



Doing Business in Cape Town and the Western Cape



Western Cape
Government
FOR YOU



CITY OF CAPE TOWN
ISIIXEKO SASEKAPA
STAD KAAPSTAD



INVEST CAPE TOWN

WESGRO
cape town & western cape
tourism, trade & investment

Table of Contents

1. Introduction	3
2. Entity establishment	4
2.1 Setting up a business in South Africa	4
3. Regulatory environment	5
3.1 Governance	5
3.2 Taxation	5
3.3 Dispute resolution	8
3.4 Business permit and immigration	8
3.5 Competition	8
3.5.1 Mergers	9
3.5.2 Competition regulations	9
3.6 Employment laws	10
3.6.1 Earnings threshold and minimum wage	10
3.7 Broad-Based Black Economic Empowerment	11
3.8 Foreign investment	11
3.8.1 Exchange control regulation	11
3.9 Financing options	11
4. Labour market	12
4.1 Skills	12
4.2 Cost	13
4.3 Productivity	15
5. Standard/cost of living	14
6. Utilities	15
6.1 Electricity and gasoline	15
6.2 Renewable energy incentives	15
7. Commercial rental rates	16
8. Investment incentives	17
8.1 DTIC incentives	17
8.2 City of Cape Town incentives	18

1. Introduction

This document provides information to parties interested in conducting business in the Western Cape and Cape Town. It is worth noting that the laws and regulations contained in this document are at the national level.



South Africa is one of the top three largest economies in Africa



South Africa is an upper middle-income country



South Africa has 11 official languages:

English, Afrikaans, isiXhosa, isiZulu, isiNdebele, Sepedi, Sesotho, Setswana, siSwati, Tshivenda, and Xitsonga



South Africa ranks 25th in terms of the attractiveness of its private business environment in relation to 32 other countries, due to its tax and regulatory systems. This is according to the EMEA Private Business Attractiveness Index 2022 (PwC, 2022)



In 2021, South Africa's population was +/- 59.96 million - the 6th highest in Africa. With a population size of 7.1 million in 2021, the Western Cape is the 3rd most populous province in South Africa

69%



Provincially, the Western Cape has a relatively large working force with 69% of its population falling within the working age category

62.65%



South Africa has a relatively young population, 62.65% of whom are under 34 years of age

Table 1: Selected economic indicators

	South Africa	Western Cape
Real GDP* (2022)	US\$ 360.47 billion	US\$ 51.15 billion
GDP/Capita* (2022)	US\$ 5 881.10	US\$ 7 092.56
GDP Growth rate (2022)	2.04%	2.47%
Inflation rate (December 2022)	7.5%	6.9%
Unemployment rate (2022 Q4)	32.7%	22.5%

Source: Quantec (2023)

*Constant 2015 \$

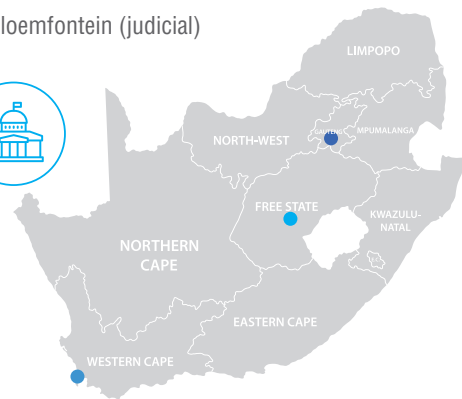
The national government is made up of three different branches:

Executive: This branch of government, comprising the president and the cabinet, is responsible for governing the country.

Legislature: Parliament has the legislative authority to pass laws in accordance with the Constitution. South Africa's legal system is based on a mixture of Roman-Dutch law, English common law and African customary law.

Judiciary: The courts, including the Constitutional Court, the Supreme Court of Appeal, High Courts and Magistrate's Courts, have the judicial authority in the country.

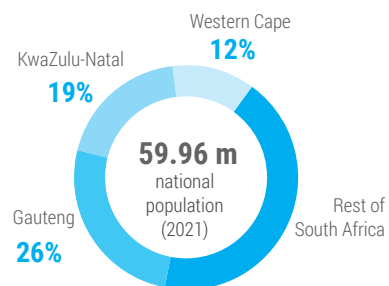
- Pretoria (executive) ● Cape Town (legislative)
- Bloemfontein (judicial)



South Africa has a three-tier system of government, namely national, provincial and local government. These three spheres of government are distinctive, interdependent and interrelated.

Among the nine provinces, Gauteng has the highest population (26%) in South Africa. The breakdown is given in Figure 1:

Figure 1: Population per province



Connectivity and Accessibility:



Airport: The Western Cape has a world-class airport, the Cape Town International Airport. It was ranked 49th in the world and first in Africa in the 2022 Skytrax World Airport Awards

Ports: The province has three major ports situated in Cape Town, Saldanha and Mossel Bay

Roads: Major national roads are the N7 to Namibia, N1 to Johannesburg and onto Zimbabwe and the N2 to Durban with an onward connection to Mozambique

Digital: The province has major data centres, including Amazon Web Services. There are also three submarine cable landing stations, including Google's Equiano subsea internet cable, which was recently put in place.

