



• Monday, 28 October 2019 •

Dear Fellow South African,

Last week, I led a government delegation to the first Russia-Africa Summit, convened in the Black Sea resort city of Sochi.

For two days, heads of state from 43 African countries and their host, President Vladimir Putin, discussed how to increase trade and cooperation between the Russian Federation and Africa. The summit was preceded by a Business Forum attended by investors and business people looking at ways to scale up investment in various countries on the African continent.

The Summit was a sign of the growing economic importance of Africa on the world stage. The summit took place on the back of the 7th Tokyo International Conference on African Development in Yokohama in August. The G20 countries launched their Compact with Africa in 2017 to promote private investment in Africa.

What we are witnessing is a dramatic rebalancing of the relationship between the world's advanced economies and the African continent. We have consistently affirmed that Africa no longer wants to be passive recipients of foreign aid. African countries are developing and their economies are increasingly in need of foreign direct investment.

It would be wrong, as some have done, to label initiatives like the Russia-Africa Summit as an attempt by world powers to expand their geopolitical influence. Some have even argued that a number of countries in Africa are being led into a debt trap as they take up loans to fund a number of projects in their countries. One need only look at initiatives such as the Forum on China Africa Cooperation, which was last held in Beijing last year, to see that the focus is now on partnership for mutual benefit, on development, trade and investment cooperation and integration.

China, Russia, the OECD countries and other large economies are eager to forge greater economic ties with African countries because they want to harness the current climate of reform, the deepening of good governance, macro-economic stability and the opening up of economies across the continent for mutual benefit.

With the IMF 2019 World Economic Outlook placing six of the fastest growing economies in Africa, these advanced economies want to take advantage of the many investment opportunities on offer, be they in infrastructure, energy, natural resource extraction, manufacturing or agriculture and agribusiness.

The opportunities for international investors will be further boosted when the African Continental Free Trade Area becomes operational next year. This interest in the continent's rapidly growing economies should encourage African countries to engage with various trade blocs on a more equal footing and on their own terms.

We are ever mindful of our colonial history, where the economies of Europe were able to industrialise and develop by extracting resources from Africa, all the while leaving the colonies underdeveloped. Even now, African countries are still trying to stop the extraction of its resources, this time in the form of illicit financial flows through commercial transactions, tax evasion, transfer pricing and illegal activities that cost the continent over \$50 billion a year.

The message from African leaders at the Russia-Africa summit was clear: Africa needs greater levels of investment. It wants access to markets for its products, goods and services. It wants to forge economic relationships of mutual benefit that develop our respective countries and uplift our people. The age where ‘development’ was imposed from outside without taking into account the material conditions and respective requirements of our countries is now past.

Four months after he was released from prison, President Nelson Mandela met with a group of business people in the US to mobilise support for the national democratic project back home. He laid out a vision for South Africa’s economy, and of it “playing an important part in the regeneration and expansion of the economy of Southern Africa as a whole.”

The private sector, both domestic and international, he said, will have a vital contribution to make to the country’s economic and social reconstruction. “We count on you,” he concluded, “to take the decision that you will become part, an important part, of the future South African economy.”

President Mandela’s words affirmed what the nations of Africa have long said: that we want trade more than aid. That we are determined to lift ourselves up, and that we neither expect nor want handouts.

In his iconic 1963 speech on African unity, Ghana’s President Kwame Nkrumah lay down the gauntlet to gathered African nations to look beyond political independence towards economic independence.

“Our economic independence resides in our African union,” he said. Nkrumah called on independent African states to harness their financial structure and banking institutions for their national development, and to use their material resources and human energies to meet their own national aspirations.

Next year South Africa assumes the chair of the African Union. It does so at an opportune time, as the African Continental Free Trade Area comes into operation. Not only will we have the opportunity to guide and oversee its implementation, but we will be taking on this responsibility in this new era of an emboldened Africa.

It is an era of a confident Africa, of a growing Africa that knows its potential and its worth. This is an Africa that is able to trade and engage on its own terms. An Africa that has finally come into its own.

Best wishes,



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