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ELIMINATION OF RACIAL DISCRIMINATION

ADVERSE CONSEQUENCES FOR THE ENJOYMENT OF HUMAN RIGHTS OF POLITICAL, MILITARY, ECONOMIC AND OTHER FORMS OF ASSISTANCE GIVEN TO THE RACIST AND COLONIALIST REGIME OF SOUTH AFRICA

Updated report prepared by
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I. BACKGROUND

1. In its resolution 3 (XXVI) of 19 September 1973, the Sub-Commission on Prevention of Discrimination and Protection of Minorities recommended that the Commission on Human Rights direct the Sub-Commission to appoint a Special Rapporteur to evaluate the adverse consequences for the enjoyment of human rights of assistance, in particular through investment of foreign capital and military aid, given to the racist régimes in southern Africa. Pursuant to the endorsement of that resolution by the Commission on Human Rights and the Economic and Social Council, the Sub-Commission, by its resolution 2 (XXVII) of 16 August 1974, appointed Mr. Ahmad M. Khalifa as Special Rapporteur for the preparation of a study on the subject. That study (E/CN.4/Sub.2/383) 1/ was submitted by Mr. Khalifa to the Sub-Commission at its thirtieth session, and was further considered by the Commission on Human Rights at its thirty-fourth session and by the General Assembly at its thirty-third session.

2. In its resolution 1 (XXX) of 26 August 1977, the Sub-Commission, having considered the report of Mr. Khalifa, invited the Special Rapporteur, as requested by the Commission on Human Rights, to prepare the necessary material for a provisional general list identifying those whose activities constituted assistance to the colonial and racist régimes in southern Africa.

3. The report prepared by Mr. Khalifa pursuant to that request (E/CN.4/425 and Corr.1-3 and Add.1-7) contained a provisional general list of banks, firms and other organizations which give assistance to the colonial and racist régimes in southern Africa as well as comments received by the Special Rapporteur from Governments on the subject.

4. By its resolution 2 (XXXIII) of 2 September 1980, the Sub-Commission, in accordance with Commission on Human Rights resolution 11 (XXXVI) of 26 February 1980, endorsed by the Economic and Social Council in its decision 1980/131 of 2 May 1980, decided to mandate the Special Rapporteur to continue to update the list annually and to smbmit the updated report through the Sub-Commission to the Commission. That decision was welcomed by the Commission in its resolution 8 (XXXVII) of 23 February 1981, and endorsed by the Economic and Social Council in its decision 1981/141 of 8 May 1981.

5. The General Assembly, at its thirty-fifth, thirty-seventh, thirty-ninth, forty-first and forty-third sessions (resolutions 35/32 of 14 November 1980, 37/39 of 3 December 1982, 39/15 of 23 November 1984, 41/95 of 4 December 1986 and 43/92 of 8 December 1988), and the Commission on Human Rights at its thirty-seventh to forty-fifth sessions (resolutions 8 (XXXVII) of 23 February 1981, 1982/12 of 25 February 1982, 1983/11 of 18 February 1983, 1984/6 of 28 February 1984, 1985/9 of 26 February 1985, 1986/6 of 28 February 1986, 1987/10 of 26 February 1987, 1988/12 of 29 February 1988 and 1989/6 of 23 February 1989) mandated the Special Rapporteur to update his report, subject to annual review.

6. On the basis of these resolutions and decisions, the Special Rapporteur, Mr. Khalifa, submitted the following reports:

E/CN.4/Sub.2/1982/10
E/CN.4/Sub.2/1983/6 and Add.1-2
E/CN.4/Sub.2/1984/8 and Add.1-2
E/CN.4/Sub.2/1985/8 and Add.1-2

E/CN.4/Sub.2/1987/8/Rev.1 and Add.1, parts I and II
E/CN.4/Sub.2/1988/6 and Add.1.
E/CN.4/Sub.2/1989/9 and Corr.1 and Add.1.

7. In its resolution 43/92 of 8 December 1988, the General Assembly, *inter alia*, expressed its appreciation to the Special Rapporteur for his updated report (E/CN.4/Sub.2/1988/6 and Add.1) and invited him:

"(a) To continue to update, subject to annual review, the list of banks, transnational corporations and other organizations assisting the racist and colonialist régime of South Africa, giving such details regarding enterprises listed as the Rapporteur may consider necessary and appropriate, including explanations of responses, if any, and to submit the updated report to the General Assembly at its forty-fifth session;

"(b) To use all available material from other United Nations organs, Member States, national liberation movements recognized by the Organization of African Unity, specialized agencies and other intergovernmental and non-governmental organizations, as well as other relevant sources, in order to indicate the volume, nature and adverse human consequences of the assistance given to the racist régime of South Africa;

"(c) To intensify direct contacts with the United Nations Centre on Transnational Corporations, the Centre against *Apartheid* of the Secretariat and the United Nations Council for Namibia with a view to consolidating mutual co-operation in updating his report."

8. By the same resolution, the General Assembly requested the Special Rapporteur "to include in his updated report a list of partial disinvestment of foreign enterprises from South Africa, enumerating various techniques employed to avoid total withdrawal from participation in the South African economy". The Special Rapporteur has implemented this request of the General Assembly in his 1989 report (E/CN.4/Sub.2/1989/9 and Corr.1) which contained Chapter II entitled "Disinvestment trends in South Africa".

9. At its forty-sixth session, the Commission on Human Rights adopted resolutions 1990/22 and 1990/23 of 27 February 1990. In resolution 1990/22, the Commission, *inter alia*, expressed its appreciation to the Special Rapporteur for his updated report. In resolution 1990/23, it recommended that the Economic and Social Council invite the Special Rapporteur to continue to update his report.

10. Following the recommendations of the Sub-Commission on Prevention of Discrimination and Protection of Minorities (resolution 1989/18 of 31 August 1989) and the Commission on Human Rights (resolution 1990/23), the Economic and Social Council, by resolution 1990/34 of 25 May 1990, *inter alia*, invited the Special Rapporteur to continue to update his report. The Council invited the Sub-Commission and the Commission on Human Rights to consider the revised report at their forty-second and forty-seventh sessions respectively.

11. In accordance with the said resolutions, the Special Rapporteur continued his contacts with the United Nations Centre on Transnational Corporations and the Centre against *Apartheid*. In 1990, he visited those two Centres and held meetings with the staff in charge. A useful exchange of views took place.

II. DISINVESTMENT TRENDS IN SOUTH AFRICA */

A. Disinvestments and the state of the national economy

12. Since 1984, a number of large transnational corporations (TNCs) have sold their South African subsidiaries or affiliates or announced their intention of doing so. There is evidence, however, that several of the disinvesting companies maintain non-equity ties with the host country, thus defeating the very purpose of the idea of disinvestment action. Non-equity ties are established in three ways: first, through the licensing of production to another company based in South Africa or in a third country; secondly, through the licensing of production to a company that has been newly created; thirdly, through the licensing of production to a specially created trust. This type of arrangement enables the departing firm to continue its presence indirectly in the host country and ensure continuity in the transfer of technology.

13. It has been claimed that by mid-1988 some 46 per cent of the foreign subsidiaries operating in South Africa had been disinvested. There has been a sudden surge of some foreign companies to disinvest, but to what extent are they actually cutting their economic links with South Africa when withdrawing their direct operations or selling their South African assets? This problem has received only scant attention in the documentation on the subject.

14. It may be recalled at this stage that a number of developments, both internal and external, roughly coincided with the period of the 1980s when the debate on disinvestment from South Africa assumed considerable international importance. First, the overall investment rate (capital formation) of the economy showed a marked decline, from 26.4 per cent in 1980 to 19.5 per cent in 1987. The stagnant economic growth and sometimes negative growth rates of the South African economy recorded in 1982, 1983 and 1985 were mainly a reflection of this slow but steady deceleration in its overall investment ratio. Secondly, the fluctuating price of gold introduced a certain amount of instability in the country's external resources, which compelled recourse to exchange controls and other restrictive measures. Thirdly, a variety of internal developments, constituting an altogether different set of destabilizing factors, such as repeated states of emergency, media restrictions, mass detention, industrial action by workers, bannings, political trials, etc., produced a climate not conducive to business confidence. Recent studies on the South African economy conclude that, at the current annual population growth of 2.3 per cent (black population growth is 2.8 per cent), it is necessary for the economy to grow at a minimum of 5 per cent per annum to avoid further intensification of unemployment which, according to unofficial estimates, stands at as high as 6 million. Thus, as a consequence of declining finances, the volatility of gold-based export

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*/ The present chapter relies mainly on documents E/1989/17, E/C.10/1989/7, E/C.10/1989/8, E/C.10/1989/9, E/C.10/1988/7 submitted to the Commission on Transnational Corporations, and on the report prepared by Beate Klein, entitled "Transnational corporate disinvestment from Africa: Selective disengagement" (United Nations Centre against Apartheid, Notes and documents - 13/88, August 1988).

earnings, an annual inflation rate of about 15 per cent, repayment obligations of a debt of $US 27.5 billion, domestic budgetary management difficulties and "the rocky state of world markets" for trade and finance, the South African economy, if not heading for a breakdown, has been showing symptoms of fatigue.

B. Current trends in disinvestment

15. In a revised report (E/1989/17) of the United Nations Centre on Transnational Corporations in South Africa/Namibia, information on the current status of TNCs for 20 countries is provided under the following heads: (a) TNCs which have disposed of their equity interests in South Africa/Namibia; (b) TNCs with interests in companies (more than 10 per cent of equity ownership) in South Africa; (c) TNCs with interests in companies (10 per cent equity ownership) in Namibia; (d) TNCs in the process of disposing of their equity interests in South Africa/Namibia. This list was compiled and amended through use of all available sources of information such as annual reports, company directories, business and trade directories, specialized publications, magazines, etc., as well as through verification by the corporations concerned. However, it should be remembered that the eligibility criterion of 10 per cent equity ownership disqualifies many firms from inclusion in this list.

16. Of the 1,226 transnational corporations identified as operating through subsidiaries or affiliates in South Africa, 563 disposed of their equity interests between 1984 and 1988, that is, 46 per cent of the total number of TNCs in South Africa. Today, TNCs with equity interests in South Africa/Namibia account for slightly over 50 per cent. Some 31, or 2.5 per cent of the TNCs have reduced their equity interests in companies, and 16, or 1.3 per cent, of them are in the process of disposing of their equity interests. Among the major countries, the United States has disinvested almost 62 per cent, the United Kingdom 31 per cent and the Federal Republic of Germany about 22 per cent. Canada has pulled out 31 out of 39 companies, or 80 per cent, Australia 70 per cent, Sweden 59 per cent, Netherlands 45 per cent, France 42 per cent and Switzerland 14 per cent. Finland, Ireland and Norway withdrew their investments <u>in toto</u>, although their presence in South Africa was relatively small. On the other hand, Portugal, Spain and Luxembourg, each having only one company in South Africa, have not disinvested at all. The statistical account of disinvestments is impressive, but central to the debate over disinvestment is the extent and nature of non-equity relations that a foreign corporation retains after it has sold its equity position in a South African subsidiary or affiliate.

