



South Africa



INDO-AFRICAN CHAMBER OF COMMERCE & INDUSTRIES

April 2013

National Day Special Supplement

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INDO-AFRICAN CHAMBER OF COMMERCE & INDUSTRIES



Dear Readers,

South Africa is famous for its sunshine, also a relative dry country. It is the economic powerhouse of the African Continent. Its economy is managed within a stable political environment.

South Africa's major strength include its physical & economic infrastructures, natural minerals, metal resources, growing manufacturing and services sector & potential to develop a strong tourism industry. Trade with, and investment in, other African states has increased substantially.

South Africa represents excellent value for money.

The largest export group are wine, citrus, sugar, grapes, maize, fruit juice, wool & deciduous fruits such as apples, pears, peaches & apricots; whereas other important export product are non alcoholic beverages, food preparations, meat, pineapples,

groundnuts, dairy product hides & skins etc. We, at the Chamber put in the best of our efforts to promote the Indo-African Bilateral Trade----> the success of "Elecrama" & "IESS" in the strong evidence of our presence various African Countries - the chamber has mobilized overall 1000 delegates from Africa in both the Events.

This Supplement is a "Special Issue" brought out by our chamber on South Africa.

I must congratulate & compliment to office of the South African Consulate, Mumbai for their valued co-operation & support.

I extend my best wishes to the chamber for scaling greater heights of glory in the years to come.

Happy National Day!
K. L. Daga - President



Dear Readers

Freedom Day Celebrations will be held in South Africa on 27 April 2013 under the theme "Mobilising society towards consolidating our democracy and freedom". It is a day that represents peace, unity, and the restoration of human dignity of all South Africans. It is a reminder of the countless sacrifices made by our countrymen and a chance to ensure that no one will ever take our hard won freedom for granted. South Africa has taken many strides away from its past of exclusion and discrimination on the basis of sex, colour and creed. The country has been steadily moving forward in a direction that reasserts our humanity. In this march towards humanity, a new culture of human rights and a respect for the dignity of the human spirit have become characteristics of South Africa.

Today, although South Africa is still an unequal society, I can categorically state that South Africa is a better place and many improvements have been made since 1994. Therefore, it is also fitting that I acknowledge our friends who have stood by us, who have held our hands during the difficult transitional periods and whose encouragement and wisdom have led us on the right path. Thus, on behalf of the South African government and people, I thank our Indian comrades for their unselfish assistance and support in making the South African dream come true. Based on this foundation, relations between India and South Africa have progressed in leaps and bounds. On all fields, be it historical, politically, economically, cultural or socio, South African / Indian relations are sound because we share the same ideals, expectations and dreams for

our countries and peoples.

Dear Readers, South Africa is a vibrant, sophisticated and warm country. I want to invite you to visit South Africa and to experience this vibrancy for yourselves, to share our tourist attractions and culture and to explore business opportunities. With regard to the latter, you are aware that India is one of South Africa's key trading partners and bilateral trade between South Africa and India has experienced an upward trend between 2006 and 2012, growing from R16.3 billion (in 2006) to R62 billion (in 2012). I however believe that there is much scope to diversify the quantum of trade and explore the untapped potential that exists between both our nations. 18 strategic integrated projects are in the pipeline, they will fast track infrastructure development to transform our economy, create a significant number of new jobs, and strengthen the delivery of basic services.

From our side, we have brought the message that the South African economy offers a multitude of opportunities. This is something to which a number of Indian companies can already attest to, with companies like Tata, Godrej, Ramco and Apollo to name a few already having a formidable presence in South Africa.

However, it is imperative to ensure that South African and Indian companies participate in instead of becoming mere recipients of each other's rapid economic expansion. It therefore becomes important to take advantage of the prevailing goodwill and understanding between our two great nations. I am of the firm belief that our two sides should nurture the present relationship and build in the future a more permanent and collaborative socio-economic

infrastructure for developing sustained growth to be able to fructify our vision of a prosperous South Africa, a peaceful Africa and a better world.

We, as the mission, also express our sincerest appreciation for the close cooperation between the Indo-African Chamber of Commerce and Industry (IACCI) and the South African Consulate General and the unwavering support and assistance rendered to us through their involvement in the African Day celebrations, Elecrama Exhibition and the International Engineering Sourcing Show. We trust that this close cooperation will go from strength to strength to the benefit of South Africa, India and their respective peoples. The Indo-African Chamber of Commerce and Industry (IACCI) has been a pillar of the south-south cooperation and very instrumental in fructifying the trade relationship that exist between South Africa, Africa and India which is historically sound and diplomatically solid. We look forward to marching forward the people of India through IACCI in commemorating further the 10th anniversary of the Brasilia declaration that gave us India, Brazil, South Africa (IBSA) this year and also the 50th anniversary of the establishment of the African Union which followed the Organisation of African Union.

