Pocket Guide to SOUTH AFRICA

Pocket Guide to South Africa 2003 First edition

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Editor: Delien Burger

Content Editor: Peter Delmar

Proofreader: Laura Grant

Design and Layout: Thabo Matlejoane

Publishing Consultant: Zann Hoad – Sharp Sharp Media

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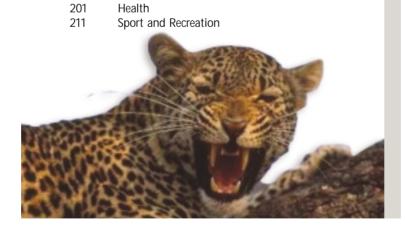
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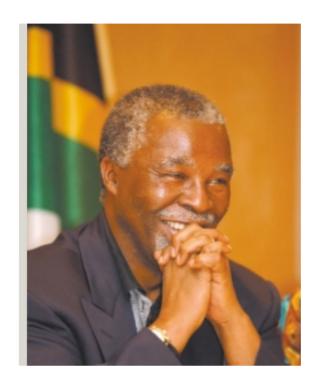
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our country has made formidable progress in creating a better life for all its citizens. The tide has turned!

Because of people lending a hand in the national effort to improve the lives of all, and government programmes that put people first, almost every aspect of life has been touched by the changes. The progress we are making feeds the hope and confidence which South Africans, like the peoples of the world, feel about our future as a country.

They are determined to see our country progress, overcoming the legacy of our divided past. The Government is resolved to sustain this confidence and hope. Its current programme builds on the foundations that have already been laid, informed by the broad objectives of reconstruction and development.

What we have achieved so far gives us the ingredients for faster progress on all fronts.

Better integrated planning and implementation; a comprehensive approach to poverty eradication; economic interventions that build on the macroeconomic stability which we have achieved to speed up investment and job creation; priority for human resource development and improving the nation's health; and progress in the fight against crime. Together these and other programmes are changing South Africa day by day.

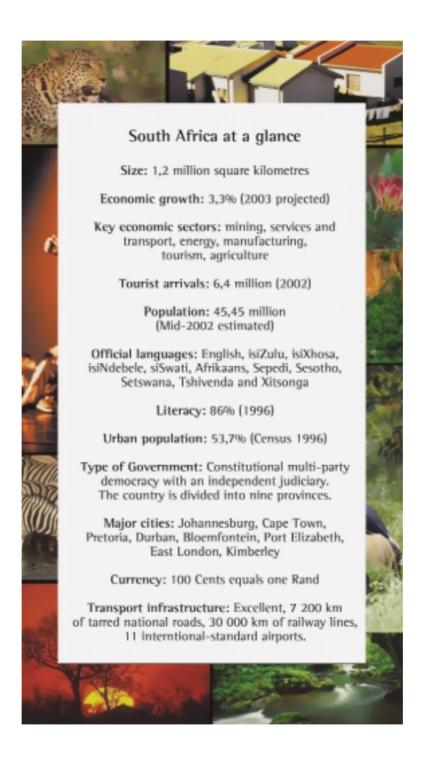
Because growth and development in South Africa are intimately linked to that of the rest of the continent, the success of the African Union (AU) and its socio-economic programme, the New Partnership for Africa's Development, is of profound interest and importance to us. We were greatly honoured, therefore to host the inaugural meeting of the AU in July 2002 and the 40th anniversary of the Organisation of African Unity on 25 May 2003 as we affirm continuity in the objectives of the African continent and, at the same time, celebrate the positive changes that the formation of the AU will certainly bring.

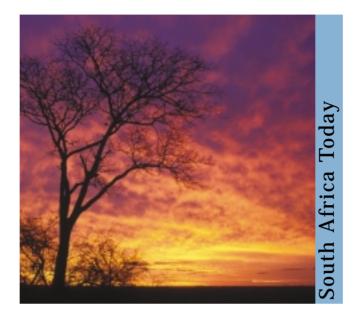
While we celebrate progress across all these fronts, we are under no illusion that the challenges are massive. And we do acknowledge that the enterprise of fundamental change is itself a learning experience for all South Africans.