2. Entity establishment

2.1 Setting up a business in South Africa

STEP 1



Register the company with the Companies and Intellectual Property Commission (CIPC)

- SA ID holder can register through the [BizPortal](#)
- Non-SA ID holder can register through [CIPC e-services](#)

STEP 2



Establish company type

- Non-profit company: company established for public benefit; income and property are not distributable, except as reasonable compensation for services rendered. Must have a minimum of three directors.
- Profit companies:
 - Private company Pty (Ltd): prohibited from offering its shares to the public and the transferability of shares is restricted; more than 50 shareholders are permitted. Must have a minimum of one director.
 - Public company (Ltd): permitted to offer shares to the public. Must have a minimum of one shareholder and minimum of three directors.
 - Personal liability company (Inc): directors and past directors are jointly and severally liable, together with the company, for any debts and liabilities of the company that were contracted during their respective terms of office.
 - State-owned company: a “state-owned enterprise” in the Public Finance Management Act 1 of 1999, or owned by a municipality as contemplated in the Municipal Systems Act 32 of 2000, and is otherwise similar to an enterprise as referred to above.
 - The state-owned company must end with the expression “SOE Ltd” and is duly incorporated and registered in terms of the Act.
- Foreign and external company: either profit or non-profit company incorporated outside of South Africa. A foreign company must register with the CIPC as an external company.

STEP 3



Open a bank account

Documents needed:

- Directors’ proof of identity
- South African company registration documents
- Operating business address (proof of address).

STEP 4



Register for Income Tax with the South African Revenue Services (SARS)

CIPC registered companies are not required to perform a separate income tax registration because this is automatically done via a direct interface with CIPC.

STEP 5



Register for Employee Tax

Must register for Pay As You Earn (PAYE), Skills Development Levy (SDL) and Value Added Tax (VAT). Once registered, apply for a local Unemployment Insurance Fund (UIF) reference number at the Department of Employment and Labour in order to link the PAYE and UIF numbers. Complete UI’18 & UI’19 for UIF.

For more information on the documentation needed for company registration in SA, scan the QR code:



3. Regulatory environment

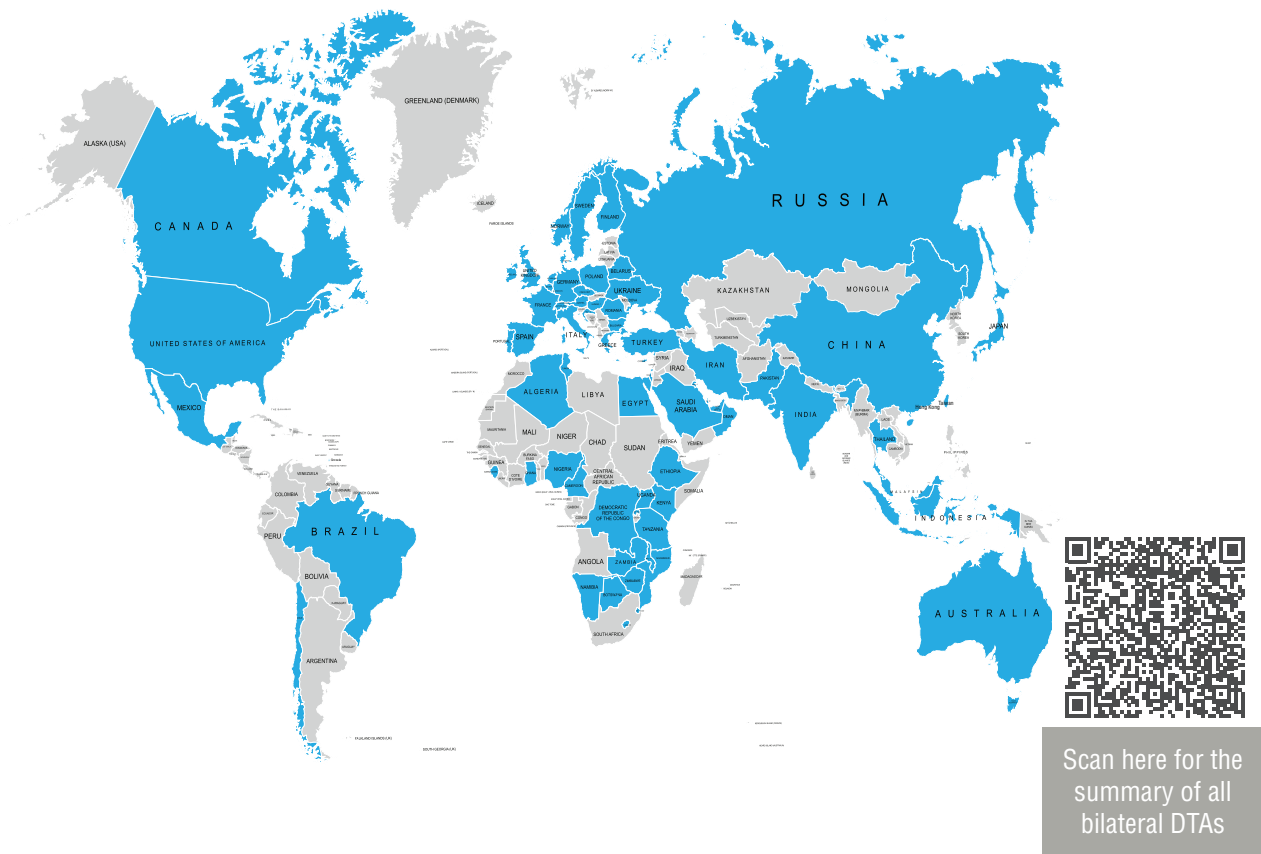
3.1 Governance

Since 2016, the King IV Report on Corporate Governance in South Africa has become the country's corporate governance code containing the set of voluntary principles, practices, and outcomes that any organisations, irrespective of their form of incorporation, can apply as a benchmark. King IV now adopts an 'apply and explain' basis of compliance as opposed to 'apply or explain' basis. Some of the most notable enhanced features in the current code of corporate governance include an increase in disclosures of information by companies, a greater emphasis on transparency, increased involvement of stakeholders, and the independence of members of governing bodies.

3.2 Taxation

South Africa has a residence-based tax system where residents are taxed on their world-wide income, subject to certain exclusions, while non-residents are taxed on income from a source in South Africa. The general principle is that foreign taxes on foreign-sourced income by individuals, companies, close corporations, trusts, and estates are allowed as a tax credit against tax payable in South Africa. A resident company, according to the Organisation for Economic Cooperation and Development (OECD), is one that is incorporated or established in South Africa or has its place of effective management in South Africa, provided that it is not deemed to be exclusively resident in another country in terms of a relevant double tax agreement (DTA).

Figure 2: Countries with which South Africa has DTAs



On 7 June 2017, South Africa signed the OECD Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI), which came into force for South Africa in 2023.

Table 2 indicates the tax rates for the various types of tax applicable.

Taxation of capital gains:

Net capital gains realised from the disposal of assets, triggered by events such as sale, donation, exchange, loss, death, and emigration during a tax year are included in taxable income.

<p>Capital gains taxation is subject to the following specific exclusions:</p>	<ul style="list-style-type: none">• R2 million gain or loss on the disposal of a primary residence• Most personal use assets• Retirement benefits• Payments in respect of original long-term insurance policies• Annual exclusion of R40 000 capital gain, or capital loss is granted to individual and special trusts• Small business exclusion of capital gains of R1.8 million for individuals (at least 55 years of age), when a small business with a market value not exceeding R10 million is disposed of• The annual exclusion granted to individuals is R300 000 in the year of death
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Dividends tax:

Dividends paid by resident and non-resident companies in respect of shares listed on the Johannesburg Stock Exchange (JSE) or other South African licensed exchanges are subject to 20% dividends tax. Companies paying the dividends tax, or regulated intermediaries in the case of dividends on listed shares, must withhold the tax. Exemptions apply in instances where the beneficiary is a South African company, retirement fund or other exempt persons. In limited circumstances, non-resident recipients of dividends may benefit from reduced tax rates.

Other withholding taxes:

The applicable tax rate may be reduced in terms of a tax treaty with a non-resident's country of residence.

Royalties:

The gross amount of royalties from a South African source payable to non-residents will attract a final tax of 15%.

Interest:

Interest from a South African source (except interest payable by any sphere of government, a bank or if the debt is listed on a recognised exchange) payable to non-residents is subject to 15% tax.

Foreign entertainers and sportspersons:

Activities undertaken in South Africa by non-resident entertainers and sportspersons are taxed at a rate of 15%.

Disposal of immovable property:

A provisional tax (7.5% for a non-resident individual, 10% for a non-resident company, and 15% for a non-resident trust) is to be withheld from the sale of immovable property by non-residents in South Africa.

Value-added tax:

VAT of 15% is levied on the supply of goods and services by registered vendors, except for certain supplies that are subject to a zero rate or are exempt from VAT. It is compulsory for vendors making taxable supplies over R1 million per annum to register for VAT, whereas registration is optional for those making taxable supplies between R50 000 and (below) R1 million per annum.

Tax on international air travel:

Each passenger departing on international flights is charged R190, except for those traveling to Botswana, Lesotho, Namibia and eSwatini who have to pay R90 less.

