

# **Southern African Netherlands Chamber of Commerce Investment Seminar**

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**Presentation by  
Mr M.V. Thindisa**

**Department of Agriculture, Forestry and Fisheries  
14<sup>th</sup> November 2016**



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# PRESENTATION OUTLINE

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- ❑ Facts and figures about South Africa
- ❑ Economic Performance of the Agro-processing Sector
- ❑ Trade Patterns
- ❑ Agro-processing Investment Opportunities
- ❑ Value proposition
- ❑ Conclusion



# FACTS & FIGURES

## ABOUT SOUTH AFRICA



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COMMITTED TO  
IMPROVING THE STATE  
OF THE WORLD

Insight Report

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# The Global Competitiveness Report 2014–2015



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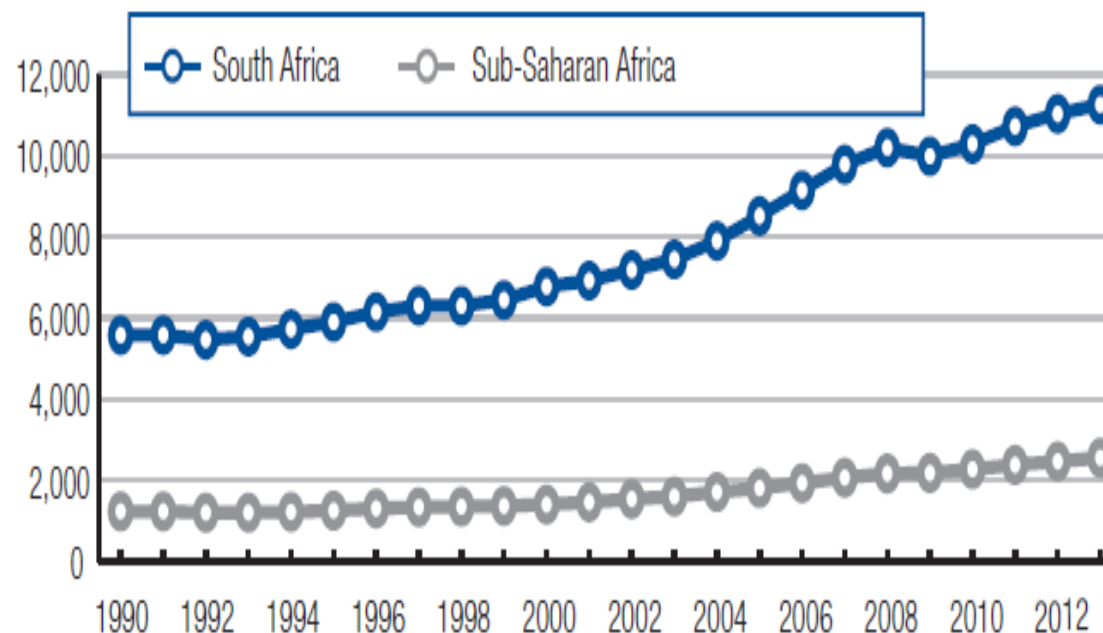
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# South Africa

## Key indicators, 2013

Population (millions).....	53.0
GDP (US\$ billions).....	350.8
GDP per capita (US\$).....	6,621
GDP (PPP) as share (%) of world total.....	0.69

GDP (PPP) per capita (int'l \$), 1990–2013



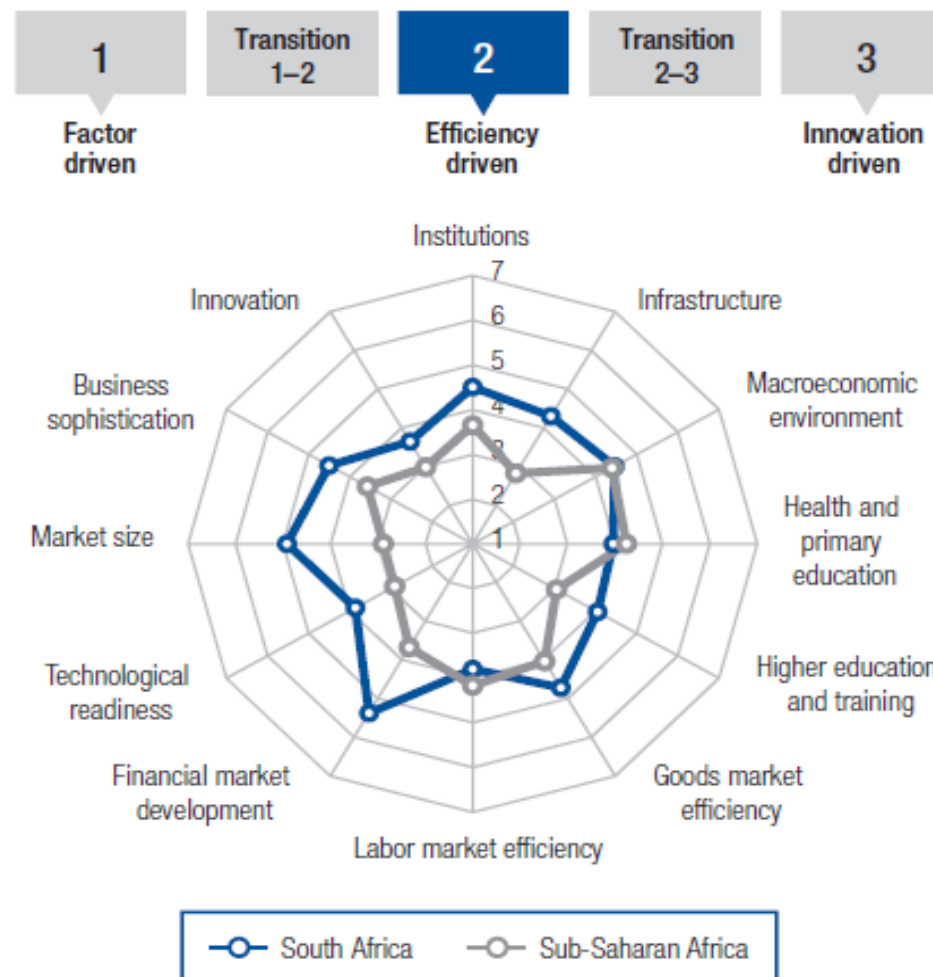
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# Global Competitiveness Index

