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CCA's U.S.-South Africa Business Council: Weekly News Report
Week of June 8-12, 2009

Eskom delays projects for lack of finance

June 8, 2009

ESKOM has put on hold three of its projects — the rail, hydro power and wind projects — because of funding constraints as part of what one of its senior managers on Friday said was a ruthless prioritization of projects.

Eskom is taking strain from the continuing global economic crisis, which has culminated in higher costs of debt. This has increased the cost of Eskom's five-year R385bn capital expansion. The utility is set to spend about R87bn in the 2009-10 financial year, up from R46bn in 2008-09. The group must finance the programme through a combination of debt, equity and tariffs. Today is the start of the National Energy Regulator of SA's (Nersa's) two-day hearings on Eskom's interim application for a 34% tariff increase.

In the face of the deteriorating financial conditions, Eskom had put on hold its rail, hydro power and wind projects — the 68,7km Majuba railway line in Mpumalanga, the 1500MW Tubatse pumped storage facility in Limpopo, and the 100MW wind farm in the Western Cape — Eskom's acting GM for the enterprise division, Braam Conradie, said on Friday. Speaking at an energy conference in Johannesburg, Conradie said scarcity of finance had forced the group to rethink.

"Circumstances have changed," he said, and there would be a ruthless prioritisation of projects. T he projects would be put on hold until there was clarity on funding. "If we find all the money, we will press the button on the projects straight away," Conradie said. Compounding Eskom's woes is the widening gap between the wholesale price of electricity and the cost of producing it. The utility has often said tariffs should be increased to reflect the cost of producing it.

Conradie said the average wholesale price of electricity was 16c/kWh in the previous financial year, while the cost of producing electricity at the new Medupi and Kusile power stations would be at least three times higher than that. "All the new capacity will come in at least three times higher," he said. Conradie said the global economic crisis presented the utility with opportunities to negotiate for bigger discounts on unplaced contracts and renegotiation of main contracts "where appropriate". He said there were "significant" opportunities to reduce capital costs. The global economic crisis had slowed down electricity demand. On an annualised basis, overall demand fell 2,7% compared with last year, Conradie said. Demand was 8,6% lower in January this year compared with January last year, "and this trend is continuing".

Meanwhile, the Chamber of Mines of SA has warned of a looming coal shortage in years to come because of stronger demand and insufficient production. The chamber's assistant adviser for techno-economics, Dick Kruger, on Friday said the closure of mines would, over time, wipe

out the supply of about 48-million tons of coal. This would reduce coal reserves by 2018 to 3%. “I am concerned that the 48-million tons could even be higher,” Kruger said. Demand for coal is likely to remain strong since coal-fired power stations are the bedrock of Eskom’s build programme.
http://www.businessday.co.za/articles/Content.aspx?id=72771

South Africa: Black Firms Mine a Third of the Country's Coal
June 8, 2009
Johannesburg — ABOUT a third of SA's coal was now being produced by black empowerment companies, compared with about 11 percent a few years ago, Wood Mackenzie consultant Xavier Prevost said on Friday.

He told the Geological Society of SA's conference on coal exploration in southern Africa that black empowerment group Exxaro Resources, formed from the merger of Kumba Resources and Eyesizwe Coal, was growing rapidly and within a couple of years would be SA's single largest producer. Anglo Coal, BHP Billiton , Exxaro and Sasol together produce about 83% of SA's coal. Within the local coal industry various companies were discussing mergers, Prevost said. The larger companies and those with cash were talking to smaller, cash- strapped businesses. As SA's big mines neared the end of their lives, a large number of smaller mines were needed to replace them.

But Anglo Coal SA still had some big projects on the drawing board in the Witbank area, Anglo Coal SA regional head of strategy Ian Hall told the conference. Its 4- million ton a year Zondagfontein project would produce its first coal in September from its open pit and its first coal from underground near the end of the year. Towards the end of next year, Anglo's board of directors was expected to make a decision on going ahead with the 17-million tons a year New Largo colliery.

Anglo Coal SA has signed a letter of intent with Eskom to supply the planned 4800MW Kusile power station near Witbank with coal from New Largo, which is currently the subject of a feasibility study. But discussions were still continuing, especially about issues such as pricing, he said. The first unit of Kusile was scheduled to come on line by the third quarter of 2012 so the mine had to be producing by then, but time was tight, taking into account long lead times for ordering equipment and construction of a mine this size, he said.

New Largo had a life of about 43 years but as Kusile had a projected 40- to 60-year life, additional resources would have to come from Anglo Coal's Zondagsfontein mine. Anglo Coal produced about a quarter of SA's domestic coal market, a quarter of SA's exports and supplied about a quarter of Eskom's needs, he said. With new projects coming on stream, the company's production profile would be increasing over the next five to 10 years.

