

invest SA
ONE STOP SHOP

**PRESENTATION TO THE
PORTFOLIO COMMITTEE ON
TRADE & INDUSTRY
*17 SEPTEMBER 2019***



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INVESTMENT SOUTH AFRICA

- **Investment South Africa (InvestSA)** was formally established on 1 April 2016 as the National Investment Agency of Government.
- Approval was granted by **National Treasury under Vote 34** as Programme 8 within the **dti** structure to support foreign direct investment flows, promote domestic investment and to establish a one-stop shop service to perform investment promotion, investor facilitation and aftercare support to investors.
- In March 2017, InvestSA launched its **National One Stop Shop** (in Pretoria) which was followed by the launch of three (3) Provincial One Stop Shops during 2017/2018 (i.e KZN, Gauteng and Western Cape).
- Since establishment **InvestSA** has made strides towards attracting and facilitating large scale investments, and has since been the focal point and conduit for domestic and foreign direct investments for South Africa.
- **InvestSA** has gained global recognition and has received numerous global accolades in efforts to promote investment attraction in the country.



CORE FUNCTIONS

- **Investment Promotion**

Facilitates an increase in the quality and quantity of foreign direct investment, and domestic and outward investment, by providing targeted lead generation investment attraction, and e-recruitment support.

- **Investment Facilitation (InvestSA One Stop Shop)**

Promotes and facilitates investment, and provides support services to the One Stop Shops. This sub-programme also provides a specialist advisory service, fast tracks and unblocks processes and reduces red tape for investors.

- **Investment Support and Aftercare**

Provides specialist advisory services through research, information, marketing, aftercare and policy advocacy to facilitate new investment, and retain and expand existing investment.



STRATEGIC OBJECTIVES

- **Investment South Africa**, focusses on investment promotion, investment facilitation and aftercare and is the focal point in achieving the Presidential Investment mobilisation drive to attract \$100 billion over the next 5 years.
- **Investment South Africa** facilitates thorough the One Stop Shop (OSS), intergovernmental coordination, fast tracking and unblocking red tape in government.
- **Investment South Africa** undertakes investment marketing in priority markets and promotes South Africa as an attractive investment destination for the development of an annual pipeline of investment projects.
- **Investment South Africa** overall coordinates the Investment Climate Reform Program to improve South Africa's Ease of Doing Business and Competitiveness.
- **Investment South Africa** provides support to the Presidential Envoys and for the Presidential Investment Conference.
- **Investment South Africa** is the Secretariat for the Presidential Investment Council.



INVESTSA SERVICE OFFERING

- Investment South Africa provides the following services to investors:

Investment Information

- Economic Environment
- Regulatory Environment
- Legal Environment & Compliance
- Industrial Development & Financial Support
- Investment Guides

Investment Facilitation

- Inter-governmental coordination and facilitation
- Licencing, company registrations and work permits
- Municipal facilitation
- Incentives facilitation
- Location analysis and facilitation
- Critical infrastructure and utilities
- Broad Based Black Economic Empowerment (BBBEE) Facilitation
- Mediation and Arbitration
- Introduction to financial institutions and funding opportunities
- Priority sectors, designation and localisation
- Site visits and Business to Business Programs
- Partnerships with Stakeholders
- Company verifications
- Enterprise and supplier development
- Introduction to raw materials suppliers
- Advice and customs clearing
- Investment promotion and international investment missions
- Facilitation by **the dti** representatives abroad

Aftercare Services

- Advice on recruitment, talent & skills
- Advice on lifestyle amenities e.g location of housing, schools, etc.
- Policy Advocacy
- Investor Surveys
- Business Forums and Investment Roundtables
- Retention & Expansion Services



KEY TARGETS

- To make InvestSA a top five world class investment promotion agency
- To intensify the President's investment drive to attract over \$100 billion over the next 5 years.
- Targeted and coordinated investment drive amongst all stakeholders.
- Diversify and increase investment flows from emerging markets. Retain and expand investment flows from developed markets.
- Reduce the cost of doing business and administrative barriers. Improve SA's investment climate, investment attraction and rankings.



