



investSA

ONE-STOP SHOP

an initiative of **the dti**



South African Economy

Inflation	4.8% (2015)
Currency	Rand
Exchange Rate	1: 15
GDP (PPP)	\$724 billion (2015)
GDP per Capita	US\$5,859
GDP Growth	1.4% (2015)
Exports fob	\$85.14 billion (2015 est.)
Imports fob	\$86.81 billion (2015 est.)
Principal Exports	Minerals & mineral products, precious metals (gold, diamonds, platinum) & metal products, chemical & food products, machinery & equipment, automotive & components.
Principal Imports	Machinery and equipment, chemicals, petroleum products, scientific instruments & foodstuffs.
Main Exports Destinations	China, USA, Japan, Botswana, Germany, Namibia & India
Main Imports Origins	China, USA, Japan, Germany, the UK & India.

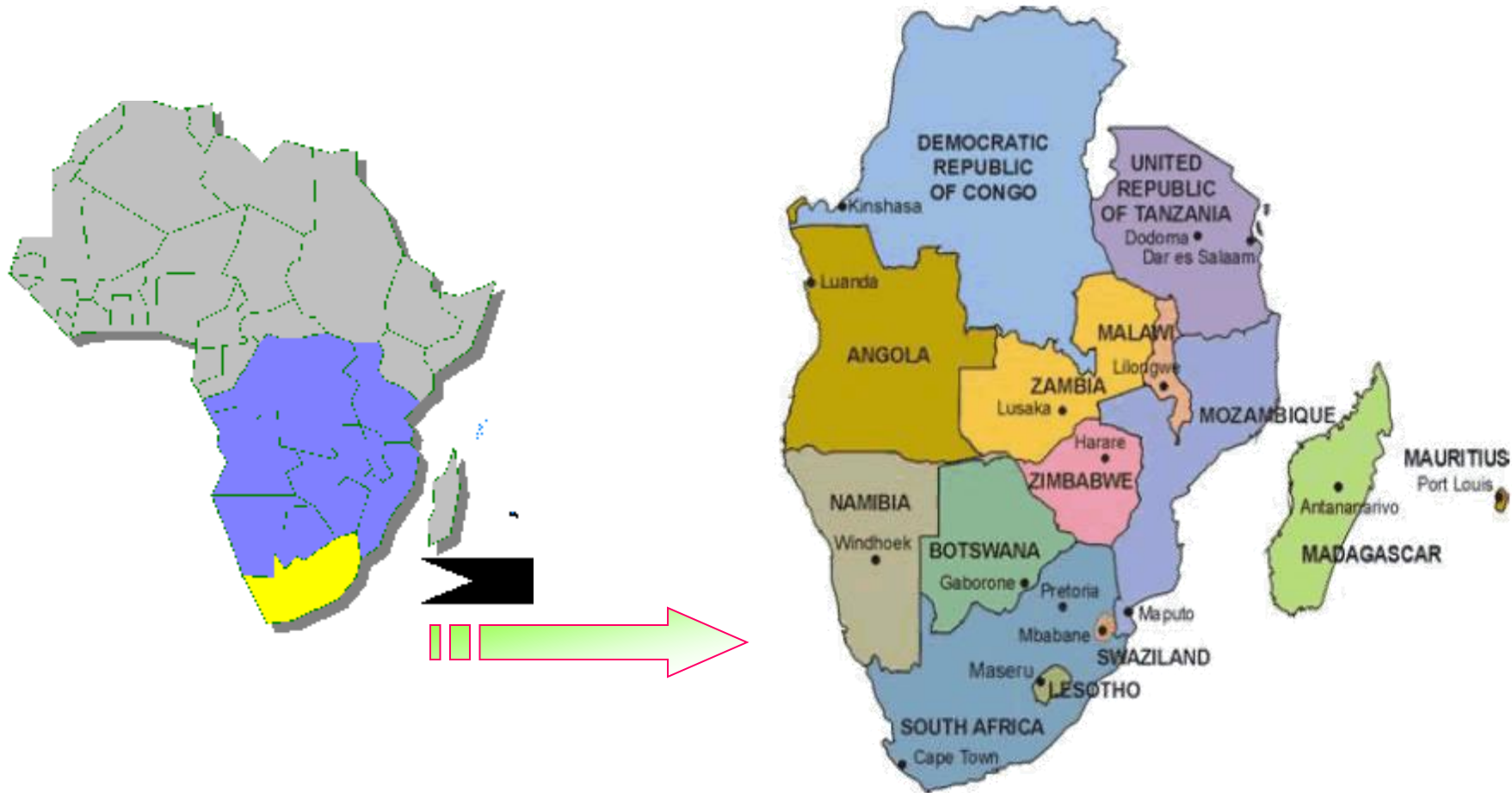
South African Economy

YEAR	1994 THEN	2004	IN 2015
GDP (billions)	US\$ 60	US\$ 171	US\$ \$724 billion
Merchandise exports (billions)	US\$ 8.7	US\$ 35.2	US\$ 1,285.96
GDP Growth	3,2%	4,6%	3.3%

Source: SARB

- South Africa positioned as a **manufacturing centre of excellence**
- Diversified Industrial sectors
- **Open** economy
- Sound business case for investment and profit
- **Gateway to Africa** and markets of more than **200 Million consumers**
- Africa is the next big story after China and India

