

Bright spots on the horizon for SA

South Africa's economy is on course to expand at its highest rate in a decade - up from a seven percent drop last year.



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CMTrading is forecasting a resumption of four percent growth for the country by 2021, despite the havoc wreaked on the economy locally by the ongoing Covid-19 pandemic.

Opportunities

“South Africa’s government has the chance to make tough policy decisions in an atmosphere where land reform is beneficial to the country’s prosperity,” says Zihaad Israel, CMTrading’s regional manager for South Africa.

“This may aid in major advances as well as boost confidence in the country’s future as it faces upheaval. As the threat of Covid-19 grows, it will be critical to seize this opportunity and lay the groundwork for future development,” he adds.

South Africa, in comparison to other African countries, also has strong potential for tourism and tech growth. “The government’s objective of obtaining \$100bn in foreign direct investment by 2023 is driving this trend,” says Israel.

“The majority of the increase in recent years has been attributed to intercompany finance and stock inflow. Beijing Automotive Industry Holding, BMW, Toyota, Nissan, and Mainstream Renewable Energy have all made significant investments in recent years,” he explains.

Areas of investment

While the financial, mining, manufacturing, transportation and retail sectors receive most of the local investment, Israel says the country has many attractive assets for investors, especially in the tourism sector as well as mobile money solutions.

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