

Action Agenda

Proposed within the framework of the SAFRI-initiated study prepared by the World Travel and Tourism Council: Southern African Development Community's Travel and Tourism- Economic Driver for the 21st Century

Make Travel & Tourism a Strategic, Economic and Employment Priority

Action for SADC member economies:

- Make Travel & Tourism a cabinet level priority when formulating national employment, trade, investment and education policies and in strategies to encourage poverty alleviation, rural employment and local development.
- Develop National Satellite Accounting systems that clearly reveal the full value and all-important flow-through effect of Travel & Tourism.
- Transform government tourism institutions to involve private interests and community bodies in durable partnerships.

Action For SADC

- Identify Travel & Tourism as a priority sector for SADC co-operation. Recognise the impact of Travel & Tourism across the entire region and encourage private / public sector initiatives to develop the potential.
- Ensure that Travel & Tourism issues are highlighted in discussions in SADC meetings on job creation, export growth, regional development, infrastructure, transport and investment.
- Continue to develop a regional data collection system to provide more up-to-date and accurate statistics.
- Undertake an analysis of the impediments to growth of Travel & Tourism in all the SADC Member countries. Identify in that study the best practice models for government policy and planning.

Move Towards Open and Competitive Markets

Action for SADC States:

- Progressively liberalise trade, transport and telecommunications under the auspices of GATS 2000.
- Continue to open up air transport markets, attract more long haul services, scheduled and charter, expand the range of price and product options to encourage competition.
- Increase public sector funding for the promotion of the region by RETOSA to ensure that budgets are effective and competitive.
- Upgrade RETOSA's promotion capabilities to match current international marketing strategies.
- Work with the private sector and established joint marketing partnerships.

Action for SADC

- Increase private sector involvement in the development of an overall regional marketing strategy.
- Implement studies to assist member economies in identifying new market and product opportunities.

Pursue Sustainable Development

Action for SADC States:

- Take account of the principals of Agenda 21 for Travel & Tourism and sustainable development.
- Build protection of environmental heritage into strategic and land use planning policies.
- Ensure that Travel & Tourism strategies take into account the need for local community development and participation.
- Adopt programmes such as Green Globe to improve corporate and destination based environmental performance and encourage stakeholder action.

Action For SADC

- Establish clear guidance for SADC states to enable them to achieve planned and sustainable Travel & Tourism growth.
- Set up a regional data base of best practice and draw from global resources such as ECoNETT

Eliminate Barriers to Growth

Action for SADC States:

- Strive to boost investment in basic infrastructure including roads, power, transport - especially air transport and airports - and communications. Most of this will fall on the shoulders of national governments, but private sector investment will follow to justify the initial commitment and investment.
- Place education and training at the forefront of Travel & Tourism developments expanding it in school curricula and highlighting its career prospects and role in national economic progress. Utilise the WTTTC/Reach & Teach programme to develop skills of both young people and adults.
- Tourist safety and security should be tackled by all member states of SADC in a co-ordinated way. Such strategies should also be evident in provincial and local tourism, as well as at national level.
- Ensure industrial regulations and labour policies facilitate SME development and labour flexibility.
- Treat Travel & Tourism fairly in terms of access to export incentives and exemptions.
- Apply the principle of fair taxation to the Travel & Tourism industry, avoiding multi-taxation, and applying the "User pays, User benefits" principle

Action for SADC:

- Seek support from international financial organisations in developing pan-regional infrastructure projects.
- Develop and showcase "best practice" in training, education and public/private business co-ordination.

SAFRI IN CONTACT Newsletter

SAFRI's Activities in the SADC Region

SAFRI IN CONTACT



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SIC Newsletter

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Head of the Chairman's Office:

Josef C. Gorgels
c/o DaimlerChrysler AG
HPC 1124
70546 Stuttgart, Germany
Tel.: +49 / 711 / 179 3250
Fax: +49 / 711 / 179 3816
E-mail: safrigor@dbmail.debis.de

Editor:

Nina E. Mapili
SAFRI HRD Project Manager
Tel. +49 / 172 / 958 6271
Fax +49 / 7541 / 24 103
E-mail: nemapili@t-online.de

See our web site!
<http://www.safri.de>

SAFRI Chairman Schrempf Visits Heads of State

Jürgen E. Schrempf, SAFRI Chairman and Chairman of the Board of Management of DaimlerChrysler, believes that SAFRI can most effectively support the development of the Southern African Region by acting as a self-appointed direct investment promotion agency for the region in Germany. In support of these activities, Mr. Schrempf, who is also Honorary Consul General for South Africa in the German States of Baden-Württemberg, Rheinland Pfalz and Saarland, works hard to maintain personal dialogue with the regions' heads of state and business community. In addition to his on-going contact to the past and current presidents of South Africa, Mr. Schrempf visited Namibian President Nujoma, President Mugabe of Zimbabwe, and President Chissano and Prime Minister Mucumbi of Mozambique in 1997.

On a visit to Malawi, Tanzania and Mauritius in September of this year, Mr. Schrempf met the President of the Republic of Malawi, Dr. Muluzi, at Sanjika Palace in Blantyre. Subsequent to their private discussion, the President gave a formal lunch for about 60 people, including members of government, representatives of Malawian institutions, and the

business community. The meeting was rounded off by a question and answer session. The President acknowledged with thanks the support his country is receiving through SAFRI, with special mention of the SAFRI-sponsored WTTTC Tourism Study (see page 7) as a motor for the development of the economy of Malawi.

From Blantyre, Mr. Schrempf and the SAFRI delegation travelled to Dar Es Salaam for a meeting with the business community hosted by the German Ambassador, and talks with the President of the United Republic of Tanzania, Benjamin William Mkapa. In the very informal and friendly gathering, the President mentioned the need for further economic development of his country and the obstacles thereto.

In Mauritius, meetings were held with the President of the Republic of Mauritius, Sir Cassam Uteem, ministers and representatives of the business community, and with the Prime Minister, Sir Navin Ramgoolam.



SAFRI Chairman Schrempf and Dr. Muluzi, President the Republic of Malawi

These meetings gave the delegation the impression that Mauritius, with its efficient government, administration, and prosperous business community, can serve as a good example to the other countries in the region in the use of tourism as a motor for development. It provides an outstanding illustration of the suggestions presented in the SAFRI-initiated WTTTC study.

In each of the countries visited, Mr. Schrempf extended his personal invitation for the head of state to attend the Africa Business Forum 2000 planned for April 27th in Berlin. (see page 11)

SAFRI

The Southern Africa Initiative of German Business was created with the aim of strengthening business relations between Southern Africa and Germany, thereby helping to improve conditions for the region's people and opening new opportunities to entrepreneurs both in the region and in Germany.

SAFRI is sure that increased co-operation, trade and investment will promote the economic development of the region and help create jobs. Since its initiation in 1995 by the Africa Association (Afrika-Verein e.V.), the Federation of German Industry (BDI), and the Association of German Chambers of Industry and Commerce (DIHT), SAFRI has been promoting joint economic and business undertakings in a series of presentations throughout Germany highlighting business opportunities in Southern Africa.

