

Pocket  
Guide to  
**SOUTH  
AFRICA**

## Pocket Guide to South Africa 2005/06

Third edition

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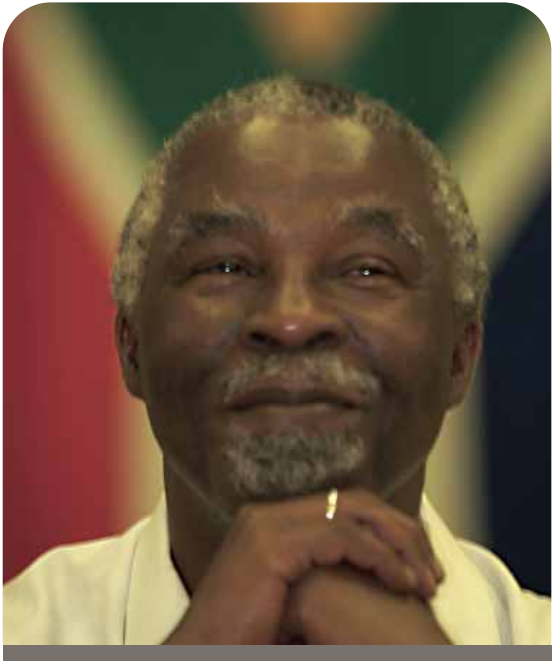
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Unless otherwise specified, information contained in this book was the latest available as at October 2005.

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South Africa has entered the second year of the Second Decade of Freedom, fully geared to meet the popular mandate to halve unemployment and poverty by 2014.

Government has adopted a detailed programme of action encompassing attention to improving the capacity of the State; building a growing economy which benefits all; expanding social services; and entrenching peace, security and democratic governance in our region and continent.

This programme outlines detailed steps that need to be taken in each area of social endeavour and, where appropriate, with timelines for each project.

It is in part a measure of the encouraging possibilities that our country faces that what is now the longest recorded

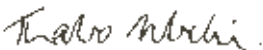
upward economic trend in our history, gathered further momentum during the past year.

However, rather than merely celebrate this positive environment, government has joined hands with social partners to develop a comprehensive initiative that will raise the range of growth to higher levels, and do so in a manner that benefits all South Africans. The Accelerated and Shared Growth Initiative for South Africa is centred on higher rates of public and private investment as well as expanding work opportunities.

As the *Pocket Guide to South Africa* goes to print, the initiative is being developed in further detail and government is consulting with social partners to ensure that the final product unites all of us in pursuit of common development and growth objectives.

The *Pocket Guide* highlights the policies and programmes that have brought our country to the point at which we can proclaim with confidence that tomorrow looks much brighter than yesterday.

Together we can and shall indeed do the many more things that need to be done to build a South Africa that truly belongs to all.



President Thabo Mbeki  
November 2005

<b>Size</b>	1 219 090 km <sup>2</sup>
<b>Key economic sectors</b>	Mining services and transport, energy, manufacturing, tourism, agriculture
<b>Population</b>	46,9 million (mid-2005)
<b>Official languages</b>	English, isiZulu, isiXhosa, isiNdebele, Afrikaans, siSwati, Sesotho sa Leboa, Sesotho, Setswana, Tshivenda and Xitsonga
<b>Government</b>	Constitutional multiparty, three-tier (local, provincial, national) democracy.
<b>Major cities</b>	Johannesburg, Cape Town, Durban, Pretoria, Port Elizabeth, Bloemfontein, East London, Kimberley. There are nine provinces
<b>Currency</b>	100 cents equals one rand
<b>Time</b>	GMT +2 hours
<b>Distances</b>	Cape Town to Johannesburg 1 400 km (880 miles) Johannesburg to Durban 600 km (380 miles) Port Elizabeth to Bloemfontein 700 km (440 miles)
<b>Transportation</b>	Excellent roads, rail and air facilities (both domestic and international)
<b>Telecommunications</b>	World-class infrastructure. Internet access is widely available. There are three mobile (cellular) networks
<b>Value-added tax</b>	Levied at 14%. Tourists may apply for tax refunds on purchases over R250 on departure
<b>Health</b>	Top quality care is available throughout the country, although basic in rural areas. Inoculations are only required for those travelling from yellow-fever areas. Malaria precautions are necessary in some areas
<b>Total GDP (2004)</b>	US\$213,1 billion*
<b>GDP per capita (2004)</b>	US\$4 500*
<b>Real GDP growth (2004)</b>	3,7%
<b>Inflation (CPIX)</b>	4,3%

\* Based on a mid-2005 exchange rate of R6,45 to the US\$

For further information on South Africa, visit [www.southafrica.info](http://www.southafrica.info) and [www.gov.za](http://www.gov.za)



## South Africa today

In 1994, a new democratic South African state was born with an inheritance which was anything but auspicious. The first years of democracy saw the introduction of a new constitutional and legislative framework. The Constitution was adopted in 1996 and an average of 90 Acts of new legislation were introduced per year in the first 10 years.

Within that framework, the South African polity has seen progress in:

- voice and accountability
- political stability
- government effectiveness
- regulatory quality
- integrity and legitimacy of the State and the rule of law
- efforts to expose and deal with corruption.

Black people had previously been denied the vote and meaningful access to the economy. From the sports fields to the factory floors, schoolrooms to neighbourhoods, South Africans were divided along racial lines, a divide enforced by repression and the denial of human rights.

The economy, isolated for years by the international community, was stagnating while debt was ballooning.

The economic recovery that began in late 1999 – already the longest business cycle upswing on record – gathered further momentum in 2004 and the first half of 2005. The pace of economic growth was expected to be just above 4% during 2006 and to reach between 4,5% and 5% a year in 2007 and 2008.

fact

Since 1994, in line with the Reconstruction and Development Programme (RDP), government has set out to dismantle apartheid social relations and to create a democratic society based on equity, non-racialism and non-sexism.

