1. **INDIA-SOUTH AFRICA TRADE:**

India-SA trade in 2017-2018 (Apr’17-Feb’18) was at USD 9.380 billion with Indian Exports at USD 3.546 billion and Indian Imports at USD 5.834 billion.

From a continental perspective, 44.7% of South Africa’s total imports, and 32% of South African exports by value in 2017 were from/to Asian countries. India was the 4th largest importing partner and the 5th largest export destination for South Africa in 2017-18.

### INDIA-SOUTH AFRICA BILATERAL TRADE

(Figures in Billion USD)

<table>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INDIA’S EXPORTS</strong></td>
<td>5.074</td>
<td>5.301</td>
<td>3.588</td>
<td>3.052</td>
<td>3.546</td>
</tr>
<tr>
<td><strong>INDIA’S IMPORTS</strong></td>
<td>6.075</td>
<td>6.496</td>
<td>5.907</td>
<td>5.096</td>
<td>5.834</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>11.149</td>
<td>11.797</td>
<td>9.495</td>
<td>8.148</td>
<td>9.380</td>
</tr>
</tbody>
</table>

*Source: EXIM Data, Ministry of Commerce*

South Africa is still India’s largest trading partner in the Sub-Saharan Africa, after Nigeria. Like past years, the trade balance is still in favour of South Africa. This is shown as the earlier bilateral trade target of USD 10 billion was revised to USD 15 billion to be reached by 2014. Trade between the 2 countries proved to be immaculate as this target was achieved in 2011-12, 3 years ahead of schedule. The bilateral trade which dipped in 2013-14 had shown some recovery in 2014-15 up by 5.8%. However, in 2015-16 and 2016-17 the bilateral trade has declined to the lowest level in last 5 years. The Hon’ble Prime Minister during his visit to South Africa from 7-9 July, 2017 while addressing the India-South Africa CEOs’ forum and Business Meeting has emphasized on doubling the bilateral trade between India and South Africa in the next five years.

India’s exports to South Africa have seen more than a three-fold increase in the last 10 years: it increased from USD 984 million in 2004-05 to USD 3.546 billion in 2017-18. Currently India’s investment in South Africa is about USD 9.4 billion.

India’s imports from South Africa have increased dramatically from USD 292 million in 2004-05 to USD 5.834 billion in 2017-18.

There is substantial potential for trade growth between the two countries. As per information available with Department of Trade and Industry of South Africa, South Africa’s exports to India amounted to USD 4.2 billion or 4.7% of its overall exports.
Exports from India to South Africa include vehicles and components thereof, transport equipment, drugs and pharmaceuticals, engineering goods, footwear, dyes and intermediates, chemicals, textiles, rice, gems and jewelry, etc.

Import from South Africa to India include gold, steam coal, copper ores & concentrates, phosphoric acid, manganese ore, aluminum ingots & other minerals.

2. **SOUTH AFRICAN ECONOMY IN 2017:**

Despite a brief recession and bleak predictions for 2017, the South African economy had posted a higher than expected GDP. The South African economy grew by 1.3% in 2017, exceeding National Treasury’s expectation of 1.0% growth announced during the National Budget Speech. According to Stats SA, the fourth quarter experienced the highest growth rate of 2017, with the economy expanding by 3.1% quarter-on-quarter. Even though the growth rates are improving, it is not drastic enough to make a dent in South Africa’s massive unemployment problem.
South African annual growth is reflected above. Key facts from the fourth quarter 2017 GDP release:

- Unadjusted real GDP was up by 1.5% year-on-year.
- Nominal GDP in the fourth quarter was estimated at Rands 1.21 trillion (for the whole of 2017 the estimate is Rands 4.65 trillion).
- Expenditure on GDP grew by 3.1% in the fourth quarter, with positive contributions to growth coming from consumption, investment and net exports.

**PRIMARY SECTOR**

The strengthening in economic activity over 2017 was partly driven by an agriculture industry bouncing back from one of the worst droughts in recent history which grew by a far greater pace than any of the other sectors, quarter over quarter annualised. Even though agriculture only makes up around 2.5% of South Africa's economy, it contributed 0.8% of the 3.1% economic growth experienced by the South African economy for the 4th quarter of 2017. A bumper maize crop and recovery in other agricultural commodities saw agriculture production rise by 17.7% in 2017 compared with 2016.

Encouraging to the country, as seen in the graphic below is that the primary sector has grown. Furthermore one of the biggest sectors in the SA economy, the finance, real estate and business services industry showed quarter on quarter growth of 2.5%.

