

Campaign Against Barclays Update 2nd of June 2005 to 22nd of June 2005

Overview of Current Situation and a Few Thoughts:

Barclays launched a bid for Absa on the 25th of April 2005. Since then, Jubilee South Africa has opposed the bid every step of the way. This has been achieved via marches, large demonstrations, workshops, a shareholder protest, and many small pickets in front of Absa & Barclays head offices and Absa branches. These have all provided the basis for what Absa has described as a 'vicious media campaign'.

All of the above has had an effect. The issue of reparations is back in the public arena, as is the role of banking. We'd like to take credit for Barclays struggling to purchase the required amount of shares, but we can't prove that. May be that some shareholders are holding out for more.

But, what is apparent, is that Absa and Barclays have felt the pressure and on the back foot in terms of public relations. Absa has launched a new media campaign, with a marked increase in billboards, print, radio and TV advertising. Barclays CEO is travelling (on safari...) overland via Africa to raise money for UNICEF. There is a degree of vulnerability.

However, if this campaign is to be ultimately successful, it needs as much support as it can get. If you want to help, let us know.

Objectives of the Campaign:

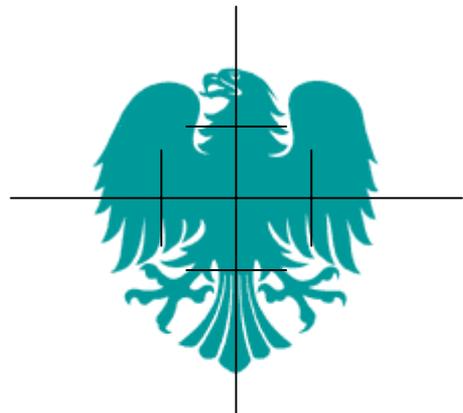
To force Barclays to:

- 1) Apologize for its role in supporting Apartheid
- 2) Make reparations to victims
- 3) Have a complete resolution to the Khulumani v. Barclays lawsuit

Media:

Radio coverage has been good and constant, with interviews on Channel Islam, Kaya, Yfm, Cape Talk, Pfor, 90.4 (Pretoria), SABC radio news, Channel Africa, Thobela FM, Lesedi Stereo, Al Jazeera, Metro, 702 News, and East Coast Radio.

TV: None



Campaign Update issued by Tristen Taylor, Apartheid Debt and Reparations Coordinator, ADR Task Team, Jubilee South Africa. Update issued on 22nd of June 2005. Contact: Tel +27 11 403-7622, Email tristen-j2000@mail.ngo.za

Selected Articles in the press (please note, also included a series of articles in US papers in May that wasn't in previous updates):

South African Government Welcomes Barclays Bank Planned Takeover of Absa Bank

AP

Thursday May 12, 10:42 am ET

http://biz.yahoo.com/ap/050512/south_africa_barclays_absa.html?.v=3&printer=1

CAPE TOWN, South Africa (AP) -- The South African government on Thursday welcomed Britain's Barclays Bank planned takeover of South Africa's Absa bank, saying it reflected the confidence of the international financial community in the nation's future.

Barclays PLC announced on Monday that it had agreed to buy a majority stake in Absa Group Ltd. for about 33 billion rand (\$5.5 billion). It raised its offer price for 60 percent of the Johannesburg-based bank from 79 pence (\$1.49) to 82.5 pence (\$1.57) per share to secure the deal.

"This deal, the biggest such foreign direct investment transaction since 1994, reflects the confidence of the international financial sector and the investor community in general in the future of our country," said a South African cabinet statement.

"Government is convinced that, once concluded, this transaction will result in Barclays Bank joining the financial sector in our country as a partner in our reconstruction and development efforts," it said.

Barclay's is Britain's third largest bank by assets and Absa is South Africa's fourth. Barclays pulled out of South Africa's consumer market in 1986 amid protests from anti-apartheid groups, but has been keen to return to the country where lending is forecast to grow strongly. Barclays is expected to become Africa's biggest bank as a result of the deal.

Jubilee, a non-governmental group campaigning for compensation to be paid to victims of apartheid, said it was prepared to take its opposition to the takeover to the courts.

"This deal is not good for South Africa," said Tristen Taylor, Jubilee South Africa's apartheid debt and reparations co-ordinator.

"South Africa does not need vulture capital and the unapologetic return of a multinational corporation that put profit above human life and dignity," he said, according to the South African Press Association.

Unions have also voiced misgivings about the deal because of fears of job losses.

Same story at SiliconValley.com

<http://www.siliconvalley.com/mld/centredaily/business/11629205.htm?template=contentModules/printstory.jsp>

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Tampa Bay (Florida) Online also ran the story:

http://hosted.ap.org/dynamic/stories/S/SOUTH_AFRICA_BARCLAYS_ABSA?SITE=FLTAM&SECTION=BUSINESS&TEMPLATE=DEFAULT&CTIME=2005-05-12-10-42-52

Kansas City Star also carried the same story as did the LA Times, New York Times, Boston Globe, and the Chicago Sun. (May 12th 2005)

Police harassed us, say Barclays protestors

Mail & Guardian

6th of June 2005

http://www.mg.co.za/articlepage.aspx?area=/breaking_news/breaking_news__national&articleid=242415

Lobby group Jubilee SA has accused Johannesburg police of harassing its demonstrators outside the Barclays head office in Sandton on Friday.

