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Research Launch

AmCham Webinar US - South Africa Trade and Investment

April 2026



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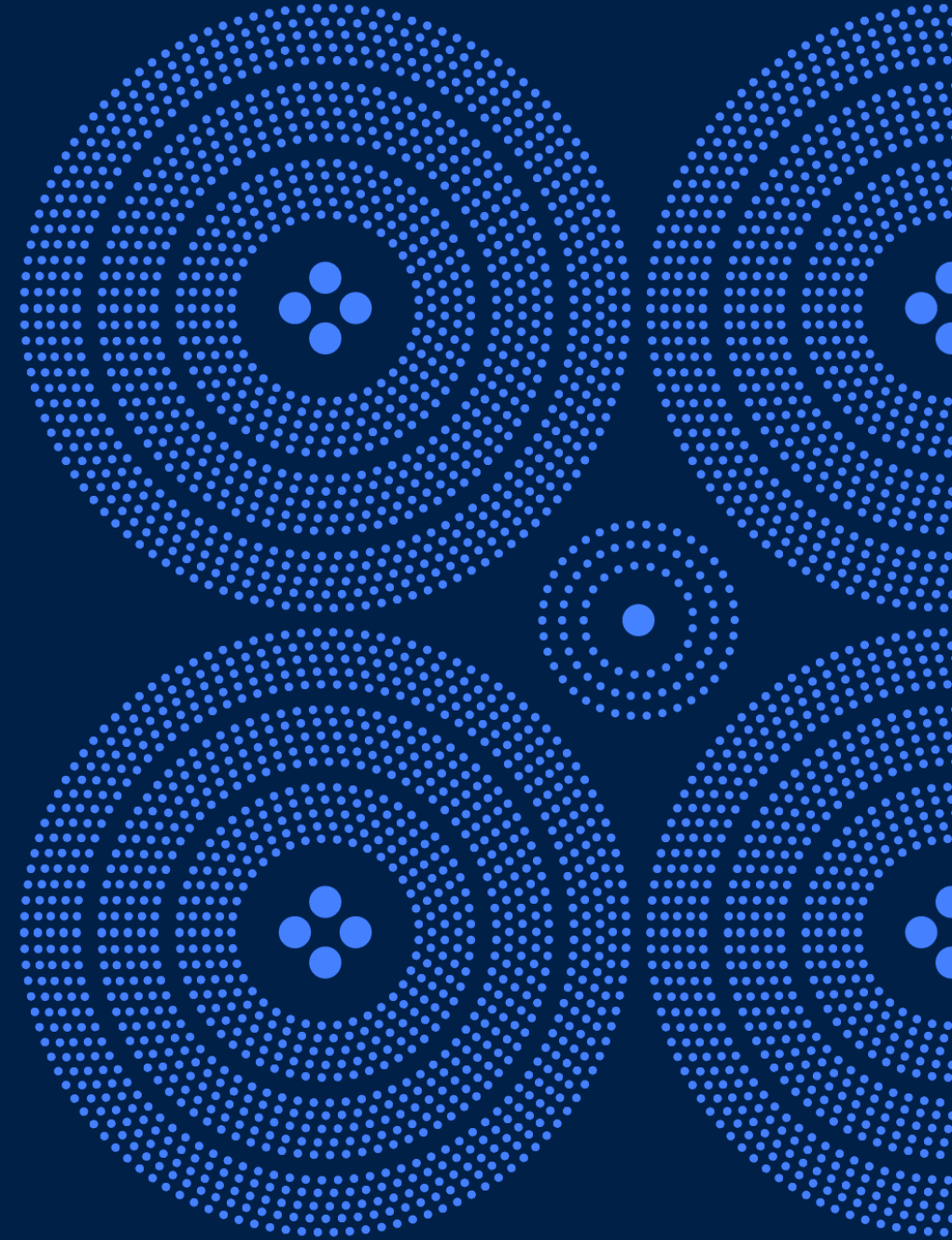
Introduction

- The United States and South Africa share a deep and longstanding economic relationship underpinned by trade, investment, and private-sector linkages
- U.S. firms playing a significant role in South Africa's economy amid an increasingly complex policy, operational, and global trade environment
- This study and the accompanying survey aimed to assess **U.S.–South Africa trade and investment dynamics** and to capture the **views, experiences, and investment sentiment of U.S. businesses operating in South Africa**





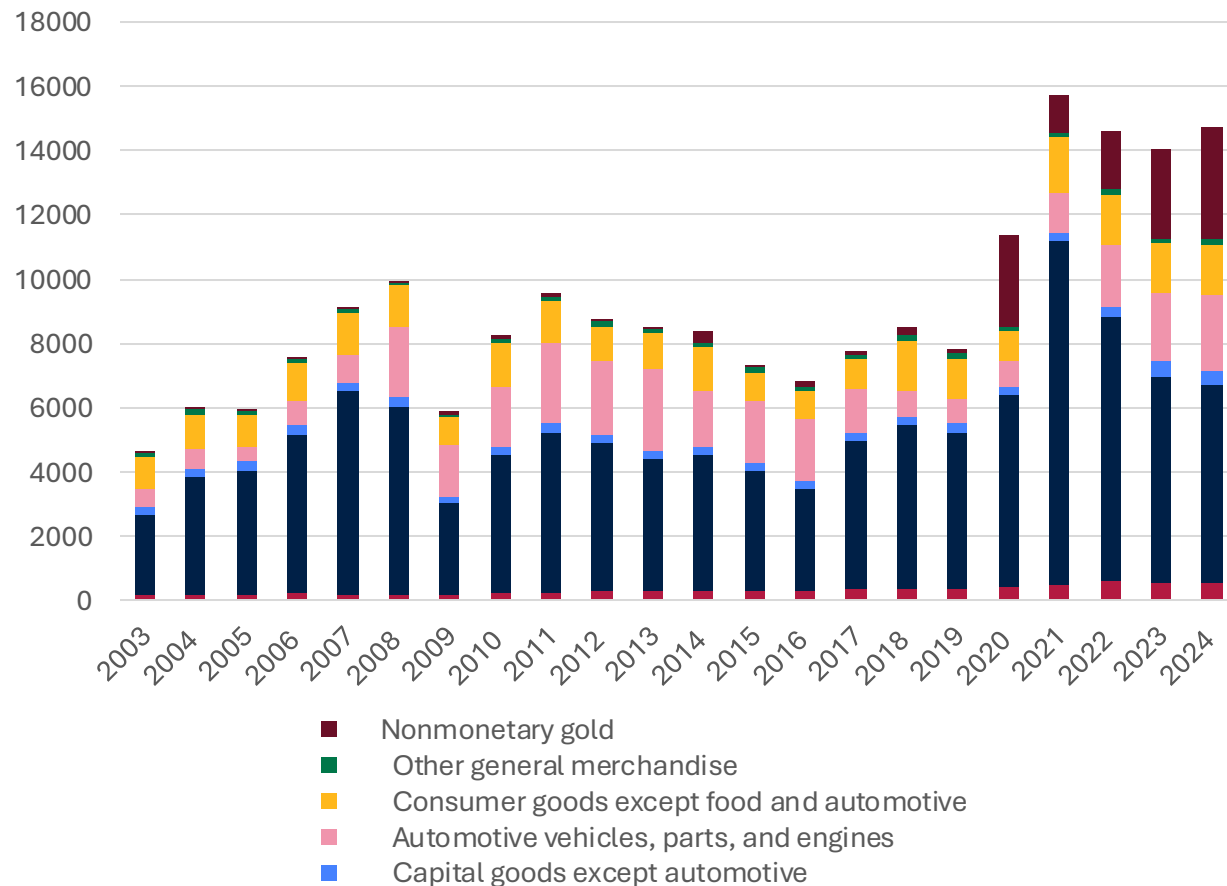
Situational analysis





The U.S. goods deficit with South Africa reflects strategic input sourcing, not perceived “economic weakness”

Composition of US Total Goods Imports From SA (\$ mn)

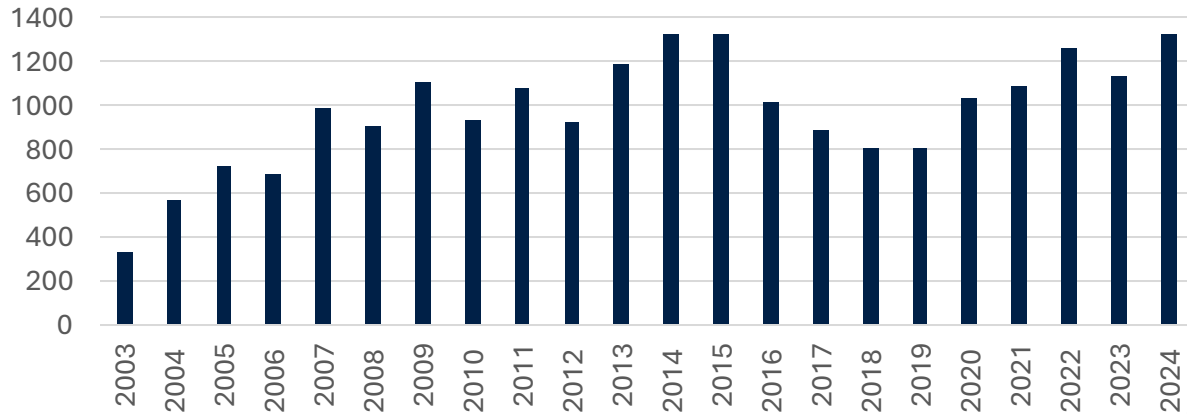


- The structure of trade reflects healthy economic integration (especially for industry in the U.S.) where South Africa supplies basic inputs and the U.S. adds and exports manufacturing value
- In 2024, 42% of goods imports from SA were industrial supplies and critical minerals essential for U.S. manufacturing



The U.S. records a strong BOP surplus with South Africa through services and investment income

Balance on services (US\$ mn)

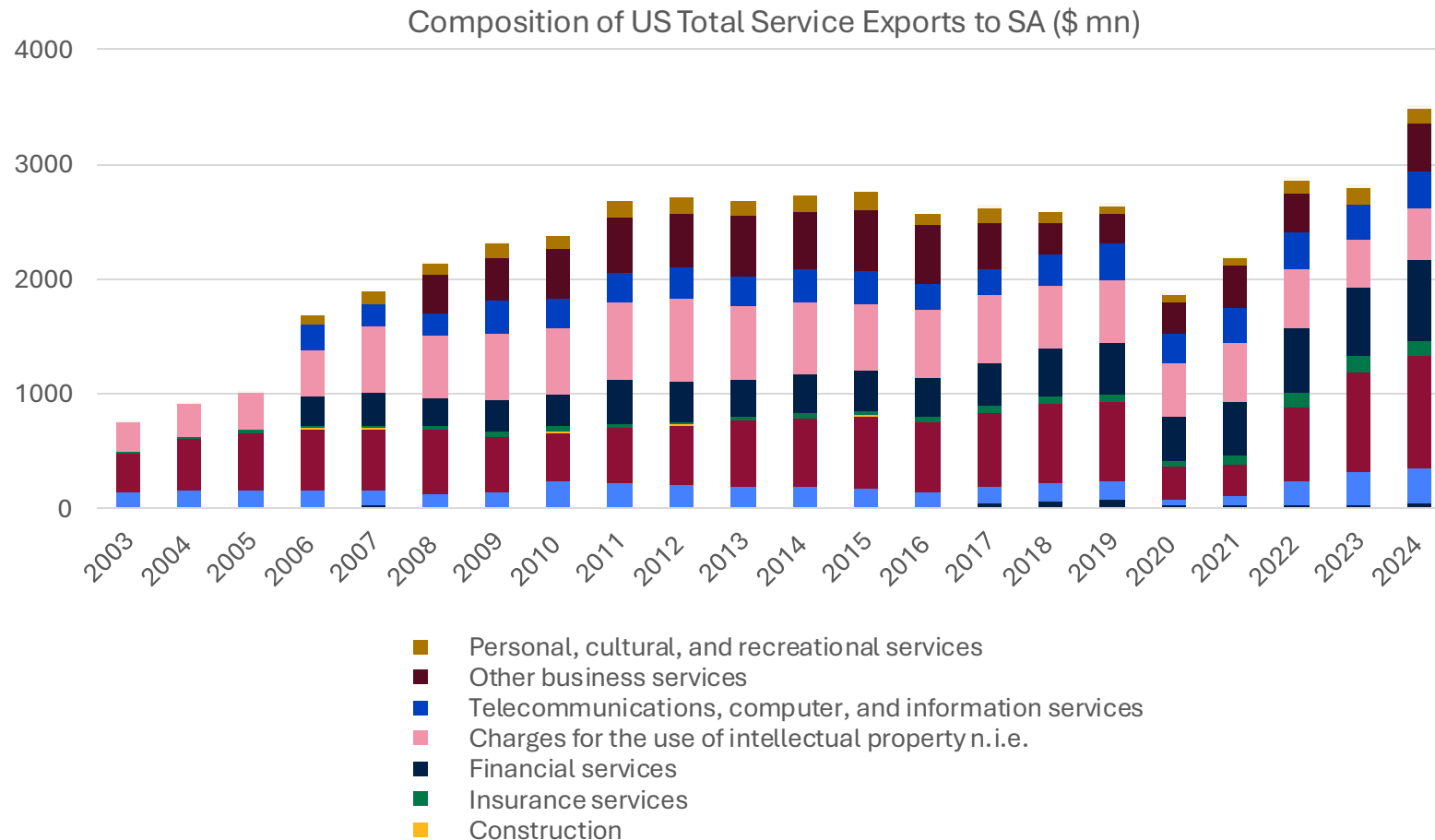


Balance on primary income (US\$ mn)





