

United States

October 2017

Executive summary

This country fact sheet provides key trade, investment and tourism related statistics for the United States. Specifically, it shows global trade and investment flows including an analysis of top markets and products for the United States in relation to South Africa and the Western Cape, highlighting the largest and fastest growing products and sub-sectors. It also analyses tourism trends between the United States and South Africa. The key highlights in the United States fact sheet are provided below:

ECONOMY

- BMI Research forecast real GDP growth of 2.1% for the United States in 2018.
- Mining manufacturing (16%), wholesale retail trade (14%) and the transport, storage and communications sectors (9%) were the top contributing sectors to the United States economy.
- The United States is currently ranked 8th overall in the World Bank's Doing Business Index, the countries relative strengths lie in getting credit (2nd) and resolving insolvencies.

TRADE

- The exports of services from the United States grew by 0.21% in 2016 to reach USD752.41bn.
- The United States global exports in 2016 were valued at USD1.45trn compared to USD1.50trn in 2015, decreasing by 3.2%. Global imports by the United States were valued at USD2.25trn in 2016, decreasing by 2.76%.
- In 2016, South African exports to the United States were valued at USD5.34bn declining by 10.9% and imports were valued at USD5bn declining by 17.5%.
- The Western Cape's exports to the United States were worth USD610.19m, growing faster (15%) than imports which were worth USD458.88m in 2016.
- The Western Cape's top three exports to the United States were flat-rolled products of iron or non-alloy, articles of jewellery and parts thereof and diodes, transmitters and semiconductor devices.
- The United States imposes the highest tariff on tobacco and tobacco substitutes imported from South Africa (23%).

FDI

- Between January 2003 and February 2017 a total of 44,374 FDI projects were recorded from the United States. These projects represented a total capital investment of USD2.1trn.
- Between January 2003 and February 2017 a total of 354 FDI projects were recorded from the United States to South Africa. These projects represented a total capital investment of USD12bn.
- Between January 2003 and February 2017 a total of 43 FDI projects were recorded from South Africa to the United States. These projects represent a total capital investment of USD21bn making South Africa a net outward investor in the United States.
- The United States invested into 76 projects in the Western Cape. The sectors that received the highest number of projects were software and IT services (36%) and business services (23%)

TOURISM

- Arrivals to the Western Cape increased by 15% to 189 867 tourists in 2016 which is a 55% share of tourist arrivals to South Africa. The United States is the third largest source market for tourists into the Western Cape after the United Kingdom (270 167) and Germany (204 015).

Contents

1. Country Overview.....	3
2. Economic Overview.....	4
2.1 Doing Business in the United States	4
2.2 United States risk ratings	7
3. Trade.....	8
3.1 Trade in Services	8
3.2 United States global trade in products.....	10
3.3 Trade with South Africa.....	12
3.4 Trade with the Western Cape	14
3.5 Western Cape Export Opportunities to the United States	15
3.6 Trade agreements.....	16
3.7 Tariffs	18
3.8 Port-to-Port rates	19
4. Foreign Direct Investment	21
4.1 Global investment from the United States	21
4.2 Global investment into the United States	24
4.3 Investment relations between South Africa and the United States	27
4.3.1 Foreign Direct Investment from the United States into South Africa	27
4.3.2 Foreign Direct Investment from South Africa into the United States	29
4.4 Investment Relations between the Western Cape and the United States	31
4.4.1 Foreign Direct Investment from the United States to the Western Cape	31
4.4.2 Foreign Direct Investment from the Western Cape into the United States.....	34
5. Tourism.....	35
5.1 United States tourist departures to South Africa & the Western Cape.....	35

1. Country Overview

The United States of America (commonly called the United States) is a federal constitutional republic. It consists of fifty states and one federal district. The country is bordered by Canada to the North and Mexico to the South. The United States (US) also possesses several territories in the Pacific and Caribbean. Physically, the country measures at 9.83 million km² and has a population of over 326 million people. The country has a high literacy rate and HDI rankings. The United States is the fourth largest country by total area, and the third largest by both land area and population. The country is half the size of Russia and slightly larger than China. The United States climate is mostly temperate but tropical in Hawaii and Florida, and arctic in Alaska.

The United States is a permanent member of the United Nations Security Council and a member of NATO (North Atlantic Treaty and Organization), NAFTA (North American Free Trade Agreement), OECD (The Organisation for Economic Co-operation and Development) and the WTO (World Trade Organisation).



GENERAL OVERVIEW	
Official Country Name	United States of America
Capital city	Washington, DC
Population (July 2017 est.)	326,625,791
Government type	Constitution-based federal republic
President	Donald Trump
Literacy	99%
Life Expectancy	78.62 years
Ethnic groups	White 72.4%, Black 12.6%, Asian 4.8%, Amerindian and Alaska native 0.9%, Native Hawaiian and other Pacific islander 0.2%, two or more races 2.9%
Official languages	English 79%, Spanish 13%, other Indo-European 3.7%, Asian and Pacific island 3.4%, other 1%
Religions	Protestant 46.5%, Roman Catholic 20.8%, Mormon 1.6%, Jehovah's Witnesses 0.8%, other Christian 0.9%, Jewish 1.9%, Muslim 0.9%, Buddhist 0.7%, other or unspecified 1.8%, unaffiliated 22.8%, none 0.6%
HDI (2016 est.)	0.920

Source: CIA World Factbook, 2017

2. Economic Overview

The United States is the world's second largest national economy after China by GDP purchasing power parity. The United States has the most technologically powerful economy in the world, with a per capita GDP of USD57,400. US firms are at or near the forefront in technological advances, especially in computers, pharmaceuticals, and medical, aerospace, and military equipment; however, their advantage has narrowed since the end of World War II. In 2016, the unemployment rate dropped to 4.7%, the lowest rate of joblessness since the global recession began; inflation stood at 1.3% in the same year. The United States is an energy intensive country and imports 55% of its refined oil, however, the fall in the price of oil has alleviated many problems caused by high oil prices and resulted in a drop in the value of the dollar.

ECONOMIC INFORMATION	
GDP PPP (2016 est.)	USD18.57trn
GDP real growth rate (2016 est.)	1.60%
GDP per capita dollars (2016 est.)	USD57,400
Inflation rate (2016 est.)	1.30%
Interest rate (September 2017)	1.25%
Unemployment rate % (2016 est.)	4.70%
Exports (2016 est.)	USD1.471trn
Imports (2016 est.)	USD2.205trn
Doing Business in... (2017 ranking)	8

Source: IMF 2017, CIA World Factbook, 2017, TradingEconomics, 2017, World Bank Doing Business Index, 2017

The table below lists the top 15 companies in the United States as ranked by Forbes, for 2017:

FORBES TOP 10 COMPANIES IN THE UNITED STATES, 2017				
GLOBAL RANK	COMPANY	SECTOR	SALES	PROFITS
#3	Berkshire Hathaway	investment	\$222.9 B	\$222.9 B
#4	JPMorgan Chase	banking	\$102.5 B	\$102.5 B
#5	Wells Fargo	banking	\$97.6 B	\$97.6 B
#7	Bank of America	banking	\$92.2 B	\$92.2 B
#9	Apple	software & IT	\$217.5 B	\$217.5 B
#11	AT&T	telecoms	\$163.8 B	\$163.8 B
#12	Citigroup	banking	\$84 B	\$84 B
#13	ExxonMobil	telecoms	\$197.5 B	\$197.5 B
#14	General Electric	machinery & equipment	\$119.7 B	\$119.7 B
#17	Wal-Mart Stores	consumer goods	\$485.3 B	\$485.3 B
#18	Verizon Communications	telecoms	\$85.3 B	\$13.1 B
#19	Microsoft	software & IT	\$89.9 B	\$85.3 B
#27	Alphabet	software & IT	\$80.4 B	\$89.9 B
#31	Comcast	telecoms	\$71.9 B	\$80.4 B
#32	Johnson & Johnson	medical equipment & supplies	\$184.9 B	\$71.9 B

Source: Forbes2000, 2017

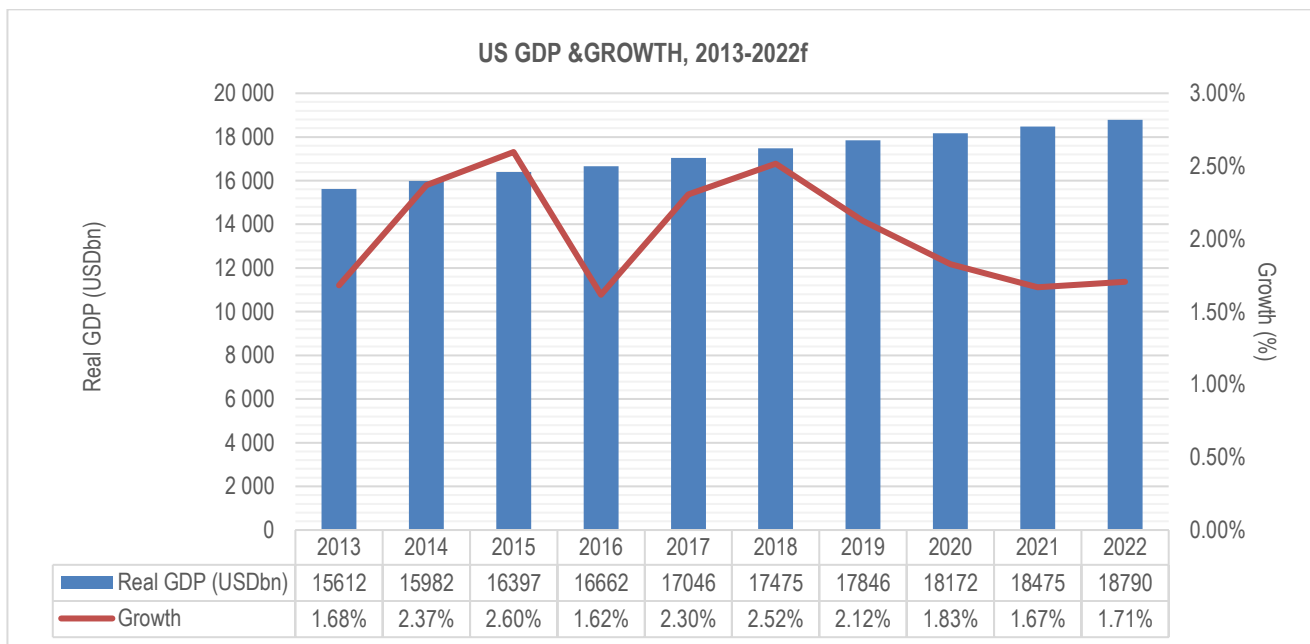
2.1 Doing Business in the United States

The United States is currently ranked 8th overall in the World Bank's Doing Business Index. The United States key strengths include getting credit (2nd) and resolving insolvencies (5th).

UNITED STATES EASE OF DOING BUSINESS, 2017	
SELECTED INDICATORS	RANKING OUT OF 190 COUNTRIES, 2017
Starting a Business	51
Dealing with Construction Permits	39
Getting Electricity	36
Registering Property	36
Getting Credit	2
Protecting Investors	41
Paying Taxes	36
Trading Across Borders	35
Enforcing Contracts	20
Resolving Insolvency	5
Doing Business 2017	8

Source: World Bank Doing Business Index, 2017

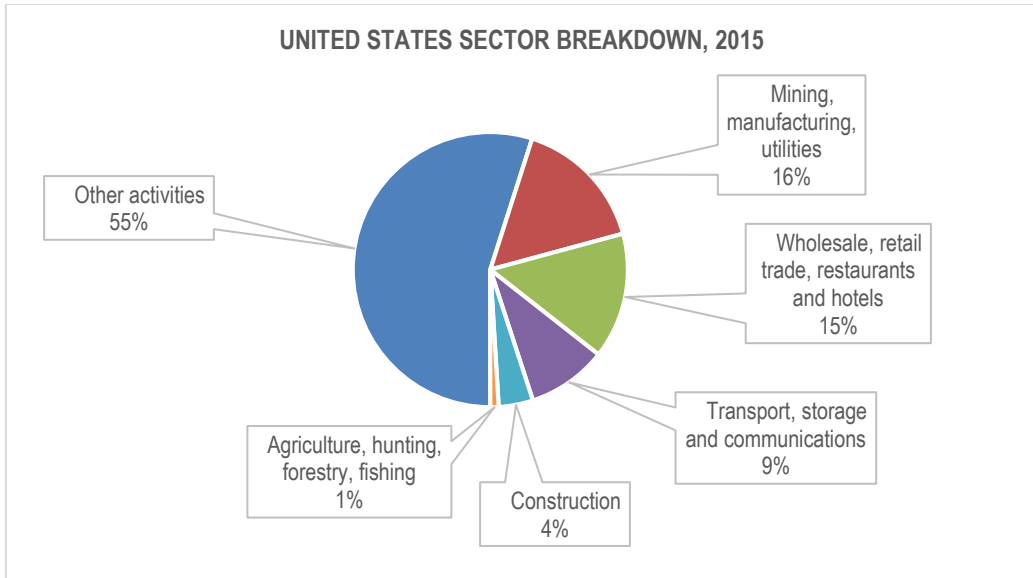
According to Business Monitor International (2017) the short-to-medium term growth outlook for the US economy remains constructive this is due to a tightening labour market and a continued recovery in private investment. BMI remained cautious in their longer-term outlook given policy uncertainty, saying the GDP growth is likelihood to disappoint. It is said the budget deficit is expected to widen this will be accompanied by a higher debt-to GDP ratio in the years ahead as tax rate cuts lowering revenue will not be accompanied by offsetting reductions in entitlement spending.



