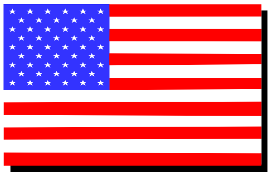

U.S. - South Africa Business Council

BUSINESS REPORT **MARCH 2004**

Dear Business Council Members,

We've hit the ground running in 2004 with a series of important meetings with the new ambassador from South Africa, Barbara Masekela, and meetings with the lead negotiators for the ongoing U.S.-SACU FTA negotiations. March is shaping up to be a busy month with meetings scheduled with Jendayi Frazer of the NSC and Charlie Snyder, Acting Secretary of State for Africa. The U.S.-SACU FTA Coalition will continue to meet with the negotiators as the negotiations enter the critical Phase 2 issues (IPR, Government Procurement, Financial Services, etc.). We hope to see you at our upcoming meetings as this is a crucial time to be involved with the U.S.-South Africa Business Council.

Warm regards,

U.S.-South Africa Business Council Staff

Contents

News

U.S.-SACU FTA

The fourth round of the South Africa Customs Union (SACU) - US trade negotiations took place in Namibia February 23-27. Xavier Carim, South Africa's chief trade negotiator, said that both parties remain committed to completion of the negotiations by December 2004. The Coalition met with Chief Negotiator Flori Liser following the round. Ms. Liser reported a successful round and remained optimistic the negotiations would be completed by December. The next round is set for the first week of May in Lesotho. Phase 2 issues will begin to be discussed in the next round. In June the negotiations will return to the U.S. with Atlanta possibly hosting the talks.

Ambassador Barbara Masekela

The new South African ambassador to the U.S., Barbara Masekela, made her debut at a U.S.-South Africa Business Council meeting this month. Ambassador Masekela came to discuss President Mbeki's State of the Nation Address and Minister Manuel's Budget Speech. The ambassador also shared with us her plans to celebrate the 10^{th} Anniversary of Freedom Day and invited the business community to get involved. Late last month the Business Council hosted the Health Attache from the South African Embassy and the Deputy Coordinator of the Office of the Global Aids Coordinator, Ambassador John Lange, to discuss HIV/AIDS in South Africa and South Africa's new comprehensive plan to battle the disease.

New Government Officials Appointed

Finance Minister Trevor Manuel appointed Lesetja Kganyago, formerly deputy Director General of economic policy and international financial relations, Director General at the South African National Treasury in January. Kganyago's background includes degrees from Unisa and the London University's School of Oriental and African Studies and work in the ANC's economic planning department prior to the 1994 elections.

Finance Minister Trevor Manuel also named Phakamani Hadebe Deputy Director General of Asset and Libaility Management and Freeman Nomvalo Accountant General.

Sipho Mseleku became the new Chief Executive Officer of the newly formed Chambers of Commerce and Industry of South Africa (Chamsa) in January. Bheki Sibiya became the new CEO of Business Unity South Africa. Chamsa is a member of Busa, the successor to the former Black Business Council and Business South Africa, and both will share offices to consolidate costs. Chamsa seeks to improve domestic and international business confidence in South Africa. The two organizations form the largest associations representing the interests of South African businesses.

U.S. - South Africa Business Council
1625 K Street, NW Suite 200 Washington, DC 20006
Telephone: 202-887-0278 Facsimile: 202-452-8160
E-mail: ussabc@nftc.org Web: www.nftc.org

For further information on South African Chambers of Commerce, visit http://www.southafrica.info/doing_business/sa_trade/help/sachambers.htm.

Chamber News

South African Chamber of Commerce CE James Lennox expressed concerns about the effects of new US security measures on business travel and goods transportation. He noted that antiterrorism measures such as a recent US container security initiative, cancelled transatlantic flights, and the prospect of South African business travel visas requiring personal interviews with US consular staff could negatively impact growth in US- South Africa bilateral trade. He also warned that if the US were to implement policies inhibiting South African business travel, the issue should become part of the free trade negotiations between South Africa and the US.

Telecommunications Legislation

The draft Convergence Bill, whose purpose if to regulate the merging of communications and computing technologies, has been widely criticized for its numerous flaws despite the general consensus on the necessity of overhauling the current regulations. Several organizations, including the Internet Service Providers' Association, the Free Market Foundation, and Buys Attorneys, will be submitting recommendations for future drafts of the bill.

