



Sweden
Sverige



BUSINESS CLIMATE SURVEY FOR SWEDISH COMPANIES IN SOUTH AFRICA 2024

A REPORT FROM TEAM SWEDEN IN SOUTH AFRICA

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FOREWORD

Sweden has an active business community in South Africa with a presence of about 50 registered subsidiaries. These subsidiaries represent Swedish brands in the market through partners, third-party distributors and some of them use South African produced components in their manufacturing. Most Swedish subsidiaries in South Africa are original equipment manufacturers (OEMs) that have production facilities in the country. OEMs are involved in marketing and sales as their primary business activities. Subsidiaries operate within different sectors including telecommunications, transportation, FMCG and industrial equipment supply towards the mining, manufacturing, and supporting industries.

South Africa has held the title of the largest economy on the African continent and has often extended a hand of peace and friendship to neighbouring countries. It has also been a trendsetter in industry, but the true greatness of this country is yet to be seen due to the effects the FATF grey listing, civil unrest, and difficulties external to the country such as the Russia-Ukraine conflict. 2024 will prove to be an interesting year for the South African economy, and of course the Swedish companies operating in the region. This year, the country's democratic society turned 30 years old and the outcome of the elections held in May reflected the frustrations of many citizens as the ruling party lost its majority as citizens reflect on the achievements and severe disappointments of the past three decades. The path forward for South Africa, at the time of writing this foreword, is yet to be determined as coalition talks are underway.

Swedish companies share the frustrations and concerns citizens express regarding the slowed growth of the South African economy and have been heavily involved in corporate social responsibility and investment initiatives across the country, including supplier and enterprise development, environmental impact, gender equality, training and development, business ethics, anti-corruption and transparency, and community development. This proves that there truly is vested long-term interest in the South African economy from Swedish companies, and there is a hope to grow operations within this country.

We hope that this survey gives an overview of the perception of international companies operating in South Africa. As "Team Sweden" in the region, we are constantly looking for new avenues of collaboration and growth, focusing on sustainability, technology, and innovation. We are in constant engagement with stakeholders from both the public and private spaces locally, creating platforms that are conducive to enhancing commercial relationships between the two countries. Our appreciation and commitment towards sustainability continues an upward trajectory, with companies indicating an increase in the local demand for sustainable products and services.



Håkan Juholt
Ambassador



Sara Radu
Trade Commissioner



Kudakwashe Koke
Project Manager

70% response rate

SOUTH AFRICA

Current business climate

Slightly adverse business climate sentiment due to challenging operational environment

Industry turnover

57%

of Swedish companies expect their industry turnover to increase

Future investments

29%

of Swedish companies plan to increase their investments slightly or significantly in the next 12 months

Globally valued success factors

1. Partnerships/local relationships
2. Sales competence
3. Cost efficiency

Brand Sweden

66%

of Swedish companies abroad consider Brand Sweden beneficial for business

Local conditions with high satisfaction

1. Distributors
2. Service providers
3. Suppliers

Local conditions with least satisfaction

1. Local content requirements
2. Customs procedures
3. B-BBEE regulations

Environmental considerations

51%

of respondents believe the environment is a considerable factor in their customers' purchasing decisions

Corruption

– Very low cases

Human rights violation and labour rights abuse

– Very low cases

ABOUT THE SURVEY

South Africa is home to multiple mature and large sized industrial Swedish companies holding true its status as an important export market to Sweden.

2024 marks the fifth year that Team Sweden, through its Business Climate Survey, has gathered information from Swedish subsidiaries in South Africa to enable a more informed understanding of the local commercial environment. This survey exemplifies the pertinent issues influencing trade of goods and services between Sweden and South Africa.

The Business Climate Survey is based entirely on the responses Swedish companies shared on the economic outlook, market, local success factors and sustainable business practices of South Africa. Moreover, the report indicates Swedish companies' perception of the local economic conditions, business prospects and how these may vary across industries, company sizes and target customer segments. The report provides insight into how Swedish companies plan on expanding their local business operations from short to medium term and highlights their success factors in the South African market and the sustainable business practices they've implemented.

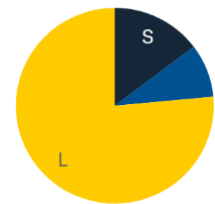
The survey was sent out to 50 Swedish subsidiaries in South Africa, and it yielded a 70 per cent

response rate this year. Due to the global nature of the subsidiaries, the sizes vary between small, medium, and large. The greater part of Swedish companies in South Africa come from the industrial sector and in this survey accounted for 62 per cent of the respondents. Seven per cent of the companies which responded deal with their customers directly, which is a common trait amongst subsidiaries in South Africa as they rely highly on third-party partners and distributors for local customer interaction. Furthermore, most of the respondents fall within the Business-to-Business or Business-to-Government segments.

2024 saw less "newcomers" when compared to previous years. We can attribute the decline to the unease in the market as elections are approaching. South Africa remains a country with decent infrastructure and unlimited potential to the mature and experienced companies.

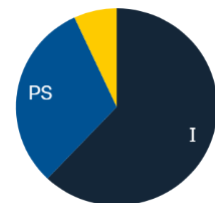
In conclusion, the Business Climate Survey seeks to elaborate on the experience Swedish companies, in their various sizes and respective industries, have within the South African market and is an aid for gathering their expectations for the future.

SIZE OF COMPANIES



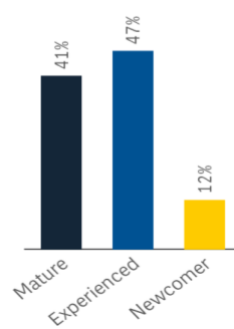
NOTE: Global employees. Large >1000. Medium 250-1000. Small 0-249

MAIN INDUSTRY



NOTE: Industrial 62%. Professional services 31%. Consumer 7%

AGE OF COMPANIES



NOTE: Mature (-2000). Experienced (2001-2015). Newcomer (2016-)

ECONOMIC OUTLOOK

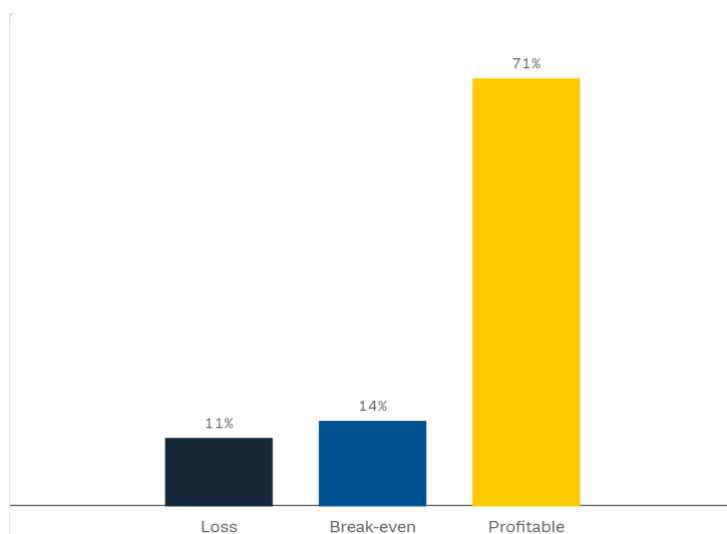
The South African market continues to enrich Swedish companies despite the ceaseless power interruptions and apparent water shortages.

In previous reports, we examined how the South African economy resiliently navigated through the 2019 pandemic and disruptive riot activity of 2021. In 2024, we will explore the effects of loadshedding, water supply shortages and inefficient state-owned enterprises negatively impacting the country's performance.

A global perspective shows supply shocks, such as the continuing Russo-Ukraine war, the Middle East conflict, genocide in Congo and global inflation continue slowing global growth and pose fiscal risks for South Africa. This has resulted in the governments short-term growth prospects being thwarted by reduced prices for key export commodities and domestic supply constraints. The government, however, does remain committed to expanding the country's baseload generation capacity, alongside improving investments in strategic infrastructure, promoting industrial expansion, and strengthening enabling conditions by minimising red tape.

