

Gateway (Discussion)

Dianna Games, Africa At Work

- Size of the economy
- Working infrastructure
- Multiple ports of entry
- Airline hub
- Telecommunications
- G20 Seat
- UN Seat
- BRICS member
- Lifestyle choices
- Location of choice for western companies

Pro SA Gateway Arguments

- Rest-of-Africa corporate experience
- Skills base
- Functioning institutions
- Rule of law
- Strong financial systems
- Capital accumulation
- Strong regulation and enforcement
- Strong manufacturing base
- Sourcing hub (capital goods, cars, parts)
- FIFA showcase

Pro Gateway arguments (2)

- Geographical location
- Governance challenges (tripartite compromises)
- SOEs
- Manufacturing challenges
- Rising cost of doing business
- Trade union strength
- Socialist orientation to FDI
- Reducing economic freedom/ increased state intervention in the economy
- Information clampdown threat
- Exchange controls

SA Gateway - Weaknesses

- Inadequate economic diplomacy
- Little trade/economic expertise in Africa
- Reduced economic traction
- Foreign policy issues
- Insufficient leverage of SA finance to support SA business in Africa
- Concerns about economic weight
- Port congestion and costs
- Declining performance of railways
- Redistribution, not creation, of wealth

SA Gateway – weaknesses

- Improving economic hubs
- Growing airline hubs
- Active competition from key economies (Kenya, Nigeria, Mauritius, Dubai, Egypt)
- New transport routes to avoid Durban/
development of economic corridors
- New financial centres
- BRIC resources thrust outside SA – direct to market
- Geography

SA Gateway - Threats

- Trajectory issues (Kenya up; SA down)
- Lack of tripartite SA Inc
- Lack of internal business unity
- Skills drain from SA
- Poor education outcomes
- Rapidly rising corruption
- Energy deficits and cost
- Other infrastructure costs, taxes
- Competition policy
- Mining policy

SA Gateway - threats

- Cross cutting proactive Africa economic strategy
- Use diplomacy effectively (regional investment hubs)
- Tackle business/government mistrust/elitism
- More transparency in investor policy issues
- More investor friendly (not a zero sum game)
- Consequences for fraud, theft, corruption, inefficiency
- Find and develop policy for hub opportunities
- Implement examples of success from other developmental states
- Develop support for SADC manufacturing/exports
- Improve bureaucratic efficiency and accessibility
- Lower business costs/improve competitiveness
- Improve state leadership (incl SOEs)
- Strengthen regionalism and EM ties

SA Gateway - Suggestions