Two Consortium and CommuniTel will each pay for a 13% stake in the second telecommunications operator. They will work with existing shareholders Eskom Enterprises and Transnet which together own a 30% share, and Nexus, an empowerment group with a 19% share. For now, the government will retain a 25% share. Two Consortium and CommuniTel had both originally bid on a 51% share, but the Independent Communications Authority of South Africa rejected both bids, maintaining that neither group had the capacity to break Telkom's monopoly. The logistics of the operation of this second telecommunications company have yet to be finalized.

Acting director-general Pakamile Pongwana announced that the communications department is considering altering its telecommunication services provision strategy. Currently, land-line operators such as Telkom have undertaken the universal telecommunications roll-out. Under the proposed Convergence Bill, the second national operator would not be limited to land-based telecommunications technologies. Pongwana is already considering mass Sim-card distribution for public cellular telephones, already widely in use in South Africa.

Land Reform

The Communal Land Rights Bill, approved by Parliamentary committee in January, transfers some of the authority land administration committees to traditional councils, allowing chiefs to administer land purchased by communal property associations and individuals. The law left unclear which circumstances which organization would take precedence and is likely to face a Constitutional Court Challenge.

Economy

Economic Indicators

South Africa registered a cumulative trade surplus of 16.551 billion rand for 2003, a greater than 50% decrease from the 39.453 billion rand figure from 2002.

The South African GDP growth rate fell from 3.6% in 2002 to 1.9% in 2003. Both the manufacturing and agricultural sectors contracted last year at 1% and 5.9% respectively while the rand gained 28% against the dollar. With the manufacturing sector representing 18.7% of GDP, the contraction has serious implications for the unemployment rate, most recently officially recorded at 31%

The increasing strength of the rand is likely to be felt during the first quarter of 2004 as long-term export contracts come up for renewal. Imports have been increasing due to the strength of the rand, partially compensating manufacturers who rely on imported components. The decreasing rand price of imported capital equipment and air and sea freight has also served to partially compensate South African exporters.

US- Africa trade fell during 2002 due to a decline in US exports of transportation goods and a decrease in energy imports from Africa. The US International Trade Commission (ITC) feels that trade is likely to increase over the next several years as AGOA and recent energy policy changes in Washington take effect. African agriculture is likely to continue to struggle to gain access to US markets due to US agricultural subsidies. South African exports currently represent 14.9% of AGOA exports and nearly all US foreign investment flows to the region, totaling $861 million in 2002.

Barloworld chairman Warren Clewlow argued that the strong rand need not be damaging to the South African economy and should instead be viewed as emblematic of its more favorable assessment. He expressed hope that the government would enact policies to lower the interest and inflation rates and encourage productivity growth under the strong rand conditions.

South Africa, currently chairperson of the World Customs Organization (WCO) hosted the 50th session of the WCO Policy Commission in December, highlighting issues of customs administrations in developing countries under globalization.

According to the Human Sciences Research Council (HSRC), South Africa's nine growth sectors have been increasing economic output while shedding jobs since 1997, disproving the popular perception that skills shortages are responsible for South African unemployment, and holding profitable companies responsible for rising unemployment in these sectors. These nine sectors include banking; energy; financial and accounting services; manufacturing; engineering and related services; wholesale and retail; information systems; electronics and telecommunications; forest industries; media, advertising, printing and packaging; and tourism and hospitality. The survey founds the financial, banking, energy, manufacturing, and engineering sectors most responsible for job losses and increasing inequalities in the labor market.

South Africa's Human Sciences Research Council (HSRC) found that earlier estimates had undercounted emigration figures by a factor of four for high-skilled workers towards and researchers. Primary destinations included the United States, Canada, the United Kingdom, Australia, and New Zealand.

The Standard Bank/ Sacob Trade Activity Index (TAI) dropped from 55.7 in October to 54.1 in November and 53.5 in December, following the increasing strength of the rand. However, the figures were significantly better than the 42.6- 48.7 recorded between May and September. The South African TAI is similar to the American Institute of Supply Management (ISM) index; figures above 50 represent trade growth. The Trade Expectations Index (TEI) also hovered just above the 50-mark. The two indices are known collectively as the South African Trade Management Indices (SATMI).

The South African employment index fell to 47.2 in December 2003. The index has not passed 50 since December 2002 and its record low of 45.5 was recorded in August 2003.

The National African Federated Chamber of Commerce (Nafcoc), which includes many members from the informal, small business, and micro-enterprise sector, is encouraging the South African government to recognize the valuable contributions of the informal sector to poverty and unemployment alleviation. The January lekgotla cabinet acknowledged that the government has given insufficient attention to the informal sector and should work to encourage linkages between the formal and informal sectors to improve economic development.

