

COST OF DOING BUSINESS



IN SOUTH AFRICA 2008



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

1.	STARTING A BUSINESS	5
2.	COST OF OFFICE SPACE AND INDUSTRIAL LAND	9
3.	TAXATION IN SOUTH AFRICA	12
4.	HUMAN RESOURCES	22
5.	UTILITIES	24
6.	WATER RATES	32
7.	FUEL COSTS	38
8.	TELECOMMUNICATIONS RATES	41
9.	CELLULAR COMMUNICATIONS	48
10.	TRANSPORTATION COST	55
11.	LIVING IN SOUTH AFRICA	62
12.	COST OF EDUCATION	70
13.	PUBLIC HOLIDAYS 2008	76

INTRODUCTION

This guide is for investors who wish to have ready-made information, which can be used in investment making decisions. It should be borne in mind that the cost figures contained in this document are indicative and these could vary within a relatively short space in time. It is therefore advised that researchers & analyst obtain current figures from the sources quoted in this document.

Although every effort has been made to verify the accuracy of the information contained in this publication, Trade and Investment South Africa will not be held responsible for any damage or loss suffered by any person or entity arising from the use of this information.

1. STARTING A BUSINESS

Foreign companies wishing to establish a local branch in South Africa must register the branch as an external company with the Registrar of Companies within 21 days of establishing an office. The most common business entities in South Africa are: Private companies Pty (Ltd); Public companies (Ltd); Close corporations. Private companies are commonly used by foreign investors owing to the minimal annual formalities required. The directors need not be SA residents or nationals. Public companies are formed to raise funds by offering shares to the public and there is no limit to the number of shareholders. At least seven (7) shareholders are required to form a public company.

The following documents must be completed and lodged to the registrar of companies for the formation of such

companies:

Documents	Purpose	Fees
CM5	Application for reservation of a name	R50-00
Power of Attorney	Authorisation to act on behalf of the company	
CM22 (to be lodged in duplicate)	Notification of situation of registered and postal address	None
CM29	Return containing particulars of directors officer	None
A set of CM46 (to be lodged in duplicate)	Application for certificate to commence business	R60-00
CM47 (each director)	Statement by directors regarding adequacy or inadequacy of share capital	None
CM31	Consent to act as Auditor	None

Company Category	Documents	Purpose	Fees
Company with share capital	CM1, CM2, CM2A, CM2B, CM2C or CM2D, CM44, CM44C (company adopting table A or B)	Memorandum of Association	R350-00 for R1000 capital plus R5-00 per additional R1000 authorised capital.
Company without share capital	CM3, CM4, CM4A, CM4B, CM44B, 44C	Articles of Association Certificate of Incorporation and Memorandum of Association and articles of association in terms of the companies act.	None

www.cipro.co.za/products_services/companies.asp

Close Corporations Fee Structure

Service	Fees Payable (R)	Corresponding form (if any)
Registration of a founding statement	R100.00	CK1
Registration of an amended founding statement	R30.00	CK2
Restoration of the registration of a corporation	R150.00	CK3
Registration of an order of the Court	R30.00	CK5
Registration of a resolution to wind up voluntarily	R40.00	CK6
Reservation of name or a translated name or an abbreviated name	R50.00	CK7

For more information please go to: http://www.cipro.co.za/products_services/close_corps.asp

2. COST OF OFFICE SPACE AND INDUSTRIAL LAND

The Rode Report analyses most property transactions and reports on most sectors of the property market in the major, and some secondary cities in South Africa. It covers, inter alia, trends and levels of rentals and standard capitalisation rates by property type, grade, node/township, the listed real estate market, building construction costs and building activity. The following are excerpts from this report:

Market rental rates for office buildings Quarter 2007:4				
Rands per rentable m2, Gross Leases (excl VAT)				
	Grade A +	Grade A mean	Grade B mean	Grade C mean
Johannesburg CBD		57,88	40,50	30,50
Sandton CBD	128,57	109,29	87,50	75,00
Fourways	105,90	91,25	83,75	70,00
Midrand	87,79	78,14	66,79	54,80
Highveld Technopark	87,25	77,19	70,83	62,50
Nelspruit		N/A	N/A	N/A
Durban CBD		60,00	46,50	36,50

Market rental rates for office buildings Quarter 2007:4				
Rands per rentable m2, Gross Leases (excl VAT)				
	Grade A +	Grade A mean	Grade B mean	Grade C mean
Pinetown	68,00	55,00	44,17	36,67
Richards Bay	80,00	60,00	40,00	30,00
Port Elizabeth		42,50	31,67	26,25
East London		47,,50	37,00	35,00
Cape Town CBD		89,06	69,69	51,25
Century City	112,50	105,00	85,00	N/A
Tygerberg Hills	102,50	95,00	70,00	N/A

Mean market values for serviced and level industrial stands in Quarter 2007:4					
(R/m2; Gross Lease; Excl VAT)					
	1.000	2.000	3.000	10.000	
Central Witwatersrand	657	678	645	599	1,1
West Rand	478	486	458	431	1,4
East Rand	685	649	594	551	0,9

Mean market values for serviced and level industrial stands in Quarter 2007:4					
(R/m2; Gross Lease; Excl VAT)					
	1.000	2.000	3.000	10.000	
Far East Rand	546	535	499	448	2,2
Pretoria	616	616	606	563	0,3
Polokwane	133	146	105	1	
Nelspruit	500	588	513	418	1,8
Durban	929	855	833	827	1,6
Ladysmith	12	10	6	3	
Newcastle	100	100	50	50	2,3
Lower Umfolozi	1.05	1.05	800	500	1,0
Cape Peninsula	1.18	1.107	996	916	1,3
Port Elizabeth	509	500	460	456	2,3
East London	733	400	150	78	2,0
Bloemfontein	261	249	226	178	0,9

Source: Rode & Associates Property Economists, Consultants and Valuers.

Tel. no: +27 21 946 2480, Fax No: +27 21 946 1238, www.rode.co.za



3. TAXATION IN SOUTH AFRICA

RESIDENCE BASIS OF TAXATION

Residents are taxed on their worldwide income, subject to certain exclusions. Foreign taxes on that income are allowed as a credit against South African tax payable. This is applicable to individuals, companies, close corporations and trusts.

INCOME TAX: INDIVIDUALS AND TRUSTS

Tax rates (year of assessment ending 28 February 2009)

Individuals and special trusts

R0 - 122 000:	18% of each R1
R122 001 - 195 000:	21 960 + 25% of the amount above R122 000
R195 001 - 270 000:	40 210 + 30% of the amount above R195 000
R270 001 - 380 000:	62 710 + 35% of the amount above R270 000
R380 001 - 490 000:	101 210 + 38% of the amount above R380 000
R490 001 and above:	143 010 + 40% of the amount above R490 000

Trusts other than special trusts

Rate of Tax 40%

Tax Rebates

Primary – R 8 280

Additional (Persons 65 and older) – R 5 040

Tax Thresholds

Below age 65 – R 46 000

Age 65 and over - R74 000

Provisional Tax

A provisional taxpayer is any person who earns income other than remuneration or an allowance or advance payable by the person's principal.

