

South Africa

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BRICS' Gateway to Africa

South Africa, BRICS' newest member, delighted to host the 5th annual summit at Durban ICC

South Africa, its government, people and businesses are extending a very warm welcome to leaders and delegations of the BRICS economies as they gather in Durban for their 5th annual summit on March 25-27 to discuss "BRICS and Africa—Partnerships for integration and industrialization."

As it was when it hosted one of the most memorable soccer world cups in history in 2010, all eyes will be on Africa's most sophisticated nation as leaders discuss the promotion of African infrastructure development, the establishment of a BRICS-led development bank, a BRICS think-tank and a BRICS Business Council.

As the newest country to join the world's booming emerging-economy club of Brazil, Russia, India and China, South Africa couldn't be more ready or pleased to be hosting the event.

The most developed economy in Africa, contributing a third of the continent's GDP, South Africa boasts huge attractions for investors and visitors alike. With extensive mineral wealth, cosmopolitan cities,

is flying the flag for the whole continent.

China-South Africa ties

In 2009, China became South Africa's leading trade partner. By the following year, trade between the two countries had reached \$25.6 billion, with imports from South Africa reaching \$14.8 billion. Cross-country investment had grown to \$7 billion in the same year and China's investment in South Africa continues to grow.

Increasingly the South African government, inspired by China's success in reducing poverty and promoting economic growth, is looking to China for ideas and inspiration. In return, it offers a huge number of opportunities, particularly in the fields of transport, energy and state-owned enterprises.

South Africa's transport system is, without a doubt, the best developed in Africa. With good roads and highways that link the cities and other countries in the region, extensive air connections, rail transport that continues to modernize and

lic Enterprises to China. We do not see our engagement with China as an extractive engagement where raw materials are just sourced with no reciprocal development in South Africa.

"In the second half of that year, I led a delegation as the deputy minister of public enterprises to China and we met with the major company in charge of the North/South rail network and other companies responsible for road and rail infrastructure. We met with the entire spectrum and the message we took there was one of mutual respect."

Within the BRICS context, the Transport Minister says: "We want to bring in the interests of the entire African continent as much as possible. We do not take our BRICS involvement lightly — it comes with many responsibilities.

"We do not see ourselves as the arrogant big brother, but as a facilitator, a country that seeks to enable and as a country that seeks to improve its entire continental neighborhood. It is worth highlighting that the airport company of South Africa is presently assisting Brazil in terms of developing a major airport there."

Powering the future

Energy is another crucial sector for Africa's development, and another area that boasts abundant opportunities, increasingly in the green and renewable energy segment. China, which has recently been praised for its investments in alternative energies, is especially attractive to South Africa in terms of knowledge sharing and technology, as well as infrastructural investment.

As Energy Minister E. Dipuo Peters explained: "We have a policy that 35 percent of new power must be generated by independent power producers, which creates the necessary space for international players.

"The highlight for me of the BRICS summit would be finding a way to address the issues related to funding models for infrastructure development so we can inter-connect with the Southern African Development Community and the rest of the country. I believe there should be more talk about tangible



PHOTOS PROVIDED TO CHINA DAILY

BRICS leaders at last year's summit.

products and projects as opposed to frameworks and research proposals. In this sense, we need to take lessons from other BRICS countries and see how we can collaborate with them.

"Opportunities for partnership are central to the success of the BRIC summit, as it is a grouping which should be primarily aimed at improving the economic development of our respective countries."

Malusi Gigaba, minister of public enterprises, who bears responsibility for South Africa's state-owned companies such as South African Airways, said:

"People must view Africa as a continent of great potential and pos-

sibility, where you will find everything that is lacking elsewhere in the world, such as human resources, growth potential, natural resources and the humanity of our people. Nature has been kind to us, we have kept our wild animals and wildlife, and yet we also have bustling urban centers.

"We are not just about safaris and poverty however. We are a productive continent and investing in Africa will do you a big favor. It will extend your revenue stream into a region that has a young and burgeoning middle class."

The Durban International Convention Center (ICC), one of the

most advanced conference facilities in the world, is delighted to be playing host to the BRICS summit.

As well as being named Africa's Leading Conference Center for the 11th year by the World Travel Awards, the ICC is also recognized as one of the top 20 conference centers in the world.

Julie-May Ellingson, CEO of the ICC said: "We need to leverage from events such as the BRICS and follow up on our own promotion. We also need to encourage the interaction of local and foreign businesses during the summit."

InFocus provided the story

"We want to bring the interests of the entire African continent to the BRICS summit."