Source: IMF, 2017

The top contributing sectors in the United States economy to GDP in 2015 were:

- Mining manufacturing, utilities (16%);
- Wholesale, retail trade, restaurants and hotels (15%) and
- Transport, storage and communications (9%).



Source: UNCTAD, 2017

2.2 United States risk ratings

The table below shows sovereign risk for the United States, based on ratings from Moody's, Fitch and Standard and Poor (S&P). S&P have credited the United States economy for its resilience, and credibility in its monetary decisions and the trust in the dollar as the global reserve currency. S&P have rated the economy with an AA+ sovereign credit rating, noting the credit weaknesses in the economy, which includes its debt burden. Moody's rating for the United States sovereign debt was a stable Aaa. Fitch's issued the country an AAA credit rating, however, the agency warned saying the country faces a possible downgrade if it chooses not to address the raising of the debt ceiling issue.

UNITED STATES' COUNTRY RATINGS, 2017				
STANDARD AND POOR SOVEREIGN RATING			FITCH RATING	MOODY RATING
Currency Rating	Foreign Currency Rating	T&C Assessment	Credit Rating	Credit Rating
AA+	AA+	AA+	AAA	Aaa

Source: Trading Economics, 2017

The 2017 Risk assessment by Decrier/Delcrede rated the United States as shown in the table below. These ratings show a risk assessment in terms of export transactions and direct investments. Ratings are between 1 and 7, and between A and C, with 7 and C being the maximum risk indicators. The table shows that the political risk in the United States is low both in the short- and long-term. Commercial risk and special transaction risk is also low together with all categories of direct investment risk, i.e. war risk, risk of expropriation and government action and transfer risk.

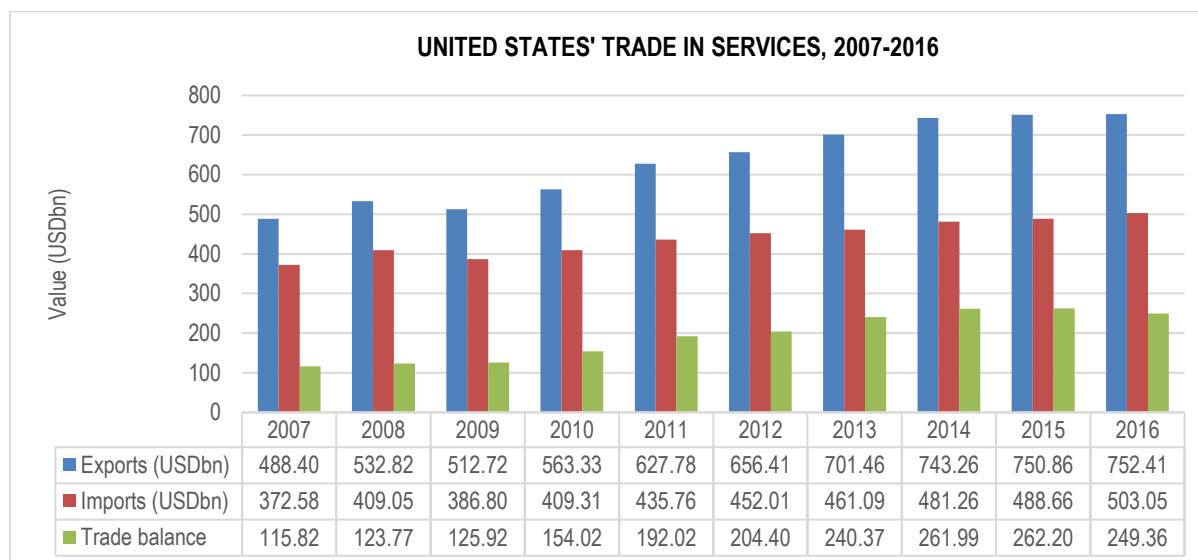
UNITED STATES RISK ASSESMENT, 2017	
EXPORT TRANSACTIONS	
Short Term Political Risk	1
Long Term Political Risk	1
Special Transactions	1
Commercial Risk	A
DIRECT INVESTMENTS	
Political Violence Risk	1
Expropriation Risk	1
Transfer Risk	1

Source: ONDD, 2017

3. Trade

3.1 Trade in Services

In 2016 the United States experienced the highest trade in services both in terms of exports and imports over the reviewed period. The exports of services in 2016, grew by 0.21% to reach USD752.41bn. In terms of global imports the United States grew by 2.95% in 2016 to reach USD503.05bn. Over the analysed period the United States consistently had a positive trade balance.



Source: TradeMap, 2017

The table below shows the United States' trade in services for 2016. Travel was the largest services export valued at USD206.83bn followed by other business services and intellectual property valued at USD136.05bn and USD122.23bn, respectively. Travel services were the largest import service into the United States valued at USD121.53bn followed by transport and other business services valued at USD97.18bn and USD96.08bn, respectively. The transport category includes postal and courier services.

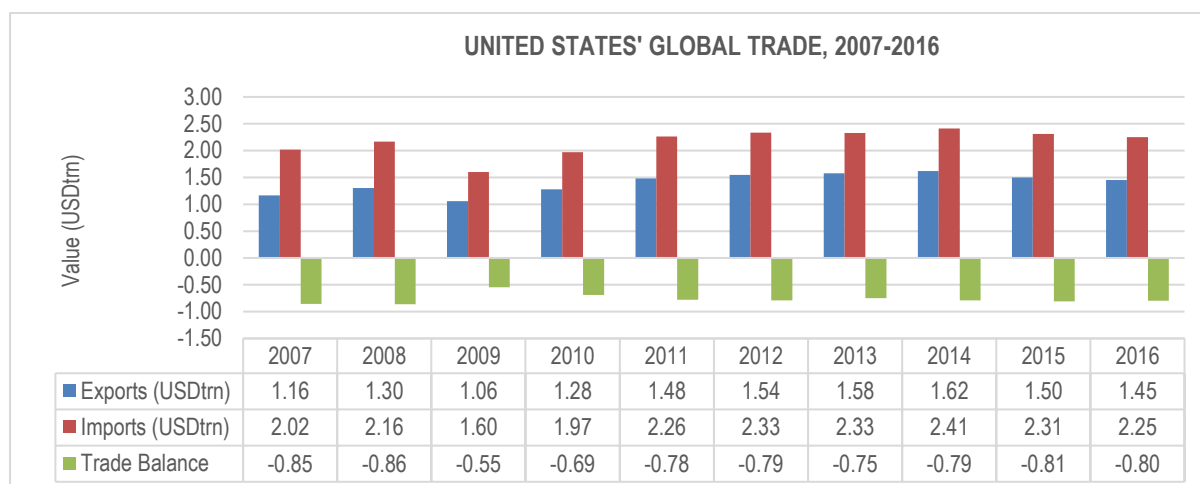
TOP SERVICES EXPORTED BY THE UNITED STATES , 2016				TOP SERVICES IMPORTED BY THE UNITED STATES, 2016			
CODE	SERVICE	VALUE 2016 (USDbn)	5 YR GROWTH (%)	CODE	SERVICE	VALUE 2016 (USDbn)	5 YR GROWTH (%)
4	Travel	206.83	6.55%	4	Travel	121.53	6.37%
10	Other business services	136.05	5.06%	3	Transport	97.18	3.63%
8	Charges for the use of intellectual property	122.23	-0.15%	10	Other business services	96.08	4.26%
7	Financial services	96.75	4.96%	6	Insurance and pension services	48.40	-2.70%
3	Transport	84.63	1.25%	8	Charges for the use of intellectual property	42.74	3.61%
9	Telecommunications, computer, and information services	37.26	5.07%	9	Telecommunications, computer, and information services	37.53	2.79%
2	Maintenance and repair services	26.49	10.12%	7	Financial services	25.23	8.41%

12	Government goods and services.	19.86	-2.08%	12	Government goods and services	21.10	-7.51%
6	Insurance and pension services	17.74	3.35%	2	Maintenance and repair services	8.70	1.51%
11	Personal, cultural, and recreational services	2.51	-3.56%	5	Construction	2.56	-0.48%
5	Construction	2.05	-4.90%	11	Personal, cultural, and recreational services	2.02	-2.92%
TOTAL EXPORTS		752.41	3.72%	TOTAL IMPORTS		503.05	2.92%

Source: TradeMap, 2017

3.2 United States global trade in products

The figure below illustrates the United States trend in global trade for the period of 2007 to 2016. The United States maintained a trade deficit with the world making the United States a net importer of goods. The United States global exports in 2016 were valued at USD1.45trn compared to USD1.5trn in 2015, decreasing by 3.24%. Global imports by the United States were valued at USD2.25trn in 2016, decreasing by 2.76% from the previous year.



Source: TradeMap, 2017

The table below shows the United States' top 10 destination markets for 2016. Canada was the leading export market for the United States with a value of USD265.93bn. Mexico and China ranked second and third valued at USD230.96bn and 115.78bn respectively. South Africa was United States 37th largest destination market importing goods worth USD4.68bn in 2016.

TOP 10 DESTINATION MARKETS FOR THE UNITED STATES, 2016			
RANK	COUNTRY	VALUE 2016 (USDbn)	5 YR GROWTH (%)
1	Canada	265.93	-3
2	Mexico	230.96	2
3	China	115.78	0
4	Japan	63.26	-2
5	United Kingdom	55.39	2
6	Germany	49.16	1
7	Korea	42.27	0
8	Netherlands	40.37	-1
9	Hong Kong	34.89	-3
10	France	32.44	0
TOTAL EXPORTS		1 453.17	-2

Source: TradeMap, 2017

The table below shows the United States' global import markets for 2016. China was the leading source market valued at USD481.72bn. Mexico and Canada were ranked second and third valued at USD296.86bn and USD283.31bn, respectively. Other top import markets were Japan (USD135.27bn); Germany (USD116.40bn) and the Republic of Korea (USD71.93bn).

TOP 10 SOURCE COUNTRIES FOR THE UNITED STATES, 2016			
RANK	COUNTRY	VALUE 2016 (USDbn)	5 YR GROWTH (%)
1	China	481.72	3
2	Mexico	296.86	2
3	Canada	283.31	-4

4	Japan	135.27	-3
5	Germany	116.40	2
6	Republic of Korea	71.93	5
7	United Kingdom	55.21	1
8	France	47.83	3
9	India	47.71	3
10	Italy	46.55	5
TOTAL IMPORTS		2 249.66	-1

Source: TradeMap, 2017

The table below shows United States' top 10 traded products for 2016. Refined petroleum was the leading export product valued at USD64.06bn, declining 13% year-on-year. This product was followed by motor cars (USD53.81bn) and parts and accessories for tractors and motor vehicles (USD42.83bn). Other top exports were electric integrated circuits (USD35.14bn) and telephone sets (USD33.84bn).

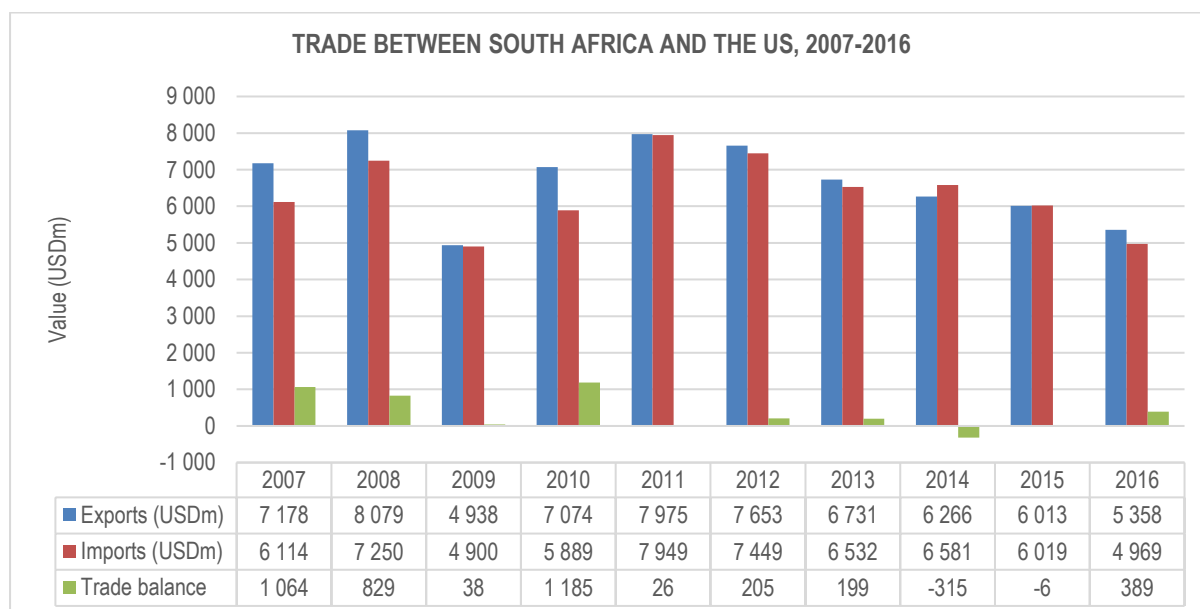
In 2016, motor cars were the leading import product by the United States, valued at USD173.35bn. Crude petroleum oil and telephones sets were ranked second and third at USD108.07bn and USD104.88bn, respectively. Of the top 10 products medicaments and motor vehicles for the transport of goods were the fastest growing imports, growing by 11% year-on-year.

