



JOHANNESBURG-GAUTENG
SOUTHAFRICA ITALY
SUMMIT/INDABA

PRESS RELEASE

SOUTH AFRICA ITALY

SUMMIT 2017

Fourth edition

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Hyatt Regency, Johannesburg



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Johannesburg, October 25 2017 - On October 24 and 25, 2017, the 4th edition of the **South Africa - Italy Summit** took place in Johannesburg. The initiative has been developed and promoted by The European House–Ambrosetti (TEH-A). After four years, the Summit has now affirmed as an influential platform to strengthen **strategic relations not only between South Africa and Italy, but also between Sub-Saharan Africa and Europe at large.**

The Summit has been held thanks to the active cooperation of the Province of Gauteng, which accounts for 35% of South Africa's GDP and 10% of the GDP of the entire continent and affirms as main driver in the continuously multiplying relations between Italy and South Africa.

The Summit also had the **patronage** of the Italian Ministry of Foreign Affairs and International Cooperation together with the Italian Embassy in South Africa, the South African Embassy in Italy, the National Foreign Trade Institute – ICE, Confindustria and the South African–Italian Chambers of Commerce and Industry.

The fourth edition of the Summit confirmed the trend, started in 2016, of a significant **broadening of its scope at international, institutional, and business level.** Major companies involved in South Africa – Italy relations provided support or participated to the initiative. Over 200 business leaders took part to the event, together with representatives from 7 European and African countries, including two Ministries from Zambia and Zimbabwe. In addition, 2 representatives of supranational institutions (EU – SADC) and 6 Ambassadors attended the gathering and several B2B meetings between CEOs have been organized.

Valerio De Molli, Managing Partner and CEO of The European House – Ambrosetti: “Italy has been the top EU investor in Africa in 2015 and the 3rd one in 2016. Italy also ranks 3rd globally, after China and United Arab Emirates, considering the aggregate value of greenfield investments in Africa during the past 2 years. Furthermore, far greater untapped opportunities exist. Our Summit's purpose is to help in building better mutual knowledge, personal feeling and trust, providing valuable knowledge about the opportunities coming from further engagement between Italy and South Africa, Europe and Africa”.

David Makhura, Premier of Gauteng: “We emerge from this Indaba with a renewed sense of optimism and determination to increase levels of mutually beneficial trade between Gauteng, South Africa, SADC and Africa on the one hand, and Italy and continental Europe, on the other. The tide is turning more favorably in the trade relations between South Africa and Italy. It is my considered view that the SA-Italy Summit is contributing enormously to the changing relationship between Italy and South Africa in the volumes and quality of trade and investment patterns so that there greater balance and mutual benefit.”

Stergomena Tax, Executive Secretary of SADC: “May I commend The European House Ambrosetti, who believe in the value of dialogue and cooperation among different countries and cultures. Such encounters and dialogue promote exchange of ideas, information and experiences, and are therefore, catalysts that foster partnerships, networking, thereby contributing to growth and development. I invite to extend the initiative to the SADC Secretariat and to all SADC Member States benefiting both the peoples of Italy and of SADC”.

Marcus Cornaro, Ambassador of the EU to South Africa, also acknowledged the initiative as the unique international annual gathering taking place in South Africa, organized by the first and only organization belonging to a EU Member State, with the aim of developing a platform for European/Italian and African/South-African companies and institutions, in joint cooperation with the Gauteng Provincial Government, the Department of Trade and Industry as well as the Department of Small and Medium Enterprises.

Benedetto Della Vedova, Undersecretary of State Italian Ministry of Foreign Affairs: “SSA is a priority in Italy's foreign policy. Italy is also actively underpinning the importance of cooperation with Africa within the European Union. We firmly believe that long lasting partnership for development must be based on trade, investments and business relations. Within this context South Africa is by far the most important commercial partner of Italy in SSA and the driver for Italian businesses to engage the whole continent”.



Figure 1. Major achievements of 2017 South Africa - Italy Summit

During the Summit, concrete opportunities for cooperation have been discussed. Among the others, energy and physical interconnectivity sectors have been investigated. With reference to connectivity, a shared view about the need to provide a solid, effective and integrated intermodal transportation platform for SADC and the whole continent has emerged. According to **Siyabonga Gama, Group Chief Executive, Transnet** “The level of cross-border interconnectivity in Africa is still below potential, especially if compared to EU and US. Its improvement remains a key challenge for African’s future. If addressed correctly, it can open strategic opportunities. Transnet is therefore committed in both providing a South African intermodal transportation platform and improving integration across continent”.

