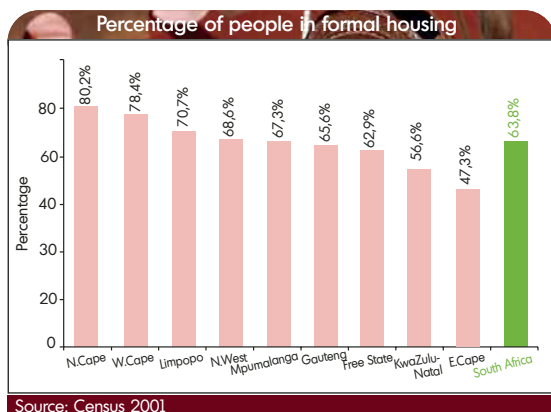
The Department disbursed more than R65 million in 2003 to support Home- and Community-Based Care Programmes.

The tragedy of children orphaned by AIDS is being aggressively addressed by the Department, which aims to ensure they receive counselling, day-to-day support, food parcels and clothing. For example, R16,4 million was spent in 2003/04 on HIV/AIDS drop-in centres. Each food parcel provided at these centres costs R300.

**Government support of Community- and Home-Based Care Programmes by province, 2003**



Source: South Africa Yearbook 2003/04



The Department also supports the following national councils:

- National Council for Persons with Physical Disabilities
- Deaf Federation of South Africa
- South African National Epilepsy League
- South African Federation for Mental Health
- Cancer Association of South Africa.

Statutory bodies include the National Development Agency, Relief boards and the Central Drug Authority.



## Environment

In South Africa, the Government leads protection of the environment by example. National and provincial departments must compile environmental implementation and management plans. Recently, the Auditor-General was asked to devise a mechanism for monitoring compliance with such plans.

## World heritage

South Africa has taken several concrete steps to implement the United Nations' (UN) Agenda 21 on sustainable development. These include reforming environmental policies, ratifying international agreements, and participating in many global and regional sustainable-development initiatives.

In 2002, nearly 200 countries were represented at the World Summit on Sustainable Development (WSSD) in Johannesburg. The Summit saw the launch of over 300 partnerships, including 32 energy initiatives, 21 water programmes and 32 programmes for biodiversity and ecosystem management.

The biggest success was getting the world to turn the UN Millennium Declaration into a concrete set of programmes, many focusing on the most marginalised sectors of society.

### FACT

To encourage recycling and reduce litter, new regulations require plastic bags to be 30 microns thick. Printing with inks that are not environmentally friendly may cover only 25% of a bag's surface.

## Environmental heritage

South Africa enjoys the third highest level of biodiversity in the world.

Some remarkable aspects of the abundance of life in this country include:

- over 3 700 endemic marine species
- some 18 000 vascular plant species, 80% of which occur nowhere else
- there are more plant species in the Cape Peninsula National Park than the whole of the British Isles
- South Africa has 5,8% of the world's mammal species, 8% of bird species and 4,6% of reptile species
- one third of the world's succulent species are found in South Africa.

South Africa is one of only six countries with an entire plant kingdom within its national confines. The Cape Floral Kingdom has the highest recorded species diversity for any similar-sized temperate or tropical region in the world.



FACT

South Africa has 66 families of spider, comprising 6 000 species, and 175 species of scorpion. Fatal bites and stings are, however, extremely rare.

## Biomes

There are eight major terrestrial biomes, or habitat types, in South Africa. These biomes can, in turn, be divided into 70 veld types. The biomes are savanna, Nama-Karoo, succulent Karoo, grassland, *fynbos*, forest, thicket and desert. The *fynbos* biome is one of only six floral kingdoms worldwide.

## Conservation victories

- The population of southern white rhinoceros in South Africa has risen from less than 20 in 1910 to 8 000 today.
- By mid-2002, more than 200 000 seedlings of endangered

## Biodiversity values by province

| Province      | Number of species |        |      |           |         |
|---------------|-------------------|--------|------|-----------|---------|
|               | Plant             | Mammal | Bird | Amphibian | Reptile |
| Eastern Cape  | 6 383             | 156    | 384  | 51        | 57      |
| Free State    | 3 001             | 93     | 334  | 29        | 47      |
| Gauteng       | 2 826             | 125    | 326  | 25        | 53      |
| KwaZulu-Natal | 5 515             | 177    | 462  | 68        | 86      |
| Limpopo       | 4 239             | 239    | 479  | 44        | 89      |
| Mpumalanga    | 4 593             | 160    | 464  | 48        | 82      |
| Northern Cape | 4 916             | 139    | 302  | 29        | 53      |
| North West    | 2 483             | 138    | 384  | 27        | 59      |
| Western Cape  | 9 489             | 153    | 305  | 39        | 52      |

Source: Department of Environmental Affairs and Tourism

cycad species had been sold to the public, reducing the threat to wild populations.

- Many cheetah are bred in captivity and relocated to protected areas.

## Conservation areas

South Africa has 403 terrestrial protected areas, an area of 6 638 658 ha or 5,44% of its total land area. Twenty-two of these protected areas are national parks.

## Scientific reserves

These are sensitive, undisturbed areas managed for research, monitoring and maintenance of genetic sources. Access is limited. Examples are Marion Island and the Prince Edward Islands near Antarctica.

## Wilderness areas

These areas are extensive in size, uninhabited, under-developed, and access is strictly controlled. Examples are the Cedarberg Wilderness Area and Dassen Island in the Western Cape.

## National parks and equivalent reserves

SANParks manages a system of 20 national parks.

Commercial and tourism-conservation development, and the involvement of local communities, are performance indicators. Since 1994, parks under SANParks have expanded by 166 071 ha.

There are currently six Transfrontier Conservation Areas along borders with neighbouring countries. The proposed 35 000 km<sup>2</sup> Great Limpopo Transfrontier Park covers South Africa's Kruger National Park and parks in Mozambique and Zimbabwe.

In August 2003, a treaty was signed between South Africa and Namibia for the establishment of the Ais-Ais/Richtersveld Transfrontier Park, which includes the world's second largest canyon, on the Fish River.

