

June - August 1999

SADC Finance and Investment Sector News

Produced by the Finance and Investment Sector Coordinating
Unit of SADC (FISCU)
Special e-mail edition!

FROM THE EDITOR'S DESK

With the exception of the ever-productive Committee of Central Bank Governors, the work programme of the SADC Finance and Investment Sector has been rather sluggish over the past few months. Staffing problems at FISCU and uncertainty regarding the way forward with respect to the Finance and Investment Protocol, left the Unit with a lack of direction. However, things seem to be looking up for us at FISCU at the moment, with the appointment of a new Director and Deputy-Director. Furthermore, the forthcoming meeting of SADC Ministers of Finance is expected to provide some guidance on the formation of a Protocol. We are confident that we will be able to bring you some positive news in this regard in the next edition of the newsletter!

In the meantime, you can read about the first steps towards

harmonising auditing and accounting standards in the region (page 1), as well as parallel financial integration initiatives taking place in the COMESA (Common Market for Eastern and Southern Africa) region (page 4). There is also a report of the SADC Committee of Central Bank Governors meeting, which was held in Swaziland in April (page 3).

DRAFT REPORT COMPILED ON SADC'S ACCOUNTING AND AUDITING ENVIRONMENT

As one of the means of improving investment flows to the SADC region, the SADC Finance and Investment Sector has decided to focus on the establishment of a sound financial accountability framework. Central to this is the adherence to international auditing and accounting standards.

During 1997, a programme was identified consisting of 5 projects focussing on the following primary areas, namely accounting, auditing and government accountability, business law, education and training, and internal audit in the public sector. To operationalise the programme and ensure broad-based participation, an advisory committee was formed consisting of representatives from the following bodies, namely:

- the East and Southern African Association of Accountants-General (ESAAG);

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- the Eastern, Central and Southern African Federation of Accountants (ECSAFA);
- the SADC Organisation of Supreme Audit Institutions (SADCOSAI); and
- the Institute of Public Finance and Auditing in South Africa (IPFA).

Some problems were experienced in getting the programme going due to the magnitude of the undertaking and the scale of donor assistance originally envisaged. It was thus decided to first conduct a preparatory study examining the feasibility of the programme. The feasibility study was conducted by Mr J G Laliberté, a retired Deputy Auditor General for Canada, with funding received from the Canadian International Development Agency (CIDA).

Fieldwork for the preparatory study was conducted during March and April 1999. This consisted of meetings with various representatives of the accounting and auditing

sectors in South Africa, Mauritius and Mozambique as well as meetings in Botswana with representatives of the SADC Secretariat and the United States Agency for International Development (USAID). Selection of countries for participation in the study was based on the need to consult a representative cross-section of SADC countries in order to take account of the full range of auditing and accounting systems in the region.

Based on the fieldwork, Mr Laliberté has recently completed his draft report and is currently in the process of incorporating certain amendments and recommendations arising from members of the advisory committee. It is envisaged that a workshop involving all the SADC countries will be conducted during July 1999 in order to discuss recommendations arising from the study and in order to determine a way forward.

One of the most significant aspects of the draft report is a recommendation that attention be focussed on the possibility of creating a single regional body responsible for the governance of the accounting and auditing profession throughout the entire Region. This body will be responsible for inter alia:

- determining of the entrance requirements that would ensure reasonable assurance that these will be sufficient to meet the professional performance of the members;
- setting of the continuing education needs of its members and the enforcing of whatever rules it sets in this regard;
- monitoring of the contents of courses taught to students who intend to join the accounting profession and the offering of suggestions;
- entering into agreements with professional bodies of other countries for the reciprocal admission of members;
- admitting of foreigners if it is felt that their backgrounds (education and experience) justify it;
- the enacting of various measures for the supplementary protection of the public, for example, by maintaining an indemnity fund and by requiring members to subscribe to a minimum of fault insurance coverage; and
- other administrative provisions.

Other aspects of the report relate to the need to ensure the effectiveness and independence of Auditors General in the region, the advantages of harmonising

commercial law in SADC, recommendations for bringing about improvements in government financial and management information systems (including the move from accounting systems that are cash based to one that is based on accrual), and the important roles of parliamentary finance committees in overseeing public finances and in accounting to the general public.