Skills development levy:

Employers, except those paying annual remunerations of less than R500 000, are required to pay a skills development levy (SDL) of 1% of the total remuneration paid to employees.

Unemployment insurance contributions:

Unemployment insurance contributions (of 1% by employers and 1% by employees, based on the employees' remuneration below a certain amount) are payable monthly by employers. Employees not registered for PAYE or SDL must pay the contributions to the Unemployment Insurance Commissioner.

Table 2: Tax rates for the various types of tax

Tax Type	Tax Rate (% of taxable income)
Resident companies:	
1 April 2023–31 March 2024	27%
Small business corporations with taxable income of: (ZAR)	
1–95 750	0% of taxable income
95 751–365 000	7% of taxable income above 95 750
365 001–550 000	18 848 + 21% of taxable income above 365 000
550 001 and above	57 698 + 27% of the amount above 550 000
Micro-business turnover tax: (ZAR)*	
1–335 000	0% of taxable income
335 001–500 000	1% of taxable income above 335 000
500 001–750 000	1 650 + 2% of taxable income above 500 000
750 001 and above	6 650 + 3% of the amount above 750 000
Capital gains taxation:	
Individual and special trusts	18%
Companies	21.6%
Other trusts	36%
Transfer duty: (ZAR)*	
1–1 100 000	0%
1 100 001–1 512 500	3% of the value above R 1 100 000
1 512 501–2 117 500	R12 375 + 6% of the value above R1 512 500
2 117 501–2 722 500	R48 675 + 8% of the value above R2 117 500
2 722 501–12 100 000	R97 075 + 11% of the value above R2 722 500
12 100 001 and above	R1 128 600 + 13% of the value exceeding R12 100 000
Securities transfer tax:	
Securities transfer tax	0.25%
Personal income tax: (ZAR)	
1–237 100	18% of taxable income
237 101–370 500	42 678 + 26% of taxable income above 237 100
370 501–512 800	77 362 + 31% of taxable income above 370 500
512 801–673 000	121 475 + 36% of taxable income above 512 800
673 001–857 900	179 147 + 39% of taxable income above 673 000
857 901–1 817 000	251 258 + 41% of taxable income above 857 900
1 817 001 and above	644 489 + 45% of taxable income above 1 817 000

Source: SARS (2023)

*1 March 2023 – 25 February 2024

3.3 Dispute resolution

The High Court oversees adjudication of commercial disputes in South Africa. There are separate divisions that deal with some specific disputes:

- The Competition Tribunal deals with issues involving competition.
- The Commissioner of Patents focuses on patent disputes as well as copyright licensing disputes in the Copyright Tribunal.
- Commercial disputes can also be resolved through a mechanism called alternative dispute resolution (ADR), mainly mediation and arbitration. ADR is cost-effective and the proceedings may be faster than formal court proceedings. The popularity of ADR in South Africa has resulted in the establishment of ADR bodies, such as the Association of Arbitrators and the Arbitration Foundation of South Africa. The Arbitration Act of 1965 allows parties involved in commercial contracts to choose dispute resolution procedures by mutual agreement.
- South Africa enacted the International Arbitration Act, 2017, which applies the United Nations Commission on International Trade Laws (UNCITRAL) Model Law to international arbitration in South Africa.

3.4 Business permit and immigration

Foreigners who intend to establish or operate a business in South Africa must have the relevant visa in their possession. A business permit (business visa) is a prerequisite for running a foreign-owned business in the republic. The minimum capital requirement for a business visa is R5 million, which must either be invested in an existing business or be evident in a business plan as capital contribution. Certain types of businesses are eligible to apply for a waiver regarding the R5 million capital requirement. The business must be of national interest to South Africa, as stipulated in the Industrial Policy Action Plan (IPAP). While the business visa process falls under the auspices of the Department of Home Affairs (DHA), the Department of Trade, Industry and Competition (DTIC) facilitates the recommendation of support for granting business visas to businesses which have a substantive economic impact.

Expatriates or foreign nationals working in South Africa must hold a valid work permit, which can be applied for through VFS Global. It may be advisable to employ the services of an immigration expert for guidance in order to avoid unnecessary delays. The types of work-related temporary visa categories in terms of the Immigration Act, 2002, and Regulations are:

- critical skills work visa
- general work visa
- intra-company transfer visa and
- corporate work visa.

3.5 Competition

The Competition Act empowers the Competition Commission to ensure equity and efficiency in the South African economy through its function of investigating, controlling, and evaluating restrictive business practices, abuse of dominant positions and mergers.