Such strategic need can open great opportunities for Italian companies in the sector. What is needed the most is Italian know how and specific manufacturing capability, together with development and deployment of intermodal hubs and provision of value added services including digital logistics and transport. The presence of large Italian companies in South Africa can now drive and stimulate Italian SMEs that can use them as trailblazers. This is the case of FSI, which entered the country with a project for the development of Tambo Spring intermodal port. **Nino Cingolani, Vice President Internationalization Projects of Italian State Railways (FSI)** illustrated the lessons learned from this strategic partnership, together with the value that a strong cooperation between South Africa and Italy in this sector could provide to whole South African and African economy. **Felix Mutati, Minister of Finance, Zambia** closed the session stressing the importance of innovative financing solutions for infrastructures.

The Summit also provided a platform to discuss about the future of energy and power sector in SADC and the potential cooperation with Italian and European companies. Particular attention was dedicated on sound business opportunities and on financing channels to fund investment in the power sector. As claimed by **Peter Malungani, Chairman of PEU Capital Partners**, “funding infrastructure in Southern Africa requires innovative solutions and disruptive thinking”, allowing infrastructure to be developed in a context of fiscal constraints through PPP formulas.

The panel also discussed the successes of the South African renewables IPP program and how to scale up and extend the approach along the power value chain. As argued by **Luigi Michi, Director Strategy and Development, Terna**, there are innovative PPP schemes that Terna experienced in several

Countries worldwide which allow private investment into the electricity transmission network, increasing energy and operational efficiency.

Supa Mandiwanzira, Minister of ICT, Postal & Courier Services, Zimbabwe: “We need three things in the energy sector: efficiency, delivery and profitability. As of today Union of African Countries is financed by European countries, a major change is required: we have to find it by ourselves, as our goal is to double energy efficiency by 2020. SADC infrastructures masterplan includes both energy and ICT: why? Because of efficiency. You can only reach it through ICT enabling integration of existing power grids and improvement of new smart grids”.

The South Africa – Italy Summit 2017 has also provided the chance to launch what we believe are two important initiatives. The first one is the **African Chapter of the “Peres Heritage Initiative”** a social award launched at the 2017 edition of TEHA Annual Forum “Intelligence on the World, Europe, and Italy” to commemorate the legacy of Shimon Peres, who participated in 25 editions of our Annual Forum. The aim is to empower the leaders of the future, offering them mentorship by distinguished personalities among the THE-A network, and a platform to showcase their project. The African Chapter wants to provide a platform for high-talented South Africans entrepreneurs, researchers, or activists to boost their project or enterprise benefiting local economy and society.

The second initiative presented during these two days has been the **“CEO Community, The African Chapter”**. The aim is to build a platform where CEOs of primary South African companies and multinational Groups operating in the country, can develop a privileged network of high-level relationships between Community Members and contribute to the excellence and optimization of public and private institutions in South Africa, also sharing and producing innovative, fresh and effective information and ideas to shape future strategies.

Paolo Borzatta, Senior Partner, The European House – Ambrosetti: “Investments and business need data, which mean ‘Knowledge’, but they also need something more: they need Personal Feeling and they need Trust. I’m very proud to see here familiar faces here, both from South Africa and from Italy, people who’re meeting for the fourth time in four years, people who now call each other by name. This is the meaning of this Indaba, to create a Community of Leaders, or if you want - I’m not ashamed to use this word - a ‘clan’ of leaders.”

The European House – Ambrosetti Summits have increasingly affirmed as a privileged platforms for a growing community of leaders. The major goal of these initiative is to provide mutual knowledge, personal feeling and trust among the members of this community. During the years, they have brought about important fallouts, including:

1. Funding 40 million euro of an Italian plant in South Africa
2. Joint venture in Iran for building a plant for office equipment
3. Reshaping of the European strategy of a South Africa pharma company
4. Mentoring of young South Africa entrepreneurs by skilled Italian and South-African leaders
5. 18 MoUs between Iranian and Italian Enterprises
6. Triggering of the Integrated garage pilot project between Gauteng Province and Reggio Emilia Municipality
7. Organization of a roadshow for an international electricity transmission operator to meet South African key stakeholders
8. Facilitation and organization of the Italian Ministry of Economic Development business mission to ASEAN Countries
9. Facilitation of a 30 million Euro contract between a main Italian TELCO in Iran

The fifth edition of the South Africa-Italy Summit will take place the 24th and 25th October 2018 at the Hyatt Regency, Johannesburg.

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