The majority of Swedish companies operating in the region have continued to show they can still be profitable despite the challenges plaguing the industry. Fewer companies experienced a loss in 2024 as opposed to 2023, and 10 per cent of companies that were previously breaking even, turned profitable in 2024 – a testament to Swedish solutions being highly innovative, smart, and sustainable, which is the trajectory being taken by most industries.

HOW WOULD YOU DESCRIBE YOUR COMPANY'S FINANCIAL PERFORMANCE IN SOUTH AFRICA IN 2024?



NOTE: The number of respondents for this question was 35. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in South Africa 2024.

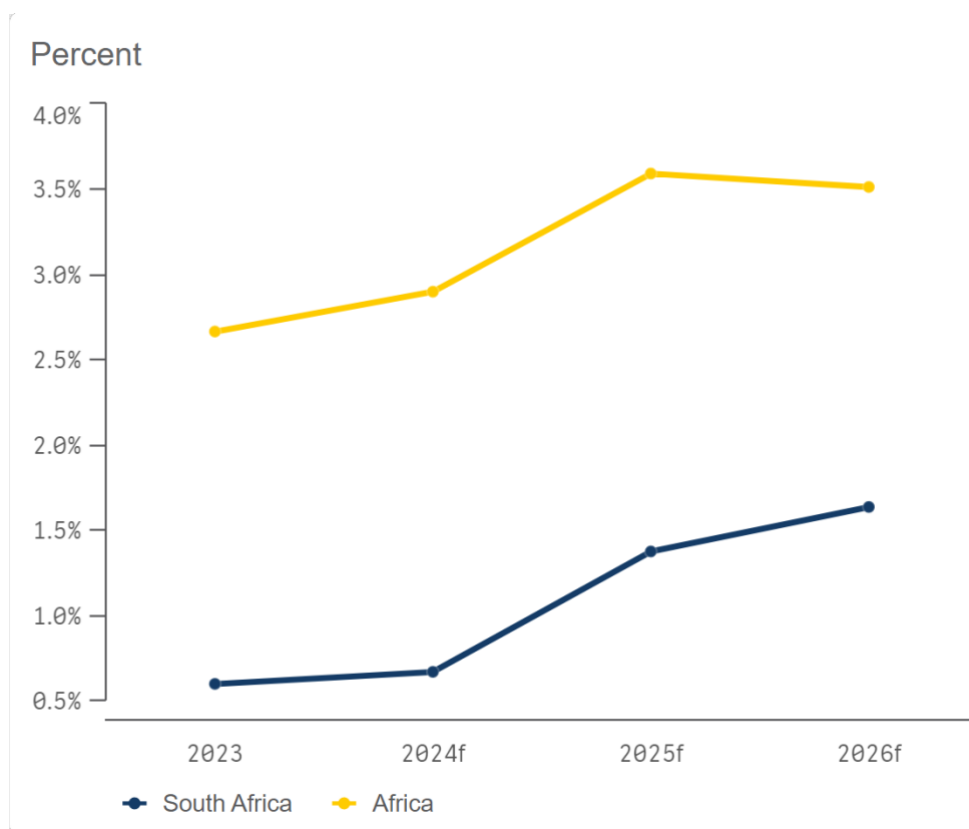
South Africa is notably Africa's largest economy in nominal terms contributing an estimated 300 Million USD to the continent's GDP.

South Africa's economy is forecasted to grow at an average rate of 1.4 per cent. Increased household spending underpins this growth as inflation will decline and there is an expected increase in energy related investments.

The National Treasury attributes the slow growth to a high unemployment rate, power cuts, and rail and freight operational problems, which hinder the country's export ability. Sectors contributing to this growth include transport, mining, construction, and manufacturing. Agriculture, trade catering and accommodation, however, still experienced significant declines. Although power cuts encouraged eating out, farmers experienced animal diseases, floods and low grain prices that slowed the growth of the agriculture sector.

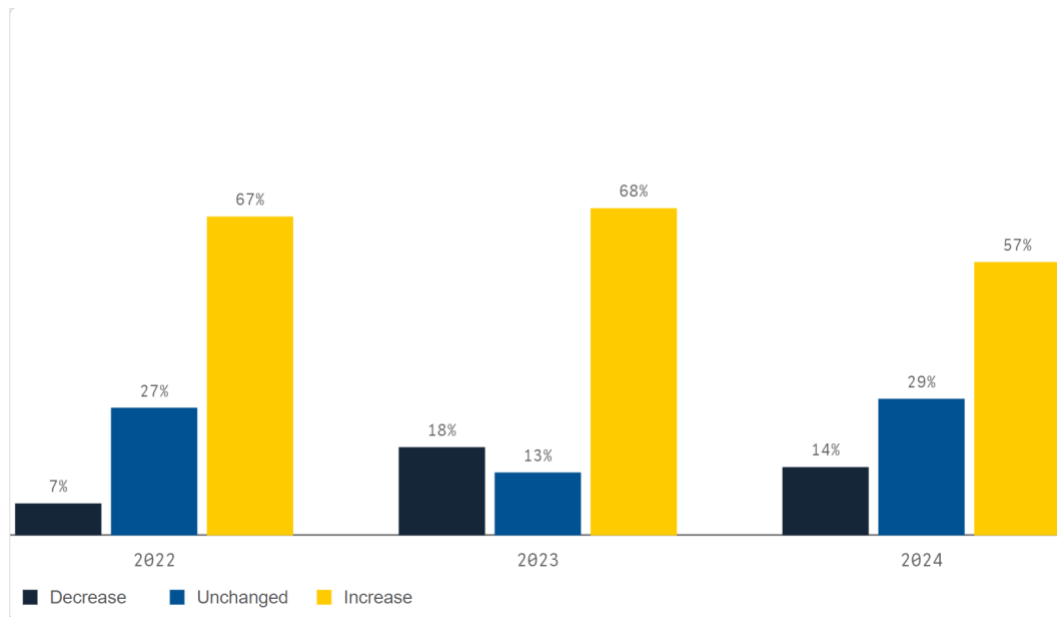
South Africa's economic prospects depend on the state providing a well-functioning network of industries – freight, ports, water, labour force, telecommunications, and energy reform, to name a few. To improve the health of the economy and accelerate GDP growth, the government needs to improve its budget, structural reforms are needed to reinforce the confidence in the state and support from the private sector is needed to reduce borrowing costs and create jobs.

PROJECTED GDP GROWTH IN SOUTH AFRICA



NOTE: Constant prices.
SOURCE: Oxford Economics 2024

COMPARED TO THE DEVELOPMENT IN THE PAST 12 MONTHS, WHAT ARE YOUR EXPECTATIONS FOR THE COMING 12 MONTHS FOR YOUR INDUSTRY IN SOUTH AFRICA REGARDING TURNOVER?



NOTE: The number of respondents for this question was 35. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in South Africa 2024.

Turnover expectations tell a rather sceptical story of the next 12 months.

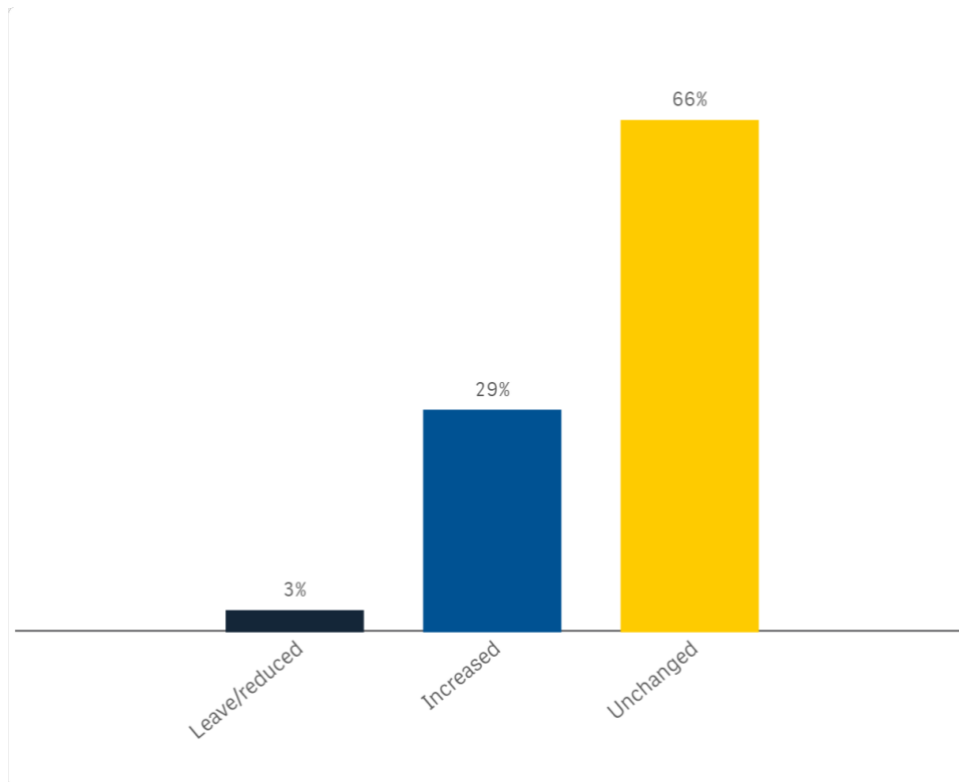
Building on previous years, 2024's survey shows us that many Swedish subsidiaries previously maintaining either an unchanged revenue expectation or an increase have shifted their expectations and will remain unchanged for the current year. This is largely due to the elections approaching in May.