Working together we can do more! Thank you!

H.E. Mr. Pule Isaac Malefane
Consul General
South African Consulate General,
Mumbai - India



INDO-AFRICAN CHAMBER OF COMMERCE & INDUSTRIES



Editorial...

South Africa is a 'rainbow' nation of at least nine African, three Asian, and half a dozen European Cultures. Geographically, South Africa is the 25th biggest country in the world.

South Africa has produced Seven Noble prize winners (for peace, literature, & medicine) South Africa is the only country in whole of African Continent to have developed a nuclear weapon & was the 1st in the world to voluntarily dismantle its nuclear arms program. South Africa is one of the world's fastest growing holiday destinations it is often referred to as the "new gold" of the South African Economy. It has grown by 27%.

South Africa is always open for business in every conceivable economic sector. With a stable democratic government, sound financial security and a transparent and highly regulated banking sector, the country is a haven for investors. Despite the global recession, South Africa is in an excellent economic position due to strong commodity prices, low interest rates and faster global growth.

Plenty of opportunities await international investors in all sectors of the economy and throughout the country. South Africa holds immense potential as a representative of the

continent and offers easy access to inter-continental and East-West trade.

South Africa's large skilled and unskilled labour force comes from a variety of universities, technikons and colleges as well as a well-developed corporate training sector. A strong union structure provides protection of the constitution and supports employee labour rights.

Important and innovative work is ongoing in a wide number of fields, including biotechnology, nano-technology, indigenous/traditional medicine, sports science, and many more. South Africa has one of the newest & most progressive constitutions in the world.

We are thankful to the High Commission H.E. Harries Majeke and H.E. Pule Malefane Consul General of South Africa for their valued cooperation and strong support to our chamber from time to time. Strengthening our relationship with South Africa business community. At the same time we are also thankful to DTI officials Mr. Rajankumar.

Regards,

Mrs. Sunanda Rajendran
Editor / Secretary General



Do you know about South Africa

KEY FACTS AND FIGURES

Agriculture: 81,6% of total land area
Arable land: 12,1% of total
Provinces: Eastern Cape, Gauteng, KwaZulu-Natal, Mpumalanga, Northern Cape, Limpopo, North West, Free State and Western Cape
Capitals: Pretoria (administrative), Cape Town (legislative), Bloemfontein (judicial)
Largest city: Johannesburg
President: Jacob Zuma
Area: 1 221 037 km²
Calling code: +27
Internet TLD: .za
Official languages: Afrikaans, English, Ndebele, Pedi, Sotho, Swazi, Tsonga, Tswana, Venda, Xhosa and Zulu
Measures: Metric system
Currency: One Rand (R) = 100 cents
Currency code: ZAR
Fiscal year: 1 April to 31 March
Time: Two hours ahead of GMT
GDP (PPP): \$505 214 billion
Per capita: \$10 243
GDP (nominal): \$287 219 billion
Per capita: 57.8
HDI: 0.683

THE SOUTH AFRICAN SCORECARD

Country size : 28th in the world, by population and GDP



Local currency versus the US dollar : Second best in the world

Most democratic : Ranked 43rd out of 150 countries (ahead of China, India, Brazil, Russia)

Size of gold reserves : 24th out of 92 countries

Protection of investors : 10th out of 183 countries

Size of exports : 41st out of 192 countries

Agricultural output : In the world's top 20

Press freedom : 41 out of 176 countries (higher than France, Italy, Spain, Portugal)

"Big Mac" index : 11th out of 60 countries

Railroad network : World's 18th longest

Road network : World's 15th biggest

Electricity production : World's 19th biggest

Budget : South Africa's Open Budget Index score in 2010 was 92 out of 100, the highest score of the 94

countries surveyed
Nation brand : The most valuable on the continent in 2011 according to UK-based Brand Finance
Tourism : Voted the ninth best destination in the world
Corruption : The 40th least corrupt nation according to the World Audit Survey

A GLOBALLY COMPETITIVE ECONOMY

South Africa fared well in the most recent World Economic Forum's Global Competitiveness Index. South Africa's overall ranking improved to 50 in 2011-2012 out of 142 countries, due to impressive gains in accountability of private institutions, strength of investor protection and technological readiness.

