MEDIA RELEASE
by CHRISTIAN DEMOCRATIC PARTY (CDP)

8 AUGUST 2011

Moenie SA-ekonomie saboteer nie
"Die jaarlikse stakingseisoen wat dikwels met grootskaalse ontwrigting gepaard gaan, is iets wat die land nie kan bekostig nie – nie teen die agtergrond van die hoë werkloosheidskoerse nie. Om in een jaar 'n 70 % afname in buitelandse investering te ondervind is 'n ramp, en dit lyk of dié tendens vanjaar gaan herhaal," sê ds. Theunis Botha, leier van die Christen-Demokratiese Party (CDP).

"Die regering sal beslis plan moet maak om die stakings pro-aktief te ondervang. Arbeidsonrus, veral onrus wat hande uitruk, maak beleggers noodwendig senuweeagtig. Boonop moet die land nou met ander Afrikalande Suid van die Sahara om investering meeding, terwyl al hoe meer van daardie lande hul beleggershuise in orde kry en verskeie boonop oliebronne raakboor.

"Suid-Afrika se tuimeling verlede jaar op die persvryheidsindeks versterk boonop die persepsie wat baie waarnemers reeds koester, naamlik dat korrupsie in die land endemies geword het. Voeg grondgryp- en nasionaliseringspraatjies daarby, en die land maak dit nie vir beleggers aantreklik nie."

Don't sabotage SA economy
"The country cannot afford the annual "strike season" often accompanied by major public unrest. Especially not with an unemployment rate that is still sky high. To experience a 70 % drop in foreign investment in one year is a disaster, and it looks as if this will be repeated this year," says Christian Democratic Party leader, Rev. Theunis Botha.

"Government will simply have to come up with a proactive approach to these annual strikes. Labour unrest, spinning out of control, does nothing to build confidence with investors. Other sub-saharin African countries are increasingly competing with South Africa for investment. These countries are creating investor friendly environments, and some are also oil rich.

"South Africa's downward spiral on the press freedom index last year, deepens the perception held by many observers that corruption in SA has become endemic. Add nationalisation and land grab threats and things are not made attractive for investors."

Analyst warns of confidence loss in SA
Johannesburg - Increased strike action, union-led opposition to the R16.5bn Walmart's takeover of Massmart Holdings [JSE:MSM] and calls for nationalisation of mines have painted a gloomy picture of South Africa as an investment destination, a UK-based analyst confirmed on Friday.
Tom Wilson, a senior analyst at London-based independent risk consultancy Control Risks, said investor confidence in one of South Africa's major trading partners, the United Kingdom, had been "rattled".
This could easily mean that South Africa's foreign direct investment (FDI) this year could easily be shattered again after dropping 70% last year.
Wilson told City Press the trend towards violent protest by communities and labour was perhaps one of the most concerning for international investors.
"This is how South Africa looks from London. It looks like these are real grievances with the failure of government. If unchecked, they could really scare investors away," Wilson said.
But Patrick Craven, spokesperson for labour federation Cosatu, rejected this argument, saying workers' demands were justified.
"We are a healthy democracy and government policy cannot be dictated to by the moods of international - investors.
"Issues should be debated on their merits. It is a fact that South Africa's workers are paid low wages," Craven said.

Wilson said: "While deteriorating relations in the tripartite alliance...poverty and unemployment are fostering a radicalisation of organised labour, people (investors) forget that this is nothing new."

This week, the United Nations Conference on Trade and Development report said South Africa's share of the foreign direct investment had sagged 70% last year from the previous year.
The country's inflows fell to $1.6bn (about R11bn) which is a level amounting to only one-sixth of the peak recorded in South Africa in 2008.
South Africa came lagging behind Nigeria, Angola and Rwanda.
Wilson said South Africa was no longer the only reliable investment destination in sub-Saharan Africa.
"While there have always been extractive opportunities elsewhere on the continent, now infrastructure, ICT, construction and energy investment opportunities are also available," Wilson said.
"Countries like Rwanda and Angola have shaken off a troubled past and been effective at courting new investment."
But investors still saw great opportunities in South Africa and were willing to account for days lost due to strike action in their business plans.
In the past two weeks, South Africa saw wildcat strikes in the mining and petroleum sectors, bringing the country's productivity to a standstill in some sectors.
"The problem will be if government fails to act now and we see a continued, protracted deterioration in labour relations for another three years," he said.
This week, government's attempt to attach conditions to the Walmart/Massmart deal was rejected by some businesspeople.
- City Press