"Jubilee SA demonstrators had been peacefully voicing their dissent of the Barclays-ABSAs deal -- within the bounds of the Gathering Act -- for over 45 minutes, when a police van drove up to the demonstration -- with its siren wailing," said Tristen Taylor, spokesperson for the organisation.

He said police from the Bramley police station "aggressively harassed peaceful demonstrators".

"Constables, brandishing automatic weapons, jumped out the van and threatened to arrest every demonstrator."

Taylor said police refused to discuss the situation with Jubilee SA's lawyers.

"Jubilee SA does not believe that members of police and security forces have the right to intimidate and harass members of public who expressing their opinions in a legal, non-violent manner."

Taylor said Jubilee SA would take the matter up with police authorities and was considering legal action.

Johannesburg police spokesperson Captain Schalk Bornman said on Friday, Jubilee SA should report the matter to the area commissioner for investigation.

"If they feel police acted wrongfully, they must report it to the area commissioner so police can investigate the allegations," said Bornman.

Jubilee SA is demanding an apology from Barclays for supporting the apartheid regime.

In May, Barclays offered R33-billion to Absa shareholders for a stake in the bank.- Sapa

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"Jubilee SA marching to Absa to protest Barclays deal"

SABC News

June 13, 2005, 11:30

<http://www.africanewssearch.com/olink.php?ARG1=http://www.sabcnews.com/economy/business/0,2172,106707,00.html&ARG2=132664>

Jubilee SA is marching to Absa's head office in Johannesburg today to urge Absa shareholders to reject the Barclays offer. Absa shareholders will vote on the Barclays take-over bid during a lunch-hour meeting today.

Jubilee SA is objecting to the proposed take-over on moral grounds, based on Barclays' history within South Africa and the wider region.

Tristan Taylor, the Jubilee spokesperson, says a vote for the Barclays takeover is a vote for unrepentant apartheid financial policies.

"Protesters Picket Absa Branches", *The Citizen*

By VUSUMUZI KA NZAPHEZA

AS Absa shareholders were attending a lunch-hour meeting to vote on the bank's takeover by British bank Barclays yesterday, scores of furious demonstrators were picketing outside the bank's headquarters in Johannesburg.

The marchers from Jubilee SA and the Anti Privatisation Forum handed over a memorandum to Absa representative, Wentzel Joubert, demanding reparation from Barclays and an apology for the bank's "support" of apartheid. Jubilee has held many demonstrations at Absa branches in protest against its takeover by Barclays and its spokesman, Tristen Taylor vowed they would not end until the bank acknowledged its role in propping up the apartheid regime.

"Over two decades, Barclays gave critical financial support to the apartheid regime, including the funding of the military oppression in 1976. If they endorse the takeover, Absa shareholders are condoning and sanctioning both Barclays Bank's past and its current refusal to apologise for its active role in maintaining the apartheid regime," he said.

He said further pickets were scheduled to take place at Barclays branches in the UK.

"Barclays can meet our demands in a matter of weeks, if not days and gain a positive image," he said. Behind the closed doors, Absa shareholders gave the takeover the thumbs up.

<http://www.citizen.co.za/index/article.aspx?pDesc=4654,1,22>

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"South African Activist Dennis Brutus Calls on Barclays Bank to Pay Reparations for Apartheid Profits", *Democracy Now*

AMY GOODMAN: Dennis Brutus recently initiated the launch of a campaign against Barclay's Bank demanding reparations for vast apartheid profits. He joined us in our studio last week, and I began by asking him to talk about this most recent campaign.

DENNIS BRUTUS: We've just kicked it off, Amy, and we're taking on the banks, essentially, and mainly Barclay's Bank, which funded the apartheid regime.

AMY GOODMAN: This is Barclay's?

DENNIS BRUTUS: Yes, and they also, of course, made a lot of money out of it. Now, surprisingly, they're planning to come back to South Africa and purchase the biggest retail bank in the country, which is called Absa. So, we're organizing a protest. We've got pickets out there already saying, "Barclay's is not welcome," because they were the allies of the apartheid system

AMY GOODMAN: In what way did they support the apartheid system, and were they kicked out?

DENNIS BRUTUS: Right. Firstly, they made formal kind of statements, but in addition they purchased \$10 million Rand of bonds, which were support of the defense department; and they accompanied with a statement from the bank C.E.O. saying: This is a sign of our support for the system and a kind of good citizen approach. So, the record is very clear.

Now they are coming back again, and this time they would purchase the biggest retail bank and, in fact, interact with the people and profit from this new, what we call, 'economic apartheid,' as distinct from the old racial apartheid, because the wealth is still in the hands of a minority; although it's true that a few blacks have now been allowed to become members of the board of De Beers diamond mine or Anglo American, the big gold mining corporation. So, it's not an exclusively white system, as it used to be under apartheid. But for the mass of the people, it's still poverty. They're still living in shacks in the townships.

AMY GOODMAN: There was a Truth and Reconciliation Commission. It involved people who were involved with the torture and killing of others under apartheid; and also there was an aspect of it that was about corporate responsibility. What came of that aspect, and were reparations ever paid?