On 22 August 2003, the Minister of Environmental Affairs and Tourism launched the Maloti-Drakensberg Conservation and Development Area in Lesotho.

## National and cultural monuments

These are natural or cultural features, or both, and may include botanical gardens, zoological gardens, natural heritage sites and sites of conservation significance.

In December 1999, Robben Island, the Greater St Lucia Wetlands Park and the Cradle of Humankind were proclaimed World Heritage sites by the United Nations Educational, Science and Cultural Organisation.

The Ukhahlamba-Drakensberg Park was nominated as a mixed site. In July 2003, the site of the Mapungubwe civilisation became the fifth Heritage Site. The Cape Floral Region also became a World Heritage Site at the end of June 2004.

## Habitat and wildlife management areas

These areas are subject to human intervention. They include



**FACT**

The west coast of southern Africa is home to the largest mainland seal colonies in the world. Nearly two million seals have been recorded there.

conservancies; provincial, regional or private reserves created for the conservation of species, habitats or biotic communities; marshes; lakes; and nesting and feeding areas.

### Sustainable-use areas

These areas emphasise the utilisation of products on a sustainable basis in protected areas such as the Kosi Bay Lake system in KwaZulu-Natal.

### Wetlands

Wetlands include a wide range of inland and coastal habitats – from mountain bogs and fens and midland marshes to swamp forests and estuaries, linked by green corridors of streambank wetlands.

| South African national parks                          |                 |           |
|-------------------------------------------------------|-----------------|-----------|
| Park                                                  | Date proclaimed | Size (ha) |
| Addo Elephant                                         | 1931            | 74 339    |
| Agulhas                                               | 1999            | 5 690     |
| Augrabies Falls                                       | 1966            | 41 676    |
| Bontebok                                              | 1931            | 2 786     |
| Cape Peninsula                                        | 1998            | 22 100    |
| Golden Gate Highlands                                 | 1963            | 11 663    |
| Kalahari Gemsbok (now part of Kgalagadi Transfontier) | 1931            | 959 103   |
| Karoo                                                 | 1979            | 77 094    |
| Knysna National Lakes Area                            | 1985            | 15 000    |
| Kruger                                                | 1926            | 1 962 362 |
| Marakele                                              | 1993            | 50 726    |
| Mountain Zebra                                        | 1937            | 24 633    |
| Richtersveld                                          | 1991            | 162 445   |
| Tankwa-Karoo                                          | 1986            | 27 064    |
| Tsitsikamma                                           | 1964            | 63 942    |
| Vaalbos                                               | 1986            | 22 697    |
| Vhembe-Dongola                                        | 1998            | 5 356     |
| West Coast                                            | 1985            | 36 273    |
| Wilderness                                            | 1985            | 10 600    |

Source: SANParks

## **Botanical gardens**

There are eight botanical gardens in five provinces. The largest, and the site of the National Botanical Institute's headquarters, is Kirstenbosch in Cape Town. It houses 5 300 indigenous plant species, and was voted one of the top seven botanical gardens in the world in 2000.

The Pretoria National Botanical Garden houses the National Herbarium of South Africa, the largest in the southern hemisphere.

## **Zoos**

The 80 ha Pretoria Zoo (the National Zoological Gardens of South Africa) is one of the world's 10 best. It attracted more than 500 000 visitors in 2003. The Zoo is responsible for two breeding centres covering 5 834 ha.

The National Zoological Gardens was declared a national research facility, subject to the provisions of the National Research Foundation, in March 2004. The declaration of the Zoo as a national research facility presents a remarkable opportunity for the Zoo to reposition itself as one of the world leaders in breeding and researching endangered species.

The Pretoria Zoo's 80 ha houses more than 10 000 animals.

## **Marine Protected Areas (MPAs)**

The Minister of Environmental Affairs and Tourism officially announced four new MPAs in June 2004.

The MPAs are modelled on the success of the Greater St Lucia Wetlands Park – with strict zoning of both marine and coastal protected areas. The four MPAs are Aliwal Shoal



South Africa scooped its 26th gold medal at the prestigious annual Chelsea Flower Show in London in May 2004. Some 600 exhibitors participated in the show in 2004. South Africa has been participating in the show for 28 years.

### Climate of provincial capitals

| Province      | Capital          | Average temperature (°C) |      |
|---------------|------------------|--------------------------|------|
|               |                  | January                  | July |
| Eastern Cape  | Bisho            | 22,1                     | 13,8 |
| Free State    | Bloemfontein     | 23,0                     | 7,7  |
| Gauteng       | Johannesburg     | 20,1                     | 10,4 |
| KwaZulu-Natal | Pietermaritzburg | 22,9                     | 12,9 |
| Mpumalanga    | Nelspruit        | 24,0                     | 14,8 |
| Northern Cape | Kimberley        | 25,3                     | 10,8 |
| Limpopo       | Polokwane        | 22,6                     | 12,2 |
| North West    | Mafikeng         | 24,1                     | 12,0 |
| Western Cape  | Cape Town        | 20,9                     | 12,2 |

Source: Department of Environmental Affairs and Tourism, South African Weather Service

on the south coast of KwaZulu-Natal, the coastal and marine environment next to Pondoland in the Eastern Cape, Bird Island at Algoa Bay, as well as the Cape Peninsula in the Western Cape. Negotiations are underway for the creation of an MPA off Namaqualand.

Some of the protection measures to be implemented in the MPAs are restrictions for people who want to fish, as well as restrictions for stowing fishing gear when fishing with a vessel.

Spear fishers will not be allowed entry to these areas. Scuba divers will also be required to obtain permits.

### Marine resources

South Africa's coastline covers some 3 000 km.

South Africa's fisheries are among the best-managed in the world. In February 2003, the first Environmental Court in South Africa was opened in the southern coast town of Hermanus, in the Western Cape, and had an immediate impact on poaching.

#### FACT

Some 500 million t of topsoil are lost through water and wind erosion. South Africa is a signatory to the Convention to Combat Desertification.

## The Kruger National Park

First opened in 1927, more than a million people visit Kruger every year. Comprising almost 2 million ha, the Park has over 500 bird species, not to mention 336 trees and 147 mammals. It even has 49 species of fish.

