



**POLYPROPYLENE BENEFICIATION
INVESTMENT STRATEGY**

FINAL REPORT



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1 Introduction

This document is an output of the Fund for Research into Industrial Development, Growth and Equity (FRIDGE) project to develop an **approach to attracting investment in Polypropylene (PP) beneficiation**, through the development of a marketing document and associated investment strategy and implementation plan. The project aims to address the need to drive downstream beneficiation of PP, with the ultimate objective of increasing employment, technology and skills transfer, and exports.

2 Principles of effective investment promotion strategies

The section below highlights some of the success factors that have been identified through international benchmarking.

► Focusing on improving the investment climate

There are limitations to the success that can be achieved through investment promotion, image building and marketing if the fundamental economic case for investment in a given country is weak. It is therefore important to place emphasis on identifying constraints in the operating environment, addressing them and communicating to potential investors that they have been resolved or are in the process of being resolved. This will give investors some confidence in commitment levels and assist to address the scepticism which is increasingly present amongst investors.

The World Bank¹ and the United Nations Conference on Trade and Development (UNCTAD)² recommend that efforts should go towards “getting the fundamentals right” such as infrastructure and policy advocacy to improve the regulatory and legislative environment for investors. However, some other issues, such as a **small local market**, are more difficult to overcome.

In addition, a World Bank survey³ found that **policy advocacy** is the most effective activity for attracting investment. Furthermore, advocacy tends to require a lower budget than image building and investment generation activities (due to the significant travel and media costs associated with these activities).

► Understanding the type of investor and tailoring accordingly

A “one size fits all” approach has been found to be ineffective, as it does not accommodate the different motivations and investment criteria of different types of investors. Developing a strategy that allows for customised approaches towards key investors is likely to be more effective.

¹ Morisset and Andrews-Johnson, The Effectiveness of Promotion Agencies at Attracting Foreign Direct Investment, The World Bank, 2004

² UNCTAD, Survey of Best Practices In Investment Promotion, 1997

³ Morisset and Andrews-Johnson, The Effectiveness of Promotion Agencies at Attracting Foreign Direct Investment, The World Bank, 2004

McKinsey & Company makes use of the following categorisation of multinational investments into developing countries⁴:

- ▶ **“Efficiency-seeking”**: driven by the search for a lower cost base for production
- ▶ **“Tariff-jumping”**: securing access to a highly protected domestic market, or seeking preferential market access to another market
- ▶ **“Market-seeking”**: tapping into large markets, as in the case of investors into China and India

Each of these types of investors is driven by different decision-making criteria and will be comparing different locations. For example, efficiency-seeking investors may be focusing on a core set of factor costs and time differentials (such as labour, utilities and time and cost of logistics) across various potential production locations, while a market-seeking investor may be focusing on different sub-national options within China. Cost comparability is nevertheless likely to be a key criterion for most investors.

When comparing the above types of investors to the South African and PP context, the following can be noted:

- **“Efficiency-seeking”**: South Africa can offer investors a more competitive operating environment than many developed economies and some emerging economies.
- **“Tariff-jumping”**: South Africa can offer investors a base for preferential access to other markets, including the SADC region, the US and EU
- **“Market-seeking”**: While South Africa’s domestic market is not large by international standards, historically many investments have been to serve the local market, and high consumer growth rates may continue to make this an attractive prospect for small to medium-sized investors

▶ **Building partnerships with the private sector**

International experience has shown that close relationships between investment promotion agencies (IPAs) and the private sector (domestic and international) are a key success factor. This may be important for many reasons such as:

- Creating a stronger understanding amongst officials of investor requirements
- Building trust
- Enabling rapid and effective information flow
- Creating greater scope for domestic industry involvement in foreign direct investment (FDI) deals, e.g. through joint ventures or supplier opportunities

It is therefore important to build trust, a common understanding and a solution-oriented focus between TISA and the relevant industry associations.

⁴ McKinsey & Company, Multinational Investments in Developing Countries, 2003

Recognising the secondary role of incentives within the overall investment decision-making process

Most commentators agree that incentives on their own are unlikely to attract sustainable investments effectively if other conditions are not in place. Incentives are also considered to be an expensive approach per job created, in terms of direct costs, administrative costs and their potential unintended implications for industry structure (e.g. equipment incentives may lead to over-investment in capital and reduced productivity⁵).

