



SOUTH
AFRICA
Investor
Roadmap

Investing in South Africa Roadmap 2020

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Foreword

It is with great pride that InvestSA, a division of the Department of Trade and Industry (**the dti**), and Deloitte Africa bring you the updated and revised version of South Africa's Investor Roadmap 2020.

South Africa has a number of characteristics that make it a compelling investment destination on the African continent.

The Investor Roadmap provides both foreign and domestic investors with a broad overview of the social, regulatory and economic environment in which they can expect to operate, highlighting the key features and investment incentives that we believe make doing business in South Africa an attractive proposition.

It is hoped that this publication will serve as the single most comprehensive and authoritative source of information for investors, exporters and businesses arriving at our shores.

For more information and advisory support, please contact us.

Mr Yunus Hoosen

Head
InvestSA

Disclaimer

Unless otherwise stated, the information in this Investor Roadmap is based on conditions that existed in March 2019.

The authors accept no responsibility for any errors this guide may contain, whether caused by negligence or otherwise, or for any loss, however caused, sustained by any person that relies on the information herein.

While all attempts have been made to provide up-to-date statistics and other details, this Investor Roadmap is not exhaustive and readers are advised to consult with their advisors and/or the relevant government agency.

Why Invest in South Africa?

10 Reasons to Invest in South Africa

1 Quality infrastructure and efficient logistics

With well-established and continued investment in infrastructure, South Africa is positioned as a key global hub and an attractive gateway into the rest of the continent.

2 Largest presence of multinationals in Africa

South Africa is the investment destination of choice of a sizeable number of global corporates, who enjoy the benefits of doing business in the country. More than 180 *Fortune Global 500* companies are present in South Africa.

3 Manufacturing hub

South Africa has a well-developed, diversified manufacturing base that has shown its potential to compete globally, and serves as a manufacturing hub to supply the rest of the continent for a number of consumer product companies.

4 Lucrative emerging market

South Africa's growing middle class and most affluent consumer base in Africa presents attractive returns on investment.

5 Favourable market access to global markets

The African Continental Free Trade Area (AfCFTA) will boost intra-Africa trade and create a market of over 1bn people with a combined GDP of over US\$2trn. South Africa has several trade agreements that provide an export platform into global markets.

6 Innovation and tech hub

The *Global Innovation Index* ranks South Africa number one in innovation in Africa. South Africa's intellectual property rights protection is regarded as the second best in Africa. South Africa is also fast becoming a technology hub in Africa and has a growing ecosystem in the tech sector ranging from technical expertise to finance support for entrepreneurs.

7 Abundant natural resources

South Africa is abundantly endowed with precious metals. It is the world's leading producer of platinum group metals, the sixth-largest producer of gold, has world-renowned underground mining expertise and more than 100 listed mining companies with operations in the country.

8 Africa's leading financial hub

South Africa has a sophisticated banking sector with a major footprint in Africa. It is also a financial hub in Africa, with the Johannesburg Stock Exchange (JSE) the largest stock exchange by market capitalisation in the continent.

9 Young trainable labour force

South Africa has a number of world-class universities and technical colleges, producing a skilled, talented, and capable workforce. It offers a diversified skillset, a large pool of trainable labour, and government support for training and skills development.

10 Excellent quality of life

South Africa is renowned for its quality of life, offering both high quality city experiences and more tranquil and breath-taking landscapes.

Attractive and Connected Emerging Market

South Africa is one of the most diversified and industrialised economies in Africa with the most affluent consumer market in Africa.*

Its well-established infrastructure and strategic location, positions South Africa as a key global hub and an attractive gateway into the rest of the continent.

Most sophisticated financial services services sector in Africa



Largest installed electricity generation capacity in Africa

Largest coal terminal (Richards Bay) in Africa

3rd most connected shipping network in Africa



82% smartphone penetration

86% of population covered by 4G/LTE network

Top 3 international airports in Africa Johannesburg, Cape Town and Durban



Most efficient air transport service in Africa



Largest port (Port of Durban) in Africa

+96% of households have access to mobile phones

+31m internet users

+180 Fortune Global 500 companies are present in South Africa

3rd best overall infrastructure in Africa

*when considering economies with populations above 5 million.

Sources: IMF, 2018; WEF, 2018; Skytrax, 2018; World Bank, 2018; AfrAsia Bank, 2018; StatsSA, 2018; UN, 2018; World Internet Stats 2019; ICASA, 2019

Preferred Investment Destination in Africa

South Africa is Africa's preferred investment destination for multinational companies.

Thanks to its highly sophisticated business environment, world-class financial services sector and excellent transport links, South Africa is regarded as the leading springboard into the rest of the continent.

More than 180 Fortune Global 500 companies have invested in South Africa, the largest concentration in Africa.

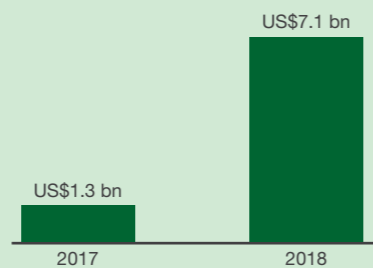
The country offers attractive opportunities for investors seeking new markets, or strategic assets.

In 2018, President Cyril Ramaphosa embarked on an ambitious investment drive to secure US\$100bn in investments by 2023.

In 2018, South Africa witnessed a more than fivefold increase in FDI inflows, accounting for close to 18% of FDI inflows into Africa.

FDI inflows to South Africa increased more than **x5** between 2017 and 2018

FDI inflows, 2017 vs 2018



Sample of Fortune Global 500 companies present in South Africa

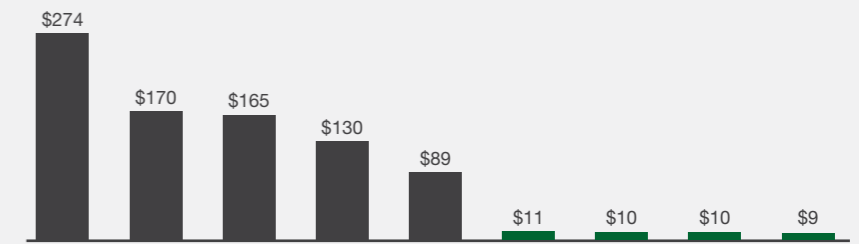


Sources: Reuters, 2018; UNCTAD, 2019

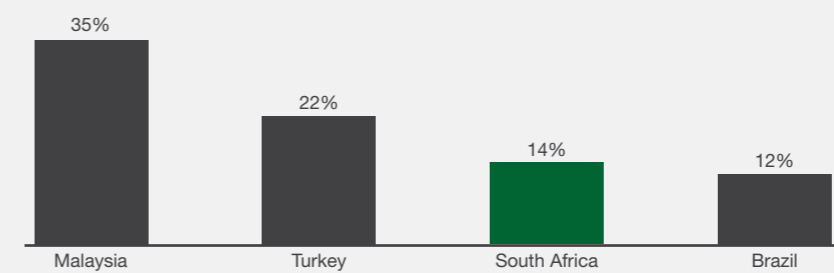
Affordable Production Destination with Sizeable Talent Pool

Affordable office space
South Africa offers highly competitive commercial property rates.

Average cost per sqm prime office space, 2018



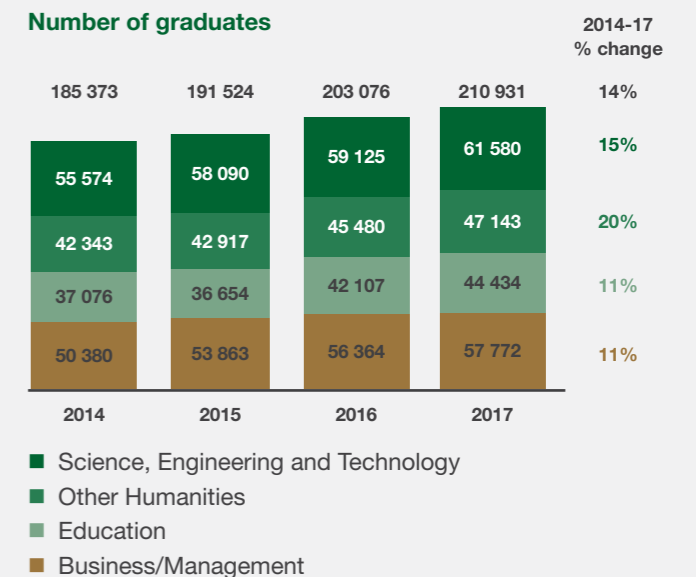
Employment costs as share of total business cost, 2016



Affordable labour
In 2019, South Africa introduced a minimum wage of R20/hour (ca. US\$1.40/hour), keeping its labour costs globally competitive.

Sizeable talent pool
South Africa's universities produce more than 200 000 graduates per year. The largest share of university students graduate in Science, Engineering and Technology. An additional 700 000 students are enrolled in Technical and Vocational Education and Training colleges, providing the labour market with valuable technical skills.

Number of graduates



Sources: Colliers International, 2018; Rode, 2018; CBRE, 2018; World Bank, 2018; DHET, 2018

Key Highlights and Quick Facts



Connected to the world

South Africa is well-connected to the rest of the world. Most **major international destinations** across all continents are **accessible from South Africa** via direct flights on a daily basis.



World-class private education

South Africa has number of **world-class, progressive private education providers** from pre-primary, primary to secondary and tertiary levels. Some of the world's most renowned business schools run programmes in the country.



Outstanding medical facilities

South Africa has a **well-established network of medical facilities**, offering **world-class medical treatments** not only to the domestic market, but also to the region. In 1967, the first ever heart transplant was performed at the Groote Schuur hospital in Cape Town, reflecting South Africa's pioneering role in the medical field.



Exceptional value

While providing an exceptional lifestyle with worldclass restaurants, shopping and leisure activities, **South African cities are among the most affordable places** to work and live in.



Unbeatable climate

With up to 300 hours of sunshine per month and its mild and sunny winters, **South Africa offers an unbeatable climate**. The country's climate is perfect for outdoor enthusiasts.



Unmatched natural beauty

From pristine beaches, lush forests to open plains and rolling hills, **South Africa's diverse geography offers unmatched recreational options**. Its Big Five game reserves, including the world famous Kruger National Park, are an ideal destination for nature lovers.

Young and capable population

Close to 60 million people call South Africa home, making it the 5th most populous country in Africa.

South Africa has a highly urbanised and young population. The country's universities are among the best on the continent.

In addition to its universities, South Africa has 50 Technical and Vocational Education and Training (TVET) colleges that focus on technical and vocational skills development. Currently there are 700 000 TVET students studying at 267 campuses across the country.

- **38m** South Africans are of **working age**
- **56%** of the population is **below 30 years**
- **2 in 3** South Africans live in **urban areas**
- **4 of Top 5** African **universities** are in South Africa
- **70%** of the workforce have at least **secondary education**
- **95%** of the adult population is **literate**

Africa's best universities

- University of Cape Town
- University of Witwatersrand
- Stellenbosch University
- University of KwaZulu-Natal

Progressive democracy

Since its first democratic election in 1994, the country has developed a strong track record of democracy.

South Africa's constitution has been hailed as one of the most progressive constitutions in the world.

The country's vibrant and active civil society and media ensure accountability and transparency in government.

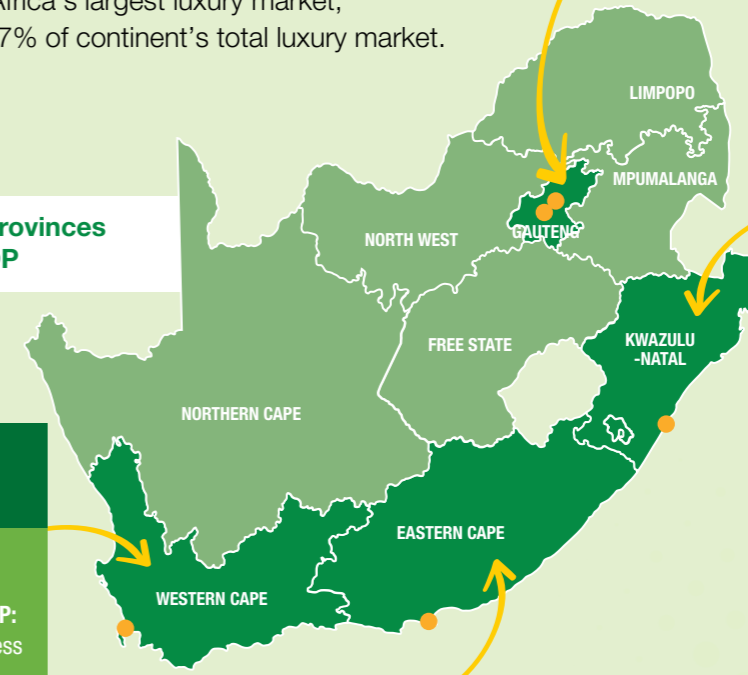
- **5th** strongest investor protection in Africa
- **2nd** most independent judiciary in Africa
- **3rd freest** media in Africa
- **4th highest** *Democracy Index* (EIU) ranking in Africa

A Snapshot of South Africa's Key Economic Hubs

South Africa is Africa's economic powerhouse and most important consumer market. It is home to four of the 10 wealthiest cities in Africa, accounting for more than US\$500bn in personal wealth.

The country is home to Africa's largest luxury market, valued at US\$2.2bn or 37% of continent's total luxury market.

South Africa's largest provinces by size of provincial GDP



GAUTENG
Commercial hub of the country with largest presence of MNCs in Africa

- **Provincial GDP:** R1 594bn (34% of SA's GDP)
- **Contribution to provincial GDP:**
 - Finance, real estate & business services: 24%
 - Manufacturing: 15%
 - Trade, catering & accommodation: 14%
- **Key cities:** Johannesburg and Pretoria

KWAZULU-NATAL
Home to Africa's largest port and a key manufacturing region

- **Provincial GDP:** R746bn (16% of SA's GDP)
- **Contribution to provincial GDP:**
 - Manufacturing: 18%
 - Finance, real estate & business services: 17%
 - Trade, catering & accommodation: 15%
- **Key city:** Durban

WESTERN CAPE
Strong services, agricultural and manufacturing sectors

- **Provincial GDP:** R633bn (14% of SA's GDP)
- **Contribution to provincial GDP:**
 - Finance, real estate & business services: 25%
 - Trade, catering & accommodation: 17%
 - Manufacturing: 15%
- **Key city:** Cape Town

EASTERN CAPE
Strong automotive cluster

- **Provincial GDP:** R359bn (8% of SA's GDP)
- **Contribution to provincial GDP:**
 - Trade, catering & accommodation: 20%
 - Finance, real estate & business services: 19%
 - Manufacturing: 13%
- **Key city:** Port Elizabeth

Top 10 African cities by wealth, 2017

Rank	City	Total wealth
1	Johannesburg	US\$276bn
2	Cape Town	US\$155bn
3	Cairo	US\$140bn
4	Lagos	US\$108bn
5	Durban	US\$55bn
6	Nairobi	US\$54bn
7	Luanda	US\$49bn
8	Pretoria	US\$48bn
9	Casablanca	US\$42bn
10	Accra	US\$38bn

Sources: DHET, 2018; World Bank, 2018; Mo Ibrahim Index, 2018; EIU, 2018; Times Higher Education, 2018; Reporters Without Borders, 2018

Sources: StatsSA, 2019; AfrAsia Bank, 2018

Fast Facts on South Africa

Economic indicators

Key highlights

- South Africa is the second largest economy in Africa.
- As Africa's anchor economy, South Africa became a member of the BRICS grouping in 2010.
- South Africa's prudent monetary policy has kept consumer prices well within its target range of 3%-6%.
- Compared to other major African economies, South Africa has a relatively low commercial bank lending rate.
- Over the last three years, the South African rand was the best performer among major currencies compared to the US dollar, gaining more than 6% against the US dollar.
- The South African rand is freely convertible.
- South Africa's foreign exchange policy has been progressively relaxed over recent years, with only minor delays in the conversion and transfer of funds.
- In 2017, South Africa was the largest exporter in Africa – exporting almost twice as much as Nigeria, Africa's second largest exporter.
- In 2017, South Africa was the largest importer in Africa – importing almost one-third more than Egypt, Africa's second largest importer.

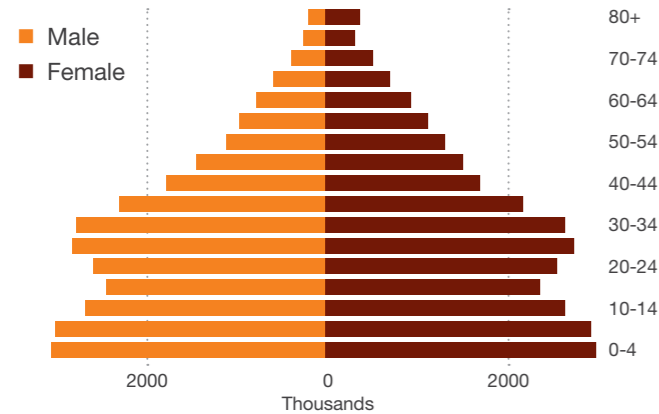
Measure	Fast facts
Gross domestic product (GDP)	2020f: R5.62trn (US\$403.0bn) 2019f: R5.24trn (US\$385.5bn) 2018: R4.91trn (US\$376.8bn) 2017: R4.65trn (US\$349.3bn) 2016: R4.35trn (US\$295.8bn) 2015: R4.05trn (US\$317.7bn)
GDP growth	2020f: 1.5% 2019f: 0.6% 2018: 0.8% 2017: 1.3% 2016: 0.6% 2015: 1.3% 2000 to 2018: 2.8% p.a. (average)
Consumer price inflation	2018: 4.8% (average) 2010 to 2018: 5.3% (average)
Interest rates	Policy rate (repo rate): • 2018: 6.59% (average) • 23 Jan. 2019: 6.75%
Exchange rate	2018 average: US\$1.00 = R13.25
Merchandise trade	Exports in 2017: US\$88.3bn Top export destinations: • China: US\$8.7bn • US: US\$6.6bn • Germany: US\$5.8bn • Japan: US\$4.2bn • India: US\$4.1bn Imports in 2017: US\$83.0bn Top import sources: • China: US\$15.2bn • Germany US\$9.6bn • US: US\$5.5bn • India: US\$3.9bn • Saudi Arabia: US\$3.8bn

Socio-economic and demographic indicators

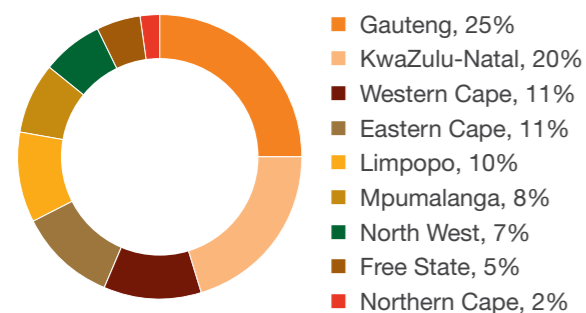
Key highlights

- South Africa is by far the most affluent economy in Africa when considering economies with populations above 5 million.
- South Africa is the fifth most populous country in Africa.
- While South Africa has a young population, its age dependency ratio is among the lowest in Africa.
- About one-quarter of South Africans live in either Johannesburg, Cape Town, Durban or Ekurhuleni. These urban hubs are well connected and present attractive consumer markets.
- South Africa is Africa's largest market for automobiles and has the largest fleet of cars on the continent.
- A number of government initiatives, such as the Jobs Fund, are geared towards employment creation.
- South Africa faces challenges of inequality; however its progressive social spending system has helped to mitigate the impact of inequality.

Age distribution, 2018



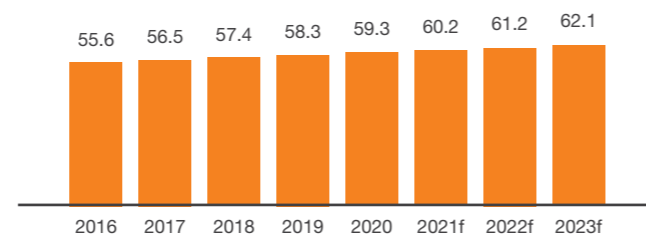
Population distribution, 2018



Source: IMF, 2018; World Bank, 2018d; StatsSA, 2018b; OICA, 2018

Measure	Fast facts												
Population	<ul style="list-style-type: none"> • 57.7m population • 37.5m working-age population • 65% under the age of 35 • 6% over the age of 65 • Annual population growth: 1.6% 												
Highly urbanised population	Share of population living in urban areas: <ul style="list-style-type: none"> • 2018: 66.4% • 2020f: 67.4% • 2025f: 69.8% 												
Middle class indicators	<ul style="list-style-type: none"> • Motorisation rate: 176 vehicles per 1 000 people (2017) • 57% of the population have access to the internet (2017) • 67% of adult population have an account with a financial institution • 95% of population has access to improved water source (2018) 												
Labour market	Unemployment rate: <ul style="list-style-type: none"> • 2017: 27.5% • Q3 2018: 27.5% • Q4 2018: 27.1% • Q2 2019: 29.0% 												
GDP per capita	<table border="1"> <thead> <tr> <th></th> <th>Current prices</th> <th>PPP</th> </tr> </thead> <tbody> <tr> <td>1998:</td> <td>US\$3 159</td> <td>\$7 204</td> </tr> <tr> <td>2008:</td> <td>US\$5 802</td> <td>\$11 739</td> </tr> <tr> <td>2018:</td> <td>US\$6 560</td> <td>\$13 775</td> </tr> </tbody> </table>		Current prices	PPP	1998:	US\$3 159	\$7 204	2008:	US\$5 802	\$11 739	2018:	US\$6 560	\$13 775
	Current prices	PPP											
1998:	US\$3 159	\$7 204											
2008:	US\$5 802	\$11 739											
2018:	US\$6 560	\$13 775											
Gini coefficient	<ul style="list-style-type: none"> • 2006: 0.72 • 2015: 0.68 												

Population (million), 2016-23f



Political and legal environment

Key highlights

- South Africa has been hailed as the most stable democracy in Africa.
- South Africa has the most independent and transparent judicial processes in Africa, guaranteeing investors a fair and reliable business environment.
- South Africa has the best regulatory environment for businesses in Africa, making it a favourable investment destination.
- The South African Reserve Bank is well-managed and independent, ensuring predictability and consistency in monetary policy.
- The Johannesburg Stock Exchange (JSE) is the 19th largest in the world by market capitalisation. On 1st March 2019 the JSE's market capitalisation was R15.9trn.

Measure	Fast facts
Government	<ul style="list-style-type: none"> • Parliamentary democracy
Legal system	<ul style="list-style-type: none"> • Mix of Roman-Dutch law (primarily civil), common law and statute (primarily economic affairs) • Constitution protects basic freedoms and secures rights and dignities (including property rights and protection of minorities based on ethnicity, gender, sexual preference, etc.)
Fiscal policy	<ul style="list-style-type: none"> • Balances development needs with fiscal sustainability and intergenerational equity
Monetary policy	<ul style="list-style-type: none"> • Inflation targeting regime • Target range of 3% to 6% for the year-on-year increase in the headline CPI
Capital controls	<ul style="list-style-type: none"> • Regulation of foreign inflows is limited • Foreign outflows are permitted • Some limits on permanent residents and citizens apply
Financial sector	<ul style="list-style-type: none"> • Highly developed bond and equity market • Banks regulated under 'twin peaks' model, with central bank overseeing both macro- and micro-prudential policy • Signatory to Basel III accords
Trade agreements	<ul style="list-style-type: none"> • WTO member since 1995 • Bilateral agreements with most major trading partners • Preferential access to US and EU market through AGOA and EPA • Regional markets via SADC Free Trade Area • Transcontinental free trade area
Investment agreements	<ul style="list-style-type: none"> • International investors protected under South African court system
Arbitration	<ul style="list-style-type: none"> • The International Arbitration Act 15 of 2017 positions SA as a primary seat for arbitration

“South Africa has the most admirable Constitution in the history of the world.”

Cass R. Sustain, Harvard law scholar

Arts, culture and sports

Key highlights

South Africa is a great place to work, play and live. Its diverse climate and geography offers a wide range of leisure activities from swimming, golfing, cycling, mountaineering and more all year round. In general, South Africans are a very sports-enthusiastic nation, and avid followers of local and international sporting events.

In addition to outdoor activities, its cultural diversity and cosmopolitan cities makes South Africa an exciting place to work and live.

South Africa's rich cultural heritage manifests itself in the country's creative industry that has produced world class artists, musicians, writers and actors.

Select arts, culture and sports personalities

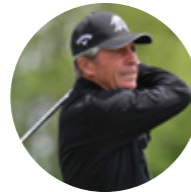
Sport



Bryan Habana
(rugby player)



Chad le Clos
(swimmer)



Gary Player
(golfer)



Caster Semenya
(runner)



Wayde van Niekerk
(runner)

Film/TV



Gavin Hood
(producer/director)



Trevor Noah
(comedian)



Charlize Theron
(actress)



John Maxwell
Coetzee



Zakes Mda

Literature

Music



Black Coffee



Yvonne Chaka Chaka



Ladysmith Black
Mambazo



Trevor Stuurman



David Tlale

Fashion

Quality of life

Residing and working in South Africa

- South Africa is a vibrant multi-cultural society with 11 official languages including: English, Afrikaans, isiNdebele, isiXhosa, isiZulu, Sepedi, Sesotho, Setswana, SiSwati, Tshivenda and Xitsonga.
- Johannesburg and Pretoria ranked amongst the top 23% of the most affordable cities (133 cities ranked in five continents).
- South Africa provides a wide choice of quality accommodation, both to rent or buy, with property ranking 11th in the HSBC's *Expat Explorer Survey 2018*.
- There are excellent private schools including access to alternative teaching philosophies such as Montessori and Waldorf. There are also international schools in the major cities which follow the American, British, French or German curriculum or the International Baccalaureate.
- 8% of South African universities rank in the top 16% of universities in the world.
- South Africa has well-trained medical staff with world class private hospitals and clinics.
- South Africa ranks in the top 20 out of 149 countries in the WEF's *2018 Global Gender Gap* report, which ranks countries on progress towards gender parity.
- South Africa has been declared one of the 18 megadiverse destinations in the world. The country is home to the famous Big Five (rhino, elephant, lion, leopard and buffalo).
- 66 sites in South Africa have Blue Flag status for outstanding environmental management of coastlines and coastal waters for tourism and development.
- A day at SA's beaches costs an average of almost half of what it costs in Norway, rated the world's most expensive beach.
- South Africa is home to 10 UNESCO World Heritage Sites.