In terms of the noticeable growth in the primary sector, the agriculture and fishing industry has shown significant growth both in Q1:2017 and Q2:2017. This is largely a recovering taking place after the drought that South Africa experienced during 2016. The rest of the industry’s growth is subdued and very close to the zero line. This is indication of slow to no growth in South Africa’s economic environment.

Mining’s growth was spurred on, in part, by increased production of manganese ore, chrome, and iron ore. Rising demand for minerals used in the production of steel also contributed to these increases. This industry showed a growth by 12.8% in the first quarter of 2017. Other reasons resulting in the growth could be a consequence of a recovery in agriculture output as weather condition improved following a devastating drought in 2016. Also, higher prices for commodities contributed positively to the sector’s performance.
SECONDARY SECTOR

The secondary sector shrunk further from 1.8% in the fourth quarter of 2016 to 3.4% in the first quarter of 2017. This registered a third consecutive contraction. All major industries had negatively contributed to the economy. Electricity, Gas and Water (EGW) dropped by 4.8%, followed by manufacturing which dropped by 3.7%. Negative performance in the manufacturing industry resulted from drop in production of food and beverages, petroleum and chemical products while EGW was largely affected by decline in electricity production. Table below shows secondary sector economic performance between the first quarter of 2016 and the first quarter of 2017.

<table>
<thead>
<tr>
<th></th>
<th>1Q2016</th>
<th>2Q2016</th>
<th>3Q2016</th>
<th>4Q2016</th>
<th>1Q2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAN</td>
<td>0.6</td>
<td>7.6</td>
<td>-3.3</td>
<td>-3.1</td>
<td>-3.7</td>
</tr>
<tr>
<td>EGW</td>
<td>-5.4</td>
<td>-3.2</td>
<td>-2.5</td>
<td>2.4</td>
<td>-4.8</td>
</tr>
<tr>
<td>CON</td>
<td>0.8</td>
<td>0.1</td>
<td>0.7</td>
<td>0.4</td>
<td>-1.3</td>
</tr>
<tr>
<td>Secondary Sector</td>
<td>-0.1</td>
<td>4.8</td>
<td>-2.5</td>
<td>-1.8</td>
<td>-3.4</td>
</tr>
</tbody>
</table>

Source: Statistics South Africa data
Note: Data is seasonally adjusted and annualised rate at constant 2010 prices

TERTIARY SECTOR

The tertiary sector contracted by 2% in 2017 after quarters' positive growths. All industries contributed to the tertiary sector with wholesale, retail and motor trade; catering and accommodation (WRTRCA) dropped the most by 5.9 percent followed by Transport, storage and communication with 2.1 percent. Table below shows tertiary sector economic performance between 2016 and 2017.

<table>
<thead>
<tr>
<th></th>
<th>1Q2016</th>
<th>2Q2016</th>
<th>3Q2016</th>
<th>4Q2016</th>
<th>1Q2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>WRTRCA</td>
<td>1.9</td>
<td>1.6</td>
<td>-2.0</td>
<td>2.1</td>
<td>-5.9</td>
</tr>
<tr>
<td>TSC</td>
<td>-0.3</td>
<td>2.2</td>
<td>1.7</td>
<td>2.6</td>
<td>-1.6</td>
</tr>
<tr>
<td>FIBS</td>
<td>1.7</td>
<td>2.4</td>
<td>1.3</td>
<td>1.6</td>
<td>-1.2</td>
</tr>
<tr>
<td>GGS</td>
<td>1.4</td>
<td>1.3</td>
<td>2.0</td>
<td>0.9</td>
<td>-0.6</td>
</tr>
<tr>
<td>CSPS</td>
<td>1.3</td>
<td>1.8</td>
<td>1.4</td>
<td>1.0</td>
<td>-0.1</td>
</tr>
<tr>
<td>Tertiary Sector</td>
<td>1.4</td>
<td>1.9</td>
<td>0.8</td>
<td>1.6</td>
<td>-2.0</td>
</tr>
</tbody>
</table>

Source: Statistics South Africa data
Note: Data is seasonally adjusted and annualised rate at constant 2010 prices

South Africa's current account deficit increased to US$ 11 billion in the fourth quarter of 2017 from US$ 7.92 billion in the previous period. It was the largest current account gap since the first quarter of 2016. The trade surplus decreased to US$ 5.92 billion from US$ 7.36 billion, as imports advanced 9% while exports grew by only 6%. Also, the shortfall on service, income and current transfer payments went up to US$ 16.88 billion compared to a US$ 15.28 billion deficit. In particular, there was an increase in net dividend payments to non-residents and in net payments for services, namely for transport-related services linked to higher imports and payments for other services, such as intellectual property. In 2017, the current account gap narrowed to US$ 9.12 billion or 2.5% of the GDP from US$ 9.68 billion or 2.8% of the GDP.

