U.S. DEPARTMENT OF STATE

DIPLOMACY IN ACTION

Executive Summary

The most advanced, broad-based economy on the continent, South Africa offers investors a diverse and mature economy with vibrant financial and other service sectors, as well as preferential access to export markets in the United States, the European Union and the Southern African Development Community (SADC). Standards are generally similar to those in most developed economies, U.S. investors find local courts fair and consistent, and infrastructure is well-developed. Similarly, democratic life is well-established with transparent and contested elections, an appreciation for the rule of law, and citizens maintaining significant pride in the constitution and the peaceful formation of the post-Apartheid state.

There are serious and growing concerns among investors, however. Industrial action has increased in recent years, especially in the mining and manufacturing sectors. Strikes have been sustained, and in some cases resulted in investment diversion. Violent crime and corruption remain widespread. Foreigners and foreign investments are targeted no more than South Africans and domestic investments, but security and avoiding corrupt practices are factors that investors do have to spend time and resources on managing. Basic infrastructure gaps and poor government service delivery in low-income areas have increased the incidence of protest and crime in recent years. While infrastructure is generally good, access to electricity is a concern and serves as a limiter on economic growth, which has been low in recent years. The government is making sizable investments into generation, but energy-intensive users may have to contend with disruptions for years to come. Unemployment is high, averaging 25 percent by standard definitions, but high-skilled labor is in short supply and emigration laws make importing labor a challenge that has frustrated many current investors. While many challenges can be managed with careful planning and resolve, the biggest concern for investors has become the direction of economic policy.

The South African government has since 2012 increasingly proposed laws, policies and reforms aimed at improving economic transformation and industrialization. South Africa is among the most economically unequal countries in the world. The need to improve economic outcomes for the unemployed and historically disadvantaged is broadly recognized within the business community. However, foreign and domestic investors have been concerned that government has not taken the voice of business sufficiently into account when developing these initiatives. Recent initiatives have included tightening labor laws to achieve proportional racial representation in workplaces, performance requirements for government procurement such as ownership transfer and localization, and weakening commercial property rights. While some initiatives have gained the force of law, such as the updated 2013 Broad-based Black Economic Empowerment (B-BBEE) amendments, other initiatives remain the subject of debate, leaving ample uncertainty about the future regulatory and investment climate. Sectors of specific concern have included the extractive industries, security services and agriculture.

Despite policy uncertainty, South Africa is a destination conducive to U.S. investment, and should remain so as the dynamic business community is highly market-oriented and the driver of economic growth. South Africa offers ample opportunities, and continues to attract investors seeking a location from which to access to the rest of the continent.

1. Openness to Foreign Investment

The government of South Africa is open to green field foreign investment as a means to drive economic growth, improve international competitiveness, and access foreign export markets. Merger and acquisition activity is more sensitive and requires more advance work. Virtually all business sectors are open to foreign investment. Certain sectors require government approval for foreign participation, including energy, mining, banking, insurance, and defense. Excepting those sectors, no government approval is required to invest, and there are few restrictions on the form or extent of foreign investment. The Department of Trade and Industry's (DTI) Trade and Investment South Africa (TISA) division provides assistance to foreign investors. The DTI concentrates on sectors in which research indicates the foreign country has a comparative advantage. TISA offers information on sectors and industries, consultation on the regulatory environment, facilitation for investment missions, links to joint venture partners, information on incentive packages, assistance with work permits, and logistical support for relocation. DTI publishes the "Investor's Handbook" on its website: **www.dti.gov.za**.

While the South African government supports investment in principle, investors and market commentators were concerned its commitment to assist foreign investors was insufficient in practice. Some of their concerns included a belief that the national-level government lacked a sense of urgency when it came to supporting investment deals. Several investors reported trouble accessing senior decision makers. Additionally, South Africa scrutinizes merger- and acquisition-related foreign direct investment for its impact on jobs, local industry, and retaining South African ownership of key sectors. Private sector representatives and other interested parties were concerned about politicization of South Africa’s posture towards this type of investment.

Macroeconomic management was generally strong over the first half of the past decade, with reduced levels of public debt, generally low inflation, and a positive rate of economic growth. Inflation has remained within the central bank’s target range of 3-6 percent since 2010, though it has pushed the upper limit since late 2012. Growth has stalled, averaging 2 percent for the past 4 years, and government revenue has been negatively affected to result in a projected deficit of 4 percent of GDP through March 2015. Sovereign debt remains investment worthy despite recent downgrades and a sustained negative outlook. In September 2012, Moody’s downgraded South Africa’s credit rating to Baa1 from A3, and maintained a negative outlook in its December 2013 ratings. The rating agency still cited the government’s weakening institutional strength, lackluster economic growth despite low interest rates, infrastructure shortfalls, high labor costs despite high unemployment, and increased concern about political stability as the major factors for maintaining a negative outlook for South Africa. In December 2013 Fitch Rated South Africa’s sovereign debt at BBB with a stable outlook. Standard and Poor's downgraded South Africa to BBB in October 2012, and has affirmed a similar rating at its December 2013 review.

Since the end of apartheid in 1994, the government has liberalized trade and enhanced international competitiveness by lowering tariffs, abolishing most import controls, undertaking some privatization and reforming the regulatory environment. While this resulted in several large foreign acquisitions in banking, telecommunications, tourism and other sectors, foreign direct investment has fallen short of the government's expectations. South African banks are well-capitalized and have little exposure to sub-prime debt or other sources of financial contagion. Moody's in December 2012, however, downgraded the outlook for South African banks to negative based on their holding of government securities and overall weakening macroeconomic conditions.

Mergers and acquisitions in South Africa are subject to screening and approval under the Competition Act of 1998. This act allows South Africa's Competition Commission to review investment for public interest considerations such as its effect on specific industrial sectors, employment within South Africa, the ability of small businesses to become competitive, and the ability of national industries to compete internationally. These broad powers present a risk. Political interference has, at times, imposed requirements that discriminated against foreign investors. The Competition Tribunal reviews decisions made by the Competition Commission. Inward investment is subject the Companies Act of 2011, which sets out requirements for corporate governance, among other considerations. See the "Transparency of the Regulatory System" section of this report for more about South Africa's Companies Act.
South Africa's Industrial Policy Action Plan (IPAP) aims to strengthen industrial development. Key stated objectives include revising government procurement policy to support targeted sectors (capital and transport equipment; automotive; chemical, plastic fabrication and pharmaceuticals; and forestry, paper and furniture); using trade and competition policy to improve South Africa's competitiveness; and facilitating industrial financing for small- and medium-sized firms.

