

InvestSA

*The case for investing in South Africa
Regional Seminar : Facilitating Investment in
SDG Projects – Spotlight on SADC Region
28-29 April 2021
Mr Yunus Hoosen*



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Department
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

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BROAD DIVISIONAL OBJECTIVES OF INVEST SA IPA

InvestSA will be responsible to rollout and implement the following:

- ❑ Promotion and Facilitation of Inward Investment into South Africa**
- ❑ Implementation of Presidential Investment Conferences and reporting on commitments**
- ❑ Support to Presidential Envoys and aftercare forums through targeted investment seminars and roundtables on the policy and regulatory environment.**
- ❑ Investment Climate Reform Program with the World Bank on the Ease of Doing Business – To improve South Africa’s ranking from 82 to 50 over the next three years and enhance aftercare support for investors to fast track, unblock and reduce red tape in government.**
- ❑ Provision of unblocking and facilitation of aftercare services to existing and potential investors**

IMPACT OF COVID-19 FOR SA

- **SEVERE IMPACT ON HEALTH AND ECONOMIC LIVELIHOODS**
- **OPERATIONS OF FIRMS IN VARIOUS SECTORS DISRUPTED**
- **DISRUPTIONS TO THE GLOBAL SUPPLY CHAINS AND INCREASED PROTECTIONISM ON PRODUCT AVAILABILITY**
- **TRAVEL RESTRICTIONS AND LOCKDOWNS**
- **VULNERABILITY OF INDUSTRIES**

INTERVENTIONS BY GOVERNMENT

- **ACCELERATED PACE OF DIGITALISATION**
- **LOCKDOWN REGULATIONS AND SPECIAL DISPENSATIONS FOR IMPORT AND EXPORT OF KEY COMMODITIES**
- **FUNDING MADE AVAILABLE TO COMPANIES IN DISTRESS, TO RAMP UP PRODUCTION, TO INCREASE SCALE AND CAPABILITY**
- **SUPPORT THE EMERGENCE OF NEW INDUSTRIES AND RE-PURPOSING OF EXISTING INDUSTRIES**
- **HEALTH PROTOCOLS INTRODUCED IN WORKPLACE**
- **DATABASE OF KEY COMMODITIES IN THE HEALTHCARE IDENTIFIED**

INTERVENTIONS BY IPA – INVEST SA

- **REINFORCED INVESTMENT FACILITATION SERVICES BY INVEST SA (FACILITATION, AFTERCARE AND BUSINESS LINKAGES SERVICES)**
- **ACCESSIBILITY AND VISIBILITY ENHANCED USING VARIOUS DIGITAL PLATFORMS INCLUDING SETTING UP DIGITAL PLATFORMS FOR EASE OF COMMUNICATION**
- **INTERPRETATION OF LOCKDOWN REGULATIONS TO COMPANIES AND INDUSTRIES**
- **FAST TRACKING AND UNBLOCKING ISSUES AFFECTING IMPLEMENTATION OF INVESTMENT PROJECTS**
- **FACILITATION OF VISA FACILITATION OF CRITICAL AND TECHNICAL SKILLS INTO COUNTRY DURING LOCKDOWN**
- **FAST TRACKING REGULATORY AND COMPLIANCE PROCESSES FOR COMPANIES SUCH AS SAHPRA, ITAC, SABS, NRCS, SANAS**

INTERVENTIONS BY IPA – INVEST SA – CONT.

- **NEGOTIATING RAW MATERIALS FOR INDUSTRY – SOURCE OF SUPPLY**
- **FACILITATING OF FUNDING FOR RAMPING UP OF PRODUCTION**
- **IDENTIFICATION OF COMPANIES TO MANUFACTURE PPE**
- **HEALTH PROTOCOLS INTRODUCED IN WORKPLACE**
- **CHAMPIONING ESTABLISHMENTS OF NEW INDUSTRIES AND PRODUCTION OF CPAP MACHINES (NATIONAL VENTILATOR PROJECT)**
- **IDENTIFYING COMPANIES TO CLUSTER IN COLLABORATING (INDUSTRIES) TO REPURPOSE FACILITIES FOR MANUFACTURE OF PPE (AUTO / ELECTRONICS)**

SDG Investment Opportunities

Education

1. Early learning provision
2. Low fee private schooling
3. Distance learning
4. Technical and vocational training
5. Student accommodation
6. Teacher training
7. Education technology
8. Institutional finance

Healthcare

9. Mid-fee healthcare facilities
10. Modular medical facilities
11. Digital healthcare platform
12. Healthcare professional training centres

Agriculture

13. Sustainable energy provision for agricultural production
14. Water savings in agro-processing
15. Converting food waste to protein for feedstock
16. Shared economy platform for smallholders and emerging farmers

Infrastructure

17. On-site sanitation for facilities in underserved communities
18. Dry sanitation technologies for underserved communities
19. Landfill diversion through waste reuse solutions
20. Repurposing builders' rubble
21. Affordable housing mini-rises
22. Affordable housing finance for the unbanked
23. Refurbishing inner-city buildings for affordable housing
24. Urban development of low cost housing
25. Repurposing power stations with sustainable alternatives
26. Green hydrogen infrastructure
27. Small scale energy access of underserved communities
28. Globally traded services platform
29. Blue-collar task matching platform
30. Off-grid solar WiFi for low income communities