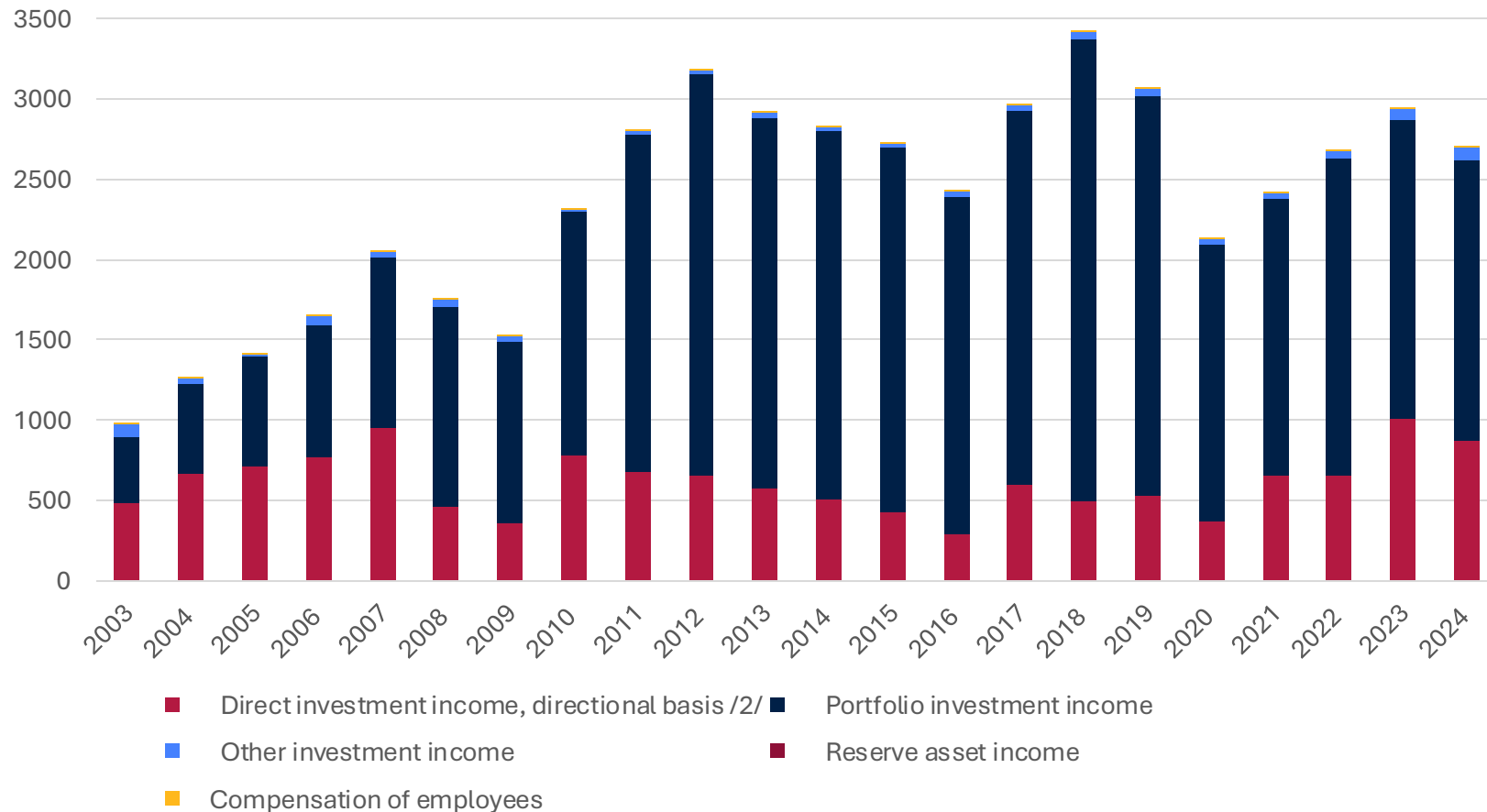
The composition of US service exports highlights America's comparative advantages and the sophisticated offerings of US firms

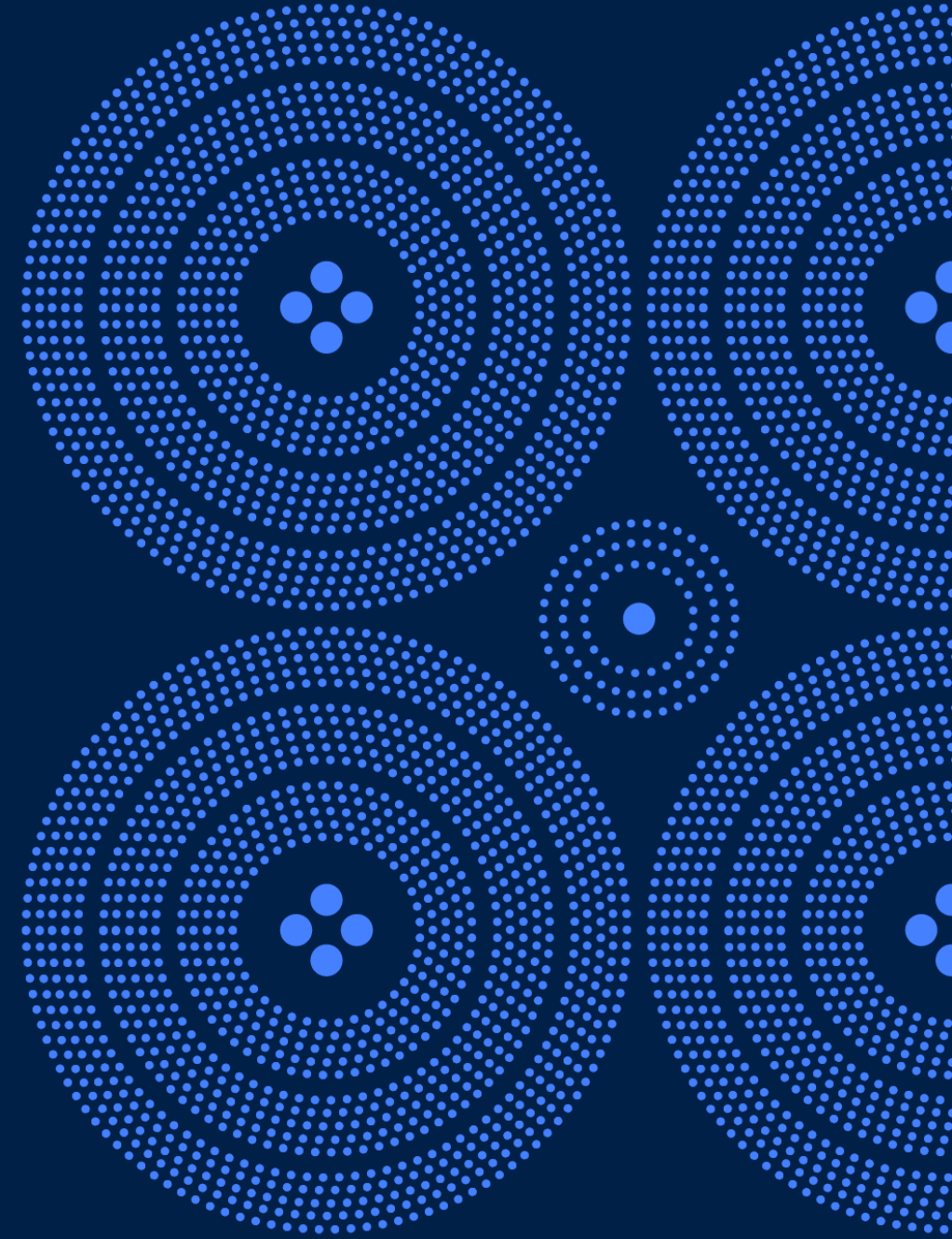




South Africa generates substantial returns for U.S. investors

Composition of Primary Income Receipts (\$ mn)

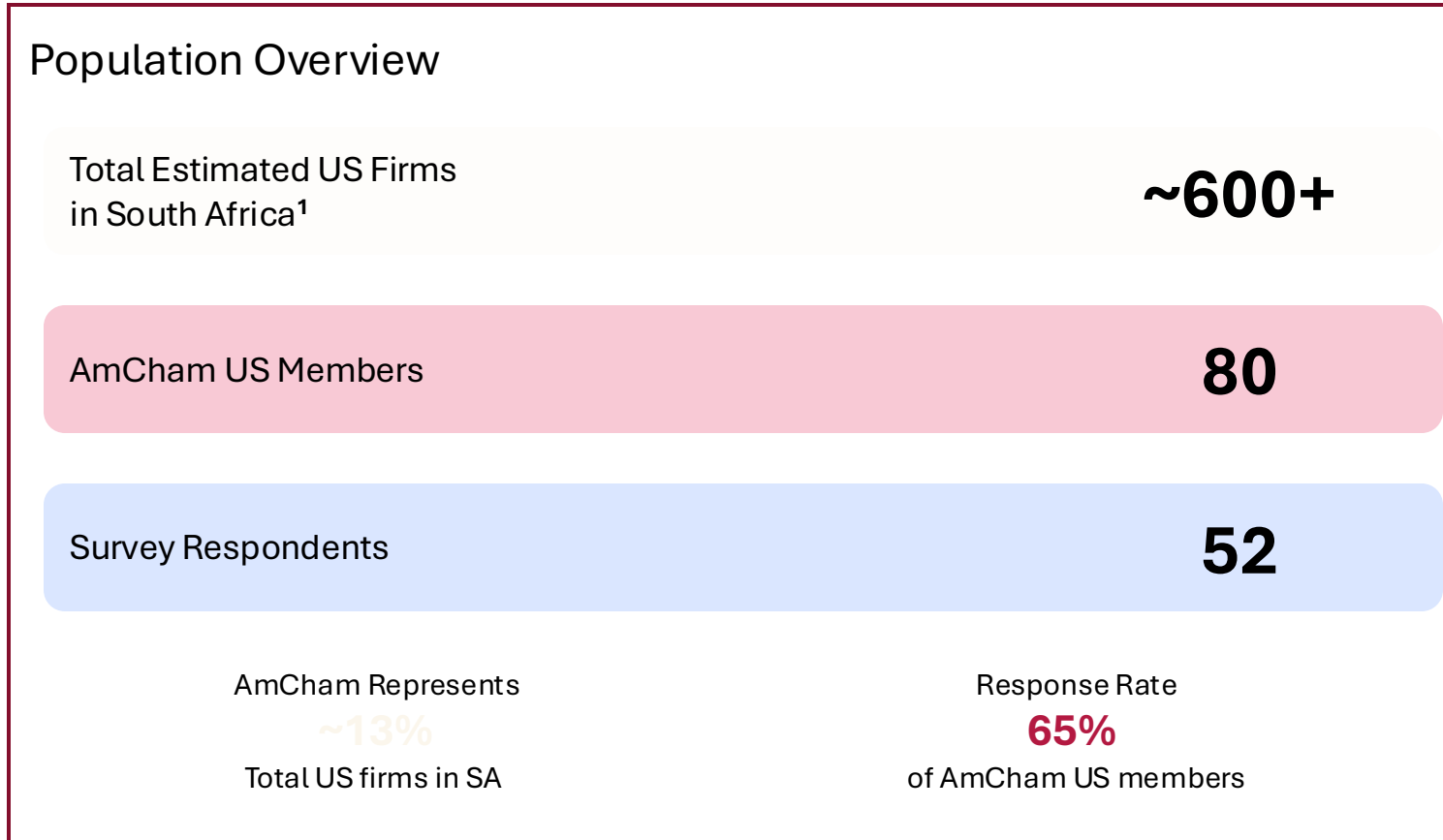




Survey findings

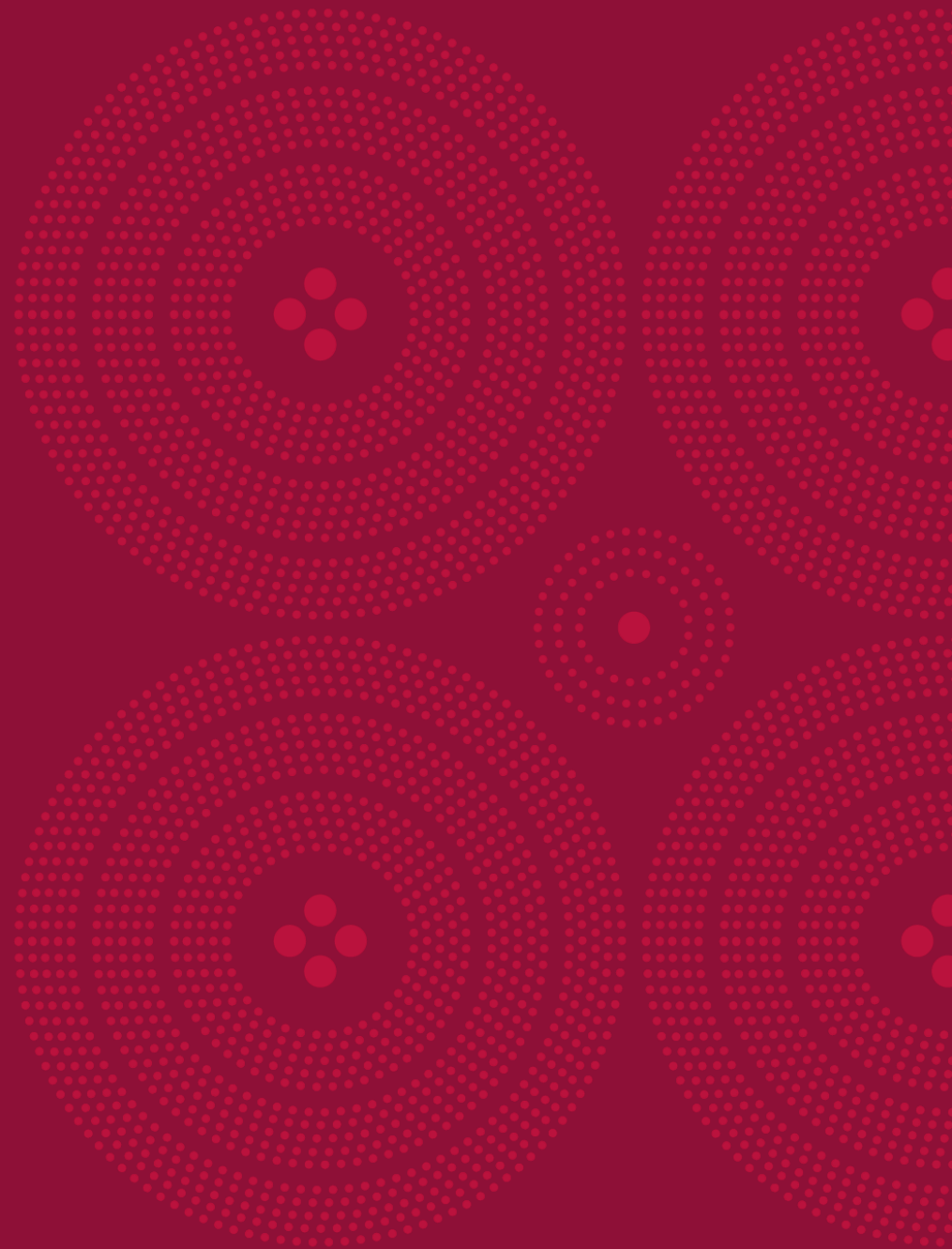


Between July and September 2025, AmCham surveyed its membership to understand the perspectives of US firms operating in South Africa





Sample demographics





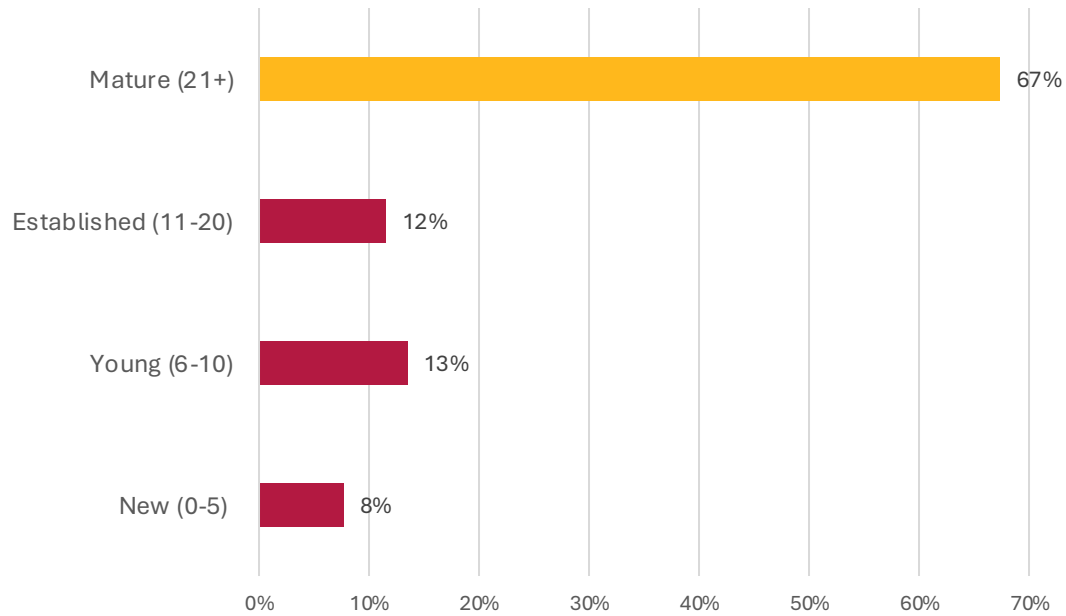
Key Findings - demographics

- US firms have an established, long-term presence in South Africa
 - Most have operated locally for over two decades and are wholly owned subsidiaries, reflecting confidence in the SA market.
- American business activity is broad and diverse, spanning manufacturing, trade, finance, logistics and other services.
- US subsidiaries are major employers and investors, with most medium-to-large in scale, generating significant turnover.



