



South Africa@work

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From the Desk of the Consul General



We began the year in South Africa on a highly optimistic note. We remain so inspite of the international community concerns on what looks like an avoidable war. Why the optimism? Read South Africa's President Mbeki's State of the Nation address at the opening of the Parliament on 14 February 2003 and the Treasury Report delivered by the Minister of Finance, Trevor Manuel, on the more than healthy state of our balance sheet. "We have continued to defy gravity throughout the year, confounding the global industry trend of decreased growth," declared Environmental and Tourism Minister Valli Moosa also when releasing official tourism statistics. He said that South Africa was the fastest-growing tourism destination in the world. Overseas tourist arrivals are up by a massive 20.1 percent and all indicators point to a "bumper 2003" for tourism.

The South African success story continues in the midst of a global downturn, escalating oil prices paradoxically paralleled by the unparalleled surge in the value of gold, minerals and precious metals. The government received positive news on its continued sterling performance for the eighth year in a

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The State of the Nation Excerpts from President Thabo Mbeki

*Houses of Parliament,
Cape Town
14 February 2003*

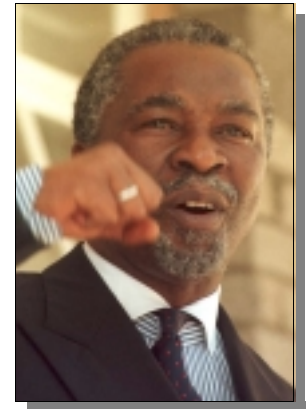
Ten years ago in 1993, we began the last mile of the long march against the system of white minority domination. In that year, we finalized the interim constitution that set the stage for the first democratic elections and our transition to democratic majority rule. It is also the year in which we lost that indomitable giant of our struggle, Oliver Tambo, and the people's hero, Chris Hani.

We salute this city, Cape Town, our legislative capital, that successfully hosted the opening ceremony and first game of the 2003 ICC Cricket World Cup. Today, as before, this great metropolis has provided us with the venue for the commencement of the fifth session of our second democratic parliament.

In the next few months South Africa will launch its bid to host the 2010 Soccer World Cup. Government wishes to assure our Soccer World Cup Bid Committee of our fullest support as they go into the bidding process. We are certain of victory this time round, a victory that will be for all Africa.

On this day when we meet at this place at the southern tip of Africa that houses our national legislature, the eyes of the peoples of the world are also focused on another place this time on the Western shores of the Atlantic Ocean, the great city of New York, which hosts the parliament of the world, the United Nations Organization.

Recently, we proposed to the Government of Iraq and the Secretary General of the United Nations, Mr. Kofi Annan, that this team should visit Iraq to share with the government, scientists, engineers,



technicians and people of Iraq our experience relevant to the mission of the United Nations and Iraq to eradicate weapons of mass destruction, under international supervision.

I am pleased to inform the Honorable Members that Iraq has accepted our offer, which we have already discussed with the leadership of the weapons inspectors. We trust that this intervention will help to ensure the necessary proper cooperation between the United Nations inspectors and Iraq, so that the issue of weapons of mass destruction is addressed satisfactorily, without resort to war.

To assist with regard to this last matter, we have given Iraq copies of our own legislation dealing with weapons of mass destruction, the Non-Proliferation of Weapons of Mass Destruction Act of 1993, as well as Notices and Regulations published in terms of the Act in the period between 1997 and 2002.

We have done all this because we prefer peace to war. We have taken the positions we have, not to oppose or support any country, nor to seek any glory. We have done what we have because, as South Africans and Africans, we know the pain of

(Continued on page 3)

Budget 2003: A Testimony to Credible Policies

Introduction

There are good reasons why annual Budget Day receives so much attention. Three of these merit special mention. First, it is an opportunity for government to demonstrate that it commits public resources to social priorities. Second, it is an occasion for fine-tuning government policy for growth and development within the context of changing socio-economic circumstances. Last but not least, it is a powerful means of guaranteeing and fostering democratic accountability and policy credibility.