South Africa's Broad-Based Black Economic Empowerment (B-BBEE) program has a significant effect on foreign investment. B-BBEE is an affirmative action program assisting historically disadvantaged South Africans to participate in the economy. B-BBEE requirements are specified in the Codes of Good Practice, which were published in the Government Gazette in 2007 and first implemented in 2011. The codes were updated in 2013 with those changes to enter into force in April 2015. The 2013 updates retain a Black Economic Empowerment (BEE) "Scorecard" to rate a firm's commitment to economic transformation using five different dimensions—ownership, management control, skills development, enterprise and supplier development, and socio-economic development. Each dimension is weighted, with ownership receiving the most empowerment points (25) and socio-economic development the least (5).

Equity equivalence deals provide multinational corporations options for scoring on the B-BBEE ownership dimension without the transfer of equity stakes, which could run against a company's bylaws. Such a deal would likely involve creation of a black-owned South African joint venture valued at least 25 percent of the multinational's South African operations. However, the process for approving an equity equivalent mechanism by the DTI is complicated and requires a significant effort on the part of the multinational. Two U.S. companies have established equity equivalence schemes since 2007. Other companies have scored sufficiently well without such a scheme by focusing their transformation efforts on B-BBEE dimensions other than ownership. However, the 2013 updates remove this option. The updated codes identify ownership, management and enterprise development/preferential procurements as key elements. Should a firm fail to score high enough in these areas, a one level penalty is applied to the final scorecard.

In addition to B-BBEE transformation framework, sectors such as financial services, mining, and petroleum have their own "transformation charters" intended to accelerate empowerment within the sector. In 2011, the integrated transport, forest products, construction, tourism, and chartered accountancy sector charters gained force of law in South Africa. In 2012, the Information and Communication Technology (ICT) Charter and Property Sector and Financial Services charters gained force of law. Other sectors, including Agri-business and Marketing, have transformation charters that are more "aspirational" in nature. While public tenders consider B-BBEE along with price, quality and delivery to weigh bids, individual public tenders increasingly involve additional performance requirements separate from B-BBEE such as job creation, localization, and knowledge transfer. These reduce the weight of price in the final calculation of a bid's competitiveness.

Openness Index

South Africa is not a Millennium Challenge Corporation (MCC) compact country. Therefore, it is not ranked by MCC on measures of openness. The following chart lists South Africa's ranking in other widely used indices compiled by non-governmental organizations.

Measure	Year	Index/Ranking
Transparency International Corruption Index	2013	72
Heritage Economic Freedom	2013	75
World Bank Doing Business	2013	41

2. Conversion and Transfer Policies

The South African Reserve Bank's (SARB) Exchange Control Department administers foreign exchange policy. An authorized foreign exchange dealer, normally one of the large commercial banks, must handle international commercial transactions and report every purchase of foreign exchange, irrespective of the amount. Generally, there are only limited delays in the conversion and transfer of funds. Due to South Africa's relatively closed exchange system, no private player, however large, can hedge large quantities of Rand for more than five years.

While non-residents may freely transfer capital in and out of South Africa, transactions must be reported to authorities. Non-residents may purchase local securities without restriction. To facilitate repatriation of capital and profits, foreign investors should ensure an authorized dealer endorses their share certificates as "non-resident." Foreign investors should also be sure to maintain an accurate record of investment.

Subsidiaries and branches of foreign companies in South Africa are considered South African entities and are treated legally as South African companies. As such, they are subject to exchange control by the SARB. South African companies may, as a general rule, freely remit the following to non-residents: repayment of capital investments; dividends and branch profits (provided such transfers are made out of trading profits and are financed without resorting to excessive local borrowing); interest payments (provided the rate is reasonable); and payment of royalties or similar fees for the use of know-how, patents, designs, trademarks or similar property (subject to prior approval of SARB authorities).

While South African companies may invest in other countries without restrictions, SARB approval/notification is required for investments over R500 million. South African individuals may freely invest in foreign firms listed on South African stock exchanges. Individual South African taxpayers in good standing may make investments up to a total of R4 million in other countries. As of 2010, South African banks are permitted to commit up to 25 percent of their capital in direct and indirect foreign liabilities. In addition, mutual and other investment funds can invest up to 25 percent of their retail assets in other countries. Pension plans and insurance funds may invest 15 percent of their retail assets in other countries.

Before accepting or repaying a foreign loan, South African residents must obtain SARB approval. The SARB must also approve the payment of royalties and license fees to non-residents when no local manufacturing is involved. When local manufacturing is involved, the DTI must approve the payment of royalties related to patents on manufacturing processes and products. Upon proof of invoice, South African companies may pay fees for foreign management and other services provided such fees are not calculated as a percentage of sales, profits, purchases, or income.

SARB approval is required for the sale of all forms of South African-owned intellectual property rights (IPR). Approval is generally granted by SARB if the transaction occurs at arm's length and at fair market value. IPR owned by non-residents is not subject to any restrictions in terms of repatriation of profits, royalties, or proceeds from sales.

Further questions on exchange control may be addressed to:
South African Reserve Bank
Exchange Control Department
P.O. Box 427, Pretoria, 0001
Tel: +27 (0) 12 313-3911; Fax: +27 (0) 12 313-3197
Website: **http://www.reservebank.co.za/**

3. Expropriation and Compensation

The Expropriation Act of 1975 (Act) and the Expropriation Act Amendment of 1992 entitles the government to expropriate private property for reasons of public necessity or utility. The decision is an administrative one. Compensation should be the fair market value of the property as agreed between the buyer and seller, or determined by the court, as per section 25 of the Constitution. In several restitution cases, in which the government initiated proceedings to expropriate white-owned farms after courts ruled the land had been seized from blacks during apartheid, the owners rejected the court-approved purchase prices. In most of these cases, the government and owners reached agreement on compensation prior to any final expropriation actions. The government has twice exercised its expropriation power, taking possession of farms in Northern Cape and Limpopo Provinces in 2007 after negotiations with owners collapsed. The government paid the owners the fair market value for the land in both cases. There is no record, dating back to 1924, of an expropriation or nationalization of a U.S. investment in South Africa.