US firms have had a long-standing presence in SA, mostly opting for full subsidiary ownership rather than joint ventures

Firm Age in South Africa
N=52

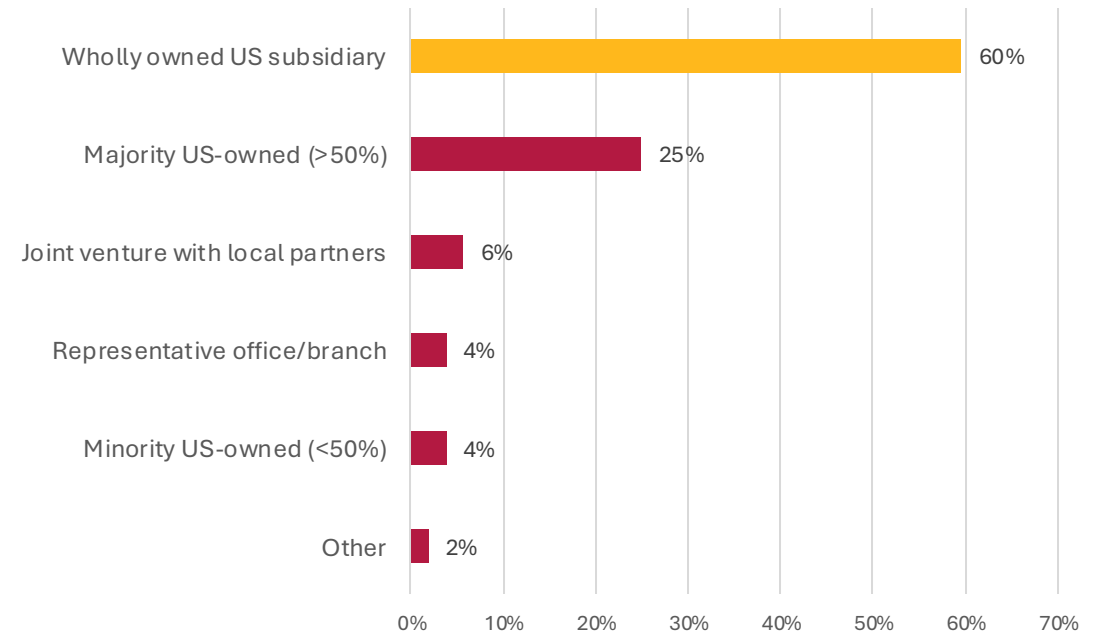


Oldest Firm
124
Years

Mean Age
40
Years

Predate '94
44%
Of firms

Nature of US Ownership Structure of SA operations
N=52

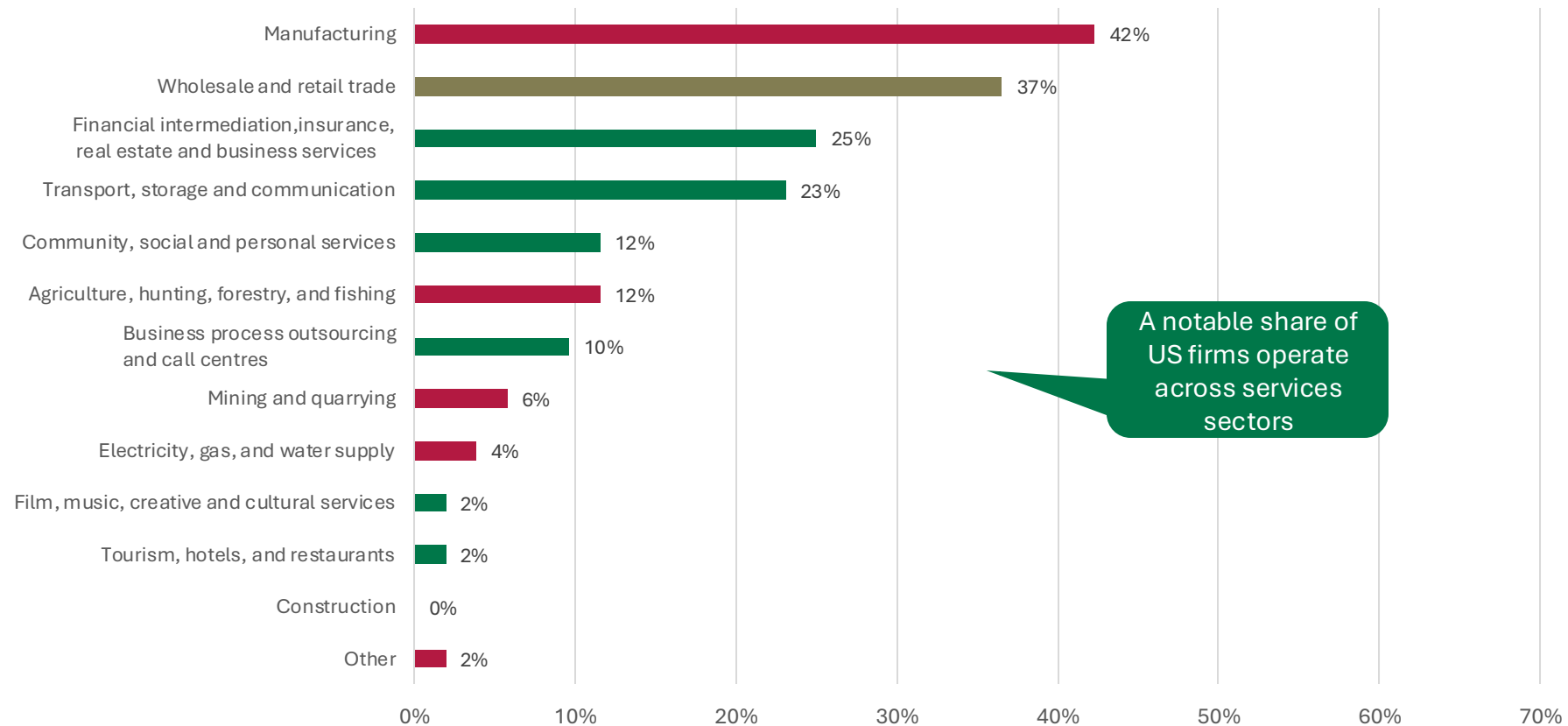




Companies surveyed belong to multiple sectors, reflecting diversified American business interests in the country

Sectors of Operation

N=52 (multiple selection)

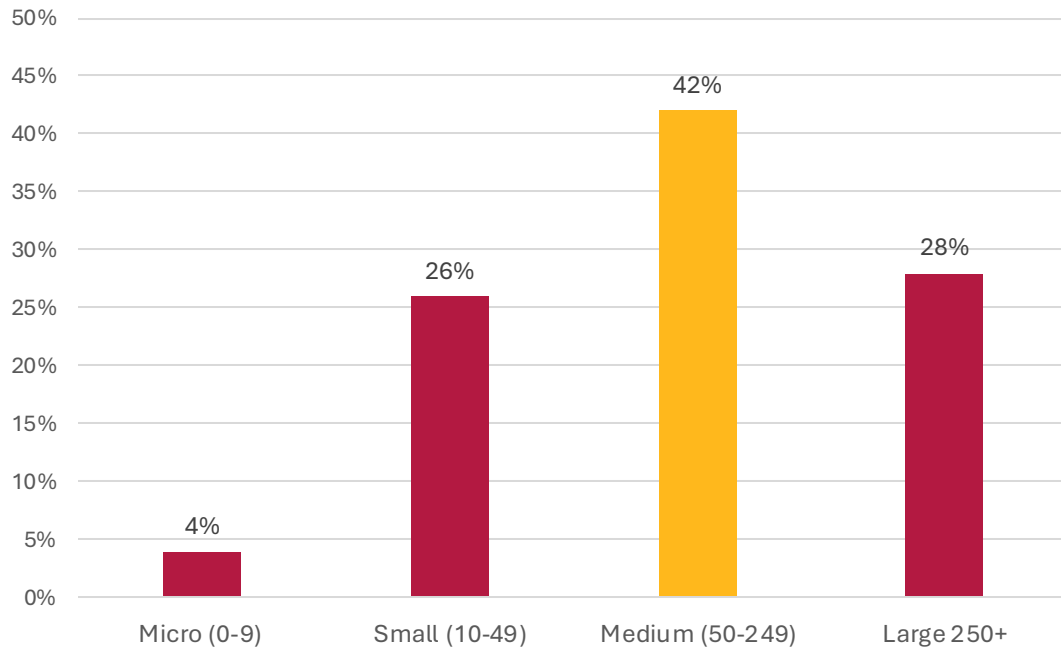




SA subsidiaries represent mid-to-large enterprises, with most employing over 50 staff and 39% generating over R1bn in revenues in the last year

FTE Permanent Employees in South Africa

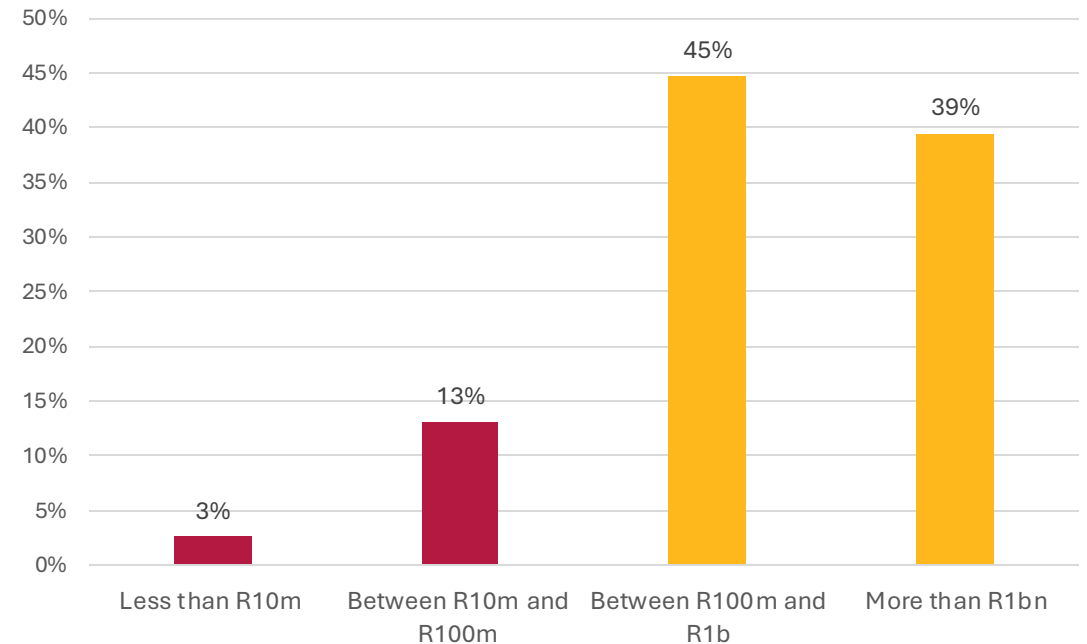
N=52



<p>Smallest</p> <p>3</p> <p>FTE in SA</p>	<p>Largest</p> <p>2,080</p> <p>FTE in SA</p>	<p>Median</p> <p>107</p> <p>employees</p>
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Annual Turnover in SA in Past Year

N=38 (14 did not answer)

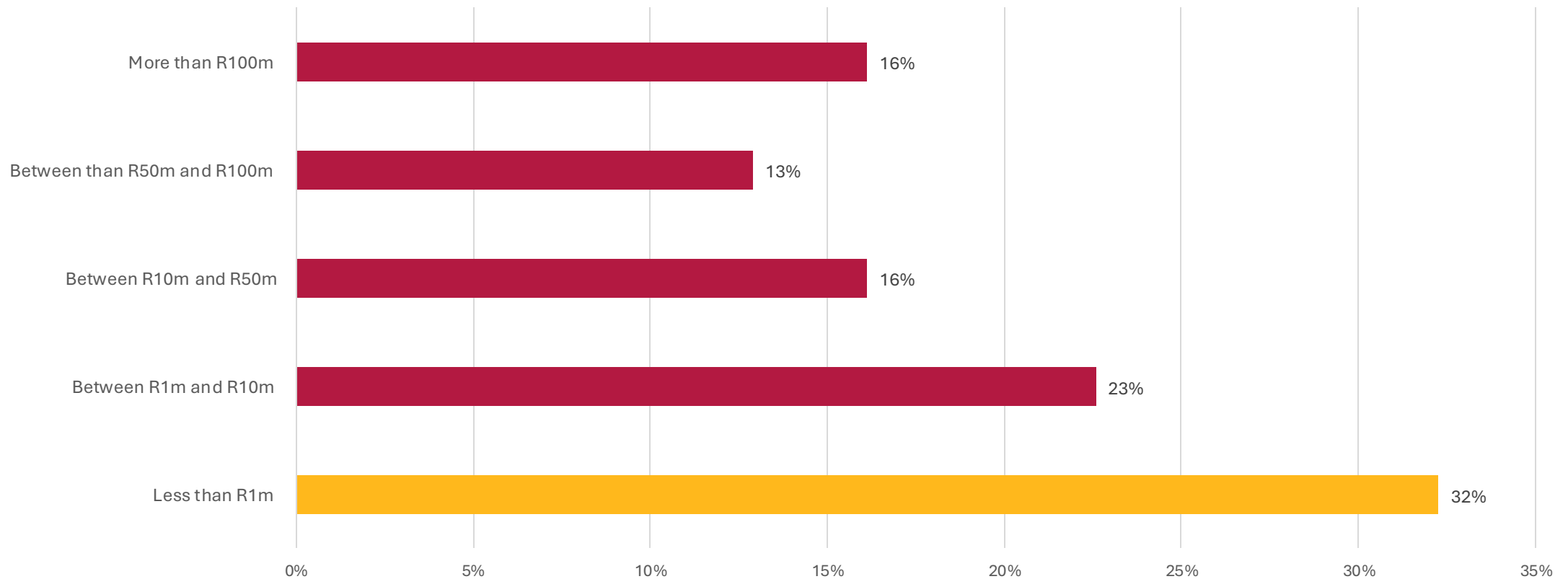




Capital investment levels vary, with most firms investing modestly and a notable share undertaking large-scale investment in the past year

