



South Africa:

# Economic overview

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**AHK**

Deutsche Industrie- und Handels-  
kammer für das südliche Afrika  
Southern African-German Chamber  
of Commerce and Industry



Bundesministerium  
für Ernährung  
und Landwirtschaft



## OVERVIEW

# South Africa – quick facts



- Total area: 1,221,037 km<sup>2</sup>
- 61.5 million inhabitants (2023)
- 11 official languages: English is the lingua franca
- Increasing urbanization (2021: 67.9% of the population lives in cities)
- Currency: ZAR (South African Rand), Rate: 1 EUR = 21.11 ZAR (02.06.2023)
- 65.8% of the population is between 15 and 64 years
- Gini coefficient (2021) = 61.8
- Unemployment rate: 33.6% (2023)
- Youth unemployment rate: 61% (2023)

## OVERVIEW

# South Africa – quick facts

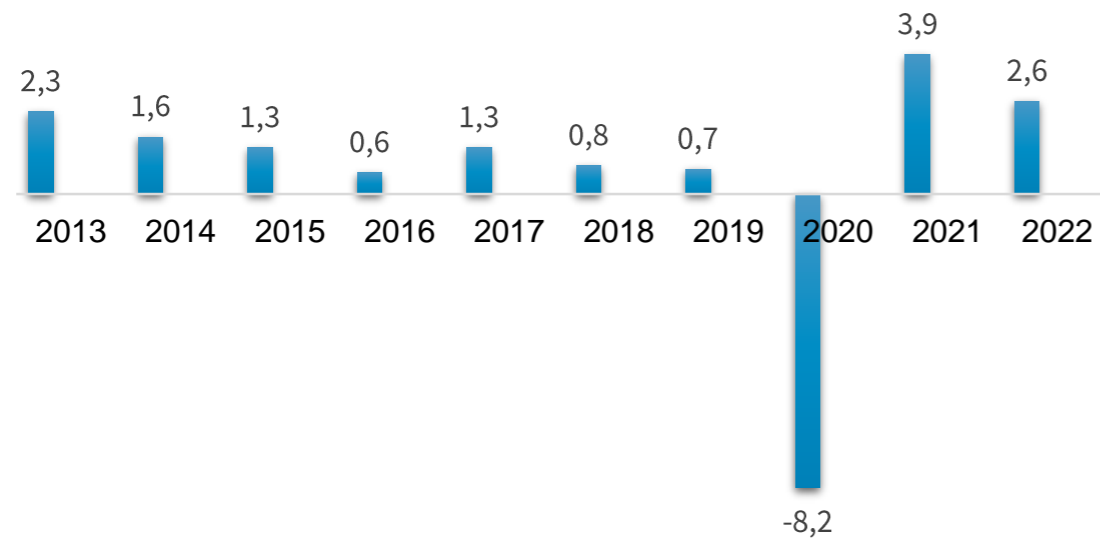


- Second largest in Africa
- Most industrialized, technologically advanced, and diversified economy in Africa overall
- The economy is facing mounting economic and social challenges.
- Growth moderated from 4.9 percent in 2021 to 2.0 percent in 2022
- Real gross domestic product (GDP) edged higher in the first quarter of 2023 (January–March), expanding by an estimated 0,4%
- The manufacturing and finance industries were the major drivers of growth on the supply side of the economy.
- The demand side was lifted by exports.
- Government debt-to-GDP ratio is estimated to have increased to 70 percent