BEN MARTINS, MINISTER OF TRANSPORT

the world's largest and most famous national park (Kruger), thousands of kilometers of coastline, and world-famous wines, the country of 51.7 million has much to be proud of, but it also faces the challenges of social inequality and high unemployment. However, as the gateway to Africa and its billion potential customers, South Africa is ready to shine.

The decision to bring the proud nation into the BRICS was a surprising one for many. At the time of admission, in 2011, South Africa's GDP was one-sixteenth of China's. But, as the world's fourth largest producer of gold and diamonds, and with more than three-quarters of the Earth's platinum wealth, the country is a fierce contender for increased growth and prosperity. South Africa

grow, and a maritime sector that is well equipped to serve as a transshipment hub, South Africa is excellently connected.

As Minister of Transport Ben Martins explained, "During a state visit by President Jacob Gedleyihlekisa Zuma to China in 2010, a protocol was devised that speaks to all areas of trade and industry between the two countries, including development in manufacturing, and investment and participation in infrastructure development.

"Any foreign company coming to invest in South Africa is encouraged to promote job creation and skills transfer so that locals benefit.

"The 2010 visit was followed up in 2011 by a visit of the Deputy President and the Minister of Pub-

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SOUTH AFRICAN AIRWAYS
A STAR ALLIANCE MEMBER 

A road map for South Africa's future

National Infrastructure Plan stimulates growth and jobs across the country

During 2012, the South African government adopted the National Infrastructure Plan as part of the government's continued efforts to transform the economy by laying the foundation for growth, skills development and job creation.

Over the past decade, the country has learnt important lessons from such building programs as the 2010 World Cup soccer stadiums, the King Shaka International Airport, the Medupi Power Station and the Gautrain project, but it is time to take things to a higher level, as Ben Martins, Minister of Transport explained.

"It is our responsibility to improve the quality of the road network in the rural areas, which will open up opportunities for further business investment," he said. "We also want to improve and upgrade our rail lines and rolling stock in small towns. We want to implement best practices right across the country. In the context of our relationship with the other BRICS, we can assist them in the areas in which we are strong and have the know-how. There are also many transport infrastructure projects with our neighbors where synergies can be created that will positively impact on the development and prosperity of the southern part of the African continent."

Responsible for road safety, the Road Traffic Management Corporation works to pool resources and provide confidence in the roads network. The agency commenced operations in April 2005 to ensure proper maintenance of the highways and enforce traffic regulations.

For Collins Phutjane Letsoalo, acting CEO of the RTMC, accident



Minister of Transport Ben Martins

prevention is a priority. "Around 14,000 South Africans die every year on the roads," he said. "Our national network is very well maintained, but our secondary network is not in a good state because of the backlog of infrastructure priorities.

"Every province has its own traffic police, which creates problems from a command point of view so we are going to centralize that by next year. We are also deploying different technologies to monitor the network more efficiently.

"Most poor people live outside the city and need a car. Up to 40 percent of their salary will be spent on transport. We therefore need to intensify public transport corridors and accessibility to these people. We have a lot to learn from the BRICS countries, particularly Brazil, which has overcome social inequality in a relatively short space of time. We are looking to share experiences."

With 2013 marked as "the year of the maritime" in South Africa, the country's nautical interests are being

given closer scrutiny.

South Africa's coastline spans 2,798 kilometers and the country is home to six major ports, including Durban, the largest in Africa. Being based at the heart of the BRICS region and a natural gateway to the whole continent, there are ample opportunities for developing a dynamic shipping industry.

As Sobantu Tilayi, COO of the South African Maritime Safety Authority, SAMSA for short, said: "South Africa needs to wake up to the fact that our maritime sector holds the most potential in terms of its economic development. In fact, I will be so bold as to say this will be a precondition to finding a new trajectory in terms of our economic growth. It is more than just location," he said. "An exercise that we carried out to define the sector went over and above traditional logistics. When you look at all the new gas and resources finds in East Africa, there is potential for offshore oil and gas activity here in South Africa.



South Africa needs to wake up to the fact that our maritime sector holds the most potential in terms of its economic development."

SOBANTU TILAYI, COO, SAMSA

"We have the best infrastructure in the region, but we must look at this and see how it is supporting the development of the country.

"We must look at this in terms of the potential that exists in offshore oil and gas, tourism and manufacturing. These industries need to be



PHOTOS PROVIDED TO CHINA DAILY

RTMC, a public entity of the Department of Transport, is committed to maintaining safety on South Africa's roads.

supported via maintenance and new builds. So for us, ports and port infrastructure is critical, but we must also focus on access to all the economic opportunities that lie in our waters and coastline."

