

Acknowledgements and Editorial

A Guide to Doing Business in South Africa is the result of many hours of hard work and diligent research by Shirley Hatzkison, our Librarian, and the technical contributions on Taxation and Foreign Exchange by Kent Karro from Cape Town and Julian Levison from Johannesburg, who added their expertise and experience. Without their collective interest, care and enthusiasm in this first national effort, this booklet would not have been possible.

On behalf of our newly formed family of **Horwath South Africa**, it is with sincere appreciation that I express my thanks to Shirley. This booklet is also the result of her astute enquiries, planning, forethought and unending hours of effort when she always sought to go the extra mile. Shirley has always demonstrated that nothing was too much trouble and her engaging sense of humour made her a delight to work with!

With the help and support I received my task was made that much easier in conveying to readers what the Rainbow Nation can offer – a wonderful Threshold of Opportunity!



Louis Defries
Managing Partner
Horwath Leveton Boner
Johannesburg

October 2006

A Guide to Doing Business in South Africa



First edition
October 2006

Horwath South Africa Member Firms

Horwath South Africa Member Firms **Horwath Leveton Boner****Johannesburg**

PO Box 652550
Benmore, 2010
South Africa
Tel: +27-11-217-8000
Email: info@horwathsa.co.za

3rd Floor
72 Grayston Drive
Sandown, 2196, Johannesburg
Fax: +27-11-217-8001
Web: www.horwathsa.co.za

 **Horwath Zeller Karro****Cape Town**

PO Box 43
Cape Town, 8000
South Africa
Tel: +27-21-481-7000
Email: hzk@horwath.co.za

7th Floor, 5 St George's
St George's Mall
Cape Town, 8001
Fax: +27-21-481-7081
Web: www.horwath.co.za

 **Horwath Mahomedy Omar Paruk****Durban**

PO Box 303
Durban, 4000
South Africa
Tel: +27-31-337-3311
Email: hmop@horwath.co.za

22 Aliwal Street
Durban, 4001
Fax: +27-31-337-3312

 **Horwath Lubbes****Pretoria**

P O Box 1353
Pretoria, 0001
South Africa
Tel: +27-12-348-6335
Email: hl@horwath.co.za

Block 3A
Sandwoodpark, 379 Queens Crescent
Lynnwood, Pretoria, 0081
Fax: +27-12-348-6384

About Us

Horwath is represented in South Africa in the four major business centres – **Johannesburg (the financial capital of South Africa), Cape Town, Durban and Pretoria**. Each of the independent firms is well respected in their own geographic area and together the firms provide broad coverage of the country. Each of the firms is dedicated to client satisfaction through professional excellence and personal service.

Horwath Leveton Boner

Horwath Leveton Boner was established in 1928 and has, through various mergers as well as organic growth developed into the firm it is today. The firm consists of 17 partners with a total staff complement of over 120. Horwath Leveton Boner is located in the heart of Sandton, which has become the business centre of Johannesburg.

Horwath Zeller Karro

Horwath Zeller Karro is located in Cape Town city centre, at the foot of the majestic Table Mountain. The firm originated in 1937 as a one-man audit and accountancy practice and has, through merger and internal growth, developed into the multi-disciplinary professional firm it is today. The firm has seven partners and an executive consultant, with a total staff complement of over 70.

Horwath Lubbes

Horwath Lubbes is situated in Lynnwood, east of the Pretoria Central Business District and close to the University of Pretoria. The firm was established in October 1993 and has been operating since then at the current premises. The firm was founded by Mr. Willie Lubbes, a now retired past president of the Gauteng Society of Chartered Accountants. Horwath Lubbes consists of four partners with a total staff complement of 30.

Horwath Mahomed Omar Paruk

Horwath Mahomed Omar Paruk is located in the central business district of Durban, close to the scenic Durban Harbour and Yacht Mole. The firm comprises five partners together with a complement of trainee accountants and accounting and administration staff in excess of 60.

Table of Contents

Preface	7
Introduction	7
Tourism	7
Geography & Climate	8
Demographic Information	8
Population	9
Health	9
Education	10
Constitution, Politics and Legal System	10
Foreign Policy	10
African Renaissance	11
New Partnership for Africa's Development (NEPAD)	11
African Union (AU)	11
Economy	12
Accelerated and Shared Growth Initiative for South Africa (ASGI-SA)	12
Industrial Development Corporation (IDC)	13
Skills Development	13
Crime	13
Expanded Public Works Programme (EPWP)(Public Works)	14
Spatial Development Initiatives (SDI)	14
The Effect of 2010 Soccer World Cup on the Economy	15
Gautrain	15
Investing in South Africa	16
Trade with SA	16
Business Entities and Start Up Requirements	16
Corporate Governance	17
Black Economic Empowerment (BEE)	18
Johannesburg Securities Exchange (JSE)	19
Money Laundering	19
Financial Services Board (FSB)	20
Exchange Control	20
Tax System	21
Individual Tax	21
Corporate Tax	22
Secondary Tax on Companies (STC)	22
Dividends	22
Value Added Tax (VAT)	22
Stamp Duties	22

Transfer Duty	22
Capital Gains Tax (CGT)	23
Securities Tax	23
Estate Duty	23
Donations Tax	23
Skills Development Levy (SDL)	23
Customs and Excise Duties	24
Foreign Income	24
Pensions	24
Foreign Dividends	24
Controlled Foreign Companies (CFC)	24
Taxation of Non-Residents	25
Interest	25
Dividends	25
Capital Gains Tax (CGT)	25
Estate Duty	25
Exemptions from Tax	25
Public Benefit Organisations (PBO)	25
Research and Development	25
Other Allowances	25
Other Legislation Affecting Business	26
Labour and Employment Law	26
Trade Unions	26
Labour Relations Act (LRA)	26
Bargaining Councils	26
Basic Conditions of Employment Act	27
Employment Equity Act	27
Competition Law	27
Intellectual Property	27
Communications	27
Foreign Exchange Rates	28
Useful Contacts and Websites	29
Interesting Facts about South Africa	30
Economic Barometer	32
The Hamburger Standard	33
Public Holidays 2007	34
Map of South Africa	35
Bibliography	36
Notes	38

Preface

The information in this guide was correct at the time of publication. Please consult with us for up to date information before making any significant business decisions based solely on the data in this publication.

