

### THE HUB COVERS THE ENTIRE SOUTHERN AFRICA REGION

The Southern Africa Trade and Investment Hub operates in some of the most politically and economically stable countries on the continent. South Africa is the frontrunner in terms of economic development and investment climate.

The program works with eight Southern Africa Development Community member states: Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland and Zambia. The Hub is assessing potential activities in Angola, the Democratic Republic of Congo, and Zimbabwe.

The Southern Africa Trade and Investment Hub is based in Pretoria, South Africa and Gaborone, Botswana, with resident advisors in Malawi and Zambia.



### THE HUB'S ADVISORY TOOLKIT

	U.S. Investors & Private Equity Firms	U.S. Corporations	U.S. Pension Funds
On-the-Ground Country Intelligence	✓	✓	✓
Introduction to Local Partners	✓	✓	✓
Identification of Acquisition Targets	✓	✓	✓
Opportunity Validation	✓	✓	✓
Tailored Market Studies	✓	✓	✓
Market Entry Strategy	✓	✓	-
Commercial and Operational Due Diligence	✓	✓	✓
Financial Analysis and Deal Structuring	✓	✓	✓
Investment Implementation Strategy	✓	✓	-
Technical Assistance	✓	-	-
Fundraising Support	✓	-	✓



**USAID/Southern Africa**  
100 Totius Street  
Groenkloof  
Pretoria, South Africa  
[usaid.gov/southern-africa-regional](http://usaid.gov/southern-africa-regional)

**Trade and Investment Hub**  
[satihub.com](http://satihub.com)  
[info@satihub.com](mailto:info@satihub.com)

**Pretoria Hub Office**  
The Corner Office  
410 Lynwood Road  
Pretoria,  
South Africa

**Gaborone Hub Office**  
Unit 16 C & D  
iTowers North  
CBD Gaborone  
Botswana



The United States Agency for International Development's (USAID) Southern Africa Trade and Investment Hub (the Hub) is a powerful and established economic growth platform that assists U.S. businesses and global investors to seize growth opportunities in Sub-Saharan Africa.

The Hub partners with private and public sector organizations, business and industry associations, international development agencies and financial institutions across Southern Africa to deepen regional economic integration, promote two-way trade with the U.S. under the African Growth and Opportunity Act (AGOA), and attract investment that drives commercial expansion within the region and to global markets.

The Hub's dedicated Finance and Investment team works with financial institutions to identify prospective opportunities and develop innovative solutions that enhance African businesses' access to finance and investors' ability to generate returns on investments. The Hub facilitated over US\$45 million worth of transactions in its first year of operations.

### WHY AFRICA?

Africa is home to the world's fastest growing, working-age urban populations. The total population is expected to double to 2 billion by 2050, with 40 percent living in urban areas. These burgeoning urban middle classes are fueling a rise in Africa's global trade in everything from imported beverages to fiber optic equipment. According to the United States' President's Advisory Council on Doing Business in Africa, African states will spend between US\$50 billion to US\$90 billion yearly on infrastructure projects that offer an average rate of return of 29 percent.





## THE SOUTH AFRICA GATEWAY

As the most developed and diversified economy on the continent, South Africa offers U.S. businesses and investors the kind of hard and soft infrastructure required to fuel expansion. South Africa boasts well-functioning legal and regulatory systems, a relatively deep pool of experienced local partners, established road and ports infrastructure (Durban is the fourth largest container port in the Southern Hemisphere), and a vibrant financial services sector (the Johannesburg Stock Exchange is among the world's 20 largest exchanges by market capitalization).

South Africa also boasts preferential access to export markets in the United States, its third largest partner in two-way trade by value, as well as to markets in the European Union and Southern Africa, where its integration into the regional economic infrastructure as formalized by membership in the Southern African Development Community (SADC), the Southern African Customs Union (SACU) agreement with Botswana, Namibia, Lesotho and Swaziland, and the World Trade Organization (WTO). South Africa exports 17 percent of its goods and services to other African states.

## SOUTH AFRICA'S RANKING AS AN INVESTMENT DESTINATION

- 82 out of 190 countries on World Bank's Ease of Doing Business Ranking (June 2017)
- 47 of 140 on DHL Global Connectedness Index (2017) which measures cross-border flows of trade, capital, information and people
- 57 out of 127 on INSEAD's Global Innovation Index (2018), which assesses economies' innovation potential according to 81 indicators that include political environment, education, infrastructure and business sophistication
- 77 out of 180 on the Heritage Foundation Index of Economic Freedom (2018), which evaluates 12 "freedoms," such as property rights, rule of law, financial freedom and regulatory efficiency

## THE U.S. IN SOUTH AFRICA

Approximately 800 U.S. businesses already operate in South Africa. Given projections of sustained demand for infrastructure and trade, these and more U.S. companies could potentially play a critical role in designing, financing, building, and operating major infrastructure projects in the region. Here are five reasons why U.S. companies should consider South Africa as an investment and/or export destination:

- South Africa's business ecosystem, including legal, communications, accounting, forensics, logistics and process outsourcing infrastructure, are arguably the best in Africa
- South Africa is a business incubator for new-to-market ideas
- South African companies are frontrunners into other African economies, making them potent partners for lower-risk entry into third markets
- South African companies are receptive to various partnering arrangements with U.S. companies, from joint ventures, to agency, to licensing, to mergers and acquisitions
- South Africa uses the English language as its principal business medium

## FDI FACTS FOR AFRICA

As of 2017, the United States remains the largest investor in Africa with foreign direct investment (FDI) inflows of \$64 billion between 2010 and 2015, followed by the United Kingdom (\$58 billion), France (\$54 billion), China (\$35 billion), South Africa (\$22 billion), Italy (\$22 billion), India (\$17 billion), Singapore (\$16 billion), Switzerland (\$14 billion) and Malaysia (\$12 billion).

*\*Source: United Nations Conference on Trade and Development (UNCTAD) World Investment Report (2017).*

## THE TRADE AND INVESTMENT HUB'S SERVICES

For U.S. businesses seeking new footprints in Africa, the Southern Africa Trade and Investment Hub offers a robust network of leading financial institutions, trade and investment associations and U.S. government agencies to facilitate transactions in South Africa and beyond.



## THE HUB OFFERS BESPOKE SERVICES TO U.S. CLIENTS INTERESTED IN EXPANDING IN SOUTHERN AFRICA

- Regulatory and market assessment services and commercial due diligence to support corporate and investment-driven financial transactions
- Partnerships with local banks that enable American equity investors to find local debt capital to quickly close on transactions
- Long-standing institutional knowledge and experience collaborating with regional economic entities such as the Southern African Development Community (SADC) to overcome market-entry and analysis challenges while helping to remove non-tariff barriers to trade and harmonizing customs norms and procedures
- Convening power with key stakeholders in the region as well as U.S. government agencies to help financial institutions to execute transactions, providing significant impetus to facilitating American private capital investment in the region

## THE HUB'S SOUTH AFRICAN NETWORK

- American Chamber of Commerce in South Africa
- Corporate Council on Africa
- Wesgro, the tourism, trade and investment promotion agency of Cape Town and the Western Cape
- U.S. Commercial Service
- U.S. Trade Representative
- U.S. International Trade Commission
- South Africa Department of Trade and Industry
- Trade & Investment KwaZulu-Natal, the trade and investment agency of KwaZulu-Natal