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 out number 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)

**EU companies operating in the country directly employ around 350,000 South Africans**

*This number is based on estimates calculated by the EU in their 2018 study on the “Contribution of EU Investments to Inclusive Growth in South Africa” and 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)

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
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