According to the SAMSA chief

Africa, yet have not addressed this logistical chain issue, this is a problem for us and for the rest of Africa, so we must address that."

Steaming ahead

The organization has already started to rectify these issues. Last year, it held the first ever South African maritime industry conference and divided the industry between ports and logistics.

"Now there are maritime manufacturing, maritime tourism and fisheries, offshore oil and gas and our public sector requirements all requiring support," Tilayi said. "We also held a meeting for African ship registrars to address the issue of control and have set up a center in Cape Town with technologies that can tell us at any given time how many ships are on our coastline and where they are coming from and going to. This has given us an edge in R&D and

we have a good opportunity to take the information and use it to our advantage economically."

The discovery of oil and gas in East Africa will impact greatly on South Africa, he said.

"They will need a logistics supply, and we are in an ideal position to offer repairs to oil rigs and ships, and backup support like banks and ICT. We must offer physical locations to industry to allow them to develop their operations. This will create employment. We could offer ourselves as a valuable pit-stop to ships passing through our waters, which means they wouldn't have to carry as much fuel. We must become a greater part of our own resource value chain. We are therefore looking to collaborate with our BRICS counterparts across a whole range of issues."

InFocus provided the story

State-owned enterprises drive new infrastructure funding

The country's public enterprises are gearing up to get South Africa better connected

South Africa's state-owned companies are playing a core role in the new growth plan. The Department of Public Enterprises, which supervises these companies, is working hard to create an efficient, competitive and responsive economic infrastructure network in line with its service delivery agreement signed in October 2010.

As it focuses on achieving the outputs contained in the agreement, there will be a huge emphasis on infrastructure development and in securing public private partnerships in order to successfully implement this development.

For Malusi Gigaba, Minister of Public Enterprises, it cannot come soon enough.

"The economy has been greatly robbed by under-investment in infrastructure," he said. "Had we invested over the last few years, we



Minister of Public Enterprises Malusi Gigaba

would be much further ahead and unemployment would be considerably lower.

"That said, any other society would have succumbed to social unrest but we are still benefiting

from a strong community grounded in the ANC where people do not take out their anger on the party. That of course is something that should not be taken for granted.

"In the last few years, the grip of economic recession began to reach our shores, so investment and economic growth has largely been driven by SOE investments, such as Eskom, Transnet and a few others.

"The biggest challenge we needed to overcome, in terms of unemployment, was the decision to invest in more infrastructure and to say the state will play a role in the investment and in particular encourage private investment.

"The critical aspect of the infrastructure programs we are rolling out is the actual implementation: let the construction begin, let the people get the jobs and feel the difference because in large measure,

you will be breaking down the cycle of poverty and creating a new middle class.

"Our continent needs a champion and South Africa will engage internationally on Africa's behalf. Africa has a rising GDP, population and middle class which we can use as leverage and form a common vision to engage with our BRICS partners."

Flying the flag for Africa

South African Airways, SAA for short, is rising to the challenge of balancing commercial objectives and socioeconomic priorities.

As one of Africa's most recognizable airlines, SAA has been pivotal in spreading and contributing to wealth generation in sub-Saharan Africa. Although high fuel costs, strikes and competition have taken their toll on the flagship carrier, an efficiency drive and new routes are helping keep the airline buoyed.

As a representative of the airline acknowledged: "SAA is sitting right in the middle of the BRICS countries and it is part of SAA's business plan to offer the best connections to

those needing to travel from Asia to South America. We are looking to penetrate both those markets."

The airline is proud to serve the Southern African Development Community, providing transport for the region that is safe, efficient, timely and reliable. It is also proud to transport more valuable cargo than any other airline on the continent. In order to overcome fuel and cost challenges, SAA is hoping to procure more efficient airplanes that need less technical maintenance and less fuel.

"It is only natural that as an airline we increase our footprint in Asia because that is the future," the spokesman said. "SAA sees its role as a business enabler, and as long as the transportation works, it makes business work and it encourages trade and business between countries."

Improving connectivity

Broadband Infraco is also connecting people, by stimulating private sector innovation in telecommunications services and content

offerings. As the wholesale provider of choice for backhaul connectivity, BI plays a vital role in ensuring that the South African ICT sector remains modern and forward looking.

"As South Africans, we are well positioned — geographically we can easily connect to the east and the west," BI's CEO Puleng Sejanamane said. "From an ICT standpoint, we are able to offer a diversity that no other country on the continent can offer.