DENNIS BRUTUS: Yes and no, because the legislation which created the Truth and Reconciliation Commission had a provision for reparations, but most of the people who were the victims of apartheid did not get any of that reparations. The corporations, you're right, were supposed to contribute to a fund and contributed about one percent, but it was minimal and, in fact, the mass of the people still have not received reparations, which is why we've filed for reparations in the New York Supreme Court, we being Jubilee South Africa and an organization called Kulumane, which is the victims of apartheid. And between the two of them, we have filed in New York applying for reparations. So far we've not received -- most of the people who were the victims of apartheid have not received reparations.

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So, one, we continue that particular lawsuit, but in addition we have made a direct demand to Barclay's saying, 'If you do not apologize, if you do not pay reparations, you are not welcome in South Africa.' Now, the important thing here is that Barclay's is operating in more than 80 countries all over the world. So, when we organize a protest against Barclay's, we intend to make it happen not merely in South Africa, but to coordinate it with action in all the other countries where Barclay's is active. So, we can pretty much globalize our protest. If we're facing globalized oppression in our time through the corporations, we think we can now develop a globalized protest, as well.

For more go to:

<http://www.democracynow.org/article.pl?sid=05/06/16/1356201>

Barclays' Return: Time to Rejoice or to Toyi-Toyi?

Prepared by Herbert Jauch, Labour Resource and Research Institute (LaRRI),
Namibiafor Jubilee South Africa

22 May 2005 (A shortened version of this article appeared in the Sowetan, 13th of June 2005)

"The Barclays/ABSA deal, as the biggest foreign investment in South Africa ever, is a significant transaction for a country starved of meaningful foreign direct investment (FDI)"

Shaun le Roux, Alphen Asset Management

"They (Barclays and General Motors) have now returned in strength to make their contribution to the development of a new and free South Africa that belongs to all who live in it...In practical action they are also making the statement that they are ready and willing to accompany us as we contribute whatever we can to the success of the African renaissance"

Thabo Mbeki, South African President

"The bank was an unrepentant supporter of apartheid, and I would argue that their financial help for apartheid delayed our liberation for at least a generation"

Jon Qwelane, Sunday Sun

"That institution (Barclays) must be extremely grateful for the short memories of those who imply the bank honourably disinvested during apartheid: in fact it capitulated only after a tooth and nail battle against global protesters."

Margaret Legum, SANE Views

"Cosatu is concerned that having such a large part of the banking sector under foreign control could make it easier for capital to be moved out of the country at some future date, with serious consequences."

Paul Notyhawa, COSATU

The announcement earlier this month that Barclays will buy a 60% stake in ABSA resulted in a heated debate. The deal valued at R 33 billion raised questions if this

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would constitute a success in terms of the South African government's macro-economic policies or another step towards the economic re-colonisation of Africa. ABSA's CEO Steve Booyesen proclaimed enthusiastically that with Barclays they are going to "rule this continent". Joel Netshitenzhe, spokesperson for the South African government, said that the Barclays/ABSA deal reflected the confidence of the international financial sector and the investor community in South Africa. Critics on the other hand pointed to Barclays notorious apartheid past and to the continuous outflow of capital from South Africa under conditions of economic liberalisation. Is Barclays' return to South Africa a cause to rejoice or to toyi-toyi?

Barclays in Africa

Barclays is Britain's third largest bank and has a long colonial history in Africa, that dates back to the slave trade, which the bank financed as part of its contribution towards building the British Empire. Barclays currently operates in 12 African states (including Mauritius and Seychelles), half of which are SADC members. Its involvement in South Africa started in 1919 when the bank bought shares in the then National Bank of South Africa (NBSA). This formed part of its strategy to establish a commercial bank throughout the British Empire.

Barclays and Apartheid

Barclays role became particularly controversial since the 1960s. The bank paid lip-service to being opposed to apartheid but refused to heed calls to pull out of South Africa, claiming that change could be best effected from the inside. In 1977, the notorious apartheid Prime Minister PW Botha summoned the leaders of big business and asked them to support the apartheid regime to beat the international arms embargo imposed by the United Nations. Barclays willingly pledged R 90 million to the apartheid army for its defence force bonds. Furthermore, Barclays lent US\$ 478 million to the Botha regime between 1972 and 1978 and helped to arrange international loans of US\$ 725,4 million between 1982 and 1984.

Barclays therefore cannot claim to have been an innocent bystander trying to convince the apartheid regime to change its policies. The bank was a direct accomplice to the crimes of apartheid and has never apologised for its role. Like many other big businesses it has refused to appear before the Truth and Reconciliation Commission (TRC) and now faces a lawsuit in the US for its role in aiding apartheid. Furthermore, Jubilee South Africa has announced that it will launch a campaign against the Barclays/ABSA deal. The campaign organisation demands an apology as well as reparations and prepares for action throughout the continent, wherever Barclays Bank and ABSA operate.

Economic Upliftment?

Proponents of the Barclays/ABSA deal seem to suggest that it is best to let history rest and to rather focus on the potential benefits for South Africa and the rest of the continent. They proudly point to the fact that South Africa seemingly has a high international standing and finds approval for its economic policies among global capital. While this may be so, the success of any policy has to be measured in terms of the livelihoods of a country's or continent's people. Unless policies lead to a significant upliftment of the living standard of the majority, they have to be considered a failure. What then does Barclays' return hold in economic terms?