Further details regarding the study's recommendations (including the future work programme of the SADC Auditing and Accounting Subcommittee) will be made available once these issues have been thoroughly debated at the forthcoming workshop. Also important in this regard is the identification of future funding requirements for the revised programme.

MEETING OF THE COMMITTEE OF CENTRAL BANK GOVERNORS IN SADC

The Committee of Central Bank Governors (CCBG) held their biannual meeting on 9 April at the Royal Swazi Spa, Swaziland, an event which coincided with the Central Bank of Swaziland's 25th Anniversary. The turnout was impressive, with 12 of the

13 countries present being represented by their Governors. Governors J.C. Masangu Mulongo and S.M. Swaray, from the Banque Centrale du Congo and the Central Bank of Lesotho respectively, attended the meeting of the CCBG for the first time. Governor R. Basant-Roi attended the meeting for the first time in his capacity as Governor of the Bank of Mauritius.

Representatives from FISCU, the SADC Secretariat, the SADC Banking Association and the Committee of Stock Exchanges also attended the meeting

The CCBG discussed the impact of the global financial crisis on exchange rate policies in SADC member countries. In addition, views on the effect of the increasing volatility in international capital flows on the economies of SADC member states in the face of financial liberalisation, were exchanged.

Each central bank gave a review of its status regarding Year 2000 readiness and progress made in establishing National Year 2000 committees in their respective countries. Several workshops aimed at capacity building, addressing the Year 2000 problem and enhancing awareness of emerging technologies and new business practices, are

scheduled to take place over the next few months.

The meeting also reviewed progress made with existing projects and initiatives; including the development and automation of the statistical database; payments, clearing and settlement systems; the training of central bank officials; and the legal and operational frameworks of SADC central banks. In addition, progress on the latest projects and initiatives, namely, the role of SADC central banks in the operations and development of money markets and interaction in the area of central bank protective services in the region, was also reviewed.

Autonomous SADC substructures such as the Committee of Stock Exchanges and the Banking Association, which liaise with and report to the SADC Ministers of Finance through the CCBG, submitted progress reports in their respective areas. Efforts taken by these structures to foster and promote regional cooperation were noted. A progress report outlining the activities of the East and Southern Africa Banking Supervisors Group (ESAF) was also submitted.

The Committee of Governors paid tribute to Dr Stals for his contribution to the establishment of the CCBG.

Dr Stals will be retiring in August. As Chairman of the Committee since its inception in 1995, he has been a major driving force for closer cooperation in the SADC region.

The Committee was also fortunate enough to have an audience with His Majesty King Mswati III.

Training and Development Forum

At the Committee of Central Bank Governors meeting held on 23 October 1998, Governors approved the creation of a Training and Development Forum which will serve as a platform for the exchange of information and as a vehicle for the co-ordination of training for central bank officials in SADC.

A *Training and Development Forum Workshop*, hosted by the Bank of Tanzania Training Institute, was held on 22 and 23 February 1999. Participants in the workshop discussed the vision, mission and the strategic and operational framework for the Forum.

The mission of the Training and Development Forum is to co-ordinate, provide, promote and facilitate human resource development in central banks of the SADC region, through the optimum use of resources.

In order to administer and organise the activities of the Forum, a Training and Development Forum Steering Committee was created at the meeting of the Committee of Central Bank Governors held on 9 April 1999. Representatives from the central banks of Botswana, Mozambique, South Africa, Tanzania (chair) and Zimbabwe are members of the Steering Committee.

The Training and Development Forum Steering Committee met on 24 and 25 May 1999 in Mozambique and the Forum is scheduled to meet again in Botswana during September 1999.

FINANCIAL INTEGRATION INITIATIVES IN COMESA

The Common Market for Eastern and Southern Africa (COMESA) is a regional organisation consisting of 21 member states. A large number of SADC Member States also belong to COMESA (formerly known as the PTA). Like SADC, COMESA is pursuing regional integration initiatives in the area of finance and investment. There is a lack of communication between the two organisations, however, which could possibly lead to an unnecessary and costly duplication of activities.

Furthermore, there are sometimes contradictions between what member states agree on in the COMESA and the SADC arena respectively. Co-ordination between COMESA and SADC is therefore essential in order to deal with this problem.

