



MINISTRY OF FINANCE
REPUBLIC OF SOUTH AFRICA

ADDRESS BY MINISTER T A MANUEL, MP
AT THE ABSIP ANNUAL AWARDS
GALLAGHER ESTATE
SATURDAY, 30 OCTOBER 2004

Director of ceremonies

Distinguished delegates and award winners

Ladies and gentlemen,

Thank you for the opportunity to address you at Absip's third annual awards.

I would like to start by posing the question: what are we here to celebrate tonight?

On one level, we are here to recognise and congratulate those peers who have achieved excellence in their individual capacity. This in itself is important because, through celebrating success, black achievers can serve as visible role models for young people looking to build a career in the financial sector. You also

serve as a benchmark against which your colleagues can gauge their performance, spurring all ABSIP members on to greater heights.

But at another level, we should be testing the degree to which all who are present here tonight have, collectively, achieved the goals set out in ABSIP's vision:

I quote:

"To facilitate transformation and empowerment both within and outside of the industry."

Ladies and gentlemen, each ABSIP member should ask themselves the following serious question: What have I done to promote this objective? And what do we understand by the term "transformation and empowerment"?

Have we achieved true transformation and empowerment if lucrative deals are structured that add to the boundless wealth of an elite few, while leaving the plight of the majority unchanged? Does job-hopping in the pursuit of stellar salaries help or hinder this objective? What is the cost in terms of building solid expertise and capacity to guide our industry now and into the future?

Friends, there are many of your brothers and sisters who do not sit in the privileged position you find yourselves in. We need to move beyond individualism. We need to move beyond procuring the highest salary we can, at possibly the expense of others, our own experience, and ultimately the society in which we live. Many top executives are earning in a year what it takes the average worker a lifetime to earn. How sustainable is transformation on the back of such disparity?

Perhaps it is a risky business referring to principles of social collectivism in as profoundly capitalist forum as an investment professional's body, but to quote from the Freedom Charter, let "the wealth of the country be returned to its people".

As I stressed in the Medium Term Budget Policy Statement earlier this week, we need to have a multi-dimensional view of what is meant by black economic empowerment. While increasing the level of ownership of black people in corporate South Africa is absolutely important; building the economy, increasing production, creating jobs, developing young black managers and investing in social development are just as critical in shaping economic transformation.

Quite correctly, the Financial Sector Charter places ownership as one important dimension of empowerment; but also identifies human resource development, increasing access to financial services, procurement from black companies and

investment in community development as key elements of economic transformation.

Let me thank ABSIP for the pivotal role that it has played in moulding such a powerful and comprehensive transformation charter. Recognition must also go to industry representatives for the steadfast manner in which they have partnered in this process. It has been a momentous achievement thus far. Under the auspice of the Charter Council, we will soon be finalising a shared vision of transformation for South Africa's financial services industry.

However, we cannot rest on our laurels. The hard work of implementing true empowerment and transformation is just beginning. Achieving sustainable and meaningful transformation takes time, tremendous effort and courage. Short-cuts such as cosmetic ownership deals and big-money-headhunting only serve to create risks for financial institutions and create distortions in the labour market.

Investment targets must be guided by appropriate risk analysis that strips away the prejudices of the past; yet at the same time occur in an environment where prudent regulation remains paramount. Ownership transfer must be a priority; but all parties must bring value to the table. Companies should spend less time chasing after the same scarce black talent and spend more time and resources in developing new talent.

Those of you who heard me speak at the ABASA convention in September, will remember how I described the lack of black female accountants as a disgrace to their profession. Black women account for less than 3% of all qualified chartered accountants. ABSIP members should be active in guarding against a similar situation. Fight not only for yourselves in your profession, but also for others wishing to gain entry to your industry, but who are not being afforded the opportunity to do so. Ultimately, that is what broad based transformation and empowering the majority is all about. We need to create so much more than merely another elite.

I raise these questions tonight not to make you squirm in your chairs, ladies and gentlemen, but to highlight to you that you do not act in isolation. Continue to give of your time and expertise to help and mentor others trying to succeed in your profession.

In conclusion ladies and gentlemen, I challenge you to fulfil ABSIP's vision. Look beyond how big the next pay-cheque will be, or which new employer will provide you with it. Look to the future of your children and grandchildren. What you do for transformation today, will echo well beyond their life times.

Thank you.