SOUTH AFRICA
A WEALTH OF OPPORTUNITY
A quick guide to doing business in South Africa.
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YOUR INVESTMENT DESTINATION

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 is found at the southern tip of the African continent and is made up of nine provinces.

**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 GLOALLY 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
- Ranked third in protection of minority shareholders’ interests
- Ranked seventh in effectiveness of anti-monopoly policy
- Ranked third in availability of financial services
- Ranked fourth in financing through the local equities market
- Ranked second in soundness of banks
- Ranked first in regulation of securities exchange
- Ranked eighth in legal rights
- South Africa’s absolute score remained at 4.3 (on a scale of one to seven)
- South Africa’s 50th overall ranking is sub-Saharan Africa’s highest
- South Africa is second only to China among the Brazil-Russia-India-China-South Africa (BRICS) economic grouping
A CULTURE OF INNOVATION

South Africa fosters a culture of innovation believing that it is key to its future success. The country is busy promoting innovation on a broad front and has recently introduced The Innovation Agency.

- In Cape Town, Optimal Energy has pioneered The Joule – South Africa’s first electric car. It is a nippy, spacious six-seater capable of 200 kilometres between battery charges.
- In Durban, Adept Airmotive has invented a lightweight, light aircraft engine that is 30% more fuel-efficient than its competitors.
- In Johannesburg, Femipap is a self-sampling product that quickly and inexpensively permits women to check for evidence of cervical cancer.
- Professor Vivian Alberts and a team at the University of Johannesburg have pioneered a process for the production of thin film solar modules to extract more renewable energy from South Africa’s abundant sunlight.
- Following research at the University of Cape Town, local company Hot Platinum, has successfully developed innovative platinum casting equipment for jewellery design.
- South Africa hosts an International Centre for Genetic Engineering at the University of Cape Town.
- Dr Math, a mobile-based mathematics-tutoring programme developed by South Africa’s Council for Scientific and Industrial Research, has received a 2011 Technology in Government in Africa award from the United Nations in the “ICT in Education” category.
- South Africa’s Council for Scientific and Industrial Research (CSIR) has developed an innovative, affordable hand-washing device enabling poor communities to combat life-threatening water-borne diseases with minimal water usage.
- In a bid to exploit South Africa’s abundant sunshine and reduce reliance on mains electricity, Vodacom has launched a low-cost solar-powered mobile phone with the unique ability to charge on the go – even when it’s not in direct sunlight.
AN INVESTOR’S DREAM

With the unique combination of highly developed first-world economic infrastructure and a vibrant emerging-market economy, South Africa is an investors’ dream.

Most business sectors are open to investors and there are almost no restrictions on the form or extent of foreign investment.

Exporters are granted incentives such as export marketing assistance and zero rating for value added tax (VAT) on exports of goods and services.

Investors have a number of investment incentives that are available for entities producing goods and services in the country.

SOUND ECONOMIC POLICIES
South Africa’s investor-friendly policies support foreign investment in the country.

Large-scale investment in infrastructure, small businesses, skills development and targeted sector interventions are well under way in all sectors of the economy.

FAVOURABLE LEGAL AND BANKING ENVIRONMENT
South Africa has a world-class, progressive legal framework pertaining to commerce, labour and maritime issues.

Laws relating to competition policy, copyright, patents, trademarks and disputes, conform to international norms and conventions.

South Africa’s financial systems are sophisticated, robust and well regulated.

South African banking regulations rank with the best in the world, while the sector has long been rated among the top ten globally.

The Johannesburg Stock Exchange is among the top twenty exchanges in the world by market capitalisation.
The rise to BRICS and membership of the G20 group of nations positions the country as a key player in developing markets and the global economy.

BRICS will account for 61% of global growth in three years’ time, according to the International Monetary Fund (IMF).

The $1 trillion African Free Trade Agreement will form Africa’s biggest free trade bloc creating a single, continent-wide market estimated to be worth $1 trillion by 2013.

FAVOURABLE COST OF DOING BUSINESS
South Africa’s exchange rate makes it one of the least expensive countries for foreigners to live and do business in.

A first-world infrastructure and high living standards ensures good value for money.

