Claim 8: Economic Strength

That South Africa has one of the strongest economies in the world, enabling the country to stand alone if necessary, and that this economy is developing soundly.

The Facts

In African terms South Africa does have a strong economy, but it is neither developing soundly nor would it enable the country to stand alone in the world.

Apartheid itself inhibits development. The Carnegie Report of 1984* found that the widespread poverty in South Africa was attributable not to world recession but to the apartheid laws which prevent the free movement of labour and artificially obstruct upward economic mobility for blacks. Current government policy is not correcting these economic errors but is compounding them by further enforcing the Bantustan laws.

The South African economy is not self-sufficient, but dependent on imports of oil and technology. Despite the spending of billions of rands in a ten-year search for oil, no economic deposits have been found. The oil-from-coal conversion process pioneered at South Africa's Sasol plants has proved expensive. Pretoria claims that more than half its oil needs are supplied by this process, but it appears that figures are inflated to boost white morale. Only 38 per cent of the country's oil needs are provided by the Sasol plants, the rest having to be bought, and at high prices on the spot market since the fall of the Shah deprived South Africa of regular supplies from Iran. The recent boast that South Africa now exports oil is a fact; what is not disclosed is the loss made on these transactions, conducted as a national morale-booster.

Similarly, Pretoria claims that the arms embargo encouraged the development of South Africa's own arms industry (which it did) and that the country is now self-sufficient in arms (which it is not). The latter claim is clearly negated by Pretoria's refusal to allow four Armscor agents to face trial in Coventry on charges of illegal arms purchase. In fact South Africa imports as many arms as it is able to smuggle into the country, and many arms manufactured in South Africa have foreign components.

South Africa's misleading claims about its supposedly robust economy extend beyond oil and arms production. The Government tends to base its budget estimates on optimistic gold prices and forecasts. Pretoria also underplays the cost of the conflicts in Namibia and Angola, and of domestic disturbances in the Transvaal, Northern Natal and Eastern Cape. Drought forced South Africa to import cereals in the early 1980s. The combined result has been an embattled economy, with weak currency and inflation approaching 20 per cent a year.

Conclusion **Pretoria is concealing the full extent of the weakness of its economy from its own people as well as from the international community.**

* *op cit*