South Africa's flagship advantages continued to shine:

- Ranked first in strength of auditing and reporting standards
- Ranked second in efficacy of corporate boards



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India-South Africa Relations

Political Relations

Development of political relations since 1994

Against the background of India's consistent support to the anti-apartheid struggle, there has been a steady consolidation of our close and friendly ties with South Africa, both bilaterally and through the trilateral IBSA Dialogue Forum. A number of bilateral agreements have been concluded between the two countries since the assumption of diplomatic relations in 1993 in diverse areas ranging from economic and commercial cooperation, defence, culture, health, human settlements, public administration, science and technology and education. India's Technical and Economic Cooperation Programme (ITEC) has been a useful medium of promoting cooperation in development of human resources. In FY 2012-13, under ITEC 150, slots have been allocated to South Africa.



President Pratibha Devisingh Patil paid a State Visit to South Africa from 2-7 May 2012. Prime Minister of India Dr Manmohan Singh visited South Africa from 17-19th October 2011 to attend the IBSA Summit held in Pretoria on 18th October 2011. PM's official delegation included the External Affairs Minister Shri S.M. Krishna; the Commerce and Industry Minister Shri Anand Sharma; Principal Secretary to the Prime Minister Mr. Pulok Chatterjee; Secretary (W), MEA; and other senior officials. An IBSA Joint Declaration called



Tshwane Declaration was issued & an IBSA MoU on Diplomatic Academies was signed during the visit. Smt. Krishna Tirath, Minister of State for Women and Child Development (IC) also visited South Africa to attend the Women's Forum held in Durban held from 13-14 October 2011 in the run-up to the summit. President of South Africa, Mr Jacob Zuma paid a visit to India in March 2012 for 4th BRICS Summit. President Zuma, accompanied by Mrs Nompumelelo Ntuli-Zuma, had earlier paid a State Visit to India from 02 to 05 June 2010. President Zuma's delegation included 7 Cabinet Ministers [Ministers of

International Relations and Cooperation, Defence, Public Enterprises, Trade & Industry, Agriculture, Forestry & Fisheries, Transport and Communications]. Three MOUs/Agreements were signed during the visit: (i) MOU on 2 Cooperation in the Field of Agriculture and Allied Sectors, (ii) Air Services Agreement and (iii) MoU on cooperation between the Foreign Service Institute of India and the Diplomatic Academy of South Africa. A 200-member strong business delegation as well as senior officials accompanied President Zuma on his visit. President Zuma met President, Vice President and Prime Minister; MOS for External Affairs as well as Chairperson of UPA and Leader of the Opposition in the Lok Sabha called on him. Discussions reflected the fraternal warmth and affection as well as the strategic partnership that characterize bilateral relations. President Zuma and his delegation also met Indian business leaders in Mumbai on June 2, 2010. There has been regular exchanges at Ministerial level including visit of Shri. Pratik Prakashbapu Patil, MOS(Coal) in October 2012 and Shri. Anand Sharma, Minister of Commerce, Industry and Textile in January 2013.

Joint Commission and Foreign Office Consultations

The India-South Africa Joint Commission at the level of Foreign Ministers was set up in 1994 to identify areas of mutually beneficial cooperation. The 7th session of the JMC was held in Pretoria in February 2008. During the visit, three Agreements on Customs Cooperation, S&T and visa free travel for diplomatic and official passport holders were signed. India hosted the 8th session of the JMC in March, 2011 in New Delhi. EAM Shri S.M. Krishna headed the Indian delegation, while Minister Mashabane led the South African side. Four rounds of Foreign Office Consultations have also been held; the latest in Pretoria in May 2010. Secretary (West), MEA, Shri Vivek Katju headed the Indian delegation.

IBSA & BRICS Initiative



On June 6, 2003, the Foreign Ministers of India, Brazil and South Africa met in Brasilia and agreed to set up a Dialogue Forum for regular consultations on such matters. Subsequently, in 2006, this was upgraded to Summit level; five Summits have been held so far, the last in Pretoria

in October 2011. IBSA Trilateral Ministerial meeting was held in New Delhi in March 2011. 16 Sectoral Working Groups have been established in areas such as health, agriculture, education, human settlements, S&T and defence. South Africa has also been admitted as a member of the BRICS grouping and attended the BRICS meeting held in April 2011 at Sanya and the BRICS summit held in March 2012 in New Delhi.