The fruits of hard work

The abiding image of Budget 2003 is one which signals ongoing confidence in the South African economy and its associated fiscal framework. In current global circumstances few governments have the luxury of raising public spending, giving tax breaks and not having to increase the fiscal deficit or raise public debt, all at the same time. In effect, Budget 2003 reflects the success story of the SA economy over the short space of nine years. Over the period, the economy registered rising resilience and growth. It has simultaneously recorded the lowest volatility in growth amongst peer countries. Moreover, the institutional reorganization within the National Treasury has enabled a world-class fiscal management strategy to be put in place. All these developments are vital for the ability of the Finance Minister to plan expenditure priorities and for the capacity of the government to commit resources for its socio-political priorities.

Budget day no longer surprises but provides opportunity for fine-tuning

With the introduction of the Medium Term Expenditure Framework (MTEF) in 1998, the annual budget is no longer an occasion for surprises on revenue and expenditure issues.

South Africa, a late-comer to the game of multi-year budgeting, has achieved much in a relatively short period of time. In October last year, the National Treasury tabled its three-year rolling budgets. After adjusting for inflation, an average growth rate in government expenditure of 4.5% is planned for the next three years.

Education, health and social welfare constitute 52.1% of the total spending. Other social spending brings this figure to 58.1%. The next priority item is protection services,

inclusive of police, justice and defense, comprising 19.8% of the budget. Clearly, in recognition of rising food prices and general inflationary pressures, additional spending favors the poor.

In pursuit of growth and job creation, the Budget has increased its allocation of capital spending substantially in recent years. In terms of current plans, capital expenditure rises from 9.8% y/y in 2002/03 to 10.3% in 2005/06 (the end of the current MTEF cycle). Special tax concessions in the form of accelerated depreciation allowances for the revival of decaying inner cities are introduced to promote development and job creation. Such spending is vital for expanding the productive capacity of the economy over time. In general, not only fiscal capital spending but also planned rising investment by parastatals is a key pillar of sustainable growth in the medium term in South Africa. In the current times of global uncertainty and instability such investments are critical in bolstering the domestic economy's resilience.

Increased revenue collection through improved administration and tax morality allows for tax relief and increased social spending

Moving on from expenditure items, the revenue side of the Budget is a key and complementary component for enhanced fiscal objectives. The changes in the organization of SA Revenue Services (SARS) have substantially impacted upon the fiscal achievements of the new South Africa. Improved tax morality and much higher levels of compliance enable the Treasury to provide tax breaks across all income groups, while simultaneously releasing resources to expand social spending. Since 1999, approximately R52bn of tax breaks have been granted to households. A mix of tax bracket adjustments and reductions in tax rates have benefited all households, with the lion's share accruing to the lower income earners. This has helped to raise the disposable income of the poorer segments of the population, manifesting in relatively stable household spending patterns - even in times of higher interest rates, such as 2002 when interest rates were raised by 400 basis points.

Budget 2003 provides specific increases for child support grants eventually extending to

the age limit to 14 years. At the same time, an allocation of R950 million over the next three years has been made in support of the primary school nutrition program. Substantial increases were introduced for land restitution amounting to R1.9bn. In addition, a range of new measures has been introduced to promote job creation at local government level.

Taxes on income and profits, as shown in Figure 3, constitute 59% of total government revenue. A significant portion of this, 57%, is raised from taxes on individuals. Companies pay a total of 36% of this amount. The overall mix of direct and indirect taxes has remained fairly stable over time. This reflects the highly unequal distribution of income and wealth in the country. For as long as this maldistribution persists, the fiscal authority will have limited scope to switch from direct to indirect taxes, something which is generally preferred.

Normalization of macroeconomic and fiscal framework provided opportunity to further relax exchange controls

Against the backdrop of a successful fiscal and macroeconomic stabilization policy over the past eight years, Budget 2003 provided an opportunity to further demonstrate major achievements towards the 'normalization' of the SA macroeconomic and fiscal framework. The unblocking of the blocked rand, the latter being introduced back in the 1960's, was a significant step in the direction of removing the remaining foreign exchange control. By clarifying the end game the Minister emphasized the replacement of controls with an internationally accepted set of prudential measures so as to safeguard the economy against the vagaries of global financial volatility.

