

SOUTH AFRICA

A Thriving Investment Destination for International Businesses

South Africa, a country of immense potential and opportunity, has emerged as a leading investment destination for international businesses. With its diverse and vibrant economy, strategic location, robust infrastructure, and supportive business environment, South Africa offers a wealth of prospects for investors seeking growth and expansion. In this special report, we will explore the multifaceted advantages of investing in South Africa, quoting industry experts to provide insights into the country's unique strengths and opportunities. We spoke with Ms. Sithembile Ntombela, Acting CEO of Brand South Africa, and Mr. Yunus Hoosen, the Acting Head of InvestSA, who shed light on the various facets of South Africa's investment landscape.

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InvestSA and Brand South Africa Synergy

InvestSA, the national investment promotion agency of South Africa, and Brand South Africa, the official marketing agency of South Africa, are two key organizations in South Africa working in synergy to promote the country as a leading investment destination. With their complementary roles and shared goals, they are instrumental in showcasing South Africa's diverse opportunities and attracting foreign investment. InvestSA's role in attracting foreign investment is complemented by BrandSA's efforts in building a positive image and reputation of South Africa. By highlighting the country's vibrant economy, stable business environment, and rich cultural heritage, they create a compelling narrative that entices investors to consider South Africa as their investment destination of choice.

"InvestSA, has exceeded the President's investment target and aims to attract a new target of 2 trillion ZAR from 2023 to 2028. The Agency actively promotes emerging sectors such as technology, innovation, and shared services, driving South Africa's transformation toward renewable energy and technology-based investments" explains Yunus Hoosen. The country's partnerships in the new energy sector ensure supply chain stability and enhance investment attractiveness. With 10 special economic zones already established and plans for more, South Africa offers ample manufacturing opportunities and attractive incentives for investors.

BrandSA, on the other hand, "is focused on promoting South Africa's Nation Brand image globally and showcasing the nation's strengths and competitive advantages to international audiences" says Sithembile Ntombela. By highlighting the country's economic potential, cultural diversity, and attractive lifestyle, BrandSA aims to position South Africa as an appealing investment destination.

Visit websites for more info:
investsa.gov.za
brandsouthafrica.com

Diverse Economy and Lucrative Sectors

South Africa boasts a dynamic and diverse economy, driven by core productive sectors such as manufacturing,mining,infrastructure, technology, and telecommunications. Sithembile Ntombela affirms, "The country's economic diversity offers excellent expansion prospects for international businesses." South Africa's massive build program,aimed at developing social and economic infrastructure, presents a myriad of lucrative investment opportunities. The country is also finalizing its mining exploration strategy, making it particularly attractive for investors interested in mining minerals crucial for the new global economy.



Yunus Hoosen, Acting Head of Invest SA

Furthermore, South Africa supports industries with high growth potential, including automotive, clothing and textiles, gas, chemicals and plastics, renewable energy, and agriculture. Ntombela highlights, "These sectors provide fertile ground for investment and offer compelling incentives for international businesses." South Africa's special economic zones, strategically located across the country, provide attractive investment opportunities and incentives, preferential tax rates, and export support. This makes South Africa an appealing and competitive destination for investors looking to establish or expand their operations. According to the perception study by Bloom consultancy, investors perceive South Africa as a strong developing country – refer it as the most diverse economy in Africa.

Stable Business Environment and Credible Institutions

South Africa's open economy, well-regulated business environment, and credible institutions form a solid foundation for investment. Ntombela emphasizes, "South Africa's transparent and well-regulated business environment fosters stability and predictability." The country's independent judiciary, strong regulatory framework, and protection of property rights ensure a stable and conducive atmosphere for businesses to thrive. Moreover, South Africa's competitive private sector stimulates innovation, entrepreneurship, and healthy market competition, creating opportunities for collaboration and growth. Furthermore according to the latest report by the Banker, South Africa "big four" banks are also the biggest banks on the African continent, with only Afreximbank in Egypt making it to the top 5. This yet again is a strong reason to believe that South Africa matters and is a competent global player.

In addition, South Africa's world-class infrastructure plays a crucial role in facilitating efficient business operations and connectivity. The country's modern transportation networks, reliable energy supply, and advanced telecommunications contribute to seamless operations and enhance market accessibility. Furthermore, South Africa's influential role in the region positions it as a strategic partner in accessing the African market, offering access to over 1 billion people. Its membership in regional organizations and initiatives, such as the Southern African Development Community (SADC) and the African Continental Free Trade Area (AfCFTA), further enhances its influence and economic opportunities.