	Rank (out of 144)	Score (1-7)
<b>GCI 2014-2015</b> .....	<b>56</b> .....	<b>4.4</b>
GCI 2013-2014 (out of 148).....	53.....	4.4
GCI 2012-2013 (out of 144).....	52.....	4.4
GCI 2011-2012 (out of 142).....	50.....	4.3
<b>Basic requirements (40.0%)</b> .....	<b>89</b> .....	<b>4.3</b>
Institutions.....	36.....	4.5
Infrastructure.....	60.....	4.3
Macroeconomic environment.....	89.....	4.5
Health and primary education.....	132.....	4.0
<b>Efficiency enhancers (50.0%)</b> .....	<b>43</b> .....	<b>4.4</b>
Higher education and training.....	86.....	4.0
Goods market efficiency.....	32.....	4.7
Labor market efficiency.....	113.....	3.8
Financial market development.....	7.....	5.4
Technological readiness.....	66.....	3.9
Market size.....	25.....	4.9
<b>Innovation and sophistication factors (10.0%)</b> .....	<b>37</b> .....	<b>4.1</b>
Business sophistication.....	31.....	4.5
Innovation.....	43.....	3.6

## Stage of development




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# ECONOMIC PERFORMANCE OF AGRO-PROCESSING SECTOR (2014)

Sector	GDP	Employment	Investment
Agriculture, forestry and fisheries	2,4%	5,4%	2.8%
Manufacturing sector	13,7%	8,7%	13,2%
Agro-processing	4,4%	3,5%	1,7%



**Source: StatsSA, 2014**



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# RELATIVE PERFORMANCE OF THE AGRO-PROCESSING INDUSTRY

Manufacturing (2015)	% share of total	Employment ('000)	Contribution of industry ('000)
Food, beverages and tobacco	19.4	266	565 (41.4%)
Textiles, clothing and leather goods	10.5	144	
Wood and paper; publishing and printing	11.3	155	
Petroleum products, chemicals, and plastic	11.5	158	
Other non-metal mineral products	5.8	79	
Metals, machinery and equipment	22.7	312	



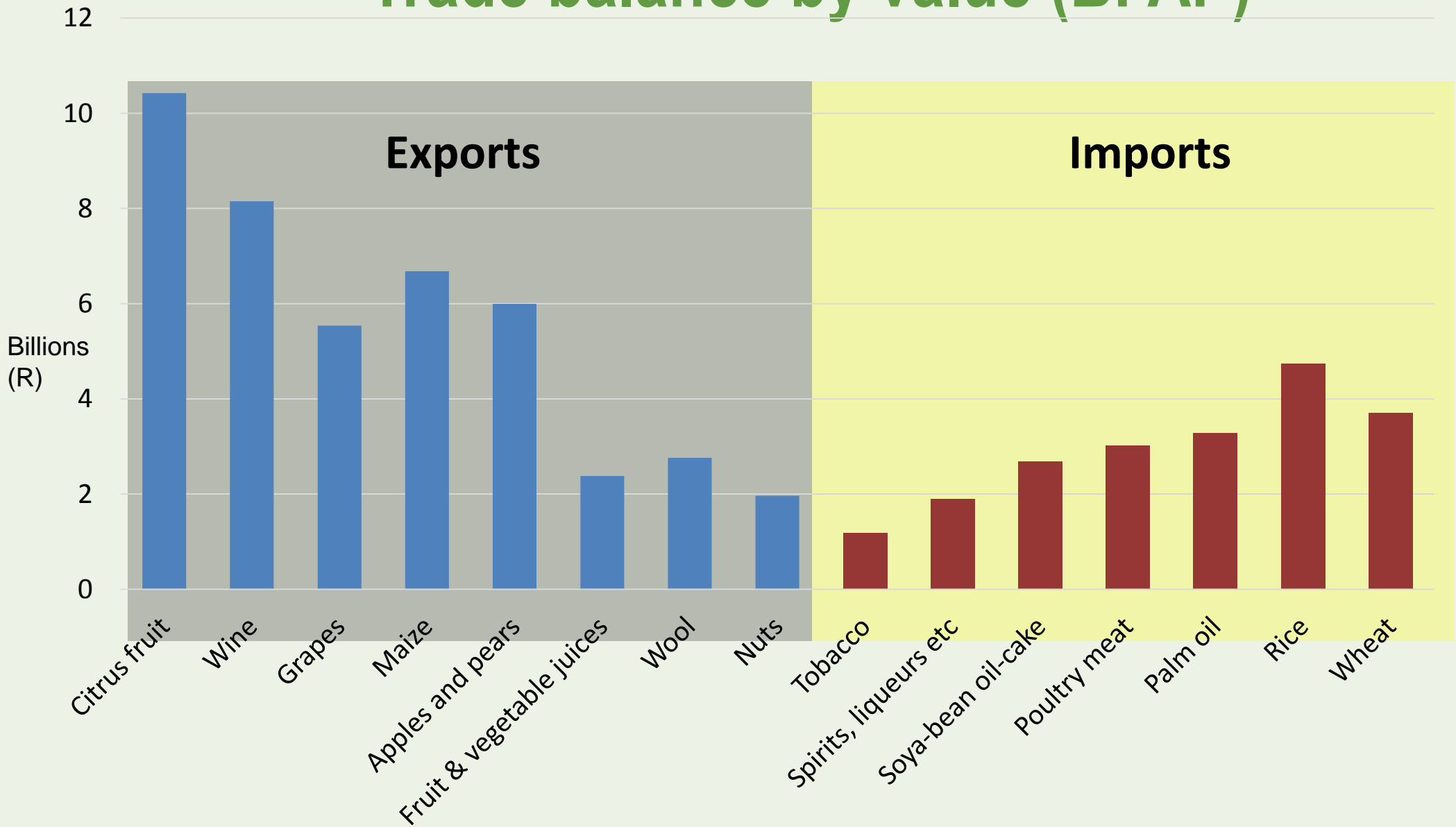
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Source: Stats SA, 2015