Introduction

This booklet has been prepared as a guide to encourage those who are interested in looking for business opportunities and investing in South Africa. South Africa offers a unique highly developed first world economic infrastructure with a vibrant emerging market economy. Established trade links in the rest of the continent make South Africa a useful gateway for doing business in Africa, particularly in the sub-Saharan region.

"South Africa is proof that the image of Africa so often portrayed as beset with chaos and failure is a travesty of the truth. The country is the embodiment of democracy in Africa, peaceful transition and co-existence between communities".

(Dominique de Villepin, French Prime Minister, 2006)

South Africa is often referred to as "the rainbow nation", a term coined by Archbishop Desmond Tutu and used by former President Nelson Mandela to describe the country's multicultural, ethnic and religious diversity and cosmopolitan mix of inhabitants.

Tourism

The attractions of the country, which include the abundant natural resources, diverse flora and fauna, magnificent scenery, teeming wildlife and relatively cheap cost has made it an increasingly popular tourist destination.

Cape Town boasts the magnificent Table Mountain, pristine beaches, scenic drives and famous wine lands, and is considered one of the premier leisure and business tourism destinations in the world. Cape Town was voted 6th best city to visit in a 2006 "Top Ten" travel destinations poll in the Travel & Leisure magazine.

There are twenty-one national parks in South Africa including the world famous Kruger National Park. Seven World Heritage sites are found in South Africa out of total of 812 international sites. Eco-tourism is another reason why many international travellers visit South Africa. The country has much environmental and cultural diversity to offer.

The eco-tourist gives economic benefit to the local communities and helps sustain the precious natural resources of South Africa.

In 2005, a record 7,4 million tourists visited South Africa, 10,3% up on the previous year. Tourism currently accounts for 8% of the GDP, and has the potential to contribute 12% by 2014. Tourism is the country's leading foreign currency earner.

Geography & Climate

South Africa is situated at the southern tip of the African continent. The area of the country covers some 1 200 000 square kilometers (473,000 square miles). It has an extensive coastline, with the Atlantic Ocean to the west and the Indian Ocean to the east. It shares its northern border with Namibia, Botswana, Zimbabwe, Swaziland, and Mozambique. The Kingdom of Lesotho is an enclave entirely surrounded by South Africa.

South Africa has a variety of climate zones but the weather is mostly moderate and sunny and annual rainfall is fairly low. Water conservation is a priority.

There are nine provinces: Western Cape, Eastern Cape, Mpumalanga, Kwazulu-Natal, Northern Cape, Limpopo, North West Province, Free State and Gauteng. Pretoria (Tshwane) is the administrative capital. Johannesburg is the main business centre where most corporate headquarters and the Stock Exchange are located. Cape Town is the seat of Parliament (legislative capital) and Bloemfontein is the seat of the Supreme Court of Appeal (judicial capital).

Demographic Information

According to the United Nations Human Development Index (HDI), South Africa has made substantial progress in the spheres of economics, education and health care facilities since the advent of democracy in 1994.

Population

South Africa's population totalled 46.89 million people according to mid 2005 estimates. There are 11 official languages i.e. English, isiZulu, isiXhosa, Afrikaans, Sepedi, Sesotho, Swazi, Ndebele, tshiVenda, Setswana and xiTsonga. English is the preferred language of commerce.

Health

The South African public health care system is currently in transformation. The Department of Health is improving primary health care throughout the country, particularly in the rural areas. In a survey done in 2004, it was concluded that 21% of the South African population was estimated to be HIV positive. The AIDS pandemic is having a catastrophic effect on the population, life expectancy and labour force of South Africa. In June 2006 the South African government allocated R200-million over the period of 2007-2008, to an intensified communication and social mobilisation campaign aimed at cutting down new HIV infections in the country. South Africa's HIV/Aids treatment programme is now the largest in the world, with over 200 000 South Africans receiving anti-retroviral medication through public and private health care facilities.

The Prenatal HIV Research Unit under the directorship of James McIntyre and Glenda Gray at the Chris Hani Baragwanath Hospital in Soweto, Johannesburg, is one of the largest research centres on the continent, partnering with many other organisations engaged in research across the spectrum of HIV/Aids. Preventing mother-to-child infection of HIV, examining the economic impact of HIV/Aids on families, and researching the best treatment, care and support of people living with Aids are some of the many complex research programmes undertaken by this unit. Most large corporations as well as business in general are participating in HIV/Aids programmes for employees which provide awareness, education, counselling and voluntary testing, as well as supporting, advising and providing anti-retroviral therapy if needed for employees and their families.

Private medical care is of a very high standard and South Africa boasts excellent doctors and surgeons. The era of "medical tourism" has arrived. Attracted by the country's world-class surgeons, spectacular tourist destinations and a favourable exchange rate, foreigners are flocking here for affordable operations such as cosmetic surgery, heart bypass surgery, hip and knee surgery, dentistry and luxurious post-operative holidays.

Education

South Africa has many excellent state and private schools. Primary, secondary and tertiary education is financed for the most part by the government. 5.4% of the GDP has been allocated to education. South Africa boasts excellent large and internationally recognised universities, colleges and technikons.

Constitution, Politics and Legal System

A peaceful transition to a stable democracy was made in 1994. A new constitution came into force on February 4, 1997. This is the supreme law of the land and it includes a Bill of Fundamental Rights, which entrenches basic human rights, and recognises the individual's rights to property, equality, privacy, freedom of speech, housing, social security and the rights of children. The Constitutional Court has the final say over all disputes relating to the constitution.

Since 16 June 1999 Thabo Mbeki has been the president of South Africa. South African politics is dominated by the African National Congress (ANC) which received almost 70% of the vote in the last general election in 2004. The main opposition to the ANC's rule is the Democratic Alliance (DA), which received 12,4% of the vote in the 2004 election. The third main political party is the Inkatha Freedom Party. South Africa has a bicameral parliament, which comprises the National Council of Provinces (upper house) with 90 members and a National Assembly (lower house) with 400 members, elected by the population.

South African law is based on Roman Dutch law, but many aspects of South African company and commercial law, are similar to the laws of the UK. South Africa is recognised throughout the world as having a highly respected and independent high court judiciary.

Foreign Policy

The transformation in South Africa's relationship with the rest of the world since 1990 has been remarkable. South Africa has gone from being an international pariah to being "one of the most engaged, open and connected countries in the world". (The Economist: Survey of South Africa, 8 April 2006).

