HP severs last South Africa tie

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PALO ALTO, Calif. — Hewlett-Packard Co. announced last week it was selling its South African sales subsidiary to Siltek Ltd., bowing to anti-apartheid selective procurement policies established by universities and local and state governments.

The move leaves NCR Corp. as the last major U.S. computer manufacturer with direct ties to the country. "The [selective procurement] problem was measured in millions [of dollars]," an HP spokesman said. He said that HP field personnel encountered about 50 instances per day in which such policies impeded HP's chances of sales, adding that the company was seeing the same selective procurement momentum in Europe.

Critics of apartheid have targeted computer company ties to South Africa's government because, they say, imported technology facilitates repression of blacks through weapons and pass laws.

Withdrawal from South Africa had been an issue in six of the last eight HP shareholders meetings, although the proposals had been voted down. HP decided to go ahead anyway because of procurement policy pressure as well as pending U.S. legislation that would require the elimination of exports of U.S. goods and services to South Africa.

"These companies will come under pressure to end the last of their ties," said Richard Knight, a research associate at The Africa Fund, a New York-based anti-apartheid research and lobbyist group.