CREDIT AND RATING AGENCIES:

South Africa dodged a bullet when credit ratings agency Moody's Investor Services put the country on review for a downgrade rather than reducing its status, as rival agency S&P and Fitch did. Moody's decision to put South Africa on review, rather than downgrade it outright, is a temporary stay of execution, as it means that South Africa, can remain in key global bond indices such as the Citigroup World Bond Index (WGBI). Moody's holds South Africa local and foreign issued debt at one rung above junk. However, all three agencies said sluggish growth and economic uncertainty were
worrying factors for the country. In May, Moody’s affirmed South Africa’s credit rating at Baa2 – two notches above junk, while keeping the outlook negative. Both Fitch and S&P left the credit rating at BBB- in June, one level above junk. These ratings were seen with sense of relief as many had expected junk status ratings.

Below is a table that shows the movement of South Africa’s credit rating since 2017.

<table>
<thead>
<tr>
<th>Rating</th>
<th>Outlook</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody’s</td>
<td>Baa3</td>
<td>Mar 23 2018</td>
</tr>
<tr>
<td>S&amp;P</td>
<td>BB</td>
<td>Nov 24 2017</td>
</tr>
<tr>
<td>Moody’s</td>
<td>Baa3</td>
<td>Nov 24 2017</td>
</tr>
<tr>
<td>Moody’s</td>
<td>Baa3</td>
<td>Jun 09 2017</td>
</tr>
<tr>
<td>Fitch</td>
<td>BB+</td>
<td>Apr 07 2017</td>
</tr>
<tr>
<td>Moody’s</td>
<td>Baa2</td>
<td>Apr 03 2017</td>
</tr>
<tr>
<td>S&amp;P</td>
<td>BB+</td>
<td>Apr 03 2017</td>
</tr>
</tbody>
</table>

The South African economy grew by 3.1% in the final quarter of 2017 – the highest quarterly growth rate since the second quarter of 2016. The stronger economic momentum towards the end of 2017 meant that Moody’s is dissuaded from downgrading SA’s credit rating to junk. Bloomberg reported that South Africa’s outlook for 2018 is improving. "Business confidence climbed to the strongest since October 2015 in January, having fallen to a three-decade low in August." Still, the latest positive economic surprise gives South Africa a much-needed reprieve. It also bolstered the Rand. The currency started the day at R11.85 to a dollar, and was last trading almost 1% stronger at R11.75.

Governments are gradually coming to the realisation that diversification is necessary to foster meaningful growth. But transformation cannot be achieved in isolation. Structural reforms and greater private sector participation are crucial to unlocking Africa’s potential. The South African Rand Merchant Bank’s (RMB) analysis of sectoral developments — specifically in the spheres of finance, infrastructure, resources and retail — strongly support this point of view.
In 2016, the South African Rand Merchant Bank warned in its own report that South Africa would lose its place at the top of the list of Africa’s top 10 investment destinations. The report says that SA faces the risk of losing its coveted spot in the next few years. They predict that this could happen due to a faltering growth outlook and uncertain business environment. This proved to be a correct prediction as they are currently sitting at the second best African country to invest in. However, despite this drop, the country remains a bastion of institutional integrity and continues to boast as one of the best-operating environments in Africa.

On RMB’s global investment attractiveness index of 188 countries, SA has dropped from being in the top 40 in 2006 to 45th now, with most African countries ranked between 120 and 188.

CONCLUSION

While South Africa’s Rand has weathered the emerging market currency storms better than its counterparts in 2017, the Rand has weakened ahead of credit ratings from two of the Big Three rating agencies. The South African economy in general is suffering from serious fallout from the current plunge in the price of minerals, said to be the worst slump in 40 years. South Africa’s economy, the second largest in Africa after Nigeria, is stagnating as electricity shortages, weakening global demand, lack of investor confidence and falling metal prices stifle output. Political leadership, lack of progress in implementing reforms at state-owned enterprises and the lack of deeper structural reforms to increase investment into the country is not improving the situation.