The region comprises a market of some 190 million consumers, but 40 million citizens of South Africa account for some 75% of this economic potential. SAFRI is therefore working to help integrate the other SADC nations as well into the global market. Through its Human Resources Development (HRD) program, it is actively seeking to promote trade by sharing export-related skills - a German business strength - with dynamic "new generation" African entrepreneurs.

Every financial, educational and skill-related investment contributes to the competitive strength of Southern Africa, and gains the investor new markets and partners for the future. I am firmly convinced that our engagement, and yours, will reap political, economical, and social benefits. To help promote the Africa of tomorrow, we must start today.

Jürgen E. Schrempf

Roundtable in Namibia Provides Basis for SAFRI Entrepreneurs' Workshops

On May 15th and 16th, 1998, SAFRI hosted a roundtable conference in Windhoek, Namibia on the subject of Human Resources Development needs in the business

sector. Participants included representatives of national entrepreneurs' organisations from 10 SADC countries, the World Bank Group, the Namibian and German Governments, and German NGOs active in Southern Africa.

1. Training,
2. Management Skills Develop.,
3. Information / Communication,
4. Inst. Capacity Building,
5. Partnership,
6. Marketing,
7. Business Environment,
8. Infrastructure Improvement.

The Motivation

The motivation behind the conference was SAFRI's realisation that HRD is a primary key to the sustainable development of the region, and its belief that contributions in this area - and particularly toward entrepreneurial expertise - could contribute significantly toward the improvement of the business climate in SADC. Such a development would naturally be advantageous to regional entrepreneurs, but would also make the region more interesting to German investors.

The Goal

SAFRI's goal was to gain insights and gather ideas for its planned HRD initiative in the region.

The Process

Following introductory presentations on the reasons for organising the HRD Conference, surveys of the present situation (needs, existing projects, etc.), and SAFRI's project proposal, participants broke up into working groups to brainstorm about two questions:

1. "What are the HRD needs of entrepreneurs in SADC?" and
2. "How can SAFRI work with entrepreneurs' organisations in SADC in the area of HRD to improve the business climate in the region?"

Following the initial brainstorming process, each working group re-

turned its idea-carrying cards to produce an affinity diagram in which ideas were placed in related clusters and given appropriate headings. These affinity diagrams were presented in a plenary session. Participants then jointly prepared a single large affinity diagram that included all of the ideas from each of the working groups. This new diagram covered an entire wall of the conference room. It contained eight clusters:

1. Training,
2. Management Skills Develop.,
3. Information / Communication,
4. Inst. Capacity Building,
5. Partnership,
6. Marketing,
7. Business Environment,
8. Infrastructure Improvement.



These eight clusters were then tackled by four newly formed working groups who developed the ideas into HRD programs suited to realisation by SAFRI in co-operation with entrepreneurs' organisations.

Results

This rich harvest of ideas served as the basis for the further development of the SAFRI HRD Project and its "Entering Foreign Markets" Entrepreneurs' Workshops. (See related stories)



Entrepreneurs' Workshops

Gain valuable exporting insights from top executives of well-known German companies active in Southern Africa!

Germany has a highly successful export-based economy. Its businesses have decades of experience in international marketing. And many of these businesses are now very interested in the Southern African market.

Leading executives from German companies active in SADC are investing in the integration of the region by sharing their expertise with local colleagues - with new generation African entrepreneurs. They know that regional integration - a key prerequisite for integration into the world market - must be fuelled by broadly based intra-regional trade. They are prepared to invest their time in you - are you ready for the challenge?

Upgrade your export-related skills and knowledge in a collegial workshop atmosphere!

Join us on a 2-day journey toward increased export expertise while enjoying the ambience of top regional venues. Learn about the ins and outs of successfully expanding into foreign markets through a combination of practically oriented talks, discussions, and group work culminating in the development of marketing and action plans. Enjoy unparalleled access to Workshop presenters thanks to the limited size - 30 participants - of the Workshop.

Evaluate yourself and your company - are you prepared to face the challenge of new markets?

SAFRI Seeks Partners for Future Workshops

In order to make future Entrepreneurs' Workshops a reality, we need highly motivated and capable local partners - dynamic entrepreneurs' organisations. SAFRI will provide a SAFRI team of presenters, the Workshop contents (to be discussed with the local partners in advance), and the overall co-ordination.

The partner organisation(s) are responsible for all Workshop-related activities in the country or sub-region, including all participant-related activities such as registration of participants, setting and collection of Workshop fees; PR; negotiation, co-ordination, financial dealings with the venue; identification and motivation of possible local case study presenters; and printing and distribution of Workshop documentation.

SAFRI will not receive financial remuneration for its efforts. Fees collected from participants shall be used to cover the costs incurred by the Workshop (organisation, food, lodging, etc.).

Workshops are held on mutually agreed dates at mutually agreed high-quality venues. The maximum number of participants is 30 persons.

Interested?

Contact Nina Mapili, SAFRI HRD Project Manager

E-mail: nemapili@t-online.de

Tel.: +49 172 958-6271 Fax: +49 7541 24103

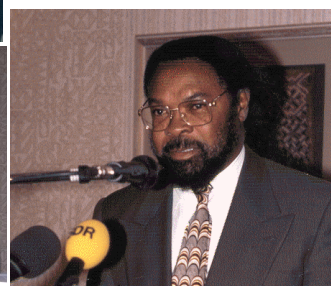


Above middle: Juma Volter Mwapachu, Chairman, Confederation of Tanzanian Industries

Middle: Lisa Fegaji, invaluable NNCCI contact person

Lower left: Nina Mapili, SAFRI HRD Project Manager and Josef C. Gorgels, Head of the SAFRI Chairman's office

Lower right: Namibia's Hon. Minister for Trade and Industry, Hidipo Hamutenya



Africa Business Forum 2000

Berlin, April 27th-28th, 2000

The Africa Association and SAFRI are inviting leading business people and politicians from Southern Africa and Germany to Berlin to focus on tourism and SDIs.

SAFRI and the Africa Association, in their roles as self-appointed investment promotion agencies for the SADC-countries in Germany, are planning to hold the "Africa Business Forum 2000" in Berlin on April 27th-28th, 2000.

The forum, which is to be held in the new *debis* (DaimlerChrysler Services AG) headquarters on Potsdamer Platz in the old - and



now new - centre of Berlin, will focus on the Southern African region in general, tourism as a motor for development, and the region's Spatial Development Initiatives (SDIs).

The Africa Association and SAFRI are creating this opportunity to emphasize the enormous growth potential as well as the abundant investment opportunities the SADC-region is offering to the German business community.

About 500 businessmen and -women from Southern Africa and Germany are expected to attend the conference. Top German politicians have already agreed to participate.

On his recent trip to Southern Africa, Mr. Schrempf personally invited the heads of state of the countries he visited to join our summit. Formal invitations to all other SADC heads of state will follow in

due course.