President Thabo Mbeki has based his foreign policy on the principle of African solutions to African problems. Driven by a desire to free South Africa from racial oppression and colonialism, he has established the new South Africa as, first and foremost, a black African country, proud of its heritage, its resources and its people.

African Renaissance

The African Renaissance is a concept made popular by South African president Thabo Mbeki in the 1990's. In 1997, Mbeki listed the following as key components of the African Renaissance: social cohesion, democracy, economic rebuilding and the growth and establishment of Africa as a significant player in world affairs. The African Renaissance is also regarded as a philosophical and political movement aimed at eradicating the poverty, violence, corruption and elitism that have historically characterised the African continent.

Mbeki has been very involved in persuading Africa to set up its own institutions and mechanisms for solving its problems. The most notable of these institutions are:

New Partnership for Africa's Development (NEPAD)

NEPAD is a vision and strategic framework for Africa's renewal. It arose from a mandate given by the Organisation of African Unity (OAU), to five Heads of State from Algeria, Egypt, Senegal, Nigeria and South Africa, to develop an integrated socio-economic blueprint for Africa. Launched in 2001 and headquartered in South Africa, NEPAD is designed to make African countries themselves responsible for upholding standards of democracy and good governance through the "African Peer Review Mechanism."

The principles of NEPAD are based on peace, security and sustainable political and socio-economic development. It aims to build partnerships between African countries and its people, to promote competitiveness and to accelerate the full integration of Africa into the global economy. It addresses the challenges such as African poverty levels, the continued marginalisation of Africa and the empowerment of African women.

African Union (AU)

The African Union is Africa's principal organization for the promotion of accelerated socio-economic integration of the continent, which will lead to greater unity and solidarity between African countries and peoples. It is based on the vision of a united and strong Africa and on the need to build a partnership between governments and all segments of civil society, in particular women, youth and the private sector, in order to strengthen solidarity and cohesion amongst the peoples of Africa.

Economy

During the apartheid era, South Africa was forced to operate as a stagnant isolated regime. Since 1994, however, it has moved to a strong, competitive, export-focused free market economy. South Africa is a middle-income country with an abundant supply of mineral and agricultural resources. The country has a first world infrastructure and includes a modern freeway system, low-cost widely available energy and sophisticated telecommunications facilities.

The banking industry is rated as one of the best in the world. South Africa has dynamic legal, accounting and financial services industries. The South African stock exchange (Johannesburg Securities Exchange or JSE) is the largest exchange in Africa. The mining industry is one of the best developed in the world. South Africa generates about 40% of the continent's electricity output.

The economy is based mainly on free market principles with some areas such as railways, harbours, airports, electricity, broadcasting and telecommunications being under parastatal control. There has been some recent privatisation of state owned businesses and more is foreseen.

In an article published in June 2006, the UK Financial Times describes SA as "a country enjoying the benefits of high commodity prices, solid growth and low interest rates".

South Africa is the economic powerhouse of Africa with a GDP four times that of its Southern African neighbours and comprising around 25% of the entire continent's GDP. "South African economic policy is fiscally conservative, but pragmatic, focusing on targeting inflation and liberalising trade as a means to increase job growth and household income". CIA Fact Book, 2006.

South Africa's per capita GDP ranks the country 23rd in the world. The unit of currency is the Rand (100 cents), and it is the world's most actively traded emerging market currency. In August 2006 the University of Stellenbosch Bureau for Economic Research forecasted that a sustained 4% growth rate over the short term for the SA economy "remains a realistic prospect".

Accelerated and Shared Growth Initiative for South Africa (ASGI-SA)

The Accelerated and Shared Growth Initiative for South Africa (ASGI) is a partnership of effective leadership from government and key stakeholders such as organised labour and business. It aims to guide and improve on the country's remarkable economic recovery, raising economic growth to 6%

and halving poverty and unemployment by 2014. The social grants programme has made radical inroads into reducing poverty and redistributing income. However, a full third of South Africa's people are yet to benefit from the country's new prosperity. The policy of broad-based black economic empowerment (BEE) aims to address this imbalance. ASGI-SA is targeting townships such as Soweto and city centres such as Johannesburg CBD for infrastructural growth and development. This will initiate new centres of economic activity and thus more jobs.

Industrial Development Corporation (IDC)

The IDC is a self-financing national development finance institution, whose new schemes are geared towards creating jobs, developing small businesses, promoting black economic empowerment, expanding franchising operations and building labour-intensive projects in South Africa's rural areas. It has launched new financing schemes totalling R1 billion for 2006, in support of the government's strategy to boost the country's economic growth rate.

Skills Development

The government has embarked on an intense drive to harness and improve the skills of South Africans to ensure accelerated economic growth. The Joint Initiative on Priority Skills Acquisition (JIPSA) is a task team that will identify urgent skills needs such as mentoring programmes, overseas placement of trainees to fast-track their development, special training programmes, bringing back retirees and expatriate South Africans, and drawing in new immigrants. Education and training colleges are being revamped and upgraded based on successful overseas models.

Crime

Broadly speaking, the aims of the government in improving safety for all citizens and fighting crime are to:

- Deploy more than 150,000 police in active duty, with more visible policing, better training and improved management
- Encourage community involvement to assist the police
- Improve sector policing which will solve crimes through local-level police collaboration with the public
- Strengthen the justice system
- Strengthen the Scorpions unit (white collar crime)
- Ensure efficient functioning of anti corruption structures in the private and public sectors

- Improve coordination among all law enforcement and intelligence departments
- Set up additional special courts to deal with the abuse of women and children and commercial crimes
- Improve protection of borders so as to stem illegal immigration
- Reduce large syndicated crimes by removing the commercial benefit in the trade of stolen goods through the Organised Crime Programme.

Crime and muggings are higher than in most other countries but huge efforts are being made by government and public-private partnerships to turn South Africa's crime situation around. In the 8 April 2006 issue of *The Economist*, singled out for special mention is *Business Against Crime South Africa*.

This organisation has pioneered a successful model, combining private sector know-how with a mixture of private and public money in order to combat crime in the country. South Africa's business community has created a special forum to increase co-operation amongst business groupings.

Expanded Public Works Programme (EPWP)(Public Works)

The state's Expanded Public Works Programme (EPWP) will see between R15-R20 billion pumped into South Africa's economy over the next five years, with the aim of employing a million people by 2010.