Prevost said projections to 2020 showed that growth for SA's coal producers lay in supplying the domestic market, particularly Eskom's new power station programme. Although export coal prices were expected to improve, SA's exports would continue to be constrained by the lack of rail infrastructure to Richards Bay. Despite years of discussion, there were no indications that Transnet intended to invest in increasing rail capacity to match port capacity. In fact, SA was likely to export less coal this year than last year, he said. There was considerable opportunity for SA to export to the Pacific Rim countries and especially to India, if it could provide the

quantities and qualities required, Prevost said
http://allafrica.com/stories/200906081536.html

SA jobs drive to cost R10bn – Davies

June 9, 2009

South Africa's drive to create millions of job opportunities will cost R10-billion over the next three years, Trade and Industry Minister **Rob Davies** said on Tuesday. President **Jacob Zuma** is under pressure from trade union allies, who helped to secure his presidency in April, to protect workers as Africa's biggest economy in its first recession in 17 years.

"The Presidency will be leading a special National Jobs Initiative, in which a range of new and revamped programmes will be launched to the estimated value of R10-billion over the three year medium-term expenditure framework," Davies said in a speech. Additional funding would be identified to increase the impact of the jobs initiative, as South Africa tried to create about 500 000 job opportunities by December, he said.

Zuma said in his maiden state-of-the-nation speech last week that the government would create half a million opportunities this year through an expanded public works programme, and four-million, mostly temporary, jobs by 2014. The global crisis has hit South Africa's manufacturing and mining sectors hard. The official jobless rate is 23,5%.
http://www.engineeringnews.co.za/article/sa-jobs-drive-to-cost-r10bn-davies-2009-06-09

SA appoints Mminele as Reserve Bank deputy governor

June 9, 2009

South African President **Jacob Zuma** has appointed **Daniel Mminele** as a central bank deputy governor for a five-year term from July 1, Reserve Bank head Tito Mboweni said on Tuesday.

Mminele, currently executive general manager at the Bank, becomes the central bank's third deputy, joining **Xolile Guma** and **Renosi Makote**, filling a position left vacant since the retirement of Ian Plenderleith in 2005. Analysts said Mminele was a good choice.

"That's a good appointment, it's from within the Reserve Bank. Daniel has mountains of experience and he's a very eloquent speaker so I think the markets will welcome it," said **George Glynos**, managing director at ETM. Some have speculated that the new deputy governor could be Mboweni's successor, when his term ends in August. Glynos said: "This is a government appointment and I don't think anyone really knows who Tito's successor will be."

Trade union allies of the ruling ANC, have pushed for Mboweni to go after his term ends, claiming he has not heeded their calls to cut interest rates aggressively to help boost the economy and save jobs. But Mboweni played down comments from the labour federation, after an official said the group did not support his reappointment for a third five-year term. "Disregard most of those statements ... they are irrelevant and of no consequence," he told reporters after announcing Mminele's appointment, adding he was focused on achieving the mandate of the bank to control medium-term inflation.

Mboweni said he always responded to attacks and hinted that he had called the head of the federation after the comments were made, who had informed him it would be "sorted out". Mboweni also said he was not in the business of strengthening or weakening the rand, following recent media reports that the central bank had changed its policy towards intervening in the currency market.

"The duty of the central bank is primarily the achievement and maintenance of price stability. We are not in the business of strengthening or weakening the rand." Mboweni said the central bank had not changed its policy but repeated that it would continue to try to build up its reserves when possible. The reports, which followed remarks last week that recent rand strength may be unwelcome, have helped weaken the currency, along with a rise in global risk aversion. The rand was slightly firmer after Mboweni's comments, trading at 8.1285 against the dollar at 1123 GMT, from 8.15 before.
http://www.engineeringnews.co.za/article/sa-appoints-mminele-as-reserve-bank-deputy-governor-2009-06-09

South Africa: Kuyasa Carbon Credits Cut Electricity Costs
June 9, 2009
Over one thousand Khayelitsha residents in the low-cost housing suburb of Kuyasa have had their electricity bills cut by as much as 40 percent. This is thanks to their electrical geysers being replaced with solar water heaters, and having insulated ceilings and energy-efficient light bulbs installed in their homes as part of the groundbreaking city-owned Kuyasa Project.