Sources: Conservation International, 2018; Wildlife and Environment Society of South Africa, 2018; TravelBird, 2017; Economist Intelligence Unit, 2018b; HSBC, 2018; The Times Higher Education World University Rankings, 2019; World Economic Forum, 2019; UNESCO, 2019

Education

Key highlights

Committed to universal access

The South African government is committed to providing quality education to every child in the country and is working towards achieving universal access to education. In order to achieve this goal, the government launched no-fee schools in the poorest districts of all nine provinces. In addition, the government is committed to providing free tertiary education for students from poor and working class households.

Primary and secondary education in numbers

- 25 762 schools
 - 23 796 public schools
 - 1 966 independent schools
- 12.9 million learners
 - 12.5 million learners in public schools
 - 0.4 million learners in independent schools
- 433 320 educators
 - 399 156 educators in public schools
 - 34 164 educators in independent schools
- 29.8 learners per educator
 - 31.3 learners per educator in public schools
 - 11.8 learners per educator in independent schools.

Tertiary education in numbers

- 26 public universities
- 731 601 students* enrolled
- The largest share of students are enrolled in Humanities
- 210 931 graduates
- Science, Engineering and Technology accounts for the largest share of graduates
- Unisa is the largest open distance learning institution in Africa
- Unisa is the longest standing dedicated distance education university in the world.

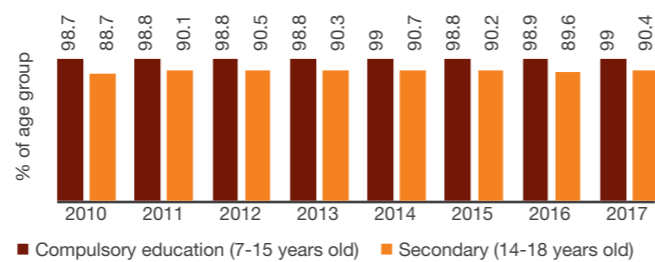
South Africa's 5 largest universities by students enrolled, 2017

University	No. of students
University of South Africa (Unisa)	200 546
Tshwane University of Technology	45 990
North West University	45 052
University of Pretoria	39 709
University of Johannesburg	38 800

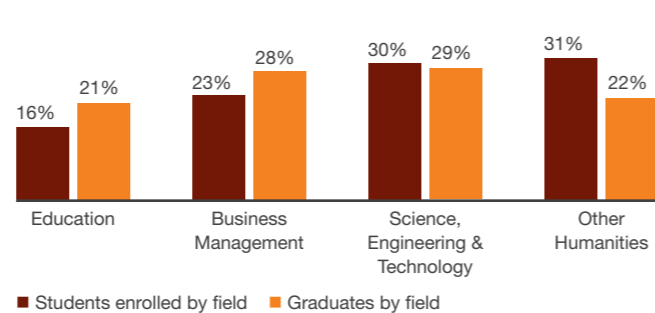
South Africa's 5 largest universities by graduates, 2017

University	No. of graduates
University of South Africa (Unisa)	44 842
North West University	16 004
Tshwane University of Technology	14 754
University of Pretoria	13 273
University of Johannesburg	13 004

Enrollment rates, 2010-17



Students and graduates enrolled by field, 2017



* Full-time equivalent students
Source: Higher Education Data Analyzer, 2018

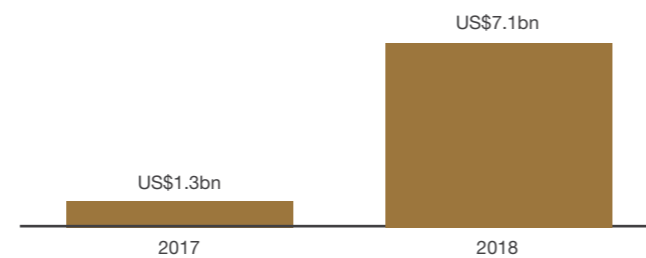
Economic Overview of South Africa

National economic overview

Key highlights

- The services sector is by far the largest contributor to the South African economy, accounting for close to 70% of value add.
- The largest sub-sector of the economy is finance, real estate and business services, accounting for one-fifth of value add.
- The fastest growing sectors over the last 10 years were agriculture, forestry and fisheries; construction; and general government services.
- The services sector is the largest contributor to national employment.
- The three largest employment creators between 2013 and 2018 were finance; construction; and community and social services.
- In 2018, South Africa witnessed a rapid increase in FDI inflows, accounting for close to 18% of FDI inflows into Africa. The strong increase in investment inflows was driven by investments in mining, petroleum refining, food processing, ICT, and renewable energy.

FDI inflows, 2017 vs 2018



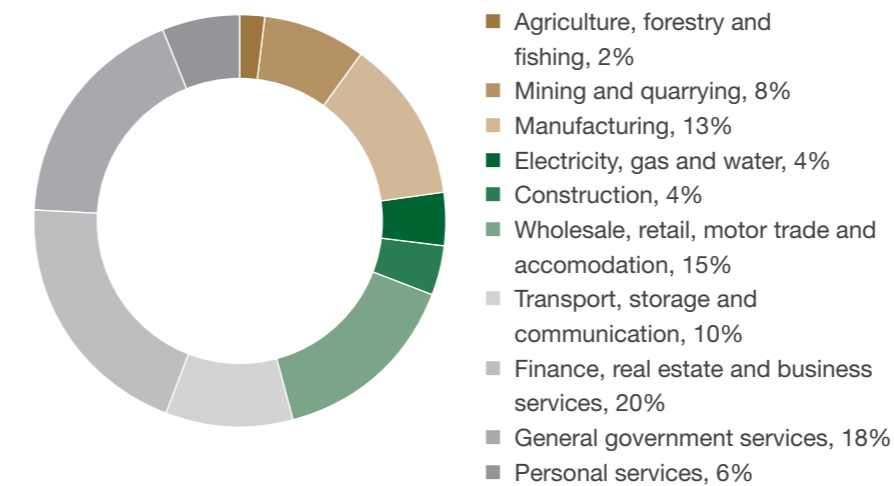
FDI inflows by sector, 2017

Sector	Share of FDI
Finance, insurance, real estate and business services	44.6%
Mining and quarrying	21.2%
Manufacturing	15.9%
Transport, storage and communication	10.2%
Wholesale and retail trade, catering and accommodation	6.5%
Community, social and personal services	1.4%
Construction	0.1%
Agriculture, forestry, hunting and fishing	0.1%
Electricity, gas and water	0.1%

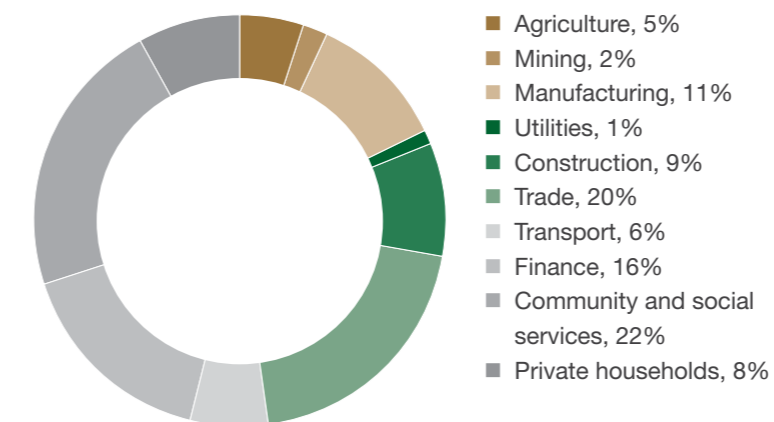
FDI inflows by origin, 2017

Country	Share of FDI
UK	27.0%
Netherlands	18.0%
Belgium	14.8%
US	6.7%
Germany	4.9%
China	4.7%
Japan	3.8%
Australia	3.6%
Luxemburg	2.7%
Mauritius	1.1%
Rest of world	12.7%

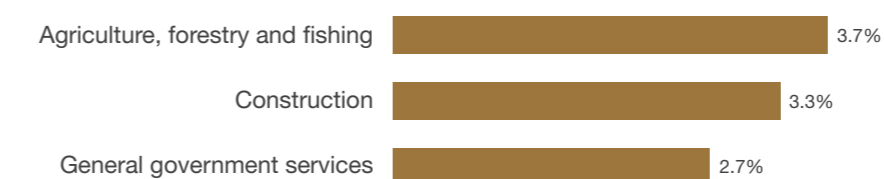
Sectoral contribution of national GDP, 2018



National employment by sector, Oct-Dec 2018



10-year average growth of top 3 sectors, 2008-17

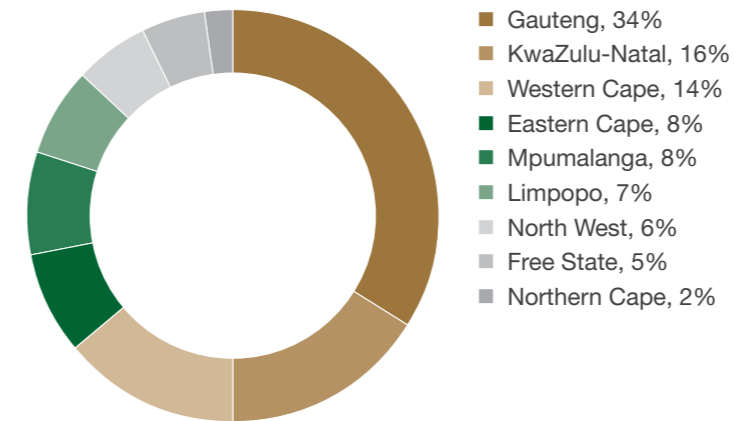


Provincial economic overview

Key highlights

- Gauteng (34% of national GDP), KwaZulu-Natal (16%) and the Western Cape (14%) are the three largest regional economies in terms of contribution to the national economy.
- The economies of all provinces are well diversified, without showing an overdependence on a single industry.
- North West, Northern Cape, Mpumalanga and Limpopo have strong mining clusters.
- Gauteng and Western Cape are home to well developed and mature financial services, real estate and business service sectors.
- Gauteng and KwaZulu-Natal (KZN) have strong manufacturing industries. In Gauteng, metal products, food and beverages, chemicals, mining-related manufacturing and the automobile sector are leading sub-sectors of the province's manufacturing sector. In KZN the automobile sector, pulp and paper products, rubber and plastics, chemicals and petro-chemicals, food and beverages, as well as textiles and clothing are key sub-sectors.
- In all provinces the tertiary sector recorded the strongest average growth between 2010 and 2017.

Provincial contribution to GDP, 2017

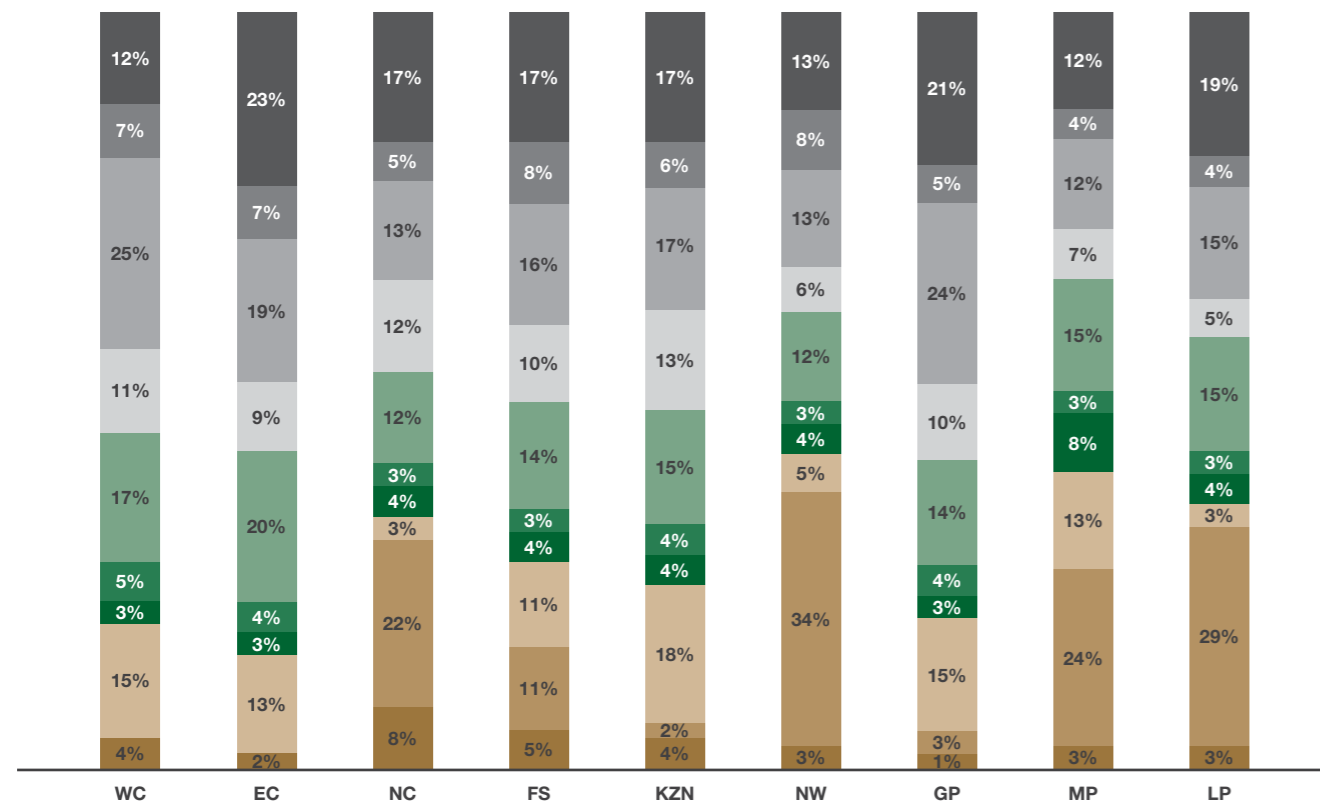


As we expand our presence in Southern Africa, Hisense remains committed to providing solutions that will enable growth and sustain economic development.

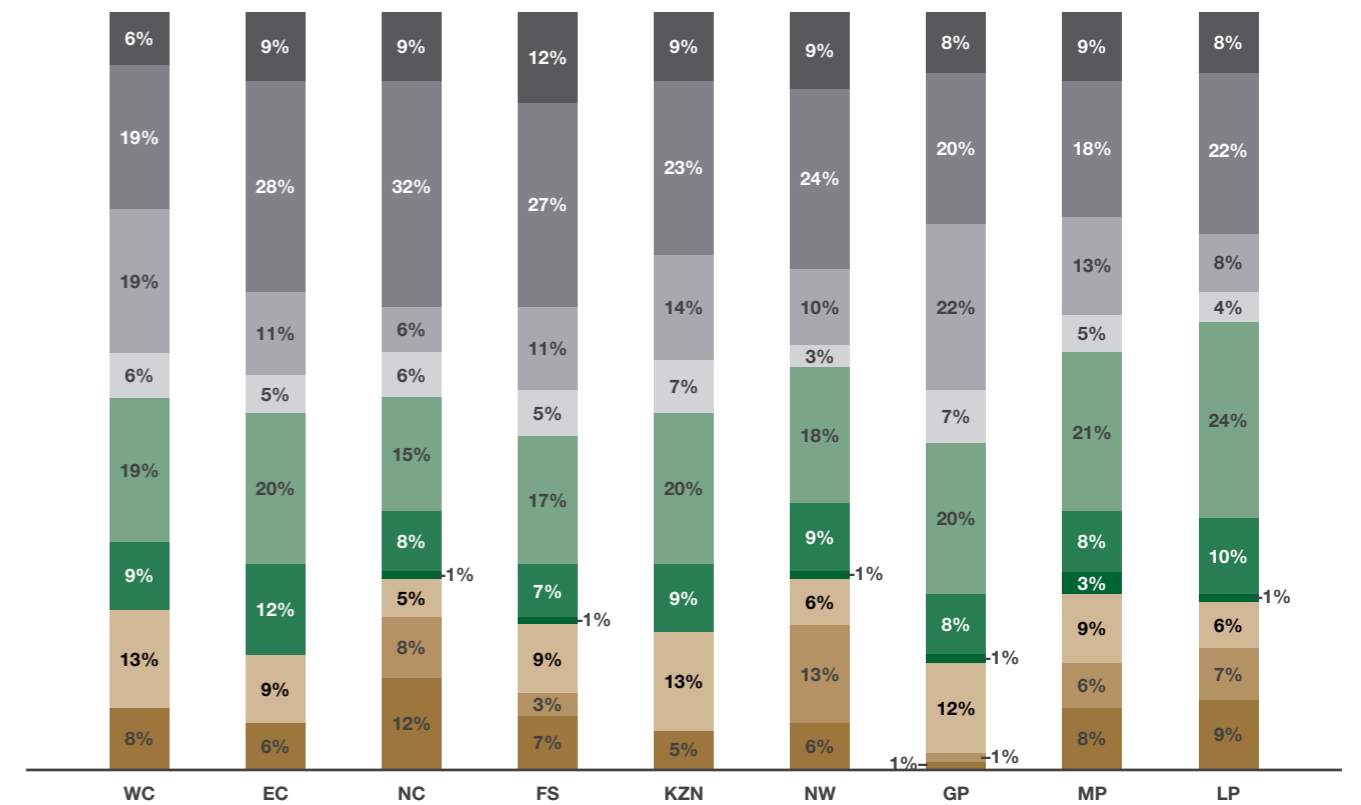
Hisense Middle East-Africa Holdings



Sectoral GDP composition by province, 2017



Provincial employment by sector, Q4 2018



Source: StatsSA, 2018 & 2019

Provincial economic overview (cont.)



Agriculture, forestry and fishing



Mining and quarrying



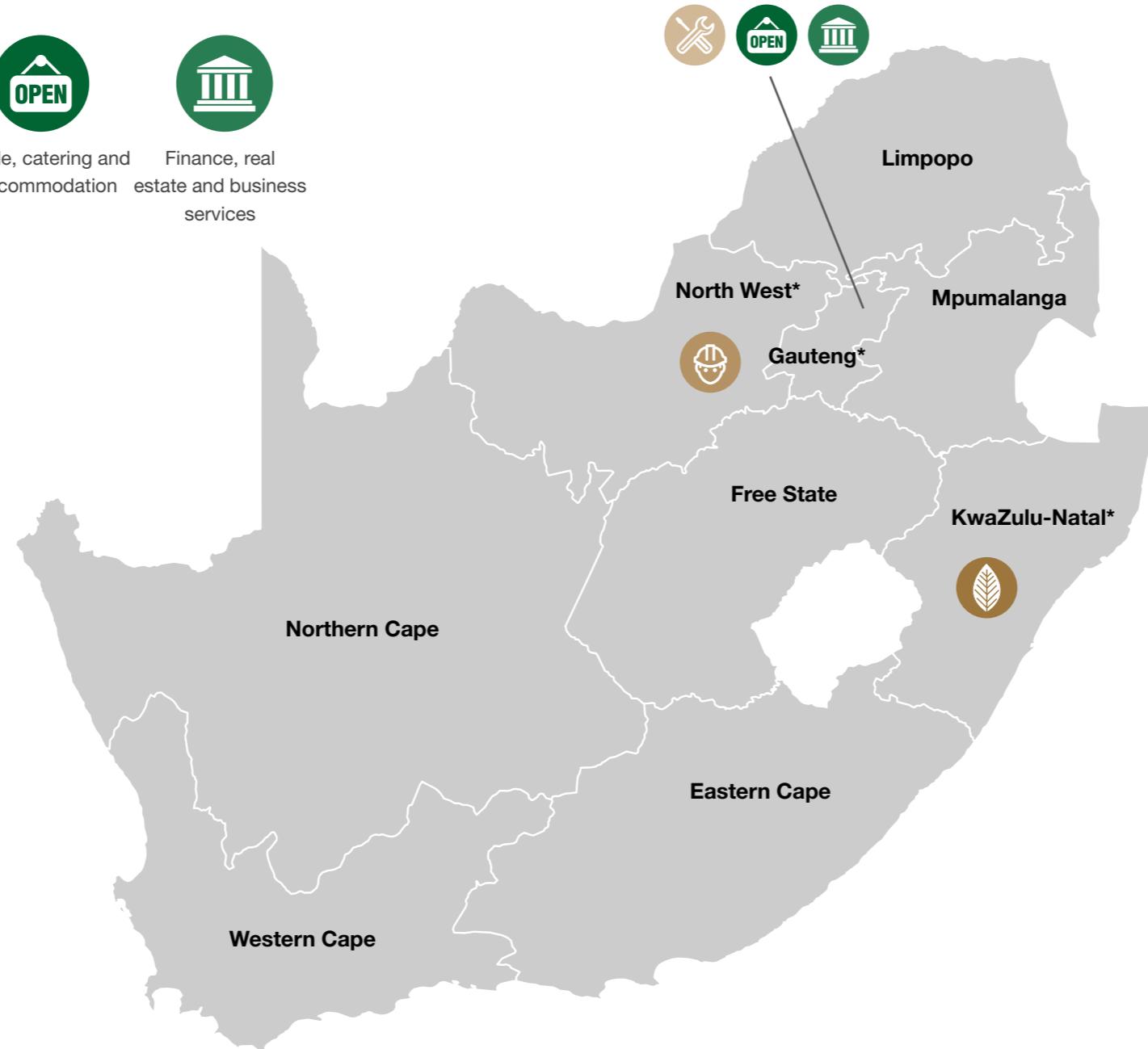
Manufacturing



Trade, catering and accommodation

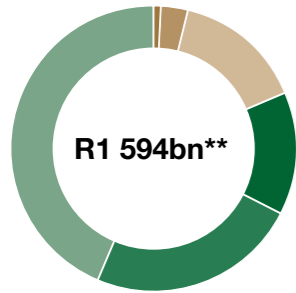


Finance, real estate and business services



Gauteng

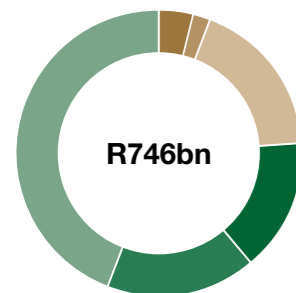
Commercial hub of the country with the largest presence of MNCs in Africa



- Agriculture, forestry and fishing, 1%
- Mining and quarrying, 3%
- Manufacturing, 15%
- Trade, catering and accommodation, 14%
- Finance, real estate and business services, 24%
- Other, 44%

KwaZulu-Natal

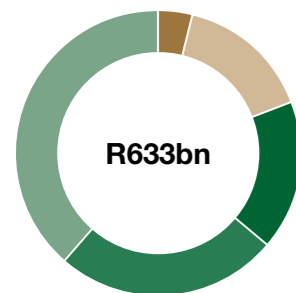
Key manufacturing region and home to Africa's largest port



- Agriculture, forestry and fishing, 4%
- Mining and quarrying, 2%
- Manufacturing, 18%
- Trade, catering and accommodation, 15%
- Finance, real estate and business services, 17%
- Other, 44%

Western Cape

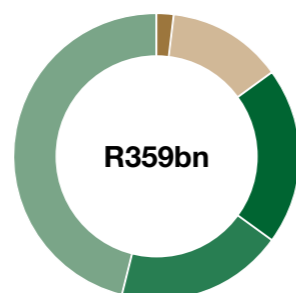
Strong services, agricultural and manufacturing sectors



- Agriculture, forestry and fishing, 4%
- Mining and quarrying, 0%
- Manufacturing, 15%
- Trade, catering and accommodation, 17%
- Finance, real estate and business services, 25%
- Other, 38%

Eastern Cape

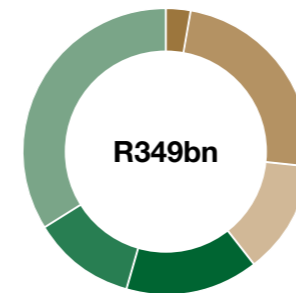
Strong automotive clusters



- Agriculture, forestry and fishing, 2%
- Mining and quarrying, 0%
- Manufacturing, 13%
- Trade, catering and accommodation, 20%
- Finance, real estate and business services, 19%
- Other, 46%

Mpumalanga

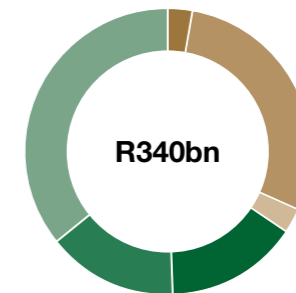
Key coal mining and forestry region



- Agriculture, forestry and fishing, 3%
- Mining and quarrying, 24%
- Manufacturing, 13%
- Trade, catering and accommodation, 15%
- Finance, real estate and business services, 12%
- Other, 34%

Limpopo

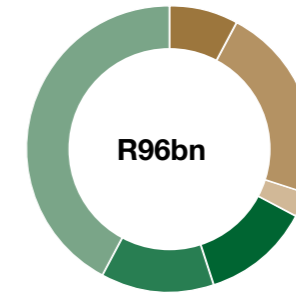
Key producer of tropical fruits and second most important PGM producer in the country



- Agriculture, forestry and fishing, 3%
- Mining and quarrying, 29%
- Manufacturing, 3%
- Trade, catering and accommodation, 15%
- Finance, real estate and business services, 15%
- Other, 36%

Northern Cape

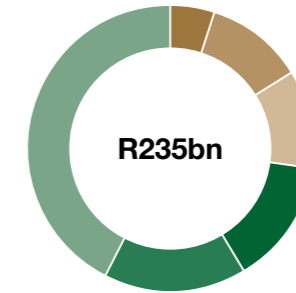
Most important manganese mining region in the world



- Agriculture, forestry and fishing, 8%
- Mining and quarrying, 22%
- Manufacturing, 3%
- Trade, catering and accommodation, 12%
- Finance, real estate and business services, 13%
- Other, 42%

Free State

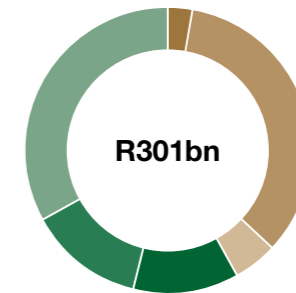
Major producer of potatoes, grains and vegetables



- Agriculture, forestry and fishing, 5%
- Mining and quarrying, 11%
- Manufacturing, 11%
- Trade, catering and accommodation, 14%
- Finance, real estate and business services, 16%
- Other, 42%

North West

Most important platinum mining region in the world



- Agriculture, forestry and fishing, 3%
- Mining and quarrying, 34%
- Manufacturing, 5%
- Trade, catering and accommodation, 12%
- Finance, real estate and business services, 13%
- Other, 33%

* Icon indicates largest contributing province of respective sectors
 ** Provincial GDP
 Source: StatsSA, 2019



Sector Overviews & Opportunities

South Africa's diverse economy offers an array of opportunities for investment. While mining and mineral beneficiation remains an important sector for export earnings and growth, business is increasingly geared towards services and manufacturing industries.