3.5.1 Mergers



A party to an intermediate or a large merger is required to notify the Competition Commission of that merger. Scan the QR code for the merger notifying process. An overview of the classifications and fees can be seen below:

- Small merger: value of the proposed merger is below the threshold of intermediate or large merger.
- Intermediate merger: combined annual turnover or asset value of the acquiring and target firms is R600 million, and the turnover or asset value of the target firm is R100 million. Filing fee of R165 000 is required.
- Large merger: the annual turnover or asset value of both firms must be over R6.6 million, and the target firm's annual turnover or asset value should be at least R190 million. Filing fee of R550 000 is required.



3.5.2 Competition regulations

The Competition Act prohibits certain restrictive practices that prevent or lessen competition in a market. While it is not wrong for any firm to grow its market share in an industry, abuse of a dominant position is also prohibited by the Competition Act. Under certain circumstances, the Competition Act may allow anticompetitive practices by firms if such practices provide benefits to customers and the economy as a whole. Prohibited practices, as well as those that are permitted with justification and permissible actions can be seen below:

Prohibited	<p>Unless exempted, firms in a horizontal relationship cannot:</p> <ul style="list-style-type: none">• Fix prices• Divide markets• Tender collusively <p>Firms in a vertical relationship are not permitted to engage in the practice of minimum resale price maintenance.</p>	
Permitted with justification	<p>Dominant firms are not allowed to engage in the following practices without justification:</p> <ul style="list-style-type: none">• Charge excessive prices to the detriment of consumers• Refuse to allow a competitor access to an essential facility when it is economically feasible to do so• Induce a supplier or customer not to deal with a competitor• Refuse to supply scarce goods to a competitor when it is economically feasible to do so• Force a buyer of its product to purchase unrelated goods or services• Engage in predatory pricing• Buy up scarce supply of intermediate goods required by a competitor• Discriminate against customers by charging different prices• Engage in margin squeeze	

Accepted

The Act makes provision for the Commission to allow anticompetitive practices that:

- Help to maintain or promote exports
- Assist of Small and Medium-sized Enterprises (SMEs) and firms owned and controlled by Historically Disadvantaged Individuals (HDIs) to penetrate and partake in a market or expand their market share
- Promote economic development, growth, transformation, or stability of any industry designated by the minister in charge of the Department of Trade, Industry and Competition, in consultation with the sector minister
- Result in competitive and efficiency gains which lead to employment creation and industry growth



3.6 Employment laws

Employment in the country is regulated by certain Acts such as the Basic Conditions of Employment Act and the Employment Equity Act among others. This section outlines some of the employment laws in South Africa. For more information on the respective policies, scan the QR code below.

3.6.1 Earnings threshold and minimum wage

The Basic Conditions of Employment Act sets out the following practices:

- Minimum wage: the mandatory minimum wage rate, effective 1 March 2022, is R23.19 / hour (reviewed annually).
- Working hours: employers can require their employees to work a maximum of 45 hours in any week (nine hours for five days, or eight hours for more than five days in a week. The Act makes provision for the ordinary hours of work to be extended by up to 15 minutes in a day but not exceeding 60 minutes in a week by agreement.
- Annual leave: During a period of 12 months of employment with the same employer, employees are entitled to at least 21 consecutive days of paid annual leave.
- Maternity leave: a working mother is entitled to at least four consecutive months of maternity leave, which may be taken at any time from four weeks before the expected date of birth or on a date recommended by a medical practitioner or a midwife.
- Parental leave: an employee is entitled to 10 consecutive days parental leave upon the birth of a child or the legal adoption of a child (Labour Laws Amendment Act of 2018).

For more information on the labour laws and policies, scan the QR code: *insert QR*



3.7 Broad-Based Black Economic Empowerment

Broad-Based Black Economic Empowerment (B-BBEE) Act, 2003, is intended to facilitate the economic empowerment of black people (Africans, coloured and Indians who are citizens of South Africa). The codes of good practice, which are issued by the Minister of Trade, Industry and Competition, highlight the indicators and the basis for measuring B-BBEE. Companies are awarded points based on the representation of black people in all occupational categories and at all levels of their workforce. As companies move up the B-BBEE levels, they become more competitive, which increases their chances of securing government contracts.

For certain industries such as mining, having a particular level of B-BBEE ownership is a requirement for acquiring a licence. Compliance with B-BBEE requirements present both direct and indirect incentives. Foreign companies should take B-BBEE requirements into account prior to incorporation as the failure to meet these requirements could prevent them from engaging in some business activities in South Africa and could pose a hinderance to competing favourably with local companies. It is advisable to employ the expertise of a service provider for guidance in meeting B-BBEE requirements.

3.8 Foreign investment

While foreign investment is not directly regulated in South Africa, there are various pieces of specific legislation, such as the Protection of Investment Act, 2015, and the Broad-Based Black Economic Empowerment Act, 2003, which are relevant to foreign investors.

The aim of the Protection of Investment Act is to provide for the protection of investors and their investments. The Act states that foreign investors and their investments must not be treated less favourably than South African investors. There are no specific licensing requirements applicable to foreign investors, although certain sectors, such as broadcasting, limit foreign investor control.

