Doing Business between KwaZulu-Natal & the European Union
25 October 2023
KwaZulu-Natal’s Demographics

Premier: Hon Ms. Nomusa Dube-Ncube

Size: 94 361 km²
Population: 11,531 million
GDP: R501 619 billion
GDP Stake: 16%
South Africa and KwaZulu-Natal Statistical Information

<table>
<thead>
<tr>
<th></th>
<th>SOUTH AFRICA</th>
<th>KWAZULU-NATAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Official Name</td>
<td>Republic of South Africa</td>
<td>Province of KwaZulu-natal</td>
</tr>
<tr>
<td>Head of State</td>
<td>President Cyril Ramaphosa</td>
<td>Premier Ms. Nomsa Dube-Ncube</td>
</tr>
<tr>
<td>Provincial Premier</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Cities</td>
<td>Cape Town (Legislative)</td>
<td>Pietermaritzburg</td>
</tr>
<tr>
<td></td>
<td>Pretoria (Administrative)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bloemfontein (judicial)</td>
<td></td>
</tr>
<tr>
<td>Population</td>
<td>59 622 million</td>
<td>11,531 million</td>
</tr>
<tr>
<td>Area</td>
<td>1 220 813 km²</td>
<td>94361 km²</td>
</tr>
<tr>
<td>Total GDP</td>
<td>R3,128 058 trillion (constant prices)</td>
<td>R501 619 bn (constant prices)</td>
</tr>
<tr>
<td>GDP growth</td>
<td>-0.6 % q/q (Q2)</td>
<td>-2.0 (Q2)</td>
</tr>
<tr>
<td>GDP per capita</td>
<td>R81 875</td>
<td>R66 254</td>
</tr>
<tr>
<td>Inflation</td>
<td>4.50%</td>
<td>4.00%</td>
</tr>
<tr>
<td>Exports</td>
<td>R53 billion (2020)</td>
<td>R103 billion (April 2020)</td>
</tr>
<tr>
<td>Imports</td>
<td>R88 billion (2020)</td>
<td>R102 billion (2020)</td>
</tr>
<tr>
<td>Lending rate</td>
<td>8.75% (March 2020)</td>
<td>8.75 % (March 2020)</td>
</tr>
<tr>
<td>Unemployment</td>
<td>30,1%</td>
<td>26.91%</td>
</tr>
<tr>
<td>Main trading partners</td>
<td>China, United Staes, Netherlands, United Kingdom, Germany</td>
<td>USA, UK, Germany, Japan &amp; China, Zambia, Namibia</td>
</tr>
</tbody>
</table>
A SNAP SHOT OF KWAZULU-NATAL PROVINCIAL AGREEMENTS WITH THE WORLD TO PROMOTE ECONOMIC DEVELOPMENT
KwaZulu-Natal aims to be the leader in export trade and the premier destination for investment in the South Africa.
KwaZulu-Natal: South Africa's Export Hub

Home to two of Africa’s largest and busiest seaports in Africa (Durban and Richards Bay)
Home to two Special Economic Zones

Responsible for 65% of South Africa’s containerized trade
PROVINCIAL STRATEGIC PILLARS

Industrial Economic Hubs & SEZ’s

Aerotropolis

Maritime

Tourism

Environment management

Inclusive and sustainable economy
DOING BUSINESS WITH THE EUROPEAN UNION
Doing business with the European Union

The European Union and South Africa enjoy a unique strategic and preferential economic relationship that is embedded in the SADC-EU Economic Partnership Agreement.

- It includes cooperation across a much wider set of social, environmental, industrial, developmental, and security-related matters.
- The EU has historically been South Africa’s main trading partner and the biggest source of foreign direct investment, representing over 40% of SA’s total FDI.
Trade and Investment KwaZulu-Natal is the official trade and investment promotion agency of the Provincial Government and Home of the Regional

*invest*SA
ONE STOP SHOP

TIKZN is listed under schedule 3C of the Public Finance Management Act (PFMA) of 1999
Trade and Investment Benefits

- Jobs and economic development, local business cluster development, regional economic development
- Higher productivity through new ideas, skills and technologies, supply chains
- Increases competitiveness for resources (labour, land, equipment, skills) and for products and services
- Market exposure or knowledge spill-over
- Greater production, less domestic dependence, export earnings,
Operational Units

- Investment Promotion
- Export Promotion
- Knowledge Management
- Business Retention & Expansion
- Gauteng Office

TIKZN
KZN Economic Development Entities

- Economic Development, Tourism & Environmental Affairs (EDTEA)
- Trade & Investment KZN
- Richards Bay IDZ
- Tourism KZN
- Ithala Development Bank
- KZN Growth Fund
- KZN Film Commission
- Dube Trade Port