Having kicked off in May last year, the project has recently passed the half-way mark and is expected to reach 2,309 homes by early 2010. Not only is the project reducing residents' electricity bills, reducing the need for paraffin-fired heaters and stoves, and providing 76 jobs for the local community, it is reducing global warming carbon emissions from coal-fired power stations. As such, it is the first African project to be registered with the Clean Development Mechanism (CDM) under the Kyoto Protocol and can sell carbon credits on the international market. Plans are for future sales of the carbon credits to be used to establish a trust which would employ local residents to provide ongoing long-term maintenance on the solar water heaters.

The R20 million project, which was developed by non-profit organisation SouthSouthNorth for the City of Cape Town's environmental management department, has potential to effect the larger economy too. Up until very recently all the solar water heaters used in the project have been imported from China. But the South African Export Development Fund (SAEDF), the private company that has financially underwritten it, has hopes that Kuyasa's success may lead to locally-manufactured solar water heaters being fitted to the approximately two million other low-cost homes in South Africa.

SAEDF sustainability division head Carl Wesselink said the strategic thinking was that the success of the Kuyasa Project would create a "massive uptake of demand", giving local manufacturers the incentive to bring costs down. "The people manufacturing solar water heaters (in South Africa) are targeting Mrs Jones in Constantia," said Wesselink. But the SAEDF wanted to "promote social service delivery where there is much greater demand".

And it appears their strategy is paying off; the locally manufactured Xstream solar water heater is now available at a cost which rivals the Chinese Genergy heater, and installation of the local product in the remaining Kuyasa homes has recently begun, said Kuyasa site manager Zuko Ndamani.

The project, which has received funding from the provincial housing department, International Association of Local Governments (ICLEI), and the national Department of Environmental Affairs and Tourism (DEAT), also has undeniable microeconomic benefits and has "dramatically" changed the nature of an otherwise marginalised area on the extreme eastern edge of the city, said Ndamani.

"It has brought together the community, something you don't necessarily see in the townships. You normally only see that Ubuntu thing in the rural areas," said Ndamani. He said part of the reason for the sense of community and safety was that the workmen needed to gain access to the houses in order to install the insulated ceilings and change light bulbs. Therefore if people needed to be away at work they would entrust their keys to neighbours and ask them to move furniture out. This fostered trust and co-operation.

He said the buy-in from residents was such that the site office had no security guard or alarm. If anything went wrong residents would phone him. He said he even got calls if residents spotted that workmen had left tools or materials lying around after the end of the workday. Initial fears of vandalism had also proved to be completely groundless.
http://allafrica.com/stories/200906090314.html

Survey shows SA's trade activity improved in May
June 10, 2009
The Trade Activity Index (TAI), compiled by the South African Chamber of Commerce and Industry (Sacci) recovered to 40 points in May, up from 32 points in April. The fewer working days in April had had a "profound" effect on trade conditions in that month, stated Sacci, noting that the TAI had reached its lowest level since the survey started in August 2000.

However, trade conditions more than recovered their pre-April level last month, although remaining low. Sales volumes were, nonetheless, also making promising gains towards positive territory. All the demand subcomponents of trade activity, except for inventories, had improved on their April 2009 levels, reported Sacci. The subindex on current sales volumes gained 15 points month-on-month, while the new orders subindex gained nine points, and the backlog subindex gained seven points.

Supplier deliveries, which dropped to 29 points in April. also recovered markedly by nine points to 38 points in May. Sacci noted that the easing price pressures of the past few months had paused in May, as the selling price index increased by one point to 49 and the input price index rose by one index point 56. Inflationary pressures had been contained as the prices of imported producer goods declined by nearly 15% in April 2009 and the prices of locally produced goods rose by only about 3% in April, said Sacci.

The input price index was still considerably lower than its high of 84 points in June 2008, the chamber added. Meanwhile, respondents to the survey had remained relatively optimistic about the six months going forward, although the trade expectations index (TEI) was slightly down to 46 points in May, compared with 48 points in April.

Global trade and global economic conditions were also showing signs of revival, noted Sacci. The TEI sales subindex declined by four points to 50 points in May, with the expected new orders subindex declining by three points to 47 points and the expected supplier deliveries subindex declining by two points to 43 points. Although these subelements of trade have been declining between April and May, they were still above the February and March levels, commented the chamber. Further, inflationary expectations had also increased in May, with the indices on expected input and sales prices each having increased by four points.

This implied that inflation was expected to start rising again towards the end of the year. The stronger rand could assist in containing the prices of imported goods and services, notably fuel, said Sacci. Meanwhile, current employment conditions in the trade environment had remained almost unchanged at 40 points, while the employments prospects subindex had improved slightly by two points to 43 points.
http://www.engineeringnews.co.za/article/survey-shows-sas-trade-acticity-improved-in-may-2009-06-10

South Africa: Embattled State Firms Could Be Sold Off – Hogan
June 10, 2009
Cape Town — Barbara Hogan has warned unprofitable state-owned entities that they cannot be bailed out indefinitely. Public Enterprises Minister Barbara Hogan yesterday warned unprofitable state-owned enterprises that the new administration might be prepared to sell them if they continued to underperform as the state could not afford to bail them out indefinitely.

