

South Africa

Opportunities in South Africa

The top opportunities for U.S. exporters in South Africa include:

- Telecommunications Equipment
- Information Technologies
- Mining Equipment
- Green Technologies
- Agriculture Equipment
- Automotive Aftermarket
- Aviation
- Franchising
- Healthcare
- Building Construction, Infrastructure
- Transportation

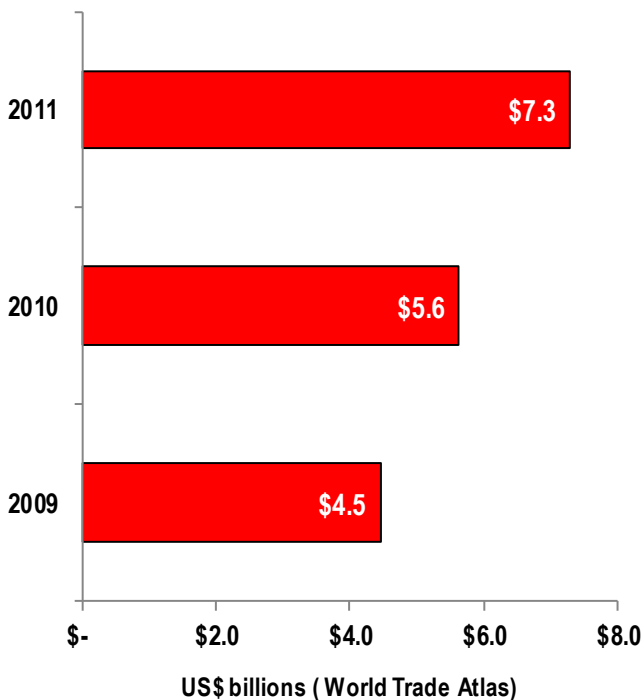
For further information, download the **South Africa Commercial Guide** in our [Salesforce Content Pack](#).

Map of South Africa



In 2011, South Africa was the #37 export destination for the United States and the #45 for Virginia exports.

Total U.S. Exports to South Africa



Top Virginia Exports to South Africa

Export Category	2011	Change 10/11
Total Exports	\$ 71.9	-9%
Paper & Paperboard	\$ 17.7	-12%
Mechanical Machinery	\$ 17.6	-9%
Plastics	\$ 6.4	43%
Electrical Machinery	\$ 6.1	23%
Perfumes & Cosmetics	\$ 3.7	44%
Pharmaceuticals	\$ 3.6	93%
Meat	\$ 3.0	-14%
Vehicles [Not Railway]	\$ 2.8	>1000%
Medical Instruments & Opti	\$ 1.5	-28%
Soaps & Waxes	\$ 1.2	14%

In US\$ millions (World Trade Atlas)

South Africa



Opportunities in South Africa for Exporters

Mining Equipment

The total value of approved mining industry capital projects between 2004 and 2008 was \$14.12 billion. Most investments are aimed not only at increasing extractive capacities and beneficiation, but also at bulk material handling. Technology and training systems to increase safety in this sector are sought after as well. Mining and related projects have traditionally been responsible for significant infrastructure development. For example, 2,200 miles of railway line, three new ports, and a large amount of bulk handling infrastructure at other ports are high on the agenda for both the South African Government and mining consortia. Top opportunities for the mining equipment industry are:

- Communication systems
- Materials handling technology
- Mining & processing equipment

Green Technologies

A mix of fiscal interventions, tighter pollution laws and inspections, higher energy prices, a new corporate governance code and a global focus on climate change has prompted South African businesses to treat sustainability as an imperative business strategy. Clean water supply is also a large concern for the country. Significant demographic pressure on water resources has led to increased attention being paid to water management systems.

South Africa is focused on several key areas of green technologies. As a result, there are many excellent opportunities for Virginia businesses in this market.

Top sub-sectors include pollution control, renewable energy, and green building technologies.

This information is adapted from the U.S. Commercial Service. [Click here to view more export opportunities.](#)

Telecommunications Equipment

South Africa's Telecommunications industry is the continent's most advanced, in terms of technology deployed and services provided. Opportunities are emerging in both the fixed and mobile space through the new service based licensing regime brought about by the convergence of technologies and services. Most high-tech telecommunications equipment is imported. Many companies in this industry distribute imported equipment, and many are now re-exporting to other African countries.

For many companies, South Africa represents an excellent entry point into the continent. Top opportunities in this sector include:

- Advanced services marketing for cell phones
- Power over the Ethernet (PoE) technology

Information Technologies

South Africa's information technology market is the largest in Africa, ranking 20th in the world in overall market size, and eighth in IT spending as a proportion of GDP. The government accounts for most of the demand with little demand from the consumer segment.