In an effort to improve communication between the two groupings, FISCU, together with representatives of the Secretariat of the SADC Committee of Central Bank Governors, met with officials from COMESA in April.

COMESA briefed the meeting on its **Monetary Harmonisation Programme**. The programme envisages a common currency in the COMESA region, issued by a common monetary authority, by the year 2025. The programme, which began in 1991, involves a gradual, four-stage, process. The first stage entails the removal of restrictions on imports from all COMESA countries. Most COMESA countries have already made good progress in this regard. At the same time, countries are encouraged to adhere to certain macro-economic policies intended to bolster economic growth and stability, and to implement market-determined exchange rates regime. The majority of COMESA countries have adopted flexible exchange rates and are adhering to tight monetary and fiscal policies.

This initial stage is to be followed by the achievement of limited currency convertibility and completion of macroeconomic convergence. The third stage involves an exchange rate union, allowing the currencies of member states to fluctuate within a certain margin, with monetary policy being co-ordinated by a common monetary authority. Finally, monetary union would be achieved by the introduction of a common currency. One stumbling block in the process so far has been the fact that many COMESA countries have high levels of foreign debt, which imposes a constraint on macroeconomic policy.

COMESA further briefed the meeting on the **Africa Guarantee Facility**, which is designed to cover political risk at favourable terms for its members. The guarantee scheme is expected to benefit from the participation of the donor community, governments and domestically raised resources. The facility will be backed by IDA loan funds.

Another item that was discussed during the meeting was a **regional payments and clearing system**. COMESA informed the meeting of the activities of the COMESA Clearing House. This institution was originally established in order to facilitate trade between

member states, the idea being that all trade transactions would be cleared through the Clearing House. However, with many of the countries liberalising their exchange control regimes, the need for the Clearing House fell away. COMESA informed the meeting of the activities of the COMESA Clearing House and the proposed line of converting it into a commercial cross-border payments and exchange scheme given the decline in its usage.

COMESA is planning on introducing a **COMESA Smart Card** to replace the PTA Travellers Cheques. Smart cards look like credit cards, but are equipped with microchips. The card acts an "electronic purse", allowing the user to load amounts of cash onto it from his or her bank account. The smart cards will be issued in all COMESA countries.

A brief summary of the PTA Bank's activities to date was also made. The Bank was formed to provide project financing operations in COMESA to promote intra-regional trade and economic integration. At the moment, attempts are being made to increase the capital base of the Bank.

The COMESA delegation was later informed of the work of the Finance and Investment Sector in SADC. The briefing

involved informing the meeting of the sector's historical background, its structures and all the projects undertaken by the sector to date.

Evident from the meeting, though, were differences in operational structures between the two regional groupings. COMESA formulates strategies and seeks approval from member states and senior structures in the organisation. In the SADC Finance and Investment Sector however, stakeholder committees and associations (a bottom-up approach) to a large extent, determine the development of programmes. Furthermore, SADC, although it aims to achieve a monetary union in the long-term, has not set specific time-bound targets to achieve this.

It is hoped that from this meeting a positive relationship will emerge between SADC and COMESA, and one which will be actively maintained.

(For more information on COMESA, visit their website at www.comesa.int)

THIRD REGIONAL Y2K MEETING

The third regional Y2K meeting took place in Mauritius on the 29th -30th March 1999. This meeting was

organised by the SADC Transport & Communications Sector and hosted by Mauritius's National Computer Board. The National Computer Centre (NCC) of the UK facilitated the meeting through funding provided by the Department for International Development (DfID).

The previous workshop held in Botswana in January had identified six critical sectors, transport, water, health, power, finance and telecommunications. Critical regional interdependencies were also identified and SADC states were to work together towards assessing and monitoring the current status, agreeing on plans for compliance and developing contingency plans. A list of action points was drawn with dates showing responsibilities for these actions. The workshop also agreed to convene subsequent meetings in April and June to assess progress on these issues.

However, realising the seriousness of the matter and state of preparedness of the region, the SADC Council of Ministers in their meetings in Lusaka in February 1999 directed the steering team to urgently convene a meeting before the end of March 1999. The steering committee is comprised of representatives from the Southern African Transport and Communications Commission

(SATCC), SADC Secretariat and FISCO.

