

EU's Trade & Investment Relationship with, and Activities in South Africa

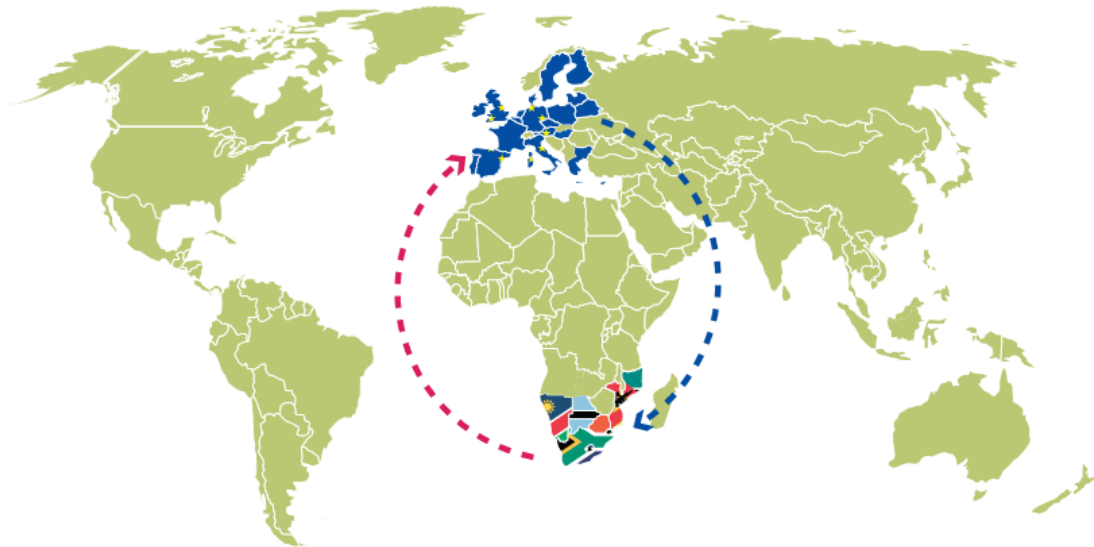
Darryn Allan

Trade Policy Officer

EU's Trade & Investment Relationship with, and Activities in South Africa

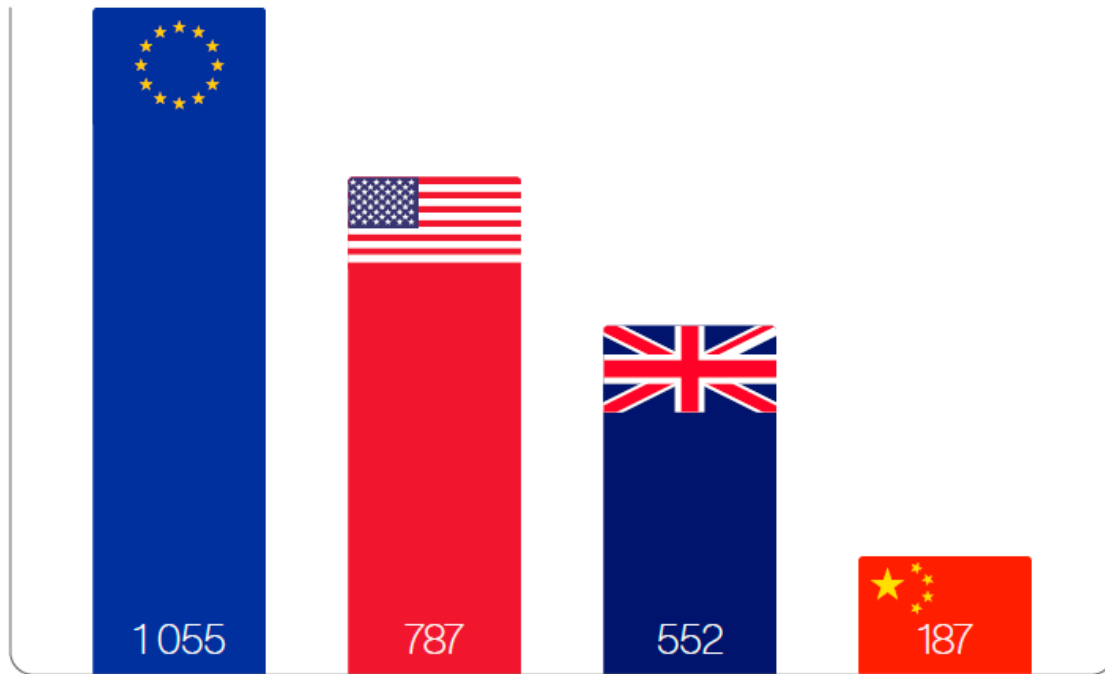
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Trade in goods and the SADC-EU Economic Partnership Agreement