Five sector clusters have been identified for investment, in order to increase the country's industrial base in critical sectors of production and value-added manufacturing, to diversify South Africa's exports, and to contribute to job creation in the economy.



Green Economy



Clean Energy, Energy & Resource Efficiency and Green Transport

Thanks to its climatic conditions South Africa has one of the highest potentials for solar and wind energy. The Government is keen to leverage this great renewable energy potential to reduce the country's current over-reliance on fossil fuels for electricity generation and to set the country on a carbon-light growth path.

Utility-scale renewable projects are driven by the Renewable Energy Independent Power Production Procurement Programme (REIPPPP), which has attracted investments of close to R202bn since its inception in 2011 and are supported by the Government.

Rooftop solar PV and energy efficiency technology are among the key drivers for energy services in South Africa. The commercial and industrial sector presents major opportunities for rooftop solar and energy efficiency technology due to their relatively high electricity costs, large use of electricity and favourable size of premises.

Opportunities

- Roll-out of renewable energy technologies
- Adoption of energy efficiency technologies
- Solar energy technologies and components manufacturing (solar panels, solar water geysers, timers, etc.)
- Wind turbines and components manufacturing
- Pyrolysis/gasification; anaerobic digestion
- Energy storage.



Waste Economy

In 2016, South Africa generated 111 million tonnes of waste, of which approximately 75% was landfilled and only 25% reused or recycled. General waste was the most recycled type of waste with close to 40% being recycled, while less than 1% of hazardous waste was recycled in 2017.

South African companies, such as waste-to-protein company AgriProtein, have developed innovative and sustainable solutions for waste treatment, that address some of the country's most pressing environmental challenges.

New and changing legislation and regulations will unlock a number of key waste streams, notably organics. These changes aim to simplify rules and procedures for alternative waste treatment technologies and activities.

Opportunities

- Development of solutions for green waste, abattoir waste, the organic fraction of solid waste
- Processing/recycling of e-waste
- Thermal treatment technologies for dirty mixed plastics, refuse derived fuels and thermoform PET
- Waste related infrastructure development, expansion and maintenance
- Pyrolysis/gasification; anaerobic digestion
- Recycling (plastics, paper, glass, e-waste, etc.)



Water and Sanitation

As South Africa is a water-scarce country and is ranked as the 30th driest country in the world, there is a high demand for innovative solutions for water management. It is projected that water demand will outstrip supply by 17% by 2030.

The 2017-18 drought conditions in the Western Cape have highlighted the need for more efficient water usage and drought management to reduce per capita consumption.

According to the Department of Water and Sanitation, water losses amount to 37% of water consumption. Given scarcity of supply, water loss prevention is crucial for South Africa.

Opportunities

- Supply and manufacturing of advanced water technologies
- Supply and manufacturing of water-efficient devices
- Supply of smart water metering systems
- Provision of technologies and services for water reuse in the industrial sector
- Supply of alternative water supply technology
- Water efficiency technology for the agricultural industry.

Services



Ocean Economy

South Africa is committed to leverage its opportune location and extensive coast line to grow its Ocean Economy. The Government's strategic support programme called Operation Phakisa, has set a target to grow the Ocean Economy's GDP contribution to R177bn by 2033, equivalent to a 350% increase in its total value-add in 2016.

Recent gas condensate discoveries off the coast of South Africa are set to boost the country's role in the global hydrocarbon industry. Its strategic location allows South Africa to serve all major oil fields in West and East Africa. Five of the country's major ports provide excellent oil rig and drillship repair and maintenance services at competitive rates.

Local boat and small shipbuilders are highly sophisticated and globally competitive, supplying crafts to a wide range of clients across the world.

Opportunities

- Repair and maintenance of ships and drilling rigs, supported by extensive infrastructure and deep supply chains
- Investment in next-generation ship and boat-building technology services
- Bunkering, re-supply and medical support services
- Provision of storage and logistics services
- Port operations consulting services
- Provision of maritime training services
- Opportunities for private equity investment in local and pan-African project development
- Oil and gas exploration and support opportunities.



Global Business Services

South Africa has a mature and globally competitive market for Global Business Services which is supported by world-class business infrastructure. Operating costs are up to 50-60% lower than in England and Australia, with key supporting incentives reducing these to similar cost ranges as India.

Growing at 22% annually and faster than global industry peers, the sector continues to attract international investments in industry verticals such as technology and communications, financial services, legal and healthcare, creating quality jobs.

There is a move towards delivery of next-generation contact centre and digital services, with a core strength being a high quality multichannel customer experience, supplemented by deep analytics.

Opportunities

- Establishment of call centres
- Back-office processing facilities
- Provision of shared corporate services
- Enterprise solutions such as fleet and asset management services
- Legal process outsourcing
- Evolution of the industry from voice-driven towards omni-channel delivery of services
- Analytics solutions services enabled by South Africa's skills capability, including root cause analysis, predictive analytics, knowledge process outsourcing and digital investment platforms.



Film, TV and Documentaries

With excellent film infrastructure, world-class studios and hard-working crews, South Africa has established itself as a credible and competitive film and TV production destination.

A range of award-winning movies and TV series have been filmed and/or produced in the country. Optimal climatic conditions and a choice of highly diverse locations add to the country's attractiveness for filmmakers.

South Africa's competitive overhead costs, highly capable talent pool, comparable internet speeds and growing number of domestic distribution platforms position the country well for opportunities in the global US\$270bn animations industry.

Opportunities

- Development of feature films and documentaries (with these being the largest segments of the local film industry)
- Although animation is the smallest segment in the industry (around 3%), the proliferation of new technology and skills can unlock significant growth
- Consultancy and training services provision for business and skills development programmes to support emerging filmmakers and fast-track transformation in the industry
- Opportunities across the value chain, including film concept development, film product packaging and distribution, private equity financing, pre- and post-production management companies and marketing services
- Post production and visual effects studios to enable end-to-end production in South Africa
- Investing in new specialised studio space
- Skills development and training across the industry.



Resource-based Economy



Agro-processing

South Africa's commercial agricultural sector is well-developed and globally competitive. Thanks to diverse climatic and geological conditions, South Africa is well suited for the cultivation of a wide range of crops and products including grains, sugarcane, fruits, vegetables, nuts, beef, poultry, mutton, wool, fish and seafood.

Located in the Southern Hemisphere, South Africa enjoys counter-seasonality to the Northern Hemisphere, positioning it well to supply lucrative consumer markets in Europe and North America with its agricultural products.

A sophisticated and competitive agro-processing industry, with a fully-integrated value chain, has been built on South Africa's diverse agricultural sector, accounting for 23% of the country's manufacturing sector and making it the largest sub-sector of manufacturing.

Opportunities

- Fruit and vegetable canning
- Sub-tropical and tropical fruit juice processing
- Oil seed production, edible oil processing, oilcake
- Processing of soya-based products
- Grain sorghum production, malt industry development
- Processing of organic, vegan/vegetarian products, dehydrated foods
- Walnut farming and processing
- Expansion of dairy, bakery, confectionery production
- Meat processing, including ostrich meat
- Indigenous plant growing on a commercial scale
- Extracting high-value additives, nutraceuticals
- Non-edible oil processing
- Commercial planting of indigenous flowers
- Production of crops for feedstock into biofuels production
- Wool production, and processing and manufacturing of wool-based textiles
- Artemisinin and respective ingredients for anti-malaria medicaments
- Flax production.



Aquaculture

South Africa's aquaculture sector is relatively small, contributing about 0.8% to the country's fish production, and accounting for less than 0.2% of the national GDP. However, given its growth potential, aquaculture has been earmarked as a priority sector by the government and is a target sector of Operation Phakisa.

Thanks to its natural resources, extensive coastline and good water quality, South Africa is well equipped for aquaculture development.

South Africa is one of the largest producers and exporters of abalone and is famous for its farmed premium abalone (*Haliotis midae*). The country produces about 1 700 tonnes of abalone per year. Hong Kong is estimated to account for 90% of South Africa's annual abalone exports. Annual abalone exports to China (Mainland and Hong Kong) are estimated to reach US\$135m in 2020.

Opportunities

- Farming of freshwater and salt water species
- Supply of aquaculture equipment and technology
- Supply of skills development programmes for aquaculture
- Supply of veterinarian services
- Supply of feed for aquaculture
- Local feed production
- Supply of water purification and filtration technology
- Spat breeding
- Processing and canning of fish and seafood
- Supply of logistics services.



Mining and Mineral Beneficiation

The mining and mineral beneficiation sector plays a pivotal part in South Africa's economy. The sector contributes more than 7% to the local economy and provides inputs into various manufacturing sectors including metal fabrication, automotive and jewellery manufacturing.

South Africa's mineral reserves are among the most valuable in the world. The country has the world's largest reserves of platinum group metals (PGMs) and manganese, and some of the largest gold, diamonds, chromite ore and vanadium deposits.

South Africa's mining capabilities and experience make it a world leader in, for example, deep-level mining and the premier source of mining-related skills in Africa.

Opportunities

- Development of new resources (coal, manganese, PGM, vanadium, etc)
- Coal-bed methane
- Coal-to-liquid
- Carbon capture and storage
- Coal ash beneficiation (cementitious input material production)
- Coal ash for acid mine drainage neutralisation
- Supply of technologies aimed at enhancing competitiveness
- Downstream manufacturing (foundries and mini-mills)
- Nuclear fuel fabrication
- Establishment of smelters and downstream production
- Production of titanium dioxide pigments
- Development of linkages to the global energy storage value chain
- Value chain development for catalysts and fuel cell manufacturing
- Development of ferrochrome production capacity
- Jewellery manufacturing.



Forestry, Pulp, Paper and Furniture

South Africa's forestry industry is concentrated in the following provinces: Eastern Cape, KwaZulu-Natal, Limpopo, Mpumalanga and the Western Cape. Pine (49.6%), eucalyptus (43%) and wattle (7%) are the most commonly cultivated tree species on South African plantations.

South Africa has a well-established forestry sector with a fully-integrated value chain including pulp, paper and furniture manufacturing. In 2018, wood-related manufacturing contributed about US\$10bn to the local economy. Pulp is a key product of the country's forestry industry. South African pulp manufacturers are highly innovative and globally competitive.

About 80% of South African plantations are certified under the Forest Stewardship Council (FSC) system, providing the industry with sustainable raw material.

Opportunities

- Re-forestation and new afforestation
- Timber construction – use of timber in construction
- Manufacturing of Engineered Wood and Orientated Strength Board (OSB)
- Bio-refinery and transformative technologies
- Technical training (chemical engineers, technicians and artisans)
- Supply of wood processing equipment
- Supply of pulp and paper manufacturing equipment
- R&D for packaging design/development
- Manufacturing of school and office furniture.

Manufacturing



Leather, Footwear, Clothing and Textiles

The South African Clothing, Textile, Footwear and Leather (CTFL) manufacturing industry is well developed and ranges from the production of synthetic and natural inputs to final clothing and shoes.

Approximately 4 500 formal companies of various sizes are involved in the CTFL manufacturing sector. The local manufacturing industry is mainly concentrated within two coastal regions, KwaZulu-Natal and Western Cape, as well as in Gauteng. The Eastern Cape is an emerging hub in the sector, thanks to its world leading mohair production.

Household spending on clothing and footwear is expected to increase by approximately 25% to R125bn in the next three years.

Opportunities

- Spinning, weaving and finishing of textiles
- Knitted and crocheted fabrics and articles
- Manufacturing of wearing apparel
- Dressing and dying of fur
- Leather skins and hides beneficiation
- Leather seat cover manufacturing for the automotive industry
- Manufacturing of protective clothing for hazardous industrial environments (e.g. mining and chemicals industry)
- Manufacturing of school uniforms
- Manufacturing of uniforms for military and law enforcement
- Manufacturing of work-wear.



Automotive, Yellow Metals and Heavy Vehicles

South Africa is home to Africa's most advanced automotive industry. Seven major OEMs with operations in the country produce more than 50% of all vehicles produced in Africa. In 2018, over 550 000 vehicles were registered in the country, more than anywhere else on the continent. With approximately 370 000 passenger vehicles sold per year, South Africa accounts for more than 40% of Africa's passenger vehicle market.

In 2017-18, the major vehicle manufacturers recorded more than US\$1bn in capital expenditure. Investments in capacity expansion will increase the demand for inputs including parts and components.

The South African Automotive Masterplan (SAAM) 2035, provides a clear vision and direction for South Africa's automotive industry. The well-developed SAAM contributes to the attractiveness and competitiveness of local industry by offering incentives and support to OEMs and suppliers.

Opportunities

- Engines, radiators, filters
- Air conditioning/climate control systems
- Alarms and tracking devices
- Axles and transmission shafts
- Body parts and panels
- Catalytic converters, silencers, exhaust systems and components
- Seats and related parts, seatbelts, leather covers
- Suspension and shock absorbers, springs and other related parts
- Steering wheels, columns and boxes
- Ignitions, starting equipment, gauges and instrument parts
- Lighting equipment
- Wiring harnesses, instrument panels, vehicle interiors, electronic drive components and parts.



Rail

South Africa's railway network, the largest on the continent, is the domain of state-owned Transnet Freight Rail and the Passenger Rail Agency of South Africa (PRASA). Over the last five years, about 220 million tonnes of freight were transported by rail per year, accounting for approximately 25% of overall freight movements in South Africa.

Over the past six years, Transnet's capital investments averaged R30bn per year. In the next 30 years, Transnet plans to invest R167bn into rail infrastructure and R283bn in rolling stock infrastructure. In addition, PRASA intends to procure 1 200 new trains consisting of up to 7 224 rolling stock over a 20-year period, providing major stimulus to the sector.

Opportunities

- Railway parts and components
- Advanced materials and composites
- Smart signalling and operations automation
- Bulk cars and dedicated rolling fleets
- Refurbishment and maintenance services
- Security equipment
- Route design and network planning services
- Automatic/smart fare collection systems
- Rolling stock depot design services
- Train station re-design and upgrade services.





Manufacturing (cont.)



Cosmetics

In 2018, the sector recorded close to US\$3.2bn in revenue making it Africa's largest market for cosmetics and personal care products. Local household spending on personal care products is expected to grow by 25% over the next five years.

South Africa has strong research and development (R&D) capabilities, and companies have in particular invested in R&D capabilities related to African hair and skin care products. Local expertise present opportunities for manufacturers to supply the global multi-billion dollar African hair and skin care market.

South Africans have become more inclined to consuming organic skin and hair products, with close to one-quarter claiming that natural, organic or environmentally-friendly considerations influence their purchasing decisions. The country's high bio-diversity and unique floral kingdom offer great opportunities to producers of organic products.

Opportunities

- Fragrance-free and high quality fragrance products for distinct niche segments
- Personal care products for the male market
- Development and production of ethnic skin and hair products
- Supply of quality affordable beauty products
- Manufacturing of cosmetic products, packaging and distribution across retail stores
- Production of ingredients that comply with international market requirements in the production of organic or natural cosmetics products
- Production of multifunctional products with a focus upon wellness
- Safety testing of cosmetic products produced locally.



Metals Fabrication

South Africa's metals fabrication sector is the most advanced and diverse metals fabrication sector in Africa. The industry has major spill-over effects as top steel consuming industries including mining, construction, automotive, cables and structural steel contribute about 15% to the country's economy.

Local content requirements of various sectors, and strong demand in the automotive and infrastructure sector are expected to drive the demand for metals fabrication going forward.

Metal producers can draw from a sizeable domestic pool of raw material reserves including iron ore and manganese. South Africa is the largest producer of manganese in the world and holds more than 70% of global identified manganese reserves.

Opportunities

- Manufacturing and supply of railway tracks, slipways, locomotives and components
- Manufacturing and supply of structural steel
- Manufacturing and supply of pumps and valves for the water distribution sector
- Manufacturing and supply of sheet metal and stainless steel for automotive industry
- Scrap metal recycling.



Advanced Manufacturing



Pharmaceuticals and Medical Devices

South Africa's pharmaceutical and medical device sectors are the largest and most advanced in sub-Saharan Africa. Pharmaceutical and medical device sales both have more than doubled in the last 10 years and are expected to reach R48bn and R19bn, respectively in 2019.

The country has advanced manufacturing capabilities, including biotechnology manufacturing facilities. In addition, South Africa has strong R&D capabilities in the medical industry.

South Africa is the only Southern African Development Community (SADC) member country that meets the World Health Organization's Good Manufacturing Practice standards. This positions South Africa as a gateway to the Southern African market for manufacturers of pharmaceutical products.

It is forecasted that pharmaceutical sales will increase by about 40% in the next five years. This is partly driven by the increase in lifestyle-related diseases including hypertension, obesity and diabetes. The demand for generic drugs has risen rapidly in recent years, due to policy-led preferences and the domestic antiretroviral (ARV) treatment programme.

Opportunities

- Manufacturing and supply of medicinal drugs for diseases such as HIV/AIDS, malaria, tuberculosis, diabetes and other lifestyle diseases
- Development and manufacturing of active pharmaceutical ingredients
- Development and manufacturing of generics
- Supply of tele-medical applications
- Supply of niche pharmaceuticals such as alternative healing methods
- Manufacturing of biological-based drugs and bio-therapeutics
- Manufacturing of medical consumables
- Development and supply of innovative medical technology
- Servicing and maintenance of medical devices
- Biotechnology and nanotechnology
- Manufacturing and processing of cannabis oil.



Chemicals and Advanced Materials

South Africa is home to Africa's most advanced and largest chemicals sector, valued at about US\$25bn. It is estimated to be four times and thirteen times larger than the chemicals markets of Nigeria and Egypt, respectively.

The country's chemicals industry is highly mature and diverse, spanning fuel and plastics fabrication to pharmaceuticals, and supplies a wide range of industries. The sector has a fully-integrated value chain that includes the production of raw materials, intermediate products and final chemical products. Given South Africa's leading expertise in coal-to-liquid technology, its coal deposits present key inputs for the chemicals industry.

South Africa has developed advanced capabilities for the production of emerging materials including advanced carbon materials and biodegradable materials.

Opportunities

- Manufacturing of:
 - organic, mineral or chemical fertilisers and nitrogen compounds
 - polymers including polyethylene used in packaging, bags and injection moulding applications
 - painting and coating (including for automotive industry)
 - organic surface active agents
 - biodegradable materials
 - bio-composites
 - prepared binders for foundry moulds or cores
 - proteins and peptones
 - polypropylene and polyvinyl chloride beneficiation
 - composite materials, including bio-composites
 - titanium oxide pigments
 - speciality and fine chemicals
 - primary polyacetals/polyethers
 - nitrites and nitrates
 - carbon fibres
 - engineering plastics - polyamides
 - Fluorspar beneficiation for production of fluorochemicals
 - Silica sand beneficiation for production of fibre glass.

Advanced Manufacturing (cont.)



Electronics, White Goods and Fuel Cells

South Africa has a diverse electronics sector that ranges from electrical machinery, household appliances, telecommunication equipment to consumer electronics. The sector manufactures more than R90bn worth of electrotechnical equipment per year.

South Africa has advanced electronics manufacturing capabilities that comply with international ISO standards. The country's firms offer an integrated and well-established electronics value chain that includes design, engineering, manufacturing, testing, implementation and maintenance.

Having pioneered the technology, South African companies are world leaders in smart and pre-paid electricity meter technology, positioning the country well in this multi-billion dollar segment.

South Africa accounts for more than 90% of global platinum group metals (PGMs) reserves, which are a key input in the manufacturing of emerging fuel cell technology.

Opportunities

- Contract manufacturing of electronics
- Manufacturing of:
 - household appliances
 - electrical machinery
 - consumer electronics
 - security equipment
 - telecommunications equipment
 - metering equipment
 - inputs including electric cables.



Aerospace and Defence Industries

South Africa is home to sub-Saharan Africa's most advanced and largest defence sector, with a number of globally-competitive military equipment and aerospace manufacturers. Annual revenues of the aerospace and defence industry amount to about US\$2.3bn.

South Africa is also among the world's leading manufacturers of armoured vehicles. In 2017, it exported armoured vehicles valued at about US\$100m.

South African defence equipment manufacturers have developed world-class capabilities in armed unmanned aerial vehicles (UAVs) development and manufacturing, a rapidly growing multi-billion dollar segment of the defence industry. This makes South Africa a member of a small group of countries with these capabilities.

Opportunities

- Ground support equipment
- Passenger transport vehicles
- Cargo de-grouping and logistics
- Air traffic control systems
- Instrument landing systems
- Aircraft technician training systems
- Drone components, systems and training
- Engine management systems
- Precision tooling
- Maintenance, repair and overhaul (MRO) certification
- Flight training systems.



Doing Business in South Africa

How to invest in South Africa: key steps

Opportunity identification

- 1 Conduct feasibility study for your product or service
- 2 Evaluate outcome of feasibility study
- 3 Take investment decision
- 4 Decide on investment strategy in order to best align to the market opportunity

Go ahead



Location identification



Resourcing requirements (HR, capital, finance, IT)



Compliance and legal affairs

Investment preparation

- ✓ • Decide on geographic location most suitable for investment
- ✓ • Consult property specialists, real estate agents to identify suitable offices for operations
- ✓ • Conduct site visits of suitable locations
- Consult with HR/recruitment agencies about staff requirements
- Determine immigration requirements
- Determine funding model (e.g. self-funding, debt, equity)
- Consult with IT systems providers
- Determine corporate structure
- ✓ • Determine licensing and permit requirements
- Consult with labour lawyers
- ✓ • Consult with InvestSA to identify eligibility for incentives, skills and other support initiatives

Investment execution

- Acquire/lease site, rent office space
- Apply for municipal services (e.g. water, electricity)
- Conduct interviews, hire staff
- ✓ • Apply for work permits for expatriate staff
- Open a bank account
- Apply for finance
- Set-up IT infrastructure/systems
- ✓ • Register company
- ✓ • Apply for licenses and permits
- ✓ • Apply for incentives, skills and other support initiatives

✓ InvestSA ready to assist

Starting a Business

Registration process

Companies and individuals can start a business in South Africa through an easy inexpensive registration process. The online registration facility allows for registration of a company from anywhere in the world.

South Africa has focused on reducing red tape for starting a business and has formed a partnership between the Companies and Intellectual Property Commission (CIPC) and the local private sector banks, which allows bank clients to register a business and open a bank account in 24 hours.

Four key steps for registering a company

1

Reserve the company name

Online through:

- Local banks - First National Bank, ABSA, Standard Bank, Nedbank; or
- CIPC (www.cipc.co.za)

CIPC Self Service Centres and self service terminals:

- Pretoria – Sancardia Shopping Centre, 1st floor, 541 Madiba Street, Arcadia
- Johannesburg – 17 Simmonds St, Marshalltown
- Cape Town – Norton Rose House, Thibault Square, Cape Town

2

Register the company

Provide details about:

- Shareholder(s);
- Director(s); and
- Company details

3

Open a bank account

Key documents:

- Director's proof of identity
- South African company registration documents
- Operating business address

4

Register for income tax

- Online registration with the South African Revenue Service (SARS)

Business vehicles

There are a number of different business vehicles or entities that one can use to do business in South Africa, ranging from companies incorporated under the Companies Act 71 of 2008 to partnerships, trusts, sole proprietors and external companies or branches of foreign companies.

	Sole Proprietorship	Partnership	Profit Company	Non-Profit Companies	Business Trust	Branch of Foreign Company
Establishment/Formation Requirements	No registration required	No registration required	Notice of incorporation and Memorandum of Incorporation needs to be filed with the CIPC	Notice of incorporation and Memorandum of Incorporation needs to be filed with the CIPC	Trust deed to be lodged with Master of the High Court	Register as an external company with CIPC
Purpose	Small profit-making business owned and operated by individual	Joint venture structure for trade, business or profession	Aims to earn profit through its operations	Public benefit or other social or cultural objectives	Trustees carry out business for benefit of nominated beneficiaries	South African office or division of a foreign company
Naming Convention	Not specified	Not specified	Private companies end with "(Pty) Ltd" Public companies end with "Limited"	Must end with "NPC"	Not specified	Not specified
Legal Nature	No separate legal personality	No separate legal personality	Separate legal entity	Separate legal entity	Not separate legal entity	Not separate legal entity
Members	One	Two or more partners	One or more directors	Three or more directors	No limit on the number of trustees	Extension of foreign office
Liability	No limited liability or shelter from risk	Liability is jointly and severally shared between partnership	Limited liability	Limited liability	Limited liability	Foreign company liable
Advantages	Easy start-up and direct control	Limited external regulation	Bears its own liability or risk for its actions	Tax exempt status can be obtained	Better tax planning can be achieved	Easy start-up and no branch profit tax
Disadvantages	Unlimited exposure to liabilities and lawsuits	There is no perpetual succession	Subject to many legal requirements	Fund-raising can be a challenge	High headline tax rate of 45%	Foreign company liable for risks in South Africa

Cost of Doing Business

Reducing the cost of doing business: a national priority

South Africa in partnership with the World Bank, has a national reform programme targeted at improving competitiveness of operating a business in the country and to create an enabling environment for investment.

