



SOUTH AFRICA: BUILDING PARTNERSHIPS, ACCELERATING GROWTH

- South Africa has the most developed, diversified, technologically advanced and industrially integrated economy on the African continent.
- The country remains one of the preferred investment destinations in Africa and is also an important gateway for markets and other business opportunities throughout the continent.
- The South African economy has become increasingly diversified over the years, thereby reducing its sectoral concentration risks, particularly in mining. This has unlocked a diverse range of high-yield investment opportunities, predominantly but not exclusively in sectors with high export propensities.

- The success of many domestic industries in export markets is indicative of South Africa's inherent global competitiveness.
- The economy boasts an extensive and modern infrastructure network, which is being expanded further as a massive investment programme is rolled out by the public sector. Together with various other forms of industrial support from the South African government and other public sector institutions, this provides an attractive pull factor for investors.
- The South African economy is poised to achieve a higher growth trajectory. Recent political developments have been widely welcomed, resulting in a clear recovery in business, investor and consumer sentiment.
- Confidence in the South African government's ability to address structural impediments, including the achievement of greater policy coherence, consistency and certainty, as well as its focus on entrenching a business-friendly and investment-supportive environment, will attract investor interest and increase capital spending, from both domestic and foreign sources, in the domestic economy.
- These developments, alongside a substantially improved global economic outlook, augur well for South Africa's very open economy, with significant catalytic ramifications for investment prospects across a wide variety of sectors.



POLICY FRAMEWORK INCENTIVISES INVESTMENT TO STIMULATE GROWTH: INDUSTRIAL POLICY SUPPORT

South Africa is actively seeking to enhance investment levels	Industrial policy framework	
<p>South Africa's catalytic approach for investment</p>	<ul style="list-style-type: none"> • South Africa provides active support for investors by providing a wide range of incentives, including a comprehensive suite of tax incentives for investment in special economic zones (SEZs). 	<p>Comprehensive suite of financial grants, tax incentives and other forms of business support for investors.</p>
	<ul style="list-style-type: none"> • Incentives offered by SEZs include: <ul style="list-style-type: none"> • Preferential 15% corporate tax rate; • Value-added tax (VAT) and customs duty suspension in customs-controlled areas; • Employment incentive; • Building allowance; and • Preferential land rental and utility rates. 	<p>Policy and administrative reforms to stimulate investment.</p>
	<ul style="list-style-type: none"> • Investment in labour-absorbing industries is encouraged through various mechanisms. 	<p>Incentives for investment in special economic zones.</p>
	<ul style="list-style-type: none"> • Financing assistance is provided by state-owned development finance institutions (DFIs) such as the Industrial Development Corporation (IDC), the Development Bank of Southern Africa (DBSA) and the Land Bank. 	<p>Attractive support and incentive system and financing by state-owned DFIs for industrial development and investment promotion.</p>