Capital Investment in South Africa in past 12 months

N=31 (21 did not know)





Strategic Rationale for SA investment





Key Findings - rationale

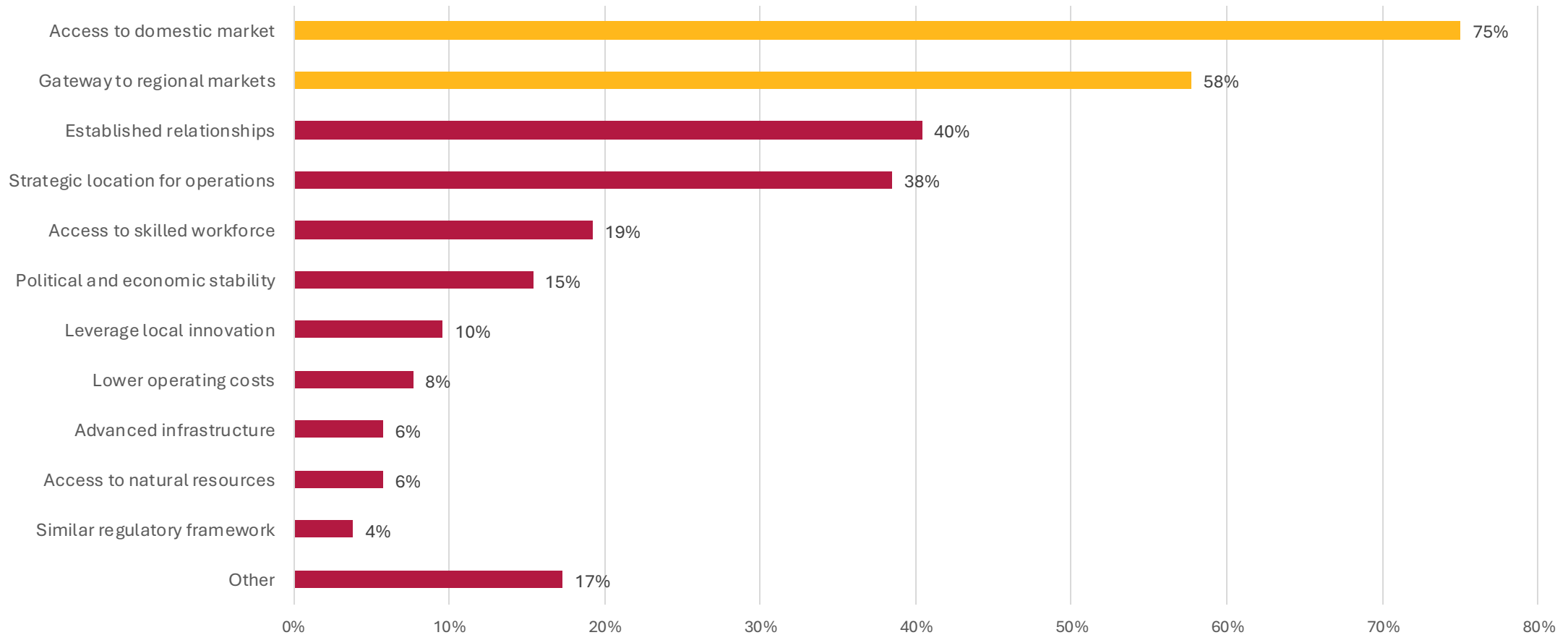
- South Africa serves as both a domestic base and regional hub for US firms, valued for market access, regional reach, and skilled labour.
- More than half of the sample has seen returns in SA increase over the last 3 years and these profits are seen as important to HQ.
 - Most firms repatriating earnings to America through dividends rather than reinvesting locally.



Market access is the main reason US firms invest in SA, leveraging it as both a domestic base and a regional hub

Primary Reasons for Establishing Operations in South Africa

N=52 (multiple selection, up to 3)

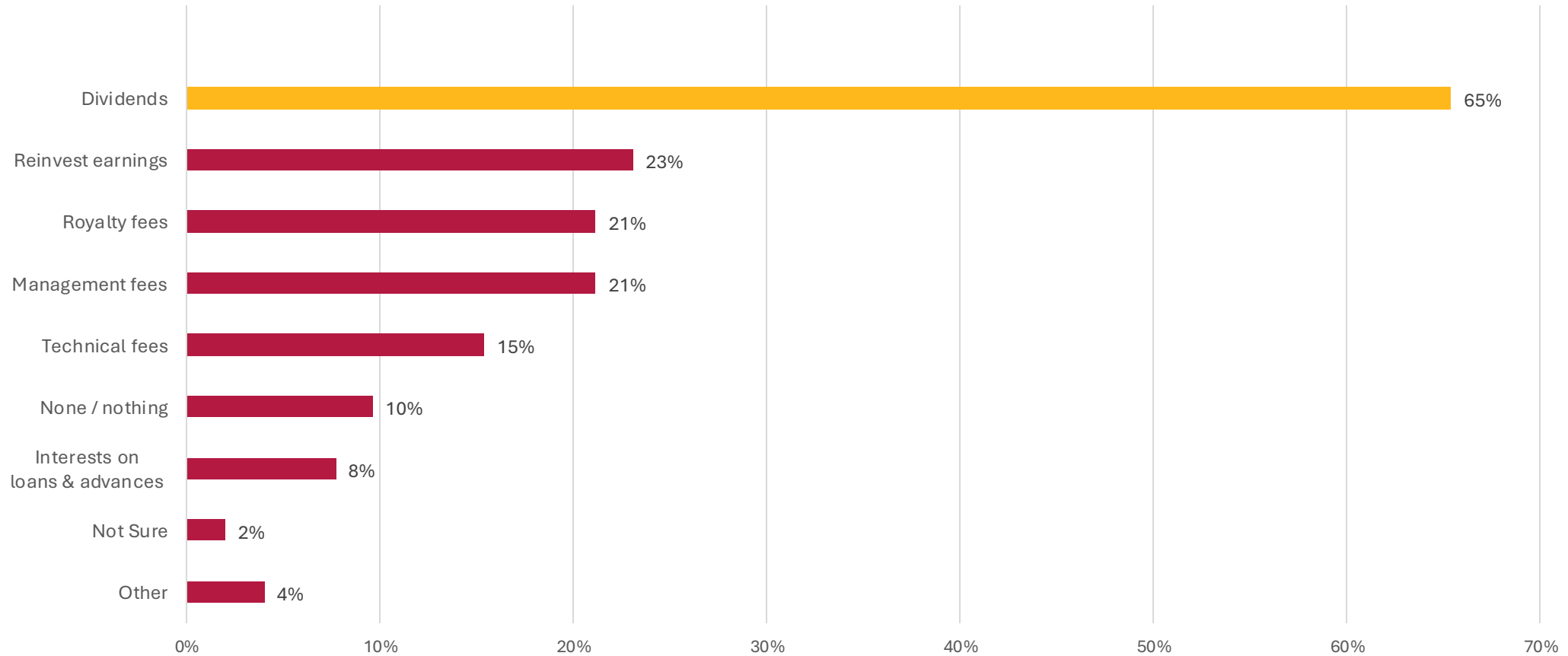




Dividend repatriation is the dominant channel for US returns from SA

How SA Financial Returns Are Repatriated to US

N=52 (multiple selection)

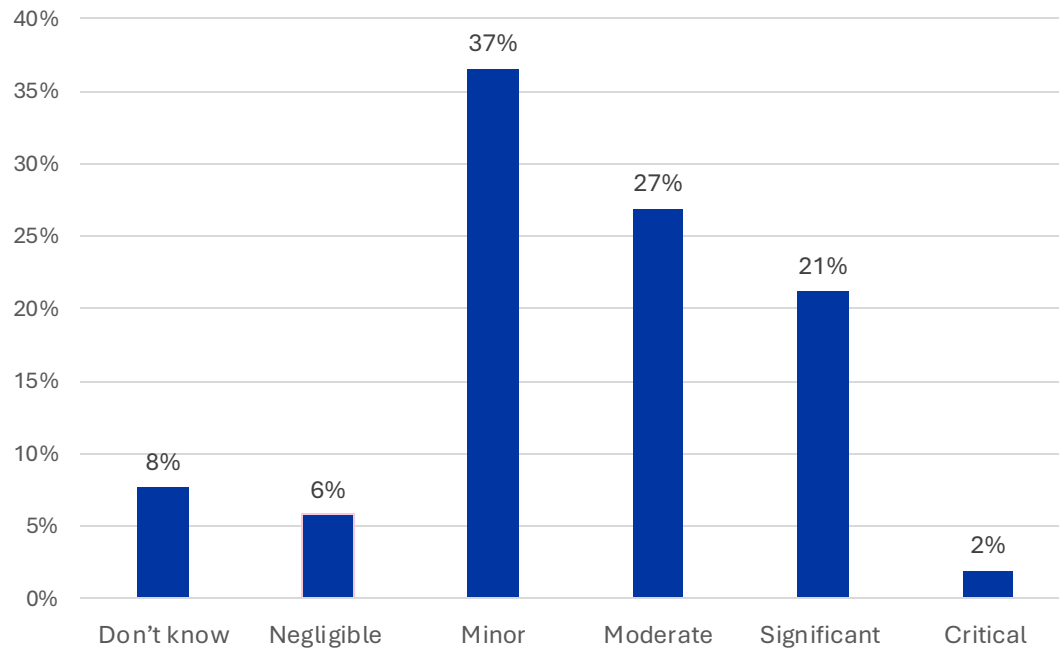




SA remains a meaningful profit centre for many US firms

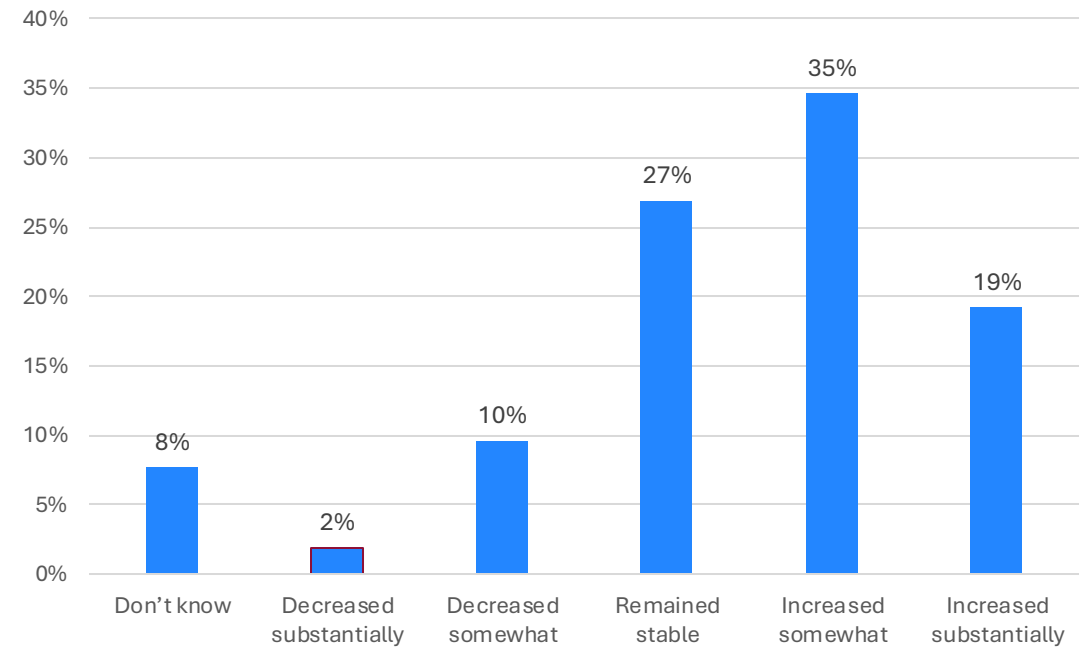
Importance of SA Returns to US Parent Company

N=52



How SA Returns Have Changed in Past 3 Years

N=52



GDP growth in South Africa remained sluggish in the past 3 years, averaging around 1% per annum

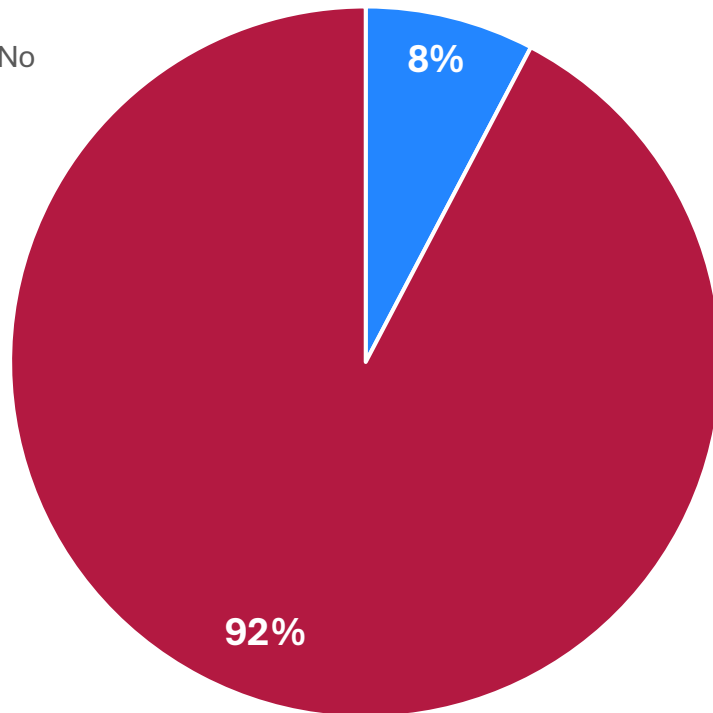


South African government support to US firms is minimal, with investment primarily driven by commercial considerations

Has your firm received support from SA Government?