"We are also a nodal point for the SADC, so we can connect with any Chinese investor that wishes to do business with the rest of the continent. Our interest is focused on providing a solid platform for Chinese investors. They can benefit from partnerships with South Africa as we know the whole continent."

"Now is an opportune time to come to South Africa," the CEO said. "For those who have invested, the returns are worth it. It would be a missed opportunity not to come."

InFocus provided the story

The Road Traffic Management Corporation is a Public Entity which is an agency of the Department of Transport responsible for Road Safety in South Africa.

Our vision
Safe roads in South Africa

Our mission
Ensure safe, secure and sustainable roads through:

- Road safety management
- Safer roads and mobility
- Safer vehicles
- Safer road use
- Post-crash responses.

The Road Traffic Management Corporation

Tel: +27 (0)12 9995200
Fax: +27 (0)12 991 0371

www.rtmco.co.za

The National Energy Regulator of South Africa (NERSA) makes a valuable contribution to the socioeconomic development and prosperity of the people of South Africa by regulating the energy industry in accordance with government laws, policies, standards and international best practices in support of sustainable development.

As a regulatory authority established as a juristic person in terms of Section 3 of the National Energy Regulator Act 2004 (Act No. 40 of 2004), NERSA's mandate is to control the electricity, piped-gas and petroleum pipelines industries in terms of the Electricity Regulation Act, 2006 (Act No. 4 of 2006), Gas Act, 2001 (Act No. 48 of 2001) and Petroleum Pipelines Act, 2003 (Act No. 60 of 2003), and further derived from written government policies as well as regulations issued by the Minister of Energy. NERSA is expected to perform the necessary regulatory actions in anticipation of and/or in response to changing circumstances.

The Minister of Energy appoints Members of the Energy Regulator, comprising Part-Time (Non-Executive) and Full-Time (Executive) Members. NERSA is supported by staff under the direction of the CEO.

NATIONAL ENERGY REGULATOR OF SOUTH AFRICA

Kulawula House, 526 Madiba Street, Arcadia 00083, Pretoria, Gauteng, South Africa
Tel: +27 (0)12 401 4600 | Fax: +27 (0)12 401 4700 | www.nersa.org.za

Regions need investors to boost growth

South Africa’s diverse and fertile provinces offer the lure of opportunity

South Africa’s far-reaching growth and development plans are being rolled out across all nine provinces with the regional governments fully on board.

From resource rich territories and industrial bases, to unique wildlife habitats, this stunning country continues to impress investors and embodies a nation that is alive with unique possibilities.

Mpumalanga, for example, home of the world-famous Kruger National Park and a host of other attractions, is the country’s energy heartland. The province, that also boasts the world’s third deepest canyon, 3 billion-year-old caves and has a fascinating gold-rush history, generates 80 percent of the country’s electricity and contributes about 80 percent of the country’s coal. It houses around 60 percent of Eskom’s power generation facilities, as well as providing manufacturing, agriculture, and trade and wholesale revenues.

It provides a base for some of the biggest manufacturing companies in South Africa, including Sasol, SAPI and Columbus Stainless, and the opportunities for investment are vast.

As YN Phosa, newly appointed master executive council for the Mpumalanga Department of Economic Development, Environment and Tourism explained, the province is looking to create around 720,000 jobs by 2020.



“There are many projects for our counterparts in China to come and invest in. The summit could not have come at a better time.

YN PHOSA, MEC, MPUMALANGA DEDET

“Arising out of our growth path, we have identified around 15 high-impact projects for the province, ranging from a high level training academy to facilitating the sending of agricultural products to the rest of the world,” she said.

“We are actually very big on agri-

culture and the production of fruit and vegetables and want to focus on processing these and sending them as a finished product.

“We will be building a university to increase the skills development of our people and to assist us in pinpointing the key strategic sectors for value addition, as well as research and development. Everybody needs to collaborate and cooperate so we can deliver at both the private and public levels.

“There are many interesting projects for our counterparts in China to come and invest in. The summit could not have come at a better time.”

