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Commonwealth summit eases the terms for lifting financial curbs

TIM COHEN

HARARE — The Commonwealth has scrapped "person-to-person" sanctions with immediate effect and dramatically eased terms for lifting financial sanctions.

In the Commonwealth heads of government final communiqué yesterday, the summit said financial sanctions should be lifted only after agreement on the text of a new democratic constitution — "unless a contrary recommendation is made by agreement at the proposed all-party conference or by an interim government".

This qualification was not included in the Commonwealth foreign ministers' New Delhi recommendations. It is a substantial victory for the British delegation, which entered a "proviso" stressing the need for foreign investment in SA. Britain's disagreement on the timescale for lifting economic and financial sanctions was accepted by other heads of government as a positive contribution.

The provision for the lifting of trade and investment sanctions remains in the vague terms specified in the New Delhi draft, which calls for their lifting "when appropriate transitional mechanisms have been agreed (enabling) all parties to participate fully and effectively in negotiations".

The communiqué does not specify who would decide whether the required steps had been met, but the wording suggests the lifting of the sanctions would be automatic once the stipulation had been met.

Included in person-to-person sanctions are consular and visa restrictions, cultural and scientific boycotts, restrictions on tourism promotion and the ban on direct air links. Lifting restrictions on air links is qualified with the condition that SAA and other SA airlines proceed with "appropriate affirmative action programmes."

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On sporting contacts with SA, the communiqué says the summit was encouraged by the recent progress in SA. Restrictions on a particular sport should be lifted when the appropriate representative nonracial sporting organisation endorsed unity, and the sport was readmitted to the relevant international governing body. The SA body should also agree to resume international competition.

The ANC had no immediate reaction to the lifting of person-to-person sanctions. Sapa reports spokesman Carl Niehaus said the ANC's national executive committee would examine the Commonwealth communiqué, and comment in detail today.

DARIUS SANAI reports that Foreign Minister Pik Botha welcomed the "more positive approach" taken by Commonwealth leaders, but warned that the problems facing southern Africa needed urgent attention. The decision on the phased lifting of sanctions signalled that some progress had been made at the conference.

He also noted the moderate line taken on

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Commonwealth

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SA by previously hardline leaders, ascribing this to "a greater readiness to acknowledge the realities and complexities of the SA situation".

JONATHON REES reports that the lifting of curbs could lead to the resumption of several major international airline routes, increased availability of foreign visas and the acquisition of a wide range of overseas television programmes.

An SAA spokesman said the airline hoped to resume direct flights to Australia in time for the Christmas season. Singapore and Japan had already expressed interest in introducing air links, but economic viability would dictate SAA's decisions to introduce new routes.

The SA Foreign Trade Organisation said the lifting of Commonwealth visa restrictions would enable SA businessmen to establish important new contacts in preparation for the lifting of economic sanctions.

SABC programmes director Dries Pretorius said the lifting of cultural curbs could give SA television the opportunity to select the best of programmes available around the world. But acquisition rights to programmes from Australia and Britain would depend on powerful performers' unions voting to allow programme export.

Meanwhile, diplomatic sources said Commonwealth secretary-general Chief Emeka Anyaoku would be sending an "advance party" to SA to prepare for his own visit in November. Our political staff reports that SA has welcomed his fact-finding visit, though a Foreign Affairs spokesman said no date had been finalised.

☐ Summit chairman and Zimbabwean President Robert Mugabe shrugged off questions about his country's human rights record at the summit's concluding news conference.

Referring to the police barricade of Zimbabwe University students protesting about academic freedom, Mugabe said: "There are immense problems at that campus which include things like drunkenness, violence against others and so on. (The students) . . . must learn violence is illegal. They are our children; we want to discipline them in our own way."

Trade with China likely to increase, says Safto

JONATHON REES

AN SA business delegation returned from a fact-finding mission to China at the weekend with high praise for the country, which they said had made rapid strides away from socialism towards a decentralised economy.

SA Foundation director-general Kurt von Schirding said China had focused on economic, not political, reform as a priority.

China was now able to feed its population and had good work ethic. Shops were full and peasant farmers were bettering their quotas and selling produce privately, he said.