KZN Economic Development Entities
Tools and Support

- Access to Search Engines – Market Intelligence
- KZN Export Information Portal & TIKZN Website
  - www.exportkzn.co.za
  - www.tikzn.co.za
- Access to relevant Training and Capacity Building Programmes
- Access to DSM Reports
Incentives of Offer at KwaZulu-Natal through TIKZN

Non-Financial
• Incentive Application Support
• Market Development Support
• Training, Development and Capacity Building Programmes
• Access to Market Intelligence Report
• Access to the KZN Export Information Portal
• Access to Market Scoping Reports

Financial
• International Mentorship Programmes (PUM, SIPPO, SES)
• Financial Assistance Support Scheme (FAS)
• Technical Assistance Fund (TAF)
INVESTMENT PROMOTION
# Global Megatrends shaping production

<table>
<thead>
<tr>
<th>Technology/4IR</th>
<th>Policy and governance</th>
<th>Sustainability</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Advanced robotics and AI</td>
<td>• More interventionism in national policies</td>
<td>• Sustainability policy and regulations</td>
</tr>
<tr>
<td>• Digitisation of business</td>
<td>• More protectionism in trade and investment</td>
<td>• Market driven changes in products and processes</td>
</tr>
<tr>
<td>• Additive manufacturing (3D printing)</td>
<td>• More regional, bilateral and ad hoc economic co-operation</td>
<td>• Physical supply chain impact</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• (UNCTAD, 2020)</td>
</tr>
</tbody>
</table>

Source: ITC, 2020
Four likely trajectories for production going forward to build your business around

- Reshoring
- Regionalisation
- Diversification
- Replication

Source: ITC, 2020
## SECTORS OF FOCUS

<table>
<thead>
<tr>
<th>Manufacturing</th>
<th>Tourism</th>
<th>Agriculture and agro-processing</th>
<th>Property and infrastructure development</th>
<th>Services, transport &amp; logistics</th>
<th>Oceans economy (incl maritime industry)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Automotive and component manufacturing</td>
<td>• Nature-based tourism</td>
<td>• Fruit (citrus and subtropical), vegetables, grains, honey, and livestock</td>
<td>• Residential and commercial</td>
<td>• Trade (retail)</td>
<td>• Ocean based tourism</td>
</tr>
<tr>
<td>• Clothing, textiles, footwear, leather and leather products</td>
<td>• Arts, culture and heritage tourism</td>
<td>• Paper, furniture and other wood products</td>
<td>• Industrial parks</td>
<td>• Business services (BPO, finance, insurance, and other professional services)</td>
<td>• Cruise tourism</td>
</tr>
<tr>
<td>• Chemical and plastics manufacturing (transitioning to bio-based, renewables)</td>
<td>• Hotels, resorts, houseboats and other accommodation</td>
<td>• Food and beverage processing and packaging (sugar-cane, livestock, vegetables, fruit, soya, maize, nuts)</td>
<td>• Road and rail infrastructure</td>
<td>• ICT and software development</td>
<td>• Ports</td>
</tr>
</tbody>
</table>

### Traditional
- • Pharmaceuticals and cosmetics
- • Mineral beneficiation
- • Advanced manufacturing
- • Renewable industry technology
- • Industrial waste recycling

### Growth
- • Medical tourism
- • Adventure tourism
- • Film tourism
- • Energy (biofuels), cellulose and other biomass processing
- • Agricultural technology
- • Cut flowers
- • Medicinal and herbal plants
- • Healthcare and facility development
- • Private education institutions
- • Green buildings
- • Smart buildings
- • ICT and software development
- • Aviation and related services
- • Film and media
- • Oil and gas
- • Small craft harbour and waterfront development
- • Boat and ship building and repair (floating docks)
- • Aquaculture
TRADE PROMOTION
EXPORT PRODUCTS FROM KZN

- Automotive parts and components
- Sugar, prepared foodstuffs and beverages
- Chemicals and Plastics
- Furniture, arts & craft
- Pulp & paper
- Engineering & Consultancy services
- Electronic, communication devices
- Leisure boats, transport and logistics equipment
- Machinery
- Jewellery, base metals
- Clothing, textile, body armor
KZN TOP 10 EXPORTS DESTINATION MARKETS, (BILLIONS)

- Germany: R 4.3
- Netherlands: R 6.9
- UK: R 5.6
- China: R 9.0
- Japan: R 6.2
- India: R 8.7
- Namibia: R 6.8
- Botswana: R 2.6
- Mozambique: R 4.8
KZN TOP 10 EXPORTS AFRICA MARKETS (Billions)

- Zambia: R3.3
- Tanzania: R1.1
- Mozambique: R2.6
- Swaziland: R2.9
- Zimbabwe: R3.2
- Botswana: R4.8
- Namibia: R6.8
- Angola: R1.5
- Ghana: R1.5
- Kenya: R1.1
- Lesotho: R1.5
KZN DISTRICT INDUSTRIAL HUBS
### DISTRICT INDUSTRIAL HUBS