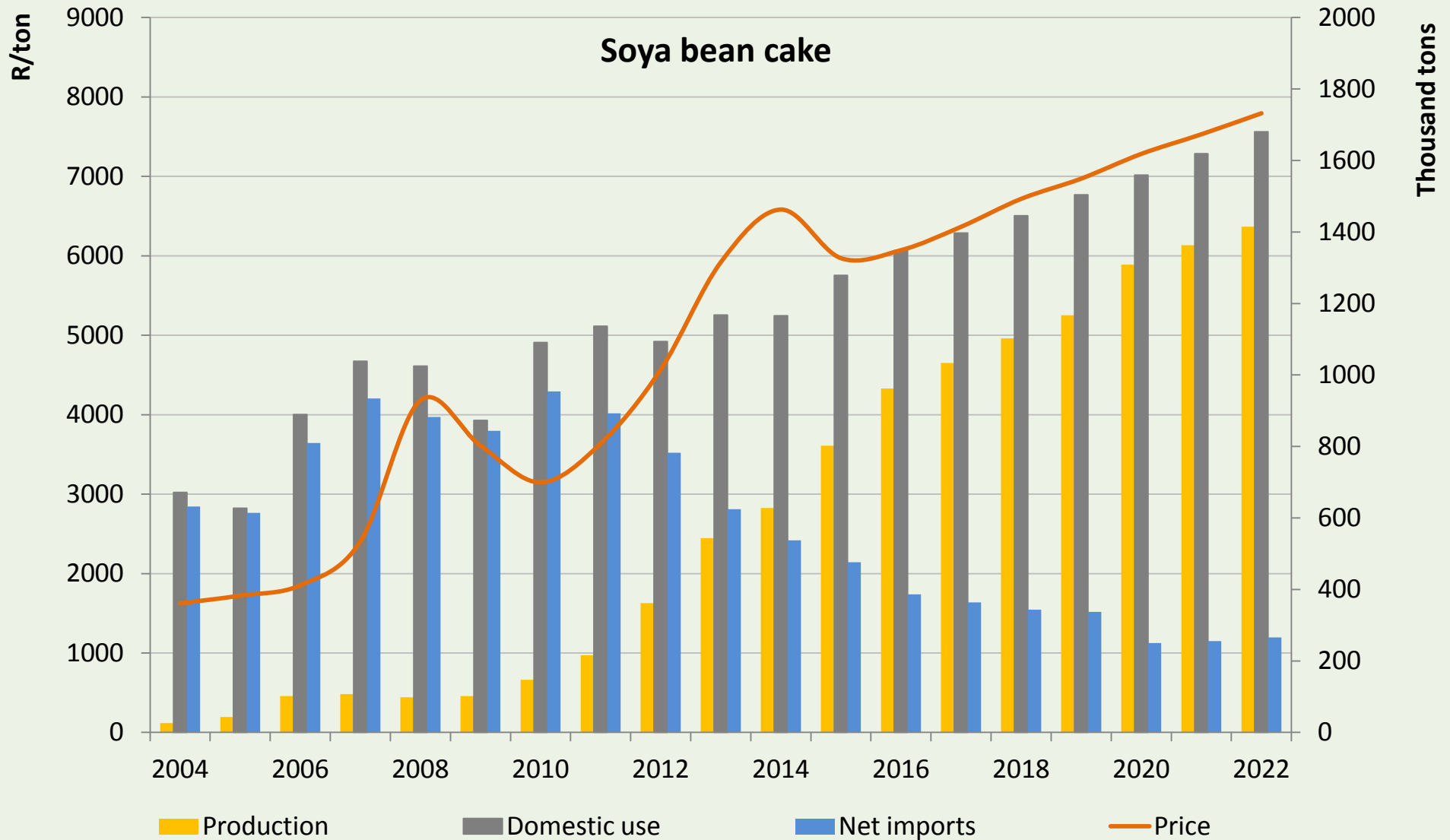
# Trade balance by value (BFAP)



