



THE CASE FOR INVESTING IN SOUTH AFRICA EXECUTIVE SUMMARY

ACCELERATING ECONOMIC GROWTH BY BUILDING PARTNERSHIPS



**SOUTH AFRICA
INVESTMENT CONFERENCE**
Accelerating Economic Growth by Building Partnerships





10 REASONS WHY YOU SHOULD INVEST IN SOUTH AFRICA

11



1.

VIBRANT EMERGING MARKET

Growing middle class, affluent consumer base, excellent returns on investment.



2.

MOST DIVERSIFIED ECONOMY IN AFRICA

South Africa (SA) has the most industrialised economy in Africa. It is the region's principal manufacturing hub and a leading services destination.



3.

LARGEST PRESENCE OF MULTINATIONALS ON THE AFRICAN CONTINENT

SA is the location of choice for multinationals in Africa. Global corporates reap the benefits of doing business in SA, which has a supportive and growing ecosystem as a hub for innovation, technology and fintech.



4.

PROGRESSIVE CONSTITUTION & INDEPENDENT JUDICIARY

SA has a progressive Constitution and an independent judiciary. The country has a mature and accessible legal system, providing certainty and respect for the rule of law.



5.

FAVOURABLE ACCESS TO GLOBAL MARKETS

The African Continental Free Trade Area will boost intra-African trade and create a market of around 1.3-billion people with a combined gross domestic product (GDP) of USD2.3-trillion that will unlock industrial development. SA has several trade agreements in place, creating an export platform into global markets.



6.

ABUNDANT NATURAL RESOURCES

SA is endowed with an abundance of natural resources. It is the leading producer of platinum-group metals (PGMs) globally. Numerous listed mining companies operate in SA, which also has world-renowned underground mining expertise.



7.

ADVANCED FINANCIAL SERVICES & BANKING SECTOR

SA has a sophisticated banking sector with a major footprint in Africa. It is the continent's financial hub, with the JSE being Africa's largest stock exchange by market capitalisation.



8.

WORLD-CLASS INFRASTRUCTURE & LOGISTICS

A massive governmental investment programme in infrastructure development has been under way for several years. SA has the largest air- and sea-ports, as well as logistics networks in Africa, and is ranked number one in Africa in the World Bank's Logistics Performance Index.



9.

YOUNG, EAGER LABOUR FORCE

SA has a number of world-class universities and colleges producing a skilled, talented and capable workforce. The country boasts a diversified skills set, emerging talent, a large pool of prospective workers and government support for training and skills development.



10.

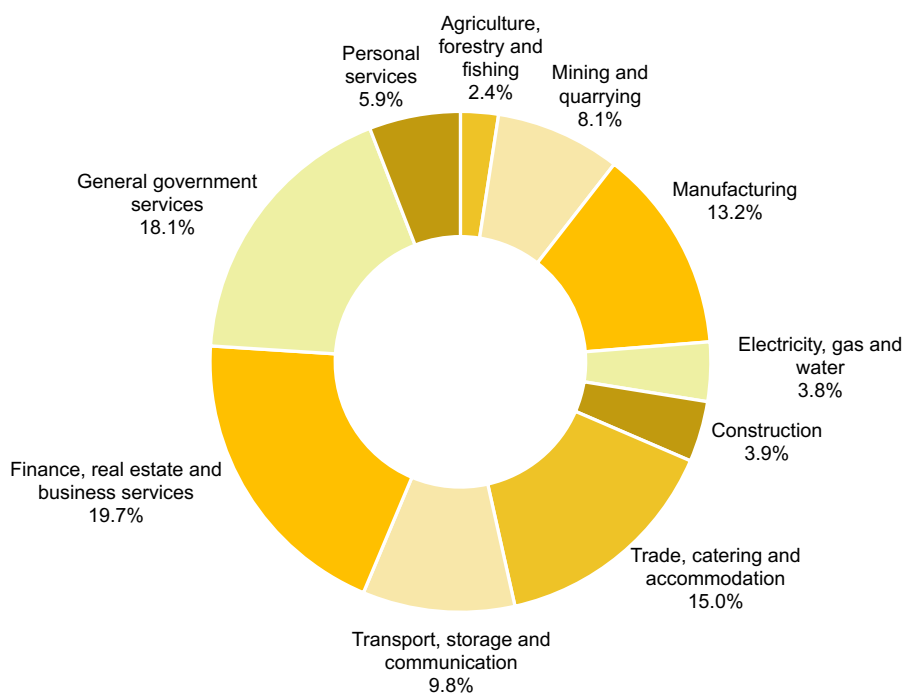
EXCELLENT QUALITY OF LIFE

SA offers a favourable cost of living, with a diversified cultural, cuisine and sports offering, generally superb weather all year round and a world-renowned hospitality sector.