17. It should be pointed out here that restrictions on direct investments in South Africa through laws and decrees are the most common economic measures taken by Governments in the area of direct equity investments. A typical feature of most of these laws is that they permit existing levels of investment, but prohibit further investment through the new infusion or transfer of capital, or expansion of activities. The Nordic countries as far back as 1978 had enacted relevant legislation which has since been superseded by more advanced measures that they implemented subsequently. For example, Sweden's ban on new investments went into effect on 1 July 1985. It defined new investments in a fairly rigorous manner by including leasing of capital equipment, but allowing exceptions for new investments in "training, health and other social sectors" connected with humanitarian activities. That was

the policy adopted by the EEC Council of Ministers in October 1986, which took the decision to suspend new direct investments in South Africa, but allowed exceptions for activities involving the interests of the victims of apartheid. In the United States, section 5060 of the Anti-Apartheid Act of 1986 bans new investment, contribution of funds and loans or other extension of credit, but does not cover reinvestment of profits. Similarly, the Governments of Australia, Austria, Ireland, Luxembourg, France and Spain have enacted laws banning new investments in South Africa. However, the restrictions on the flow of direct foreign investment to South Africa through legislative measures do not imply outright disinvestment, although they have serious implications for South Africa's future economic growth. Side by side with such limitations of the restrictions on new investment imposed through legislative enactments, disinvestment actions by TNCs have in many cases been followed by licensing or other forms of surreptitious contractual agreements with their former subsidiaries that allow for the transfer of technology, which is so vital to South African industries. Some of the issues relating to licensing and non-equity participation by TNCs are discussed in the subsequent paragraphs.

C. Mechanics of disinvestment

18. Investment withdrawals take several forms, but for present purposes they can be broadly distinguished into three categories: first, total shut-down of operations, including sales and representative offices and subsidiaries; secondly, reduction of direct investment, i.e. partial sales and dilution; thirdly, sale of an ongoing operation to third party, local management and trust. Licensing agreements have been used in all these modes of withdrawal and constitute key components of all except the first option. The three methods of investment withdrawal are briefly examined below with reference to particular instances of disinvestment in order to ascertain to what extent economic links with South Africa are continuing through other arrangements by the departing companies.

1. Total shut-down of operations: sales and representative offices and subsidiaries

19. Since 1984, 32 TNCs have employed this method of withdrawal, which constitutes 9 per cent of the total disinvestment identified from available information. Among the firms that have chosen to disinvest in this way, 29 were from the United States, one from the United Kingdom and two from the Federal Republic of Germany. The Dresdner Bank of the Federal Republic of Germany and the Chase Manhattan Bank of the United States were the two prominent transnational banks that closed their representative offices in South Africa. However, the most widely publicized shut-down occurred in 1987, when the Eastman Kodak Company of the United States announced its sell-off and the closure of its marketing and photo-printing operations, even though the company had no manufacturing facilities in South Africa. Kodak also announced that its products would not be available to South African clients through any source. However, Kodak re-established its direct presence in South Africa in 1988 with the acquisition of Sterling Drug Inc., and Kodak products are still available in South Africa, although it is not clear how they get there. Therefore, a shut-down of operations does not necessarily mean an end to future commitments to South Africa. Thirteen of the 32 companies disinvested in this manner maintain ongoing relations in one form or another with South Africa.

2. Reduction of direct investment

20. This method includes partial sale and dilution of shareholdings. Since both partial sales and dilutions imply a reduction rather than a termination of South African holdings, it follows that the existence of ongoing relations are an integral part of these withdrawals. Both methods also represent the early stages of what will eventually become a total disinvestment. This was the case with Hill Samuel, Standard Chartered PLC and Metal Box, which disinvested totally from South Africa pursuant to reducing their stakes in the beginning. A total of 31 companies so far are reported to have reduced their equity interests by this method in South Africa and Namibia, accounting for 2.5 per cent of the overall disinvestment. Of these, 15 companies were from the United Kingdom, 12 from the United States and one each from Austria, France, Netherlands and Switzerland. This method of disinvesting, either by partial sale or dilution through mergers with other companies, reduce their exposure in South Africa without actual withdrawal of capital, but it is difficult to ascertain the economic or political impact of these measures, which will be relatively less than other methods of full-scale withdrawal. In many instances, partial sales amount to nothing more than change of ownership, and the parent companies retain more or less the same hold on the financial and commercial markets.

3. Sale of an ongoing operation

21. As mentioned before, this method normally takes three forms: (a) sale to a third party; (b) sale to local management; (c) sale to a trust.

(a) Sale to a third party

22. This is the simplest method of withdrawing from South Africa. This method was adopted by 118 firms and accounted for 35 per cent of the 339 disinvestment operations identified by mid-1988. Some argue that the departure of one nation's corporations simply permits transnationals of other nations to replace them. Although 70 per cent of the United States companies that were sold to a third party were sold to South African companies, in 28 cases of sale the third party remains unknown.

23. Moreover, available information on disinvesting companies shows that all known sales to third-party buyers entailed ongoing relations, and two thirds of those companies had arrangements for ongoing non-equity ties. No doubt, there has been a general decline in the significance of foreign ownership of investment in South Africa. In other words, there has been much greater domestic control of capital and more managerial powers over business by South African nationals as South African investors have displaced foreigners. But some of these new investors either simply continue the business unchanged or adjust it to fit into the pattern of the old régime. What is more, some of those who have close alignment with government groups have been able to make sensitive and strategic acquisitions through the disinvestment process, thus increasingly giving the Government access to foreign technology in return for the easy acquisitions of business that were made possible to them. For example, Allied Technologies (Altech), which is a major firm in the telecommunications industry in South Africa and which has offices in the United States, the United Kingdom and Japan, depends vitally on those links to maintain its access to the latest telecommunication technology. Altech holds

55 per cent of shares both in the former ITT subsidiary, Standard Telephone and Cables, and in the former subsidiary of the United States electronics and radio group, Motorola, now called Alcom Systems. Among Altech's electronic and telecommunication goods, one product is famous: a high frequency two-way radio which is a favourite of the South African security forces. Altech's list of well-known customers include the South African Reserve Bank, the Council for Scientific and Industrial Research, the South African Transport Services, the Department of Foreign Affairs, and the Post Office. Similar to Altech are the resourceful mining-finance houses and national saving institutions in South Africa which have been intimately involved in such lucrative acquisitions. In short, some of these disinvesting multinationals have not entirely disappeared from South Africa; on the contrary, the former subsidiaries in reality remain firmly rooted on the spot through ingenious devices such as voluntary mergers and easy acquisitions.

(b) Sale to local management

24. This form of sale has been employed in 36 cases, or 11 per cent of the disinvestments reported for South Africa. The normal process of a management buy-out is for the new management to raise a loan from an investment bank, usually with the assistance of the parent company, and then to use it to purchase a controlling interest in the subsidiary. In South Africa, however, the practice has often been for the disinvesting companies themselves to carry out the task of raising funds and settling deals. The arrangement suits them since it allows business to be conducted as usual by a management team that they know and trust. The "ex-subsidiary" then pays royalties or licence fees for the use of the parents' technology and processes, in addition to the purchase price. A management buy-out team is more dependent on the parent company for technology, patents and supplies than would be a third-party buyer. This dependence is attractive as it offers better prospects of a long-term relationship with the new company based on the provisions covered in the agreements. The big disinvestments, including General Electric, General Motors and International Business Machines of the United States and the Rover Group of the United Kingdom, have involved sales to local management. General Motors was sold to its local management on terms which required an adjunction of R 100 million from the parent company, and the subsidiary was sold to local management under the direction of an American former executive of General Motors. It is widely assumed that the contract, none of the details of which are known, includes a buy-back clause which would allow the parent to return openly when circumstances permit.

(c) Sale to a trust

25. In a trust arrangement, the departing company transfers its assets to the specially created trust, which pays for these assets out of future company earnings. The often complicated and confidential nature of trusts facilitates the position of those corporations that seek to keep open the option of re-entering the South African market. United States corporations that have utilized trust arrangements include Exxon, International Business Machines, Johnson Controls and the Ford Motor Company. The Swedish engineering group, Alfa Laval, announced in 1987 that it was transferring ownership of its South African subsidiary to a trust located outside South Africa. General Motors (United States) also combined disinvestment in a management buy-out and

an employee trust when it decided to leave South Africa in 1986. Trusts are established in conjunction with management buy-out arrangements, and the terms of the trust give the parent corporation an option to buy back the company.

4. Non-equity links

26. Disinvestments by transnational companies do not necessarily mean an end to business ties with South Africa. The companies find new ways of doing business there which may even be more profitable. Non-equity links pursued by TNCs allow them to do business more profitably than before in South Africa through licensing agreements and contracts with local companies without the political implication of direct investment. This method is euphemistically known as the "Japanese model", since several Western nations which are disinvesting in South Africa are following a model that has been well tested by Japan. Japanese economic interests have been represented by their companies having sales and representative offices in South Africa as well as indirect ties such as leasing and distribution agreements. For example, Japanese automobile companies like Toyota, Mazda and Nissan franchise their production to South African manufacturers, who use Japanese-supplied parts and manufacturing technology to build vehicles. Computers, chemicals and electronics have become their new fields of interest in South Africa.

27. Licensing agreements have an additional advantage over other modes of business links with South Africa. They yield royalty and licence payments which can be remitted at the higher "commercial rand" rate, while the proceeds of disinvestment have to be deposited in "financial rand" accounts and can be remitted abroad only at the lower "financial rand" exchange rate. Moreover, non-equity arrangements often include supply contracts, and the former parent companies thus have guaranteed export outlets for parts and finished products. The most recent data (1988) on non-equity links by multinationals in South Africa show that 85 of the 207 companies disinvested have retained some form of non-equity ties with South African operations. In the case of United States firms, 47 out of 77 have kept this link; United Kingdom companies have maintained 10 out of 55; Germany (Federal Republic of) firms, 10 out of 17; French firms, 4 out of 11; Canadian firms, 3 out of 13. The products licensed range from computers and electronic equipment to petrochemicals, pharmaceuticals, communications technology and agribusiness products. Thus only a few TNCs are breaking all business ties with South Africa - a situation that is quite contrary to the impression given by statistics on disinvestments.

III. SOUTH AFRICAN ECONOMY: SANCTIONS AND REACTIONS

A. Structural weaknesses of the apartheid economy

28. Structural flaws in the South African economy have long made it dependent on foreign funds to finance economic growth, making it extremely vulnerable to economic sanctions. This heavy dependence on foreign financing stems from the inability of the South African economy to generate sufficient domestic savings for domestic reinvestment, as well as the tendency for the current account of the balance of payments to be in deficit during periods of economic growth. This is largely due to the *apartheid* system itself. The South African economy has been in decline for two decades, although this has been hidden by heavy foreign borrowings and occasional gold price boosts. Sanctions have only exacerbated this decline.

29. In the 1960s and 1970s, it became increasingly difficult for South Africa to meet its investment needs. Local savings declined with falling growth rates, increased unemployment and lower per capita incomes. An increasing tax burden and inflation have meant that white consumers could maintain their living standards only by reducing their savings. In the public sector as well savings have lagged far behind investment demands. In 1977, public sector investment accounted for some 30 per cent of gross domestic expenditure of which the public authorities could only finance 22.6 per cent from their own current surpluses. Between 1956 and 1983, the share of the public sector in total foreign liabilities has grown rapidly. The growing dependence of the Government and public corporations on foreign loans has greatly increased the vulnerability of the South African economy to international pressures.

30. South Africa's large public sector reflects a policy of allocating capital based on strategic importance to the survival of the *apartheid* system, rather than social or economic factors and this entails enormous waste. The armed services account for 20 per cent of the Government's annual budget and 5 per cent of GNP. Military and police spending was increased by 22 per cent in 1988 and by 25 per cent in 1989 to R14.9 billion. Altogether, public expenditures account for nearly 40 per cent of Gross Domestic Product, with the military, police and related activities taking the largest share and the public sector employs about a third of the country's workforce.

