



SOUTH AFRICA AT A GLANCE

Brand South Africa

An aerial photograph of a city at sunset. The foreground features a lush green golf course with a winding path and a small pond. In the middle ground, there are several large, multi-story buildings, likely university or corporate structures, surrounded by trees. The background shows a dense urban skyline with various skyscrapers under a warm, golden sky. The overall scene is bathed in the soft light of the setting sun.

WHO WE ARE

An aerial photograph of a South African landscape. The scene features rolling green hills and valleys, with a winding river visible in the lower left. The sky is filled with dramatic, dark clouds, and the sun is setting or rising, creating a bright glow and rays of light that illuminate the landscape. The overall mood is one of natural beauty and hope.

**SOUTH AFRICA IS A COUNTRY
PROUDLY FORGING AHEAD
BY BREAKING NEW GROUND
AND INSPIRING NEW WAYS.**

BUILDING AND INVESTMENT DESTINATION OF CHOICE

- South Africa as one of the fastest developing countries in the world and is Africa's preferred investment destination for multinational companies.
- This is due to the country's highly sophisticated business environment, quality and excellent transport links and its world class financial services sector.
- South Africa is the third 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.

In 2018, the South African President set an ambitious investment drive target to secure \$100 billion in new investment into SA over a five-year period (R1.2 trillion in investments by 2023).



REASONS TO INVEST IN SOUTH AFRICA

VIBRANT EMERGING MARKET

- One of the most sophisticated and promising emerging markets
- Affluent consumer base, growing middle class
- Industrial base to drive long-term returns on investment

MOST DEVELOPED ECONOMY IN AFRICA

- Most industrialised and diversified economy on the continent
- Principal manufacturing hub in Africa
- Leading services destination

LARGEST PRESENCE OF MULTINATIONAL CORPORATIONS IN AFRICA

- Location of choice for multinationals in Africa
- Supportive ecosystem as a hub for innovation, technology and fintech

PROGRESSIVE CONSTITUTION AND INDEPENDENT JUDICIARY

- Mature, accessible legal system provides certainty, respect for rule of law
- Sound regulatory framework adhering to international standards

PROVIDES INVESTORS ACCESS TO GLOBAL MARKETS

- Several trade agreements support exportmarket growth prospects
- Export potential boosted by African Continental FTA

ABUNDANT NATURAL RESOURCES

- Large and diversified mineral resource endowment
- Home to several listed mining companies
- World-renowned underground mining expertise

ADVANCED FINANCIAL SERVICES AND BANKING SECTOR

- Sophisticated banking system with major footprint across Africa
- Continent's financial hub
- Home to Africa's largest stock exchange by market capitalisation

WORLD-CLASS INFRASTRUCTURE AND LOGISTICS

- Highly developed economic infrastructure
- Largest networks of air- and sea-ports, as well as logistics in Africa
- Large infrastructure development programme under way

YOUNG, EAGER LABOUR FORCE

- World-class tertiary education system producing a skilled, talented and capable workforce
- Diversified skills set
- Strong skills development support system

EXCELLENT QUALITY OF LIFE

- Favourable cost of living
- Generally superb weather all year
- Diversified cultural, cuisine and sports offering
- World-class hospitality sector

ECONOMIC STABILITY AND DIVERSE SECTORS

- South Africa is the economic powerhouse of the African continent, with a Gross Domestic Product (GDP) of R1.9 trillion (US\$283bn) - four times that of its Southern African neighbours, and comprising 30% of the entire GDP of Africa.
 - South Africa has strong entrepreneurial and dynamic investment environment due to highly developed economic infrastructure.
 - South Africa is also one of the highest-ranking developing economies and surpasses countries such as Hungary, Italy, Brazil and Thailand.
 - South Africa leads the continent in industrial output (40% of Africa's total output) and mineral production (45% of total mineral production) and generates most of Africa's electricity (over 50%).
 - Despite Covid-19 implications and other domestic challenges, the South African economy has remained on a path to full economic recovery.
- South Africa's diverse economy has multiple fastest-growing industries.
 - The country is gradually becoming self-sufficient because it does not rely on a single sector to generate income.
 - The emerging middle-class community and political stability are some of the many factors that are spearheading South Africa's economic success.
 - Gaining insights into the country's fastest-growing industries is beneficial towards making the right investment decisions. South Africa's economy accommodates anyone, regardless of the amount of money they are willing to invest.
 - Profitable business sectors in South Africa include:
 - *Pharmaceuticals and healthcare*
 - *Transport and logistics*
 - *Finance and banking*
 - *Communications and information technology*
 - *Agriculture and agro-processing*
 - *Fashion and beauty*
 - *Automotive*
 - *Real estate*