3. MINISTERIAL VISITS:

I. The Minister of Science & Technology and Earth Sciences, Dr. Harsh Vardhan, accompanied by a delegation of senior officers and scientists, paid an official visit to South Africa from 4-6 October 2017. In order to commemorate the 20th anniversary of India-South Africa cooperation in Science & Technology, they participated in a series of events in Cape Town and Durban. During the visit he had held a bilateral meeting with South African Minister of Science & Technology Ms. Grace Naledi Mandisa Pandor; 8 new projects on astronomy have been launched to help augment the Square Kilometre Array (SKA) radio telescope project led by South Africa, in which Indian scientists are contributing in several design work packages of SKA; a multi-institutional project on HIV Vaccine Research Collaboration has been initiated; and launch of Gandhi-Mandela Grass-Roots Innovation Programme (aimed towards sharing of open source technologies and IPR protection of traditional knowledge systems). The visit opened a new chapter of cooperation in Science & Technology, in areas of astronomy, astrophysics, grass-roots innovation in science and technology, renewable energy and the blue economy.

II. Minister of State for External Affairs General (Dr.) V.K. Singh visited South Africa from 16 - 18 October 2017 to attend the 8th IBSA Trilateral Ministerial Commission in Durban on 17 October 2017 and 17th Meeting of the Council of Ministers Indian Ocean Rim Association (IORA) on 18 October in Durban. On the side-lines of the meetings, MOS (VKS) had a bilateral meeting with South African Minister of International Relations & Cooperation, Ms. Maite Nkoana-Mashabane. MOS (VKS) had an audience with King Goodwill Zwelithini, King of Zulu nation and gifted two tractors from India to the Zulu People. MOS (VKS), in Durban, inaugurated the Government of India donated kitchen and dining room facilities at the Ramakrishna Abalindi old age home; inaugurated the Government of India donated Information Technology Centre at Phoenix Settlement; and officially opened the Mahatma Gandhi Memorial Exhibition. He interacted with members of Indian community of Durban at a reception hosted in his honor.
4. **INDIA BUSINESS FORUM:**

Indian companies in South Africa are networked together in a platform called India Business Forum. The High Commissioner of India is the patron of the Forum. The Consulate organised regular meetings of the Forum to get their inputs and discuss the way forward for Indian business in South Africa.

During the year of 2017, there were 2 meetings. The first meeting occurred on the 21st of September at the Consulate’s office and the second meeting occurred at the end of November at Melrose Arch where the Consulate organized an interaction of the India Business Forum with concerned senior officials in the Departments of Trade & industry, Home Affairs (DHA), Labour, Foreign Affairs (DIRCO), were present. During the interaction, the Indian companies actively engaged with the local officials to find solutions to problems plaguing Indian investments and companies in South Africa. They discussed about their investments and CSR activities they were engaged in. The discussion that followed included the need to raise funds. The High Commissioner requested that the IBF, with the assistance of the CII, develop a media campaign in order to raise these funds.

5. **SOUTH AFRICAN BUSINESSES IN INDIA**

South African investments in India are estimated to be around USD 1 billion. Leading SA companies include Old Mutual, FNB, Sasol, Shaft Sinkers, ACSA, Life Healthcare, Sanlam, Momentum, ALTEC, Smollan, SAB and Hollard which are amongst other companies having business operations in India.

**Sanlam- Sriram Capital JV:** Following the liberalisation in FDI norms in the Indian insurance sector, Sanlam raised its stake in their JV with Shriram Capital to 49%. They brought in approx. USD 200 million in new money from Indian business.

**Momentum- Aditya Birla Group JV:** South African insurance major MMI Holdings Ltd and Aditya Birla Nuvo Ltd (ABNL), part of the Aditya Birla Group, entered into joint venture agreements to provide innovative health insurance and wellness solutions in India. The partners are in advanced stage of business operations. As per the agreement, MMI Holdings will hold 49% and ABNL 51% in the JV to be named Aditya Birla Health Insurance Co. Limited (ABHICL). Though the value of the JV has not been disclosed, it is understood from company sources that it would be in the range of US$ 150 million. MMI sources claim that they would be bringing new and innovative products to India.

**Shaft Sinkers- Vedanta project:** Shafter Sinkers, a leading deep shaft making company, works in deep mining shafts in Bhilwara, Rajasthan for Vedanta. This is the second big project for Shaft Sinkers in India. The company is looking for new opportunities.

**NANDOS (INDAGE RESTAURANTS):** Nando’s Indage Restaurants Private Limited operates as a restaurant chain of Portuguese theme. The company was incorporated in 2004 and has a branch in Mumbai, India.

**Sanlam (Sri Ram Life Insurance):** Sanlam currently holds a 26% stake in Shriram Capital Limited (SCL) through Sanlam Emerging Markets (SEM). SCL has stakes in, among others, credit and insurance businesses.

