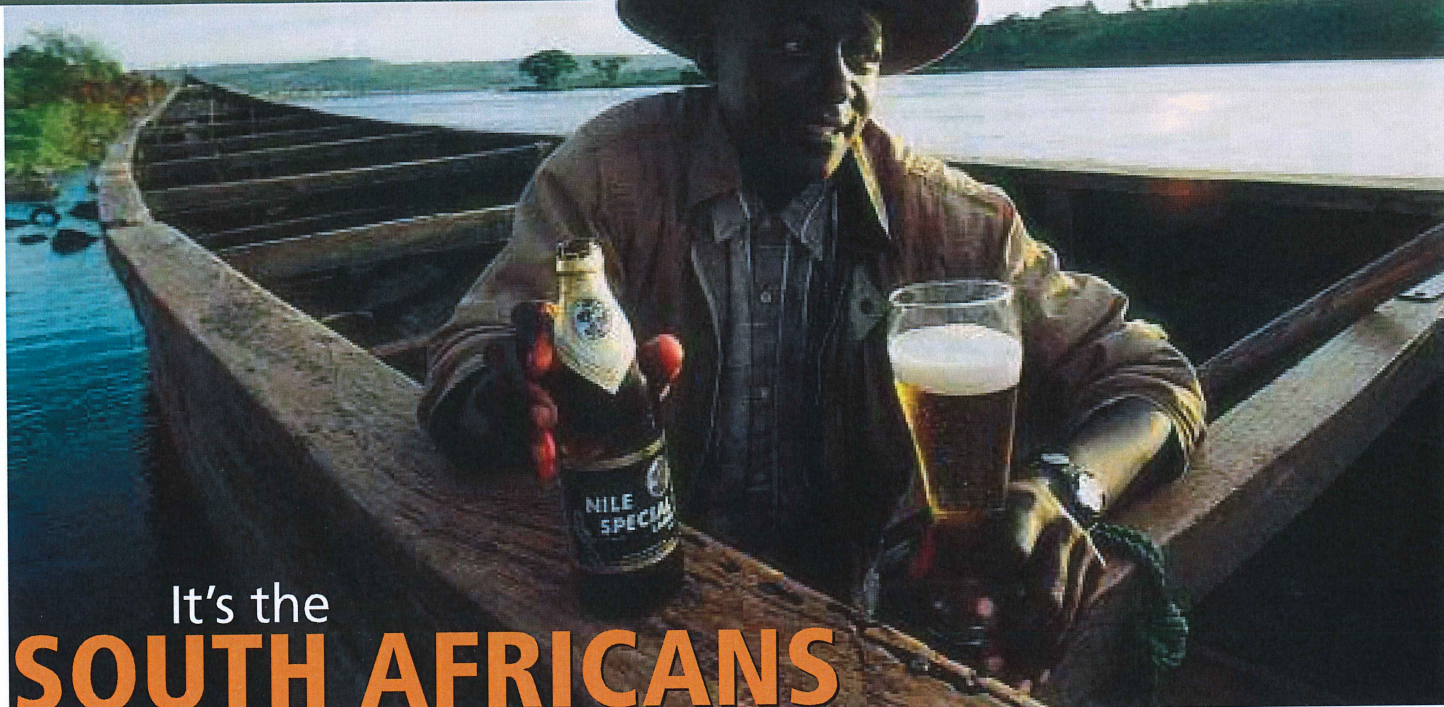


By John Daniel, Varusha Naidoo and Sanusha Naidu

Ugandan fisherman enjoying a glass of Nile Special – a product of SABMiller



It's the SOUTH AFRICANS

Post-apartheid corporate expansion into Africa

This month the HSRC publishes the first in a planned series of annual State of the Nation volumes (see p. 13). Below is a summary of one of the contributions to that volume.

That the end of the apartheid era in South Africa would open up the African market to its corporates was, in the early 1990s, a foregone conclusion. Yet few anticipated the rapidity with which they would seek to exploit their new market opportunity or the sheer volume of the flow into Africa.

What interested political analysts more at the time was how democratic South Africa would express its growing hegemony on the wider African stage. Would its newfound economic strength, allied to its historic attitude of overlordship to Africa, render the new regime even more interventionist and imperialist than its apartheid predecessor?

The article maps the extent of South Africa's post-apartheid expansion into the African economy, as well as the manner in which South Africa's hegemony is being expressed.

Two sets of economic indicators highlight the extent of South Africa's post-transition expansion into the African economy. The first

is Africa as an export destination for South African products, and the second relates to a more direct involvement by way of mergers, acquisitions, joint ventures and new "greenfield" investments. The table below demonstrates that South Africa's export trade with Africa has grown significantly in the transition period, with Africa now becoming South Africa's fourth largest export market by region. With peace prevailing in Angola and

What some have referred to as the "South Africanisation" of the African economy is further exemplified by corporate South Africa's post-apartheid record of taking over, or joining up with, existing African operations, as well as new "greenfield" investments in the African market. From running the national railroad in Cameroon, controlling shares in Telecom Lesotho and being the leading provider of cellphone services in Nigeria, Uganda, Tanzania, Rwanda and Cameroon, to managing power plants in Zimbabwe, Zambia and Mali, and building roads and bridges in Malawi and Mozambique, almost every sector of the South African economy is operative in the wider African market. They control banks, breweries, supermarkets and hotels throughout the continent, and provide TV programming to over half of all African states.