PHARMACEUTICALS AND HEALTHCARE

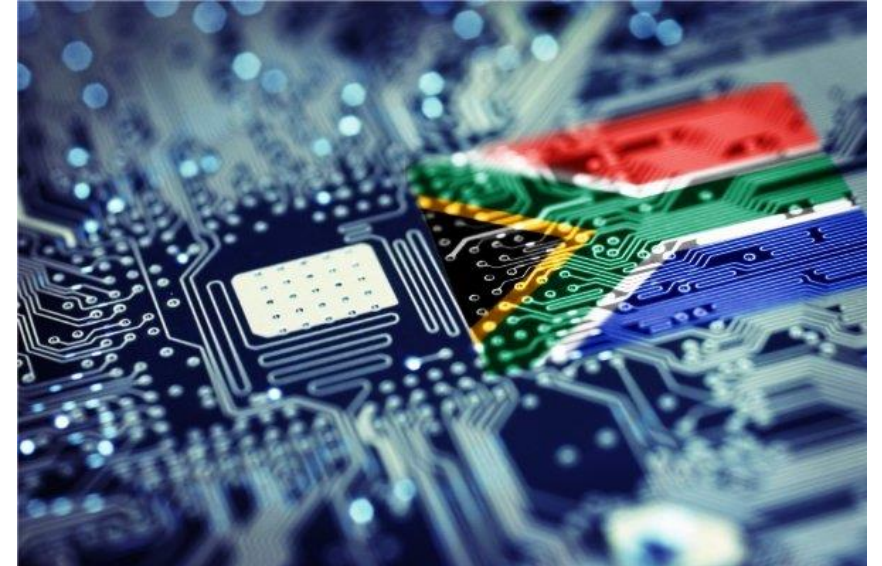
- South Africa remains the largest pharmaceutical market in Sub-Saharan Africa. Total pharmaceutical expenditure was estimated to be \$4.1 billion in 2019 and \$3.6 billion in 2020, as reported by Fitch Solutions.
- South Africa's prescription drug market is valued at approximately \$3.0 billion which equates to 88.7% of the total market in value terms.
- The resulting shortfall in vaccines for Africa has seen South Africa taking on the forefront role of developing a vaccine for Africa, in order to mitigate the supply challenges posed by future pandemics.
- Aspen SA now manufactures finished SARS-CoV-2 Covid-19 vaccine product from drug substance supplied by Johnson & Johnson .

Digital Health

- The South African government has indicated that digital healthcare technologies will strengthen healthcare systems, provide better access for patients, and improve health outcomes - published in the National Digital Health Strategy for South Africa 2019-2024, prioritising:
 - The development of a complete electronic record for patients
 - Digitisation of healthcare systems and business processes
 - An integrated platform and architecture (open source/open architecture) for health sector information
 - Developing and growing digital health knowledge for implementers and user

COMMUNICATIONS AND INFORMATION TECHNOLOGY

- South Africa has one of the largest information and communications technology (ICT) markets in Africa and boasts of technological leadership in the mobile software field, security software as well as electronic banking services.
- Several international corporates operate subsidiaries from South Africa, including IBM, Unisys, Microsoft, Intel, Systems Application Protocol (SAP), Dell, Novell, and Compaq.
- South African companies and locally based subsidiaries of international companies have supplied most of the new fixed and wireless telecoms networks established across the continent in recent years.
- Three major South African cities: Johannesburg, Cape Town, and Durban are taking the lead with various 'smart city' initiatives which include exploring innovative technologies and best practices that are currently being implemented in first world countries.



AGRO-PROCESSING/MANUFACTURING

- South Africa's agro-processing sector contributes a significant component of total manufacturing value-addition as well as employment and poverty eradication.
- The South African commercial agricultural sector is highly diversified and is self-sufficient in most primary foods, with the exception of wheat, rice, oilseeds, pork, and poultry products.
- RFG Foods (RFG) is an internationally recognised producer of convenience meal solutions for customers throughout South Africa, sub-Saharan Africa and in major global markets. It has a well-capitalised production base comprising 14 manufacturing facilities across South Africa.
- The Fashion Group (TFG), which sources 72% of its clothes locally, is on a mission to locally manufacture 30 million pieces a year within four years, up from 11.5 million currently, and is adding furniture and jewellery to its growing local list. The company has also vowed to spend a further R575m (\$37m) over the next three to five years to build local manufacturing capability.