The SA Foreign Trade Association (Safto) said yesterday direct trade with China could be expected to increase, though SA companies were anxious not to jeopardise trade links with Taiwan, their fifth-biggest trading partner.

Safto Asia and Australia manager Graham Limerick said China was interested in SA's ability to convert technology for Third World purposes. Iron ore and other raw materials, mining equipment and technology, and paper from SA were also in demand.

SA currently imports rice and large amounts of finished goods, including soft toys, giftware and shirts from China.

Von Schirding said potential SA exports to China included raw materials like coal, ferro-chrome, steel and manufactured products.

The delegation was led by Barlow Rand chairman and SA Foundation president Warren Clewlow.

BUSINESS DAY, Johannesburg
22 October 1991

Waters not impressed with changes in SA

DAVE LOURENS

AUTHOR of the California Disinvestment Bill and staunch apartheid critic, congresswoman Maxine Waters said yesterday she was not convinced real progress had been made towards a democratic society.

"Nelson Mandela has been released from prison, a few petty apartheid laws have been scrapped, but there is still no interim government and no constituent assembly," said Waters, who is in SA with the Democracy Now Tour.

"The violence appears to be the real obstacle. The peace accord does not seem to be working."

She said the tour would help her reach agreement with the ANC on what the US should be doing to halt the violence.

"We did not come here with answers, we came to offer our assistance." Waters confirmed she would not be meeting representatives of government or Inkatha.

She said she believed government and Inkatha were linked, but did not know in what way, and said she did not know what was at the root of the violence in the country.

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BUSINESS DAY, Johannesburg, 22 October 1991

JAPAN POISED TO LIFT ALL SA SANTIONS

JAPAN is certain to announce the lifting of trade and investment sanctions after a cabinet meeting this morning, say government and trade sources.

The move could trigger the full normalisation of trade relations with other Asian countries, which are likely to follow Japan's lead, they say.

Japanese officials could not be contacted yesterday to confirm the information. However, a director of Nichi-Nan-A-Kenkyusho, a Japanese-SA research institute, said he had received confirmation from the Japanese consulate in Pretoria that the announcement would be made today.

"A senior consular official confirmed that the Japanese government will announce the lifting of all trade and financial sanctions, such as the bans on direct investment, economic co-operation, iron and steel imports and air links, and the 'voluntary restraint' on the import of Krugerrands," Nichi-Nan-A-Kenkyusho director Simon Organ said yesterday.

"The only restriction to remain will be exports from Japan of computers and technology for use in security or para-security infrastructure," he said.

In June, the Japanese lifted a ban on sporting and cultural exchanges and tourism. A decision to lift all sanctions was postponed at the time apparently because they would have coincided with the Inkatha funding scandal.

Finance Minister Barend du Plessis arrived in Tokyo yesterday for talks with leading Japanese bankers and the Department of Trade and Industry is planning a trade mission to Japan in a fortnight.

Safto Asian and Australian manager

LESLEY LAMBERT

Graham Limerick said the major potential consequences of the removal of Japanese sanctions were higher trade volumes, the opening up of air links between the two countries and the possibility of direct Japanese investment in SA.

Before it imposed sanctions in varying stages last decade, Japan was SA's biggest trade partner. But political pressure forced it to place a ceiling on existing trade levels in 1986, after which trade declined by about 25% to current levels.

In spite of the decline, Japan has remained one of SA's major trading partners, accounting for about 28% of its total trade. SA exports of raw materials, particularly coal and agricultural products, are worth about R4,2bn, while imports of motorcar components, electronic goods and machinery total about R5bn. These are expected to increase with trade sanctions lifted.

The prospects for direct investment are also promising, assuming the total ban on investment is lifted. Limerick said that in a visit to SA earlier this year, the Keidanran, a group of influential Japanese businessmen, indicated there was significant interest, with the motor manufacturing, property, banking and tourism sectors likely to attract most attention.

However, he said there was unlikely to be a rush of investment as Japanese businessmen would be as cautious as other investors about SA's political and economic prospects.

Organ said the renewal of air links was likely to be one of the first major effects. He believed All Nippon Airlines would lead

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the return in about four to five months, with Japan Air Lines following later.