Spatial Development Initiatives (SDI)

One of South Africa's key industrial policies remains its commitment to fostering sustainable industrial development in areas where poverty and unemployment are at their highest. This objective is carried out through the Spatial Development Initiatives (SDI), which focuses high-level support in areas where socio-economic conditions require extensive government assistance and where strong economic potential exists.

The Effect of 2010 Soccer World Cup on the Economy

South Africa is set to host the Soccer World Cup in 2010. The importance of the 2010 event to the economy cannot be overstated. The World Cup tournament serves as an incentive for the government to invest money in improving long-term capabilities in key areas such as transport, tourism and safety. The private sector will also play its part by investing capital in growing businesses. Besides the short term benefits that will flow from the once-off influx of tourists, this opportunity will provide a long term stimulus to the economy by the development of skills and creation of thousands of jobs, particularly in the construction, civil engineering and materials suppliers sectors.

Sentech, the state-owned national broadcasting signal distributor, has announced the rollout of Digital Terrestrial Television (DTT) in time for the World Cup. The upgrade from the South African analogue broadcasting system to DTT is expected to cost about R1 billion. It will create more channels, better quality pictures and improved sound.

Gautrain

The Gautrain Rapid Rail Link is a massive state-of-the-art rail network being constructed in Gauteng. It is expected to cost R20 billion, which is the largest-ever budgetary allocation to a public transport project. When complete it will offer a safe, reliable and comfortable form of public transport on two main routes, namely a link between the main business areas of Pretoria (Tshwane) and Johannesburg as well as a link between the O.R. Tambo International Airport (Johannesburg) and the central business and shopping district of Sandton, Johannesburg.

This transport solution will also include bus feeders and taxi services. Fares will be affordable for broad sectors of the population. The Gautrain project will transform the image of public transport and will become the benchmark for the development of new rail systems in South Africa and the rest of Africa.

It will boost economic growth by the creation of almost 93,000 jobs. It is foreseen that the Gautrain will help resolve the growing traffic congestion problem and improve road safety by reducing the number of vehicles on the road. It is planned that this project will be partly in place in time for the 2010 Soccer World cup in South Africa.

Investing in South Africa

Trade with SA

On September 7th 2006, the World Bank and International Finance Corporation released its fourth annual report which ranks economies in terms of regulations that enhance or constrain business. Last year and the year before, Africa lagged behind all other regions in the pace of reform. This year sub-Saharan Africa ranks third, behind Eastern Europe and Central Asia and the OECD high-income countries and ahead of the Middle East, North Africa, Latin America, the Caribbean, East Africa, the Pacific and South Asia. South Africa was ranked as the easiest country in Africa in which to do business. The closest competitors are Mauritius and Namibia. South Africa was credited for protecting investors, enforcing contracts and making it easy to start a business. It was noted that the rigid labour laws make it difficult for employers to hire and fire, but it is very unlikely that these labour laws will be tampered with because of the history of the country.

The South African Department of Trade and Industry (DTI) is the essential starting point for anyone involved in trade and investment in SA. The DTI markets SA exports internationally, provides market intelligence and identifies opportunities for SA companies overseas.

A wealth of information is available on the DTI website: www.dti.gov.za/.

Foreign investment is encouraged and foreign ownership of local companies and businesses is permitted. (See Exchange Control).

In May 2006, The Economic Intelligence Unit (EIU) rated South Africa as the 8th safest borrower among 27 emerging markets. The risk, therefore, of South Africa renegeing on commitments is relatively low.

Business Entities and Start Up Requirements

A choice needs to be made on the best entity to house a business. There are various types of business vehicles ranging from basic to complex structures. Broadly speaking they fit into the following categories:

- Sole proprietorships
- Partnerships
- Close corporations (designed for small businesses)
- External company or branch office
- Private company (between 1 and 50 shareholders)
- Public company (minimum of 7 shareholders), may be listed or unlisted
- Joint ventures with a South African entity through a SA subsidiary or a partnership
- Business trusts (these have an important role in estate planning)

To list a company on the Johannesburg Securities Exchange there has to be compliance with the stringent JSE listing requirements. This follows best international practice aiming to:

- Improve company reporting practices
- Boost international confidence in the South African equities market.

On selection of company or close corporation, the following processes need to be followed and documents lodged:

- Memorandum and Articles of Association / Founding Statement to be lodged with the Registrar of Companies.
- The opening of bank accounts is dependent on the above documents being duly registered.
- Once the company / close corporation is duly registered and the bank account opened, application can be made for VAT registration, accompanied by a business plan.
- Register for income tax, PAYE, Skills Development Levies, Unemployment Insurance and Workmen's Compensation and the relevant Industrial Council.

Corporate Governance

In 1994, in order to promote the highest standards of Corporate Governance in South Africa, the King Committee on Corporate Governance issued the King 1 Report, which set out a code of Corporate Practices and Conduct.

In 2002 The King II Report was updated. It identified seven primary characteristics of good corporate governance namely discipline, transparency, independence, accountability, responsibility, fairness and social responsibility. The code is a set of guidelines aiming to protect shareholders, investors and stakeholders. It promotes the concept of triple bottom line accounting, which incorporates the economic, environmental and social aspects of the company's activities.

Listed companies are required to disclose in their annual reports the degree to which they have complied with the provisions of King II. Companies are encouraged to adhere to requirements for board composition, directorships, and audit and remuneration committees. The Johannesburg Securities Exchange incorporated some of the provisions of the King Code into the JSE listing requirements thus entrenching these provisions. Private companies are encouraged but not obliged to comply with the provisions of King II.

Copies of the King report may be ordered from the Institute of Directors in South Africa <http://www.iodsa.co.za>.

Black Economic Empowerment (BEE)

The concept and legislation of BEE is aimed at uplifting previously disadvantaged people in SA. It addresses the imbalances of the apartheid past by eradicating discriminatory practices in the workplace.

The policy of Black Economic Empowerment, which promotes the accelerated integration of Black, Indian and Coloured people into the SA economy, was adopted in 1994. In 2003, the Department of Trade and Industry published a strategy document for broad based black economic empowerment. This strategy document became law in April 2004 with the promulgation of the Broad Based Black Economic Empowerment Act. The act defined the policy and implementation of BEE and also established the Black Economic Empowerment Advisory Council.