3.8.1 Exchange control regulation

Before investing in the South African economy, foreign investors should be familiar with the country's exchange control regulations. South Africa's foreign exchange regulations, which regulate the inflow and outflow of capital to and from the country, are administered by the Financial Surveillance Department (FSD) of the South African Reserve Bank (SARB) and authorised dealers (being commercial banks). All "residents" (i.e. a natural person or legal entity) in South Africa are subject to the foreign exchange regulations. This means that the South African operations of an external company will be subject to exchange control regulations.

Non-residents who invest in South African companies must obtain exchange control approval without which it will not be possible to repatriate any capital or interest. Non-resident shareholders of South African companies must get an endorsement of share certificate from an authorised dealer within 30 days of acquiring the shares. Failure to have share certificates endorsed as "non-resident" will hinder the remittance of any dividends or proceeds arising from the disposal of shares. Similarly, an exchange control approval must be obtained before a non-resident can provide loan capital to a South African resident. For rand-denominated loans, the interest rate may not exceed the prime rate plus 5% or prime rate for loans issued by shareholders. In terms of non-rand-dominated loans, the interest rate is not allowed to exceed the base lending rate for that particular currency plus 3% or the base lending rate in the case of shareholders' loans.

3.9 Financing options

The options available for company financing are, among others:

- Government grants for small businesses
- Loan financing
- Equity financing
- Venture capital funding
- Angel investment funding and
- Personal debt finance.

4. Labour market

In the final quarter of 2022, the labour absorption rate was 52.6% – 167 000 more people were employed in the Western Cape relative to the previous quarter, representing an increase of 6.89%. The labour force participation rate in the province increased by 1.8 percentage points from 70% in 2022 Q3 to 71.8% in 2022 Q4.













4.1 Skills

The Western Cape has four world-class tertiary academic institutions, namely, the University of Cape Town (ranked as the top university in Africa and among the top 200 universities of the world), Stellenbosch University, University of the Western Cape, and Cape Peninsula University of Technology. These institutions produced over 32 500 science, engineering and technology qualifications in 2020.

4.2 Cost

Table 3 provides an overview of average labour cost per industry in the Western Cape.

Table 3: Average hourly nominal compensation per worker – formal sector: industry (2021)

Industry		Western Cape
	Agriculture, forestry and fishing	27.36
	Mining and quarrying	194.18
	Manufacturing (skilled)	234.08
	Manufacturing (semi-skilled)	107.90
	Manufacturing (low skilled)	90.62
	Electricity, gas and water	430.30
	Construction	70.04
	Wholesale and retail trade, catering and accommodation	82.18
	Transport, storage and communication	171.45
	Finance, insurance, real estate and business services	105.21
	General government	173.54
	Community, social and personal services	108.55

Source: Quantec (2022)

Table 4 shows the average salary for selected occupations in Cape Town as of 31 May 2023.

Table 4: Average salary for selected occupations in Cape Town (May 2023)

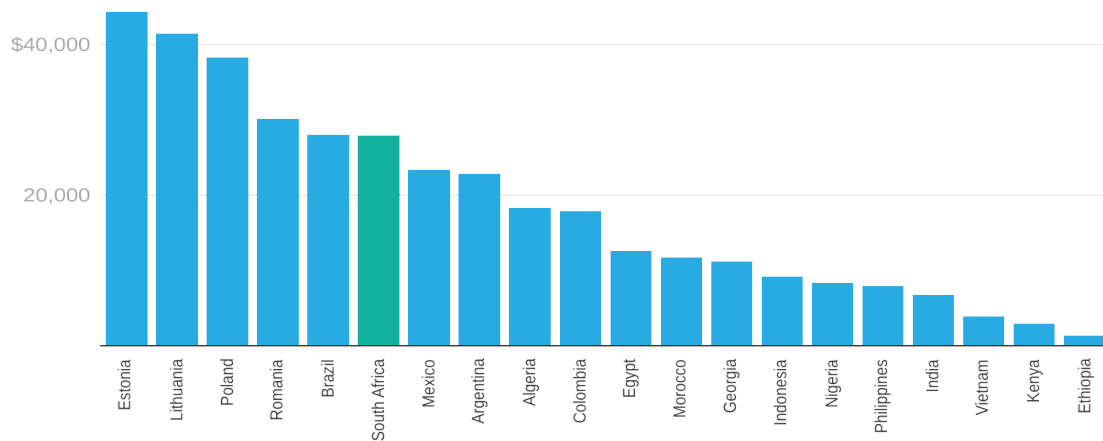
Job Title	Range	Average
Operations Manager	R122 000 - R727 000	R356 951
Office Administrator	R70 000 - R248 000	R139 363
Software Developer	R165 000 - R603 000	R344 269
Project Manager (General)	R124 000 - R777 000	R383 209
Graphic Designer	R97 000 - R314 000	R181 399
Accountant	R142 000 - R456 000	R279 526
Financial Manager	R300 000 - R862 000	R544 508

Source: Payscale (2023)

4.3 Productivity

Figure 3 shows the 2021 national productivity – measured in GDP per employed person. It highlights the efficiency and quality of human capital in the production process for South Africa relative to that of selected countries.