What Table 2 (page 7) demonstrates is that a distinction needs to be drawn between the behaviour of South Africa's corporates and its government. Like business anywhere, the South African business sector is driven by typical corporate interests – profit, market share, elimination of competition, the urge to dominate and to monopolise. As Absa Bank's Roger Pardoe has noted, Absa is "not investing

Table 1: South African export destinations by region

Region	1991 %	2001 %
Africa	4	12
South America	8	4
NAFTA	–	17
EU	15	22
Far East	57	40
Middle East	14	4
Others	2	1
	100	100

Source: Engineering News 03-9.05.03

prospects of stability and peace in the Democratic Republic of the Congo (DRC), the volume of export traffic is likely to grow and open up new opportunities for South African capital.

in Africa for altruism. We're investing in Africa to make some money" (*New York Times* 17 February 2002). And in pursuit of profits, South African companies have not always acted like angels or been welcomed with open arms. The latter is because South African capital represents a real threat to the ownership and property rights of African political elites.

But are South Africa's political elites seen in the same light as some of its corporate giants? Almost certainly not because there has been a sea-change from the past in South Africa's foreign relations on the continent. Since early in the post-1990 transition period,

South Africa's export trade with Africa has grown significantly in the transition period, with Africa now becoming South Africa's fourth largest export market by region

the African National Congress (ANC) has articulated a radically different position from that of the apartheid leadership. Its early 1990s policy documents spoke of the "fate of democratic South Africa being inextricably bound up with what happens in the rest of the continent" and that "our foreign policy should reflect the interests of the continent".

A decade on, the ruling ANC position remains consistent with these early sentiments and it has sought to develop a non-coercive, non-hegemonic relationship with Africa. This position is also consistent with the themes that underpin the African Renaissance, and inform the African Union and NEPAD. The South African State leopard has changed its spots from being an aggressive interventionist to becoming an advocate of quiet diplomacy and negotiated settlements. In doing so, however, this leopard has seemed at times to have more than changed its spots. It has, in cases like that of Zimbabwe, unfortunately lost its ability even to growl or scowl in the face of war crimes and gross human rights abuses. *

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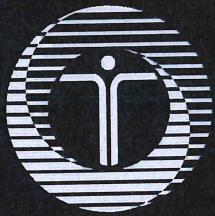
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Table 2: Major South African corporates in Africa by sector

Sector	Corporates	Located	
Airlines	South African Airways (SAA)	3 joint ventures	
Aviation & airport services	Airports Company of South Africa (ACSA)	In 9 countries	
Banking & financial services	Absa	In 4 countries	
	Alexander Forbes STANBIC Stanlib (joint venture between Standard Bank and Liberty Bank)	In 11 countries In 18 countries In 9 countries	
Construction	Group 5 Murray and Roberts	12 country contracts Permanent offices in 3 countries and 13 country contracts	
Energy	Petro SA Sasol	3 country contracts 3 country contracts	
Manufacturing	Nampak Sappi	In 10 countries In 3 countries	
Media & broadcasting	Multichoice TV Africa	TV and subscriber services in 21 countries Supplies programmes to 33 countries (includes the Cricket World Cup)	
Mining	Anglogold De Beers Goldfield	In 3 countries In 3 countries In 3 countries	
Retail trade	Massmart (Makro, Game, Dion, Cash & Carry, et al.) SAB Miller Shoprite	Over 300 outlets in Southern African Customs Union states 13 beer breweries in 10 countries, 35 sorghum breweries in 5 countries 89 stores in 14 countries	
Research & development	CSIR Industrial Development Corporation (IDC)	Conducting research projects in 17 countries Financing projects in 20 countries	
Telecommunications	Eskom Enterprises Telecommunications MTN/M-Cell Vodacom	1 fixed-line cellular contract Cellular fixed-line contracts in 6 countries Cellular contracts in 5 countries	
Transport	Transnet (9 divisions including Spoornet and subsidiary Comazar) Unitrans	8 country contracts 7 country contracts	
Tourism & leisure services	Imperial Car Rental Protea Hotels* Southern Sun*	110 locations in 8 Southern African countries Resorts in 9 countries Resorts in 6 countries	
Utilities	Power	Eskom Enterprises	3 utility management contracts, 1 joint venture and 28 country contracts
	Water	RandWater Umgeni Water	4 country contracts 3 country contracts

*Together they are present in 11 countries
Source: Table constructed by authors from information in the Corporate Mapping data set

SOUTH AFRICA INTO AFRICA: Corporate expansion and political influence



Human Sciences Research Council

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