She conceded, however, that selling any of the businesses in today's economic environment would be extremely difficult, not to mention the stiff political resistance that such a move would encounter. In a fundamental shift in policy from the "hold on to them at all costs" approach of former public enterprises minister Alec Erwin, Hogan said yesterday the continued state ownership of unprofitable businesses would become increasingly questionable if they continued to drain the fiscus.

In her first public comments on her portfolio since her appointment, Hogan said at a briefing of Parliament's public enterprises committee on her department's budget that it would be extremely difficult to justify further bail-outs for state companies when there were so many other demands on the fiscus and when revenue was shrinking. She did not single out any of the entities. Hogan said the economic crisis was not conducive to making a decision about whether state- owned enterprises should remain in state hands. Many of them were in financial distress, and it would be difficult to find an interested buyer. Nevertheless, she said, the question of ownership was a policy issue that had to be engaged "fundamentally". Each of the enterprises would have to be looked at individually to see what had been achieved and how they had been affected by the recession, before making a judgment call. The Cabinet and the Treasury would want to know how long the state could support companies that were not performing financially.

"That is a legitimate question, and that is an added consideration that we would have to look at as we started evaluating our portfolio," Hogan said in an interview. "We are living in straitened times, and don't have the luxury of rising revenues to be able to give a turnaround strategy to take its time to work itself through. We are more constrained at this stage. "Certainly I do believe that there is no longer space for state- owned enterprises that are running with huge inefficiencies."

At the same time, Hogan emphasised the critical and strategic role Eskom and Transnet played in providing the infrastructural backbone for the economy. This would be a consideration. She supported Eskom's 34% tariff increase, saying the utility had to be able to recover some of its costs. Democratic Alliance public enterprises spokesman Manie van Dyk welcomed "as a breath of fresh air" her pragmatic, more open- minded stance. Van Dyk said Hogan's comments indicated she would bring a more disciplined, firmer approach to the performance of public enterprises, and would not give them as much leeway as the "ideologically rigid" Erwin, who had been willing to grant them a lot of turnaround time. Van Dyk also welcomed her statement that each enterprise would be assessed individually as to its sustainability and viability, and on whether it should be sold.

"For the first time, public enterprises are going to have a minister that is going to keep a finger on them." Van Dyk estimated that R100bn of public money was spent on propping up failing state institutions between 2004 and last year
http://allafrica.com/stories/200906100077.html

Manufacturing output plunges record 21% in April
June 10, 2009
South Africa's manufacturing output declined by a record 21,6% year-on-year in April, with the country recording its lowest manufacturing output since January 2004. Statistics South Africa (Stats SA) on Wednesday reported that the basic iron and steel, nonferrous metal products, metal products and machinery division had declined by 26,4% year-on-year in April, contributing to 6,1% of the decline.

The motor vehicles, parts and accessories and other transport equipment industry had registered a 49% decline year-on-year, contributing 5,3% of the decline, while the petroleum, chemical products, rubber and plastic products division had declined by 15,2% year-on-year, contributing 3,3% to the overall decline. While a decline in output was expected for April, especially given the number of public holidays during that month, the fact that the decline was over 20% showed that it was really "bad out there", Economists.co.za director **Mike Schussler** said on Wednesday.

He commented that the country had effectively lost about five and a quarter years of production growth, which was not a very good space for the country to be in. A number of subsectors had shown massive declines in April, with only the dairy products and beverages sectors moving up slightly, said Schussler. He noted that the motor vehicles sector had been down by 56,8% on a three-month moving average, while the motor vehicles parts and accessories sector was down by 51,2% on a three-month moving average. The iron and steel sector had been down by over 40% on a three-month moving average.

The majority of subsectors had been down "quite heavily", with "huge chunks of the manufacturing sector being demolished by the great global recession", commented Schussler. Nedbank economist **Carmen Altenkirch** commented that there had been weakness across the manufacturing industry, with all ten major categories recording declines compared with a year ago.

"The two sectors hardest hit were iron and steel, which has seen demand plummeting, as both the global and local economy remain mired in recession, and the motor industry, which also fared extremely badly," she said. She noted that the motor vehicle sector had contracted by a massive 56,6% year-on-year, as demand for passenger and commercial vehicles continued to bear the brunt of weak consumer demand and a slowdown in investment activity. Going forward, Schussler expected production in the food and beverage sector to start picking up again within the next few months.

