

# S e p 2008

swiss business hub  
south africa

member of **business network  
switzerland**



## swiss business hub south africa review

### A positive multi-faceted view on South Africa

That was the title for the photo competition organised by the Swiss Business Hub South Africa and the Technical University of Tshwane (TUT). Invited to this challenge were TUT students in their 2nd and 3rd year of studies. TUT supported the initiative of the SBHSA unconditionally and the cooperation and support between them was exemplary. The organisation of the photo competition started in the first quarter of this year and culminated in the prize giving ceremony on 18 September 2008 at the Swiss Embassy in Pretoria. A week earlier the judges (Johann van Wyk, Singer Photographic; Carina Fourie, SBHSA; Waldemar Bussiahn, TUT, Amos Mndawe, Free Lanced TV Camera Operator; Markus Dutly, Chargé d'affaires a.i. of Switzerland) had the difficult task of selecting the winner from over 70 pictures submitted by 44



Marli Van Vuuren, 2nd year student at TUT was the winner of the SBHSA photo competition and took home a Elinchrom Flash set sponsored by Singer Photographic of Johannesburg

students. All entries were carefully considered and evaluated and the panel reached a unanimous decision at the end.

Kevin Singer of Singer Photographic, Johannesburg, who generously sponsored a Elinchrom Flash Light set, awarded the prize to Ms Marli Van Vuuren, 2nd year student at TUT.

Marli's winning picture will be used for the SBHSA season greeting cards which will be sent to all registered readers of the Swiss Business Hub South Africa Review.

### Syngenta's tropical sugar beet receives World Business and Development Award

Syngenta announced that it received the 2008 World Business and Development Award (WBDA) for the development and successful introduction of a new sugar beet that can be grown under tropical climate conditions and brings significant advantages to farmers, the environment, the sugar and ethanol industries and the economy.

The WBDA, presented by the United Nations Development Program, the International Chamber of Commerce and the International Business Leaders Forum, acknowledge the contribution of the private sector to help achieve the UN Millennium Development Goals. The award recognized Syngenta's tropical sugar beet as **"an example of technological innovation that helps increase sustainable agricultural productivity to meet the world's growing demand for food, feed and fuel"**.

**"We are very proud of this achievement. It is a reminder of the importance of the work we do in addressing the challenges of feeding a growing popula-**

**tion and finding alternative energy sources,"** said Martin Taylor, Chairman of Syngenta. **"Tropical sugar beet is also a good example of sustainable agriculture, since it improves land use and helps water management. It also illustrates how Syngenta works in partnership with agriculture in developing countries around the world."**

#### About tropical sugar beet

Tropical sugar beet can be grown in relatively dry areas as it requires substantially less water than sugar cane. The beets are also faster growing, allowing farmers to grow a second crop on their land in the same period as sugarcane crops take to mature. This increases farmers' productivity and income, bringing significant benefits also to the agricultural sector of developing markets. Tropical sugar beet delivers similar output yields to sugar cane and can be used both for processing sugar for food and conversion to bio-ethanol. An alternative to cane, it supports biodiversity when used in areas with extensive sugar cane monocultures.



It took Syngenta 11 years to develop tropicalized sugar beet. In 2007, the beet was successfully introduced in India. In the State of Maharashtra, for example, Syngenta helped a cooperation of more than 12,000 smallhold farmers to build and operate a bio-ethanol production plant that runs on Syngenta tropical beet. In Colombia, the building has started of two beet-to-ethanol plants, which are expected to start processing tropical sugar beet in 2009.

Syngenta is currently conducting adaptation trials in many other tropical countries such as China, Australia, Thailand, Vietnam, Kenya, **South Africa**, Ethiopia, Brazil, Peru, Mexico and in the USA.

#### About Syngenta

Syngenta is a world-leading agribusiness committed to sustainable agriculture through innovative research and technology. The company is a leader in crop protection, and ranks third in the high-value commercial seeds market. Sales in 2007 were approximately \$9.2 billion. Syngenta employs over 21,000 people in more than 90 countries. Syngenta is listed on the Swiss stock exchange (SYNN) and in New York (SYT). Further information is available at [www.syngenta.com](http://www.syngenta.com).

### South African Members of the Pool of Experts

[www.poolofexperts.ch](http://www.poolofexperts.ch)

The experts provide broad services and industry know-how and are recommended by Osec Business Network Switzerland and the Swiss Business Hub South Africa. The Pool of Experts member profiles are available online at [www.poolofexperts.ch](http://www.poolofexperts.ch).

Currently 45 consultants with Southern Africa experience are registered with the Pool of Experts of which 10 are residing in South Africa.

