



BRAND *South Africa*

Advancing Biotrade: Leveraging South Africa's Global Reputation

Date & presenter

Perspectives for SA's Biotrade Sector
23 October 2023



WHY BRAND SOUTH AFRICA EXISTS

- Countries are in constant competition *for share of voice* in a crowded global marketplace for:
 - Inward investment;
 - Trade;
 - Domestic investment;
 - Exports;
 - Tourism;
- The above are easily influenced by perceptions & reputation.
- Brand South Africa's role is to create a positive and compelling brand image for South Africa *domestically* and *internationally*.
- Brand South Africa's role is to manage the country's Nation Brand reputation and issues impacting on it.

> BRAND SOUTH AFRICA'S CORE MANDATE

The core mandate of the organisation is to :

Build confidence in SA as a trade & investment destination

Enhance South Africa's international stature

Influence narrative & perceptions of South Africa

Assist government & the private sector in aligning their global communication strategies to the country brand

Leverage strategic pan-African & global platforms & engagements to drive trade promotion and investment

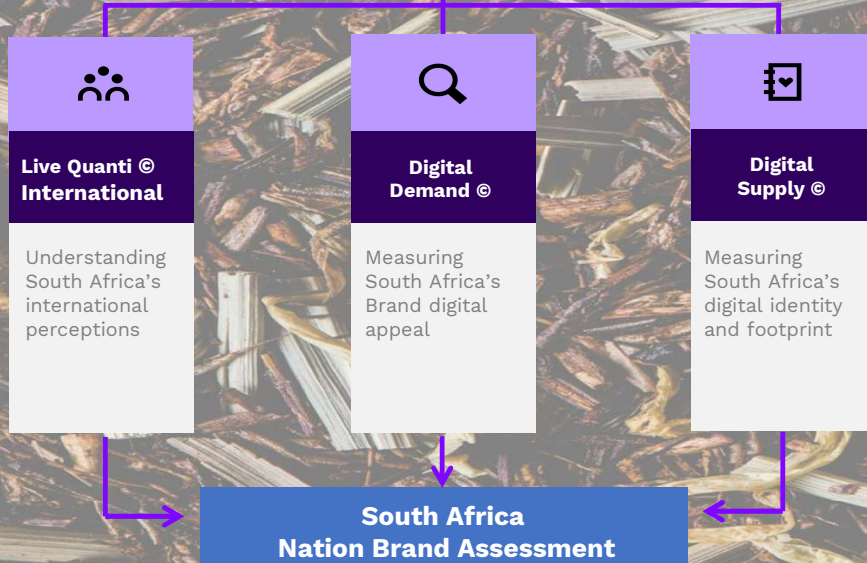


**SOUTH AFRICA IS A COUNTRY
PROUDLY FORGING AHEAD
BY BREAKING NEW GROUND
AND INSPIRING NEW WAYS.**

Methodology

Objectives

Methodological Framework

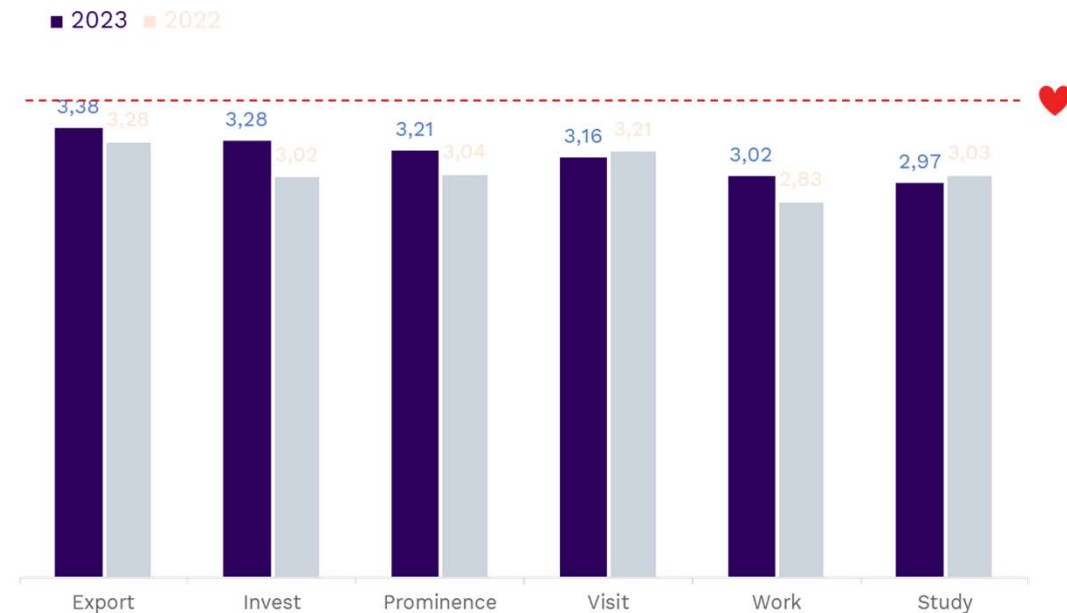


Sample	9.800 online International surveys conducted among people who are familiar and unfamiliar with South Africa
Screening questions and profiling	<ul style="list-style-type: none"> Tourists that have travelled internationally for leisure purposes at least twice, during last 2 years. Talent considering studying or working abroad. Businesspeople with international background and decision making
Distribution by Brand dimensions	Five brand dimensions: <ol style="list-style-type: none"> Tourism, Investment, Exports, Talent (Workers and students), General reputation