Outstanding issues

Some critical issues are outstanding. From a macro economic perspective the most critical issue is the pervasive skills mismatch within the economy, something which manifests itself in the coexistence of large scale unemployment on the one hand, and the ongoing vacancies in both public and private sectors on the other. It is stating the obvious that the Minister of Finance cannot allocate fiscal

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Excerpts from President Mbeki's State of the Nation Address (Continued from page 1)

war and the immeasurable value of peace. During the last century, South Africans lost their lives in the titanic battles of the First and Second World Wars and the Korean War.

As we meet here for the first time this year, we trust that this democratically elected forum of the people of South Africa will pronounce itself unequivocally in favor of peace, against war.

We urge that our national parliament should express itself in favor of the peaceful eradication of any weapons of mass destruction in Iraq, for Iraq's respect for the decisions of the United Nations Security Council, for respect by all countries of the principle and practice of multilateralism, for the continuing responsibility of the United Nations with regard to issues of international peace and security, and the peaceful resolution of international conflicts.

We speak in favor of peace because our people prefer peace to war. They yearn for peace because they know from their experience that without peace there can be no development. Without development we will not be able to realize the goal of a better life for all. Without peace we will fail in the effort in which we are engaged, to transform ours into a country of hope, and revert to the past on which we have turned our backs, a past of misery and despair.

Last year when we spoke from this podium, we said our country has a continuing task to push back the frontiers of poverty and expand access to a better life for all. The challenge we all face as South Africans is to put our shoulders to the

wheel to accelerate the pace of change.

I would like to take this opportunity to extend a word of thanks

and appreciation to the thousands of our people who rolled up their sleeves to lend a hand in the national effort to build a better life for all South Africans.

Honorable Members will remember that, in our address to the House last year, we expressed the confidence of government in the health of our economy. We asserted then that, despite the difficulties that we may experience from time to time and despite the economic downturn across the globe, our economy was robust and had the potential to perform relatively well.

Indeed, the country has managed to stay the course of growth, with the growth of the Gross Domestic Product for 2002 estimated at 3,1%. Gross fixed capital formation grew by almost 8% during the year. We have now had 10 consecutive years of positive growth. Manufacturing grew by 5,4% in 2002, the fastest growth since 1995. Our currency has wrested back the losses it suffered during 2001. During 2002, it recorded its first annual gain against the US Dollar in 15 years.

In the first three quarters of 2002, household consumption expenditure grew by an average of 3,2% while disposable income increased by over 3,5%. Household debt as a percentage of disposable income is at its lowest level since 1993. In the third quarter of 2002, gross savings as a percentage of GDP increased above 15% for the first time since 1999.

Over the past few years we have worked hard

to lay the basis for the advances we must make to meet the goal of a better life for all. At the center of this are the related objectives of the eradication of poverty and the fundamental transformation of our country into one that is non-racial, non-sexist and prosperous. As Honorable Members are aware, we returned some ten days ago from the Extra-Ordinary Summit of the African Union in Addis Abba,



“...South Africa will pronounce itself unequivocally in favor of peace, against war.”

where Africa reasserted the wish of the continent for global peace, security and development. In this context, it expressed itself in favor of the peaceful resolution of the question of Iraq.

At this Summit, the AU took specific decisions on proposed amendments to the Constitutive Act of the Union, and steps towards the setting up of the Commission of the AU and the ratification of the Protocols on the Peace and Security Council and the African Parliament.

Conditions for peace and development are steadily taking shape in the Democratic Republic of the Congo, Burundi, Sudan and Angola, and South Africa will always be ready to assist where we can to ensure that the peace, prosperity and national reconciliation that these sister-

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Budget 2003: A Testimony to Credible Policies (Continued from page 2)

resources towards skills and training. However, it is high time that we put in place a credible framework to address this critical political economy issue.

From a narrow fiscal management perspective, the remaining and vital issue is the effectiveness of government spending. There has been much focus on the part of the Treasury on this issue and the Public Finance Management Act (PFMA 2000) is a testimony to real concerns in this regard. The Minister expressed in the clearest statement to date the sense of urgency about improving the management and the spirit of service delivery within the public service.

