



NATIONAL TREASURY
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TREVOR MANUEL MP, MINISTER OF FINANCE

Master of Ceremonies

Distinguished Board Members and Executives

Dear Friends

Thank you for the opportunity to share this evening of great celebration with you. The right to celebrate has been well earned. We are celebrating the fact that through the ABSA transaction, Barclays has become the largest bank on the African continent. Moreover, we are celebrating the fact that this new and enlarged Barclays bank and this new and invigorated ABSA have greatly enhanced their own opportunities for growth and development.

There can be few economic opportunities as exciting as Africa anywhere in the world. Sure, the base is low and quite a few bureaucratic hiccups remain – but these only render the challenge, and therefore the rewards, much greater.

Increasingly, we must see Africa as a single continent, a single market comprising some 800 million people. Fifteen years ago, too many analysts considered China a rural, underdeveloped backwater and a decade ago, the views on India were not dissimilar. Today, you couldn't find any person who would admit to having held such heretic views then – it's as with apartheid in South Africa – today the vision is, in fact, one Chindia: a continent with one third of the world's population, and eighty percent of the world's opportunities. Our challenge is to think similarly about Africa – one continent, one market and one huge set of opportunities.

On the occasion of the formation of the African Union in July 2002, President Mbeki said, “By forming the Union, the peoples of our continent have made the unequivocal statement that Africa must unite! We as Africans have a common and a shared destiny!

Together, we must redefine this destiny for a better life for all the people of this continent!” He proceeded to explain how we must build all manner of institutions, including the private sector, to maximize the impact and change our continent for the better.

This is also the *raison d’être* of NEPAD, this was the fuel for Commission for Africa report, this vision formed the Africa Action Plan confirmed by Heads of State at their July meeting in Gleneagles. This idea continues to energise so many of us.

Yet, I want to take a heretic view – of course the institutions we establish as governments are exceedingly important, and when we meet in Pan-African institutions, as Finance Ministers or whatever, we have very important discussions. However, I am humble enough to know that many of the changes we desire, come from outside of ourselves. The African experience on telephony is exceedingly humbling for those in governments – the link, the connectivity the change, was driven by cellular telephony that actually had little to do with governments. Similarly, I believe that economic integration will

be led by financial integration - which requires strong, capable and well-regulated banks.

We, as South Africans, have explored the idea of using our own strengths in order to develop the Financial Centre for Africa. Not as an imposition, but more as an organic development of the strength that we enjoy across the financial services industry. We appreciate that there are two ways to grow the sector – firstly by enlarging the geographic spread, and secondly by deepening the number of participants through access to services. In respect of the latter, we have the wonderful experience of having grown the banking sector by the addition of 1.75 million Mzansi account-holders who twelve months ago did not feature as a priority for the banks who now relish their clientele. In respect of geographic spread, we need to enlist partners who have the footprint, the vision and the determination to rise to the African challenge.

Indeed, the experience from all over the world of the vital role that financial services play in unleashing development potential is likely to hold true in Africa also. Financial services shouldn't wait until all of

the building blocks of economic integration are in place, in many respects, it will be a lead sector. So, please, I enlist the energies of Barclays PLC and all its constituent parts on the African continent as allies in the cause of integration!

Yes, there will be glitches and bureaucratic difficulties that we in governments create – but if we are in partnership with the private sector and if we are in regular communication, then we will overcome those. All of Africa beckons! I am convinced that this new venture infuses technology, as the cultural shifts take root within the institution and as the rate of learning accelerates, Africa will be much the richer for it. Similarly, I know that this venture will see the growth of banking automation, the diffusion of payments and clearing systems and also rapidly improved supervision. We'll achieve all of these goals in shortest possible time only if we commit to the partnership between banks and governments.

The African vision is exceedingly important. It will hold us together on course. But, I do not want to appear blasé about the value of your decision to invest in South Africa. You know that this is the largest

single foreign direct investment to have been made into South Africa to date. I am sure that the decision was weighed against other prospects, and as a country we are thankful that you chose to invest here. We are humbled by the fact that your decision is a huge vote of confidence in our macro-economic management. I want to give you the assurance that your timing was superb – as you are settling in, we are working through the detail of the next phase of accelerated and shared growth and we want you to be a part of that new venture.

Well, now that we have you, let's tackle Project Africa together. But first, let's celebrate this evening.

Thank you.