Large companies still maintain an optimistic outlook and are operating under the assumption that their investment in South Africa is safe and can expand over the next 12 months. Other companies have opted not to invest more in South Africa or into their operations with the strategy to observe the political environment and any trade changes that the elections will bring to the economy.

Positive trends in business performance are expected once energy security is restored, which the minister of electricity has been quoted saying "The country won't need an electricity minister as the role will be redundant when the power supply is no longer interrupted". His statement has supported the lack of outages in the months of March through May. The country, however, is still anticipating a return of the power cuts as election years usually bring bold statements and grand promises.

Swedish exports are forecasted to remain steady for both consumer and professional services. Industrial services will increase, driven by the need for tools to enable local economic resuscitation.

WHAT ARE YOUR COMPANY'S INVESTMENT PLANS FOR THE COMING 12 MONTHS IN SOUTH AFRICA, COMPARED TO THE PAST 12 MONTHS?



NOTE: The number of respondents for this question was 35. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in South Africa 2024.

Swedish companies hold unchanged investment intentions for South Africa.

To keep up with expectations from industry turnover, a high share of participants to this survey will not leave the market; however, with that said, the appetite for investments has not increased either. 2023 saw 13 per cent of companies wanting to take their investment out of the country in comparison to three per cent in 2024.

South Africa hosts the largest concentration of multinational companies in the region. The country's legacy as a commercial hub secures its attractiveness as a market for Swedish companies looking to export into the African region. This is in addition to a stable legislative and regulatory environment protecting international investment. Swedish-South African commercial relations date back over a century. During this period, Swedish companies have contributed to local growth aspirations.

The growth of Swedish companies in South Africa came in phases. The pioneering group entered the country at the start of the 20th century. The industrial proceeded with a wave focusing on expanding the local industrial capacity over the last 40 years. Today, there is a mix of Swedish companies because of increased globalisation that allows small and medium-sized companies to explore new markets.

THE MARKET

South Africa's economy is the most advanced and broad-based on the African continent offering investors diversity and endless opportunities.

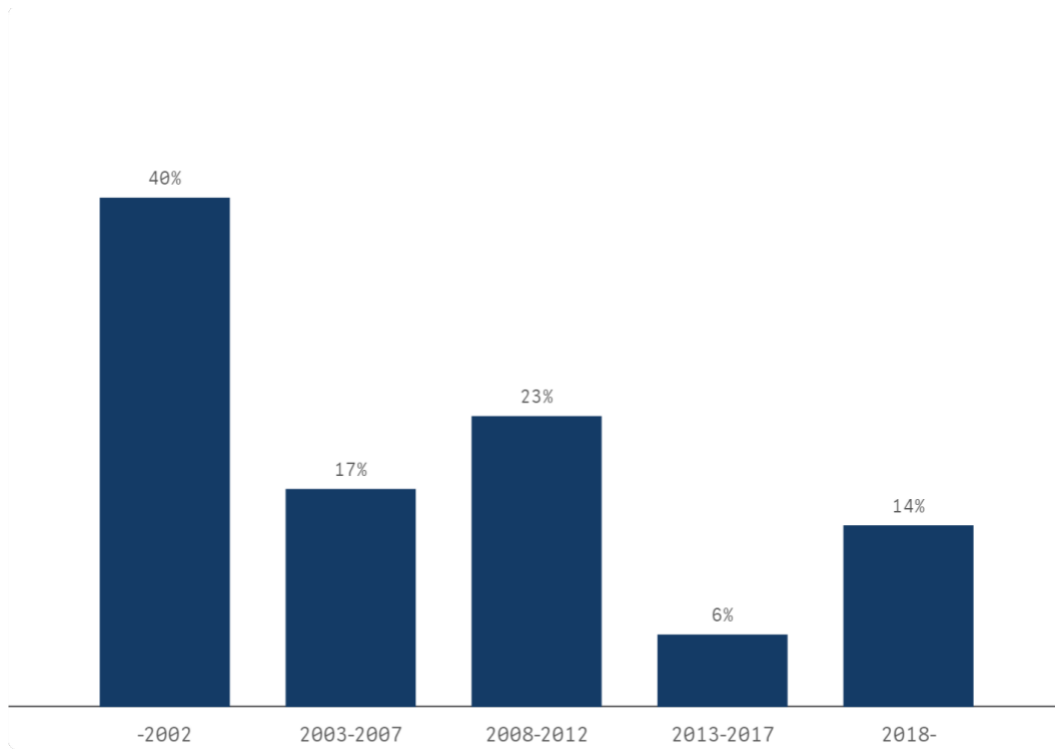
Hosting the largest concentration of multinational companies in the region, South Africa's legacy as a commercial hub remains an attractive market for Swedish companies looking to export into the African region. This is in addition to a stable legislative and regulatory environment protecting international investment. Swedish-South African commercial relations date back over a century. During this period, Swedish companies have contributed to local growth aspirations.

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The majority of Swedish companies in South Africa were established before the turn of the century. For much of this period, the character of companies was traditional, large multinational corporations with a large global footprint focused principally on industrial activities. Over time, this has changed as more companies have now established, with an uptake in medium- and smaller-sized businesses exploring the market. The opportunity for shared ownership has also increased the chances of more companies launching in South Africa both from a shared risk perspective and in compliance with the Broad-Based Black Economic Empowerment (B-BBEE) legislation.

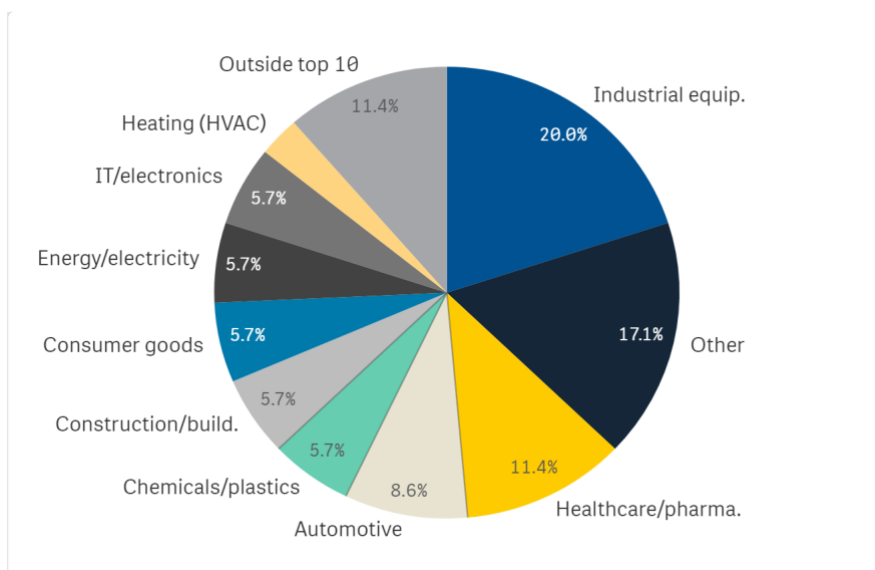
Companies identified as active within the industrial equipment space constitute the biggest individual category of Swedish companies in South Africa. There remains, however, an even distribution of companies regarding activities across industries in South Africa. Most Swedish companies across the various sectors are traditionally OEM suppliers depending on high import volumes, but this is beginning to change as more focus is now on developing local capacities and partnerships, either in manufacturing or assembly. Additional participation for Swedish companies is through distributors who hold different licencing agreements, allowing them to trade products and services of Swedish origin.

