

Clusters and Important Value Chains with South Africa

Lennart Galdiga, ECCP/Prognos AG

Economic profile of South Africa

General characteristics of economy:

- South Africa has grown to an “upper-middle-income economy”
- Consistent growth in GDP, particularly between the years 2002 and 2018.

Service sectors:

- Contributes to 61.4% of GDP
- Employs 72.3% of active working population

Industry sectors:

- Contributes to 25.2% of GDP
- Employs 22% of active working population
- South Africa possesses over a rich diversity in manufacturing industries (railway, mining equipment, etc.)

Agricultural sectors:

- Contributes to 2.4% of GDP
- Employs 5% of active working population
- South Africa’s agricultural sector is expected to grow by 14% by 2030.

South Africa GDP 1995-2020

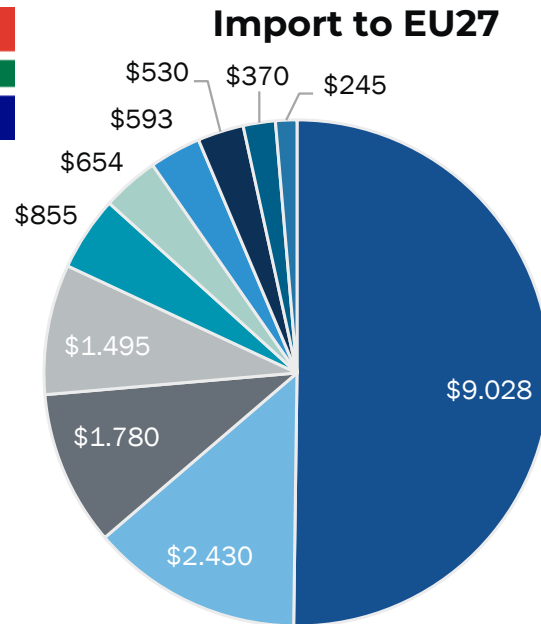


Source: Own elaborations based on data from the Worldbank

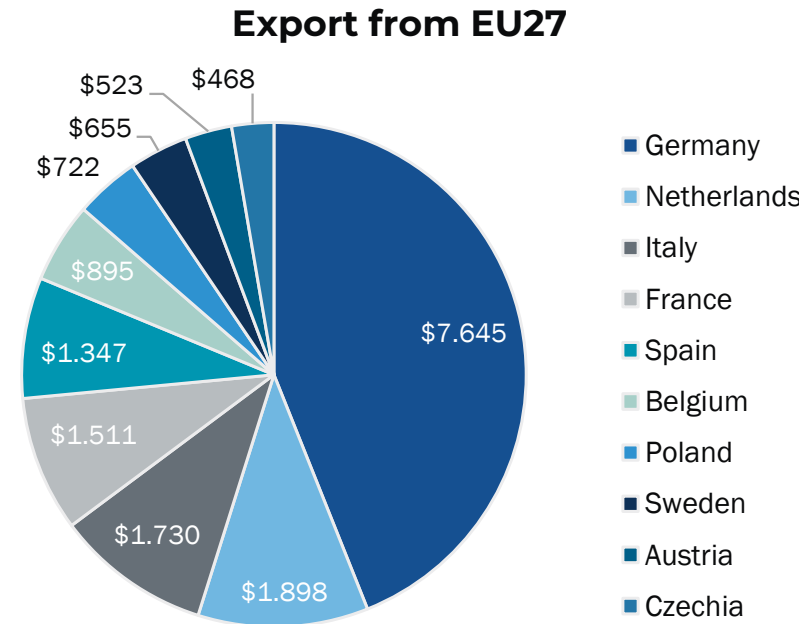
EU Trade with South Africa: Prospects for EU27 Linkages

- Total trade volume between the EU27 & SA totals to \$38.2 in 2020
- DE, NL, BE & IT as stand-out partners

Overview of the 10 most important EU27 trading partners for South Africa, by Import to the EU27 / Export from the EU27 in 2020, values in Million USD