Trade

Trade Agenda

The Office of US Trade Representative Josette Shiner will be extremely busy in 2004. Efforts to restart the Doha Round, include Costa Rice in CAFTA, open negotiations with Bahrain in January and the Andean countries and Thailand mid-year, and conclude the SACU agreement are all on the agenda.

The African Growth and Opportunity Act (AGOA) extension and expansion will likely come before Congress during 2004, in part to extend provisions for use of third-country fabric in AGOA-eligible apparel beyond the September 30, 2004 expiration date.

South Africa's chief trade negotiator Xavier Carim declared South Africa's broad support for Brazilian President Luiz Ignacio Lula da Silva's proposal for the creation of a G-20 free trade area in December 2003. A G-20 free trade area could represent a substantial global force if members such as China, Brazil, India, and South Africa chose to participate.

The Australian Productivity Commission found that rules governing bilateral trade agreements are creating increasingly complex and expensive compliance requirements for companies attempting to operate under deals designed to limit obstacles to trade. Differing rules of origin were cited as one of the major difficulties facing corporations seeking to take advantage of the bilateral trade deals.

WTO
Robert Zoellick, the US Trade Representative, recently sent letters to over 140 WTO member states, expressing his hope that the September 2003 Cancun impasse will not prevent progress on trade liberalization in 2004. However, the US may not be in a position to push forward on many major trade negotiations during an election year.

Peter Draper, Senior Research Fellow at the South African Institute of International Affairs, offered a South African perspective on the collapse of the Doha Round in Cancun last summer. He argued that the future success of the Doha Round hinges not only on the liberalization of European and American agricultural subsidies, but also on developing countries' liberalization of protections for their industrial goods. Mr. Draper also expressed concern that the strong stance of the G20 countries might negatively affect the SACU- US FTA. He concluded with a strong recommendation that South African business should be organizing to ensure the protection of its interests during these high stakes trade negotiations.

South Africa Invests All Over Africa
South African investment in sub-Saharan Africa has grown rapidly since 1994, particularly with the recently increased limits on foreign direct investment in the region. South African investment now represents 25% of foreign investment in the 14-state SADC region, with more than 50% of that investment going to Mozambique. Retailer Shoprite now has more than 90 stores spread across 15 African countries, and Vodacom, Africa's largest mobile phone company, has recently launched its network in Mozambique in addition to its business in Tanzania, the Democratic Republic of the Congo, and Lesotho. However, South African companies must remain attentive to fear and resentment of its economic power in its poorer northern neighbors.

Black Economic Empowerment

Tax Credits Plan Blocked
In November 2003, the South African government rejected the Brenthurst Initiative, a proposal to reward companies that meet BEE targets with tax breaks launched by DeBeers' Nick and Jonathan Oppenheimer. The government maintained that it would require tax officials to make subjective judgments and would reduce needed tax revenues.

Corporate Social Investment
According to Trialogue's 2003 *Corporate Social Investment Handbook*, increased financial and legal obligations under BEE sector charters could lead many corporations to cut back on voluntary CSI projects. However, many corporations now undertake CSI projects because they make business sense and some sectoral BEE charters, such as the financial services charter, may specify minimum CSI spending.

Government Procurement
The South African National Treasury has increased its emphasis on BEE programs in evaluating bids for state public-private partnerships. While the Preferential Procurement Policy Framework Acts called for 90% focus on price and 10% on empowerment, the empowerment component for public-private partnerships will reach 15-20%.

President Thabo Mbeki lashed out at South African oil company, Sasol, in December on the ANC's website for remarks made in Sasol's application for a listing on the NYSE. In the application, which requires disclosure of potential risks to the corporate entity, Sasol included BEE. Mbeki pointed to Sasol's statements as damaging to the reputation of the South African economy and to potential sales of stock in South African countries abroad and noted that the United States had a well-documented history of addressing racial economic inequities through similar measures.

Changes to BEE laws are expected to shift company compliance focus to more broad-based initiatives combining ownership, enterprise development, employment equity, corporate social investment, affirmative procurement, and skills development according to the DTI's empowerment strategy and Vuyo Jack, CEO of EmpowerDEX, South Africa's leading empowerment rating and research firm. The new law will ensure that state-owned enterprises, government departments, and public entities take BEE into account in their private sector transactions.