In order to implement the act effectively two main mechanisms were introduced:

- Codes of Good Practice specify targets that must be achieved by 2014. The codes cover all the components of broad-based empowerment: the scorecard, preferential procurement, employment equity, skills development, enterprise development, residual or industry-specific, corporate social investment initiatives and the qualifying small enterprise sections. Empowerment scorecards have recently been simplified, made less onerous and easier for enterprises to implement.
- Transformation charters developed by stakeholders in various sectors promoting transformation in that particular sector e.g. the Mining Industry Charter, the Financial Services Sector Charter, the Petroleum and Liquid Fuels Industry Charter, the ICT Charter and the AGRI Charter. Charters are being developed for all sectors of the SA economy.

The promulgation of legislation and sector charters sets out BEE conditions that companies are encouraged to meet. This policy is aimed at permeating all tiers of South African business and will ensure all levels of business will adopt empowerment strategies in order to thrive in SA.

A June 2006 survey by KPMG on BEE has found that the majority of companies including listed, unlisted, multinational, large, medium and small enterprises have embraced empowerment as part of their business strategy. Huge empowerment deals involving billions of Rands have been concluded and many more are in the pipeline. Foreign investors could be regarded as good BEE contributors by investing in skills development, training, and social responsibility initiatives.

Johannesburg Securities Exchange (JSE)

The JSE is the 10th biggest bourse in the world. It is the most important local market for shares, negotiable documents and debt instruments. It comprises a main board and an alternative exchange (ALTX) for smaller companies. The electronic clearing and settlement system, STRATE (Share Transactions Totally Electronic) was introduced in November 1999. Recently the JSE joined an elite number of international bourses in listing on its own market. For investors in SA and abroad, this brings heightened transparency and visibility to the trading of JSE shares. The JSE has stringent listing requirements and rules and regulations of company membership.

In January 1999 the Insider Trading Act was introduced to combat the problem of profiting from insider trading (the use of price sensitive information that has not been disclosed to the rest of the market). The act was based on recommendations by Mervyn King, a practising judge (author of the King Reports) who was appointed by the government to examine the issue.

Money Laundering

Through the Prevention of Organised Crime Act of 1998 and the Financial Intelligence Centre Act of 2001, South Africa has developed a comprehensive legal structure to combat money laundering and the funding of international terrorism. The legislation creates a range of anti-money laundering obligations which include customer identification, record keeping and internal controls for all banks, insurance companies, investment advisors, dealers in foreign exchange, stock brokers, casinos, estate agents, motor dealers, lawyers and accountants.

Financial Services Board (FSB)

The Financial Services Board (FSB) is an independent statutory body responsible for supervising and exercising control over the activities of all financial institutions including banking, short and long-term insurance, pension funds, collective investment schemes, financial service providers, exchanges and financial markets. It aims to inform and educate users of financial products and services. The FSB advises the Minister of Finance and it can authorise or suspend the activities of financial service institutions. It is financed by the financial services industry.

Exchange Control

Exchange control is administered by the Reserve Bank on behalf of the Minister of Finance. The Minister has appointed various banking institutions (mainly the retail banks) as authorized dealers in foreign exchange. National Treasury continues to follow a policy of gradual relaxation of exchange control. Movements of funds into and out of South Africa are presently governed by exchange control regulations, which involve the prior approval of the relevant Reserve Bank department and/or compliance with statutory regulations and procedures. However, within this bureaucratic framework, non-residents are totally free to invest in South Africa and to repatriate their after-tax profits and capital.

The general parameters applicable to foreign investment in private companies are as follows:

- Investment in equity is unrestricted.
- The introduction of loan capital requires prior exchange control permission. The loans can be repatriated in their original foreign currency or in SA Rands.
- After tax profits and dividends are fully remittable but subject to any restrictions imposed by exchange control in circumstances where local borrowing limits are exceeded.
- Loan interest is usually tax-free and fully remittable at the appropriate percentage rates of return applicable to the elected repatriation currency.
- Companies with 75% or more foreign beneficial ownership have restricted local South African borrowing powers. Local borrowings are limited to 300% of the total of shareholder's investment. This debt capital would be used for financing investment in South Africa or as domestic working capital.
- Interest payments on loans raised abroad to finance new approved foreign investments must be repaid from offshore resources.
- Fees in respect of services rendered by non-residents are freely remittable abroad provided they are genuine and properly invoiced.

However the following are not permitted without prior Reserve Bank approval:

- Advance payments - subject to suitable performance guarantees.
- Any amount calculated on a basis of percentage of turnover, income, sales or purchases.

Emigrant-blocked assets are being unwound. Amounts of up to R2m per person are eligible for exiting without charge. Holders of blocked assets wishing to exit more than that amount, must apply to the Reserve Bank for permission. Approval is subject to an exiting schedule and an exit charge of 10% of the amount. The exchange control department reserves the right to stagger capital outflows relating to very large investments, to manage any potential impact on the foreign exchange market. Government is working towards the transition from exchange controls to a system of prudential regulation for institutional investors.

Tax System

Since 1 January 2001 South Africa operates a residence based income tax system.

This means that South Africans are taxed on their worldwide income. South Africa has tax treaties for the relief of double taxation with over 60 countries and a further 20 are in the process of finalisation. The tax system consists of direct taxes (individual and corporate) as well as indirect taxes, which include VAT, stamp duties, securities tax, customs and excise and transfer duties.

The following taxes and levies are currently operative.

Individual Tax

The tax year ends on February 28 each year. Normal tax payable is calculated on a sliding scale at rates reaching a maximum of 40% on income exceeding R400 000 p.a. Employers are required to deduct pay as you earn (PAYE) on all remuneration paid to employees and to pay this amount directly to the South African Revenue Services (SARS).

Provisional tax is a six-monthly payment of the anticipated normal tax payable and allows taxpayers to make payments of tax in August and February of each year. The top-up payment is the "third provisional tax payment" and this is the mechanism to pay over any shortfall in any prior first or second provisional payment estimates. Provisional taxpayers are generally directors and members of companies and close corporations and those with substantial investment income.

Corporate Tax

Normal rate of tax	
Companies and close corporations	29%
Small business corporations on first R40 000	0%
From R40 001 to R300 000	10%
Thereafter	29%
South Africa branches of foreign companies	34%
Trusts	40%

These taxes are also payable on the aforementioned provisional tax system based on the year-end of the entity.

Secondary Tax on Companies (STC)

This tax of 12.5% is paid on dividends declared by any resident company. For a normal company declaring all its after-tax profits as a dividend, the total tax burden will be 36.89% (29% + effective 7.89% STC).

