

Notes from the American Chamber of Commerce Annual General Meeting held on 13 March 2014

Introduction

The American Chamber of Commerce (AMCHAM) held its Annual General meeting (AGM) on the 13 March 2014. In his welcome address, the President of AMCHAM, Mr Jeffrey S Nemeth (President and CEO of Ford Motor Company) noted that during the past year AMCHAM had focused on SA's competitiveness as a destination for trade, tourism and investment, as well as the renewal of Africa Growth and Opportunity Act (AGOA). It was important to impress on overseas companies in the United States, that South Africa is a competitive place. The Chamber had also realised its goals of strengthened bilateral relations, improvement of member communication and raising the Chamber's profile. They were engaging with government in relation to the following legislation –

- * The Special Zones Bill,
- * The National Development Plan 2030,
- * The Labour Relations and the Basic Conditions of Employment Amendment Bills,
- * The proposed amendments to the BBBEE codes of Good Practice in relation to their impact on American based companies in South Africa.

According to Mr Nemeth, the idea of having Free Trade from South Africa to Egypt presents a window of opportunity for South Africa, as the country could become a gateway for international countries that are keen in investing in the continent. It was important to have an African common market. However country needs to address the issue of a stable labour environment as well as infrastructure especially around ports.

- * Sasol was announced as one of the new members of AMCHAM.

Some of the confirmed Board of Directors for 2014 are –

- Jeffrey Nemeth from Ford Motor Company (President)
- Chose Choeu from Eskom (Vice President)
- Leonard Moulton from 3M (Vice President)
- Ms Nobuzwe Mbuyisa from Chevron
- Ms Donna Oosthuysen from Citi
- Mteto Nyathi from Microsoft South Africa
- Tim Schweikert from GE South Africa
- Mark Flower from Fluor

Speech by Minister Malusi Gigaba

The Minister was invited to an AMCHAM AGM in 2011. Government sees infrastructure moving the economy of South Africa to the next level, from resource extraction to supporting the development of small enterprises. This in line with the vision spelled out by the National Development Plan (NDP) of eliminating poverty, reducing inequality and creating jobs.

- * Emphasised importance of a thriving manufacturing sector.
- * Need to develop intermediate inputs (no capabilities currently).
- * Country has seen increased levels of imports and these needs to decrease.
- * There is a need to focus on productivity as well as technology advancement.
- * Gold is in decline, and the balance of payments are being adversely affected, the diversity of the economy is critical. The opportunities from mining iron ore, coal and manganese can contribute to improving our balance of payment.
- * Transnet has a 7 year plan around the use of freight in rail, whilst the TRE division wants to use the production of locomotives as a gateway into Africa.
- * South African can become an Original Equipment Manufacturer (OEM) that will serve the African market. For that to be realised it is critical that the country develops a manufacturing capability. This

will require a combined South Africa approach involving the private sector and State Owned Companies, moving into Africa.

* Part of that process will require establishing a Manufacturing Centre in South Africa that can become a hub for Africa.

* It is critical as part of this building process to develop a strong marketing alliance with some of the key African countries.

* SA industry can become a global O.E.M supplier for port related industries as well as ship repairs.

* It is imperative that South Africa grows its exports through import substitution.

Conclusion

The Minister speech highlighted the importance of integrating into the African economy as well as creating an Export hub for the African market.

Other major issues he sees are -

* How do you use infrastructure to support beneficiation?

* In Supplier Development -Transnet/Eskom need to encourage the emergence of previously disadvantaged suppliers.

Themba Belle

Strategic Alliances

Email: TBelle@csir.co.za

Tel: 012 841 4055