TYPES OF INVESTMENT



Market-seeking

These investors will come anyway, without the need for much promotion or incentives, if the country has attractive resources, a conducive policy environment and a large market



Natural resource-seeking

Export oriented investments

*A net generator of jobs and foreign exchange
Significant potential gains in terms of expansion and diversification of export basket of host economy and transfer of technology*

Efficiency-seeking



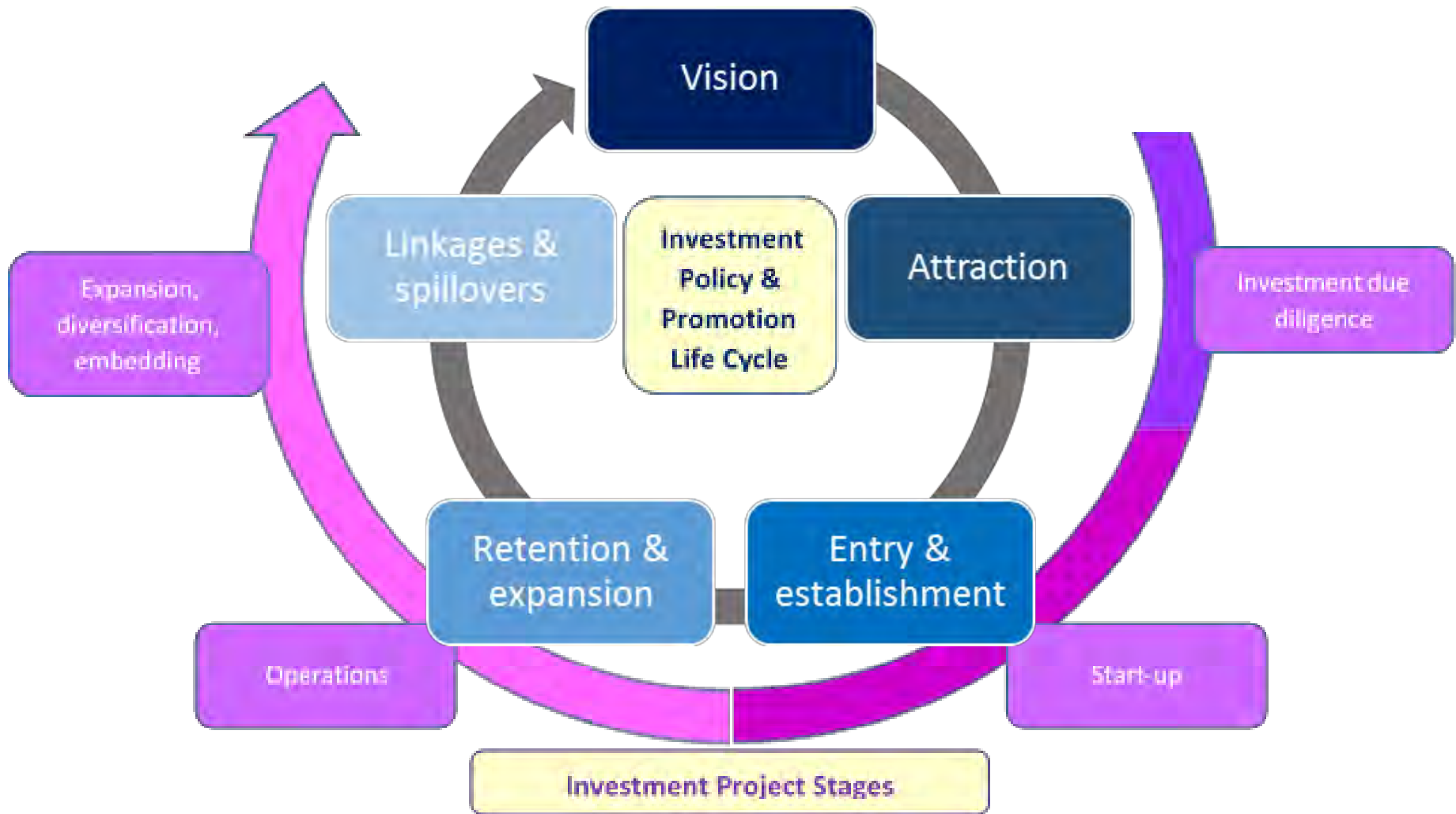
Acquisition of unique assets

Investments based on skills supply, innovation, business and natural environment

Strategic asset-seeking



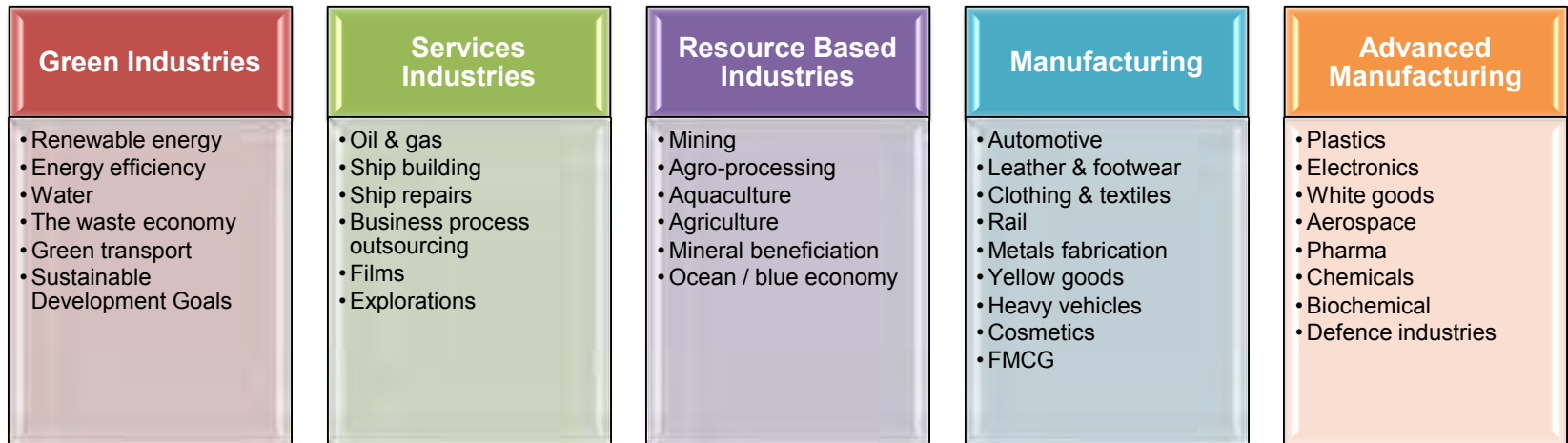
INVESTMENT CYCLE



INVESTMENT RELATIONSHIP



SECTOR FOCUS



INVESTMENT CLIMATE REFORM

- President Cyril Ramaphosa, in his SONA, 2019, committed to move South Africa to 50th position on the World Bank Survey on the Ease of Doing Business over the next 3 years.
- In the last 10 years South Africa's ranking declined by 50 places and is currently ranked at 82. In 2006 SA was ranked in the top 30.
- In March 2019 **the dti** signed an Advisory Agreement with the International Finance Corporation (World Bank Group) to formalize the work pertaining to the Investment Climate Reform Programme (ICRP).
- The work of the ICRP seeks to streamline processes and create efficiencies and improve on the overall customer experience that will improve South Africa's ranking on the World Bank's annual "Ease of Doing Business Survey" and move South Africa's ranking from 82 to 50 over the next three years.