South Africa’s energy costs are still among the lowest in the world, and the country compares favourably with others on petroleum prices.

South Africa’s unit labour costs are lower than those of other key emerging markets.

INDUSTRIAL CAPABILITY AND CUTTING-EDGE TECHNOLOGY
The country’s manufacturing output is increasingly technology-intensive, with high-technology manufacturing sectors enjoying a growing share of total manufacturing production.

The country has developed a number of leading technologies, particularly in the fields of energy and fuels, steel production, deep-level mining, telecommunications and information technology.

COMPREHENSIVE HEALTH CARE
South Africa is due to roll out National Health Insurance (NHI) in April 2012 as a pilot for the first five years.

The NHI will provide universal health coverage to all South Africans, regardless of their employment status and ability to contribute to the NHI fund.

The government has set aside billions of rands towards comprehensive HIV/Aids programmes, child healthcare and training of medical professionals.

WORLD-CLASS INFRASTRUCTURE
South Africa has world-class infrastructure, including an excellent transport network, low cost energy and sophisticated telecommunications facilities.

ACCESS TO MARKETS
South Africa serves as a trans-shipment point between the emerging markets of Central and South America and the newly industrialized nations of South and Far East Asia.

Major shipping lanes pass along the South African coastline in the south-Atlantic and Indian oceans.

The country’s seven commercial ports form by far the largest, best-equipped and most efficient network on the continent.

ACCESS TO AFRICA
South Africa has the resident marketing skills and distribution channels imperative for commercial ventures into Africa.

The country plays a significant role in supplying energy, relief aid, transport, communications and outward investment on the continent.

South Africa is a dynamic force within the 14-member Southern African Development Community (SADC) and was a key player in the development of the New Partnership for Africa’s Development (Nepad), the socio-economic renewal programme of the African Union.

BRICS-Africa trade is expected to surpass the $50 billion mark within five years.

TRADE REFORM AND STRATEGIC ALLIANCES
Since signing the Global Agreement on Tariffs and Trade in 1994, South Africa has become a player in the global trading system.

Market access has been enhanced through free trade agreements with the European Union and the Southern African Development Community, and the implementation of the Africa Growth and Opportunity Act by the United States.

The India-Brazil-South Africa (IBSA) alliance, formed in 2003, aims to increase trade between the three countries from the current level of around US$6 billion to $10 billion within the next few years.

13 14
The Industry Policy Action Plan (IPAP2) and the National Growth Path (NGP) have identified specific sectors for long-term growth and job creation.

IPAP2 represents a significant step to promoting *long-term industrialisation and diversification* beyond traditional commodities and non-tradable services.

The NGP sets *job creation* as a country priority and aims at reducing unemployment by 10% by 2020.

**PRIORITY AREAS FOR GROWTH**

- Advanced materials
- Aerospace
- Agriculture and agro-processing
- Automotives and components, medium and heavy vehicles
- Business Process Outsourcing and Off Shoring (BPO&O)
- Capital and transport equipment
- Clothing, textiles, footwear and leather
- Film studios and film production
- Forestry, paper, pulp and furniture
- Green and energy saving industries
- Infrastructure development (including tourism infrastructure)
- Mining and metals fabrication
- Plastics, pharmaceuticals and chemicals
- Nuclear
- Downstream minerals beneficiation
- Boat building
TRANSPORT INFRASTRUCTURE

South Africa is on a multibillion rand development drive to meet the demands of a growing economy and population.

South Africa boasts the most advanced and extensive infrastructure in Africa and offers direct access to the fourteen SADC countries – a market of 250-million people.

IN THE AIR
Billions of rands have been spent upgrading South Africa’s airport network to increase capacity, security and amenities for passengers and visitors.

O.R. Tambo International caters for 17 million passengers annually and is the region’s air transport hub.

ON THE GROUND
The Gautrain rapid rail system links the airport with Sandton, the province’s premier shopping and conference venue, as well as other key centres in Rosebank, Midrand, Pretoria and the Johannesburg city centre.

A massive motorway improvement scheme has resulted in extra lanes being added, a sophisticated electronic toll system introduced and interchanges drastically renovated.

