



FAST FACTS



SOUTH AFRICA

Capital: Pretoria

Population:

South Africa: 43.79 million

Virginia: 7.71 million

Government type:

Republic

Chief of State/Head of government:

President Thabo Mbeki

Languages: IsiZulu, IsiXhosa, Afrikaans, Sepedi, English, Setswana, Sesotho, Xitsonga

Land Size:

471,011 square miles

(slightly less than twice the size of Texas)

Currency: (www.oanda.com)

South African Rand (ZAR)

1US\$ = 8.15034 ZAR (Sept 2008)



(South Africa Map. CIA)

Did You Know?

- U.S. exports to South Africa in 2007 increased 23.75% over 2006 to \$5.52 billion.
- The mature nature of the South African economy is reflected in the mix of economic sectors: agriculture: 9%, manufacturing industry: 24%; and the services sector: 66%.
- With the passage of the African Growth and Opportunity Act, there has been an increase in bilateral trade between the U.S. and South Africa. In 2008, the U.S. and the five members of the Southern African Customs Union signed a Trade, Investment and Development Cooperation Agreement.
- The awarding to South Africa of the 2010 FIFA World Cup Soccer championship is expected to result in \$2 billion in improvements and investment in sporting facilities.
- Entry into the South African market should be well planned. A judicious selection of one of three low-risk entry strategies is recommended: representation, agency or distributorship (Note: if you are selling to the government or government funded organizations, any local partner should be BEE compliant).
- In general, the best prospects for exports are in capital goods, though opportunity exists in a wide range of consumer products and services as well. Of particular note are: Electrical Power Systems; Telecommunication Equipment; Airport/Ground Support Security; Automotive Parts/Service Equipment; Transportation, Infrastructure and Civil Construction; Franchising; Renewable Energy; Safety/Security Equipment; Pollution Control Equipment; Mining Equipment; Medical Equipment; Telecommunications Services; and Sporting Goods.



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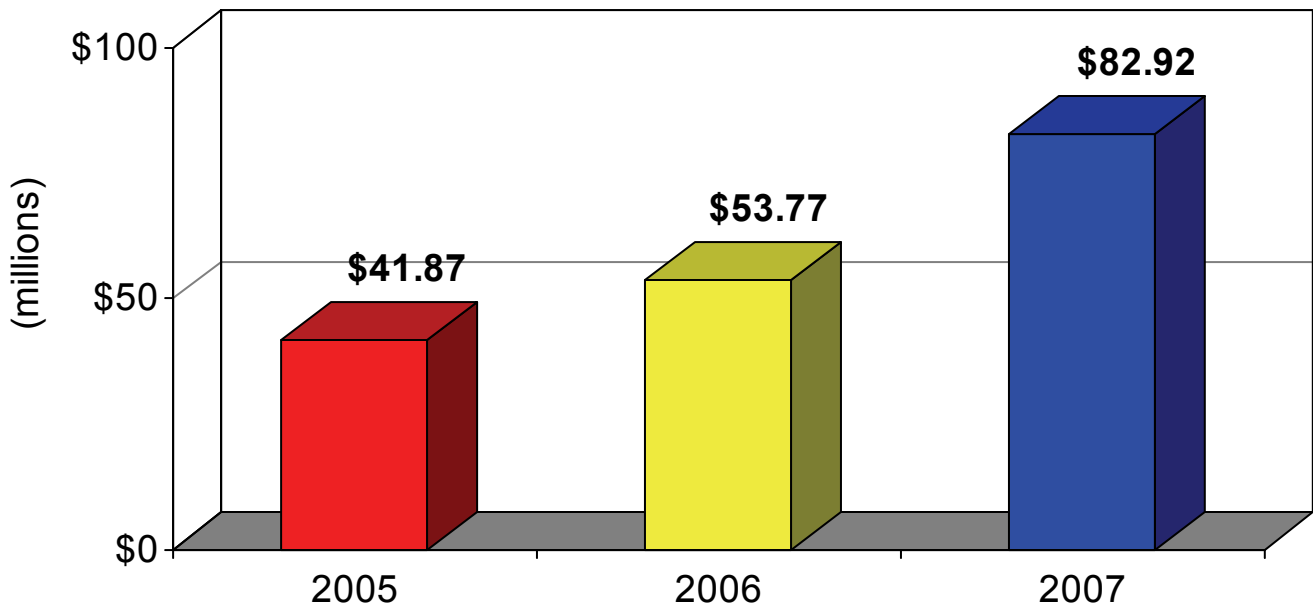
ECONOMIC OUTLOOK

South Africa is a middle-income, emerging market with an abundant supply of natural resources; well-developed financial, legal, communications, energy, and transport sectors; a stock exchange that is 17th largest in the world; and modern infrastructure supporting an efficient distribution of goods to major urban centers throughout the region.

Growth has been robust since 2004, as South Africa has reaped the benefits of macroeconomic stability and a global commodities boom. However, unemployment remains high and outdated infrastructure has constrained growth. At the end of 2007, South Africa began to experience an electricity crisis because state power supplier Eskom suffered supply problems with aged plants, necessitating "load-shedding" cuts to residents and businesses in the major cities.