SADC Sector co-ordinators were also invited to these meetings for the first time.

During the March meetings of the steering committee, held in Mauritius, 12 out of the 14 SADC member states attended. This represented a substantial improvement in commitment, considering that only five SADC countries attended the Botswana meeting. These countries briefed the meeting on the status of their preparedness, allowing for a clearer view of the region's position regarding the Y2K problem. All SADC National Y2K Co-ordinators were given a questionnaire to complete in an effort to determine the region's preparedness. Leading sectors in terms of preparedness were the Finance and Telecommunications sectors with 50 percent implementation at the time of the meeting. Health and the public service were identified as sectors that were lagging behind in terms of preparedness in the region.

Most of SADC countries had put in place structures and appointed National Y2K Co-ordinators to drive the process. The communication and co-ordination process in the region appeared to be progressing well. While contingency planning had started with some of the

countries, there was still no detailed regional status report.

The meeting realised the need to establish a legal framework to provide advice and guidance on such items as supplier redress in the event of non-compliance, liability issues, procurement procedures, terms and conditions for supply/buying. The issue of funding to assist in this endeavour was discussed and member states raised their concerns regarding availability of resources (financial and human).

At the same time as these efforts were proceeding, the Council for Scientific and Industrial Research (South Africa), supported by Commonwealth funding, was conducting a regional survey.

The meeting resolved that a SADC task force be put in place, to develop a methodology to assess monthly progress and to assist in co-ordinating regional Y2K activities. It was also decided that a "State of the Community" report be produced and updated regularly by the task force. The task force will also assist in providing advice, support and encouragement to national co-ordinators. This effort will ensure information and skills sharing, shared best practices and the monitoring and measuring of progress.

The meeting also resolved that the next meeting would examine issues of contingency planning. Member states were urged to create and update individual web sites to provide status of preparedness information to external investors and nationals. These countries were also to identify the areas where skills shortages exist and approach potential funding agencies for assistance.

The meeting will report to the next SADC Council of Ministers and Summit in August on progress made to date and on its future work programme.

The next meeting will take place in Lusaka, Zambia on 7th-8th June 1999 and will consider standard reporting mechanisms, self-assessments, contingency planning, testing of strategies and techniques, and disaster aversion.

IMF TO CONDUCT STUDY ON SADC'S PROPOSED FTA

A meeting comprising of SADC Secretariat officials, the IMF, and the co-ordinators of the Industry & Trade (Tanzania) and the Finance and Investment sectors, was held in Gaborone, Botswana on the 6th -7th May 1999.

SADC plans to establish a free trade area (FTA) eight

years after the coming into force of the Trade Protocol. It is anticipated that the protocol ratification process will be completed soon. Currently there are a number of outstanding issues such as the consideration of the asymmetric tariff reduction strategy for different categories of commodities/products within SADC.

The SADC-IMF meeting was convened to consider the fiscal implications of a FTA for the region. The IMF's Fiscal Affairs department was asked to provide technical assistance in this regard. They will be conducting a preliminary study that will assess revenue losses arising from tax exemptions, looking at specific country positions and region-wide implications. Furthermore, the study will tackle the issue of rationalisation of tax systems in the region and how this could facilitate the regional integration objectives.

Special analysis would include the review of individual countries' prospective revenue losses that might arise from lowering current trade tax levels. The following trade agreements are cases in point - the SA-EU trade agreement, the proposed COMESA FTA, existing and bilateral agreements under negotiation, and current and future SACU revenue sharing arrangements.

The study will consider a wide range of issues around the subject including non-tariff barriers and trade facilitation, taking into consideration existing initiatives to promote national payments systems and looking at how these could be improved to facilitate cross-border trade. Other issues include efficiency and effectiveness of existing tax structures, administrative capacities, the allocative efficiency of alternative taxes, customs co-operation, trade data collection, and so on.

The study will also look at the possibilities of mobilising multilateral and bilateral funding. It will consider the role that the IMF can play - and whether it should be restricted to balance of payments support and the strengthening of economic and financial policies.

Once complete, the IMF study will form the basis of formulating a forward-looking plan of action for the SADC region.