The second Environmental Court was launched in Port Elizabeth in February 2004.

The Department's precautionary policy on managing the country's marine resources has resulted in pilchard and anchovy populations reaching record highs.

Other recent achievements include the following:

- encouraging surveys allowed the total allowable catch for West Coast rock lobster to be increased in 2002 by 25%
- by mid-2003, it was possible to increase the number of medium-term commercial fishing rights from 400 to 2 200, 60% of which went to historically disadvantaged people
- the Eastern Cape had one of its best squid seasons ever in 2002/03, with some 4 000 t being landed in the six-week season.

In 2003/04, South Africa had eight Blue Flag beaches. They were:

- Humewood Beach, Nelson Mandela Metropole in Port Elizabeth (Eastern Cape)
- Margate Main Beach (KwaZulu-Natal)
- South Beach, Durban (KwaZulu-Natal)
- Hibberdene Beach (KwaZulu-Natal)
- Ramsgate Beach (KwaZulu-Natal)
- Marina Beach, San Lameer (KwaZulu-Natal)
- Umhlanga Rocks Main Beach, (KwaZulu-Natal)
- Grotto Beach, Hermanus (Western Cape).

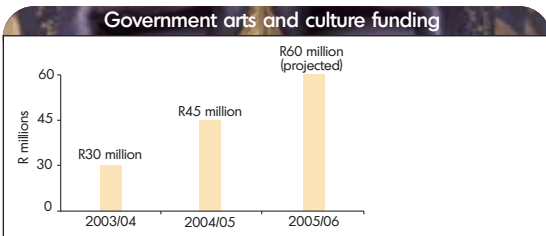
The Working for the Coast Programme was launched in October 2000. It has succeeded in upgrading the environment and improving the lives of many people living along the coast.

More than 55 teams of workers have been formed along South Africa's coast to upgrade the environment, with many of them having started their own small businesses.



## Arts and culture

The Department of Arts and Culture is directly responsible for 27 public entities including museums, art galleries, the National Archives and six playhouses.



Source: South Africa Yearbook 2003/04

### National coat of arms

South Africa's coat of arms was launched in 2000.



#### Symbolism

Rising sun: a life-giving force

Protea: beauty and the flowering of the nation

Ears of wheat: fertility of the land

Elephant tusks: wisdom, steadfastness and strength

Knobkierie and spear: defence of peace

Drum: love of culture.

The motto, *ǃke e:ǀxarraǁke*, written in the Khoisan language of the *ǀXam* people, means 'diverse people unite'.

### National anthem

The national anthem is a combined version of *Nkosi Sikelel' iAfrika* (God bless Africa) and *The Call of South Africa* (*Die Stem*).

## National flag

The national flag of the Republic of South Africa was brought into use on Freedom Day, 27 April 1994. The design and colours are a synopsis of the principal elements of the country's flag history.



## National symbols

South Africa's national symbols are:



National animal:  
springbuck



National bird:  
blue crane



National fish:  
galjoen



National flower:  
king protea



National tree:  
real yellowwood

## National orders

South Africa's national orders are:



The Order of  
the Baobab



The Order of  
Mapungubwe



The Order of  
the Companions  
of O.R. Tambo



The Order of  
Luthuli



The Mendi  
Decoration  
for Bravery



The Order of  
Ikhamanga



FACT

In October 2003, South African novelist J.M. Coetzee won the Nobel Prize for Literature.

The Department's capital-works budget grew from R81,5 million in 2002/03 to R168,05 million in 2003/04.

## Cultural tourism

Cultural festivals, African-cuisine projects, cultural villages, heritage routes and story-telling are areas which can benefit from South Africa's booming tourist industry.

The Department works with various players to extend the Cultural Industries Growth Strategy, aimed at enhancing the potential of cultural industries. In 2002/03, some R20 million was allocated to cultural industries.

## Arts festivals

The National Arts Festival, held annually in July in Grahamstown, Eastern Cape, is one of the largest and most

### 2004 South African Music Awards winners

- Artist of the Year: Mzekezeke
- Song of the Year: Mzekezeke
- Best Selling Release: Steve Hofmeyer
- Best Female Artist: Swazi
- Best Male Artist: Zim Ngqawana
- Best Jazz Vocal Album: McCoy Mrubata
- Best duo: Mafikizolo
- Best Rock Album: Arno Carstens
- Song of the decade: *Vulindlela* by Brenda Fassie

### Top five SA music interests

|                  |       |
|------------------|-------|
| All Adults, 2003 |       |
| Gospel           | 66,6% |
| Kwaito           | 31,3% |
| Reggae           | 20,9% |
| House            | 20,5% |
| Jazz/fusion      | 19,9% |

Source: SA Advertising Research Foundation

| Domestic music sales (R millions) |       |               |       |
|-----------------------------------|-------|---------------|-------|
|                                   | Local | International | Total |
| 2001                              | R157  | R453          | R610  |
| 2002                              | R192  | R512          | R704  |
| 2003                              | R225  | R479          | R705  |

Source: Recording Industry of South Africa

diverse arts gatherings in Africa. Other major festivals are held in Oudtshoorn, Johannesburg, Durban, Cape Town, Potchefstroom and Bloemfontein.

## Theatre

South African theatre is internationally acclaimed as being unique and of top quality.

Johannesburg's celebrated Market Theatre has built its reputation on local content productions. There is a growing trend towards the establishment of smaller theatres.

## Music

While local music forms such as South African jazz have influenced African and world music for decades, gospel and kwaito are today the most popular and most recorded styles. Kwaito combines elements of rap, reggae, hip-hop and other styles into a distinctly South African sound.

The annual North Sea Jazz Festival secured South Africa's position on the international jazz scene when it was first held in Cape Town in March 2001.

### FACT

The oldest dated rock art in South Africa, an engraved stone, was discovered at the Wonderwerk Cave near Kuruman in the Northern Cape. It is 10 200 years old. The oldest painted stones (6 400 years old) were recovered near the Cango Caves outside Oudtshoorn.

