



## **INTERNATIONAL COMPETITIVENESS AND INTRA-AFRICAN TRADE CRITICAL IN REALISING AFRICA'S GROWTH POTENTIAL**

**JOHANNESBURG, 26 March 2015** –International competitiveness and intra-African trade need to be top on the agenda items of businesses operating within the metals and engineering sector, Steel and Engineering Industries Federation of Southern Africa (SEIFSA) Chief Executive Officer Kaizer Nyatsumba said today.

Speaking ahead of the inaugural Southern African Metals and Engineering Indaba scheduled to take place on 28 and 29 May, Mr Nyatsumba said that international competitiveness and intra-African trade were critical in realizing Africa's growth potential.

"Turbulent economic conditions that the world is currently experiencing make it even more necessary for African countries to trade with one another in order to boost economic growth, create employment and ultimately eradicate prevalent poverty in the continent.

"Africa is the last frontier for growth owing to its rich mineral resources. This is evident in the number of international companies conducting exploration and mining activities in the continent," Mr Nyatsumba said.

He added that mining activities create opportunities in other economic sectors such as retail and manufacturing. Therefore, it was of critical importance that African countries create and enhance opportunities for intra-African trade.

Mr Nyatsumba said that although intra-African trade has increased over the years, a lot still needed to be done to improve in this regard.

According to various research findings, exports by African countries to their peers on the continent have surged by 32% since the 2008 economic downturn, compared to growth of just 5% in exports to the rest of the world. Nevertheless, in 2011 intra-African trade accounted for merely 9% of the continent's total trade with the world, compared to 25% for Latin America and almost 50% for Asia.

“Infrastructure, red tape and boarder frictions are but some of the serious challenges currently halting intra-African trade from thriving. These challenges need to be addressed and ultimately eradicated in order for trade among African countries to thrive,” Mr Nyatumba said.

Concerning international competitiveness, SEIFSA Chief Economist Henk Langenhoven said that South Africa needed to modernize production capacity and stabilize the labour market, among other things, for South Africa to be more internationally competitive.

“The African market is very highly competitive at the moment. This is due to the fact that the rest of the world is experiencing stagnation as far as economic growth is concerned. For us to benefit from the rising African demand, we need to make sure that we are internationally competitive by using new technologies to do more with the capacity that we have and to reduce production costs by, among other things, stabilizing our expensive labour market,” Mr Langenhoven said.

He said that it was of pivotal importance, therefore, that various stakeholders within the Southern African Development Community (SADC) region get together and deliberate on strategies aimed at ensuring that intra-African trade takes place and that businesses are internationally competitive and geared towards taking advantage of the growth opportunities emanating from the rest of the African continent.

International competitiveness and intra-African trade will be one of the main topics for discussion at plenary session 4 of the inaugural two-day Indaba scheduled to take place at Emperor’s Palace outside Johannesburg.

Sharing their insights on this important topic will be:

- Business Unit South Africa Chief Executive Officer Ms Khanyisile Kweyama,
- Africa Project Access Managing Director Mr Paul Runge,
- Scaw Chief Executive Officer Mr Markus Hannemann,
- and Independent Director of Companies Mr Mike Spicer.

The Southern African Metals and Engineering Indaba will be attended by policy and decision makers, business owners, senior executives and other stakeholders in the metals and engineering sector in the SADC region, and will focus on the following topics, among others:

- Does Manufacturing Have a Future in Southern Africa?
- Striking a Healthy Balance Between International Competition and Dumping
- Transformation in the Metals and Engineering Sector
- International Competitiveness and Intra-African Trade
- South Africa and the National Development Plan
- Southern Africa and the Huge Infrastructure Backlog – How To Finance It?

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Organised and hosted by SEIFSA, the Indaba is aimed at encouraging growth in the sector, which has under-performed over the past five years.

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SEIFSA is a national Federation representing 27 independent employer Associations in the metal and engineering industries, with a combined membership of over 2 000 companies employing over 200 000 employees. The Federation was formed in 1943 and its member companies range from giant steel-making corporations to micro-enterprises employing fewer than 50 people.



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