Overall, the hardware market is predicted to grow from \$3.8 billion in 2009 to \$5.5 billion in 2013, with computer sales, including accessories, rising from \$3.1 billion to \$4.6 billion over the same period. Software spending will rise from \$1.7 billion to \$2.4 billion, and IT services from \$3.2 billion to \$4.7 billion. Best prospects in this market include:

- Cloud computing technologies
- Security products
- ERP & SaaS software solutions

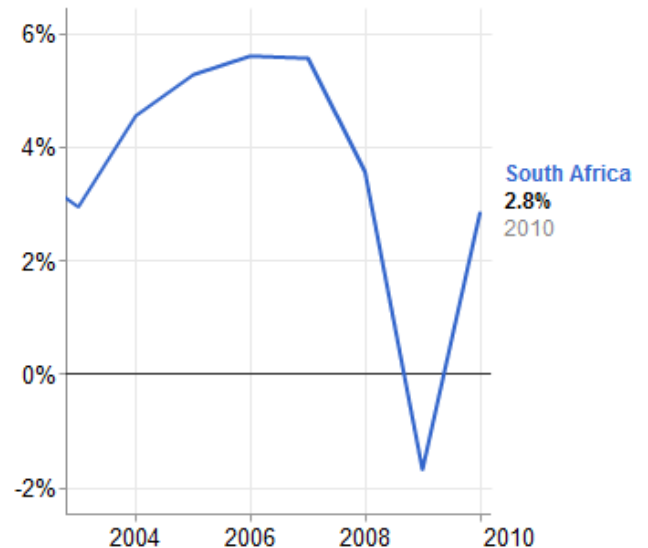
South Africa



Economic Overview

- South Africa is a middle-income, emerging market with well-developed financial, legal, communications, energy, and transport sectors.
- Unemployment remains high and outdated infrastructure has constrained growth. Daunting economic problems remain from the apartheid era - especially poverty, lack of economic empowerment among the disadvantaged groups, and a shortage of public transportation.
- South Africa has rich mineral resources, including platinum, gold, manganese, chrome, vanadium, coal, and titanium. The value-added processing of minerals to produce ferroalloys, stainless steels, and similar products is a major industry and an important growth area.
- The country's diverse manufacturing industry is a world leader in several specialized sectors, including motor vehicles and parts, railway rolling stock, synthetic fuels, and mining equipment and machinery.

GDP Growth Rate



(U.S. Central Intelligence Agency, U.S. Department of State, Google Public Data Explorer)

Cultural Guide

- Business customs in South Africa are generally similar to those in the United States and Western Europe.
- South African business people tend to dress conservatively, particularly in the banking sector. However, “business-casual” has become increasingly popular in the ICT and tourism industries.
- As a general rule, presentations should be concise, informative and well planned out. It is better to have a shorter presentation, that will allow for a question and answer session afterwards, than a longer presentation that leaves the audience with little time to discuss key points. You should also check media issues in advance such as, for example, if a projector and other audiovisual equipment are available.
- Preparation is the key and phone calls should be made to confirm dates and times of meetings to avoid misunderstandings. It is useful to have more than one contact from each organization.
- South Africa is a multicultural country with 11 official languages. It is also a popular destination for immigrants from Europe and Asia. Fortunately, English is the common language for business in South Africa.

If a South African tells you they will do something “just now”, they mean they’ll do it in the near future – not immediately. If someone says “Now now” – they mean shortly, as in: “I will be there now now.”

(UK Trade & Investment, U.S. Commercial Service)

South Africa



Trade Mission to South Africa: May 7-12, 2012

For more information, please contact:

Stephanie Robinson, International Trade Manager, (804) 545-5755, SRobinson@yesvirginia.org.

The VEDP offers a number of export-related services to Virginia businesses, including group market visits and market research by our Global Network of in-South Africa consultants. These services are available to all Virginia exporters. For more information, please visit our website: www.exportvirginia.org.

Additional Resources

Market Reports

[Country Commercial Guide South Africa](#)

[Doing Business in South Africa](#)

[Ease of Doing Business Report: South Africa](#)

[Sector Opportunities in South Africa](#)

U.S. Commercial Service

United Kingdom Trade & Investment

World Bank

United Kingdom Trade & Investment

Website Links

[South Africa Government Portal](#)

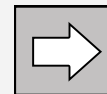
[South African Department of Trade and Investment](#)

[U.S. Department of State: South Africa Information](#)

[U.S. South Africa Chamber of Commerce](#)

[U.S. Trade Representative: South Africa Overview](#)

Click here to access market reports and data in our custom Salesforce Content Pack for South Africa.



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