Distribution by Target market (country of origin)	Seventeen target markets <ul style="list-style-type: none"> Americas (2): United States and Canada Europe (5): UK, Germany, France, Netherlands Switzerland Asia (6): China, Japan, India, UAE, Saudi Arabia, Australia Africa (4): Ghana, Kenya, Egypt, Botswana
Competitors (Benchmarks)	Nine competitors <ul style="list-style-type: none"> Nigeria, Egypt, Vietnam, Thailand, UAE, Turkiye, Chile, Brazil, United Kingdom
Desired rank of perceptions	The survey employs a desired rank of perception set at 3.5. We call it the Love Mark, the point where a Nation can be considered to have a strong brand.

INSIGHTS FROM SA GLOBAL REPUTATION STUDY

- **Perception Improvement:** South Africa's perception has improved in most dimensions since 2022, but no dimensions have reached the "Love Mark" (score above 3.5) .
- **Key Dimensions:** Exports and investment have shown significant improvement, while tourism & talent have slightly declined. Prominence (general reputation) has grown significantly .
- **Market Perception:** South Africa is well-regarded for natural assets, sports, and culture, but safety and crime remain concerns.
- **Africa and the Middle-East** have the best perception about South Africa. Asia, the Americas and Europe fall behind. The Middle-East has improved their perceptions about South Africa, while Europe's have worsened
- **The United States of America** demonstrates the highest appeal toward South Africa, followed by EU countries, Australia and India
- **Policy Impact:** International policies, especially peacekeeping efforts and the ICJ case against Israel, positively impact South Africa's reputation .

Perception of South Africa as a place to visit, invest, work or study in and export from.