Further, as the effects of the lower interest rates started coming through, demand for clothing, footwear, wood products and publishing would probably also pick up again. Altenkirch said that the latest purchasing manager's index figure of 37,3 index points in May, suggested that conditions in the sector would remain extremely weak, although there could be a slight improvement in the output figures for May.

"Conditions in South Africa's manufacturing sector have tended to lag what happens in our major trading partners by about three months, suggesting that we'll have to wait for a marked turnaround in manufacturing conditions abroad, before it will be possible to call an end to the recession in the local manufacturing sector. We, therefore, anticipate a further contraction in manufacturing activity in the second quarter," she added. Further, she noted that the rand's appreciation in recent weeks could also hurt the recovery of the sector, as exports, which were often priced in dollars, would be more expensive.

"It may prove to be particularly detrimental in an environment where demand abroad is extremely weak and pricing goods competitively is critical to moving them off the shelf," she noted. Schussler, meanwhile, said that the whole of the manufacturing sector would likely start to look better towards the end of the year, adding that he at least expected the high levels of declines to start easing in the next few months. While year-on-year declines would still occur, these would likely be around the 10% mark, he said.
http://www.engineeringnews.co.za/article/manufacturing-output-plunges-record-21-in-april-2009-06-10

Regulatory certainty needed for global oil firms to invest in SA
June 10, 2009
In order for international oil companies to make investments in new capacity, a reasonable means of achieving a fair return was required, and importantly, regulatory certainty was needed. Addressing delegates gathered at the Petro.t.ex conference in Midrand on Wednesday, BP business adviser **Russel Glass** noted that the industry has, for the last four years, had very little certainty on how to achieve this return on investment. "Regulatory certainty speaks directly to investment," he added.

Engen business development GM **Wayne Hartmann** agreed, and added that when operating in Africa, regulatory challenges "do make life difficult". He added that companies often found inappropriate legislation, or legislation that was not effectively enforced, or was selectively enforced.

"Investors want predictability," emphasised Hartmann, adding that there were often unpredictable changes, as well as aggressive tax regimes focused on revenue gaps. Deloitte & Touche innovation and strategy associate director Nhlanhla Gumede reiterated that energy infrastructure investment, for security of energy supply, depended on "well thought out, integrated, and timely policy decisions". He added that energy investments were "lumpy", and that a “no regret environment” demanded a predictable and stable regulatory framework.

It was noted that in the absence of clear energy and environmental policy, new capacity tended to be gas and oil based. “Decisions on the continued use of coal, and climate change protocols are critical,” said Gumede, adding that for South Africa, the long-term water considerations were also key. Glass further noted that another requirement for investment, was a balance between market stability or risk, and the investment horizon, as well as a level playing field, which would need to be achieved through equitable competition in the market, and price regulation. Balancing the price regulation priorities of: delivering the lowest price to consumers; encouraging investment in the value chain; and to mimic a competitive market, were important.

“The goal should be to generate an industry operating model that closely resembles the counterfactual of each firm operating its own network, in a perfectly competitive market,” said Glass. He added that this was unachievable, as the regulator could never placate all stakeholders, but it was a goal that should be strived for nevertheless. When it came to tariffs and pricing, Glass added that management of all the different aspect of the jigsaw puzzle were not easy to deal with, and there were significant consequences. The impact of the cost must be evaluated and understood, as price and tariff regulation impacted areas of affordability, security of supply, and infrastructure development.

Glass said that it was “no surprise that investment hasn’t been forthcoming”, when he noted the fact that the wholesale margin of the petrol price (PPI adjusted), has been declining. He added that although the South African margin compared favourably with Europe, the economies of scale made South Africa less attractive. When compared with the rest of Africa, South Africa’s wholesale margins were said to be about half of what was received on the rest of the continent.

Private multinationals would make a value judgement, and be driven to a market that offered a greater return. Just because it was a regulated market, did not mean that a company would settle for a lower return.
http://www.engineeringnews.co.za/article/regulatory-certainty-needed-for-global-oil-firms-to-invest-in-sa-2009-06-10

Africa: ExxonMobil and Vital Voices Launch Businesswomen's Network at World Economic Forum
June 10, 2009
Cape Town — Exxon Mobil Corporation and Vital Voices Global Partnership today joined with local businesswomen’s organizations throughout Africa to announce the launch of the Africa Businesswomen’s Network (ABWN) at the World Economic Forum on Africa.