Dividends

Domestic dividends are exempt from normal tax in the hands of the shareholder.

Value Added Tax (VAT)

VAT was introduced on 30 September 1991 and is levied on the supply of most goods and services at 14%. Any vendor whose turnover exceeds R300 000 p.a. is obliged to register for VAT.

Stamp Duties

Stamp duties are levied on certain documents executed or to be used in South Africa.

Transfer Duty

Transfer duty is payable on the acquisition of immovable property by	
Natural persons on first R500 000	0%
On R500 001 to R1m	5%
On amounts above R1m	8%
Companies, close corporations and trusts	8%

The transfer of shares in a residential property company is subject to transfer duty as above.

Capital Gains Tax (CGT)

Capital Gains Tax was introduced on 1 October 2001. South African residents are liable to CGT on gains made on worldwide assets while non-residents are liable on gains made on immovable assets in South Africa or of a permanent establishment in South Africa through which a trade is carried on. A deduction of R1.5m from the gain made on the disposal of a primary residence is applicable. On gains accruing on the sale of assets in South Africa after 1 October 2001 the following effective rates apply:

Individuals resident in South Africa up to a maximum of	10.0%
South African companies	14.5%
(+ effective 9.5% STC)	
External companies (local branches)	17.0%
Trusts	20.0%

Securities Tax

This tax is payable in respect of the purchase of any listed marketable securities. It is levied at a rate of 0.25% of the consideration payable.

Estate Duty

This is a tax on the transfer of wealth, leviable on death. Estate duty is levied at 20% after taking into account an abatement of the first R2.5m and bequests to a surviving spouse. It is levied in addition to Capital Gains Tax, as death of a natural person is deemed to be a disposal of all his/her assets.

Donations Tax

Donations tax is payable within three months of the donation, by donors who are South African residents. The tax is paid on the value of any gratuitous disposal of property at 20% of the value of the property in excess of R50 000 p.a. Donations to spouses are exempt and certain other exemptions apply.

Skills Development Levy (SDL)

This levy is utilised to develop the skills of the workforce, improve productivity and the quality of life of the workers. Employers with a payroll in excess of R500 000 are required to register and pay the 1% levy on the total remuneration of employees.

Customs and Excise Duties

Customs and Excise duties are imposed on the local production of certain commodities as well as their imported equivalents. Relief from excise duty is available where products are exported. South Africa has signed the Southern African Customs Union (SACU) agreement with Botswana, Lesotho, Namibia and Swaziland. The five member countries of SACU apply the same rates of custom and excise duties on imported and locally manufactured goods and the same import duties on imported goods. The uniform application of tariffs is aimed at simplifying trade within the SACU customs area.

Foreign Income

Because SA residents are taxed on a worldwide basis, all foreign income must be included in income. If the income has been taxed at source, double taxation treaties with the various countries will ensure a corresponding credit for foreign taxes paid.

Pensions

Pensions are included in gross income except where they are received in terms of the social security system of another country or relate to past employment in another country.

Foreign Dividends

Foreign dividends received from a non-resident company, including deemed dividends, are taxable with a few exceptions, again subject to double taxation treaties.

Controlled Foreign Companies (CFC)

A CFC is a non-resident entity in which South African residents hold more than 50% of the participation rights or voting control. The income of the CFC is imputed as income of the taxpayer in the ratio of the participation share.

Taxation of Non-Residents

Interest

Interest paid to non-residents is exempt from tax under certain conditions.

Dividends

All dividends are exempt from tax in the hands of the recipient. As stated above, STC at the rate of 12.5% is payable by the company declaring the dividend.

Capital Gains Tax (CGT)

Non-residents are subject to CGT on the disposal of immovable property or the assets of a permanent establishment, branch or agency through which a trade is carried on in South Africa.

Estate Duty

Assets located in South Africa will be subject to estate duty, subject to double taxation treaties.

Exemptions from Tax

Public Benefit Organisations (PBO)

Provisions regulating the tax-exempt status of public benefit organisations came into effect on 15 July 2001.

Research and Development

The taxpayer may write off 150% of costs incurred during the year on research and development expenditure incurred by the taxpayer.

Other Allowances

Wear and tear and other capital allowances are permitted if the taxpayer complies with certain requirements. Learnership allowances apply where employers enter into a learnership agreement.

Other Legislation Affecting Business

Labour and Employment Law

Trade unions

South Africa's large trade union movement has played an influential role in determining labour and industrial relations policy in the country. During the apartheid era, the unions succeeded in making employers appreciate the benefit of negotiating with employees through their representative unions. These negotiations resulted in agreements on wages, conditions of service, workplace restructuring and retrenchments. Trade union representation is an accepted fact of industrial practice. Almost 100% of sectors have representative unions, which engage employers over issues affecting their workforce.

Labour Relations Act (LRA)

The Labour Relations Act of 1995 is the most important labour statute in SA. It recognises and encourages voluntary collective bargaining between employers and trade unions as a preferred means of settling disputes. It also recognises that workers have a right to strike if agreements are not reached and workers cannot be dismissed for striking.

The LRA restricts unfair labour practice. Employees have the right not to be unfairly dismissed and their contracts may not be terminated simply by them being given notice. A fair dismissal is one where the employer acts for a fair reason in accordance with procedural fairness. It is accepted that there are three fair reasons for dismissal i.e. misconduct on the part of the employee, incapacity due to ill health or injury and the operational requirements of the employer. If the employee feels that he has been unfairly dismissed, he has recourse to the Commission for Mediation and Arbitration (CCMA), which has the power to award re-instatement and/or compensation. The LRA also deals with the transfer of a business as a going concern.

Bargaining Councils

Bargaining Councils have been formed in various industries (e.g. motor, building, engineering etc.). Disputes other than retrenchments are taken to the CCMA and the relevant Bargaining Council, and must be resolved in accordance with statutory procedure. The centralisation of bargaining for wages and conditions of employment in specific industries can take place under the auspices of the Bargaining Councils.

Basic Conditions of Employment Act

This 1997 act regulates appointment, discipline and dismissal of employees, maximum number of working hours, leave entitlements and overtime pay.

Employment Equity Act

The Employment Equity Act of 1998 aims to achieve equity in the workplace by ensuring equal opportunity and fairness. Unfair discrimination of employees on grounds of race, sex, age, marital status and medical disability is prohibited. In order to promote employment equity it also regulates affirmative action in businesses with 50 or more employees, aiming to correct historic demographic imbalances in the workplace.