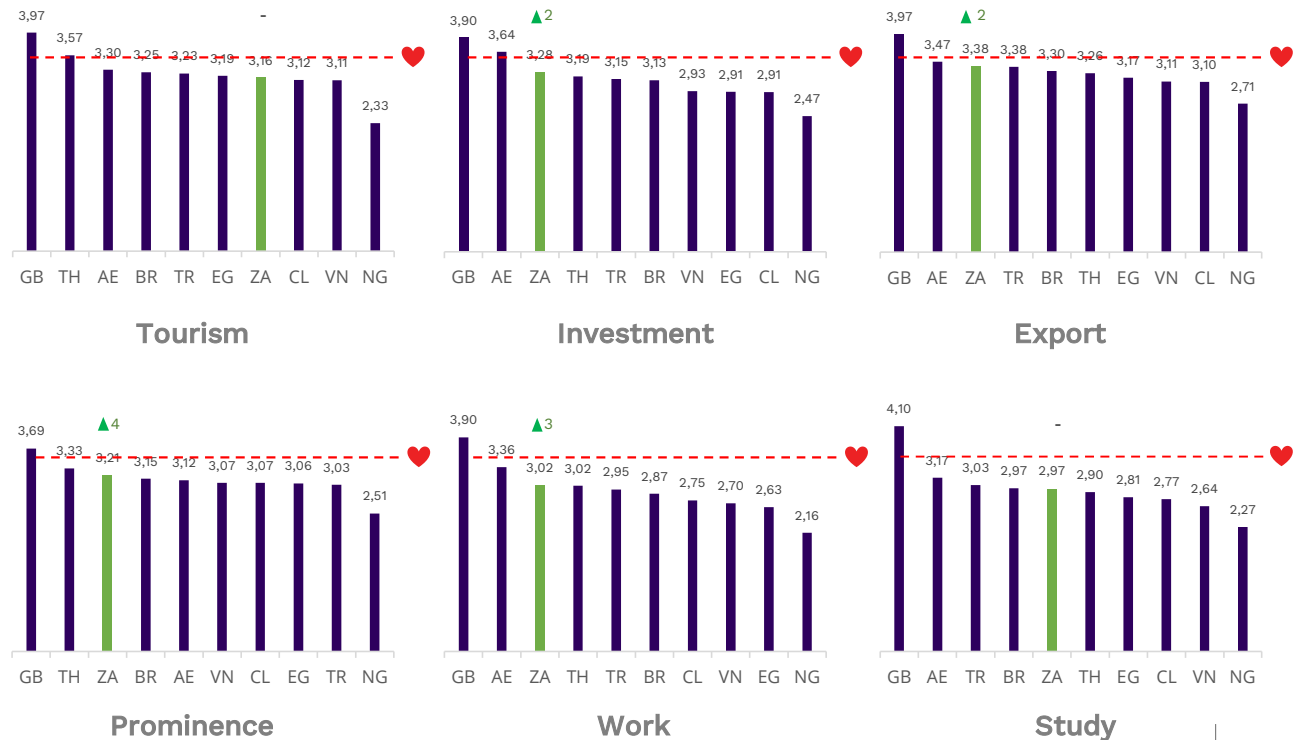


Among benchmarks South Africa ranks 3rd in majority of the dimensions.

Well ranked, only behind UK and UAE, except on *Tourism* and *Study*

- When it comes to South Africa's competitors' perception, the United Kingdom outperforms all countries across all dimensions.
- South Africa does well overall, ranking third in the *Prominence*, *Work*, *Investment*, and *Exports* dimensions. Compared to last research study performed in 2022, these brand dimensions have jumped in the benchmark ranking.
- Tourism* perception ranks lower than other brand dimension but maintains its benchmark ranking position compared to the 2022 report.
- Competitor Comparison: South Africa ranks third in most dimensions behind the UK and UAE, except in tourism and study.

Perception of South Africa in different dimensions compared to competitors.
Scale: 0-Extremely negative, 1-Negative 2-Moderately negative, 3-Moderately positive, 4-Positive, 5-Extremely positive



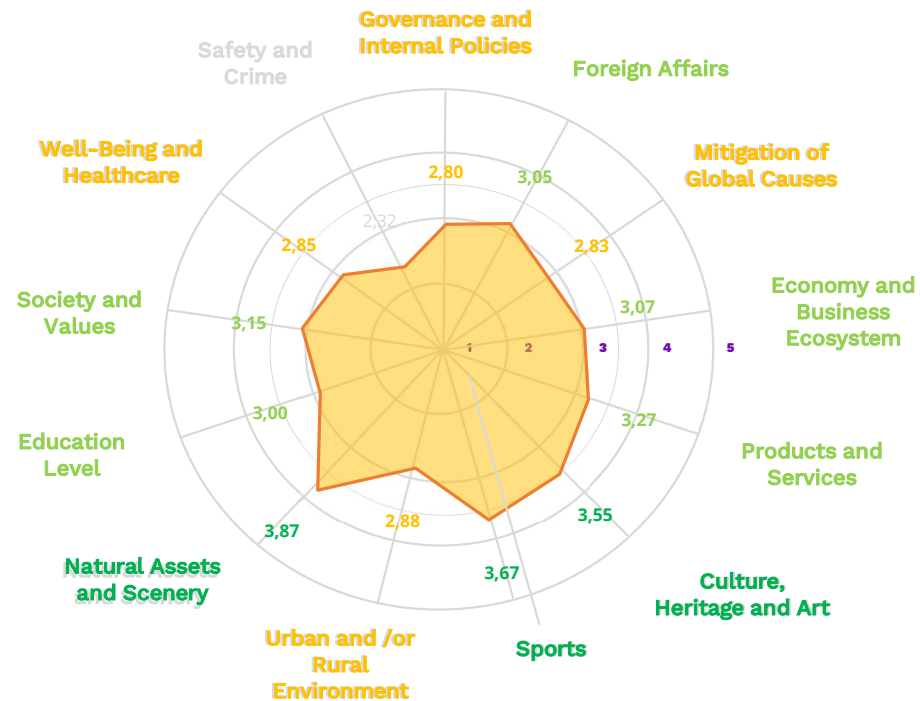
Legend: GB - United Kingdom, AE - UAE, TH - Thailand, TR - Turkiye, BR - Brazil, EG - Egypt, ZA - South Africa, CL - Chile, VN - Vietnam, NG - Nigeria