The Bus Rapid Transport System (BRT) is a state-of-the-art shuttle bus network that operates in dedicated BRT lanes and is aimed at moving passengers efficiently and affordably.
INVESTOR SUPPORT

SUPPORTING INVESTORS AND EXPORTERS ON A NATIONAL LEVEL
The Department of Trade and Industry (the dti) together with Trade and Investment South Africa (TISA) identify and target key priority sectors for development and investment. TISA is an essential point of contact for anyone involved in trade and investment in the country.

Their sector specialists have a clear understanding of, and access to, South Africa’s various industries. They are able to match investors’ requirements with opportunities available in South Africa’s nine provinces.

On the export side, they focus on assisting locally based exporters to penetrate foreign markets using the dti’s foreign service network.

For more information visit www.dti.gov.za or call +27 (0) 12 394 9500
SECTOR OPPORTUNITIES

ENERGY
The country is one of the cheapest producers of electricity in the world.

Nearly 88% of electricity is generated in coal-fired power stations, but the country is committed to moving towards more sustainable and cleaner power sources. The sector aims to reduce emissions by 34% in the next few years and maintain an optimal energy mix.

SOLAR POWER
South Africa is committed to installing over one million solar water heaters by 2014 and over 5.6 million by 2020.

Concentrated Solar Thermal (CST) power is viewed as the most promising renewable energy generation option in South Africa.

WIND POWER
In a first for South Africa, a pilot wind farm project in the Western Cape now supplies 13.2 gigawatt-hours of electricity per year to the city of Cape Town.

Cape Town aims to source about 10% of its energy from renewable sources by 2020.

LANDFILL GAS
In 2010, South Africa launched the first landfill gas power-generation project on the continent.

Situated in Durban, this landmark project produces enough electricity for several thousand medium-income homes, and will earn the city millions in carbon credits.

BIO-FUELS
South Africa has recently established a bio-fuels industry investment in the Eastern Cape.

Approximately 500 000 hectares of under-used land are being set aside to develop crops from these fields that will feed a 200 000 ton-per-annum biodiesel plant.
Major projects are under way to lay submarine, fibre-optic cables along both the east and west coasts of Africa in order to improve the continent’s connection with the rest of the world.

Research firm World Wide Worx predicts that South Africa will show steady Internet user growth over the next few years, reaching 8.5 million Internet users in 2013 and 9 million users in 2014.

INVESTMENT OPPORTUNITIES
- Development of access control systems and security equipment
- Automotive electronic subsystems
- Systems and software development in the banking and financial services sector
- Silicon processing for fibre optics
- Integrated circuits and solar cells
- Export of hardware and associated services as well as software and peripherals
- Environmental resources management (ERM) systems
- Customer relationship management (CRM) systems

MINING AND METALS
The South Africa constitution and policies are highly protective of minority ownership rights in the sector.

Our large and well-developed metals industry, with vast natural resources and a supportive infrastructure, represents roughly a third of South Africa’s manufacturing.

South Africa has vast mineral resources accounting for approximately 88% of the Platinum metals on earth, 80% of the Manganese, 72% of the Chrome, and 30% of the Gold.

South Africa ranks about 20th among the crude steel producing countries in the world - producing in the region of 1% of the world’s crude steel.

The country is the largest steel producer in Africa, responsible for more than half of the total crude steel production of the continent.

South Africa is one of the world’s biggest producers of gold and platinum and one of the leading producers of base metals and coal.

South Africa’s strengths include a high level of technical and production expertise, and comprehensive research and development activities.
The country has world-scale primary processing facilities covering carbon steel, stainless steel and aluminium - in addition to gold and platinum.

**Lucrative opportunities** exist for downstream processing and adding value locally to iron, carbon steel, stainless steel, aluminium, platinum group metals and gold.

**AGRO-PROCESSING**

South Africa’s agricultural sector is well developed, and secondary manufacturing in the agro-processing industries is spreading widely.

A world-class infrastructure, counter-seasonality to Europe, vast biodiversity and marine resources, and competitive input costs, make the country a major player in the world’s markets.

The South African agro-processing industry offers outstanding opportunities for companies looking for both local markets and export platforms into Africa and Europe.

South Africa is self-sufficient in most major agricultural products and is also a net food exporter and the second largest exporter of fruit in the world.