The conference will be split into a plenary session, eight different workshops, and will offer ample opportunity to network.

Session 1 will focus on the regions SDIs, thereby presenting tangible investment opportunities:

- Maputo Development Corridor
 - Lubombo SDI
 - Walvish Bay/Transkalahari SDI and the Mtwara, Tazara, Nacala, and Beira Transport Corridors.
- Session 2 will deal with the industrial-sectors pivotal to growth and development of the region:
- Tourism,
 - Water Management,
 - Solar Energy,
 - Health.

Southern African Input Sought

AV and SAFRI are actively seeking input from stakeholders in the region in the preparation of the final program. Suggestions for program content as well as appropriate panel members are very welcome. Please contact Dr. Michael Blank at AV or Mr Josef C. Gorgels at SAFRI in this regard.

Southern Africans Invited to Attend

The organisers objective is to facilitate business-to-business contacts between German companies and SADC counterparts. Businessmen and -women from Southern Africa are encouraged to take advantage of this opportunity to make useful contacts. The AV is also offering, in co-operation with the DIHT, to organize private business meetings for participants.



The *debis Haus* on Berlin's recently rejuvenated Potsdamer Square is the venue for the Africa Business Forum 2000.



Southern African - German Chamber of Commerce and Industry

Your Partner for Bilateral Business

Our Vision

To offer the best service for building bilateral business relationships between Southern Africa and Germany

Our Commitment: Your Service

The Southern African - German Chamber of Commerce and Industry promotes bilateral trade between Southern Africa and Germany. We are the sole authorized representative of German business in the region.

For almost fifty years, our Chamber has been facilitating the establishment of business links between South Africa and Germany by supplying information on the economic situation in both countries bringing together potential trade partners, and offering a wide range of other services. Since 1997, we have extended our activities to the neighbouring countries in the SADC region as well, namely Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe.

Within a strong network

Our Chamber is closely linked to the strong network of 83 German Chambers of Commerce; it provides access to about 3 million companies. In addition, our Chamber is part of a world-wide network of 110 German Chambers abroad.

Our Services

The Southern African - German Chamber of Commerce and Industry offers a multitude of services.

- **Trade Information and Market Research**, e.g.
 - Address and Investment information
 - Search for potential business partners
 - Trade enquiries
 - Market studies
- **Trade Fairs and Exhibitions**
 - Official representative of the International Trade Fairs in: Berlin, Düsseldorf, Frankfurt, Hannover, Cologne and Munich
- **Legal Assistance**, e.g.
 - Debt collecting service
 - Legal information and advice
 - Specimen agreements
- **Chamber Publications**, e.g.
 - Bi-monthly Chamber Magazin REPORT
- **Chamber Functions**, e.g.
 - Seminars
 - Members' Luncheons with prominent guest speakers
- **Education**, e.g.
 - Commercial German courses
- **Miscellaneous services**, e.g.
 - German Business Pool
 - Travel assistance

Building on our sound experience and reputation, we are continuously adapting and improving our methods of supporting our members and customers in a rapidly changing environment.

For more information, please contact us!

Southern African - German Chamber of Commerce and Industry

P.O. Box 87078, Houghton 2041, Johannesburg, South Africa

Tel.: +27 11 486 2775 Fax: +27 11 486 3625

E-mail: info@germanchamber.co.za

Website: www.germanchamber.co.za

SAFRI's Supporting Organisations

SAFRI was founded in 1996 in reaction to the increasingly positive political and economic developments in the Southern African region. Its creators and sponsoring organisations are: the Africa Association (AV), the Federation of German Industry (BDI), and the Association of German Chambers of Industry and Commerce (DIHT). Following is a short introduction to these organisations.

The Africa Association (AV)

The Africa Association (AV), is the German business association for German companies and institutions with business interests in African countries. For almost 100 years the association has assisted its members by providing up-to-date business information, creating business links, and representing the interests of its members in Germany, Europe and Africa. The some 350 members include the major German multinationals as well as many medium-sized companies with trade links with, or investments in, African countries.

Together with the BDI and the DIHT, the Association has started, and actively supports, two private sector initiatives: *SAFRI*, and *NMI* - the initiative for North Africa and the Middle East.

At the European level the AV is a founding member of the Business Council for Europe Africa and the Mediterranean (BCEAM). Through BCEAM, it participates in the formulation of a European development policy in Brussels.

On the African continent, the AV enjoys well-established links with African governments, foreign offices, development corporations, industry leaders, Chambers of Commerce and other agencies. It maintains an effective network of "antennas" in most African countries. It regularly organises trade and investment seminars and etc. for African government representatives.

The association offers the following services to all its members:

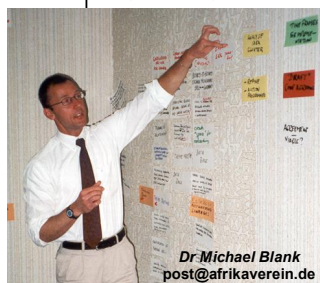
- a regular news brief on Africa,
- a forum for trade and investment opportunities,
- matching services for representations and joint ventures,
- briefing sessions on specific countries and themes,
- trade and investment seminars for visiting heads of states and ministries,
- business trips to Africa,
- advice on legal and financial matters, trade practices and logistics,
- representation of members' interests at German and foreign governments and institutions.

Michael Blank
Regional Co-ordinator

The Association of German Chambers of Commerce and Industry (DIHT)

The DIHT is made up of 83 Chambers. As self-administering bodies incorporated under public law, these Chambers look after both the general interests of trade and industry within their regions as well as that of the individual firms which make up their membership.

The member chambers enjoy complete independence with



Dr Michael Blank
post@afrikaverein.de

regard to personnel, finance and organisation.

Everyone who conducts a business must be a member of a chamber, whereby craftsmen are organised into separate craftsmen's guilds. The total number of German firms with compulsory membership is about 3.2 million comprising 800,000 enterprises entered in the Commercial Register and about 2.4 million small-scale traders.

The DIHT looks after the recognised German Chambers, and it also sends representatives abroad to represent German trade and industry. There are 110 offices in more than 75 countries.

The German Chambers abroad are bilateral societies in the respective host country, and their aim is to promote mutual economic relations through exports, imports and investment. They advise and assist firms that participate in commercial activities with the host country. In addition, they have taken over the commercial information services at German diplomatic missions, and



Ms Ellen Oesterreich
Eoesterr@bonn.diht.lkh.de

The Federation of German Industries (BDI)

The BDI is the federation of Germany's 34 industrial branch organisations—from automobile manufacturers to the sugar industry. It represents its members' interests in the political arena, and to the labour unions and other important organisations. On the international scene it represents the interests of German industry in other countries, the European Union, and through the European umbrella organisation UNICE, to other international organisations.

The BDI supports SAFRI for a number of good reasons.

1. The BDI, which encompasses the vast scope of German Industries, representing more than eighty thousand industrial enterprises. It therefore has an important role to play.