31. Domestic savings are not only declining, but have not been translated into domestic fixed investment. On the contrary, since 1960, the share of domestic fixed investment in GDP growth has steadily declined. Despite low interest rates, gross domestic fixed investment fell steeply by 31 per cent (in real terms) between 1981 and 1987, reflecting loss of business confidence. This drop has been steepest in manufacturing where productive investment has even failed to keep up with depreciation. The result has been shrinking capacity, reduced production, loss in international competitivity, and a further loss of unemployment. In the 1980s, unemployment soared to its present level of 25 per cent to 30 per cent. In practical economic terms, then, disinvestment by domestic and foreign companies alike had begun long before the public campaign for sanctions and disinvestment had any impact. As long as South Africa had ready access to foreign capital, however, it could mask these distortions in its savings and investment structure by borrowing more heavily abroad.

32. The underlying defect in the South African economy lies in its export structure. South Africa is heavily dependent on foreign trade which accounts for 60 per cent of annual GDP. Export earnings are derived from primary and semi-processed products: minerals account for over 80 per cent, gold alone for over 40 per cent. Indeed, apart from foreign borrowings, boosts in gold prices have been the major factor in helping South Africa maintain equilibrium in its balance of payments. By contrast, manufacturing has failed to be competitive on the world market. Because of small domestic markets and scarcity of skilled labour, results of a system that keeps the masses of blacks impoverished and uneducated, the manufacturing sector has not been able to attain economies of scale or accumulate domestic technological expertise.

33. This dependence on primary exports renders the South African economy vulnerable to changes in the economies of its major trading partners and to fluctuations in world prices. Moreover, declining productivity is also affecting South Africa's primary industries. It is difficult to see how South Africa's gold mining industry can compete with countries that have increased their market share by using new mining methods and low-cost technology.

34. South Africa has a very high propensity to import during periods of growth resulting in persistent current account deficits. The country has been extremely dependent on imports of capital goods, intermediate goods such as oil, as well as other strategic items like arms and chemicals that it cannot produce for itself. Moreover, white consumers tend to demand high quality imports. Growth is increasingly consumer-led, and an upswing in the economy is usually accompanied by an expansion of consumer credit and a rise in demand for imported goods.

35. Distortions in the _apartheid_ economy are a part of the reason for this import dependence. There is a growing tendency to adopt capital-intensive modes of production because of the scarcity of skilled labour resulting from restrictions on education for non-whites, _de facto_ prohibition of black workers in white jobs, and high wages for skilled jobs. Moreover, South Africa has failed to develop its own capital goods sector. Attempts to promote import-substitution have not decreased its dependence on imports; much of the local production in the electronics and automobile sectors, for instance, is limited to local assembly of imported components or to production under licence. A major obstacle to South Africa becoming a modern industrial nation is the _apartheid_ system itself. Domestic markets are too small to finance research and development costs and skilled people are crucial to development of sophisticated high technology.

36. Because of this heavy dependence on imported capital and intermediate goods, an expansion in economic activity tends to increase the demand for imports and put pressure on the country's balance of payments. Previousy, South Africa would simply increase its foreign borrowings to offset current account deficits instead of slowing down the economy. Financial sanctions have deprived South Africa of this option, and also made it more difficult for the country to repay its existing indebtedness. Debt repayment now requires a surplus from trade, which of course is becoming much harder to earn. Sanctions, uncompetitiveness and volatile prices for primary exports mean that South Africa cannot rely on expanding its exports. The authorities have been compelled to curtail imports tightening policy and slowing down the economy. In the last quarter of 1987 and 1988 it became apparent that it was impossible

to create sustainable GDP growth in excess of about 2 per cent without exerting pressure on the current account. Estimates as to the rate of annual GDP growth needed to meet the rapidly growing black unemployment vary from a low 3.5 per cent-4 per cent to 6 per cent at the higher end of the range.

B. Measures undertaken by the Government of South Africa to counter sanctions

1. Debt moratorium and rescheduling

37. The fact that much of South Africa's borrowings had been in the form of short-term loans made it even more vulnerable to loss of international financial confidence. The Sharpeville killings of 1960 and the 1976 repression of the Soweto riots had caused a shift from medium- and long-term lending to short-term debt. In the face of international pressure against direct lending to the Pretoria régime, there was a shift to private interbank loans which helped disguise these transactions.

38. Political unrest following constitutional changes in 1983 and elections in 1984, repression and the declaration of the first state of emergency in July 1985, and subsequent pressures for sanctions, all contributed to substantial outflows of capital and cessation of loans to South Africa. International financial confidence had been considerably weakened. In mid-1985, South Africa faced a major financial crisis when the New York Times (31 July 1985) reported that Chase Manhattan had refused to roll over short-term credit or advance new credit, and other United States banks followed suit. The result of the 1985 crisis was to cut off South Africa from major capital markets and the cessation of all conventional lending.

39. In September 1985, to prevent a run on its foreign exchange reserves, the South African Government took two measures that were to play a key role in countering the impact of financial sanctions. First, the Government imposed a unilateral moratorium on the payment of the principal of short-term international debt falling due during the next four months, and subsequently extended this until the end of March 1986. Second, it reimposed the dual exchange rate system abandoned in 1983 which seeks to make capital placement in South Africa more attractive by increasing the cost of withdrawing it.

40. Anxious to restore normal relations with the international financial community and regain access to international financial markets, the South African Government also worked out three successive agreements with its creditors, in 1986, 1987 and 1989. In this way, South Africa sought to retain some of its funds and to buy time in which to re-establish the country's creditworthiness. The second and third agreements provided for 'exit options' that would allow for the conversion of short-term frozen debt into long-term 10-year loans.

41. These various rescheduling arrangements, considerably eased the pressure on South Africa by providing it with a financial lifeline to meet its repayment obligations. Converting short-term debt into 10-year exit options, with lenient debt repayment terms circumvent financial sanctions by functioning as new loans, moreover. In the absence of these measures, capital outflows would have been even more substantial and larger surpluses on the current account of the balance of payments would have been required to offset deficits on the capital account (current account surpluses that South Africa experienced between 1985 and 1989 were heavily influenced by gold sales, although the price of gold was on the decline).

42. Debt rescheduling has not helped restore South Africa's creditworthiness, however, and the country has failed to attract new loans and investments. At the same time, compulsory debt repayments and interests have, in the absence of new capital inflows, drained the economy. The debt crisis re-emerged in 1988 when debt repayments, a rise in imports stimulated by a minor economic boom and a drop in gold prices all contributed to a rapid deterioration in South Africa's foreign reserve position to levels barely sufficient for two months' import cover. Despite the leniency of the second interim agreement the situation worsened by September 1989, with the country's foreign reserve down to only R48 million or 3.4 days of import cover.

2. Dual exchange rate system

43. As a further measure to relieve the 1985 debt crisis, the South African Government reintroduced the dual exchange rate system, which consists of a 'commercial rand' and a 'financial rand'. The higher commercial rand rate is used for all transactions on the current account of the balance of payments, as well as for foreign loans. The low financial rand rate is used for transactions on the capital account, excluding loans. This is aimed at encouraging new direct investments and discouraging the repatriation by foreign companies of funds generated from disinvestment as well as outward investment by South African companies. The use of the financial rand for repatriation of disinvestment funds limits the drain on the country's foreign reserves. Drawing down foreign reserves would affect the country's capacity to meet its debt repayment obligations and to finance its essential imports.

44. Overall, the dual exchange rate system has had only a limited impact on capital inflow and outflow. Despite the expectations of the South African Government, restraints on repatriation appears to be discouraging rather than encouraging new direct investments. Moreover, disinvestors are cutting some of their losses by using non-equity links to repatriate licensing or franchise fees and royalties at the higher commercial rand rate.

3. Circumventing trade sanctions and obligatory counter-purchase

45. In the absence of capital inflows, South Africa has been forced to generate surpluses in the current account of its balance of trade to offset its debt repayments. In order to circumvent trade sanctions, the South African Government has sought in various ways to encourage avoidance, counter-trade and sanctions-busting. It has set up a special Secretariat for Unconventional Trade to establish sanctions-busting networks and provide advice to importers and exporters. The Private Sector Export Advisory Committee encourages private capital to engage in sanctions-busting activities. For instance, foreign companies eager to sell technology to South Africa or buy strategic minerals from South Africa are asked to buy South African exports or supply strategic imports such as oil and arms. Trade will largely take place through a third country in order to disguise its origins. The South African Government also facilitates 'unconventional' trade by concealing information on foreign trade and shipping traffic. It is illegal to divulge information on matters related to oil, uranium and nuclear technology.

46. Circumventing trade sanctions necessarily entail enormous costs, chiefly by increasing the number of middle-men and setting up of front companies or other links abroad. The costs of maintaining the infrastructure needed for

this conduit trade must be borne partially by the South African Government. Unconventional trade also entails paying a premium for imports and selling exports at a discount. The Commonwealth report on sanctions points out that, while the oil embargo failed to cut off South Africa's supplies of oil, it nevertheless succeeded in imposing an 'apartheid tax' on each litre of fuel used by South Africans. The costs of sanctions have forced the régime to invest in accumulating 'strategic' stockpiles. From January-April 1986, for instance, R2.6 million went to pay for 'unclassified imports'. This is a further drain on the financial resources of the economy.

4. Structural adjustment

47. The South African Government has turned to structural adjustment as a longer-term measure to liberate domestic resources for debt repayment. That is, it has sought a growth path that would not make demands on the country's scarce capital resources, and on imports. Measures include deregulation of the formal sector (as part of a broader strategy of 'inward industrialization'), import substitution and privatization of public enterprises and corporations, including parts of public utilities.

48. A strong lobby among economists and politicians in South Africa has argued that sanctions will help South Africa become more self-sufficient through import-substitution and inward industrialization. Domestic markets are too small to sustain growth, however. Efforts by South Africa in the past decade to become self-sufficient have not decreased the country's dependence on imports. South Africa's industry demands high technology inputs that cannot be produced domestically, and a highly skilled labour force, which is limited by apartheid.

49. South Africa has none the less invested heavily in the domestic production of 'strategic' items such as synthetic fuel, armaments, computers, chemicals and automobiles, all of which are heavily dependent on imports. Small domestic markets and spending on costly imports of capital and intermediate goods have made these projects highly cost-inefficient. Massive Government subsidies have been necessary to sustain projects like the SASOL oil-from-coal conversion plants and the Mossel Bay fuel-from-gas project designed to meet only 20 per cent-25 per cent and 10 per cent of South Africa's crude oil imports, respectively. South Africa is heavily dependent on foreign technology for both the exploration and manufacture of liquid fuels. It has been estimated that liquid fuels produced by SASOL would cost at least three times as much as oil bought on the international market. According to international experts, the Mossel Bay project will produce only about 25,000 barrels of fuel a day for the cost of R5,500 million, while a similar project overseas could be built to produce four times as much for only R100 million.

50. The South African Government's programme of structural reform also includes privatization of public enterprises and corporations. The proceeds from privatization are supposed to be spent on retiring public debt and developing infrastructure and small businesses. Part of it is to go to pay for the Government's 'repressive reform' policy. This aims to co-opt a small group of urban blacks in certain key townships through township-upgrading schemes with new houses, water and electricity, while at the same time increasing repression to silence the majority. Some observers believe that privatization is aimed at counteracting those sanctions which have been directed mainly against the Government and Government-owned bodies, however.