However, practitioners and multilateral institutions such as UNCTAD recognise that incentives can become a factor in decision-making towards the final stages of negotiations, as indicated by the graphic below (adapted from UNCTAD’s FDI model):



It is therefore important that those involved in investment promotion introduce incentives into discussions with investors only once there is an indication that the majority of other preconditions are present and that the investment has the potential to be sustainable. When first marketing the investment opportunity, the focus should therefore be on more “inherent” attractions such as market access, cost structure and the operating environment.

⁵ McKinsey & Company, Multinational Investments in Developing Countries, 2003

▶ **Equipping investment promotion agencies with the necessary skills, systems and resources**

Investment promotion can be a resource-intensive process. In order to ensure that targeted investors can be reached effectively, relationships built and promises kept, sufficient human resources are required. In addition, systems that support information gathering and dissemination, relationship management and impact assessment are required.

The Multilateral Investment Guarantee Agency (MIGA)/World Bank survey “*Competing for Foreign Direct Investment: World Bank Agency Pilots Global Investment Promotion Survey*”⁶ raises some specific issues which impact on the investment promotion experience of potential investors, which all relate back to human resources and systems. These include:

- ▶ Language skills of officials matched to target investor countries
- ▶ Accurate and up-to-date information on websites
- ▶ Rapid response times on queries
- ▶ Quality of information provided
- ▶ Customisation of documents

In order to provide sufficient resources, it may be necessary to:

- ▶ Review existing investment promotion and sector support activities to identify any potential areas where resources could be unlocked or redirected
- ▶ Have a targeted geographical approach to interacting pro-actively with investors to limit the resources and language skills required
- ▶ Work closely with provincial and local provincial investment promotion agencies to pool resources
- ▶ Secure additional resources, in particular human resources

⁶ MIGA/World Bank survey, *Competing for Foreign Direct Investment: World Bank Agency Pilots Global Investment Promotion Survey*, 2005

3 Existing investment promotion activities in South Africa

Polypropylene-specific investment promotion activities are likely to generate returns if they link into existing investment promotion efforts. The table below provides an indication of some key entities and existing activities that may be relevant.

Entities	Examples of relevant activities
National	
The Department of Trade and Industry (the dti)	<ul style="list-style-type: none"> ▶ Coordination of inward and outward investment missions with TISA ▶ Operation of incentives schemes ▶ Bilateral meetings with key partner countries ▶ Support to the International Investment Council ▶ Assistance with establishment issues e.g. company registration, permits ▶ National export strategy
International Marketing Council (IMC)	<ul style="list-style-type: none"> ▶ Overall promotion of the country as a place of 'possibility' ▶ Provision of information, including economic information ▶ Efforts to address negative perceptions e.g. through business "ambassadors"
Industry associations , e.g. Plastics Federation of South Africa (PFSA), National Association of Automotive Component and Allied Manufacturers (NAACAM), National Association of Automobile Manufacturers of South Africa (NAAMSA)	<ul style="list-style-type: none"> ▶ Information sharing (e.g. industry publications, newsletters) ▶ Support and representation for new firms and members ▶ Trade and investment missions (e.g. NAACAM missions to increase component sourcing from South Africa)
Provincial and local	
Provincial and city-level investment promotion agencies and development agencies e.g. Gauteng Economic Development Agency (GEDA), Mpumalanga Economic Growth Agency (MEGA)	<ul style="list-style-type: none"> ▶ Overseas missions ▶ Support for identification and negotiation of competitive premises and utilities ▶ Providing additional incentives to investors
Industrial Development Zone (IDZ) authorities e.g. Coega Development Corporation (CDC), East London IDZ (ELIDZ)	<ul style="list-style-type: none"> ▶ Marketing and information sharing ▶ Negotiation of competitive premises, utilities, municipal rates ▶ Operation of a duty-free environment for exports ▶ "One-stop-shop" facilities ▶ Matchmaking of suppliers with "anchor" tenants

4 Investment promotion strategy

Within the context of the wider investment promotion environment set out in the previous section, the following PP-related investment promotion strategy is recommended.

4.1 What are South Africa's main selling points?

The main selling points to attract investors, based on investment requirements, are set out below:

Investor requirement	Key selling points
Access to raw materials	<ul style="list-style-type: none"> ▶ Access to competitively-priced locally-manufactured PP ▶ Access to a range of other raw materials, e.g. thermoplastics, engineering and speciality compounds, kenaf, wood fibre, metal and fabricated metal products
Market access	<ul style="list-style-type: none"> ▶ Preferential access to key markets, including United States (US), European Union (EU), Southern and East Africa, covering many product groups relevant to PP ▶ Increasing links and cooperation arrangements with China, India and Brazil ▶ Fast-growing regional markets, which South Africa is well-positioned to serve ▶ Growing South African consumer and industrial markets ▶ Presence of downstream customers in South Africa, including automotive Original Equipment Manufacturers (OEMs), food and beverage and fast-moving consumer goods (FMCG) companies ▶ Support to address non-tariff barriers, logistics and export readiness
Government and industry support	<ul style="list-style-type: none"> ▶ Prioritisation by government of the plastics and automotive sector as part of the National Industrial Policy Framework (NIPF) ▶ Wide availability of government incentives and support ▶ Sector development initiatives, including national Customised Sector Programmes (CSP), cluster initiatives, Export Councils and Joint Action Groups. Particularly relevant are Chemicals CSP, ChemCity, Automotive Industry Development Centre, National Tooling Initiative ▶ Technical and research and development (R&D) support offered by polymer manufacturers, compounders and research centres
Local industry with which to partner/collaborate	<ul style="list-style-type: none"> ▶ Vibrant industry with opportunities for joint ventures and technical partnerships
Competitive operating environment	<ul style="list-style-type: none"> ▶ Growing economy and stable political environment ▶ Programmes to increase skills availability ▶ Investment in infrastructure ▶ Sophisticated financial and telecommunications infrastructure and services ▶ Supportive operating environment for sustainable investment, including: Broad-based Black Economic Empowerment (BBBEE) policy and regulations, access to Clean Development Mechanism (CDM) funding, and clear system of environmental regulation (including environmental impact mitigation, waste and pollution management) ▶ Efficient, modernised and internationally recognised technical infrastructure for standards, accreditation, and metrology ▶ Respect for intellectual property protection

Further selling points for targeted applications are highlighted in the section below.

Please also note that investors have a number of concerns regarding investing in South Africa, based on real or perceived disadvantages. Implementing agencies will need to assure investors that these disadvantages are being addressed, as follows:

Investor concern	Potential response
HIV/AIDS and associated costs	A number of efforts are under way to support the prevention and treatment of HIV/AIDS, for example increased roll-out of antiretrovirals (ARVs), as well as alleviating the wider social impact of AIDS.
Migration of skills and lack of skills	The global shortage of skilled labour is recognised as an inhibiting factor, hence the South African government, labour and business have jointly embarked on programmes to develop skills, including: <ul style="list-style-type: none"> ▶ Increased budget allocations to education ▶ Sector Education and Training Authorities (SETAs) ▶ Joint Initiative for Priority Skills Acquisition (JIPSA).
Industrial action	South Africa has a well-established labour relations framework, which includes institutions such as National Economic Development and Labour Advisory Council (NEDLAC), the Council for Conciliation, Mediation and Arbitration (CCMA), and bargaining councils, and these mechanisms for settling disputes are used extensively and enjoy widespread support among labour, management, civil society and government.
Safety and security concerns	Safety and security concerns are being addressed through a number of programmes, including: <ul style="list-style-type: none"> ▶ Significant budget increases for the South African Police Service (SAPS) to increase the number of police officers to 200,000 by 2011, improve police salaries, invest in new technology and ▶ Partnerships with local communities, the private security industry, and business. ▶ Improved functioning of the Criminal Justice System has also been targeted

4.2 Investment promotion targeting

4.2.1 Which application areas should be targeted?

Indicative investment opportunities arising from an assessment of South Africa's advantages and disadvantages include the following:

- ▶ Products that are suited to production in South Africa, which include:
 - Niche high-value products where design, quality and service drive competitiveness rather than volumes and production costs
 - Products that have an established downstream market, including automotive components, and building and construction applications
 - New applications of PP
- ▶ Market opportunities:
 - Growing consumer markets driven by expansion in consumer spending
 - Growing markets for supplying clients further downstream
 - Exports to countries with which South Africa has strong historical and cultural ties

Based on the above, the following table indicates application areas which should be prioritised and the most effective approach to targeting investors within these application groups.