There are exceptional opportunities for investment in the processing of fruit juice, meat, leather, groundnuts and wheat, as well as vegetable canning, cotton and wool-based textiles, wine, sunflower oil and soya-based products.

**MANUFACTURING**

The chemicals sector is the largest of its kind in Africa and a world leader in coal-based synthesis and gas-to-liquids technologies.

Local textile production has evolved into a capital-intensive industry, producing synthetic fibres in ever-increasing proportions.

Major multinationals use South Africa to source components and assemble vehicles for both the local and international markets offering numerous investor opportunities.

BMW’s Rosslyn plant in Gauteng was awarded the coveted European Gold Plant Quality Award in 2011.
PROVINCIAL OPPORTUNITIES

South Africa has nine provinces, each with its own legislature, premier and executive council, and there are differences in size, landscape, population, economy and opportunities.

Gauteng

Gauteng is a leader in manufacturing, commerce, IT and media with mining still contributing a great deal to the economy.

The province accounts for 35% of total household consumption in the country according to the Bureau of Market Research.

Gauteng is the financial capital of Africa: more than 70 foreign banks have their head offices in the province, and there are at least that number of South African banks, stockbrokers and insurance giants.

The JSE in Johannesburg is the sixteenth largest stock exchange in the world by market capitalisation.

The province has the best telecommunications technology on the continent as well as the highest concentration of media.

More than 60% of South Africa’s research and development takes place in Gauteng, which has 41% of the country’s core biotechnology companies.

A green economic development strategy has been put in place aimed at turning the challenge of climate change into an opportunity.

Gauteng’s rapidly growing and efficiently managed economy offers many exciting opportunities for business.

For more information visit: Gauteng Economic Development Agency www.geda.co.za
KwaZulu-Natal is a huge industrial hub and by far the country’s biggest import-export gateway.

Economic development is evident everywhere, and Durban, the principal city, is one of the fastest-growing urban areas in the world.

KwaZulu-Natal has two great ports: Durban and Richards Bay. These two ports account for about 78% of South Africa’s cargo tonnage.

Steel production, aluminium smelting as well as vehicle and automotive component manufacturing play a key role in the economy and offer numerous opportunities for investment.

KwaZulu-Natal is a highly competitive region for foreign investment, particularly for re-export opportunities through the port of Durban.

The province has identified nine prime targets for investment: textiles, clothing, plastic products, chemicals, fabricated metal products, automotive components, wood products, footwear, machinery and appliances.

Tourism in the province offers exceptional investment potential. KwaZulu-Natal is South Africa’s most popular domestic tourist destination, and new upmarket eco-tourism opportunities in the province’s northern reaches are now opening up.

For more information visit Trade & Investment KwaZulu-Natal (TIKZN) www.tikzn.org.za
WESTERN CAPE

The Western Cape boasts a varied manufacturing base, a strong financial sector, world-class logistics and an export-oriented fruit and wine sector.

The province is focused on growing high-tech industries with Google and Amazon having opened offices in the province.

Sectors identified for investment include tourism, forestry, agriculture and agro-processing, aqua and mariculture, mining and manufacturing, food and beverages, oil and gas, construction, transport and infrastructure, nuclear and alternative energy, business process outsourcing, media and film, arts and craft design and ICT.

Wind, solar and wave power are key investment sectors within the city of Cape Town that aims to obtain a large portion of its energy requirements from wind farms in the province.

Many of South Africa's major insurance companies and banks are based here, and Cape Town is home to most of the country's petroleum companies, as well as its big printers and publishers.

The Cape Town International Convention Centre is the largest in the province and a leading facility in the growing business tourism sector.

More and more international advertisers and filmmakers regard the area as a prime destination and the Cape Town Film Studios offers them a world-class facility.

For more information visit: Wesgro www.wesgro.co.za
EASTERN CAPE

The Eastern Cape is the hub of South Africa’s motor manufacturing and vehicle component industry sector.

The province boasts two container ports of the highest international standards as well as a deep water port.

The Eastern Cape has a solid manufacturing base that represents international companies, and has a proud record of world-class quality and reliable delivery.

This extensive industrial capacity provides an ideal base for aspirant manufacturers and there is abundant capacity to accommodate further industrial expansion.