Still others see in it a pre-emptive effort to keep economic control in white hands in the event of a shift in political control to the black majority. With the parastatals in the hands of a white-controlled private sector, the political and economic leverage of any incoming government will be significantly reduced.

51. The various reform proposals are severely constrained by the apartheid system itself. Internationally, sanctions will make access to markets a continuing problem; internally, apartheid will mean small domestic markets and scarcity of skilled labour.

C. Shortcomings in the measures adopted by foreign Governments

52. Responses of the South African Government to economic sanctions have revealed some of the loopholes and shortcomings in the measures currently in force, such as: failure to adopt comprehensive mandatory sanctions because of opposition in the United Nations Security Council; limitations in the scope and narrowness in the interpretation of sanctions; and inadequate enforcement, monitoring and co-ordinating mechanisms.

53. With regard to trade, South Africa has been able to evade sanctions by diverting imports and exports through third countries and offshore facilities such as free ports and free-trade zones. In the conduit countries, various techniques are used to disguise the South African origin of the product. They include practices such as false labelling, acquiring false certificates of origin and transformation as in the case of coal channelled to Europe through Rotterdam and Antwerp. These often go without detection because of low priority given to enforcement and monitoring.

54. Sanctions have also been undermined by third countries taking advantage of sanctions imposed by other States. As the United States, Nordic and some Commonwealth countries have reduced their trade with South Africa, some countries in the Far East and Europe are increasing theirs. The Commonwealth report, however, warns against overemphasizing sanctions-busting and diversion of trade. Between 1985 and 1989, the increases in trade by South Africa's traditional trading partners such as West Germany, Japan, Taiwan and Spain have been much larger than trade with new partners.

55. The use of narrow definitions also restricts the range of products that bans are supposed to cover. For instance, "iron and steel" is usually interpreted as excluding iron ore and ferro-alloys, both of which are major South African exports. Japan bans the import of South African iron and steel but imports large quantities of iron ore. The United States continues to import South African uranium hexafluoride which it considers as falling outside its ban on "uranium ore and oxide".

56. Barter, counter-trade and joint marketing are on the rise as companies and the Government of South Africa take advantage of loopholes in regulations that do not prevent locally registered companies from trading in sanctioned goods in third countries or on the high seas. Sanctions-busting is also a result of the expansion of South African investment abroad (see Annex). Europe is the main destination, with 34.8 per cent going to EEC countries and 3.2 per cent to "other" European countries mainly Switzerland. Outward investment influences key markets for South African goods and improves access to new technologies, essential commodities and finance, all of which are of

strategic importance to the survival of the *apartheid* régime. The Commonwealth agreement of August 1986 refers only to majority-owned South African companies and to those based in South Africa. Luxembourg and Switzerland have been chosen by large South African conglomerates because they do not impose sanctions and because their legislation allow for secrecy with regard to corporate activities.

57. As regards foreign direct investment, most bans apply only to new direct investments and, with the exception of Nordic countries, exclude "non-equity" links. As a result, foreign companies can continue doing business with South Africa simply by shifting from earning profits directly to earning them indirectly. In fact, in some cases disinvestment has enabled companies to expand their markets in South Africa. The ban on new loans and credits to South Africa has been the most effective form of pressure on the *apartheid* régime. Nevertheless, South Africa has been able to extend itself a financial lifeline by exploiting loopholes in sanctions legislation. Rescheduling and the conversion of short- and medium-term debt into long-term loans may not be considered as "new loans" but they function as such. Loans, moreover, continue to be available for South African companies registered abroad. This loophole is likely to be increasingly exploited by South Africa to improve access to foreign borrowings.

58. The exclusion of trade credits from the 1985 moratorium and most sanctions legislation has made this virtually the only source of new foreign financing for South Africa and of crucial importance to its financial survival. The availability of trade credits, primarily suppliers' credits, for financing exports to South Africa have increased after mid-1986. These include official trade credits, guarantees and insurance, as well as off-balance-sheet support such as gold swaps and gold loans provided by Swiss banks. A recent report of the Centre against *Apartheid* indicates that some 30 per cent of South Africa's trade is currently backed by foreign Governments through their official export credit agencies, of which the biggest insurers are the United Kingdom and Japan.

59. Trade figures for the period 1986-1988 show that there has been a marked increase in exports to South Africa from the wealthiest countries: 72 per cent increase for the Federal Republic of Germany (qualified by the rise in the DM *vis-à-vis* the dollar which, in United States currency, overvalues the amount of exports paid for in marks), 50 per cent for Japan (qualified in the same way), 54 per cent for Britain, 41 per cent for the United States and 44 per cent for France. Payment for these exports would only have been possible if South Africa's major trading partners had provided guaranteed exports credits.

60. Overall, the sanctions measures adopted, particularly by South Africa's major trading partners, are far from satisfactory. Their impact has been greatly reduced by their failure to restrict imports of strategic mineral and by keeping certain channels open for technology transfer and credit.

IV. SOURCES USED FOR THE REPORT

61. The present report updates the reports submitted to the Sub-Commission at its fortieth (E/CN.4/Sub.2/1988/6 and Add.1) and forty-first (E/CN.4/Sub.2/1989/9 and Corr.1 and Add.1) sessions. The updating is based on information and material obtained from various sources consulted since the completion of the previous report and received by the Special Rapporteur before 25 June 1990.

62. Among various sources consulted, most of which were obtained in reply to the request for appropriate material addressed, in conformity with General Assembly resolution 43/92, to Governments, United Nations organs and bodies, specialized agencies, other intergovernmental organizations and non-governmental organizations, the documents listed below have been retained as new sources for the updated list.

Title of document	Source number 2/
United Nations Economic and Social Council Commission on Transnational Corporations. Second Public Hearings on the Activities of Transnational Corporations in South Africa and Namibia. Geneva, 4-6 September 1989 List of transnational corporations with interests in South Africa and Namibia Report of the United Nations Centre on Transnational Corporations (E/C.10/AC.4/1989/8)	1990-1
United Nations Council for Namibia Report on contacts between Member States and South Africa since the adoption of General Assembly resolution 43/26 A of 17 November 1988 Report of the Secretary-General (A/AC.131/315)	1990-2
United Nations Report of the intergovernmental group to monitor the supply and shipping of oil and petroleum products to South Africa (A/44/44)	1990-3
United Nations General Assembly Forty-fourth session Report of the Special Committee against *Apartheid* (A/44/22)	1990-4
United Nations Economic and Social Council Commission on Transnational Corporations. Public Hearings on the Activities of Transnational Corporations in South Africa and Namibia. 4-6 September 1989. The role of transnational banks in South Africa Report of the United Nations Centre on Transnational Corporations (E/C.10/AC.4/1989/6)	1990-5

Title of document	Source number
United Nations Economic and Social Council Commission on Transnational Corporations. Public Hearings on the Activities of Transnational Corporations in South Africa and Namibia. 4-6 September 1989. The South African economy and transnational corporations Report of the United Nations Centre on Transnational Corporations (E/C.10/AC.4/1989/5)	1990-6

Letters received from Governments

Denmark (2 March 1990)	1990-7

V. COMMENTS RECEIVED BY THE SPECIAL RAPPORTEUR

63. In accordance with General Assembly resolution 43/92, the Secretary-General sent a note verbale, dated 22 January 1990, to Governments and, on the same date, a letter to United Nations organs, specialized agencies, intergovernmental and non-governmental organizations concerned, asking them for appropriate material which could be used in updating the list.

A. Comments received from Governments

64. As at 25 June 1990, replies have been received from the following Governments: Byelorussian SSR, Czechoslovakia, Denmark, Mexico, Morocco, Panama and Uruguay. A summary of substantial replies 3/ is reproduced below.

BYELORUSSIAN SOVIET SOCIALIST REPUBLIC

[6 July 1989]
[Original: Russian]

1. The Byelorussian SSR supports the conclusion that economic, technical and military co-operation and the support given by international and national monopolies, as well as by a number of countries, to the ruling circles in South Africa are strengthening the criminal régime of *apartheid* and perpetuating the oppression of the African majority of that country's population. They are helping to intensify repression against fighters for civil, political, economic and other rights. Thus, by their co-operation with South Africa, transnational corporations are directly responsible for participating in acts which, according to article II of the International Convention on the Suppression and Punishment of the Crime of *Apartheid*, are classified as "the crime of *apartheid*".

2. In pursuance of the relevant decisions of the United Nations, the Byelorussian SSR has not maintained, and does not maintain, any relations with South Africa in the political, economic, military or any other field and accordingly does not have any contractual or licensing agreements with the racist régime in Pretoria.

3. The competent organizations and departments of the Byelorussian SSR strictly supervise compliance in practice with the relevant resolutions and decisions on the isolation of the *apartheid* régime in South Africa adopted by the United Nations Security Council and General Assembly.

CZECHOSLOVAKIA

[7 July 1989]
[Original: English]

1. Czechoslovakia is of the opinion that one of the most effective ways of compelling the South African Government by lawful means to reverse its policy toward the black majority in the country consists in complete isolation of South Africa in all spheres by all countries, particularly the most influential ones, on the basis of United Nations decisions.

2. Czechoslovakia has been reaffirming through concrete deeds the negative attitude of its Government to any form of co-operation with the South African

régime of apartheid and its full support for all activities of the international community, international bodies and organizations, particularly the United Nations, and other governmental as well as non-governmental institutions which are aimed at combating the policies and practices of apartheid. Czechoslovakia's principled position is best illustrated by the fact that it severed as early as 1962 all diplomatic, economic, scientific, cultural and sports-related contacts with South Africa and has taken resolute internal measures toward complete isolation of the racist South African régime. At present, it does not maintain any relations with South Africa nor do any transnational corporations maintaining such relations operate in Czechoslovak territory. Economic relations with South Africa are prohibited in the Czechoslovak Socialist Republic by a universally binding legal regulation [Decree No. 65/1980, Collection of Laws, of the Federal Ministry of Foreign Trade on Prohibition of Economic Contacts with South Africa].

DENMARK

[2 March 1990]
[Original: English]

1. As of today, the below-mentioned Danish companies are the only ones which still maintain economic activities in South Africa. Consequently, the list in the next Report should comprise only these Danish companies: East Asiatic Company; Sophus Berendsen A/S (Rentokil); Novo-nordisk A/S; and F.L. Smidth & Co. A/S.

2. The below-mentioned Danish companies referred to on pages 10-11 of the 1989 Report (E/CN.4/Sub.2/1989/9/Add.1) have all ceased their exports to and other economic activities in South Africa and should consequently be deleted from the list: Aarhus Oliefabrik A/S; Andersen & Bruun's Fabrikker A/S; Esbjerg Matador Maskiner A/S; Schmidt & Jessen A/S; Skandinavisk Holdings; Danfoss A/S; Bruel & Kjaer A/S; and Bang & Olufsen.

MEXICO

[22 March 1990]
[Original: Spanish]

1. The Government of Mexico has been in favour of the imposition of broad-ranging compulsory sanctions on South Africa, in keeping with Chapter VII of the Charter of the United Nations, and in conformity with the provisions of the relevant resolutions of the General Assembly it has adopted various measures to bring greater pressure to bear on the South African authorities to give up their policies of discrimination.

2. Mexico does not maintain diplomatic or consular relations with South Africa. In conformity with the provisions of General Assembly resolution 2671 (XXV), Mexico closed down its consulate in South Africa in 1974. The Government of Mexico has endeavoured to comply strictly with the resolutions adopted by the General Assembly in connection with the suspension of economic, financial, trade and other relations with South Africa. Similarly, Mexico has fully observed the arms embargo on South Africa, imposed by the Security Council under resolution 418 (1977).

