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**CRITICAL ECONOMIC SITUATION IN AFRICA: UNITED NATIONS PROGRAMME OF
ACTION FOR AFRICAN ECONOMIC RECOVERY AND DEVELOPMENT 1986-1990**

Letter dated 16 January 1989 from the Permanent Representative
of South Africa to the United Nations addressed to the
Secretary-General

I am instructed to bring to your attention the fact that President Robert Mugabe of Zimbabwe, during his address to the General Assembly on 27 September 1988, launched an attack on South Africa, in which he called for comprehensive mandatory sanctions against South Africa under Chapter VII of the Charter, and ascribed the plight of 5.4 million refugees in southern Africa to "the apartheid régime's acts of destabilisation". Similar statements were made by other speakers during the forty-third session of the General Assembly.

Apart from being totally inconsistent with the facts, President Mugabe's statement is incomprehensible against the background of the preferential trade agreement that exists between South Africa and Zimbabwe. The granting of visas in the first four months of 1988 enabled 40,000 Zimbabweans to visit South Africa for, among other things, the purchase of necessary commodities.

The United Nations and other international organizations repeatedly express concern at sub-Saharan Africa's socio-economic plight. South Africa shares this concern and continually demonstrates her willingness to co-operate in alleviating it.

As recently as 3 October 1988, at the opening of the National Party's Cape Congress, State President P. W. Botha reiterated South Africa's closely-woven network of commercial, economic, health and other ties with the countries of the African sub-continent.

Amongst the ties that South Africa has with her neighbour States are the following:

TRANSPORT:

The South African Transport Services (SATS) runs 25 per cent of Africa's total railway lines. SATS' expertise is based on a century of experience of African conditions. Forty-five per cent of the combined total imports and exports of Malawi, Zimbabwe, Zambia and Zaire are carried to and from South African ports by SATS.

Some individual percentages illustrate how the transport infrastructure of these States relies on South African railway to fulfil their economic growth potential:

Imports through South Africa:

Zaire	57 per cent
Zambia	70 per cent
Malawi	60 per cent
Zimbabwe	68 per cent

Exports through South Africa:

Zaire	45 per cent copper
	60 per cent lead and zinc
	40 per cent cobalt
Zambia	40 per cent
Malawi	50 per cent
Zimbabwe	65 per cent

ENERGY:

Escom (South African Electricity Supply Commission) supplies 100 per cent of the energy requirement of Lesotho, 79 per cent of Swaziland, 52 per cent of Botswana and 60 per cent of the electricity used by Maputo, the Mozambican capital.

LABOUR:

370,000 foreign blacks are employed in South Africa. From Lesotho: 135,000, from Mozambique: 74,000, from Malawi: 31,000, from Swaziland: 21,000, from other African countries, including Zimbabwe, Zambia and Angola almost 84,000. Additionally an estimated 1.6 million persons work illegally in South Africa, including between 300,000 and 400,000 Mozambicans. In 1985 the legally employed foreign blacks alone remitted R472 million to their countries.

COMMUNICATION:

All of Lesotho and Swaziland's international communications traffic is routed through South Africa. The South African Post Office trains Swazi telephone operators. A substantial portion of Botswana's traffic also goes through South Africa.

PETROLEUM:

Lesotho, Swaziland, Botswana obtain all their petroleum products from South Africa, while Zimbabwe and Zambia rely heavily on South Africa's transport network to obtain the bulk of their supplies.

MEDICAL SERVICES:

Approximately 1,100 foreign Africans receive specialized medical treatment in South African hospitals yearly. South Africa plays a vital role in the struggle of African countries against measles, tuberculosis, tetanus, diphtheria and poliomyelitis. Most of the prophylactic vaccines and medicines used to combat these and other diseases in southern Africa are supplied by South Africa.

In 1984 over 3 million vaccine doses were supplied by South Africa to countries in sub-equatorial Africa - most of these doses (1,600,000) went to Zimbabwe.

FINANCIAL:

South Africa, Botswana, Lesotho and Swaziland are members and partners of the Southern Africa Customs Union: this provides for the free flow of goods among member States and their levy of equal tariffs on goods imported from outside this common customs area. The agreement also protects manufacturing industries in the less developed member countries. There is a customs pool in which Botswana, Lesotho and Swaziland receive considerably more than they would be entitled to on a pro-rata basis.

