



## Australia – South Africa

### Bilateral Economic Relationship

#### Trade

- South Africa makes up more than a third of **total merchandise goods trade** between Africa and Australia at A\$2.6 billion in 2019.
- This was a decline in trade growth of 8%, following growth of 12% the previous year.
- **Major exports** from Australia valued at A\$1.5 billion: aluminium, coal, precious metal ores (excluding gold), specialised machinery.
- **Major imports** into Australia valued at A\$1.1 billion: automobiles (passenger and goods vehicles), specialised machinery and parts, other ores and concentrates.
- **Trade in services** between South Africa and Australia comprises over a quarter of trade at A\$1.1 billion, growing 14% on the previous year.
- Combined trade in goods and services is approaching A\$4 billion (A\$3.8 billion) ranking South Africa the 26<sup>th</sup> top trading nation for Australia. It is ranked 25<sup>th</sup> if South African Customs Union (SACU) countries are included.

#### Tourism

- Australia remained the sixth largest source of tourists to South Africa outside the African continent in 2019 with over 110,000 visiting (#StatsSA).
- There were 61,300 South Africans who visited Australia in 2019, exhibiting growth of almost 4% on the previous year. South Africa is Australia's 22<sup>nd</sup> largest source market.

#### People

- South Africans are the seventh largest migrant group with 194,000 in Australia, or around 0.8% of the entire Australian population, growing 3% on the previous year (2018-19).

Source: All facts and figures from the Australian Bureau of Statistics for the 2019 calendar unless indicated year except #. Fact Sheet does not reflect the impacts of COVID-19.

#### Investment

**Total bilateral investment** has more than doubled since 2012 to over A\$14 billion in 2019, an 11% increase on 2018.

- Total bilateral investment is now greater than (Australia's total bilateral investment with) Indonesia, Thailand, Vietnam, and any Latin American nation.
- Total bilateral FDI (Foreign Direct Investment) increased almost ten-fold since 2012 to A\$3.9b.
- Total bilateral FDI is greater than Australia's total bilateral FDI with the UAE and India.

#### **Australian investment in to South Africa**

increased 17% to A\$5.9 billion in 2019

- Outbound Australian investment flows are more than Australian flows to Thailand, UAE, Chile and Vietnam.
- FDI from Australia into South Africa fell by 16% but was on par with Mexico and the Philippines, and higher than Switzerland.
- Australia was the 7<sup>th</sup> largest single foreign investor in South Africa in 2016 (#based on SARB/IDC data for SA Investment Conference).

#### **South African investment into Australia**

has tripled since 2012 to over A\$8 billion in 2019, and increased 8% on 2018

- Inbound South African investment into Australia is on par with Thailand, and more than inbound investment from Brazil, Vietnam and, Italy.
- FDI from South Africa into Australia was steady at around A\$3b.
- FDI from South Africa was more than FDI flows from India, Indonesia, UAE and Mexico.

#### **South African affiliates of Australian**

**businesses** (more than 50% Australian ownership) contributed to the South African economy (2018-19)

- A \$10 billion industry value add
- A \$2 billion capital expenditure, and
- Employed over 13,000 South Africans.

Ex Australia, South Africa was ranked

- 5<sup>th</sup> behind New Zealand, the US, UK and ASEAN for industry value add
- 4<sup>th</sup> behind the US, UK and Canada for capital expenditure
- 7<sup>th</sup> behind New Zealand, ASEAN, the US, UK, EU and Canada for employment.

## Multilateral engagement

- Australia and South Africa are members of the WTO, G20, Commonwealth and IORA.

## Business interests

- The Australian Business Chamber of Commerce for Southern Africa (ABCSA) based in Johannesburg and founded in 2014 continues to strengthen with over 50 members.



<https://www.abcsafrica.org/>

- The Australia Africa Chamber of Commerce (AACC) based in Melbourne seeks to facilitate bilateral trade between Australia and Africa.



<https://www.australiaafrica.com/>

- Australian businesses ranked South Africa as a top twenty, first international export market, and equal to Canada, Vietnam and Taiwan in the 2019 Australian Business Survey (AIBS).
- ASX listed companies are the largest investor in South Africa's mining sector (followed by Canada, UK).
- Australia is the second largest source of business process services (BPS) in South Africa (after the UK), creating almost 10,000 jobs.

## Aid for trade

- **Australia Awards short courses** - The annual trade policy course draws African trade policy specialists to Cape Town, delivered by the Institute for International Trade - University of Adelaide. Other short courses exist for mine closures, extractives and climate change.
- **Australian Volunteers** - have been placed at the Trade Law Centre (Tralac), which is central to African trade policy research including for the Continental Free Trade Area (AfCFTA). Volunteers have also been placed at the South African Institute of International Affairs (SAIIA).
- **Australian Centre for Agricultural Research (ACIAR)** - A CIAR in partnership with the University of New England funded the High Value Beef Partnership project which aimed to develop high-quality free-range beef products from communal farmer herds to cost-effectively meet the preferences of consumers.

## Economic Diplomacy Events

- **Investing in African Mining Indaba** – largest African mining conference held annually in February in Cape Town. Australia's most substantial economic diplomacy event in Africa.
- **Africa Down Under (ADU) and Australia Africa Week (AAW)** – annual mining, energy, technology and education conference in Perth, usually held in September but moved to November in 2020 to be held as both a face to face and a virtual conference.
- Regular **ABCSA** networking and information briefings including with
  - Austrade AACC Africa Calling Sep 2020
  - AACC Eastern Cape Sep 2020
  - Trade and Investment KZN Aug 2020
  - Austrade Mining Update June 2020
  - Trade Advisory Group NWU May 2020
  - South Africa Mining August 2019
- **Science Expo** – held annually in December and hosted by South Africa's Council for Scientific and Industrial Research (CSIR) & Department of Science and Technology.
- **Tralac ecommerce workshop** – held in June 2019 in Cape Town with trade policy officials from across Africa to discuss approaches to ecommerce and digital trade.
- **IORA Trade Modernisation workshop** – held in June 2019 in Durban to discuss trade facilitation in the Indian Ocean. The report developed by the Institute for International Trade at the University of Adelaide was formally launched June 2020.

## Priority Projects

- **Square Kilometre Array (SKA)** - Australia and South Africa are the two host country locations for the SKA, an international project to build the world's largest radio telescope. The SKA Treaty should enter into force in late 2020.
- **Digital Earth Africa** – An initiative using Australian open source technology developed by CSIRO and Geoscience Australia using satellite data of land and water resources to improve water and agriculture management. The Open Data Cube will be an open source resource available to public and private sectors.