The country's economic policies recognise that key to creating an expanded and inclusive economy that generates significant growth and employment, is reducing the cost of doing business.

Government has prioritised some of the key costs that impact on the competitiveness of the business environment, namely, input costs, particularly those prices that are administered by the state or state-owned entities, as well as regulations that constrain business activity.

Targeting best practice

South Africa is targeting to be amongst the top 50 countries in the world on the World Bank's *Ease of Doing Business* ranking by 2022.

What follows is an outline of South Africa's key business input costs over time or in relation to peer economies, which highlight that the country is not only on a path of continuous improvement, but compares favourably with some peer economies. The cost elements reviewed include:

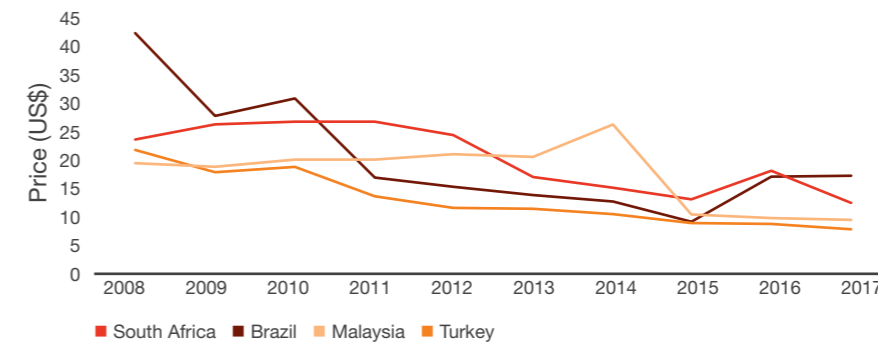
- Telecommunications
- Electricity
- Property
- Water
- Transport
- Fuel.

More detailed indicative costs of these inputs are outlined in Addenda A-J.

Telecommunications

South Africa has one of the most advanced telecommunications industries in the continent, with high mobile penetration (South Africa ranks 9th in the world for mobile subscriptions per 100 people), growing internet penetration, and growing infrastructure network. The Independent Communications Authority of South Africa (ICASA) regulates telecommunications to ensure affordable services that are high quality.

ICT price basket, 2008-17



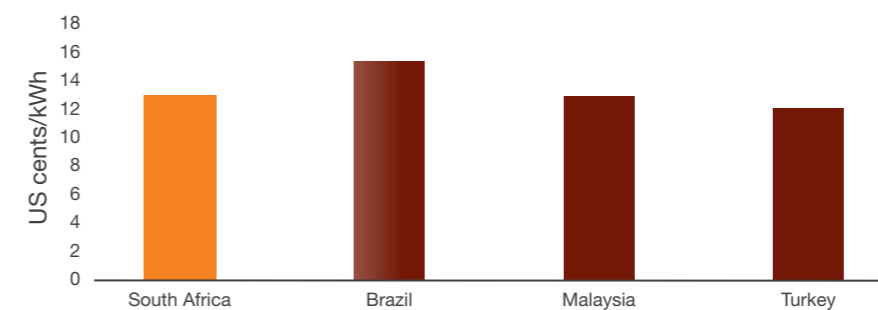
There has been a sustained decrease in telecommunication costs in South Africa as access and use of telecommunications have increased. This decrease is best demonstrated by the ICT price basket, which includes the price of fixed telephone, mobile and fixed broadband where South African telecommunication costs have almost halved since 2008 and continue on a downward trend.

Electricity

South Africa has five simple procedures to connect electricity, which reduces the cost of getting electricity. These procedures have improved over time, with a 13% improvement between 2015 and 2018 in global best practice for electricity connection procedure, ease of connection, cost, reliability of supply and transparency of tariff index.

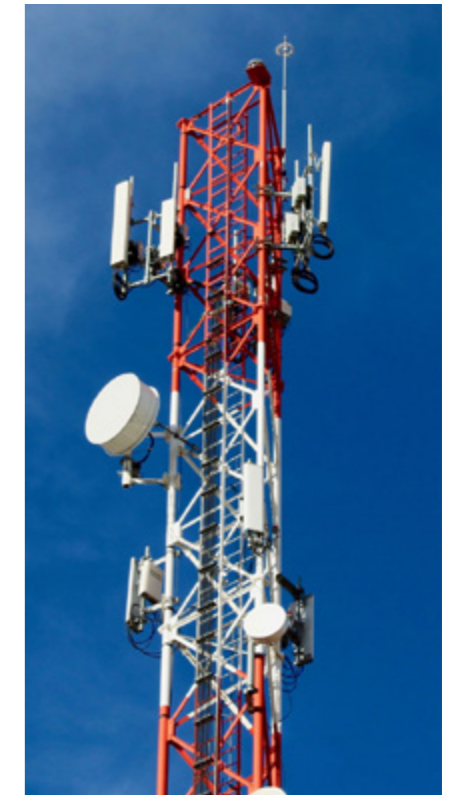
The country was ranked 20th in the world for installed solar energy in 2016 and there is a strategy to increase the contribution of renewable energy to the national installed energy mix, which is also expected to have an impact on cost and sustainability of the energy resource.

Average electricity cost, 2018



Sources: ITU, 2018; World Bank Doing Business, 2018

Please refer to p. 85 for indicative costs per operator.



Please refer to p. 82 for indicative costs per region.



Please refer to p. 82 for indicative costs.

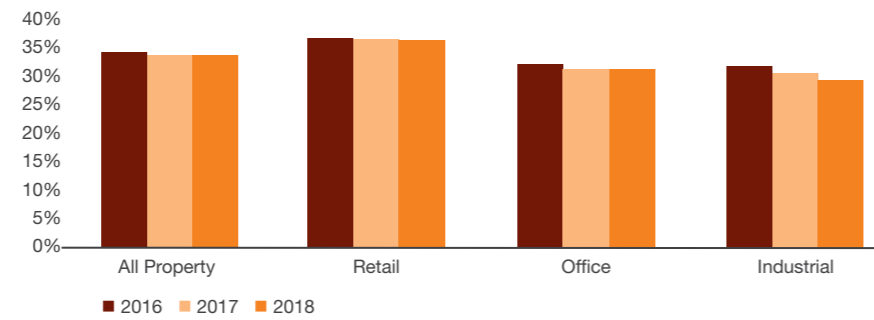


Property

Although on average South African property costs are more than 30% of gross income, these costs have been declining since 2015. The largest decline in costs has been in the industrial property sector.

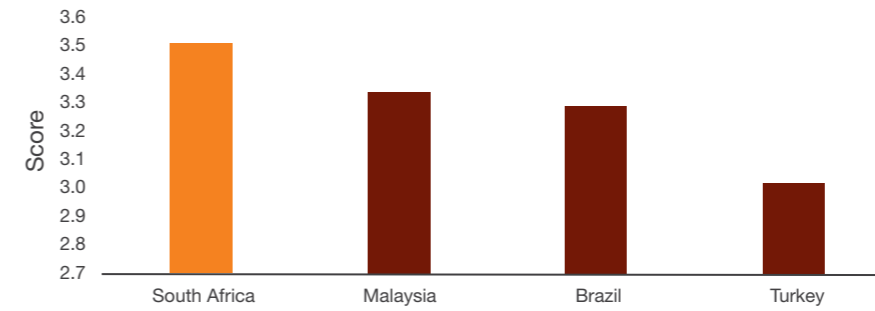
The emergence of fast-evolving online property portals are expected to further decrease operating property costs by streamlining processes and making transactions more efficient.

Property operating costs as a percentage of gross income, 2016-18



Transport

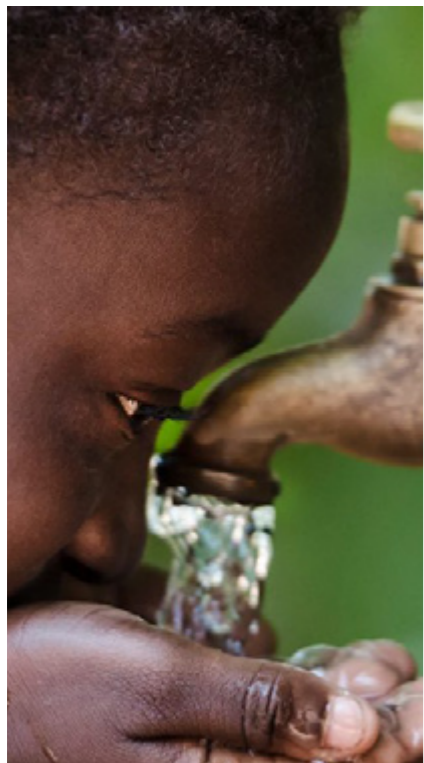
The South African government recognises the importance of the country's transport sector to global competitiveness, investment attractiveness and economic growth. According to the World Bank's *Logistics Performance Index*, which measures dimensions of trade, including timeliness, ease of arranging shipments and customs performance – all which impact on efficiency and thus cost – South Africa has been amongst the top 17% of countries in the world between 2012 and 2018.



Average Logistics Performance Index, 2012-18



Please refer to p. 84 for indicative costs.



Water

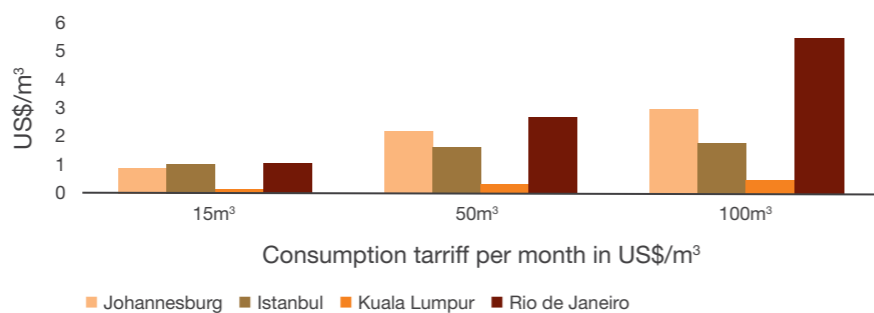
South Africa ranks second, when compared to peer economies, on the reliability of water supply. To promote water use efficiency water tariffs are charged on a sliding scale per kilolitre of water used.

South Africa is an arid country and drought conditions have resulted in increases in water costs in some cities. However, there has been a concerted effort to encourage businesses to be more water resilient through managing consumption, re-using water and finding alternative ways of harvesting water through desalination and ground water optimisation.

Government has a programme of diversifying municipal water supply in order to manage supply and cost.

Water tariffs vary across the country per municipality.

Water consumption tariff per month: major cities in comparative countries

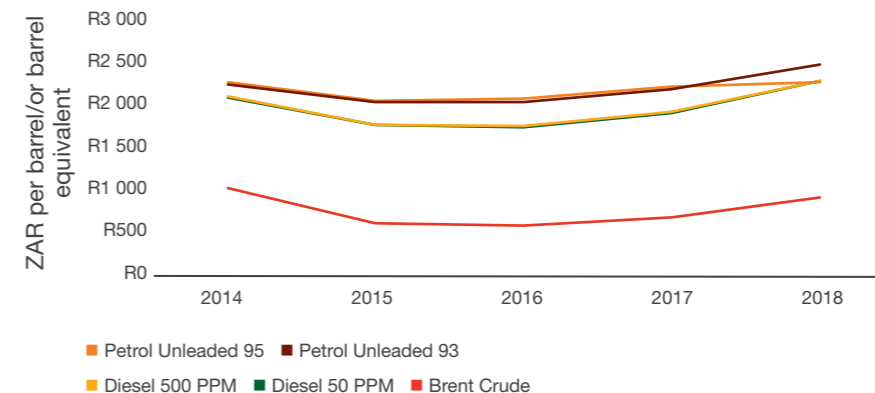


Sources: SAPOA; IBNET

Fuel

The South African fuel price is adjusted monthly based on a number of factors largely influenced by the international oil price and the rand/US-dollar exchange rate. The basic oil price is calculated based on the costs of transporting fuel products to South Africa as well as local levies and a retail margin. Thus the South African fuel price follows the trend of the international oil price.

Average fuel prices, 2014-18



Sources: World Bank Logistics Performance Index, 2018; Statista, 2019; Automobile Association of South Africa

Please refer to p. 84 for indicative costs per region.



Labour Costs and Skills Availability

Labour force and employment overview

As of December 2018, 38.1 million South Africans were of working age (15-64 years). The country's labour force had marginally increased to 22.7 million during the last quarter of 2018. According to StatsSA, 16.5 million South Africans worked at the end of 2018. Community and social services, trade as well as finance are the largest contributors to national employment accounting for more than half of total employment.

In Q4 2018, unemployment declined marginally to 27.1%. In order to address the country's unemployment challenge, the government in partnership with the private sector has embarked on a number of initiatives and programmes that focus on employment creation.

Cost of remuneration

The South African government has introduced a minimum wage of R20 an hour or R3 500 per month, effective 1 January 2019.

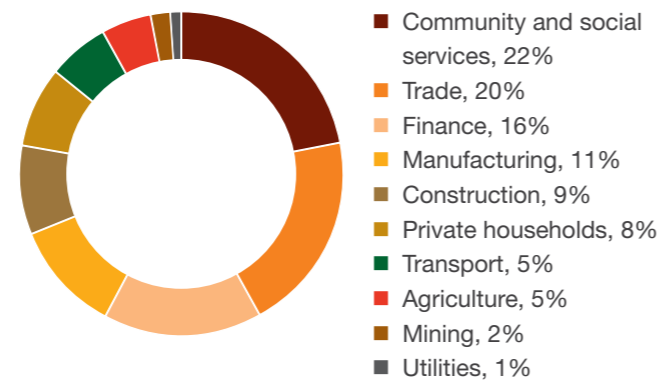
South Africa has a relatively low employment cost as a share of total business expenditure compared to its peers. Especially in trade and manufacturing, the employment costs are low.

A detailed breakdown of remuneration costs is provided on p. 92

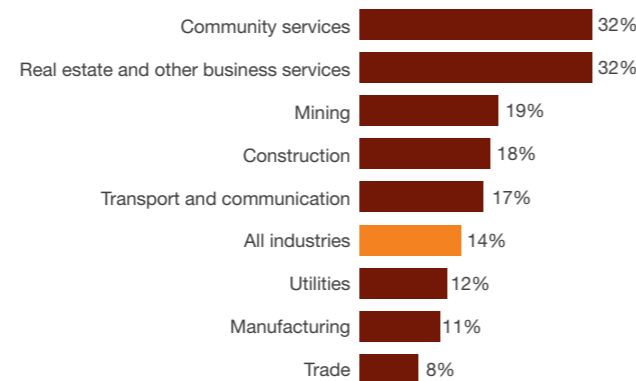
The country offers a large pool of resources with a distinctive strength in delivering superior customer experience.

EXL Service South Africa

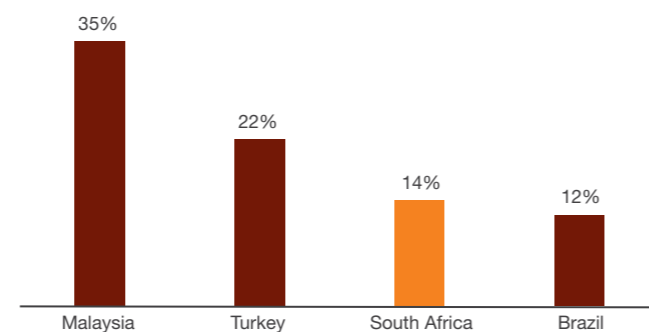
Employment by sector, Q4 2018



Employment costs as share of total business expenditure by industry, Q2 2018



Employment costs as share of total business costs, 2016

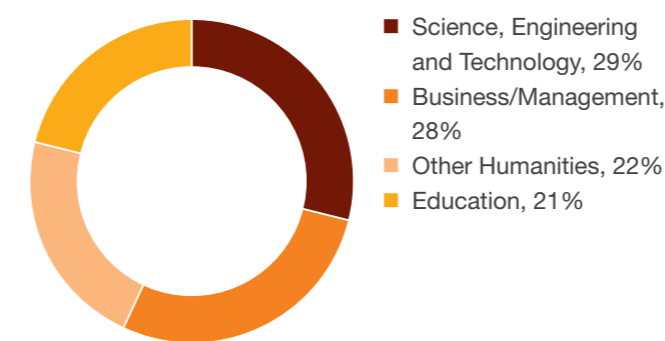


Skills pipeline

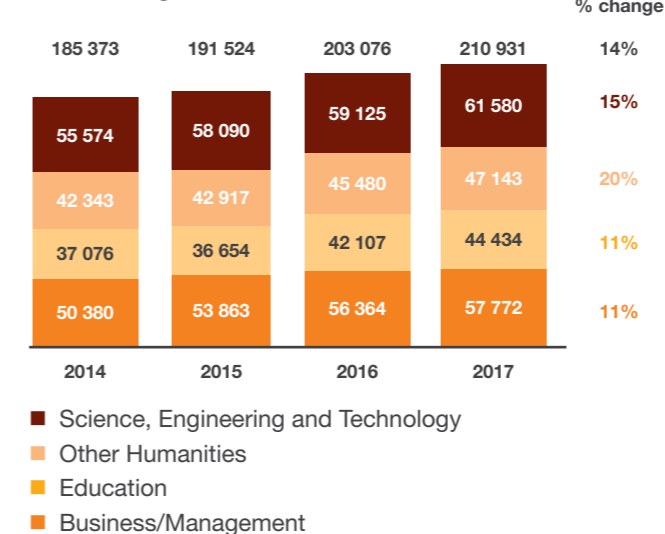
South Africa's universities produce more than 200 000 graduates per year. The largest share of students graduate in Science, Engineering and Technology, followed by Business and Management Sciences.

Between 2014 and 2017, the number of graduates in the various fields grew between 11% and 20%.

Graduates by field, 2017



Number of graduates, 2014-17



Labour relations

Employment equity

The Employment Equity Act requires designated employers (defined as an employer with at least 50 employees, or minimum annual turnover set by the Department of Labour) to compile and implement an Employment Equity Plan aimed at promoting equal opportunities and affirmative action to eliminate discrimination in the workplace. The Act is intended to redress the employment disadvantages of black people, women and those with disabilities. A designated employer is required to implement affirmative action measures for designated groups in order to achieve employment equity.

Trade unions

Trade unions play an important role in South Africa's labour relations. There are three major union federations in South Africa, whose affiliates represent a broad spectrum of industry:

- Congress of South African Trade Unions (Cosatu)
- Federation of Trade Unions of South Africa (Fedusa), and
- National Council of Trade Unions (Nactu).

These labour federations form the labour constituency at the National Economic Development and Labour Council (Nedlac), together with members representing the state and business interests.

Business organisations

South Africa also has a number of employers' organisations. Business Unity South Africa (BUSA) represents the collective interests of business in South Africa and forms part of the Nedlac forum.

There are several foreign Chambers of Commerce and Industry in South Africa that offer business support to foreigners or expats. These chambers are resourceful for expats and locals as they provide country investment information, initiate and support networking connections as well as training sessions.

Labour disputes

Labour disputes are dealt with on several levels such as bargaining councils, the Commission for Conciliation, Mediation and Arbitration (CCMA), the Labour Court or by private arbitration.

Source: StatsSA, 2018c

Source: Higher Education Data Analyzer, 2018

Special Economic Zones

Strategic industrialisation

South Africa has a Special Economic Zones (SEZ) programme, which has allowed for the targeted designation of certain locations that can act as drivers of industrialisation, regional development and employment. The focus of the SEZs is to accelerate growth and promote industrial decentralisation through attracting foreign direct investment (FDI), promoting value-added exports, creating jobs, building industrial clusters and regional economic hubs.

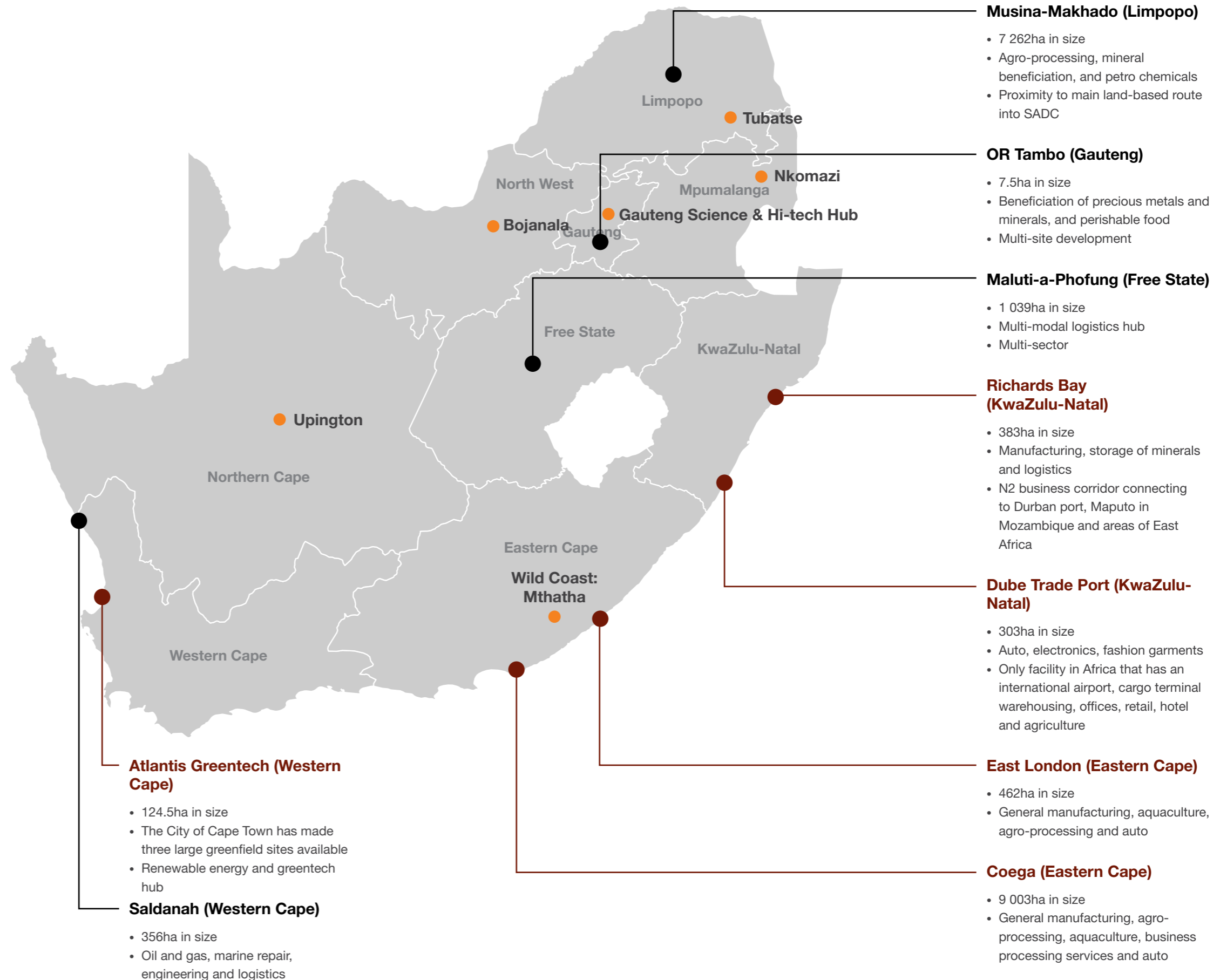
The SEZ Act of 2014 provided a more coordinated framework for developing, operating and managing SEZs and significantly improved the competitiveness of these locations by introducing substantial incentives for companies investing in these zones. These incentives include a 46% reduction in the standard corporate tax rates for qualifying companies in the SEZ.

The SEZ programme replaced the Industrial Development Zones (IDZs) programme of 2000, which was more narrowly focused on designating sea and international ports to attract export-oriented investments. All IDZs have been incorporated into the SEZ programme and have been converted into SEZs. As a result there are currently five fully operational SEZs across the country with an additional four that have been designated and are in the process of being set up. **The dti** is exploring the designation of a further six SEZs that have been proposed.

Incentives offered by SEZs include:

- Preferential 15% corporate tax rate
- Value-added tax and customs duty suspension in customs-controlled areas
- Employment incentive
- Building allowance
- Preferential land rental and utility rates.

- Designated but non-operational SEZ
- Designated and operational SEZ
- Proposed SEZ



Taxation in South Africa

The South African tax system is made up of direct and indirect taxation. Direct taxes are taxes that are applicable to individuals, trusts, companies, deceased estates and insolvent estates. Indirect taxes are levied on transactions, for example sales and imports.

Tax is administered by the South African Revenue Service (SARS). Every person that, at any time, becomes liable for income tax in South Africa or that becomes liable to submit an income tax return, is required to register with SARS for income tax. A permanent legislative framework for voluntary disclosure that applies to all tax types exists.

The following legislation is administered by SARS:

- Income Tax Act
- Customs and Excise Act
- Value-Added Tax Act
- Tax Administration Act
- Employment Tax Incentives Act
- Estate Duty Act
- Transfer Duty Act
- Securities Transfers Tax Administration Act.

Direct taxation

Income tax

Person/Entity	Rate of tax	
Individuals	18% to 45%	Individuals are subject to personal income tax (PIT) at a marginal rate of tax between 18% and 45%. These rates are based on a progressive tax table, which increases as taxable income increases.
Standard corporate tax	28%	Special rules apply to gold mining companies and long-term insurance companies.
Qualifying companies in a SEZ	15%	South Africa has five operational SEZs and four IDZs that will be converted into SEZs.
South African branches of foreign company	28%	Applies in respect of years of assessment commencing on or after 1 April 2012.
Trusts	45%	A special trust is a trust created solely for the benefit of a mentally ill or physically disabled person, or a testamentary trust for minor children. Special trusts are subject to income tax at a marginal tax rate of between 18% and 45%, similar to natural persons.
Qualifying small businesses	0% to 28%	Qualifying small business companies pay tax at a graduated rate of between 0% to 28%.
Qualifying micro businesses (turnover tax)	0% to 3%	The turnover-based presumptive tax may be elected by a taxpayer with an annual turnover of less than R1m.