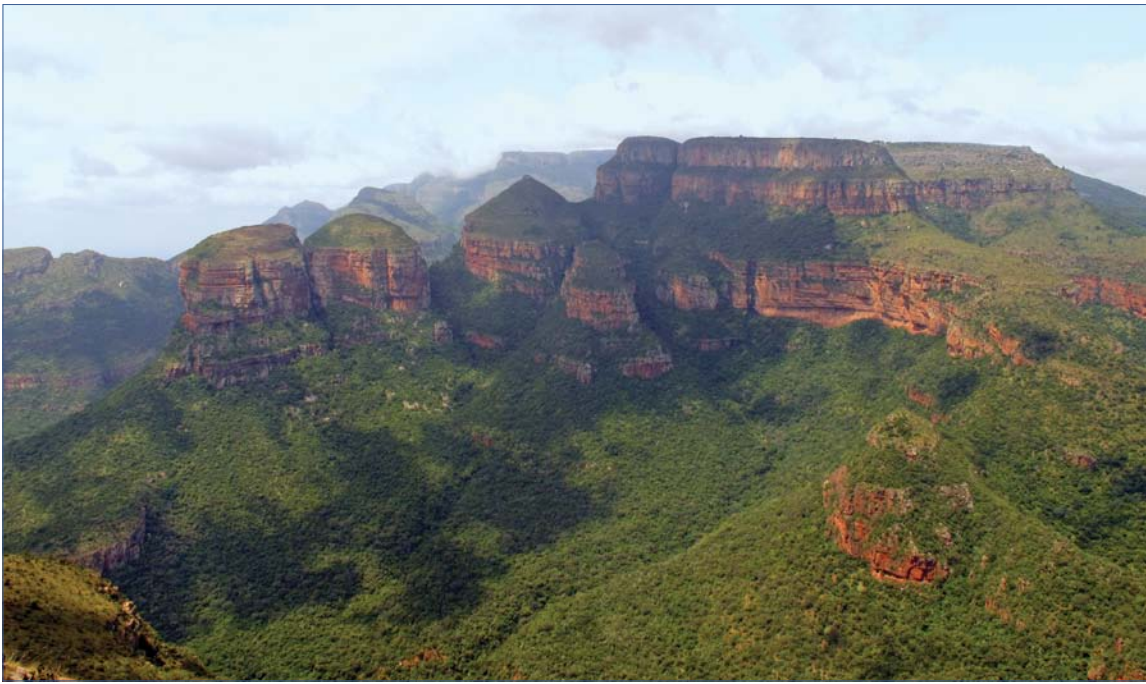
As well as its multiple natural resources, Boyce Mkhize CEO of the Mpumalanga Economic Growth Agency said the province’s location is a significant advantage.

“We are about 100 kilometers from the Maputo Port, so there are transport access and export opportunities,” he said.

“We are responsible for ensuring that there is sufficient water in the industrial parks. It is a huge project that will require a lot of investment, and we therefore welcome potential investors.

“Recent delegations from here that have participated in Chinese exhibitions have generated almost 50 business leads. A pathway has certainly been opened which we now need to build upon.”

As far as the BRICS summit is



The Three Rondavels are major icons of Mpumalanga

PHOTOS PROVIDED TO CHINA DAILY

concerned, Mkhize said: “People will see with their own eyes that the area is thriving and that things are happening on the ground. They can see that they can live and do business here.”

Replicating good practice

Meanwhile, with more than three million inhabitants, North West province is the home of South Africa’s platinum reserves and a host of famous tourism sights that include Sun City, Pilanesberg National Park, Madikwe Game Reserve and Rustenburg Nature Reserve.

“There is a lot we can bring from China and replicate here, in particular in the textiles industry,” said MEC of Economic Development,

Environment, Conservation and Tourism, Motlalepula Rosho.

“China is doing very well in terms of managing environmental issues in the energy sector. We also want to focus on renewable energies, especially solar power, because we have more sunlight here than any other province.

“We are strategically placed and can work together with the Chinese government and business investors. We could, for example, manufacture solar panels.

“The BRICS summit is bringing a lot of opportunities, so we have made a conscious decision to be part of, and involved in, the build-up to the BRICS summit by organizing a BRICS Expo.”

In the meantime, international visitors will be given a warm welcome at the award-winning Regent Luxury Apartment Hotel in Johannesburg.

Within easy reach of the city’s coolest shopping area and finance and business hub, the Regent boasts five star luxury and elegance in its beautiful penthouses and residential units that combine home comforts with hotel benefits, such as concierge services and 24 hour gate control.

“There has been a 27 percent and 28 percent increase in visitors from China and India respectively,” said General Manager Cori Terblanche.

InFocus provided the story

A sound, well-regulated financial system buoys economy

Country’s banking sector has resisted knocks and proved resilient in the face of crisis

Backed by a sound regulatory and legal framework, South Africa’s sophisticated financial services sector features dozens of domestic and foreign institutions providing a full range of services.

As one of the largest financial services companies in the world, Citibank needs no introduction.