This *Pocket Guide*, which is largely based on the *South Africa Yearbook 2002/03*, reflects the efforts and the determination of government and all South Africans to build a better life for all.

President Thabo Mbeki

Thato Mbeli.





Freedom has brought progress

The First Decade of Freedom will be celebrated in South Africa in 2004. In this time, the Government and people of the country have worked hard to transform South Africa, to eradicate socio-economic disparities while building a strong, growing economy and a vibrant democracy.

That hard work is now bearing fruit on many fronts. Millions have gained access to services which they were deprived of under apartheid; macro-economic stability has been achieved; two successful rounds of democratic elections have seen the consolidation of a dynamic democracy; and step by step, South Africans are uniting to help eradicate the legacy of racial division and inequality.

The Programme of Action announced by President Thabo Mbeki when he took office in 1999 builds on the foundation laid in the first years of freedom. It marks the path of more effective and speedier transformation towards development, and an improved quality of life for all South Africans, especially the poor.

Macro-economic policy

Economic policy is aimed at achieving levels of sustained growth that will result in a lasting reduction in unemployment and poverty.

Policy seeks to strike the necessary relationship between accelerating economic growth, on the one hand, and social service delivery and job creation, on the other.

The transition to democracy since 1994 has been accompanied by improved economic performance – growth, significant capital inflows, a growing export sector and improved business and consumer confidence. Although a rapid depreciation of the currency was experienced at the end of 2001, in the first few months of 2003 the Rand was one of the world's strongest performing currencies, making significant gains against other currencies

Early in 2003, there were also encouraging indications that inflation was rapidly being brought under control following the Rand's strengthening.

The South African economy recorded real growth during 2001 and 2002 – as it has done since 1994 – mainly due to increases in real output by the secondary and tertiary sectors. Although a weakening of the international economy saw South African growth slow to 2,2% during 2001, it increased again during 2002 and was expected to reach 3,3% during 2003, despite adverse conditions elsewhere in the world, and rise to 4% in 2005.

A significant increase in South Africa's overall competitiveness contributed to a reduction in the current account deficit from 0,4% of Gross Domestic Product (GDP) in 2000 to 0,2% in 2001. During the first half of 2002, the current account was in surplus.

Capital flows were strongly positive in the first half of 2002, with a net capital inflow of R29,8 billion. Net foreign direct investment during that period amounted to R8,3 billion.

While unemployment increased from the mid-1970s, job losses recorded in the 1990s resulted from the

massive restructuring of the economy which was forced onto the manufacturing sector because of South Africa's entry into the global economy after years of isolation. Signs at the end of the 1990s indicated that the trend was stabilising, and at the beginning of 2002 manufacturers reported an increase in the number of factory workers employed for the first time in seven years.

Government is investing billions in economic infrastructure to support high-growth areas and the Urban Renewal and Rural Development Programme. A Land Reform Programme aims to transfer 30% of the country's agricultural land over 15 years to disadvantaged and dispossessed communities, and improve the nutrition and income of the rural poor intending to farm.

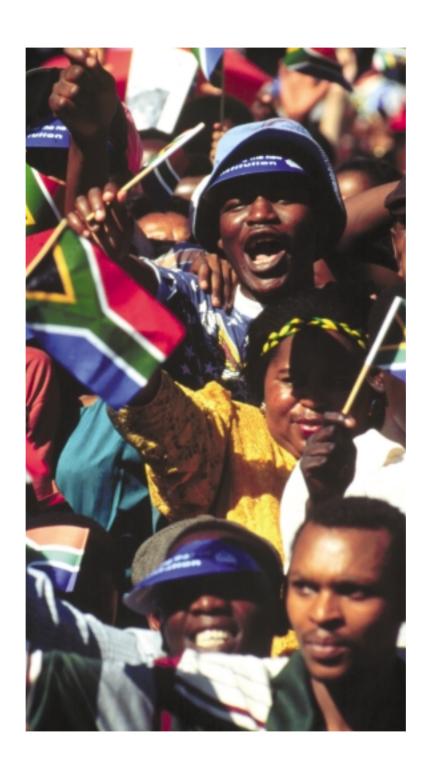
South Africa is a highly attractive tourist destination with the potential to compete with some of the best in the world. In March 2003, it was announced that the hard work and investment in tourism promotion had paid off, with South Africa being one of the world's fastest growing tourist destinations in 2002.