Application area	Priority	Main selling points
Automotive components	High	<ul style="list-style-type: none"> ▶ Existing industry cluster with ongoing investment by OEMs ▶ Continued government support to sector (dependent on Motor Industry Development Plan (MIDP) review finalisation)
Packaging	High	<ul style="list-style-type: none"> ▶ Existing downstream industries ▶ Growing regional market for consumer products requiring packaging
Building and construction	High	<ul style="list-style-type: none"> ▶ Growing demand for construction and building materials ▶ Increased infrastructure spend in South Africa and regionally ▶ Well-established mining industry and investment in mining ▶ Wide availability of other resources (for diversified materials companies)
Medical goods	Medium	<ul style="list-style-type: none"> ▶ Commitment by government to support domestic industry, and increase supply of ARVs
Appliances and other household goods	Low	N/A

Specific products within the above high priority sectors should be identified for more focused investor targeting. The following product characteristics provide guidelines for identifying products that are more suitable for production in South Africa:

	Criteria
Products with requirements aligned to South Africa's investment environment	<ul style="list-style-type: none"> ▶ Use a high proportion of PP ▶ Use other raw materials that are in abundant supply in South Africa ▶ Products suited to transport to distant markets: <ul style="list-style-type: none"> – High value to volume ratio, e.g. high value-added, niche products – Products that can be packed or stacked efficiently – Long-shelf-life or packaging that extends shelf-life

As lower priority sectors, the medical goods and appliance and household goods sectors should be monitored for industry and market trends that may indicate potential to include these sectors in investment promotion targeting at a later stage.

4.2.2 Which companies should be targeted within these application areas?

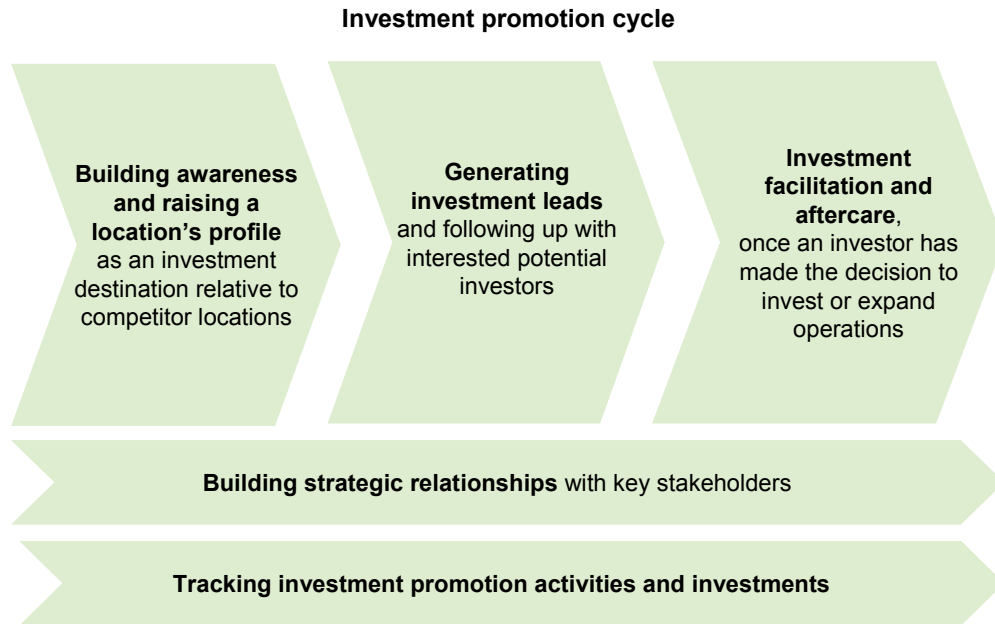
Based on the findings of interviews with potential investors, conducted as part of the research and analysis phase, it will be difficult to extrapolate from the interest level of one potential investor what the likely response of another investor in that category will be, given divergent company strategies and perceptions of South Africa. It is therefore likely to be necessary to embark on a process of communication with potential investors or industry organisations to assess the level of interest a company may have in investing in South Africa. The following **criteria should serve as guidelines for prioritising companies** for further communication and relationship-building.

	Criteria
Companies whose strategies provide for involvement in emerging markets	<ul style="list-style-type: none"> ▶ Have a global rather than regional focus (unless located in Southern Africa) ▶ Have developed an emerging markets strategy ▶ Have a track record of investing in developing countries ▶ Are looking to diversify their supply base (away from other emerging markets) ▶ Are looking for a more cost-efficient operating base (currently located in a developed country)
Companies that currently have links/are familiar with South Africa	<ul style="list-style-type: none"> ▶ Currently source PP from South Africa ▶ Currently export to South or Southern Africa ▶ Supply companies which have a presence in South Africa (e.g. suppliers to OEMs currently invested in South Africa)

An initial list of companies is presented as part of the implementation plan. This list should provide the starting point for an investor database which would be used to track investment promotion activities and outcomes (please see next section for further detail).

4.3 What are the key activities?

Investment promotion activities are viewed as part of an investment promotion cycle, which runs from generating investment leads through to “aftercare” of investors once they have invested or expanded their facilities, and include:



The section below focuses on the two ongoing activities, **building strategic relationships**, and **tracking activities**, as well as the first two steps of the investment promotion cycle, on **building awareness and generating investment leads**, as these activities are the **most relevant to the use of the marketing document**.

