

Press Release

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South African Institute of Race Relations
The power of ideas

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Biting the hands that feed us

The ruling African National Congress (ANC) seems intent on alienating the West and adopting a rigid pro-Russia and pro-China stance, says the IRR (Institute of Race Relations).

But the Western countries it is busy targeting have long been South Africa's most important investors, whereas investment from China and Russia is very limited.

The figures tell the story, the IRR goes on. "In December 2013, the total value of foreign direct investment (FDI) in the country was close on R1 600bn, of which at least R1 350bn or 85% was from the West."

Similarly, while the total value of foreign indirect investment (mainly in equities and bonds) was then roughly R2 700bn, at least R2 435bn or 90% was from the West.

By contrast, the value of FDI from China was R59bn or 3.7% of the total, while the value of indirect investment from China was roughly R15bn or 0.5% of the full amount. Russian FDI and indirect investment was even less.

Notes the IRR: "Instead of fostering South Africa's strong relationship with the West, the ANC seems intent on turning its back on it.

"Though the value of US investments now stands at close on R1 100bn, the ANC recently launched an extraordinarily hostile propaganda barrage against Washington. It accuses it of starting a new 'cold war' so that, in time, 'there will be no Russia or China to challenge US hegemony'.

"In addition, though the overall value of direct and indirect investment from the United Kingdom, the Netherlands, and Germany stands at roughly R2 050bn, the Government has recently cancelled its bilateral investment treaties (BITs) with all three countries. It has also terminated four other European BITs.

"The Government is now replacing these agreements with the Promotion and Protection of Investment Bill of 2015. It falsely claims that this Bill reflects and "codifies" the standard provisions in these BITs, but this is simply not the case.

These moves are likely to damage investor confidence in South Africa throughout the West. Yet the country cannot afford to put anti-Western ideology before the urgent needs of the economy – and especially not at this time of zero growth."

For more detail, see Anthea Jeffery in BizNews [here](#).

The IRR's CEO Dr Frans Cronjé will brief European investors and diplomats on South Africa's economic, investment, and foreign policy prospects in Brussels today.

Ends.