IN WHAT YEAR DID YOUR COMPANY ESTABLISH OPERATIONS IN SOUTH AFRICA?



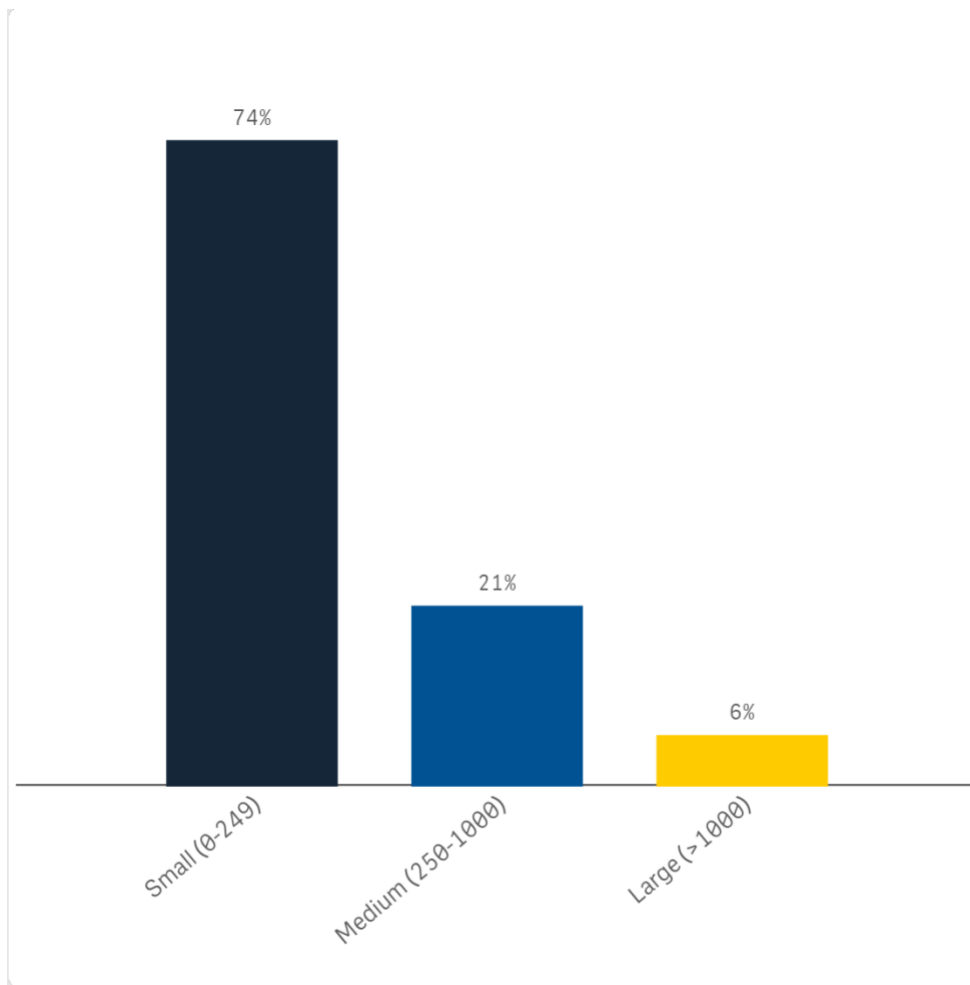
NOTE: The number of respondents for this question was 35. "Don't know/Not applicable" responses are included but not shown in figure.
 SOURCE: Business Climate Survey for Swedish Companies in South Africa 2024.

WHAT IS YOUR COMPANY'S MAIN INDUSTRY IN SOUTH AFRICA?



NOTE: The number of respondents for this question was 35. "Don't know/Not applicable" responses are included but not shown in figure.
 SOURCE: Business Climate Survey for Swedish Companies in South Africa 2024.

SWEDISH FIRMS' LOCAL NUMBER OF EMPLOYEES IN SOUTH AFRICA IN 2024



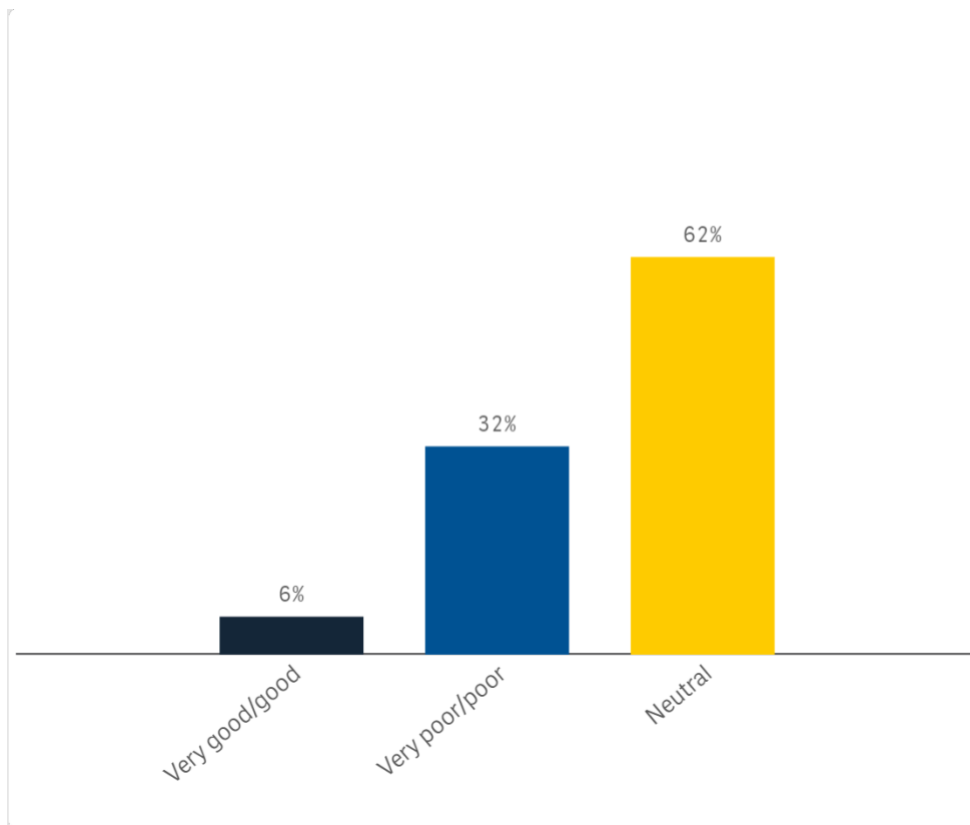
NOTE: The number of respondents for this question was 35. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in South Africa 2024.

Due to the nature of business, most Swedish companies in South Africa have smaller local staff count.

Cumulatively, Swedish companies employ an estimated 10,000 employees directly in South Africa. These numbers multiply extensively if the survey includes distributors and other third-party channels. However, of the companies that responded, only six per cent have over 1000 employees each. Swedish companies and particularly, larger Swedish OEMs have established local initiatives such as artisanal training in collaboration with local stakeholders in the country to assist in reducing the skills gaps that are currently restraining the local industrial potential and ultimately help reduce the unemployment, which has been at a high of 32 per cent in the first quarter of 2024.

HOW DO YOU PERCEIVE THE CURRENT BUSINESS CLIMATE IN SOUTH AFRICA?



NOTE: The number of respondents for this question was 35. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in South Africa 2024.