Competition Law

The Competition Act came into effect on 1 September 1999 and reformed SA competition law. The act promotes and maintains competition in SA through regulation of merger control, restrictive practices and the abuse of dominance. It also ensures that small and medium sized businesses have equal opportunity in the economy.

Intellectual Property

Patents, trademarks, copyright, designs and plant breeders' rights are all protected by various acts of parliament.

Communications

The Independent Communications Authority of SA (ICASA) is the regulatory body responsible for the regulation of telecommunication and broadcasting in South Africa. Telkom is the only fixed line telephone operator but a second national operator (SNO), will be switched on by the end of 2006. It will be the first full-scale, national competitor to Telkom and is expected to help reduce high telecommunications costs in South Africa. There are various mobile phone operators in South Africa, namely Vodacom, MTN and Cell C. Virgin mobile has recently been introduced into the country.

Foreign Exchange Rates

Information up-to-date as at 9 October, 2006

<http://www.southafrica.co.za/forex/>

	4.239590 Dollar (Taiwan)	0.235871 ZA Rand
	0.172347 Dollar (Australia)	5.802237 ZA Rand
	0.942178 Krona (Sweden)	1.061370 ZA Rand
	0.161524 Franc (Switzerland)	6.191004 ZA Rand
	0.856822 Krone (Norway)	1.167102 ZA Rand
	0.144279 Dollar (Canada)	6.931000 ZA Rand
	4.805893 Baht (Thailand)	0.208077 ZA Rand
	0.203625 Dollar (Singapore)	4.910967 ZA Rand
	1.012684 Yuan (Rinminbi) (People's Republic of China)	0.987474 ZA Rand
	0.194214 Dollar (New Zealand)	5.148958 ZA Rand
	0.997463 Dollar (Hong Kong)	1.002543 ZA Rand
	0.101684 Euro (European Monetary Union)	9.8343 ZA Rand
	0.068471 Pound Sterling (UK)	14.604716 ZA Rand
	5.819346 Rupee (India)	0.171840 ZA Rand
	15.232543 Yen (Japan)	0.065648 ZA Rand
	0.128122 Dollar (USA)	7.805 ZA Rand
	0.277514 Real (Brazil)	3.603416 ZA Rand

Useful Contacts and Websites

Chamber of Commerce and Industry in South Africa

<http://www.chamsa.org.za/>

Companies And Intellectual Property Registration Office

<http://www.cipro.gov.za/>

Department of Trade and Industry

<http://www.dti.gov.za/>

International Marketing Council of South Africa

<http://www.imc.org.za/>

Johannesburg Securities Exchange

<http://www.jse.co.za/>

South Africa (Dept of Statistics)

<http://www.statssa.gov.za/>

South Africa Government online

<http://www.gov.za/>

South African Chamber of Business

<http://www.sacob.co.za/>

South African Institute of Chartered Accountants

<https://www.saica.co.za/>

South African Government Internet Sites

<http://www.polity.org.za/>

South African Institute of Chartered Accountants

https://www.saica.co.za

South African Reserve Bank

<http://www.reservebank.co.za/>

South African Revenue Service

<http://www.sars.gov.za/>

Interesting Facts about South Africa

- Truth and Reconciliation Commission (TRC) set up by Government of National Unity to help deal with violence and human rights abuse under apartheid regime enabled South Africans to come to terms with past and to advance cause of reconciliation amongst all South Africans.
- Constitution is one of most progressive in world and enjoys high acclaim internationally. Bill of rights considered best in the world.

- 25th biggest economy in world
- GDP accounts for almost 45% of entire African continent, with economy three times size of second biggest (Egypt)
- Ranked 28th in world for ease of doing business according to survey conducted by World Bank and International Finance Corporation
- Growing rapidly in terms of competitiveness.
- Ranked among world's 30 largest trading nations
- Tito Mboweni, governor of Reserve Bank of South Africa, chosen as best central bank governor for Africa & Middle East in poll conducted by The Banker magazine in January 2005. The award given for "creating and sustaining the right macro-economic conditions for long-term growth".
- Financial industry rated by international rating agencies as amongst best in world.
- Became, in 2003, first African member of Paris-based Financial Action Task Force (FATF), world's leading body in fight against money laundering.

- Contrary to speculation, property rights not under threat. Large-scale land redistribution and restitution conducted in fair and organised manner.

- Sasol, world's first and largest oil-from-coal refinery situated in Sasolburg in South Africa, provides 40% of country's fuel.

- Ranked 32nd in top global conference destinations and mooted tourism strategy will take it to top 10 by 2010.

- Writer JM Coetzee wins Nobel Prize in Literature in 2003, becoming second South African, after Nadine Gordimer, to do so.

- Oprah Winfrey, celebrated US TV host, opens Oprah Winfrey Leadership Academy for Girls in August 2006. The high school, near Johannesburg, will educate and empower 75 learners per grade (total of 450 learners from Grade 7-12) stemming from previously disadvantaged backgrounds. Initiative aims at fostering excellent education for and strong leadership amongst young black women.

- Swimmers Roland Schoeman, Lyndon Ferns, Darian Townsend and Ryk Neethling win four-by-100 metres freestyle relay, breaking world record and winning gold medal for South Africa at the Olympic Games in Athens in 2004.
- Five South African golfers, Ernie Els, Retief Goosen, Trevor Immelman, Tim Clark and Rory Sabbatini in top 30 of official world golf rankings.

- Construction of first major Hollywood style film studio, Dreamworld, in Cape Town set to begin in January 2007 and be in operation by early 2008: attracting R450 million in local investment, putting SA on map in international film industry, boosting economy by creating jobs and developing some of poorest areas surrounding Cape Town.
- Oscar for best actress in a motion picture awarded in March 2004, to South African born Charlize Theron, for role of Aileen Wuornos - in Monster.
- Motion picture, Tsotsi, wins best foreign language Oscar in 2006.

- Apartheid Museum at Gold Reef City in Johannesburg opened in 2001, acknowledged as pre-eminent museum in world, dealing with 20th century South Africa, featuring history and results of policy of apartheid. Museum re-enacts experience of black townships of 70's and 80's.
- Soweto's first museum, Hector Pieterse Museum, a powerful memorial to schools uprising on June 16, 1976, named after one of the first children to die in resulting violence.
- The Constitutional Court, Museum and Library constructed on remains of the old Fort ("native prison") in Braamfontein, Johannesburg. Has become top historical tourist attraction. Inmates such as Nelson Mandela and Mahatma Gandhi incarcerated there during apartheid years.