SADC and South Africa



- SADC FTA signed in August 2008 – market of +-250 million consumers

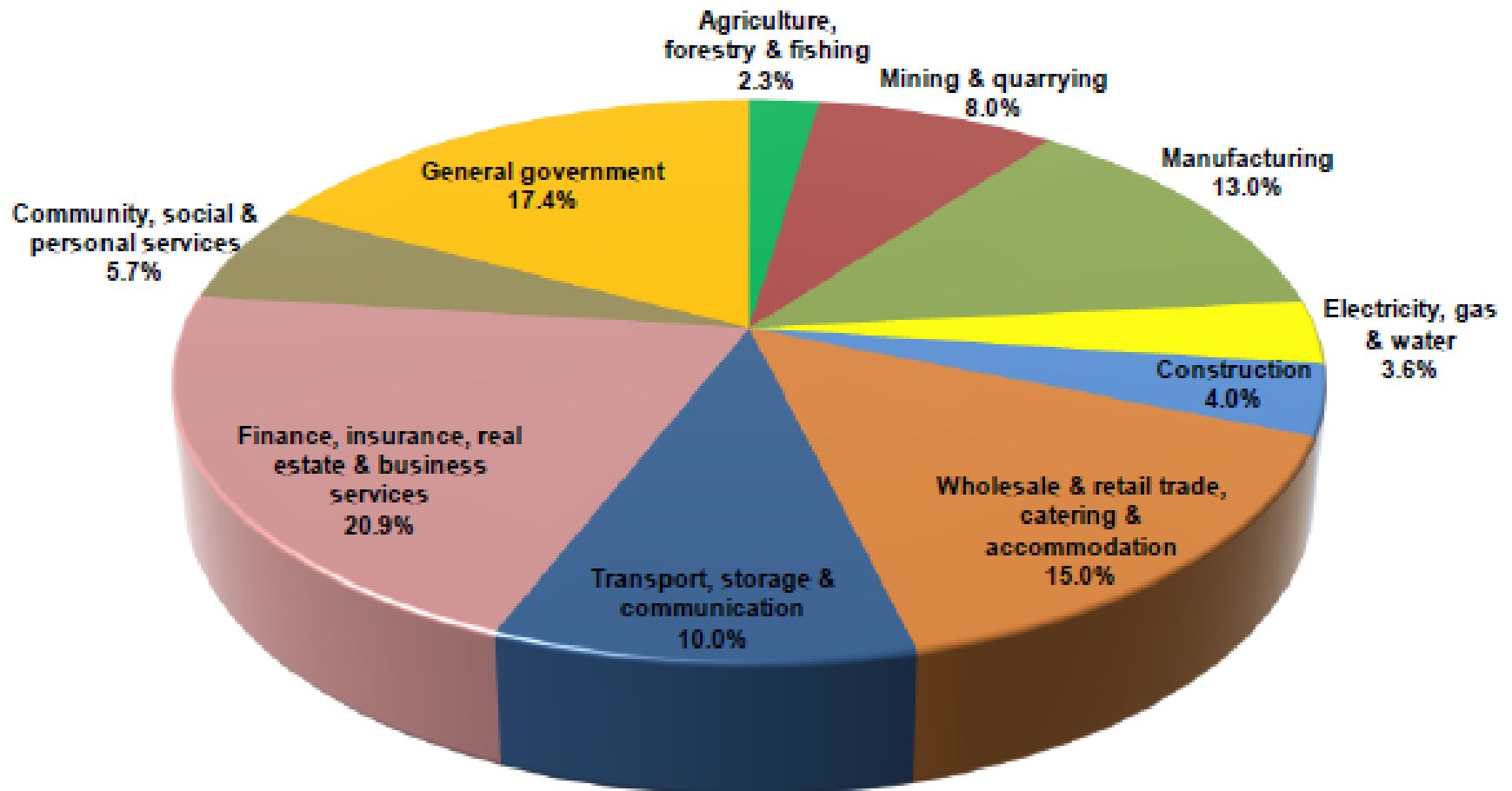
South African Trade 2014

Export partners	US \$ bn
1. China	8.6
2. USA	6.3
3. Japan	4.7
4. Germany	4.5
5. India	3.9
6. UK	3.4
7. Netherlands	3.0
8. Mozambique	2.9
9. Zambia	2.5
10. Belgium	2.4
Total	42.2

Import Partners	US \$ bn
1. China	15.4
2. Germany	10.0
3. Saudi Arabia	7.2
4. USA	6.6
5. Nigeria	5.1
6. India	4.6
7. Japan	3.8
8. UK	3.3
9. Italy	2.6
10. Thailand	2.4
Total	61.0

Economy Composition

Sectoral composition of the South African economy in 2015



Note: Sector share according to GDP at basic prices (current prices)

Source: IDC, compiled from Stats SA data

Strategic Context

- SA's vision for inclusive growth & development – decent jobs and equity;
- National Development Plan, National Growth Path and Industrial Policy Action Plan - promoting a globally competitive economy that produces and trades with the rest of the world in innovative & value added products & services;
- Beneficiation of own minerals and natural resources;
- Improving physical industrial infrastructure;
- Regionally spread industrial development.

Integrated into the mainstream economy, in terms of value chains and localisation initiatives including skills, technology, tooling and supplier development initiatives

Proposed SEZs In South Africa



SEZ Value Proposition

SEZ Support Measures

Incentives Strategy	Funding Strategy	Infrastructure Strategy	Skills & Supplier Development	OSS Strategy