THE SOUTH AFRICAN ECONOMY OFFERS A STRONG VALUE PROPOSITION

- The South African economy, which is the 30th largest in the world, is highly diversified in terms of sectoral composition.
- Its gross domestic product (GDP) of ZAR4.87-trillion (USD368.3-billion at the average USD/ZAR exchange rate for 2018) represents circa 16% of the African continent's overall GDP.
- South Africa has the most developed and technologically advanced economy on the African continent. It is the region's principal manufacturing hub and a leading services destination.
- It is one of the most open economies in the world (exports and imports collectively represented approximately 60% of gross domestic product in 2018), with preferential access to numerous global markets.
- South Africa is endowed with an abundance of natural resources.
- The country has an extensive and modern infrastructure network.
- South Africa has a sophisticated banking sector with a major footprint in Africa. It is the continent's financial hub.
- It offers a supportive and growing ecosystem as a hub for innovation, technology and fintech.
- The composition of South Africa's GDP is similar to those of developed economies – diversified and positioned to generate sustainable long-term returns on invested capital.

SECTORAL COMPOSITION OF GDP IN 2018



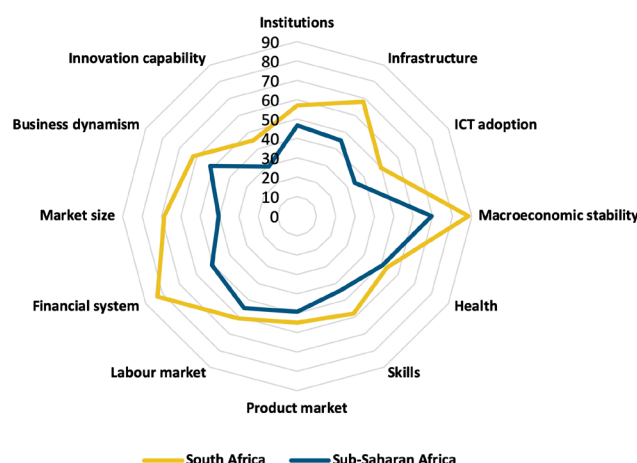
Source: Statistics South Africa

A STRONG CONTENDER IN GLOBAL COMPETITIVENESS

- South Africa ranks 60th out of 141 countries in the World Economic Forum's Global Competitiveness Index for 2019, an improvement from 67th position (out of 140 countries) in 2018. This places the country ahead of emerging markets such as Turkey, India and Brazil, as well as in 2nd position within Africa, after Mauritius.

SOUTH AFRICA'S GLOBAL COMPETITIVENESS PERFORMANCE SCORES* COMPARED TO SUB-SAHARAN AFRICA'S AVERAGE, 2019

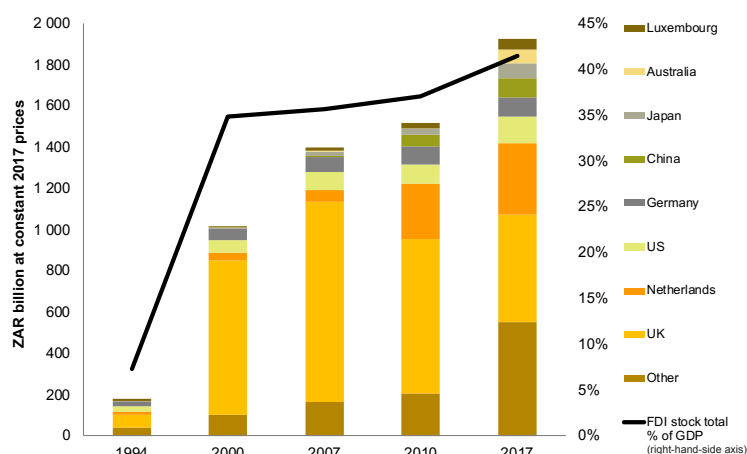
(*SCORES ARE ON A 0 TO 100 SCALE; 100 REPRESENTS THE OPTIMAL SITUATION OR 'FRONTIER')



FOREIGN DIRECT INVESTMENT SUPPORTING GROWTH AND DEVELOPMENT

- Foreign direct investment (FDI) flows into South Africa rose sharply in 2018 to ZAR70.6-billion, from ZAR26.8-billion in 2017. The positive momentum continued in the first semester of 2019, considering strong FDI inflows valued at ZAR38-billion.
- South Africa's attractiveness as an investment destination is expected to improve over the next couple of years, underpinned by greater policy predictability, a progressive recovery in the economy's performance and improving business and investor confidence. A task team led by the Presidency is looking at ways of addressing the policy, legal, regulatory and administrative barriers that have been constraining investment activity.