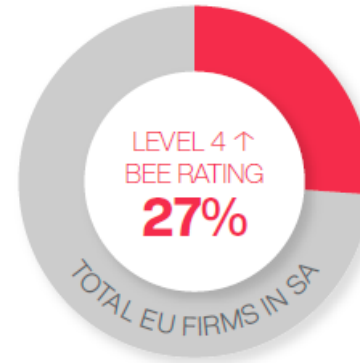
A BUILDING BLOCK FOR REGIONAL INTEGRATION

EU private sector presence in SA



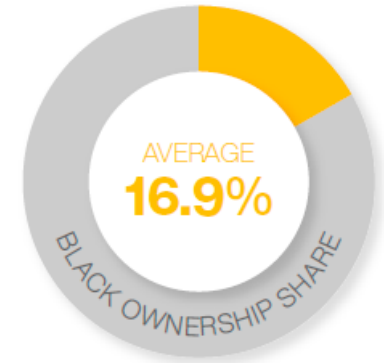
EU companies active in South Africa outnumber those from other nations

There are 1 055 EU companies active in South Africa, compared to 787 from the USA, 552 from the UK and 187 from China.
(WoW, 2020)



Black Economic Empowerment

Of the EU firms operating in South Africa, 27% have a level 4 (or better) BEE rating.
(WoW, 2020)



Black ownership share

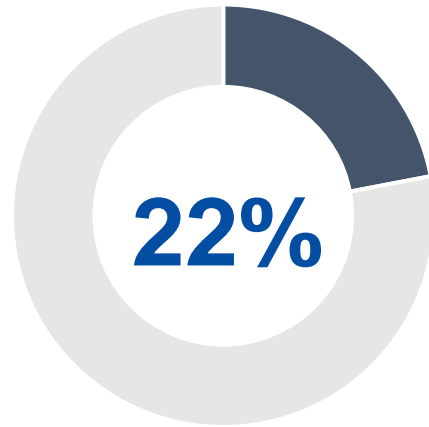
On average, EU firms have achieved a black ownership share of 16.9%.
(WoW, 2020)



(BMF, 2018)

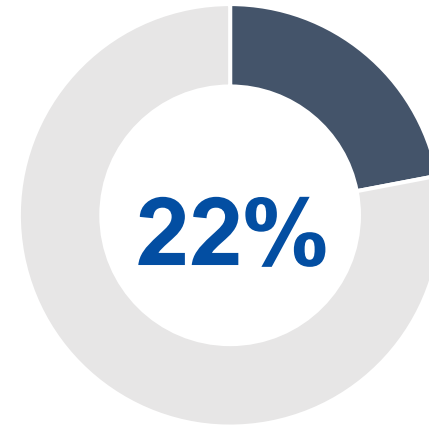
*This number is based on an estimate calculated by the BMF in their 2018 Study on the "Contribution of EU Investments to Inclusive Growth in South Africa", but has been adjusted to exclude employees of UK-based companies.