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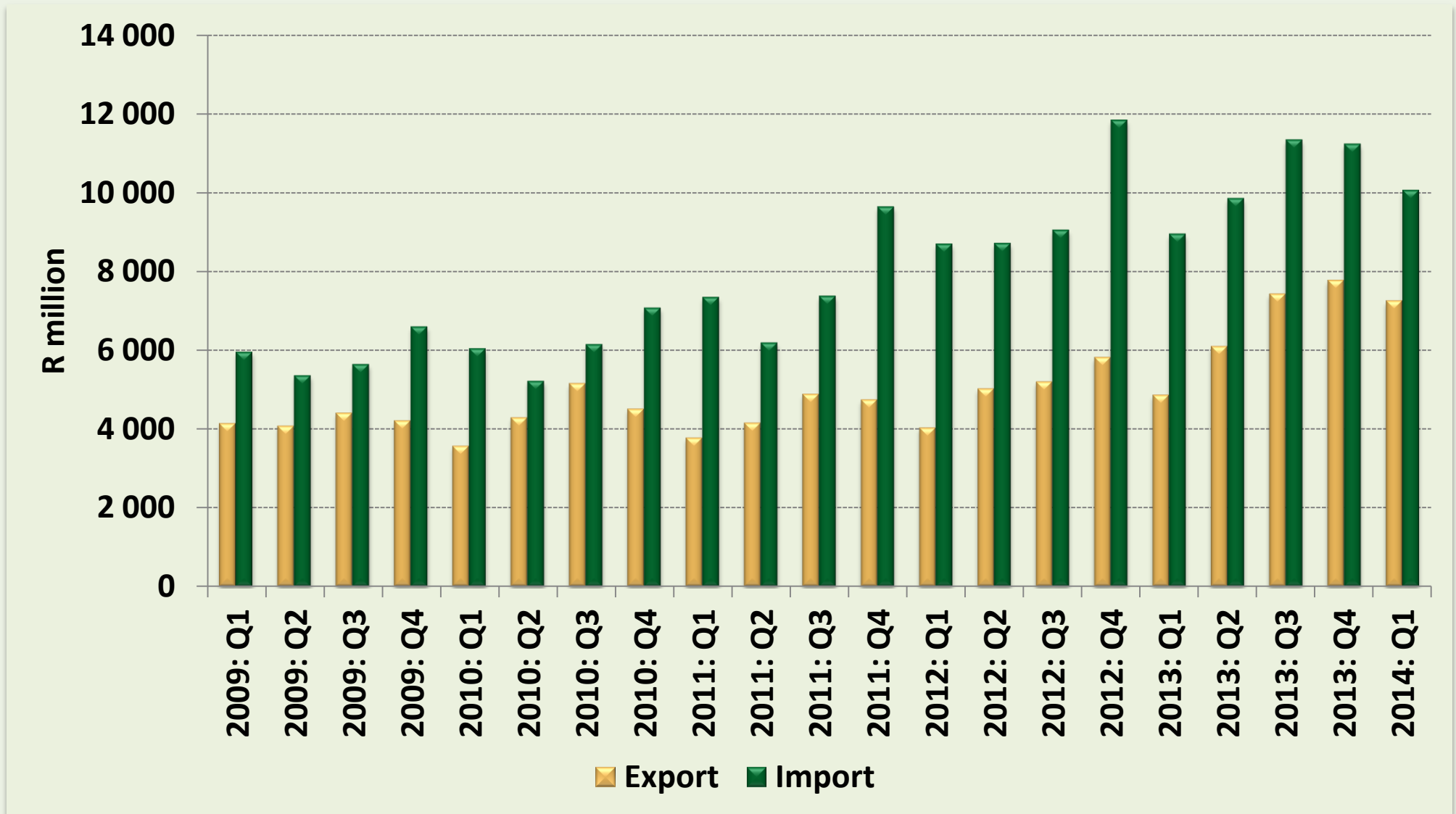
# Soybean processing (BFAP)