**Old Mutual (Kotak Insurance):** Old Mutual Insurance company has tied up with Kotak Life Insurance.
**Airports Company of South Africa (ACSA):** Airports Company South Africa SOC Ltd is a state-owned company which has already invested in India by being a part of the consortium which built Mumbai International Airport.

Other companies with interests in India are: Bentel Associates (ICS Infrastructure), Old Mutual Properties, Sasol, Bateman Engineering, Naspers, India Frontier Advisory Services, De Beers, SA Tourism, Shoprite, Cape Clean, SAB Miller, Sun International, Adcock Ingram, Discovery Health, Ceres, Distell, Dorbyl, Aspen Pharmacare, Blue Label Telecoms, Nationwide Air, CC Africa, Global Village Commodities, etc. Many of these companies are now being helped by Invest India to establish and invest into India.

6. **INDIAN BUSINESSES IN SOUTH AFRICA**

Indian companies have a large presence in South Africa with an overall investment of over US$ 9 billion. There are more than 150 Indian companies operating in South Africa. All major Indian MNCs including TATA, Mahindra, Ranbaxy (Sun Pharma), TCS, WIPRO and TechMahindra are present in South Africa. The main areas of engagement are pharmaceutical; IT, automobile, banking and mining, but there are other sectors where our companies are doing brisk business.

**TATA Group**

**Tata Africa Holding:** This parent company of Tata operations in Africa is based in Johannesburg. TATA Group’s investment in South Africa would be well over USD 1 billion.

**TATA POWER:** Tata Power has two large scale power projects presently under way in South Africa and Zambia. In SA, Tata power has formed a JV with local black group EXXARO called CENNERGI. The JV is implementing a ZAR 750 million wind project [235 megawatt] in the Eastern Cape province of South Africa.

**TATA STEEL:** Tata steel has few iron ore mines in South Africa. It was running a chrome plant at Richards Bay which it has sold recently. Tata Steel processors: This Company is owned by Tata Africa Holding. It is into order supply of steel products as per specifications.

**IHMS Hotels:** This Company is a JV between Tata International and Taj Hotels. It runs a five-star Taj Capetown hotel in Cape Town. The company is looking for new ventures and tie-ups in Africa and South Africa.

**TATA Capital:** Tata Capital opened its office in South Africa in 2013. The company is in its infancy stage of operations.

**TATA Motors:** Tata Motors has an assembly plant near Rosslyn outside Pretoria. Tata vehicles are doing well in the truck and pick-up van segments in SA. Recently they rolled out their 5,000 truck. In the car segment, their market penetration is not that impressive.

**TATA CONSULTING ENGINEERS LTD:** TCE has been active in the power sector. They have some 40 engineers working on new power plants that our coming up in the country.

**Information Technology**

**TCS:** Of all the IT companies, TCS has the largest presence in South Africa. The company has a local Black Economic Empowerment partner which holds 30% in the venture.
WIPRO: WIPRO has substantial presence in South Africa. They have recently launched a Chief Information Officer [CIO] programme at the Gordon School of Business Science to strengthen their presence in South Africa.

HCL Technologies: HCL has a diversified presence in South Africa. The company looks after all its Africa and Middle East operations from Johannesburg.

L&T Infotech: The Company is active in the financial services space. It also runs an off-shore development centre for training local youths in IT skills.

ZENSAR: This RPG group company opened its office in South Africa in 2000. It presently employs over 600 people and is active in the banking, retail, manufacturing and insurance space.

NIHILENT: Nihilent started its South Africa operations in 2000. It employs over 300 people and is engaged in financial services, media, business processing, and retail space.

INFOSYS: Infosys operations in South Africa are small. The company launched a BPO operation comprising 20 employees in 2013. Phillips is its leading client in South Africa. It is engaged in several small IT projects especially in the mining sector.

Millennium Technologies: Millennium Technologies is a small size IT company but it has seen significant growth in the last two years.

Alt Africa: Alt Africa is engaged in e-learning space. They are running several projects on e-learning in government schools in various provinces of South Africa.

In addition to the above, there are a large number [approx. 25 plus] of small size Indian IT companies in South Africa.

Banking and Financial Services

State Bank of India: The State Bank of India is the leading Indian Bank in South Africa. It opened its operations in South Africa in 1997. The bank has branches in several cities of South Africa.

Bank of Baroda: Bank of Baroda opened operations in 1997 in South Africa. The bank has branches in Johannesburg and Durban and is involved in corporate and commercial banking. It is largely focused on financing Indian projects in South Africa and Africa. The bank’s exposure in South Africa was around US$ 400 million. Due to restructuring of its operations worldwide, Bank of Baroda has started closing its South African operations.