BEE deals reached a new high of 30 billion rand in 2003. Ernst & Young corporate finance director Ajay Lalu claimed that the increase was due to corporate interest in taking a proactive stance on BEE, especially in sectors where government contracts were most crucial such as mining and financial services. The 4.5 billion rand transaction between Harmony Gold and African Rainbow Minerals Gold (ARMgold) was the largest BEE deal of 2003.

Barloworld's chief economist Pieter Haasbroek suggested in November that the additional cost of BEE programs in business may be contributing to inflation in South Africa in support of petrochemical group Sasol's stance that BEE imposes substantial costs on businesses. Haasbroek argued that the government should encourage black people's economic participation through employment training and encouragement of South Africa's small, medium, and micro-enterprises sector (SMME). Reuel Khosa, head of the South African New Partnership for Africa's Development Business Group countered that mandated BEE was the only means to incorporate black people into the South African economy.

South African Labor Minister Membathisi Mdladlana called on employers to take on young learners as employees after the Sectoral Education and Training Authorities (Setas) CEO Forum in Joannesburg in January. Twenty Lead Employer Employment Skills and Development (ESDA) pilot projects will begin in March to assist small businesses in taking on young learners. Each pilot project will manage 550 unemployed learners. The government hopes to ease the administrative burden on employers to encourage their participation in the program.

Alan Meyer, COO of the IT consulting firm DLK, is encouraging BEE firms to seek accreditation from the International Standards Organization (ISO) in order to overcome perceptions in the business community of inferior quality of BEE companies and assure business partners of high caliber work.

Banking group Absa announced in November that it was working to develop an empowerment shareholders plan, expected to offer 10% of holdings for this plan. Absa added that the plan might affect Absa share prices on the JSE Securities Exchange and that investors should be attentive to any future approved changes.

Industry Charters

In December, the South African transport department and the freight forwarding and clearing sector attempted to work out their differences over the creation of a BEE charter for the transportation industry. The South African Association of Freight Forwarders (SAAFF) represents the sector and has argued that it should create its own BEE charter because the sector is not directly involved in actual cargo movement and therefore should not be grouped with the transport industry.

The maritime industry enacted its own BEE charter in December, the first sector of the transportation industry to accomplish this goal. The industry established a scorecard including factors such as levels of ownership, management, employment equity, skills development, and preferential procurement. Although most South African maritime companies are foreign-owned, industry leaders such as Fred Jacobs, a director at one such company, Safmarine, feel that BEE can play a role in their industry through emphasis on training and job creation. Signatories to the charter are expected to reap economic returns, particularly in terms of preference in government contracts. The rail, bus, taxi, aviation, and road freight sectors were all in the process of enacting such agreements and are likely to follow the maritime sector's lead in December and the entire industry is expected to create a single transport strategy for BEE including monitoring and evaluation mechanisms by April.

Financial services companies Standard Corporate & Merchant Bank (SCMB) and Old Mutual became the largest of five major corporate investors in a 576 million rand fund to invest in infrastructure projects. The sectoral BEE charter offers companies a 22% BEE scorecard incentive to finance "projects in areas where gaps or backlogs in economic development have not been adequately addressed." Other companies involved in the fund include Metropolitan Life, Stanlib Asset Management, and the Eskom Pension and Provident Fund.

As individual sectors work to create BEE charters and rating systems, frustration is mounting among companies that find that they have excellent scores in some sectors and low scores in others due to substantial inconsistencies in the charters. Business leaders, particularly those seeking government contracts, are now arguing for a transformation charter across sectors, calling for consistency of expectations and coordination across sectors and industries in their BEE charters. Delegates to the black business summit in January called for formal standards that could be administered in both the public and private sectors on BEE issues.

In the information technology sectors, Computer Associates (CA) joined Dell, Hewlett-Packard, IBM, Microsoft, and Oracle in arguing that multinational corporations should not be required to sell off equity under BEE, but should be judged based on procurement, training and skills transfers, investments in local distributors, and social responsibility initiatives. CA's South African subsidiary plans to increase its efforts to train and promote black staff, facilitate skills transfers with black firms, and undertake more social responsibility initiatives.

During National Reconciliation Day in December, President Thabo Mbeki challenged South Africans to work harder to create a united and racially mixed society. Freedom Park, to be constructed in Pretoria, will serve as a reminder of the anti-apartheid struggle, its heroes, and the nation's hopes for unity in diversity. Mbeki also called on all South Africans to participate in the upcoming elections to strengthen democracy in South Africa.