Figure 3: South Africa's GDP per worker relative to that of selected countries (GDP constant 2010 US\$), 2021



Source: ILOSTAT (2022)

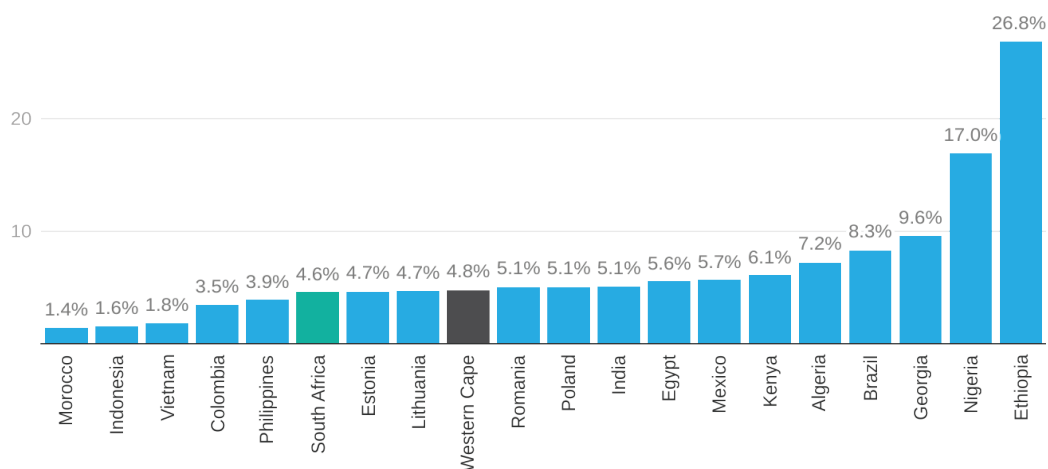
For more information on national and provincial worker compensation, scan the QR code:



5. Standard/cost of living

The rate of inflation of 4.6% in South Africa in 2021 and 4.8% in the Western Cape is shown in Figure 4. Compared to other countries in Africa, South Africa had the 6th lowest inflation rate in 2021, while the Western Cape had the 9th lowest.

Figure 4: Inflation rate, 2021



Source: World Bank (2022); Quantec (2022)

The price of electricity for households in South Africa was US\$0.150 per kWh in March 2022 as shown in Table 5.

Table 5: Prices of electricity for households, March 2022

Country	Electricity prices for households (kWh, US\$)	Country	Electricity prices for households (kWh, US\$)
Ethiopia	0.007	Morocco	0.109
Egypt	0.034	Columbia	0.128
Algeria	0.038	South Africa	0.150
Argentina	0.038	Philippines	0.172
Nigeria	0.051	Poland	0.175
Georgia	0.074	Brazil	0.194
India	0.074	Romania	0.195
Vietnam	0.076	Kenya	0.207
Mexico	0.090	Lithuania	0.322
Indonesia	0.092	Estonia	0.331

Source: GlobalPetroPrices.com (2022)

Note: * household electricity prices are calculated using the average annual household electricity consumption per year

6. Utilities

6.1 Electricity and gasoline

In March 2022, the price of electricity (which includes all components of the electricity bill such as the cost of power, distribution and taxes) for businesses in South Africa was US\$0.071 per kWh. This is lower than the average price of electricity in the world, which was US\$0.138.

Table 6: Prices of electricity and gasoline

Country	Electricity prices for businesses* (kWh, US\$): March 2022	Country	Gasoline prices; Octane-95 (litre, US\$): 28 November 2022
Ethiopia	0.023	Algeria	0.331
Argentina	0.026	Egypt	0.438
Algeria	0.033	Nigeria	0.440
Egypt	0.047	Columbia	0.521
Indonesia	0.071	Indonesia	0.865
South Africa	0.071	Brazil	0.956
Vietnam	0.072	Argentina	0.967
Nigeria	0.081	Vietnam	0.996
Morocco	0.100	Ethiopia	1.075
India	0.101	Georgia	1.215
Georgia	0.112	Mexico	1.238
Philippines	0.118	Philippines	1.240
Columbia	0.125	India	1.276
Kenya	0.146	South Africa	1.326
Brazil	0.155	Morocco	1.389
Mexico	0.176	Poland	1.456
Estonia	0.189	Kenya	1.463
Poland	0.208	Romania	1.544
Lithuania	0.251	Lithuania	1.631
Romania	0.321	Estonia	1.858

Source: GlobalPetroPrices.com (2022)

Note: * the displayed data point uses 1 000 000 kWh annual consumption

6.2 Renewable energy incentives

During the 2023 budget speech, the Minister of Finance announced two tax incentives intended to encourage investment in renewable energy by the private sector (businesses and individuals).