ICICI Bank: ICICI Bank got license to operate in South Africa a couple of years back. Earlier, it just had a Representative Office. The company is looking at trade financing as its business strategy targeting local and Indian companies.

Canara Bank: Canara Bank opened its operations in South Africa in 2014. Since then, the company has done well and acquired several businesses. Canara Bank is awaiting license to start their retail business.

Bank of India: Bank of India has been in South Africa since 2012. It has a conservative business approach. BOI is also awaiting license to start their retail business.
EXIM Bank: EXIM Bank shifted its Africa operations from Abidjan to Johannesburg in 1997. The Bank has a pan-African exposure of around USD 7 billion. In South Africa, it financed a Suzlon wind power project of 120 Megawatt few years back.

GIC RE South Africa Ltd: GIC acquired RE South Africa in 2014. In few years of its existence, the company has done well, crossing over US$ 100 million in business. GIC RE is looking at opportunities for tie-ups with South African insurance companies and has largely succeeded.

Mining and Natural resources

Jindal Africa: Jindal Africa is headquartered in Johannesburg. The company has coal mining operations in South Africa. It has mining interests in Botswana and Mozambique as well.

Vedanta: Black Mountain Company [owned by Vedanta] is the largest Indian investment in South Africa. The company bought a large Zinc mine in Northern Cape province for around USD 700 million in 2015 and has invested close to US$ 1 billion in the project due to begin by mid 2018. Black Mountain is looking to acquire new assets in South Africa and Africa taking advantage of the slump in commodity market. Vedanta has recently bought shares in Anglo American in South Africa worth USD2.4 billion.

Cairn India: Cairn India has formed a JV with Petro SA and is engaged in off shore exploration in Block 1 covering as area of 20,000 square Kms in Orange Basin. The exploration is in its initial stage.

Osho Ventures: Osho is into coal mining and trading. They have recently bought few coal mines taking advantage of the slump in commodity market.

Atha: Atha Group has acquired coal assets in Waterberg area of South Africa. It is developing some mines.

Action Group: Action group is into mining of coal and other minerals. They are also investing in a SEZ near Dube port in Durban.

Sun International: Sun International has stakes in FOSKOR, a leading South African company manufacturing phosphoric acid and MAP [phosphate]. It is also involved in iron ore and coal trading. The company is in the initial stages of acquiring 11,000 hectares of reclaimed land to begin commercial farming. The model being adopted is to make the community a business partner, share revenue with them and developing their skills.

Coromandel Fertilizer: Coromandel Fertilizer has 14% stake in South African fertilizer company FOSKOR.

MMTC: Metals and Minerals Trading Corporation [PSU] used its Johannesburg office to deal with commodities- rice, gold, manganese, gold etc., but has since closed its offices.

KGK Diamonds: KGK is the biggest diamond processing and trading Indian company based in SA.

A & B Global Mining: This Company is active in trading of natural resources- coal, iron ore, manganese and copper.
Oriental Rubber Industries: This Pune based company manufactures industrial conveyor belts for the mining Industry.

Swancot South Africa Pty Ltd: This Company deals with scrap, minerals and textile trade.

Natel Group: Natel Group is engaged in trading of minerals and pharma products.

Arctocel: Arctocel is engaged in trading of minerals and food stuff.

Automobile

[TATA Motors: Already detailed above]

Mahindra & Mahindra: Mahindra vehicles are doing very well in South Africa. Their SUVs and Pick-up vans are a major success.

Motherson Sumi: This Noida based company is an OEM supplier for Toyota and Ford in SA. Motherson has units in Pretoria and Durban.

KLT: KLT manufacturing precision tubes, hydroforming components and automotive chassis for Ford and other companies.

Ashok Leyland: Ashok Leyland has been present in South Africa for several years. Their vehicles have negligible presence but the company has collaborations with South African entities for various products and services for its India operations.

Pharma

CIPLA: CIPLA is the largest Indian pharma player in South Africa. It bought a local SA company Medpro based in Durban for USD 500 million. CIPLA is looking to expand its presence in SA.

Ranbaxy SA PVT Ltd: Even after the takeover by SUN group, this company retains its old name. Ranbaxy has a plant in South Africa to produce HIV anti-retroviral drugs. It also has a local JV called SONKE Pharma.

Dr. Reddy Labs: Reddy Labs has sizeable presence in South Africa with a large number of products in the market. It, however, does not have a manufacturing unit.

Aurobindo Pharma: Aurobindo Pharma is operating in South Africa under different brands.