POLICY FRAMEWORK INCENTIVISES INVESTMENT TO STIMULATE GROWTH: INTERVENTIONS TO ENSURE SOCIAL STABILITY

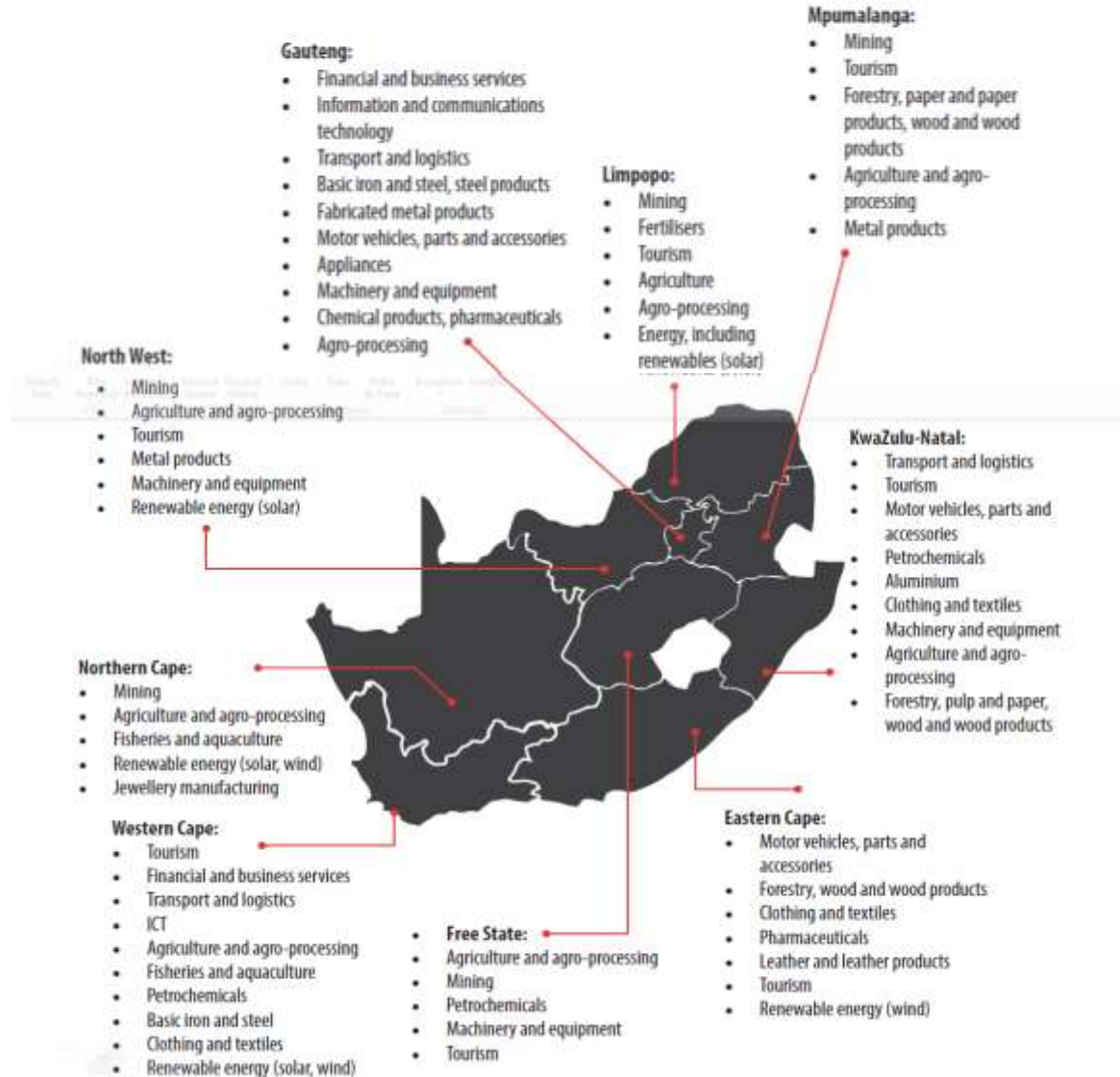
1.	Education	The government has introduced free tertiary education to previously excluded students so as to build a strong, skilled and competent workforce.
2.	Health	In addition to its large antiretroviral programme, the government is exploring a national health insurance programme to improve access to quality healthcare.
3.	Social services	The government continues to support the elderly, children and other economically inactive groups through the social grants programme.
4.	Employment	Strong partnerships exist between government, labour and business in initiatives aiming to create employment opportunities.
5.	Youth	Several initiatives and programmes are in place to facilitate the assimilation of the youth into the mainstream economy.
6.	Women	A clear policy framework and several programmes are in place to advance the economic empowerment of women.
7.	Entrepreneurship	The government has established a dedicated small business development and support ministry that coordinates government-wide and targeted financial as well as non-financial support for the SMME sector.

Government interventions are yielding positive results.

SECTORAL STRENGTHS OF SOUTH AFRICA'S PROVINCES



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ATTRACTIVE OPPORTUNITIES ACROSS SEVERAL SECTORS



AGRICULTURE AND AGRO-PROCESSING

- Fruit and vegetable packaging & canning.
- Fruit juice processing.
- Processing of soy-based products.
- Processing of organic, vegetarian, dehydrated foods.
- Meat processing.
- Aquaculture.
- Expansion of dairy value chain.
- High-value additives and nutraceuticals.
- Non-edible oil processing
- Crop production for feedstock into biofuels processing.
- Indigenous plant and flower growing.



MINING AND MINERALS BENEFICIATION

- Coal-bed methane: coal-to-liquid; coal ash utilisation to address acid mine drainage; carbon capture and storage.
- Manganese value chain development.
- Vanadium as a strategic input to energy storage.
- Development of titanium value chain, especially titanium dioxide.
- Ferrochrome production, revitalising chrome value chain.
- PGMs beneficiation, development of fuel cell industry.



MANUFACTURING

- Motor vehicles, parts, accessories.
- Other transport equipment (e.g. heavy vehicles, aircraft, vessels, rail equipment).
- Machinery and equipment.
- Metals fabrication.
- Chemicals, plastics.
- Pharmaceuticals.
- Footwear, leather industries.
- Clothing, textiles.
- Cosmetics.
- Fast-moving consumer goods.



ADVANCED MANUFACTURING

- Fuel cells.
- Energy storage.
- Speciality materials.
- Electronics.
- Aerospace.
- Defence industries.
- Medical devices and emerging tele-medical instrumentation.
- Speciality chemicals, including biochemicals.
- Additive manufacturing, including 3D printing.



SERVICES

- Tourism.
- Business process outsourcing.
- Financial and insurance services.
- Internet of Things-related opportunities.
- Film production and support services.
- Oceans economy-related services (e.g. shipbuilding, repairs, maintenance).



INFRASTRUCTURE

- Energy generation infrastructure, including renewables.
- Energy efficiency.
- Transportation and logistics infrastructure.
- Water infrastructure.
- Telecommunications infrastructure.
- Agro-logistics and rural infrastructure.
- Recycling.