## OVERVIEW

# Economy and trade

## GDP growth in % (2013-2022)



Source: StatsSA

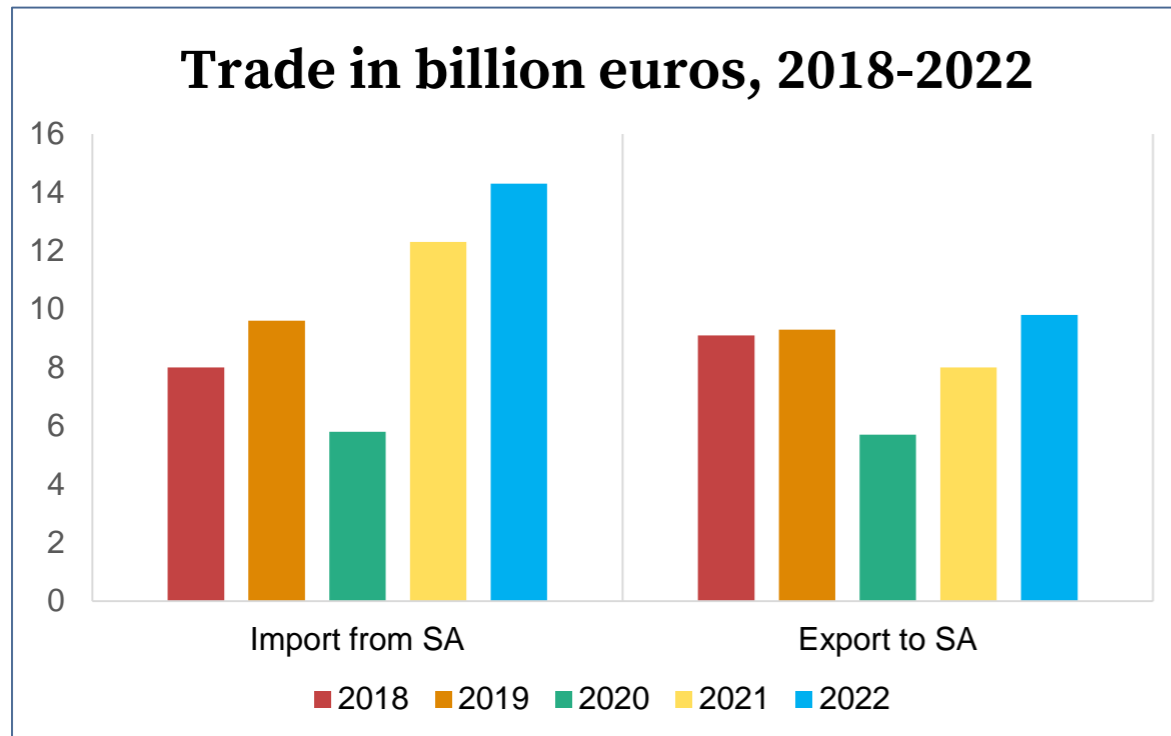
\*2020, 2021, 2022  
Prognosis Reserve Bank South Africa

- South Africa has a comparative advantage in the production of agriculture, mining and manufacturing products relating to these sectors
- An economy driven primarily by the tertiary sector
- Accounts for an estimated 65% of GDP or \$230 billion in nominal GDP terms
- The country's economy is reasonably diversified

## Central Sectors

- Automotive
- Construction and Infrastructure
- Mining
- Energy
- Financial and business services
- Real estate
- Clothing and textiles
- Transportation
- Plastics
- Manufacturing
- Agriculture and fisheries
- Food processing
- Health
- Tourism
- IT
- Wholesale and retail trade

# Trade relations Germany – South Africa



Source: Federal Statistical Office

## Trade relations

### German (main) exports in 2022

- Motor vehicles and parts
- Machinery
- Chemical products
- Electrical technology
- Measurement and control
- Electronics
- Food

**Foreign trade balance 2022: €24.2 billion**

German Exports to SA: 9.8 billion €

German Imports from SA: 14.4 billion €



Ranking for German imports (2021): 24 out of 239 trading partners\*.  
Ranking for German exports (2021): 31 out of 239 trading partners\*.



