

30 July 2013

Dear Sir/Madam

Invitation to participate in mission to Germany: 2-6 September 2013

On behalf of the KwaZulu-Natal MEC for Economic Development and Tourism, Mr Michael Mabuyakhulu, Trade and Investment KwaZulu-Natal hereby extend an invitation to you to accompany the Honorable MEC Mabuyakhulu on a business visit to Germany (Stuttgart and Berlin) from the 02 - 06 September 2013.

Through the continuous engagement with key targeted and high growth sectors for the promotion of investment opportunities in KwaZulu-Natal, as well as the encouragement of exports, the Honourable MEC Mabuyakhulu intends to establish and encourage closer business relations within the following sectors:

- Renewable energy
- Education and university partnership
- Tourism and Infrastructure development
- Automotive
- Electro-mobile and
- Agriculture

The objective and key outcomes for this mission are:

- To have participation by interested KwaZulu-Natal companies that intend to meet potential investors and who wish to promote and encourage joint venture possibilities with a strong BEE element
- To give an opportunity to companies to explore opportunities to expand their operations into the EU market, by way of participating in business development within this region
- To promote KwaZulu-Natal as an attractive investment destination with a conducive environment for industry to operate
- To market and promote packaged investment projects within the targeted sectors
- To create export opportunities for KwaZulu-Natal companies that want to export their products

ECONOMIC RELATIONS

Germany is one South Africa's most important trading partners, ranking 2nd in total trading volume behind China and ahead of the USA. In 2010, goods worth over 4.3 billion Euro were exported to Germany. In the same period, South Africa imported goods from Germany worth approximately 6.8 billion Euro. Germany and the German companies in the country contribute significantly to employment, vocational training and technological development that is underscored by a wide range technology transfer.

The Republic of South Africa has changed fundamentally since the transition to democracy in 1994. Today it is integrated into global trade and the most powerful economy in Africa. Wide-ranging macroeconomic reforms have improved competitiveness and boosted the economy, thus

allowing the country at the Cape to find its role on the global market. This is supported by a highly developed financial, legal, communications, energy and transport infrastructure. In addition to its role as an important emerging economy, South Africa is seen as a bridge to other African markets by investors.

Many German car companies have production facilities in South Africa and a broad spectrum of suppliers has emerged in the vicinity of the plants. Next to mining and a world-class financial sector, a wide variety of services is a key sector of South African industry. In 2010, South Africa enjoyed economic growth of 2.8 percent and a gross domestic product of about 297 billion Euro. While imports rose by roughly 8 percent in 2010, export growth was registered to be about 13 percent. During the same time frame, inflation came in at an annual average of 4.3 percent. Despite the country's prominent economic role in Africa, the country still faces an unemployment rate of around 24 percent.

Due to South Africa's role as a "bridge to Africa" many major international companies are represented in the country. From these, many German businesses have established offices and manufacturing facilities in South Africa, for example, Volkswagen, Mercedes Benz, BMW, BASF, Bayer, DB International, Bilfinger Berger, German Bank, DHL, Hitachi Power Europe, Lanxess, MTU, SAP, ThyssenKrupp and Siemens. In addition to these, there are numerous small and medium-sized enterprises among the approximately 600 German firms established in South Africa.

As one of the top investment and trade destinations in the world boasting top ratings in the ease of doing business from the World Bank there is certainly great value participating in the planned mission.

PROPOSED PROGRAMME FOR THE MISSION

The programme for this mission will be divided into three parts; primary will be business one on one and networking sessions, political programme and a business seminar to create awareness on KwaZulu-Natal and to expose trade and investment opportunities between the two regions.

Business one-on-one meetings:

What is primary for the business delegation is engagement with local industry as such for every city, one-on-one business meetings will form the centre and primary focus for the mission. Currently, sourcing of the business information is done in partnership with the Afrika Verein (AVV), the South Africa German Chamber of Commerce and the South Africa Embassy's economic section

Business Seminar

The intention is to host one Business Seminar in each city wherein KwaZulu-Natal investment opportunities will be promoted and potential projects will be showcased.

We are collaborating with the South African Embassy and Afrika Verein, a business association with over 700 members which has been in operation for 75 years to make it a fruitful visit.

THE DELEGATION

- The delegation will be led by the **Honourable MEC for Economic Development and Tourism, Mr Michael Mabuyakhulu**
- Head of the Department of Economic Development and Tourism

- Mr Zamo Gwala, CEO of TIKZN
- Mr Ndabo Khoza, CEO of Tourism KZN; and
- Approximately 15 – 20 business persons in the relevant sectors

PROPOSED ITINERARY

(Attached as annexure 1)

FINANCIAL IMPLICATIONS

Trade and Investment KwaZulu-Natal and Tourism KZN will be responsible for the following costs:

- Transfers for the delegates
- Dinner arrangements for the two nights
- Venue for one on one meetings including refreshments
- Seminar venue including refreshments/lunch

Each company will be responsible for:

- Hotel accommodation
- Flights
- Individual taxis for meetings outside of the programme
- Meals outside of the programme

The **estimated** financial implications per delegate participating in this mission will be:

Flights	R 31 361	(approx)
Accommodation	R 13 936	(approx)
Estimated Total	<u>R 45 298</u>	---- (approx)

The costing received from our travel agency is enclosed. Own travel arrangements can also be made.

Flight Schedule:

Departing: 31 August 2013, Flights SA 558 King Shaka International Airport (Durban) Time: 13h55

Arriving: 01 September 2013 Flight LH 126 Time: 08h50

Departing 7th September 2013, Flight No. LH 199, Time

Arriving 8th September 2013, Flight No. SA 551, Time 13h20

I hereby requested to revert to Ms Donnee Kruger at TIKZN on donnee@tikzn.co.za or 078 803 1852 on or before the 09th August 2013 in order for us to confirm and finalize the numbers for the mission. This will also allow us to schedule potential one-on-one engagements in Germany

Yours sincerely,

Mr Zamo Gwala
Chief Executive Officer