**FAST FACTS**

**South Africa**

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**Export Opportunities in South Africa**

In 2017, 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
- Seaport Infrastructure
- Medical Devices
- Safety & Security

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**Top Virginia Exports to South Africa**

<table>
<thead>
<tr>
<th>Export Category</th>
<th>2017 Value</th>
<th>Change 2017/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Commodity Chapters</td>
<td>$102.1</td>
<td>22%</td>
</tr>
<tr>
<td>Ceramic Products</td>
<td>$22.3</td>
<td>-44%</td>
</tr>
<tr>
<td>Paper &amp; Paperboard</td>
<td>$15.4</td>
<td>-13%</td>
</tr>
<tr>
<td>Industrial Machinery</td>
<td>$14.4</td>
<td>84%</td>
</tr>
<tr>
<td>Meat</td>
<td>$11.1</td>
<td>295%</td>
</tr>
<tr>
<td>Plastics</td>
<td>$7.1</td>
<td>176%</td>
</tr>
<tr>
<td>Medical Instruments</td>
<td>$5.1</td>
<td>-8%</td>
</tr>
<tr>
<td>Essential Oils</td>
<td>$4.2</td>
<td>4%</td>
</tr>
<tr>
<td>Vehicles, Not Railway</td>
<td>$4.1</td>
<td>-25%</td>
</tr>
<tr>
<td>Electrical Machinery</td>
<td>$3.4</td>
<td>-46%</td>
</tr>
<tr>
<td>Soaps &amp; Waxes</td>
<td>$2.0</td>
<td>12%</td>
</tr>
</tbody>
</table>

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**U.S. Exports to South Africa**

In US$ Billions

- **2015**: $5.5
- **2016**: $4.6
- **2017**: $5.0

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(World Trade Atlas)
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## Opportunities in South Africa for Exporters

### 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. 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:
- Machine-to-machine communication and IoT
- Cloud based services
- Security products

### Medical Devices

South Africa boasts world-class medical facilities, however, approximately 93% of equipment is imported, principally from the U.S. 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 include:
- Diagnostic Imaging Equipment
- Dental Equipment
- Patient Aids

### Green Building Technologies

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. About 60% of firms surveyed in 2012 reported future green commercial developments by 2018, while retrofits came in at 58%. That was before major cities began experiencing severe water shortages.

Top opportunities include:
- 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:
- 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 and 0.7% in 2017. Unemployment, poverty, and inequality—among the highest in the world—remain a challenge. Official unemployment is roughly 25% of the workforce, and runs significantly higher among black youth.

International investors are concerned about the country’s long-term economic stability because of low credit ratings, high inflation, skills shortages, declining competitiveness, and uncertainty over land reforms.

(CIA World Factbook)

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.

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

- 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.)
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

- **South Africa Overview**
  - Global Edge - Michigan State University
- **Kwintessential South Africa**
  - Kwintessential Guide to South Africa
- **South Africa Country Commercial Guide**
  - U.S. Commercial Service
- **Ease of Doing Business Report**
  - World Bank
- **Exporting to South Africa**
  - United Kingdom Trade & Investment