FINANCIAL INFRASTRUCTURE AND POLITICAL STABILITY

- South Africa has the largest economy in Africa and is the most developed in sub-Saharan Africa.
 - South Africa has a well-developed financial system, centred on the South African Reserve Bank, which is the sole issuing authority for the Rand, the national currency.
 - There are many registered banking institutions, a number of which concentrate on commercial banking, as well as merchant, savings, investment, and discount banks.
 - An active capital market exists, organized around the Johannesburg Stock Exchange (JSE).
 - The JSE recently expanded its secondary listings framework, now offering secondary listings from the Singapore Stock Exchange (SGX). This allows companies with a primary listing on the SGX to seek a secondary listing on the JSE, additionally qualifying for the fast-track listing route.
- The country's 1996 constitution is globally regarded as among the most progressive in the world.
 - South Africa's multi-party system prevents the leadership of a single party from controlling a single legislative chamber without challenge.
 - Through an established Parliament, multiple parties share power according to proportional representation.
 - Regular elections ensure accountability, responsiveness and openness.
 - The national, provincial, and local spheres of government operate in a distinctive, interdependent and interrelationship environment which allows transparency and builds trust and harmony in the country's political sphere.

INVESTMENT COMMITMENTS UPDATE 2018/19

Investment Commitments 2018

31 companies made investment announcements at the 2018 SA Investment Conference to the value of R299,417bn. Of these, nearly half (14) have already launched their facilities and projects. These projects represent a variety of sectors including fast moving consumer goods, healthcare & pharmaceuticals, electronics, the automotive sector and the digital economy.

Quick facts

- 14 projects launched = R38,5bn = 12,8%
- A further 11 projects are currently under construction = R222,7bn = 74,4%
- 3 projects on hold/delayed = R4,7bn = 1,6%
- DFIs investment value - R33,6bn = 11,2%

Investment flows

- *As at Q4 of 2021, R173,2bn = 57,9% of the committed investments has flowed.*

Investment Commitments 2019

70 companies made announcements totaling R363bn on the day. Isuzu made a further announcement that same week bringing the total to 71 projects with a total commitment of R364,4bn. Of these, 23 have launched their facilities or projects.

Quick facts

- 23 projects have been launched = R25,9bn = 7,1%
- An additional 26 projects are currently under construction or being rolled out = R199,9bn = 54,9%
- 7 projects are in early stages of implementation = R45,6bn = 12,5%
- 12 projects are delayed/on hold = R39,1bn = 10,7%
- DFIs announced investment to the value of R53,9bn of which R5,2bn has already been disbursed to projects.

Investment flows

- *As of Q4 of 2021, of the committed investments, R102,2bn = 28% has flowed..*



2022 INVESTMENT COMMITMENTS

- 79 entities made new investment announcements to the value of R332,2bn.
- Since the first SAIC in 2018, a number of companies have expanded on or increased their original announcements to the value of R47,6bn. Due to the impact of the Covid-19 pandemic and economic conditions a number of companies have also had to cancel their projects or reduce the original investment value - this amount comes to R12,9bn.
- The final tally for SAIC 2022 is thus R366,8bn.
- Of these new announcements, a number are from companies that made commitments in previous years and are now already expanding on those investments including Proctor & Gamble (2018,2020); Teraco (2019, 2020), SA Steel Mills (2020), Aspen (2018), Telkom (2019, 2020); Scaw Metals (2019, 2020); Renergen (2019); Anglo American (2018); Ivanhoe Mines (2019, 2020) and Defy (2019).

After the 2022 SAIC, the 5-year investment mobilization drive target stands at R1,14trillion - 95% of the target of R1,2 trillion.

WHY INVESTMENT IN SOUTH AFRICA? - A SUMMARY

- South Africa's diverse sectors ensure an efficient investment hub which does not rely on a single sector thus being able to withstand harsh changes in the business or economic landscape.
- The African Continental Free Trade Area (AfCFTA) will boost intra-Africa trade and create a new market of over 1 billion people with combined GDP of over US\$2trillion. South Africa has several trade agreements that provide an export platform into global markets.
- South Africa's wealth of natural resources is at the core of its progressive economy. Accompanied with a well-developed agricultural, agro-processing, auto-motive and overall manufacturing sector, the country's transport infrastructure also ensures its ability to maintain a solid network of trade.
- South Africa is taking technological leadership in the mobile software field, security software as well as electronic banking services.
- South Africa is characterised by a large labour force which is highly skilled and trained through tertiary institutions and government training programmes.
- Finally, the 1996 Constitution is highly regarded by countries across the globe as it lays the ground for citizens and politicians to co-exist in a harmonious environment where freedom of speech and regular voting as well as the multi-party system allows for a transparent, effective democracy.

“WE INVITE YOU . . .”

#BelieveInSA



THANK YOU