Foreign Affairs, Economy, Products, Society and Values and Education have positive perceptions

Among them, *Education* receives the lowest perception score of 3,0, falling in-between moderately negative and negative. It is followed by the *Foreign Affairs* (3,05), *Economy and Business Ecosystem* (3,07) and *Society and Values* (3,15).

Products and Services are regarded most positively in this set, attaining a score of 3,27 moving closer to the Love Mark (3,5).

13 perception elements of the Nation Brand Taxonomy Model©
Q9. Could you please rate South Africa in terms of...? - **Prominence**
■ >4.0 ■ 3.9-3.5 ■ 3.5-3.0 ■ 3.0-2.5 ■ < 2.5 - - - Love Mark (3.5)








USA is the most important target market






When comparing Digital demand in target markets, the United States take a clear lead in all the dimensions. India in *Prominence* due to the importance of Sports, in particular, *Cricket*.

Other key markets are United Kingdom and India in *Investment*, *Export* and *Study*, and Germany in *Tourism* and *Work*.






Top target markets in each Dimension

#	Country	Searches
1	 USA	- 926K
2	 Germany	▲1 759K
3	 U. Kingdom	▼1 660K
4	 India	▲1 465K
5	 Netherlands	▲1 409K






Tourism

#	Country	Searches
1	 India	- 787K
2	 USA	- 755K
3	 U. Kingdom	- 476K
4	 Japan	▲2 302K
5	 Australia	▼1 300K






Prominence

#	Country	Searches
1	 USA	- 117K
2	 U. Kingdom	- 103K
3	 India	- 63K
4	 Germany	- 52K
5	 Australia	- 41K






Investment

#	Country	Searches
1	 USA	- 149K
2	 U. Kingdom	- 102K
3	 Germany	- 77K
4	 India	- 61K
5	 France	- 47K

Work

#	Country	Searches
1	 USA	- 29K
2	 U. Kingdom	- 17K
3	 India	- 15K
4	 Germany	- 10K
5	 Australia	- 8,4K

Export

#	Country	Searches
1	 USA	- 48K
2	 India	- 31K
3	 U. Kingdom	- 30K
4	 Germany	- 20K
5	 Australia	- 18K

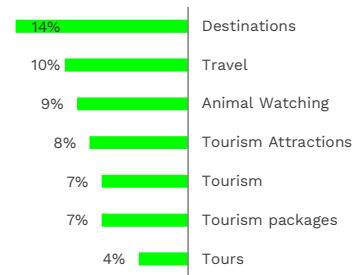
Study

Global online searches for South African Exports mainly: Metals, Soft Commodities, and High-Value Products

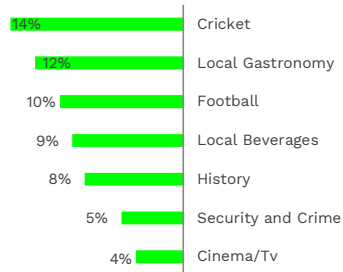
Global online searches demonstrate a significant interest in South Africa's export sectors, with Metals leading as the top category, reflecting the country's rich mining industry and resource base.

Soft Commodities, such as grains and agricultural products, also show substantial demand from international markets, further solidifying South Africa's position as a key player in global trade.

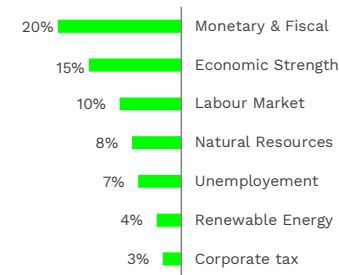
Export from South Africa inquiries reflect the country's strengths in both Metals (22%) and Soft Commodities (13%), but searches also reveal a growing interest in Products Made in SA, such as manufactured goods (9%) and locally produced goods (7%).