The following individuals are exempt from the payment of provisional tax:

- Individuals below the age of 65 who do not carry on a business and whose taxable income
- will not exceed the tax threshold for the tax year; or
- from interest, dividends and rental will be R10 000 or less for the tax year.
- Individuals age 65 and older if their annual taxable income —
- consists exclusively of remuneration, interest, dividends or rent from the lease of fixed property; and
- is R80 000 or less for the tax year.

INCOME TAX: COMPANIES

Financial years ending on any date between 1 April 2008 and 31 March 2009

Companies - 28%

Small business corporations

R0 – R46 000:	0%
R46 001 – R300 000:	10%
R300 001 and above:	28%
Employment companies:	33%

Foreign resident companies which earn income from a source in South Africa - 33%

Secondary tax on companies (STC) on dividends declared after being reduced by dividends receivable during a dividend cycle (South African branches of foreign resident companies are exempt from STC) - 10%

TAXATION OF CAPITAL GAINS

Capital gains on the disposal of assets are included in taxable income.

Individuals : 10%

Companies: 14%

Trusts : 20%

Events that trigger a disposal include a sale, donation, exchange, loss, death and emigration. The following are some of the specific exclusions:

- R1,5 million gain/loss on the disposal of a primary residence
- most personal use assets
- retirement benefits
- payments in respect of original long-term insurance policies
- annual exclusion of R16 000 capital gain or capital loss is granted to individuals and special trusts
- instead of the annual exclusion, the exclusion granted to individuals is R120 000 during the year of death.

OTHER TAXES DUTIES AND LEVIES

Transfer Duty

Transfer duty is payable at the following rate on transactions which are not subject to VAT —

- Acquisition of property by natural persons:

R0 – R500 000: 0%

R500 001 – R1 000 000: 5% of the value above R500 000

R1 000 001 and above : R25 000 + 8% of the value exceeding R1 000 000

- Acquisition of property by persons other than natural persons:
 - 8% of the value

Estate Duty

Estate duty is levied at a flat rate of 20% on all property of residents and South African property of non-residents. A basic deduction of R3,5 million is allowed in the determination of an estate's liability for estate duty as well as deductions for liabilities, bequests to public benefit organisations and property accruing to surviving spouses.

Donations Tax

- Donations tax is levied at a flat rate of 20% on the value of property donated.
- The first R100 000 of property donated in each year by a natural person is exempt from donations tax.
- In the case of a taxpayer who is not a natural person, the exempt donations are limited to casual gifts not exceeding R10 000 per annum in total.
- Dispositions between spouses and donations to certain public benefit organisations are exempt from donations tax.

Stamp Duty

Stamp duty is imposed on:

- Lease agreements of fixed property (exemption for agreements for a rental period 5 years or shorter) - 0,5 per cent
- Registration of transfer and cancellation of unlisted marketable securities (exemption for interest-bearing securities) - 0, 25 per cent until 30 June 2008.

Uncertificated Securities Tax

The tax is imposed at a rate of a 0,25 per cent on a change in beneficial ownership (including cancellation) of listed securities which are not interest bearing until 30 June 2008.

Securities Transfer Tax

The tax is imposed from 1 July 2008 at a rate of a 0,25 per cent on the transfer of listed or unlisted securities. Securities consist of shares in companies or member's interests in close corporations.

Skills Development Levy

A skills development levy is payable by employers at a rate of 1% of the total remuneration paid to employees. Employers paying annual remuneration of less than R500 000 are exempt from the payment of Skills Development Levies.

Unemployment Insurance Contributions

Unemployment Insurance contributions are payable monthly by employers on the basis of a contribution of 1 per cent by employers and 1 per cent by employees, based on employees' remuneration below a certain amount. Employers not registered for PAYE or SDL purposes must pay the contributions to the Unemployment Insurance Commissioner.

OTHER TAX PROPOSALS

- Replace STC with a final dividend withholding tax in 2009.
- Increase compulsory VAT registration threshold from R300 000 to R1 million from 2009.
- Simplified tax package for businesses with annual turnover of less than R1 million.
- Incentive to encourage venture capital investment in small and mediumsized businesses.
- Introduce an electricity levy of 2 cents per kilowatt hour.

Source: SARS Tax Pocket Guide

4. HUMAN RESOURCES

LABOUR RATES

Labour rates vary considerably from industry to industry as well within professional categories of various industries. Generic professions such as managers, senior managers, accountants, engineers, technicians etc tend to compete with each other across sectors and therefore the cost to company would be in a relative narrow band.

According to labour law, industries may create bargaining councils whereby a specific industry will form such a council and on a regular basis agree on labour rates for specific job within that industry. Investors should therefore familiarise themselves with the labour regime pertaining in a particular industry. A contact list of bargaining councils can be found at: http://www.labour.gov.za/useful_docs/

The table below is indicative of earnings in certain sectors. This is however crude as the method of calculation is based on the number of persons employed in a sector and the amount paid out as remuneration. It therefore gives an average and does not indicate the earnings and numbers of highly paid professionals neither that of low wage unskilled labour.

Table E - Estimates of average monthly earnings, including bonuses and overtime payments, at current prices, by industry within 95% confidence limits

Industry	August 2007*				November 2007			
	Lower limit	Estimate	Upper limit	RSE	Lower limit	Estimate	Upper limit	RSE
Mining and quarrying**	7 688	7 688	7 688	0,0	8 016	8 016	8 016	0,0
Manufacturing	7 296	7 641	7 986	2,3	7 575	7 935	8 295	2,4
Electricity, gas and water supply	14 239	15 446	16 653	4,0	15 375	16 677	17 979	4,0
Construction	4 905	5 497	6 089	5,5	5 142	5 828	6 514	6,1
Wholesale and retail; repair of motor vehicles, motor cycles and personal and household goods; hotels and restaurants	5 284	5 698	6 112	3,7	5 415	5 849	6 283	3,8
Transport, storage and communication	10 360	11 164	11 968	3,7	10 746	11 604	12 462	3,8
Financial intermediation, insurance, real estate and business services	8 893	9 905	10 917	5,2	9 073	10 154	11 235	5,5
Community, social and personal services	9 870	10 071	10 272	1,0	10 330	10 537	10 744	1,0
Total	8 160	8 409	8 658	1,5	8 457	8 724	8 991	1,6

Source: <http://www.statssa.gov.za/publications/statsdownload.asp?PPN=P0277&SCH=4134>

5 ELECTRICITY COST

5.1 UTILITIES

Eskom Holdings is a vertically integrated operation that generates, transmits and distributes electricity. It generates approximately 95% of the electricity used in South Africa. The price a customer pays for electricity is influenced by two different processes within Eskom. The first process is the annual Eskom price adjustment (normally inflation related). For the first time in 2006, this was determined through a Multi-Year Price Determination (MYPD) process, which is led by the National Electricity Regulator (NER).