As Margaret Legum pointed out, the huge deal of R 33 billion does not constitute productive ("Greenfield") investment, as it does not involve the setting up of any production facilities. It is merely a takeover that constitutes portfolio investment. This type of investment does not result in significant social benefits. On the contrary, it is likely to lead to job losses as happened during many other mergers and takeovers. The only direct beneficiaries of the deal are the current ABSA shareholders who may be able to sell their shares at a profit to Barclays and the new shareholders who will benefit from the bank's future profits.

In a recent conference paper, Terry Crawford-Browne pointed out that it is still unresolved if Barclays will fund the takeover from local or foreign sources. Barclays already holds substantial Rand assets and is "expected to strip out ABSA's operations with large dividend and other transfers, and resultant foreign exchange outflows. If genuinely committed to this country, why has Barclays not applied *de novo* to establish a completely new bank in South Africa instead of taking over ABSA?"

Capital Outflows

COSATU is right when it fears a further acceleration of capital outflows as a result of Barclays' return. Speculative capital and portfolio investments, coupled with debt repayments and the repatriation of profits have been the main sources of capital outflows in Africa and several countries have become net exporters of capital. Between 1994 and 2000, capital inflows of R 45 billion into South Africa were contrasted by capital outflows of R 54 billion during the same period. The scenario is even worse in Namibia where capital inflows of R 12,2 billion between 1997 and 2003 were countered by capital outflows of R 18,4 billion. Namibia's savings and profits tend to leave the country via banks and insurance companies first to South Africa and then to overseas destinations. The desperate attempts by our governments to attract foreign investments as the engine for economic growth are constantly undermined by the capital outflows from the "Global South" to the North, facilitated by economic liberalisation programmes such as structural adjustment programmes (SAPs), South Africa's GEAR policy and the continental New Partnership for Africa's Development (NEPAD).

FDI as a Panacea for Development?

The current "blank cheque approach" to foreign investment by most African governments is unbalanced and holds little prospects for securing long-term, sustainable development. At best, the intense competition for FDI among African countries will lead to some jobs for a limited period of time in some countries. The South African government seems to think that its best prospects lie in a strategy to further develop South Africa's role as Africa's economic, political and military powerhouse and to become the benevolent "big brother" for its poorer neighbours. In this context, neo-liberal policies are regarded as the means to advance South Africa's dominant role, which some social movements have described as that of a "sub-imperial power".

However, as Yash Tandon pointed out, governments tend to fall into the IMF/World Bank/WTO trap either because of ignorance or because of their own class interests and corruption. There is no doubt that governments will only change their position if there is sufficient pressure from below, i.e. when working people, trade unions, social movements and the poor in general become organised and make their voices heard. Without such pressure, the current trend will not change.

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The current policies pursued by the South African and other governments in the region will not transform the enclave structure of our economies. These policies are also unlikely to lead to the envisaged "trickle-down effect" to benefit the poor. On the contrary, a recently published study by the University of Cape Town has shown that poverty has doubled in Africa over the past 20 years.

Alternatives

One of the immediate steps to be taken must be a change in approach towards foreign investments. Instead of offering increasing concessions to foreign investors, African states need to be selective and abolish their "open door policy" towards FDI. African countries have to resist all additional "conditionalities" that come with FDI and instead set their own conditions in the form of "performance requirements" such as job creation, skills and technology transfer etc. Furthermore, as many African countries have become net exporters of capital, African states need devise strategies to stop the outflow and retain their savings.

It is encouraging to note that throughout the region, social movements and trade unions have started the difficult process of building a new Africa. New and concrete ideas are emerging as a result of struggles against the devastation caused by neo-liberal policies across the continent. A notable initiative in this context is the project of the African Labour Research Network (ALRN) to develop very concrete alternatives to neo-liberalism in Southern Africa. The ideas developed by this and similar initiatives will feed into African trade unions, social movements and various community organisations and may pave the way for a fundamentally different development strategy that will comprehensively challenge the neo-liberal dogma to which most of our governments seem to have succumbed.

For now, it seems time to toyi-toyi again as Barclays' return holds little prospects for a better future.

Sources:

Crawford-Browne, T. 2005. The implications of the Barclays takeover of ABSA. Conference paper.

Jauch, H. 2003. Foreign Investment and Employment Creation: No Panacea for Southern Africa. Conference paper.

Jubilee South Africa, 2005. 13 reasons to oppose Barclays, 12 May 2005.

Legum, M. 2005. The Barclays deal as another illusion. SANE Views 5 (10), 16 May 2005.

Robinson, V. African poverty has doubled in 20 years. Mail&Guardian, 13-19 May 2005.