However, it is the line function government departments that hold the key in this respect. The Treasury can collect and allocate the resources, but it is the other departments which need to ensure efficiency and effectiveness. At the end of the day, social welfare depends on the quality of public services, not only on the fiscal indicators such as social spending, deficit, debt, and tax collections.

Source: Standard Bank



Telkom SA Limited IPOs on the NYSE: from left to right: Chian Khai Tan Group Executive Strategic Planning Telkom, Shawn McKenzie Chief Operating Officer Telkom, Nomazizi Mtshotshisa Chairman of the Board of Directors Telkom, Dick Grasso CEO NYSE, Sizwe Nxasana CEO Telkom, Jeff Radebe Minister of Public Enterprises, Dr Sivi Gounden Director General: Department of Public Enterprises, Eugene Mokeyana and Bridget Radebe. (New York City, 5 March 2003)

VI&Ps

Visas, Immigration and Passports

Request for Continued Use of Emails

It is indeed my great pleasure to be of assistance to you this year.



As indicated last year, we are committed to ensuring that the services we render to you are efficient at all times. Please note that all messages left in our voicemail system will be dealt with expeditiously.

In the last few months, efforts were made in the office to find out the extent to which e-mail is able to reduce enquiries made to the office. It was found that enquiries made by e-mail constitute 20% of enquiries which reduce telephone calls made to the office. As a result of that, a flashing message was made on our website for all applicants to add their e-mail address at the bottom of their applications. The provision of the e-mail addresses with every application received was helpful in enabling the office to – among others, acknowledge the receipt of applications immediately, inform the applicants if there are complications with the application and thereby save both the applicants and the office the costs of the calls that would have been made to enquire about something.

Please read on how Minister Buthelezi is introducing incentives to attract South Africans to return home. Further information about visa, immigration and passports are available at <http://home-affairs.pwv.gov.za/>.

Until next time!

Johannes Tiba
Consul, Migration

Tourists beat war gloom in South Africa

Foreigners visiting South Africa boosted the economy by more than R12.5bn in the last quarter of 2002 alone. The entire local and national industry is benefiting enormously, according to the South African Tourism Index Quarterly Report, which reflects that a tourist on a nine-day visit spends an average of R1,483 a day. The latest statistics also show many tourists from the UK, USA and other European countries are returning for repeat visits. Of the UK tourists almost 22% are returning, and the Netherlands has over 17% coming back. Of the total number of tourists 19% come back two to three times. A survey in the USA and the UK by South African Tourism last week found hardy travelers are not put off by war clouds if they know they are headed for a safe destination. (The Citizen)

Minister Buthelezi's Come Home Campaign

The government has to create more incentives to encourage expatriates abroad to return to South Africa, Home Affairs Minister Mangosuthu Buthelezi said. Speaking at the launch of a "Come Home" campaign in Pretoria, he said a better understanding of what could be done to encourage South Africans to return was needed. South Africa found itself in the peculiar situation of being both a country of emigration. "In the past six years we have extensively dealt with the immigration aspect of this phenomenon, and perhaps the time has now come to renew our government's attention to the emigration of our own nationals," Buthelezi said. Among other things, it was necessary to conduct more in-depth research to understand the reasons underlying emigration.. "Given the profound social and political changes which have accompanied the flourishing of democracy in our country in the past 15 years, a certain amount of emigration can be expected, as emigration always accompanies profound social and political changes. "However, given the nature of such changes which have been about bringing freedom, democracy and the features of an open society to South Africa, one would have expected a much slower degree of emigration that that which actually took place on many accounts "We need to understand why people believe that South Africa cannot offer the opportunities they seek," he said. Research focusing on the true factors which prompted people to emigrate had to be conducted. "Some preliminary indications which we received from academic contributions, submitted during the process of policy formulation of our Immigration Act, suggest that elements of collective psychology and cultural discomfort at times may be a more compelling cause of emigration than purely economic reasons. "I suspect that many of those who left did so because, for whatever reason, they did not have