SADC CENTRAL BANKERS INFORMATION TECHNOLOGY FORUM

The Forum was constituted in 1997 as a means of developing cooperation in the area of information technology

between the central banks in SADC.

Mission

The Forum has a dual mission:

(i) To support and enable the various initiatives of the Committee of Central Bank Governors with information systems.

(ii) To improve the capability of the information technology departments of the SADC central banks.

Strategies

In support of the initiatives of the Committee of Central Bank Governors the following strategies have been adopted:

- Development and management of a web site for Internet publications.
- Development and management of an Interactive Web Site for hosting a collaborative work environment.
- To encourage the increased use of e-mail within the SADC central banks for internal and external communications.
- Development of databases for managing statistical and other data.
- Assistance with the defining of harmonised business processes.

In support of improving the capability of the information technology departments of the SADC central banks, the following strategies have been adopted:

- Human resource capacity building, technical and managerial.
- Year 2000 compliance programme.
- Emerging technologies and business practice monitoring and information sharing.
- Development of a common long term vision for the information systems utilisation within each SADC central bank.
- Development of common computing architectures.
- Development of common, sharable applications.

Operational Plan

An operational plan for the year 1999/2000 was submitted to the Committee of Governors at their April 1999 meeting. The Committee of Governors approved the operational plan.

The operational plan focuses on a number of different areas, including the Year 2000 compliance problem, and capacity building. With regard to the latter, a series of 8 courses will be held over the next 18 months. About 100 people from the entire SADC

region will attend these courses.

The IT Forum also recognises the importance of keeping in touch with emerging business technologies and practices. A session will be devoted to this at the Forum's annual conference.

Other aims for the 1999/2000 period include increasing the utilisation of e-mail and Internet in each central bank. As a start, all Committee of Central Bank Governors working group members are to obtain e-mail and Internet access

The publications on the Committee of Governors website (www.sadcbankers.org) will be expanded and workshops will be held to encourage the working groups to publish their work on the Internet.

There is also an enormous potential to improve communication and minimise travel costs, by increasing the number of working groups on the Interactive Web Site. Groups can post information and hold discussions on the interactive web.

Furthermore, sets of applications will be developed for a number of working groups, for data collection and collaboration

Significant effort will be made to assist the Bank Supervision

Harmonisation Project specify appropriate business models, and the Forum will go further and investigate and determine the best possible information systems to support the harmonised Bank Supervision processes.

Funding

The World Bank has agreed to fund the activities of the SADC Central Bankers Information Technology Forum. An International Development Fund (IDF) grant application is currently being processed. Funds are expected to be available for use in September 1999.

Changes in the Forum

Dave Mitchell, former Chairperson of the Forum has since been appointed to the position of Deputy General Manager of the National Payment Systems Department in the South African Reserve Bank. This newly created department incorporates the South African National Payment Systems initiatives and the SADC Payment System Project.

Eugene Sampson (Senior Manager in the Business Systems Technology Department of the South African Reserve Bank) takes over the Chairmanship of the SADC Central Bankers Information Technology Forum.

Rob de Jongh (Senior Manager in the Business Systems Technology Department of the South African Reserve Bank) has been appointed as the South African Country Representative and also as a member of the Forum's coordinating team (FCT).

Max Chisaka (Head of the Information Technology Department at the Bank of Zambia) takes over from Praveen Nagawa (Head of Information Technology Department at the Bank of Mauritius).

In Summary....

The Forum is continuing to make progress, although its work is hindered by lack of funds and appropriate personnel. With the acquisition of the IDF Grant the Forum expects to make speedier progress in delivering on its objectives.

EU-SOUTH AFRICA WORKSHOP

FISCU Deputy-Director, Mr B.T. Mamba, attended a workshop articulating guidelines for European Union Funded Projects in South Africa.

The workshop was held in the Human and Social Science Research Centre, Pretoria from the 10th- 12th May 1999.

The aim of the workshop was to provide guidance to project managers and other recipients of EU funded projects in South Africa.

The workshop included guidelines on the preparation of tender documents, project cycle management, development of work plans, submission of reports and their outline/format, understanding how the EU Delegation functions, and Commission structures and processes. Other areas covered involved the type and form of documentation expected at each stage of the project by the EU, matters relating to handling of finance, (budgeting, financing agreements and their implications, financial reporting, flow of funds, auditing etc).