Japanese banks are also understood to have been involved in discussions with local banking groups to determine the viability of opening up operations in SA.

Another important consequence of the lifting of Japanese sanctions, said Limerick, was the effect it would have on other Asian countries, such as Singapore, Indonesia and Malaysia. "They are likely to follow Japan's lead. Countries like Malaysia which is part of the Commonwealth will also be affected by its decision on sanctions. India may also follow suit, resulting in a full normalisation of trade relations with the region."

Nb: Japan announced the lifting of sanctions today.

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SA highly rated as trade partner

SHARON WOOD

THE UK government and businessmen rate SA second only to Japan as the most desirable trade partner, UK-SA Trade Association (UKSATA) mission leader George Campbell-Johnston said yesterday.

UKSATA began its sixth and largest trade mission to SA in the past five years yesterday, with 23 companies from a broad range of manufacturing and service interests taking part.

Objectives of the mission were to do initial market research, to appoint agents and distributors and to seek possible joint venture partners, he said.

Three of the firms had indicated they were interested in setting up joint ventures during the mission's two-week visit to Johannesburg, Durban and Cape Town.

Campbell-Johnston said trade missions to SA were gaining popularity among UK businesses and reflected a rapidly growing interest in the South and southern Africa markets.

The UK government had given priority to trade with SA and the number of applications for trade missions was second only to Japan, he said.

UKSATA mission manager Anne Petherick said violence was the most visible disadvantage when British business considered investing directly in SA.

"One of the most important signs to UK business will be if SA companies start investing, because it will show they have confidence in their own country," she said.

Campbell-Johnson said: "UK business is keen about cross-border trade and would like to work closely with SA in establishing links with countries to the north of SA."

Partner

The major advantage SA had as a base from which to trade with southern African countries was its "superb" financial infrastructure.

The rapid decline in import surcharges was important to British business because it would accelerate trade, increase growth and reduce unemployment in SA, said Campbell-Johnston. The UK was SA's second largest trading partner, with visible trade in each direction of more than R10bn a year.

In another trade-related development, the Johannesburg Chamber of Commerce and Industry (JCCI) reported yesterday that its trade mission to Europe, which ended this week, had generated between R20m and R30m in immediate business.

Delegates visited Spain, Portugal, France, Belgium and England, said a statement released yesterday. They had succeeded in renewing relationships with long-time partners in a "positive atmosphere of support", it said.

"The bottom line is that there is business out there for SA, but we will not get it unless we go out and fight for it," JCCI president and mission leader Mike Cato said.

"We have to get over there and be prepared to meet international quality, cost and delivery standards."

The JCCI had formalised relationships with various chambers of commerce by signing Agreements of Co-operation, which would be pursued and finalised in the next year, JCCI chief executive Marius de Jager said.

The best prospects for bilateral trade were with Spain and Portugal, he said. Spain had a strongly growing economy which was more or less at the same level of sophistication as SA's.

CITIZEN, Johannesburg, 22 October 91

Chief of exile repatriation body quits

THE national co-ordinator of the National Co-ordinating Committee for the Repatriation of South African Exiles, Ms Mamkekolo Mahlangu-Ngcobo, resigned her post yesterday.

Ms Mahlangu-Ngcobo, herself a returned exile, said she tendered her resignation yesterday afternoon after the NCCR executive failed to renegotiate her employment contract.

"Although I was in charge nationally of the repatriation programme, I had no executive authority and could not even hire my own secretary. I felt that these constraints hampered my work.

"One has to have authority to properly meet the reponsibilities associated with the national repatriation programme."

At the meeting this afternoon, a letter from Ms Mahlangu-Ngcobo asking for her contract to be renegotiated was discussed, but the NCCR executive refused to accede to her request for more authority.

Ms Mahlangu-Ngcobo said there were problems with her appointment soon after her return from the United States, where she was studying for her doctorate in theology, to head the repatriation programme.

"The terms of my appointment were settled before I arrived. There were no personal discussions on the matter as that would have involved a costly trip to America for a member of the NCCR executive. And as it was for a good cause, I decided to give up my studies and return to offer my assistance in the repatriation programme."

Ms Mahlangu-Ngcobo said she would be returning to the US to complete her doctoral thesis. — Sapa.