Commercial & Economic Relations

Commercial relations have flourished since the establishment of diplomatic relations in 1993. On the trade front, value of bilateral trade has increased from US\$ 2.5 billion in 2003-2004 to US\$ 14.7 billion in 2011-2012. During the visit of President Zuma to India, both sides agreed to work towards a target of USD 10 billion in bilateral trade by 2012. The trade target was revised to USD 15 billion by 2014 during the visit of Commerce and Industry Minister in January, 2011 to South Africa as the bilateral trade target was achieved in FY 2010-11. Recent bilateral trade figures are as follows:

South Africa-India Bilateral Trade

Year	2008	2009	2010	2011	2012
Exports	17 995 863	17 873 261	22 204 214	24 320 613	34 499 200
Imports	18 798 607	15 376 889	20 592 011	27 836 201	27 153 554
Total trade	36 794 470	33 250 150	42 796 225	52 156 814	61 652 755
Trade balance	-802 744	2 496 372	1 612 203	-3 515 588	7 345 646

There is substantial potential for trade growth between the two countries. Exports from India to South Africa include vehicles and components thereof, transport equipment, drugs and pharmaceuticals, engineering goods, footwear, dyes and intermediates, chemicals, textiles, rice, and gems and jewellery, etc. Import from South Africa to India include gold, steam coal, copper ores & concentrates, phosphoric acid, manganese ore, aluminum ingots & other minerals.

Major investors include Tata (automobiles, IT, hospitality, and ferrochrome plant), UB Group (breweries, hotels), Mahindra (automobiles) and a number of pharmaceutical companies, including Ranbaxy, CIPLA, etc as well as IT companies and some investments in the mining sector. There is also growing South African investments in India led by SAB Miller (breweries), ACSA (upgradation of Mumbai airport), SANLAM and Old Mutual (insurance), ALTECH (set top boxes), Adcock Ingram (pharmaceuticals), Rand Merchant Bank (banking). First National Bank, a leading bank of South Africa opened its branch in Mumbai in April 2012. In 2011, 90367 Indian tourists visited South Africa while approx 58430 South African tourists visited India.

Culture

With the help of the Indian Council for Cultural Relations (ICCR), an intensive programme of cultural exchanges is



organised throughout South Africa including scholarships for South African nationals. In addition to such cultural programming, a 'Shared Histories' Festival organized as a public-private partnership is also held, which held its fourth edition in 2010. The Fifth edition of the 'Shared Histories' Festival was underway in September 2011. The SA Minister of Arts & Culture Mr. Pallo Jordan visited India in December 2007 during which he also inaugurated a major South African art exhibition.

Mrs. Ambika Soni, Minister of Tourism and Culture visited South Africa in August 2008 and signed the Programme of Cooperation (POC) in Arts and Culture for 2008-2011. A Festival of India in South Africa was jointly organized by Department of Arts and Culture South Africa and High Commission in Pretoria from June-August 2011 & A Festival of South Africa in India is scheduled to be



organized in 2012-13 under the POC. The 9th World Hindi Conference was held in September 2012 at Johannesburg.

Indian Community

A second wave of Indians came after 1880. These were the "passenger Indians" - so-called because they paid their fares as passengers on board a steamship bound for South Africa. This was the community of traders who mainly hailed from Gujarat.

Today, the South African Indian origin community numbers around 1.5 million and constitutes about 3% of South Africa's total population. About 80% of the Indian community lives in the province of KwaZulu Natal, about 15% in the Gauteng (previously Transvaal) area and the remaining 5% in Cape Town. South Africans of Indian origin are well-represented in Government, business, media, legal and other professions. The year 2010 marked the 150th anniversary of the first arrival of Indians in South Africa.

(Source: <http://www.mea.gov.in>)



Investment Promotion Agencies

Investment promotion is a national, provincial, and local government strategy designed to promote and maintain new and additional foreign and local direct investment in the country as well as in Africa. To this end, each province is served by its own independent investment promotion agency. Investment promotion activities are co-ordinated with the national investment promotion agency. Investment promotion agencies inter alia provide the following services to the prospective or current investor:

- Promotion of investment opportunities;
- Marketing of investment projects;
- Information on the various investment sectors and industries within South Africa;
- Facilitation of investment missions, including travel itineraries;
- Introduction to key stakeholders in the private and public sectors;
- Introduction to potential joint venture partners and BEE partnerships;
- Consultation on the prevailing regulatory environment;
- Information on incentive packages;
- Guidance on plant/site locations of Industrial Development Zones (IDZs);
- Assistance with work permit applications
- Logistical support for relocation; and
- Dedicated aftercare service.