TOP 10 PRODUCTS EXPORTED BY THE UNITED STATES, 2016				TOP 10 PRODUCTS IMPORTED BY THE UNITED STATES, 2016			
RANK	PRODUCT	VALUE 2016 (USDbn)	5 YR GROWTH (2012-2016)	RANK	PRODUCT	VALUE 2016 (USDbn)	5 YR GROWTH (2012-2016)
1	Refined Petroleum oils and oils obtained from bituminous minerals	64.06	-13	1	Motor cars	173.35	4
2	Motor cars	53.81	-1	2	Crude petroleum oils	108.07	-25
3	Parts and accessories for tractors and motor vehicles	42.83	1	3	Telephone sets	104.88	7
4	Electronic integrated circuits; parts thereof	35.14	0	4	Automatic data-processing machines and units thereof	86.63	-2
5	Telephone sets	33.84	4	5	Medicaments	77.70	11
6	Instruments and appliances used in medical, surgical, dental or veterinary sciences	26.43	2	6	Parts and accessories for motor vehicles	67.55	4
7	Automatic data-processing machines and units thereof	24.31	-3	7	Refined petroleum oils and oils obtained from bituminous minerals	66.61	-19
8	Soya beans, whether or not broken	22.91	-3	8	Electronic integrated circuits; parts thereof	41.20	2
9	Medicaments	22.51	-1	9	Motor vehicles for the transport of goods	30.76	11
10	Diamonds	19.50	2	10	Motor vehicles for the transport of goods	25.17	4
TOTAL EXPORTS		1 453.17	-1	TOTAL IMPORTS		2 249.66	-2

Source: Trade Map, 2017

3.3 Trade with South Africa

The graph below depicts South African trade with the United States between 2007 and 2016. Trade between the two nations has been declining over the period under review. The 2008-2009 subprime crisis slowed global trade and resulted in South Africa witnessing a decline in trade with the world's largest economy. Due to the 2014's drop in global commodity prices South Africa witnessed the largest trade deficit over the decade (USD315bn) and trade has declined in subsequent years. In 2016, South African exports were valued at USD5.36bn declining by 10.9% and imports were valued at USD4.97bn declining by 17.5% from the previous year.



Source: Quantec, 2017

Motor vehicles for transport of persons (except buses) (USD1.1bn), were South Africa's largest export to the United States in 2016, exports of this product decreased by 23% per annum over the past 5 years. Platinum, (USD986.65m) was the second largest export followed by ferro-alloys (USD369.65m). The top three products accounted for 46.15% of South Africa's total exports to the United States. Articles of jewellery had an annual growth of around 20.2% over the last five years. South Africa is a major commodity exporter to the United States the decline in exports in recent years is not necessarily an indication of the destination markets lack of appetite for South African commodity exports. In 2014 the markets witnessed a downturn in the global commodities market compounding this was that the other major commodity producers (e.g. Brazil and Russia) were in recession at the time, thus slimming the recovery prospects of the commodities market.

Other aircrafts (USD321.25m) was South Africa's largest import in 2016 followed by motor cars (USD256.36m) and instruments and appliances used in medical sciences, (USD160.90m) were the second and third largest import products.

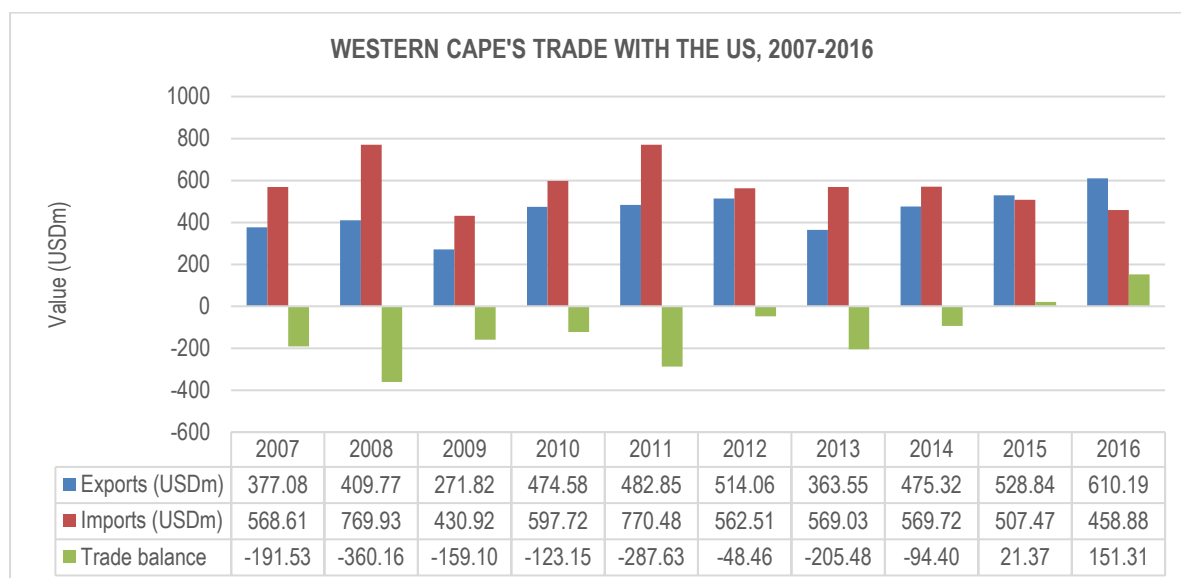
TOP 10 SOUTH AFRICAN EXPORTS TO UNITED STATES, 2016				TOP 10 SOUTH AFRICAN IMPORTS FROM THE UNITED STATES, 2016			
RANK	PRODUCT	VALUE 2016 (USDm)	5 YR GROWTH, 2012-2016	RANK	PRODUCT	VALUE 2016 (USDm)	5 YR GROWTH, 2012-2016
1	Motor cars	1 116.19	-22.92%	1	Other aircraft (helicopters etc.)	321.25	-5.85%
2	Platinum	986.65	-21.41%	2	Motor cars	256.36	-21.51%
3	Ferro-alloys	369.80	-18.12%	3	Instruments and appliances used in medical sciences	160.90	-16.03%
4	Centrifuges, including centrifugal dryers	292.36	-7.98%	4	Parts and accessories for armoured vehicles	133.68	-6.92%

5	Aluminium plates	164.95	-17.09%	5	Parts for gliders	129.38	-11.21%
6	Acyclic hydrocarbons	132.36	-23.10%	6	Medicaments	128.23	-12.81%
7	Granulated slag	127.13	-	7	Original equipment components	125.46	-20.06%
8	Diamonds	114.30	-5.90%	8	Parts suitable for use solely or principally with the machinery of pulley tackle and hoists	111.93	-16.81%
9	Titanium ores and concentrates	113.63	-20.81%	9	Diagnostic or laboratory reagents	100.06	-9.71%
10	Articles of jewellery and parts thereof	103.85	20.26%	10	Automatic data processing machines	84.57	-16.48%
TOTAL EXPORTS		5 358.07	-19.74%	TOTAL IMPORTS		4 969.00	-20.72%

Source: Quantec, 2017

3.4 Trade with the Western Cape

With the exception of 2015 and 2016, the Western Cape's imports have continuously exceeded its exports to the United States with the biggest trade deficit being recorded in 2008 which could be attributed to the financial crises. The province's exports were worth USD610.19m growing faster (15%) than imports worth USD458.88m (-10%) in 2016, resulting in a 600% increase from the previous year trade balance.



Source: Quantec, 2017

The largest export product to the United States was flat-rolled products of iron or non-alloy steel (clad) worth (USD95.60m), with a large annual average growth of 177.87% year-on-year. Articles of jewellery (USD78.79m) and diodes, transistors and similar semiconductor devices (USD67.62m) were the second and third largest exports. In 2016 Western Cape's top 9 export products witnessed positive growth.

Imports of refined petroleum were the largest value import in 2016 (USD45.08m) growing by 8.05% per annum over the past 5 years. Natural magnesium carbonate and instruments and appliances used in medical sciences were the second and third largest imports valued at USD21.41m and USD17.20m, respectively.

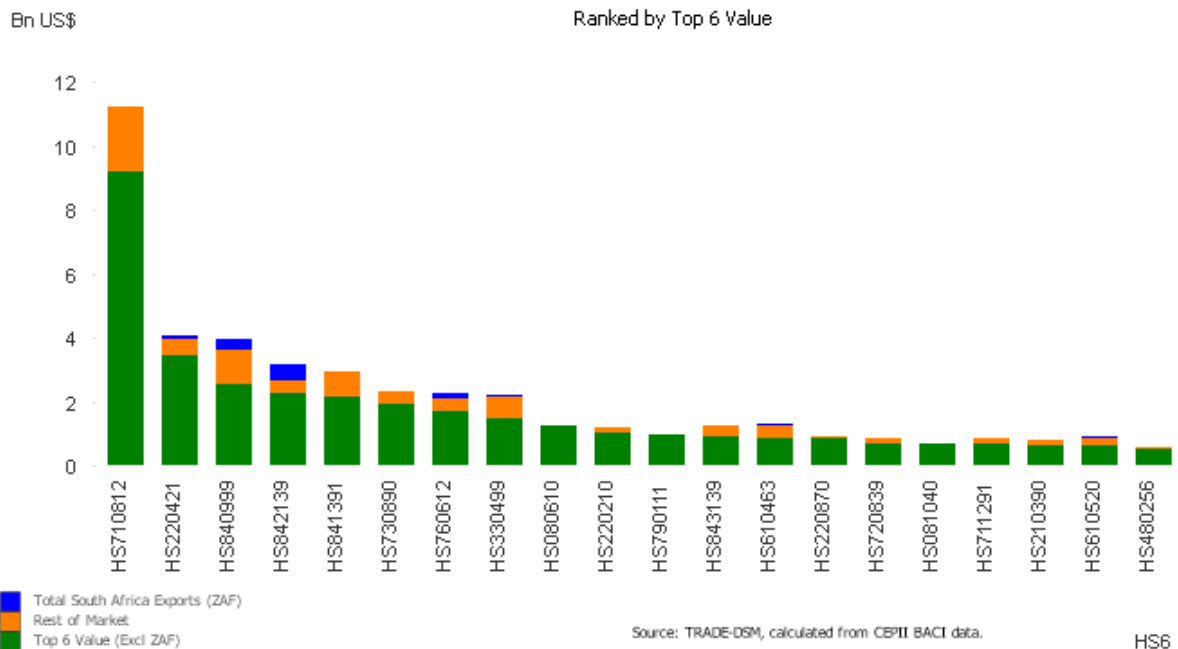
TOP 10 WESTERN CAPE EXPORTS TO THE UNITED STATES, 2016				TOP 10 WESTERN CAPE IMPORTS FROM THE UNITED STATES, 2016			
RANK	PRODUCT	VALUE 2016 (USDm)	5 YR GROWTH	RANK	PRODUCT	VALUE 2016 (USDm)	5 YR GROWTH
1	Flat-rolled products of iron or non-alloy steel (clad), of a width of 600 mm	95.60	177.87%	1	Refined petroleum oils and oils obtained from bituminous minerals	45.08	8.05%
2	Articles of jewellery and parts thereof	78.79	31.61%	2	Natural magnesium carbonate	21.41	41.04%
3	Diodes, transistors and similar semiconductor devices	67.62	33923.66%	3	Instruments and appliances used in medical sciences	17.20	2.99%
4	Citrus fruit, fresh or dried	41.99	4.07%	4	Wheat and meslin	15.96	-
5	Parts suitable for spark ignition reciprocating	41.35	8341.38%	5	Orthopaedic appliances	12.27	8.06%
6	Wine of fresh grapes	37.76	1.03%	6	Glass mirrors, whether or not framed, including rear-view mirrors.	10.26	14099.05%

7	Parts suitable for monitors and projectors	23.81	14.17%	7	Electric generating sets and rotary converters	10.22	451.56%
8	Flat-rolled products of iron or non-alloy steel, (not clad) of a width of 600 mm or more, cold-rolled (cold-reduced)	21.11	-	8	Other aircrafts	10.20	264.03%
9	Crustaceans	15.98	3.66%	9	Centrifuges	9.58	-2.33%
10	Beauty or make-up preparations	12.32	1.61%	10	Food preparations	9.07	13.95%
TOTAL EXPORTS		610.19	6.91%	TOTAL IMPORTS		458.88	-9.24%

Source: Quantec, 2017

3.5 South African Export Opportunities to the United States

This section uses the Decision Support Model (DSM) to identify realistic export opportunities for South African firms exporting to the United States. The DSM results, indicated in the graph below, shows the top 20 realistic export opportunities (REOs) for South African exports to the United States.



