

## SOUTH AFRICA – EVOLVING FRAMEWORK

- **Half a decade** - review framework for cross-border direct investment in South Africa (introduced by National Treasury).
- Expected inter alia to feed into the process of supporting and informing M&As, and any restructuring of existing SA businesses prompted by foreign investment. More generally, setting a policy framework to align FDI needs and criteria with the policies of all relevant government departments.

## FDI FLOWS TO AFRICA

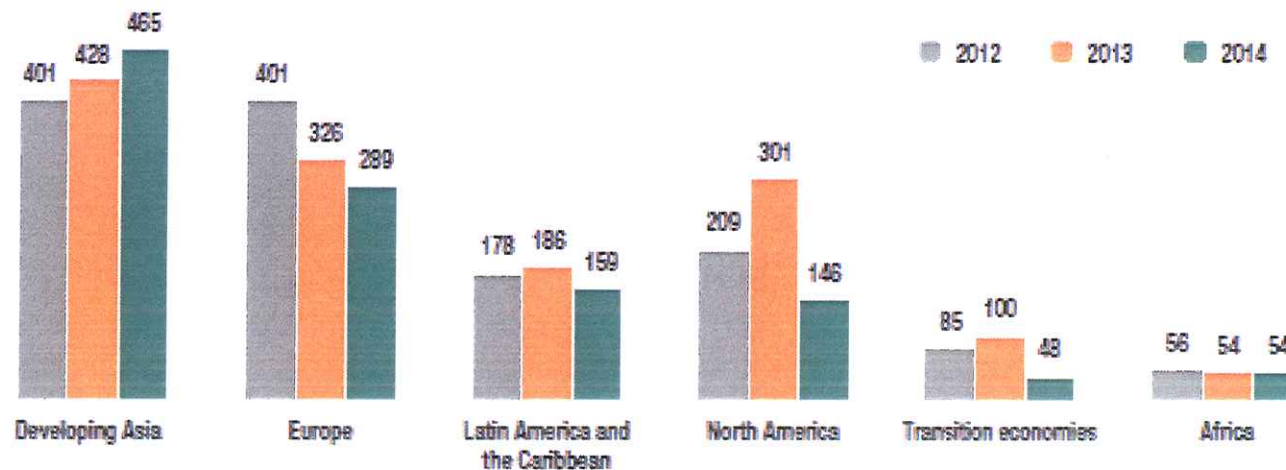
Inflows to *Africa* remained stable at \$54 billion.

- North Africa: FDI flows decline by 15 per cent to \$12 billion,
- Sub-Saharan Africa: increase by 5 per cent to \$42 billion.
- *West Africa* declined by 10 per cent to \$13 billion
- *Southern Africa* flows fell by 2 per cent to \$11 billion.
- *Central Africa*: FDI flows increase by 33 per cent to \$12 billion
- *East Africa*: fell by 11 per cent to \$7 billion
- South Africa – received \$5.7 billion, down 31 % from 2013.



## GLOBAL FDI FLOWS

FDI inflows, by region, 2012–2014 (Billions of dollars)



Source: UNCTAD, FDI/MNE database ([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)).

# SA (AND PEERS) OUTWARD FDI

		Home economy							
		Brazil		India		Singapore		South Africa	
Host economies	Strong relationship	Angola	51.5	Nepal	177.6	Malaysia	10.1	Swaziland	101.0
		Austria	29.9	Timor-Leste	32.5	Indonesia	7.1	Zimbabwe	71.6
		Uruguay	15.6	Bhutan	32.3	Philippines	7.0	Botswana	64.7
		Luxembourg	10.2	Bahrain	22.2	Taiwan Province of China	4.6	Namibia	64.0
		Paraguay	9.9	Sri Lanka	14.7	China	4.2	Malawi	49.2
		Argentina	5.8	United Arab Emirates	7.9	Thailand	4.0	Mozambique	32.0
		Peru	4.1	Singapore	5.3	Lao People's Democratic Republic	3.1	Lesotho	27.8
		Netherlands	4.0	Gabon	3.5	Australia	2.4	Ghana	24.1
		Hungary	3.2	Bangladesh	2.9	India	1.8	Kenya	22.1
		Venezuela, Bolivarian Republic of	2.5	Kenya	1.2	Viet Nam	1.8	Luxembourg	16.0

Source: Unctad WIR 2015



## FDI STOCKS – SOUTH AFRICA

Over the past decade, South Africa's stock of manufacturing FDI has shrunk relative to services FDI. By 2012 finance and business services alone accounted for the major portion of its inward FDI stock at 36 %.

When other industries are included, such as transport and retail, the services sector accounted for 51 %, the primary sector (mining) for 31 per cent, and manufacturing for 18 % of the country's inward FDI stock.

The Gateway Effect?