Governance issues were also dealt with including the procurement of goods and intermediate supplies for the project up to the point of project closure.

The workshop gave a comprehensive rundown of the procedures and processes required by the EU in the area of project finance. A wide range of delegates attended the workshop including government departments and NGOs benefiting from the EU's assistance.

EU-SADC INVESTMENT PROMOTION PROGRAMME

The EU-SADC Investment Promotion Programme (ESIPP) is joint initiative between the EU and the SADC Secretariat. Broadly, the initiative involves promoting co-operation between EU and SADC businesses. A total sum of EUR 14 million has been earmarked for the entire project, which will run over five years.

The main objective of ESIPP is to promote private sector development through investment, technical and economic cooperation. This will aid the SADC region in attracting higher levels of foreign direct investment through the unique matchmaking opportunities between EU and SADC businesses, which the initiative aims to create. The project's objectives will be realised by instituting forums for the following sectors: mining, agro-industry, construction materials, light engineering and tourism. Also, an electronic information system - to be called ENIE - will be put in place to enhance interaction between the two regions, and to serve as a source of information on investment opportunities. Furthermore, the programme

will provide for project and institutional support, especially to local intermediary organisations such as investment promotion agencies or authorities.

The whole programme will be managed through the following structures, namely:

- The Steering Committee, which will provide the overall policy framework within which the Programme Management Unit is to operate, and the annual work programme for ESIPP.
- The Project Management Unit (PMU), which will consist of two branches, one within SADC and another in Brussels. Its primary goal will be to act as an active centre for the promotion, co-ordination and administration of the entire programme. It will also oversee the establishment of sector and sub-sector forums as regards, for example, project appraisal.

Both these structures are to be staffed from various interest groups, such as FISCO, EU, SADC Secretariat and others.

Botswana Workshop

A workshop was held in Botswana, on the 19th - 21st April 1999, to prepare for the finalising of the financing proposal and to develop a set

of terms of reference for the ESIPP initiative. Consultants gave a presentation on the programme, and delegates were given the opportunity to deliberate on certain pre-identified sections of the programme through the working groups.

The Botswana workshop was therefore a continuation of the wide-ranging consultative process with the various stakeholders. The objective of the workshop was to assemble together the various regional and foreign stakeholders, such as investment promotion agencies, European Commission, SADC Secretariat, and the private sector to chart a way forward regarding the implementation for the programme.

Some of the issues that were raised at the workshop concerned the sustainability of ESIPP after the five-year period, the staffing of the PMU and the sequencing of sector (and sub-sector) forums. The broad recommendations of the workshop were:

1. The proposed list of sector forums, consisting of mining, agro-industry, tourism, building materials and light engineering, should be adopted. Companies with established record will be targeted.
2. The ENIE should be considered as an integral component of the ESIPP.

It will be complemented by various other non-electronic means.

3. The sub-sector forums will cover all sectors. Applications to organise sub-sector forums could come from any organisation such as the investment promotion agencies, local business organisations, etc., and specialists from the EU's Centre for the Development of Industry, SADC, the European Commission and other financial institutions, should be involved.
4. The PMU should be staffed with both EU and SADC residents. EU participation will be reduced after three and a half years to allow for greater local participation and ownership.
5. Focal Points in each SADC member country should be established. These focal points will be involved in project preparation, and the submission and screening of applications.
6. In terms of third country participation in the initiative, a distinction was made between countries from developed world and non-SADC ACP countries.

The decisions of the workshop are to be incorporated into a draft financing proposal, which is currently being evaluated by

the EU member states for approval.

INTRA-REGIONAL CAPITAL FLOWS PROJECT

In our September 1998 edition, we reported on a project being jointly undertaken by the Centre for Research into Economics and Finance in Southern Africa (CREFSA) at the London School of Economics, and External Finance Africa. FISCO staff members Themba Zulu and Rosalind Mowatt were part of the South African research team, along with Andrew North of the University of Cape Town. The project will culminate in a workshop to be held in Harare on 21-23 June.

