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Movement Marketing Enterprises (Pty). Ltd

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INTERNATIONAL BUSINESS LINK (PTY) LTD BUSINESS PROFILE

1. THE POST APARTHEID TRANSITION PERIOD : DANGERS

The first "salvos" that have been fired at CODESA point strongly towards the possibility that the transition period leading up to the first free and fair multi-party elections for a new democratic South Africa, could be fairly lengthy. The advent of negotiations has however resulted in:

- (i) a rapid slackening off of economic sanctions by nations throughout the world;*
- (ii) wave upon wave of foreign delegations and groups of businessmen interested in assessing South Africa as:*
 - * a possibility for investment either by buying an existing business (completely or as a joint venture) or establishing a new organisation;*
 - * a potential market for their products or services;*
 - * a potential supplier of goods and services to their international outlets;*
 - * a "springboard" for a commercial drive into the potentially lucrative Southern African market place.*

Whilst many foreign governments have decided to ignore the ANC's request to maintain sanctions until the Nationalist government have shown their "true spots", every interested group which comes to South Africa places a visit to the ANC high on their agenda in recognition of the key position that the organisation will command in the new South Africa. International pressure is indeed so intense that the ANC is currently reviewing its stance on sanctions and a policy statement in this regard is imminent.

1.1 DANGERS

One of the primary concerns of the ANC is that our nation faces the real danger, upon returning to the international economic field, of:

- (i) economic apartheid being further entrenched with the white owned conglomerates, who are well positioned, obtaining the greatest benefits from the easing of sanctions;
- (ii) our emergent disadvantaged entrepreneurs, who are ill-equipped either to exploit international opportunities or fend off aggressive international competitors, obtaining very few if any of the benefits;
- (iii) losing out on international opportunities because of an inadequate internal and external "brokerage" mechanisms which effectively matches buying parties with potential suppliers;
- (iv) the impoverished disadvantaged communities, which are in desperate need of immediate upliftment, obtaining few if any direct benefits from these profitable international business transactions and having instead, to wait for the often illusive trickle-down effect through the taxation system.

2. INTERNATIONAL BUSINESS LINK : THE SOLUTION

The solution to the problems outlined above was solved in the formation of a business partnership between:

- (i) Movement Marketing Enterprises (MME), which is the business wing of the ANC and charged with the responsibility of handling all of the commercial activities of the party;
- (ii) Corporate South African companies which were interested in exploiting the numerous opportunities presented by the resurgence of international interest in South Africa and who are pro-actively supportive of the growth and economic empowerment of our country's disadvantaged business sector (i.e. are keen to redress the imbalances created during the apartheid era); and
- (iii) the disadvantaged business sector who have the entrepreneurial will and basic expertise to succeed but experience great difficulties in growing their business interests.

The partnership was incorporated in a private company named "Movement Marketing Enterprises International Business Link (Pty) Ltd" and trades under the name "International Business Link". The company enjoys the full support of the African National Congress and its mode of operation is described in more detail below.

2.1 SHAREHOLDERS AND THEIR RIGHTS

MME International Business Link (Pty) Ltd ('the company') has the following shareholders:

- (i) MOVEMENT MARKETING ENTERPRISES will be instrumental in obtaining ANC support both locally and internationally and in identifying black businessmen who could participate in the international opportunities;*
- (ii) CORPORATE SOUTH AFRICA, comprising ten (10) of South Africa's most progressive companies have committed themselves to incorporating the black business sector into any new international venture. In addition the benefits are:*
 - * they will meet privately with all foreign business and political delegations who request an audience with the ANC;*
 - * they will be informed of all international business opportunities identified by International Business Link and will have the first option for exploitation;*
 - * they will be offered a rotating position on the Board of Directors of International Business Link once every 5 years;*
- (iii) DISADVANTAGED BUSINESSMEN have purchased shares in the company. This will ensure that the country's leading disadvantaged entrepreneurs will obtain a direct benefit from any profitable international business transactions that are successfully concluded. In return, the entrepreneurs will receive the same advantages as the corporate investors:*