sufficient hope that South Africa could meet their needs and aspirations and those of their children and grandchildren. "We need to correct that fundamental problem and give hope not only to them, but first and foremost to all of us." Buthelezi said, as one who had dedicated his life to the cause of racial harmony, it was particularly painful that prevailing indications showed a racial pattern to emigration. "It is very painful to me that the overwhelming majority of emigrants may belong to specific ethnicity and they emigrate because, rightly or wrongly, they felt that their ethnicity does not have a future in South Africa, or that their children will be less well-off in terms of opportunities that children of other ethnic backgrounds." South Africa's greatest promise was that of a racially harmonious society, drawing from the strength and potential contribution of its diverse peoples. "This must be a land which belongs equally to all," he said. It could not be a country in which young people felt they would not find a job because of their ethnicity or skin color. "If that happens, we will have failed our most fundamental dreams and we will have killed the very spirit which made our South Africa possible. "We must look very hard, honestly and objectively at the perception that ethnicity and skin color may reduce employment opportunities. "If there is truth to this perception, we must take corrective measures with courage and determination., "If this perception is erroneous and overstated, we must dispel it, because it is part of the creation of despair," Buthelezi said. The "Come Home" campaign was launched by the trade union Solidarity and the Company for Immigration (CFI) at a conference of the Afrikaans cultural organization, the FAK (the Federation of Afrikaans Cultural Societies).

PROUDLY SOUTH AFRICAN  **YOU'VE DONE A LOT FOR YOUR COUNTRY. EVER ASKED WHAT YOUR COUNTRY CAN DO FOR YOU?**

John F Kennedy may not have got it entirely right. Surely, a country exists to serve its people, and not only the other way round? And by serving its people, we mean creating prosperity, economic growth and a good life for all. After all, are those not the things we vote for?

That is why the Proudly South African campaign does not ask much of you, but rather, gives a lot to you. It has been designed, not just as a nation-building initiative, but also as a smart economic tool. A double-edged tool, delivering results to both employers and employees. To employers, the Proudly South African campaign quite simply translates into increased demand. Demand for your product, or service. How? By creating a brand and logo called Proudly South African, and enabling you to use it to differentiate whatever you're selling. Will it work? In Australia, 95% of consumers recognize the Australian-made campaign brand and 92% say it influences their buying decisions. Our campaign should yield similar results, if not better. So how does this help employees? Besides the local content and fair labor practices that every member has to commit to, the increased demand for your goods and services helps ensure existing jobs are kept and new jobs are created. Greater employment, increased sales and economic growth - that's what your country's doing for you.

*From the Desk of the Consul General
(Continued from page 1)*

row over all areas and priorities of economic growth. We are meeting the social needs of delivering a better life to all South Africa: education, housing health, jobs and so on. In this year we have to confront some of the most persistent challenges and bring new resolve to scourges that may undermine this pattern of miraculous success.

We have adopted aggressive implementation mechanisms and will continue the dialogue on finding effective ways to fight the scourge of AIDS, to create more and new jobs and not the least to roll out social services for all South Africa in need so that they can free their minds and spirit from poverty and become active economic agents in their own developments.

Yes indeed jobs are not being created fast enough but South African people are very resilient, innovative, highly imaginative and have not stood by and waited for the government to deliver. They have taken advantage of the environment created by the government to create their own jobs. We have a burgeoning informal and small business sector. This is the key engine that is emerging very fast as the driver in job creation. We continue to encourage our people through variable incentive programs to create their own jobs and businesses and they have experienced the benefits of creating employment.

The South African economy has shown a unique resilience that with very marginal amounts of foreign direct investments (FDIs) coming into our part of the world as you may have noticed. We have used that trickle in strategic ways and combine it with the country's imaginative highly motivated human resources. We have turned around and used the country's massive natural resources to provide for our needs while sharing our resources with the world.

The world is now looking at this eighth year success and has decided, South Africa is not just a safe haven for investment, it is a safe haven that is paying dividends to those who put faith in her.

The articles you will be reading in this newsletter will testify to these statements. Read on and see what we are talking about — the facts speak for themselves. For those who are not yet aboard, you are still welcome aboard. Invest in the winning team.