TRENDS IN AND COMPOSITION OF FDI STOCK IN SOUTH AFRICA (AT CONSTANT PRICES)



ECONOMY POISED FOR FASTER GROWTH

- The South African economy experienced modest to subdued growth over the past decade. Structural as well as cyclical factors, alongside policy inertia and uncertainty, affected business, consumer and investor confidence, impacting on production and investment activity.
- Positive signs are emerging that the economy's performance is turning around. A wide range of short-term interventions and long-term reforms will raise the economy's growth rate going forward and ensure a more inclusive and shared expansion path. These will progressively address the structural constraints that have been affecting investment decisions, in the process raising investor confidence.
- Although subdued growth is anticipated in the short-term, the economy's performance is expected to improve significantly in the years ahead. The South African Reserve Bank estimates real GDP growth at 0.6% for 2019, projecting it to rise to 1.5% in 2020.
 - As households strengthen their balance sheets, spending activity is likely to rise at a progressively faster pace. An accommodative monetary policy stance should alleviate the interest payment costs associated with household debt and, alongside rising disposable incomes in real terms, be supportive of a gradual rise in consumer spending over time.
 - As business and investor sentiment recovers on the back of gradually improving demand conditions locally, along with positive developments in regional markets, growth in private sector investment is expected to garner stronger momentum.
 - Out of the ZAR300-billion in investment committed at the inaugural South Africa Investment Conference held in October 2018, around ZAR250-billion worth of projects are in the implementation phase.
- The South African economy has the potential to grow at a considerably faster pace than current projections indicate, particularly as the envisaged structural reforms and enhanced policy predictability progressively address current constraints to growth and lead to improved confidence among businesses, investors and consumers.



PLATFORM TO SUPPORT GROWTH: WORLD-CLASS INFRASTRUCTURE IS A COMPETITIVE ADVANTAGE

Ranked 1 st in Africa on the World Bank's Logistics Performance Index ...	
Road, rail and port facilities	<ul style="list-style-type: none"> 158 952km of paved roads. Ranks 7th globally for Road Connectivity and 47th for Quality of Roads in the World Economic Forum's Global Competitiveness Report 2019. 20 986km of railways (47th globally for Railroad Density). Eight seaports: <ul style="list-style-type: none"> Two of the world's top container ports (Durban and Cape Town). Two of the world's largest dry bulk ports (Richards Bay and Saldanha Bay).
Electricity	<ul style="list-style-type: none"> Installed energy generation capacity of 51.7-million kW.
ICT infrastructure	<ul style="list-style-type: none"> Internet and personal computer penetration are among the highest in Africa, with 56% of individuals using the internet. Upload and download speeds are significantly higher than in most other regional economies.
Ease of air travel	<ul style="list-style-type: none"> 144 airports with paved runways. Ranked 27th globally for Efficiency Air Transport Services and 39th for Airport Connectivity.

PLATFORM TO SUPPORT GROWTH: LARGE MARKETS THAT COULD BE ACCESSED

Domestic market ...	Gateway to Africa ...
<ul style="list-style-type: none"> A population of 58.8-million people and a growing middle class. South Africa ranks 27th globally for its domestic market size. A total of 38.4-million people in the working-age category. Young population, as 64% are under the age of 35. Young, vibrant population presents major opportunities for investors. 	<ul style="list-style-type: none"> Location of choice for multinationals in Africa, underpinned by factors such as a skilled labour force, established infrastructure and a world-class banking and financial services sector, among others. The cost of doing business in South Africa is a major pull factor, underpinned by the supportive environment and relative competitive advantages on the continent. Provides access to the continent, with a population of around 1.3-billion and a GDP of USD2.3-trillion. Regional partnerships, including participation in the Southern African Development Community (SADC), the Southern African Customs Union (SACU) and in the new African Continental Free Trade Area (AfCFTA), provide platforms for growth across several sectors.

PLATFORM TO SUPPORT GROWTH: SOUTH AFRICA HAS PREFERENTIAL ACCESS TO KEY WORLD MARKETS

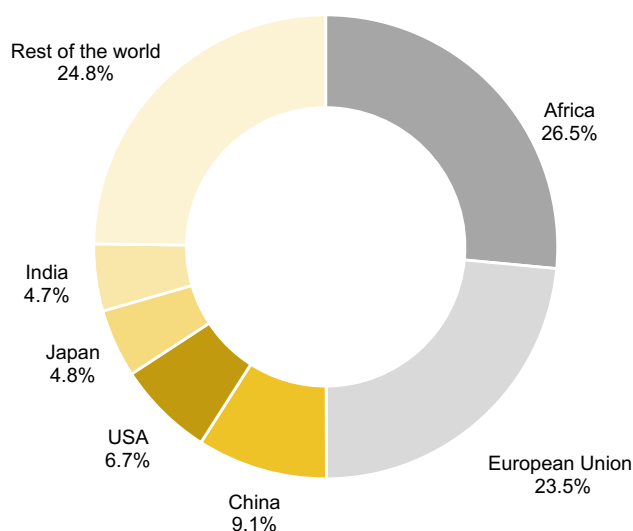
- South Africa is a member of the World Trade Organisation.
- Access to global markets has been enhanced through bilateral agreements with most of South Africa's major trading partners. Preferential access to key export markets has been secured through various agreements and by participating in regional economic communities.