Racially discriminatory property laws during apartheid resulted in highly distorted patterns of land ownership in South Africa. In 2011, South Africa tabled a “Green Paper” on land reform to address these distortions. The Green Paper’s “three pillars” include a land management commission, a land valuation-general and a land rights management board with local management committees. These would keep track of land sales, ensure proper record keeping, and "facilitate productive land usage and an equitable land distribution." Certain provisions in the Green Paper have generated controversy such as proposed "severe limitations" on private land ownership, particularly foreign ownership, the powers granted to a proposed “valuer-general” to assist the Department of Rural Development and Land Reform in assessing the fair value of land, the proposed Commission’s powers to invalidate title deeds and confiscate land, and the state’s right to intervene regarding the use of land.

In March 2014, the Parliament passed the Restitution of Land Rights Amendment Bill, which reopens the window for persons or communities disposed of their land after 1913, due to past discriminatory laws and policies to lodge claims for their properties. If President Zuma signs it into law, the bill is expected to inspire significant new claims for restoration of property seized during colonization or under the Apartheid government. The new window would likely close in 2019. The Valuer-General bill was introduced into Parliament in 2013, but not passed. Parliament did not pass the draft Expropriation bill either, and returned it to the government for revision in 2013.

The Mineral and Petroleum Resources Development Act 28 of 2002 ("MPRDA"), enacted in 2004, gave the state ownership of all of South Africa's mineral and petroleum resources. It replaced private ownership with a system of licenses controlled by the South African government. Under the MPRDA, investors who held pre-existing rights were granted the opportunity to apply for licenses provided they met certain criteria, including the achievement of certain BEE objectives. Amendments to the MPRDA passed by Parliament in 2014 but not signed into law by President Zuma as of April 2014 grant the state de facto expropriation rights for projects in the minerals and petroleum sectors; they also grant broad discretionary powers to the person of the Minister to restrict exports and prices for commodities the Minister deems strategic.

In February 2014, the South Africa Parliament passed amendments to the 2001 Private Security Industry Regulatory Act aimed at controlling national security risks associated with foreign investors. President Zuma had not signed the bill into law as of April 2014. This bill would require at least 51 percent domestic ownership of foreign-owned private security companies, possibly including not only private security services providers, but also security equipment manufacturers. The forced ownership transfer requirements likely would be found in violation of South Africa’s commitments under the General Agreement on Trade in Services (GATS).

In 2013, the government published for comment a draft bill—the Promotion and Protection of Investment Act—to put the rights of foreign and domestic investors on an equal footing. The draft would provide the government the option to expropriate commercial property at a price lower than market value based on a formulation in the Constitution termed "just and equitable compensation." This considers market value but discounts it based on the current use of the property, the history of the acquisition and use of the property, and the extent of direct state investment and subsidy in the acquisition and beneficial capital improvement of the property. The bill also would allow the government to expropriate under a broad range of policy goals, including economic transformation and correcting historical grievances. The government has underscored its intentions are not to expropriate property, and was revising the draft in early 2014.

4. Dispute Settlement

South Africa is a member of the New York Convention of 1958 on the recognition and enforcement of foreign arbitration awards, but is not a member of the World Bank's International Center for the Settlement of Investment Disputes. South Africa recognizes the International Chamber of Commerce, which supervises the resolution of transnational commercial disputes. South Africa applies its commercial and bankruptcy laws with consistency, and has an independent, objective court system for enforcing property and contractual rights. South Africa's new Companies Act also provides a mechanism for Alternative Dispute Resolution. South African courts retain discretion to hear a dispute over a contract entered into under U.S. law and under U.S. jurisdiction. The South African court will interpret the contract with the law of the country or jurisdiction provided for in the contract, however.

Dispute resolution can be a time-intensive process in South Africa. If the matter is urgent, and the presiding judge agrees, an interim decision can be taken within days while the subsequent appeal process can take months or years. If the matter is a dispute of law and is not urgent, it may proceed by application or motion to be solved within months. Where there is a dispute of fact, the matter is referred to trial, which can take several years. The Alternative Dispute Resolution involves negotiation, mediation or arbitration, and may resolve the matter within a couple of months. Alternative Dispute Resolution is increasingly popular in South Africa for many reasons, including the confidentiality which can be imposed on the evidence, case documents and the judgment.

5. Performance Requirements and Incentives

DTI offers several investment incentives for manufacturing:

- Business Process Services (BPS) replaced in 2010 the Business Process Outsourcing & Off-Shoring (BPO&O) investment incentive. BPS is aimed at attracting investment and creating employment in South Africa through off-shoring activities. The incentive consisted in 2011 of a tax exempt grant of R112,000 (US$12,600) paid over three years for each offshore job created and maintained. The value of the incentive declined in 2012 and 2013. Between FY13 and FY15, each job will net a grant worth R32,000 (US$3,600). There is an additional 20 percent incentive for creating 400-800 offshore jobs in a year, and 30 percent for more than 800 offshore jobs created. To qualify, companies must: be starting new operations or expanding existing BPS activities; must create at least 50 new off-shore jobs in South Africa within three years; and must commence operations no later than six months from the approval of the BPS incentive grant.

- The 12i Tax Incentive supports green field investments (i.e. new industrial projects that utilize only new and unused manufacturing assets), as well as brown field investments (i.e. expansions or upgrades of existing industrial projects). The 12i incentive is available for investments with a total value of more than R1.6 million (US$235,000). Projects must be within the priority sectors identified in the Industrial Policy Action Plan (IPAP). Projects should: upgrade an industry within South Africa; provide general business linkages within South Africa; acquire goods and services from small, medium and micro-sized enterprises (SMMEs); create direct employment within South Africa; provide skills development in South Africa; and, in the case of a Greenfield project, be located within an Industrial Development Zone (IDZ).

- The Manufacturing Investment Program offers local- and foreign-owned entities an investment grant of up to 30 percent of qualifying investment costs in machinery, equipment, commercial vehicles, land and buildings required for: establishing a new production facility; expanding an existing production facility; or upgrading production capability in an existing clothing and textile production facility.

- The Sector Specific Assistance Scheme (SSAS) is a reimbursable cost-sharing grant whereby financial support is provided to Export Councils, Industry Associations, and Joint Action Groups. Export Councils represent the trade promotion efforts of specific industries, while Industry Associations represent sectors DTI has prioritized for development. Joint Action Groups are groups of companies or associations cooperating on one-time projects in sectors prioritized for development by DTI. Foreign companies can access SSAS funding through participation in one of these entities.

- The Film and Television Production Rebate Scheme encourages foreign and domestic investment in the local film industry. Eligible applicants may receive a rebate of 15 percent of the production expenditures for foreign productions and up to 25 percent for qualifying South African productions. To qualify, film projects must have begun after 2004 and investment in the film must reach R25 million (approximately US$3.67 million). Other requirements include completing 50 percent of the principal photography in South Africa and a minimum of four weeks' local photography time. Eligible productions include movies, television series, and documentaries. The maximum rebate for any project will be R20 million (US$2.9 million U.S.).