N=52

■ Yes ■ No



Training and Development

2
firms

Market Access Facilitation

1
firm

Sector Support Programmes

1
firm



Intra-company service trade





Key Findings – intra-company services

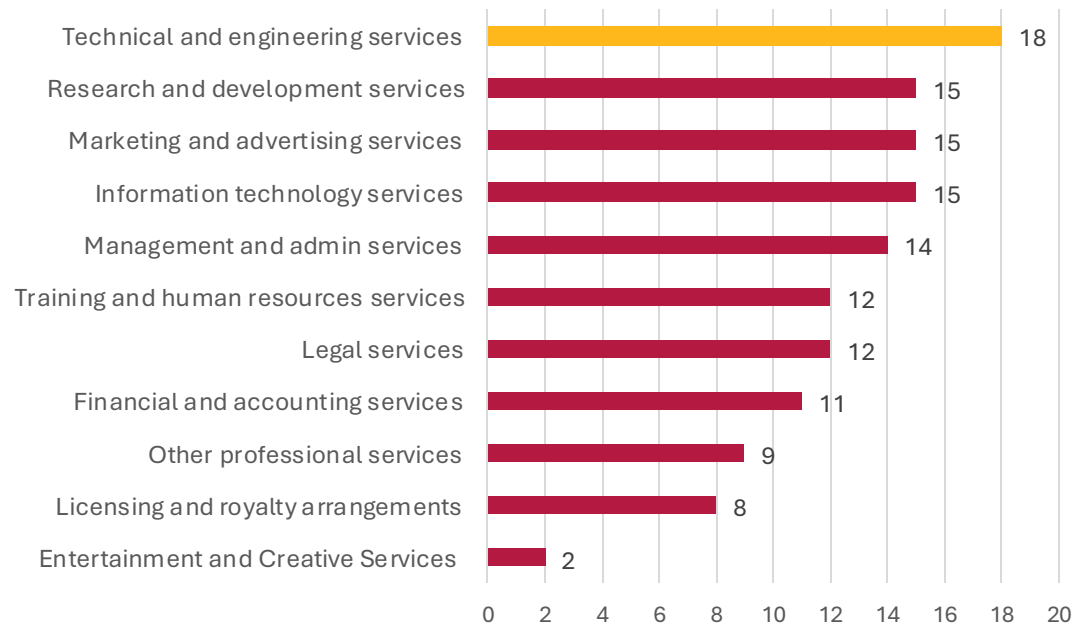
- Most US subsidiaries in South Africa import technical, R&D, and business services from their parent companies.
- Intra-company trade in services contributes to the large US services trade surplus with South Africa.



73% of firms import services from US parent companies

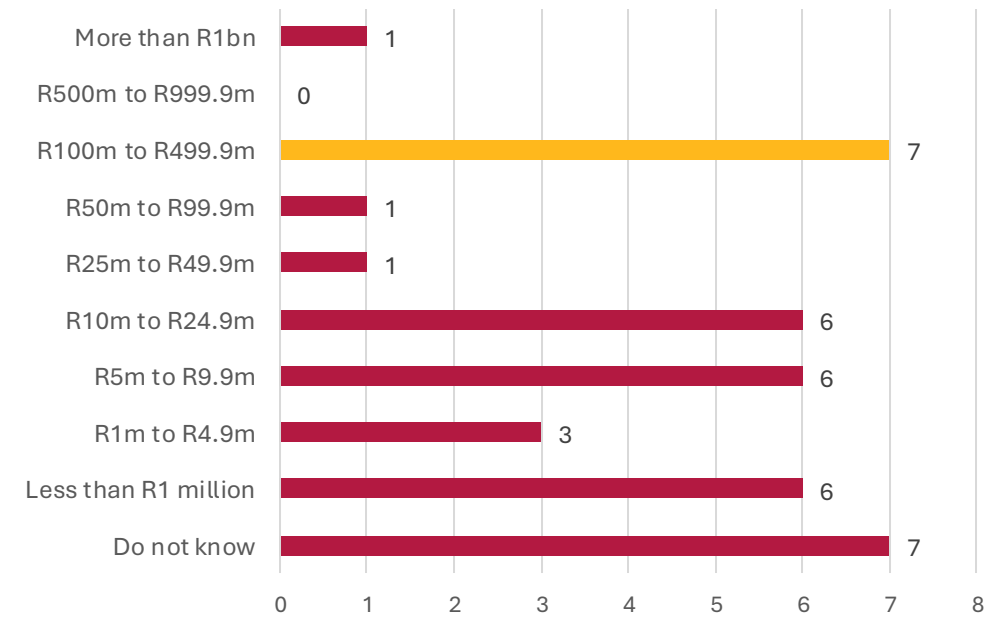
Types of Services from US parent to SA Operations

N=38 (multiple selection)



Annual Value of Services from US Parent to SA operations

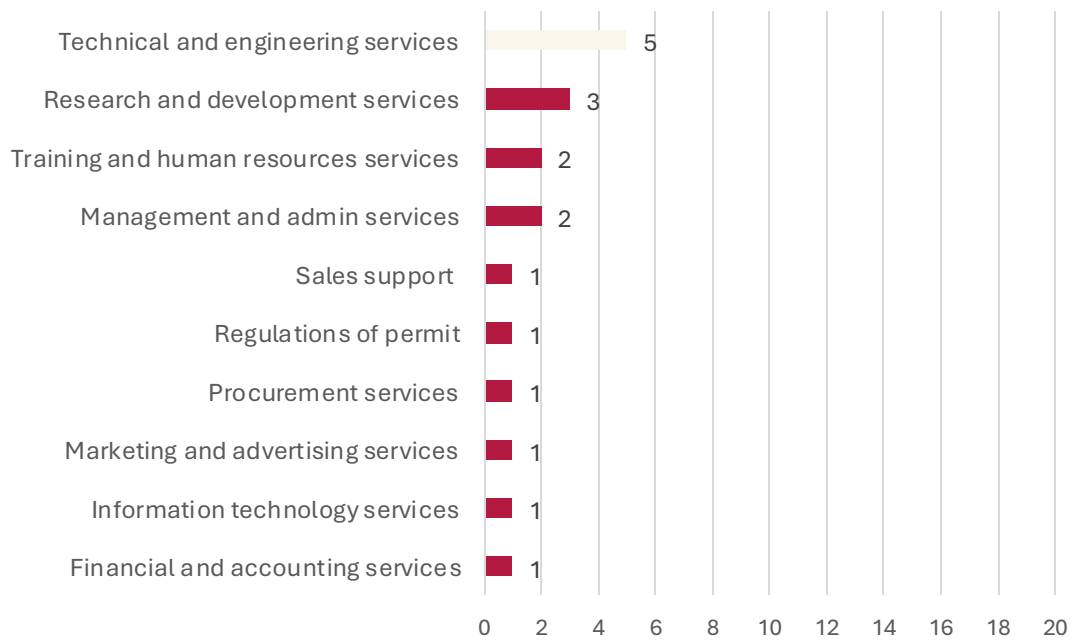
N=38 (number of firms)



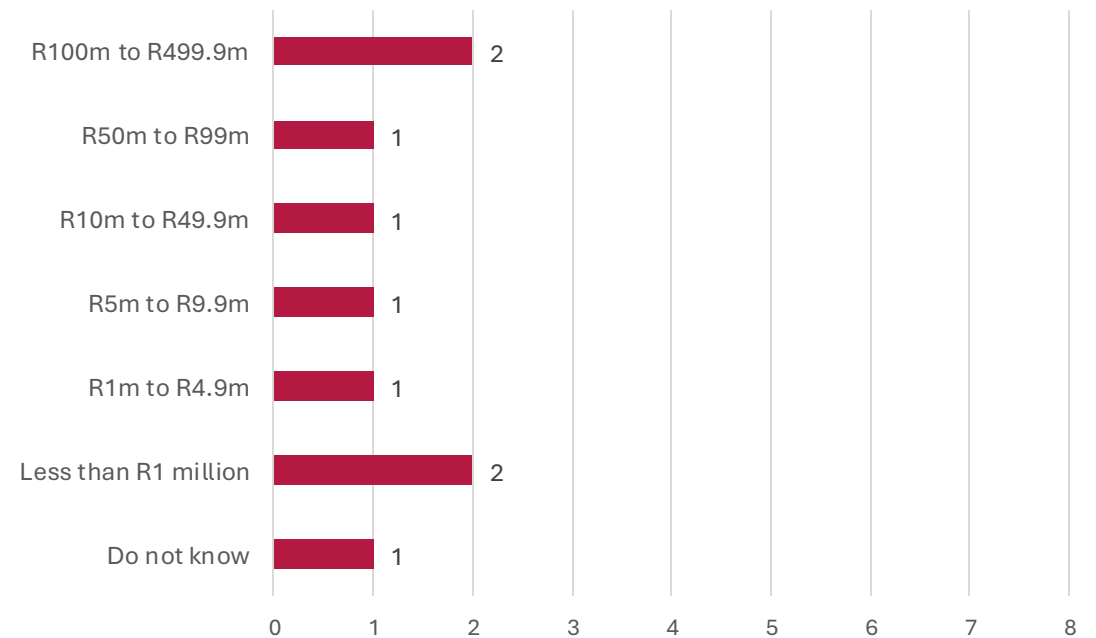


Less than 20% of firms' SA operations export services to their parent companies

Types of Services from SA Operations to US Parent
N=10 (multiple selection)

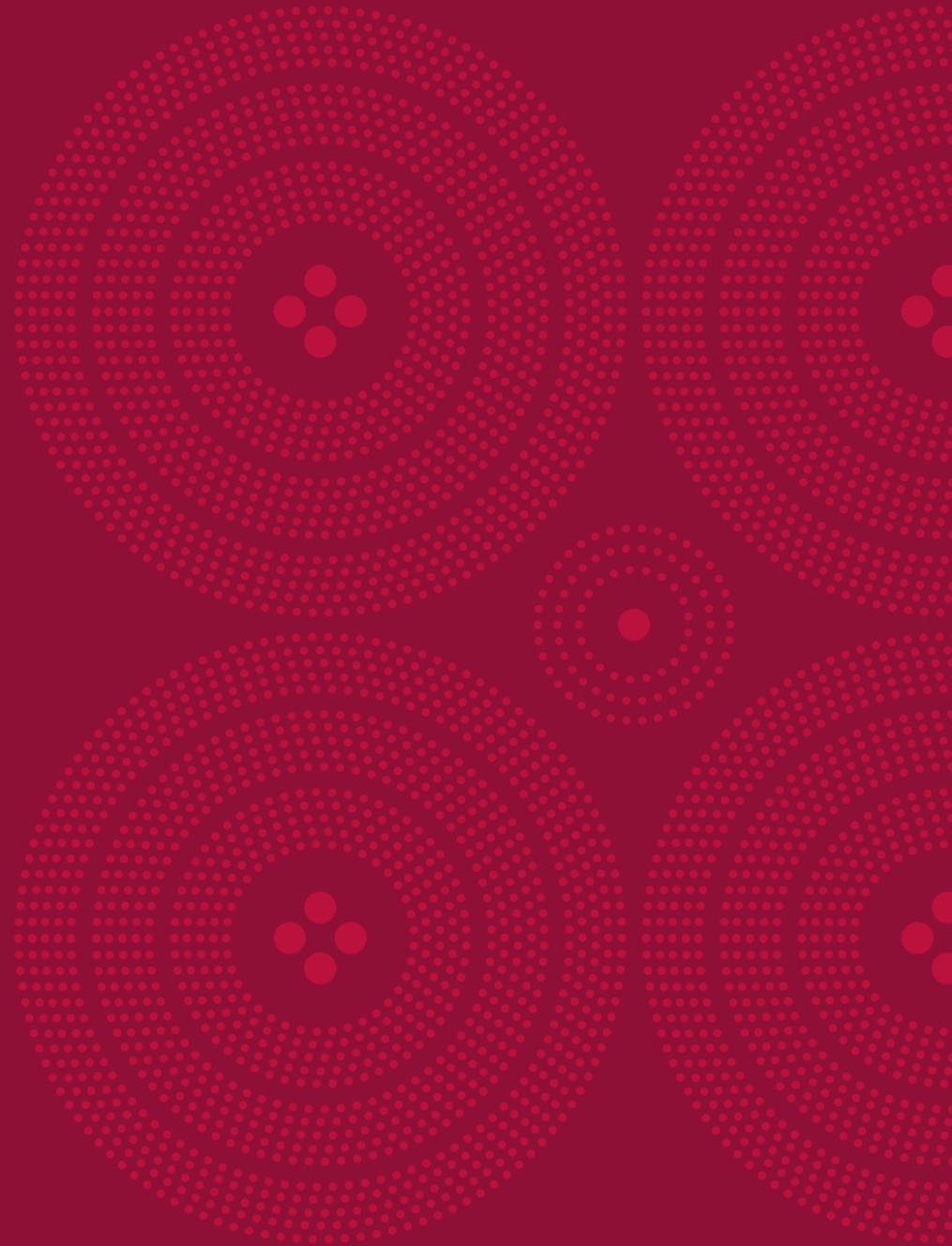


Annual Value of Services from SA operations to US Parent
N=10 (number of firms)





General Bilateral Trade & Supply Chains





Key Findings – supply chains

- Trade flows are largely one-directional, with most SA operations importing high-value goods and services from the US market while only a small share export back to the US market.
- These imports strengthen bilateral value chains, supporting US industries and technology transfers while enabling South African subsidiaries to operate competitively in regional markets.
- The trade profile of US companies in South Africa mirrors the overall bilateral trade pattern – with South Africa largely exporting basic mineral and food products to the US, and US companies largely exporting high-value goods and services to South Africa and the wider regional market.



Relatively few US affiliates in South Africa export to their parent market, and most do so at modest volumes

21%
of firms export from
SA to US
(11 of 52 firms)



“What are the top products you export from SA to US?”