May I take the opportunity to thank all those South Africans out there and our valued friends in the US who keep sending emails, letters and comments. These are very valuable in improving our work and responding to yours and our people's needs.

Thami Ngwevela
Consul General

South African Economy sees growth despite global slowdown

Deputy-Governor of the South African Reserve Bank (SARB) Ian Plenderleith says the country's economy has continued to achieve steady and sustained growth over the past few years despite the global economic slowdown in the surrounding world economy. The deputy-governor was addressing the Merrill Lynch Macro Day — a conference on macroeconomics organized by the Merrill Lynch Investment Bank — in Johannesburg. "As the world economy has moved into slowdown over the past two years or so, the South African economy has continued to grow at around three percent — not, to be sure, as fast one would hope to achieve in a more favorable world environment, but nonetheless a great deal better than many other economies have experienced," he said. According to Mr. Plenderleith, the current cyclical upswing in the South African economy, "which began in September 1999, has now been in progress for three and a half years, and, looking ahead, the prospects are encouraging for the economy to continue to grow." The International Monetary Fund (IMF) in January praised South Africa's economic management, saying the country was poised to achieve a three percent economic growth in 2003.

In its 2002 Article IV Staff Report on South Africa, the IMF said South African authorities continued to implement sound monetary and fiscal policies during the period under review — between 2001 and 2002. The Washington, US-based institution said South Africa's government finances continued to be strong particularly at the levels of the central and provincial governments. In August 2002, Fitch Ratings revised the outlook on South Africa's foreign currency debt from "stable" to "positive". There are no doubt many contributory factors, but I think an important one is the coherent and responsible macroeconomic policy framework which the authorities have steadily and consistently pursued over recent years, covering both fiscal and monetary policy." He added, "there was no doubt that the steady commitment government has shown, to keep the budget deficit to low and manageable levels and to contain the burden of public sector debt had delivered real benefits in terms of a strong and sustainable structure in the public finances. "The result, as evident in the Budget last month, is that, as the economy has grown and as revenue collection has strengthened, there has been enhanced scope both to reduce taxes and to continue building up essential spending programs on a sustainable basis." The deputy governor said though South Africa was not alone in setting price stability as the priority for monetary policy — as the maintenance of low inflation was the universal aim that central banks around the world were set to pursue — South Africa was very much in the forefront of international best practice. (GCIS)

South Africa "seized" by Zimbabwe

Zimbabweans should get their act together to help find solutions for the problems in their country, South African Deputy Foreign Aziz Pahad said on 10 March 2003.

"Zimbabweans across the political spectrum have to begin to analyze the crisis in which they are, both politically and economically," Pahad said in Pretoria. They (Zimbabweans) should give leadership which the rest of the world could support. Pahad told reporters South Africa remained "seized" with Zimbabwe's problems. Instability in that country would have serious consequences for South Africa. "There is an unreal debate about quiet diplomacy and aggressive diplomacy. What we need is a solution." This could be done through organizations such as the Commonwealth, and the African Union. He said he doubted whether new sanctions imposed against Zimbabwe by the United States would contribute to the solution.

US President George W. Bush announced the economic sanctions on Friday, 7 March 2003 against Zimbabwean Robert Mugabe and 76 other officials.

*Excerpts from President Mbeki's
State of the Nation Address
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peoples deserve are achieved. We remain firm in our hope that the long-delayed issue of Western Sahara will be resolved without further delay.

The international community also has an urgent responsibility to help resolve the issue of the establishment of an independent State of Palestine, side by side and at peace with the State of Israel.

In carrying out these our international responsibilities, we proceed from the premise that our success in social change and nation-building is conditional on the progress that humanity makes in building a caring world. Inversely, building a new and prosperous nation is itself our own humble contribution to the well-being of humanity as a whole.

As we enter the last year of the First Decade of Freedom, we will heed the lessons of these first ten years and build on what has been achieved.

I wish our national, provincial and local legislatures success as they discharge their responsibilities to our country and people during this final year of our First Decade of Liberation.

The tide has turned. The people's contract for a better tomorrow is taking shape. I trust that all of us will identify with this historic process. Given the great possibility we have to move forward, we dare not falter.