Withholding tax (WHT)

The WHT rates on various types of payments are as follows (with the exception of WHT on sales of immovable property, the tax is a final tax for non-residents and the rate may be reduced under an applicable tax treaty):

Payment	Residents	Non-residents
Dividends	20%	20%
Interest	0%	15%
Royalties	0%	15%
Amounts paid to entertainers and sportspersons	0%	15%
Proceeds from sale of immovable property	0%	7.5% to 15%
Management or consulting fees	0%	0%

South Africa has concluded tax treaties with a number of countries, and signed the OECD multilateral instrument on 7 June 2017. The maximum WHT rates on dividends, interest and royalties under the relevant treaty.

Transfer pricing

South Africa follows the Organization for Economic Cooperation and Development (OECD) guidelines on transfer pricing and uses the arm's length standard/principle to test transactions between connected persons in an international (cross-border) transaction. Allowable methods include the following:

- The comparable uncontrolled price method
- The resale price method
- The cost plus method
- The profit split method and
- The transactional net margin method.

For years of assessment commencing on or after 1 October 2016, it is obligatory for taxpayers with qualifying transactions to prepare transfer pricing policies and documentation. Where a transaction between a resident and a non-resident (or a non-resident and a Permanent Establishment (PE) of another non-resident in South Africa, or a resident and a PE of a resident outside SA) is not carried out on an arm's length basis and results in a tax benefit, the taxable income of the person receiving the tax benefit must be calculated as if the transaction had been entered into on arm's length terms. If a resident received the tax benefit, an amount equal to the adjustment is

deemed to be an in specie dividend paid by the resident (if a company), or a donation paid by the resident (if a person other than a company). Compulsory transfer pricing documentation and reporting rules apply. Qualifying taxpayers must file country-by-country reports, a master file and a local file with the SARS.

Thin capitalisation

Thin capitalisation provisions that are part of the general transfer pricing rules limit the deduction of interest payable by South African companies on debt provided by certain non-resident connected persons. South Africa's thin capitalisation rules also apply to local branches of foreign companies.

Controlled foreign companies (CFCs)

A proportional amount of the net income (including capital gains) earned by a CFC is included in the income of a South African resident shareholder. A CFC is any foreign company where South African residents directly or indirectly hold more than 50% of the total participation rights; or more than 50% of the voting rights in the company; or (with effect from any year of assessment commencing on or after 1 January 2018) any foreign company whose financial results are reflected in the consolidated financial statements (as contemplated in IFRS 10) of any company that is a resident.

The proportionate income of the CFC will be included in the income of the resident, where the resident has participation or voting rights of 10% or more. The income of the CFC is to be determined as if the South African Income Tax Act applied to such entity. Exclusions from the attribution of income under the CFC rules apply under certain specified conditions, including where the foreign taxes paid by the CFC amount to at least 75% of the South African tax that would be payable if the CFC were a South African resident.

Hybrid equity instruments, hybrid debt instruments and third-party backed shares

The Income Tax Act contains sections dealing with hybrid debt instruments, hybrid equity instruments and third-party backed shares. These sections are anti-avoidance sections and are aimed at ensuring instruments are correctly classified as debt or equity for tax purposes.

Interest deduction limitation provisions

Provisions in the Income Tax Act restrict the deductibility of interest on acquisition and reorganisation indebtedness. In addition, there are provisions regulating the deductibility of interest in respect of a debt owed to a person that is not subject to tax in South Africa, where the funds are obtained directly or indirectly from a person who is in a controlling relationship (holding at least 50% of equity shares or voting rights) in relation to the debtor.

General anti-avoidance rule

The Income Tax Act contains a general anti-avoidance rule (GAAR) that sets forth the circumstances under which an arrangement constitutes an “impermissible avoidance arrangement” for tax purposes, and the consequences that flow from this.

Payroll tax

A pay-as-you-earn (PAYE) system applies in South Africa, at the prescribed tax rates for individuals. A 25% rate applies for temporary employees in “non-standard employment.” Employers are liable to pay a monthly 1% skills development levy (SDL) on the total remuneration paid, where the employer’s annual payroll exceeds R500 000. Payments to reimburse employees, pension payments and payments to independent contractors and learners under contract are not subject to the SDL.

Social security

Both employers and employees are obliged to pay a monthly 1% contribution to South Africa’s unemployment insurance fund (UIF). The contribution is based on a maximum (i.e. capped) monthly gross remuneration per employee (currently, R14 872). The employee’s 1% contribution is made by the employer through a deduction from the employee’s salary. Certain remuneration and certain employees are excluded from the UIF contribution requirements.

Indirect taxation

Value-added tax (VAT)

VAT is largely directed at the domestic consumption of goods and services and at goods and services imported into South Africa.

The tax is designed to be paid mainly by the ultimate consumer or purchaser in South Africa. Since 1993, VAT was levied at the standard rate of 14%. On 1 April 2018, the standard rate increased to 15%.

The following suppliers are exempt from VAT:

- Financial services
- Educational services
- Letting of residential accommodation
- Local passenger road and rail transport.

The rate of 0% applies to certain supplies of goods and services, including exports, certain basic foodstuffs, transfers of businesses as a going concern, international transport and certain services supplied to non-residents.

Customs and excise duties

Customs duties are levied on imported goods, with the aim of raising revenue and protecting the local market, and usually are calculated as a percentage of the value of the goods (as set out in the schedules to the Customs and Excise Act). However, meat, fish, tea, certain textiles and petroleum products attract rates of duty calculated either as a percentage of the value or as cents per unit (for example, per kilogram or metre). The customs value is based on a FOB (free-on-board) value. Preferential or free-rates of customs duties are applicable where trade agreements exist (see the list of trade agreements on p. 90-91), subject to particular rules of origin.

Excise duties and levies are imposed mostly on high-volume daily consumable products (e.g. petroleum, alcohol and tobacco products), as well as certain non-essential or luxury items (e.g. electronic equipment and cosmetics). Excise duties are levied on both imported and locally manufactured goods. These duties and levies are self-assessed through periodic excise returns filed with and, depending on the product, paid to SARS on either a monthly or a quarterly basis. On 1 April 2018, a new Sugary Beverages Levy (SBL) came into effect, calculated at a rate

of R0.21 per gram of the sugar content exceeding 4 grams per 100 millilitres of specified imported and locally manufactured products.

Other taxes

- **Estate duty** – Estate duty is payable on the dutiable amount of a deceased’s estate.
- **Donations tax** – Donations tax is payable on the value of any property that is disposed of by way of donation by a resident.
- **Transfer duty** – Transfer duty is applicable to real estate transactions.
- **Securities transfer tax (STT)** – STT is levied at a rate of 0.25% on every transfer of securities issued by a company incorporated, established or formed in South Africa and by foreign incorporated companies listed on a licensed exchange.
- **Mineral and petroleum resources royalties** – The rates for the mineral and petroleum resource royalties, payable in line with the corporate provisional tax cycle, are 0.5%-5% for refined mineral resources and 0.5%-7% for unrefined mineral resources.
- **Carbon tax** – A carbon tax was introduced and became effective as at 1 June 2019. Carbon tax is payable per entity for carbon dioxide equivalent greenhouse gas emissions from fuel combustion, process and fugitive emissions that exceed a particular threshold in a tax year. The base cost is R120 per tonne of Carbon Dioxide equivalent (tCO_{2e}), although with allowances the effective tax rate is between R6 and R48.

Regulatory Requirements

Corporate regulations

Transparency and accountability key

South Africa is a highly regulated society, however the corporate regulation regime is aimed at promoting equity, transparency, corporate efficiency and regulatory certainty. Some of the laws are generic to all businesses, such as the competition law and other laws may apply to a corporation's specific sector, like the banking or mining industries.

The main legislation that affects corporations is the Companies Act which requires companies to adhere to a number of measures to ensure transparency and accountability. The Companies Act together with consumer related legislation is administered by **the dti**. The Competition Act is administered by the Department of Economic Development.

Companies Act

The Companies Act provides for the incorporation, registration, organisation and management of companies.

This includes the efficient rescue of financially distressed companies, the appropriate legal redress for investors and third parties with respect to companies, as well as providing a framework for financial record keeping and reporting.

<http://www.justice.gov.za/legislation/acts/2008-071amended.pdf>

King IV Report

The King Report on Governance for South Africa provides a list of best practice corporate governance principles and promotes transparency in application of good corporate governance practices.

https://cdn.ymaws.com/www.iodsa.co.za/resource/collection/684B68A7-B768-465C-8214-E3A007F15A5A/iodsa_King_IV_Report_-_WebVersion.pdf

Consumer Protection Act

The Consumer Protection Act promotes a fair, accessible and sustainable marketplace for consumer products and services and establishes national norms and standards relating to consumer protection and to promote responsible consumer behaviour.

<http://www.thencc.gov.za/sites/default/files/consumer%20protection%20act%20final%20april%202009.pdf>

Competition Act

The Competition Act promotes a more efficient and effective economy and establishes the Competition Commission responsible for the investigation, control and evaluation of restrictive practices, abuse of dominant position, and mergers.

It also establishes a Competition Appeal Court and Companies Tribunal for effective redress.

<http://www.compoem.co.za/wp-content/uploads/2014/09/pocket-act-august-20141.pdf>

Labour regulations

Progressive labour legislation

South Africa's labour legislation provides a framework for codes of good practice, settling disputes and ensuring fairness in the workplace.

The employment relationship between employer and employee is governed by:

- The common law
- The employment contract or letter of appointment
- Employment policies and procedures
- Collective agreements concluded with trade unions or organised labour

Labour Relations Act

The Labour Relations Act aims to promote fair labour practice, and realise and regulate the fundamental rights of workers as enshrined in the Constitution.

<http://www.labour.gov.za/DocumentCenter/Pages/Regulations.aspx>

Basic Conditions of Employment Act

The Basic Conditions of Employment Act gives effect to the constitutional right of fair labour practices by establishing and enforcing basic minimum conditions of employment, and regulating the variation of such conditions.

<http://www.labour.gov.za/DocumentCenter/Pages/Regulations.aspx>

Employment Equity Act

The Employment Equity Act promotes equal opportunity and fair treatment in employment through the elimination of unfair discrimination.

<http://www.labour.gov.za/DocumentCenter/Pages/Regulations.aspx>

- Sectoral determinations and bargaining council agreements that regulate basic conditions of employment in a specific industry, and
- Legislation.

The National Department of Labour is the custodian of all the labour related laws.

As of 1 January 2019, South Africa's national minimum wage came into effect. The legislation stipulates a minimum national rate of R20 per hour, or R3 500 per month, depending on the number of hours worked.

Occupational Health and Safety Act

The Occupational Health and Safety Act requires employers to create and maintain as far as is reasonably practical a work environment that is safe and poses no risk to the health and safety of its workers.

<http://www.labour.gov.za/DocumentCenter/Pages/Regulations.aspx>

Skills Development Act

The Skills Development Act aims to develop the skills of the South African workforce through providing a framework for developing national, sectoral and workplace skills development strategies.

<http://www.labour.gov.za/DocumentCenter/Pages/Regulations.aspx>

Finance regulations

Sophisticated financial markets with world class regulation

The South African banking system is well developed and effectively regulated, comprising a central bank, a few large, financially strong banks and investment institutions, and a number of smaller banks. The South African Reserve Bank (SARB) is responsible for bank regulation and supervision in South Africa and is the primary regulator.

South Africa's financial services sector boasts dozens of domestic and foreign institutions providing a full range of services including commercial, retail and merchant banking, mortgage lending, insurance and investment.

The country's banking sector compares favourably with those of industrialised countries. Many foreign banks and investment institutions have set up operations in South Africa over the past decade.

Banks Act

The Banks Act provides for the regulation and supervision of the business of public companies taking deposits from the public.

[https://www.resbank.co.za/PrudentialAuthority/Deposit-takers/Banks/Regulatory%20instruments/Pages/Banks-Act,-1990-\(Act-No-94-of-1990\).aspx](https://www.resbank.co.za/PrudentialAuthority/Deposit-takers/Banks/Regulatory%20instruments/Pages/Banks-Act,-1990-(Act-No-94-of-1990).aspx)

Financial Intelligence Centre Act

The Act puts in place a framework for combating money laundering activities and the financing of terrorist and related activities by establishing a Financial Intelligence Centre and a Money Laundering Advisory Council.

[https://www.fic.gov.za/Documents/FIC%20Act%20with%202017%20amendments%20\(1\)%20\(1\).pdf](https://www.fic.gov.za/Documents/FIC%20Act%20with%202017%20amendments%20(1)%20(1).pdf)

Prevention of Organised Crime Act

The Act introduces measures to combat organised crime (money laundering and racketeering), and provides for the recovery of the proceeds of unlawful activity and the civil forfeiture of property that has been used to commit an offence.

<https://www.gov.za/documents/prevention-organised-crime-act>
<https://www.fic.gov.za/Documents/02.POCA.pdf>

Prevention and Combatting of Corrupt Activities Act

The Prevention and Combatting of Corrupt Activities Act provides for the strengthening of measures to prevent and combat corruption and corrupt activities.

https://www.saps.gov.za/dpci/downloads/prevention_combating_corrupt_activities_act.pdf

Currency and Exchanges Act

The Currency and Exchanges Act defines the law relating to legal tender, currency, exchanges and banking.

The associated regulations also prescribe the management of South African foreign currency reserves, including accruals thereto and spending.

<https://www.gov.za/documents/currency-and-exchanges-act-8-mar-1933-0000>

Protection of Investment Act

The purpose of the Act is to protect investors and investment in accordance with and subject to the Constitution, in a manner which balances the rights and obligations of investors and public interest.

https://www.thedti.gov.za/business_regulation/acts/Investment_Act_22of2015.pdf

Intellectual property

Intellectual property law in line with international standards

South Africa recognises the potential intellectual property has for stimulating economic growth and development and thus has a well developed system for protecting and managing intellectual property rights. The South African law on intellectual property distinguishes between four main areas – patents, trademarks, designs and copyright. **The dti** is the key department responsible for regulating intellectual property legislation and much of this is administered through its agency, the Companies and Intellectual Property Commission (CIPC).

South African is also a signatory to a number of international treaties and conventions:

- Paris Convention for the Protection of Industrial Property
- Berne Convention for the Protection of Literary and Artistic Works
- World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement)
- The Community Trademark Convention
- The Patent Cooperation Treaty.

Patents Act

The Patents Act provides for the registration and granting of patents for inventions and for matters connected therewith.

www.cipc.co.za/files/9513/9452/7965/Patent_Act.pdf

Trade Marks Act

The Trade Marks Act provides for the registration of trade marks, certification trade marks and collective trade marks, and provides for incidental matters.

www.cipc.co.za/files/2214/9682/7240/Trade_Marks.pdf

Counterfeit Goods Act

The Counterfeit Goods Act introduces measures aimed against the trade in counterfeit goods in order to further protect owners of trade marks, copyright and certain marks under the Merchandise Marks Act.

https://www.gov.za/sites/default/files/gcis_document/201409/a37-97.pdf

Copyright Act

The Copyright Act protects certain classes or categories of works.

<https://www.gov.za/documents/copyright-act-16-apr-2015-0942>

Plant Breeders' Rights Act

The Act provides for a system where under plant breeders' rights relating to varieties of certain kinds of plants may be granted and registered.

<https://www.daff.gov.za/daffweb3/Branches/Agricultural-Production-Health-Food-Safety/Genetic-Resources/Plant-Breeders-Rights/Act-and-Regulations>

Merchandise Marks Act

The Act governs the marking of merchandise and packaging as well as the use of certain words and emblems in business.

https://www.gov.za/sites/default/files/gcis_document/201505/act-17-1941.pdf

Environmental regulations

Environmental management – a constitutional mandate

Environmental legislation and policy in South Africa has been shaped by the Bill of Rights of the Constitution of South Africa. Section 24 of the Constitution guarantees that every person has a right to an environment that is not harmful to their health or well-being. This right is binding on the state and people, both juristic and natural.

The management of the environment in South Africa is highly regulated with various authorisations required for activities that are legally controlled. The country has various sectoral environmental laws, all governed by the National Environment Management Act.

On a global scale, South Africa is a party to the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol. The UNFCCC is an international environmental treaty that was opened for signature to stabilise greenhouse gas concentrations on the atmosphere and has brought about the introduction of a carbon tax in the country. South Africa's environmental legislation is regarded as one of the most developed in the world and is more comprehensive than that of many other countries.

National Environmental Management Act

This is the overarching environmental statute that lays the foundation for other environmental legislation in South Africa. The Act covers the following areas: air quality, biodiversity, coastal management, protected areas and waste.

<https://www.gov.za/documents/national-environmental-management-act>

National Radioactive Waste Disposal Institute Act

The Act applies to all radioactive waste in South Africa that is to be disposed of in an authorised waste disposal facility.

<https://www.gov.za/documents/national-radioactive-waste-disposal-institute-act>

Marine Living Resources Act

The objectives of the Act include the conservation of marine living resources and the preservation of marine biodiversity, the minimisation of marine pollution, the need to restructure the fishing industry to address historical imbalances, and to achieve equity within all branches of the fishing industry.

https://www.gov.za/sites/default/files/gcis_document/201409/36413gen434.pdf

Environment Conservation Act

The Act regulates issues relating to, among others, protected natural environments, limited development areas, regulations on noise, vibration and shock, and various provisions relating to offences and penalties for environmental infringements.

https://www.gov.za/sites/default/files/gcis_document/201503/act-73-1989.pdf

National Water Act

The National Water Act provides for the protection, use, development conservation, management and control of water.

www.dwa.gov.za/Documents/Legislature/nw_act/NWA.pdf

Conservation of Agricultural Resources Act

This Act applies to determining the purposes of land use and land planning. This applies to whether it is more appropriate for a piece of land to be zoned for industrial development or agriculture.

<https://www.gov.za/documents/conservation-agricultural-resources-act-1-apr-2015-0926>

Hazardous Substances Act

The Hazardous Substances Act provides for the regulation of substances which, by their nature or chemical composition, may cause injury or ill-health or death of a person.

<https://www.gov.za/documents/hazardous-substances-act-16-apr-2015-1120>

National Heritage Resources Act

The Act introduces an integrated and interactive system for the management of South Africa's national heritage resources.

<https://www.sahra.org.za/legislations/>

Telecommunication regulations

Building a global information society

South Africa essentially began regulating telecommunications after the historic first democratic elections in 1994. There has since been many developments in ICT policy, law and regulation to align South Africa's requirements to international best practice.

As the continually and rapidly expanding and converging arenas of technology, media and telecoms continue to develop, it is essential that businesses understand and take advantage of the changes in this arena for their commercial benefit.

Principles of the King IV Report and ISO standards governing information security and business continuity are common practice for managing ICT legal compliance.

Electronic Communications and Transactions Act

The Act aims to promote fair labour practice and realise and regulate the fundamental rights of workers as enshrined in the Constitution.

<https://www.gov.za/documents/electronic-communications-and-transactions-act>

Regulation of Interception of Communications and Communication-Related Information Act (RICA)

The main purpose of RICA is to regulate the interception of certain communications, monitor certain signals and radio frequency spectrums and to provide certain communication-related information.

www.justice.gov.za/legislation/acts/2002-070.pdf

Electronic Communications Act (ECA)

The Act promotes the convergence in the broadcasting, broadcasting signal distribution and telecommunications sectors.

<https://www.gov.za/documents/electronic-communications-act>

Protection of Personal Information (POPI) Act

The Act relates to the processing of personal information by an organisation and the general life cycle of information processed.

<http://www.justice.gov.za/infoereg/docs/InfoRegSA-POPIA-act2013-004.pdf>

Broadcasting Act

The Act develops broadcasting policy in the interest of the public.

www.sabc.co.za/sabc/broadcasting-act



Mining regulations

World renowned mining sector

The country has an abundance of mineral resources (precious metals and minerals, energy minerals, non-ferrous metals and minerals, ferrous minerals and industrial minerals), accounting for a significant proportion of world production and reserves.

South Africa's strengths include an extremely high level of technical and production expertise, and comprehensive research and development activities. The mining industry, and its related industries, is critical to South Africa's socio-economic development as it contributes significantly to economic activity, job creation and foreign exchange earnings.

Regulation in the mining sector is aimed at regulating the minerals and mining sector to promote economic growth, employment, transformation and sustainable development.

Mineral and Petroleum Resources Development Amendment Act

The Mineral and Petroleum Resources Development Amendment Act makes provision for equitable access to and sustainable development of the nation's mineral and petroleum resources.

<https://www.gov.za/documents/mineral-and-petroleum-resources-development-amendment-act>

Mining Charter

The Mining Charter aims to ensure the redress of historical socio-economic inequalities, as well as broad-based economic empowerment and meaningful participation of Historically Disadvantaged Persons in the mining and minerals industry.

<https://www.gov.za/documents/mining-charter-2018-27-sep-2018-0000>

Mine Health and Safety Act

The Act provides for protection of the health and safety of employees and other persons at mines.

<https://www.gov.za/documents/mine-health-and-safety-act>

Transformation

Creating an equitable society

Key to South Africa's agenda for accelerating growth and reducing poverty is reducing inequality to ensure that growth benefits all South Africans. Thus key to the transformation of the economy is promoting greater economic inclusion. There are a number of policies aimed at driving transformation and equity participation. Legislation that is focused on transformation includes the Broad-Based Black Economic Empowerment (B-BBEE) policies which are aimed at incentivising entities to ensure economic equity amongst different race groups.

Broad-Based Black Economic Empowerment Act

Broad-Based Black Economic Empowerment is the South African Government's policy aimed at accelerating economic transformation. The Act is directed at empowering "black" people and designated groups redressing the inequalities caused by Apartheid.

www.dti.gov.za/economic_empowerment/bee.jsp

Preferential Procurement Policy Framework Act

The Act is aimed at using government's procurement capacity to promote local content in order to transform the structure of the South African economy and promote growth.

www.treasury.gov.za/divisions/ocpo/sc/PPPFA

Notes:

- The term "black" refers to African, Indians and person of mixed race. The policy also promotes the empowerment of designated groups, which include women, youth, people living with disabilities and rural communities.
- Compliance with the Broad-Based Black Economic Empowerment Act, No 52 of 2003 (B-BBEE Act) is not compulsory.
- BEE points are awarded for spending with compliant entities and your clients will want the value-add of being able to claim spending on your business as B-BBEE spending.
- South African Government entities procurement practices are regulated by legislation to ensure an open and transparent process.

Small Business Amendment Act

The Act puts in place a framework for supporting small and medium enterprise development.

https://www.thedti.gov.za/business_regulation/acts/small_business_amendment_act.pdf

The Restitution of Land Rights Act

The Act provides for regulations aimed at supporting people who had lost their land as a result of racially discriminatory practices such as forced removals. There are also other land reform policies aimed at uplifting rural communities and promoting access of black people to productive land.

www.justice.gov.za/lcc/docs/1994-022.pdf

Land Acquisition Process

Sophisticated and efficient land registration process

The Bill of Rights in the Constitution protects property rights. The Constitution protects a person's real rights to property ownership, lease, mortgage, lien or servitude.

The state has a duty to take reasonable legislative measures to promote access to land on an equitable basis and no individual may be arbitrarily deprived of property. In line with this the Communal Land Tenure legislation provides for conversion into ownership of land rights in communal land to communities that own or occupy such land, and for the transfer of ownership to communities and community members of land acquired by the state to enable equitable land access.

Non-resident property ownership

South Africa has no restrictions on foreign ownership of property, however, there are procedures and requirements which must be complied with in certain transfers of ownership. For example, a non-South African entity seeking to purchase land in South Africa has to register a legal entity in South Africa and appoint a South African resident public officer. Non-residents that purchase property in South Africa with the intention of residing for longer periods require a residence permit.

The land registration process gives registered owners security of title.

Five key steps for acquiring land

- 1 Offer to purchase or declaration of interest to land owner(s) and negotiations
- 2 Determine any restrictions/interdicts/servitudes on land
- 3 Formal offer to purchase and agreement if accepted
- 4 Local municipality rates and taxes clearance certificate
- 5 Deed of transfer to new owners, registration and payment

The Chief Surveyor General maintains online information on property boundaries, ownership and value. This can be accessed on:

- <https://csg.esri-southafrica.com/spatialdataviewer/>

The latest land audit is further available on:
<http://www.ruraldevelopment.gov.za/publications/land-audit-report/file/6126>

Key steps for transferring property

- 1 The conveyancer conducts a title search and checks encumbrances on the property
No cost involved
- 2 Obtain a rates clearance certificate
Average cost: R201
- 3 Obtain a plumbing certificate
Cost: R600
- 4 Obtain an entomologist's certificate
Cost: R600
- 5 Obtain an electrical compliance certificate
Cost: R1 250
- 6 The conveyancer prepares and collects all the required documentation
No cost involved
- 7 Obtain a transfer duty receipt
Cost dependant on property value
- 8 Parties sign all the documentation at the conveyancer's office
Cost dependent on conveyancer
- 9 The conveyancer lodges the deed
Cost dependent on conveyancer

- Procedure present in all locations in the country
- Procedure completed simultaneously in all locations in the country
- Procedure present in certain locations only



Environmental Impact Assessment

The purpose of the Environmental Impact Assessment (EIA) is to evaluate environmental consequences of a proposed activity or project and analyse alternatives. The EIA is an integral part of the planning and decision-making process and is focused on effective environmental management.

In lines with the National Environmental Management Act the EIA process:

- Requires an applicant to subject a listed activity to either the Basic Assessment or Scoping and EIA process, depending on the nature of the listed activity
- Requires an applicant to review the activity he/she intends to undertake and to consider the environmental impacts and to consider alternatives and mitigation measures that will reduce those environmental impacts
- Provides the public with a meaningful opportunity to understand and comment on the proposed activity
- Provides the government decision-makers with important information to assist them in deciding whether the proposed activity should be approved, and
- Provides a legal right for interested and affected parties to participate in the process.