South Africa has since 2007 been severely affected by a shortage of electricity generating capacity. This has necessitated in massive upgrading and expansion of capacity which is costly and to off-set this, large tariff increases are expected in the coming years to part fund the required capital expenditure.

The planned implementation of the tariff structural changes during 2008/9 has been postponed. Eskom has requested the NER for a 60% (nominal) general increase for its tariffs for the current period. The 2008/9 tariff charges are based on the same structures as the 2007/8 tariffs. The structural changes will be implemented once the NER approval of the requested structural changes is obtained and the implementation of the tariff structural changes is anticipated to be implemented during the 2009/10 financial year.

5.2 Electricity Costs

In order to comply with the Municipal Financial Management Act, Eskom's tariffs will now be split into non-municipal and municipal tariffs. For direct users, Eskom have several categories of electricity usage plans depending on the nature of the user, the location (urban/suburban), the amount of usage and other special electricity savings schemes. For further information on this please consult their website: www.eskom.co.za. The table below provides indicative costs for businesses by Eskom.



The Businessrate tariff is made up of a range of tariffs, as follows:

Businessrate 1:	for supplies ≤ 25 kVA using less than 622 kWh per month
Businessrate 2:	for supplies > 25 kVA and ≤ 50 kVA
Businessrate 3:	for supplies > 50 kVA and ≤ 100 kVA
Businessrate 4:	for supplies ≤ 25 kVA using less than 622 kWh per month

This tariff is characterised by:

- A single c/kWh active energy charge
- A R/day network charge based on the NMD of the supply
- A R/day service charge based on the size of supply

Conventional metered supplies

Meters are read at least once every three months. Estimated charges are raised in months during which no meter readings are taken and these are subsequently adjusted when actual consumption is charged for. A security deposit covering three months' consumption is required.

Capital costs

A connection charge will be payable in addition to the tariff for new connections or additional capacity.

Connection fees

Refer to Appendix E (Table 1).

The rates listed below are for non-local-authority supplies. The rates for local-authority supplies are listed at the end of this book.

Charges:	Network charge (per day)	Service charge (per day)	Energy charge (per unit)
Businessrate 1	$R3,94 + VAT = R4,50$	$R4,10 + VAT = R4,68$	$28,70c + VAT = 32,72c/kWh$
Businessrate 2	$R5,70 + VAT = R6,50$		
Businessrate 3	$R11,10 + VAT = R12,66$		
Businessrate 4	N/A	N/A	$68,00c + VAT = 77,52c/kWh$

NOTE: The service and network charges are payable for each premise per billing month whether electricity is consumed or not. The service and network charges on Businessrate 4 are not charged as a fixed charge per month but are included in the energy charge.

Appendix E - Connection fees

The fees listed below are the minimum cash amounts payable. Additional charges based on allocated costs may be raised as per Eskom's Recovery of Capital policy.

Table 1 – Urban connection fees (including Homepower)

Capacity	Conventional
≤ 80 A (single-phase)	R964,91 + VAT = R1 100,00
16 kVA (single-phase)	R964,91 + VAT = R1 100,00
25 kVA (40 A per phase)	R4078,95 + VAT = R4 650,00
50 kVA (80 A per phase)	R4 561,40 + VAT = R5 200,00 ^R
70 kVA (100 A per phase)	R5 394,74 + VAT = R6 150,00
100 kVA (150 A per phase)	R5 394,74 + VAT = R6 150,00
200 kVA	R7 631,58 + VAT = R8 700,00
315 kVA	R8 114,04 + VAT = R9 250,00
500 kVA	R13 508,77 + VAT = R15 400,00
1 000 kVA	R27 017,54 + VAT = R30 800,00
> 1 000 kVA	The greater of R27 017,54 + VAT or 5% of allocated costs

Table 2 – Rural connection fees

Capacity	Conventional
5 kVA (single-phase)	R1 973,68 + VAT = R2 250 ^R
16 kVA (single-phase)	R3 245,61 + VAT = R3 700 ^R
25 kVA (three-phase)	R4 868,42 + VAT = R5 550,00
32 kVA (dual-phase)	R4 868,42 + VAT = R5 550,00
50 kVA (three-phase)	R6 666,67 + VAT = R7 600,00
64 kVA (dual-phase)	R6 666,67 + VAT = R7 600,00
100 kVA (three-phase)	R7 631,58 + VAT = R8 700,00
100 kVA (dual-phase)	R7 631,58 + VAT = R8 700,00
200 kVA	R11 140,35 + VAT = R12 700,00
315 kVA	R11 842,11 + VAT = R13 500,00
500 kVA	R19 736,84 + VAT = R22 500,00
1 000 kVA	R39 473,68 + VAT = R42 000,00
> 1 000 kVA	The greater of R39 473,68 + VAT or 5% of allocated costs

Source: http://www.eskom.co.za/content/Tariff%20Book%202008_9.pdf

NOTE: The 2008/9Retail Tariff Restructuring Plan and more pricing information can be viewed at the following website:

www.eskom.co.za/tariffs

As mentioned earlier, electricity is also sold to intermediary bulk users (mostly municipalities) who sell this on to individual retail consumers. Below are costs of some of the electricity providers.

The cost of electricity in the Johannesburg area.

CURRENT TARIFFS		2007/2008							
SEGMENT	Supply Position	Service Charge	Network Charge	Maximum Demand		Energy Charge			
				Summer Winter		TOU	c/kWh		
		R/Month	R/Month	R/kVA	R/kVA		Non seasonal	Low Season	High Season
Large Customer - TOU	MV- kVA	3,626.28		38.75	40.95	Peak		23.75	55.07
						Standard		17.52	21.39
						Off - Peak		14.52	15.33
Large Customer - TOU	LV- kVA	2,948.67		43.07	45.52	Peak		26.40	61.23
						Standard		19.49	23.79
						Off - Peak		16.14	17.05
Large Customer	MV- kVA	805.01		52.12	54.38			15.81	23.38
Large Customer	LV- kVA	402.51		52.33	54.95			16.94	25.05
Business	400 V	85.34	66.00					33.85	50.96
< 100 kVA		94.94	84.50					33.85	50.96
< 500 kVA		120.42	109.85					33.85	50.96
> 500 kVA		175.63	164.78					33.85	50.96
Business Prepaid < 50 kVA							46.12		
Business Prepaid > 100 kVA							48.00		
Agricultural	400 V	96.23	65.00					26.28	39.57
> 50 kVA		111.75	76.70					26.28	39.57