- Improving South Africa's Doing Business performance is key to strengthening the country's investment performance, as annual Doing Business results are used to position and market investment attractiveness to potential investors.



INVESTMENT CLIMATE REFORM

- Five (5) “Technical Working Groups” have been established of the 10 Ease of Doing Business Indicators.
- The Technical Working Groups consists of lead Government Departments / Agencies and Industry Associations in the respective fields.
- The investment climate reform Task Team reports on overall progress to Cabinet on a regular basis.



INVESTMENT CLIMATE REFORM

SA's RANKINGS ON EASE OF DOING BUSINESS INDICATORS

Indicator(s)	2017		2018		2019	
	DB Ranking (1-190)	DTF (0-100)	DB Ranking 82	DTF	DB Ranking 82	DTF
	74					
1. Starting a Business	131	80.47	136	79.97	134	81.22
2. Paying Taxes	51	81.09	46	80.02	46	81.13
3. Registering Property	105	59.03	107	58.43	106	59.32
4. Trading Across Borders	139	58.01	147	58.01	143	59.64
5. Dealing with Construction Permits	99	68.21	94	67.53	96	68.25
6. Resolving Insolvency	50	57.94	55	57.59	66	54.49
7. Getting Electricity	111	60.18	112	63.21	109	68.79
8. Protecting Minority Investors	22	70.00	24	70.00	23	73.33
9. Getting Credit	62	60.00	68	60.00	73	60.00
10. Enforcing Contracts	113	54.10	115	54.10	115	54.10

The table indicates SA's declining ranking per indicator for 2017 and 2018



INVESTMENT CLIMATE REFORM



This diagram indicates SA's performance on each indicator. The worst performing indicators are Getting electricity, registering a property, trading across borders, enforcing contracts.