4.3.1 Building strategic relationships	
Purpose	<ul style="list-style-type: none"> ▶ Coordinate between national and provincial investment promotion entities ▶ Ensure relevance of investment promotion activities to industry developments ▶ Ensure timely aftercare e.g. streamlining applications, etc. ▶ Develop channels through which South Africa can be promoted as an investment destination ▶ Enable information-sharing on Small, Medium and Micro Enterprises (SMMEs) that are potential local partners for international investors
Key organisations with which to build relationships	<p>International plastics associations, e.g:</p> <ul style="list-style-type: none"> ▶ British Plastics Federation (BPF) ▶ European Plastic Converters (EuPC) <p>Investment Promotion Agencies:</p> <ul style="list-style-type: none"> ▶ Trade and Investment South Africa (TISA) ▶ Provincial Investment Promotion Agencies <p>South African government departments and organisations involved in investment environment conducive to investment, and SMME support services:</p> <ul style="list-style-type: none"> ▶ The Enterprise Organisation (TEO) ▶ Department of Science and Technology (DST) and National Research Foundation (NRF) ▶ Research centres and incubators ▶ Development Finance Institutions (e.g. Industrial Development Corporation(IDC))

4.3.1 Building strategic relationships	
Main initiatives and activities	<ul style="list-style-type: none"> ▶ SETAs: Manufacturing, Engineering and Related Services (MERSETA), Chemicals Industry Education and Training Authority (CHIETA) ▶ Departments of Home Affairs, Education and Labour ▶ Small Enterprise Development Agency (SEDA), Red Door, Construction Industry Development Board (CIDB), etc. <p>Industry Associations</p> <ul style="list-style-type: none"> ▶ PFSA ▶ Plastics Converters Association (PCA) ▶ NAACAM, NAAMSA <p>Key companies, including downstream customers, e.g. OEMs (purchasing divisions), food and beverage companies, retailers</p>
Main role-players	<ul style="list-style-type: none"> ▶ Meetings and workshops ▶ Regular contact, inclusion on emailing and newsletter circulation ▶ Potential investment promotion staff exchange programme
Main initiatives and activities	<ul style="list-style-type: none"> ▶ TISA ▶ Foreign Economic Representatives ▶ Provincial and local IPAs ▶ South African industry associations: PFSA, PCA, NAACAM, NAAMSA ▶ PP producers

4.3.2 Building investor database and tracking investment	
Purpose	<ul style="list-style-type: none"> ▶ Track all interactions with companies/organisations to ensure follow-up with investors, ensure that all questions are addressed, etc., to assist in building relationships with potential investors ▶ Develop a tool to track success/failure of investment promotion activities to improve investment promotion activities, as well as wider investment environment
Key activities	<p>Commit either a dedicated in-house or outsourced resource to:</p> <ul style="list-style-type: none"> ▶ Develop database to include: <ul style="list-style-type: none"> – All relevant company details (contacts, products, location, etc.) – Interaction details – Interest and requirements for investment (e.g. infrastructure, land, partnership opportunities) – Status and outcome of investment – Investment opportunities (including both international and South Africa companies) – Potential channels through which investment promotion efforts can take place (including those discussed below as an initial list) ▶ Populate database: <ul style="list-style-type: none"> – Review of conference attendance lists, industry association members list – Gathering company details ▶ Update database on an ongoing basis to capture interactions with companies, expand number of companies included in database, etc.
Materials and tools required (and formats and media)	<ul style="list-style-type: none"> ▶ Database software and database framework ▶ Company and organisation details

4.3.2 Building investor database and tracking investment

Main role-players

- ▶ the dti

4.3.3 Image building and investment lead generation⁷

Purpose

- ▶ Build **awareness and positioning South Africa as a competitive investment location** for PP beneficiation
- ▶ **Overcome negative perceptions** which investors currently hold
- ▶ **Provide information and points of contact** to potential investors
- ▶ Generate interest in investing, following up with potential investors, developing relationships with potential investors

Key channels and required materials

Local and international industry associations, e.g. PFSA, NAACAM, British Plastics Federation (BPF), European Plastics Converters (EuPC)

- ▶ Build relationships and give input into:
 - Disseminating marketing document to members (requires building relationships with these organisations)
 - Including information in newsletters and website updates
 - Organising inward investment delegations and matchmaking

Materials required:

- ▶ Marketing brochure (electronic/hard copies) *Investing in Polypropylene beneficiation in South Africa*
- ▶ Input into web content

General and industry-specific publications, e.g. The Economist, Engineering Weekly, Asian Plastics News, European Plastics News

- ▶ Develop and publish advertisement
- ▶ Advertorial and surveys
- ▶ Build on investor testimonials, develop new testimonials

Materials required:

- ▶ 1 page advertisement (based on 1 page summary version of *Investing in Polypropylene beneficiation in South Africa*)

Existing **investors' networks**

- ▶ Include key plastics and automotive industry opinion makers in IMC's brand ambassador programme
- ▶ Encourage companies currently sourcing South African PP to locate in South Africa/expand production (Sasol)
- ▶ Encourage companies currently supplying South African-based companies to locate to South Africa (e.g. SA-based OEMs)

⁷ Please note that the dti and other investment promotion entities currently engage in a wide range of investment promotion activities, and the above activities should be integrated into existing efforts.

4.3.3 Image building and investment lead generation⁷

Expos, investment forums, investment missions and matchmaking, e.g. local expos: Plastics Institute Conference, SA Automotive Week: Wheels into Africa conference; international expos: 'K', ChinaPlas, Indonesian International Plastics Exhibition INDOPLAS, Plast-Ex (Canada)

- ▶ Integrate into the dti's schedule of investment missions
- ▶ Draw on database of potential investors to organise delegations, matchmaking meetings, etc.

Materials required:

- ▶ Slideshow
- ▶ Marketing document *Investing in Polypropylene beneficiation in South Africa* (hard copy)
- ▶ Banners (communicating key messages)

Press releases and government speeches:

- ▶ Include opportunity to invest in PP in press releases and speeches relating to developments in investment environment and industrial policy (e.g. revised MIDP)

Materials required:

- ▶ Input into press releases and speeches, drawing from *Investing in Polypropylene beneficiation in South Africa*

Telephone campaign – targeted and ongoing contact with potential investors

- ▶ Secondary research into companies activities and potential to invest in South Africa
- ▶ Target appropriate person within company
- ▶ Contact and follow up with companies, including responding to queries, etc. (ideally by person with relevant language skills)

Materials required:

- ▶ Marketing document *Investing in Polypropylene beneficiation in South Africa* (electronic copy)

Website

Set up website containing:

- ▶ Links to relevant organisations, and from other relevant web pages
- ▶ Up-to-date content including marketing material, relevant press releases, articles, etc.
- ▶ Contact details

Main role-players

- ▶ TISA
- ▶ PIPAs and local investment promotion departments/organisations
- ▶ IMC
- ▶ Industry associations: NAACAM, NAAMSA, Packaging Council, Consumer Goods Council
- ▶ Sasol and Safripol (existing South African and international customers)
- ▶ Compounders

5 Wider strategic initiatives to improve investment environment

In addition to the activities set out in the previous section which directly relate to promotion, it is recommended that wider initiatives are undertaken to improve the likelihood of successfully attracting investment by PP downstream firms.

Some of the key issues that have been identified by stakeholders during this project that would increase the attractiveness of South Africa as a location for downstream PP activities include:

- ▶ Competitive pricing of PP
- ▶ Certainty and information-sharing on industrial policy and incentives under review
- ▶ Improved access to markets (both direct export market access and relationships with clients further downstream)
- ▶ Encouraging technological cooperation and skills development

The table below provides a summary of potential initiatives in each the above areas.

Investment environment issue	Potential action points	Key role players and existing initiatives
▶ Competitive pricing of PP	<ul style="list-style-type: none"> ▶ Improved access to export rebates, particularly where PP components are exported as part of a finished good ▶ Multi-stakeholder statement on policies to create a competitive downstream industry 	<ul style="list-style-type: none"> ▶ Sasol, Safripol: current provision of rebates for exported goods ▶ the dti: current study into pricing practices
▶ Certainty and information-sharing of industrial policy and incentives under review	<ul style="list-style-type: none"> ▶ Finalisation of incentive programmes and sectoral initiatives, including MIDP ▶ Information-sharing with existing industry and investor targets on the new industrial policy action plan and finalised incentive system 	<ul style="list-style-type: none"> ▶ the dti: incentive reviews and dissemination of information through website, press
<ul style="list-style-type: none"> ▶ Improved access to markets, including: <ul style="list-style-type: none"> – Direct export market access – Relationships with clients further downstream 	<ul style="list-style-type: none"> ▶ Market research to provide South African companies information on opportunities in export markets, in particular in new PP product areas ▶ Further inclusion of PP product offensive positions in trade negotiations ▶ Continued investment promotion and match-making to build downstream industry clusters e.g. automotive, food and beverage 	<ul style="list-style-type: none"> ▶ The dti (including TISA, International Trade and Economic Development Division (ITED), chemicals directorate and downstream sector directorates) ▶ Industry associations e.g. PFSA, PCA, Packaging Association, NAACAM: currently providing trade leads to members, trade delegations ▶ Provincial development agencies e.g. MEGA, GEDA ▶ IDZs e.g. CDC, ELIDZ
▶ Building on existing strong base of technological cooperation	<ul style="list-style-type: none"> ▶ Support for R&D into new PP materials and applications, including composites and compounds that increase sustainability 	<ul style="list-style-type: none"> ▶ Sasol and Safripol: currently providing technical support ▶ Compounders: currently providing technical support ▶ DST ▶ Research entities and Centres of Excellence, e.g. Council for Scientific and Industrial Research (CSIR): currently conducting research for companies