Health and HIV/AIDS in South Africa

The rising cost of HIV/AIDS in South Africa, and the country's position as the home to the most people living with the disease, has led to questions about how to balance public health needs with the economic needs of the insurance industry. Within the past 18 months, many firms, particularly those with large blue-collar work forces, have experienced substantial HIV-related increases in premiums and the cost of employee benefits is expected to double between 2000 and 2005 and triple by 2010. As a consequence, many companies are shifting more of the cost to their employees and many insurers will not offer some insurance plans to HIV-positive people. Human rights campaigners are campaigning to prohibit mandatory HIV testing for life insurance because without it, many people are unable to qualify for home loans. However, the likely result of such a policy would be that the insurance industry would raise premiums such that non-HIV positive people would, in effect, be subsidizing insurance rates for HIV-positive people.

Anthony Mbewu, chairman of the task team for the HIV and AIDS care operational plan, stated that integrated surveillance and monitoring systems would be established to ensure patients' adherence to antiretroviral regimens. Current estimates indicate that the public health system will only be able to handle 53,000 of the 400,000 to 500,000 people requiring treatment by the end of 2004. Within five years, the South African government hopes to make treatment available to all South Africans within their municipality. Mbewu added that prevention would remain the government's underlying approach to HIV/AIDS.

Corporate Response

The Bureau for Economic Research and the South African Business Coalition on HIV/AIDS found that only one third of South African companies have made HIV/AIDS one of their top five strategic business priorities. However, 40% of companies had begun to train their staff to perform a wider range of duties in the event of staff losses, 40% had adapted work performed by employees with AIDS as their health worsened, and 20% of companies have identified key positions and replacements for those positions should an employee become too ill to work.

A recent study by the Norwegian aid agency Fafo and the Botswana National Productivity Centre found that South African multinational companies lagged behind in implementation of HIV/AIDS policies in their Botswana subsidiaries. According to the study, these differing standards are particularly harmful to South African migrant laborers given Botswana's 40% HIV/AIDS prevalence rate and their lack of social safety net. The study also found that companies perceived the HIV/AIDS pandemic as affecting them in different ways in the two countries. In Botswana, most companies were most concerned with skilled worker shortages and how the pandemic would affect their future financial sustainability. In South Africa, firms expressed greatest concern about the direct costs of HIV/AIDS and its productivity effects.

According to a study sponsored by Kumba Resources, a metals and mining company operating in Limpopo province, many HIV/AIDS prevention programs are ineffective because of the poor training of counselors and ad-hoc implementation of awareness campaigns. Kumba Reources has chosen its Thabazimbi mine as a pilot site to develop a community outreach and home-based care program for infected family members of Thabazimbi mine.

Recent research by the World Economic Forum (WEF), UNAIDS, and the Harvard School of Public Health indicates that South African companies' level of response to HIV/AIDS is well above that of most other countries, placing South Africa among the top six of 103 surveyed countries in corporate HIV/AIDS response. Nearly half of the sixty South African countries surveyed had written HIV policies. The WEF has recommended that South African companies extend the reach of their policies to their employees' communities and supplier industries.

Pharmacueticals

Pharmaceutical companies GlaxoSmithKline and Boehringer Ingleheim agreed to a settlement with South African AIDS activists in December placing a 5% ceiling on royalty fees charged to generic manufacturers of their patented AIDS drugs.

The South African government proposed introducing a manufacturing rebate for inputs including pyrimidine ring or piperazine ring used in the production of antiretroviral drugs with the hope of lowering the production cost of anti-HIV/AIDS drugs. Aspen Pharmacare of South Africa hopes to take advantage of such as program, enabling it to sell a cocktail therapy for under $1 per day once its drugs were registered with the Medicines Control Council.

The William J. Clinton Foundation brokered a deal with Bayer Diagnostics; Beckman Coulter; Becton, Dickinson and Company; bioMerieux; and Roche Molecular Diagnostics to reduce the prices of two types of HIV/AIDS tests used routinely in treatment in South Africa, Mozambique, Tanzania, Rwanda, and several Caribbean countries. This agreement, in tandem with and agreement with generic drug manufacturers this past fall, could cut the cost of treating an AIDS patient by nearly 70%, from $800 per year down to about $200 per year. Executives from the companies involved hope to make up for lower profits with substantially higher sales volumes.