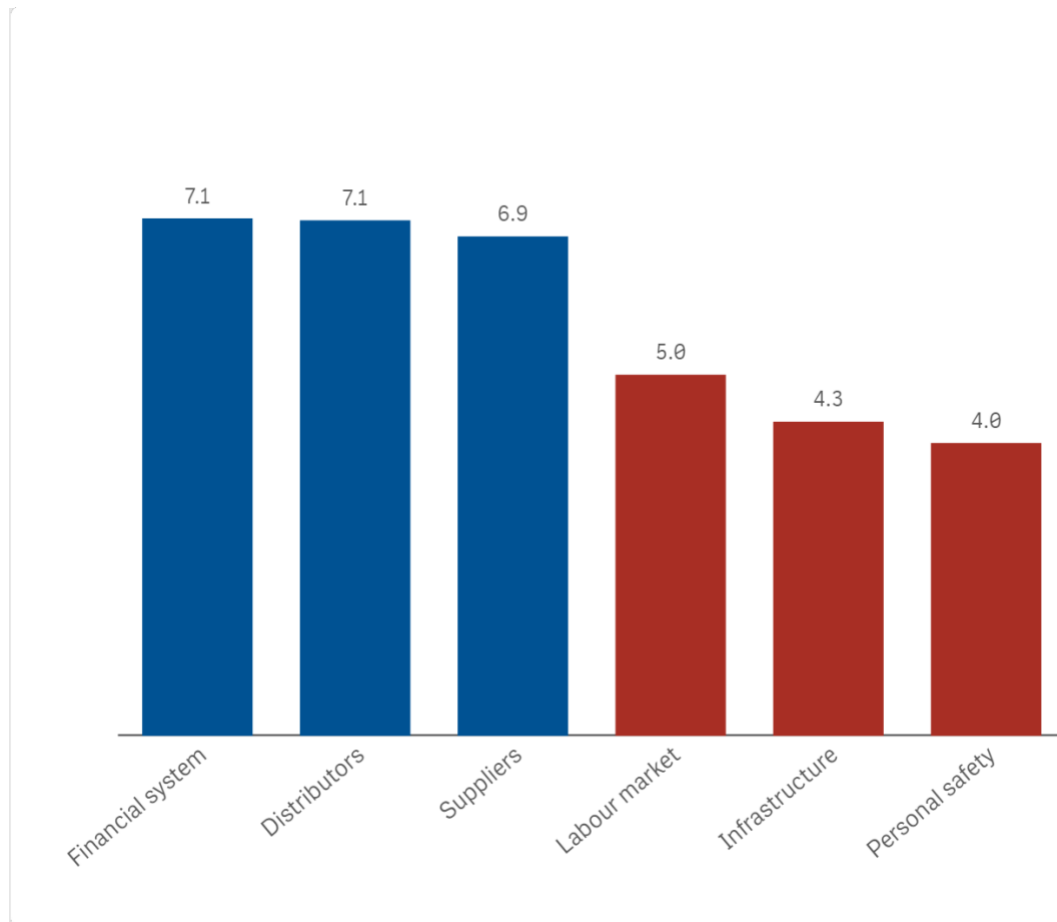
The South African economy is not immune to global challenges, but it's the local drawbacks that cripple the growth of the country.

South Africa continues to suffer the effects of corruption and economic mismanagement, Covid-19 financial mismanagement, global recession, the Russo-Ukraine War, and rolling blackouts. The lack of a dependable power supply remains a threat to investors despite Moody's classification of the country's investment outlook as stable. Regardless of these challenges, South Africa remains a major market because of its large population of more than 60 million people, a sophisticated, resilient financial system, and a well-established manufacturing sector.

Like most emerging economies, South Africa is a constantly evolving market with significant defining characteristics that make it preferable to Swedish companies. With one of the most liberal constitutions in the world, South Africa presents itself as an ideal destination for Swedish companies due to the prevailing respect for the rule of law. Additionally, being the regional financial capital, South Africa's infrastructure allows for seamless capital movement, investment, and repatriations. Two areas that are developing within the South African market where Swedish companies have indicated are the transition towards a more digital economy and the development of personnel skills for this within the local labour force.

On the other hand, personal safety remains a concern as the country experiences high levels of crime. Other problematic elements are the labour market regulations concerning work permits for foreign personnel scheduled to work locally in different capacities. Preferential procurement regulations have also made it increasingly difficult for not just Swedish but internationally-owned companies to do business within the local market.

HOW WELL DO THE FOLLOWING CONDITIONS MEET THE NEEDS OF YOUR COMPANY IN SOUTH AFRICA?



NOTE: The number of respondents for this question was 35.
SOURCE: Business Climate Survey for Swedish Companies in South Africa 2024.

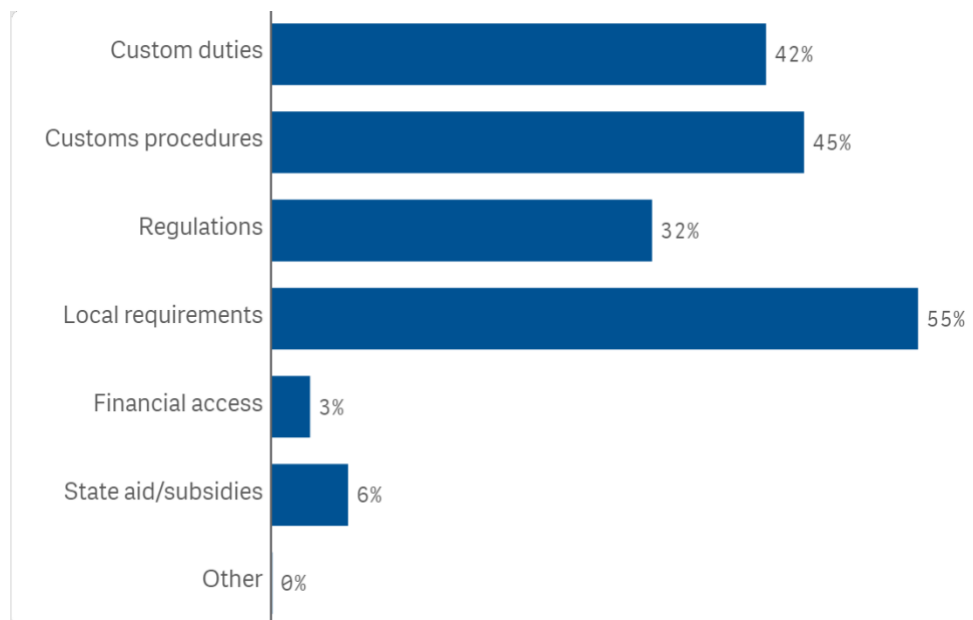
Personal safety, debilitating infrastructure and unskilled labour market negatively impact the ability for trade in the local business environment.

As depicted in the illustration, different conditions make the South African market preferable for Swedish companies. Intellectual property protection, a stable financial system, and accessibility to service providers, distributors, and suppliers are some of the leading attractions that make South Africa a preferable market destination for Swedish subsidiaries. This is in addition to the availability of key personnel, a stable financial system, and customs regulations. However, the survey also noted that there are some

limitations regarding personal safety, transparency and equal treatment, licensing, and physical infrastructure that need to be developed.

Swedish companies in South Africa currently operate in an environment that is sometimes perceived as not conducive to international companies. Much of the regulatory environment is in support of developing local businesses mainly through the implementation of the Broad-Based Black Economic Empowerment (B-BBEE) legislation encouraging the participation of previously disadvantaged individuals. According to Swedish companies, local requirement demands are the most notable barrier. Where possible, Swedish companies have either sold off a portion of their business to local partners or have developed complementary relationships in assembly, distribution, and manufacturing.

HAS YOUR COMPANY IN THE PAST YEAR ENCOUNTERED TRADE BARRIERS IN SOUTH AFRICA WITH A NOTICEABLY NEGATIVE IMPACT ON OPERATIONS, IN ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 35.
SOURCE: Business Climate Survey for Swedish Companies in South Africa 2024..