Two harbours and three airports offer direct flights to the main centres, and the excellent road and rail infrastructure link the province with the rest of the country and the continent.

For more information visit The Eastern Cape Development Corporation (ECDC) www.ecdc.co.za
MPUMALANGA

Mpumalanga is rich in coal reserves, and the huge coal-fired power stations built alongside its great collieries are South Africa’s largest and most important.

The province accounts for 83% of South Africa’s coal production, and 90% of this is used for electricity generation and the synthetic fuel industry.

Manufacturing represents nearly 18% of Mpumalanga’s gross geographic product (GGP).

Modern industrial parks are located throughout the province and standard factory buildings are available.

Mpumalanga is a short distance from South Africa’s industrial heartland, Gauteng, and excellent roads and railways connect the province with the ports of Maputo in Mozambique, Richards Bay and Durban.

The Maputo Development Corridor, which links the province with Gauteng and the Port of Maputo in Mozambique, heralds a new era of economic development and growth for the region.

For more information visit: Mpumalanga Economic Growth Agency www.mega.gov.za
LIMPOPO

Limpopo’s economy is both dynamic and diverse and there are numerous growth opportunities for investors in mining, agriculture, agro-processing and tourism.

The province has placed a key focus on increasing manufacturing particularly in agro-processing and bio-fuels.

Limpopo is an entry point into the rest of Africa, with its shared borders making it favourably situated for economic cooperation with other parts of southern Africa.

The province boasts the largest diamond, copper and open-pit platinum mines in the country, as well as the world’s largest vermiculite mine.

The Maputo Development Corridor links the province directly with the deep water port of Maputo in Mozambique, creating development and trade opportunities.

Limpopo connects to the corridor via the Phalaborwa Spatial Development Initiative, a network of rail and road corridors linked to major seaports.

There are excellent manufacturing opportunities in fruit, vegetable and meat processing, leather tanning, jewellery and furniture making as well as in industrial chemicals and light to medium engineering.

For more information visit: Trade and Investment Limpopo www.til.co.za
NORTH WEST

Rich natural resources, a highly flexible workforce, a low cost of living and an excellent quality of lifestyle, have made North West a popular destination for foreign investors.

There are numerous opportunities in agriculture and agro-processing, mining and beneficiation, manufacturing, automotives, construction and property development, infrastructure and transport, water and green energy.

The province has a strong eco-tourism sector with national, provincial and private parks clustered around the award-winning Sun City complex.

Pelindaba is home to the country’s nuclear research programme. The Safari-I reactor is one of five reactors worldwide providing isotopes for use in nuclear medicine.

Bio-fuels represent a vibrant, sustainable industry that promises to create thousands of extra jobs and become a major money earner.

The Mafikeng Industrialized Zone is at the core of the province’s plans to grow the manufacturing sector.

Abundant investment opportunities also exist in the food processing, furniture, pharmaceuticals, textiles and clothing sectors.

For more information visit: Invest North West www.inw.org.za
FREE STATE

Famous for its mining and agriculture, the Free State has adopted a farsighted and vigorous policy of **beneficiation** and **secondary sector economy development**.

**Targeted sectors for foreign direct investment** are agro-processing, farm machinery and equipment, leather tanning and finishing, gold jewellery and beneficiation, petrochemicals, and pharmaceutical research and development.

**Floriculture** has been identified as having huge potential for growth, and investors are encouraged to explore this lucrative industry.

Investment potential is enhanced by numerous excellent **industrial and commercial properties** in the province.

The province is a centre for **BPO&O and ICT**, hosting Telkom’s main switching centre and access to both national and international optic fibre routes.

**Pharmaceutical and medical manufacturing** is high on the list of growth industries with the development of a high-tech medical supply manufacturing company, safety-product plants and a medical extrusion facility.

**For more information visit:** The Free State Development Corporation (FDC)  
wwwfdc.co.za
NORTHERN CAPE

For the investor, the Northern Cape is wide open with opportunities in mining, science and technology, manufacturing, tourism, green energy, agriculture and agro-processing, fishing and mariculture, and BPO&O.

Mining remains the most important sector with an expanding iron-ore focus, however a number of manganese projects are underway and copper, asbestos, fluorspar, lead, zinc and marble are also found here.