2. Even though it also represents Germany's major industrial complexes, the overwhelming majority of the member companies are medium sized. As far as an active engagement for Southern Africa is concerned, mobilising those medium sized companies with their immense range of diversity becomes extremely important.

3. We are registering deficits as far as German industries' penetration and involvement in Southern Africa - besides in the RSA and to some extent in Namibia - is concerned. For an economy that accounts for annual foreign investments of roughly 50 billion German Marks - ranking it world vice champion in cross-border investments - this fact cannot be considered satisfying. There are, however, concise reasons to explain this relative "abstinence".

they report regularly on the state of bilateral economic relations.

Those countries which have German Chambers or German delegates account for more than 90% of German imports and exports, with regard to German investment abroad, the figure is even 95%. As a result, German trade and industry have established close links with host countries and this is reflected in the regular and mutual visits paid by trade delegations.

The Southern African German Chamber, with seat in Johannesburg, is the contact address in the region (see facing page).

Ellen Oesterreich
Regional Director

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4. Historically - with the exception of a very short period of time and a very limited area—Germany was never a typical colonial power. In consequence, our links to Africa have never reached the level of those of other European countries. Also, historically, post-war Germany did not reach the status of a completely autonomous country until its reunification. Until then, we never pursued a supply policy oriented toward the need of securing our own commodity sources. Only



Dr Ellner

now we are entering a process of reflection as to whether it would be wise for the largest economy in Europe to continue to depend on the spot markets for commodities to cater for its needs.

5. On the other hand, it's certainly not enough if we simply encourage German companies to engage themselves directly in Southern Africa. If we take our responsibility seriously, we also have to address, and frankly discuss with competent authorities, the shortcomings in the framework conditions ruling foreign direct investments that we encounter in this region. SAFRI is an excellent body to serve this purpose.

Claude-Robert Ellner
Ex Regional Director

Mr. Johann-Hinrich Ernst has just succeeded Dr. Ellner as Regional Director.

Questions about SAFRI? Contact:

Josef C. Gorgels, c/o DaimlerChrysler AG, HPC 1124
70546 Stuttgart, Germany
Tel.: +49 / 711 / 179 3250, Fax: +49 / 711 / 179 3816
E-mail: safrigor@dbmail.debis.de



SAFRI Socks,

modelled here by Josef C. Gorgels, head of the SAFRI Chairman's Office, were designed and produced by Wilson Murongazvombo of Mat Knitting, Bulawayo, Zimbabwe. Mr. Murongazvombo used them to help illustrate the main point of his presentation at the Zimbabwe Entering Foreign Markets Workshop: "Quality Sells".



L. Tamai, Barclays Bank of Zimbabwe, C. Köpke and J. C. Gorgels



Workshop participants at Leopard Rock Hotel

Workshop in Zimbabwe

Within the framework of its SAFRI IN CONTACT program of activities in the Southern African region, SAFRI held its first Entrepreneurs' Workshop entitled "Entering Foreign Markets" at Leopard Rock Hotel in Vumba, Zimbabwe, February 15th-16th, 1999. Partners in the undertaking were the Confederation of Zimbabwe Industry (CZI) and the Zimbabwe National Chamber of Commerce (ZNCC).

The presidents of both organisations, Mr. Kumbirai Katsande (CZI) and Mr. Nhlanhla Masuku (ZNCC), were on hand for the Workshop's opening session.

The first day was filled with presentations, brainstorming and working group exercises led by Mr. Hendrik Dieckmann, MD of Sachs S.A. (Pty) Ltd. and Mr. Josef C. Gorgels, Head of the SAFRI Chairman's Office and former Controller in Chief of Mercedes-Benz AG. Topics included International Marketing, Marketing Research, and the Analysis of Risks.

Mr. Wilson Murongazvombo gave an evening presentation about his experiences starting and building his Zimbabwean business, Mat Knitting.

His quality-centred message set the stage for Mr. Christoph Köpke,



Chairman of DaimlerChrysler South Africa (Pty.) Ltd., who began the second day of the Workshop with the subject of excellence and competitiveness. One of the founding champions of the South African Excellence Foundation (SAEF), he introduced the Foundation's "Excellence Model".

Workshop participants got first-hand experience with the model in working group sessions led by three SAEF Executive Facilitators, Mr. Ed van der Heever, CEO of SAEF, Mr. Reg Mason, and Mr. Karl-Heinz Schlaiss.

The afternoon sessions, led by Mr. Dieckmann and Mr. Gorgels, focused on Developing an Action Plan, Budgeting and Controlling, and Preparing a Marketing Plan.

In closing, Mr. Mike Humphrey, Gemini Consulting, Harare, presented an overview of the trends in intra-regional trade, legislation, and

conditions for successful penetration of neighbouring markets.

Prior to the Workshop, German Ambassador to Zimbabwe Fritz Flimm and Barclays Bank helped to prepare the ground by hosting receptions prior to the Workshop.

Thanks are also due to two German organisations in Zimbabwe, the Konrad Adenauer Foundation, and the GTZ, who were of assistance in a variety of ways, as was the German - Southern African Chamber of Commerce and Industry, which has its seat in South Africa.



Nkufuleko Mabheba

The Southern African Enterprise Network

SAFRI would like to take this opportunity to introduce the Southern African Enterprise Network (SAEN), a select and dynamic group of African entrepreneurs who are owners and operators of their own firms, have high integrity, and nurture a keen interest in regional markets.

The SAEN is part of a pan-African association known as the ENTERPRISE NETWORK that brings together new generation African entrepreneurs who seek to improve the business climate in their home countries and to foster regional trade and investment in their geographic sub-regions.

The SAEN was officially launched in September 1998, and is made up of eleven national Enterprise Networks: Botswana, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Zambia and Zimbabwe, with Lesotho and Swaziland being the latest entrants.

The SAEN is based on a unique organizational model for the private sector, first developed in 1993 in West Africa. At that time, a group of 35 business men and women from seven West African countries came together to form a network of new generation entrepreneurs who sought to develop a strong and dynamic private sector that could become the engine for economic development in the countries of the sub-region. Within five years, the West African Enterprise Network (WAEN) grew to include 350 entrepreneurs in 13 national networks, from both anglophone and francophone countries. The member-funded regional headquarters is in Accra, Ghana. Expansion of the Enterprise Network Initiative to East and Southern Africa began in 1998.

Membership in the Enterprise Network is individual and selective and includes business persons with the following profile: new generation entrepreneurs with a global market perspective, owners or operators of their own firms, high integrity, strong interest in regional trade and investment and willingness to devote personal time and financial resources to the Network.

National Enterprise Networks are strictly apolitical and entirely self-financed. Membership is intentionally cross-sectoral. Enterprise Networks seek synergies with

other private-sector organizations to pursue common objectives.

The SAEN works closely with national and regional economic agencies and with a large number of donor agencies which support its objectives, including the Organization for Economic Cooperation and Development (OECD), the World Bank, USAID, the Agence Française de Développement, the Canadian International Development Agency (CIDA), the Swiss Cooperation, the Belgian Cooperation and the European Union (EU).