- * *they will joint the corporate investors in the private meetings with all foreign business and political delegations who request an audience with the ANC;*
- * *they will also be informed of all international business opportunities identified by International Business Link and will have joint first option for exploitation with the corporate investors;*
- * *they will be offered an annually rotating position on the Board of Directors of International Business Link;*

(iv) *NSA MANAGEMENT (PTY) LTD which is a company that is involved directly in the upliftment of the black business sector in South Africa. In return for its equity stake, NSA Management have:*

- * *assisted to establish International Business Link and participate directly in daily operational activities during the initial stages;*
- * *utilized its national network to identify potential black businesses that could participate in international ventures and other white owned companies that might be interested;*
- * *provided the company with professional expertise (e.g. legal, marketing, financial) on an on-going basis;*

(v) *DISADVANTAGED BUSINESS SECTOR TRUST. A trust (non-profit making) has been established in order to assist in the advancement of the disadvantaged business sector in South Africa (training, education, services, low interest loans, equity capital). This Trust will own a share in International Business Link and will also provide the company with valuable information on black businesses who are potential candidates to participate in an international opportunity;*

(vi) *EMPLOYEES, who will be offered shares in the company as an employee benefit and as a productivity incentive.*

The company is controlled by a Managing Director under the overall guidance of a Board of Directors comprised as follows: 2 from Movement Marketing Enterprises, 2 from the Corporate Investors (on a rotating basis), 1 from the group of disadvantaged businessmen and 1 from NSA Management.

2.2 OPERATIONAL MODEL

International Business Link is essentially a "brokerage for international business opportunities" and is basically a conduit for information to pass between a supplier and a buyer. The attached figure provides a graphical representation of the business model that will be implemented by the company, each component of which is described in more detail below:

(i) INTERNATIONAL BUSINESS LINK

The Johannesburg based company operates on the following basis:

- * it is manned by professionals who have indepth expertise in the following areas:*
 - international banking;*
 - economics and business fundamentals;*
 - foreign investment;*
 - international diplomacy;*
 - import/export legislation;*
 - international trade*

- * will be responsible for conducting the following activities:*
 - liaising with foreign embassies in order to identify when interest groups are arriving and to schedule meetings;*
 - identify opportunities for South African business in overseas countries (e.g. trade shows, exhibitions, export contracts);*
 - identify opportunities in South Africa for international businesses interested either in exporting their products to the country or in investing in new or existing businesses;*

- *to co-ordinate the inflow and outflow of information to the 42 overseas offices of the ANC;*
- *to liaise first with the corporate investors and disadvantaged businessmen on all international opportunities identified, secondly with the disadvantaged business sector and finally with the remaining companies in South Africa;*
- *to bring the corporate companies into contact with potential joint venture candidates in the disadvantaged business sector;*

(ii) INTERNATIONAL NETWORK OF 42 ANC OFFICES

The overseas offices of the ANC have given their full support to International Business Link and will:

- * *be upgraded in order to focus on business interests. This will include the training of staff members, the provision of suitable equipment and the implementation of communication procedures;*
- * *identify opportunities for South African companies to export products and services to their host country and pass the information onto International Business Link in Johannesburg;*
- * *provide companies in their host country with information obtained from International Business Link in Johannesburg on the South African economy, the products and services that are available and business opportunities in an attempt to entice either import orders or investment.*

(iii) MOVEMENT MARKETING ENTERPRISES

MME plays a vital role in the company and will be responsible for:

- * *obtaining the ongoing support for International Business Link from the ANC and informing them of successes;*
- * *liaising with the ANC foreign desk and for obtaining their international support for the venture;*

- * *ensuring that the international offices are manned with suitably trained and qualified staff members and that a viable communications network is established to International Business Link.*

(iv) DISADVANTAGED BUSINESS SECTOR TRUST FUND

This has been established with the express intention of assisting disadvantaged businesses to take advantage of International opportunities. The fund will build a database of disadvantaged businesses who are potential candidates for participation in international opportunities either on their own or in a joint venture with corporate South Africa or international investors.

