



Political and Economic Relations between South Africa and Poland

Presentation to South African–Polish Business Forum
on 29 March 2017

BILATERAL RELATIONS

Bilateral relations between South Africa and Poland are excellent.

The people-to-people links also are strong.

During the Warsaw Uprising of August/September 1944, the South African Air Force played a key role in the airlifts to support the Home Army. We commemorate the huge sacrifice also on the South African side through wreath laying ceremonies in Poland and in South Africa every year.

POLITICAL RELATIONS

During the struggle against apartheid in South Africa, very important support was provided to the South African liberation movements by various countries in Europe, including Poland.

Poland's diplomatic ties with the apartheid regime were severed in the 1950s.

POLITICAL RELATIONS

Both in South Africa and in Poland, the struggles for liberation strongly intensified through the 1980s.

Poland became free in 1989, while in South Africa Nelson Mandela was freed on 11 February 1990.

Successful fully democratic elections were held in in South Africa in April 1994, allowing for the inauguration of Nelson Mandela as President on 10 May 1994.

POLITICAL RELATIONS

The processes of restoring democracy in South Africa and Poland allowed for the re-establishment of diplomatic relations.

The first Interest Office of South Africa was opened in Warsaw in April 1991, a month after the Polish Interest Office was opened in Pretoria.

Full diplomatic relations were established with the signing of a Protocol in Pretoria on 18 December 1991 by the respective Foreign Ministers.

HIGH LEVEL VISITS

Since the establishment of full diplomatic relations, there have been numerous high level visits between South Africa in Poland.

Among them were the visit by then Prime Minister Donald Tusk in October 2013 to South Africa, and the return visit by then Deputy President Kgalema Motlanthe in March 2014.

HIGH LEVEL VISITS

The most recent high level visit has been by the South African Deputy Minister of Foreign Affairs, Mr Luwellyn Landers, for political consultations in Warsaw with his Polish counterpart, Undersecretary of State Joanna Wronecka, on 17 November 2016.

BILATERAL AGREEMENTS

Our excellent bilateral relations are underpinned by a range of agreements in various fields .

Science and Technology cooperation is one example of this and Poland's Copernicus Centre is an important partner of the Southern African Large Telescope (SALT) in Northern Cape Province. SALT is the largest single optical telescope in the southern hemisphere and is described as "Africa's Giant Eye on the Universe".

BILATERAL AGREEMENTS

During Prime Minister Tusk's visit to South Africa in October 2013, an Economic Cooperation Agreement was signed.

A key provision of this agreement was the establishment of a Joint Economic Commission (JEC).

We are currently planning for a visit by the South African Minister of Trade and Industry to Poland in order to inaugurate the JEC.

South Africa in the World



South Africa is the southern tip of Africa



South Africa's geography

Area (square km):

- total: 1,219,090
- land: 1,214,470
- water: 4,620

• Land boundaries:

- total: 5,244 km

country
comparison to
the world: 25

Almost four
times the size
of Poland

South Africa's people

Population: 54,300,704
(country comparison to the world: 26)
(Stats SA, July 2016 est.)

South Africa – strengths

Entrenched constitutional democracy with human rights as centrepiece as well as protection of private property

Leading economy in Africa

Most developed industries on the continent, including mining, manufacturing, services, etc.

Strategic place on the continent, with 2500 ships in territorial waters at any given moment within 200nm exclusive economic zone

South Africa generates 2/3 of all electricity produced on African continent

SA economy: strengths

Natural resources (gold, platinum, coal, chromium, etc.)

Strategic springboard to the African continent

Developed services sector (in particular financial)

The manufacturing sector is important to support sustainable growth in the country and it possesses the highest growth and employment multipliers of all the country's economic sectors.

South Africa accounts for 24% of Africa's gross domestic product (PPP).

GDP (PPP)

USD 725,9 billion
(2015, World Bank)

- country comparison to the world: 31

GDP PER CAPITA (PPP)

USD \$13,200
(2015)

- country comparison to the world: 119

REAL GDP GROWTH

1.3% in 2015

- country comparison to the world: 156

INFLATION (CPI)

6.8%

(Stats SA, Jan 2017, yearly)

South Africa is ranked as an upper-middle-income economy by the World Bank – one of only four such countries in Africa (alongside Botswana, Gabon and Mauritius).