The South African Light Telescope (SALT) facility is home to the Meerkat array and is one of the proposed sites for the Square Kilometre Array, the largest radio telescope in the world.

Eskom, the country’s main power provider is looking for private partners to develop a massive solar park in the region to provide up to 1/8 of the country’s power.

There are now exciting opportunities for investors to establish beneficiation plants including investment in the pelletisation of iron fines, diamond-cutting and polishing, and jewellery manufacturing.

Agro-processing is a growing industry and the province is home to two projects under the Illima-Letsana programme, the Rooibos Tea Processing Facility and the Vaalharts Irrigation Scheme.

For more information visit: The Northern Cape Economic Development Agency www.nceda.co.za
INVESTMENT INCENTIVES

South Africa offers various attractive investment incentives, targeted at specific sectors or types of business activities.

THE MANUFACTURING INVESTMENT PROGRAMME
A cash grant for locally based manufacturers who wish to establish a new production facility, expand an existing facility, or upgrade an existing facility in manufacturing industries.

TOURISM SUPPORT PROGRAMME
An investment incentive grant to support the development of tourism enterprises, stimulate job creation and encourage the geographical spread of tourism investment throughout South Africa.

FOREIGN INVESTMENT GRANT
This grant seeks to compensate qualifying foreign investors for the cost of moving qualifying new machinery and equipment from abroad to South Africa.

CRITICAL INFRASTRUCTURE FUND
The Critical Infrastructure Fund is a cash grant for projects designed to improve critical infrastructure in South Africa.

INDUSTRIAL DEVELOPMENT ZONES (IDZ)
These purpose-built industrial estates are linked to international ports that leverage fixed direct investments in value-added and export-oriented manufacturing industries.

THE LOCATION FILM AND TELEVISION PRODUCTION INCENTIVE
This incentive programme consists of a Large Budget Film and Television Production Rebate Scheme.

EXPORT MARKETING AND INVESTMENT ASSISTANCE SCHEME (EMIA)
The EMIA scheme compensates exporters in respect of activities aimed at developing export markets for South African products and services, and to recruit new foreign direct investment into South Africa.

THE BUSINESS PROCESS OUTSOURCING AND OFF-SHORING (BPO&O) INVESTMENT INCENTIVE
The BPO&O investment incentive comprises an investment grant and a training support grant towards costs of company-specific training.

AUTOMOTIVE PRODUCTION AND DEVELOPMENT PROGRAMME (APDP)
The APDP programme has four key elements, a tariff reduction freeze from 2013 until 2020, a local assembly allowance, production incentives and an automotive investment allowance.

AUTOMOTIVE INVESTMENT SCHEME (AIS)
The Automotive Investment Scheme aims to grow and develop the automotive sector by increasing plant production volumes and strengthening the automotive value chain.

SECTION 12I OF THE INCOME TAX ACT
This is a deductible cost allowance that in effect reduces the taxable income of a business.

RESEARCH AND DEVELOPMENT (R&D) TAX INCENTIVE PROGRAMME
This incentive consists of a deduction of 150%, in respect of eligible expenditure on suitable scientific or technological R&D undertaken by taxpayers within South Africa, and an accelerated depreciation of assets for scientific and technological R&D over three years, at a rate of 50:30:20, starting from the year of assessment, in which the asset is brought to its first use.

SUPPORT PROGRAMME FOR INDUSTRIAL INNOVATION (SPII)
The Support Programme for Industrial Innovation (SPII) is designed to promote technology development in South Africa’s industry, through the provision of financial assistance for the development of innovative products and/or processes.
CLOTHING AND TEXTILE COMPETITIVENESS PROGRAMME (CTCP)
This incentive programme provides investment support to both local- and foreign-owned entities, by offering a cost-sharing grant incentive of 75% of project cost on cluster projects, and 65% of project cost for company projects.

CO-OPERATIVE INCENTIVE SCHEME (CIS)
The Co-operative Incentive Scheme (CIS) is a 90:10 matching cash grant for registered primary co-operatives (a primary co-operative consists of five or more members).

For more information visit: The Department of Trade and Industry www.dti.gov.za