

Press Release - Results of Survey on “South Africa’s Economic Climate 2022”

Johannesburg, 21 April 2022

The Southern African-German Chamber of Commerce and Industry (AHK Southern Africa) conducted its bi-annual survey under the title “South Africa’s Economic Climate 2022” in the first quarter of 2022. The total number of member companies surveyed was 453, with a response rate of 17%.

While 9% of respondents rated the current economic climate as good, 44% rated it as satisfying, and a total of 47% expressed a negative sentiment. 32% of participants have a positive outlook on the development of the economy. The majority of 46% feel that no improvement will be achieved, and 22% are expecting things to get worse.

However, the member companies of AHK Southern Africa are still invested into the country, as indicated by 80% of respondents, planning additional investments in the next three years, as well as the creation of new jobs by 78% in the same timeframe.

Furthermore, additional investments into the country are challenged by several key factors: With regards to confidence in the basic political structures, the majority of respondents are worried about the level of corruption (49% very pessimistic / 27% pessimistic), the reliability of civil service (30% / 39%) as well as equal opportunities for foreigners (30% / 35%). Looking at confidence in the basic economic structures, the number one issue is a reliable supply of electricity (48% / 39%), as well as the current state of the transport infrastructure (22% / 49%).

Other major points of concern that are impacting the business of respondents are crime (29% very significant / 38% significant), the lack of skilled workers (26% / 40%), and labour regulations (19% / 40%).

The difficulty of obtaining working permits must also be named as a major hurdle for foreign investment: 95% of respondents that need to procure work permits have indicated difficulties in this area.

Mr. Jens Papperitz, President of the AHK Southern Africa, noted: “The members of AHK Southern Africa remain committed to the country, but major hurdles are blocking the path to bigger investments. While South Africa is still facing many challenges that it continues to work on, the difficulties we are currently facing in regards to securing work permits need to be placed much higher on the short-term agenda. Our government needs to remove such unnecessary hurdles to enable the faster economic development this country deserves.”

The findings and views expressed herein should not be construed as representing the stance of the AHK Southern Africa in respect to any of the matters discussed. This survey is meant to provide an analytical tool to understand trends affecting foreign direct investment sentiment in the country at the time the survey was conducted.

Contact Person	Angeline Marokoane (Public Relations Manager)
	Tel: +27 11 486 2775
	Email: amarokoane@germanchamber.co.za

Southern African-German Chamber of Commerce and Industry NPC - Reg. No.: 1963/002981/08

P.O. Box 87078, Houghton 2041 / 47 Oxford Road, Forest Town 2193, Johannesburg
Telephone: +27 (0)11 486-2775 / Telefax: +27 (0)86 685 37 29
E-mail: info@germanchamber.co.za / Website: www.germanchamber.co.za

Directors: Mr J Papperitz*, Mr K Eser, Mr P Falke*, Ms S Dall'Omo, Mr P Serima, Dr D Kovar ** Mr K Schröder
Mr M Boddenberg* (*German) (**Austrian)

Supported by: Federal Ministry for Economic Affairs and Energy on the basis of a decision by the German Bundestag