CURRENT TARIFFS		2007/2008							
SEGMENT	Supply Position	Service Charge	Network Charge	Maximum Demand		Energy Charge			
				Summer Winter		TOU	c/kWh		
		R/Month	R/Month	R/kVA	R/kVA		Non seasonal	Low Season	High Season
Domestic 3 Ø Optional 60A	230 V	88.80	53.06					27.77	41.80
80 A		88.80	62.61					27.77	41.80
Domestic 1 Ø Optional 60A	230 V	88.80	33.19					27.77	41.80
80 A		88.80	38.83					27.77	41.80
Domestic 3 Ø 60A	230 V	88.80	53.06				33.02		
80 A		88.80	62.61				33.02		
Domestic 1 Ø 60A	230 V	88.80	33.19				33.02		
80 A		88.80	38.83				33.02		
Prepaid three phase							45.54		
Prepaid single phase							45.54		
Life Line conventional	230V						45.54		
Life Line Prepaid	230 V						43.23		
Robot intersection							43.84		
Streetlights & Billboard per luminaire							49.15		

Source: www.citypower.co.za/customer_tariff.html

6. WATER RATES

South Africa is a water scarce country, with an annual per capital water availability of approximately 1200 m³ per capita per annum. Average annual rainfall is 497 mm compared to a world average of 860 mm, and this rainfall is unevenly distributed with 65% of the country receiving less than 500 mm annually and 21% receiving less than 200 mm. There are also frequent droughts that may last for several years. This picture is compounded by high annual potential evaporation of up to 3000 mm in some areas. As a result of the country's topography and rainfall, 60% of river flow comes from 20% of the land. However, South Africa is fortunate to have relatively well-developed water infrastructure, with a network of dams and inter-basin transfers schemes across the country. Per capita storage is considerably higher than for any other African country. This infrastructure has allowed the country to maintain agricultural irrigation through dry periods. None-the-less, many of the catchments in the country are facing water stress, with water demand exceeding supply.

The Water Boards provide a primary and secondary service. The primary activity of Water Boards is to provide bulk water to users like municipalities, by bringing water from dams and rivers (water resources) to local reservoirs. Water Boards abstract, treat and transport bulk water to service providers like municipalities.

As a secondary activity, some Water Boards also undertake retail water supply on behalf of poorly capacitated municipalities and operate bulk wastewater works. Raw water drawn from dams and other schemes has to be purified and distributed to service providers. Water boards typically perform this role and the cost incurred in doing this is covered by the “bulk water tariff” providers.

The five largest Water Boards generate some 91% of all Water Boards revenues, with Rand Water (R2,6 billion) and Umgeni (R800 million) are by far the largest. The value of their combined assets amount to about R10.9 billion, with an external debt of just over R7.3 billion. Capital spending among the 15 Water Boards varies, with Rand Water and Umgeni making capital investments during 2001/02 of R276 million and R192 million respectively.

(M. Vawda – Department of Water Affairs and Forestry: Personnel Communication)

Cost of water and other rates in the Johannesburg area.

TARIFF SCHEDULE FOR 2007/08

ASSESSMENT RATES		
Area	2006/07	2007/08
Johannesburg	11.89 cents in the Rand	11.73 cents in the Rand
REFUSE COLLECTION		
Domestic Refuse		
Property size	2006/07	2007/08
Erf up to 300 m ²	R25.09	R26.37
301m ² to 1000m ²	R44.34	R46.60
1001m ² to 2000m ²	R61.96	R65.12
Greater than 2000m ²	R82.09	R86.28
Flat/townhouse	R44.34	R46.60
Informal settlement	R5.83	R6.13
Institution	R25.09	R26.37
Bin rental	R6.05	R6.36
Bin sale		
Description		
One litre bin (Pikitup standards)	R285.00 per bin	R299.54 per bin
Business tariffs for (bulk refuse storage and collection)		
Uncompacted	2006/07	2007/08
Capacity of 240 litre	R144.00	R144.00
Capacity of 1100 litre	R164.00	R164.00
Putrescible waste (dallies ? collected 5 times a week)		
85 litre bins	R353.00 per bin	R353.00 per bin
240 litre bins	R950 per bin	R950 per bin
Animal carcass removal		
Small animals (e.g. cats and dog)	R38.89	R40.87
Medium animal (e.g. sheep)	R83.03	R87.26
Large animals (e.g. horses, etc.)	R243.83	R256.27

Tipping at the City's refuse disposal sites			
500 kg special industrial refuse		R44.78	R47.06
250 kg special industrial refuse		R44.78	R47.06
500 kg special refuse disposed off after 12:00 pm on Saturday Sunday or public holiday		R55.02	R57.83
Soil or other material suitable for covering a refuse disposal site will be free of charge			
Water and Sanitation Services			
Water tariff-metered areas			
Kilolitres per connection per month		2006/07	2007/08
0 to 10kl		Free	Free
11 to 15 kl		R5.60	R5.90
16 to 20 kl		R7.00	R7.40
21 to 40 kl		R8.40	R8.80
Greater than 40 kl		R9.90	R10.40
Informal settlement		Free	Free
Institution		R7.25	R7.60
Industrial/commercial		R9.90	R10.40
An additional 7-10 kl free basic water to poor households			
Domestic water tariff deemed consumption areas fitted with metered connection, as per Gcin'amanzi Project			
0 to 10kl		Free	Free
11 to 15 kl		R3.80	R4.00
16 to 20 kl		R5.90	R6.20
21 to 40 kl		R8.10	R8.50
+40kl		R9.90	R10.40
Domestic sewerage tariff previously deemed consumption areas fitted with metered connection, as per Gcin'amanzi Project			
0 to 6kl		Free	Free
7 to 10kl		R 1.85	R1.90
11 to 15 kl		R2.10	R2.20
16 to 20 kl		R3.35	R3.50
21 to 40 kl		R4.65	R4.90
41 to 50 kl		R5.60	R5.90
+50kl		R 1.85	R1.90

Source: <http://www.johannesburgwater.co.za>

The cost of water in the Durban area.