Barclays Battling To Pick Up Absa Shares

Tuesday, June 21, 2005 8:55:12 AM ET

[Dow Jones Newswires](#)

1239 GMT [Dow Jones] Postponement of Barclays' (BCS) and Absa's (ASA.J0) court case "just shows they are battling to get the numbers (of Absa shares) they need," says Andisa Securities' Ross Jenvey. Says Barclays won't buy 32% of each Absa shareholder's stake until it knows it has the 56.5% in Absa it needs to satisfy its bid conditions. Despite this Jenvey doesn't see Barclays raising its offer. Says Barclays must negotiate with some shareholders, or buy on market. Rates Absa market perform; current price "roughly in line with long-term fair value." Trades +0.2% to ZAR81.7 (JZR)

Kokkie Kooyman: Financial services sector analyst, Sanlam

By: Alec Hogg

Posted: 21-JUN-05

http://www.moneyweb.co.za/pls/cms/cm_misc_procs.print_page?p_content_id=453290

MONEYWEB: Also joining us on a telephone line, hopefully a better one than this, is Kokkie Kooyman, our resident banking specialist, who happens to work for Sanlam Investment Managers in the daytime. Kokkie, this whole story from Barclays today. Barclays have now postponed – in the Barclays/Absa deal, they were supposed to get 60% initially, they haven't got to the 60% as Barclays owning 60% of Absa. They've actually only got 51.1%. What's actually going on there, and might the whole deal be under threat?

KOKKIE KOOYMAN: No, very interesting as to what happened in terms of their asking the court and getting the court to sanction that their final offer is extended for two weeks. But, firstly, the 60% target was always an ideal target. They said their minimum was 56.5%, but still they've only got 55.1%.

MONEYWEB: Kokkie, can I stop you there? Does that mean that they wanted 60%, but their minimum, you say, was at 56.5%. If they don't get to 56.5% they can actually walk away from the deal?

KOKKIE KOOYMAN: Quite correct, quite correct. The way, with the conditions precedent set, that's one of the conditions that must be achieved. If they don't get 56.5%, they can walk away. Now, what do they do? They can do a couple of things besides walking away. The one is, they buy Absa shares in the market, but they're not allowed to go above R82.50. So, you know, every time the Absa price falls below R82.50, they could buy. But the other one is, obviously, which few people have mentioned, and I'm not sure what the technicalities there are, is Absa could buy back its own shares and reduce its holding and thereby increase – you need fewer shares for Barclays to get to 56%.

MONEYWEB: But let's just have a look at Absa at the moment. The share price is trading at R81.75.

KOKKIE KOOYMAN: Yes, so Barclays should be buying at this stage.

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MONEYWEB: To push up their holding?

KOKKIE KOOYMAN: Yes.

MONEYWEB: Why are they only at 51.1%, why haven't they got to the 60% or even the 56%?

KOKKIE KOOYMAN: Good question. Remember there are two ways in which they get shares. The one is their Section 3(11), which they get automatically if every holder of Absa shares gives roughly one-third of their shares to Barclays, and then there are the Remgro and Sanlam Holdings, where it seems both of these institutions have said they will sell their full holdings to Barclays. But then, thirdly, Barclays were hoping that other institutional shareholders like ourselves that manage pension funds and unit trusts would give up more of our Absa shares. Now that hasn't happened. It seems like they haven't had enough of the institutional shareholders giving up more Absa shares to get them to that 56%.

MONEYWEB: So let me understand this correctly. As an institutional shareholder, you have to give them one-third, roughly, of your shares?

KOKKIE KOOYMAN: That's right, quite correct.

MONEYWEB: But they were hoping that you'd give them more than one-third?

KOKKIE KOOYMAN: Quite correct.

MONEYWEB: But most institutions are saying, hang on a minute, we think that Absa with Barclays, is going to be a much more powerful company ...

KOKKIE KOOYMAN: Exactly.

MONEYWEB: ... so we're going to hold on to what we can.

KOKKIE KOOYMAN: Yes, it's a bit of a Catch-22 situation. You know, now they're coming in, Absa shares are going to be worth more, so now they're fighting against themselves. Obviously what they could do, and I think they will do, is come back to the institutional shareholders and use moral persuasion and say, "Listen guys, if you want the deal to go ahead, you must all give an extra x% of shares, and go to the biggest five shareholders and try and convince them to give up more shares.

MONEYWEB: And if they say no?

KOKKIE KOOYMAN: It's going to be very difficult, because then in theory the deal could fall through. I think that's very unlikely, having gone that far. I mean, neither Barclays nor SA institutional shareholders will want the deal to fall flat. So it's going to be a bit of chicken – you know, who blinks first.

Barclays offer for Absa extended by two weeks

Johannesburg

http://www.mg.co.za/articlepage.aspx?area=/breaking_news/breaking_news__business/&articleid=243573#

21 June 2005 01:28

United Kingdom banking group Barclays on Tuesday extended its offer for South African banking group Absa by two weeks in order to allow more time to fulfill the remaining conditions to complete the deal.

In connection with this, Absa on Tuesday applied to the High Court of South Africa to postpone by two weeks the hearing to sanction the scheme proposed by Barclays to acquire 32% of all Absa ordinary shares. The application was granted.

The scheme, one of two inter-conditional parts of Barclays proposed acquisition of up to 60% of Absa, requires Absa ordinary shareholders to dispose of 32% of their Absa shares to Barclays.

At a meeting of Absa shareholders last week, the recommendation of this scheme by Absa's board was accepted by 99,01% of all shareholders present in person or by proxy.

The second part of Barclays acquisition is the "recommended offer" to ordinary shareholders to acquire an additional 28% of their shares.

Barclays is offering R82,50 per share, payable in cash, representing a total consideration for the scheme and partial offer of R33-billion.