<table>
<thead>
<tr>
<th>DISTRICT</th>
<th>INDUSTRIAL HUB</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMAJUBA</td>
<td>CLOTHING AND TEXTILE</td>
</tr>
<tr>
<td>ETHEKWINI</td>
<td>AUTOMOTIVE SUPPLIER PARK</td>
</tr>
<tr>
<td>ILEMBE</td>
<td>RENEWABLE ENERGY</td>
</tr>
<tr>
<td>SISONKE</td>
<td>WOOD PROCESSING</td>
</tr>
<tr>
<td>UGU</td>
<td>PERISHABLES</td>
</tr>
<tr>
<td>UMGUNGUNDLOVU</td>
<td>LEATHER PROCESSING</td>
</tr>
<tr>
<td>UMKHANYAKUDE</td>
<td>AGRICULTURAL MECHANISATION</td>
</tr>
<tr>
<td>UMZINYATHI</td>
<td>COAL BENEFICIATION</td>
</tr>
<tr>
<td>UTHUKELA</td>
<td>ELECTRONICS HUB</td>
</tr>
<tr>
<td>ZULULAND</td>
<td>AGRI-PROCESSING (MEAT)</td>
</tr>
</tbody>
</table>
RICHARDS BAY INDUSTRIAL DEVELOPMENT ZONE (RBIDZ)
RICHARDS BAY IDZ AT A GLANCE

• Situated within a well-established and functioning industrial area with existing operations of large industries
• Offers a unique opportunity to expand on resource-based and related value-adding manufacturing enterprises
• Existing land-portfolio of 216 ha with future expansion of over 3000 ha
• Land available on long term lease
• Provides the benefit of a Customs Control Area
• Located close to SA’s deepest port
RBIDZ SECTORS OF FOCUS

• Metals beneficiation
  ❖ Aluminium
  ❖ Titanium
  ❖ Iron ore

• Agro-processing
  ❖ Pulp, Horticulture & meat production

• Port optimization
  ❖ Containerization, Ship/rig building & repair
  ❖ Oil & Gas

• Renewable & Clean energy
  ❖ Solar
  ❖ Fuel cells
  ❖ Biomass
  ❖ LNG

• ICT
  ❖ Techno-parks Innovation Hub
DUBE TRADEPORT SPECIAL ECONOMIC ZONE

- Home of King Shaka International Airport (KSIA)
- Built around a 50-year master plan, over 2 840 ha site
- Catalyst for global business and trade
- Integrates supply chains, accelerates efficiencies and offers business the agility to compete globally
- Dedicated to develop the air cargo industry and serve the SADC and global market
- Africa’s first purpose-planned airport city and master-planned business environment
- Freight-orientated and world-class cargo facilities and security
TARGET SECTORS

• Aerospace and aviation-linked manufacturing and related services;

• Agriculture and agro-processing, inclusive of horticulture, aquaculture and floriculture;

• Electronics manufacturing and assembly;

• Medical and pharmaceutical production and distribution; and

• Clothing and textiles.
The Durban Aerotropolis is a flagship development at Dube TradePort. The initiative with a 60-year master plan envisions a 32 000 hectare special mixed-use development anchored by the King Shaka International Airport. Developed by the KZN Department of Economic Development, Tourism and Environmental Affairs, the eThekwini Municipality and local landowners, the project will be a business and trade hub between the Durban and Richards Bay ports and impacting on a surrounding area within a 100km radius. The aerotropolis will give both investors and developers the opportunity to work from global spatial development best practice to improve connectivity as well as efficiency. It will also create a space that will have a positive impact on local communities and at the same time draw in investment and stimulate economic growth.
KING SHAKA INTERNATIONAL AIRPORT
AIR CONNECTIVITY

ACCESSIBILITY TO MARKETS
MAJOR COMPANIES IN KWAZULU-NATAL

- Samsung
- Toyota
- BASF
- Unilever
- Tata
- SAB
- Bell
- Mondi
- Grindrod
- Richards Bay Coal Terminal
- Tongaat Hulett
- CINAPOR
- NPC
- Illovo
- DEFY
- Apollo
- Anglo
- ArcelorMittal
- bhp billiton
- ENGEN
- Huntsman

Leadership with trust
100 years
South Africa (PTY) LTD.

Enriching lives through innovation
KZN VALUE PROPOSITION

- Large labour force with varied skill level
- Excellent transport infrastructure, (two ports, an international airport and national roads)
- Access to markets (especially African markets)
- A good quality of life (ideal climate, diverse culture, natural endowments)
- Large youth population
- Large, entrenched industries with strong value chains
- Available land at a competitive price
- A resilient economy with strong growth potential
THIS IS KWAZULU-NATAL

- A wealth of investment opportunities
- South Africa’s most diverse economy
- Continents most sought after emerging markets
- Global gateway to South Africa, Africa & the world
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