## Orchestras

In 2003, the Department allocated R12 million to orchestras as part of a policy supporting partnerships between local, provincial and national government.

## Dance

Contemporary work ranges from normal preconceptions of movement and performance art or performance theatre, to the completely unconventional. Added to this is the African experience, which includes traditional dance inspired by wedding ceremonies, battles, rituals and everyday life.

The Dance Factory in Johannesburg provides a permanent platform for all kinds of dance and movement groups, while the Wits (University) Theatre is home to the annual Dance Umbrella, a showcase for new work.

At seventy years old, the Cape Town City Ballet is the oldest ballet company in the country.

## Visual arts

The Department is investigating the establishment of an arts bank, a library which will lend artwork to government departments and companies.

## Crafts

The crafts industry employs about one million people, with products being widely exported. The Department co-ordinates initiatives to finance, market and develop the sector. Training is a particular focus.



In May 2003, President Thabo Mbeki and Mali's President, Amadou Toumani Toure, launched the Timbuktu Manuscripts Project, the first New Partnership for Africa's Development cultural project. South Africa is helping to preserve manuscripts from Timbuktu, which are more than 800 years old.



## FACT

At the end of February 2004, Charlize Theron became the first South African to receive the Academy Award for Best Actress. Her performance in *Monster* also saw her winning the Golden Globe.

## Film

It has been estimated that the film and video sector generated R4 billion in 2001 – in Cape Town alone. Film production is being actively supported by government; just one initiative is the allocation of R35 million for the establishment of a film fund.

South Africa offers foreign producers world-class film facilitation, logistics, facilities, talent and administration-management services.

Television production accounts for more than a third of total film/television revenue, with local-content quotas increasing the demand for programming.

## The Legacy Project

This Project was approved by Cabinet as a mechanism to establish commemorative structures to celebrate South Africa's past.

Some of the initiatives include:

- the Women's Monument
- the Chief Albert Luthuli Legacy Project
- the Nelson Mandela Museum
- Constitution Hill
- Freedom Park.

## Museums

More than 300 of the approximately 1 000 museums in Africa are in South Africa. Most museums are subsidised by the Department, but are otherwise autonomous.



## Tourism

South Africa performed very well in 2003 compared with global markets – the country posted a 4,2 % increase in overseas arrivals and a 1,2% increase in total foreign arrivals (some 6,5 million arrivals) from 2002.

Often described as ‘a world in one country’, South Africa offers the visitor a breathtaking variety of scenery, from desert and lush forest, to soaring mountains and vast empty plains. Culturally as diverse as the landscape, many visitors are drawn to experience for themselves the miracle of the peaceful overthrow of Apartheid. Others are attracted by endless golden beaches, big game, diving or snorkelling or bird watching. Whatever their reasons, visitors will find South Africa positively inviting, with world-class infrastructure, transport and accommodation.

### Travel formalities

- Foreign visitors should check before arriving whether a visa is required. Visas are issued free of charge.
- Visitors must have at least one blank page in their passports.
- Tourists must have return or onward tickets.
- Those coming from yellow-fever areas should be able to prove inoculation.
- Foreign tourists may have their Value-Added Tax refunded upon departure.
- For safety, emergency and other information, phone 083 123 2345 (24 hours a day) when in South Africa.

# Tourism in the provinces

## Western Cape

The Western Cape continues to be one of the most favoured destinations for foreigners. Everyone wants to see Cape Town, one of the world's most beautiful cities.

Some attractions in Cape Town include:

- the Dutch-built Castle of Good Hope
- the Company's Garden
- the District Six Museum
- the Houses of Parliament and the South African National Gallery
- a boat trip to Robben Island, the place where former President Nelson Mandela spent most of his 27 years in jail.

Table Mountain is a popular site for visitors and provides the majestic backdrop to the vibrant and friendly Mother City. It can be reached by an ultra-modern cableway.

Newlands is home to the world-renowned Kirstenbosch National Botanical Garden, and the famous rugby stadium.

At Cape Point, part of the Cape Peninsula National Park, there are many drives, walks, picnic spots and a licensed restaurant. This is the point where the Atlantic and Indian oceans meet.

Hout Bay is well-known for its colourful working harbour. Seafood outlets, round-the-bay trips to the nearby seal island, and a famous harbour-front emporium attract many visitors.

The Wine Route outside Cape Town offers the chance to taste first-class wines in arguably the most beautiful winelands in the world. Superb accommodation is available



FACT

Cape Town's V&A Waterfront is a bustling harbour with exceptional shopping, bars and restaurants – all set against the magnificent backdrop of Table Mountain.

in historic towns such as Paarl, Stellenbosch and Franschhoek, as well as on many estates and farms.

## The Garden Route

The Garden Route has a well-developed tourist infrastructure, spectacular scenery and a temperate climate, making the region popular all year round.

### Not to be missed

- The city of George is at the heart of the Garden Route and is the mecca of golf in the southern Cape. It is home to the renowned Fancourt Country Club and Golf Estate, scene of the 2003 Presidents Cup.
- Knysna, nestling on an estuary, is officially South Africa's favourite destination, famous for its indigenous forests, lakes and beaches.
- Just 26 km from Oudtshoorn, the ostrich feather capital of the world, are the remarkable Cango Caves, a series of 30 spectacular subterranean limestone caverns.

## Central Karoo

The Central Karoo forms part of one of the world's most interesting and unique arid zones. This ancient, fossil-rich land, with the richest desert flora in the world, also has the largest variety of succulents found anywhere on earth.



FACT

There are over 9 000 plant species in the Karoo. The Beaufort West area alone is home to more plant species than the whole of Great Britain.

### Key attractions

- Matjiesfontein, a tiny railway village in the middle of nowhere, offers tourists a peek into the splendour of colonial Victorian England.
- Prince Albert is a well-preserved town which nestles at the foot of the Swartberg Mountains. The Fransie Pienaar

Museum offers interesting cultural history displays, a fossil room and an exhibit of gold-mining activities in the 19th century.