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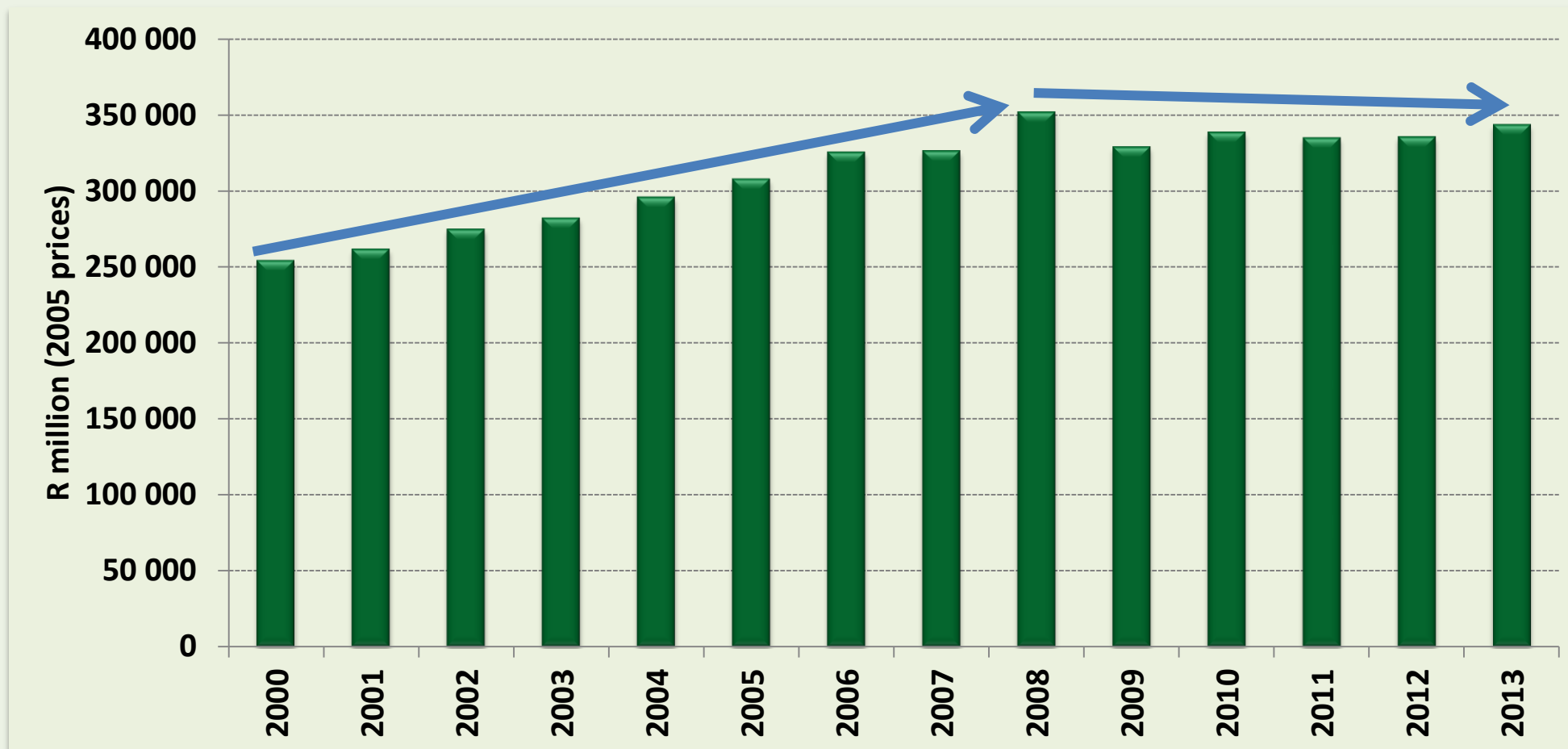
# TRADE BALANCE IN PROCESSED FOOD PRODUCTS



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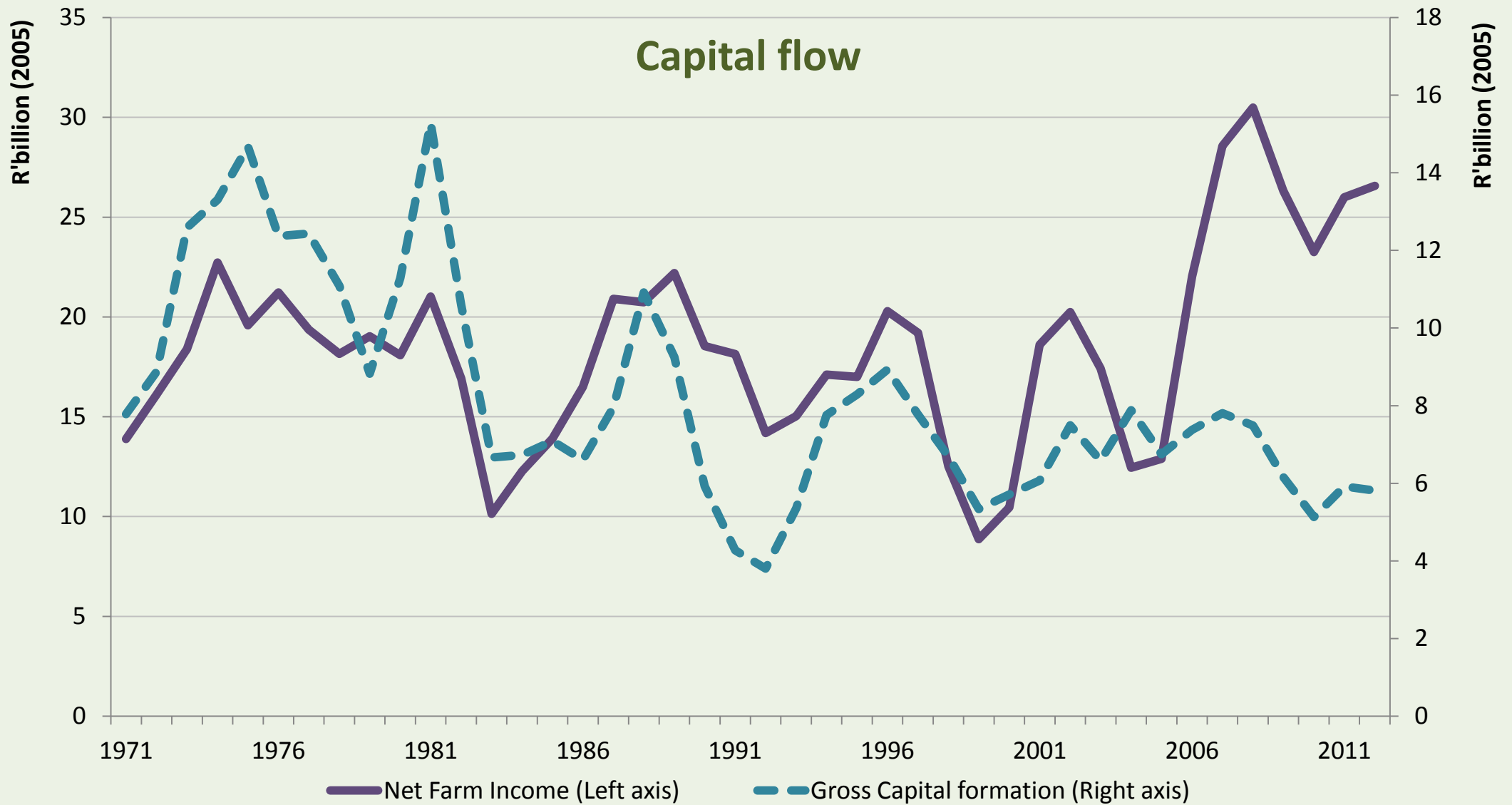
# Output: Agro-processing