1

Determine whether your production activity is in the list of activities that require an Environmental Authorisation before commencement (refer to https://www.environment.gov.za/sites/default/files/gazetted_notices/nema_listingnotice_33306rg9314gon546.pdf).

2

Appoint an Environmental Assessment Practitioner.

3

The Environmental Assessment Practitioner must evaluate which application process should be followed, i.e.:

- a simple Basic Assessment
- a more complex Scoping and EIA, or
- request an exemption.

4

- After a Basic Assessment, the Competent Authority will request more information/authorise/reject or order the applicant to subject the activity to Scoping and EIA.
- An EIA applicant may also be requested for more information/ be rejected or authorised.
- Decisions of the Competent Authority can be appealed.
- Authorisation can be amended/withdrawn/suspended in the event of changes in the activity.

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The business community in South Africa is well structured and organised through various industry and topical structures which ensure that the voice of business is active in the legislative and policy programme.

Sappi Limited

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Incentive Programmes

South Africa's economic policy is focused on trying to encourage additional investment in order to generate growth and development. Key to this strategy is the provision of a range of demand and supply-side measures to both lower the costs of doing business and to offer compelling investment opportunities.

The incentive landscape in South Africa consists of a network of sector specific and cross-cutting incentives that fall into three main types of funding instruments – cash grants, tax allowances and preferential funding rates.

Incentives that are available are either coordinated by a national, provincial or local government department, a development finance institution, or agency of the state.

Cash Grants

Targeted cash grants paid to approved projects on completion of certain approved milestones or projects.

- Cash grants may be for:
 - Feasibility, Research & Development Incentives
 - Manufacturing Incentives
 - Competitiveness Enhancement Incentives
 - Enterprise Development Incentives.

Tax Incentives

Tax deductions for specified activities or investments that reduce corporate or employer taxes.

- The tax incentives may be:
 - Tax credits
 - Tax rebates.

Development Finance

Financing for start-up and existing businesses.

- Most of the Development Finance Institutions (DFIs) are either sector focused or are targeted at a particular segment of the business market and offer:
 - Loans
 - Debt
 - Mezzanine finance.



Feasibility, Research & Development Incentives

Description	Qualifying Criteria	Benefit	Custodian
Capital Projects Feasibility Programme (CPFP)			
CPFP is to facilitate bankable feasibility studies in manufacturing and capital goods sectors that are likely to lead to high-impact capital projects which will stimulate value-adding economic activity in South Africa.	<ul style="list-style-type: none"> • A minimum local content of 50% for total goods and 70% for total professional services. • Projects can be situated anywhere in the world (excluding South Africa). 	Reimbursement of feasibility study costs of: <ul style="list-style-type: none"> • 50% for projects outside Africa; • 50% for projects in SA with total assets of R30m or more; • 70% for projects in SA with assets less than R30m; • 55% for projects in the rest of Africa; • The grant is capped at R8m. 	the dti www.thedti.gov.za
Science & Technology R&D Incentive - Section 11D of the Income Tax Act No. 58 of 1962			
The objective of the incentive is to encourage South African companies to invest in scientific or technological research and development activities in South Africa.	<ul style="list-style-type: none"> • Discovering non-obvious scientific or technical knowledge • Creating or developing an invention, functional design, a computer program and knowledge • Making significant improvement to a invention, functional design, computer programme or knowledge • Creating or developing a multisource pharmaceutical product • Conducting clinical trials. 	A 150% tax deduction is allowed on qualifying expenditure.	Department of Science and Technology www.dst.gov.za
Media Development and Diversity Agency Research Funding (MDDA)			
The MDDA offers support through grant funding for small commercial media and research projects. Funding is granted for the following: <ul style="list-style-type: none"> • Conducting and funding research • Assisting with capacity building and • Technical assistance. 	All Sole Proprietorships, Close Corporations or Private Companies, who wish to undertake research into the South African media sector or who want to undertake feasibility studies in the media sector.	Funding is dependant on whether the project is in line with the mandate of the MDDA and what resources are available. It is also preferred that the media organisations/communities match the funding or any support in kind.	Media Development & Diversity Agency www.mdda.org.za
Seed Fund Programme			
The Seed Fund Programme assists higher educational institutions and small, medium and micro enterprises (SMME) to advance their research outputs and ideas to develop prototypes, proof of concepts and business cases.	<ul style="list-style-type: none"> • Technology readiness level between 3 to 7 • SMMEs need to have a valid tax clearance certificate for the company or individual applying in their own capacity. 	Grant funding of up to R650 000 per application.	Technology Innovation Agency www.tia.org.za
Support Programme for Industrial Innovation (SPII) - Product Process Development (PPD) Scheme			
The incentive provides financial assistance for the development of commercially viable, innovative products and/or processes and facilitates commercialisation of such technologies.	Small, very small and micro-enterprises and individuals in the form of a non-repayable grant.	Maximum of R2m grant.	the dti www.thedti.gov.za
Support Programme for Industrial Innovation (SPII) - Matching Scheme			
The incentive provides financial assistance for the development of commercially viable, innovative products and/or processes and facilitates commercialisation of such technologies.	Provides financial assistance to all enterprises and individuals in the form of a non-repayable grant.	Maximum grant of R5m.	the dti www.thedti.gov.za

Description	Qualifying Criteria	Benefit	Custodian
Technology and Human Resources for Industry Programme (THRIP)			
THRIP supports research and technology development and the development of appropriately-skilled people. THRIP facilitates collaboration of the best of SA's researchers, academics and industry players.	All companies undertaking science, engineering and technology (SET) research, in collaboration with educational institutions, and with the aim of addressing the participating firms' technology needs.	50:50 cost-sharing grant, to a maximum of R8m per annum, across any number of projects.	the dti www.thedti.gov.za

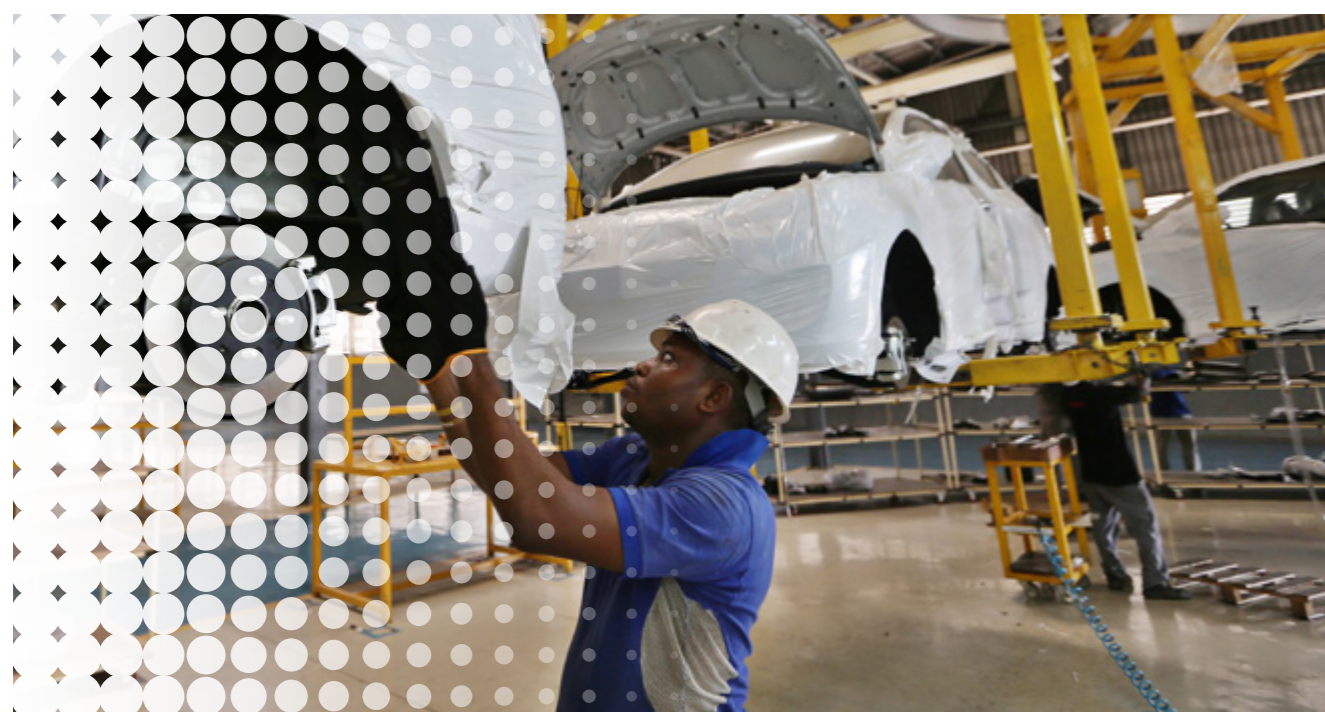
Infrastructure Incentives

Description	Qualifying Criteria	Benefit	Custodian
The Agri-Parks Programme			
An economic hub that integrates a network of various agricultural activities across the value chain and rural development services in order to improve the competitiveness of the agricultural sector and promote rural development.	Agri-parks must be farmer controlled.	Hubs in 44 district municipalities offering agro-production, processing, logistics, marketing, training and extension services.	Department of Rural Development and Land Reform www.ruraldevelopment.gov.za
Critical Infrastructure Programme (CIP)			
CIP aims to leverage investment by supporting infrastructure that is deemed to be critical – lowering the cost of doing business.	Defined fixed investment, or the expansion or sustaining, refurbishment of the existing fixed investment.	Cost-sharing grant of between 10% and 50% of the total qualifying infrastructural development costs, limited at R50m per project.	the dti www.thedti.gov.za
Special Economic Zones (SEZ)			
To promote targeted investment to facilitate economic growth and job creation.	Qualifying projects located in SEZs.	<ul style="list-style-type: none"> • Preferential 15% Corporate Tax rate • VAT and Customs Duty suspension in customs-controlled areas • Employment incentive • Building allowance, and • Preferential land rental and utility rates. 	the dti www.thedti.gov.za
Social Housing Regulatory Authority (SHRA) Restructuring Capital Grant			
The aim is to contribute towards spatial, social and economic restructuring of South African cities by contributing to the capital cost of social housing projects that provide affordable rental housing to the poor.	<ul style="list-style-type: none"> • Be located in a Restructuring Zone in terms of the Social Housing Policy Guidelines and Act of 2008 • Meet social housing policy objectives • Be supported by the provincial and local governments. 	Standard grant is R125 615 per unit.	Social Housing Regulatory Authority www.shra.org.za
Technology Innovation Agency (TIA) - Technology Stations			
Technology Innovation Stations provide access to world-class engineering services and expertise from various universities and industries for technology based SMEs in various sectors ranging from agro-processing, chemicals, clothing and textiles, automotive and tooling.	Small and medium-sized enterprises.	The access to engineering and technology development services to small and medium enterprises.	Technology Innovation Agency www.tia.org.za

Manufacturing Incentives

Description	Qualifying Criteria	Benefit	Custodian
Agro-processing Support Scheme (APSS)			
The objective of the APSS is to stimulate investment in agro-processing enterprises. APSS is largely targeted at the following key sub-sectors: <ul style="list-style-type: none"> • Food and beverage value addition and processing (including black winemakers) • Furniture manufacturing • Fibre processing • Feed production • Fertiliser production. 	<ul style="list-style-type: none"> • Minimum investment of R1m • B-BBEE level of 1-4 • Demonstrate that at least 50% of raw materials will be sourced from SA suppliers of which 30% must be black South African suppliers • Commencement date of the project or activities applied for must take place within 90 calendar days after the application has been approved • Retain and create additional jobs • Pay minimum wage. 	<ul style="list-style-type: none"> • A 20%-30% grant for approved investment costs. Maximum grant per entity is R20m. 	the dti www.thedti.gov.za
Automotive Investment Scheme (AIS)			
To encourage investment in the light motor vehicle industry sector by manufacturers of specified light motor vehicles and automotive components with the aim of encouraging the localisation of components and increasing plant production volumes.	Light motor vehicle assemblers and automotive component manufacturers associated in motor vehicle assemblers' supply chain.	<ul style="list-style-type: none"> • 20% cash grant of the value of the investment in approved productive assets • An additional 5% or 10% for projects found to be strategic. 	the dti www.thedti.gov.za
Black Industrialist Scheme (BIS)			
The BIS aims to accelerate and increase the participation of black industrialists in the national economy, particularly in selected manufacturing sectors and value chains.	<ul style="list-style-type: none"> • More than 50% shareholding and management control, be directly involved in the day-to-day running of the operation and must have requisite expertise in the sector. • B-BBEE level 1-4 • Minimum investment of R30m. 	<ul style="list-style-type: none"> • 30% to 50% cash grant of the project's qualifying invest costs • Maximum R50m. 	the dti www.thedti.gov.za
Clothing and Textiles Competitiveness Programme (CTCP)			
The CTCP makes targeted grants to grow and develop the clothing, textiles, footwear, leather and leather goods manufacturing sectors. It is divided into the Competitiveness Improvement Programme (CTCIP) and the Production Incentive (PI).	Clothing manufacturers, textiles manufacturers, Cut, Make and Trim (CMT) operators, footwear manufacturers, leather goods manufacturers and leather processors.	Production Incentive consists of an Upgrade Grant Facility to focus on competitiveness improvement; and an Interest Subsidy for working capital requirements resulting from past and future upgrading interventions. The grant is limited to a benefit ceiling, which is calculated as 7.5% of a company's manufacturing value addition. The CTCIP provides cluster support.	Industrial Development Corporation (IDC) www.ctcp.co.za
Investment and Training Allowance - Section 12I of the Income Tax Act (S12I)			
To promote industrial upgrading and new investment in large-scale manufacturing.	Medium to large manufacturers with investment in modern energy efficient technology from R30m.	<ul style="list-style-type: none"> • 35% to 100% additional tax allowance of qualifying investment costs in machinery and equipment (maximum R550m to R900m for qualifying and preferred status projects respectively) • Training allowance: maximum R36 000 per person and R20m to R30m for qualifying and preferred status projects respectively. 	the dti www.thedti.gov.za

Description	Qualifying Criteria	Benefit	Custodian
Medium and Heavy Commercial Vehicles Automotive Investment Scheme (MHCV-AIS)			
The MHCV-AIS a sub-component of the Automotive Investment Scheme (AIS), is an incentive designed to grow and develop plant production volumes, sustain employment and/or strengthen the automotive value chain for the medium and heavy commercial vehicle sector.	The grant is available for complete knock down manufacturer of trucks and buses and associated components.	<ul style="list-style-type: none"> 20% of the value of qualifying investment in productive assets by medium and heavy commercial vehicle manufactures 25% of the value of qualifying investment in productive assets by component manufactures and tooling companies for MHCVs. 	the dti www.thedti.gov.za
People-carrier Automotive Investment Scheme (P-AIS)			
To encourage growth of the people-carrier sector through investment in new and replacement models and components.	Semi Knock Down (SKD) and Complete Knock Down (CKD) vehicle assemblers of people carriers.	<ul style="list-style-type: none"> 25% grant of the value of investment for CKD assemblers. 20% grant of the value of investment for CKD assemblers A top-up grant of 5% or 10% of the value of the investment made for strategic projects. 	the dti www.thedti.gov.za
Section 12S of the Income Tax Act			
Deduction in respect of buildings in Special Economic Zones.	<ul style="list-style-type: none"> Must meet the definition of "qualifying company" as defined in section 12R(1), notwithstanding 12R(4). New and unused building, owned by the taxpayer. Income derived from trade within the SEZs. 	Capital allowance of 10% for any building, per annum.	South African Revenue Service www.sars.gov.za
Sector Specific Assistance Scheme (SSAS)			
Develop new export markets, broaden the specific industry export base, increase participation of B-BBEE and SMME companies in the export process.	Approved export councils, registered industry associations and joint actions groups.	A matching grant of 80% of the cost to support the development and growth of exports.	the dti www.thedti.gov.za



Competitiveness Enhancement Incentives

Description	Qualifying Criteria	Benefit	Custodian
Aquaculture Development and Enhancement Programme (ADEP)			
Investment in the aquaculture sector.	SA entities involved in fish hatcheries and fish farms (primary aquaculture), processing and preserving of aquaculture fish (secondary aquaculture), service activities to operators of hatcheries and fish farms (ancillary aquaculture).	20%-45% grant for investment in land, and buildings, machinery and equipment, and work boats and bulk infrastructure capped at R40m per application.	the dti www.thedti.gov.za
Comprehensive Agricultural Support Programme (CASP)			
The programme is aimed at expanding the provision of agricultural support services and promoting and facilitating agricultural development by targeting subsistence, smallholding and black commercial farmers from a previously disadvantaged background.	<ul style="list-style-type: none"> Must be a South African citizen Must be a black South African applicant Must be 18 years or older Proof of tenure Access to services (water, electricity etc.) Status of Farm Governance Systems Managerial and technical skills. 	Grant funding is project specific.	Department of Agriculture, Forestry and Fisheries www.daff.gov.za
DAC Mzansi Golden Economy (MGE) Grants			
The purpose of the MGE is to make strategic investments to optimise the economic benefit of the Arts in South Africa.	<ul style="list-style-type: none"> Cultural events that contribute to local economic development, job creation and the development of audiences Touring ventures and market access work Public Art Programme (PAP). 	<ul style="list-style-type: none"> Maximum of R2m per grant beneficiary for cultural events Maximum of R1m per grant beneficiary for: <ul style="list-style-type: none"> Touring ventures and market access work Public Art Programme. 	Department of Arts and Culture www.dac.gov.za
Employment Tax Incentive			
The ETI is an incentive aimed at encouraging employers to hire young work seekers by reducing the costs of hiring young people.	The employer is eligible to claim the ETI if the employer: <ul style="list-style-type: none"> Is registered for Employees' Tax (PAYE), or must be eligible to register for PAYE Is employing 18-34 year olds earning R6 000 or less Is not in the national, provincial or local sphere of government Is not disqualified by the Minister of Finance due to the displacement of an employee or by not meeting the conditions as may be prescribed by the Minister by regulation. 	Employers will be able to claim a maximum incentive of R1 000 per qualifying employee depending on the salary of the employee for a 24-month period.	South African Revenue Service www.sars.gov.za
Energy Efficiency Deduction - Section 12L of the Income Tax			
The purpose of the tax allowance incentive is to promote the efficient use of energy as a means to safeguard the security of supply. This will also help combat greenhouse gas emissions. This is also the first-ever "Megawatt-based" tax allowance incentive globally and is regarded as an incentive.	<ul style="list-style-type: none"> Establish a baseline, and SANAS data must be measurable, traceable and verifiable. 	Energy efficiencies are categorised along the following basis: <ul style="list-style-type: none"> 45c/kWh retrospective 95c/kWh from 1 March 2015 The deduction is dependent on an "energy efficiency savings certificate" issued from the South Africa National Energy Development Institute (SANEDI). 	South African Revenue Service www.sars.gov.za

Description	Qualifying Criteria	Benefit	Custodian
Export Marketing and Investment Assistance			
The objective of the EMIA scheme is to develop export markets for South African products and services and to recruit new foreign direct investment into the country.	<ul style="list-style-type: none"> South African manufactures and exporters South African export trading houses representing at least three SMMEs or businesses owned by Historical Disadvantaged Individuals (HDIs) South African commission agents representing at least three SMMEs/HDI-owned businesses South African export councils, industry associations and joint action groups (JAGs) representing at least five South African entities. 	<ul style="list-style-type: none"> Individual Exhibition Participation: exhibition fees up to a maximum of R50 000, travel and exhibition allowances Primary Market Research & Foreign Direct Investment: exporters will be compensated for costs incurred recruiting new FDI into South Africa through personal contact by visiting potential investors in foreign countries and travel allowances Individual Inward Missions: assistance is provided to South African entities organising an inward buying investor, to make contact with them to conclude an exporters order or to attract FDI; registration of a patent in a foreign market; a 50% grant of the additional costs capped at R100 000 per annum and travel allowances. 	the dti www.thedti.gov.za
Foreign Film and Television Production and Post-Production Incentive			
To encourage and attract large-budget films and television productions and post-production work that will contribute towards employment creation, enhance South Africa's international profile, and increase the country's creative and technical skills base.	Foreign-owned qualifying productions with Qualifying South African Production Expenditure (QSAPE) of R12m and above.	Rebate of 20% of the QSAPE to qualifying productions and an additional 2.5%-5% for post-production conducted in South Africa.	the dti www.thedti.gov.za
Global Business Services Incentive			
Aims to create employment in South Africa through servicing offshore activities.	<ul style="list-style-type: none"> Local and foreign investors that are providing IT-enabled services to an offshore market, through a captive or outsourced business environment, thus creating jobs in South Africa Create at least 30 jobs within three years of which at least 60% must be for the youth (18-34 year olds). 	The grant benefit is over five years for job creation and maintained as follows: <ul style="list-style-type: none"> Non-complex jobs - up to R142 000 Complex jobs - up to R215 000 Highly complex jobs - R290 000. 	the dti www.thedti.gov.za
Global Cleantech Innovation Programme (GCIP)			
The GCIP is aimed at promoting clean technology innovation and supporting entrepreneurs in growing their SMMEs and start-ups into viable, investment-ready businesses.	SMMEs that pursue innovations in clean technologies.	<ul style="list-style-type: none"> Training Mentoring Access to capital Showcasing Cash rewards. 	Technology Innovation Agency www.tia.org.za
Green Fund			
The Green Fund is a catalyst in the transition towards a green economy, as such it seeks to unlock barriers and bridge gaps, wherever they exist along the innovation value chain.	The fund considers opportunities within funding windows as and when they open for applications and the windows are dependant on the key focus at that time.	Financial support: <ul style="list-style-type: none"> Grants (recoverable and non-recoverable) Loans (concessional rates and terms) Equity. 	Green Fund www.sagreenfund.org.za

Description	Qualifying Criteria	Benefit	Custodian
Green Tourism Incentive Programme (GTIP)			
GTIP is an energy efficiency incentive initiative, whose objective is to encourage private sector tourism enterprises to move towards cleaner and renewable energy sources.	Private sector tourism enterprises.	<ul style="list-style-type: none"> 90% of the cost for a new energy-efficiency audit or the full cost for reviewing an existing energy-efficiency audit Grant funding to qualifying small and micro enterprises on a sliding scale from 30% to 90% - capped at R1m. 	Department of Tourism www.tourism.gov.za
Jobs Fund			
To co-finance projects that are employment intensive and find innovative solutions to employment creation within the following categories: <ul style="list-style-type: none"> Enterprise development Infrastructure development Institutional capacity building Support for work seekers. Additional support categories may be prioritised in different application windows.	Projects by public, private and non-governmental organisations that will significantly contribute to job creation.	Co-financing of projects by public, private and non-governmental organisations that will significantly contribute to job creation: matching grant of between R10m and R100m.	The Jobs Fund www.jobsfund.org.za
Section 12H of the Income Tax Act			
Additional deduction in respect of learnership agreements.	Employer is party to a registered learnership agreement.	Additional training allowance for qualifying learnerships of R40 000 per learner.	South African Revenue Service www.sars.gov.za
Section 12O of the Income Tax Act			
Tax exemption in respect of films.	Filmmakers.	Exemption from normal tax for receipts and accruals in respect of income derived from the exploitation rights of a film.	South African Revenue Service www.sars.gov.za



Description	Qualifying Criteria	Benefit	Custodian
South African Film and Television Production and Co-Production Incentive			
To support the local film industry and to contribute towards employment opportunities in South Africa.	Productions must have a minimum of Qualifying South African Production Expenditure (QSAPE) of R2.5m for all qualifying production formats and a minimum of R500 000 for documentaries.	The rebate is calculated as 35% of QSAPE. QSAPE is provided for productions hiring at least 30% of black SA citizens as heads of departments and procuring at least 30% of QSAPE from 51% SA black-owned entities which have been operating for at least a period of one year; with a cap of R50m per project.	the dti www.thedti.gov.za
Technology Innovation Cluster Programme (TICPS)			
TICPS aims to fund technology development by facilitating an enabling environment for the advancement of technology innovation and commercialisation by adopting a value chain approach and catalysing collaborations amongst value chain players.	Public research institutions, entrepreneurs, companies, suppliers and manufacturers in a particular industry.	<ul style="list-style-type: none"> Funding of technology developments in a programmatic framework Identification and support of key interventions within the value chain Facilitation of the creation and expansion of the local production capacity Enhancement of collaboration and networking Enablement of incubation services Leveraging of funds from local and foreign sources. 	Technology Innovation Agency www.tia.org.za
The South African Emerging Black Filmmakers Incentive			
To nurture and capacitate emerging black filmmakers to take up big productions and contribute towards employment opportunities.	<ul style="list-style-type: none"> South African black-owned qualifying productions and documentaries with a total production budget of R500 000 and above At least 80% of principal photography must be filmed in South Africa A minimum of 75% of the total production budget (TPE) must be QSAPE Both the Director and Producer must be a black South African citizen who are also credited for their role in the production The top writer and producer credits must include South African citizens and either exclusive or shared collaboration credits. 	<ul style="list-style-type: none"> A rebate of 50% on the QSAPE The costs for the purchase of key production equipment may qualify once-off under this incentive programme to a maximum cost-sharing incentive of R2m. 	the dti www.thedti.gov.za

Enterprise Development Incentives

Description	Qualifying Criteria	Benefit	Custodian
Black Business Supplier Development Programme (BBSDP)			
BBSDP is a cost-sharing grant offered to black-owned small enterprises to assist them to improve their competitiveness and sustainability to become part of the mainstream economy and create employment.	<ul style="list-style-type: none"> 51% black majority shareholding R250 000 to R35m turnover per year One year in operation and trading as a business. 	Maximum of R1m: <ul style="list-style-type: none"> R800 000 for tools, machinery and equipment on a 50:50 cost-sharing basis R200 000 for business development and training interventions on a 80:20 cost-sharing basis. 	the dti www.thedti.gov.za