National Treasury is undertaking a parallel process working at the sub-national level with cities and provinces to improve on these indicators.

While South Africa is among the top performing economy in sub-Saharan Africa, SA is quickly being outranked by its sub-Saharan counterparts and globally SA's ranking is declining steadily



APPLICABLE LEGISLATION

- **Investment South Africa's operational mandate is impacted on by the following policies & legislation:**
 - ✓ Broad Based Black Economic Empowerment Act, 2003 (act no. 53 of 2003)
 - ✓ National Regular for Compulsory Specifications Act, 2008 (Act no. 5 of 2008)
 - ✓ National Supplies Procurement Act, 1970 (Act no. 89 of 1970)
 - ✓ Protection of Businesses Act, 1978 (Act no. 99 of 1978)
 - ✓ Protection of Investment Act, 2015 (Act no.22 of 2015)
 - ✓ Special Economic Zones Act, 2014 (Act no. 16 of 2014)
 - ✓ Basic Conditions of Employment Act, 1997 (Act no. 75 of 1997)
 - ✓ Immigration Action, 2002 (Act no 13 of 2002)
 - ✓ Companies Act, 2008 (Act no. 71 of 2008)
 - ✓ Copyright Act, 1978 (Act no. 98 of 1978)
 - ✓ Intellectual Property Laws Rationalisation Act, 1996 (Act no. 107 of 1996)
 - ✓ Non-proliferation of Weapons of Mass Destruction Act, 1993 (Act no. 87 of 1993)
 - ✓ Registration of Copyright in Cinematography Films Act, 1977 (Act no. 62 of 1977)
 - ✓ Standards Act, 2008 (Act no. 8 of 2008)
 - ✓ Trade Marks Act, 1993 (Act no. 194 of 1993)

