

FAST FACTS



South Africa

Export Opportunities in South Africa

In 2016, South Africa ranked 42nd among U.S. export destinations and 35th among Virginia export destinations. Some of the top opportunities for U.S. exporters in South Africa include:

- » Electrical Power Systems
- » Mining Equipment
- » Pollution Control Equipment
- » Green Building Technologies
- » Information Technology
- » Port and Maritime Infrastructure
- » Medical Devices
- » Safety & Security

Map of South Africa



(U.S. Central Intelligence Agency)

Top Virginia Exports to South Africa

Export Category	2016 Value	Change 2016/2015
All Commodity Chapters	\$ 83.5	15%
Paper & Paperboard	\$ 17.8	21%
Ceramic Products	\$ 15.5	13%
Industrial Machinery	\$ 8.0	-16%
Electrical Machinery	\$ 6.4	-9%
Medical Instruments	\$ 5.5	109%
Vehicles, Not Railway	\$ 5.4	73%
Essential Oils	\$ 4.0	-26%
Meat	\$ 2.8	N/a N/a
Pharmaceuticals	\$ 2.8	82%
Plastics	\$ 2.6	-9%

In US\$ millions (World Trade Atlas)

U.S. Exports to South Africa



In US\$ billions (World Trade Atlas)



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Opportunities in South Africa for Exporters

Medical Devices

South Africa is considered one of the largest markets in the MEA region and is the second largest economy in Africa. Spending on medical devices as a proportion of wealth is lower than average for this region, at around 0.3 percent of GDP and 4.0 percent of health expenditure (2015). Market growth will likely be influenced by national legislation related to the government's NHI program, as well as the Competition Commission's investigation into private healthcare costs. The best prospects for U.S. exporters in South Africa include:

- » Diagnostic Imaging Equipment
- » Dental Equipment
- » Patient Aids

Information Technology

South Africa's information technology market is the largest in Africa. South Africa's ICT products and services industry is penetrating the fast-growing African market. The South African Government continues to be the largest player when it comes to IT spending. Private consumption will rise, but the strong growth of smartphones is likely to offset PC and laptop usage. As an increasingly important contributor to South Africa's GDP, the country's ICT and electronics sector is both sophisticated and developing. The best prospects include:

- » Software
- » Cloud based services
- » Security products

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

Green Building Technologies (GBT)

By developed-economy standards, South Africa lags far behind in its adoption of green building practices. However, the notion of green building has gathered momentum with an array of projects in the pipeline. This, in turn, is making green building an increasingly feasible option with regards to longevity, efficiency, and the reduction of operation costs in the long run. Top opportunities include:

- » Natural lighting
- » Energy saving technologies
- » Natural heating and cooling
- » Wind turbines

Port and Maritime Infrastructure

The South African Government views the country's ports and terminals as key engines for economic growth. South Africa is situated on one of the busiest international sea routes, critical to international maritime transportation, and its geographical location presents a huge opportunity for investing in a diversified maritime market. Top prospects include:

- » Business model analysis
- » Port mobile cranes
- » Ship repair
- » Cargo handling services
- » Upgrading of existing port equipment

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Economic Overview

South Africa is a middle-income, emerging market with an abundant supply of natural resources; well-developed financial, legal, communications, energy, and transport sectors, and a stock exchange that is Africa's largest and among the top 20 in the world.

Economic growth has decelerated in recent years, slowing to just 1.5% in 2014. Unemployment, poverty, and inequality—among the highest in the world—remain a challenge. Official unemployment is roughly 25% of the work force, and runs significantly higher in black youth.

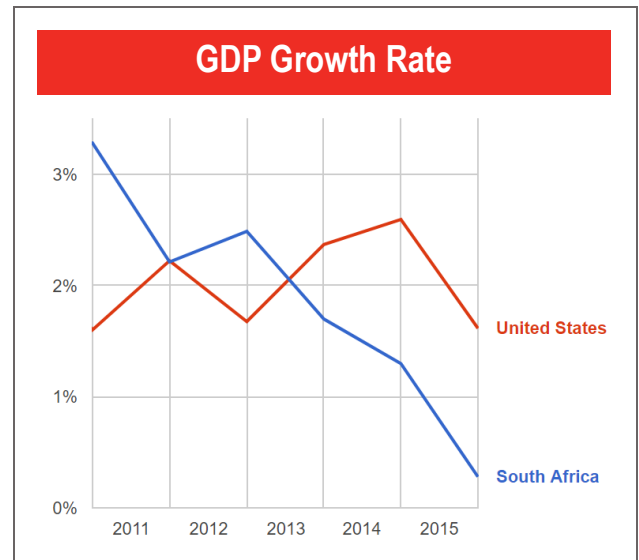
South Africa's economic policy has focused on controlling inflation; however, the country faces structural constraints that also limit economic growth, such as skills shortages, declining global competitiveness, and frequent work stoppages due to strike action.

(U.S. Central Intelligence Agency)

Cultural Guide

- » If your company is not known in South Africa, a more formal introduction may help you gain access to decision-makers. Networking and relationship building are crucial for long-term business success.
- » It is often difficult to schedule meetings from mid December to mid January or the two weeks surrounding Easter, as these are prime vacation times.
- » Personal relationships are important. The initial meeting is often used to establish a personal rapport and to determine if you are trustworthy. After a meeting, send a letter summarizing what was decided and the next steps.
- » It is imperative to develop mutual trust before negotiating. Women have yet to attain senior level positions. If you send a woman, she must expect to encounter some condescending behavior and to be tested in ways that a male colleague would not.
- » Do not interrupt a South African while they are speaking. South Africans strive for consensus and win-win situations.
- » Include delivery dates in contracts. Deadlines are often viewed as fluid rather than firm commitments.
- » There are major differences in communication styles depending upon the individual's cultural heritage.

(Kwintessential)



South Africa has 11 official languages; English is the language of administration & is spoken throughout the country.

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Virginia Economic Development Partnership - International Trade offers a number of export-related services to Virginia businesses, including trade missions and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters.

For more information, please visit our website: ExportVirginia.org

Additional Resources: Market Reports

[South Africa Country Commercial Guide](#)

[Ease of Doing Business Report](#)

[Exporting to South Africa](#)

U.S. Commercial Service

World Bank

United Kingdom Trade & Investment

Online Resources

[South Africa Overview](#)

[Kwintessential South Africa](#)

Global Edge - Michigan State University

Kwintessential Guide to South Africa

Last Revised: August 25, 2017

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