Share of South Africa's total trade with the EU



Imports

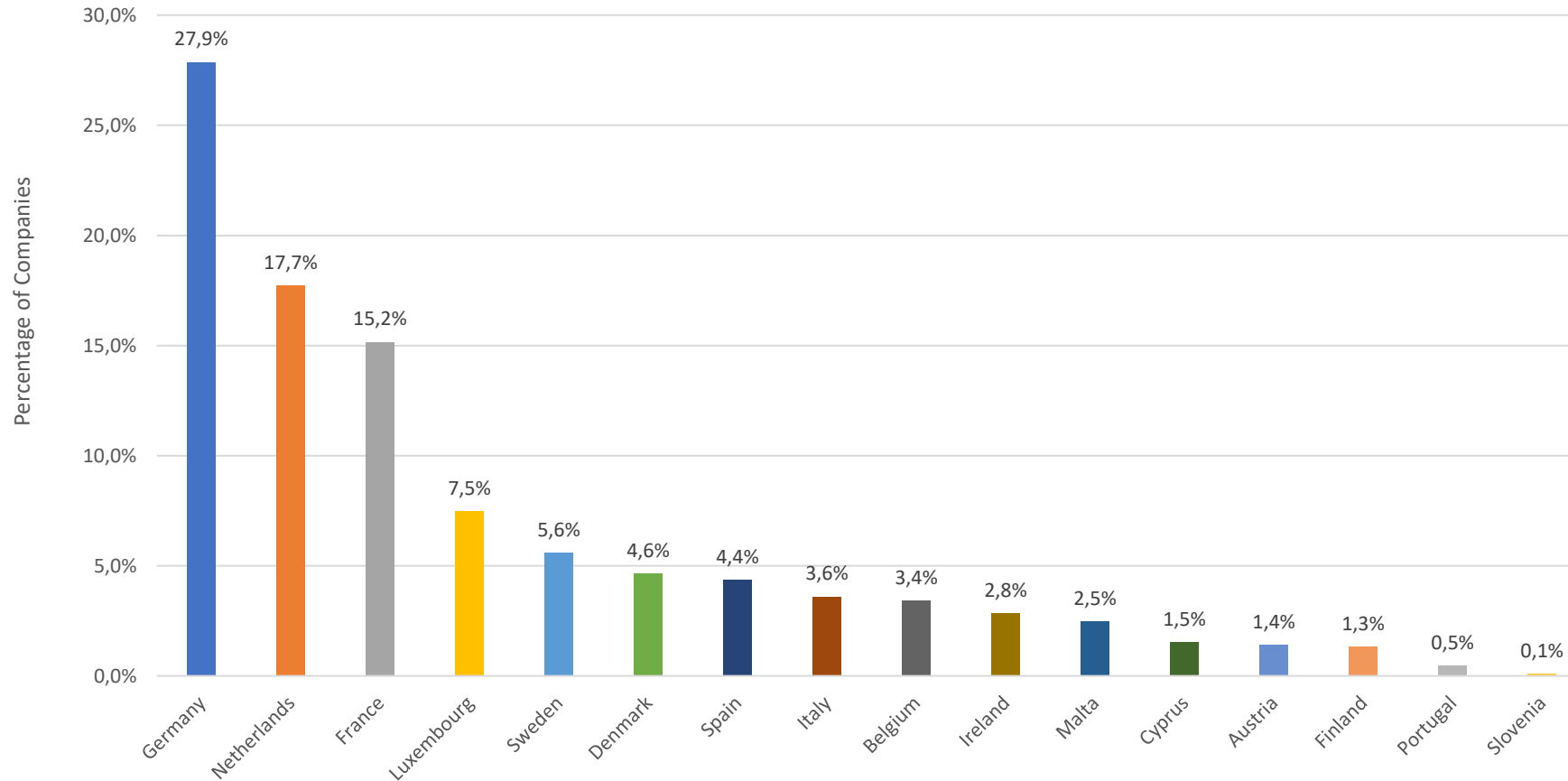
Total value of SA's imports originating in the EU