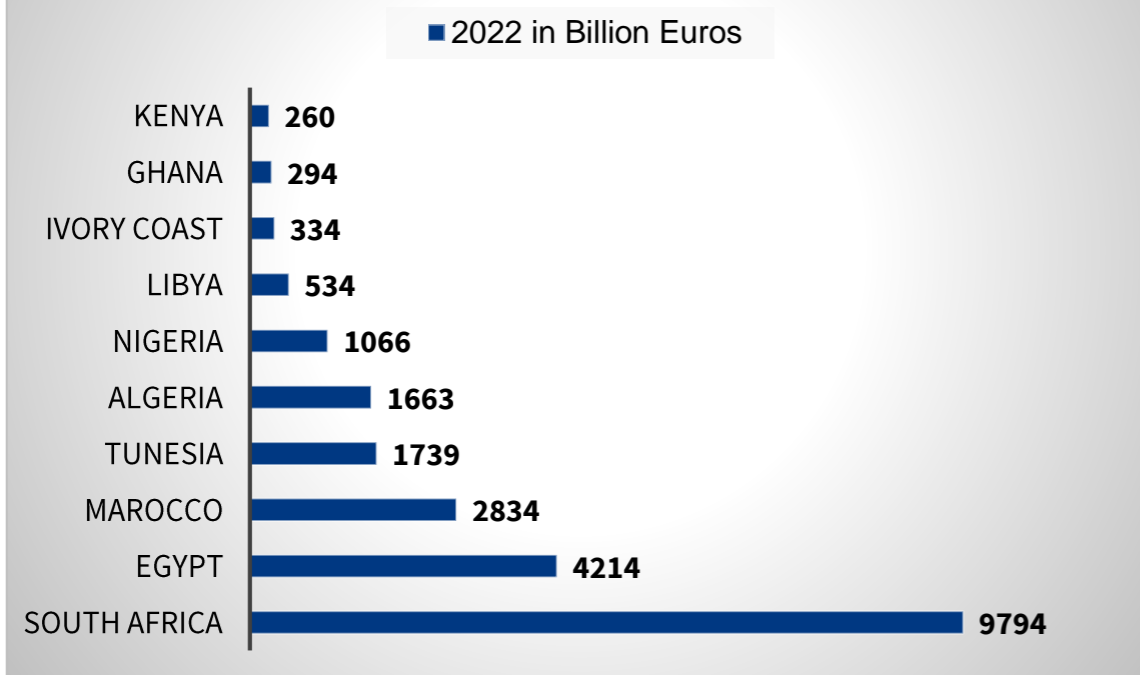
Rank in South African imports (2021): 2  
Rank in South African exports (2021): 3

\* Preliminary data, estimate or forecast

## OVERVIEW

# South Africa in the African context

### The 10 biggest German Export markets in Africa



Source: Destatis 2023

## Germany's most important trading partners in Africa (sales in billion Euros)

- German foreign trade with Africa increased by 21.3 percent to a new record level of 59.8 billion Euros in 2022.
- Imports from Africa rose by 27.4 percent to 33.4 billion Euros. 14.4 billion from the Republic of South Africa alone.
- German exports rose by 14.5 percent to 26.4 billion Euros.
- South Africa is also at the top of the list in terms of shipments, with 9.8 billion Euros.
- In North Africa, Egypt (4.2 billion Euros) and Morocco (2.8 billion Euros) are the biggest buyers.
- Trade with Germany is unevenly distributed on the African continent: South Africa alone accounts for over 40%.
- 2/3 of all German trade with sub-Saharan Africa takes place with South Africa.



## OVERVIEW

# SWOT-Analyses South Africa



- Continuation of the reform course
- Diversified, partly highly modern industry
- Raw material deposits (platinum, manganese, gold and coal)
- Strong agricultural sector
- Good infrastructure by African standards (roads, ports, railroads)
- Free press and independent judiciary



- Inefficient and overstuffed administration and state-owned enterprises
- Great social inequality
- High crime rate with consequential costs for the economy
- Serious deficits in schooling and vocational training
- Requirements discourage investors



- High import demand for consumer goods and high-tech products
- Good natural conditions for renewable energies (solar and wind)
- Location for Africa-wide market entry with own large sales market



- Social unrest
- Sharp drop in consumption and wave of bankruptcies block - later recovery (secondary crisis)
- Failure to reorganize and restructure state-owned enterprises
- Power outages (Load shedding)