The ABWN aims to build and support a network of businesswomen’s organizations in Africa to expand the number of women succeeding as entrepreneurs and leaders in the corporate world; to raise the profile and credibility of women in business; to foster global networking opportunities among businesswomen; and to advocate for policies that expand economic opportunity for women. Network Hubs are now underway in Sub-Saharan African countries including Cameroon, Ghana, Kenya, Nigeria, South Africa and Uganda.

“Women entrepreneurs are vital to reducing poverty and driving economic growth in Africa,” said Rex W. Tillerson, chairman and chief executive officer of ExxonMobil. “ExxonMobil is proud to support the Africa Businesswomen's Network to stimulate the invaluable knowledge-sharing, networking and collective action that will enable women business leaders to join forces to unleash the untapped economic potential of other African women and ultimately fuel greater economic growth."

"The ABWN will address some of the unique barriers women entrepreneurs face, including negative and unsupportive policy and social environments; poor access to input and output markets and technologies; and inadequate access to information," said Alyse Nelson, President and CEO, Vital Voices. "The launch of the ABWN is a testament to the incredible potential of female entrepreneurs to effect positive social and economic change in Africa, and the integral role companies like ExxonMobil can play in supporting women's economic opportunities."

"Research demonstrates that networks are a powerful mechanism to enable economic organizing among female entrepreneurs and are a proven catalyst for business growth," said Lorie Jackson, Manager of ExxonMobil's Educating Women and Girls Initiative. "Women's business networks and associations combine existing resources to make use of the size and scale that individuals and micro or small enterprises alone do not enjoy and collectively address fundamental barriers to women's economic success."

Recognizing the integral role that women play as drivers of economic and social change, in 2005 ExxonMobil launched the Educating Women and Girls Initiative, which provides training, resources and support networks to help women in developing countries fulfill their economic potential. The ExxonMobil Foundation has committed grants totaling nearly $20 million for programs including intensive leadership and skills development programs for women from 27 African countries.

About Exxon Mobil Corporation

Exxon Mobil Corporation and ExxonMobil Foundation, the primary philanthropic arm of Exxon Mobil Corporation in the United States, engage in a range of philanthropic activities that advance education, health, women's economic leadership and public policy in the communities where ExxonMobil has significant operations. In the United States, ExxonMobil supports initiatives to improve math and science education at the K-12 and higher education levels. Globally, ExxonMobil provides funding to help women fulfill their economic potential and combat malaria and other infectious diseases in developing countries. In 2008, together with its employees and retirees, Exxon Mobil Corporation, its divisions and affiliates, and ExxonMobil Foundation provided $189 million in cash, goods and services contributions worldwide. Additional information on ExxonMobil's community partnerships and contributions programs is available online.

About Vital Voices Global Partnership

Vital Voices Global Partnership is the preeminent non-governmental organization (NGO) that identifies, trains, and empowers emerging women leaders and social entrepreneurs around the globe, enabling them to create a better world for us all. We provide these women with the capacity, connections, and credibility they need to unlock their leadership potential.
http://allafrica.com/stories/200906100783.html

Code to monitor building's environmental performance launched

June 11, 2009

Monitoring the environmental performance of a building in South Africa just got easier, with the launch of the first global Environmental Code for corporate real estate in the country. The Investment Property Databank (IPD) launched the code in Sandton on Wednesday evening, and emphasised the importance of a company's ability to monitor buildings' environmental performance on a consistent and comparable basis, which was applicable globally.

"Environmental issues are not a fad, they are here to stay. And building occupiers will continually be asked for measurements and data," said IPD Occupiers international business manager **Melissa Meadows**. She explained that the IPD Environment Code was a "simple, easy to use template for the collection of data". "To implement the code into an organisation is free, its free for them [building occupiers] to download, its free for them to use, the only thing that it is going to raise, is awareness of the environmental metrics going on in their portfolio," she added.

Corporate properties were said to account for some 20% of global greenhouse gas emissions, and the industry was feeling continuous pressure to supply detailed, and higher quality environmental performance data. The Environment Code was put forward as a key tool to assist in the fight against the effects of climate change. The need to collect and measure resource consumption data was a vital step on the path to setting targets and reducing consumption of energy, water, and other materials. South Africa, in particular, was said to have a lack of energy consumption data for buildings.

"The release of this code is a significant development for our property market, bringing to South Africa internationally recognised best practice standards. Most organisations need some assistance in deciding how to measure a building's impacts. Not only does the code enable users to compare the environmental performance of their own buildings, they can now do this against peer organisations – anywhere in the world," reiterated IPD South Africa MD **Stan Garrun**. "The IPD Code provides guidance on how to collect environmental data in a consistent way across properties and portfolios. It can be linked with other reporting methods, such as the Global Reporting Initiative," Garrun continued.