- The Automotive Investment Scheme was announced in 2010 as part of the Automotive Production and Development Program (APDP). It provides qualifying firms a taxable cash grant of 20 percent of the value of qualifying investment in productive assets. To qualify, a light motor vehicle manufacturer must introduce a new or replacement model with a minimum 50,000 units of annual production per plant within three years. A component manufacturer can qualify by proving that a contract has been awarded for the manufacture of components for the light motor vehicle manufacturing supply chain, and that the investment will generate revenue of R10 million (US$1.4 million). An additional taxable cash grant of 5-10 percent is available if additional conditions are met. APDP stipulates that automobile import tariffs will be frozen at 25 percent until 2020.

- The Capital Projects Feasibility Programme (CPFP) is a cost-sharing grant that contributes to feasibility studies for projects to increase local exports and stimulate the market for South African capital goods and services. The cap on a feasibility study grant is R8 million or 50 percent of the total costs for projects outside Africa and 55 percent of the total costs for projects in Africa. A foreign entity will only be considered if it partners with a South African registered entity, and if the application is submitted by the South African entity.

- The Critical Infrastructure Programme (CIP) is a cost sharing grant for projects designed to improve critical infrastructure in South Africa. The grant covers qualifying development costs from a minimum of 10 percent to a maximum of 30 percent towards the total development costs of qualifying infrastructure. It is made available upon the completion of the infrastructure project concerned. Private firms with a minimum B-BBEE level of four can qualify.

- Incubation Support Programme (ISP) develops small, micro and medium enterprises (SMMEs) incubators that create successful enterprises with the potential to revitalize communities and strengthen local and national economies. The program is available to applicants that want to establish new incubators or wish to grow and expand existing ones. Support is on a cost-sharing basis between the Government and private sector partner(s). It is available for infrastructure and business development services necessary to mentor and grow enterprises to ensure that within two to three years they achieve self-sustainability. The grant approval is capped at a maximum of R10 million (VAT inclusive) per financial year over a three year period and is subject to the availability of funds. The ISP offers a cost-sharing support of 50:50 for large businesses and a cost-sharing of 40:60 for SMMEs. Applicants can be a registered legal entity in South Africa in terms of the Companies Act, 1973 (as amended) or the Companies Act, 2008 (as amended); the Close Corporations Act, 1984 (as amended) or the Co-operatives Act, 2005 (as amended).

- The Manufacturing Competitiveness Enhancement Programme (MCEP) introduced in the Industrial Policy Action Plan (IPAP) 2012/13 – 2014/15 encourages manufacturers to upgrade production facilities in a manner that sustains employment and maximizes value-addition in the short to medium term. The MCEP Production Incentive provides grants for five areas: Capital Investment; Green Technology and Resource Efficiency Improvement; Enterprise-Level Competitiveness Improvement grant; Feasibility Studies; and Cluster Interventions. The Industrial Financing and Loan Facilities offers: the Pre- and Post-Dispatch Working Capital Facility - a maximum of R30 million for up to four years, at a preferential fixed interest rate of percent; and the Industrial Policy Niche Projects Fund - DTI-identified projects with potential for job creation, diversification of manufacturing output and contribution to exports, and that would otherwise not be candidates for commercial or IDC funding. Applicants can be a registered legal entity in South Africa in terms of the Companies Act, 1973 (as amended) or the Companies Act, 2008 (as amended); the Close Corporations Act, 1984 (as amended) or the Co-operatives Act, 2005 (as amended).

- The Support Programme for Industrial Innovation (SPII) promotes technology development in South Africa's industry through financial assistance for the development of innovative products and/or processes. SPII focuses on the development phase, which begins at the conclusion of basic research and ends at the point when a pre-production prototype has been produced. There are three schemes SPII uses to apply assistance. Assistance is linked to BEE levels. Criteria are that development and subsequent production takes place within South Africa; Intellectual Property to reside in South African registered company; and Participating businesses should (must) be South African registered enterprises.

- The Clothing and Textile Competitiveness Improvement Programme (CTCIP) builds capacity among manufacturers and the apparel value chain in South Africa on issues of cost, quality, flexibility, reliability, adaptability and the capability to innovate. The Production Incentive (PI) forms part of the overall Clothing and Textile Competitiveness Programme (CTCP) for the clothing, textiles, footwear, leather and leather goods industries.

Details on these and other investment programs are available at the DTI website at: www.dti.gov.za: Trade, Exports and Investment – Financial Assistance, or Financial Assistance, or Industrial Development – Financial Assistance.

South Africa's various provinces have development agencies that offer incentives to encourage investors to establish or relocate industry to their areas. The incentives vary from province to province and may include reduced interest rates, reduced costs for leasing land and buildings, cash grants for the relocation of physical plants and employees, reduced rates for basic facilities, railroads and other transport rebates, and assistance in the provision of housing. Under the National Industrial Participation Program (NIPP), foreign companies winning large government tenders exceeding US$10 million must invest at least 30 percent of the value of the imported content of the tender in South Africa.

Several South African public entities have been established to support investment in export-oriented industries, research and development, or offer technical assistance to industry:

- The Industrial Development Corporation (IDC) is a self-financing, state-owned corporation that provides equity and loan financing to support investment in target sectors. The IDC also provides credit facilities for South African exporters
- The Council for Scientific and Industrial Research (CSIR) is a government-owned organization that does multi-disciplinary research and development for industrial application.
- Technifin, a CSIR subsidiary, finances the commercialization of new technology and products.
- MINTEK develops mining and mineral processing technology for commercial application.
- The Council for Geoscience undertakes geological surveys and services related to minerals exploration. Foreign companies and research organizations can access research done by a specific organization through partnerships and direct contract.

South Africa uses government procurement policies to promote domestic economic development and fight unemployment. South Africa's Preferential Procurement Policy Framework Act of 2000 (the Framework Act) and associated implementing regulations created a legal framework and formula for evaluating tenders for government contracts. Certain provisions of the Act provide a pathway for government departments to issue tenders that favor local content providers. Moreover, in a bid to boost industrialization and to create jobs, the government signed with labor leaders in 2011 the "Local Procurement Accord," which commits the government to increasing the proportion of goods and services procured from South African suppliers to an "aspirational target" of 75 percent.