The Swiss Business Hub South Africa encourages experts from South Africa to join the network. For a minimal yearly registration fee as well as a proven track record, companies and/or individuals can list their services. The Pool of Experts homepage is visited by over 20'000 people a month not only from Switzerland but from all over the world. Therefore it is an effective marketing tool with excellent potential to attract additional customers. The Pool of Experts members are the preferential service providers for Swiss Business Hubs operating in key markets as well as an integral part of the Osec Business Network Switzerland.

The Swiss Business Hub South Africa will continue to introduce new members of the Pool of Experts with a focus on South Africa. In this issue we are pleased to present:



#### Mr Alfons Mauchle

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#### Expertise:

Geographical Region: South Africa

#### Industrial Expertise:

Business Services & Consulting

#### Functional Competence:

Business Development / Management

Mr Mauchle has managed an automotive supplier for safety critical items such as suspension components. He has done global business development for various companies, project management, relocation of production from one continent to another. He did strategic work for major companies and supported small and medium sized businesses with various needs from HR and technical to operational, quality, marketing and sales. Experienced in importing and reselling.

#### Business organisation:

Mr Mauchle is working with 4000 associates worldwide of whom 200 are in South Africa. This network offers Business support to a wide range of medium sized businesses. The support covers diagnostics to interim management, from financial planning and funding to marketing and sales locally and internationally.

#### Speciality:

Automotive Component Manufacture  
Import & Export  
Global Business Development  
Marketing and Sales  
Operational Improvement  
Leadership and Organisational Focus and Change  
Mentoring and Coaching



**SwissCham Southern Africa – South Africa Chapter held its first membership luncheon at the Grayston Sun Conference Centre on September 9th 2008. More than fifty participants gathered to hear Dennis Dykes, Chief Economist, Nedbank speak on:**

### How well is SA placed to cope with turbulent global conditions?

In a recent talk to the Swiss Chamber of Commerce, Mr Dennis Dykes, Chief Economist of Nedbank, gave a reasonably positive message of South Africa's ability to weather the storm currently raging in global financial markets and economies. South Africa's relatively favourable position is slightly counterintuitive given the country's small, open nature, but both the nature of the crisis as well as the country's external position and policies have helped it to escape scrutiny so far.



Dennis first outlined how the favourable international economic and financial climate had contributed to South Africa's 5% gdp growth rate in the four years to the end of 2007. These included low global inflation and therefore interest rates, rising world economic growth and strong international liquidity. All these – to a greater or lesser extent – were functions of China's increasing dominance on the world stage. Not only has growth

been strong, but it has been commodity-intensive given the rise in construction, manufacturing and infrastructure in the East. At the same time, productivity growth, driven by massive economies of scale and a relatively undervalued currency, helped keep manufactured- and consumer-goods price inflation very low despite rising commodity-input prices. Finally, China and other trade surplus countries (such as the oil producers) were forced to recycle foreign exchange back into global financial markets. For South Africa as well as other African countries this meant an improving terms of trade (export prices rose relative to import prices), strong export demand, low inflation and access to plentiful and cheap international capital.



Unfortunately, these favourable circumstances started unravelling during 2007 and 2008 with the US subprime crisis emerging as the principal villain. As with many banking crises in the past, the origin of the problems was excessive liquidity, prompting bankers to find new and imaginative ways of lending money despite deteriorating credit quality. Given the steady upward march in house prices, mortgage lending – even to less than credit worthy clients – seemed like a safe bet, particularly when packaged into debt securities and on sold to the unsuspecting. The rise in US interest rates between 2004 and 2006 triggered large ‘resets’ in payments on adjustable rate mortgages and therefore large defaults among such borrowers. House price weakness in the lower price ranges soon spilled over into other categories and soon banks were making losses on the paper they held and on securities that they had to bring back on balance sheet. They therefore started cutting back on lending and started regarding other banks’ paper with suspicion, thereby exacerbating the crisis, worsening the downturn in the housing market and destroying consumer confidence. Worse still, the bets made on these securities had also been magnified by complex derivatives, making underlying losses significantly bigger than the original problem. Unfortunately, banks from other jurisdictions were involved through holding and dealing in such paper. The credit and liquidity crunch has therefore become global in nature. Ironically though, emerging markets were not at the source of the difficulties and, in many cases, have so far escaped relatively unscathed. Although the availability of bank credit has dried up other liquidity is still very much available, with