SUPPORT PROGRAMMES

- **R & D PROGRAMME ADMINISTERED BY DEPARTMENT OF SCIENCE AND INNOVATION**
- **TECHNOLOGY AND INNOVATION PROGRAMMES ADMINISTERED BY DEPARTMENT OF TRADE AND INDUSTRY AND COMPETITION**
 - **SUPPORT FOR INDUSTRIAL INNOVATION (SPII)**
 - **TECHNOLOGY FOR HUMAN RESOURCE AND INDUSTRY DEVELOPMENT (THRIP)**
- **PROGRAMMES ADMINISTERED BY TECHNOLOGY INNOVATION AGENCY (TIA)**
- **PROGRAMMES ADMINISTERED BY INNOVATION HUB**
- **PROGRAMMES ADMINISTERED BY CSIR**

TRENDS IN THE HEALTHCARE SECTOR

- **ACCELERATED DIGITALISATION IN THE SECTOR**
- **INDUSTRY COLLABORATION THROUGH SECTORAL INTEGRATION EG. ELECTRONICS AND AUTOMOTIVE OR TELECOMMUNICATION AND MEDICAL AID**
- **FOCUS ON BUILDING SCALE, CAPACITY AND CAPABILITY USING COUNTRY AND REGIONAL EXPERTISE**
- **SHIFT FROM GLOBAL SUPPLY CHAINS TO LOCAL SUPPLY CHAINS**
- **BUILDING INDUSTRIAL CAPABILITIES IN EMERGING AND NEW SUB SECTORS SUCH AS VENTILATORS, VACCINE PRODUCTION, API PRODUCTION, PPE PRODUCTION**
- **TELEMEDICINE AND MEDICAL TOURISM**

Platform to support growth: Preferential access to key world markets

- South Africa is a member of the World Trade Organisation.
- Access to global markets has been enhanced through bilateral agreements with most of South Africa's major trading partners. Preferential access to key export markets has been secured through various agreements and by participating in regional economic communities.

Agreement name	Type of agreement	Countries / regional blocs involved
Southern African Customs Union (SACU)	Customs union	South Africa, Botswana, Lesotho, Namibia, eSwatini (formerly Swaziland)
Southern African Development Community (SADC) Free Trade Area	Free trade agreement	15 SADC member states
Economic Partnership Agreements	Free trade agreement	SACU- EU EPA plus Mozambique and Angola
EFTA-SACU FTA	Free trade agreement	SACU + EFTA (Iceland, Liechtenstein, Norway and Switzerland)
African Growth & Opportunity Act (AGOA)	Unilateral assistance measures (non- reciprocal)	US- 39 sub-Saharan African countries
Generalised System of Preferences (GSP)	Unilateral (non-reciprocal)	SA- EU, Norway, Switzerland, Russia, Turkey, the US, Canada, Japan
SACU-Mercosur	Preferential trade agreement	SACU and Argentina, Brazil, Paraguay and Uruguay

The African Continental Free Trade Area has become effective on 01 Jan 2021 and aims to increase intra -trade and create a very large market of over 1 billion people and a combined GDP of USD 2.2 trillion that will unlock industrial development.

Source: Invest SA

Platform to support growth: Large markets that could be accessed

Domestic market...

- A population of 56.5 million people and a growing middle class.
- South Africa ranks 27th globally for its domestic market size.
- 37.7 million people in the working age category.
- Young population, as 66% are under the age of 35.
- Young, vibrant population presents major opportunities for investors.

Gateway to Africa...

- Location of choice for multinationals in Africa, underpinned by factors such as a skilled labour force, established infrastructure and a world class banking and financial services sector, among others.
- The cost of doing business in South Africa is a major pull factor, underpinned by the supportive environment and relative competitive advantages on the continent.
- Provides access to the continent with a population of over 1 billion and a GDP of USD2.2 trillion.
- Regional partnerships, including participation in the Southern African Development Community, Southern African Customs Union and in the new African Continental Free Trade Area, provide platforms for growth across several sectors.

OPTIMISING THE AFCTA

- **IDENTIFICATION OF OPPORTUNITIES IN THE REGION**
- **UNDERTAKE AN ANALYSIS OF THE FULL VALUE CHAIN IN THE HEALTHCARE SECTOR**
- **ACCESS OF COMMODITIES / RAW MATERIALS FROM REGION**
- **USE SA AS MANUFACTURING AND EXPORT HUB**

PRIORITIES AND WAY FORWARD

- **SOUTH AFRICA IS WELL POSITIONED TO BECOME A SUPPLIER OF INDUSTRIAL GOODS AND VALUE ADDED GOODS /SERVICES TO THE CONTINENT**
- **INVEST SA IS YOUR PARTNER AND LOOKS FORWARD TO ENGAGING YOU AND BEING YOUR PARTNER THROUGH THE INVESTMENT JOURNEY**



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Thank You