Tourism



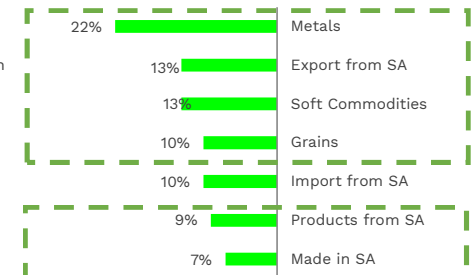
Prominence



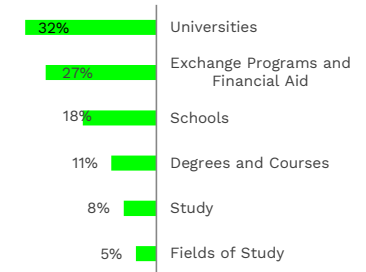
Investment



Talent



Export



Study

South Africa Country Investment Strategy (CIS) - opportunities for business expansion

The South Africa Investment Strategy (SAIS) seeks to advance NDP target of 30% of gross fixed capital formation to GDP by 2030 by positioning South Africa as a key preferred African investment destination by:

CIS 5 frontiers of strategic investment opportunities

These sectors form the cornerstone of South Africa's economic strategy, offering diverse opportunities for investment and sustainable growth.



Green hydrogen: becoming a leading global production site for Green Hydrogen and Green Ammonia as export commodities



Next gen digital: global business services and digital services, advanced manufacturing, deployment of transformative technologies & digital platforms



Special economic zones: anchoring advanced manufacturing and logistics networks taking advantage of South Africa's structural advantages on the continent



Industrial cannabis: as a legally and globally traded commodity is projected to be a USD278 billion global marketplace by 2028



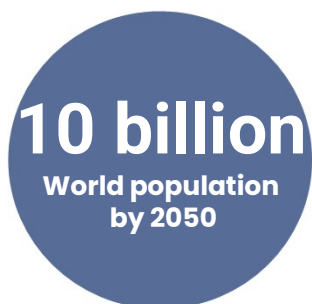
Hyper scaling ESG impact investment: the Environmental, Social, and Government impact investment fund marketplace exceeds USD30 trillion.

The country's prioritized sub-sectors for driving investment and economic development encompass finance, insurance, real estate, and business services; transport and logistics; manufacturing; mining and quarrying; electricity, gas, and water; as well as agriculture and agri-processing.

Specific sub-sector priority focus areas

 Manufacturing	 Agriculture	 Mining	 Knowledge-based sub-sectors
<ul style="list-style-type: none"> • Transport equipment incl auto • Clothing, textile • Furniture • Chemicals • Pharmaceuticals • Plastics • Value-chains that feed into green economy sectors • Green economy manufacturing • Steel and Metal Fabrication 	<ul style="list-style-type: none"> • Animal Feed • Fertilizer • Edible oil processing • Food-processing 	<ul style="list-style-type: none"> • Exploration esp. the green economy • Oil and gas • Mining capital equipment • Offshore oil rig maintenance 	<ul style="list-style-type: none"> • Digital economy • Global business services • CT & software development • Medical devices & supplies • Aerospace & defence

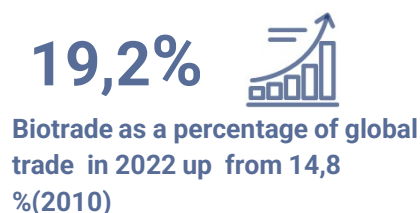
> Key Global Trends



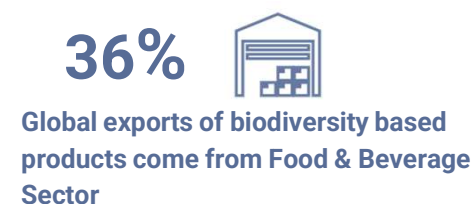
There are huge opportunities for Biotrade producers and processors to supply the growing global population.



Gen Z care about sustainability more than anyone and are conscious buyers.



Population ageing, combined with a longer lifespan, will have immense impact on the global market as it is reshaping consumer lifestyles and purchasing decisions.