Investment environment issue	Potential action points	Key role players and existing initiatives
<ul style="list-style-type: none"> ▶ Support for technology upgrades and skills development 	<ul style="list-style-type: none"> ▶ Support for capital upgrades, skills and technical knowledge 	<ul style="list-style-type: none"> ▶ DST: National System of Innovation, Research Information Management System, Human Capital Development Programme, R&D tax incentive, research chairs, centres of excellence, Advanced Manufacturing Technology Strategy ▶ Skills development and training currently being addressed through other initiatives (MERSETA, CHIETA, PFSA, JIPSA) with input from the dti and DST ▶ National Tooling Initiative, and related organisations (currently rolling out programmes to support recapitalisation and skills development)

Appendix A: List of stakeholders consulted

1. Mahlori Mashimbye, DST
2. Lindley Worthington, Sasol
3. Thokozani Masilela, the dti
4. Mkhululi Mlota, the dti
5. Neville Goodchild, the dti
6. Desmond Hadebe, the dti
7. Tshepo Makhene, dti/TISA
8. Nitesh Dullabh, Gauteng Economic Development Agency
9. Msokoli Ntombana, East London Industrial Development Zone
10. Pololo Morololo, Free State Development Corporation
11. Duane Mouton, Coega Development Corporation
12. Willie van Heerden, Eastern Cape Development Corporation
13. Jerry Nkosi, CEPPWAWU
14. Bernhard Mahl, Safripol
15. Rusty Burke, Sasol
16. Annabe Pretorius, Plastic Converters Association
17. Andrew Marthinusen, Packaging Council of South Africa (PACSA)
18. Hennie Roets, ChemCity
19. Ron Sanderson, Institute for Polymer Science, Stellenbosch University
20. Thilo van der Merwe, CSIR
21. Charlotte Weinert, Plastamid
22. Stephen Mountain, Plastamid
23. Charles Goldman, Plastamid
24. Philip Law, British Plastics Federation (UK)
25. Gianpaolo Armando, Ashland Distributors (Spain)
26. Loutjie de Jongh, Mondi Plastic Containers
27. Gordon Reddy, Kaymac Structural Foam
28. Carl Lamprecht, Polyoak SA
29. Adriaan Mossop, Elvinco/Mondi
30. Philip de Weerd, Nampak
31. Robin Moore, Nampak
32. Thomas McLaughlin, Woolworths
33. Roger Pitot, NAACAM
34. Norman Lamprecht, Automotive Export Industry Council
35. Nico Vermeulen, NAAMSA
36. Justin Barnes, B&M Analysts
37. Gordon Reddy, Kaymac Structural Foam
38. SP Bazzini, Euro Plastifoam
39. Werner Kotzee, Venture SA
40. Steve Baker, Faurecia
41. Clifford van Niekerk, Brits Textiles
42. Warren Jones, Volkswagen
43. Paul Gerrard, General Motors (USA)
44. Peter Gombos, Plascar (Brazil)
45. Richard Clare, Wardle Storey (UK)
46. Mr Ruhstoer, Johann Borgers (Germany)
47. Jacqueline Troester, Mann+Hummel (Germany)
48. Venture PlasticsHilton Sacks
49. Chris Philippides, ADV Plastics
50. Sean Smith, Africa Plastics
51. Heinz Barends, Diemaster International
52. M. Grobler, Africa Thatch