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# NFI vs GCF



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# Top 10 exports of SA agricultural exports to Netherlands

Hs code	Description	R' million	% share
<b>Total</b>	<b>Agriculture Products</b>	<b>9 299.28</b>	<b>100.00</b>
<b>080610</b>	Grapes	2 424.86	26.08
<b>080510</b>	Oranges	1 423.06	15.30
<b>220421</b>	Wine	633.96	6.82
<b>080440</b>	Avocados	616.02	6.62
<b>080830</b>	Pears	461.33	4.96
<b>080520</b>	Mandarins	378.56	4.07
<b>080550</b>	Lemons And Limes	325.02	3.50
<b>080540</b>	Grapefruit	284.68	3.06
<b>080940</b>	Plums	273.46	2.94
<b>200929</b>	Grapefruit Juice	161.16	1.73



# Top 10 imports of SA agricultural products to Netherlands

HS code	Description	R' million	% share
<b>Total</b>	<b>Agriculture Products</b>	<b>3 515.05</b>	<b>100.00</b>
<b>020714</b>	Chicken Cuts	760.54	21.64
<b>150790</b>	Soybean Oil	500.14	14.23
<b>230910</b>	Dog And Cat Food	323.95	9.22
<b>210690</b>	Food Preparations	174.78	4.97
<b>151211</b>	Sunflower-Seed	140.26	3.99
<b>220210</b>	Waters	133.41	3.80
<b>120991</b>	Vegetable Seeds	115.31	3.28
<b>210111</b>	Coffee Extracts	103.56	2.95
<b>230990</b>	Animal Feed	78.46	2.23
<b>040690</b>	Cheese	74.79	2.13

Source: Global Trade Atlas, 2016



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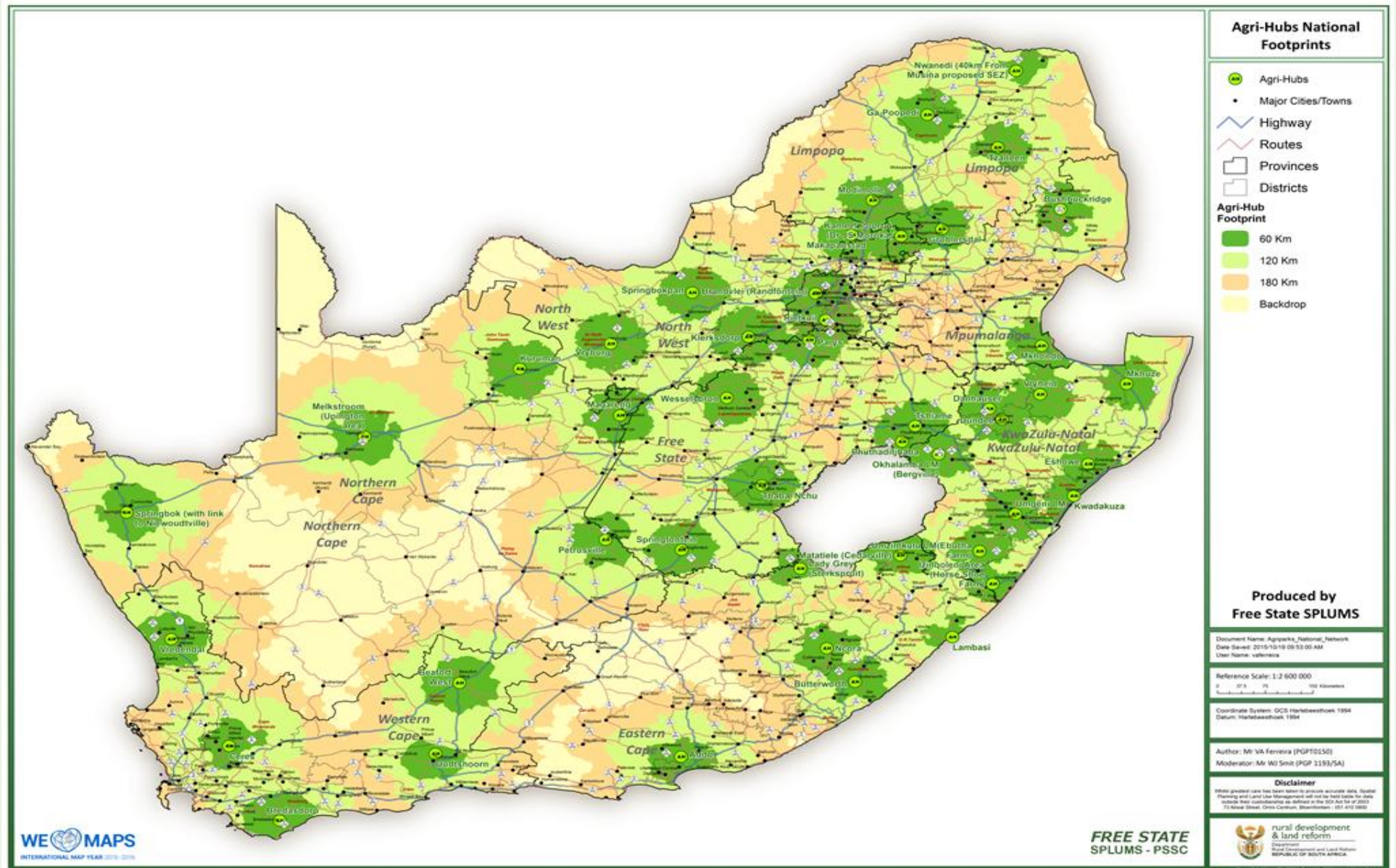
# Investment opportunities (Agri-parks)