South Africa’s financial sector did well during the global crisis and has continued to do well because there is a strong central bank.”

DONNA M. OOSTHUYZE, COUNTRY MANAGER, CITIBANK SOUTH AFRICA

“South Africa’s financial sector did so well during the global crisis and has continued to do well because there is a strong central bank and competent people who provide hands-on supervision of the industry,” said Donna M. Oosthuyze, country manager of Citibank South Africa.

percent of the industry is concentrated in the hands of the top five banks.

“We do have world-class talent here, but maybe not enough of it. The banks emerged from the crisis strong, and going forward they can rest on all these strengths.”

The bank, which has been in Africa since 1914, sees huge potential in South Africa.

“First, we recognize the compelling nature of the market,” said Oosthuyze. “It is a large economy, with large and important corporations. The economy of South Africa is about a third of the entire continent and out of the top 500 companies operating in Africa, about 175 are right here.

“This is an industrialized country, with large companies, which was attractive. Also, we saw South Africa as being an engine of growth for the rest of Africa and in the internationalization of the new South Africa.

“It is a country that has world-class economies, industries and a rich endowment of natural resources. We knew it was going to internationalize and that is exactly how we positioned

The bank enjoys a strong position within South Africa as an international bank with global expertise that works to understand the local market while helping domestic investors launch operations outside of South Africa.

Today, Citibank operates in 15 countries across Africa, spanning corporate, consumer and private banking.

“South Africa has also maintained exchange controls and the intention is for the exchange regime to be both a strengthening element of the economic environment, and one that facilitates investment into the rest of Africa.

“In addition, South African banks did not have a lot of off-balance sheet activity, so are very well-capitalized. It is important to remember that 92

our business.”

Professional law firm ENS

Meanwhile, as the largest law firm in Africa, Edward Nathan Sonnenbergs, ENS for short, has a growing footprint across sub-Saharan Africa.

Whether dealing with the complexity of a multi-jurisdictional project or the start-up process in one particular country, ENS’s localized experience and expertise ensures that clients obtain the benefit of its scale and scope when doing business anywhere in Africa.

ENS offers clients quality and cost-effective legal advice wherever they choose to do business on the continent. Importantly, its professionals speak English, French and Mandarin and have excellent experience of Chinese clients.


“I am confident in saying that I do not believe there is any other law firm on the continent that can service Chinese needs in Africa as well as we can,” CEO Piet Faber said.

Ernie Lai King, executive, agreed: “ENS has a significant Chinese client base. Through our experience, we understand the challenges Chinese companies have when they come here in terms of the cultural and linguistic barriers.”

InFocus provided the story



The Regent Luxury Apartment Hotel. www.theregent.co.za



the DEDECT


Department:
Economic Development, Environment, Conservation and Tourism
North West Provincial Government
Republic of South Africa

North West is on a new path of industrialization. Eleven (11) key high impact value projects that will provide investors with above average Return on Investment have been identified:

- Infrastructure
- Agro processing (Live stock and game beneficiation)
- Agro-processing (small scale milling)
- Mining supply park
- Metal fabrications, capital and transport equipment.
- Automotive products and components

- Platinum beneficiation
- Plastics and chemicals
- Green economy (Renewable energy) projects
- Electronic components.
- Business process services

For more information please contact: **Ms Mercy Tumane: +27 (018) 387 7779; mtumane@nwpg.gov.za**
or **Imraan Bhaakas Invest North West +27 (014) 594 2590; imraan@inw.org.za.**



NECSA’s main activities lie in the production and manufacture of medical isotopes for the cure of diseases such as cancer, using low-enriched uranium for extra security. A leading name in nuclear science, NECSA is open to partnerships and knowledge-sharing across the globe.

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NECSA Elias Motswaledi Street (Church Street West Extension)
Brits District, Pelindaba, North West Province 0240, South Africa

Tel: +27 12 305 4911
Fax: +27 12 305 3111

webmaster@necsa.co.za
www.necsa.co.za

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Block E, Upper Grayston Office Park, 150 Linden Street, Strathavon, Sandton, Gauteng, South Africa
Tel: +27 (0)10 201 4800 | Fax: +27 (0)10 201 4820 | information@sonedi.org.za | www.sanedi.org.za



Bursting with sustainable energy

Resource-rich South Africa charts a way forward in long-term energy management

A reliable energy supply is key for an emerging economy like South Africa and there are a number of companies and organizations ensuring businesses, homes, industries, and public buildings are therefore being given the power to thrive.