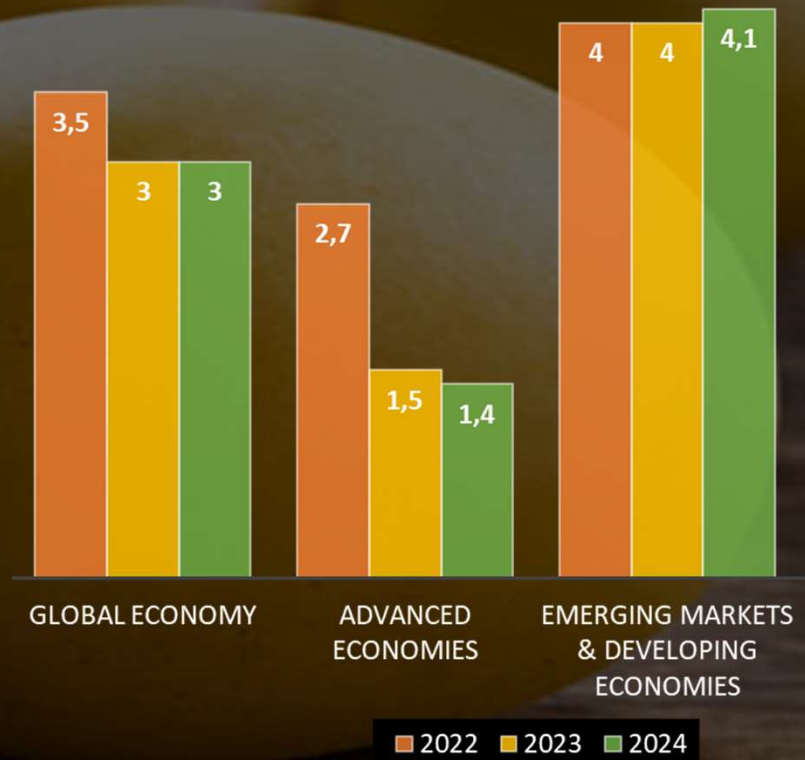


Food and beverages a growing Biotrade segment as consumer seek healthier options. Other market segments Medical products and cosmetics are also experiencing growth

Why the Biotrade Sector Matters?

- **Economically Robust Partners:** Major global economies like the USA, EU, China, and the UAE are not only sources of significant FDI but also exhibit strong economic fundamentals that present robust **trade and export opportunities for South Africa**.
- **Expanding Consumption Demand:** The increasing preference for **ethical, natural, and sustainable food products** presents South Africa with a unique opportunity to diversify its export offerings and cater to evolving global consumption patterns.
- **Rising Demand for Sustainable Health & Cosmetics:** As consumers increasingly prefer eco-friendly health & cosmetics products with natural ingredients there is an opportunity to tap into this growing global market.
- **Emerging markets are seeing significant growth**, particularly in countries like India (GDP - 8.2%) and China (GDP - 5.3%). Biotrade positions South Africa to tap into these high-growth markets, enhancing export potential and economic diversification.

World Economy Growth Projections



South Africa's Competitive Advantage

3rd most biodiverse country in the world.

5000 PLANT SPECIES CAN ONLY BE FOUND
IN South Africa

- ❑ South Africa's commercial agricultural sector is well-developed and integrated into the global supply-value chain.
- ❑ A sophisticated and competitive agro-processing industry is built and supported by South Africa's diverse agricultural sector, accounting for 23% of the country's manufacturing sector and making it the largest sub-sector of manufacturing.
- ❑ Counter seasonality: located in the Southern Hemisphere, South Africa enjoys counter-seasonality to the Northern Hemisphere, positioning it well to supply agricultural products to lucrative consumer markets in Europe and North America.
- ❑ Efficient export infrastructure South Africa has a well-established infrastructure network and thanks to its strategic location the country is well positioned to export agricultural produce to world markets.

Key Multilateral Partners: A Platform for Biotrade Growth

South Africa's multilateral partnerships are key to unlocking global opportunities in biotrade, especially in regions like the **EU**, **BRICS**, and **the Americas**, where demand for sustainable, natural products continues to rise.

- ❑ **Global Market Access:** Partnerships with diverse regions like BRICS, the EU, and the Americas open doors to high-demand markets for natural and sustainable products.
- ❑ **Value-Added Products:** Engagement with developed markets supports the creation of high-value, processed biotrade goods, increasing profitability and export competitiveness.
- ❑ **Economic Empowerment:** Biotrade drives sustainable rural development and job creation, with local communities benefiting from global market integration.



Regional Markets - A Platform for Biotrade Growth



European Union

Opportunity: The EU's strong focus on **sustainability** and **natural ingredients** creates a lucrative market for South African biotrade products, particularly those adhering to EU environmental standards.

Biotrade Focus: Sustainable agriculture, herbal extracts, natural cosmetics.