\$18.9B

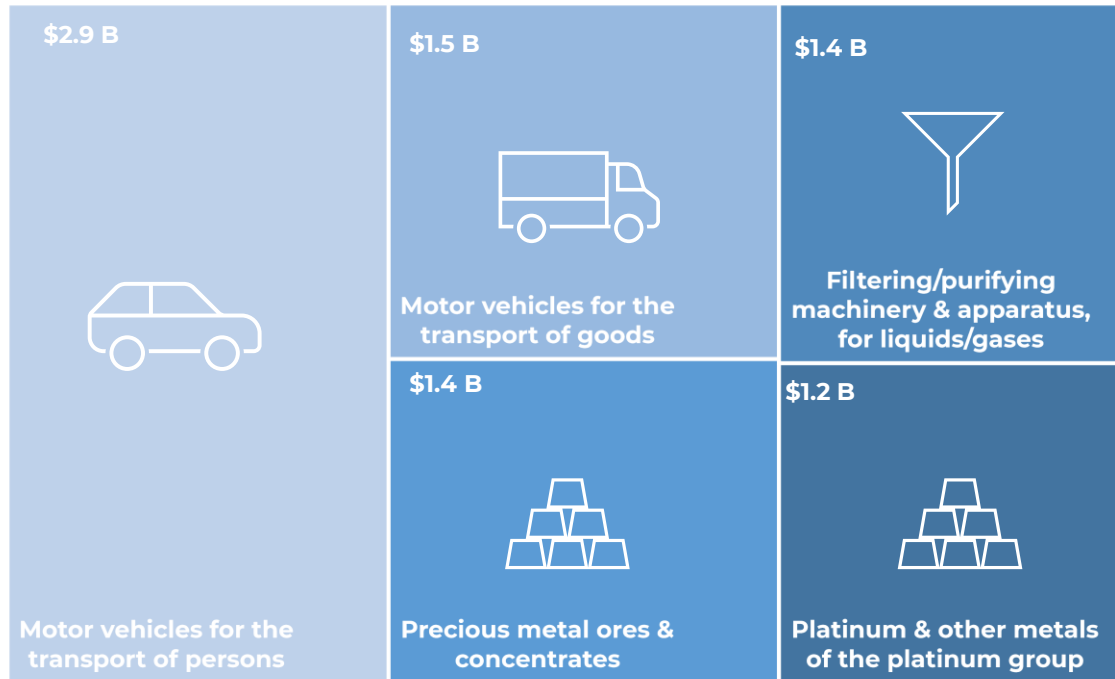


\$19.3B

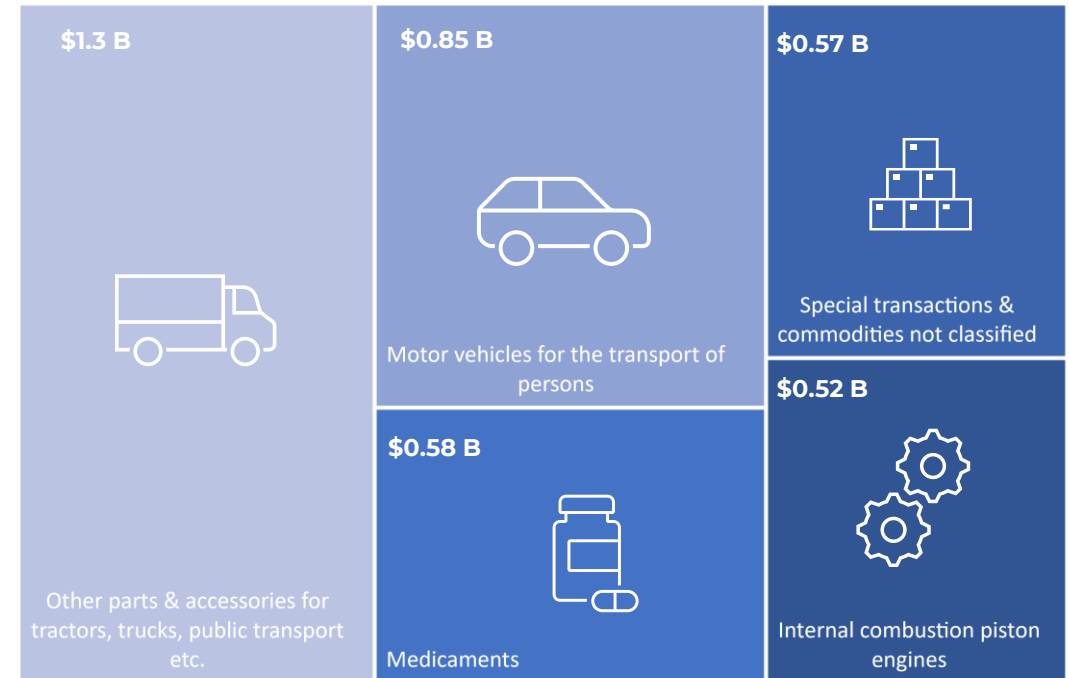
Source: ECCP (2022), own calculation based on UN Comtrade Database

Overview of the top 5 traded commodities: Imports & Exports between the EU27 & South Africa

Imports to EU27



Exports from EU27



Source: ECCP (2022), own calculation based on UN Comtrade Database

Cluster landscape & Industry Programmes in South Africa



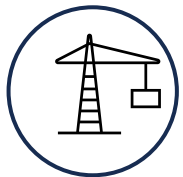
- Durban Automotive Cluster
- East Cape Automotive Industry Forum



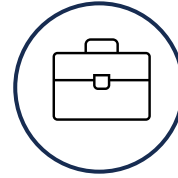
- Nelson Mandela Bay Maritime Cluster
- EThekweni Maritime Cluster



- KZN Clothing and Textile Cluster
- eThekweni footwear and leather cluster / SAFLEC
- Cape Clothing & Textile Cluster



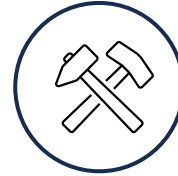
- eThekweni Furniture Cluster
- Domestic Water Heating Manufacturers Cluster of South Africa
- Valve and Actuator Manufacturers Cluster of South Africa



- Seeza Tourism Growth Network



- Durban Chemicals Cluster



- The South African Mineral Processing Equipment Cluster

Industrial Development Zones (IDZ):

Purpose-built infrastructure, which specifically have been designated for new investment by export-oriented industries & related services.

- Coega IDZ
- Richard Bay IDZ
- East London IDZ
- Saldanha Bay IDZ
- Dube Trade Port IDZ
- ...

Final Remarks



Economic profile

- South Africa stands on the African continent for its developed economy, advanced economic infrastructure as well as high level of diversity among its sectors
- Steady economic growth / “upper-middle-income economy”.

Trade patterns with the EU: Prospects for EU27 Linkages

- Trade volume of \$38.2 billion in 2020
- Diverse exports & imports (manufacturing, automotive, raw materials, chemicals, etc.),



Cluster landscape & Industry Programmes

- Diverse cluster landscape offers prospects for intensifying EU-South African relations.
- Development Zones focus on attraction of both foreign & domestic actors

THANK YOU