- HS710812: Gold (incl. gold plated with platinum), in unwrought forms (excl. powder)
- HS220421: Wine other than sparkling wine of fresh grapes
- HS840999: Parts suitable for engines
- HS842139: Filtering/purifying machines
- HS841391: Parts of the pumps
- HS730890 : Structures and parts of structures of iron
- HS760612: Plates, sheets & strip of aluminium alloys
- HS330499: Beauty/make-up preps. & preps. for the care of the skin
- HS080610: Grapes, fresh
- HS220210: Waters (sweetening matter/flavoured)
- HS790111: Zinc, not alloyed, unwrought, cont. by wt. 99.99%/more of zinc
- HS843139: Parts suitable for machines
- HS610463: Women's/girls' trousers, knitted or crocheted, of synthetic fibres
- HS220870: Liqueurs & cordials
- HS720839: Flat-rolled products of iron/non-alloy steel in coils
- HS081040: Cranberries

- HS711291: Waste & scrap of gold
- HS210390: Sauces; mixed condiments & mixed seasonings
- HS610520: Men's/boys' shirts, knitted or crocheted, of man-made fibres
- HS480256: Paper & paperboard

3.6 Trade agreements

According to the United States Office of the Trade Representative (2013) the following trade agreements apply between South Africa and the United States:

- AGOA Status: South Africa is eligible for AGOA this year. It also qualifies for textile and apparel benefits.
- United States and South Africa signed a Trade and Investment Framework Agreement (TIFA) in 2012, which amends the United States-South Africa TIFA originally signed in 1999.
- The United States and the Southern Africa Customs Union (SACU), signed a Trade, Investment, and Development Cooperative Agreement (TIDCA) in 2008. This TIDCA aimed to establish a forum for consultative discussions, cooperative work, and possible agreements on a wide range of trade issues, with a special focus on customs and trade facilitation, technical barriers to trade, sanitary and phytosanitary (SPS) measures, and trade and investment promotion.

The infographic below released by the South African Institute of International Affairs shows the importance of AGOA and the possibility of a shift from AGOA to a bi-lateral or multi-lateral agreement.

AGOA AT A GLANCE

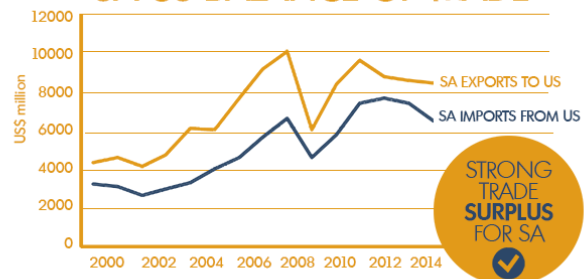
Under the African Growth and Opportunity Act (AGOA), the US has offered duty-free market access to sub-Saharan African countries since 2000. The current extension of this unilateral deal (no tariff concessions are required from beneficiaries) ends in 2025. The US is looking to African countries to suggest alternatives once AGOA expires.

Bi- and multi-lateral trade agreements are a commonly-used option, and the US have been keen to negotiate such deals, as evidenced by the Trans-Atlantic Trade and Investment Partnership, and the Trans-Pacific Partnership.

But a wide range of other alternatives exist, depending on the issues up for negotiation and the level of complexity: Trade and Investment Frameworks; Bilateral Investment Treaties; Preferential Trade Agreements or a Free Trade Agreement.

South Africa would need to negotiate any bilateral agreement as part of SACU (as per the 2002 SACU Agreement). Smaller countries, with less leverage in negotiations, benefit from negotiating within groups. Key regional economic communities in Africa, like SADC, COMESA, EAC, ECOWAS could be used as a basis for negotiations (as happened with the EU Economic Partnership Agreements), or ultimately the Tripartite FTA or the Continental FTA.

SA-US BALANCE OF TRADE



AGOA AS A PROPORTION OF SA EXPORTS BY INDUSTRY (2014)



THE AGOA ACT V.S. BILATERAL AGREEMENTS

- | | |
|--|--|
| <ul style="list-style-type: none"> · No negotiations, technical capacity not needed · Good for small countries · All gains, no losses · Gains can be limited · Can be withdrawn by US at any time · Power imbalances between partners · Country can become dependent on gains | <ul style="list-style-type: none"> · Difficult and lengthy to negotiate, requires expertise · Typically better for large countries (e.g. SA) · Would be reciprocal: gains and losses · Typically better tariff concessions · Rights, responsibilities & dispute resolutions clear · Can protect infant or strategic industries · Can lead to more trade and more investment |
|--|--|



3.7 Tariffs

Tariffs imposed by the United States on South African exports are listed below. The highest tariff is imposed on tobacco with 23% ad valorem.

TARIFFS IMPOSED BY THE UNITED STATES ON SOUTH AFRICAN EXPORTS, 2016					
HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)
H01: Live animals	0	H33: Essential oils, perfumes, cosmetics, toiletries	0	H65: Headgear and parts thereof	4
H02: Meat and edible meat offal	2	H34: Soaps, lubricants, waxes, candles, modelling pastes	0	H66: Umbrellas, walking-sticks, seat-sticks, whips	0
H03: Fish, crustaceans, molluscs, aquatic invertebrates	0	H35: Albuminoids, modified starches, glues, enzymes	0	H67: Bird skin, feathers, artificial flowers, human hair	0
H04: Dairy products, eggs, honey, edible animal product	11	H36: Explosives, pyrotechnics, matches, pyrophorics	0	H68: Stone, plaster, cement, asbestos, mica, articles	0
H05: Products of animal origin	0	H37: Photographic or cinematographic goods	0	H69: Ceramic products	0
H06: Live trees, plants, bulbs, roots, cut flowers	0	H38: Miscellaneous chemical products	0	H70: Glass and glassware	0
H07: Edible vegetables and certain roots and tubers	0	H39: Plastics and articles thereof	0	H71: Pearls, precious stones, metals, coin	0
H08: Edible fruit, nuts, peel of citrus fruit, melons	0	H40: Rubber and articles thereof	0	H72: Iron and steel	0
H09: Coffee, tea, mate and spices	0	H41: Raw hides and skins (other than furskins) and leather	0	H73: Articles of iron or steel	0
H10: Cereals	0	H42: Articles of leather, animal gut, harness, travel goods	2	H74: Copper and articles thereof	0
H11: Milling products, malt, starches, inulin, wheat gluten	0	H43: Furskins and artificial fur, manufactures thereof	0	H75: Nickel and articles thereof	0
H12: Oil seed, oleagious fruits, grain, seed, fruit	1	H44: Wood and articles of wood, wood charcoal	0	H76: Aluminium and articles thereof	0
H13: Lac, gums, resins, vegetable saps and extracts	0	H45: Cork and articles of cork	0	H78: Lead and articles thereof	0
H14: Vegetable plaiting materials, vegetable products	0	H46: Manufactures of plaiting material, basketwork, etc.	0	H79: Zinc and articles thereof	0
H15: Animal, vegetable fats and oils, cleavage products,	0	H47: Pulp of wood, fibrous cellulosic material, waste	0	H80: Tin and articles thereof	0
H16: Meat, fish and seafood food preparations	0	H48: Paper & paperboard, articles of pulp, paper and board	0	H81: Other base metals, cermets, articles thereof	0
H17: Sugars and sugar confectionery	10	H49: Printed books, newspapers, pictures	0	H82: Tools, implements, cutlery, of base metal	0
H18: Cocoa and cocoa preparations	4	H50: Silk	0	H83: Miscellaneous articles of base metal	0
H19: Cereal, flour, starch, milk preparations and products	2	H51: Wool, animal hair, horsehair yarn and fabric thereof	6	H84: Nuclear reactors, boilers, machinery	0
H20: Vegetable, fruit, nut food preparations	1	H52: Cotton	8	H85: Electrical, electronic equipment	0

H21: Miscellaneous edible preparations	5	H53: Vegetable textile fibres paper yarn, woven fabric	1	H86: Railway, tramway locomotives, rolling stock, equipment	0
H22: Beverages, spirits and vinegar	0	H54: Manmade filaments	10	H87: Vehicles other than railway, tramway	0
H23: Residues, wastes of food industry, animal fodder	1	H55: Manmade staple fibres	8	H88: Aircraft, spacecraft, and parts thereof	0
H24: Tobacco and manufactured tobacco substitutes	23	H56: Wadding, felt, nonwovens, yarns, twine, cordage	2	H89: Ships, boats and other floating structures	0
H25: Salt, sulphur, earth, stone, plaster, lime and cement	0	H57: Carpets and other textile floor coverings	2	H90: Optical, photo, technical, medical apparatus	0
H26: Ores, slag and ash	0	H58: Special woven or tufted fabric, lace, tapestry	8	H91: Clocks and watches and parts thereof	0
H27: Mineral fuels, oils, distillation products,	0	H59: Impregnated, coated or laminated textile fabric	3	H92: Musical instruments, parts and accessories	0
H28: Inorganic chemicals, precious metal compound, isotopes	0	H60: Knitted or crocheted fabric	11	H94: Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings	0
H29: Organic chemicals	0	H61: Articles of apparel, accessories, knit or crochet	0	H95: Toys, games and sports requisites; parts and accessories thereof	0
H30: Pharmaceutical products	0	H62: Articles of apparel, accessories, not knit or crochet	0	H96: Miscellaneous manufactured articles	4
H31: Fertilizers	0	H63: Other made textile articles, sets, worn clothing	8	H97: Works of art, collectors pieces and antiques	0
H32: Tanning, dyeing extracts, tannins, derivatives, pigments	0	H64: Footwear, gaiters and the like, parts thereof	0		

Source: TradeMap, 2017

NOTE: Exporters should not take the HS2 tariff as conclusive and as the actual tariff that will be applied to the exported product. The tariffs indicated above are average tariffs and for products within the category it may be higher or lower than indicated. Where the tariff is zero it can be assumed that there is zero tariff applicable to all products within that HS code. Tariffs are determined according to the importing country's national tariff line from the HS6 level and upwards. Exporters are advised to visit www.macmap.org to determine the exact tariff applicable to the product at HS6.

3.8 Port-to-Port rates

The United States is served by 360 commercial ports, comprising of 3,200 cargo and passenger handling facilities. Governance of all ports is the responsibility of state port authorities and municipal port departments. According to the United States Coast Guard (2013), there are more than 150 deep draft seaports. The busiest ports in the United States in 2012 were Los Angeles (California), Long Beach (California), New York City, Savannah (Georgia) and Oakland (California).

The table below shows the transit times for shipping from CapTe own to the top 10 East Coast ports in the United States.