In order for the scheme and the offer to become effective, Barclays requires shareholders to tender such number of shares through the recommended offer that Barclays will hold 56,5% of all Absa ordinary shares. As this condition had not been fulfilled prior to the date of the scheduled court hearing, Absa and Barclays sought to extend the offer by two weeks to allow for its fulfillment.

The court confirmed that the hearing to sanction the scheme will now be on 5 July.

At present Barclays holds shares and has received tenders and commitments to tender which, when aggregated with shares to be acquired under the scheme, would amount to 51,1% of all Absa ordinary shares.

'Phansi Barclays apartheid profiteer'

Meanwhile, members of Jubilee South Africa protested on Tuesday outside the court.

"Phansi Barclays economic terrorist, Phansi. Phansi Barclays apartheid profiteer, Phansi," chanted the protestors.

Campaign co-ordinator Makoma Lekalakala, who led the group's demonstrations, said: "We will continue to protest against the takeover even though the court is

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going to give the go ahead for the merger today [Tuesday]."

"It is morally and ethically wrong for the government through its policies and regulations to allow Barclays to reinvest in the country especially after their history of aiding and abetting the apartheid regime."

Another demonstrator, Jabo Molomela said Barclays has blood on its hands and they are not wanted here.

The small group of demonstrators sang and danced outside the court and also said Barclays should return to "colonial Britain". – I-Net Bridge, Sapa

Jubilee protesting against Barclays takeover

June 21, 2005, 11:15

<http://www.sabcnews.com/economy/business/0,2172,106931,00.html>

"Phansi Barclays economic terrorist, Phansi. Phansi Barclays apartheid profiteer, Phansi," chanted members of Jubilee South Africa as they demonstrated outside the Johannesburg High Court today against the Barclays takeover of Absa.

Makoma Lekalakala, the campaign co-ordinator who led the group's demonstrations, said: "We will continue to protest against the takeover even though the court is going to give the go ahead for the merger today."

"It is morally and ethically wrong for the government through its policies and regulations to allow Barclays to reinvest in the country especially after their history of aiding and abetting the apartheid regime." Jabo Molomela, another demonstrator, said Barclays has blood on its hands and they are not wanted here.

The small group of demonstrators sang and danced outside the high court calling for reparation and for the return of Barclays to "colonial Britain." The demonstration outside the court will be followed by a march to an Absa branch at the Mahatma Gandhi Square. - Sapa

Also at:

<http://business.iafrica.com/news/40254.htm>

http://www.finance24.com/articles/companies/display_article.asp?Nav=ns&lvl2=com p&ArticleID=1518-24_1724623

Some of us have bad memories of Barclays

June 21, 2005—Letter to editor (not from Jubilee)

<http://www.themercury.co.za/index.php?fSectionId=337&fArticleId=2565466>

So Finance Minister Trevor Manuel has given his blessing for South Africa's family jewel Absa to be sold to the "uitlanders".

Campaign Update issued by Tristen Taylor, Apartheid Debt and Reparations Coordinator, ADR Task Team, Jubilee South Africa. Update issued on 22nd of June 2005. Contact: Tel +27 11 403-7622, Email tristen-j2000@mail.ngo.za

Understandably, he has had Hobson's choice in the matter. Personally, I would have preferred Barclays to start their own retail branch network on the ground, taking head-on the cosy cabal of South African banks on charges and service.

Being a person of colour and ex-staff member of Barclays South Africa brings bitter memories of the treatment accorded to us.

We had little or no promotion prospects.

We were forced to use separate toilets and kitchen facilities. We were given tea but in hand-me-down chipped teacups in cramped, non-airconditioned staff rooms, while our white counterparts enjoyed special fully air-conditioned dining rooms with the best of china.

Living miles away from work we were not provided with transport while our white counterparts were taken by company-owned transport to their suburbs by black drivers.

The white staff enjoyed privileges and high salaries while we were paid a pittance.

I sincerely hope Barclays comes with better intentions than to line their coffers, but to genuinely make redress.

Victimised
Durban

Sample of Press Releases:

Press Release: Hundreds to Demonstrate at Absa Shareholders Meeting

Jubilee South Africa
10th of June 2005

On Monday the 13th of June 2005, over two hundred and fifty people will descend on Absa Head Office (160 Main Street, JHB) to protest against the Barclays takeover. The protest will begin at 11:00am, and a memorandum will be handed to Absa management at 1:30pm. At the same time and place, Absa shareholders are to meet and vote upon the Barclays takeover.

Jubilee South Africa urges all Absa shareholders to reject the Barclays offer. Barclays National Bank's history within South Africa and the wider region is morally appalling. Over two decades, Barclays gave critical financial support to the Apartheid regime, including the funding of the military oppression in 1976. If they endorse the takeover, Absa shareholders are condoning and sanctioning both Barclays Bank's past and its current refusal to apologise for its active role in maintaining the Apartheid regime.

Voting for the Barclays takeover is a vote for unrepentant Apartheid financial policies.

The R1.7 billion that Absa management and executives will personally gain from the takeover looks as if it has disorientated their moral compasses. This is clear case of

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corporate greed triumphing over basic human rights and fundamental moral precepts.

Other upcoming Jubilee actions against Barclays & Absa:

Cape Town:

On Saturday, 11th June from 09h30 to 11h00am, there will be small demonstrations at:

- 1) Absa, new promenade, Mitchells Plain
- 2) Absa, Nyganga Junction
- 3) Absa, cnr 7th Avenue and Klipfontein Road, Athlone

On Monday, 13th June from 09h00 to 15h30 there will be a mass demonstration at Absa, St. Georges Mall, Main branch (next to the Reserve Bank).