Trade Fairs in Switzerland and South Africa	
October - December 2008	
Date	Where
09.10.2008	<b>St. Gallen (Switzerland)</b>
19.09.2008	 <b>OLMA</b>
14.10.2008	<b>Cape Town (South Africa)</b>
16.10.2008	 <b>PROPAK CAPE 2008</b>
28.10.2008	<b>St. Gallen (Switzerland)</b>
31.10.2008	 <b>IFAS</b>
29.10.2008	<b>Basel (Switzerland)</b>
31.10.2008	 <b>WORLD DIDAC</b>
09.11.2008	<b>Lausanne (Switzerland)</b>
12.11.2008	 <b>GASTRONOMIA</b>
13.11.2008	<b>St. Gallen (Switzerland)</b>
15.11.2008	 <b>Geoprotecta</b>
18.11.2008	<b>Basel (Switzerland)</b>
22.11.2008	 <b>PRODEX</b>
17.11.2008	<b>Zürich (Switzerland)</b>
20.11.2008	 <b>SICHERHEIT</b>
04.12.2008	<b>Fribourg (Switzerland)</b>
06.12.2008	 <b>SwissInfraSport</b>

sovereign wealth funds sitting on massive piles of money. Portfolio and direct investment finance is therefore still available and many developing countries are relatively self sufficient, running fiscal and current account surpluses. South Africa is not quite as fortunate as it is running a large current account deficit and is dependent on capital inflows to support its infrastructure and capital formation programme. However, it has not been reliant on international bank credit for this and has managed to continue attracting investors. Part of the reason for this may be that the country has been able to improve its foreign exchange cushion substantially over the past four years and also has extremely low debt levels compared with peer countries. Foreign investors are also generally encouraged that the composition of imports is switching away from consumer goods towards capital goods and that the prospects for exports will improve as infrastructure improves despite a slowing global environment. Finally, the major South African banks were not involved directly or even indirectly in the subprime crisis and remain well capitalised, with the banking system operating normally.

Despite this, there are some negative features that could unfavourably differen-

tiate the country in a risk-averse world. These include the electricity issue which, thankfully, has moved off the front page, but remains an obstacle to higher growth rates in the medium term. The uncertain political and policy environment post the changes in the ANC's leadership structures are also issues.



Dennis concluded that the potential for fallout from the global financial crisis was dependent on the country's own actions to a large extent. Positive political developments and a steady policy course would be rewarded by a relatively stable exchange rate and a declining interest rate pattern in 2009. With the oncoming Confederation Cup in 2009 and the FIFA World Cup in 2010, confidence and the economy would start lifting in the second half of 2009 and growth would get back to trend levels of around 4,5% or more in 2010.

## Saving money, water and energy when manufacturing comes clean

As ordinary people begin to realise the effects of global warming, governments are also gearing up to develop solutions to the problems associated with this phenomenon. National Cleaner Week early in September and National Car Free Day in October are examples of such interventions by the South African government to increase awareness about the impact of global warming.

Kevin Cilliers, a project manager at the **National Cleaner Production Centre-SA** (NCPC-SA) - managed by the CSIR and funded by the Department of Trade and Industry - believes that saving water and energy as well as reducing waste production, can dramatically turn the tide in many sectors of the economy. Cilliers is responsible for the development, roll-out and implementation of a Cleaner Production Programme in the chemical sector.

He hopes to implement further energy projects in other sectors and municipalities over the next two years. He says if industry knew about the benefits cleaner production has on the environment and, in the long run, on its profits, it would swiftly implement it.

Cleaner production is a methodology used to determine where and how much waste is produced during a production process and identifying possible options to reduce it. **“Essentially, cleaner production focuses on reducing or eliminating waste at source and taking a holistic approach when considering options for implementation,”** says Cilliers.

He says they look at the possibility of recovering waste heat from an exhaust stack to preheat raw materials or water for use elsewhere in the process, rather than extending the capacity and demand on the existing boiler and heating systems. **“Ultimately this energy is available freely and is then used to heat up the environment. Much of the waste management up to now has focused on ‘end of pipe treatment’ where emphasis is placed on treating the waste so that it is safe enough to dispose to landfill or drain.”**

Cilliers explains that if they question where the waste is coming from and deal with it at source, it allows them to reduce the amount of waste generated that requires end of pipe treatment. **“This translates**

### Bernese braided bread

Dough for 2 loaves of braided bread

#### Ingredients

1 kg flour  
1 tbsp salt  
100 g butter  
1/2 cube of yeast (approx. 20 g)  
5 dl milk  
1 egg

**Preparation:** Place the **flour, salt** and **butter**, cut into pieces, in a bowl. Add yeast dissolved in luke-warm **milk** and the **egg**. Knead the mass into a smooth dough. Cover with a moist towel and let rise to around twice the size (approx. 1.5 hours). Divide dough into four equally sized pieces, and then roll out to form long ropes. Braid the ropes two at a time to form braids. Brush with the egg and then let cool for half an hour. Again brush with egg and then bake at 200° C for approx. 45 to 50 minutes.