- Businesses will be able to reduce taxable income by 125% of the cost of an investment project, of any size, in renewables. This incentive will be available for a period of two years to drive short-term investment.
- Individuals who install rooftop solar panels will be able to claim a rebate of 25% of the cost of the panels, up to a maximum of R15 000. This tax rebate will be available for one year and could be utilised in the 2023/2024 tax year.

7. Commercial rental rates

Table 7 contains market rental rates for office buildings in selected areas in the first quarter of 2021.

Table 7: Rental rates for office space, 2021 Q1

	Average ZAR per rentable m ² per month, gross leases (excl. VAT)			
	Grade A ⁺	Grade A	Grade B	Grade C
Johannesburg CBD	-	93.00	80.83	53.33
Sandton CBD	215.22	167.41	122.48	97.50
Pretoria CBD	-	97.50	84.00	65.00
Durban CBD	-	-	90.00	-
Cape Town CBD	182.50	150.50	105.00	88.75
Bellville CBD	95.00	90.00	82.50	80.00
Century City	182.00	148.33	120.00	110.00
Rondebosch	165.00	154.84	118.33	100.00
Milnerton	150.00	122.50	100.00	90.00
Paarl	142.50	121.25	92.50	68.75
George Central	146.67	120.00	80.00	65.00

Source: Rode (2021)

The mean prime industrial market rentals in selected areas during the first quarter of 2021 can be found in the Table 8.

Table 8: Prime industrial market rental, 2021 Q1

	R/M ² p.m.; gross lease (excl. VAT)				
	Area size leased in m ²				
	250	500	1.000	2.500	5.000
Central Witwatersrand	53.86	52.36	51.33	50.23	49.06
Pretoria	54.14	48.40	43.92	41.58	38.12
Durban	65.95	65.00	63.22	59.87	59.37
Cape Town	58.07	55.25	52.38	49.59	48.88
Brackenfell Industrial	57.00	53.20	51.20	50.00	47.00
Paarl	63.00	53.75	48.33	43.13	38.33
George	40.56	35.13	31.67	27.44	25.78

Source: Rode (2021)

8. Investment incentives

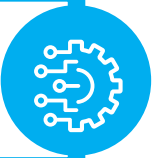
This section provides a summary of incentive programmes offered by the Department of Trade, Industry and Competition (the DTIC) as well as the City of Cape Town.

8.1 DTIC incentives

The DTIC has various incentive schemes on offer. All incentives have their own specific guidelines and qualifying criteria, which are available on the DTIC website. The DTIC's incentive programmes can be grouped into the following clusters:

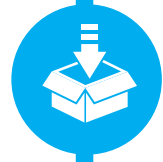
Manufacturing investment incentives	<ul style="list-style-type: none">• Automotive Investment Scheme (AIS)<ul style="list-style-type: none">– People-Carrier Automotive Investment Scheme (P-AIS)– Medium and Heavy Commercial Vehicle Automotive Investment Scheme (MHCV-AIS)• The Black Industrialists Scheme (BIS)• Agro-Processing Support Scheme (APSS)• Aquaculture Development Enhancement Programme (ADEP)• Manufacturing Competitiveness Enhancement Programme (MCEP) Loan Facility• Clothing and Textile Competitiveness Improvement Programme (CTCIP)• Strategic Partnership Programme (SPP)	
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Services investment incentives	<ul style="list-style-type: none">• Global Business Services (GBS)• South Africa Emerging Black Filmmakers Incentive• Foreign Film and Television Production and Post-Production• SA Film and TV Production and Co-production• SA Film and TV Production Incentive	
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Infrastructure investment incentives	<ul style="list-style-type: none">• Special Economic Zone (SEZ) Programme• Critical Infrastructure Programme (CIP)	
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Export promotion incentives

- Export Marketing and Investment Assistance (EMIA)
- Sector-Specific Assistance Scheme (SSAS)
- Capital Projects Feasibility Programme (CPFP)



Innovation incentives

- Technology and Human Resources for Industry Programme (THRIP)
- Support Programme for Industrial Innovation (SPII)



8.2 City of Cape Town incentives

Financial incentives include:

- Full exemption for development (land use and building plan) application fees in designated areas
- Discounted development charges (both civil and electrical development charges)
- Electricity tariff reduction
- Broadband connection fee waiver



Non-financial incentives include:

- Single-point investment facilitation
- Development application fast-tracking
- Regularly updated spatial economic information
- Atlantis Investment Facilitation Office (Atlantis only)





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