



📍 CAPITAL CITY: PRETORIA (EXECUTIVE)

📍 CAPE TOWN (LEGISLATIVE)

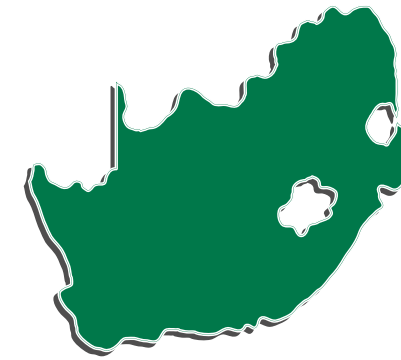
📍 BLOEMFONTEIN (JUDICIAL)

CFC COUNTRY FACTSHEET: South Africa

South Africa is one of the most advanced, diversified, and productive economies in Africa. Boasting one of the most pro-business environments on the continent, South Africa is a logical option for international companies seeking to enter the African marketplace. South Africa's stock exchange is ranked in the top 20 largest stock exchanges in the world and the largest in Africa by market capitalization.

However, GDP growth is projected to slow to 0.9% in 2023 before picking up to 1.8% in 2024. Crippling power cuts, volatile commodity prices and a challenging external environment have contributed to the country's weak growth performance.

Key Facts



POPULATION
60.6 million (2023)



CURRENT GDP
US\$ 406 billion (2022)



LEADER
Cyril Ramaphosa



NEXT ELECTIONS
2024



PRIMARY EXPORT
Platinum
US\$ 24.5B (2021)



INTERESTS & CURRENCY

Monetary policy rate :
Repo rate: 8.25%

Currency :
South African rand (ZAR)

EXCHANGE RATES

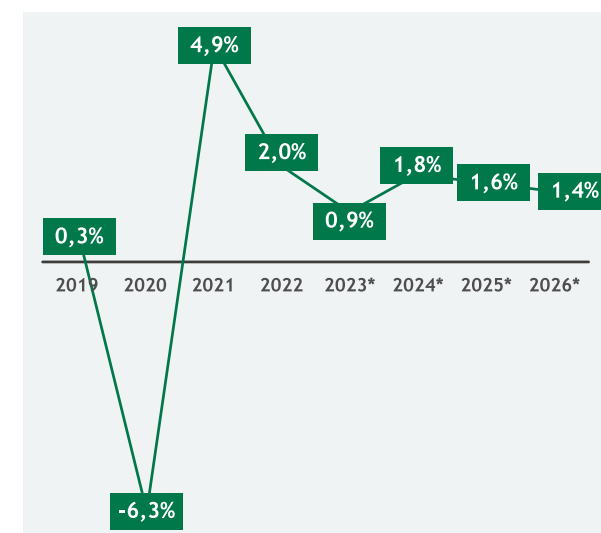
USD 1 = ZAR 18.8016

EUR 1 = ZAR 19.9936

Source: South African Reserve Bank, Oct 2023



GDP GROWTH



Source : World Bank data, IMF, Reuters

5.4%

Inflation (Sep 2023)

33%

Unemployment rate (2023)

0.9%

Demographic growth (2023)

-0.4%

Current account (2022)

US\$ 9.2 billion

FDI (Net Inflows) (2022)

62 years

Life expectancy (2021)

US\$ 6776

GDP per capita (2022)

90%

Literacy Rate (2021)

Source : World Bank data, IMF, Reuters

Attractive Industries in South Africa

Some of the attractive industries in South Africa include:



Mining and Minerals : South Africa has rich mineral resources, including gold, platinum, and diamonds.



Agriculture and Agribusiness : South Africa has a well-established agriculture sector, producing a wide range of products, including wine, citrus fruits, and grains.



Manufacturing : The manufacturing industry, including automotive and aerospace manufacturing, has been an important sector in South Africa.



South Africa's Trade Relations

- The full list of South Africa's trade agreements can be found here:

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

Leading Companies in South Africa

1. MTN Group (Telecom)
2. Old Mutual (Insurance)
3. Standard Bank (FS)
4. Naspers (Media)
5. Sasol Ltd (Oil & Gas Producers)
6. FirstRand Limited (FS)

What is the tax regime in South Africa?

Corporate income tax rate:

- The standard corporate tax rate is **27% (reduced from 28% effective 1 April 2022)**.
- Special rates apply to qualifying companies in a special economic zone and small business corporations (**annual turnover of ZAR20 million or less**), gold mining companies, and insurers.

Withholding tax (WHT):

Payments	Rate for Resident	Rate for Non Resident
Dividends	20%	20%
Interest	0%	15%
Royalties	0%	15%

Personal income tax rate:

- The Individual income tax is levied at progressive rates from **18%** to **45%**.

Value Added Tax:

- The **standard rate is 15%**. Certain supplies are exempt from VAT (mainly certain financial services, residential accommodation, and public transport).

Tax treaties

- South Africa has a broad tax treaty network. See list here:

<https://www.sars.gov.za>



Investment incentives offered in South Africa

Tax Incentives

- **Headquarter companies (HQC)** : The headquarter company regime **was introduced to encourage foreign companies to use South Africa as their base for investing in Africa**. Headquarter companies are exempt from withholding taxes on dividend, interest and royalties.
- **Special Economic Zones (SEZs)** : SEZs are designated areas for targeted economic activities, with specific benefits granted to companies within the zone. Benefits include 15% corporate tax rate, an employment tax incentive, and additional VAT and duties reliefs.
- **Research and Development** : An allowance of 150% of expenditure incurred directly for R&D purposes may be granted.

As a foreigner, do I need a work permit ?

There are four other types of visas that allow a foreign national to work in South Africa: **Intra-company transfer work visa, critical skills work visa, general work visa and corporate worker visa**.

Useful Links / Sources



1. [South Africa reserve Bank](#)
2. [South African Government](#)
3. [The Department of Trade, Industry and Competition of the Republic of South Africa \(the dtic\)](#)
4. [World Bank](#)
5. [World Investment Report](#)