The South African Reserve Bank extends various financial credits to African countries to assist them inter alia with their balance-of-payments problems. These credits exceed R300 million. South Africa also helps African debtor countries through arrangements concluded at the Paris Club to reschedule instalments of their overall debt.

The Rand Monetary Area comprises South Africa, Lesotho and Swaziland, which all use one and the same currency: the South African Rand.

The South African Reserve Bank in Pretoria acts as the Central Bank for Lesotho and Swaziland.

Swaziland and Lesotho hold most of their foreign reserves in the form of Rand balances invested in the South African money market.

The single most important private agency extending credit guarantees to African countries is the Credit Guarantee Insurance Corporation of Johannesburg. The Corporation enjoys reinsurance facilities from the South African Government.

CO-OPERATION AGREEMENTS:

Besides the SACU (South Africa Custom Union) and the RMA (Rand Monetary Area) agreements, several other interregional agreements link nine sub-equatorial African

countries to South Africa. For example, Botswana, Lesotho, Swaziland and Mozambique are linked to South Africa in SARCCUS (Southern Africa Regional Commission for the Conservation and Utilisation of Soil). Lesotho, Malawi and Swaziland are linked to South Africa in SARTOC (Southern African Regional Tourist Council). There are labour agreements between South Africa and Botswana, Lesotho, Malawi, Mozambique and Swaziland.

MILITARY:

South Africa has formal non-aggression and security agreements with Malawi, Swaziland and Mozambique. South Africa is providing substantial military aid to Mozambique through the South African/Mozambique Joint Security Commission, which meets regularly in Maputo and Pretoria.

AVIATION:

SAFAIR's fleet of cargo planes ferries urgently needed spares, machinery, pharmaceuticals and consumer goods to destinations all over Africa.

EDUCATION:

The University of South Africa is the largest tele-tuition university in the world and its student body of 76,000, includes thousands from black neighbouring States.

Detailed statistics on trade between South Africa and other African countries have been restricted since some of these countries officially imposed sanctions. South Africa's annual trade with Africa currently exceeds an estimated R4 billion. At the present time trade with Africa as a whole - both imports and exports - is increasing at circa 6 per cent per annum.

Africa's greatest enemies are poverty and underdevelopment and the chronic instability which flows from them. Economic development is therefore of fundamental importance to the political and social stability of this continent and regional relationships are obviously of mutual benefit to all concerned. They constitute the reality which differs from the rhetoric. Unquestionably, it is the South African economy which provides the principal development impetus for most of southern Africa. While it is not possible to quantify the total contribution made in this regard, the data and examples cited above are ample evidence of the determinant stabilising role already played by the South African economy. Potentially its role could be even more decisive in the economic prosperity and stability of the sub-continent.

South Africa's territory comprises 4 per cent of the African continent. It produces some 60 per cent of the continent's electricity, 66 per cent of its steel, 100 per cent of Africa's industrial goods. South Africa produces 45 per cent of Africa's mining output, uses 40 per cent of the cement, has 29 per cent of all of Africa's railway lines, conveys 63 per cent of Africa's rail cargo, has 46 per cent of the continent's passenger and commercial vehicles, produces 36 per cent of Africa's staple, maize, provides 54 per cent of the continent's wool, and produces 83 per cent of Africa's vital human nutrient, sunflower seed.

South Africa's gross national product comprises 80 per cent of the GNP of all of southern Africa's countries. South Africa produces 77 per cent of all of southern Africa's electricity output; 77 per cent of the region's maize; 87 per cent of its wheat, 97 per cent of its coal; 98 per cent of its iron ore; 67 per cent of its sugar cane. South Africa has 82 per cent of southern Africa's motor vehicles; 63 per cent of its tarred roads; 57 per cent of all its railway lines; and last but not least, 84 per cent of all of southern Africa's telephone lines.

Recent events clearly show that a new understanding has entered into the relationships in the African sub-continent highlighted by the visits of President Botha to his fellow Heads of State in Mozambique, Malawi, Zaire and Côte d'Ivoire. The realities of the region now indicate that the time for rhetoric is past and that all the countries of the sub-continent should consider in depth how best they can co-operate to achieve the goal of the economic stability and well-being of all their inhabitants.

I should be grateful if you would arrange for this letter to be circulated as an official document of the General Assembly under the item entitled "Critical economic situation in Africa: United Nations Programme of Action for African Economic Recovery and Development 1986-1990".

(Signed) Jeremy B. SHEARAR
Permanent Representative