Press Release: Jubilee South Africa on Barclays and the Arms Deal

Jubilee South Africa

10th of June 2005

On the 6th of June, Jubilee Western Cape issued the following press statement. Jubilee National Office fully agrees with this statement.

Barclays financed slavery. Barclays financed apartheid.
Now Barclays finances the arms deal.

Jubilee South Africa is opposed to the Barclays Bank takeover bid for Absa, and demands that:

- 1) Barclays apologises for supporting the apartheid regime,
- 2) Barclays makes reparations to those who suffered because of this support, and
- 3) The Khulumani v. Barclays lawsuit in the United States on apartheid reparations is completely resolved.

International analysis of bank mergers over the past decade finds that mergers result in higher fees and poorer service for consumers and small businesses, and substantially higher risks of corporate failures. This heavily-hyped takeover bid doesn't even pretend to benefit the public. A handful of institutions will benefit from massive stock exchange speculation, and senior Absa directors and managers will pocket an estimated R1.7 billion. It is "crony capitalism" at its most vicious, intended to transfer wealth from the middle class and poor to the already rich.

This week's judgment in the Schabir Shaik case has highlighted the corrupt practices relating to a sub-contract of the arms deal. The BAe Hawk and BAe/Saab Gripen fighter aircraft contracts amount to half of the arms deal. Barclays is financing these contracts over a 20 year period against guarantees by the British government. In contravention of the Public Management Finance Act, the loan agreements have never been referred to or approved by Parliament.

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SA Air Force chiefs and the former Secretary for Defence objected to the BAe contracts, but were overruled by the late Joe Modise who insisted that "buying British" would support Denel--our state-owned arms company that hovers on bankruptcy. The British and South African governments were timeously alerted to allegations of corruption relating to the BAe contracts, but both governments have vigorously blocked investigations.

The British government's Secretary for Trade and Industry has confirmed in February this year that bribes were paid to promote British arms exports, but declared these were "within acceptable limits". Research in England suggests that £160 million (R2 billion) cannot be accounted for, figures that make the Shaik/Thomson CSF/Zuma transactions pale into relative insignificance.

The default clauses are so onerous that the Minister of Finance, in signing the loan agreements, has wittingly or unwittingly ceded control over South Africa economic and financial future to Barclays, the British government and the International Monetary Fund. Agreements like these are the cause of anarchy prevailing in countries such as Zimbabwe and Indonesia. The United Nations estimates that 40% of Africa's capital has been siphoned to Europe and North America.

This is how "third world" countries are entrapped and enslaved in debt, impoverished and thus kept subservient, hence Jubilee South Africa's objections to the arms deal. Barclays is an organisation tainted by corruption and malpractice, and should not be permitted to return to South Africa.

Press Release: Barclays Failing to Meet Scheme Conditions

Jubilee South Africa
21st of June 2005

The fact that Barclays Bank has not been able to acquire 56.5% of Absa's shares and has had to ask for a two-week extension from the High Court is highly encouraging, and a step in the right direction.

Under prevailing conditions, Barclays Bank presence in South Africa is a moral crime. A corporation that once actively and consciously supported the bloodthirsty and illegitimate Apartheid regime should never be allowed to buy its way back into this country. Jubilee South Africa calls on all shareholders of Absa to examine the moral issues, and refuse to hand ownership of Absa over to an unashamed Apartheid profiteer. Absa shareholders have a chance to make a better, more moral world for all of us.

Barclays Bank must begin to realise that its current difficulties are only a foretaste of the difficulties it will face if it continues this unrepentant path. Barclays needs to address the country, come clean on how it supported the South African army in 1976 (amongst other cases of direct financial support), apologise and then make amends. Either that, or go back to the UK.

Jubilee South Africa will continue to employ varying protest tactics and strategies, and will continue to do so until Barclays apologises and makes reparations.

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International Support:

SAPSN Support

We at the SAPSN Secretariat would like to be part of the many voices offering resistance to the Barclays ABSA take over of Africa. We are quite aware that the take over will lead to untold suffering for the general populace in the region as the interests of the Bank are to save the few elites who usually meet the demands of such big exploitative financial institutions. The main motive of these institutions is super profits at the expense of the people's well being. We agree that Barclays should pay reparations to the affected communities in South Africa if not the whole of Southern Africa as its money was used to maim and kill innocent citizens of this region. We are in Solidarity with Jubilee South Africa in the Khulumani vs Barclays case. The success of the case will set precedent for any other cases that relate to the ills of Apartheid or any other case arising from abuse of the people. We also demand that Barclays Bank formally apologise to the people of South Africa and the region for the crimes of Apartheid.

IN SOLIDARITY!!!!!!!!!!!!!!

Patricia Kasiamhuru
Southern Africa People's Solidarity Network
No 5 Orkney Road Eastlea, Harare

Protestaktion gegen die Übernahme von ABSA durch Barclays Bank

Heute entscheidet die Aktionärsversammlung der südafrikanischen Bank ABSA über ein Übernahmeangebot der britischen Barclays Bank. Die Übernahme würde Barclays zum stärksten Finanzinstitut auf dem afrikanischen Kontinent machen. Nach verschiedenen Protestaktionen und Picketts hat Jubilee South Africa zu einer Demonstration vor der Aktionärsversammlung aufgerufen. Die Aktionäre werden aufgefordert, das Übernahmeangebot zurückzuweisen.