TRANSIT TIME FROM CAPE TOWN TERMINAL TO EAST COAST OF THE UNITED STATES, 2017		
EAST COAST PORT	DISTANCE	TRANSIT TIME
New York Terminal	12665.9 km (6839.0 M)	35 days 9 hours
Wilmington Terminal	12890.4 km (6960.3 M)	35 days 17 hours
Newark Terminal	12681.4 km (6847.4 M)	35 days 9 hours
Savannah Terminal	12800.3 km (6911.6 M)	5 days 14 hours
Norfolk Terminal	12582.4 km (6794.0 M)	35 days 5 hours
Miami Terminal	12496.3 km (6747.4 M)	35 days 2 hours
Baltimore Terminal	12802.8 km (6912.9 M)	35 days 14 hours

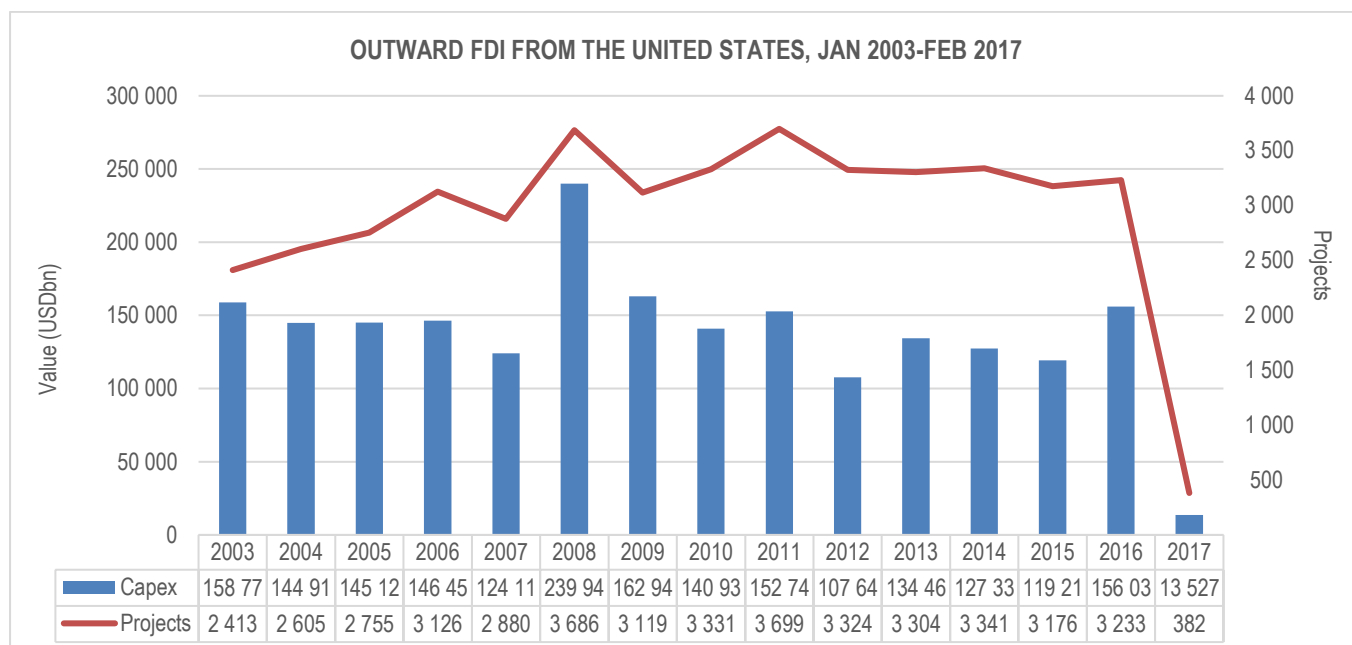
Philadelphia Terminal	12919.5 km (6975.9 M)	35 days 18 hours
Gulfport Terminal	13654.9 km (7373.0 M)	36 days 23 hours
Jacksonville Terminal	12941.1 km (6987.6 M)	35 days 19 hours
Boston Terminal	12491.4 km (6744.8 M)	35 days 2 hours

Source: SeaRates, 2017

4. Foreign Direct Investment

4.1 Global investment from the United States

Between January 2003 and February 2017 a total of 44,374 FDI projects were recorded from the United States. These projects represented a total capital investment of USD2.1trn which is an average investment of USD46.7m per project. During the period under review, a total of 15,111 jobs were created.



Source: FDIIntelligence, 2017

21

The top destination markets for outward FDI from the United States from January 2003 to February 2017 were the United Kingdom (5,069 projects), China (4,694 projects) and India (3,677 projects).

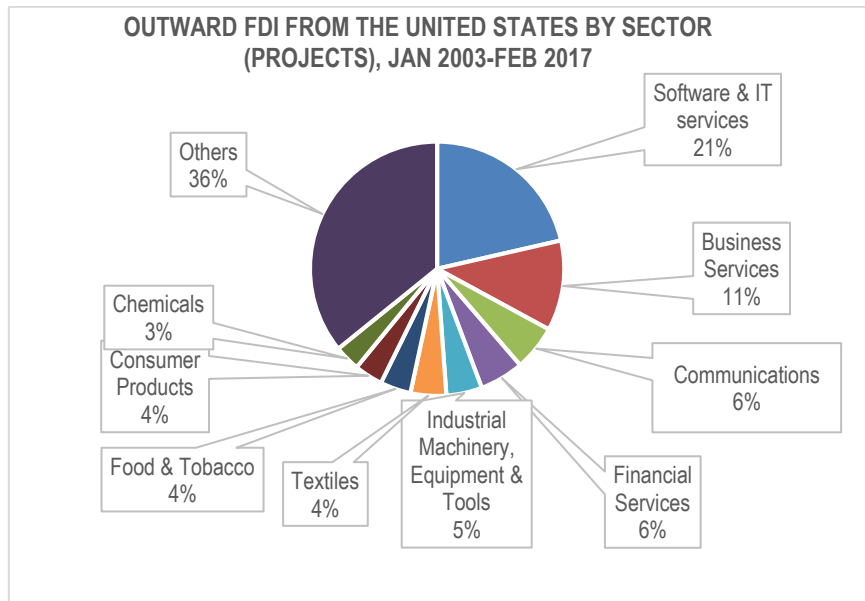
TOP 10 DESTINATION MARKETS FOR FDI FROM THE UNITED STATES, JAN 2003 – FEB 2017						
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDbn)	% CAPEX	COMPANIES
1	United Kingdom	5 069	11.42%	154 195.3	7.43%	3 500
2	China	4 694	10.58%	273 853.4	13.20%	2 533
3	India	3 677	8.29%	139 557.9	6.73%	2 022
4	Germany	2 257	5.09%	51 791.0	2.50%	1 697
5	Canada	2 091	4.71%	122 009.7	5.88%	1 341
6	France	1 704	3.84%	37 424.5	1.80%	1 230
7	Mexico	1 589	3.58%	106 485.1	5.13%	1 035
8	Singapore	1 340	3.02%	48 252.1	2.33%	1 082
9	Australia	1 337	3.01%	60 971.4	2.94%	1 001
10	Brazil	1 189	2.68%	82 735.5	3.99%	805
TOTAL		44 374	100.00%	2 074 164.50	100.00%	15 111

Source: FDIIntelligence, 2017

The two diagrams below represent outward investment into the United States by the various sectors. When looking at sector investment by the number of projects, the following sectors received the most investment:

- Software and IT services - 21%;

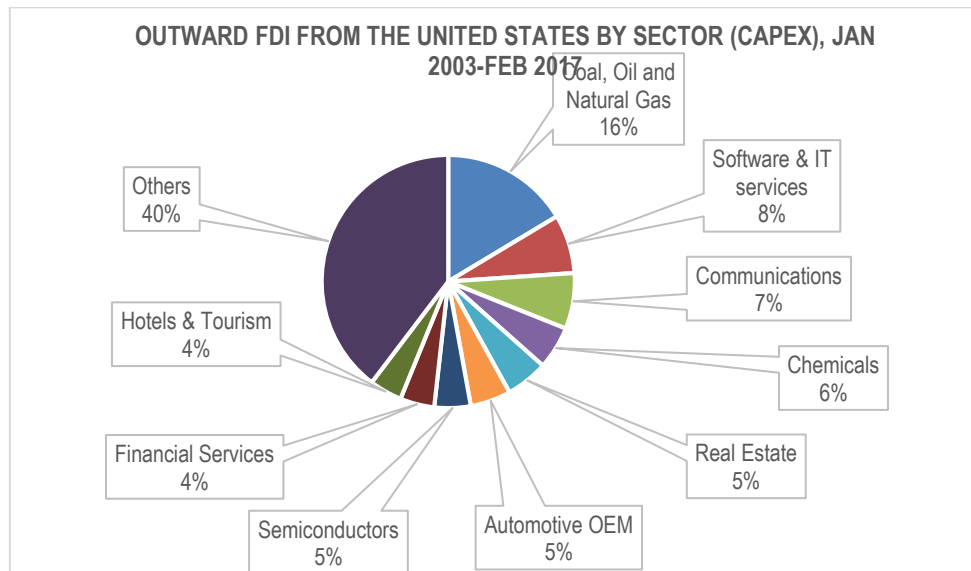
- Business Services - 11%; and
- Communications & Financial services - 6%.



Source: FDIIntelligence, 2017

In terms of Capital expenditure, the following sectors received the largest investment:

- Coal, oil and natural gas - 16%;
- Software and IT serves - 8%; and
- Communications – 7%.



Source: FDIIntelligence, 2017

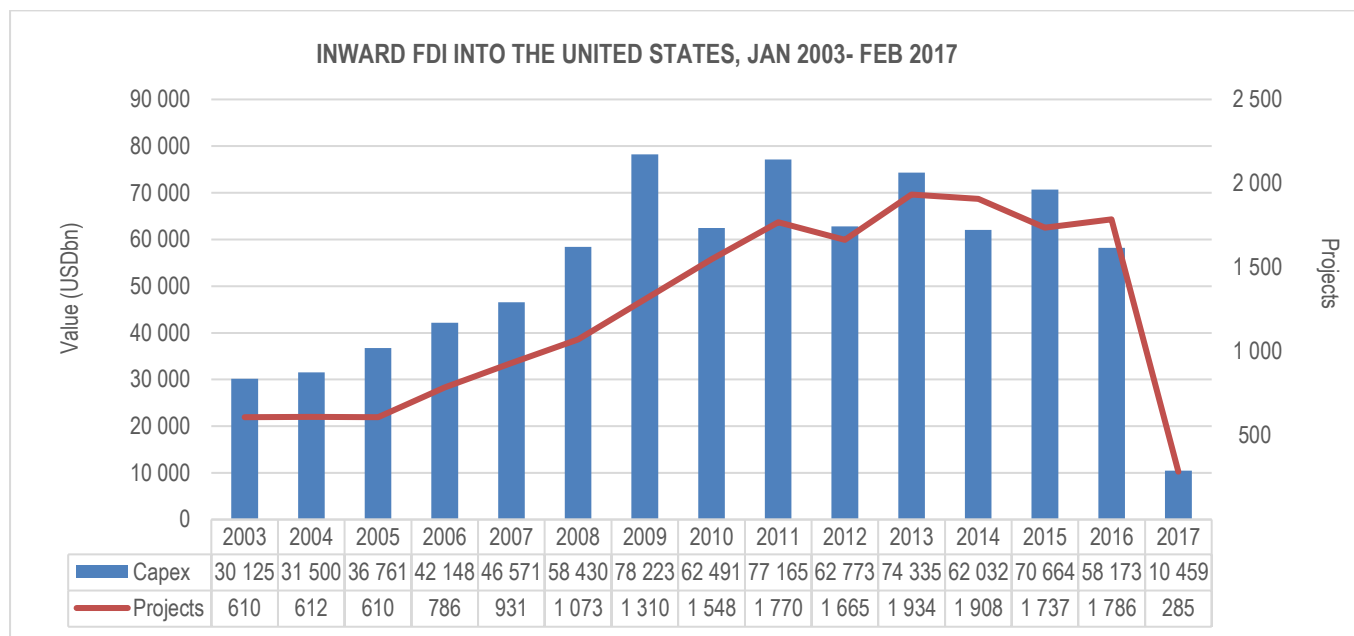
The table below shows the largest companies investing from the United States. The largest three investors in terms of projects were IBM, Microsoft and Hewlett-Packard.

TOP 10 COMPANIES INVESTING FROM the UNITED STATES, JAN 2003- FEB 2017				
RANK	INVESTING COMPANY	SECTOR	PROJECTS	CAPEX (USDm)
1	IBM	Software & IT	509	15 674.9
2	Microsoft	Software & IT	286	12 760.7
3	Hewlett-Packard (HP)	Business Machines & Equipment	254	10 161.4
4	Apple Inc	Software & IT	243	3 977.1
5	Amazon.com	Real Estate	223	11 783.8
6	ProLogis	Machinery & Equipment	195	42 340.9
7	General Electric (GE)	Food & Tobacco	177	13 871.9
8	Google	Semiconductors	162	11 869.9
9	Intel	Automotives	153	23 780.6
10	Oracle	Consumer Products	151	3 149.5
TOTAL			44 374	2 074 165

Source: FDIIntelligence, 2017

4.2 Global investment into the United States

Between January 2003 and February 2017 a total of 18,565 FDI projects were recorded into the United States. These projects represented a total capital investment of USD801.86bn into the American economy which is an average investment of USD43.2m per project. During the period, a total of 11,364 jobs were created.



Source: FDIIntelligence, 2017

The top source markets for inward FDI to the United States from January 2003 to February 2017 were the United Kingdom (2,978 projects), Germany (2,235 projects) and Japan (1,880 projects). A total of 1,896 companies from the United Kingdom initiated projects in the United States in this period.