Since 1996, at the end of over twelve years of international sanctions, South Africa's Gross Domestic Product has quintupled to over \$700 billion.

Since 1996, foreign exchange reserves have increased from \$3 billion to nearly \$50 billion creating a diversified economy with a growing and sizable middle class, within two decades of establishing democracy and ending apartheid.

Foreign Investment

- According to the World Bank, South Africa is the biggest FDI recipient on the African continent
- South Africa is the largest foreign investor in Africa of all countries in the world

Infrastructure

- The country has world-class infrastructure, including a modern transport network, relatively low-cost and widely available energy, and sophisticated telecommunications facilities.
- The government has identified massive infrastructure projects as key to boosting the country's economic growth rate and creating employment, and is spending billions on getting the investment ball rolling.

Infrastructure

South Africa generates two-thirds of Africa's electricity (Eskom).

The South African power supplier provides the fourth-cheapest electricity in the world.

Durban is the largest port in Africa and the ninth-largest in the world.

There are 50,47m cellphone users in South Africa (BMI).

South Africa's rail network has over 20 000 km ranking 14th longest in the world and representing about 80% of Africa's total.

South Africa's total road network is about 747 000km, the longest network of paved roads of any African country.

SA Financial Market

- South Africa offers a mature, efficient, secure market with a world class securities exchange.
- The JSE Limited is the largest securities exchange in Africa and it also rates amongst the top 20 exchanges in the world in terms of market capitalisation.

Economy sectors

The country's economy is reasonably diversified with key economic sectors including:

- Mining
- Agriculture and fisheries
- Vehicle manufacturing and assembly
- Food processing
- Clothing and textiles
- Telecommunication
- Energy
- Financial and business services
- Real estate
- Tourism
- Transportation
- Wholesale and retail trade

South Africa: Trade

Trade is important to South Africa's economy; the value of exports and imports taken together equals 63 percent of GDP.

TDCA

The Trade, Development and Cooperation Agreement (TDCA) between South Africa and the European Union inter alia governs trade between South Africa and EU member states, including Poland.

It creates a Free Trade Area covering 90% of all bilateral trade between South Africa and the EU.

EPA

In June 2016, South Africa signed the EU-SADC Economic Partnership Agreement (EPA) together with 5 other southern African countries (Botswana, Lesotho, Mozambique, Namibia, and Swaziland).

Once ratified, the EPA will replace the TDCA.

The EPA gives South Africa increased access to the EU markets, including for agricultural goods.