**Tip:** Melt the butter in a small pan and pour in the cold milk - this makes a mixture with just the right temperature to mix in the yeast.

One of twenty-seven recipes from farm women from every canton in Switzerland, easy to bake. Published by LID Agricultural Information Centre in Berne. The brochure may be downloaded in PDF format in English, Deutsch, Français or Italiano at [www.lid.ch/de/service/lid-shop/produktliste/agrishop/minibroschueren/](http://www.lid.ch/de/service/lid-shop/produktliste/agrishop/minibroschueren/)

**into savings for the company in that the required effluent treatment facility can be smaller in size, for example lower capital investment will be required, and less waste has to be treated. This, in turn, will reduce the chemical treatment costs,”** says Cilliers.

He says companies would save money, contribute to the drive to conserve water and save energy if they optimised the internal recycling of process streams within the production process. This could entail something as simple as reusing a rinse process stream as a feed to a first stage dirty wash or even floor cleaning purposes.

**“Even in households we can play our part by reducing the amount of waste that goes to landfills by separating our waste and ensuring materials that can be recycled, are. Thinking twice about turning on that light or air conditioner can also impact on the carbon dioxide emissions that we send into the atmosphere,”** he says.

Yet companies and people continue to do things the way they have always done them: wasting. **“Wasting has become part of people's lives. Many people seem to take the approach that if I can afford it then I can use it as much as I like,”** says Cilliers.

He says that apart from saving money and the environment, the different industry sectors could also be more sustainable if they reduced the energy and water wasted during production.

Cilliers says the aim is to throw away as little as possible. **“Cleaner production is not first and foremost about the financial benefits, but about the environmental implications. But the financial advantages do make it even more attractive,”** he says.

Since its launch in 2002, the NCPC has been creating awareness in the chemical, clothing and textile as well as the agro-

processing sectors. And since his appointment as project manager in 2005, the centre has carried out 16 cleaner production assessments in the chemical sector alone, with further assessments completed in the clothing and textile as well as agro-processing sectors.

Recently, the centre had six projects that focused particularly on energy in support of the industry's initiative to reduce energy consumption by 10%. These projects were undertaken on behalf of the NCPC by local energy experts in South Africa. **“The projects entailed undertaking an energy audit of the selected companies to understand what their consumption was and where opportunities existed for possible improvement and reduction in energy consumption,”** he explains.

The assessments also involved a briefing session with each of the companies to help them understand their consumption patterns and highlight behaviours or activities that were costing the company money.

**“The results thus far have been very encouraging,”** declares Cilliers. He explains: **“The six projects have identified potential savings in energy of 48 335 979 kilowatt hours with a combined electricity and fuel cost saving of R8 858 357. If we consider that a small household can use 1000 – 1200 kWh per month, this adds up to a number of additional houses that can be supplied with electricity. The assessments have demonstrated possible reductions in energy consumption ranging from 6,5% to 65% with an overall reduction of 13%. This bodes well for future planned energy audit programmes and if correctly implemented, could go some way to alleviate the current shortage experienced in supply, until such time power producers can bring more capacity on-line.”**

Cilliers believes that not only will such projects help to alleviate the supply shortages, but any reduction in energy con-

sumption will also reduce the country's carbon dioxide (CO<sub>2</sub>) emissions.

***"With the country's heavy dependence on fossil fuel for power generation, South Africa is currently one of the top CO<sub>2</sub> emitters per capita,"*** he says.

His preference for cleaner production results from the potential that he sees in industry to become a better competitor in the global market.

Though he is no longer in the core research and development arena, Cilliers is well positioned to advise researchers on areas that need attention.

He has a Diploma in Chemical Engineering from the Durban University of Technology (previously Natal Technikon) and has been working at the CSIR for 15 years, where he started as a trainee chemical engineering technician. It is his experience in chemical processing and engineering that qualifies him to advise industry on what to do.

***"You must think out of the box. There will always be concerns about financial lay-outs up-front and other barriers, but we need to constantly challenge whether there are other ways of doing the same thing,"*** he says.

CSIR kindly granted permission to reprint the above article which appeared on their homepage [www.csir.org.za](http://www.csir.org.za).