A new style of government

The democratic Government of South Africa is committed to transforming the role of the State from one of oppressive control to one which truly serves the needs and aspirations of the people. To achieve this, great emphasis is placed on interactive governance involving two-way communication between the executive and the public. The *Imbizo* Campaign gives South Africans the opportunity to interact directly with government around how to improve the quality of services and accelerate the pace of delivery.

The *Batho Pele* (People First) Campaign is pursued to inculcate among public servants the spirit of peoplecentred quality service. It ensures that the notion of a caring government finds expression in the manner in which public servants interact with the public, and that services are oriented to the needs of the people.

Corruption anywhere is not tolerated and those guilty



of improperly enriching themselves are regularly rooted out and punished in court.

Improving people's lives

While the drive to create a thriving economy continues on many fronts, government is actively involved in direct interventions to improve the lives of ordinary people. Spending on health, education, welfare, housing and other social services today accounts for 58,3% of government's total non-interest expenditure, up from 52,9% a decade ago.

By December 2002, some 1,58 million houses had been completed or were under construction as part of government's subsidised housing programme, under which 1,8 million subsidies had been allocated.

The proportion of households with access to clean water rose from 78,5% in 1995 to 84,3% in 2000. By December 2002, access to clean water had been brought to over eight million, mainly rural people who previously had no access.

As a result of over 2,5 million connections to the electricity grid, the proportion of households with access to electricity increased from 63,5% in 1995 to 71,7% in 2000. By December 2002, the number of connections had risen to 3,8 million. In mid-2001, the Government began the phased implementation of providing free basic services to the poor – 6 000 litres of water and 50 kWh of electricity per month.

In the schools and colleges of the country, transformation has also chalked up a number of successes.

The matriculation (school-leaving) pass rate, below 50% only four years ago, was over 60% in 2001 for the first time and the number of schools which recorded a 0-20% pass rate decreased from 1 000 to under 500 in one year. In 2002, the improvement continued, by 7,2%, which increased the national pass rate to 68,9%.

Basic health care is a fundamental right and government's health policy seeks to provide health care that is affordable and accessible to all. One central component of the national health-care plan is the provision of free health services at public primary health-care facilities such as clinics and community health-care centres. Central to government health programmes is the multifaceted fight against HIV/AIDS. Government's HIV/AIDS budget is set to increase tenfold from R342 million in 2001/02 to R3,6 billion in 2005/06.

Fighting crime is another top government priority. The National Crime Combating Strategy, initiated in 2000, is showing clear signs of success. Since 1999, the rates of serious crime in targeted areas have either been reduced or stabilised. Murder has been reduced by almost 17%. Case backlogs and the number of awaiting-trial prisoners have been reduced as a result of the implementation of Saturday courts and improvements in the integrated justice system.

Crimes against women and children have received priority attention, including the establishment of more Sexual Offences Courts. In the last three years, 27 of these were launched. Better intelligence capacity has improved the prevention and combating of crimes such as bank robberies, cash-in-transit heists and hijacking of vehicles.

While South Africa itself is undergoing dramatic change, the Government is committed to playing its part in contributing to the reconstruction and development of the rest of Africa. This commitment is reflected in the country's close involvement with the New Partnership for Africa's Development (NEPAD), and in the mobilisation of support within the industrialised world for a partnership for African recovery.

At the core of NEPAD is its African ownership, and a partnership with the rest of the world based on mutual respect, dignity, shared responsibility and mutual accountability.

The democratic South Africa has barely started out on the road towards achieving its full, remarkable, potential. But it has embarked on that road with determination, and already with great success.

This is our country. Please explore it.