Der Protest gegen Barclays wird von sozialen Bewegungen und kirchlichen Gruppierungen getragen, die mit dem Hinweis auf die ungelöste Apartheid-Vergangenheit von Barclays gegen die Übernahme protestieren. Trotz Vorladung hatte Barclays die Aussage vor der südafrikanischen Wahrheits- und Versöhnungskommission verweigert. Während der Apartheid hatte die Bank das Apartheidregime massgeblich unterstützt und nach 1976 bei der Finanzierung des Unterdrückungsapparates geholfen. Auf Druck der internationalen Antipartheidbewegung musste sich die Bank in den späten 80er Jahren aus Südafrika zurückziehen.

„Es gibt nichts wofür wir uns entschuldigen müssten“, meinen die Bankmanager heute noch. Gerade dies verlangt aber Jubilee Südafrika, welche die Kampagne gegen die Übernahme anführt. Die Bank wird zu Entschädigungszahlungen für den mitverursachten Schaden aufgefordert. Barclays ist zudem eine der Beklagten bei den Khulumani-Klagen von Opfern schwerster Menschenrechtsverletzungen. Vor

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einer Lösung dieses zurzeit vor amerikanischen hängigen Gerichtsfalls sei Barclays in Südafrika nicht willkommen.

Die schweizerische Kampagne für Entschuldung und Entschädigung im Südlichen Afrika unterstützt die Kampagne von Jubilee South Africa.

Basel, 13. Juni 2005

keesa Kampagne für Entschuldung und Entschädigung im Südlichen Afrika

Barbara Müller, Koordinatorin

Dokumente der Barclays Kampagne finden Sie unter:

http://www.apartheid-reparations.ch/documents/news/d-e_2005_06_jubileeSA.php

Weitere Auskünfte:

Barbara Müller

coordination@apartheid-reparations.ch

[Translation next page]

[Please note this is a non-human translation, and is only a very rough guide]

Protest action against the assumption of ABSA by Barclays bank Today the shareholder meeting of the South African bank ABSA decides on an assumption offer of the British Barclays bank. The assumption would make Barclays strongest Finanzinstitut on the African continent. After different protest actions and pickets Jubilee South Africa called to a demonstration before the shareholder meeting. The shareholders are requested to reject the assumption offer.

The protest against Barclays is carried by social movements and church groupings, which protest with the reference on the unresolved apartheid past of Barclays against the assumption. Despite citation Barclays had refused the statement before the South African truth and reconciliation commission. During the apartheid the bank had considerably supported the apartheid regime and after 1976 with the financing of the suppression apparatus had helped. To pressure of the international anti-apartheid movement the bank had to withdraw itself in the late 80's from South Africa. "it gives nothing for which we to apologize would have", means the bank managers today still. Straight this requires however Jubilee South Africa, which states the campaign against the assumption. The bank is requested to payments of compensation for the along-caused damage. Barclays is besides one the deplored one with the Khulumani complaints of victims of heaviest violations of human rights. Before a solution this to time before American haengigen court case is Barclays in South Africa not welcomel.

The Swiss campaign for disencumberment and remuneration in the southern Africa supports the campaign of Jubilee South Africa. Basel, 13 June 2005 keesa campaign for disencumberment and remuneration in the southern Africa Barbara Mueller, Koordinatorin Documents of the Barclays campaign:
http://www.apartheid-reparations.ch/documents/news/d-e_2005_06_jubileeSA.php

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International Action:

Unfortunately, been unable to get international protests. Work still to be done in this area.

Workshops:

1 x Workshop was held in the Free State
1 x Workshop was held in the Eastern Cape

Protest Action:*Marches:*

Comrades in Welkom held a small march (80) people on the 18th of June

Large Demonstrations:

Comrades in Johannesburg held a large action (300+ people) outside of ABSA Head Office, coinciding with ABSA Annual General Meeting where shareholders voted to accept the Barclays bid.

At the same time, Jubilee had protestor inside the Annual General Meeting, asking difficult questions to ABSA and Barclays top brass. Able to disturb the meeting for 15 minutes.

Pickets (15 people or less):

Weekly pickets have continued in Johannesburg, Cape Town, Eastern Cape and the Free State. This tactic continues to very effective, and has pushed the bounds of the Gathering Act. Case of police aggression is being investigated by the police.

Cyber-activism:

Jubilee National Office is examining possibilities of using the Internet as a low-cost medium for guerilla-style attacks on Absa and Barclays. Our website will soon be operational (template constructed and on the server, awaiting content and domain registration).

Legal Action:

Given the extension on the court hearing, time has been freed to re-examine the possibilities of legal action to resist the bid. The legal team is currently examining the court file and the resultant possibilities.

Negotiations:

No negotiations have occurred or have been planned.

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Other:

Production of materials is ongoing. Pamphlets into Sotho and Zulu. T-shirts have been produced, BAAS T-shirts proving popular.

Next Key Date:

Court hearing on the 5th of July 2005 (Johannesburg High Court).



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