3. Again, Mexico has abided by the various General Assembly resolutions concerning the oil embargo on South Africa. To this end, in all Petróleos Mexicanos (PEMEX) contracts for the sale of crude, it is stipulated that Mexican crude is sold only for the end-users, the aim being to prevent any resale or barter of our petroleum. Moreover, it is specified that PEMEX must regularly inform its clients that any operation of this type excludes South Africa and that failure to meet this obligation brings the contract to an end.

4. Lastly, on 30 October 1987 the Diario Oficial (Official Gazette) published the decree prohibiting imports and exports of goods originating in or from South Africa or intended for that country, including goods passing in transit through third countries but originating in or intended for South Africa.

MOROCCO

[8 May 1990]
[Original: French]

Morocco fully observes the measures taken by the various United Nations organs in the context of the embargo imposed on South Africa and, consequently, maintains no political, economic, military or trade relations with the Government of that country.

PANAMA

[12 March 1990]
[Original: Spanish]

The Republic of Panama, in keeping with its policy, has signed no treaties or agreements whatsoever with South Africa and has no diplomatic, consular or trade relations with the Government.

URUGUAY

[10 February 1990]
[Original: Spanish]

The Eastern Republic of Uruguay, mindful of the decisions adopted by the international community, renders no political, military, economic or other assistance to the racist régime of South Africa. The measures our country has taken in the condemnation of the institutionalized system of racial discrimination include the following:

(a) The decision by Uruguay to change the Diplomatic Mission at Cape Town into a Consulate General;

(b) The requirement that visas must be issued to South African citizens with the express authorization of the Ministry of Foreign Affairs;

(c) The recommendation to Uruguayan sportsmen and artists that they should refrain from participating in sports or cultural events organized by South Africa.

B. Comments received from United Nations organs and specialized agencies 4/

65. The United Nations Centre against *Apartheid* transmitted a copy of the 1989 Report of the Special Committee against *Apartheid* (A/44/22) and the report of the Secretary-General on policies of *apartheid* of the Government of South Africa (Restrictive measures affecting externally dependent areas of the South African economy. Report of the Centre against *Apartheid* (A/44/555).

66. The United Nations Centre on Transnational Corporations transmitted copies of the reports prepared by the Centre for the Public Hearings on the Activities of Transnational Corporations in South Africa and Namibia held in Geneva from 4 to 6 September 1989, and the report on measures on trade, finance, investment and technology transfers to South Africa prepared for the sixteenth session of the Commission on Transnational Corporations (E/C.10/1990/8).

67. The United Nations Commissioner for Namibia transmitted a copy of the 1989 Report of the United Nations Council for Namibia (A/44/24).

68. Replies were also received from the Committee on the Exercise of the Inalienable Rights of the Palestinian People, the Special Committee of 24, the United Nations Centre for Science and Technology for Development, the United Nations Office of the Disaster Relief Co-ordinator (UNDRO) and the Department for International Economic and Social Affairs.

69. The International Labour Organisation (ILO) transmitted a copy of the special report of the Director-General on the application of the Declaration concerning action against *apartheid* in South Africa and Namibia submitted to the seventy-seventh session of the International Labour Conference, 1990.

70. The United Nations Educational, Scientific and Cultural Organization (UNESCO) reported that UNESCO had no relations with any bank, transnational corporation or other organization assisting the racist and colonialist régime of South Africa.

71. The Universal Postal Union (UPU) recalled that by its resolution C7 the 1984 Universal Postal Congress at Hamburg excluded South Africa from UPU because of that country's *apartheid* policy and that the International Bureau had thereupon ceased all relations with the South African postal administration.

72. Replies were also received from the Food and Agriculture Organization of the United Nations (FAO) and the International Maritime Organization (IMO).

C. Other replies 5/

73. Replies were also received from the following:

Regional intergovernmental organizations

- Commission of European Communities
- League of Arab States
- Organization of African Trade Union Unity

Non-governmental organizations

- International Defence and Aid Fund for Southern Africa
- International Federation Terre des Hommes
- Inter-Parliamentary Union
- League of Red Cross and Red Crescent Societies
- World Muslim Congress

VI. STRUCTURE AND CONTENTS OF THE UPDATED LIST

A. Guide to the updated comprehensive list

74. The updated comprehensive list (contained in Add.1 to the present document) presents names of transnational corporations, banks, insurance companies, firms, and other enterprises giving, either directly or indirectly, military, economic, financial and other assistance to the racist and colonialist régime of South Africa. The list was updated on the basis of material and information examined by the Special Rapporteur since the completion of the previous reports (E/CN.4/Sub.2/1988/6/Add.1 and E/CN.4/Sub.2/1989/9/Add.1). Two annexes are attached to the updated list. Annex I contains new names brought to the attention of the Special Rapporteur since his previous report (E/CN.4/Sub.2/1989/9/Add.1). Annex II contains names which have been deleted from the list according to information available to the Special Rapporteur or brought to his attention indicating that economic and other activities with and in South Africa have been discontinued.

75. In view of recent attainment of independence by Namibia, the names of all banks, companies and other institutions giving assistance to Namibia only, as contained in previous reports, had been deleted from the list. Also deleted were all references to Namibia in the column indicating the recipient of assistance (see para. 76 below).

76. In addendum 1 a country-by-country list is provided. The list is alphabetized according to the nationality of each ban, company or firm cited. Following the code of the country, the name of the bank or company involved is mentioned. The third column indicates the type of entity involved, which may be a firm, bank, financial institution or insurance company. The fourth column refers to the type of assistance provided which, depending on the case, has been classified as economic, military, financial, nuclear or a combination of a number of these categories. The last column on the right indicates the recipient of assistance (see also para. 75 above).

77. In the second line of each entry, reference is made to the source in which the information was found, followed by the relevant page, paragraph or appendix.

78. This report is available in all official United Nations languages. In view of the fact that the updated comprehensive list (Add.1 of the present report) is prepared with the assistance of computer facilities, it is only available in English.

B. List of symbols and abbreviations

79. In order to facilitate the reading and comprehension of the list, a key to all abbreviations used is provided below:

1. Countries and territories */

AUS Australia
AUT Austria
BEL Belgium
BHS Bahamas
BRA Brazil
CAN Canada
CHE Switzerland
DEU Germany, Federal Republic of
DNK Denmark
ESP Spain
FIN Finland
FRA France
GBR United Kingdom
GRC Greece
HKG Hong Kong
HSE Holy See
ISR Israel
ITA Italy
JPN Japan
LIE Liechtenstein
LUX Luxembourg
MCO Monaco
MYS Malaysia
NLD Netherlands
NOR Norway
PRT Portugal
SWE Sweden
TAI Taiwan, Province of China
USA United States of America

2. Other symbols and abbreviations

B = Bank/insurance company/financial institution
E = Economic (assistance)
F = Firm
Fi = Financial (assistance)
M = Military (assistance)
NI = Not identified
N = Nuclear (assistance)
SA = South Africa

* * *

*/ The codes for the representation of names of countries are in conformity with the Alpha 3 codes of the alphabetical list of entities and codes in English contained in section one of Codes for the representation of names of countries, second edition - 1981-05-15, International Organization for Standardization, International Standard, ISO 3166.

Notes

1/ Subsequently revised (E/CN.4/Sub.2/383/Rev.2) and issued as a United Nations publication (Sales No. E.79.XIV.3).

2/ Each source has been given a number (1990-..) for easy reference in the addendum to the present report. The reference to the year 1990 means that the source has been used in the preparation of the 1990 updated report.

3/ The full text of these replies are available for consultation in the secretariat files.

4/ The full texts of the comments received are available for consultation in the secretariat files.

5/ The texts of these communications are available for consultation in the secretariat files.

ANNEX

SOUTH AFRICAN TRANSNATIONAL CORPORATIONS ABROAD

COMPANY	*SUBSIDIARY*	*TYPE OF INDUSTRY*	*COUNTRY OF INVESTMENT*
Abercom Group Ltd.	American Davidson Inc.	Engineering	U.S.A.
	Berry Davidson S.A.	Industrial fans	France
	Davidson of Australia (Pty) Ltd.	–	Australia
	Davidson & Company Ltd.	Power station fans	U.K.
	Davidson Group Ltd.	–	Jersey
	Davidson N.V.	–	Netherlands Antilles
	MacBoer B.V.	–	The Netherlands
	SATAS (U.K.) Ltd.	–	U.K.
Adcock Ingram Ltd.	Keatings Finance Establishment (Lichtenstein)	Financing	Lichtenstein
	Datlabs (PVT) Ltd. (Zimbabwe)	Pharmaceutical manufacture and distribution	Zimbabwe
Die Afrikaanse Pers (1962) BPK	Republican News Agencies (PVT) Ltd.	News Agencies	Zimbabwe
Allied Technologies Ltd.	Calvert Holding Inc.	Technologies	U.S.A.
Amalgamated Retail Ltd.	Scotts Retail (Lesotho) (Pty) Ltd.	Retailers	Lesotho
	Scotts Retail (Swaziland)	Retailers	Swaziland
	Geen & Richards (Swaziland) (Pty) Ltd.	Chain-stores	Swaziland
	Shoecorp Shoe Stores (Lesotho) (Pty) Ltd.	Shoe stores	Lesotho
	Shoecorp Shoe Stores (Swaziland) (Pty) Ltd.	Shoe stores	Swaziland
Anglo-American Coal Corp. Ltd.	Gatooma Magnesite (PJT) Ltd.	Magnesite	Zimbabwe
	Refractory Products Ltd.	Refractory products	Zimbabwe
Anglo-American Corp. of South Africa Ltd.	Angborne Investments Australia (Pty) Ltd.	Investments	Australia
	Ausrand (Pty) Ltd.	–	Australia
	Spinifex Finance (Pty) Ltd.	Finances	Australia
	Australian Anglo-American Services Ltd.	Services	Australia
	Anglo-American Investment Trust (Bermuda) Ltd.	Investment Trust	Bermuda
	Anglo-American Corp. Botswana (Services) (Pty) Ltd.	Services	Botswana
	West End Property Co. (Pty) Ltd.	Properties	Botswana
	Morupule Colliery (Pty) Ltd.	Mining	Botswana
	Compagnie Financière Eurafricaine S.A.	Financing	France
	Bureau d'Opérations Industrielles et Commerciales	Industrial and commercial operations	France
	Charter France S.A.	–	France
	Charter France Services S.A.	–	France
	Anglo-American Lesotho Services Co. (Pty) Ltd.	–	Lesotho
	Allgro Holdings Ltd.	–	Liberia
	Anglo-Europlan Holdings Ltd.	–	Liberia
	Anmines Ltd.	Mining	Liberia
	Aval Holdings Ltd.	–	Liberia
	Benam Holdings Ltd.	–	Liberia
	Brazam Ltd.	–	Liberia
	Catalina Ltd.	–	Liberia
	Codemin Holdings Ltd.	–	Liberia
	Falcon Investments Ltd.	–	Liberia
	Hime Holdings Ltd.	–	Liberia
	Anglo-Australia S.A.	–	Luxembourg