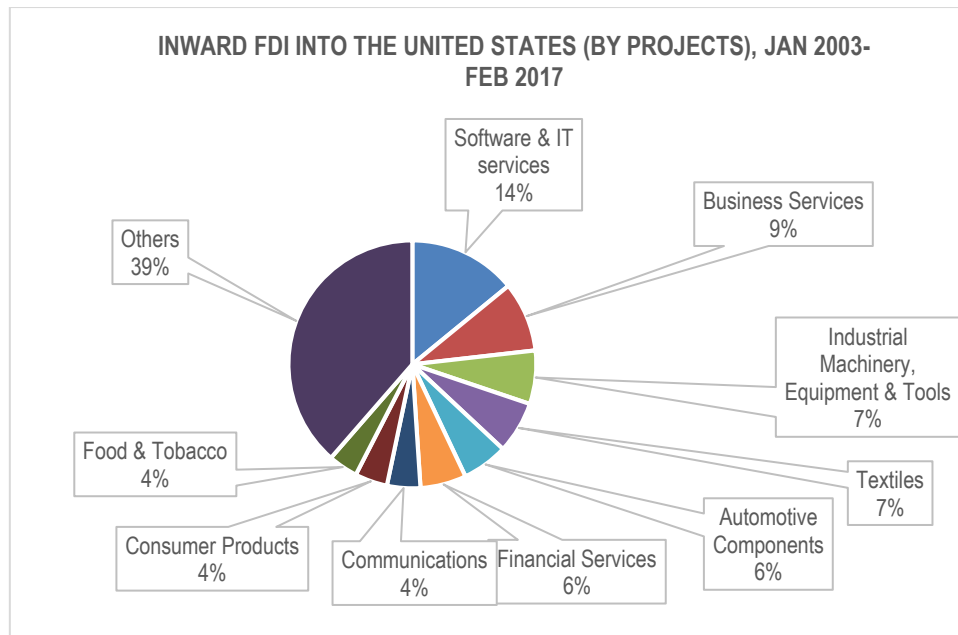
24

TOP 10 SOURCE MARKETS FOR FDI INTO THE UNITED STATES, Jan 2003– Feb 2017						
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDm)	% CAPEX	COMPANIES
1	United Kingdom	2 978	16.04%	85 024.6	10.60%	1 896
2	Germany	2 235	12.04%	87 179.8	10.87%	1 258
3	Japan	1 880	10.13%	96 359.3	12.02%	1 074
4	Canada	1 620	8.73%	66 388.3	8.28%	1 005
5	France	1 425	7.68%	61 119.1	7.62%	803
6	Spain	684	3.68%	33 916.4	4.23%	380
7	Italy	680	3.66%	35 522.1	4.43%	419
8	Switzerland	680	3.66%	25 621.8	3.20%	350
9	Sweden	532	2.87%	17 717.9	2.21%	248
10	China	521	2.81%	41 542.6	5.18%	395
Total		18 565	100.00%	801 856.20	100.00%	11 364

Source: FDIIntelligence, 2017

The two diagrams below represent inward investment into the United States by the various sectors. When looking at sector investment by the number of projects, the following sectors received the most investment:

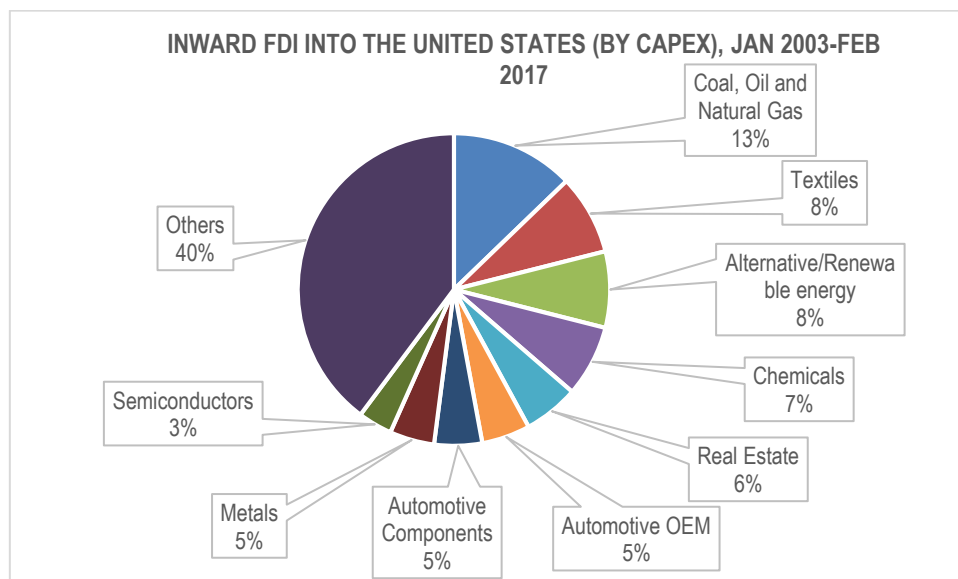
- Software and IT services - 14%.
- Business Services - 9%;
- Industrial Machinery, Equipment & Tools as well as Textiles - 7%.



Source: FDIIntelligence, 2017

In terms of Capital expenditure, the following sectors received the largest investment:

- Coal, Oil & Natural Gas - 13%;
- Textiles and Alternative/Renewable energy - 8%; and
- Chemicals- 8%.



Source: FDIIntelligence, 2017

The table below shows the largest companies investing from the United States between January 2003 and February 2017.

TOP 10 COMPANIES INVESTING INTO THE UNITED STATES, JAN 2003-FEB 2017				
RANK	INVESTING COMPANY	SECTOR	PROJECTS	CAPEX (USDm)
1	Regus	Real estate	100	1 443.3
2	Hennes & Mauritz (H&M)	Retail	93	5 047.7
3	Aldi	Food & tobacco	73	2 725.7
4	TD Bank	Banking	56	643.7

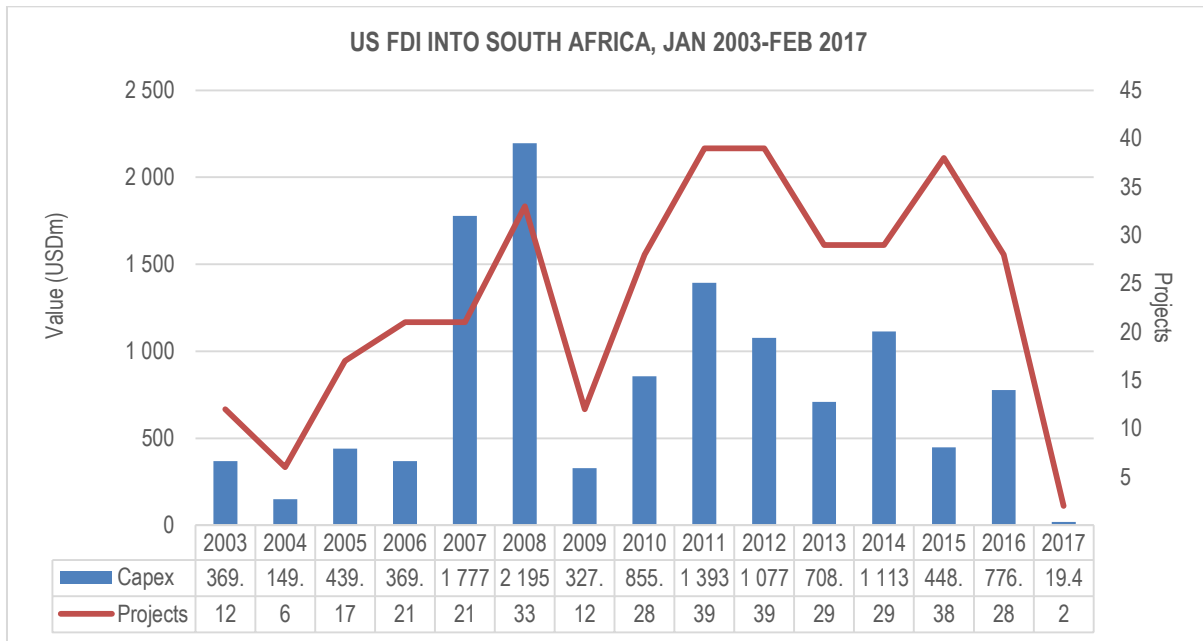
5	IKEA	Furniture	46	2 055.9
6	Avison Young	Real estate	42	919.2
7	Sephora	Consumer products	40	1 449.7
8	BAE Systems	Space & defence	35	745.9
9	DHL	Transportation	35	1 454.5
10	HSBC	Banking	33	378.3
TOTAL			18 565	801 856.20

Source: FDIIntelligence, 2017

4.3 Investment relations between South Africa and the United States

4.3.1 Foreign Direct Investment from the United States into South Africa

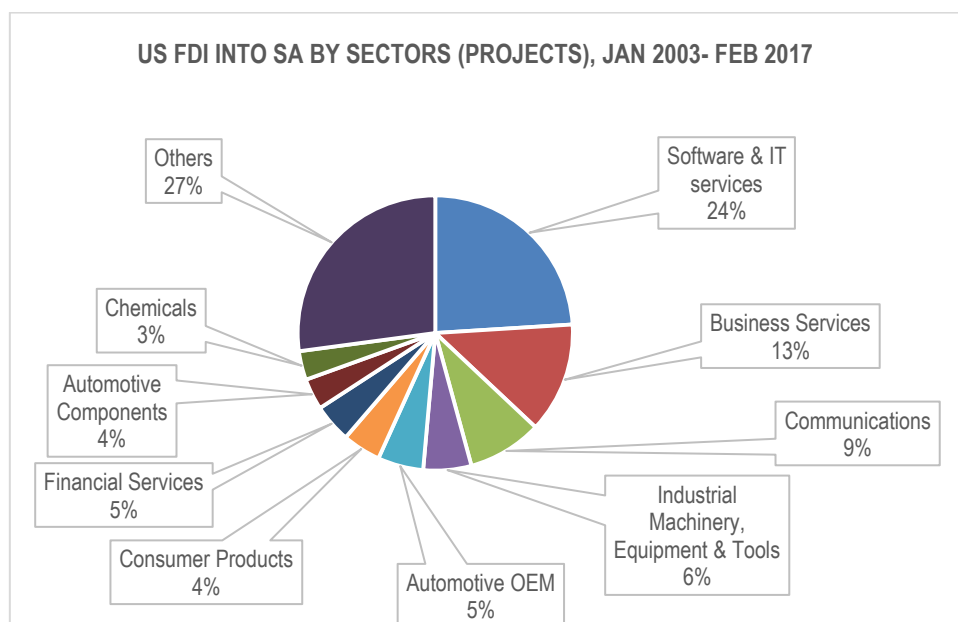
Between January 2003 and February 2017 a total of 354 FDI projects were recorded from the United States to South Africa. These projects represented a total capital investment of USD12bn which is an average investment of USD34m per project. During this period, a total of 32,532 jobs were created.



Source: FDIIntelligence, 2017

The two diagrams below represent investment from the United States to South Africa by various sectors. When looking at sector investment by the number of projects, the following sectors received the most investment:

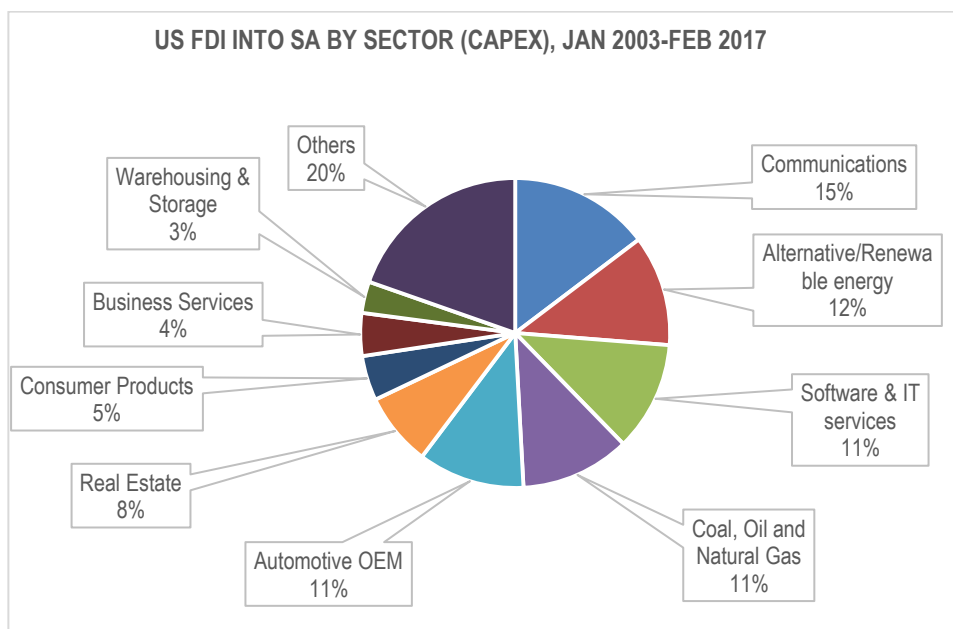
- Software and IT services - 24%;
- Business Services - 13%; and
- Communications - 9%.



Source: FDIIntelligence, 2017

In terms of Capital expenditure, the following sectors received the largest investment:

- Communications - 15%;
- Alternative/Renewable energy- 12%; and
- Software & IT services as well as Coal, Oil and gas-11%.