The SAEN also has an extensive network of business ties to investor organizations worldwide, including the U.S. Corporate Council on Africa, the French CNPF, the German Afrika Verein, the British-African Business Association, the Malaysian South-South Corporation and the Singapore Trade Development Board.

Since its first regional conference in Mauritius in May 1999, SAEN has established its headquarters in Lusaka, Zambia. The collaborative approach adopted by SAEN culminated in it securing office premises within UNECA in Lusaka. A three-member Executive Committee runs the headquarters. The officers are Elias Chipimo, a lawyer from Lusaka, Zambia, Daniel Chiwandamira, a business development consultant based in Harare, Zimbabwe, and Anitha Soni, a tourism consultant based in Durban, South Africa.

One of SAEN's members from the Mozambique Enterprise Network successfully co-organised a SAFRI workshop in Maputo and there are plans to extend this relationship to other countries.

In addition, a number of successful cross-border deals have already been consummated with a number being negotiated among the members. As part of its strategic action plan, SAEN has established three clusters which will help its members to focus on business deals in the sub-region. The clusters are Tourism, Information Technology and Financial Services.

Anitha Soni for SAEN

Contact: Duniya Mupeso, SAEN Administrative Director
UNECA Building, Longolongo Rd., Lusaka
Tel. +260 1 228502—5 Fax +260 1 236 949
E-mail: saen@zamnet.zm Website: www.saen.net



Back L-R: Hendrik Dieckmann, Gerry Marketos, Leo Röhrig, Nina Mapili, Karl-Heinz Schlaiss, Reg Mason, Werner Englert
Front L-R: Jacinto Mutemba, Wolfgang Jakob, Josef Gorgels.
Missing from the team photo is Dr Hermenegildo Gamito.

The Mozambique Workshop Team

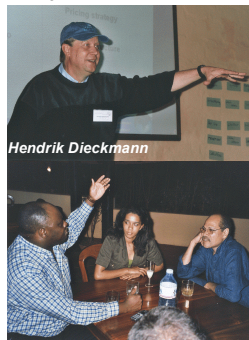
A large team of presenters, facilitators and organisers pulled together to make the Entering Foreign Markets Workshop at Zongoene Lodge in Mozambique a success.

Mozambican Team

- **Gerry Marketos**, Mozambican Workshop counterpart and Sec. General of SAEN,
- **Dr Hermenegildo Gamito**, President of the Board of Directors, Mabor SARL,
- **Werner Englert**, a German with many years' experience in the shoe industry, founder and CEO of Peter Indústria Moçambicana,
- **Jacinto Mutemba** a member of the Agro Alfa Board of Directors.

SAFRI Team

- **Josef C. Gorgels**, Head of the SAFRI Chairman's Office,
- **Nina E. Mapili**, SAFRI HRD Project Manager and Workshop organiser,
- **Hendrik Dieckmann**, MD of Sachs SA, member of the Board of Directors of the German-Southern Africa Chamber of Commerce and Industry,
- **Wolfgang Jakob**, CEO of debis IT Services Southern Africa
- **Leo Röhrig**, Director, Concor Limited
- **Christoph Köpke**, Chairman of the Board, DaimlerChrysler South Africa (Pty) Ltd., Pres., German Southern African Chamber of Commerce and Industry, (unable to attend due to storm),
- **Reg Mason**, Executive Facilitator, SAEF,
- **Karl-Heinz Schlaiss**, SAEF Executive Facilitator and DCSA Chief Advisor External Affairs and Public Policy,
- **Ed van den Heever**, CEO, SAEF, (unable to attend due to a medical emergency).



Hendrik Dieckmann



New Centre a Boost for Distance Learning in Southern Africa

Southern Africa's first information communication technology centre (ICT) was launched in Maseru under the auspices of the Technology Enhanced Learning Initiative of Southern Africa (TELISA).

TELISA is the brainchild of Technikon South Africa's Centre for Lifelong Learning. Partners in the initiative include the World Bank, the UN Economic Commission for Africa, SADC's Human Resource Development Coordinating Office, and Southern African educational authorities and organisations.

SAFRI Chairman Schrempf views the spread of knowledge paramount to the development of mankind. He was the driving force behind DaimlerChrysler's Sponsorship of the Distance Learning Support Centre at the National University of Lesotho's Institute for Extramural Studies.

"ICTs such as this one will provide facilities and tools for educational and community growth and empowerment", said Mr Josef C Gorgels, Head of the SAFRI Chairman's Office.

"We trust that the pilot facility, which will be self-supporting. With its capacity to serve more than 20,000 people, it should prove to be a powerful mode of community and regional development."

SAFRI is initiating technology and skills transfer since the centre will build local institutional capacity by providing access to coursework, tertiary educational and career development programs, global information and international expertise.

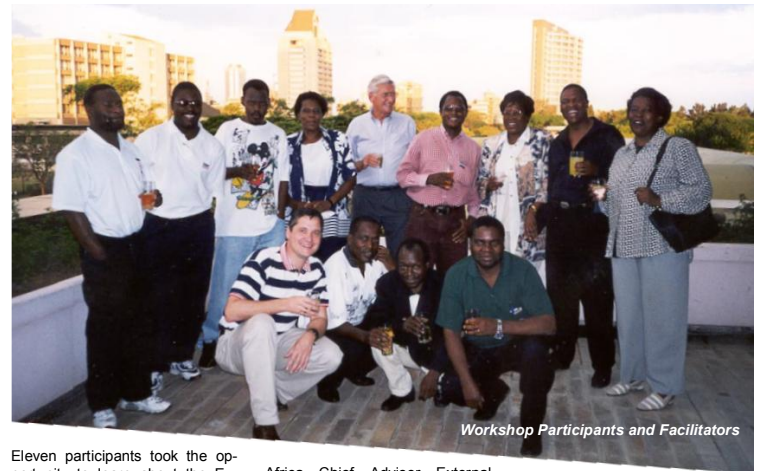
For local learners, academics and business, access to technology and service - including the Internet, telephones, fax facilities and photocopyers - will enable growth.

Prof Attie Buitendacht, vice-chancellor of Technikon SA, paid tribute to the sponsors. He said the successful tripartite cooperation between South Africa, Lesotho and Germany boded well for South African Deputy President Thabo Mbeki's dream of an African Renaissance.

"The broad TELISA plan and the establishment of ICTs throughout the subcontinent can be a dynamic catalyst for the growth of knowledge, access to information and technology, and personal empowerment for the people of Africa".

Eleven Zimbabwean Entrepreneurs Certified as Assessors of Organisation Excellence

Following up SAFRI's Entrepreneurs' Workshop in February at Leopard Rock (see page 3), the first "Excellence Assessor Training" course was held in Zimbabwe, 12th to 14th November, 1999, at the Vimoco/Mercedes-Benz pavilion at the Harare Showground.



