Clusters and Important Value Chains with South Africa

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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

Import to EU27
- Germany
- Belgium
- Netherlands
- Italy
- Spain
- Czechia
- Austria
- France
- Poland
- Portugal

$19.3B

Export from EU27
- Germany
- Netherlands
- Italy
- France
- Spain
- Belgium
- Poland
- Sweden
- Austria
- Czechia

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**
- Motor vehicles for the transport of goods: $2.9 B
- Precious metal ores & concentrates: $1.4 B
- Filtering/purifying machinery & apparatus, for liquids/gases: $1.2 B
- Platinum & other metals of the platinum group: $1.4 B

**Exports from EU27**
- Motor vehicles for the transport of persons: $1.3 B
- Other parts & accessories for tractors, trucks, public transport etc.: $0.58 B
- Medicaments: $0.85 B
- Special transactions & commodities not classified: $0.57 B
- Internal combustion piston engines: $0.52 B

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
- EThekwini Maritime Cluster
- KZN Clothing and Textile Cluster
- eThekwini footwear and leather cluster / SAFLEC
- Cape Clothing & Textile Cluster
- eThekwini 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