Source: FDIIntelligence, 2017

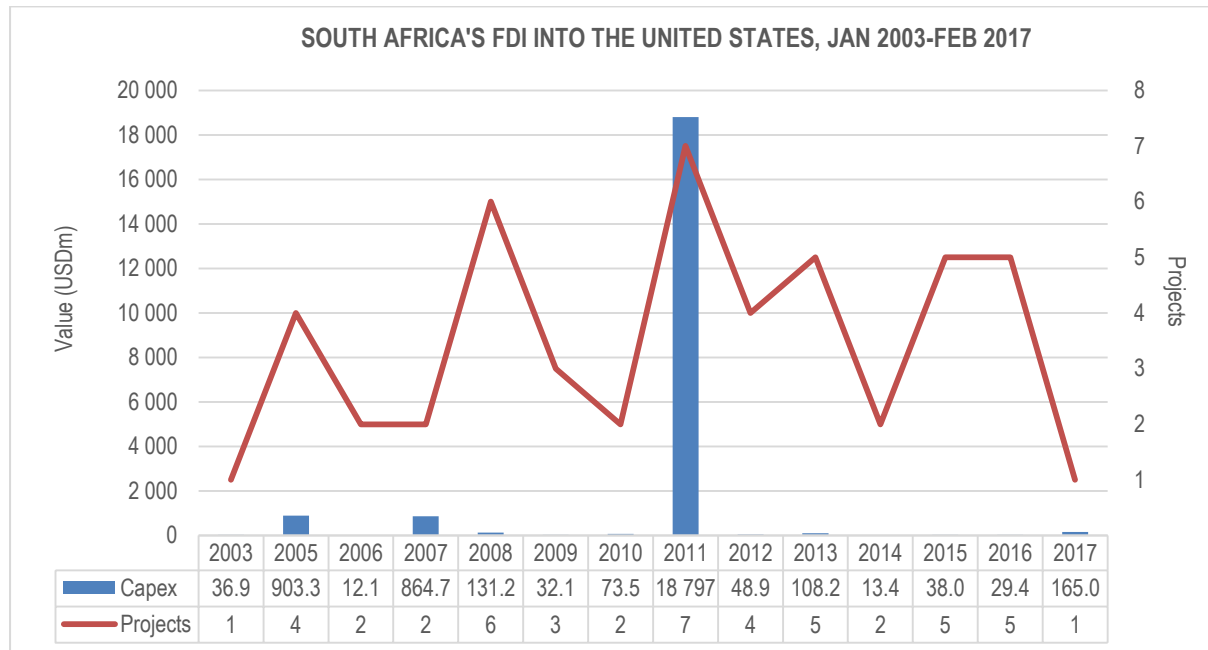
Below is a list of companies from the United States that have invested into South Africa:

TOP 10 UNITED STATES COMPANIES INVESTING INTO SOUTH AFRICA, JAN 2003-FEB 2017				
RANK	INVESTING COMPANY	SECTOR	PROJECTS	CAPEX (USDm)
1	IBM	Software & IT	9	526.4
2	General Motors South Africa (GMSA)	Automotive	7	592.5
3	Massmart	Consumer products	6	167.6
4	Amazon.com	Consumer products	5	99.3
5	Ford South Africa	Automotive	5	251.5
6	Procter & Gamble (P&G)	Personal and household goods	4	279.6
7	Agco	Industry Manufacturing, Equipment & Tools	3	29.7
8	Cadillac	Automotive	3	38.1
9	Crane Worldwide Logistics	Logistics	3	45.9
10	General Motors (GM)	Automotive	3	118.8
TOTAL			365	12 672.40

Source: FDIIntelligence, 2017

4.3.2 Foreign Direct Investment from South Africa into the United States

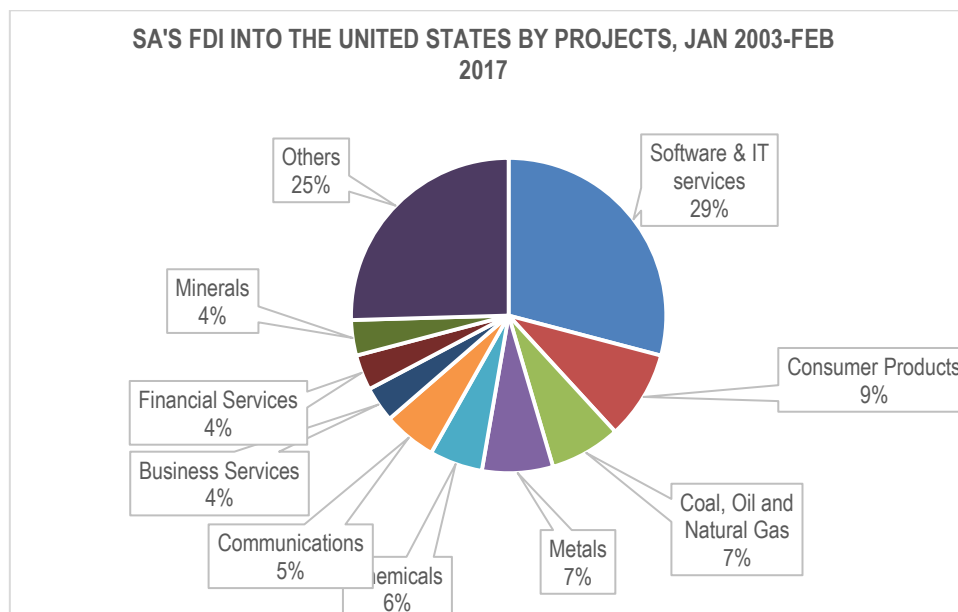
Between January 2003 and February 2017 a total of 49 FDI projects were recorded from South Africa to the United States. These projects represent a total capital investment of USD21bn which is an average investment of 433m per project. During the period, a total of 5,671 jobs were created.



Source: FDIIntelligence, 2017

The two diagrams below represent investment from South Africa to the United States by various sectors. When looking at sector investment by the number of projects, the following sectors received the most investment:

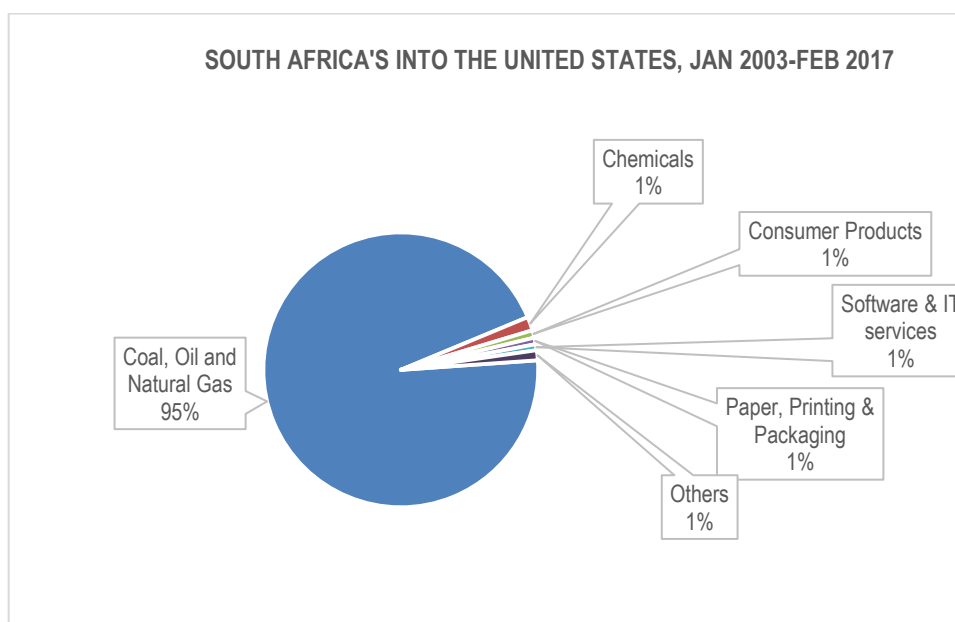
- Software and IT services - 29%;
- Consumer products - 9% and
- Coal Oil and Gas & Metals - 7%.



Source: FDI Intelligence, 2017

In terms of capital expenditure, the following sectors received the largest investment:

- Coal, oil and natural gas - 95%;
- Chemicals, Consumer products, Software and IT services, paper printing and packaging -1%;
- Others – 1%.



Source: FDIIntelligence, 2017

Below are South Africa companies that have invested into the United States:

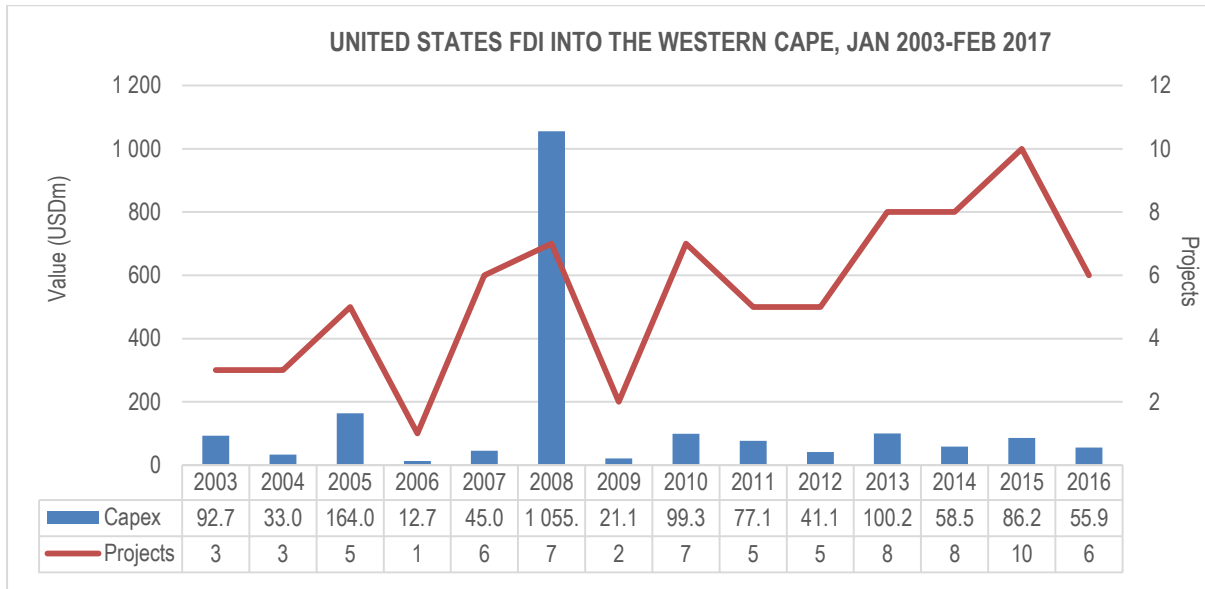
TOP 10 SOUTH AFRICAN COMPANIES INVESTING INTO THE UNITED STATES, JAN 2003- FEB 2017				
RANK	INVESTING COMPANY	SECTOR	PROJECTS	CAPEX (USDm)
1	Logicalis	Software & IT	6	98.2
2	SASOL	Chemicals	5	20 320.9
3	De Beers	Minerals	3	75.9
4	Macsteel Service Centers USA	Metals	3	18.0
5	Westcon Group	Communications	2	60.5
6	Afrinatural Holdings	Pharmaceuticals	1	23.6
7	Big Lift Trucks	Machinery & equipment	1	5.0
8	Cartrack	Software & IT	1	5.7
9	Celebrity Services Africa (CSA)	Business services	1	5.7
10	Cockett Marine Oil	Coal, oil & gas	1	11.7
TOTAL			49	21 254.20

Source: FDIIntelligence, 2017

4.4 Investment Relations between the Western Cape and the United States

4.4.1 Foreign Direct Investment from the United States to the Western Cape

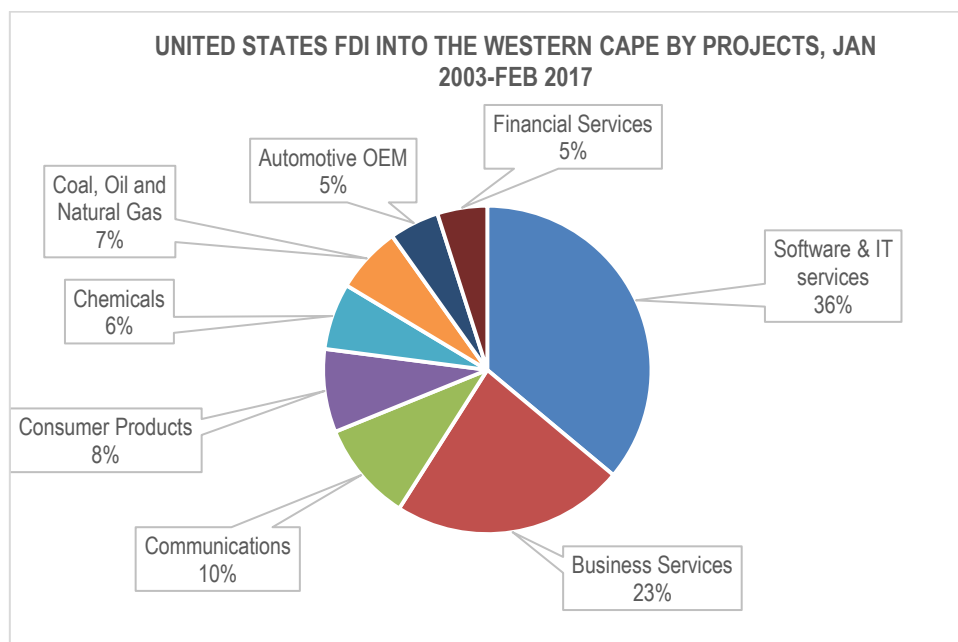
Between January 2003 and February 2017 a total of 76 FDI projects were recorded from the United States to the Western Cape. These projects represented a total capital investment of USD1.9bn which is an average investment of USD25.6m per project. During this period, a total of 7,510 jobs were created.