Public-Private Collaboration for Economic Growth

South Africa recognizes the importance of collaboration between the public and private sectors for economic growth and development. Yunus Hoosen, acting head of InvestSA, highlights the government's initiatives to foster private-public sector partnerships. Operation Vulindlela, for instance, focuses on structural reforms in network industries to drive economic growth. Hoosen elaborates, "These reforms create opportunities for local and international investors, including those from the United States, to participate in key sectors such as energy, infrastructure, and telecommunications."

Quality of Life and Professional Opportunities

South Africa offers an exceptional quality of life, making it an attractive destination for professionals and entrepreneurs alike. The country's rich cultural heritage, natural beauty, and favorable climate provide a high standard of living. The country excels in healthcare while also cultivating a harmonious blend of recreation and leisure, fostering social cohesion, safeguarding freedom of religious beliefs, and prioritizing safety and security.

Moreover, South Africa's robust education system, research centers, and universities produce a skilled and highly educated workforce, offering a competitive advantage to investors. The country's proficiency in English, as the language of business, further facilitates seamless communication and enhances collaboration with international partners.

South Africa's Thriving Technology and Renewable Energy Sectors

South Africa is experiencing remarkable growth in technology and renewable energy sectors. Yunus Hoosen highlights the significant shift in investment trends, with a surge of interest in renewable energy and technology-related investments. The country's commitment to transitioning towards cleaner energy sources has attracted investments in solar and wind power. Additionally, there is a growing focus on green hydrogen, mobility advancements, battery storage, and electric vehicle infrastructure.

Major technology and services giants, including Google, Amazon, Oracle, and Ford Motor Company, have already made substantial investments in these sectors. South Africa's infrastructure development, including data centers and special economic zones, further supports the growth of technology and services sectors. Notably, American companies such as Amazon, Google, and Equinix have played a pivotal role in the country's infrastructure development, contributing to the advancement of South Africa's digital capabilities.

Collaboration Opportunities and Start-up Ecosystem

South Africa's burgeoning start-up ecosystem presents collaboration opportunities for South African and American entrepreneurs. The country's robust tech hubs, research centers, and universities foster technological advancements and innovation are the best opportunities for economic growth and job creation in South Africa. The challenges of today will be unlocked by entrepreneurs who are agile and able to scale their businesses. The availability of a skilled workforce and a strong legal system further supports the growth of start-ups and entrepreneurial ventures. According to the latest South African Startup Ecosystem Report 2022, Cape Town leads the way in Insurtech and e-commerce, which is not surprising given its rich corporate "head office" history in both the insurance and retail spaces. Johannesburg is the home of the most FinTech start-ups, 74, with Cape Town trailing with 61 companies, again probably a result of JHB's legacy "business capital" role



Industries that drive growth in South African economy, exports and investment

South Africa's special economic zones, with their targeted investment incentives and export support, offer attractive opportunities for US investors seeking to establish or expand their operations in the country. The collaboration between the private and public sectors in South Africa creates a conducive environment for investment and economic development. This concerted effort ensures that investors can navigate regulatory processes efficiently and receive comprehensive support throughout their investment journey.



Sithembile Ntobela, Acting CEO of Brand South Africa

combined with its skilled workforce and strong partnerships, positions it as an attractive destination for start-ups and investors seeking technological advancements and market expansion.

Continuing its growth trajectory

South Africa, with its diverse economy, stable business environment, and strategic location, offers an array of opportunities for international businesses. The country's lucrative sectors, supportive investment incentives, and robust infrastructure development create a conducive environment for growth and expansion. "Through collaboration between the public and private sectors, South Africa is actively driving economic growth and attracting investments.

With a thriving technology sector and a commitment to renewable energy, South Africa presents exciting opportunities for businesses seeking to invest in these emerging fields" says Hoosen.

South Africa's quality of life, skilled workforce, and attractive investment incentives make it an appealing destination for professionals and entrepreneurs. The country's strong partnerships and collaborations further enhance its standing as a leading investment destination.

As the logistical entry point to the African continent, South Africa provides access to a vast market and the benefits of regional economic integration through initiatives like the AfCFTA. "With its favorable investment climate, stability, and diverse opportunities, South Africa is well-positioned to continue its growth trajectory and serve as a hub for international businesses looking to capitalize on the African market" concludes Ntombela.

South Africa
Inspiring new ways

investSA



South Africa is an attractive destination for a growing number of diverse investors and industries. Widely recognised as Africa's economic center, it boasts sophisticated and respected financial systems and resilient institutions to drive sustainable economic growth, and access to vibrant local and regional markets.

Join other investors who believe in South Africa and achieve sustainable returns in healthcare, digital economy, automotive, chemicals, consumer goods, clothing, textile, leather and footwear, agri-business, mining and mineral processing, forestry, transport and industrial business. *Visit www.brandsouthafrica.com/investsa/*

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