These tariffs came into effect from July 1, 2007

Type of water supply	Ground tank Low pressure		Roof tank Semi-pressure system		Domestic Full pressure		Industrial, commercial and other users		
Monthly									
Consumption									
Prices per kilolitre excluding VAT		<i>old</i>	<i>new</i>	<i>old</i>	<i>new</i>	<i>old</i>	<i>new</i>	<i>old</i>	<i>new</i>
0kl to 6kl	nil				nil		R6,27	R7,21	
From 6kl to 30kl	nil	nil	R4,16	4,78	R6,27	R7,21	R6,27	R7,21	
More than 30kl	nil		R12,53	R14,42	R12,53	R14,42	R6,27	R7,21	
Fixed charge per month	See Below						Varies with connection size. See Water Tariffs Printable List below	Varies with connection size. See Water Tariffs Printable List below	

Type of water supply	Ground tank Low pressure		Roof tank Semi-pressure system		Domestic Full pressure		Industrial, commercial and other users		
Monthly Consumption									
Prices per kilolitre excluding VAT		old	new	old	new	old	new	old	new
Domestic Full Pressure 0kl to 6kl	Not applicable						For example - total domestic water consumption 5kls per month, then no fixed charge is payable		
Domestic Full Pressure Greater than 6kl, less than 12kl	Not applicable				R34,19	R39,32	For example - total domestic water consumption 11kls per month, then a fixed charge of R39,32 is payable		
Equal to or greater than 12kl	Not applicable				R48,90	R56,23	For example - total domestic water consumption 17kls per month, then a fixed charge of R56,23 is payable		

Please note: One month equals 30 days

Source: http://www.durban.gov.za/durban/services/services/water_and_sanitation/bylaws_and_tariffs/tariffs/Water_Tariffs_English

7. FUEL COSTS

The petrol price in South Africa is linked to the price of petrol in the United States (US) Dollars in certain international petrol markets. This means that the domestic price is influenced by supply and demand for petroleum products in the international markets, combined with the Rand/Dollar exchange rate.



RETAIL FUEL PRICES

Comparison of prices 2008

Petrol, diesel and illuminating paraffin (IP)

	Petrol				Diesel (sulphur)		Illuminating paraffin	
	Leaded replacement petrol		Unleaded		0.05% sulphur			
2008 (RSA c/litre)	Inland 93	Coast 95	Inland 95	Inland 93	Reef	Coast	Coast	Reef
JAN	733.00	723.0	747.0	733.0	725.3	711.5	554.2	578.1
FEB	750.00	740.0	764.0	750.0	732.3	718.5	556.2	580.2
MAR	811.00	801.00	825.00	811.00	810.30	796.50	632.20	656.10
APR	878.00	867.0	891.00	878.00	938.30	924.50	750.20	774.10
MAY	933.00	922.00	946.00	933.00	1,009.30	995.50	805.70	829.60
JUN	983.00	972.00	996.00	983.00	1,080.30	1066.50	876.70	900.60
JULY	1,050.00	1,040.00	1,070.00	1,050.00	1,143.70	1129.50	925.70	949.60

Source: <http://www.dme.gov.za/>

8. TELECOMMUNICATIONS RATES

South Africa has one fixed-line telephone network, controlled by the state-owned monopoly Telkom, but a second network operator has been licensed started operations mid 2008. The tables hereunder provides the latest call charges by Telkom.

Telkom Call Rate Charges

A1.6.1 Automatic calls	Minimum charge Rand (Excl VAT)	Minimum charge Rand (Incl VAT)	Rand Per second (Excl VAT)	Rand Per second (Incl VAT)	Minimum charge Rand (Excl VAT)	Minimum charge Rand (Incl VAT)	Rand Per second (Excl VAT)	Rand Per second (Incl VAT)
	Standard Time: Monday to Friday 07:00 to 19:00				Callmore time: Monday to Friday 19:00 to 07:00 and Friday 19:00 to Monday 07:00			
	Conventional calls (the minimum charge will not apply to on-net dial-up internet calls to ISP's)							
Local (0-50km)	0.521	0.594	0.00556	0.00634	0.521	0.594	0.00249	0.00284
Long distance (>50km)	0.570	0.650	0.00950	0.01083	0.570	0.650	0.00475	0.00542

International Tariffs for direct-dial calls (Tariffs are applicable from 1 August 2007)

Country Codes	Country of Destination	Price per second R/c (Incl VAT)		Price per minute R/c (Incl VAT)	
		Peak Time	Global Off-peak	Peak Time	Global Off-peak
244	Angola	0.03333	0.03333	2.00	2.00
244	Angola - Mobile	0.04440	0.04440	2.66	2.66
54	Argentina	0.05550	0.05550	3.33	3.33
54	Argentina - Mobile	0.07030	0.07030	4.22	4.22
61	Australia	0.02334	0.01916	1.40	1.15
61	Australia - Mobile	0.04333	0.04000	2.60	2.40
43	Austria	0.02996	0.02646	1.80	1.59
43	Austria - Mobile	0.04902	0.04533	2.94	2.72
973	Bahrain	0.10460	0.09280	6.28	5.57
973	Bahrain - Mobile	0.09286	0.08454	5.57	5.07
32	Belgium	0.01583	0.01417	0.95	0.85
32	Belgium - Mobile	0.04625	0.04625	2.77	2.77
55	Brazil	0.02334	0.01916	1.40	1.15
55	Brazil - Mobile	0.04754	0.04218	2.85	2.53
1	Canada	0.02334	0.01916	1.40	1.15
56	Chile	0.05809	0.05273	3.49	3.16
56	Chile - Mobile	0.09286	0.08454	5.57	5.07
86	China	0.05809	0.05273	3.49	3.16
86	China - Mobile	0.05994	0.05587	3.60	3.35
45	Denmark	0.01583	0.01417	0.95	0.85
45	Denmark - Mobile	0.05550	0.05550	3.33	3.33

Country Codes	Country of Destination	Price per second R/c (Incl VAT)		Price per minute R/c (Incl VAT)	
		Peak Time	Global Off-peak	Peak Time	Global Off-peak
20	Egypt - Mobile	0.04902	0.04533	2.94	2.72
33	France	0.02923	0.02294	1.75	1.38
33	France - Mobile	0.04625	0.04625	2.77	2.77
49	Germany	0.03700	0.03589	2.22	2.15
49	Germany - Mobile	0.04440	0.04440	2.66	2.66
233	Ghana	0.02590	0.02590	1.55	1.55
233	Ghana - Mobile	0.05550	0.05550	3.33	3.33
852	Hong Kong	0.02923	0.02294	1.75	1.38
852	Hong Kong - Mobile	0.02334	0.01916	1.40	1.15
91	India	0.03000	0.02833	1.80	1.70
91	India - Mobile	0.03333	0.03333	2.00	2.00
98	Iran	0.05809	0.05273	3.49	3.16
964	Iraq	0.04625	0.04625	2.77	2.77
964	Iraq - Mobile	0.07844	0.07049	4.71	4.23
353	Ireland	0.02996	0.02646	1.80	1.59
353	Ireland - Mobile	0.04754	0.04218	2.85	2.53
39	Italy	0.02334	0.01916	1.40	1.15
39	Italy - Mobile	0.04070	0.04070	2.44	2.44
81	Japan	0.03331	0.02775	2.00	1.66
81	Japan -Mobile	0.04902	0.04533	2.94	2.72
82	Korea (Rep of)	0.04625	0.04625	2.77	2.77
82	Korea (Rep of) - Mobile	0.03144	0.03144	1.89	1.89
965	Kuwait	0.04310	0.03793	2.59	2.28
965	Kuwait - Mobile	0.04310	0.03793	2.59	2.28