Minister of Energy, Elizabeth Dipuo Peters, is keen to harness Chinese support to ensure South Africa reaches its energy potential, as well as securing diverse energies in sustainable quantities and at affordable prices. The key, she says, is to overcome the challenges, something the government is taking very seriously.

“We currently have three major plants under construction by Eskom, the country’s public electricity company, and an integrated resource plan that lays out our energy supply needs. It is important we understand that our economy is energy intensive. To be able to address unemployment, we need the economy to grow so we need affordable energy.

“South Africa was key to the decisions that led to the Copenhagen accord and we are looking at how we can reduce our carbon footprint.”

The integrated resource plan is, Minister Peters explained, an infrastructure development plan for power generation and transmission, and the government is also investing through the distribution asset management of the electricity value chain.

“The energy sector is key to the President’s infrastructure commission which makes sure we have enough supply of liquid fuels in the petroleum and energy sectors,” she said. “Most of the companies in the renewable energy segment, particularly solar power generation, are actually based in China, and there are a number of Chinese companies starting work in the electricity sector and in the broader South Africa



We currently have three major plants under construction by Eskom, and an integrated resource plan that lays out our supply needs.”

ELIZABETH DIPUO PETERS,
MINISTER OF ENERGY, SOUTH AFRICA

energy sector. There is room for more investment. In the petroleum sector, Sinopec has signed an agreement with PetroSA, which shows how the relationship can be translated into concrete partnerships.”

Many Chinese companies are already indicating a wish to use South Africa as a base for the activities within the wider Southern African Development Community.

“At a political level, there has been a lot of engagement in the liquid fuels and electricity sectors in particular, and there is potential for nuclear and renewable energies as well. Our relationship with China is massive at both economic and political levels,” the minister said.

The National Energy Regulator

of South Africa is the first point of contact for serious investors wishing to enter the energy market, and has reduced red tape considerably.

“The government has gone all out to attract independent power producers and utilized the requirement for renewable energy megawatts in our system in order to secure this participation,” says Phindile Nzi- mande, NERSA’s CEO. “As far as we can see, these partnerships will extend beyond the renewable energy sector because we will be able to create confidence within the private sector that there is a clear financial and regulatory framework in which they can come and add the necessary megawatts into the grid. I think overall we are on track.”

NERSA has already secured the participation of 28 mostly foreign power producers who are investing a combined amount of 47 billion rand (\$5.2 billion) into the grid.

“We operate in a very transparent manner and consult on decisions before taking them. We have a pre-application procedure that allows prospective investors to sit down with us and understand how the licensing process works, an empowering lever for investors to effectively enter the South African energy market. We have taken consistent decisions and are highly encouraged by the fact there has been financial closure on the 28 independent power producers. There is a solid regulatory framework in our country and investors understand local requirements.”

Efficiency drive

While NERSA makes investing in South Africa’s energy sector easier, the South African National Energy Development Institute is working hard to reduce the country’s carbon emissions and researching cleaner and greener alternatives. Highly innovative and with a dedicated and



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Durban’s International Convention Center, site of the BRICS summit

www.icc.co.za

skilled professional team, SANEDI is open to knowledge and technology exchanges, partnerships and investment from its counterparts in Asia and around the world.

As Kadri Ikeyinj Nassiep, SANEDI’s CEO knows, energy efficiency is the key to a sustainable energy future, and he and his team are working hard to help the country reduce demand.

“We are not experiencing a major crisis in the supply as it has been managed very well by Eskom,” he said. “However, we have a responsibility to use our power wisely. We have run a power alert feature on TV, but the big push is to save energy in the public buildings — we have more than 120,000 government buildings alone — and there is huge potential to do that. We focus strongly on the development side of energy in terms of R&D, job creation and how to help industry and commerce implement energy efficient solutions.”

Nassiep has already spoken to Chinese companies about the possibility of setting up a test facility for solar technologies. “Moving forward, we would also like to migrate manufacturing. It would be nice to partner with the Chinese in this

area and for them to possibly set up a facility. It would be useful to have a relationship where we can set up a facility here and the product goes out to China. It would be useful to find markets in China for some research we are doing, such as carbon capturing, mineral sequestration and algae research.

“On a global level, we can show BRICS countries how they can limit their emissions at a time of important global pressure. We need to look at the finished products that are energy linked and aim to reduce or remove import duties on energy products within the BRICS so that we can create market opportunities for these kinds of products.

“In essence we would like to create a platform that can allow for some of our products to be exported in the future, as well as knowledge transfer in the extraction of things such as shale gas which could have a huge impact for South Africa.”