<ul style="list-style-type: none">i) 15% Corporate Taxii) Building Allowanceiii) Employment Incentiveiv) CCAv) 12i Tax Allowance	<ul style="list-style-type: none">i) SEZ Fundii) Mix of funding instrumentsiii) PPPs	<ul style="list-style-type: none">i) Bulk infrastructure by government through SEZ Fundii) SEZ Locationsiii) Various stakeholders roles in providing infrastructure in and out of zone	<ul style="list-style-type: none">i) Skills dev. Strategies for SEZsii) Supplier development programmes to develop our local businessesiii) Continuous training of civil servants	<ul style="list-style-type: none">i) To reduce info search & transaction costii) Facilitate permits & licences for investorsiii) Eliminate steps in approvalsiv) After care

INCENTIVE SCHEMES

CLUSTER	INCENTIVE SCHEME
MANUFACTURING INVESTMENT	<ul style="list-style-type: none">• 12i Tax Incentive• Automotive Incentive Scheme (AIS)• People-carrier Automotive Investment Scheme (P-AIS)
COMPETITIVENESS INVESTMENT	<ul style="list-style-type: none">• Manufacturing Competitiveness Enhancement Programme (MCEP)• Export Marketing & Investment Assistance (EMIA)• Capital Projects Feasibility Programme (CPFP)
SERVICES INVESTMENT	<ul style="list-style-type: none">• Film & Television Production• Business Process Services (BPS)
BROADENING PARTICIPATION	<ul style="list-style-type: none">• Black Business Supplier Development Programme (BBSDP)• Co-operative Incentive Scheme (CIS)• Incubator Support Programme (ISP)
INFRASTRUCTURE INVESTMENT	<ul style="list-style-type: none">• Critical Infrastructure Programme (CIP)



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