Agreement name	Type of agreement	Countries involved
Southern African Customs Union (SACU)	Customs union	South Africa, Botswana, Lesotho, Swaziland, Namibia
Southern African Development Community (SADC) Free Trade Area (FTA)	Free trade agreement	16 SADC member states
African Continental Free Trade Area (AfCFTA)	Progressive liberalisation of tariffs	54 member states of the African Union (AU)
Economic Partnership Agreements (EPAs)	Free trade agreement	SACU-EU EPA plus Mozambique and Angola
European Free Trade Association/Southern African Customs Union (EFTA-SACU) FTA	Free trade agreement	SACU and EFTA (Iceland, Liechtenstein, Norway and Switzerland)
African Growth and Opportunity Act (AGOA)	Unilateral assistance measures (non-reciprocal)	US and 39 sub-Saharan Africa countries
Generalised System of Preferences (GSP)	Unilateral (non-reciprocal)	SA and EU, Norway, Switzerland, Russia, Turkey, the US, Canada, Japan
SACU-Mercosur	Preferential trade agreement	SACU and Argentina, Brazil, Paraguay and Uruguay

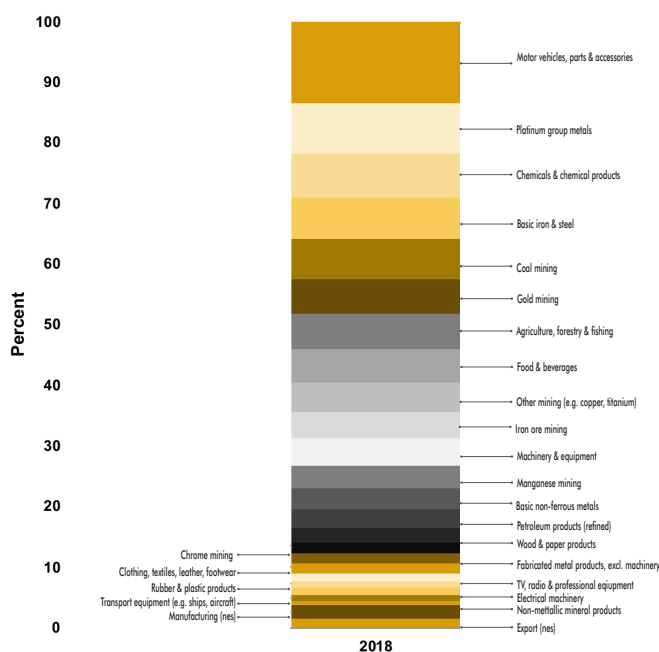
An economic partnership agreement (EPA) has been concluded between the five member states of SACU plus Mozambique on the one side, and the United Kingdom (UK) on the other side. The SACUM-UK EPA, which basically replicates the terms of the existing SACU-EU EPA in terms of tariffs, rules of origin, and health and safety standards, will come into effect in the event of the UK leaving the European Union.

- Diversified export sector and wide global reach.

LEADING MARKETS FOR SOUTH AFRICAN EXPORTS, 2018
(ZAR 1 246.2-BILLION)



COMPOSITION OF SOUTH AFRICA'S EXPORT BASKET IN 2018



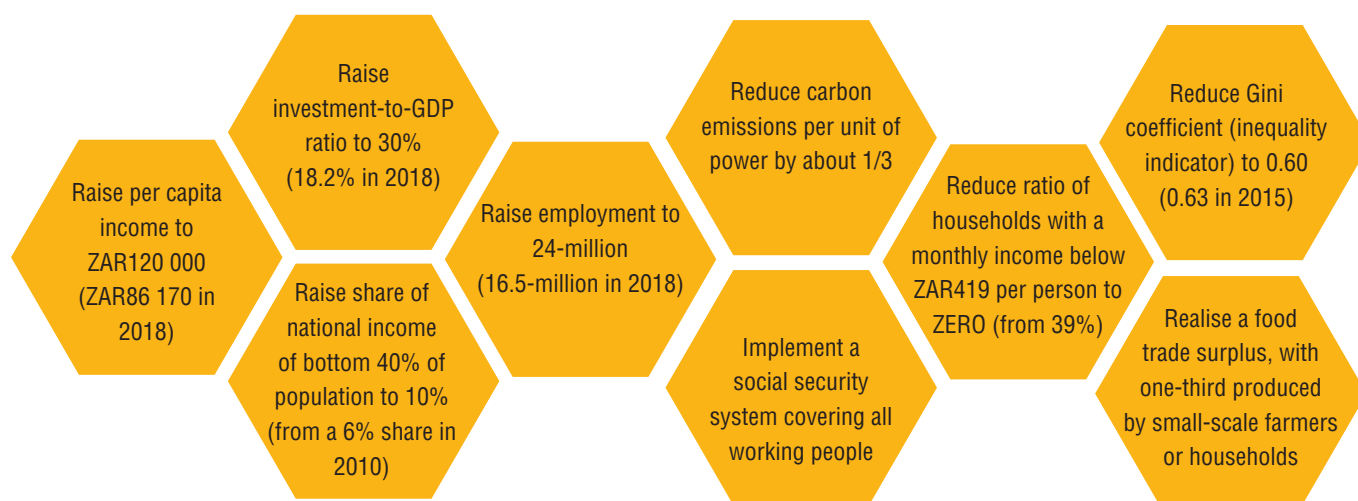
Sources: (table) InvestSA, IDC; (charts) IDC analysis, compiled using South African Revenue Service data