GREEN BUILDING LINKS

At the launch of the code, Green Building Council of South Africa executive chairperson **Bruce Kerswill** highlighted the important links between the recently launched Green Star South Africa rating tool for office buildings, and the IPD Environment Code for South Africa.

"The Green Star tool enables a person to design a building so that it can perform efficiently. Whether it will or not depends on how it is managed in future and how the occupants use the building, and that's where the Environment Code is the proof of the pudding as to how well the building is actually performing in use," he said. Essentially, the Environment Code could assess whether a new green building was in fact delivering on its promises.

The Environment Code measures the operational status of building, and further analysis of data could show where improvements could be made. The IPD has tool, such as the Eco-ledger, which could further analyse collected data.

“We hope that the South African property executives will use the code and IPD services, to better understand environmental issues, reduce harmful effects, create more sustainable estates and build transparency across the property sector,” Garrun concluded.
http://www.engineeringnews.co.za/article/code-to-monitor-buildings-environmental-performance-launched-2009-06-11

Expanded regional trade would provide buffer against meltdown
June 11, 2009
African leaders on Thursday strongly rejected the notion that protectionist policy responses by developed and developing countries would in any way aid the world in mitigating the impact of the global economic crisis on the continent. This rejection was made during a debate at the 19th World Economic Forum (Wef) on Africa, in Cape Town, in which some of Africa’s most influential government officials and business representatives participated.

These participants included: South Africa’s Trade and Industry Minister, Dr **Rob Davies**; African Export-Import Bank president **Jean-Louis Ekra**; African Development Bank president **Donald Kaberuka**; and the chairperson of Kenyan-based Haco Industries, **Chris Kirubi**. The debate centred on appropriate economic policy responses for Africa, amidst the context of the global economic meltdown.

The overwhelming conclusion drawn by the panelists was that the continent should favour open-market policies, particularly in promoting trade between fellow African countries. In fact, Ekra argued that the promotion of interregional trade could offer the most fundamental buffer against the slowdown, while Kaberuka added that it was “absolutely critical” for the survival of some individual countries that trade be expanded and promoted. In his address to Wef delegates, British Minister for Africa Lord **Malloch-Brown**, lamented the fact that interregional trade remained exceptionally modest, accounting for only 5% of Africa’s total global trade.

He added that the industrialised economies were struggling to cope with the economic meltdown and find viable solutions to promote economic recovery, which provided an opportunity for African nations to buildup interregional trade. Ekra argued that trade was a powerful engine for growth, but that interregional trade growth, would depend materially on countries diversifying their exports, and of the production of value-added products, and improved infrastructure. Kirubi asserted that Africa should not rely on the World Trade Organisation to facilitate global trade with Africa, but that African countries should rather develop their own trading opportunities through regional trade agreements.

“African countries need to see each other as a common market,” said Kirubi.

CAUTION FROM SA

There was certainly space for further regional trade agreements, Davies concurred. However, Davies provided something of a dissenting opinion on protectionism, arguing that the domestic response to the global economic crisis could not be “one-size-fits-all”. He stated that the South African government believed that trade policy should be subordinate to industrial policy and that the country could not afford to lose the industrial capacity it had gained thus far.

Accordingly, South Africa would set tariffs on a case-by-case basis, and could even raise some tariffs if the evidence justified such a move. Davies said that while the developed world might

not be using tariff policies, their bail-out packages were linked to messages about “buying local”, which was ultimately protectionist. He added that South Africa could not compete with such measures, and said that the government would seriously consider reversing some of its tariff cuts to protect the gains made by the country’s industrial policy
http://www.engineeringnews.co.za/article/expanded-regional-trade-would-provide-buffer-against-meltdown-2009-06-11

South Africa: Six Foreign Banks 'Plan' to Quit
June 11, 2009
SIX foreign banks plan to quit doing business in South Africa after the global financial crisis has forced them to review their strategies, according to a survey by PricewaterhouseCoopers (PwC). Commenting on Tuesday on the contents of the survey on banking in South Africa, Tom Winterboer, the banking and markets leader at PwC, said the plan could cause massive job losses. "The most problematic issue here is that it seems as if they are losing confidence in South Africa. They would prefer to put their money elsewhere. This is not good for the country and our economy."

Catherine du Toit, an equities analyst at Sanlam Investment Management, identified Commerzbank, Dresdner Bank and the South Africa Bank of Athens as companies that were planning to quit South Africa soon. "These banks have not been making money in South Africa," she said. "In their countries of origin they have been assisted through government funding. Once they have received that kind of assistance, their businesses would have to be focused at home."