The fund will be administered by International Business Link and will make funds available for:

- * *the education and training of disadvantaged businessmen involved in an international venture;*
- * *low interest bridging finance in order to assist the disadvantaged businessmen to purchase raw materials to fill export orders;*
- * *the provision of a range of services to the businessmen for the import and export of orders and services;*
- * *the travelling expenses of disadvantaged businessmen intent on exploiting the international opportunities.*

(v) CORPORATE SOUTH AFRICA

The corporate companies involved with International Business Link will be kept informed of all international business opportunities and will be expected to:

- * *accept or reject all offers made (so that other companies can be approached);*

- * *negotiate with the international businessmen and conclude a binding agreement (e.g. sale of business, import or export contract);*
- * *devise mechanisms for the inclusion of the disadvantaged business sector into every deal, no matter how small the contribution;*
- * *ensure that a certain percentage of the equity in each new business concern that is established to exploit an international opportunity, is allocated to the Disadvantaged Community Trust Fund.*

(vi) DISADVANTAGED BUSINESSMEN

The group of disadvantaged businessmen who have a direct equity stake in International Business Link will also be kept informed of all international business opportunities and will be expected to:

- * *accept or reject all offers made (so that other companies can be approached);*
- * *negotiate with the international businessmen and corporate South Africa in an endeavour to conclude a mutually profitable binding agreement (e.g. joint venture, import, export).*

(vii) COMMUNITY TRUST FUND

This Section 21 company (i.e. not for profit) is established with the express intention of ensuring that South Africa's disadvantaged communities will receive a direct benefit from our country's return to international trade. The Trust will be administered by International Business Link and will operate on the following basis:

- * *the community Trust will be given a certain percentage of the equity in each new company that is formed to exploit an international opportunity (export, import, new manufacturing concern, etc.) identified and secured by International Business Link;*

- * *the Trust would therefore, over time, stand to receive dividend income from a broad range of investments that could ultimately lead to a substantial amount of money and a very valuable asset base;*
- * *a Board of Trustees will be appointed which fairly represents the needs of the disadvantaged communities and would include leading figures from the unions, civic organisations, educational bodies, poverty relief organisations and the arts. The Board will be responsible for the allocation of all monies earned by the Trust to appropriate community upliftment projects such as housing, education and recreational facilities.*

3. INTERNATIONAL BUSINESS LINK : A MUTUALLY BENEFICIAL PARTNERSHIP

International Business Link will provide each organisation in the partnership with a number of considerable benefits:

(i) the African National Congress will be seen to be:

- * *taking a pro-active stance in the economic recovery of South Africa in the post-sanctions period;*
- * *actively promoting the advancement of the disadvantaged business sector in the country;*
- * *taking the first steps towards forming a working relationship with progressive corporate companies in South Africa;*

(ii) Movement Marketing Enterprises who will:

- * *bring a very important commercial element into the overseas offices of the ANC;*
- * *be able to raise a considerable amount of money from its profit share in International Business Link;*

- (iii) Corporate South African companies who have invested in the company will;
- * be seen to be taking a pro-active role in the advancement of the disadvantaged business sector in the country;
 - * gain a significant competitive edge over their rivals by virtue of their access to International Business Link's database of exploitable international business opportunities;
 - * obtain a return on their investment even if they do not participate in any international ventures;
- (iv) NSA Management will be able to identify international business opportunities for the black-owned companies in which they have a direct interest (minority equity stake) and to promote the expertise of these companies to corporate South Africa as possible joint venture partners;
- (v) the Disadvantaged Business Sector will for the first time have a real chance of participating in exciting and lucrative international business opportunities and to gain financial assistance (e.g. to purchase raw materials) and training where it is warranted;
- (vi) the impoverished disadvantaged communities in South Africa will for the first time have a chance to obtain a direct benefit from the abolishment of apartheid and receive much needed funds for the many upliftment projects in their community.

Above all, International Business Link will provide the international business community with a professionally run, legitimate organisation with whom to explore mutually beneficial business opportunities. International Business Link stands to play a significant role over the political transition period and beyond, as a viable conduit to international business partnerships.

Should you require additional information please contact:

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BUSINESS MODEL OF INTERNATIONAL BUSINESS LINK (PTY) LTD