Workshop Participants and Facilitators

Eleven participants took the opportunity to learn about the Excellence Model, and how to use it to become more competitive and ultimately world-class with their businesses.

The Self Assessment workshop built upon the introduction to the South African Excellence Foundation (SAEF) and its Excellence Model provided at SAFRI's February Workshop by: Christoph Köpke, Chairman of DaimlerChrysler SA (Pty) Ltd and a founding Champion of SAEF; Ed van den Heever, the Chief Executive of the Foundation; Reg Mason, SAEF Certified Executive Facilitator; and Karl-Heinz Schlaiss, DaimlerChrysler South

Africa Chief Advisor External Affairs and Public Policy.

The Excellence Assessor Training Course was presented by Reg Mason and Karl-Heinz Schlaiss.

Mr Mason was very upbeat about the results "We've been very impressed by the quality and enthusiasm of the participants who really want to achieve excellence in their business."

The course requires some 15 to 20 hours of intensive "homework" to prepare for the equally taxing syndicate work during the training course.

Reg Mason commented, "It was obvious that some had put tremendous effort into the pre-course homework which was generously shared with the other team members who hadn't prepared so thoroughly."

Nkululeko Mabheba, Zimbabwe, commented at the end of the workshop, "I have appointed myself a change agent for continuous improvement within my organisation - for Zimbabwe and for Africa".

He also stated the strengths of the course as follows:

- Relevant materials
- Easily implemented
- Very practical
- Qualitative and quantitative
- Excellent
- Develops and encourages passion for excellence.

In closing the course, Reg Mason said he would be honoured to

sign the qualifying certificates for all the participants. They had worked hard and were clearly enthusiastic about the new knowledge and skills learned.

The framed certificates will be presented to each qualifier at special functions planned to take place in Harare and Bulawayo.

Liz Chitiga, Harare, course participant and local organiser who worked with Mr Schlaiss to prepare the Assessor training will be the overall co-ordinator of an interim task team to oversee the formation of a Zimbabwean Excellence Foundation. She noted "The participants have already decided to set up working groups in Bulawayo and Harare to work towards the set up of a Zimbabwe Excellence Foundation. All interested individuals and organizations are welcome to join working groups and become champions in Excellence."

Mr Schlaiss added: "In my opinion, the time is absolutely right to set up the 'Zimbabwe Excellence Foundation' to help all Zimbabwean organizations improve their competitiveness in order to play a prominent role in the region and in the global context".



Liz Chitiga, the Zimbabwean co-ordinator



Representatives of sponsoring organisations at opening in Lesotho

Business Excellence - the Competitive Edge

The South African Excellence Foundation's mission is to assist organisations to achieve overall competitiveness; good governance; satisfied customers, suppliers and partners; committed employee involvement; community approval; and significant gains in business results and productivity.

How does your company compare to the competition?

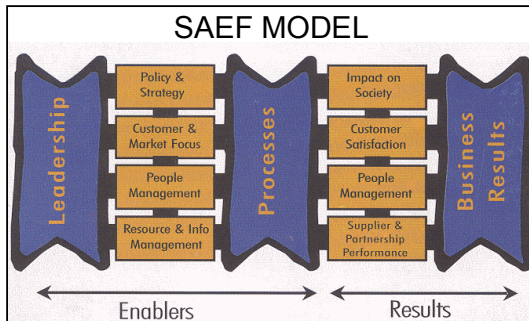
Export opportunities abound, but competition is stiff. Excellence in your business practices can provide the competitive edge you need for success.

In recognition of this fact, SAFRI has enlisted the assistance of the South African Excellence Foundation (SAEF) to assist in its Entrepreneurs' Workshops. During the Workshops, SAEF facilitators introduce participants to the SA Excellence Model as a diagnostic framework for the Self-Assessment process and continuous improvement activities.

What is Self-Assessment?

Self-Assessment is a comprehensive, systematic and regular review

- a powerful diagnostic tool,
- an objective assessment against an internationally accepted set of criteria,
- a means to benchmark internally as well as against other organisations,
- a means of measuring progress over time through periodic Self-Assessment,
- a methodology for application at all levels,
- a means to create enthusiasm amongst people within an organisation, to involve them in the improvement process and to give fresh impetus to their performance excellence,
- opportunities to promote and share excellent approaches within an organisation or, on a



of an organisation's activities and results referenced against a benchmark of business excellence. The Self-Assessment process allows an organisation to clearly identify both strengths and areas in which improvements can be made, and culminates in planned improvement actions, which are then monitored for progress. It is also an effective means of co-ordinating an organisation's quality improvement initiatives; e.g., ISO 9000.

Self-Assessment provides valuable tools:

- a rigorous and structured approach to business improvement,
- an assessment based on facts and not individual perceptions,
- a means to achieve consistency of direction and consensus in an organisation,
- a means to integrate various quality initiatives into normal business operations,

For information about SAEF
Ed van den Heever, CEO
E-mail: Evdheever@csir.co.za
Tel.: (27 12) 349-2765
Fax: (27 12) 349-1800
P.O. Box 173
Perseus Park
Brummeria
0020 South Africa
or,
regarding SAFRI and SAEF
Karl-Heinz Schlaiss
E-mail: schlaissk@daimlerchrysler.co.za
Tel. 0027 12 677-1946
Fax: 0027 12 677-1768

SAFRI's Members and Patrons

Chairman

Jürgen E. Schrempp
DaimlerChrysler AG

Members

Dr. Gerhard Cromme

Thyssen Krupp AG

Claas E. Daun

Daun & Cie. AG

Martin Kohlhaussen

Commerzbank AG

Prof. Dr. Joachim Milberg

BMW AG

Carsten Nordmann, Nordmann

Rassmann GmbH & Co.

Dr. Heinrich von Pierer

Siemens AG

Dr. Eberhart von Rantza

DAL - Deutsche Afrika Linien GmbH & Co.

Jürgen Weber

Deutsche Lufthansa AG

Guest standing

Dr. Kaire Mbuende

Executive Secretary SADC

Dr. Stephan Kinnemann

Deutsche Investitions- und Entwicklungsgesellschaft

Klaus Volker Schuurman

Southern African-German Chamber of Commerce and Industry

Patrons

Dr. Hans-Olaf Henkel

Federation of German Industry (BDI)

Carsten Nordmann

Africa Association

Hans Peter Stihl

Assoc. of German Chambers of Commerce and Industry, DIHT

Letter to SADC Heads of State

Following are excerpts of a letter, signed by SAFRI's Executive Committee Members and Patrons, which was sent to all SADC heads of state in November, 1998, to express both their concerns and their support in view of developments in the region.

"...SAFRI, as you will recall, has been created to support business in the SADC countries as well as the development of the regional market. These objectives are pursued by combating Afro pessimism in Germany and by highlighting the region's manifold existing and potential business opportunities for foreign investment of capital, knowledge and skills.

...(W)e believe to have achieved some success in putting Southern Africa back on the agenda for German decision-makers.