Country Codes	Country of Destination	Price per second R/c (Incl VAT)		Price per minute R/c (Incl VAT)	
		Peak Time	Global Off-peak	Peak Time	Global Off-peak
218	Libya	0.09286	0.08454	5.57	5.07
218	Libya - Mobile	0.10460	0.09280	6.28	5.57
258	Mozambique	0.02334	0.01916	1.40	1.15
258	Mozambique - Mobile	0.05166	0.05166	3.10	3.10
31	Netherlands	0.01583	0.01417	0.95	0.85
31	Netherlands - Mobile	0.03834	0.03834	2.30	2.30
234	Nigeria	0.03333	0.03000	2.00	1.80
234	Nigeria - Mobile	0.05333	0.05166	3.20	3.10
968	Oman	0.05809	0.05273	3.49	3.16
351	Portugal	0.02590	0.02590	1.55	1.55
351	Portugal - Mobile	0.04440	0.04256	2.66	2.55
7	Russian Federation	0.02590	0.02590	1.55	1.55
7	Russian Federation - Mobile	0.02590	0.02590	1.55	1.55
966	Saudi Arabia	0.05550	0.05550	3.33	3.33
966	Saudi Arabia - Mobile	0.06475	0.06475	3.89	3.89
65	Singapore	0.02923	0.02294	1.75	1.38
65	Singapore - Mobile	0.04070	0.03331	2.44	2.00
34	Spain	0.02590	0.02590	1.55	1.55
34	Spain - Mobile	0.04256	0.03885	2.55	2.33
46	Sweden	0.02923	0.02294	1.75	1.38
46	Sweden - Mobile	0.04310	0.03793	2.59	2.28
41	Switzerland	0.01583	0.01417	0.95	0.85
41	Switzerland - Mobile	0.04754	0.04218	2.85	2.53
886	Taiwan, China	0.03144	0.03144	1.89	1.89

Country Codes	Country of Destination	Price per second R/c (Incl VAT)		Price per minute R/c (Incl VAT)	
		Peak Time	Global Off-peak	Peak Time	Global Off-peak
886	Taiwan, China - Mobile	0.04070	0.03331	2.44	2.00
66	Thailand	0.04070	0.03331	2.44	2.00
66	Thailand - Mobile	0.04310	0.03793	2.59	2.28
216	Tunisia	0.07844	0.07049	4.71	4.23
216	Tunisia - Mobile	0.09286	0.08454	5.57	5.07
971	United Arab Emirates	0.05166	0.05166	3.10	3.10
971	United Arab Emirates - Mobile	0.05550	0.05550	3.33	3.33
44	United Kingdom	0.01583	0.01417	0.95	0.85
44	United Kingdom - Mobile	0.03333	0.03333	2.00	2.00
1	United States	0.01583	0.01417	0.95	0.85
84	Vietnam	0.10460	0.09280	6.28	5.57
84	Vietnam - Mobile	0.12302	0.11433	7.38	6.86
260	Zambia	0.02334	0.01916	1.40	1.15
260	Zambia - Mobile	0.04310	0.03793	2.59	2.28
263	Zimbabwe	0.02334	0.01916	1.40	1.15
263	Zimbabwe - Mobile	0.03700	0.02959	2.22	1.78

Telkom Internet Charges

Note: Other private internet providers exist which provide wireless internet services.

Item A1.4.7 A	ADSL (Asymmetric Digital Subscriber Line) Connectivity	Installation		Monthly Rental	
		Excl VAT	Incl VAT	Excl VAT	Incl VAT
a	Fast DSL	429.82	490.00	133.33	152.00
	(i) Fast DSL Bundle	429.82	490.00	133.33	152.00
	(ii) Reserved	-	-	-	-
b	Faster DSL	429.82	490.00	285.96	326.00
	(i) Faster DSL Bundle	429.82	490.00	285.96	326.00
c	Reserved	-	-	-	-
d	Reserved	-	-	-	-
e	DSL Up to 192 (no longer provided)	429.82	490.00	133.33	152.00
	(i) DSL Up to 192 Bundle(no longer provided)	429.82	490.00	133.33	152.00
	(ii) Reserved	-	-	-	-
f	Fastest DSL	429.82	490.00	362.28	413.00
	(i) Fastest DSL Bundle	429.82	490.00	362.28	413.00
	(ii) Reserved	-	-	-	-
	(iii) Self - Install (All Speeds)	241.49	275.30		

Item A1.4.7 B	ADSL (Asymmetric Digital Subscriber Line) - modems	Purchase Price	
		Excl VAT	Incl VAT
a	Telkom WiFi modem	700.88	799.00
b	Wireless card	262.28	299.

For further information and services see: www.telkom.co.za/common/pricelist/index.html

9. CELLULAR COMMUNICATIONS

The introduction of cellphone telephony in the mid 90's revolutionised telecommunications and South Africa has one of the highest cellphone take-up rates in the world. There are three networks MTN, Vodacom, and cell C, with the first two operation networks, and competing for licenses across the African continent and beyond. The following are cell phone charges by the various cell phone companies operating in South Africa.

MTN Rates – Pro Call 220

Package Cost		
Monthly Subscription Fee	R 389.00	
Includes per month	220 AnyTime Minutes	
Call Rates	Peak	Off-Peak
MTN to MTN	R 1.65	R 0.90
MTN to Telkom	R 1.65	R 0.95
MTN to Other	R 2.35	R 1.15

Calls charged for the first minute and thereafter in 30 second increments.

3G-Video Call Rates	Peak	Off-Peak
MTN to MTN	R 2.00	R 2.00
MTN to Vodacom	R 2.00	R 2.00

Calls charged for the first minute and thereafter in 30 second increments.

Messaging Rates	Peak	Off-Peak
Local SMS	R 0.75	R 0.75
International SMS	zR 1.60	R 1.60

All prices include VAT.