6. Right to Private Ownership and Establishment

The right to private property is protected under South African law. All foreign and domestic private entities may freely establish, acquire and dispose of commercial interests. The securities regulation code requires an offer to minority shareholders when 30 percent of shareholding has been acquired in a public company with at least ten shareholders and net equity in excess of R5 million.

7. Protection of Property Rights

The South African legal system protects and facilitates the acquisition and disposition of all property rights (e.g., land, buildings, and mortgages). Deeds must be registered at the Deeds Office. Banks usually register mortgages as security when providing finance for the purchase of property.

Intellectual Property

Owners of patents and trademarks may license them locally, but when a patent license entails the payment of royalties to a non-resident licensor, DTI must approve the royalty agreement. Patents are granted for twenty years - usually with no option to renew. Trademarks are valid for an initial period of ten years, renewable for ten-year periods. The holder of a patent or trademark must pay an annual fee to preserve ownership rights. All agreements relating to payment for the right to use know-how, patents, trademarks, copyrights, or other similar property are subject to approval by exchange control authorities in the SARB. A royalty of up to four percent of the factory selling price is the standard approval for consumer goods. A royalty of up to six percent will be approved for intermediate and finished capital goods.

Literary, musical, and artistic works, as well as cinematographic films and sound recordings are eligible for copyright under the Copyright Act of 1978. New designs may be registered under the Designs Act of 1967, which grants copyrights for five years. The Counterfeit Goods Act of 1997 provides additional protection to owners of trademarks, copyrights, and certain marks under the Merchandise Marks Act of 1941. The Intellectual Property Laws Amendment Act of 1997 went into force on 1997. It amended the Merchandise Marks Act of 1941, the Performers' Protection Act of 1967, the Patents Act of 1978, the Copyright Act of 1978, the Trademarks Act of 1993, and the Designs Act of 1993 to bring South African intellectual property legislation fully into line with the WTO's Trade-Related Aspects of Intellectual Property Rights Agreement (TRIPS). Amendments to the Patents Act of 1978 also brought South Africa into line with TRIPS, to which South Africa became a party in 1999, and implemented the Patent Cooperation Treaty.
In August 2012, the Copyright Review Commission (CRC) released a report recommending amending laws to hold Internet Service Providers (ISPs) and Wireless Application Service Providers (WASPs) accountable for copyright violations occurring through the internet and improve royalty collection. In December 2013, President Zuma signed into law a bill amending four pieces of intellectual property legislation to protect indigenous intellectual property. IP

experts and rights holders have been concerned the legislation could undermine the ability of existing IP rights holders to protect their rights in court. In 2013, the government released a draft National Intellectual Property Policy that would inform the government's approach to intellectual property and existing laws. The policy recommended South Africa make greater use of TRIPS flexibilities in order to lower the cost of medicines, and ensure the protection of rights reflected in national industrial and public objectives.

For additional information about South Africa's treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at http://www.wipo.int/directory/en/. List of attorney for various South African districts can be found on the U.S. Mission Citizen Services page: http://southafrica.usembassy.gov/information_for_travelers.html. To contact the U.S. Mission Trade and Investment Officer on IP matters please email USEmbassySA-Business@state.gov.

8. Transparency of the Regulatory System

South African laws and registrations are generally published in draft form for stakeholder comment, and legal, regulatory, and accounting systems are generally transparent and consistent with international norms.

South Africa implemented a new Companies Act in 2011, intended to encourage entrepreneurship and employment opportunities by simplifying company registration procedures and reducing the costs for forming new companies. It is also intended to promote innovation and investment in South African markets and companies by providing for a predictable and effective regulatory environment. In the first action against a U.S. company under the new act, South Africa's Competition Appeals Court dismissed in March 2012 an appeal by the South African Government to overturn the Competition Tribunal's approval of a U.S. company's purchase of a majority stake in a South African retailer. The court, however, ordered the South African firm to re-employ 503 workers fired before the merger and commissioned a study to recommend the best means by which South African small and medium sized suppliers could participate in the U.S. company's global value chain.

South Africa's Consumer Protection Act (2008) went into effect in 2011. The legislation reinforces various consumer rights, including right of product choice, right to fair contract terms, and right of product quality. Impact of the legislation will vary by industry, and businesses will need to adjust their operations accordingly. The legislation for the Consumer Protection Act can be found at: **www.dti.gov.za/ccrdlawreview/DraftConsumerProtectionBill.htm**
The implementing regulations can be found at: **www.dti.gov.za/ccrd/cpa_regulations.htm**.

9. Efficient Capital Markets and Portfolio Investment

South African banks are well capitalized and comply with international banking standards. There are 17 registered banks in South Africa, of which 14 are branches of foreign banks. Four banks - Standard, ABSA, First Rand (FNB), and Nedbank - dominate the sector, accounting for over 80percent of the country's banking assets, which total over US$366 billion. However, Capitec Bank is a notable newcomer in the retail banking space. The South African Reserve Bank

(SARB) regulates the sector according to the Bank Act of 1990. There are three alternatives for foreign banks to establish local operations, all of which require SARB approval: separate company, branch, or representative office. The criteria for the registration of a foreign bank are the same as for domestic banks. Foreign banks must include additional information, such as holding company approval, a letter of "comfort and understanding" from the holding company, and a letter of no objection from the foreign bank's home regulatory authority. More information on the banking industry may be obtained from the South African Banking Association at the following website: **www.banking.org.za/**.

The Financial Services Board (FSB) governs South Africa's non-bank financial services industry (see website: **www.fsb.co.za/**). The FSB regulates insurance companies, pension funds, unit trusts (i.e., mutual funds), participation bond schemes, portfolio management, and the financial markets. The JSE Securities Exchange SA (JSE) is the seventeenth largest exchange in the world measured by market capitalization. Market capitalization stood at R11.036 billion (US$1.007 million) in February 2014, with over380 firms listed. The Bond Exchange of South Africa (BESA) is licensed under the Financial Markets Control Act. Membership includes banks, insurers, investors, stockbrokers, and independent intermediaries. The exchange consists principally of bonds issued by government, state-owned enterprises, and private corporations. The JSE acquired BESA in 2009. More information on financial markets may be obtained from the JSE (website: **www.jse.co.za**). Non-residents are allowed to finance 100 percent of their investment through local borrowing (previously, they were required to invest R1 for every R3 borrowed locally). A finance ratio of 1:1 also applies to emigrants, the acquisition of residential properties by non-residents, and financial transactions such as portfolio investments, securities lending and hedging by non-residents.