Note: nes = not elsewhere specified

THE NATIONAL DEVELOPMENT PLAN: VISION 2030 IS SOUTH AFRICA'S OVERARCHING POLICY FRAMEWORK



- The National Development Plan: Vision 2030 (NDP), which was launched in 2012, constitutes South Africa's overarching policy framework.
- The NDP's comprehensive framework seeks to drive and entrench an inclusive economic growth agenda for South Africa.
- The NDP places small-and medium-sized enterprises at the forefront of job creation in the economy, accounting for increasing shares of national output.
- **By 2030, the NDP envisions to ...**



Source (graphic): Information obtained from National Development Plan: Vision 2030, National Planning Commission; various sources for recent data

Key strategies and initiatives to support a higher growth trajectory

Economic Stimulus and Recovery Plan and other Presidential initiatives → Growth-enhancing reforms and programmes; drive to mobilise ZAR1.2-trillion in investment over a five-year period; building confidence through enhanced policy coherence and predictability; re-prioritisation of public spending towards investment; measures agreed upon at the Jobs Summit; and interventions to promote youth employment and the labour-intensity of growth.

Reinvigorated industrial strategy → Support for identified sectors and technology enhancement to improve the competitiveness and dynamism of industry, with Master Plans being developed for national priority sectors; spatial interventions in the form of an enhanced support programme for special economic zones and industrial parks, establishment of business centres and incubation hubs, support for township and village enterprises; support for innovation and skills development; strengthened use of Competition Policy to lower barriers to entry and distorted patterns of ownership; effective use of localisation policies and instruments such as designations; border controls to support industrial strategy, especially with regard to illegal imports and to limit the growth of the illicit economy; realise opportunities associated with African regional integration; enhanced preferential access to global markets; support various domestic industries in reclaiming the domestic market; institutional and implementation improvements.

Labour-market policies → Qualitative improvement in education and skills development, as well as in the connection between skills and jobs; reduce industrial conflict through partnership policies.

Infrastructure cost and availability → Provision of affordable and quality infrastructure in the energy, water, transport and logistics, data and ICT sectors.

Regulatory environment → Improve the ease of doing business; supportive regulatory systems; improve the efficiency of government agencies; address monopolies and economic concentration; support SMEs, cooperatives and township enterprises.

POLICY FRAMEWORK INCENTIVISES INVESTMENT TO STIMULATE GROWTH: INDUSTRIAL POLICY SUPPORT

South Africa is actively seeking to enhance investment levels	Industrial policy framework
South Africa's catalytic approach for investment	Comprehensive suite of financial grants, tax incentives and other forms of business support for investors.
	Policy and administrative reforms to stimulate investment.
	Incentives for investment in special economic zones.
	Attractive support and incentive system and financing by state-owned DFIs for industrial development and investment promotion.
<ul style="list-style-type: none"> A focused and purposeful industrial strategy has been adopted, and Master Plans are being developed by government in conjunction with business and labour for sectors with high potential for growth. 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). Investment in labour-absorbing industries is encouraged through various mechanisms. 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. 	

INDUSTRIAL POLICY SUPPORT: SPECIAL ECONOMIC ZONES

Incentives offered by Special Economic Zones

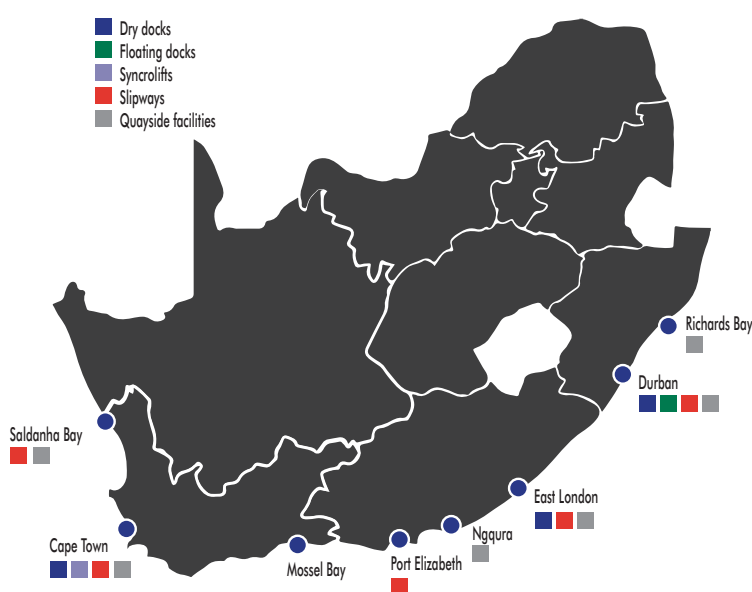
(SEZs) include:

- Preferential 15% Corporate Tax rate;
- Value-added Tax and Customs Duty suspension in customs-controlled areas;
- Employment incentive;
- Building allowance; and, among others,
- Preferential land rental and utility rates.