Source: <http://www.mtn.co.za/>



Vodacom Business Call Package Information

Domestic Calls	Business Call	Frequent Calls
Vodacom to Vodacom (Peak)	R 1.76	R 1.52
Vodacom to MTN / Cell C (Peak)	R 2.30	R 1.75
Vodacom to Vodacom / Telkom (Off-Peak)	R 0.95	R 0.99
Vodacom to Telkom (Peak)	R 1.76	R 1.52
Vodacom to MTN / Cell C (Off-Peak)	R 1.15	R 1.20
General Service calls (Peak)	R 1.76	R 1.52
General Service calls (Off-Peak)	R 0.95	R 0.99
Value-Added Services (Peak)	R 1.88	R 2.30
Value-Added Services (Off-Peak)	R 0.98	R 1.09
	R 1.49	R 1.49
International Calls (Per minute)		
Peak	R 1.76 + Telkom Peak	R 2.10 + Telkom Peak
Off-Peak	R 0.95 + Telkom Off-Peak	R 0.99 + Telkom Off-Peak

PACKAGE INFORMATION



Connection and Monthly Info			
Applicable times for Bundled Talktime	Vodacom-Vodacom / Telkom Anytime	N/A	N/A
Bundled Talktime minute / seconds	500 minutes/30 000 sec	N/A	N/A
Connection Fee (Once-off)	97.00	97.00	97.00
Monthly Airtime Value	X	X	X
Monthly Charge / Subscription	730.00	185.00	185.00
Data			
Included Data	X	X	X
Mailbox Size	X	X	X
Out of Bundle charge	X	X	X
Domestic Calls			
General Service calls (Off-Peak)	0.90	0.95	0.99
General Service calls (Peak)	1.20	1.76	1.90
<u>Happy Hours 5pm to 8pm</u>	1.43	1.49	1.49
Value-Added Services (Off-Peak)	0.93	0.98	1.09
Value-Added Services (Peak)	1.86	1.88	2.30

PACKAGE INFORMATION



Vodacom to MTN / Cell C (Off-Peak)	1.25	1.15	1.20
Vodacom to MTN / Cell C (Peak)	2.35	2.30	2.60
Vodacom to Telkom (Peak)	1.15	1.76	1.90
Vodacom to Vodacom (Peak)	1.43	1.76	1.90
Vodacom to Vodacom / Telkom (Off-Peak)	0.84	0.95	0.99
International Calls (Per minute)			
Off-Peak	0.93 + Telkom Off-Peak	0.95 + Telkom Off-Peak	0.99 + Telkom Off-Peak
Peak	1.72 + Telkom Peak	1.76 + Telkom Peak	2.10 + Telkom Peak
Prepaid Call costs	X	X	X
Top Up Call costs	X	X	X
SMS & MMS			
Free monthly SMSs	X	X	X
International SMS (Vodacom African Networks)*	1.00	1.00	1.00
International SMS (Vodacom African Networks)**	X	X	X
MMS (All day)	0.80 per 300KB	0.80 per 300KB	0.80 per 300KB
SMS (Off-Peak: per message)	0.35	0.35	0.35

SMS (Peak: per message)	0.80	0.80	0.80
SMS Premium rated Tariff Bands (Bearer & content charged per message)	R0.90 - R50.00	R0.90 - R50.00	R0.90 - R50.00
SMS sent to International Number (Per message)	1.74	1.74	1.74
Video Calls			
Video Call Vodacom to MTN (Off-Peak)	2.35	2.30	2.60
Video Call Vodacom to MTN (Peak)	2.35	2.30	2.60
Video Call Vodacom to Vodacom (Off-Peak)	0.84	0.95	0.99
Video Call Vodacom to Vodacom (Peak)	1.43	1.76	1.90
Voicemail			
Domestic Fax Printing (Per minute)	1.06	1.06	1.25
Voicemail Retrieval (121)	FREE	FREE	FREE
Voicemail deposit from another 082 cellphone using 082 131 plus the last 7 digits of cell number (Per minute)	0.89	1.00	1.06
Voicemail forwarding and distribution from your voicemail box (Per message)	0.88	0.88	0.88
Voicemail forwarding and distribution from your voicemailbox (Per message)	X	X	X

For more information go to: <http://www.vodacom.co.za/>

Cell C Business Chat Packages

Business Chat Standard		Businesschat 400	
Monthly Fee	R185.00	Monthly Fee	R650.00
peak call p/m		peak call p/m	
Cell C to Cell C	R 1.65	Cell C to Cell C	R 1.43
Cell C to other mobile	R 2.00	Cell C to other mobile	R 1.79
Cell C to telkom	R 1.15	Cell C to telkom	R 1.15
International calls	R 1.15 + Telkom peak - 20%	International calls	R 1.75 + Telkom peak - 20%
SMS per message	R 0.80	SMS per message	R 0.80
off peak call p/m		off peak call p/m	
Cell C to Cell C	R 0.95	Cell C to Cell C	R 0.90
Cell C to other mobile	R 1.10	Cell C to other mobile	R 1.10
Cell C to telkom	R 0.95	Cell C to telkom	R 0.90
International calls	R 0.95 + Telkom off-peak - 20%	International calls	R 0.95 + Telkom off-peak - 20%
SMS per message	R 0.36	SMS per message	R 0.36

For more information go to: <http://www.cellc.co.za/>

10. TRANSPORTATION COST

As the holding company behind some of South Africa's largest national transport businesses, Transnet is responsible for making sure that the country's transport industries operate to world-class standards and they also form an integral part of the overall economy. Transnet is not only a key to South Africa's development, but it also combines forces with other businesses to expand transport operations across Africa and into the rest of the world. In this way, Transnet helps to create valuable business opportunities that extend beyond the country's shorelines and borders.

The group is recognized today as the dominant player in the Southern African transport and logistics arena, operating and controlling, as it does, South Africa's major transport infrastructure. Transnet comprises nine divisions - Spoornet, the National Ports Authority (NPA), South African Port Operations (Sapo), Petronet, Freightdynamics, Propnet, Metrorail, Transtel and Transwerk - as well as a number of subsidiaries, most notably South African Airways (SAA), and support businesses. Below are indicative prices for transportation from different service providers.

By Rail

FWD LOCATION	DEST LOCATION	WEIGHBRIDGE PER CONTAINER	3 METER 9TON			6 M LIGHT UP TO 13TON			6 M HEAVY 13.001 TO 20TON		
			FWD DEL	RIALAGE	DEST DEL	FWD DEL	RAILAGE	DEST DEL	FWD DEL	RAILAGE	DEST DEL
CAPE TOWN	JOHANNESBURG	75.00	1 548.00	2 937.00	1 548.00	1 548.00	3 916.00	1 548.00	1 548.00	6 070.00	1 548.00
CAPE TOWN	PORT ELIZABETH	75.00	1 548.00	4 625.00	1 548.00	1 548.00	6 167.00	1 548.00	1 548.00	7 792.00	1 548.00
CAPE TOWN	DURBAN	75.00	1 548.00	8 525.00	1 548.00	1 548.00	11 367.00	1 548.00	1 548.00	14 263.00	1 548.00
CAPE TOWN	EAST LONDON	75.00	1 548.00	6 004.00	1 548.00	1 548.00	8 005.00	1 548.00	1 548.00	10 084.00	1 548.00
CAPE TOWN	BLOEMFONTEIN	75.00	1 548.00	3 992.00	1 132.00	1 548.00	5 323.00	1 132.00	1 548.00	6 742.00	1 132.00

THE RAIL PRICE QUOTED IS SUBJECT TO A DIESEL FUEL LEVY WHICH IS CURRENTLY 0.605% UNTILL 10 JUNE 2008 (STILL TO BE ADDED)
ALL PRICES ARE EXCLUDING VAT AND SUBJECT TO CHANGE WITHOUT PRIOR NOTICE.