Description	Qualifying Criteria	Benefit	Custodian
Co-operative Incentive Scheme (CIS)			
The objective of the CIS is to improve the viability and competitiveness of co-operative enterprises by lowering their cost of doing business through an incentive that supports B-BBEE.	<ul style="list-style-type: none"> Emerging co-operatives with a majority black ownership Adhere to co-operative principles Owned by HDIs CIS is biased towards women, youth and people with disabilities. 	100% grant for registered primary co-operatives (a primary co-operative consists of five or more members).	Department of Small Business Development www.dsbdb.gov.za
Enterprise Incubation Programme (EIP)			
The programme is market driven and prepares early stage entities to supply to local markets.	South African registered and tax compliant entities with vast experience in the development and mentoring of early stage enterprises, and co-operatives with the potential to supply goods and services to firms in the local economy on a sustainable basis.	<ul style="list-style-type: none"> R5m-R10m 90% contribution from DSBD Feasibility studies will be capped at R1.5m (100% contribution from DSBD). 	Department of Small Business Development www.dsbdb.gov.za
Informal and Micro Enterprise Support Programme			
The scheme seeks to uplift informal businesses and to address the developmental void at the lower base of SMMEs development.	The scheme prioritises women, youth and people with disabilities who own businesses based in townships, rural areas and depressed areas in towns and cities.	50:50 cost-sharing grant to a maximum of R5m, to be disbursed as per agreed milestones.	Department of Small Business Development www.dsbdb.gov.za
Innovation and Partnership Programme (IPP)			
The programme aims to foster partnerships with stakeholders for developing small businesses. The small businesses must become competitive suppliers within the value chains of private and public sectors.	<ul style="list-style-type: none"> Small businesses with track record in operating sector Must be at least 51% black owned Demonstrate an existing market to be serviced. 	<ul style="list-style-type: none"> Feasibility studies: maximum of R3m per project Partnerships: 50:50 cost-sharing grant capped at R15m. 	Department of Small Business Development www.dsbdb.gov.za
National Gazelles Programme			
The aim of the programme is to identify and support SMEs with growth potential through a comprehensive range of business growth-oriented programmes, activities and partnerships. Through its combination of financial and non-financial support, the programme aims to assist members to grow faster and more profitably than they would normally do.	<ul style="list-style-type: none"> Turnover R1m 2 years in business Employ at least 2 people. 	<ul style="list-style-type: none"> Customised business mentorship, support and coaching Participation in international trade and business visits Access to a broad library of online tools and business resources Procurement opportunities from state-owned enterprises and other companies Facilitated access to funding for growth and expansion. 	Small Enterprise Development Agency www.seda.org.za
Start-up Enterprise Development Programme (SEDP)			
Provide support to start-up enterprises based in townships or rural areas.	Small businesses located in townships or rural areas, which are 100% owned by South African women/youth/people with disabilities, and that have the potential or capacity to supply goods and services to public and private sector entities.	<ul style="list-style-type: none"> Minimum amount that an applicant can apply for is R50 000 100% grant limited at R200 000 per beneficiary. 	Department of Small Business Development www.dsbdb.gov.za

Description	Qualifying Criteria	Benefit	Custodian
Strategic Partnership Programme (SPP)			
The Strategic Partnership Programme (SPP) aims to encourage large sector enterprise (strategic partner) support for nurturing and developing SMEs to ensure that within three years, SMEs are self-sustainable by providing locally manufactured goods and/or services.	Entity with turnover of at least R100m supporting: <ul style="list-style-type: none"> Small enterprises in manufacturing, agro-processing, mineral beneficiation At least 51% black owned. 	Maximum grant of R15m.	the dti www.thedti.gov.za

Development Finance

Institution	Mandate
Business Partners	Business Partners provides customised financial solutions, sectoral knowledge, mentorship, business premises and other value added services for formal SMEs in South Africa and selected African countries, namely Kenya, Malawi, Namibia, Rwanda, Uganda and Zambia.
Development Bank of Southern Africa (DBSA)	The purpose of the DBSA is to accelerate sustainable socio-economic development by funding physical, social and economic infrastructure in Southern Africa. The bank plays multiple roles of financier, adviser, partner, implementer and integrator to mobilise finance and expertise for development projects.
Gauteng Enterprise Propeller (GEP)	GEP was established to address the market failures through support to co-operatives and informal businesses with the intention of advancing economic justice and exclusivity.
Industrial Development Corporation (IDC)	The IDC is a self-financing, state-owned national DFI that provides financing to entrepreneurs and businesses engaged in competitive industries.
Ithala Development Finance Corporation Limited	Ithala's objectives are to provide financial and services support to the people of KwaZulu-Natal in order to promote the development of the province's human resources and its social, economic, financial and physical infrastructure.
Land Development Bank of South Africa	The Land Bank is a specialist agricultural bank guided by a mandate to provide financial services to the commercial farming sector and to agribusiness and to make available new, appropriately designed financial products that would facilitate access to finance by new entrants to agriculture from historically disadvantaged backgrounds.
Micro Agriculture Finance Scheme of South Africa (MAFISA)	MAFISA was developed as a micro and retail agricultural financial scheme for economically active poor people. MAFISA allows access to financial services through selected institutions on an affordable and sustainable basis. It assists with loans to target groups, individuals, farmers and other groups as well as savings and banking facilities at approved financial institutions.
National Empowerment Fund (NEF)	The NEF promotes and facilitates BEE and transformation. Its mandate and mission is to be a catalyst of B-BBEE through asset management, fund management and strategic projects.
National Youth Development Agency (NYDA)	The NYDA's mandate is to advance youth development through guidance and support to initiatives across sectors of society and spheres of government and to embark on initiatives that seek to advance the economic development of young people. The NYDA also coordinates the implementation of the Integrated Youth Development Plan and Strategy for the country.
Small Enterprise Finance Agency (SEFA)	SEFA provides financial services to SMEs and co-operatives through direct and wholesale lending across different sectors.
Technology Innovation Agency (TIA)	The TIA is a national public entity that serves as the key institutional intervention to bridge the innovation chasm between research and development from higher education institutions, science councils, public entities, and the private sector, and commercialisation.

Sector Education and Training Authorities

The Sector Education and Training Authorities (SETAs) are educational organisations that have been created with an aim to make sure the National Skills Development Strategy is being used as effectively as it can to improve skills of people in their sector. Employers pay 1% of their wage bill to a particular SETA and are able to recoup this in grants for expenditure on skills development and training.

The grants are as follows:

- **Mandatory:** Mandatory grants are paid out to companies that fulfil the minimum requirements
- **Discretionary:** Discretionary grants are paid out at the discretion of SETA management for skills development projects linked to scarce and critical skills.

Institution	Sector
AGRISETA	Agriculture
BANKSETA	Banking
CETA	Construction
CHIETA	Chemical Industries
CATHSETA	Culture Arts, Tourism, Hospitality and Sports
ESETA	Energy and Water
ETDPSETA	Education Training and Development Practices
FPMSETA	Fibre, Processing & Manufacturing
FOODBEV	Food and Beverage Manufacturing
FASSET SETA	Financial and Accounting Services
HWSETA	Health and Welfare
INSETA	Insurance
LGSETA	Local Government
MERSETA	Media, Advertising, Information and Communication Technologies
MICTSETA	Manufacturing, Engineering and Related Services
MQSETA	Mining Qualifications Authority
PSETA	Public Service
SASSETA	Safety and Security
SERVICES SETA	Services
TETA	Transport
W&RSETA	Wholesale and Retail



Key Contacts

Business Information Services

The Department of Trade and Industry (the dti)

77 Meintjies Street, Sunnyside, Pretoria, Gauteng, 0002
Tel (National): 0861 843 384
International: +27 12 394 9550
Email: contactus@thedti.gov.za
www.thedti.gov.za

The National Empowerment Fund (NEF)

PO Box 31, Melrose Arch, Melrose North, 2076
Call Centre: 0861 843 633/0861
Tel: +27 11 305 8000
Email: applications@nefcorp.co.za
Funding: info@nefcorp.co.za
General Enquiries: www.nefcorp.co.za

Development Bank of Southern Africa (DBSA)

P O Box 1234, Halfway House, 1685
Tel: +27 11 313 3911
Reception: +27 11 313 3500/3297
Email: webmaster@dbsa.org
www.dbsa.org

Small Enterprise Development Agency (Seda)

Box 56714, Arcadia, 0007
Call Centre: 0860 103 703
Tel: +27 12 441 1000
Fax: +27 12 441 2064
Email: info@seda.org.za
www.seda.org.za

Small Enterprise Finance Agency (SEFA)

Eco Fusion 5, Building D, 1004 Teak Close, Witch Hazel Avenue, Highveld, Centurion, 0157
Tel: +27 12 748 9600
Call Centre: 0800 000 663
Email: helpline@sefa.org.za
www.sefa.org.za

Industrial Development Corporation (IDC)

P O Box 784055, Sandton, 2146
Tel: +27 11 269 3000
Fax: +27 11 269 3116
Call Centre: 0860 693 888
Email: callcentre@idc.co.za
www.idc.co.za

Black Business Council

Zungu on Main, 386 Main Road, Bryanston, 2191
Tel : +27 11 463 2439
Fax : +27 11 726 4705
Email: info@blackbusinesscouncil.africa

Business Leadership

P O Box 7006, Johannesburg, 2000
Tel: +27 11 356 4650
Fax: +27 11 726 4705
Email: businessleadership@businessleadership.org.za
www.businessleadership.org.za

Investment Promotion Agencies

InvestSA

Private Bag X84, Pretoria, 0001
Tel: +27 861 843 384
Email: investsa@thedti.gov.za
www.investsa.gov.za

City of Johannesburg

P O Box 1049, Johannesburg, 2000
Tel: +27 861 843 384
Fax: +27 11 339 5704
Email: cgis@joburg.org.za
www.joburg.org.za

Durban Investment Promotion Agency (DIPA)

P O Box 1203, Durban, 4000
Tel: +27 31 336 2540
Fax: +27 31 336 2511
www.dipa.co.za

Eastern Cape Development Corporation (ECDC)

P O Box 11197, Southernwood, East London, Eastern Cape, 5213
Tel: +27 43 704 5600
Fax: +27 43 704 5700
Email: info@ecdc.co.za
www.ecdc.co.za

Free State Development Corporation (FDC)

P O Box 989, Bloemfontein, 9301
Tel: +27 51 4000 800/810
Fax: +27 51 447 0929
www.fdc.co.za

Gauteng Growth and Development Agency (GGDA)

124 Main Street, Marshalltown, Johannesburg, 2107
Tel: +27 11 085 2400
www.ggda.co.za

Invest Cape Town

Corner Hertzog Blvd & Heerengracht, Foreshore, Cape Town, 8001
Tel: +27 21 417 4043
Email: info@investcapetown.com
www.investcapetown.com

Mpumalanga Economic Growth Agency (MEGA)

PO Box 5838, Mbombela, 1200
Tel: +27 13 755 6328
Fax: +27 13 755 1756
Email: info@mega.gov.za
www.mega.gov.za

Northern Cape Department of Economic Affairs & Tourism

Private Bag X5054, Kimberley, 8300
Tel: +27 53 839 4000
Fax: +27 53 832 9464
Email: dedat@ncpg.gov.za
www.northern-cape.gov.za/dedat/

North West Development Corporation

Mafikeng Head Office
P O Box 3011, Mmabatho, 2735
Tel: +27 18 381 3663/4/5
Fax: +27 18 381 2041
Email: info@nwdc.co.za
www.nwdc.co.za

Tshwane Economic Development Agency (TEDA)

5 Floor, Anker Building, 1279 Mike Crawford Road, Centurion CBD
Tel: +27 12 358 6552
Email: PasekaR@tshwane.gov.za
www.teda.org.za

Trade and Investment KwaZulu-Natal (TIKZN)

P O Box 4245, Durban, 4000
Tel: +27 31 368 9600
Fax: +27 31 368 5888
Email: info@tikzn.co.za
www.tikzn.co.za

Trade and Investment Limpopo

P O Box 3490, Polokwane, 0700
Tel: +27 15 295 5171
Fax: +27 15 295 5197
www.til.co.za

Wesgro

P O Box 1678, Cape Town, 8000
Tel: +27 21 487 8600
Fax: +27 21 487 8700/5
Email: info@wesgro.co.za
www.wesgro.co.za

Other Government Departments

Department of Home Affairs Republic of South Africa

Private Bag X114, Pretoria, 0001
Tel: 0800 60 11 90 (Toll free hotline)/ +27 12 406 2500 (Local)
www.dha.gov.za

Department of International Relations and Cooperation (DIRCO)

Private Bag X152, Pretoria, 0001
Tel: +27 12 351 1000
Fax: +27 12 329 1000
Email: consular@dirco.gov.za
www.dirco.gov.za

International Trade Administration Commission of South Africa (ITAC)

Private Bag X753, Pretoria, 0001
Tel: +27 12 394 3688/3728
Fax: +27 12 394 0520
Import and Export Control
Call Centre: 0861 112 369
Email: info@itac.org.za
www.itac.org.za

The Commissioner of South African Revenue Services (SARS)

Private Bag X923, Pretoria, 0001
Tel: +27 12 422 4000
Call Centre: 0800 007 277
Fax: +27 10 208 5005
www.sars.gov.za

The South African Reserve Bank (SARB) (Exchange Control and Securities)

P O Box 427, Pretoria, 0001
Tel: +27 12 313 3911/0861 12 7272
Fax: +27 12 313 3197/3929
www.resbank.co.za

Companies and Intellectual Property Commission (CIPC)

P O Box 429, Pretoria, 0001
Call Centre: 086 100 2472
International Tel: +27 12 394 9973
Fax Number: 086 517 7224
www.cipc.co.za

The National Consumer Commission (NCC)

Call Centre: +27 12 428 7000
Email: Enquiries@thencc.org.za
www.thencc.gov.za

Chambers of Commerce & Industry

Afrikaanse Handelsinstituut (AHI)

P O Box 3510, Menlo Park, 0102
Tel: +27 12 348 5440
Fax: +27 12 348 8771
www.ahi.co.za

Business Unity South Africa (BUSA)

P O Box 652807, Benmore, 2010
Tel: +27 11 784 8000/1/2/3
Fax: +27 11 784 8004/086 609 8248
www.busa.org.za

Foundation for African Business and Consumer Services (FABCOS)

ICT Globe Micro Telco E-Ncubator, Building 10, Oxford Office Park, 3 Bauhenia Road, Highveld Techno Park, Centurion (temporarily located)
P O Box 8785, Johannesburg, 2000
Tel: +27 11 079 7580
Emergency contact: +27 73 526 1492/ +27 61 475 1941
www.fabcos.co.za

National African Federation of Chambers of Commerce (NAFCOC)

P O Box 784880, Sandton, 807 5063
Tel: +27 11 807 5063
Fax: +27 11 807 9816
Email: info@nafcoc.org.za
www.nafcoc.org.za

South African Chamber of Commerce and Industry (SACCI)

P O Box 213, Saxonwold, 2132
Tel: +27 11 446 3800
Fax: +27 11 446 3804
www.sacci.org.za

Foreign Bank Representatives in South Africa

AfrAsia Bank Limited

Tel: +27 11 268 5780
www.afrasiabank.com

African Banking Corporation of Botswana Limited (trading as BancABC Botswana)

Tel: +27 11 722 5300
www.bancabc.com

Banco Angolano de Investimentos

Tel: +27 11 881 5651
www.bancobai.ao

Banco BPI, SA

Tel: +27 11 622 4376/86
www.bancobpi.pt

Banco Espirito Santo e Comercial de Lisboa

Tel: +27 11 616 5382
www.bes.pt

Banco Internacional de Credito

Tel: +27 11 616 1726
www.bancobic.ao

Banco Santander Totta S.A.

Tel: +27 11 616 3156
www.santandertotta.pt

Bank Leumi Le-Israel BM

Tel: +27 11 336 0558
https://english.leumi.co.il/

Bank of America, National Association

Tel: +27 11 305 5153
www.bankofamerica.com

Bank of Cyprus Group

Tel: +27 11 784 3940
www.bankofcyprus.com

Commerzbank AG Johannesburg

Tel: +27 11 486 0724/1642
www.commerzbank.com

Credit Suisse AG

Tel: +27 11 012 7777
www.credit-suisse.com

Ecobank

Tel: +27 11 783 6197
www.ecobank.com

Export-Import Bank of India

Tel: +27 11 442 8010
www.eximbankindia.in

Fairbairn Private Bank (Isle of Man) Limited

Tel: +27 11 295 8194
www.nedbank.co.za

First Bank of Nigeria

Tel: +27 11 784 9922/9925
www.firstbanknigeria.com

First City Monument Bank Plc

Tel: +27 11 881 5520
www.fcmb.com

Hellenic Bank Public Company Limited

Tel: +27 11 783 0155
www.hellenicbank.com

Industrial and Commercial Bank of China African Representative Office

Tel: +27 21 200 8005
www.icbc.com.cn

Export Finance - KfW IpeX-Bank GmbH

Tel: +27 11 507 2511
www.kfw-ipeX-bank.de

Millennium BCP

Tel: +27 11 622 0857/0859
https://ind.millenniumbcp.pt/

Mizuho Bank Limited

Tel: +27 11 881 5410
https://www.mizuhobank.com

National Bank of Egypt

Tel: +27 11 268 0500/1
https://nbe.com.eg/

NATIXIS Southern Africa Representative Office

Tel: +27 21 418 0306
www.natixis.com

Royal Bank of Canada (Suisse) SA

Tel: +27 11 784 4317
www.rbcroyalbank.com

Société Générale Representative Office for Southern Africa

Tel: +27 11 778 4381
www.socgen.com

Sumitomo Mitsui Banking Corporation

Tel: +27 11 219 5300
www.smbcgroup.com

The Bank of New York Mellon

Tel: +27 11 217 7160
www.bnymellon.com

The Bank of Tokyo-Mitsubishi UFJ, Ltd

Tel: +27 11 706 5690
www.bk.mufg.jp/global

The Mauritius Commercial Bank Limited

Tel: +27 11 880 8472
www.mcb.mu/en

The Rep. Off. for Southern and Eastern Africa of The Export-Import Bank of China

Tel: +27 11 783 0767
english.eximbank.gov.cn/en

The Royal Bank of Scotland Plc

Tel: +27 11 685 2000
www.rbs.com

Unicredit Bank AG

Tel: +27 11 380 8090S
www.unicreditgroup.eu

Union Bank of Nigeria Plc

Tel: +27 11 883 3313
www.unionbankng.com

Vnesheconombank

Tel: +27 11 783 3425
www.veb.ru/

Wells Fargo Bank, National Association

Tel: +27 11 214 2940
www.wellsfargo.com

Zenith Bank Plc

Tel: +27 11 783 5826/7
www.zenithbank.com

Locally controlled Banks

Absa Bank

Tel: +27 11 350 4000
www.absa.co.za

African Bank Limited

Tel: +27 11 256 9000
www.africanbank.co.za

Bidvest Bank Limited

Tel: +27 11 407 3000
www.bidvestbank.co.za

Capitec Bank Limited

Tel: +27 21 809 5900
www.capitecbank.co.za

FirstRand Bank Limited

Tel: +27 11 282 8000
www.firstrand.co.za

Grindrod Bank Limited

Tel: +27 31 333 6600
www.grindrodbank.co.za

Investec Bank Limited

Tel: +27 11 286 7000
www.investec.com

Nedbank Limited

Tel: +27 11 294 4444
www.nedbank.co.za

Sasfin Bank Limited

Tel: +27 11 809 7500
www.sasfin.com

The Standard Bank of South Africa Limited

Tel: +27 11 636 9111
www.standardbank.co.za

UBANK Limited

Tel: +27 11 518 5000
www.ubank.co.za

Foreign controlled Banks

Albaraka Bank Limited

Tel: +27 31 366 9000
www.albaraka.co.za

Habib Overseas Bank Limited

Tel: +27 11 834 7441
www.habiboverseas.co.za

HBZ Bank Limited

Tel: +27 31 267 4400
www.hbzbank.co.za

Mercantile Bank Limited

Tel: +27 11 302 0300
www.mercantile.co.za

The South African Bank of Athens Limited

Tel: +27 11 634 4300
www.bankofathens.co.za

Mutual Banks

Finbond Mutual Bank

Tel: +27 12 460 7288
www.finbondmutualbank.co.za

GBS Mutual Bank

Tel: +27 46 622 7109
www.gbsbank.co.za

Addendum

- A. Property Registration Costs Per Metropolitan
- B. Costs of Electricity Connection Per Metropolitan
- C. Water Connection Costs Per Metropolitan
- D. 2018 Fuel Prices – Petrol Prices
- E. 2018 Fuel Prices – Diesel Prices
- F. Telecommunication Costs
- G. Property Costs - Office Buildings
- H. Industry Property Price - Rental
- I. Property Prices - Industrial Stands
- J. Rail and Port Costs
- K. Key Construction Permit Processes
- L. Getting a Permanent Electricity Connection
- M. Trading Across Borders
- N. Overview of Trade Agreements
- O. National Remuneration Data

Acronyms & Abbreviations

References

A. Property Registration Costs Per Metropolitan

Metropolitan	The conveyancer conducts a title search and checks encumbrances on the property		Obtain a rates clearance certificate		Obtain a plumbing certificate		Obtain an entomologist's certificate		Obtain an electrical compliance certificate		The conveyancer prepares and collects all the required documentation		Obtain a transfer duty receipt		Parties sign all the documentation at the conveyancer's office		The conveyancer lodges the deed			
	Cost	Days	Cost	Days	Cost	Days	Cost	Days	Cost	Days	Cost	Days	Cost	Days	Cost	Days	Cost	Days		
Buffalo City	R0.00	0.5	R191.00	10	R0.00	0	R600.00	7			R1 250.00	7	R0.00	10	R247 561.00	2	R36 581.00	1	R1 275.00	9
Cape Town	R0.00	0.5	R75.00	14	R600.00	7	R600.00	7			R1 250.00	7	R0.00	10	R247 561.00	2	R36 581.00	1	R1 275.00	14
Ekhuruleni	R0.00	0.5	R237.00	21	R0.00	0	R0.00	0			R1 250.00	7	R0.00	10	R247 561.00	2	R36 581.00	1	R1 275.00	11
Durban	R0.00	0.5	R189.00	33	R0.00	0	R600.00	7			R1 250.00	7	R0.00	10	R247 561.00	2	R36 581.00	1	R1 275.00	14
Johannesburg	R0.00	0.5	R248.00	11	R0.00	0	R0.00	0			R1 250.00	7	R0.00	10	R247 561.00	2	R36 581.00	1	R1 275.00	11
Mangaung	R0.00	0.5	R363.00	12	R0.00	0	R0.00	0			R1 250.00	7	R0.00	10	R247 561.00	2	R36 581.00	1	R1 275.00	9
Msunduzi	R0.00	0.5	R315.00	48	R0.00	0	R600.00	7			R1 250.00	7	R0.00	10	R247 561.00	2	R36 581.00	1	R1 275.00	9
Nelson Mandela Bay	R0.00	0.5	R132.00	7	R0.00	0	R600.00	7			R1 250.00	7	R0.00	10	R247 561.00	2	R36 581.00	1	R1 275.00	9
Tswane (Pretoria)	R0.00	0.5	R59.00	15	R0.00	0	R0.00	0			R1 250.00	7	R0.00	10	R247 561.00	2	R36 581.00	1	R1 275.00	9

Source: World Bank, 2018a & World Bank, 2018b

B. Costs of Electricity Connection Per Metropolitan

Metropolitan	Submit an application for electricity connection to the distribution utility and obtain connection fee estimate		Await external site inspection by distribution utility		Await utility inspection of meter box / circuit breaker		Await completion of external connection works by distribution utility		Open customer account, sign supply contract with distribution utility and submit proof of payment of security deposit		Obtain certificate of compliance for the internal wiring and submit to distribution utility to obtain final connection		Electricity tariff costs - municipal websites	
	Cost	Days	Cost	Days	Cost	Days	Cost	Days	Cost	Days	Cost	Days	Cost	Days
Buffalo City	R229 268.00	30	R0.00	1	N/A	N/A	R0.00	45	R6 416.00	1	R0.00	1		https://www.buffalocity.gov.za/Residents/Tariffs
Cape Town	R450 125.00	25	R0.00	12	N/A	N/A	R0.00	60	N/A	N/A	R0.00	6		https://www.capetown.gov.za/Work%20and%20business/Commercial-utility-services
Ekhuruleni	R218 629.00	25	R0.00	1	R0.00	14	R0.00	60	R40 216.00	2	R0.00	3		https://www.ekurhuleni.gov.za/residents/tariffs/tariffs-2019-20.html
Durban	R164 275.00	29	N/A	N/A	R0.00	7	R0.00	60	R44 677.00	1	R0.00	4		http://www.durban.gov.za/City_Services/electricity/Tariffs/Pages/default.aspx
Johannesburg	R124 635.00	60	N/A	N/A	R0.00	3	R0.00	42	N/A	N/A	R0.00	1		https://www.citypower.co.za/customers/Pages/Tariff-Info.aspx
Mangaung	R343 312.00	50	N/A	N/A	N/A	N/A	R0.00	45	R9 581.00	1	R0.00	11		http://www.centlec.co.za/Pages/Documents/Tariffs
Msunduzi	R302 421.00	30	R0.00	1	R0.00	7	R0.00	105	R20 567.00	1	R0.00	1		http://www.msunduzi.gov.za/site/tariffs/
Nelson Mandela Bay	R388 095.00	68	R0.00	1	R0.00	8	R0.00	105	R6 740.00	9	R0.00	2		http://www.nelsonmandelabay.gov.za/Documents.aspx?catID=37&pageID=0
Tswane (Pretoria)	R0.00	30	R0.00	1	R0.00	9	R299 007.00	68	R7 759.00	1	R0.00	20.00		http://www.tswane.gov.za/sites/Departments/Electricity/Pages/Electricity.aspx

Source: World Bank, 2018a & World Bank, 2018b

C. Water Connection Costs Per Metropolitan

Metropolitan	Receive inspections (foundations trenches, drainage systems)		Apply for water and sewerage connections		Receive inspections and obtain water and sewerage connections		Water tariff costs - municipal websites
	Cost	Days	Cost	Days	Cost	Days	
Buffalo City	R0.00	1	R12 775.00	1	R0.00	14	www.buffalocity.gov.za/Residents/Tariffs
Cape Town	R0.00	1	R10 050.00	1	R0.00	14	www.capetown.gov.za/Work%20and%20business/Commercial-utility-services
Ekhuruleni	R0.00	1	R15 755.00	1	R0.00	21	https://www.ekurhuleni.gov.za/residents/tariffs/tariffs-2019-20.html
Durban	R0.00	1	R21 040.00	1	R0.00	14	www.durban.gov.za/City_Services/water_sanitation/Bylaws_Tariffs/Tariffs/Pages/Water_Tariffs_English.aspx
Johannesburg	R0.00	1	R15 019.00	1	R0.00	10	https://www.johannesburgwater.co.za/resource-centre/
Mangaung	R0.00	1	R21 235.00	1	R0.00	5	www.mangaung.co.za/category/notices/
Msunduzi	R0.00	1	R16 420.00	1	R0.00	18	www.msunduzi.gov.za/site/tariffs/
Nelson Mandela Bay	R0.00	1	R15 650.00	1	R0.00	18	www.nelsonmandelabay.gov.za/Documents.aspx?catID=37&pageID=0
Tshwane	R0.00	1	R15 300.00	1	R0.00	30	www.tshwane.gov.za/sites/Departments/Financial-Services/Financial-Documents/Pages/Promulgated-Tariffs.aspx

Source: World Bank, 2018a & World Bank, 2018b

D. 2018 Fuel Prices – Petrol Prices

Month	95 Unleaded (R/litre)		93 Unleaded (R/litre)	
	Coastal	Inland	Coastal	Inland
January 2018	R13.93	R14.42	R13.79	R14.20
February 2018	R13.63	R14.12	R13.49	R13.90
March 2018	R13.27	R13.76	R13.13	R13.54
April 2018	R13.89	R14.48	R13.72	R14.23
May 2018	R14.38	R14.97	R14.21	R14.72
June 2018	R15.20	R15.79	R15.03	R15.54
July 2018	R15.43	R16.02	R15.29	R15.80
August 2018	R15.44	R16.03	R15.30	R15.81
September 2018	R15.49	R16.08	R15.35	R15.86
October 2018	R16.49	R17.08	R16.49	R16.85
November 2018	R16.49	R17.08	R16.49	R16.85
December 2018	R14.65	R15.24	R14.65	R15.00

Source: Automobile Association of South Africa, 2019

E. 2018 Fuel Prices – Diesel Prices

Month	500 PPM (R/litre)		Month	50 PPM (R/litre)	
	Coastal	Inland		Coastal	inland
January 2018	R12.35	R12.74	January 2018	R12.38	R12.77
February 2018	R12.17	R12.57	February 2018	R12.21	R12.59
March 2018	R11.70	R12.10	March 2018	R11.77	R12.15
April 2018	R12.26	R12.75	April 2018	R12.32	R12.80
May 2018	R12.85	R13.34	May 2018	R12.90	R13.38
June 2018	R13.77	R14.25	June 2018	R13.70	R14.19
July 2018	R13.96	R14.44	July 2018	R14.01	R14.49
August 2018	R13.92	R14.40	August 2018	R13.97	R14.45
September 2018	R13.92	R14.40	September 2018	R13.97	R14.45
October 2018*	R15.20	R15.69	October 2018	R15.16	R15.64
October 2018*	R15.20	R15.64	October 2018	R15.20	R15.64
November 2018	R15.71	R16.20	November 2018	R15.63	R16.12
December 2018	R14.23	R14.72	December 2018	R14.18	R14.67

Source: Automobile Association of South Africa, 2019

* October represents an average of two figures. i.e. averaged inland 500 ppm to 15.67 and coastal 50 ppm to R15.18.