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 African economic policy is fiscally conservative but pragmatic, focusing on controlling inflation, maintaining a budget surplus, and using state-owned enterprises to deliver basic services to low-income areas as a means to increase job growth and household income.

VIRGINIA EXPORTS TO SOUTH AFRICA



(Source for graph: World Trade Atlas)



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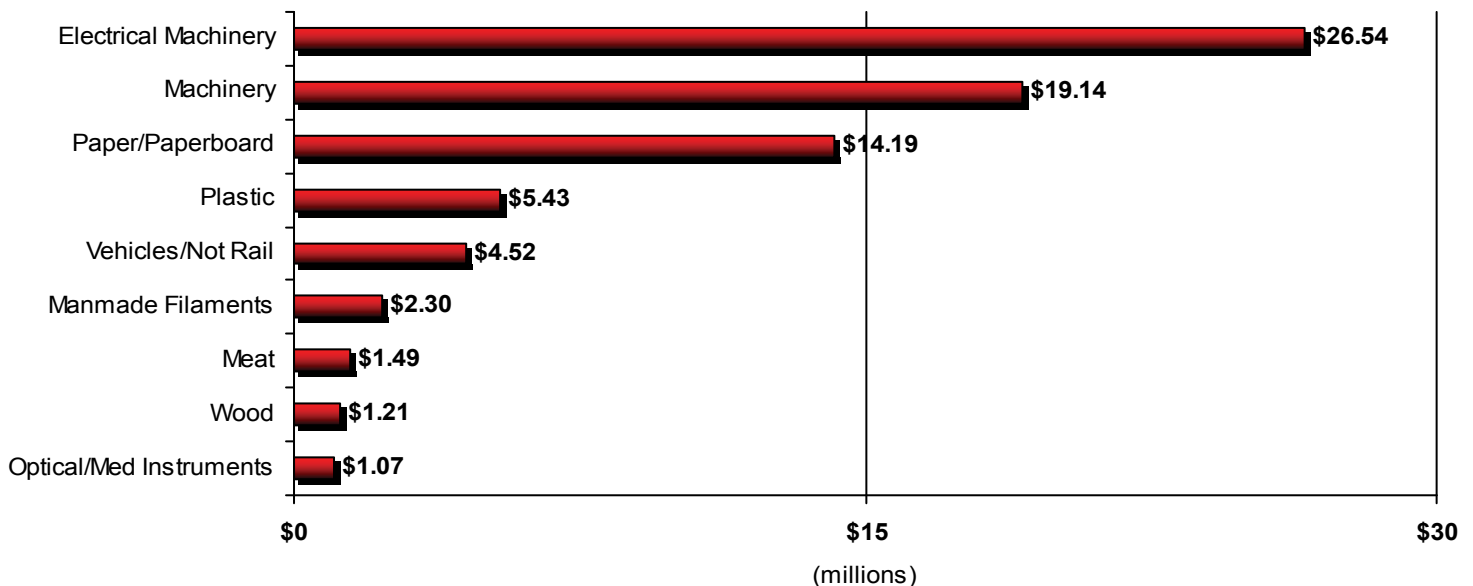
VIRGINIA EXPORTS TO SOUTH AFRICA

South Africa ranked as Virginia's 34th largest export destination in 2007, valued at \$ 82.92 million, an increase of 54.21% over 2006. U.S. exports to South Africa also increased in 2007 by 23.75% over 2006 to \$ 5.52 billion.

1. Electrical Machinery was Virginia's number one export to South Africa in 2007. This product class jumped 838.58% over 2006 to \$26.54 million. The majority of this was made up of telephone equipment.
2. Machinery exports for 2007 grew by 121.27% over 2006. They increased from \$8.65 to \$19.14 million. Approximately half of this category was machines made for forging, bending and stamping.
3. Paper/Paperboard exports increased to \$14.19 million in 2007, a growth of 2.03% from 2006. This was predominantly made up of coated papers.
4. Plastic decreased 10.29% from 2006 to \$5.43 million in 2007.

Overall many Virginia exports to South Africa grew in 2007. The manmade filaments sector jumped 279.65% in 2007, primarily in synthetic yarns. A 53.66% jump also occurred in meat. Wood experienced 50.22% growth over 2006, comprised mostly of veneer sheets.

VIRGINIA'S TOP EXPORTS TO SOUTH AFRICA - 2007



(Source for Text and Graph: World Trade Atlas)



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VEDP TRADE EVENTS

Trade Mission to South Africa: March 2—6, 2009.

For more information contact Ralph Torning, International Trade Manager, (434) 582-5182, or email at RTorning@yesvirginia.org.

For a complete listing of VEDP's international trade events, please visit the "Events" tab on our website: www.ExportVirginia.org

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ADDITIONAL RESOURCES

- South African Embassy in the United States: <<http://www.saembassy.org>>
- Republic of South Africa. Department of Trade and Industry. <<http://www.thedti.gov.za/>>
- Economist.com. Country Briefings: South Africa. <<http://www.economist.com/countries/SouthAfrica/>>

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