10. Competition from State-Owned Enterprises

State-owned enterprises (SOE) play a significant role in the South African economy. In key sectors such as electricity, transport (air, rail and freight), and telecommunications, SOEs play a lead role, often defined by law, although limited competition is allowed in some sectors (i.e., telecommunications and air). The government’s interest in these sectors often competes with and discourages foreign investment. The Department of Public Enterprises (DPE) Minister, Malusi Gigaba, has publicly stated that South Africa’s SOEs should advance economic transformation, industrialization and import substitution. DPE has oversight responsibility in full or in part for eight of the approximately 300 SOEs that exist at the national, provincial and local levels: Alexcor (diamonds); Broadband Infraco (fiber optic cable); Denel (military equipment); Eskom (electricity generation); South African Airways (SAA); South African Express; South African Forestry Company (SAFCOL) (forestry) and Transnet (transportation). These eight SOEs employ approximately 118,000 people. South Africa’s overall fixed investment was 19 percent of GDP. The SOEs share of the investment was 21 percent while private enterprise contributed 63 percent (government spending made up the remainder of 16%). The IMF estimates that the debt of the SOEs would add 13.5% to the overall national debt.

The state-owned electricity monopoly Eskom generates approximately 95 percent of the electricity used in South Africa. Coal-fired power stations generate approximately 93 percent of Eskom’s electricity. Eskom’s core business activities are generation, transmission, trading and distribution. South Africa's electricity system operates under strain due largely to insufficient base load generation capacity. The electricity grid's capacity reserve margins frequently fall under five percent, well below international norms. Since November 2013, Eskom has periodically declared "electricity emergencies," and asked major industrial users reduce consumption by ten percent for specified periods (usually one to two days). To meet rising electricity demand, Eskom is building new power stations (including two of the world's largest coal-fired power stations) and power lines. It plans to double electricity generation capacity to 80 000MW by 2026. Eskom and independent industry analysts anticipate South Africa's electricity grid will remain constrained for at least the next two years. Standard and Poor's rates Eskom as BBB- with a Fair business risk and highly leveraged financial risk.

In February 2012, President Jacob Zuma announced a major infrastructure investment strategy to address South Africa's unemployment and infrastructure needs. The Presidential Infrastructure Coordinating Commission (PICC) adopted the Infrastructure Plan, which outlines 17 Strategic Integrated Projects (SIPs) worth $384 billion over a 20-year period. The SIPS are comprised of more than 150 individual projects spread throughout South Africa's nine provinces. The PICC's plan is separate from another major infrastructure initiative, Transnet's Market Demand Strategy (MDS), announced in April 2012. MDS will channel more than $33.9 billion into port and rail infrastructure upgrades.

Transnet National Port Authority (TNPA), the monopoly responsible for South Africa's ports, charges the highest shipping fees in the world. In March 2014, Transnet announced an average overall tariff increase of 8.5 percent at its ports to finance a $240 million modernization effort. High tariffs on containers subsidize bulk shipments of coal and iron ore, thereby favoring the export of raw materials over finished ones. According to the South African Ports Regulator, raw materials exporters paid as much as one quarter less than exporters of finished products. Transnet is a state-owned company that manages the country's port, rail and pipeline networks. Standard and Poor's rates Transnet as BBB- with a Strong business risk and significant financial risk.

Direct aviation links between the United States and Africa are limited, but have expanded over the past few years. The growth of low-cost carriers in South Africa has reduced domestic airfares, but private carriers are likely to struggle against national carriers without further air liberalization in the region and in Africa. In South Africa, the state-owned carrier, South African Airways (SAA), relies on the government for financial assistance to stay afloat. SAA dominates the southern Africa regional market, but faces competition from regional airlines such as Emirates. SAA has had losses exceeding US$1.6 over the past 10 years. They have also instituted nine turnaround plans within the same time. Their CEOs are replaced approximately once a year. SAA bases many of its international routes on political rather than economic criteria. One of SAA's primary goals to cut costs is to replace its aging wide-bodied long haul fleet (currently A340-600s). Cost constraints and a chaotic tendering process have caused delays. In September 2013, the wide-body tender was cancelled without notice. In February 2014, Minister Gigaba stated he cancelled the tender because there was not enough localization of content. The next tender is currently scheduled to be released in October 2014.

While government efforts to liberalize the telecommunications sector and encourage competition have improved, regulatory uncertainty and fragmented competition have hampered growth. Key challenges include: strengthening the capacity of the sector regulator, the Independent Communications Authority of South Africa (ICASA), to implement a spectrum auction; ensuring digital migration remains on track; stabilizing the Department of Communication's state-owned companies, including Telkom (national telephone operator), the South African Broadcasting Company (SABC), and Sentech (signals provider); and improving broadband penetration. ICASA falls under the Department of Communications.

South Africa's telecommunications priority is effecting the migration from analogue to digital broadcasting. This will significantly improve South Africa's broadcast capabilities as frequencies occupied by analogue will become available for next-generation mobile broadband networks. Progress has been sporadic, however, leaving industry concerned South Africa will miss the global deadline of June 2015. With five ministers since 2006, leadership stability in the Department of Communications has been one obstacle. Industry insiders also argue the Department of Communications lacks personnel who understand the digital migration process or regulating the sector. Meanwhile, technology reviews and legal challenges hamper ICASA's ability to regulate. For example, in March 2014, the High Court struck down a decrease in mobile termination rates (MTR) ICASA tried to impose on the two largest mobile carriers in South Africa—Vodacom and MTN (although the court struck down the ruling, they allowed ICASA to impose the rate reductions).

11. Corporate Social Responsibility

Corporate Social Responsibility (CSR), or Corporate Social Investment (CSI) as it is more commonly referred to locally, is well-developed in South Africa, and is driven in part by the recognition that the private sector has an important role to play. The socio-economic development element of B-BBEE has formalized and increased CSR in South Africa, as firms have largely aligned their CSR activities to the element's performance requirements. The 2013 amendment's compliance target is one percent of net profit after tax, and at least 75 percent of the CSR activity must benefit historically disadvantaged South Africans referred to the B-BBEE act as black people, which includes South Africans of black, colored, Chinese and Indian descent. Most CSR is directed towards non-profit organizations involved in education, social and community development, and health.