F. Telecommunication Costs

Fibre Internet Costs (Per Month) For Varying Internet Speeds

Internet Service Provider	4Mbps	20Mbps	100Mbps
Cybersmart	R555.00	R905.00	R1 305.00
Cybersmart (FTTB)	R715.00	R1 105.00	R1 815.00
Vodacom	R604.25	R806.01	R1 259.96
MTN	R598.00	R798.00	R1 108.00
MTN (FTTB)	R698.00	R1 108.00	R1 908.00
Cell C	R705.00	R907.00	R1 210.00
Telkom	R709.00	R809.00	R1 209.00

Source: ICASA, 2018

Voice Call Costs

	Vodacom	MTN	Cell C
Tariff Plan	Anytime Per Second	Pay Per Second	R0.66c on Prepaid
Length of a call (minutes)			
0.5	R0.62	R0.50	R0.33
1.0	R1.23	R0.99	R0.66
1.5	R1.85	R1.49	R0.99
2.0	R2.46	R1.98	R1.32
2.5	R3.08	R2.48	R1.65
3.0	R3.69	R2.97	R1.98
3.5	R4.31	R3.47	R2.31
4.0	R4.92	R3.96	R2.64
4.5	R5.54	R4.46	R2.97
5.0	R5.15	R4.95	R3.30

G. Property Costs – Office Buildings

Market rental rates for office buildings, Q3 2018

	Grade A+ mean	Grade A mean	Grade B mean	Grade C mean
Rands per rentable m ² per month, gross leases (excl VAT)				
Bloemfontein	R135.00	R117.50	R89.17	R74.92
Cape Town	R157.39	R135.91	R107.10	R84.08
Durban	R154.60	R119.69	R108.78	R92.02
East London	R126.29	R103.75	R84.49	R66.33
George	R126.25	R110.00	R80.00	R63.33
Johannesburg	R181.32	R139.28	R110.68	R86.35
Nelspruit	R165.00	R150.00	R125.00	R85.00
Port Elizabeth	R111.65	R97.50	R80.06	R68.04
Pietermaritzburg Core	R140.00	R118.33	R98.33	R75.00
Polokwane	R172.50	R138.63	R105.67	R77.50
Pretoria	R170.83	R138.87	R118.82	R95.92
Richards Bay	R90.00	R70.00	R60.00	R50.00

Source: Rode, 2018

H. Industrial Property Price – Rental

Mean prime industrial market rentals, Q3 2018

	Rands per rentable m ² per month, gross leases (excl VAT)				
	Area size leased in m ²				
	250	500	1 000	2 500	5 000
Central Witwatersrand	R47.61	R45.37	R42.95	R41.61	R40.24
West Rand	R44.47	R42.47	R40.06	R37.80	R35.68
East Rand	R48.25	R47.63	R46.37	R45.18	R43.92
Far East Rand	R35.93	R35.57	R33.14	R32.21	R30.27
Pretoria	R47.76	R44.40	R40.50	R36.50	R33.84
Polokwane	R51.25	R42.23	R36.10	R34.38	R30.00
Nelspruit	R50.00	R44.38	R42.88	R41.25	-
Durban	R58.54	R57.48	R56.90	R55.10	R53.60
Ladysmith	R20.00	R17.00	R12.00	R10.00	R8.00
Cape Peninsula	R55.46	R53.14	R50.59	R46.98	R45.33
Port Elizabeth	R41.58	R39.78	R35.76	R33.68	-
East London	R39.15	R34.91	R31.05	R28.35	R25.13
Bloemfontein	R40.93	R38.48	R34.43	R30.50	R26.21
George	R35.78	R32.72	R29.61	R24.56	R21.44
Pietermaritzburg	-	R48.75	R43.75	R41.67	R29.00

Source: Rode, 2018

I. Property Prices – Industrial Stands

Mean market values for serviced and level industrial stands, Q3 2018

	Mean market values for serviced and level industrial stands (excl VAT)			
	Area size leased in m ²			
	1 000	2 000	5 000	10 000
Central Witwatersrand	R1 002.00	R1 007.00	R938.00	R907.00
West Rand	R771.00	R769.00	R709.00	R676.00
East Rand	R984.00	R967.00	R889.00	R844.00
Far East Rand	R574.00	R571.00	R564.00	R549.00
Pretoria	R788.00	R748.00	R742.00	R698.00
Nelspruit	R800.00	R800.00	R800.00	R800.00
Durban	R1 595.00	R1 577.00	R1 542.00	R1 468.00
Cape Peninsula	R1 811.00	R1 773.00	R1 660.00	R1 590.00
Port Elizabeth	R552.00	R536.00	R511.00	R491.00
East London	R656.00	R561.00	R453.00	R341.00
George	R436.00	R406.00	R370.00	R293.00
Pietermaritzburg	-	R450.00	R467.00	R447.00

Source: Rode, 2018

J. Rail and Port Costs

Transnet is the custodian of ports, rail and pipelines in South Africa

- Rail Charge Levy can be found on the Transnet Freight Rail website:
http://www.transnetfreightrail-tfr.net/Business/Pages/Charge_Levy.aspx
- Port Terminal cost information can be found on the Transnet Ports website:
<https://www.transnetportterminals.net/Custom/Tariffs/Forms/AllItems.aspx>

K. Key Construction Permit Processes

Stage	No. of procedures	Agency
Before Construction		
● Obtain a geographical and topographic surveys of land plot	<input type="checkbox"/> <input type="checkbox"/>	Licensed private firm
● Obtain preconstruction clearances	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	Relevant municipal department/s
● Obtain land use management approval	<input type="checkbox"/>	Municipal town planning department
● Obtain approval of the building plans	<input type="checkbox"/>	Municipal building control department
● Notify about commencement of building work	<input type="checkbox"/> <input type="checkbox"/>	Municipal building control department and provincial Department of Labour
During Construction		
● Receive inspections (foundations trenches, drainage system)	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Municipal building control department and provincial Department of Labour
● Apply for water and sewerage connections	<input type="checkbox"/>	Municipal water and sanitation department
● Receive inspections and obtain water and sewerage connections	<input type="checkbox"/> <input type="checkbox"/>	Municipal water and sanitation department
After Construction		
● Notify about completion of building work	<input type="checkbox"/>	Municipal building control department
● Receive final inspection	<input type="checkbox"/> <input type="checkbox"/>	Municipal building control and fire department
● Obtain occupancy certificate	<input type="checkbox"/>	Municipal building control department

● Private sector service ● Government or utility service
 Individual procedure Procedure is not required in all locations

L. Getting a Permanent Electricity Connection

- 1 Submit an application for electricity connection to distribution utility and obtain connection fee estimate
- 2 Await external site inspection by distribution utility
- 3 Await utility's inspection of meter box/circuit breaker
- 4 Await completion of external connection works by distribution utility
- 5 Open customer account, sign supply contract with distribution utility and submit proof of payment of security deposit
- 6 Obtain certificate of compliance (COC) for the internal wiring and submit to distribution utility to obtain final connection

● Procedure present in all locations
 ● Distribution utility
 ● Customer's electrical engineer/consultant/contractor

Source: World Bank, 2018a & World Bank, 2018b

M. Trading Across Borders

Export permits issued in two working days

- Register with SARS as an exporter by completing DA185 and DA185.4A2 forms
- Forward forms to Customs office
- Receive a Customs and Excise client code
- Apply for an export permit with the International Trade Administration Commission of South Africa by completing an IE230 form
- Export permit issued.

Domestic transport Exporter

Border Compliance (Average 94 hours, US\$666) Local Port

Documentary Compliance (Average 75 hours, US\$60) International Customer

Importer Domestic transport

Local Port Border Compliance (Average 65 hours, US\$676)

International Supplier Documentary Compliance (Average 36 hours, US\$73)

Import permits issued in three to five working days

- Register with SARS as an importer by completing DA185 and DA185.4A1 forms
- Forward forms to Customs office
- Receive a Customs and Excise client code
- Apply for an import permit with the International Trade Administration Commission of South Africa by completing an IE230 form
- Import permit issued.

Depending on the nature of the import and export, additional documents may need to be submitted to other government departments such as Environmental Affairs or Police Services.

Source: World Bank, 2018a & World Bank, 2018b

N. Overview of Trade Agreements

Agreement	Countries	Objective	Product
Southern African Customs Union (SACU)	South Africa, Botswana, Lesotho, Namibia and Swaziland	Duty-free movement of goods with a common external tariff on goods entering any of the countries from outside the SACU.	All products
Southern African Development Community (SADC) FTA	Between 12 SADC Member States	Free trade for 92% of the product lines achieved in 2012. Further consolidation required before looking at deeper integration.	Most products
Trade, Development and Cooperation Agreement (TDCA)	South Africa and the European Union (EU)	The EU offered to liberalise 95% of its duties on South African originating products by 2010. In turn, by 2012, South Africa offered to liberalise 86% of its duties on EU originating products.	Refer to EPA
European Free Trade Association (EFTA)-SACU Free Trade Agreement (FTA)	SACU and the European Free Trade Association (EFTA) which includes Iceland, Liechtenstein, Norway and Switzerland	Tariff reductions on selected goods.	Industrial goods (including fish and other marine products) and processed agricultural products. Basic agricultural products are covered by bilateral agreements with individual EFTA states.
Economic Partnership Agreement between the SADC EPA States, of the one part, and the European Union and its Member States, of the other part	South Africa, Botswana, Namibia, Swaziland, Lesotho and Mozambique (referred to as the SADC EPA Group) and the EU	Harmonising the trading regime between SACU and the EU; to secure further market access in agriculture (beyond the SA-EU Trade Development and Cooperation Agreement (TDCA) provisions) and claw back on some policy space lost under the TDCA.	The agreement covers most products. It will replace the Trade Chapter of the TDCA. New market access accrued better than the TDCA will be implemented after entry into force of the SADC-EU EPA.
SACU-Southern Common Market (Mercosur) PTA	SACU and Argentina, Brazil, Paraguay and Uruguay	Tariff reductions on selected goods.	About 1 000 product lines on each side of the border.
Zimbabwe/South Africa bilateral trade agreement	South Africa and Zimbabwe	Preferential rates of duty, rebates and quotas on certain goods traded between the two countries.	Selected goods, including lower tariffs and quotas on textile imports into South Africa.
Generalised System of Preferences (GSP)	Offered to South Africa as a developing country by the EU, Norway, Switzerland, Russia, Turkey, the US, Canada and Japan	Products from developing countries qualify for preferential market access.	Specified industrial and agricultural products.
African Growth and Opportunity Act (AGOA)	Granted by the US to 39 sub-Saharan African (SSA) countries	Preferential access to the US market through lower tariffs or no tariffs on some products.	Duty-free access to the US market under the combined AGOA/GSP programme stands at approximately 7 000 product tariff lines.

Agreement	Countries	Objective	Product
Trade, Investment and Development Cooperation Agreement (TIDCA)	SACU and the US	Makes provision for the parties to negotiate and sign agreements relating to sanitary and phyto-sanitary measures (SPS), customs cooperation and technical barriers to trade (TBT).	None
Trade and Investment Framework Agreement (TIFA)	South Africa and the US	Provides a bilateral forum for the two countries to address issues of interest, including AGOA, TIDCA, trade and investment promotion, non-tariff barriers, SPS, infrastructure and others.	None
SACU-India PTA	SACU and India	Tariff reductions on selected goods.	To be determined
SADC-EAC-COMESA Tripartite FTA (TFTA)	26 countries	Establishing the African Economic Community (AEC), which requires rationalisation of the continent's regional economic communities.	To be determined
The African Continental Free Trade Area (AfCFTA)	The AfCFTA integrates 55 countries and builds on the Tripartite Free Trade Area (TFTA) with the Common Market for East and Southern Africa (COMESA), the East African Community (EAC) and SADC and will result in new market access opportunities in West Africa and North Africa which will be beneficial for the export of South African products.	Create a single market for goods and services, and enhance economic integration in the African continent.	To be determined
SACUM-UK Economic Partnership Agreement	SACU, Mozambique and the UK	The agreement will effectively roll-over and replicate the terms of trade present in the existing SADC-EU EPA. It will allow for seamless, uninterrupted trade to continue between SACUM and the UK. The tariff arrangements under the SADC-EU EPA have been carried over to cover South Africa's trade with the UK.	Refer to EPA

Source: the dti, 2019

O. National Remuneration Data

Remuneration data varies by profession and may vary by location.

The below table is based on a remuneration survey for a six-month period (May to November 2018), which considers the total cost to company salary packages in South Africa. The earning potential for similar job functions may differ between provinces due to job and skill supply and demand. For instance the earning potential for financial professionals is extremely competitive in Gauteng, relative to KwaZulu-Natal and the Western Cape. As a result, salary offers in Gauteng may be, on average, 25% more.

Job Sector Category	National Lowest Annual Paid Salary		National Highest Annual Paid Salary	
	Intermediate Level Skilled	Senior Level Skilled	Intermediate Level Skilled	Senior Level Skilled
Accounting	R174 048	R218 916	R617 256	R653 220
Admin Clerk	R109 428	R116 568	R340 248	R435 168
Architecture and Engineering	R251 316	R287 064	R574 224	R849 912
Banking	R166 152	R206 376	R616 248	R842 616
Building and Construction	R237 996	R303 000	R554 544	R939 168
Call Centre	R144 684	No information	R348 000	No information
Financial Advisory	R308 004	R449 004	R630 072	R709 320
Financial Management	R702 684	R803 472	R830 220	R948 024
Information Technology	R332 004	R370 872	R700 452	R793 692
Insurance	R162 804	R167 148	R471 468	R599 580
Manufacturing and Assembly	R182 400	R212 880	R380 292	R870 996
Marketing	R161 412	R267 432	R635 004	R675 300
Medical and Health	R164 400	R277 620	R481 044	R552 300
Sales	R143 436	R185 004	R517 020	R634 680
Stock Broking and Asset Management	R338 328	R348 000	R487 752	R627 804
Warehousing and Logistics	R112 248	R117 600	R563 520	R624 576

Source: CareerJunction, 2018

Acronyms & Abbreviations

ADEP	Aquaculture Development and Enhancement Programme	EAC	East African Community
AEC	African Economic Community	ECA	Electronic Communications Act
AfCFTA	African Continental Free Trade Area	ECDC	Eastern Cape Development Corporation
AGOA	African Growth and Opportunity Act	EFTA	European Free Trade Association
AHI	Afrikaanse Handelsinstituut	EIA	Environmental Impact Assessment
AIS	Automotive Investment Scheme	EIP	Enterprise Incubation Programme
APSS	Agro-Processing Support Scheme	EIU	Economist Intelligence Unit
ARV	Antiretroviral	EMIA	Export Marketing and Investment Assistance
B-BBEE	Broad-Based Black Economic Empowerment	EPA	Economic Partnership Agreement
BBSDP	Black Business Supplier Development Programme	ETI	Employee Tax Incentive
		EU	European Union
BEE	Black Economic Empowerment	FABCOS	Foundation for African Business and Consumer Services
BIS	Black Industrialist Scheme	FDA	Free State Development Agency
BPS	Business Process Services	FDC	Free State Development Corporation
BRICS	Brazil, Russia, India, China and South Africa	FDI	Foreign Direct Investment
BUSA	Business Unity South Africa	Fedusa	Federation of Trade Unions of South Africa
CCMA	Commission for Conciliation, Mediation and Arbitration	FMCG	Fast Moving Consumer Goods
CFC	Controlled Foreign Company	FOB	Free-On-Board
CIP	Critical Infrastructure Programme	FSC	Forest Stewardship Council
CIPC	Companies and Intellectual Property Commission	FTA	Free Trade Agreement
CIS	Co-operative Incentive Scheme	FTTB	Fibre to the Business
CKD	Complete Knock Down	GAAR	General Anti-Avoidance Rule
CMT	Cut, Make and Trim	GCIP	Global Cleantech Innovation Programme
COC	Certificate of Compliance	GDP	Gross Domestic Product
COMESA	Common Market for Eastern and Southern Africa	GEP	Gauteng Enterprise Propeller
Cosatu	Congress of South African Trade Unions	GGDA	Gauteng Growth Development Agency
CPI	Consumer Price Index	GHG	Greenhouse Gas
CPFP	Capital Projects Feasibility Programme	GRP	Glass-Reinforced Plastic
CTCP	Clothing and Textiles Competitiveness Programme	GSP	Generalised System of Preferences
CTFL	Clothing, Textile, Footwear and Leather	GTIP	Green Tourism Investment Programme
DBSA	Development Bank of Southern Africa	HDI	Historically Disadvantaged Individual
DFI	Development Finance Institution	HIV/AIDS	Human immunodeficiency virus and acquired immune deficiency syndrome
DIPA	Durban Investment Promotion Agency	HR	Human resources
dti	Department of Trade and Industry	HSBC	Hong Kong and Shanghai Banking Corporation
		IBNET	International Benchmarking Network
		ICASA	Independent Communications Authority of South Africa

ICT	Information and Communications Technology	PAP	Public Art Programme	SHRA	Social Housing Regulatory Authority	US	United States
IDC	Industrial Development Corporation	PAYE	Pay-As-You-Earn	SKD	Semi Knock Down	VAT	Value Added Tax
IDZ	Industrial Development Zone	PE	Permanent Establishment	SME	Small and Medium-sized Enterprise	WEF	World Economic Forum
IFRS	International Financial Reporting Standards	PET	Polyethylene Terephthalate	SMME	Small, Medium and Micro-sized Enterprise	Wesgro	Western Cape Investment and Trade Promotion Agency
IMF	International Monetary Fund	PI	Production Incentive	SPII	Support Programme for Industrial Innovation	WHT	Withholding Tax
IndWMP	Industry Waste Management Plan	PGM	Platinum Group Metals	SPP	Strategic Partnership Programme	WTO	World Trade Organization
InvestSA	Invest South Africa	PIT	Personal Income Tax	SPS	Sanitary and Phyto-sanitary		
IPP	Innovation and Partnership Programme	PPD	Product Process Development	SSA	Sub-Saharan Africa		
ISO	International Organization for Standardization	PRASA	Passenger Rail Agency of South Africa	SSAS	Sector Specific Assistance Scheme		
IT	Information Technology	(PTY) LTD	Proprietary Limited	StatsSA	Statistics South Africa		
ITAC	International Trade Administration Commission of South Africa	PV	Photovoltaic	STP	SEDA Technology Programme		
JAG	Joint Action Group	QSAPE	Qualifying South African Production Expenditure	STT	Securities Transfer Tax		
JSE	Johannesburg Stock Exchange	RDF	Research Development Fund	TBT	Technical Barriers to Trade		
KZN	KwaZulu-Natal	REIPPPP	Renewable Energy Independent Power Production Procurement Programme	tCO2e	Tonne of Carbon Dioxide Equivalent		
MAFISA	Micro Agriculture Finance Scheme of South Africa	RICA	Regulation of Interception of Communications and Communication-Related Information Act	TDCA	Trade Development and Cooperation Agreement		
MDDA	Media Development and Diversity Agency	R&D	Research and Development	TEDA	Tshwane Economic Development Agency		
Mecosur	Southern Common Market	SA	South Africa	TFTA	Tripartite Free Trade Area		
MEGA	Mpumalanga Economic Growth Agency	SAAM	South African Automotive Masterplan	THRIP	Technology and Human Resources for Industry Programme		
MGE	Mzansi Golden Economy	SACCI	South African Chamber of Commerce and Industry	TIA	Technology Innovation Agency		
MHCV-AIS	Medium and Heavy Commercial Vehicles Automotive Investment Scheme	SACU	Southern African Customs Union	TICPS	Technology Innovation Cluster Programme		
MNC	Multinational Corporation	SACUM	Southern African Customs Union and Mozambique	TIDCA	Trade Investment and Development Cooperation Agreement		
MRO	Maintenance, repair and overhaul	SADC	Southern African Development Community	TIFA	Trade and Investment Framework Agreement		
Nactu	National Council of Trade Unions	SANAS	South African National Accreditation System	TIKZN	Trade and Invest KwaZulu-Natal		
NAFCOC	National African Federation of Chambers of Commerce	SANEDI	South African National Energy Development Institute	TIL	Trade and Invest Limpopo		
NCC	National Consumer Commission	SAPOA	South African Property Owners Association	TPE	Total Production Budget Estimate		
Nedlac	National Economic Development and Labour Council	SARB	South African Reserve Bank	TRIPS	Trade-Related Aspects of Intellectual Property		
NEF	National Empowerment Fund	SARS	South African Revenue Service	TV	Television		
NPC	Non-Profit Company	SBL	Sugary Beverages Levy	UAV	Unmanned aerial vehicles		
NYDA	National Youth Development Agency	SDL	Skills Development Levy	UIF	Unemployment Insurance Fund		
OECD	Organization for Economic Cooperation and Development	SEDA	Small Enterprise Development Agency	UK	United Kingdom		
OEM	Original Equipment Manufacturer	SEFA	Small Enterprise Finance Agency	UNCTAD	United Nations Conference on Trade and Development		
OICA	International Organization of Motor Vehicle Manufacturers	SET	Science Engineering and Technology	UNESCO	United Nations Educational, Scientific and Cultural Organization		
OSB	Orientated Strength Board	SETA	Sector Education and Training Authority	UNFCCC	United Nations Framework Convention on Climate Change		
P-AIS	People-carrier Automotive Investment Scheme	SEZ	Special Economic Zone	Unisa	University of South Africa		

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National One Stop Shop

The Department of Trade and Industry,
the dti Campus, Block G
77 Meintjies Street, Sunnyside
Pretoria, 0002
South Africa

☎ +27 861 843 384
✉ Investsa@thedti.gov.za
🌐 www.investsa.gov.za

Provincial One Stop Shops

InvestSA Gauteng

The Place
1 Sandton Drive
Sandton
Johannesburg, 2196
South Africa

☎ +27 10 001 8650
✉ refilwem@investsagauteng.co.za
🌐 www.gautenginvest.co.za

InvestSA Western Cape

46 Street Georges Mall, Cape Sun
Corner
Cape Town City Centre,
Cape Town, 8001
South Africa

☎ +27 21 023 0900
✉ Salman@wesgro.co.za
🌐 www.wesgro.co.za

InvestSA KwaZulu-Natal

Kingsmead Office Park, Kingsmead
Boulevard, 1 Arundel Close,
Stalwart Simelane Street,
Durban, 4001
South Africa

☎ +27 31 368 9600
✉ info@tikzn.co.za
🌐 www.tikzn.co.za

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Trade and Industry
REPUBLIC OF SOUTH AFRICA

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