

# Press Release

## For immediate release

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South African Institute of Race Relations

*The power of ideas*

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### **What the Investment Summit needs to do – IRR**

Rather than more deliberation, South Africa needs a reorientation of its policy trajectory if it hopes to attract the investment that will secure South Africa's economic future.

The investment summit starting today will seek to showcase the opportunities that exist for investors. If this is to be successful – and sustainable – it will need to convey a very clear message: South Africa welcomes business, and offers a secure environment in which to operate.

The IRR warns, however, that the summit will inevitably take place under the shadow of the drive to institute a programme of Expropriation without Compensation (EWC), ostensibly to accelerate land reform. Deep misgivings have been expressed about this by business people, as even government representatives have conceded.

It will not be enough for government to offer non-binding assurances, or even to provide a 'coherent narrative' or 'policy certainty'. Policy certainty is an important consideration for investors, but it will be of limited value if the policy itself is counterproductive.

EWC is just such a counterproductive policy. It strikes at a fundamental interest of any investor: the security of their assets.

The IRR can confirm – as a result of engagements with local and foreign businesspeople – the degree of concern that is felt at the government's plans. The sense that the country is on the way to becoming 'uninvestable' has been repeatedly expressed.

In view of this, the IRR believes President Ramaphosa and his government should use the Summit as an opportunity to change course, commit to leaving the constitution intact, and to stepping away from EWC. The focus should rather be on protecting property rights and dealing with identified deficiencies in the land reform programme.

This would in turn signal a seriousness on the part of the South African government to setting the country on the path to prosperity.

**Ends**