Himalaya: Himalaya products are doing well in South Africa. The company recently got several of its products on the shelf of DISCHEM, a leading SA pharma chain.

Zydus Healthcare: Zydus has sizeable presence in South Africa in the generics sector.

Dabur: Dabur's engagement in South Africa is in the hair gel and related products segment.

Medreich: Medreich is in the process of selling its South African company.

Hetero Drugs: Hetero is engaged in contract manufacturing for leading SA pharma companies- Aspen and Adcock. They are also active in the ARV space.
**Pharma Pvt Limited**: They deal with bulk drugs and APIs.

**Infrastructure and manufacturing**

**National Small Industries Corporation**: NSIC [PSU] has been in South Africa since 1996. Recently, it entered into an MOU with the Black Business Council to put up 5 Incubation centres in South Africa. NSIC has undertaken few turnkey community projects in the country.

**SUZLON**: Suzlon has set up few wind farm projects in South Africa.

**L&T Infrastructure**: L&T has been exploring possibilities of doing large scale EPC work in South Africa. They have also formed a JV in the country.

**Extrupet**: Extrupet is Africa’s largest PET [plastic] recycler. It has 5 plants in South Africa employing 500 people. This group is owned by Chan Rai family of Mumbai.

**Ion Exchange**: Ion Exchange is into water treatment business. They have made good in-roads and are in talks with infra major Stefanutti Stocks for large scale projects.

**IRCON**: IRCON bagged a major contract worth USD 50 million for undertaking signal and track work for SA railway major TRANSNET. IRCON is in the process of setting up its office in Johannesburg.

**Sterling and Wilson**: Sterling Wilson, a Shapoorji Pallonji company, is undertaking a large-scale EPC contract for a solar power plant in Cape Town area. The EPC is worth USD 200 million.

**Bray Bar Pumps Pvt Limited**: Bray Bar is a Kirloskar group company. They deal in water pumps of all specifications. The company also looks after a unit of SPP. SPP, a UK based pump company was acquired by Kirloskar few years back.

**CRI Pumps**: CRI is active in water pump space. It has several projects going on with parastatal companies in water supply and is one of the leading water pumps suppliers in South Africa.

**McNally Bharat Eng. Co Ltd**: McNally Bharat is engaged in design, equipment manufacturing and EPC work. They have completed two projects in Zambia and are presently looking at developing a Flour Spar beneficiation project in South Africa.

**Synthetic Polymers**: Synthetic polymers manufacturer organic chemicals. The company was set up three years back and is doing very well.

**Praj Industries**: Praj has a commercial office in Johannesburg. The company is into selling machinery for sugar plants, distillery, brewery and water treatment. From its Johannesburg base, Praj has been able to expand its presence in Africa.

**Joburg Industrial Trading SA**: This trading company belongs to the Kirloskar group and looks after the whole of Southern Africa. They are into trading of all Kirloskar products-gensets, diesel engines, chillers, compressors etc.

**Apollo tyres**: Apollo has established two manufacturing units in South Africa. They have since sold one of their unit to Sumitomo of Japan and closed down the second. The company is now involved only in trading of tyres.
**Allied Steel:** Allied steel is one of the leading producer of steel products of certain specifications. They are a key supplier to Arcelor Mittal in South Africa.

**India Steel:** India Steel is a medium size steel producer. They also deal in scrap metal.

**Arcelor Mittal:** Arcelor Mittal South Africa is the largest steel make in Africa. The company has two large factories and is also into producing chemical and coke.

**SRF:** SRF Flexipack has a state of the art BOPP film manufacturing [plastic packaging] plant close to Durban. The plant was commissioned in 2014 and the value of investment is USD 65 million.

**GPT:** This Kolkata based company has manufacturing unit in Kwa-Zulu Natal province. They make concrete railway sleepers

**Media**

**ZEE Group:** ZEE TV has about 9 channels running in Africa. These operations are managed through its head office in Johannesburg

**CNBC Africa:** CNBC Africa owned by ABN Group (Founder Chairman is an Indian national Mr. Rakesh Wahi) has a TV channel, online news and entertainment and Forbes Africa magazine in South Africa. It also has some potential university education projects in other countries in Africa.

**Hospitality and Services**

**Extraordinary Group:** Extraordinary group owns few lodges in South Africa. The company also manages several resorts in Southern Africa.

**Jet Airways:** Jet Airways has an office in Johannesburg. They were flying to Johannesburg from India till 2012. Thereafter, they were in code-sharing arrangement with South African Airways. With 49% Etihad stake in Jet, the airlines still maintains its office in Johannesburg. Etihad has daily flights from Abu Dhabi to Johannesburg.

