

DEPARTMENT OF TRADE & INDUSTRY AND COMPETITION (the dti)

The Department of Trade & Industry and Competition (**the dti**) – South Africa's vision is "a dynamic industrial, globally competitive South African economy, characterized by inclusive growth and development, decent employment and equity, built on the full potential of all citizens".

The Economic Office, Dubai, responsible for the United Arab Emirates, as a custodian of **the dti's** vision, have the following strategic objectives :

- **Export promotion:** increase the export basket of value added products that reflects the diversity of the South African economy and industry;
- **Investment promotion:** promote the economic diversity of South African to attract FDI and local investment to add value to the export basket and local markets;
- **Business facilitation:** promote information sharing between businesses to facilitate trade and investment through the creation of information sharing platforms; and
- **Government to Government :** actively build on the excellent relationships that exist and to increase Government co-operation to facilitate trade, investment and movement of business people.

To enable the transformation of the South African economy through industrial development, investment, export competitiveness, employment creation and more equitable growth.

Export Promotion Services

the dti, and therefore the Economic Office, Dubai, is mandated to promote South African value added goods and services abroad by:

- Providing Market Intelligence;
- Facilitating Exports by matching exporters with buyers;
- Providing In-Market Support for exporters; and
- Export Marketing Assistance - access to markets through: Investment and Trade Initiatives, Outward Selling Missions, Inward Buying Missions and National Pavilions.

Key Export points :

- More than 65 flights per week between Dubai, Abu Dhabi and Johannesburg, Cape Town and Durban;
- Very well developed cold chain infrastructure;
- Only 14 days on the sea from Durban Port to Jebel Ali Port; and
- The most diverse economy, most diverse export basket close to the UAE.

Key Exhibitions in UAE with a South African presence :

- Gulfood, Dubai
- International Defence Exhibition – IDEX, Abu Dhabi
- Arab Health, Dubai
- GITEX, Dubai
- Abu Dhabi International Petroleum Exhibition – ADIPEC, Abu Dhabi
- SIAL, Abu Dhabi
- Professional Beauty, Dubai
- Footwear & Leather, Dubai

Trade Regime

- SADC
- EU FTA
- AGOA
- MERCUSOR
- AFCFTA

A - Z of Exports : Automotive, Beetroot, Condiments, Diamonds, Enzymes, Flowers, Gold, H-beams, Iron, Jewellery, Kingpin, Leather, Meat, Nectarines, Oranges, Pears, Quinces, Rooibos tea, Software, Trucks, Uranium, Vitamins, Wood, Xray, Yarn, Zinc

Investment Promotion Services

InvestSA, a division of **the dti**, providing a One-Stop-Shop service to investors and the Economic Office, Dubai, is the direct link to all of their services.

InvestSA provides Investment Promotion, facilitation and aftercare, which is geared at fast tracking projects and reducing government red-tape. It actively markets, promotes and facilitates investment in key high yielding growth sectors of the South African economy.

Specialist advisory services from **InvestSA** are provided in the following areas :

- Economic Environment;
- Regulatory Environment;
- Legal Environment and Compliance;
- Industrial Development and Financial Support; and
- Investment guides

Key Sectors for Investment :

Advanced Manufacturing

The National Research and Development Strategy (NRDS) and the Integrated Manufacturing Strategy (IMS) recognize that South Africa's future competitiveness will depend on the capacity of the manufacturing sector to master advanced technology domains. The integration of advanced manufacturing technologies within an economy, leads to a multitude of companies seeking to strike a balance between capital-intensive and labour-intensive practices to enhance their global competitiveness :

Laser technology - Lasers and laser-based additive manufacturing, South Africa's innovation in digital laser technology and dynamic control of laser modes could open up many future applications, from communications to medicine.

3D printing - South Africa has been a proud pioneer in the development and implementation of 3D printing technology. With strong competences in the production of complex customized parts, it is expected to extend to the production of machinery. In 2014, South African doctors successfully completed jawbone replacement surgery using 3D printed titanium bones, it was the second time such an exercise was done anywhere in the world. South Africa is also using 3D printing for the manufacturing of aerospace components.