## Northern Cape

The Augrabies Falls National Park, with its magnificent falls pressing through a narrow rock ravine, remains the main attraction of the Northern Cape. Game drives reveal a variety of bird life and animals such as klipspringer, steenbok, wildcats and otters.

### Rare attractions

- Kimberley, with its Big Hole, is the largest man-made excavation in the world. The Kimberley Tram Service dates from the beginning of the century and still transports passengers from the City Hall to the Mine Museum. Underground mine tours are a big attraction.
- The Orange River Wine Cellars Co-op in Upington offers wine-tasting and cellar tours. The South African Dried Fruit Co-operative is the second largest in the world.
- Moffat's Mission in Kuruman is a tranquil place, featuring the house of missionary Robert Moffat, the father-in-law of explorer David Livingstone.
- Namaqualand, the land of the Nama and San people, puts on a spectacular show in spring when a floral splendour covers vast tracts of desert.
- A cultural centre at Wildebeestkuil outside Kimberley features !Xun and Khwe artwork for sale and a tour of rock engravings by these indigenous people.



FACT

A township tour to Galeshewe (Kimberley) provides a fresh perspective on South Africa's history. Pan-Africanist Congress founder Robert Sobukwe's house in Galeshewe is worth a visit.

- The 100 m high, 9 km long, 2 km wide white sand dune at the Witsand Nature Reserve near Postmasburg.

## Free State

In the capital, Bloemfontein, the *Eerste Raadsaal* (First Parliament Building) was built in 1849 as a school and is the city's oldest surviving building still in its original condition. It is still in use as the seat of the Provincial Legislature.

The National Women's Memorial is a sandstone obelisk, 36,5 m high, which commemorates the women and children who died in concentration camps during the Anglo-Boer/South African War.

## Not to be missed

- Clarens, the jewel of the Free State, is located in spectacular scenery.
- The Golden Gate Highlands National Park outside Clarens has beautiful sandstone scenery.
- The King's Park Rose Garden in Bloemfontein has more than 4 000 rose bushes.

## Eastern Cape

The Eastern Cape is the only province in South Africa, and one of the few places on earth, where all seven biomes (major vegetation types) converge.

### FACT

The Eastern Cape has a remarkable 820 km of unspoilt coastline, among the most impressive to be found anywhere in the world.

## What to see and do

- the rugged beauty of the Wild Coast
- Port Elizabeth, sunshine capital of the Eastern Cape with its friendly people and excellent beaches
- the Tsitsikamma National Park, forests and rivers

- East London, South Africa's only river port, originally established as a supply port to serve the military headquarters at King William's Town
- the village of Qunu, former President Nelson Mandela's childhood home
- the world's highest bungee jump (180 m) at the Bloukrans Bridge on the Storms River
- outstanding, and varied, game reserves: the Addo Elephant, Mountain Zebra and Mkomazi parks.

## Limpopo

Limpopo is well endowed with cultural diversity, historical sites and tourist attractions. This is an excellent destination for a get-away-from-it-all holiday in the bush – with first-class accommodation and service.

### Not to be missed

- The Mokopane (formerly Potgietersrus) vicinity has several nature reserves. The Arend Dieperink Museum has a fine cultural-historical collection, and the Makapan Caves are famous for their fossils.
- The Thabazimbi district is one of the fastest growing ecotourism areas in South Africa, thanks to its outstanding game reserves.
- Bela-Bela (formerly Warmbaths) is well-known among South Africans, and increasingly foreigners, for its hot springs, fun slides and scenery.
- The Waterberg Range is rich in indigenous trees, streams, springs, wetlands, bird life and dramatic vistas.
- The Modjadji Nature Reserve, north of Tzaneen, is named after the legendary Rain Queen, Modjadji, the inspiration for Rider Haggard's *She*.



FACT

The Nylsvley Nature Reserve in the Waterberg has one of the greatest concentrations of waterfowl and bushveld birds (more than 400 species) in South Africa.

- Phalaborwa has one of the country's top-rated golf courses – just watch out for animals on the fairways.
- The Schoemansdal Voortrekker Town and Museum, west of Louis Trichardt, is built on the site of an original Voortrekker village and depicts their lifestyle in the mid-18th century.

## North West

The province abounds with attractions, including bush and wild animals and wild nights at the famous Sun City and Lost City resorts.

### Key attractions

- The Historic Route of Mafikeng includes the town which was besieged during the Anglo-Boer/South African War.
- The Groot Marico region, *mampoer* (moonshine) country, is famous among South Africans for storytelling.
- The Hartbeespoort Dam is a popular spot for weekend outings, breakfast runs and yachting.
- The Pilanesberg National Park supports over 7 000 head of game, including the Big Five and 350 bird species. It is the fourth biggest national park in South Africa, and covers 65 000 ha.
- Sun City and the Palace of the Lost City are hugely popular tourist attractions offering gambling, golf, extravaganza shows, water sport and an artificial sea.


 FACT

The Madikwe Game Reserve was the site of the world's biggest animal relocation programme. Today it is home to 10 000 animals of 27 major species.

## Mpumalanga

Mpumalanga – 'the place where the sun rises' – is in the north-eastern part of South Africa, bordered by

Mozambique to the east and the Kingdom of Swaziland to the south-east.

Scenic beauty and wildlife are found in abundance.

### **Tourist must-do's**

- Historical sites and villages, old wagon routes and monuments mark the lives of the characters who came to Mpumalanga seeking their fortune. The town of Pilgrim's Rest is a living monument reflecting the region's gold fever.
- The Blyderivierspoort Nature Reserve near Graskop has striking rock formations and a rich diversity of plants.
- Within the Blyderivierspoort Nature Reserve, the Bourke's Luck Potholes were formed by river erosion and the action of flood water. The spectacular Blyde River Canyon is a 26 km long gorge carved out of the face of the Escarpment, the only green canyon in the world.
- The southern section of the Kruger National Park falls in this region. The Park draws a million visitors a year.

### **Gauteng**

Gauteng, the economic heart of southern Africa, offers a vibrant business environment and many tourist attractions, including a rainbow of ecological and cultural diversity.