Nuclear solutions

Meanwhile, with nuclear energy widely regarded as the leading alternative energy source, an expansion plan is underway in South Africa to deliver a modern nuclear power generation fleet which will ensure

a low-cost, low-carbon electricity supply for decades to come. The country, rich in uranium reserves, currently boasts two nuclear reactors, generating 5 percent of its electricity, the first of which began operating in 1984. The government is firmly committed to generating a further 9,600 megawatts within the next decade.

While not responsible for generating electricity from nuclear sources, the South African Nuclear Energy Corp Ltd is gaining a reputation as a champion in developing medical applications of nuclear technology.

“NECSA is known for producing excellent nuclear products,” said Phumzile Tshelane, the organization’s CEO. “We produce medical isotopes to diagnose and even treat cancer and the market out there is huge. NECSA can assist in terms of catching this disease before it becomes destructive.”

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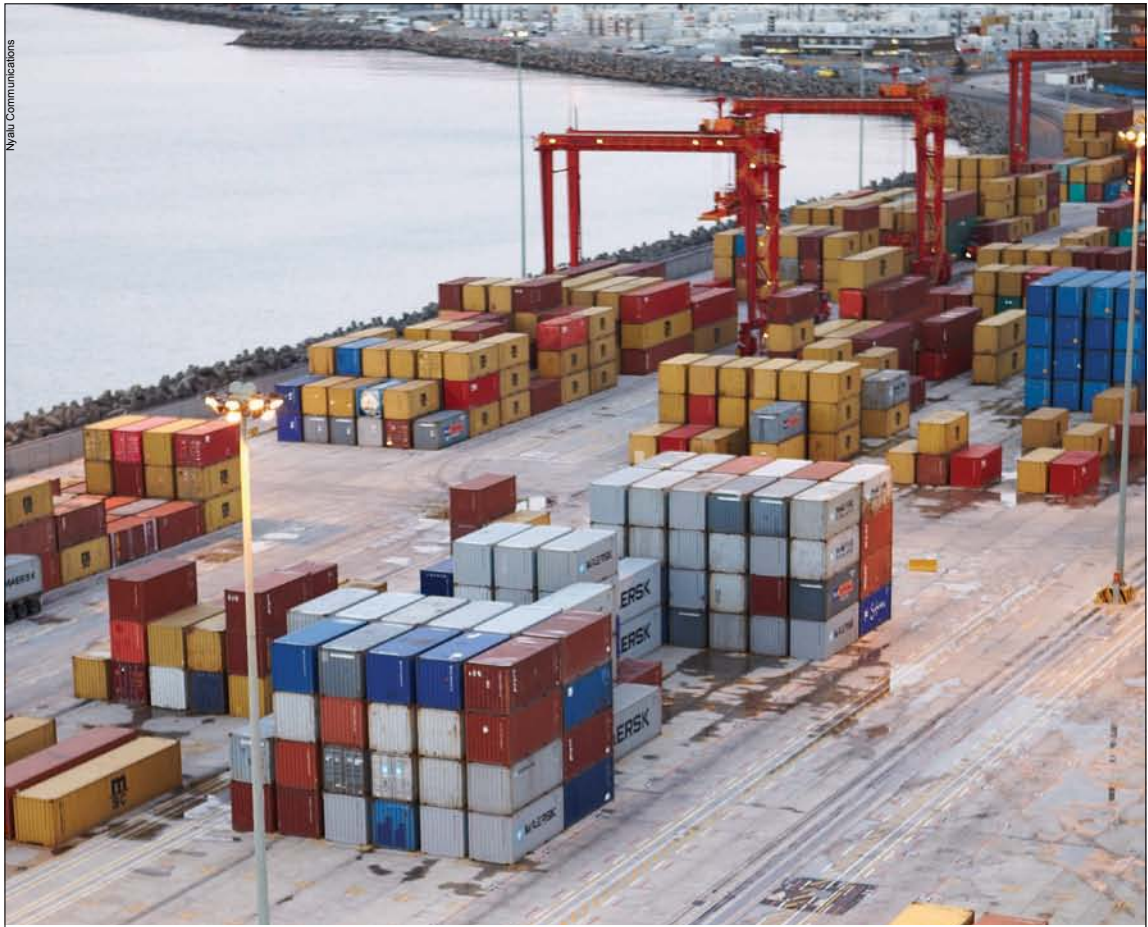
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Tel +27 13 752 2440
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Cnr. Rivonia & Catherine Streets
Johannesburg, South Africa 2006
Tel: +27 11 440 5757
Fax: +27 11 440 5745

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