Brian Metcalfe, a Canadian researcher who worked with PwC on the survey, said that Commerzbank intended to leave South Africa.

"This is public knowledge," Metcalfe said, refusing to name the other banks. Commerzbank took over Dresdner Bank last year in a N$102 billion at current exchange rates deal creating a second major national banking champion after Deutsche Bank. An analyst, who did not want to be named, said this could be confirmation that Dresdner Bank was on its way out of the country. Attempts to get comment from Dresdner were unsuccessful. Herman Bosman, the chief executive of Deutsche Bank, said the company had no intention of leaving South Africa as it saw this country as a key emerging market.

Steve Meintjes, a senior analyst at Imara SP Reid, said the Royal Bank of Scotland was a "candidate for departure" because it had been taken over by the UK government in November, paving the way for a larger government role in Britain's banking sector. But Hector Zarca, the chief executive of the South African Bank of Athens, said that although the shareholders were foreign, this was a South African firm. "There is no intention for us to leave this country." Jessica Govender, the spokeswoman for Citibank, said South Africa's sixth-biggest bank by assets remained committed to its customers in the country and had no intention of leaving.
http://allafrica.com/stories/200906110806.html

South Africa: Gordhan Approves R3.5 Billion Land Bank Lifeline
June 11, 2009
Johannesburg — FINANCE Minister Pravin Gordhan had approved a R3,5bn guarantee to recapitalise the Land Bank, the bank said yesterday. The funds would be disbursed over the

next three years, with R3,2bn earmarked for development projects, spokesman Musa Mchunu said.

The move signals the Treasury's confidence in the bank's turnaround plan and its ability to deliver on its legislated mandate as an agricultural development lender. The guarantee would decrease proportionately as cash injections were made, and was subject to several stringent conditions, the bank said. These include a minimum capital adequacy ratio of 20%, providing the Treasury with quarterly progress reports on its turnaround strategy and loan recoveries, and demonstrating sound management of its loan book.

The bank was making "good progress" with large outstanding loans, said Mchunu. These included R640m lent to KwaZulu-Natal sugar baron Patrick Sokhela and more than R300m lent to property developers in violation of its mandate, he said. Some of these land development loans are under investigation by police for fraud. Asked why the bank deserved a huge bail-out funded by taxpayers given its history of corruption and financial mismanagement, Mchunu said monthly reports to the Treasury had demonstrated how the lender had cleaned up its act since CEO Phakamani Hadebe was seconded from the Treasury to head it last year.

The bank had streamlined risk assessment and loan recovery processes, beefed up internal controls, including in recruitment, staff performance, and IT systems, and drafted a sound development policy. It would spend R400m on development projects this financial year alone, said Mchunu. These must meet criteria such as job creation, serving as a catalyst for depressed rural economies, and black empowerment in agriculture and agri-processing.

"White farmers who promote these objectives will qualify too." The bank would also ensure post-disbursement support mechanisms were in place, he said. "Where the bank lacks the capacity, this will be outsourced to co-operatives, other banks and agri-businesses." The bank said it was steadily emerging from a period of instability that had adversely affected the sustainability of many of its operations.
http://allafrica.com/stories/200906110673.html

Upgraded R77 million train station unveiled

June 11, 2009

The modernised, R77 million Doornfontein station in Johannesburg was officially opened today, said the Passenger Rail Agency of South Africa. "The unveiling of Doornfontein station is an important milestone in our massive capital programme leading to 2010," Prasa chief executive officer Tshepo Lucky Montana said in a statement.

The upgraded station boasts modern facilities such as shelter from inclement weather and increased seating facilities. It has access for passengers with special needs, CCTV cameras, a lengthened and resurfaced platform, and an area for retail and commercial activities. The project forms part of Prasa's multi-million rand national station upgrade programme. This will involve the refurbishing of the station network around the country for the 2010 Fifa World Cup and beyond.

"Metrorail passengers are already experiencing the benefits of the investment programme, whether it's in the comfort of a refurbished coach, a beautiful and modern train station or the presence of security and railway police," Montana said. The Nasrec, Cape Town, Langa, Kwa-Mashu and Orlando stations are among the stations undergoing major upgrades.

New stations are being built at Moses Mabhida in Durban, Windermere in Cape Town, and Rhodesfield in Johannesburg. These were scheduled for completion in the first quarter of 2010 said Prasa."Our programme is modernising our infrastructure and increasing our capacity to meet the expectations of the travelling public and thousands of football-loving fans expected to attend the Confederations Cup and the World Cup." Prasa has signed an agreement with Fifa to become a national supporter of the World Cup.
http://www.businessday.co.za/articles/Content.aspx?id=73184

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