Manufacturing (8 mentions)

E.g., Industrial equipment, machinery, steel products, processed woods

Consumer Goods (3 mentions)

E.g., Pet food brands, cereals, digital sports entertainment

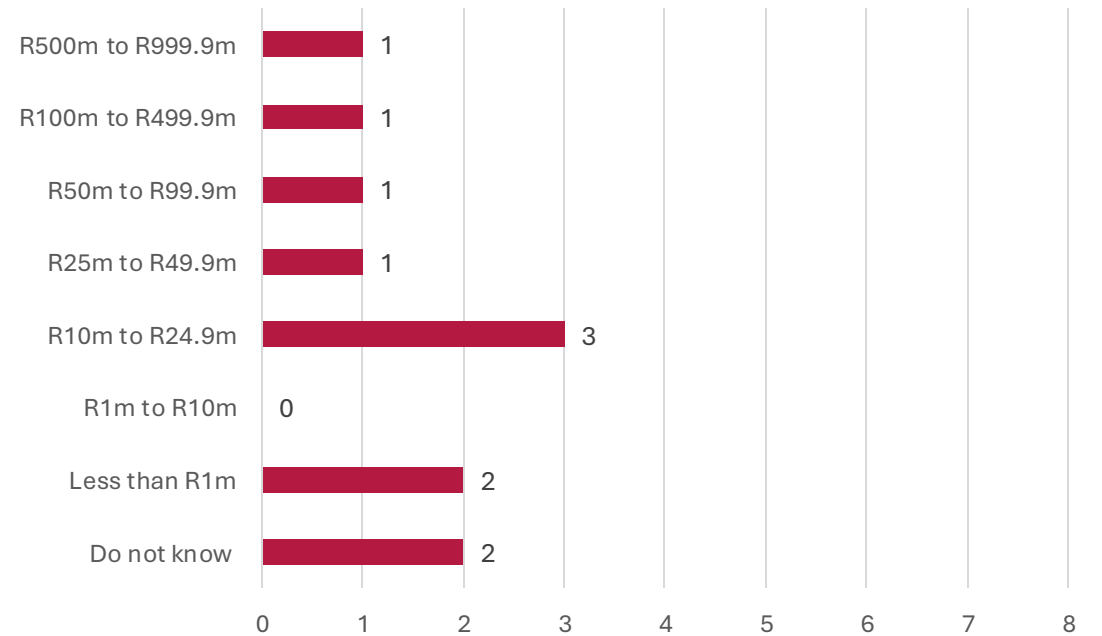
Services (5 mentions)

E.g., Software solutions, geospatial data, technical support, transport services

SA sends industrial inputs, some processed foods & niche services

Annual Value of Exports from SA operations to US market

N=11 (number of firms)





Half of surveyed firms import from the US, primarily high-value manufacturing inputs, equipment, and technology-related services

50%
of firms import from
US to SA
(26 of 52 firms)



“What are the top products you import from US to SA?”

Manufacturing (18 mentions)

E.g., Machinery, PPE, chemicals, equipment, spare parts, materials

Consumer Goods (8 mentions)

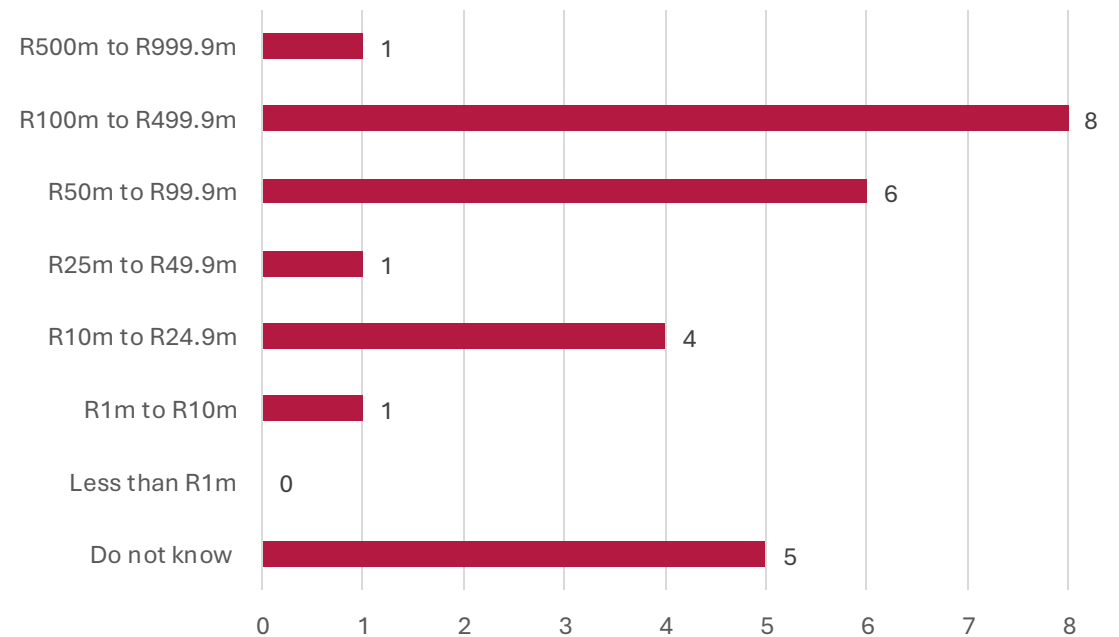
E.g., Cosmetics, food products, retail goods, personal care

Services (15 mentions)

E.g., Software, cloud services, IT, technical services, R&D, marketing

US sends high-tech service & equipment and diverse consumer goods

Annual Value of Imports from US parent to SA market
N=26 (number of firms)

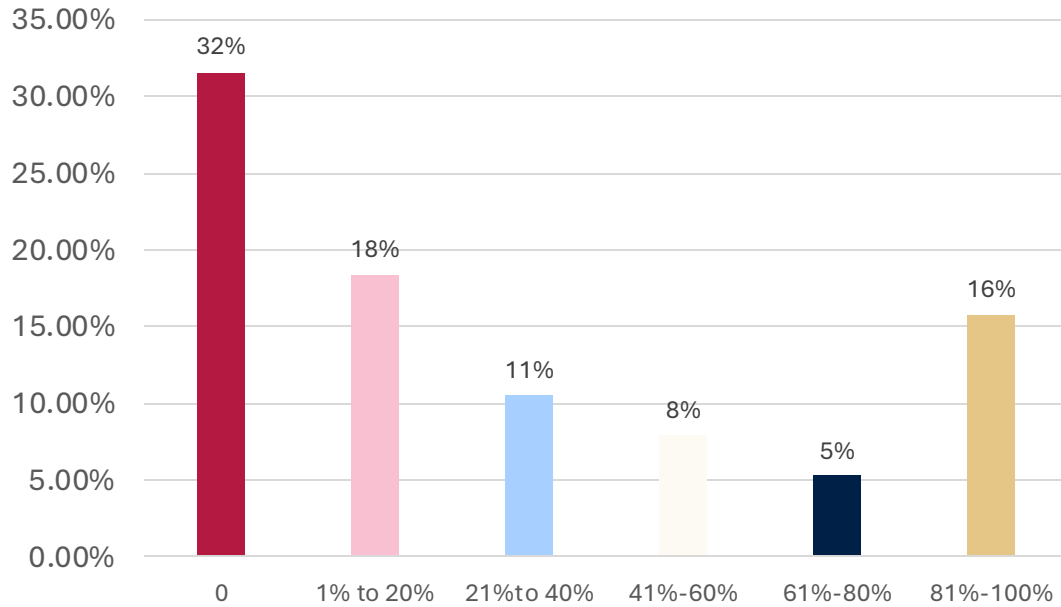




A small number of SA-based operations support thousands of US jobs

Proportion of SA Sales Which Depend on US Imports (final or intermediary products)

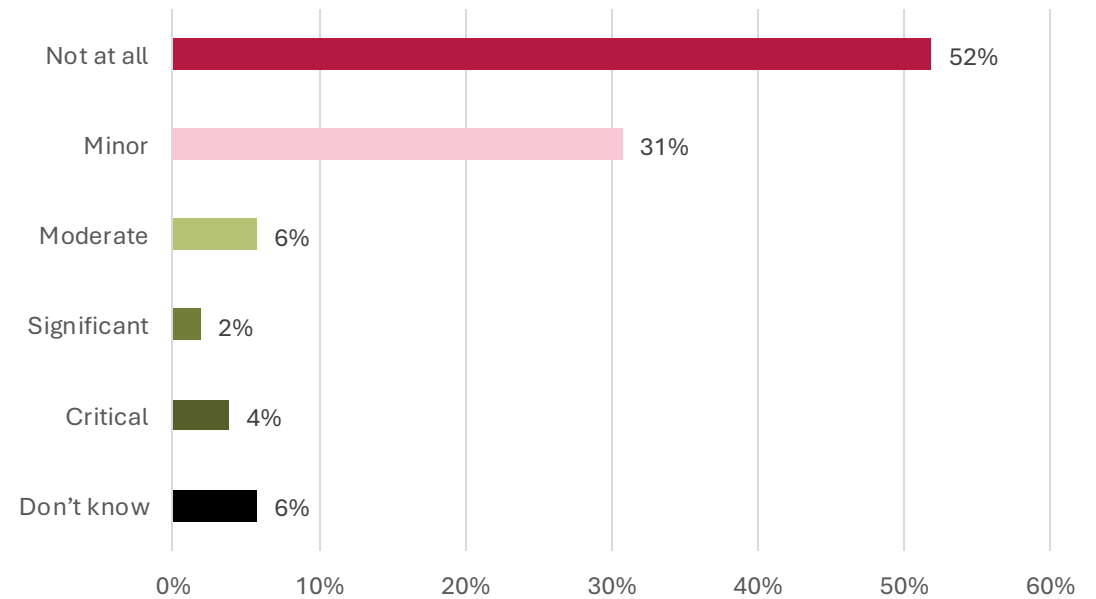
N=34 (18 did not answer; number of firms)



Nearly **a third of firms** who answered this question are highly dependent on US imports for SA sales (40% or more)

Extent to Which SA Operations Contribute to US Job Creation

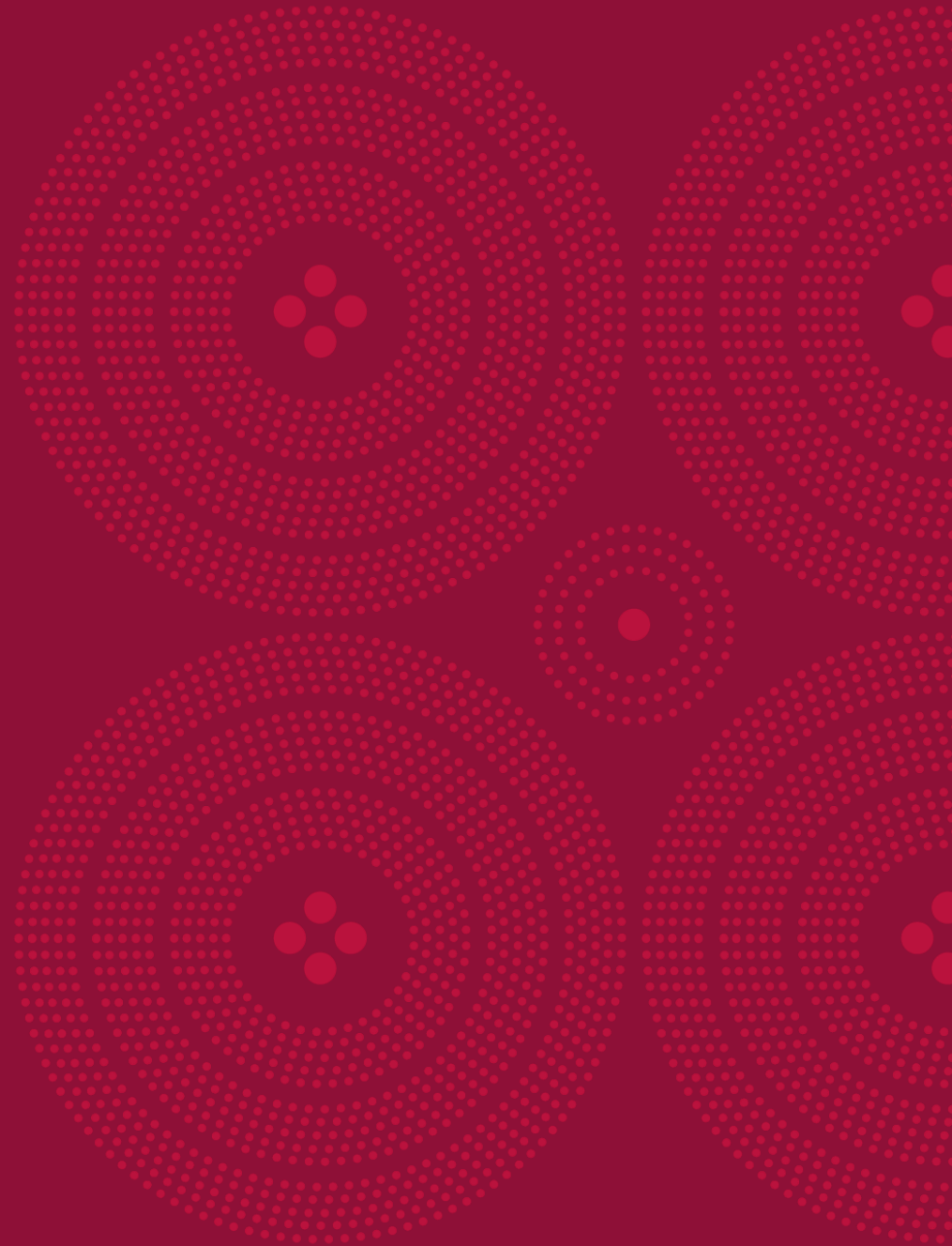
N=52



43% of firms contribute to US job creation



Regional Operations & Market Access





Key Findings – regional operations

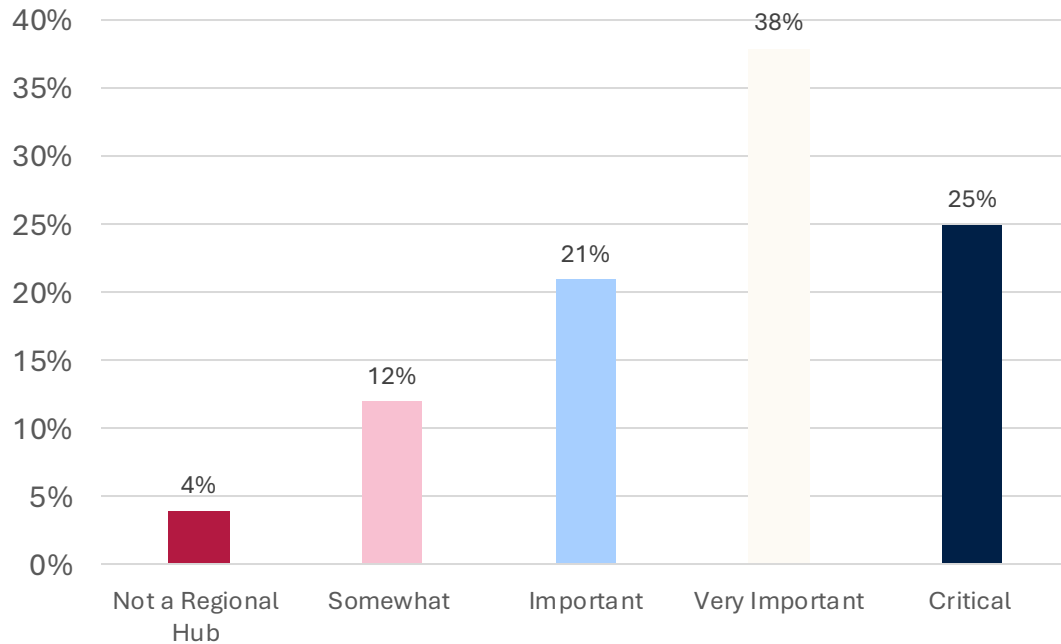
- South Africa functions as a key “Gateway to Africa”, with most US firms using it to serve regional markets across Southern, Eastern and Central Africa.
- The SA operations of US firms derive significant revenues from regional access, benefitting from the trade agreements that they can access through their SA presence.