Ten designated special economic zones covering seven provinces:

- Atlantis (Western Cape);
- Coega (Eastern Cape);
- Dube Trade Port (KwaZulu-Natal);
- East London (Eastern Cape);
- Maluti a Phofung (Free State);
- Musina-Makhado (Limpopo);
- Nkomazi (Mpumalanga);
- OR Tambo International Airport (Gauteng);
- Richards Bay (KwaZulu-Natal);
- Saldanha Bay (Western Cape).

SOUTH AFRICA'S PORTS



POLICY FRAMEWORK INCENTIVISES INVESTMENT TO STIMULATE GROWTH: ECONOMIC TRANSFORMATION & REFORM

Drivers of change ...

The key driver for economic transformation and the reform agenda is an urgent need for greater economic inclusion (that is, to narrow the gap between the rich and poor while further diversifying the economy).

... Government's efforts to effect transformation

1. Extensive social services	To raise the human capital of the disadvantaged – the foundation of South Africa's fiscal framework.
2. SME support	That includes funding and a programme of policy improvement.
3. Active competition policy	That allows for responsive but predictable policy action against anti-competitive behaviour.
4. Broad-based black economic empowerment	Policies to incentivise firms to ensure economic equity among race groups.
5. Strategic use of state procurement practices	To give better opportunities to black-owned and small businesses.
6. Youth	Several initiatives and programmes are in place to facilitate the assimilation of the youth into the mainstream economy.
7. Women	Clear policy framework and several programmes are in place to advance the economic empowerment of women.
8. Black industrialists policy	To provide targeted support to medium-sized black-owned firms to grow into large firms.
9. Land reform	To uplift rural communities and allow black people access to productive assets.

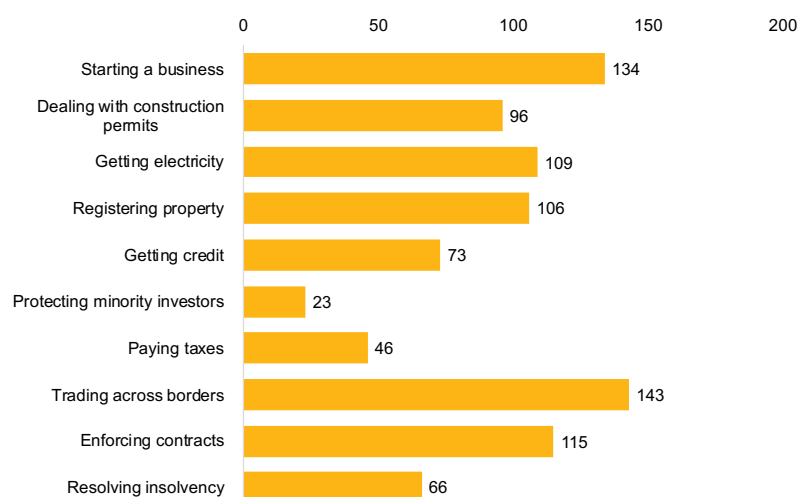
POLICY FRAMEWORK INCENTIVISES INVESTMENT TO STIMULATE GROWTH: REFORMS TO ADDRESS OBSTACLES TO INVESTMENT

Key sectors/areas	Actions
Mining	<ul style="list-style-type: none"> New Mining Charter gazetted in September 2018 and came into force in March 2019. Current Mineral and Petroleum Resources Development Act remains applicable, with the Amendment Bill having been withdrawn to provide greater certainty for the mining sector.
Land reform	<ul style="list-style-type: none"> The Presidential Advisory Panel on Land Reform and Agriculture, established in September 2018, put forward several recommendations to correct the skewed distribution of land in South Africa. These complement and reinforce the work undertaken by the Inter-Ministerial Committee on Land Reform, chaired by the Deputy President. The panel's report, which was presented to Cabinet, recommended, among others: legal mechanisms to recognise, record and enforce a continuum of land rights; the identification by government of well-located and unused/under-utilised land and buildings for the purpose of urban settlements; and a participatory and democratic, area-based approach to identifying land needs. The panel also argued that expropriation without compensation is not, by itself, a solution to land reform, but simply one of the means of acquiring land. A process is under way in the National Assembly to initiate and introduce the necessary legislation, taking into consideration the work done and recommendations contained in the reports of the Constitutional Review Committee and the Ad Hoc Committee on Amendment of Section 25 of the Constitution.
Transport and telecommunications	<ul style="list-style-type: none"> In line with the goal of making it easier to do business in South Africa by reducing port and rail tariffs, the Ports Regulator announced a 6% decrease in tariffs in November 2018 and also lowered container and automotive cargo dues. Commencement of the spectrum licensing process is imminent, opening up investment opportunities in the digital and telecoms sectors.
Energy	<ul style="list-style-type: none"> The government's long-term energy plan is expressed in the Integrated Resource Plan (IRP) 2019. The IRP 2019 provides a roadmap for planned energy generation and the evolution of the energy mix over the period to 2050, outlining a progressively lower relative contribution by coal-based electricity generation to total energy supply over time, towards an envisaged 58.8% by 2030. Enhanced impetus for renewable energy to replace decommissioned coal generation capacity.