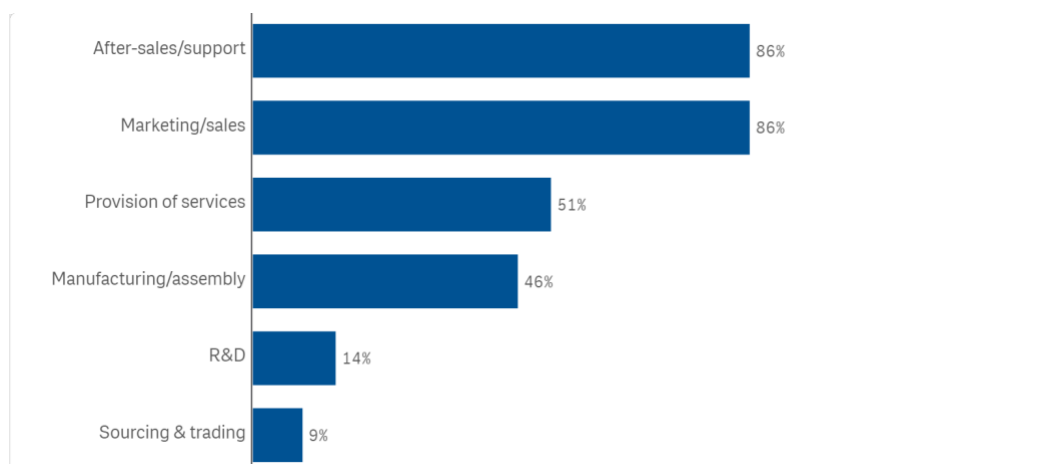
Based on the responses, up to 55 per cent of Swedish companies providing industrial services have cited that local requirements and regulations have created barriers to their ability to trade. In recent discussions, something that has come up in relation to obstacles impeding trade is the increasing availability of counterfeits on the market. This is mainly because of the disruptions to the normal supply chains because of the war in Europe. Customers are now looking for replacements from alternative sources exposing themselves to counterfeit products.

HOW SWEDISH COMPANIES SUCCEED IN SOUTH AFRICA

Swedish companies are predominantly involved in marketing and sales activities locally.

South Africa is a leading destination for Swedish companies because of its stable business operating environment compared to its peers in the region. On the same topic, it is important to note that globalisation has exposed the region to foreign entities and created competition for international companies to capture market share. Being a transitional economy like many other emerging markets, consumers in South Africa have become increasingly diverse, have higher purchasing power, and therefore, now have evolved in their demands. Furthermore, processes like globalisation and digitalisation are disrupting traditional sales and marketing models across industries. Disruptive trends continue to be realised among global companies while successful business practices may need improvement to retain market success. The case is no different in South Africa, where the market profile has evolved into a predominantly upper-middle-class economy despite the high levels of inequality. Additionally, the diverse nature of the South African economy presents opportunities for Swedish companies to operate within multiple sectors. For most high-value projects in the energy and construction industries, the leading customer group has been from the public sector. This is, however, changing as some of these projects are now co-developed by both the private and public sectors through public and private partnerships. In industries such as mining and transport, there have been a lot of B2G and B2B engagements, and the retail industry has been through B2C engagements.

OPERATIONS OF SWEDISH FIRMS IN THE MARKET



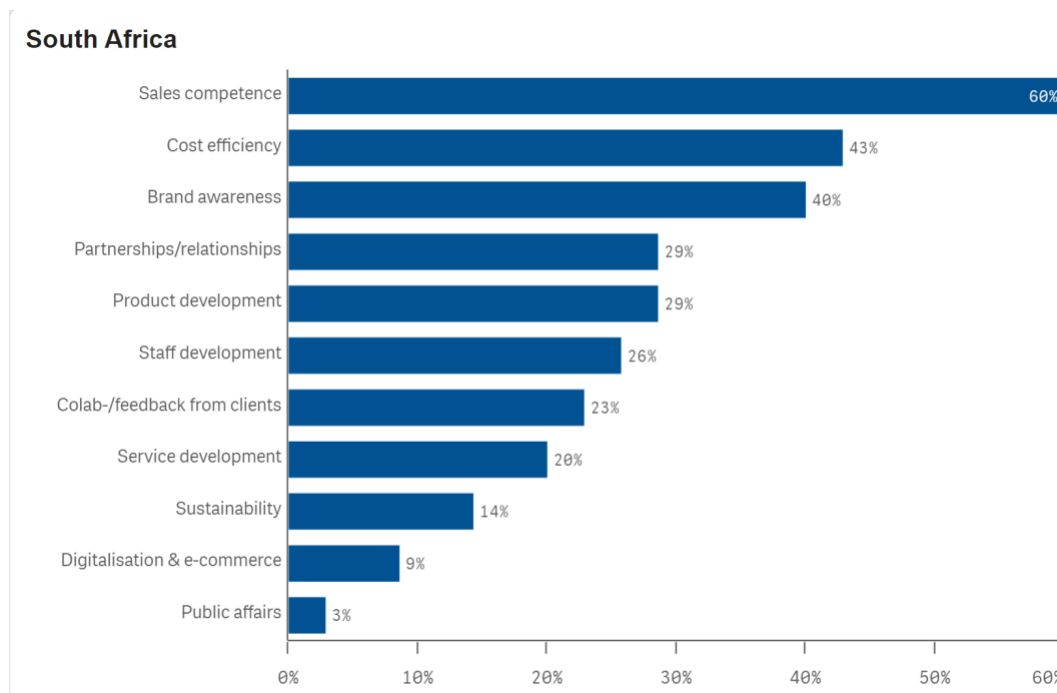
NOTE: The number of respondents for this question was 35. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in South Africa 2024.

Being identified as a Swedish brand has positive implications for Swedish companies operating in South Africa.

Swedish companies in South Africa indicate that up to 86 per cent of the responding subsidiaries are involved in some form of marketing or sales-related activity on behalf of the parent companies back in Sweden. Additional activities involving Swedish companies in the market include after-sales provision, services provision, manufacturing and assembly, sourcing, trading, and lastly, research and development. To better understand Swedish company activities, all the large Swedish companies in South Africa have marketing and sales activities. Half of the small and medium-sized companies have local production. This is in addition to the 46 per cent of large companies involved in local manufacturing activities. Swedish subsidiary activity also extends to research and development, with 27 per cent of small companies and 33 per cent of large companies involved. Due to the changes in customer demands, Swedish companies have gone the extra mile to include after-sales support as part of their service offering as a way of relationship building and customer retention. This is in addition to the 47 per cent whose core operations comprise service provision. Furthermore, up to 40 per cent of the responding companies identified South Africa as either a sourcing or trading destination leveraging on different value chain efficiencies in logistics, pricing, and availability. Moreover, the strategic location and access to markets with increased importance nearby make South Africa an attractive regional manufacturing and distribution hub for companies with a multimarket footprint in Sub-Saharan Africa.

TO DATE, WHICH OF THE FOLLOWING AREAS HAVE BEEN IMPORTANT IN MAINTAINING COMPETITIVENESS IN SOUTH AFRICA?



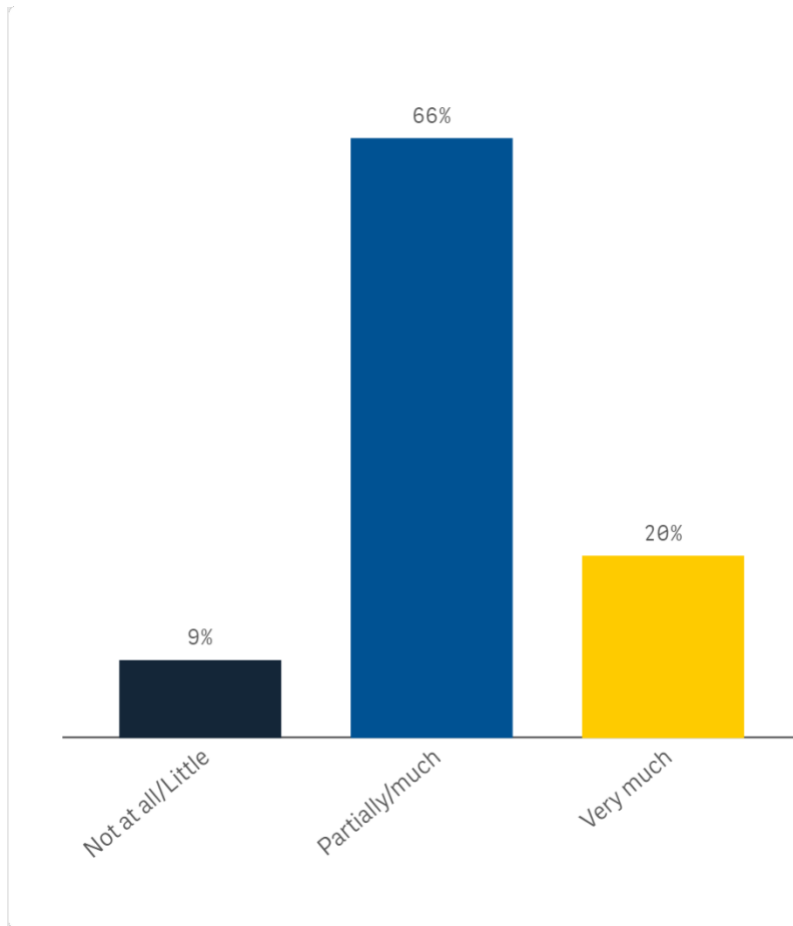
NOTE: The number of respondents for this question was 35. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in South Africa 2024.