Almost all US firms use SA to serve the continent, confirming its role as a key “Gateway to Africa”

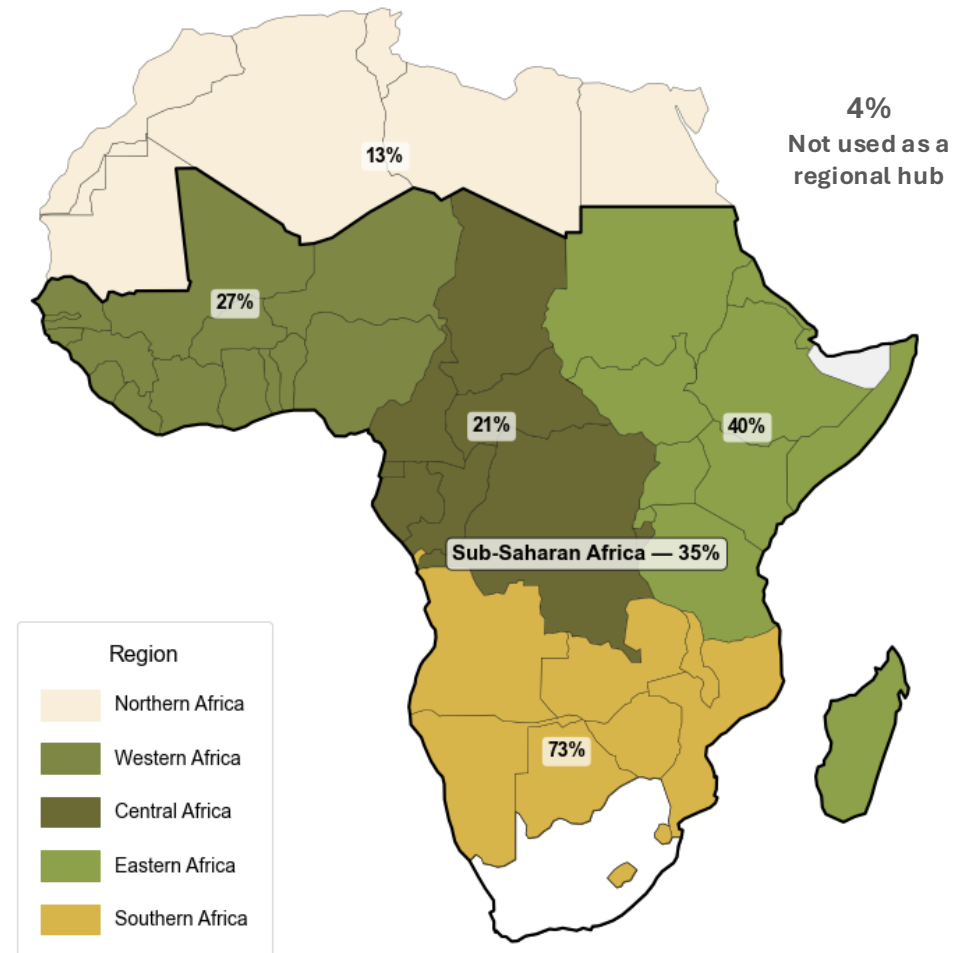
Importance of SA Operations as a Regional Hub

N=52



Other African Regions Served from SA Operations

N=52 (multiple selection)

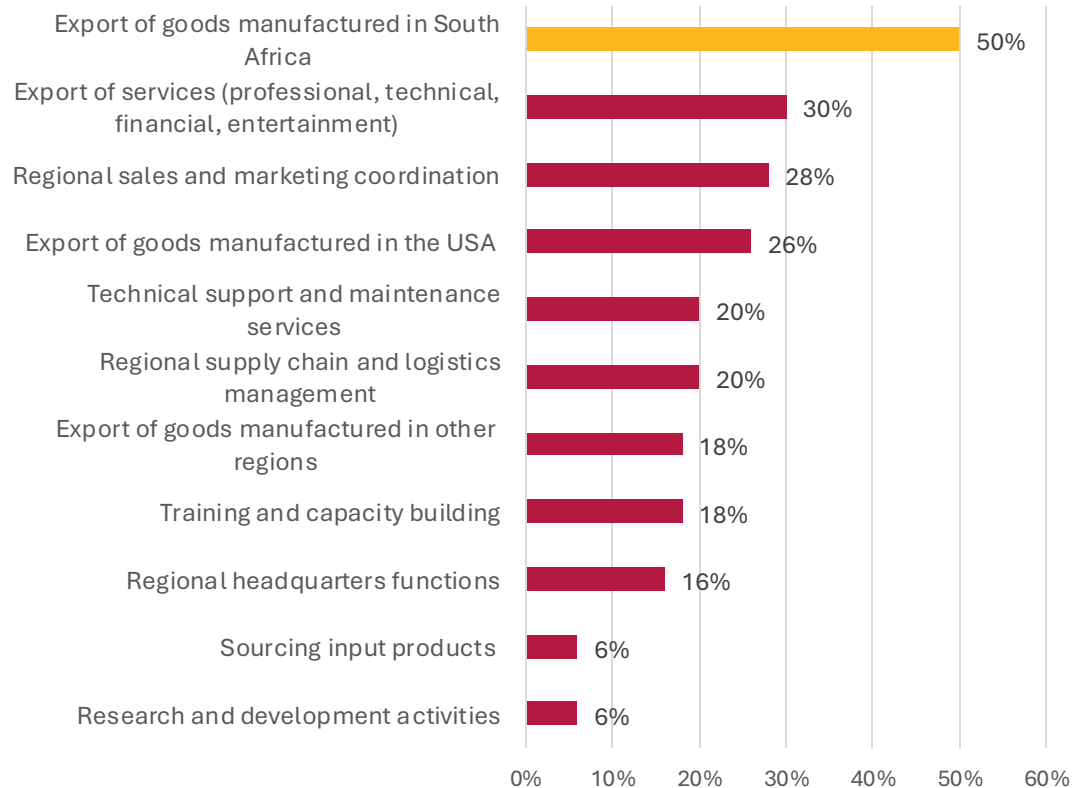




SA-made goods and services anchor regional operations, with several firms earning notable revenue across African markets

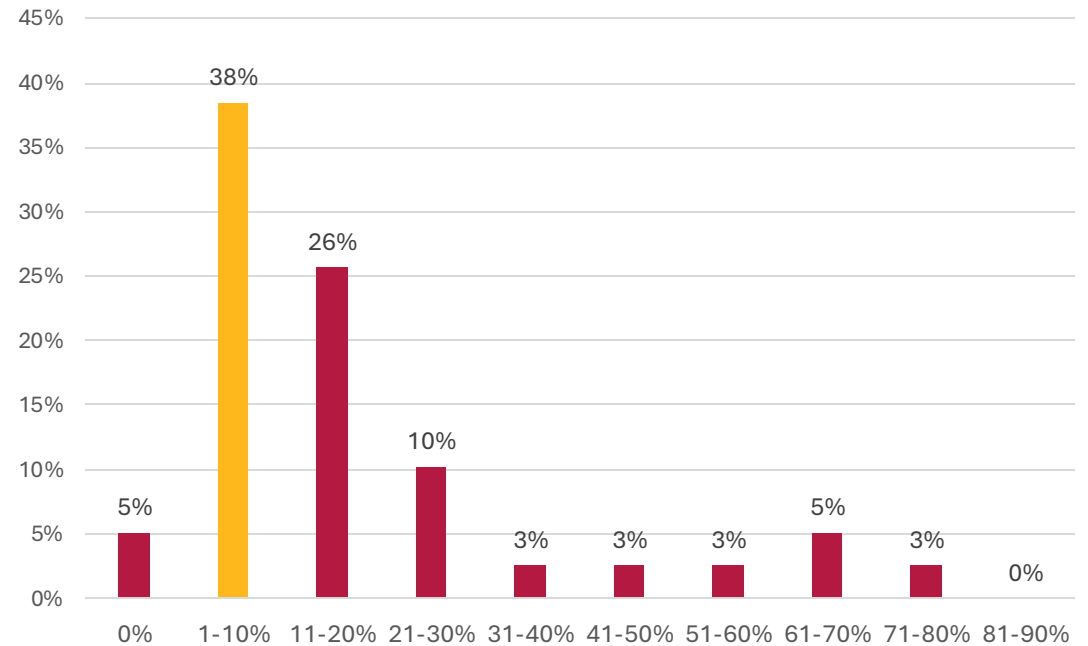
Business Activities Conducted in Regional African Markets from SA Operations

N=50 (multiple selection)



Revenue from Regional Markets (% of SA Operations)

N=39 (11 firms did not answer)



Minimal (0-10%)
44%
 17 firms

Moderate (11-30%)
36%
 14 firms

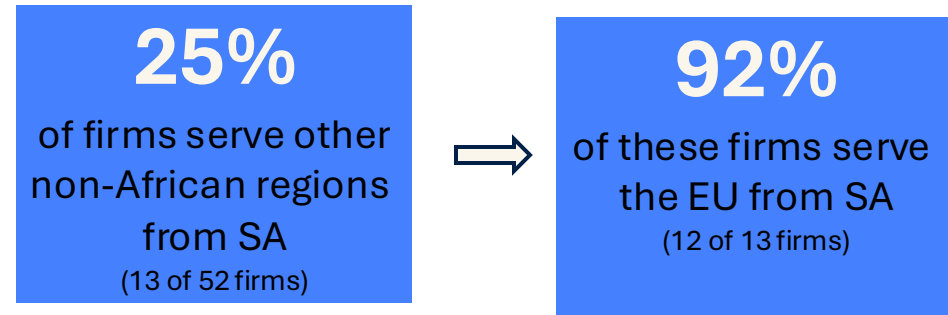
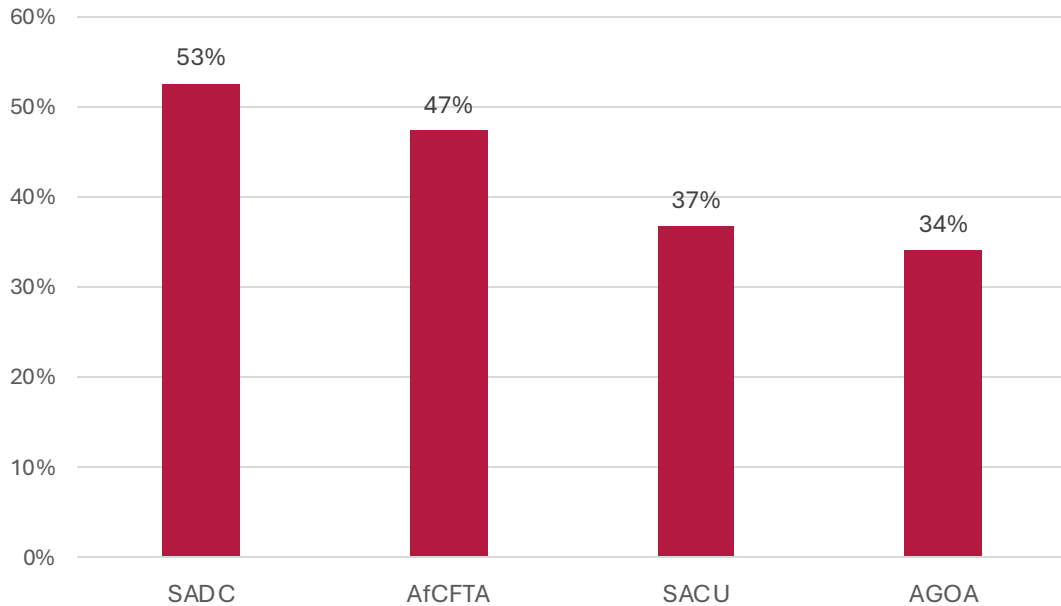
High (31%-100%)
21%
 8 firms



73% of firms currently or expect to benefit from trade agreements because of their SA presence

Trade Agreements Currently or Expected to Leverage from SA Presence

N=38 (multiple selection)



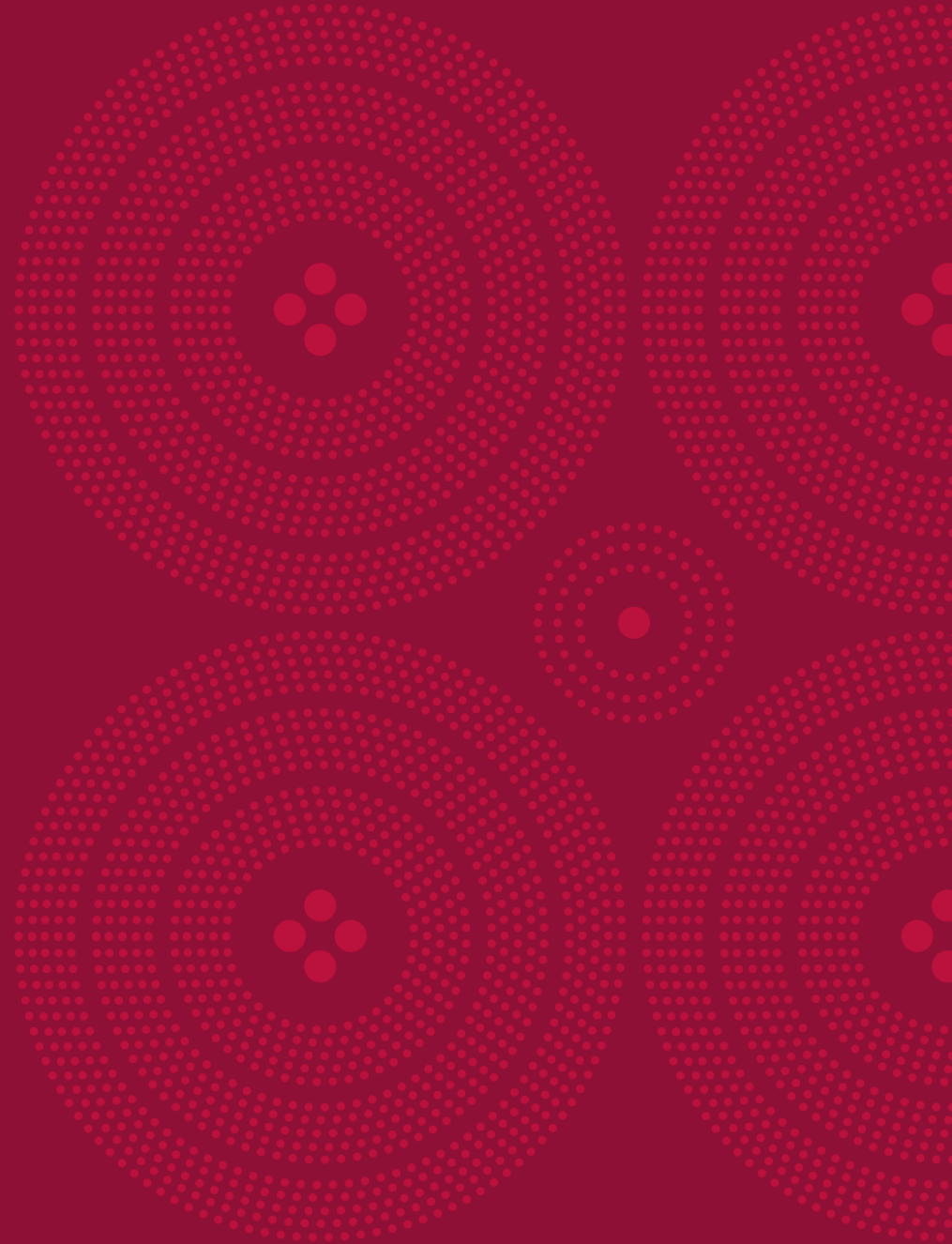
Non-African Regions Served from SA Operations