Advanced materials and processing technologies - Advanced materials engineering will result in improved product performance, cost and efficiency, for example polymer composites that result in lighter, more durable products and advanced surface engineering technologies to improve the life cycle of products.

Automation and robotics - Robotics plays its part in manufacturing as an inspection and automated production platform, enabling the assembly, monitoring and inspection of materials, parts and machinery.

Artificial intelligence - Cognitive technologies facilitate autonomous learning, decision-making and improved response rates. The use of such technologies holds benefits for autonomous machinery, automated warehouses, language processing and machine learning.

Biotechnology - The CSIR designs enzymes / catalysts for use in advanced production for coatings, surface treatments, as well as, waste and effluent treatment.

Internet of Things - Networks of low-cost sensors are used for data collection, monitoring and decision-making, allowing operational improvements, as well as the monitoring and tracking of movement of parts and machinery.

Medical Devices & Pharma - Opportunities exist in the Medical Device & Pharma sector of South Africa, due to digitization of health, improved medical technology and pharmaceuticals, for local and export production.

Green Industries

Clean Energy - Given South Africa's heavy reliance on coal, the government has given a strong signal towards replacing fossil fuels with environmentally sustainable technologies, such as wind, solar, biomass and hydro power. Local content requirements ensure investments in a range of technologies and components for these sectors. Investment opportunities on clean energy solutions such as biogas, landfill gas and biomass fuel also exist.

The Renewable Energy Independent Power Producer Procurement Programme is designed to encourage private investment in South Africa's renewable energy, has achieved remarkable success. It has procured more than 6 300 MW of renewable energy generation capacity and has also attracted billions of Rand in foreign investment.

Green Transport - South Africa's industrial policy action plan emphasizes the potential of fuel cell technology, which uses platinum, South Africa is the leading producer, making fuel cell vehicles especially attractive. Biofuels, compressed natural gas and compressed gas are seen as alternative to petrol and diesel.

Water - South Africa's water challenges provides an opportunity to develop water saving technologies and solutions to improve efficient water use. New investment opportunities have opened in : water metering and monitoring, water efficiency, water reuse and alternative water supply.

The waste economy - A rapid growth in solid waste and the shortage of suitable land to dispose waste means that waste is being diverted from landfill towards recycling and recovery in South Africa. Opportunities are open on alternative waste treatment options, small-scale biogas, recycling and reuse (dry recyclables, construction and demolition waste). With the E-Waste Industry Waste Management Plan in place, it is an opportunity to recover valuable materials, to create jobs, and to grow and strengthen the e-waste recycling industry in South Africa.

Services

Business process services - As companies worldwide respond to increasing cost and efficiency pressures, South Africa is becoming a favoured international location for business process outsourcing and offshoring. The BPO industry's focus sectors include financial services, insurance and telecommunications, with outsourced processes including after-sales services, data capture and conversion, accounting, benefits administration, human resource functions, IT and website design and development. International companies that have already chosen South Africa as a BPO destination include IBM, Fujitsu Siemens, Lufthansa, Virgin, Sykes, Avis and the Car Phone Warehouse. For international firms, South Africa slots in between near-shore locations such as Canada, Mexico or Eastern Europe, which offer close proximity as well as cultural affinity to domestic markets, and more traditional offshore locations, such as India and the Philippines, that offer cheap labour.

Film, TV and documentaries - South Africa's varied landscapes, climate and variety of locations, which are able to pass for major cities or rural areas, has made the country an ideal destination for commercial film and TV productions. Lured by the country's favourable exchange rate and fast improving film studio infrastructure, international production houses are increasingly identifying South Africa as a location to film everything from TV commercials to fully-fledged Hollywood and Bollywood blockbusters over locations in Europe, the United States and India.

