

New ANC chief means business

Momentous change has come to South Africa with the election of business-friendly Cyril Ramaphosa as leader of the country's governing party, the African National Congress (ANC).

Accession to the party's top post puts Mr Ramaphosa, the current Deputy President of South Africa, in a strong position to become President at elections in 2019.

Business has largely welcomed Mr Ramaphosa's victory.

The 65-year-old trout fishing enthusiast – he even has his own fly, Cyril's Choice, in the black, green and gold of the ANC – has a strong business background and was seen as the most investor-friendly candidate to replace Jacob Zuma as the party's leader (and by extension as President).

Mr Ramaphosa is a former union leader who became a businessman and is now one of South Africa's richest people. During the campaign he promised to fight rampant corruption and revitalise the economy – a message welcomed by foreign investors – and he reiterated those themes in his first address as ANC leader.

Originally a lawyer from Soweto, Mr Ramaphosa moved into the South African union movement as a legal adviser to become the founding leader of the National Union of Mineworkers. The NUM became the largest and most powerful union in South Africa, with a membership that grew from 6,000 in 1982 to 300,000 in 1992. He was a major participant in the foundation of the Congress of South African Trade Unions.

He was a key ANC member in the days of Nelson Mandela, serving as the party's Secretary-General from 1991 to 1997. In that role, Mr Ramaphosa acted as the ANC's chief negotiator during South Africa's transition to democracy. He played a crucial role in the negotiations to end apartheid and organise the country's first fully democratic elections in 1994. In those elections, he became a member of parliament.

Despite having been described by President Mandela as a "future President," Mr Ramaphosa lost to Thabo Mbeki in the succession stakes in 1996. He then resigned his posts at the ANC and moved into the business world. There, he has been a prominent figure in the country's Black Economic Empowerment (BEE) legislation, which has aimed to address past racial discrimination through affirmative action in job placement and procurement policies, and equity ownership of companies on the stock exchange.

Through representing BEE stakes, Mr Ramaphosa moved on to the boards of several major South African companies, including mining companies Pan African Resources and LonMin.

In 2001, Mr Ramaphosa founded a black-owned investment holding company, Shanduka Group, which has invested in a diverse portfolio of listed and unlisted companies, with major holdings in the South African resources, food and beverage industries as well as investments in Mozambique, Mauritius, Ghana and Nigeria.

Mr Ramaphosa resigned his position as executive chairman of Shanduka in 2012 on his appointment as Deputy President of South Africa.

Business likes Mr Ramaphosa, whose ANC leadership campaign was based on an anti-corruption stance.

Mr Ramaphosa was by a very wide margin the business community's choice as the best ANC presidential candidate as well as the popular choice of ANC members nationally.

The prospect of a Ramaphosa presidency is considered to be positive for strengthening South Africa in business, in leadership, in the fight against corruption, and for its standing in the regional and international community. This was demonstrated by the rand immediately strengthening by more than 4% against the US dollar following his victory as the new ANC President.

For Stonewall Resources, the accession of Mr Ramaphosa also has a personal aspect.

Mr Ramaphosa knows our projects well: when he was non-executive chairman of Pan African Resources, it operated the highly successful Barberton and Fairview gold mines, which neighbour our goldfields at Pilgrims Rest and Sabie in Mpumalanga province.

We look forward to Mr Ramaphosa's tenure as ANC leader and, in time, as South Africa's likely next President.

We are chuffed to have a fellow gold miner in such high office and hope that one day we can welcome Mr Ramaphosa back to the Mpumalanga goldfields to show him a rejuvenated operation employing people and paying taxes to the country.

- Written by Investor Torque (www.investortorque.com)