Although there has been much government talk of free AIDS drugs distributions, South Africa's provinces, with the exception of Western Cape which has been procuring supplies independently, will have to continue to wait until at least the middle of 2004. The Democratic Alliance has denounced the delays as evidence of the ANC's lack of commitment to the use of modern science in the fight against HIV/AIDS while the South African government claims that it needs to wait to guarantee continuity of supply.

Beginning in January, all South African medical schemes must provide care for an additional basic set of 25 chronic conditions. In response, many medical schemes are beginning to follow a "designated service providers" option and preferred formulary lists. Innovative Medicines South Africa (Imsa), an April 2002 breakaway group from the Pharmaceutical Manufacturers' Association including Prizer, Aventis, Roche, Eli Lilly, Novartis, and MerckSharpeDohme, has responded that the new rules limit patient access to quality medical care and force them to spend more to maintain their current level of services. Supporters of the new medical schemes argue that South African doctors too often prescribe the newest and most expensive medical treatments without determining if they work better than older, less expensive medications, and that Imsa is overreacting.

Economic Impact

According to UNAIDS, the HIV prevalence rate among South Africans in their prime working years, 15- 49, has reached approximately 20%. AIDS is now the leading cause of death for people in that age range and has reduced adult life expectancy in many of South Africa's neighbors by 20 years

A Bureau for Economic Research (BER) report released in February found that HIV/AIDS has already resulted in reduced labor capacity, increased worker absenteeism, and increased employee benefits costs in South African businesses. Dr. Leighton McDonald, spokesman for the South African Business Coalition on HIV/AIDS (SABCOHA), feels that the survey results suggest that most South African companies have failed to respond effectively to the epidemic. Only 25% of firms have implemented a formal HIV/AIDS policy and less than 20% have voluntary counseling and testing programs or provide comprehensive care for workers. The full text of the report, as well as of many other reports on macroeconomic and business trends in South Africa, can be found on the BER website at http://www.sun.ac.za/beo/.

General Health Issues

South African Minister of Health Dr. Manto Tshabalala-Msimang addressed the South African Parliament in February, calling for commitment to health sector equality to dismantle the public health legacy of apartheid. He outlined South Africa's major health accomplishments, focusing on the necessity of free access to health care for all. These accomplishments included improvements to health infrastructure and primary health care; physical revitalization, rational planning, and better management in the hospital sector; and expansion of disease control programs and childhood immunization to combat hepatitis, influenza, diarrhoeal diseases, multi-drug resistant tuberculosis, and malaria. On the HIV/AIDS front, the Minister highlighted South Africa's involvement in the world fight against the disease and the importance of providing an equitable and sustainable anti-HIV/AIDS public health program in South Africa.

Many changes in the South African health field beyond HIV/AIDS may be obscured by 2004's election year politics in South Africa. The National Health Bill, requiring doctors and other health care providers to apply for licenses to practice, is expected to be signed into law. New restrictions on the marketing and sales of tobacco are likely to come from the health department, including possible bans on tobacco sales to minors and promotions including free samples and organized entertainment activities. The Traditional Health Practitioners Bill, unlikely to take effect prior to 2005, seeks to regulate traditional healers by requiring their registration with a new council. Other amendments include provisions to facilitate the sterilization of mentally handicapped people and tighter controls on cosmetics. Changes to the Choice on Termination of Pregnancy Bill to increase the number of facilities allowed to offer abortions are also in the pipeline.

Cape Town government is considering a proposal to create a single mandatory health insurance program for its 1.1 million employees. Upper income employees have already expressed their resistance to the plan which would force them to leave their current private medical insurance. The government has claimed that the large number of uninsured employees pose a financial risk because they could take on medical insurance at any point, and that a single fund would offer cost savings in delivery of health services. Private health funds, which would lose thousands of members under the proposed plan, have also expressed their concerns.

Upcoming Events

March 12	3:00pm, 1625 K Street, NW, Suite 200 U.S.-SACU FTA Coalition briefing on Government Procurement; Connie Hamilton, lead negotiator, USTR, et. al
March 19	3:00pm, 1625 K Street, NW, Suite 200 U.S.-SACU FTA Coalition briefing on Telecommunications and E-commerce; Ken Schagrin, lead negotiator, USTR, et al
March 30	3:00pm, 1625 K Street, NW, Suite 200 U.S.-South Africa Business Council meeting with Dr. Jendayi Frazer, NSC, and Charlie Snyder, Acting Asst. Sec. State for Africa