Given the already existing difficulties in getting business circles here to study the opportunities in Southern Africa in competition with other regions of the world, the members of the SAFRI Executive Committee are even more concerned about some recent developments in the SADC region. There is an imminent danger that perceptions are being influenced for the worse by issues like political unrest, military interventions, unjust land reform, murders of farmers, wide-spread crime and corruption.

...We would like to stress the strong ties which we feel exist between the SADC countries and Germany, especially between the business communities. In the present times of need, this friendship could not be more important. However, for our efforts in supporting you, it is imperative that this friendship is shared fully on your side. All hindrances to continued, strong and positive socio-economic development in the individual countries and throughout SADC should be addressed by governments immediately and with resolve. Crime, corruption and negligence at large must be recognised as the most dangerous impediments to existing and future foreign investments.

We...urge you to take appropriate positive action now. In the sense of the above stated friendship, the undersigned members of the SAFRI-EXCO feel obliged to draw your and your governments' attention to our position.

We extend our sincerest wishes for continued and fruitful co-operation, leading to a peaceful and prosperous future for your people and the SADC."

SAFRI Workshop in Mozambique

The second Entrepreneurs' Workshop was held September 10th-12th, 1999 at Zongoene Lodge, Mozambique. Local partners were the Rede Empresarial de Moçambique / Mozambique Enterprise Network (MEN) and the Confederação das Associações Económicas de Moçambique / Confederation of Business Associations of Mozambique (CTA).

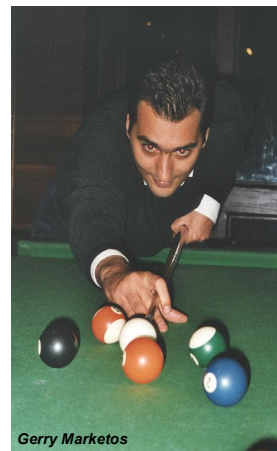
Germany's economic strength is fueled by export. Its export-based businesses are some of the world's most successful. What are the secrets of this success?

On Friday, September 10th, about 30 entrepreneurs and high-level managers from Mozambique found their way to Zongoene Lodge for two intense days filled with presentations, working group sessions and lively discussions—all revolving around this question. Their German counterparts were top executives working with German companies active in Southern Africa.

Joining the Mozambican participants at the idyllic venue on the mouth of the Limpopo River north of Maputo were a large team of presenters and facilitators based in RSA, and two SAFRI representatives who flew in from Germany.

The Workshop opened with introductory and welcome statements by *Egas Mussanhan*, Chairman of the Board, CTA, *Gerry Marketos*, Secretary General, MEN, and *Josef Gorgels* and *Nina Mapili* of SAFRI.

Hendrik Dieckmann kicked off with the subject "An Introduction to International Marketing—How to be a Success Story". *Dr. Hermenegildo Gamito* extended and illustrated his points with his case study, "Mabor de Mozambique: Marketing Strategies and Selected Forms of Foreign Business". After a brainstorming session on prerequisites for successfully entering new markets, led by *Mr. Dieckmann*, *Wolfgang Jakob* discussed information as a production factor: "Intelligent Deployment of Modern Information Technology".



Gerry Marketos

Participants relaxed after the long, hot, busy day with cocktails by the pool that were sponsored by PriceWaterhouseCoopers Mozambique.

The next day dawned cold, wet and stormy. *Leo Röhrig* faced a shivering group with his presentation, "Southern African Opportunities", in which he talked about types and forms of partnerships.

In the meantime, it was becoming clear that a major change in plans would have to be introduced: *Christoph Köpke*, Chairman of DaimlerChrysler South Africa, was grounded in Maputo. He had just flown in, and the winds were now too strong for him to fly on to Zongoene.

Werner Englert continued the program with "Quality Products for the European Market", telling about his experiences beginning and expanding the production of shoes in Maputo.

Reg Mason learned that he would have to stand in for *Mr. Köpke* for the following presentation on Excellence. Though all were disappointed not to have *Mr. Köpke* join the group, *Mr. Mason's* enthusiasm for the South African Excellence Foundation and its Excellence Model was contagious, and soon everyone was busy trying out the Excellence Model in working groups.

After presentation of working group results, *Jacinto Mutemba* told about his experience carrying through a Self-Assessment with his management team under the guidance of *Mr. Mason* and *Karl-Heinz Schlaiss* prior to the Workshop: "Agro Alfa's Road to Excellence: from Self-Assessment to an Action Plan".

Mr. Dieckmann then went back to nuts and bolts with a discussion of risk analysis, assessing market opportunities, and market research - in preparation for the following group work on export-related risk analysis. In the final formal presentation he focused on controlling, the marketing mix, and the writing of a marketing plan. This was followed by an exercise in which participants prepared marketing plans in a group exercise.



Group photo at Zongoene Lodge

In anticipation of continued bad weather and possible travel difficulties the next day which might necessitate early departure, everyone worked until late in the evening the 2nd day. The DaimlerChrysler sponsored cocktail party and following dinner featuring the awarding of certificates of participation provided a welcome opportunity to relax, have fun, and network.

Mozambican Excellence Foundation Planned

At the wind-up session on Sunday morning, *Jacinto Mutemba* presented the participant's declaration of intent to found a Mozambique Excellence Foundation

Josef Gorgels: "This is a wonderful and fitting note upon which to end the workshop!" Our message was that excellence is central to success in exporting, and now the participants are taking the first steps toward establishing a framework for anchoring excellence in their organisations."



Jacinto Mutemba



Josef Gorgels, Werner Englert



A Short History of SAFRI

SAFRI, the Southern Africa Initiative of German Business, was founded in May 1996 as a direct result of the state visit to South Africa by the then-Chancellor of Germany, Helmut Kohl, the year before.

Under the chairmanship of DaimlerChrysler CEO Jürgen Schrempp, the Afrika-Verein, (AV, Africa Association), the Federation of German Industries (BDI) and the Association of German Chambers of Industry and Commerce (DIHT) made it

towards improving the general investment climate in the countries of the region.

Indispensable in this context are enduring improvements in security, as demanded in a document sent by the Executive Committee of SAFRI to the heads of state and government of the SADC countries at the end of 1998 (see page 8).

SAFRI sees its role in identifying the potential for German businesses to invest and trade in the SADC region; in establishing links between potential German and African business partners and in targeting public relations efforts towards improving the image of Africa in the German media and of Germany in the African media.

In Jürgen Schrempp, SAFRI has gained as its figurehead an entrepreneurial personality who can speak convincingly in support of Southern Africa. Schrempp worked for many years in the region, most recently as the President of Mercedes-Benz of South Africa.

their objective to increase the awareness of the German business establishment towards what promises to become a most interesting region over the next decade: SADC.

It has been a primary concern of SAFRI, once established, to work



South African President Nelson Mandela and SAFRI Chairman Jürgen E. Schrempp during President Mandela's 1996 state visit to Germany.

