

## DTI director: improving policy environment will benefit SA

SA should aspire to having an enabling policy environment to attract foreign direct investments, green economy director at the Department of Trade and Industry Annelize van der Merwe says. "We believe that with the right policy environment and with an enabling environment, that we will actually be able to reach the investment levels we were at before," Van der Merwe said.



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The department held an engagement session on the green economy, which includes the likes of renewable energy and waste management, on Thursday.

Unlike portfolio investments, foreign direct investments are more long-term in nature and thus aid in job creation. SA relies heavily on such investments to fund a large shortfall on its current account. Van der Merwe said that while direct investments in SA had fallen in line with a global slump given an environment of weak growth, having the right policy environment would help SA increase investments in the future.

Reserve Bank data show that foreign direct investments to SA fell from R80bn in 2013 to R62bn last year.

Even though investments fell, there remained "a huge amount of interest from companies wanting to set up in SA" according to Van der Merwe.

National Business Initiative CEO, Joanne Yawitch said using the country's resources more efficiently and diversifying would support economic growth, as well as the development of new sectors, and improve competitiveness.

*Source: BDpro*