Cabinet Statement: Lend a hand in the Campaign of Hope Against HIV/AIDS

On the fourth anniversary of the Partnership Against AIDS let us join hands so that we can together build on the progress that has been made in the fight against the epidemic, to intensify the campaign of hope.

HIV/AIDS is a challenge for all of us, one that we can overcome by working together in the Partnership Against AIDS.

Our policy, which starts from the premise that HIV causes AIDS, is set out on the five-year strategic plan adopted in 2000. It is in line with international trends, and is amongst the best in the world.

On 17 April 2002 government launched the Campaign of Hope, calling on all sectors of society to join hands in intensifying the campaign to prevent HIV infection and deal with its consequences.

With each month the campaign grows from strength to strength.

What is government doing to step up prevention?

Since there is no known cure for AIDS, preventing HIV infection is critical.

Each of us must exercise our individual and collective responsibility to take care of our own lives. Promoting public awareness and the life skills program is therefore the core of the efforts to prevent transmission of HIV.

Though the high level of awareness about HIV/AIDS in South Africa – over 90% – is beginning to translate into behavioral change, especially amongst the youth, much more needs to be done.

The latest survey of pregnant women receiving care in the public health sector indicated HIV prevalence amongst those less than 20 years old declining for the third year.

A new phase of the awareness campaign started in September 2002, joining government with partners such as loveLive, and focusing on youth prevention, support for orphans and vulnerable children, and living positively. This includes gender-focused education for young women to resist peer and other pressures and take full charge of their bodies. Government is providing R98 million for this new effort to change lifestyles.

In order to support the behavior change necessary for safer sexual practices, government has been continually expanding access to both male and female condoms. Access through non-traditional outlets such as clubs, shebeens, and spaza shops has been made possible. Surveys indicate closed to universal availability of condoms at clinics – and this year we will be supplying 350 million condoms for free. Access to the female condom has been increased to 114 outlets in 2002.

What about sexually transmitted diseases?

The effective management of sexually transmitted infections (STIs), which render people more vulnerable to the HIV, plays a critical role in reducing the risk of HIV transmission. This program, which has so far ensured that there are trained healthcare workers in 80% of our public sector clinics, is being extended.

The latest survey shows that the steady decline in the prevalence of syphilis amongst pregnant women attending public health sector clinics continues, amounting to a 50 % decline over three years.

Is there progress in the search for a vaccine?

In the South African Aids Vaccine Initiative (SAAVI) scientists are working with government support and funding to develop a vaccine that will make people immune to HIV infection. It is important however to remember that success will not be quick and is not guaranteed – so prevention through awareness remains the key message.

But the program is moving forward at a pace that is extremely quick for such a biotechnology program. SAAVI continues to develop subtype C HIV vaccines and is at an advanced stage of laboratory testing of certain of these candidate vaccines. The next step is to choose those that should be manufactured, and these will be manufactured during late 2002 and 2003 for clinical trials starting in late 2003.

What about prevention of mother to child transmission of HIV (PMTCT)?

Following the ruling of the Constitutional Court on Nevirapine, all provinces have been provided with guidelines for the implementation of the PMTCT package.

Provinces will expand the services according to their differing capacities, monitored by national government. Training is in progress on the basis of the provincial rollout plans. Already, KwaZulu-Natal, Gauteng and North

West and Western Cape Provinces have extended coverage to a significant number of their health institutions and other provinces are following suit.

And are we still on track for universal roll-out?

The PMTCT research program continues.

By the end of June 2002, over 101,202 women had visited the facilities attached to the 18 PMTCT research sites, with 63,217 accepting voluntary counseling and testing, 17,274 of whom tested HIV-positive. Nevirapine was dispensed 10,043 women who accepted it and to 6,947 babies who have been born to women recruited in the program.

With regard to the Universal Rollout Plan, the most critical challenges are: training, budget proper health facilities and community attitudes. Training has started in all provinces. We continue to upgrade health facilities for testing, counseling and monitoring. Funds will be made available for the roll-out. And we should all work together to stop discrimination against HIV-positive mothers.