AV's African Business Platform www.business-africa.com

The Africa Association (Afrika-Verein, AV) is the address for German companies with business interests in Africa. For almost 100 years, the AV has been assisting its members by providing up-to-date business information, creating business links and representing the interests of its members in Germany, Europe and Africa. Its approx. 350 members include the major German multinationals as well as many medium-sized companies with trade links or investments in African countries.

In keeping with this long tradition, the Association has developed the African Business Platform www.business-africa.com which presents information about German companies doing business in Africa. The African Business Platform (ABP) provides a summary of each company's production and service programs, and facilitates business-to-business contacts between African entrepreneurs and their German counterparts. The service is available in English and German. Access is free for African visitors.



For more information, contact:
Dr. Michael Blank
E-mail: post@afrikaverein.de
Tel: +49 40 343051
Fax: +49 40 354704
www.afrikaverein.de



Jürgen E. Schrempp - SAFRI Award for Excellence

In support of excellence in the region, SAFRI is initiating the "Jürgen E. Schrempp-SAFRI Award for Excellence", sponsored by DaimlerChrysler, which is to be awarded to successful entrepreneurs in SADC in recognition of their excellence in business.

Mr. Schrempp, Chairman of the DaimlerChrysler Board of Management, is also Chairman of SAFRI.

For more information, contact:

Ed van den Heever, CEO, SAEF

E-mail: Evdheeeve@csir.co.za

Tel.: (27 12) 349-2765, Fax: (27 12) 349-1800
P.O. Box 173, Perseus Park, Brummeria, 0020 RSA
or Karl-Heinz Schlaiss

E-mail: schlaiss@daimlerchrysler.co.za

Tel. 0027 12 677-1946 Fax: 0027 12 677-1768

The Excellence Model

and the Process of Self-Assessment were developed in Japan, the USA and Europe as a means to improve competitiveness and performance of businesses and all other organizations, including public service, schools, universities and municipalities.

In 1997, a group of farsighted organizations founded the South African Excellence Foundation (SAEF) in South Africa to avail this management tool to South African companies and organizations. In the meantime, the government of South Africa's Department of Trade and Industry has fully endorsed this approach and is sponsoring the development of a Small and Medium Enterprise (SME) Model.

SADC has also adopted the Excellence approach and has decided to use the South African Excellence Model (SAEF) as the basis for the SADC Excellence Model and awards.

SAFRI, in its ongoing support for the region, has committed itself to promoting the use of the Model in the region. DaimlerChrysler's chairman Juergen E. Schrempp, as the chairman of SAFRI, has agreed to sponsor an annual award for Excellence for SME's in SADC for the next three years. This award will be known as the "Jürgen E. Schrempp-SAFRI Award for Excellence" and will be awarded for the first time in the year 2000.

Scharnow Institute's Tourism Paper Complements WTTC Study

The Willy Scharnow Institute of Tourism at the Free University of Berlin was commissioned to prepare a study about German tourism-related investment in the Southern African region.

The Scharnow Institute began with the facts that many Germans travel to the SADC Region, and opportunities abound across the whole palette of economic activities, but very few entrepreneurs invest there.

At the same time, if Southern Africa is to enjoy peaceful and democratic development, it needs foreign direct investment (FDI) that will lead to an inflow of capital and know-how.

The study, at present available only in German, is aimed at potential German investors. In his introduction, SAFRI Chairman

Schrempp encouraged German entrepreneurs to take a look at the findings and consider investing in the region.

The study also contains interesting information for Southern African tourism-related entrepreneurs. It offers valuable insights into the way German tourism companies view the region, and details their perception of existing business relationships, the attractiveness of the region, value for money, etc.

At present, South Africa, Namibia and Zimbabwe are the Germans' favourite destinations. Restaurants are seen to offer good value, while hotels and game reserves receive poor evaluations in this regard. The unstable political situation and crime were identified as major concerns to investors.

SAFRI an Active Participant in WEF Summits

For years now, the World Economic Forum (WEF) has been bringing together African decision-makers, political leaders, institutional representatives, and business people from SADC and abroad at their annual Southern Africa Economic Summit

Since 1997 SAFRI has been an active participant in the WEF's Southern Africa Summits.

Soon after establishing the Office of the SAFRI Chairman at DaimlerChrysler, SAFRI presented itself to the participants of the 1997 Summit in Harare within the framework of a workshop.

SAFRI introduced itself as the first private business Initiative from abroad with the aim of promoting foreign direct investment (FDI) from Germany in the SADC countries. Many useful contacts were established which helped in focusing SAFRI activities.

The 1998 WEF Southern Africa Summit at Windhoek followed directly upon SAFRI's Roundtable Conference which dealt with the Human Resources Development need of the regions' entrepreneurs, and its presentation on the subject was widely welcomed by the participants. Meetings with decision-makers and business partners from Africa were valuable in formulating future tasks.

able in formulating future tasks.

The 1999 Southern Africa Summit took place at Durban and was the platform for the presentation of the Travel and Tourism report for which SAFRI commissioned the WTTC (see next story).



Above: DaimlerChrysler Chairman Schrempp (right), in his position as Chairman of SAFRI, receives the SAFRI-initiated Tourism Study from WTTC President Geoffrey H. Lipman.

Below: The WTTC Study illustrates how tourism affects many non-touristic sectors of the economy.

See last page for
WTTC Action Plan!

Study Highlights Tourism as a Motor for Development

A study initiated by SAFRI and made possible by the financial support of the member companies of the SAFRI Executive Committee and the World Bank, shows the potential of tourism as an important economic engine for SADC countries in the 21st century.

SAFRI Chairman Jürgen E. Schrempp contracted the prestigious London-based World Travel & Tourism Council (WTTC) for a large scale study on the potential of tourism as an engine for economic growth in Southern Africa.

The extensive paper was sponsored by the SAFRI Executive Committee and the World Bank, and clearly illustrates tourism's potential for promoting broad-based economic development in the region.

The study, which is intended primarily for heads of government in SADC, members of cabinets, and decision-makers in institutions, was formally presented during the World Economic Forum's Southern Africa Economic Summit, July 5th-6th, 1999 in Durban, South Africa.

Schrempp is convinced that today's already important factor of tourism in Southern Africa is an "unlifted treasure" compared to the region's potential. Of all branches of industry, tourism, he believes, offers the best opportunity to create jobs across all sectors of the economy. It also brings work directly to people where they live, thereby reducing the trend of migration from rural to urban areas— a move spawned by the search for more job opportunities.

Tourism is the foremost, labour-intensive export commodity. Well-to-do consumers come to the region to take delivery of services for which they pay in hard currencies. Their presence promotes job creation across almost all sectors. The study shows the potential for creating 1.6 million jobs in the region in the next 10 years, especially through infrastructure development and foreign direct investment (FDI).

Experience shows that almost all investors come to the region first as tourists. They come not only to gain a feeling for the region, its peoples and cultures, but also to investigate the general investment climate.

The WTTC Travel and Tourism Study may be viewed in full at the SAFRI website:

www.safri.de



TIP OF AN ECONOMIC ICEBERG