N=13 (multiple selection)





Investment Opportunities and Challenges



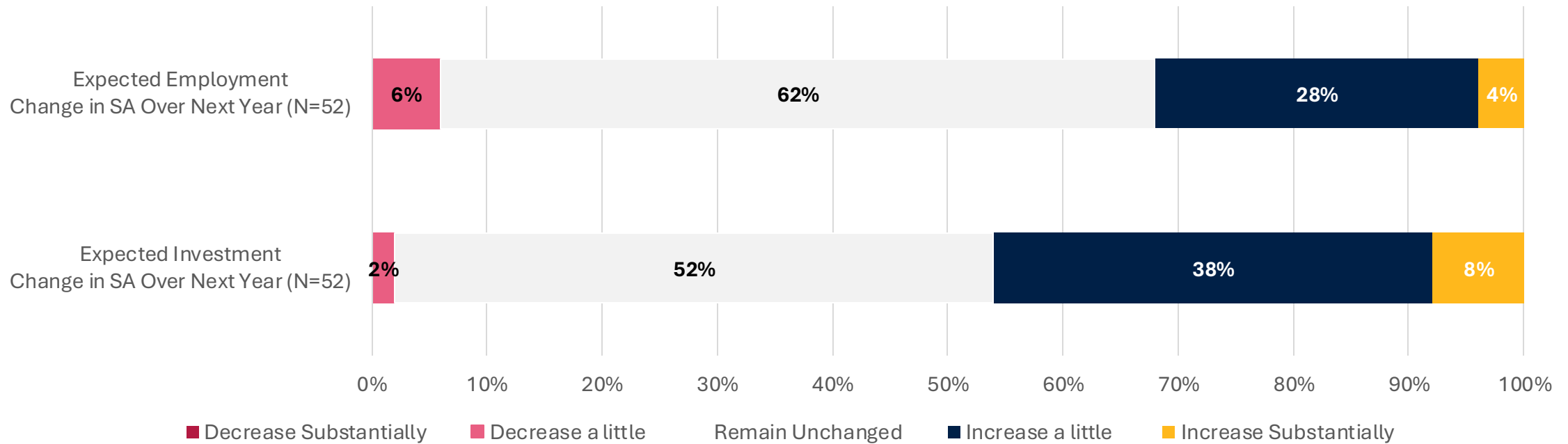


Key Findings – opportunities & challenges

- US firms in SA are relatively optimistic in terms of their investment and employment plans.
- Firms identify infrastructure and political uncertainty as their primary domestic concerns, whereas BEE and crime are seen as less problematic.
- US policy statements & positions, particularly on tariffs, are of serious concern.



Most firms foresee a stable or improving investment and employment outlook for SA

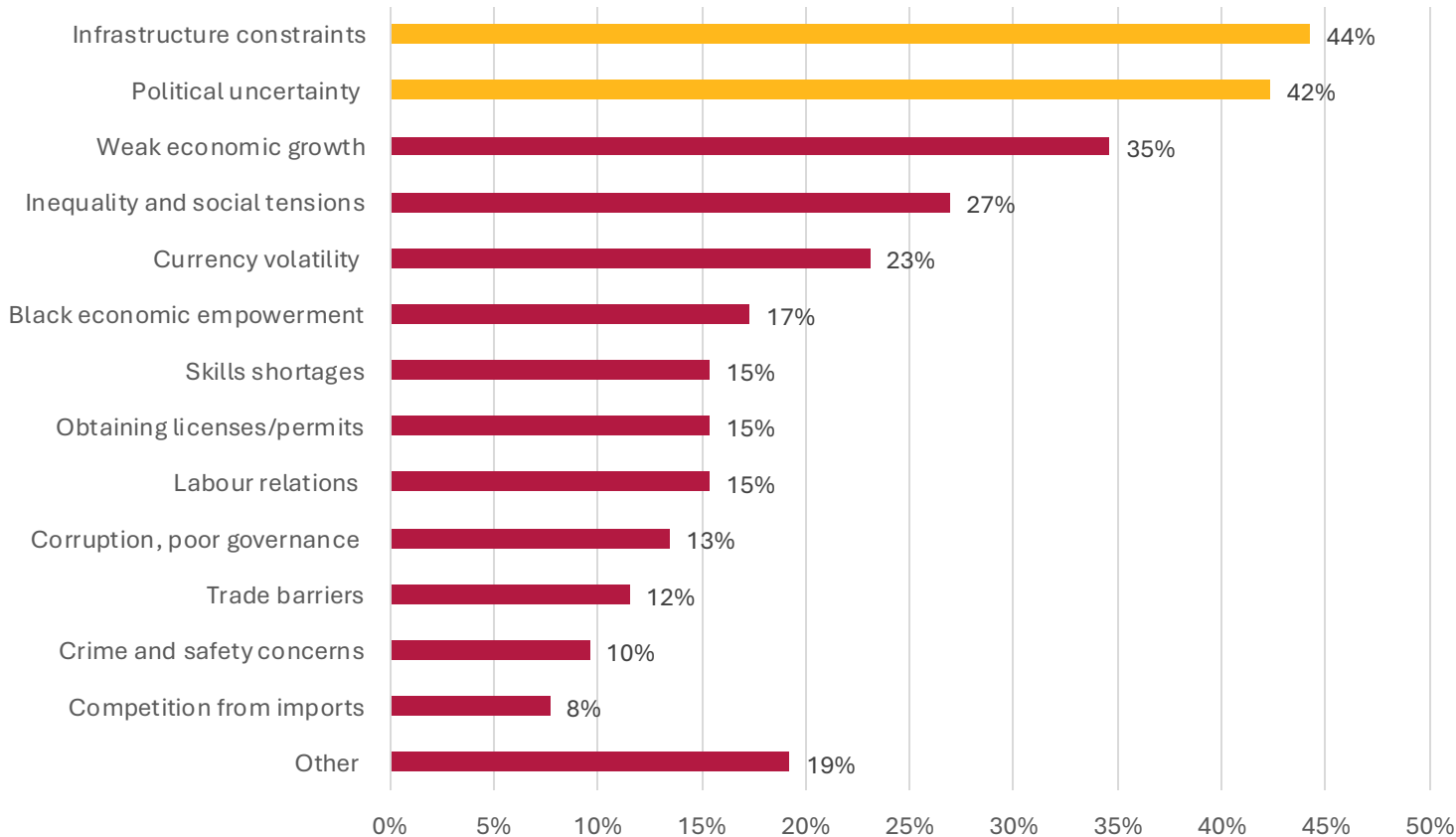




Infrastructure and political uncertainty are the most frequently cited challenges, ranking higher than concerns around BEE & crime

Most Significant Challenges Faced in South Africa

N=52 (multiple selection, up to 3)

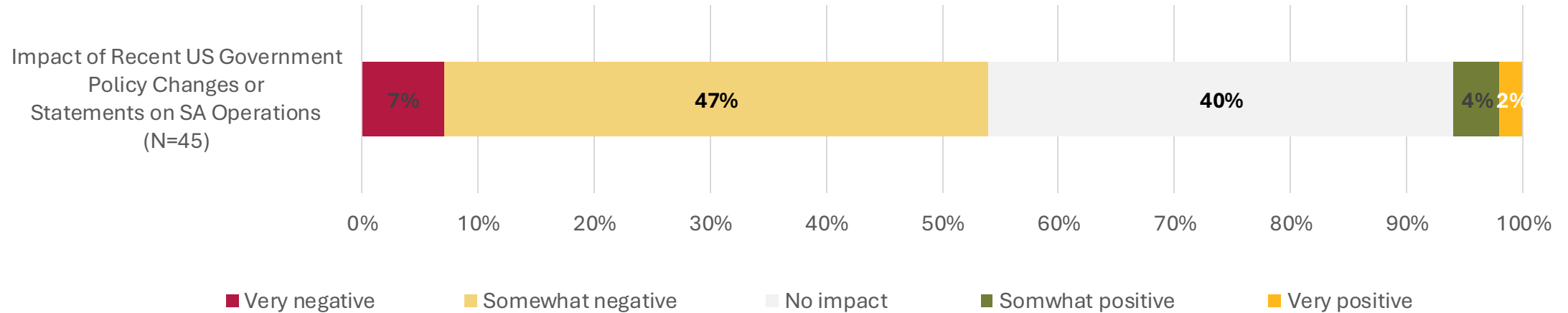


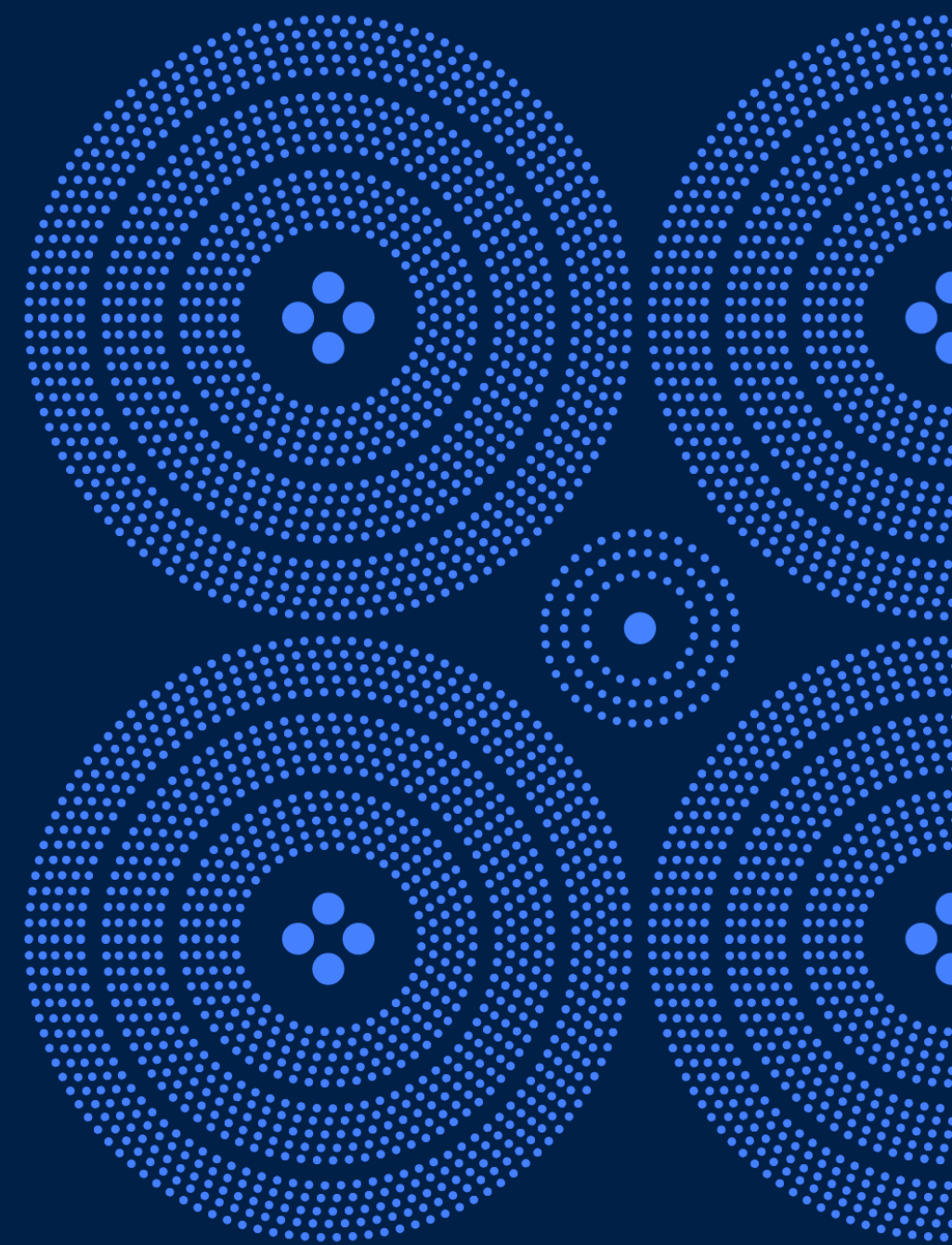
Example of Others

- Poor relationship with government entities
- Regulatory complexity
- Consumer product knowledge



US government policy statements are perceived to have a negative impact on most businesses





Conclusion



Summary of findings

- American business is well established in South Africa and US companies are active across manufacturing, trade, finance, logistics and multiple other services
- South Africa functions as a key “Gateway to Africa”, with most US firms using the country (and its trade agreements) to serve regional markets across Southern, Eastern and Central Africa
- The trade profile of US companies in South Africa mirrors the overall bilateral trade pattern – with South Africa largely exporting basic mineral and food products to the US, and US companies largely exporting high-value goods and services to South Africa and the wider regional market
- US companies in SA generate significant investment returns and they are relatively optimistic about their future investment and employment plans
- Firms identify infrastructure and political uncertainty as their primary domestic concerns, whereas BEE and crime are seen as less problematic



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Thank you