**Raj Group:** Raj group is into events and hospitality. The company has 27 chain restaurants in South Africa

**Ratan Foods:** Ratan Foods is engaged in large scale poultry projects.

**Titagarh Wagons Limited:** Kolkata based Titagarh Wagon Limited is in the processing of opening an office in Johannesburg. The company is interested in manufacturing wagons for Transnet and PRASA.

**Champalal Group:** Champalal Group, a Gujarat based chemical company will be opening a trading office in Johannesburg soon.
7. **INDIA-SOUTH AFRICA BUSINESS ENGAGEMENT IN 2017: VISITS AND EVENTS**

**Commercial delegations and participation in local Exhibitions/Trade Fairs**

<table>
<thead>
<tr>
<th>No.</th>
<th>Event</th>
<th>Delegation Details</th>
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<tbody>
<tr>
<td>1.</td>
<td>APEDA – Flavours of India - 1-3 February 2017 – 23 member delegation</td>
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<td>3.</td>
<td>Council for Leather Exports organized the India Leather &amp; Footwear Exhibition during March 8-9, 2017 at Cape Town</td>
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<td>4.</td>
<td>Engineering Export Promotion Council (EEPC) – 20 Member delegation – 29 March 2017</td>
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<td>5.</td>
<td>Silk Export Promotion Council – 31st march 2017 – 20 member delegation</td>
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<td>6.</td>
<td>Africa Health – June 7-9, 2017 Gallagher Convention Centre, MidRand, Johannesburg</td>
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<td>7.</td>
<td>SAITEX &amp; Africa Big 7– June 25-27, 2017, Gallagher Convention Centre, MidRand Johannesburg led by ITPO</td>
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**Official Delegation Visits from India to South Africa**

1. A 12-member delegation of Women Entrepreneurs from the North-East led by the NSIC visited Johannesburg during June 24-28, 2017 and visited SAITEX and local NGO engaged in handicrafts.

2. Study visit of delegation to examine the feasibility of Silos in India and the technique being used in South Africa led by Minister of State for Food, Civil supplies & Consumer Affairs Government of Haryana Mr. Karan Dev Kamboj. The delegation is on a study tour to South Africa (8-16 July 2017)

3. Dr. S.K. Pattanayak, Secretary, Department of Agriculture, Cooperation & Farmers Welfare accompanied by a delegation visited South Africa to attend the 2nd India - South Africa Sanitary & Phytosanitary Committee meeting in Cape Town from 28 August to 4 September 2017 and also discussed market access issues with the South African side and visited Fruit processing and packaging plants in Mpumalanga province.

4. A 2-member delegation from Indian Oil Corporation Delhi, for a follow up on the MOU signed in September 2017 between Indian Oil Corporation and PetroSA, South Africa, November 12, 2017.

**Official Delegation Visits from South Africa to India**

1. Business Delegation led by DTI from 18-30 November 2017 – An official delegation to India for the Pharma sector visited Bangalore, Ahmedabad, Kolkata and Hyderabad and held discussions with various Indian pharma companies like Micro Labs, Zydis-Cadila, Torrent Pharma, Mylan, Aurobindo Pharma, in a bid to invite and interest these companies to invest in South Africa.

**20-years of Strategic Partnership**

The year 2017 marked the 20 years of signing of the Red Fort Declaration for Strategic Partnership between India and South Africa. To commemorate the 20th Anniversary of the Red Fort Declaration of Strategic Partnership between India and South Africa, a cultural extravaganza was organized by High Commission of India in Pretoria on April 9, 2017. The event was well-attended by
South African ministers, members of the diplomatic corps, senior officials of the South Africa government and members of the Indian community.

**Promoting tourism to India**

The Government of India Tourist Office (GOITO) which was in Johannesburg for promotion of tourism from South Africa to India has since been closed w.e.f. April 2018. The Post used to provide full support to GOITO in Johannesburg in organization of events/activities for promoting tourism to India and promotional tourism material is showcased at each of the events in the Consulate.

**Trade Enquiries**

During the year 2017-18 the Consulate received and replied to more than 586 trade enquiries from India and around 7 from South African companies seeking details of importers and distributors for a wide range of products in South Africa and India respectively.

**Trade Disputes**

During the year 2017-18, the Consulate received information on 10 trade disputes from Indian companies and 3 from South African companies. We have been actively working to resolve these disputes through redressal mechanisms and have succeeded to some extent in some cases.

**Bi monthly/Quarterly Commercial Reports**

Reports were sent regularly from April 2017 to March 2018.

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