Source: Africa Business Guide

# Load Shedding



## 10 Ways That Load Shedding Affects the Economy

1. Reduced Productivity
2. Increased Costs
3. Job Losses
4. Reduced Foreign Investment
5. Reduced Tax Revenue
6. Reduction in Consumer Spending
7. Supply Chain Disruptions
8. Decreased Economic Competitiveness
9. Increased Reliance On Fossil Fuels
10. Reduced Access to Essential Services



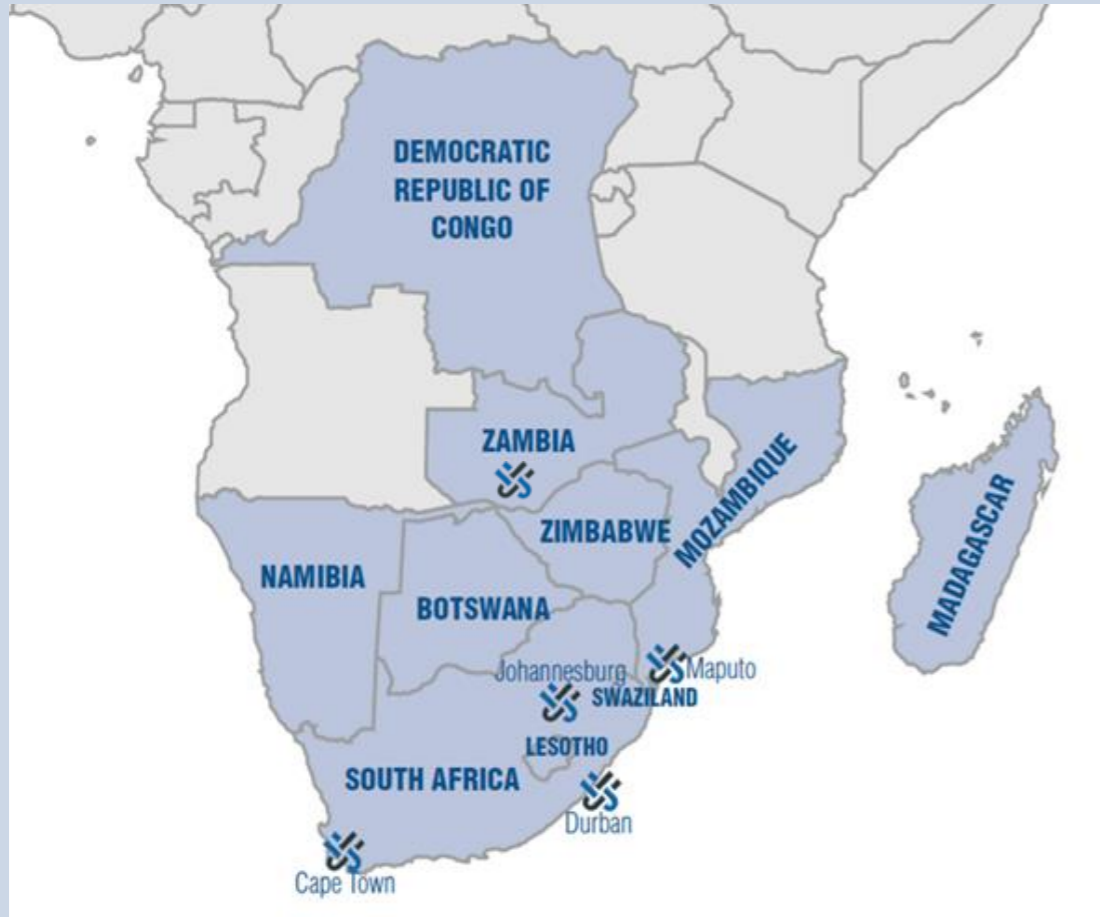
## OVERVIEW

# Business Opportunities



- Agriculture sector
- Energy infrastructure & hydrogen
- Mining and raw materials
- Information Technology
- Healthcare
- Environment & Circular Economy
- Water & Wastewater Management
- Waste Management & Recycling
- Transportation / Infrastructure

# Contact



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 **Partner For South Africa**



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# Thank you for your attention