### **Things to see and do**

- The Vaal Dam covers some 300 km<sup>2</sup> and is a popular venue for water sport. Numerous resorts line the shore. The Dam is popular with birders and anglers.
- The Sterkfontein Caves near Krugersdorp are the site of the discovery of the skull of the famous Mrs Ples (now believed to be Mr Ples), an estimated 2,5 million-year-old hominid fossil; and Little Foot, an almost complete hominid skeleton more than 3,3 million years old.
- The Witwatersrand National Botanical Garden boasts a

70-m high waterfall and stunning displays of indigenous plants.

- Forty kilometres north of Pretoria lies a ring of hills a kilometre in diameter and 100 m high. These hills are the walls of an impact crater, the Tswaing Meteorite Crater, left by an asteroid 200 000 years ago.
- The National Zoological Gardens in Pretoria, which is considered to be one of the 10 best in the world.
- The new Constitutional Hill Precinct which is set to become one of South Africa's most popular land marks.
- The old mining town of Cullinan is the place where the world's biggest diamond, the 3 106-carat Cullinan Diamond, was found.
- A guided tour of Soweto makes a lasting impression of this vast community's life and struggle against Apartheid.
- The Apartheid Museum in Johannesburg tells the story of the legacy of Apartheid through photographs, film and artefacts.


**FACT**

South Africa's capital, Pretoria, is a delight in spring when 50 000 jacaranda trees turn the city purple.

## KwaZulu-Natal

Also known as the Zulu Kingdom, KwaZulu-Natal is a combination of natural wonders, fascinating culture and ultra-modern facilities.

Durban's Golden Mile skirts the main beaches of the Indian Ocean. Drawcards include an amusement centre, paddling pools, paved walkways and fountains.

### Enticing attractions

- The uShaka Marine World theme park, oceanarium, dolphinarium and oceanographic research institute on Durban's Point.



- Dolphin spotting or lazing the days away on the coastline between the Umdloti and Tugela rivers – the Dolphin Coast.
- The Hluhluwe-Umfolozo Park, one of the largest game parks in South Africa and home to the Big Five, as well as cheetah and wild dogs.
- The eMakhosini Valley, birthplace of King Shaka. The new Valley of Zulu Kings tells visitors all about the Zulu nation.
- The Greater St Lucia Wetlands, with some of the highest forested dunes in the world, and an abundance of fish and birds.
- Travelling the Hibiscus Coast between Umkomaas and the Wild Coast on the Banana Express train.
- The Royal Natal National Park offers many scenic highlights, including the Amphitheatre, Mont-aux-Sources and the Tugela Falls.
- The Battlefields Route in northern KwaZulu-Natal has the highest concentration of battlefields and related military sites in South Africa.

## FACT

The Midlands Meander takes tourists on a leisurely drive through the rolling hills and farms north of Pietermaritzburg, with more than 70 shops and restaurants.

## Things to do in South Africa

Just a few of the attractions that make South Africa such an exceptional destination:

- breathtaking Cape Town nestling at the foot of Table Mountain
- Cape Point, where two oceans meet
- Cape Town's laid-back, welcoming attitude and fabulous nightlife
- Robben Island, the prison in Cape Town's Table Bay where former President Nelson Mandela was incarcerated

- the delights of Sun City and the Lost City, and many other first-rate casino resorts
- walking in the spectacular Drakensberg mountains
- the chance to learn how to say 'hello' in 11 or more languages
- the lilac-breasted roller, the blue crane and the other 900 species of bird to be spotted in southern Africa
- the Big Five and other wild animals that abound in the many parks and game reserves
- the strange *halfmens* (half-human) and the exotic baobab, just some of South Africa's many amazing trees and plants
- evocative battlefields on which imperial Britain fought Zulus, Xhosas and Boers
- the dazzling floral displays which carpet Namaqualand once a year
- the mountains, forests and beaches of the Garden Route
- the silence and solitude of the Karoo's wide-open spaces
- country hospitality (and home cooking) in hundreds of picturesque towns and villages across South Africa
- the endless golden beaches of the Eastern Cape
- the Big Hole in Kimberley, the world's biggest man-made hole
- fly fishing in stunning scenery with first-class accommodation
- fabulous golf courses that produced the likes of Gary Player, Ernie Els and Retief Goosen.



# Health

By April 2003, free Primary Healthcare (PHC) services were provided at about 3 500 public health clinics nationwide to non-medical aid members.

PHC services include immunisation, communicable and endemic disease prevention, maternity care, screening of children, Integrated Management of Childhood Illnesses and child healthcare, health promotion, counselling, chronic diseases, diseases of older persons, rehabilitation, accident and emergency services, family planning, and oral health.

Where necessary, patients with complications are referred to higher levels of care, such as hospitals.

## Health delivery system

The major emphasis in the development of health services at provincial level has been the shift from curative hospital-based healthcare to that provided in an integrated community-based manner.

Provincial-hospital patients pay for examinations and treatment in accordance with their income and number of

| Health budget     |                                 |                |                 |
|-------------------|---------------------------------|----------------|-----------------|
|                   | 2004/05<br>(to be appropriated) | 2005/06        | 2006/07         |
| MTEF allocations  | R8 787 865 000                  | R9 626 237 000 | R10 457 912 000 |
| Statutory amounts | –                               | –              | –               |

Source: *Estimates of National Expenditure, 2004*

dependants. Patients may have their treatment partly or entirely financed by the provincial government.

## Clinics

A network of mobile clinics run by government forms the backbone of primary and preventive healthcare. Between 1994 and 2003, upgrading and building resulted in 701 additional clinics.

## Hospitals

There were 357 provincial public hospitals in 2002.

Funding for the Hospital Revitalisation Programme in 2004 has risen from R717 million in 2003 by almost R200 million. This will include the construction of 18 entirely new facilities.

In 1999, there were 200 private hospitals with 23 076 beds. Private hospital fees are generally higher than those of provincial hospitals.

South Africa has 18 State mental-health institutions with 10 000 beds.

## Emergency medical services

Emergency medical services, including ambulance services, are run by the provinces, but training is nationally standardised.