Source: FDIIntelligence, 2017

The two diagrams below represent investment from the United States into the Western Cape to by various sectors. When looking at sector investment by the number of projects, the following sectors received the most investment:

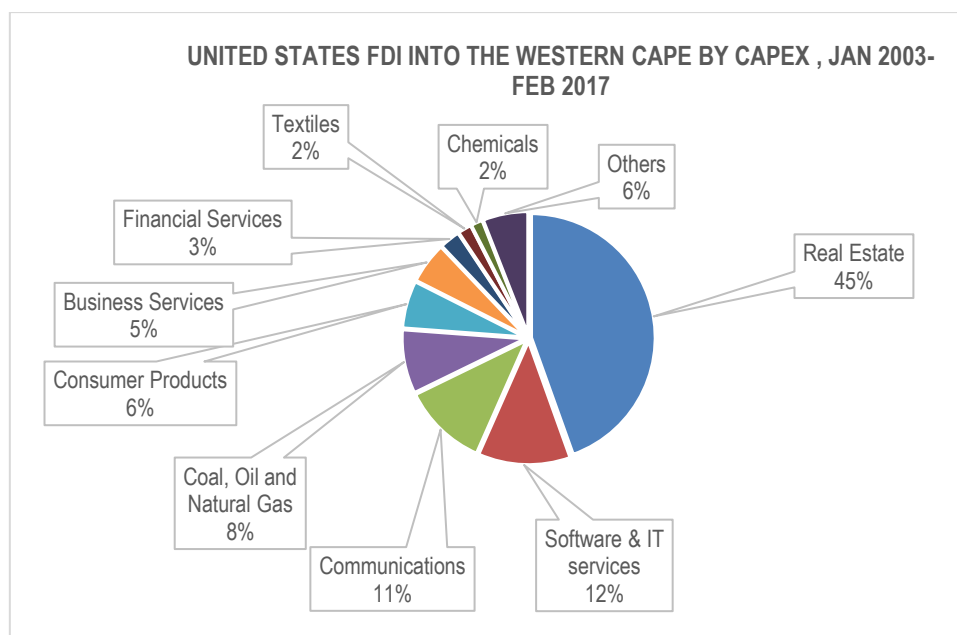
- Software and IT services - 36%;
- Business services - 23%; and
- Communications - 10%.



Source: FDIIntelligence, 2017

In terms of capital expenditure, the following sectors received the largest investment:

- Real Estate 45%;
- Software and IT services - 12%; and
- Communications – 11%.



Source: FDIIntelligence, 2017

Below are the United States companies that have invested into the Western Cape by CAPEX:

TOP 10 UNITED STATES COMPANIES INVESTING INTO THE WESTERN CAPE, JAN 2003- FEB 2017				
RANK	INVESTING COMPANY	SECTOR	PROJECTS	CAPEX (USDm)
1	Amazon.com	Consumer products	4	83.7
2	Flowcrete	Chemicals	2	15.5
3	IBM	Software & IT services	2	21.1
4	Alltech	Chemicals	1	5.0
5	Amcat	Software & IT services	1	5.8
6	Anviz Global	Communications	1	7.5
7	ASCO Sintering	Metals	1	2.8
8	ASG Software Solutions	Software & IT services	1	5.8
9	Avis Budget Group (Cendant)	Automotive OEM	1	12.7
10	Avoxi Communications	Communications	1	150.0
TOTAL			76	19 465.50

Source: FDIIntelligence, 2017

Below are some of the motives companies cited as reasons for investing in the Western Cape.

- Exxonmobil: Lawrence Kearns, sales director for Europe, Africa and the Middle East, said "South Africa holds great potential and we are committed to long-term development in the market."
- Morningstar: Tal Nieburg, managing director for South Africa, said "There is growing demand among investors in South Africa."
- HVS Global Hospitality: Tim Smith, the firm's London director, said "Our work in sub-Saharan South Africa has been increasing over the past few years, so it makes sense to have a dedicated office from which our operations can be based".

- Gumtree: Johan Nel, Gumtree's South Africa country manager said that Gumtree is the biggest player in the local classifieds market, and sees a large opportunity to grow its market share and take it to the next level. For that to happen, it needed to establish a local presence.
- Emergo: "Turkey and South Africa are both robust and attractive markets in their respective regions...From our experience in other markets in North and South America, Europe, the Middle East and Asia, we know that local presence can often make all the difference when it comes to medical device registration." says Colin Rylett, managing director of Europe, the Middle East and Africa for Emergo.

4.4.2 Foreign Direct Investment from the Western Cape into the United States

Between January 2003 and February 2017 a total of 8 FDI projects were recorded from the Western Cape to the United States. These projects represented a total capital investment of USD74.2m which is an average investment of USD9.3m per project. During the period, a total of 354 jobs were created.

WESTERN CAPE FDI INTO THE UNITED STATES, JAN 2003- FEB 2017								
DATE	INVESTING COMPANY	DESTINATION STATE	DESTINATION CITY	INDUSTRY SECTOR	SUB-SECTOR	INDUSTRY ACTIVITY	CAPEX (USDm)	JOBS
Jun 2016	Drive Revenue	New York	NYC (NY)	Software & IT services	Software publishers, except video games	Sales, Marketing & Support	5.7	38
May 2016	Naspers	California	San Francisco (CA)	Financial Services	Corporate & investment banking	Business Services	2.1	15
Jun 2015	Origin Wine	Not Specified	Not Specified	Beverages	Wineries	Sales, Marketing & Support	19	22
Mar 2014	Entersekt	Georgia	Atlanta (GA)	Software & IT services	Software publishers, except video games	Headquarters	6.7	81
Jul 2013	Snapplify	New York	NYC (NY)	Software & IT services	Internet publishing & broadcasting & web search	Sales, Marketing & Support	5.7	38
Feb 2013	Celebrity Services Africa (CSA)	California	Beverly Hills (CA)	Business Services	Advertising, PR, & related	Business Services	5.7	15
Aug 2012	Mobile	California	Mountain View (CA)	Software & IT services	Video games, applications and digital content	Sales, Marketing & Support	5.7	38
Feb 2009	Afrinatural Holdings	Georgia	Atlanta (GA)	Pharmaceuticals	Pharmaceutical preparations	Sales, Marketing & Support	23.6	98
TOTAL							74.2	345

Source: FDIIntelligence, 2017

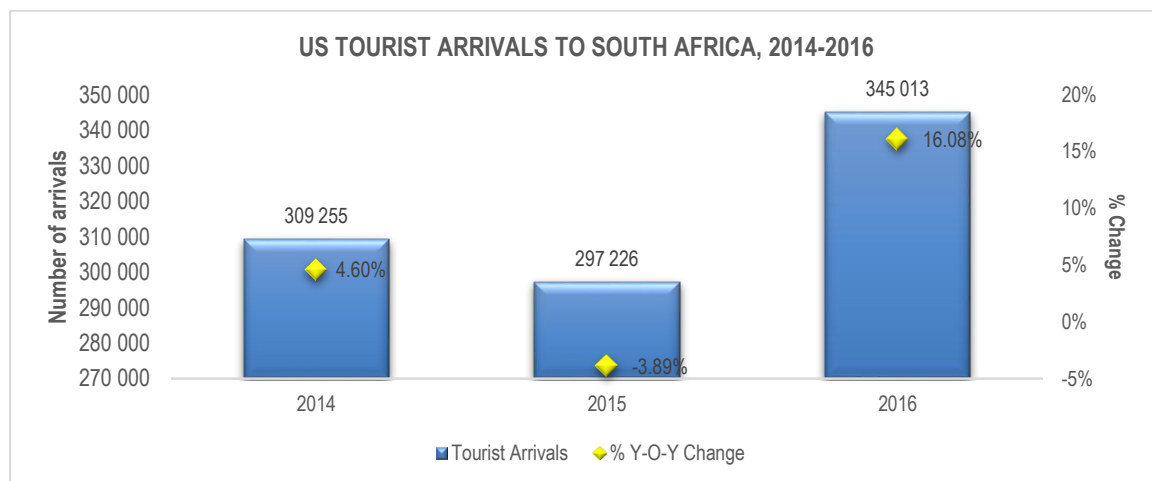
5. Tourism

According to Business Monitor International the US tourism industry faces a tough road in the months ahead. According to recent stats from the National Travel and Tourism Office, the past year saw an increase of more than 8 percent in the number of American citizens leaving for international destinations. In 2016, a total of 66,960,943 American citizens travelled outside the country, compared to the 61,783,913 who did the previous year. For the most part, these travellers didn't travel far from home; more than half of the year's international travellers - 37,403,398- stayed within the confines of North America, with Mexico proving to be the year's most popular destination (25,181,630 trips in total), followed by Canada (which saw about half that traffic, with 12,221,768 visits). Europe was the third most popular destination, with 11,831,870 Americans headed to the region, followed by the Caribbean (6,579,691), and Asia (4,388,391).

An immediate industry headwind is political uncertainty over the White House's travel ban - an executive order barring immigration to the US from Iran, Libya, Somalia, Sudan, Syria and Yemen while making it tough for all refugees to enter the US - this threatens to tarnish America's reputation for international openness, and discourage inbound travel. That said, tepid earnings growth and the recent weakness in the economy are likely to see a sizeable portion of domestic residents choose to holiday domestically in light of low gasoline prices.

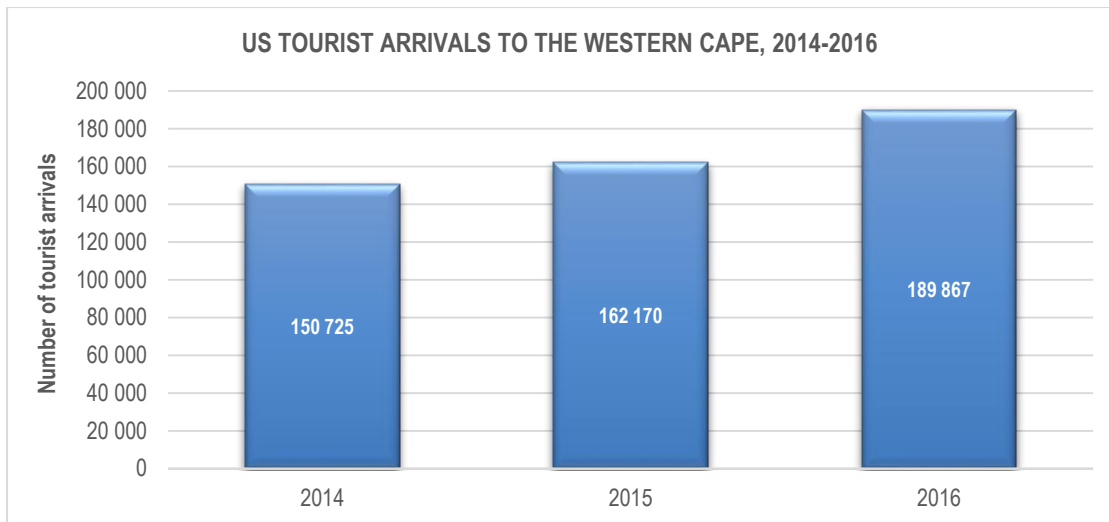
5.1 United States tourist departures to South Africa & the Western Cape

United States arrivals into South Africa increased by 16.08%% which is an increase from 297,226 tourist in 2015 to 345,013 tourists in 2016. The relatively strong US dollar is said to further weigh on inbound arrivals and international tourisms pending while incentivising US residents to travel abroad.



Source: SATourism, 2017

Arrivals to the Western Cape increased by 15% to 189,867 tourists in 2016 which is a 55% share of tourist arrivals to South Africa. The United States is the third largest source market for tourists into the Western Cape after the United Kingdom (270,167) and Germany (204,015).



Source: SATourism, 2017

**Note: Statistics SA made changes to the release of its Tourism & Migration reports in 2014 and now no longer report on transit arrivals. As a result of this change, the weighting methodology has been revised and the results are now not comparable to data prior to 2013. 2014 represents the beginning of a new series of data.*

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