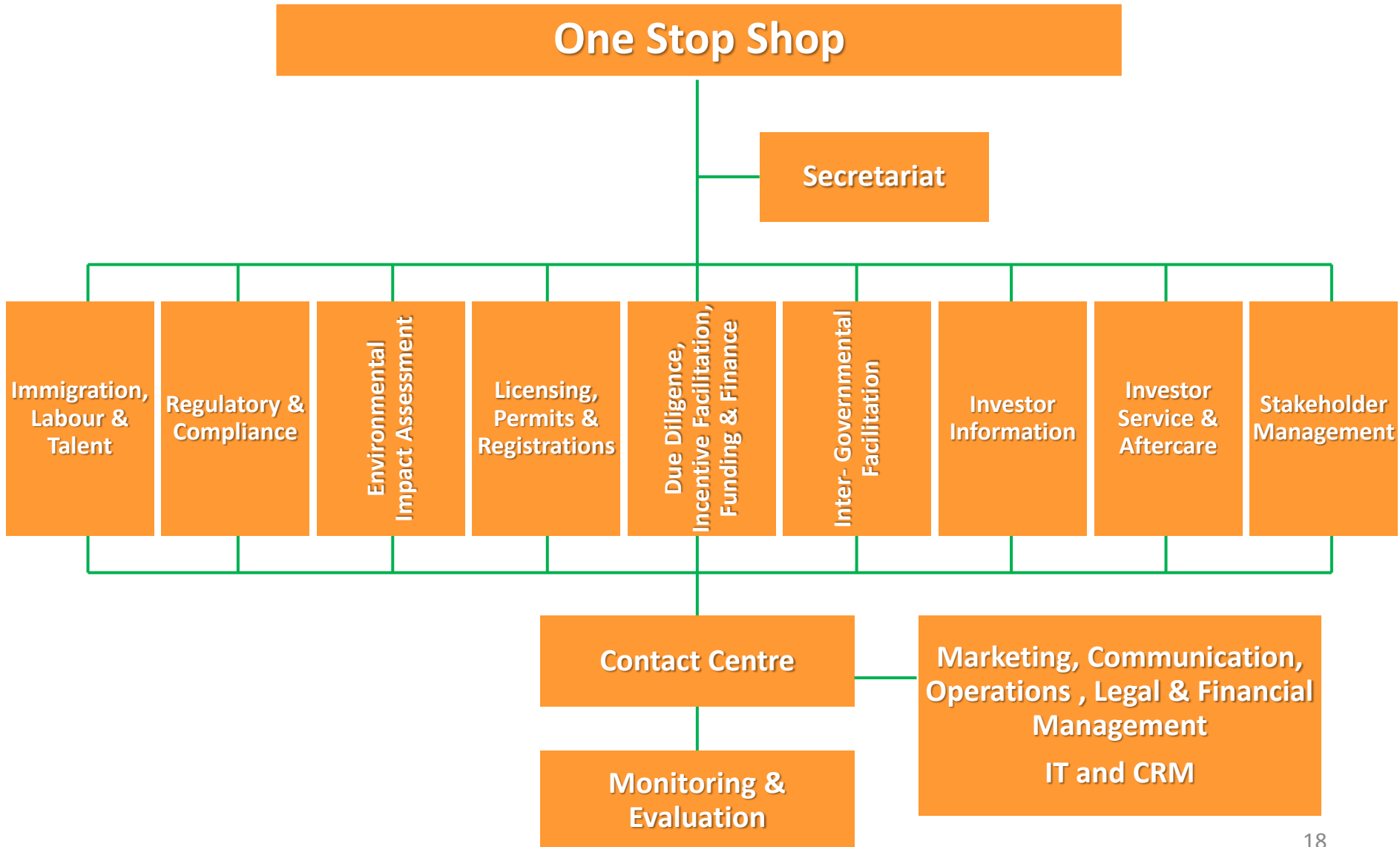


THE ONE STOP SHOP CONCEPT

1. Serve and accessible entry point for investors in need of regulatory compliance with laws and / or regulations at a national level;
2. Change regulator decision process (registration, licencing, permitting, land allocation or property registration) by increasing transparency, clarify regulations and improve the quality and timeframe of service;
3. Perform pre-and post investment screening for appropriate investors and investments into South Africa on a project by project basis;
4. Facilitate various incentives (tax, land, training, free zones, etc.);
5. Participate in the regulatory reform / roadmap process of South Africa;
6. Provide investment information (market data, costs, incentives, project approval, visits, local partners, etc.) to investors; and
7. Provide post approval services (permits, approvals, import equipment & raw materials, central bank profit repatriation, work permits, etc.) to the investor.



OPERATIONALISATION



KEY GOVERNMENT PARTNERS

The list of strategic national government departments:

- Minister of Trade and Industry & Competition
- Minister of Cooperative Governance and Traditional Affairs
- Minister of Environmental Affairs & Forestry & Fisheries
- Minister of Finance
- Minister of Health
- Minister of Home Affairs
- Minister of Employment and Labour
- Minister of Mineral Resources and Energy
- Minister of Public Enterprises
- Minister of Agriculture, Rural Development and Land
- Minister of Science and Technology
- Minister of Human Settlements, Water and Sanitation
- Minister of Small Business Development

The conclusion of MoUs remains a challenge and impacts of the delivery at the OSS



IMPLEMENTATION APPROACH

Inter-governmental relations framework:

1. Minister of Trade & Industry wrote to all Premiers in July 2016 i.r.o the implementation and readiness of the provinces.
2. Responses received from the Gauteng, Western Cape and KwaZulu-Natal provinces for first phase of implementation.
3. MECs for Economic Development delegated with implementation who assigned to Provincial Investment Promotion Agencies.