Oil, Gas, Ship building and repairs - Due to the established midstream and downstream activities in South Africa as a result of the mature downstream industry, South Africa developed as a key location for many local, regional and multinational oil and gas companies active in the value chain. Recently, the successful exploration in Sub-Saharan Africa has resulted in increased activity in oil and gas in the region, and South Africa is well placed to serve as a permanent hub providing services and expertise for oil, gas, ship building and repairs in Africa. Particular expertise and critical mass has been reached in several subsectors : Fabrication and Construction; Ship / Rig Repair and Maintenance; Distribution and Logistics; and Exploration and Production Services.

Resource Based Industries

The South African resource based sectors provide a host of investment and export opportunities in a number of different sub sectors.

The **agro-processing sector** has been identified as a crucial sector for providing labor-intensive growth and has received extensive support through various incentive schemes and billions of Rand in investment by multinational and domestic firms. The sector benefits from competitive input costs, world-class infrastructure, counter-seasonality to the northern hemisphere and vast biodiversity and marine resources.

Food-based opportunities include fruit and vegetable canning; meat processing including ostrich meat; oil-seed production; fruit juice processing; growing indigenous plants on a commercial scale; soya-based products; organic, vegetarian and vegan foods; dairy, bakery and confectionary products and canned fish.

Non-food-based opportunities include medicinal extracts; aromatic oil; flavourants; non-edible oil processing; processing and manufacture of mohair and wool-based textiles and clothing and flax production.

Aquaculture in South Africa holds enormous potential as a sustainable form of food protein. Aquaculture can reduce pressure on wild fish stocks. The government under its Operation Phakisa has targeted aquaculture as a key growth area and many investment opportunities are available.

Opportunities also exist in **Forestry** operations that use locally timber to make furniture domestically, for export, for school, office and home; produce packaging materials, including paper bags as an environmentally friendly alternative to plastic; and manufacture timber roof trusses, poles and home frames. Opportunities also exist on further processing of pulp and paper.

Mineral beneficiation initiatives backed by government and supported by development finance agencies create a welcoming and enabling environment for Investors. Diverse and vast mineral resources, sometimes insufficiently exploited, sometimes simply exported with minimal or no processing, provide specific avenues for beneficiation investment.

Manufacturing

Automotives and rail - It is significant to note that most major multinational vehicle manufacturers are currently represented in South Africa such as Nissan, BMW, Ford, Volkswagen, Daimler-Chrysler and Toyota. These OEMs are supported by a well-established 1st, 2nd and 3rd tier component suppliers. The rail infrastructure is also opening up opportunities such as the Gautrain that provides significant economic and transport related benefits with the proposal of expansion that will see new stations being built and the renewed focus on local passenger and cargo wagons, infrastructure and locomotives.

Clothing and Textiles - South Africa's clothing, textiles demands have increasingly grown to offer the full range of services from natural and synthetic fiber production to non-woven, spinning, weaving, tufting, knitting, dyeing and finishing. The government's support for the clothing industry goes beyond incentives and tax breaks; government has also mobilised investment and used procurement policy to breathe life into the sector – and a more competitive currency encourages exports.

Leather and Footwear - Both leather processing and footwear manufacture have a long history in South Africa and offer opportunities for investment. The men's footwear segment was the markets' most lucrative in 2017. Linkages with the automotive value chain have sustained demand for industrial textiles, particularly leather products for the export-oriented leather seat cover manufacturing.

Cosmetics - South Africa has a thriving beauty and makeup market and its shift towards "organic" or natural cosmetics together with the availability of a range of natural raw materials also presents new avenues for investment. The growth in products that cater for the male market have been identified as an area of great opportunity for the local cosmetics and toiletries industry.

Metals Fabrication - South Africa's overall market for metals and engineering products consists of production by local producers and this aggregate market kept on growing. The demand for steel in South Africa's construction sector will continue to surge as construction tenders increased. It also underpins several other key industries such as construction, automotive, ship building and mining as well as for other formal and informal sectors such as roofing, warehousing, reinforcing, repair and maintenance.