

## Gigaba wants stronger African ties

South Africa needs to renew its focus on African economies in order to grow its export destinations, Public Enterprises Minister Malusi Gigaba said on Thursday (14 March).



Image: GCS

"We need to develop economic diplomacy to a greater degree than we have done until now. We [need] to forge both political and diplomatic partnerships with the African continent," Gigaba told reporters on the sidelines of a state-owned entities conference in Midrand.

"This means that at the level of the South African private sector and public sector, you need greater trips around the African continent than to Europe and North America. We need to view Africa with a renewed business interest," he said.

Gigaba said most of the country's mineral resources were exported to Europe, China and India. That needed to change.

"In terms of manufactured goods in South Africa, we are exporting a great deal to southern Africa and we are looking for economic partnerships and opportunities with the rest of the African continent. Our trade balance with Africa is increasing," he said.

He said it was difficult to sell commodities to the continent because most of the countries had the similar levels of raw materials wealth.

"But once you can beneficiate, manufacture and create value-added goods, then you can be able to increase your trade with the rest of Africa," he said.

Gigaba said the South African economy suffered significantly through the economic decline of its major trading partners in Europe and the United States and this had ignited a new focus to strengthening the country's trade with Africa.

Gigaba said state-owned entities had a bigger role to play in developing black manufacturers and suppliers and diversifying the country's economy.

"[With] Eskom, for example, the issue is not just to have power stations and supply power. The issue is in the infrastructure they develop and their operational and broader capital expenditure. How do they contribute towards developing supplier sectors so that we can succeed in diversifying the South African economy?" asked.

The department of public enterprise has adopted the Competitive Supplier Development Programme for the country's biggest state-owned enterprises, Eskom and Transnet. Through this programme, the two entities strive to increase the number of black suppliers, industrialists and manufacturers by including them in the capital expenditure programmes.

Source: *Sapa* via I-Net Bridge

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