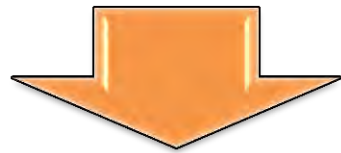
IMPLEMENTATION PHASES



- The Provincial Investment Promotion Agency (IPA) takes responsibility for the implementation
- **the dti** and IPA signs a Memorandum of Agreement for 3 years
- The IPA must ensure that all provincial stakeholders are invited to participate
- The dti provides project management support
- The overall period from first consultation session in provinces before the launch can take up to 12 months

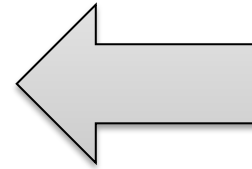


GOVERNANCE

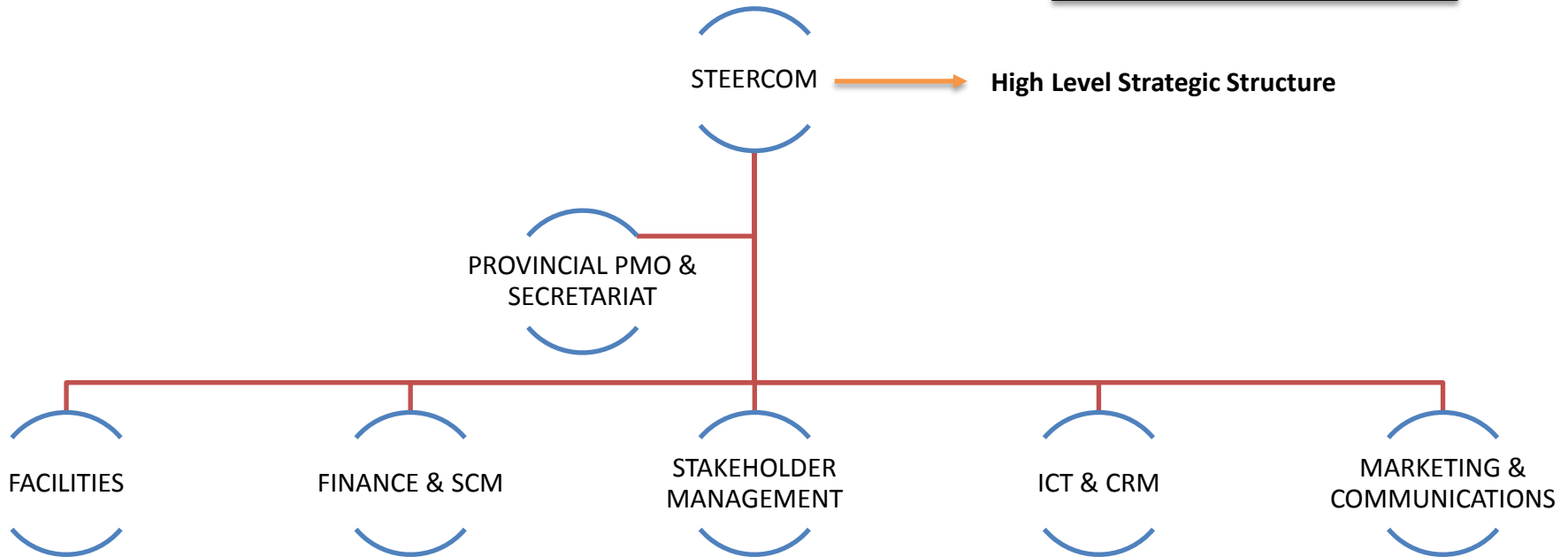


the dti

PIPAs

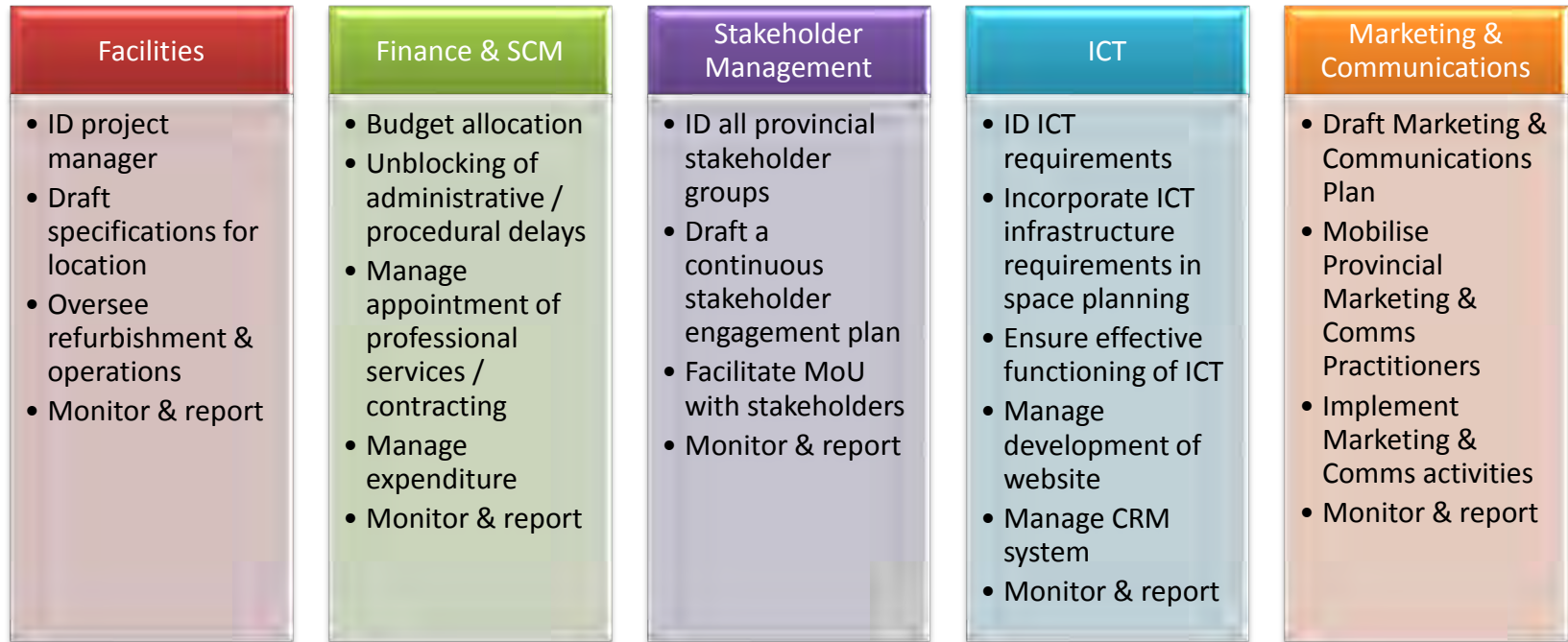


- MoA outlines:**
- Roles & responsibilities
 - Operational management
 - Funding
 - Reporting
 - M&E



WORKSTREAMS

ONE STOP SHOP PROVINCIAL OPERATIONAL STRUCTURE

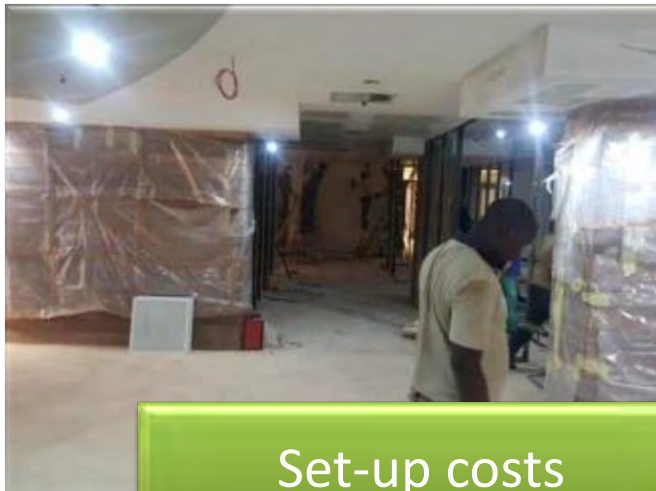


← ESTABLISHED AT CONCEPTUALISATION PHASE FOR DURATION OF THE ONE STOP SHOP →



FUNDING SUPPORT

- **the dti** provides funding support to the Provincial Investment Promotion Agency for the implementation of the One Stop Shop.
 - The set up cost of R8 mn is a once off payment.
 - An annual amount of R2 mn for Marketing / Promotional activities is provided to all One Stop Shops after the launch and based on an approved marketing & communications plan.



CORPORATE IDENTITY

- InvestSA developed a Corporate Identity (CI) Manual that outlines the broad branding principles that will be applied across all provinces.
- Enhances standardized brand across all provinces.
- Provinces can expand the CI Manual where applicable.



MARKETING & COMMS

- **InvestSA** developed a Marketing and Communications Plan example for customization at provincial level.
- This was developed in collaboration with Brand South Africa and GCIS.
- Annual funding for Marketing / Promotional activities provided to IPAs by **the dti**.