Exports

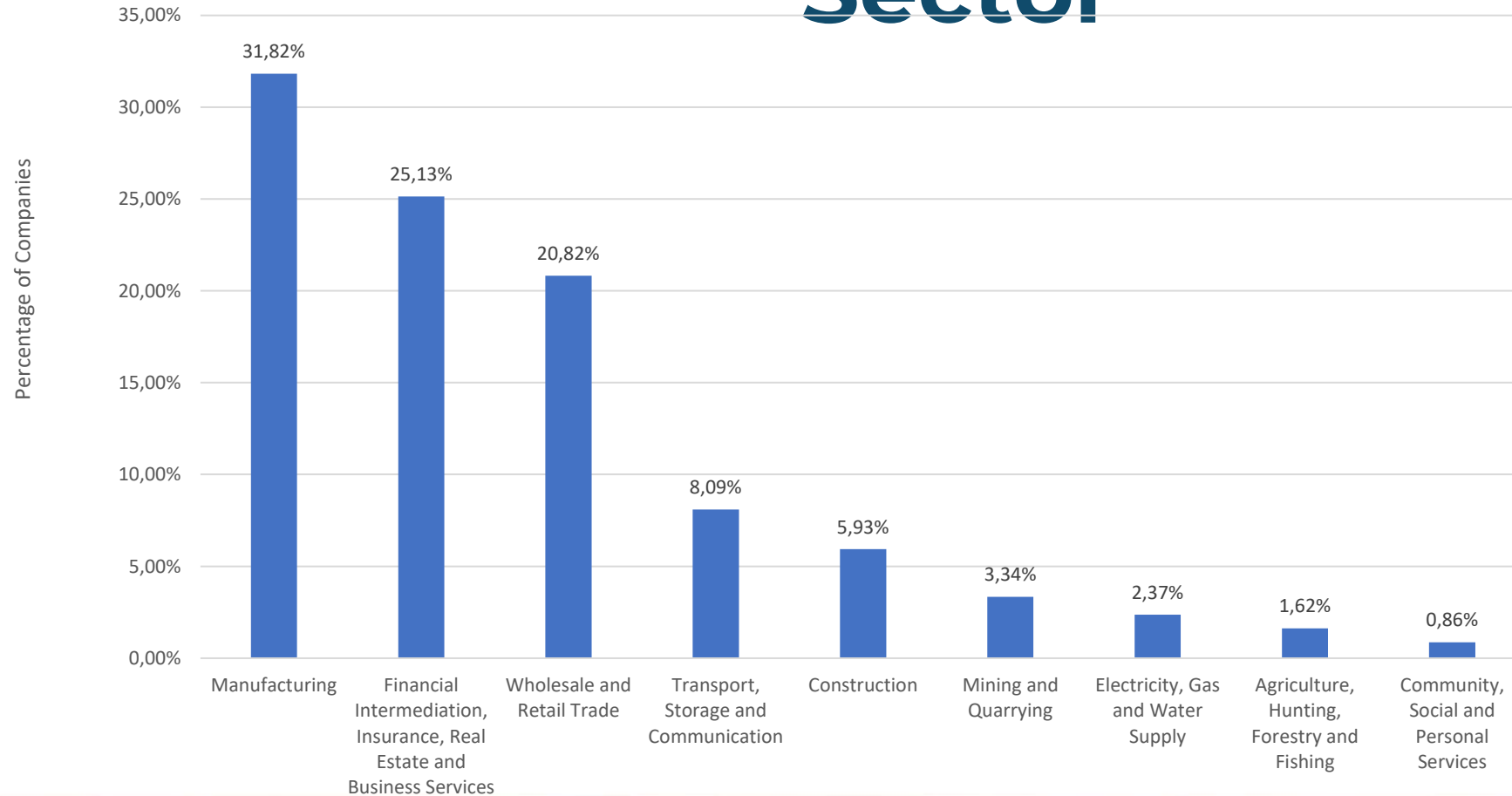
Total value of South Africa's exports destined for the EU market

Breakdown of EU Investment into South Africa



Data source: Who Owns Whom

EU Investment into South Africa by Sector



Data source: Who Owns Whom



**EU strategy to boost
sustainable links around
the world (€350bn)**



**Global
Gateway**

**Africa-Europe Investment
Package: €150bn**

Global Gateway

Key guiding principles for investments



Democratic values and high standards



Good governance and transparency



Equal partnerships



Green and clean



Security focused



Catalysing private sector investment

Investment Priorities



Climate and energy

The EU will support investments and rules paving the way to the clean energy transition



Digital

The EU will support open and secure internet



Transport

The EU will support all modes of green, smart and safe transport



Education & research

Invest in high quality education, with a focus on girls and women and vulnerable groups



Health

The EU will help strengthen supply chains and local vaccines production



#TEAMEUROPE

 **Global Gateway**

Barriers to Investment

- **With a few tweaks to certain policies in South Africa, we believe investments could grow.**
- The major barriers to investment faced by EU investors include:
 - Broad-Based Black Economic Empowerment
 - Local Content Regulations
 - Scarce skills and business visas
 - Energy security
 - Urgent need for economic reforms
- We continue to robustly engage SA counterparts in addressing these challenges.



<https://www.euchamber.co.za/themes/investment-climate/>

Doing Business in South Africa – useful links

Invest SA One-Stop Shops

<http://www.investsa.gov.za/>

Chambers of Commerce including EU Chamber and bilateral EU Chambers

<https://www.euchamber.co.za/>

Companies and Intellectual Property Commission (CIPC)

<https://www.cipc.co.za/>

Doing Business in South Africa, World Bank Report

<https://www.doingbusiness.org/content/dam/doingBusiness/country/s/south-africa/ZAF.pdf>

Establishing a business in South Africa <https://www.gov.za/issues/starting-your-own-business-0>

Useful links cont.

- **The Department of Trade, Industry and Competition**

<http://www.thedtic.gov.za/>

- **InvestSA**

<http://www.investsa.gov.za/>

- **Stats SA – Statistics South Africa**

<http://www.statssa.gov.za/>

- **South Africa Chamber of Commerce & Industry**

<http://www.sacci.org.za/>

- **Ministry of Finance**

<http://www.treasury.gov.za/ministry/>

- **South African Revenue Service (Tax Agency)**

<https://www.sars.gov.za/Pages/default.aspx>

- **Reserve Bank of South Africa**

<https://www.resbank.co.za/Pages/default.aspx>

Thank You