COMPANY	*SUBSIDIARY*	*TYPE OF INDUSTRY*	*COUNTRY OF INVESTMENT*
Anglo-American Corp. of South Africa Ltd. (cont'd)	Anglo-Rand Holdings S.A.	–	Luxembourg
	Axalux Holdings Ltd	–	Luxembourg
	Lighthouse Investments Ltd.	Investments	Luxembourg
	Orlop Investments Ltd.	Investments	Luxembourg
	Georgic Holdings N.V.	–	Netherlands Antilles
	Rockhold Antilles N.V.	–	Netherlands Antilles
	Anglo-American Services (Nederland) B.V.	Services	Netherlands
	Gallic Holdings B.V.	–	Netherlands
	Rockhold B.V.	–	Netherlands
	Swaziland Iron Ore	Mining	Swaziland
	Development Co. Ltd.		Swaziland
	Swaziland Industries (Pty) Ltd.	–	Swaziland
	Electramic Ltd.	–	U.K.
	Luxam Ltd.	–	U.K.
	Anglo-American Corp. (Central Africa) Ltd.	–	Zambia
	NRI Limited	–	Zimbabwe
	NEIL Chrome Mines Ltd.	Chrome	Zimbabwe
	Rhochrome Ltd.	Chrome	Zimbabwe
Anglo-American Gold Investment Co. Ltd.	Amgold Australia (Pty) Ltd.	–	Australia
	Anglo-American Corp. Argentina Holdings Ltd.*	–	Argentina
	Anglo-American Corp. Brazil Ltd.*	–	Brazil
	Australian Anglo-American Gold (Pty) Ltd.*	–	Australia
	New Zealand Holdings Ltd.	–	New Zealand
Anglo-American Industrial Corp. Ltd.	A.D.D. Investments (Pty) Ltd.	Investments	Australia
	Boart Australia Ltd.	Equipment and services to the mining industry	Australia
	Conlog (Australia) (Pty) Ltd.	–	Australia
	Longyear Australia (Pty) Ltd.	Exploration drilling equipment	Australia
	Civil and Mining Contracting Co. Ltd.	–	Bahamas
	Longyear do Brazil Limitada	Exploration drilling equipment	Brazil
	Boart International Finance Ltd.	Finances	British Virgin Islands
	Boart Canada Incorporated	Hard metals	Canada
	Longyear Canada Inc.	Exploration drilling equipment	Canada
	Longyear Co. Chile Limitada	Exploration drilling equipment	Chile
	Longyear Centroamericana S.A.	Exploration drilling equipment	Costa Rica
	Boart O.Y.	–	Finland
	Longyear France S.A.	Exploration drilling equipment	France
	Boart Harometals (Europe) Ltd.	Hard metals	Ireland
	Conlog Ltd.	–	Israel
	Nippon Longyear Company Ltd.	Exploration drilling equipment	Japan
	Wendt Japan K.K.	–	Japan
	Longhold Ltd.	–	Liberia
	Boart International Luxembourg S.A.H.	–	Luxembourg
	Chrisbros S.A. de C.V.	–	Mexico
	Longyear de Mexico S.A. de C.V.	Exploration drilling equipment	Mexico
	Boart Antilles N.V.	–	Netherlands
	Boart Drilling International B.V.	Drilling equipment	Netherlands
	Longyear Nederland B.V.	Exploration drilling equipment	Netherlands
	Portadrill B.V.	–	Netherlands
	Longyear Papua New Guinea (Pty) Ltd.	Exploration drilling equipment	Netherlands
	Longyear New Zealand Ltd.	Exploration drilling equipment	New Zealand
	Boart A.S.	Equipment and services to the mining industry	Norway

* Anglo-American owns 20 %.

COMPANY	*SUBSIDIARY*	*TYPE OF INDUSTRY*	*COUNTRY OF INVESTMENT*
Anglo-American Industrial Corp. Ltd. (cont'd)	Longyear Philippines Inc.	Equipment and services to the mining industry	Phillippines
	Boart Drilling and Contracting (Portugal) Limitada	–	Portugal
	Diamantes Industriales Roder S.A.	Industrial diamonds	Spain
	Longyear Iberia S.A.	Exploration drilling equipment	Spain
	Boart (Sweden) A.B.	–	Sweden
	Wendt Slipteknik A.B.	Grinding technique	Sweden
	Conlog A.G. Ltd.	–	Switzerland
	Bell Mining Equipment (U.K.) Ltd.	Mining equipment	U.K.
	Binvest Ltd.	–	U.K.
	Boart Investments (U.K.) Ltd.	Investments	U.K.
	Boart (U.K.) Holdings Ltd.	–	U.K.
	Conlog (U.K.) Ltd.	–	U.K.
	Dongray Industrial Ltd.	–	U.K.
	Longyear (U.K.) Ltd.	Exploration drilling equipment	U.K.
	Boart Hardmetals Inc.	Hard metals	U.S.A.
	Conlog Incorporated	–	U.S.A.
	Longyear Americas Inc.	Exploration drilling equipment	U.S.A.
	Longyear Company	–	U.S.A.
	Longyear International Inc.	–	U.S.A.
	Portadrill Inc.	–	U.S.A.
	Wendt Gringing Corp.	Grinding technique	U.S.A.
	B.B.G. Betonbohr-Beteiligungs G.M.B.H.	Concrete drills	West Germany
	Boart G.M.B.H.	–	West Germany
	Boart H.W.F., G.M.B.H. & Co. KG	–	West Germany
	Longyear Deutschland G.M.B.H.	Exploration drilling equipment	West Germany
	Wendt G.M.B.H.	Griding technique	West Germany
	Amalgamated Construction Co. Ltd.	–	Zambia
	Boart Zambia Ltd.	–	Zambia
	The Deep Drilling Co. Ltd.	–	Zambia
	Boart Drilling and Contracting Ltd.	Drilling and contracting	Zimbabwe
	Shepherd's Engineering (PVT) Ltd.	Engineering	Zimbabwe
	Steel Engineering Co. (PVT) Ltd.	Engineering	Zimbabwe
Anglovaal Industries Ltd.	Bitumat Ltd. (Zimbabwe)	Road emulsions	Zimbabwe
Anglovaal Ltd.	Anglo Transvaal Trustees Ltd.	–	U.K.
Argus Printing and Publishing Company Ltd.	Accounting Systems Botswana (Pty) Ltd.	Accounting systems	Botswana
Associated Furniture Companies Ltd.	Duncan Bayne Swaziland (Pty) Ltd.	Furniture	Swaziland
	Sealy (Zimbabwe) (PVT) Ltd.	Furniture	Zimbabwe
Bank Holding Corp. of South Africa Ltd.	SAGIT AG Zurich	Banking	Switzerland
Barlow Rand Ltd.	J. Bibby & Sons (U.K.)	Confectioners	U.K.
T.W. Beckett & Company Ltd.	Rosebeck A.G. (Lichtenstein)	–	Lichtenstein
Berzack Brothers (Holdings) Ltd. (U.K.)*	BIVEC Confirming (U.K.) Ltd.	–	U.K.
	Eastman Machine Co. Ltd.	Machinery	U.K.
	Eastman Machine Manufacturing Co. Ltd. (U.K.)*	Machine manufactory	U.K.
	Bivec Confirming (USA) Inc.	–	U.S.A.

* B.B. holds 50 %.

COMPANY	*SUBSIDIARY*	*TYPE OF INDUSTRY*	*COUNTRY OF INVESTMENT*
Bonuskor Ltd. (Volkskas Group)	SACOEX S.A.	Exports	Spain
Bradlows Stores Ltd.	Bradlow's Stores (Zimbabwe) Ltd.	Chain stores	Zimbabwe
Bromain Holdings Ltd.	Atir Ltd. (Israel)	Electronics	Israel
	Salton Holdings BV	Domestic appliances	Netherlands
	Salton Deutschland GMBH	Domestic appliances	West Germany
Buffalo Corporation Ltd.	Buffalo GMBH	–	West Germany
Cape Wines & Distillers Ltd.	Allan Cameron & Sons (Edinburgh) Ltd.	Dormant	U.K.
	Bergkelder Wine (Toronto) Ltd.	Dormant	Canada
	Castle Wine & Brandy (Zimbabwe) (PVT) Ltd.	Investment	Zimbabwe
	Henry C. Collison & Sons Ltd. (London)	Wholesale	U.K.
	Mountain Cellar Wine (Toronto) Ltd.	Dormant	Canada
	Richelieu et Cie Société Anonyme	Trading	France
	Swaziland Liquor Distributors Ltd.	Wholesale	Swaziland
	Vins et Spiritueux Richelieu S.A. (Zurich)	Investment holding	Switzerland
Charter Consolidated P.L.C.*	Anderson Mavor (USA) Ltd.	Mining	U.S.A.
	Anderson Strathclyde Australia (Pty) Ltd.	Mining	Australia
	Anderson Strathclyde PLC	–	U.K.
	Barnato (Holdings) U.K. Ltd.	–	U.K.
	Beralt Tin & Wolfram (Portugal) SARL	Minerals	Portugal
Clicks Stores Ltd.	Okelemp Corp. Inc (USA)	–	U.S.A.
C.N.A. Gallo Ltd.	Central News Agency (SWA) Ltd.	Retailers	Namibia
	Kincen Holdings Ltd.	Holding company	Bahamas
	Censure Investments Ltd.	Insurance	Bermuda
	Raltons Holdings Ltd.	Dormant	Cayman Islands
Consolidated Gold Fields Ltd. (AAC)	Clwyd Road Surfacing Ltd. (Wales)	Road surfacing	U.K.
	Craig-Yr-Hesg Aggregates Ltd. (Wales)	–	U.K.
	Cornish Road Metal Ltd.	Road metals	U.K.
	Cwmrhydyceirw Quarry Co. Ltd. (Wales)	Quarrying	U.K.
	CGF Iron Holdings (Pty) Ltd.	–	Australia
	New Guinea Goldfields Ltd.	Mining	Australia
	Arc Estates Ltd.	Estates	Barbados
	Devresse & Simon N.V.	–	Belgium
	Tennant International (Belgium) S.A.	–	Belgium
	Zeeminieralen N.V.	Minerals	Belgium
	Gold Fields (Bermuda) Ltd.	–	Bermuda
	Gold Fields Canadian Mining Ltd.	Mining	Canada
	Union Filters Ltd.	Filters	Canada
	Union Tractor Industries (1981) Ltd.	Tractors	Canada
	Gold Field Greeland A/S	–	Denmark
	Spollen Concrete (Dublin) Ltd.	Concrete	Ireland
	Bassett Metalhandel GMBH	Metals	West Germany
	Gold Fields Isurance Ltd.	Insurance	Guernsey
	N.V. Dragrata Lanaken	–	Netherlands

* AAC via her subsidiary «Minorco»