POLICY FRAMEWORK INCENTIVISES INVESTMENT TO STIMULATE GROWTH: IMPROVING THE EASE OF DOING BUSINESS

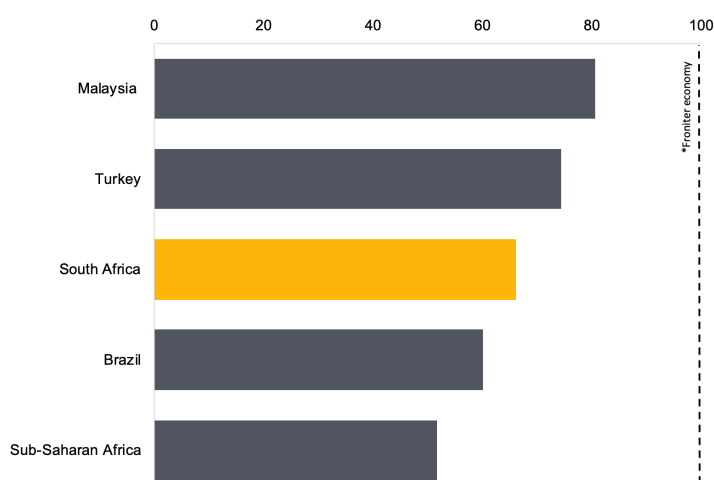
SOUTH AFRICA'S RANKINGS ON EASE OF DOING BUSINESS OUT OF 190 COUNTRIES



Source: World Bank Doing Business 2019 (data)

SOUTH AFRICA OUTPERFORMS IN THE SUB-SAHARAN AFRICA REGION WITH REGARD TO THE OVERALL COST AND EASE OF DOING BUSINESS

OVERALL PERFORMANCE: DISTANCE TO FRONTIER*



* **Frontier economy** – represents the best-performing economy across each of 10 economic indicators as measured by the World Bank.

Distance to frontier – represents the relative performance of individual economies against the frontier economy, which is benchmarked at 100 index value. The overall value is a simple arithmetic average of distance to frontier values across the 10 indicators.

Source: (charts) World Bank Doing Business 2019 (data)

Government's efforts to improve South Africa's rankings

Starting a business

- Expand the one-stop shop approach to ensure potential investors are not shunted between various departments.
- Register a company in a day using self-service terminals.
- Online search portal for company names.
- The Companies and Intellectual Property Commission (CIPC) has implemented mobile apps.
- South Africa is introducing a single platform for businesses to register for the Unemployment Insurance Fund and the Workmen's Compensation Fund.

Registering a property

- Move to online property registration, and electronic online checking for rates and clearance certificates.
- Work is under way to streamline processes, reducing information asymmetry and reducing costs for registering a property.

Trading across borders

- South Africa has implemented a Preferred Trader Programme and is working towards undertaking joint inspections and adopting new customs legislation.
- South Africa participates in the Global Coalition for Efficient Logistics as regional anchor that integrates domestic and other African small-, medium-, micro- and cooperative-enterprises into global markets through B2B digital trading tools.