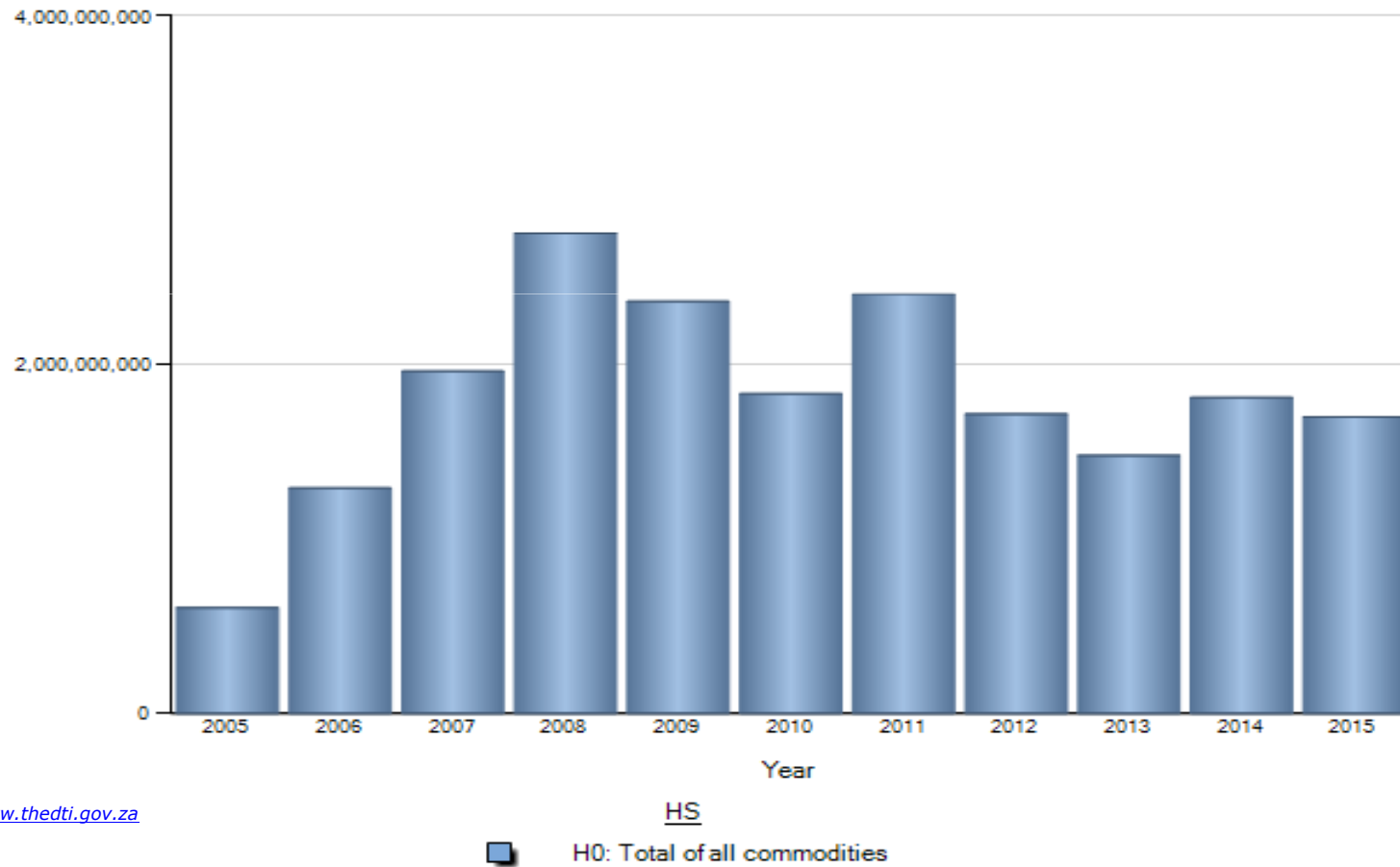
POLAND – SOUTH AFRICA BILATERAL TRADE 2015

Total SA exports to Poland: R1,7 billion
Total SA imports from Poland: R8,6 billion

(Currency: South African Rand; Source: South African Revenue Service)