The aim of the project was to collect data on intra-regional capital flows. Data on investment taking place within the Southern African region is very limited. It is crucial information for the SADC Finance and Investment Sector however, as one of our mandates is to promote cross-border investment in the region. It is therefore essential that we have an idea of existing patterns of intra-regional investment, and what determines these patterns.

The project also has a strong practical aspect in that it requires members of each

country research team to gather the necessary data by conducting surveys. This builds capacity and gives team members an understanding of the problems inherent in their existing balance of payments data collection methods.

As the research team assigned to South Africa, our tasks were slightly different to those of the other country teams involved (Mozambique, Tanzania, Uganda, Zimbabwe and Zambia). The South African Reserve Bank was able to provide us with "ready-made" data on South Africa's international investment position (i.e. SA's assets and liabilities) with respect to SADC. Our questionnaires were therefore based on finding out why various South African companies had invested in the region. The research also involved conducting interviews with high-level managers at SA companies that have invested in the SADC region. All in all, about 30 companies were surveyed, including Avis, Anglo American, Shoprite Checkers, Afrox, South African Breweries, Avmin and Standard Bank.

The second part of our research involved analysing the data provided by the South African Reserve Bank, which also yielded some interesting results.

Thanks to CREFSA, who hosted us in London for two weeks while we were writing up our results.

Our findings, along with those of the other countries, will be presented at the workshop in June. Expect a summary in the next edition of the newsletter!

Background Document to the Southern Africa Economic Summit

FISCU has spent a lot of time over the past three months putting together a document for the World Economic Forum's Southern Africa Economic Summit.

The document, which is being produced for the third consecutive year this year, contains economic profiles of all the SADC countries, as well as details on investment incentives and opportunities.

This year, an additional section, compiled by the consulting firm BusinessMap, has been added. It examines the financial services, mining, and transport sectors in SADC, all sectors in the region which have been attracting a significant amount of interest lately.

The document will be published in early July. Subscribers to FISCU's newsletter will receive a copy of the document by mail. If

you are an e-mail subscriber, please bear in mind that we may not have your postal address. So if you would like to receive a copy of the World Economic Forum document, please do let us know (by e-mail/phone/fax) what your postal address is.

Forthcoming Events

10 June: SADC Committee of Stock Exchanges, Mauritius

21-23 June: CREFSA Workshop on Intra-Regional Capital Flows, Harare.

2 July: Meeting of the SADC Committee of Senior Treasury Officials, Durban

4-6 July: Southern Africa Economic Summit of the World Economic Forum, Durban

8 July: Committee of SADC Ministers for Finance and Investment, Lesotho.

New Appointments

After being stretched to the limit in terms of staffing requirements, it looks like we are about to get some relief!

New Deputy-Director Phemelo Marishane joined us on the 1st of June. Phemelo was previously with the Northern Province Education Department.

We are also expecting our new Director to join us shortly. Logan Wort is currently Finance Minister Trevor Manuel's press secretary. Logan holds a Masters degree in Public Administration. The arrival of our new "leader" will hopefully add even greater momentum to the process of regional financial integration.

The existing staff at FISCU welcome you both and hope that you are going to enjoy working with us.

FISCU Contact Details

If you have any queries about the Finance and Investment Sector, if you have an event you would like to include in our forthcoming events column, or if you have any views you would like to air, please feel free to contact us.

Mxolisi Lindie (Chief Director): +27-12-3155284 E-mail:

lindiem@finance.pwv.gov.za

Bhadala Mamba (Deputy Director): 3155927 E-mail:

mambab@finance.pwv.gov.za

Huntly Pringle (Deputy-Director): 3155967 E-mail:

hpe1@mweb.co.za

Phemelo Marishane (Deputy-Director): 3155651

Themba Zulu (Economist):
3155653 E-mail:
zulut@finance.pwv.gov.za

Rosalind Mowatt
(Economist): 3155951 E-mail:
mowattr@finance.pwv.gov.za

Veronica Sethu (Secretary):
3155395 E-mail:
sethuv@finance.pwv.gov.za

FISCU fax: +27-12-3155108

Postal address: FISCU,
Department of Finance,
Private Bag X115, Pretoria,
0001, South Africa.

Editor: Rosalind Mowatt
Contributors Bhadala Mamba,
Huntly Pringle, Themba Zulu,
Eugene Sampson, and
Yolande Poley.