The agencies listed below can be of assistance to new as well as current investors in South Africa.

NATIONAL

Trade and Investment South Africa (TISA), a division of the Department of Trade and Industry (the dti), has established trade and investment promotion offices worldwide to facilitate trade and investment flows. The dti also provides supportive services to the New Partnership for Africa's Development (NEPAD), which plays a critical role in catalysing trade and economic development on the African continent.

TRADE AND INVESTMENT SOUTH AFRICA (TISA)

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Courier delivery address:
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Tel.: 0861 843 384 (national);
+27 (12) 394 9400 (international)
E-mail: investmentsa@thedti.gov.za
Web: www.thedti.gov.za

REGIONAL

Gauteng Economic Development Agency (GEDA)

Physical address: 56 Main Street, Johannesburg, South Africa
Postal address: PO Box 61840, Marshalltown, 2107, South Africa
Tel.: +27 (11) 833 8750
Fax: +27 (11) 836 9070
E-mail: info@geda.co.za
Website: www.geda.co.za

Mpumalanga Economic Growth Agency (MEGA)

33 van Rensburg Street, Nelspruit
PO Box 3881, Nelspruit, 1200
Tel.: +27 (13) 752 2440

Fax: +27 (13) 755 1756
Website: www.mii.co.za

KwaZulu-Natal: Trade and Investment KwaZulu-Natal (TIKZN)

Trade and Investment House
Kingsmead Office Park, Kingsmead Boulevard, Stanger Street, Durban, 400, South Africa
Postal address: PO Box 4245, Durban, 4000, South Africa
Tel.: +27 (31) 368 9600, 368 7050
Fax: +27 (31) 368 5888
E-mail: info@tikzn.co.za
Website: www.tikzn.co.za

Eastern Cape: Eastern Cape Development Corporation

Physical address: Ocean Terrace Park, Moore Street, Quigney, East London
Postal address: PO Box 11197, Southernwood, East London, Eastern Cape, South Africa, 5213
Tel.: +27 (43) 704 5600
Fax: +27 (43) 704 5700
E-mail: info@ecdc.co.za
Website: www.ecdc.co.za

Western Cape: The Western Cape Investment and Trade Promotion Agency (Wesgro)

Waldorf Arcade, 12th floor, 80 St Georges Mall, Cape Town, 8001
Postal address: PO Box 1678, Cape Town, 8000, South Africa
Tel.: +27 (21) 487 8600
Fax: +27 (21) 487 8700
E-mail: info@wesgro.co.za
Website: www.wesgro.co.za

Free State: Investment Promotion Agency

49 Maibland Street, 3rd Floor, Fedsure Building, Bloemfontein
Postal address: PO Box 7024, Bloemfontein, 9300
Tel.: +27 (51) 400 0800
Fax: +27 (51) 447 0929
E-mail: fdccorp@fdcc.co.za
Website: www.fipa.org.za

Northern Cape: Department of Economic Affairs and Tourism

Physical address: 13th Floor Post Office Building, Market Square, Kimberley
Postal address: Private Bag X 6108, Kimberley, 8300
Tel.: +27 (53) 839 4002
Fax: +27 (53) 832 6805
Website: www.northern-cape.gov.za

North West Province: Invest North West

171 Wolmarans Street, 1st Floor Old Mutual Building, Rustenburg,
PO Box 6352, Rustenburg, 0300
Tel.: +27 (14) 594 2570
Fax: +27 (14) 594 2575
Website: www.investnorthwest.co.za

Limpopo: Trade and Investment Limpopo

130 A Marshall Street, Polokwane
Postal address: PO Box 3490, Polokwane
Tel.: +27 (15) 295 5171
Fax: +27 (15) 295 5197
Website: www.til.co.za



South African Investment Environment

- Abundant natural resources
- Excellent transport and logistical infrastructure
- World class financial system
- Economic stability & sound macro-economic management
- Skills availability
- Favourable cost of doing business

INVESTMENT FROM INDIA INTO SOUTH AFRICA

Year	Projects	Capex	Jobs
2012	6	8,461	505
2011	12	2,791	1,973
2010	5	1,659	1,060
2009	9	2,816	2,090
Total	59	38,182	9,488

* This figure includes 1 live projects
- Capex and jobs figures include estimates
- All Capex figures shown are in millions of South African Rands
Source: the dti (Department: Trade and Industry) Republic of South Africa

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INDO-AFRICAN CHAMBER OF COMMERCE & INDUSTRIES

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Contact : Secretary General

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