12. Political Violence

Political violence is a growing problem in South Africa. Political rallies occasionally result in violent confrontations between rival parties. An increasing trend of politically-motivated killings has plagued KwaZulu-Natal Province since 2011. More than 60 members of the African National Congress, the Inkatha Freedom Party (IFP), and National Freedom Party (NFP) have been killed in politically-linked violence since 2011. Although a fluctuating level of violence is not new in KZN—and usually pickup in the run up to elections—the killings result primarily from intra-party conflict and are targeted against ward leaders. Competition for power and economic gain in KZN is at the root cause of political violence. South Africa's Independent Electoral Commission, as well as a number of local and national law enforcement agencies are working together to ensure that the 2014 local and national elections are free and fair. There were a number of violent strikes in 2013, including among gold and platinum miners. (see labor section)

13. Corruption

Allegations of corruption in the public tendering process persist in South Africa at all levels of government, despite the country's excellent anti-corruption regulatory framework, as highlighted by the Prevention and Combating of Corrupt Activities Act of 2004. The office of the Public Protector, among other agencies, is tasked with conducting independent investigations into allegations of official corruption, and is widely respected for its effectiveness and impartiality. The Public Protector conducted an extended investigation into public spending on President Zuma's private residence in Nkandla, KwaZulu-Natal, which has increased the public dialogue around corruption. The governing African National Congress and opposition parties have all made fighting corruption a primary campaign platform in the run-up to the May 2014 national and provincial elections.

14. Bilateral Investment Agreements

South Africa had bilateral investment treaties (BITs) with 41 countries, including Argentina, Austria, Belgium and Luxemburg, Canada, Chile, the Czech Republic, Finland, France, Germany, Greece, Mauritius, the Netherlands, the Republic of Korea, Spain, Sweden, Switzerland, Turkey, and the United Kingdom. After a two-year review of BITs, the DTI determined in 2012 that "first generation" BITs, an estimated 30 agreements mostly with EU states, exposed South Africa unnecessarily to international arbitration or created domestic policy conflicts, and should be terminated. South Africa may adopt a new BIT model for the future that exempts investor-state dispute and expropriation provisions, and facilitates the government's economic transformation goals including Broad-based Black Economic Empowerment (B-BBEE). South Africa has allowed the BITs of Netherlands, Spain, Luxembourg and Belgium and Germany to expire. Article 52 of the 1999 EU-South Africa Trade, Development, and Cooperation Agreement covers investment promotion and protection.

The United States and South Africa signed a Trade and Investment Framework Agreement (TIFA) in 1999. TIFA discussions were renewed in 2011, and the agreement was updated in 2012. The United States and the South African Customs Union negotiated in 2008 a Trade, Investment and Development Cooperation Agreement (TIDCA) that South African participates in. The U.S.-South Africa bilateral tax treaty eliminating double taxation entered into force in 1998.

15. OPIC and Other Investment Insurance Programs

Since a 1993 agreement to facilitate Overseas Private Investment Corporation (OPIC) programs, OPIC has invested in a number of funds supporting sub-Saharan Africa development, including the Africa Catalyst Fund ($300 million focused on small- and medium-sized enterprise development), Africa Healthcare Fund ($100 million focused on private healthcare delivery businesses, and ECP Africa Fund II, ($523 million, focused on telecommunications, oil and gas, power, transportation, agribusiness, media, financial services and manufacturing). Tailored products to support clean and renewable energy are a particular focus. OPIC opened an office in Johannesburg in 2013 to support investment to key African countries through its financing and risk mitigation instruments. Additional information on OPIC programs that involve South Africa may be found on OPIC's website: http://www.opic.gov.

16. Labor

Over the last 20 years, the South African government has replaced apartheid-era labor legislation with policies that emphasize employment security, fair wages, and decent working conditions. Under the aegis of the National Economic Development and Labor Council (NEDLAC), government, business and organized labor negotiate all labor laws, with the exception of laws pertaining to occupational health and safety. The law allows workers to form or join trade unions without previous authorization or excessive requirements. Labor unions that meet a locally negotiated minimum threshold of representation (often 50 percent plus one union member) are entitled to represent the entire workplace in negotiations with management. As the majority union or representative union, they may also extract agency fees from non-union members and any minority unions also present in the workplace. In some workplaces, this financial incentive has encouraged inter-union rivalries, including intimidation, as unions compete for the maximum share of employees in seeking the status of representative union. There were 191 trade unions registered in 2013. Trade union membership figures are imprecise but according to the 2013 Fourth Quarter Labor Force Survey, 3.7 million workers belonged to a union, 28.6 percent of the formal sector. Union membership grew by 1.3 percentage points, or 46,000 people, from the previous year.

The right to strike is protected under South African law. There were 5.2 million working days lost in 2013 as compared to 3.5 million in 2012, according to the December 2013 Andrew Levy Quarterly Wage Settlement Survey. About 244 working days were lost to work stoppages per 1,000 working South Africans in 2012, compared to 208 in 2011. The mining industry endured 82.4 percent of all days lost, by far the most of any sector. In 2012, employees lost approximately R6.666 billion in wages due to participation in work stoppages, compared to R1.073 billion in 2011. Data from the Department of Labor indicates the bulk, or 38.5 percent, of strikes in 2012 lasted between 6 to 10 days, down almost 14 percentage points from the previous year.

This past year, there were a number of economically impactful strikes, particularly in the automotive sector. Although the emergence in 2012 of wildcat and illegal strikes in the mining sector ebbed, platinum mines remained vulnerable to large-scale strikes in 2013. Improved labor stability is essential for South Africa’s economic stability and development, and vital to the country’s ability to continue to attract and retain foreign investment. Government, business, and labor are attempting to address these challenges by implementing the Framework Agreement for a Sustainable Mining Industry in 2013.

Major labor legislation includes:
The Labor Relations Act, in effect since 1995 with amendments pending in 2014, provides fair dismissal guidelines, dispute resolution mechanisms, and retrenchment guidelines stating employers must consider alternatives to retrenchment and must consult all relevant parties when

considering possible layoffs. The Act enshrines the right of workers to strike and of management to lock out striking workers. The Act created the Commission on Conciliation, Mediation, and Arbitration (CCMA) which can conciliate, mediate, and arbitrate in cases of labor dispute, and is required to certify an impasse in bargaining council negotiation before a strike can be called legally. The CCMA's caseload currently exceeds what was anticipated. Revisions seek to close a loophole in current legislation regarding the definition of employers and employees in the South African legal system. Amendments to the LRA deal with the regulation of temporary employment service firms, extend organizational rights to workplaces with a majority of temporary or fixed term contract workers, reduces the maximum period of temporary or fixed term contract employment to three months, establishes joint liability by temporary employment services and their clients for contraventions of employment law, and strengthens other protections for temporary or contract workers.