MARKETING & COMMS cont..

- **InvestSA** developed its website internally in March 2017 which was enhanced through collaboration with the World Bank Group in 2018.
- The provincial implementation provides for the development of individual websites based on the best practice.

Landing page 2017



Landing page 2018



SPACE PLANNING NORMS

- **InvestSA** developed an Interior Design Manual that outlines the broad space and design norms and standards for optimal space utilization.
- Provinces further collaborate with the Provincial Departments of Public Works to procure locations and do the space planning.
- Specifications for furniture and audio-visual equipment were also provided to enable a smooth supply chain management process



IMPLEMENTATION TO DATE

- **Investment South Africa** currently rolled out One Stop Shops at National, KwaZulu-Natal, Gauteng and the Western Cape. One Stop Shops will be launched in the Eastern Cape, Limpopo and Northern Cape in 2019/20.

Key OSS services

Facilitate the entire investment value chain;
Provide specialist advisory services to investors;
Coordinate effectively across various line departments;
Communicate all services to current and potential investors;
Act as the facilitation window of clearance of registration, licensing and permits;
Facilitate the provision of information and support on available investor incentives schemes;
and
Coordinate the regulatory reform / roadmap process in South Africa and improve the investment climate.

National OSS launch



Western Cape OSS launch



KwaZulu-Natal OSS launch



Gauteng OSS launch



PERFORMANCE TO DATE

Snapshot of 2018/19 quarterly performance

National OSS

- ✓ Facilitated 15 investor unblocking issues to date
- ✓ Managed 953 walk-in inquiries
- ✓ Responded to 182 email inquiries from investors
- ✓ Revamped the InvestSA website resulting in increased hits over the period - 25 532 website views to date
- ✓ Conducted 44 stakeholder engagements with IPAs

Gauteng OSS

- ✓ 1 196 clients utilised the facility over the period including 105 foreign companies
- ✓ Facilitated 629 investor inquiries
- ✓ Hosted 17 inbound missions from various countries
- ✓ Contributed R4 bn to GGDA's investment target

Western Cape OSS

- ✓ Facilitated 4 key investor unblocking issues
- ✓ Contributed R605 mn to Wesgro's investment target with 90 jobs created
- ✓ Hosted various delegations & inward missions from the UK, New Zealand
- ✓ Hosted various industry association engagements
- ✓ Implemented an integrated marketing & communications strategy

KwaZulu-Natal OSS

- ✓ Facilitated 58 investor regulatory inquiries
- ✓ Facilitated 325 CIPC inquiries
- ✓ Processed 91 visa applications through VFS Global based at the OSS
- ✓ Facilitated 10 labour related inquiries
- ✓ Hosted 21 inbound missions from various countries



OSS STAKEHOLDER SURVEYS

- Investment South Africa conducted a survey on the implementation of the One Stop Shop facilities amongst stakeholders in the Free State, Northern Cape, Limpopo, Eastern Cape and Mpumalanga provinces.
- The purpose of the survey was to determine the effectiveness and inclusivity of the current stakeholder engagement processes, InvestSA is undertaking this survey with the view of improving its overall support to province. The full report is available on request.

Province	InvestSA One Stop Shop Stakeholder Survey Responses					
	Eastern Cape	Limpopo	Mpumalanga	Northern Cape	Free State	Total # of respondents
Total # of respondents per province	30	29	8	17	19	103
Total of responses	15	7	3	8	3	36

- The % completion of the survey stands at 35%
- Respondents agree that the dti-InvestSA has provided enough support in the implementation of the One Stop Shop across all provinces
- In the Eastern Cape 20% of response revealed that stakeholders strongly agree that dti has provided enough support, over 53.3% of responses choosing agree, implying that less than 30% partially agree or disagree. In the Northern Cape 12.5% of responses show that stakeholder strongly agree and over 75% responses choosing agree, implying that less than 25% of the stakeholder either disagree or partially agree. In Limpopo responses revealed that over 14.3% strongly agree with statement and 14.3% agree with statement, also implying that over 71% of the stakeholders in Limpopo either partially agree or disagree. In Mpumalanga 33.3% of the responses show that the stakeholder strongly agrees with the statement and 66.3% agree with the statement, which happen to be a vice-versa for Free State.



THANK
YOU