COMPANY	*SUBSIDIARY*	*TYPE OF INDUSTRY*	*COUNTRY OF INVESTMENT*
Consolidated Gold Fields Ltd. (AAC) (cont'd)	Jonker Beton B.V.	Concrete	Netherlands
	B.V. Der Kempen	–	Netherlands
	C. Van Den Heuvel en Zonen's Grint- en Zandhandel B.V.	Gravel and sand	Netherlands
	Van Nieuwpoort Scheepvaart B.V.	Shipping	Netherlands
	Amey Roadstone Asia Ltd.	Roadstones	Hong Kong
	Alumasc (Luxembourg) S.A.	–	Luxembourg
	Ulster Limestone Corp. Ltd.	Limestone	U.K.
	Gold Fields Espanola S.A.	–	Spain
	Gold Fields Holding A.G.	–	Switzerland
	American Tractor Parts Inc.	Tractor spares	U.S.A.
	Associated Sand and Gravel Co. Inc.	Sand and gravel	U.S.A.
	McKinley Iron Co.	Iron	U.S.A.
	Cargus Packaging (Pty) Ltd.	Packaging	U.S.A.
	Consol Glass (Pty) Ltd.	Glas	U.S.A.
Darling & Hodgson Ltd.	D&H Europe BV	–	Netherlands
	Case Co. SA	–	Switzerland
	Pioneer Ready Mixed Concrete (PVT) Ltd.	Ready mixed concrete	Zimbabwe
	Spot Construction Ltd.	Constructors	Jersey
De Beers Consolidated Mines Ltd.	De Beers Industrial Diamonds (Ireland) Ltd.	Industrial diamonds	Ireland
	De Beers Prospecting Botswana (Pty) Ltd.	Prospecting	Botswana
	De Beers Lesotho Mining Company (Pty) Ltd.	Mining	Lesotho
	De Beers European Holding S.A.	–	Luxembourg
	Debid (Pty) Ltd.	–	Australia
	De Beers Diamantas Industrias do Brazil Limitada	Industrial diamonds	Brazil
Enyati Resources Ltd.	Tavares Investments N.V. (Netherlands)	Investments	Netherlands
	A.C. Marijnessen Holding B.V. (Netherlands)	–	Netherlands
	Rebemor S.A. (Switzerland)	–	Switzerland
Federale Volksbeleggings BPK	Firestone Zambia Ltd.	–	Zambia
	Fed Electronic GMBH	Electronic	West Germany
	Farmac N.A. N.V.	–	Belgium
	Farmac Nederland B.V.	–	Netherlands
	Lenfarm AG	–	West Germany
	Swaziland Chemists (Pty) Ltd.	Chemists	Swaziland
	Zimbabwe Drug Houses Ltd.	Drug houses	Zimbabwe
Fedfood Beperk	Botswana Grain & Milling (Pty) Ltd.	Grain and milling	Botswana
	Botswana Bonemeal Factory (Pty) Ltd.	Bonemeal	Botswana
	FF Trading (Jersey) Ltd.	Trading	Jersey
	Simba-Quix Sales (Swaziland) Ltd.	–	Swaziland
	Sideafa Agencies Establishment (Lichtenstein)	–	Lichtenstein
FINTEC Ltd.	Litemaster Industries (PVT) Ltd.	–	Zimbabwe
	Litemaster A.G. Zug	–	Switzerland
	Litemaster Industries Ltd.	–	U.K.
Fraser Alexander Ltd.	Boskop Graniet International BV (Holland)	Granite	Netherlands
	Boskop NV (Antilles)	–	Antilles
	Granite & Quartzite Centre Inc. (USA)	–	U.S.A.

COMPANY	*SUBSIDIARY*	*TYPE OF INDUSTRY*	*COUNTRY OF INVESTMENT*
Fraser Alexander Ltd. (cont'd)	Dorking Agencies Ltd. (Hong Kong)	Granite	Hong Kong
	Mannheimer Granit Handel GMBH	Granite	West Germany
	Quick Chartering (1980) Ltd. (Bermuda)	–	Bermuda
Fraser Ltd.	Alexander Fraser & Son Ltd. (U.K.)	Financing	U.K.
	Fraser Ross Finance Ltd. (U.K.)	Financing	U.K.
	Fraser Air (Lesotho) (Pty) Ltd.	Air Charter	Lesotho
	Frasers (Botswana) (Pty) Ltd.	–	Botswana
	Frasers (Swaziland) Ltd.	–	Swaziland
Genbel Investments Ltd.	Greenwell GIC Securities Ltd. (U.K.)	Securities	U.K.
General Erection Holdings Ltd.	Genric Electrical (Botswana) (Pty) Ltd.	Electricity	Botswana
General Mining Union Corp. Ltd.	Union Corporation (Luxembourg) S.A.	–	Luxembourg
	Union Corporation (Australia) (Pty) Ltd.	–	Australia
	General Australian Explorations (Pty) Ltd.	Explorations	Australia
	Gencor (Australia) Ltd.	Mining interests	Australia
	Union Holdings Ltd. (London)	–	U.K.
	Gencor (U.K.) Ltd.	Mining interests	U.K.
	Hume Pipe Co. Ltd.	Pipes	Zimbabwe
General Tire & Rubber Company (S.A.) Ltd.	Beroscar Ltd.	Dormant	U.K.
	Polyrub S.A.	Dormant	Switzerland
	Pigott Maskew Ltd.	Industrial rubber products	Zambia
	The General Tyre and Rubber Co. Ltd.	Distributors	Zambia
	General Beltings (PVT) Ltd.	Beltings	Zimbabwe
	Pigott Maskew (PVT) Ltd.	Industrial rubber products	Zimbabwe
	The General Tyre & Rubber Co. Swaziland (Pty) Ltd.	Dormant	Swaziland
Goldfields of S.A.	Gold Fields do Brasil Participaco es LDA (Brazil)	–	Brazil
	Terraservice-Projetos Geologicos LDA (Brazil)	Geological projects	Brazil
	Gold-Fields Botswana (Pty) Ltd. (Botswana)	Mining	Botswana
Grinaker Holdings Ltd.	Grinaker Precast (Swaziland) (Pty) Ltd.	Precast concrete	Swaziland
	S. Hilton-Barber (Swaziland) (Pty) Ltd.	Construction	Swaziland
	Grinaker Construction (Botswana) (Pty) Ltd.	Construction	Botswana
	O. Grinaker (Blantyre) (Pty) Ltd.	Dormant	Malawi
The Griqualand Exploration & Finance Co. Ltd.	Central Asbestos (Botswana) (Pty) Ltd.	Dormant	Botswana
	Asbestos Refining Co. (Zimbabwe) (Pty) Ltd.	Dormant	Zimbabwe
	Central Asbestos Co. Ltd.	Selling organisation	U.K.
	Central Tradimex Ltd.	Trade in minerals	U.K.
	Cenbes S.A.	Selling organisation	Switzerland
Gubb and Inggs	Stucken & Whittingham (Lesotho) Ltd.	Wool	Lesotho
	Texas International Mohair Inc.	Mohair	U.S.A.
Haggie Ltd.	African Wire Ropes Ltd. (Zambia)	Wire ropes	Zambia

COMPANY	*SUBSIDIARY*	*TYPE OF INDUSTRY*	*COUNTRY OF INVESTMENT*
Haggie Ltd. (cont'd)	Copperbelt Rope Splicers Ltd. (Zambia)	Rope splicers	Zambia
	Haggie Gourock (PVT) Ltd. (Zimbabwe)	–	Zimbabwe
	Haggie Wire & Rope Ltd. (Zimbabwe)	Wire rope	Zimbabwe
	Samuel Osborn (PVT) Ltd. (Zimbabwe)	–	Zimbabwe
	Rascon Holdings (PVT) Ltd. (Zimbabwe)	–	Zimbabwe
	Wire Industries (Botswana) (Pty) Ltd.	Wire manufactor	Botswana
	Jupiter Holdings Ltd. (Jersey)	–	Jersey
	Neaspring Industries BV (Netherlands)	–	Netherlands
Hendlers Ltd.	Hendler & Hendler Swaziland (Pty) Ltd.	–	Swaziland
	Hendlers (U.K.) Ltd.	–	U.K.
Irvin and Johnson Ltd.	Irvin & Johnson (Australia) (Pty)	Frozen foods	Australia
	Irvin & Johnson (Great Britain) Ltd.	Frozen foods	U.K.
	Irvin & Johnson (Swaziland) Ltd.	Frozen foods	Swaziland
	Marshall Farm (PVT) Ltd.	–	Zimbabwe
Johannesburg Consolidated Investment Company (JCI) Ltd.	African Fencing & Wire Industries (PVT) Ltd.	Fencing and wire industry	Zimbabwe
	E.C. Lenning (PVT) Ltd.	–	Zimbabwe
	Prospects of Zimbabwe (PVT) Ltd.	Mining and prospecting	Zimbabwe
	P.O.Z. Nominees (PVT) Ltd.	Mining and prospecting	Zimbabwe
	Zimbabwe Mining Investments Ltd.	Mining and prospecting	Zimbabwe
	Barnato Brothers Ltd.	Finance	U.K.
John Orr Holdings Ltd.	John Orr (Zimbabwe) (Pty) Ltd.	Chain stores	Zimbabwe
Kaap-Kunene Beleggings BPK	Consortium Enterprises Ltd.	–	Bermuda
	Sociedad Pesquera Atlantic Pacific Ltd.	Fisheries	Chile
Kirsch Trading Group Ltd.	African Interests Ltd. (Lichtenstein)	–	Lichtenstein
	Berger & Co. Ltd. (U.K.)	–	U.K.
	D.Q. Hendriques & Co. (Pty) Ltd.	–	U.K.
	Kalakreich Ltd. (U.K.)	–	U.K.
	Russell Furnishers (Pty) Ltd.	Furnishers	Swaziland
	Wanda Furnishers (Pty) Ltd.	Furnishers	Swaziland
L.T.A. Ltd.	James Thompson Ltd.	Builders	Zimbabwe
	Spencer (Melksham) (PVT) Ltd.	–	Zimbabwe
	J.C. Groenewald Construction (Botswana) (Pty) Ltd.	Construction	Botswana
	LTA Construction (Botswana) (Pty) Ltd.	Construction	Botswana
	LTA Construction (Swaziland) Ltd.	Construction	Swaziland
	Swaziland Concrete Contractors Ltd.	Concrete contractors	Swaziland
	Moolman Brothers Construction Co. (Pty) Ltd.	Construction	Lesotho
Lucem Holdings Ltd.	C&P Holdings NV (Netherlands Antilles)	–	Antilles
	C&P Plastics Inc. (USA)	Plastic	U.S.A.
Malbak Ltd.	Bakke International S.A.	–	Luxembourg

COMPANY	*SUBSIDIARY*	*TYPE OF INDUSTRY*	*COUNTRY OF INVESTMENT*
Merhold Ltd.	Merchant International Holdings Inc. (Panama)	–	Panama
Messina Ltd.	M.T.D. Copper (Sales) Ltd.	Sales office	U.K.
Miscor Holdings Ltd.	Gateway International BV (Holland)	–	Netherlands
	Metlease Inc. (USA)	–	U.S.A.
	Wilmic (Canada) Inc.	–	Canada
	Wilmic International S.A.	–	Lichtenstein
	Gateway International Corp.	–	U.S.A.
	Metrek Corp.	–	U.S.A.
	Trekamerica Corp.	–	U.S.A.
	Trekamerica Limited	–	U.K.
	Mogate Holdings Limited	–	U.K.
	Gateway Management Services S.A.	Management services	Switzerland
Middle Witwatersrand (Western Areas) Ltd.	Harmony Lands & Minerals Ltd.	–	U.K.
Minerals & Resources Corp. Ltd. (Minorco) Luxemburg	Minorco Canada Ltd.	Mining	Canada
	Zamanglo Ltd. (Zambia)	Mining	Zambia
	Inspiration Copper (USA)	Mining	U.S.A.
	Terra Chemicals (USA)	Chemical	U.S.A.
	Inspiration Coal Inc.	Coal	U.S.A.
	Trend Oil Bermuda	Oil	Bermudea
Murray & Roberts Holdings Ltd.	Helicopteros Marino S.A. (Argentine) (Pty) Ltd.	Marine helicopters	Argentina
	Robair Switzerland (Pty) Ltd.	–	Switzerland
	Breitacker A.G. (Switzerland) (Pty) Ltd.	–	Switzerland
	Bitumen Products Manufacturing Co. Ltd. (Zambia)	Bitumen Products	Zambia
	Petrocental Ltd. (U.K.)	–	U.K.
	Causeway Shipping U.K. Ltd.	Shipping	U.K.
	Diving Services of Africa (Zambia) (Pty) Ltd.	Diving services	Zambia
	Bavaria Wadekor (Pty) Ltd.	Building contractors	West Germany
	Gillis Mason Construction Co. (Swaziland) (Pty) Ltd.	Construction	Swaziland
	Roberts-Union Corp. In. (USA) (Pty) Ltd.	–	U.S.A.
	Robcor International Corp. (USA) (Pty) Ltd.	–	U.S.A.
	Huddy Diamond Crown Setting Co. (Zimbabwe) (Pty) Ltd.	–	Zimbabwe
	Unidrilling Zimbabwe (Pty) Ltd.	–	Zimbabwe
Nasionale Pers BPK	Via Afrika (Botswana) (Pty) Ltd.	–	Botswana
Natal Bolts Ltd.	Dysaft Limited (U.K.)	–	U.K.
The Nedbank Group Ltd.	Lancelot S.A.	–	Luxembourg
	Nedeurope S.A.	–	Luxembourg
	N.B.S.A. Nominees Ltd.	–	U.K.
	Prime Securities S.A. (Luxembourg)	Securities	Luxembourg
	Ned Finance A.G. (Switzerland)	Finance	SWITZERLAND
	Ned Finance Asia Ltd. (Hong Kong)	Finance	Hong Kong
Oceana Fishing Group Ltd.	Tafelberg Fisheries (Australia) (Pty) Ltd.	Dormant	Australia