Sector	Sub -sector
<p>Agro-processing</p> <p><b>44 Agri-parks</b></p>	<p><b>Milling and baking industries</b></p> <ul style="list-style-type: none"><li>- Animal consumption (Ramping soybean processing)</li><li>- Human consumption (Staple food - milling facilities)</li></ul>
	<p><b>Beverages</b></p> <ul style="list-style-type: none"><li>- Fruit juices</li></ul>
	<p><b>High value novel “niche” products</b></p> <ul style="list-style-type: none"><li>- Sisal (Industrial products (automotive, paper, telephone cable, fuel and building material);</li><li>- Chicory (Fresh in salads, hot beverage, cereals);</li><li>- Pet-food (Wet and dry)</li><li>- Hibiscus (Hot beverage and pharmaceuticals)</li></ul>





# Agri-park sites



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# Agri-park sites

## Provincial selected Agri-hub Sites (44 +1)

PROVINCE	DISTRICT MUNICIPALITY NAME	Provincial Selected Agri-hub Sites
Eastern Cape	Alfred Nzo	Matatiele (Cedarville)
	Amathole	Butterworth
	Cacadu	Addo
	Chris Hani	Ncora
	Joe Gqabi	Lady Grey (Sterkspruit)
	O.R.Tambo	Lambasi
Free State	Fezile Dabi	Parys
	Lejweleputswa	Wesslesbron
	Mangaung	Thabanchu
	Thabo Mofutsanyane	Tshiame (Harrismith)/ Phuthadithaba
	Khariap	Springfontein
Gauteng	Sedibeng	Rietkuil
	West Rand	Brandvlei (Randfontein)

PROVINCE	DISTRICT MUNICIPALITY NAME	Provincial Selected Agri-hub Sites	
KwaZulu Natal	Amajuba	Danhauser	
	iLembe	Kwadakuza	
	Harry Gwala	Umkhanyakude	Umkhanyakude LM (Ebutha Farm)
		Ugu	Izinqoleni Area (Horse Shoe Farm) & Ugu Fresh Produce market
	UMgungundlovu	Umgeni LM	
	Uthukela	Mkhuze	
	Uthungulu	Dundee	
	Zululand	Okhalamba LM (Bergville etc)	
	Limpopo	Greater Sekhukhune	Eshowe
		Mopani	Vryheid
		Capricorn	Ga-Poopedi
Greater Sekhukhune		Groblersdal	
Mopani		Tzaneen	
Vhembe		Nwanedi (40km From Musina proposed SEZ)	
Mpumalanga	Waterberg	Modimolle	
	Ehlanzeni	Bushbuckridge	
	Gert Sibande	Mkhondo	
KwaZulu Natal	Nkangala	Kameel Poort A (Dr JS Moroka)	

PROVINCE	DISTRICT MUNICIPALITY NAME	Provincial Selected Agri-hub Sites
North West	Bojanala	Makapanstad
	Dr Kenneth Kaunda	Klerksdorp
	Dr Ruth Segomotsi Mompat	Vryburg
	Ngaka Modiri Molema	Springbokpan
Northern Cape	Frances Baard	Magareng
	John Taolo Gaetsewe	Kuruman
	Namakwa	Springbok (with link to Niewoudtville)
	Pixley ka Seme	Petrusville
	ZF Mgcawu	Melkstrom (Upington area)
Western Cape	Cape Winelands	Ceres
	Central Karoo	Beaufort West
	Eden	Oudtshoorn
	West Coast	Vredendal
	Overberg	Bredasdorp



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# Value proposition

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- WHY invest and do business with South Africa?
  - ✓ One of the most sophisticated, diverse and promising emerging markets globally;
  - ✓ Leading economy and African power house;
  - ✓ Strategically positioned on African continent with a market of more than 1 billion people;
  - ✓ African continent with a GDP growth rate of >5% hence potential for growth;
  - ✓ Political and macro-economic stability;
  - ✓ Member of BRICS;
  - ✓ Developed infrastructure;
  - ✓ Sound democratic institutions, financial, legal system, ICT and competitive business system
- 



# Conclusion

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- Considerable opportunity into South Africa;
- Gateway into Africa;
- Various incentive available
- Multi national company operating profitably in South Africa (Grolsh, Nestle, Neon.....)
- Market development critical in terms of public private partnerships
- Protection of investment enshrined in the constitution.