The Swedish brand assists with development in the region.

Sweden is already well-known, so Swedish businesses in South Africa usually don't need to spend time explaining Sweden, which is an advantage in itself. This is especially true when it comes to Sweden's reputation as having a tradition of innovation, research, and strong companies. Sweden is also a politically and financially stable country. Sweden ranks at the top of several global indexes, from innovation to sustainability, entrepreneurship, and economic development. Another advantage Swedish companies may be prone to overlooking is that the business climate in Sweden is good.

TO WHAT EXTENT WOULD YOU ESTIMATE THAT THE "SWEDISH BRAND" CONTRIBUTES TO YOUR BUSINESS IN SOUTH AFRICA?



NOTE: The number of respondents for this question was 35. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in South Africa 2024.

ACTING SUSTAINABLY

A company with sustainable practices holds a competitive advantage.

Sustainability and South Africa have been making the front pages around the world recently. Less than three years ago, Cape Town came dangerously close to running out of water entirely, and earlier this year, there were severe floods in KwaZulu Natal that claimed close to 450 lives. These illustrate South African struggles to manage the complex, multi-faceted, and long-term transformation in reaction to climate change. While the South African National Development Plan (NDP) sets the goal of a "...transition to an environmentally sustainable, climate-change resilient, low-carbon economy and just society", the country remains entrenched on a highly unsustainable path as one of the most carbon-intensive countries in the world.

This is primarily from using fossil fuels (primarily coal), energy-intensive value chains, and carbon-intensive transport systems. From a social perspective, in addition to severe levels of unemployment, the South African society is also one of the most unequal in the world. From a business perspective, it is important to note that the nature of business is changing.

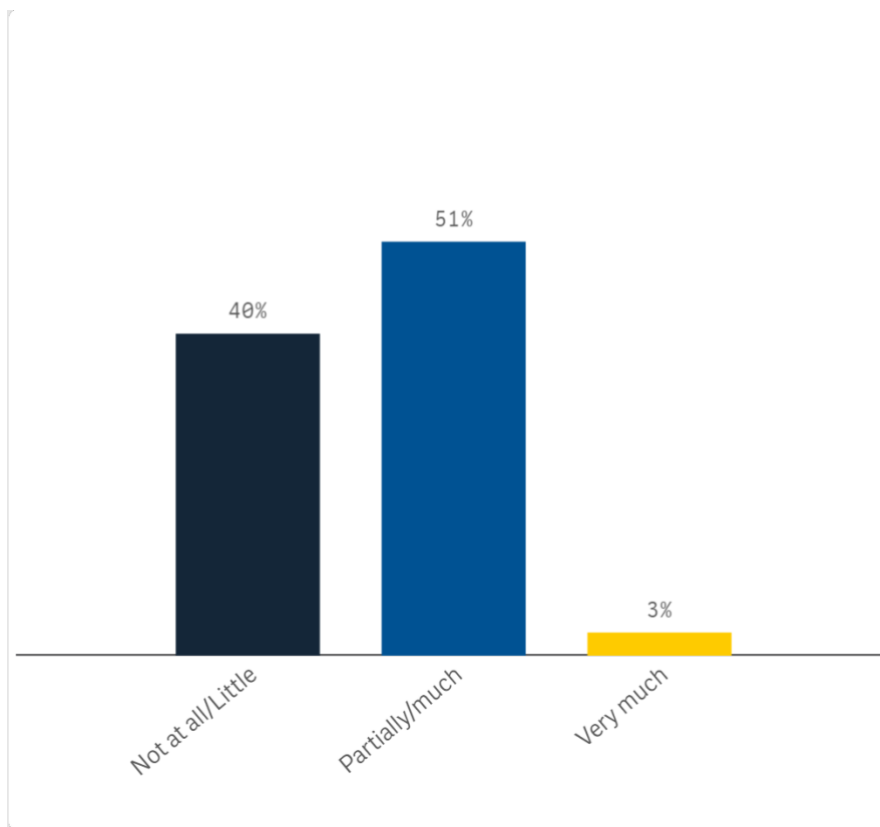
For years, for most, the focus of the business was pure profit. This was business as usual. Then the triple bottom line became trendy: people, profits, planet. In South Africa, planning for the social aspects of a business's operations is increasingly becoming more mainstream. The need to consider and account for a business's impact and reliance on natural capital and a functioning natural environment is now encouraged as companies are now measured on their contribution towards corporate social responsibility and investment. The South African government has put different forms of legislation to promote sustainable engagement within companies operating in the market in concurrence with the country's National Framework for Sustainable Development. Designated sustainability legislation allows for companies to be part of the national sustainability agenda as prescribed by the United Nations Sustainable Development Goals. As an example, all companies conducting B2G forms of interaction must align to the B-BBEE legislation which encompasses sustainability elements such as human resource upskilling and other forms of corporate social investment.

As noted by the World Bank's inequality report, South Africa remains one of the most unequal nations globally. This is largely due to its history as an apartheid state, where the country was characterised by a significant degree of inequality along racial lines. To address this, the government is implementing different reforms supporting the local native populations. South Africa was also rated as one of the most unequal states by the World Bank with a consumption Gini coefficient of 0.63. This is a cause for concern, and it has been an important element that Swedish companies have been addressing in the market through various strategies including the hiring of local staff and different corporate social responsibility programs.

The uptake for additional sustainability matters, such as becoming increasingly environmentally friendly and adopting industry 4.0 technologies, has been slow. One respondent made it clear that while the use of IT-based services has increased in the domestic market, it remains constrained in the commercial sector due to cybersecurity threats. Some affected industries include the automotive and aerospace supply chain manufacturers, where IP security and NDA constraints from OEMs are of concern.

Lack of clear policy from major OEMs to tier 1 and 2 suppliers in these industries regarding local or international cloud services means uptake of new technologies in these markets is almost non-existent.

TO WHAT EXTENT DO CUSTOMERS IN SOUTH AFRICA CONSIDER ENVIRONMENTAL ASPECTS OF A PRODUCT OR SERVICE IN THEIR PURCHASING DECISION?



NOTE: The number of respondents for this question was 35. "Don't know/Not applicable" responses are included but not shown in figure.