## Governance and administration

Since 1994, the Public Service has been transformed. On 31 March 2005, 73,9% of the Public Service was African, 3,7% Asian, 8,9% coloured and 13,5% white. With regard to gender, 53,3% was female and 46,7% male. However, at senior management level, 54% were African, 7,5% Asian, 7,7% coloured and 30% white. The gender breakdown for senior management was 28,5% female and 71,5% male.

Government's imbizo outreach programme, including meetings with provincial and local government executives, enables communities to interact directly with government to help speed up the implementation of programmes to improve their lives.

### Better service delivery

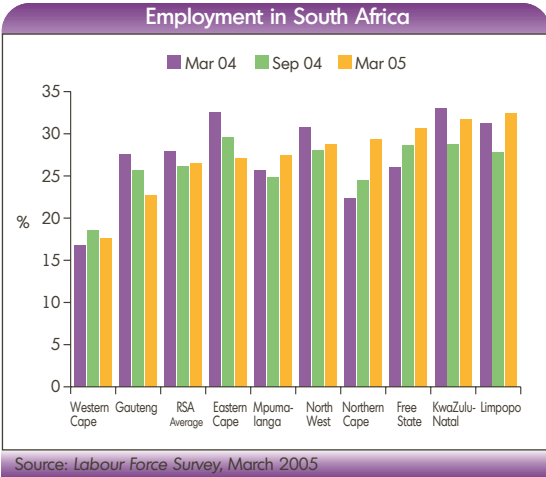
Policy and implementation are more integrated thanks to the Government's cluster approach, improved provincial and local government co-ordination and a national development framework. The fight against corruption has been given muscle with legislation, national campaigns, whistle-blowing mechanisms and special courts.

Important initiatives include community development workers and the Batho Pele Gateway Portal.

## Social cluster

Social grants have been equalised between the races and the number of those benefiting has risen. Beneficiaries of social grants increased from 3,8 million in April 2001 to more than 10 million in September 2005.





By September 2005, about 6,3 million children were receiving the Child Support Grant (CSG), 286 131 the Foster Care Grant, and 87 093 the Care Dependency Grant.

Millions who previously had no access to electricity, water or sanitation now enjoy these services.

Other achievements:

- Women and children under six enjoy free healthcare.
- Between April 1994 and June 2005, a total of 2,4 million housing subsidies were approved. During this period, 1,7 million housing units were provided to more than seven million people.
- By 28 February 2005, 57 908 land claims had been settled, benefiting 863 138 beneficiaries who had obtained 854 444 hectares of land.

Since 1994, government has made steady progress in raising the proportion of spending on social services that goes to the poorest 40% of the people.

Welfare and social assistance, education, land restitution and housing have evolved into strongly redistributive

expenditure programmes, bringing the average value of services, of the social wage, that goes to the poorest 40% of households to an estimated R956 a month.

## Economy cluster

### Performance of the economy

- Stability

Resources have been freed up for social expenditure by reducing interest repayments thanks to lesser debt. Growth of the South African economy has averaged 3,2% a year over the past four years. A continued expansion of between 4% and 4,5% is expected over the next three years, signalling a significant step-change in the pace of economic growth. At the same time, consumer price inflation decreased to 4,3% for the year to December 2004, and is expected to remain comfortably within the 3% to 6% target range over the period ahead.

- Economic reform

Trade and industry have been restructured to make the country more competitive, while labour reform has created an environment in which both employers and workers have greater certainty and security.

- Employment

The March 2005 *Labour Force Survey* conducted by Statistics South Africa indicated that over half-a-million (500 000) additional jobs were created between March 2004 and March 2005 – surpassing the number of new entrants (400 000) into the labour market.



South Africa is playing an energetic role in international and multilateral organisations and fora. At various times over the past decade, it has chaired the African Union, Non-Aligned Movement, New Partnership for Africa's Development, Commonwealth Heads of Government Summit, World Conference Against Racism, Southern African Development Community, and others. It also hosts the Pan-African Parliament.

- Empowerment

Empowerment in the workplace is continuing, albeit slowly. By 2001, 13% of top management and 16% of senior management were black people. Black ownership of public companies was 9,4% in 2002 compared with virtually nothing in 1994. The Broad-Based Economic Empowerment Act, 2003 will further promote participation of black people and women in the economy.

## Justice, crime prevention and security

South Africa's justice and police resources have, since 1994, concentrated on stabilising crime. Government has identified and prioritised 169 police stations that register the highest levels of contact crime.

Except for robbery and malicious damage to property, most of the 20 categories of serious crime have either stabilised or decreased in the last 10 years. Murder rates are down by 40% since 1994.

By May 2005, all of the top 200 wanted criminals identified earlier in the year had been arrested.

The socio-demographic profiling for 148 priority police-station areas had been completed by June 2005. Action plans aimed at addressing the social causes of crime were developed for 116 priority police stations responsible for 50% of all contact crime in South Africa.

## International relations

South Africa's post-1994 success in defining its place in the world is remarkable given its size.

After being shunned by much of the world for decades, South Africa is now actively promoting its own interests and those of the South in all significant regional, continental and multilateral institutions.

## Challenges of the next decade

The next decade's challenges arise from lessons learnt in the First Decade of Freedom and new challenges created by the first stage of transformation.

Key challenges will be creating jobs for the millions seeking work, and equipping them for a changing economy in which higher skills are required.

After a decade of freedom and transformation, the Government, elected in April 2004, has embarked on a programme of action to consolidate democracy in South Africa and to put the country on a faster growth and development path.