

Intra-continental growth vital for African development

African countries have been urged to focus on improving intra-continental trade if significant economic growth is to be tangible.



Image source: Getty/Gallo

The remark was made by Trudi Makhaya, economic advisor to President Cyril Ramaphosa, during an African Press Attachés breakfast roundtable discussion in Pretoria on Wednesday.

The breakfast was organised by the Government Communication and Information System (GCIS) ahead of Africa Day celebrations.

Makhaya said it is important for South Africa to reflect on its economic agenda and communicate its ambition with the rest of the continent.

President Cyril Ramaphosa in February handed over South Africa's deposit of instruments on the ratification of the African Free Continental Trade Area (AfCFTA), two months after Parliament in December ratified the agreement.

"When President Cyril Ramaphosa announced the R300bn in investments locally and internationally, it was important to emphasise that South African investments should be at the forefront.

“It’s difficult to argue internationally that you need investment in your country when your companies are not seen to be investing,” said Makhaya.

During the inaugural SA Investment Conference last year, domestic investors were at the forefront of making investment pledges.

“It’s important to discuss that context before we relate with the rest of the continent. However, in terms of our investment ambitions, though we want to solidify a base of domestic investors, the continent is very important in terms of the source of investment funds into South Africa but also South African companies investing in the rest of the continent,” Makhanya said.

She said there is an important intra-continent theme that the country is attempting to address.

During the conference, several African businesses pledged to spread their tentacles into South Africa. Econet, Mara mobile, Dangote Group, Choppies and various others.

“We are developing a strong pipeline that speaks to that intra-African investment ambition. Invest SA is also actively collaborating with other investment promotion agencies across the continent.

“The idea is to foster closer collaboration with investor promotion agencies and also think about a continental approach to promoting investment in the continent,” Makhanya said.

South Africa, she said, is often seen as the gateway into the continent but what is often missed in this theme is there needs to be different regional hubs focusing on different areas of specialisation.

Migration regulations

Speaking on bottlenecks in the migration regulations that are seen as hampering between South Africa, the continent and the rest of the world, Department of Home Affairs acting Director-General Thulani Mavuso said government had begun reversing some of the 2014 Immigration Act regulations.

Among these, he said, South Africa is now issuing a three-year entry visa to frequent travellers from Africa as well as a 10-year entry visa for businesspeople and academics from the continent.

“So that has been implemented. We have issued to all missions abroad to say that (these) must be implemented. It makes sense because some of these businesspeople are investing in the country but not living here... We need to be able to allow them to move [with ease],” he said.

Acting GCIS Director-General Phumla Williams said it was important for the media and communication practitioners to engage in such discussions.

“We continue to see the role of media and communication central to what we are all trying to do for the continent. We owe it to ourselves to make the continent a success story. The more we trust each other with direct investment, the more we are likely to grow and attract foreign investors into our continent,” she said.