BRICS +

Opportunity: With over 40% of the world's population, BRICS countries are increasingly seeking sustainable, natural products such as cosmetics, herbal remedies, and ethically sourced agricultural goods.

Biotrade Focus: Medicinal plants, biodiversity-based cosmetics, sustainable agriculture.



America

Opportunity: North and South American markets are seeing increased demand for natural, eco-friendly products, particularly in the beauty, health, and wellness sectors.

Biotrade Focus: Biodiversity-based ingredients, sustainable agricultural products, natural health remedies.



Africa

Opportunity: The African Continental Free Trade Area (AfCFTA) opens a market of 1.2 billion consumers, allowing easier trade of biotrade products across the continent.

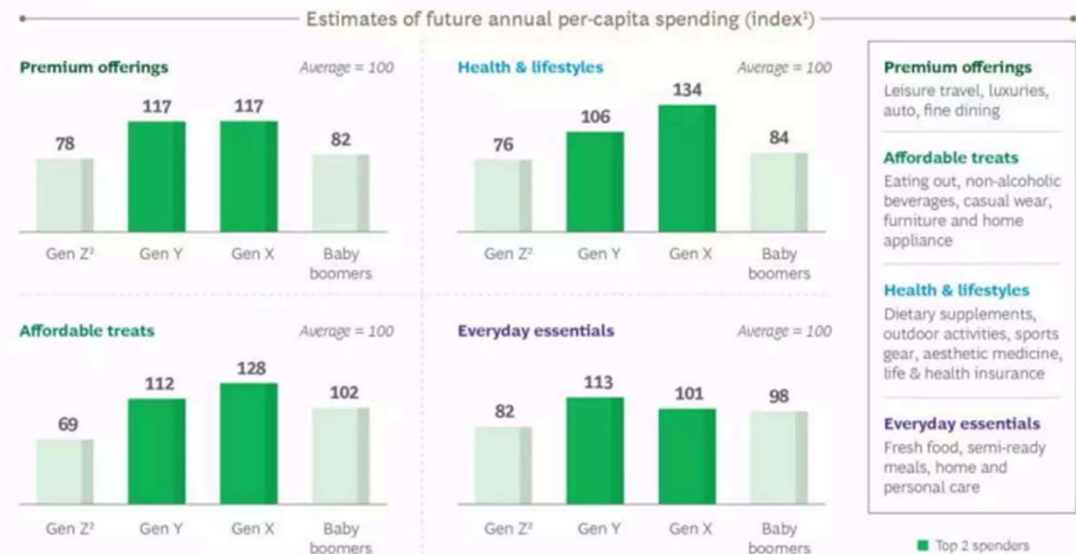
Biotrade Focus: Indigenous plants, organic agricultural products, natural skincare.

Country Case Analysis - China

80%
of
1,4 billion population
spread across
Gen z, Y, X
which are driving Wealth creation and
consumption

“ World’s largest consumption
market.”

Exhibit 2 - Gen X and Gen Y Spend More than Other Generations Across Most Categories



Sources: BCG CCI-Chinese Future Consumer Survey (Oct 2022, N=9,000); BCG analysis.

¹Represents each generation's annual per-capita spending on categories, index = 100 means being on par to the overall average, index > 100 means higher than the overall average; index < 100 means lower than the overall average.

²Gen Z are not yet financially independent, and part of their expenses is paid by their parents.

> Country Case Analysis - China

Importance of Guanxi and 'Face' in Chinese Business Culture:

Success in China is heavily reliant on relationships and reputation, often encapsulated by the Confucian concepts of **Guanxi** (relationships) and **Face** (honour and reputation).

For South African businesses, building strong relationships is not just a competitive advantage—it's a necessity. Here's how these concepts can impact business:

- **Guanxi:** In China, 'Guanxi' refers to the network of personal relationships that often form the foundation of business success.
South African businesses should focus on building strong, trusted connections with Chinese partners, as these relationships can open doors to opportunities and foster long-term collaboration. Like the South African phrase "It's not what you know, but who you know," 'Guanxi' prioritizes personal connections and loyalty.
- **Face:** The concept of 'Face' is essential in maintaining one's honour and reputation in China. Publicly losing 'Face'—through criticism or confrontation—can have damaging effects on business relationships. South African

您好



"People regard food as their Heaven or For the common people food is Heaven."

> Strategic institutions for gearing-up for growth

Research and Development



Export Readiness





Thank You