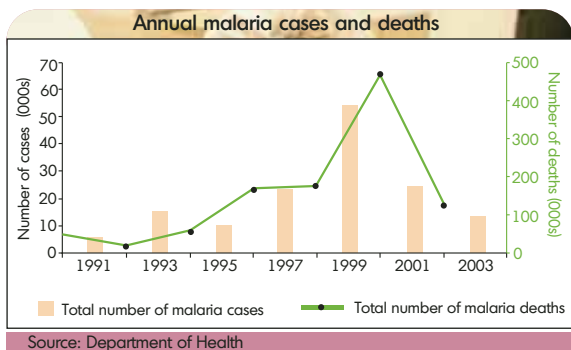
Private ambulance services also provide services to the community, mainly on a private basis. Some of these also provide aeromedical services.

## Legislation

A National Health Bill presented to Parliament in July 2003 provides a legal framework for a national health system encompassing public and private service-providers.

It also sets out the rights and duties of healthcare providers, health workers, establishments and users.

The Traditional Healers Bill will provide for the



registration of traditional healers and the establishment of a statutory body for their regulation.

## National School Health Policy

A policy and set of guidelines, launched in July 2003, aims to ensure that all children have equal access to school-health services. A comprehensive programme to train nurses is being rolled out. By 2007, the training programme will be implemented across the country.

## Health team

The core team consists of:

- 30 578 registered doctors (end of 2003)
- 4 500 dentists (end of 2003)
- 10 782 pharmacists (end of 2001)
- 172 869 nurses and nursing auxiliaries (end of 2002).

South Africa has a severe shortage of health professionals such as physiotherapists, dietitians and radiographers.



FACT

By June 2003, some 2 662 young professional healthcare workers were doing community service, contributing to services offered by the public sector.

## National Health Laboratory Service (NHLS)

The NHLS consists of 234 laboratories. The NHLS provides cost-effective and efficient laboratory services to all public and private healthcare providers.

## Medical schemes

The 168 private medical aids (April 1999) are regulated by the Council for Medical Schemes.

## Community health

The most common communicable diseases in South Africa are tuberculosis (TB), malaria, measles and sexually transmitted infections.

Immunisations against TB, whooping cough, tetanus, diphtheria, polio myelitis, hepatitis B, hermafluos

### Allied health professionals:

In July 2003, the following practitioners were registered:

|                                    |       |
|------------------------------------|-------|
| • Ayurveda                         | 114   |
| • Chinese medicine and acupuncture | 638   |
| • chiropractors                    | 424   |
| • homeopaths                       | 652   |
| • naturopaths                      | 142   |
| • osteopaths                       | 60    |
| • phytotherapists                  | 23    |
| • therapeutic aromatherapists      | 1 003 |
| • therapeutic massage therapists   | 279   |
| • therapeutic reflexologists       | 1 726 |

### Supplementary health professionals\* include the following:

|                                |        |
|--------------------------------|--------|
| Basic ambulance assistants     | 21 548 |
| Psychologists                  | 5 607  |
| Radiographers                  | 5 033  |
| Medical technologists          | 4 738  |
| Ambulance emergency assistants | 4 576  |
| Occupational therapists        | 2 665  |
| Environmental health officers  | 2 544  |
| Optometrists                   | 4 604  |
| Physiotherapists               | 2 354  |

\* December 2003

**FACT**

In 2002, the budget for the Primary School Nutrition Programme was increased from R592 million to R809 million. Five million children in 15 000 schools have benefited from the Programme.

influenza type-B and measles are available free of charge to all children up to the age of five.

In 2002, about 72% of children were fully immunised at the age of one, compared with 63% in 1998.

The last confirmed case of polio was reported in 1989.

Malaria is endemic in the low-altitude areas of Limpopo, Mpumalanga and north-eastern KwaZulu-Natal. The highest-risk area is a strip of about 100 km along the Zimbabwe, Mozambique and Swaziland borders.

Following a rise in malaria cases in 2000, drastic measures were taken which resulted in cases dropping by 74% in 2001, and a further 21% in 2002.

### **Tuberculosis**

South Africa has 188 000 new TB cases a year. Free testing is available at public clinics countrywide.

Countrywide efforts have now been brought to bear on this disease. These efforts include:

- implementation of the Directly Observed Treatment Strategy
- the establishment of a national TB team
- a countrywide reporting system.

### **HIV/AIDS**

In 2002/03, government provided large additional allocations for an enhanced response to HIV/AIDS and TB. Allocations of more than R1 billion for 2002/03 were again strengthened in the 2003 Budget.

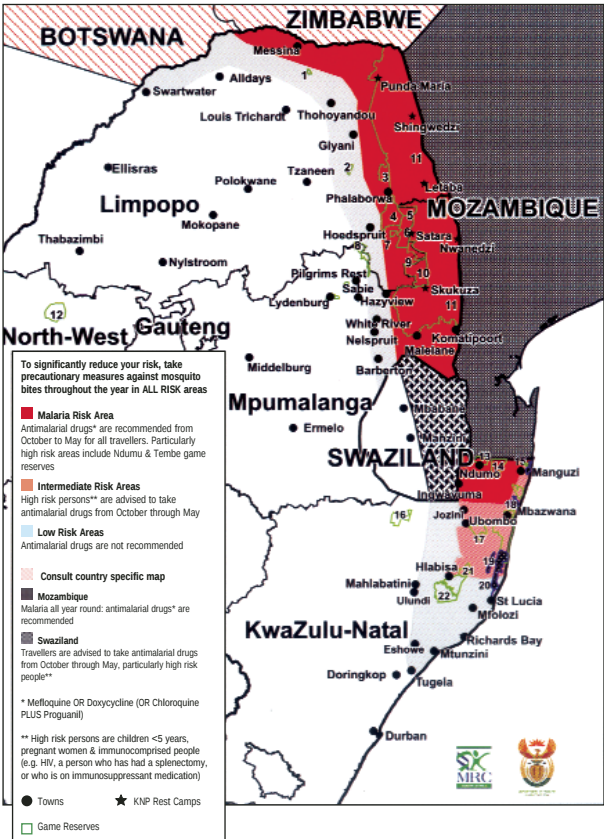
Dedicated funding for HIV/AIDS is set to increase more than tenfold from R342 million in 2001/02 to R3,6 billion in 2005/06.