Economic Barometer

South African Institute of Race Relations - September 2006

Indicator	Period	Statistics	
		2006	2005
GDP (basic prices)	2Q	R368.46bn	R332.21bn
GDP growth at market prices	2Q annualized, adjusted	4.90%	5.30%
Growth in money supply - M3	July - annual	21.50%	19.86%
Gold and forex reserves	July	R165.94bn	R124.92bn
Reserves/imports	June	4.3 to 1	4.2 to 1
Current account deficit	1Q	R21.81bn	R11.86bn
Capital account surplus	1Q	R33.41bn	R16.35bn
Gold price per ounce (average)	July	\$633.40	\$424.61
Crude oil price (dated Brent/barrel)	30 August	\$70.24	\$64.87
Petrol (premium pump price per litre Gauteng)	30 August	R 7.04	R 5.62
Prime overdraft rate (average)	31 August	11.50%	10.50%
Real prime overdraft rate	July	5.71%	6.80%
Repo rate (average)	August	8.00%	7.00%
INFLATION INDEX			
Headline inflation rate	July	5.00%	3.40%
Food price rise	July	7.50%	2.80%
CPIX (CPI less mortgages) (target:3%-6%)	July	4.90%	4.20%
Producer price rise (PPI)	July	8.10%	3.60%
Imported producer inflation	July	8.20%	5.20%
		%	
Depreciation of rand against euro last 12 months		12.61%	
Depreciation of rand against dollar last 12 months		8.06%	
Depreciation of rand against basket (13 currencies)		10.86%	
		% of GDP	Growth %
GDP growth:	2Q 2006 vs. 2Q 2005		3.60
Agriculture		2.80	-15.90
Mining		7.50	-2.30
Manufacturing		17.90	4.30
Electricity and water		2.30	2.50
Construction		2.75	11.80
Transport & communications		9.90	5.40
Finance etc.		21.50	6.00

The Hamburger Standard

Big Mac Prices	In local currency	In dollars	Implied PPP* of the dollar	Actual dollar exchange rate May 22nd	Under (-)/over (+) valuation against the dollar, %
1 United States	\$3.10	3.10	-	-	-
2 Argentina	Peso 7.00	2.29	2.26	3.06	-26
3 Australia	A\$3.25	2.44	1.05	1.33	-21
4 Brazil	Real 6.40	2.78	2.06	2.30	-10
5 Britain	£1.94	3.65	1.60	1.88	+18
23 Russia	Rouble 48.00	1.77	15.5	27.1	-43
24 Singapore	S\$3.60	2.27	1.16	1.59	-27
25 South Africa	Rand 13.95	2.11	4.50	6.60	-32
26 South Korea	Won 2.500	2.62	806	952	-15
27 Sweden	SR33.00	4.53	10.5	7.28	+46
53 Slovakia	Koruna 58.0	1.97	18.7	29.5	-37
54 Slovenia	Tolar 520	2.76	168	189	-11
55 Sri Lanka	Rapee 190	1.85	61.3	103	-40
56 Ukraine	Hryvria 8.50	1.68	2.74	5.05	-46
57 UAE	Dirham 9.00	2.45	2.90	3.67	-21
58 Uruguay	Peso 42.3	1.77	13.6	23.9	-43

*Purchasing-power parity local price divided by price in United States.

Sources: Mc Donald's: *The Economist* - May 2006

Average of New York, Chicago, Atlanta and San Francisco

+/- dollars per pound

Weighted average of price in euro area

**Dollars per euro

Public Holidays 2007

1 January	New Year's Day
21 March	Human Rights Day
6 April	Good Friday (Friday before Easter Sunday)
9 April	Family Day (Monday after Easter Sunday)
27 April	Freedom Day
1 May	Workers Day
16 June	Youth Day
9 August	National Women's Day
24 September	Heritage Day
16 December**	Day of Reconciliation
25 December	Christmas Day
26 December	Day of Goodwill

**The Public Holidays Act (Act No 36 of 1994 [PDF]) determines whenever any public holiday falls on a Sunday, the Monday following on it shall be a public holiday.

<http://www.info.gov.za/aboutsa/holidays.htm>

Map of South Africa

(showing where Horwath SA member Firms are situated)



Bibliography

Bowman Gilfillan Attorneys: Doing Business in South Africa, 2006.

Bowes, Brett & Pennington, Stuart: South Africa: The Good News. Hyde Park, SA. The Good News (Pty) Ltd., 2002.

Bowes, Brett & Pennington, Stuart: South Africa-2014. Hyde Park, SA, The Good News (Pty) Ltd., 2004.

Brink Cohen le Roux: South Africa: The latest facts: a pocket guide to doing Business. Johannesburg, 2005.

Denys Reitz Attorneys: Doing Business in South Africa. Johannesburg, August 2005.

Financial Mail: Top Empowerment Companies 2006. Johannesburg, BDFM, 2006.

Government Communication and Information System (GCIS): South Africa Yearbook 2005/2006, 13th edition, Johannesburg, STE Publishers, 2005.

Government Communication and Information System (GCIS): Pocket Guide to South Africa 2005/2006. Johannesburg, STE Publishers. 2006.

The International Marketing Council of South Africa: The South African Story. Johannesburg, 2004.

KPMG BEE Survey, 2006.

MeesPierson Horwath: A Guide to Doing Business in China, 2nd edition, Shanghai, 2005

South African Institute of Race Relations: South Africa Survey 2004/2005. Johannesburg, 2006.

Webber Wentzel Bowens: Investing in South Africa. Johannesburg, 2005

Werksmans Attorneys: Business Guide to South Africa. Sandton, Werksmans, 2003

Bibliography

Websites

<http://www.businessday.co.za>

<http://www.busrep.co.za>

<http://www.cia.gov/cia/publications/factbook>

<http://www.economist.com>

<http://www.ft.com>

<http://www.iod.co.za>

<http://www.joburg.org.za>

<http://www.jse.co.za>

<http://www.news24.com>

<http://www.reservebank.co.za/>

<http://www.southafrica.info>

<http://www.wikipedia.org>

<http://www.worldbank.org/africa>