- 53. Tjaart de Plessis, Ecowood Plastic Composites
- 54. Kevin Walsh, Belgotex
- 55. Bill Sharkness, Saint-Gobain (US)
- 56. Sebastien Bondestam, Uponor (Finland)
- 57. Manfred Guercio, Adcock Ingram
- 58. Phillip Fouche, Braun

Appendix B: List of acronyms

AGOA	Africa Growth and Opportunities Act
AIDC	Automotive Industry Development Centre
AIEC	Automotive Industry Export Council
ARMSA	Association of Rotational Moulders of South Africa
ARV	Antiretroviral
ASGISA	Accelerated and Shared Growth Initiative for South Africa
BBBEE	Broad-based Black Economic Empowerment
BPF	British Plastics Federation
CAGR	Compound Annual Growth Rate
CAIA	Chemical and Allied Industries Association
CCMA	Council for Conciliation, Mediation and Arbitration
CDC	Coega Development Corporation
CDM	Clean Development Mechanism
CEPPWAWU	Chemical, Energy Paper, Printing, Wood and Allied Workers Union
CETA	Construction Education and Training Authority
CGCSA	Consumer Goods Council of South Africa
CHIETA	Chemicals Industry Education and Training Authority
CIPRO	Company and Intellectual Property Registration Office
CSIR	Council for Scientific and Industrial Research
CTFL	Clothing, Textiles, Footwear and Leather
DBSA	Development Bank of Southern Africa
DST	Department of Science and Technology
the dti	Department of Trade and Industry
ECDC	Eastern Cape Development Corporation
EFTA	European Free Trade Association
ELIDZ	East London Industrial Development Zone
EIA	Environmental Impact Assessments
EMIA	Export Marketing & Investment Assistance Scheme
EPA	Economic Partnership Agreement
EU	European Union
EuPC	European Plastic Converters
FDI	Foreign Direct Investment
FET	Further Education Training
FMCG	Fast-Moving Consumer Goods
FRIDGE	Fund for Research into Industrial Development, Growth and Equity
FSDC	Free State Development Corporation
GEDA	Gauteng Economic Development Agency
GSP	generalised system of preferences
HDPE	High Density Polyethylene
HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immunodeficiency Syndrome
IDC	Industrial Development Corporation
IDZ	Industrial Development Zone
ILAC	International Laboratory Accreditation Cooperation
IMC	International Marketing Council
INW	Invest North West
IPA	Investment Promotion Agency
IPAP	Industrial Policy Action Plan
IPSA	Institute of Packaging South Africa
ISETT	Information Systems, Electronics and Telecommunications Technologies

ISO	International Organisation for Standardisation
ITAC	International Trade Administration Commission
ITED	International Trade and Economic Development Division
JIPSA	Joint Initiative for Priority Skills Acquisition
JSE	Johannesburg Stock Exchange
LDPE	Low Density Polyethylene
MAPPP SETA	Media Advertising Print Publishing and Packaging
MEGA	Mpumalanga Economic Growth Agency
MERSETA	Manufacturing, Engineering and Related Services
MIDP	Motor Industry Development Programme
MIGA	Multilateral Investment Guarantee Agency
MNC	Multinational company
NAACAM	National Association of Automotive Component and Allied Manufacturers
NAAMSA	National Association of Automobile Manufacturers of South Africa
NEDLAC	National Economic Development and Labour Advisory Council
NEF	National Empowerment Fund
NIPF	National Industrial Policy Framework
NRF	National Research Foundation
OEM	Original Equipment Manufacturer
PACSA	Packaging Council of South Africa
PCA	Plastics Converters Association
PET	Polyethylene terephthalate
PFSA	Plastics Federation of South Africa
PISA	Plastics Institute of Southern Africa
PVC	Polyvinyl Chloride
R&D	Research and development
SA	South Africa
SACU	Southern African Customs Union
SADC	Southern African Development Community
SANAS	South African National Accreditation System
SAPPMA	Southern African Plastic Pipe Manufacturers Association
SAPS	South African Police Service
SARS	South African Revenue Service
SAVCA	Southern African Venture Capital and Private Equity Association
SEDA	Small Enterprise Development Agency
SETAs	Sector Education and Training Authorities
SMME	Small, Medium and Micro Enterprise
SPII	Support Programme for Industrial Innovation Fund
SPV	Special Purpose Vehicle
TDCA	Trade and Development Cooperation Agreement
TEO	The Enterprise Organisation
THRIP	Technology and Human Resources for Industry Programme
TIKZN	Trade & Investment KwaZulu-Natal
TIL	Trade & Invest Limpopo
TISA	Trade and Investment South Africa
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific and Cultural Organisation
US	United States of America