# A TRULY BEAUTIFUL COUNTRY FOR EXPLORATION



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# Beautiful animals



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# TRULY RAINBOW NATION

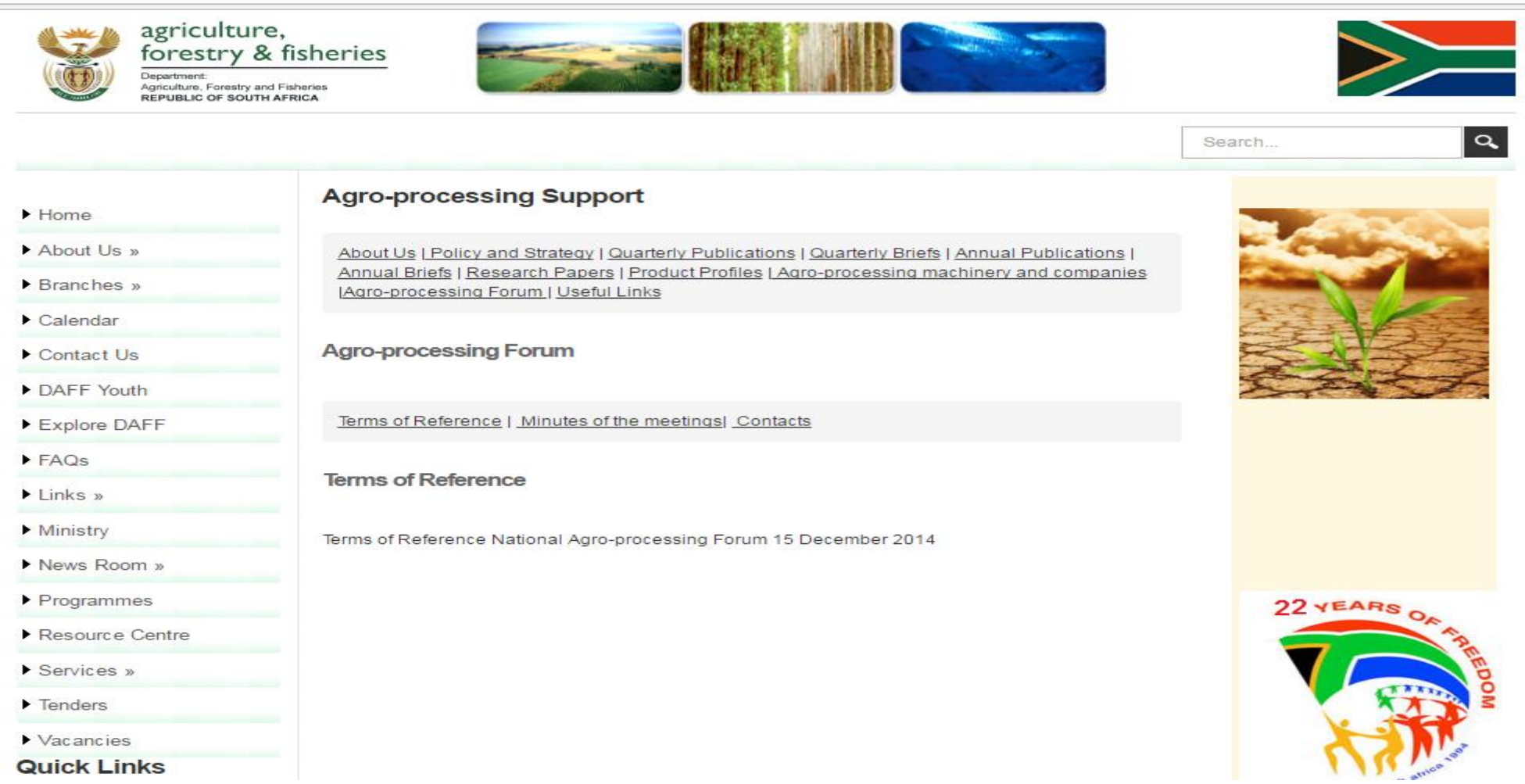


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# More info about the forum

Directorate's website:



The screenshot shows the top section of the DAFF website. At the top left is the DAFF logo, which includes the South African coat of arms and the text "agriculture, forestry & fisheries" and "Department: Agriculture, Forestry and Fisheries REPUBLIC OF SOUTH AFRICA". To the right of the logo are three small images: a landscape with hills, a forest, and a blue abstract image. Further right is the South African flag. Below the header is a search bar with the text "Search..." and a magnifying glass icon. On the left side, there is a vertical navigation menu with the following items: Home, About Us », Branches », Calendar, Contact Us, DAFF Youth, Explore DAFF, FAQs, Links », Ministry, News Room », Programmes, Resource Centre, Services », Tenders, and Vacancies. Below the menu is a "Quick Links" section. The main content area on the right has three sections: "Agro-processing Support" with links for "About Us", "Policy and Strategy", "Quarterly Publications", "Quarterly Briefs", "Annual Publications", "Annual Briefs", "Research Papers", "Product Profiles", "Agro-processing machinery and companies", "Agro-processing Forum", and "Useful Links"; "Agro-processing Forum" with links for "Terms of Reference", "Minutes of the meetings", and "Contacts"; and "Terms of Reference" with the text "Terms of Reference National Agro-processing Forum 15 December 2014". On the far right, there is a vertical banner with a photo of a small green plant growing in cracked, dry earth, and a logo at the bottom that says "22 YEARS OF FREEDOM" and "Africa 1994" with a stylized map of Africa and figures holding hands.



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Thank you

<http://www.daff.gov.za/>

<http://www.daff.gov.za/daffweb3/Branches/Economic-Development-Trade-Marketing/Product-Profiles>



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