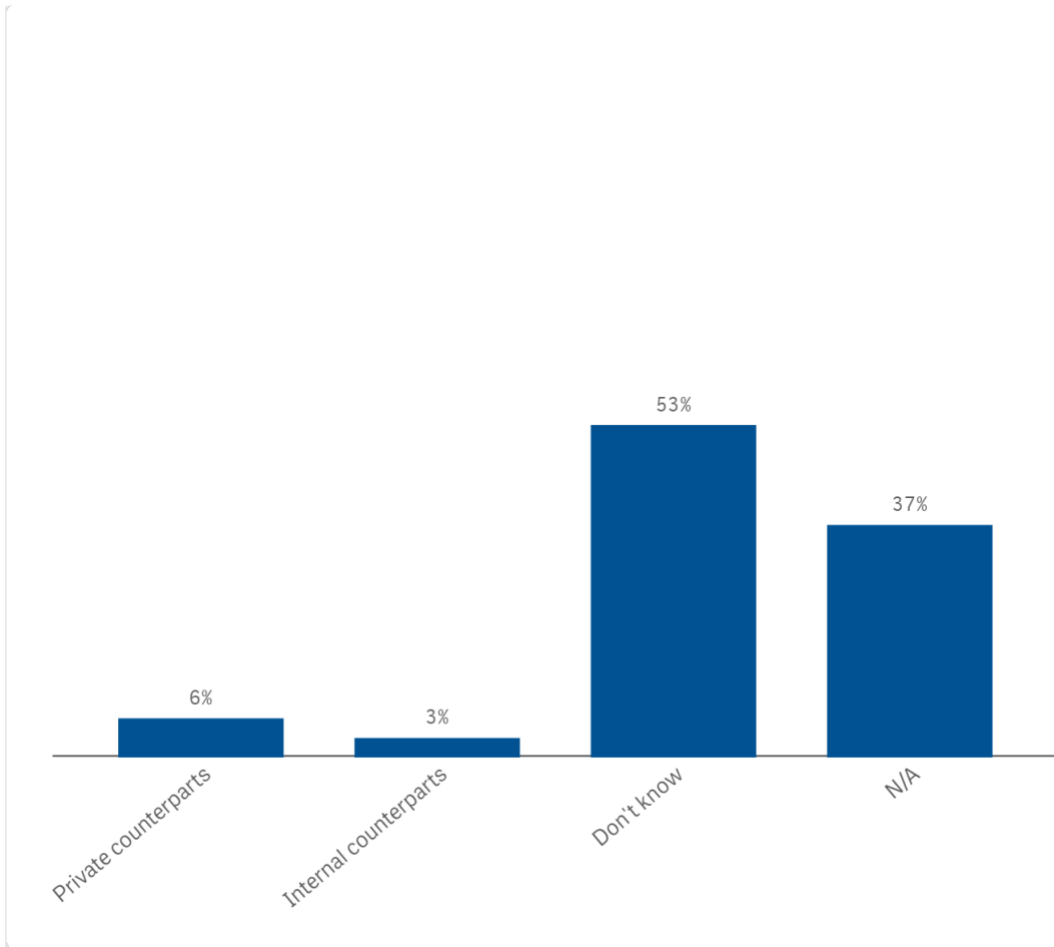
SOURCE: Business Climate Survey for Swedish Companies in South Africa 2024.

The majority of Swedish companies are unaware of any form of corruption when doing business in South Africa

Corruption is one of the main barriers to trade for Swedish companies in South Africa. According to the report, a combined 27 per cent of the respondents indicate having encountered some form of corruption at different levels, both from internal and external

stakeholders. Up to 73 per cent noted that they did not know whether they were exposed to corruption.

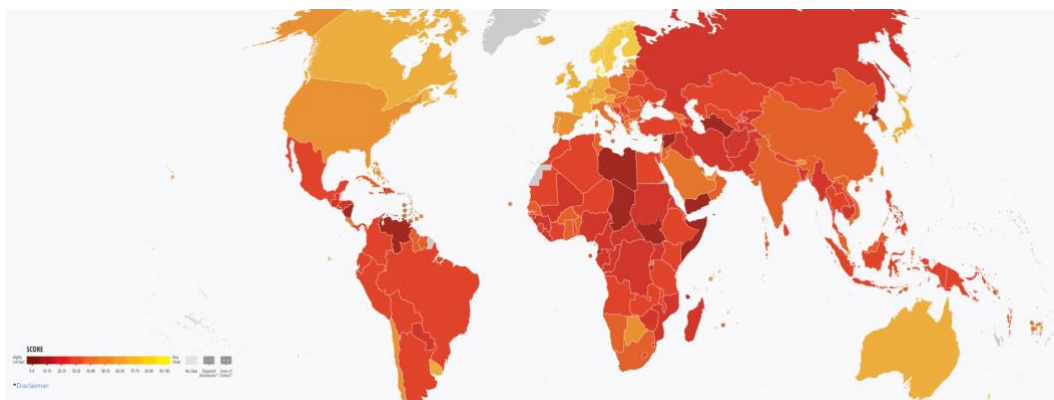
HAS YOUR COMPANY IN SOUTH AFRICA BEEN EXPOSED TO CORRUPTIONSUCH AS, BUT NOT LIMITED TO, ATTEMPTS OF BRIBERY OR FRAUD IN CONTACTS WITH ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 35. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in South Africa 2024.

CORRUPTION PERCEPTION INDEX 2021

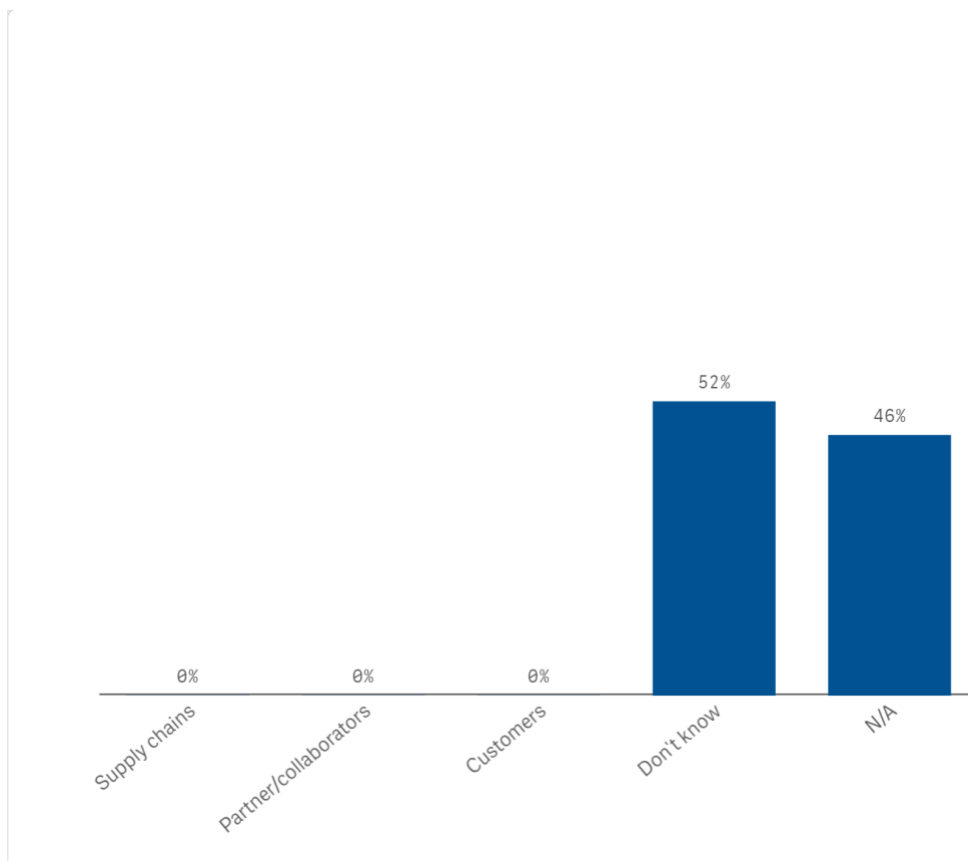


SOURCE: Transparency International.

Swedish companies have not encountered violations to labour or human rights.

The Human Rights Commission in South Africa firmly expresses how inequality fuels racism and racial polarisation. The government has failed to take meaningful measures to improve the protection of social and economic rights of its citizens, which undermines the large unemployment rate in the country. Multinational companies in the country must adhere to certain regulations to conduct business in South Africa such as BBBEE, Labour Relations Act, Employment Acts etc. The adherence of these statutory requirements has ensured Swedish companies do not experience violation of human rights in their supply chain, partner collaborations and customer interactions. In conclusion, sentiment remains low amongst Swedish companies based on persistent load-shedding and challenging economic conditions amid rising interest rates and cost pressures. Some of the drivers of negative sentiment, such as strained geo-diplomacy, could be resolved in the coming months, while current constraints on business conditions, such as load-shedding, could look somewhat better in 2024 and may support an improvement in confidence over time. The overall message, however, is optimistic in that Swedish companies see the challenges as opportunities for innovation and development.

HOW DO YOU PERCEIVE THE RISK OF ENCOUNTERING HUMAN RIGHTS VIOLATIONS AND/OR LABOUR RIGHTS ABUSES WHEN CONDUCTING BUSINESS IN SOUTH AFRICA?



NOTE: The number of respondents for this question was 35. Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in South Africa 2024.

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