Start-up funding for the NCPC-SA was provided by the Austrian Government, the **Swiss State Secretariat of Economy Affairs** (SECO) and UNIDO.

## 2nd Annual South African International Trade & Investment Conference and Exhibition

30 - 31 October 2008

International Convention Centre, Cape Town

### About the Conference

Trade & Investment South Africa and the Provincial Investment Promotion Agencies are preparing to host the second annual South African International Trade & Investment Conference and Exhibition from the 30 - 31 October 2008 to be held at the International Convention Centre, Cape Town, South Africa.

The Department of Trade & Industry and the Provincial Investment Promotion Agencies around South Africa have identified and selected Western Cape as the province to host this international event.

This event is an absolute essential marketing tool to grow the economy of South Africa. It will also provide an opportunity for South African and international organizations to forge relationships and form business linkages with key players and decision makers in the various sectors globally.

The conference, exhibition and business matching meetings will be used as a platform to promote South Africa as a premier investment destination and a leader in export trade. Flagship projects, products and services produced locally, from around South Africa will be presented, highlighting the great opportunities not only for investing in the various provinces and sectors but showcasing the export potential outside of South Africa.

The successful marketing and promotion of South Africa through this event will attract an influx of investment opportunities which will lead to the heightening of economic activity improving the country's economy and the lives of South Africans.

This project has firm government commitment and is part of the annual calendar to further make South Africa a must visit destination for any serious investor or trader from anywhere in the world.

### About South Africa

South Africa is one of the world's top business destinations and is strongly supported by a well developed infrastructure, equipped with every convenience and high levels of service expected by visitors and delegates.

South Africa's expertise in hosting large scale conferences and events is firmly established. Events attracting international interest such as the World Economic Forum (Africa), Soccerex, Tourism Indaba, African Renaissance, A1 Grand Prix and many others give a new impetus to the positioning of South Africa as a truly international destination. South Africa will be hosting the FIFA 2010 World Cup. South Africa is a must visit destination for any serious investor or trade from anywhere in the world.

As the biggest economy in Africa, South Africa provides the key platform for investment into Africa and the strategic access point for the Indian Ocean and Atlantic Ocean markets. Since Africa is the world's last unexploited market, foreign business can find much interest here, with South Africa as the starting point. This is not least because South African businesses have seized the moment to become the biggest single investor in sub-Saharan Africa. Africa is open for business and South Africa is leading the way.

### Trade & Investment Conference (30 October 2008)

The conference will entail plenary sessions and breakaway sector sessions. Content for business presentations will be based on practical business opportunities, funding, trade agreements and incentive schemes. Packaged projects from municipalities around South Africa will be presented. The focus will be on ensuring investors are able to access the projects.

The conference will incorporate sector breakaway sessions. These will be smaller focused sessions looking at specific sector investment opportunities and will include speakers representing government, academic and private sector business.

### Trade & Investment Exhibition (30 October 2008)

The exhibition will provide a platform for companies and government agencies to exhibit their products, services and investment projects at individual exhibition stands. This will afford both private and public sector exhibitors the opportunity to secure business and developmental opportunities, build partnerships and facilitate collaborative networks.

### Business Matching Meetings (31 October 2008)

The aim of business matching meetings is to ensure that relevant international businesses are matched with local business. The business matching one-on-one meetings will follow the interactions at the conference and exhibition. This will ensure ease of access for those delegates attending the conference who are keen to meet specific company representatives for detailed discussions.

All one-on-one meetings will be pre-booked and pre-scheduled to ensure a smooth flow of the consultations between established business and partners. All local companies participating in the sessions will be briefed prior to the meetings giving them advice on how to present their business to potential investors.

### Key Sectors

South Africa has scenic beauty, it is rich with natural resources, has a dynamic manufacturing sector, a strong financial services sector backed by a sound regulatory and legal framework, a growing economy and many other attributes which would encourage international investment. To this end, key sectors for the event have been identified encompassing a broad sector base each offering phenomenal growth potential.

- 🌐 Energy
- 🌐 Tourism
- 🌐 Financial Services
- 🌐 General manufacturing including beneficiation

### Targeted Countries

South Africa has established relationships in many countries around the world. Key representatives from various sectors in targeted countries will be invited to the conference and exhibition so that they can be exposed to local investment and trade opportunities. Companies from targeted sectors will be invited and matched with local partners to form joint ventures and collaborations which will enhance the South African economy. Our focus is to attract potential investors and importers from regions where we have strategic alliances.

- 🌐 Europe
- 🌐 America
- 🌐 Asia
- 🌐 Far East
- 🌐 Middle East
- 🌐 Africa

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