On 19 November 2003, Cabinet approved in principle an Operational Plan for Comprehensive Treatment and Care of HIV and AIDS. Among others, the Plan provides for anti-retroviral treatment in the public health sector.

The programme includes service points in every district which will provide a continuum of care and treatment,

### Malaria risk areas



| Immunisations |     |
|---------------|-----|
| 1998          | 63% |
| 2002          | 72% |

Source: South Africa Yearbook 2003/04

integrated with a prevention and awareness campaign, which remains the cornerstone of the strategy to defeat HIV and AIDS.

Condoms are available free of charge at all clinics. During 2002, government distributed 350 million male condoms free of charge. This rose to 400 million in 2003/04. In 2003, 100 000 female condoms were distributed every month.

A programme that provides Nevirapine to mothers and babies is expanding. By 2003, at least 658 hospitals and clinics were providing a full package of care.

Government commits R20 million a year to the South African AIDS Vaccine Initiative.



## Sport and recreation

South Africans have more than made their mark in international sport – in soccer, cricket, rugby, boxing, golf, swimming, tennis, athletics, and many other codes. Recently, the country has successfully hosted major international soccer, rugby and cricket events (the world cups of the latter two sports) and will be sure to impress when it hosts the *Fédération Internationale de Football Association* Soccer World Cup in 2010.

### Taking part

A key aim of government is encouraging all South Africans (particularly the historically disadvantaged) to take part in organised sport for the sake of social integration, health and the sheer enjoyment of it.

#### FACT

In 2000, sport and recreation contributed 2% to South Africa's Gross Domestic Product (GDP), generating R15,9 billion of economic activity. Including capital expenditure, that figure rises to R16,7 billion or 2,1% of GDP.

### Facilities

Between 1994 and 2001, the Reconstruction and Development Programme Fund resulted in the completion of 138 basic outdoor sports facilities costing R49,5 million, and one indoor facility in each province at a total cost of R40,7 million.

Other noteworthy achievements in bringing sports infrastructure to ordinary (and potentially world-class) people were:

- 26 projects with a total value of R1,2 million were completed between 1994 and 2001 with resources from the Central Sport and Recreation Fund
  - the 2002/03 departmental budget provided for the upgrading and building of 85 facilities, creating 5 500 jobs
  - 100 community sports councils and clubs were established and empowered to run and manage their facilities.
- Since 1993, Sport and Recreation South Africa has spent some R450 million on building and upgrading facilities countrywide.

In the last two years, 142 facilities were completed.

## International achievements

South African teams and individuals enjoyed a mixed year in 2003. The Springbok rugby team disappointed supporters by exiting the World Cup in the quarter-finals, and the country's national cricket team failed to win the Cricket World Cup on home soil. But there were many highlights, notably:

- High jumper Hestrie Cloete was elected female World Athlete of the Year with 22 wins in 26 competitions.
- Jacques Freitag won the men's high jump at the World Athletics Championships by clearing 2,35 m.
- Makhaya Ntini was the world's top cricket wicket-taker in 2003.

### South African Olympic medals: 1992 – 2000 and finalists

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1992: 3 medals/3 finals (2 for men's doubles tennis)

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1996: 5 medals/10 finals (includes men's marathon gold)

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2000: 4 medals/26 finals

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Finals reached by doubles or teams counted as single events

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### South Africa's top golf courses, 2003

According to SA Golf Digest

1. Gary Player Country Club, Sun City, North West
2. Leopard Creek Country Club, Mpumalanga
3. Fancourt (Montagu course), Southern Cape
4. Durban Country Club, KwaZulu-Natal
5. Arabella Golf & Country Estate, Western Cape
6. Fancourt (Oudeniqua)
7. River Club, Gauteng
8. The Links at Fancourt
9. George Golf Club, Southern Cape
10. Pecanwood Golf and Country Club, Gauteng.

- In November 2003, the Fancourt Golf Estate near George hosted the Presidents Cup between the United States of America and an international team. In a sensational finish, the sides tied and shared the trophy. In the same month, Trevor Immelman and Rory Sabatini won the World Golf Cup.
- Boxer Corrie Saunders scored a second-round knockout win over Vladimir Klitschko in Germany in March to claim the World Boxing Organisation heavyweight title.
- The 40-athlete strong South African Special Olympics team brought home 37 medals, including eight gold, from the Special Olympics.

### Sports Tourism Project

South Africa's hosting of the 2003 Cricket World Cup attracted 20 000 foreign fans over 44 days, who spent R1,1 billion and generated 3 500 jobs during the hugely successful event.

### Sports administration

The South African Sports Commission administers sports and recreation under the Minister's guidance. It co-ordinates the provision of facilities via a national plan.

The budget allocation to the Commission rose from R24,7 million in 2002/03 to R28 million in 2003/04.

The Commission is responsible for, among other things, improving South Africa's international performance, the quality of international events hosted by this country, and identifying talent and priority sports for investment.

South Africa predicts that by hosting the 2010 Soccer World Cup it will:

- sell 2,75 million tickets
- entail capital expenditure of R2,3 billion
- contribute R21,3 billion to the economy
- create 159 000 jobs
- bring in R7,2 billion in taxes.

#### Sports of most interest to adult South Africans, 2003

|                  |       |
|------------------|-------|
| Soccer           | 52,5% |
| Cricket          | 22,3% |
| Dancing          | 19,9% |
| Boxing/wrestling | 18,6% |
| Rugby            | 17,8% |
| Athletics        | 16,7% |

Source: South Africa Advertising Research Foundation

### Junior Dipapadi

This programme aims to give all children aged three to 14 the opportunity to participate in sport and recreation. Children are introduced to a variety of sports codes through play at beginner level. The project kicks off with the Super Start Programme which promotes participation in games to encourage learning and social integration, through to Modified Sport which introduces children to adult games in such a way that they can enjoy the sports while developing skills and experiencing success.

Playsport teaches primary-school children basic skills and gives teachers the resources to effectively enhance their motor skills.