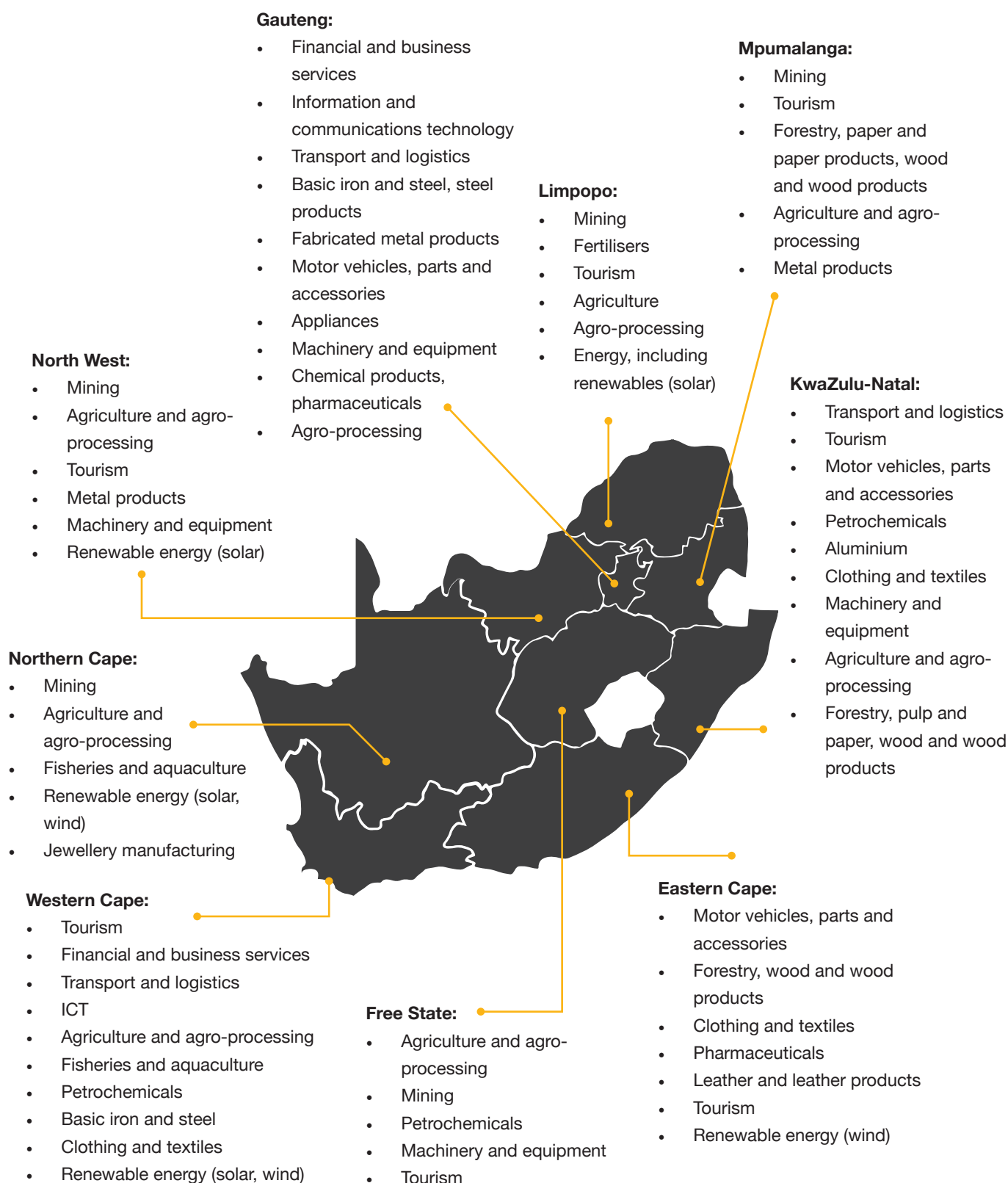
Paying taxes

- Online e-filing system; improve the transparency of information and documentation required.
- Progress is being made towards reducing the time taken for VAT audits.

Contract enforcement

- Enforcing contracts has been made easier through the amendment of the monetary jurisdiction of lower courts and the introduction of voluntary mediation.

SECTORAL STRENGTHS OF SOUTH AFRICA'S NINE PROVINCES



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



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



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



SERVICES

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



MANUFACTURING

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



INFRASTRUCTURE

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

SOUTH AFRICA AS A REGIONAL GATEWAY: THE AFRICAN CONTINENT OFFERS A MYRIAD OF OPPORTUNITIES

Sector	Opportunity
Agriculture and agro-processing	Africa has 60% of the world's uncultivated arable land, with value-adding opportunities in the food processing sector; it has abundant water resources for energy generation, irrigation and potable water.
Mining and minerals beneficiation	Africa is a major player in producing various mineral resources such as platinum, chromium, diamonds, gold, bauxite, cobalt, copper, phosphate and uranium. The continent has almost 8% of the world's oil reserves. Its enviable resource endowment provides vast opportunities for investment in mining and minerals beneficiation.
Hydrocarbons, particularly natural gas	Large offshore and onshore gas reserve discoveries in, for example, Mozambique and Tanzania present huge development opportunities for energy generation, among others.
Manufacturing	There is a wide range of opportunities, including the development of value chains such as petro-chemicals, food processing and beverages production, minerals beneficiation and metal products fabrication, forestry and wood processing, textiles and clothing, footwear, etc.
Infrastructure	There are massive development opportunities across the infrastructure spectrum, including input requirements associated with Africa's ongoing infrastructure and industrial development drive.
Forestry and wood processing	There is massive potential in commercial forestry and downstream development in the respective value chains.
Consumer goods	Africa has just over one billion consumers, a young population, rising disposable income, a growing middle class and increasingly sophisticated consumer segments. These factors are indicative of numerous opportunities for consumer-oriented sectors.
Banking sector/financial services	There has been rapid growth in the past decade, with financial sector reforms underpinning this momentum.
Information and communications technology	This has been an important driver behind Africa's economic growth in recent years, underpinned by an already substantial and rapidly expanding subscriber base.
Regional integration	Regional economic communities (for example, SADC, SACU, Common Market for Eastern and Southern Africa (COMESA) and East African Community (EAC)) are key drivers of economic growth, investment activity in infrastructure and productive activities, as well as intra-African trade. The African Continental Free Trade Area (AfCFTA) will bring together 54 African countries with a combined population of approximately 1.3-billion people and a GDP of USD2.3-trillion.

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 **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 has the potential to achieve a higher growth trajectory through the unlocking of competitive advantages in key sectors of the economy as well as **implementation of institutional and governance reforms** to support a sustained recovery in business and investor confidence.

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 anticipated recovery in global growth over the medium-term, augur well for **South Africa's very open economy**, with significant catalytic ramifications for long-term investment prospects across a wide variety of sectors.

FOR FURTHER INFORMATION AND OTHER FORMS OF ASSISTANCE,
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