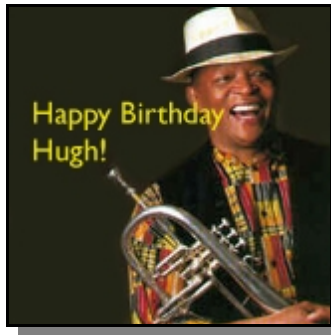
What has happened to the package of support for survivors of rape?

In April 2002 government decided it would provide a comprehensive package of support for survivors of sexual assault. This includes counseling on the effectiveness and risk of using antiretrovirals as preventive drugs. This is to ensure that they can make an informed choice.

The relevant protocols were developed and distributed by May 2002 to provinces, and implementation has started. In order to maximize the impact of the program, government services such as health institutions, the police and social workers as well as NGOs working with rape survivors are encouraged to work together. Additional funding is being provided to cover the training, drugs and HIV test requirements of the program for provinces.

It is important however to remember that success will not be quick and is not guaranteed – so prevention through awareness remains the key message

SOUTH AFRICAN EVENTS



Hugh Masekela at Carnegie Hall in New York City

Hugh Masekela and friends will perform at Carnegie Hall on Friday, 4 April 2003.

Hugh is South Africa's musical ambassador to the world. His music has been an instrument of resistance, a call to freedom, and a celebration of the resilience of the South African people. His powerful blend of jazz, funk and afro-beat has mourned the tragedy of apartheid and rejoiced at its demise.



South Africa Celebrates Freedom Day!

Nine years ago, on April 27, South Africans from all walks of life queued for hours to make the cross on the ballot paper that they had been denied for so long.

We celebrate this day because it is our Freedom Day. This is the day on which the simple crosses that we made on the ballot paper served to mark a milestone as we took an important collective step towards a truly free nation.

Let Freedom Ring!

Sasol to be listed on NYSE

Sasol's secondary listing on the New York Stock Exchange was scheduled for April 2003.

The coal-to-fuels and chemicals producer announced plans to list overseas in the first quarter of 2003. It plans to keep its primary listing in South Africa, which houses the bulk of its operations.

South Africa Consulate General in New York launches "Brand South Africa"

The end of apartheid has left a negative image of South Africa, which has been exacerbated by some of the problems inherited from that era: crime, unemployment, poverty and AIDS. Yet there are plenty of positives



which receive far less publicity: a progressive Constitution and Bill of Rights, a smooth transition to democracy, strong economic fundamentals, improved credit rating, world-class tourist destinations, well-developed infrastructure, and a regional leader of considerable influence. President Thabo Mbeki summed it up in his May 2001 address to the IMC: "The challenge that faces the International Marketing Council is indeed the challenge to say how we communicate this message about South Africa to the rest of the world, which is the message of hope - a message of hope not only for the people of South Africa but a message of hope for the people of the world."

The South African Consulate launched IMC's **Brand South Africa** campaign in New York by hosting South African and American businesses at an event at the South African Consulate General with Minister of Public Enterprises, Ms. Geraldine-Fraser-Moleketi as keynote speaker on Tuesday, 8 April 2003.

For information about the Brand South Africa campaign, please visit IMC's website at

www.imc.org.za/

Scarsdale Braai

The annual Scarsdale Braai will be held on Saturday, 19 July 2003 from 12:00 noon to 6:00 p.m.

The Braai takes place at Kingsland Park, Sleepy Hollow (N. Tarrytown) New York, about 1/2 hour north of New York City in Westchester County. The park faces the Hudson River. It has its own train stop (Philipse Manor on Metro North) and about 2 miles from 287, 87 and the Tappan Zee bridge.

Organizers will provide the fixings and you can either bring your own meat or buy authentic braai packs from *Madiba*, the only South African restaurant in Brooklyn.

Entry is \$16.00 for adults, \$8 for children. Cash only at park.

For more information, please contact the organizer, TechMarketing at (800) 273-2832 or visit its website

www.scarsdalebraai.com.



Links to South African Websites

Further information on South Africa can be found on the following websites:

www.gov.za
www.gcis.gov.za
www.safrika.info

For the full budget speech of Minister Trevor Manuel, please go to

www.treasury.gov.za/