COMPANY	*SUBSIDIARY*	*TYPE OF INDUSTRY*	*COUNTRY OF INVESTMENT*
O.K. Bazaars (1929) Ltd.	OK Bazaars (Botswana) (1976) (Pty) Ltd.	Chain stores	Botswana
	OK Bazaars (Lesotho) (Pty) Ltd.	Chain stores	Lesotho
	OK Bazaars (Mbabane) (Pty) Ltd.	Chain stores	Swaziland
	OK Bazaars (Israel) Ltd.	Chain stores	Israel
	Worinag A.G. Switzerland	Chain stores	Switzerland
ORR-CO Retail Ltd.	John Orr & Co. (Zimbabwe) (PVT) Ltd.	Chain stores	Zimbabwe
Ovenstone Investments Ltd.	Kelvin Contracting (Pty) Ltd.	Building and construction	Lesotho
Pepkor Limited	Vans Stores (Pty) Ltd.	Clothes retailers	Swaziland
	PEP Stores (Pty) Ltd.	Clothes retailers	Lesotho
	Half Price Stores (Pty) Ltd.	Clothes retailers	Botswana
Plascon-Evans Paints Ltd.	Parthenon Paints (Lesotho) (Pty) Ltd.	Paints	Lesotho
	Plascon-Evans Paints (Swaziland) (Pty) Ltd.	Paints	Swaziland
Power Technologies Ltd.	Consolidated Lighting (PVT) Ltd. (Zimbabwe)	Lighting	Zimbabwe
Reunert Ltd.	Sucaro Investments (Jersey) (Pty) Ltd.	Investments	Jersey
	Telettra Swaziland (Pty) Ltd.	–	Swaziland
Rentmeester Beleggings	Luxavia (Pty) Ltd.	Air liners	Benelux
Rustenburg Platnium Holdings Ltd.	Matthey Rustenburg Refiners (U.K.) Ltd.	Mining	U.K.
Saficon Investment Ltd.	Lectrolite Products (Ireland)	Lectrolite products	Ireland
	Lectrolite Products (Swaziland) Ltd.	Lectrolite products	Swaziland
S.A. Manganese Amcor Ltd. (Samancor Ltd.)	Auvernier Ltd. (U.K.)	Mining	U.K.
	Samancor Overseas Ltd. (U.K.)	–	U.K.
	Samancor Botswana (Pty) Ltd.	–	Botswana
	Sanmancor Metals & Minerals Ltd. (Virgin Islands)	Metals and minerals	Virgin Islands
	Metmarks A.G. (Switzerland)	–	Switzerland
	Anglo American de Portugal Holding Ltd. (Portugal)	–	Portugal
	Euromina SARL (Lisbon)	–	Portugal
SAPPI Ltd.	Sappi (Zimbabwe)	Manufacturing and marketing	Zimbabwe
	Bondtite (Australia) (Pty) Ltd.	–	Australia
	Boxes and Shooks (Swaziland) (Pty) Ltd.	–	Swaziland
Seardel Investment Corp. Ltd.	Harven Manufacturing Co. (PVT) Ltd.	Manufacturing	Zimbabwe
S.A. BIAS HOLDINGS LTD.	Merchant Shippers (U.K.) Ltd.	Shipping	U.K.
Sun Hotels International Ltd.	Swazispa Holdings Ltd.	–	Botswana
	Sun International (Botswana) (Pty) Ltd.	Hotel	Botswana
	Sun International of Lesotho (Pty) Ltd.	Hotel	Lesotho
	Sun Hotels International (Bermuda) Ltd.	Hotel	Bermuda
	Casino de Maurice Ltd.	Casino	Mauritius
Television and Electrical Holdings Ltd.	Tedelex London (Pty) Ltd.	Computers/electronics	U.K.
	Tedelex (Zambia) Ltd.	Computers/electronics	Zambia
	Systema (U.K.) Ltd.	Electronics	U.K.
	Tedelex (Israel) Ltd.	Computers/electronics	Israel

COMPANY	*SUBSIDIARY*	*TYPE OF INDUSTRY*	*COUNTRY OF INVESTMENT*
Tiger Oats and National Milling Co. Ltd.	Combined Shipping and Trading Co. Ltd. (U.K.)	Shipping and trading	U.K.
	Imex Mercantile (U.K.) Ltd.	Imports/exports	U.K.
	Comshipco (London) Ltd.	Shipping	U.K.
	C.S. & T. Ltd. (U.K.)	–	U.K.
	Exeter Sales (London) Ltd.	–	U.K.
	Schwarz Services Ltd. (U.K.)	–	U.K.
	Comshipco Shiffarts GMBH (Germany)	Shipping	West Germany
	Crown Oil Mills (Hong Kong) Ltd.	Oil mills	Hong Kong
	Crown Oil Mills (Zimbabwe) (PVT) Ltd.	Oil mills	Zimbabwe
	Tiger Oats and National Milling Co. (Zimbabwe) (PVT) Ltd.	Millers	Zimbabwe
	Edible Products (Africa) (Pty) Ltd. (Botswana)	Edible products	Botswana
	Tati Agric. Ltd. (Botswana)	–	Botswana
	Gazellant N.V. (Netherlands)	–	Netherlands
	Serat N.V. (Netherlands)	–	Netherlands
	Donge Exploitatiemaatschappij (Netherlands)	–	Netherlands
	Weesperkarspel B.V. (Netherlands)	–	Netherlands
	Maluti Distributors (Pty) Ltd. (Lesotho)	Distributors	Lesotho
	Lesotho Milling Co. (Pty) Ltd.	Millers	Lesotho
	N.F.H. Investments (Jersey) Ltd.	Investments	Jersey
	Pacific Imex (New Zealand) Ltd.	Imports/exports	New Zealand
	Comshipco (USA) Ltd.	Shipping	New Zealand
	Macvic Trading Ltd. (Canada)	–	Canada
Trade and Industry Acceptance Corp. Ltd.	Trade and Industry Acceptance Corp. (Australia) (Pty) Ltd.	–	Australia
	Trade and Industry Acceptance Corp. (Belgium) S.A.	–	Belgium
	Trade and Industry Corp. (Bermuda) Ltd.	–	Bermuda
	Commercial & Industrial Credit Insurance Corp. Ltd.	–	Bermuda
	Trade & Industry Acceptance Corp. (Far East) Pty Ltd.	–	Hong Kong
	Hawkesley Ltd.	–	Hong Kong
	T.I.A.C. (Asia) Ltd.	–	Hong Kong
	Trade & Industry Acceptance Corp. (Israel) Ltd.	–	Israel
	Anglo African Shipping Co. of Israel Ltd.	–	Israel
	Fedship (Netherlands Antilles) N.V.	–	Netherlands Antilles
	Selhurst Corporation N.V.	–	Netherlands Antilles
	Fedship B.V.	–	Netherlands
	M.D.C. Shipping (Netherlands) B.V.	Shipping	Netherlands
	Farley Corporation	–	Panama
	Anglo Overseas	–	Panama
	Trade & Industry Acceptance Corp. (Far East) Pty Ltd.	–	Singapore
	Iverford (Pty) Ltd.	–	Singapore
	Commonwealth Shippers (Swaziland) (Pty) Ltd.	Shipping	Swaziland
	T.I.A.C. AG	–	Switzerland

COMPANY	SUBSIDIARY	TYPE OF INDUSTRY	COUNTRY OF INVESTMENT
Trade and Industry Acceptance Corp. Ltd. (cont'd)	Trade and Industry Acceptance (London) Ltd. Corporation	–	U.K.
	Affiliated Exporters (London) Ltd.	Exporters	U.K.
	Commonwealth International Shippers (U.K.) Ltd.	Shippers	U.K.
	Landau & Coetsee Ltd.	–	U.K.
	Trade and Industry Acceptance Corp. (South East Asia) Ltd.	–	U.K.
	Anglo African Shipping Co. (U.K.) Ltd.	Shipping	U.K.
	Anglo Commercial Finance Co. Ltd.	Commercial finance	U.K.
	Beechbray Ltd.	–	U.K.
	Knightbest Ltd.	–	U.K.
	Manufacturers Development Co. Ltd.	–	U.K.
	Trade and Industry Corp. (USA) Inc.	–	U.S.A.
	Commonwealth Shippers (USA) Inc.	Shippers	U.S.A.
	Empire State Buying Corp.	–	U.S.A.
	Anglo African Shipping Co. of New York Inc.	Shippers	U.S.A.
	Anglo Commercial Corporation	–	U.S.A.
The Union Steel Corporation of SA, Ltd.	Veldmaster Incorporated	–	U.S.A.
The Unisec Group Ltd.	L. Suzman (U.K.) Ltd.	Tobacco	U.K.
Veka Ltd.	M. Bertish & Co.	–	U.K.
W & A Investment Corporation Ltd.	Elfstern N.V.	–	Belgium
	Amethyst Services (Jersey) Ltd.	–	Jersey
	Mei Mei N.V.	–	Netherlands Antilles
	Cymot Namibia (Pty) Ltd.	–	Namibia
	Beleggingsmaatschappij Almere B.V.	Investments	Netherlands
	Valreal A.G.	–	Switzerland
	Bowman Securities Ltd. (U.K.)	Securities	U.K.
	Poole Securities Ltd. (U.K.)	Securities	U.K.
	Dewhurst Dent PLC (U.K.)	–	U.K.
	Keted Investment S.A. (U.K.)	Investments	U.K.
Williams Hunt S.A. Ltd.	Motor & General Supplies (Botswana) (Pty) Ltd.	Motor and general supplies	Botswana
	E.W. Tarry P.L.C.	Motors	U.K.
	Williams Hunt Motors & Tools (U.K.) Ltd.	Motors and tools	U.K.
	Burgasvet Securities Ltd.	Securities	U.K.
	Mukwa Properties (PVT) Ltd.	Properties	Zimbabwe

Source: Apartheid for Export? South African Transnational Corporations Abroad, ICFTU, Brussels, June 1989.