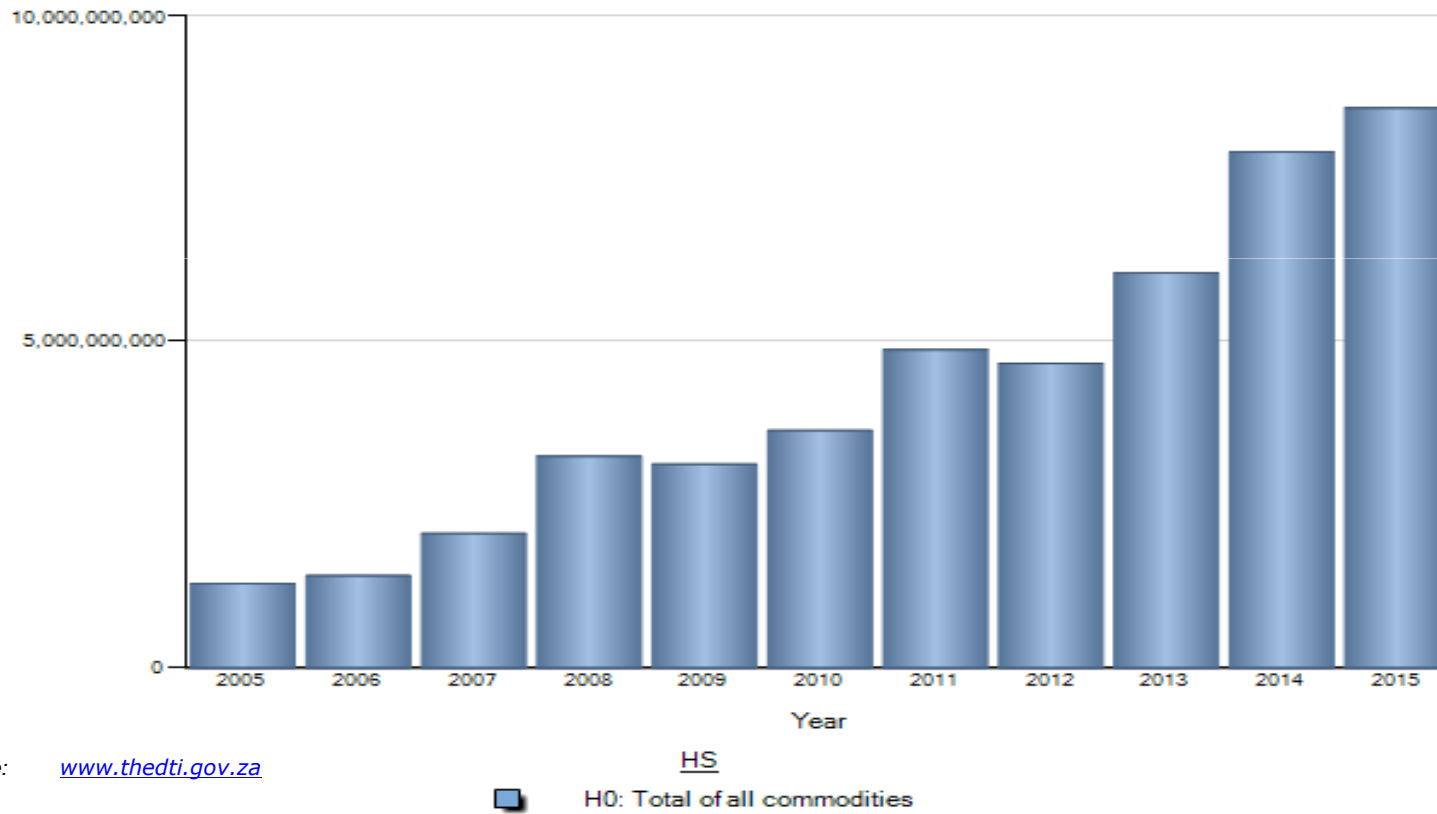
Bilateral trade

SA EXPORTS TO POLAND, HS8 VALUE, ANNUALLY (in ZAR)



Bilateral trade

SA IMPORTS FROM POLAND, HS8 VALUE, ANNUALLY (in ZAR)



Top 10 traded products in 2015 (GUS)

2015 SA EXPORTS TO POLAND	2015 SA IMPORTS FROM POLAND
Iron and steel	Machinery, nuclear reactors, boilers, etc.
Articles of leather, animal gut, harness, travel goods	Vehicles other than railway, tramway
Salt, sulphur, earth, stone, plaster, lime and cement	Electrical, electronic equipment
Ores, slag and ash	Paper and paperboard, articles of pulp, paper and board
Raw hides and skins (other than furskins) and leather	Miscellaneous commodities not elsewhere specified
Machinery, nuclear reactors, boilers, etc.	Essential oils, perfumes, cosmetics, toiletries
Vehicles other than railway, tramway	Cereals
Aluminium and articles thereof	Ceramic products
Glass and glassware	Furniture, lighting, signs, prefabricated buildings
Optical, photo, technical, medical, etc. apparatus	Plastics and articles thereof

INVESTMENT

Polish businesses in SA

KOPEX Group - Hansen and Genwest (PTY) LTD is a SABS approved company for the manufacture, repair and modification of flameproof and non-flameproof electrical switchgear and transformers for the mining industry.

INGLOT SA – Cosmetics (distribution)

GROMADA – Tourism (owning and operating a four-star hotel in Cape Town)

INVESTMENT

SA businesses in Poland

NASPERS - portals of Allegro Group – including Allegro.pl, Gadu-Gadu.pl, Ceneo.pl, Bankier.pl, Otomoto.pl, Wykop.pl, Olx.pl, Showmaxx

REDEFINE PROPERTIES (REIT) – Real estate

MONDI – Paper (manufacturing)

SASOL – Chemicals (distribution)

STEINHOFF Group – Furniture (manufacturing)

PEPCO – Chain stores (retail)

ABRA (JD Group) – Furniture (retail)

IMPERIAL Group – Logistics

Bidvest Farutex – Food products (distribution)

THANK YOU