The Basic Conditions of Employment Act, implemented in 1997, establishes a 45-hour workweek and minimum standards for overtime pay, annual leave, sick leave and notice of termination. The Act also outlaws child labor. Further, it states that no employer may require or permit overtime except by agreement, and overtime may not be more than ten hours per week. Amendments to the Act, pending in 2014, will clarify the definitions of employment, employers, and employees to reflect international labor conventions. The revised Act will give the Minister of Labor the power to set minimum wages and annual minimum wage increases for employees not covered by sectoral minimum wage agreements.

The Employment Equity Act of 1998 prohibits employment discrimination and requires large- and medium-sized companies to prepare employment equity plans to ensure that historically disadvantaged South Africans, such as blacks, South Asians, and colored men, as well as women and disabled persons are adequately represented in the workforce. The Employment Equity Act amendments will increase fines for non-compliance with employment equity measures and have a new provision of equal pay for work of equal value. The new Act will prohibit the use of foreign nationals to meet employers' affirmative action targets, and relaxes the standards for parties in labor disputes to access the Commission for Conciliation, Mediation and Arbitration instead of the Labor Court.

The Occupational Health and Safety Act, last amended in 1993, provides for occupational health and safety standards and gives the Department of Labor the right to inspect the workplace. The Mine, Health and Safety Act authorizes the Inspector of Mines to provide regulatory oversight for the mining industry.

The Skills Development Act of 1998 imposes an annual levy on employers equal to one percent of the payroll that is to be used for training programs devised by industry-specific training authorities (SETAs). Many groups, including organized business, question the effectiveness of SETAs. This concern has been magnified due to recent proposals to double the annual levy.
The most recent Quarterly Labor Force Survey (LFS) published in February 2014 listed the official unemployment rate at 24.1 percent. The LFS defines unemployment to exclude persons who have not actively sought employment during the previous four weeks. The unemployment rate increases to 34 percent if 2.2 million discouraged job seekers are included. Many

unemployed people have never worked. Despite the high unemployment rate, South Africa has a shortage of skilled workers across many sectors.

South Africa has no country-wide minimum wage, but the Minister of Labor has issued determinations that set a minimum wage for certain occupations where collective bargaining is not common. These occupations include domestic workers, farm workers, and taxi drivers. More information regarding South African labor legislation can be found at: **www.labour.gov.za/legislation**.

17. Foreign Trade Zones/Free Ports

South Africa designated its first Industrial Development Zone (IDZ) in 2001. IDZs offer duty-free import of production-related materials and zero VAT on materials sourced from South Africa, along with the right to sell in South Africa upon payment of normal import duties on finished goods. Expedited services and other logistical arrangements may be provided for small to medium-sized enterprises, or for new foreign direct investment. Co-funding for infrastructure development is available from DTI. There are no exemptions from other laws or regulations, such as environmental and labor laws. The Manufacturing Development Board licenses IDZ enterprises in collaboration with the South African Revenue Service (SARS), which handles IDZ customs matters. IDZ operators may be public, private, or a combination of both. IDZs are currently located at Coega near Port Elizabeth, in East London and Richards Bay. In February 2014, the Department of Trade and Industry introduced a new Special Economic Zones (SEZs) bill focused on industrial development. The SEZs were intended to encompass the IDZs but also provide scope for economic activity beyond export-driven industry to include innovation centers and regional development. The broader SEZ incentives strategy allows for 15% Corporate Tax as opposed to the current 28%, Building Tax Allowance, Employment Tax Incentive, Customs Controlled Area (VAT exemption and duty free) and Accelerated 12i Tax Allowance.

18. Foreign Direct Investment Statistics

Foreign direct investment (FDI) data is available in South Africa. The U.S. Embassy relies on the U.S. Department of Commerce and SARB for foreign investment data. SARB statistics conform to the IMF definition of FDI (i.e., ownership of at least 10 percent of the voting rights in an organization by a foreign resident or several affiliated foreign residents, including equity capital, reinvested earnings, and long-term loan capital) and represent actual investment to exclude announced but not completed "intended" investment. The SARB does not provide country-specific figures that distinguish between investment flows and changes in investment stocks from asset swaps, exchange rate adjustments, or mergers and acquisitions.

SARB statistics can be found at: **www.reservebank.co.za** – Publications – Quarterly Reports. U.S. Companies with investment in South Africa of at least R10 million (US$1.4 million) include: Amazon, Amonix, Caltex, Caterpillar, Chevron, Coca-Cola, Corning, Cisco, CitiGroup, CSX, Dell, Dow Chemical, Eastman, Eli Lilly, First Solar, Ford, Forest Oil, Fluor, General Electric, General Motors, Goodyear, Honeywell, HP, IBM, Johnson & Johnson, Joy Global, Kimberly-Clark, Levi Strauss, McDonald's, Microsoft, Nike, Pioneer Energy, Proctor & Gamble, Sara Lee, Silicon Graphics, Solar Reserve, Timken, Walmart, Westinghouse, Sun Edison and Whirlpool.

The following FDI statistics were drawn from the SARB's March 2014 Quarterly Bulletin. The conversion exchange rate used was the average exchange rate for each year cited. There was no update for 2013 figures.

Table A: Average Exchange Rates						
Year	2007	2008	2009	2010	2011	2012
Rand/USD	7.05	8.25	8.43	7.32	7.30	8.21

Table B: Year-end Stock of Foreign Direct Investment in South Africa							
	2006	2007	2008	2009	2010	2011	2012
Rand (billion)	611.72	751.92	632.61	866.66	1015.5	1297.9	1390.02
USD (billion)	90.49	106.66	76.68	102.81	138.7	177.8	169.3

Table C: Year-end stock of FDI in South Africa by region/country						
REGION/COUNTRY	2010	2011	2012	2010	2011	2012
CURRENCY(billion)	Rand	Rand	Rand	USD	USD	USD
EUROPE - Total	850.03	1015.32	1085.5	116.12	139.1	132.22
N/S America (excl USA)	10.74	30.90	33.32	1.47	4.23	4.06
USA	62.73	98.62	99.56	8.57	13.51	12.13
AFRICA	6.5	43.69	42.67	.89	5.98	5.19
ASIA	83.88	98.12	115.92	11.46	13.44	14.12
OCEANIA	1.53	10.78	12.60		1.48	1.53
TOTAL	1015.52	1297.43	1389.57	138.73	177.8	169.3

Table D: FDI Flows into South Africa (USD millions):					
2005	2006	2007	2008	2009	2010
6.65094	-0.5325	5.68794	9.01818	5.39383	1.22814

19. Point of Contact

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