Source: Spoornet

By Sea

Commercial ports play a crucial role in South Africa's transport, logistics and socio-economic development. Approximately 98% of South Africa's exports are conveyed by sea. Transnet National Ports Authority (NPA) is the custodian of the country's primary trading hubs, managing the most vital conduits of the country's imports and exports. Eight of the country's major seaports are controlled and managed by the NPA namely; Richards Bay, Durban, Saldanha, Cape Town, Port Elizabeth, East London, Mossel Bay and Ngqura (Coega) in the Eastern Cape. The Transnet Port Tariffs for the numerous services provided can be found on the following website: <http://www.transnetnationalportsauthority.net/documents/pdf/PortTariffs/Tariff%20Booklet%202008-09.pdf>

The cost of exporting and importing goods is dependent on the nature of the goods, freight forwarder, the shipping line etc. For illustrative purposes a twenty foot (20') container and a forty foot (40') of general goods is presented here. Based on containers loaded at Johannesburg City Limits. The export rates include all South African Landside export charges (FOB's) such as local transport, rail to Durban Harbour, Port Fees etc as well as all the seafreight costs. These also exclude mark-ups by the freighter. The reverse applies on the imports.

EXPORTS – from City Deep Terminal, Johannesburg to arrival Destination Port (CFR)

Destination

Type of container

20' GP

40' GP

Tilbury (UK Port)

US\$ 2,563.00

US\$ 4,612.00

Le Harve (French Port)

US\$ 2,563.00

US\$ 4,612.00

Bremenhaven (German Port)

US\$ 2,563.00

US\$ 4,612.00

Singapore (Singapore Port)

US\$ 1,743.00

US\$ 2,822.00

Long Beach (USA West Coast Port)

US\$ 8,600.00

US\$ 12,519.00

Newark (USA, New York East Coast Port) US\$ 5,293.00

US\$ 8,632.00

IMPORTS – From Port of Origin to delivered City Deep Terminal, Johannesburg (CFR)

Origin

Type of container

	20' GP	40' GP
Tilbury (UK Port)	US\$ 3,188.00	US\$ 6,362.00
Le Harve (French Port)	US\$ 3,138.00	US\$ 6,262.00
Bremenhaven (German Port)	US\$ 3,138.00	US\$ 6,262.00
Singapore (Singapore Port)	US\$ 3,443.00	US\$ 6,872.00
Long Beach (USA West Coast Port)	US\$ 6,468.00	US\$ 10,207.00
Newark (USA, New York East Coast Port)	US\$ 5,763.00	US\$ 8,657.00

Shipping Terminology (Incoterms)

CFR – Cost and Freight (named Port of Destination)

Above rates exclude:

- a. Marine Insurance
- b. SA Vat on South African Land Side charges (FOB's)

Source: Sebenza Forwarding & Shipping (Pty) Ltd, Tel: +27 12 665 1141, Fax: +27 12 665 1241



Road Toll Tariffs as from 1 March 2008

PLAZA TOLL TARIFFS FOR ALL TOLL ROADS (as from 1 March 2008)		1-2 AXES VEHICLES	3 AXES VEHICLES	3-4 AXES HEAVY VEHICLES	5 AXES HEAVY VEHICLES
R44		CLASS 1	CLASS 2	CLASS 3	CLASS 4
Pelindaba		3.00	6.00	8.00	11.00
Quagga		2.50	4.50	6.00	8.00
Swartruggens		55.00	137.00	166.00	195.00
Kroondal	Ramp	7.80	19.00	21.00	25.00
Marikana		11.50	28.00	32.00	38.00
Buffelspoort	Ramp	7.80	19.00	21.00	25.00
Brits		7.80	27.00	30.00	35.00
K99	Ramp	7.80	19.50	22.50	27.00
Doornpoort		7.80	19.50	22.50	27.00
Donkerhoek	Ramp	6.50	9.50	14.00	26.00
Cullinan	Ramp	8.50	14.00	20.00	34.00
Diamond Hill		20.00	28.00	52.00	86.00
Valkari	Ramp	16.00	22.00	32.00	71.00
Ekandustria	Ramp	12.00	18.00	25.00	49.00
Middelburg		33.00	71.00	108.00	142.00
Machado		49.00	136.00	198.00	283.00
Nkomazi		37.00	75.00	109.00	157.00
N17		CLASS 1	CLASS 2	CLASS 3	CLASS 4
Gosforth	Mainline	6.50	17.00	19.00	26.00
	Ramp (W)	3.50	7.00	9.50	13.00
	Ramp (E)	3.00	11.00	12.00	16.00
Dalpark		6.00	12.00	16.00	22.00
Brakpan	Ramp	5.00	10.00	13.00	18.00

PLAZA TOLL TARIFFS FOR ALL TOLL ROADS (as from 1 March 2008)		1-2 AXES VEHICLES	3 AXES VEHICLES	3-4 AXES HEAVY VEHICLES	5 AXES HEAVY VEHICLES
N2		CLASS 1	CLASS 2	CLASS 3	CLASS 4
Tsitsikamma	Mainline	11.50	29.00	70.00	97.00
	Ramp	11.50	29.00	70.00	97.00
Izotsha (R61)	Ramp	5.00	8.50	12.00	21.00
Oribi	Mainline	15.00	27.00	38.00	60.00
	Ramp (S)	7.00	13.00	18.00	28.00
	Ramp (N)	8.50	14.00	21.00	34.00
Umtentweni	Ramp	6.50	12.00	16.00	26.00
Tongaat	Mainline	6.00	12.00	16.00	24.00
	Ramp (S)	3.00	6.50	8.00	12.00
	Ramp (N)	3.00	6.50	8.00	12.00
Mvoti		7.00	17.00	24.00	35.00
Mandini	Ramp	4.00	7.00	9.00	12.00
Dokodweni	Ramp	10.00	20.00	24.00	32.00
Mtunzini	Mainline	24.00	46.00	55.00	73.00
	Ramp (S)	20.00	37.00	45.00	61.00
	Ramp (N)	4.50	9.00	11.00	16.00
N3		CLASS 1	CLASS 2	CLASS 3	CLASS 4
Mariannhill		6.50	11.00	14.00	22.00
Mooi	Mainline	27.00	66.00	92.00	125.00
	Ramp (S)	19.00	46.00	65.00	88.00
	Ramp (N)	8.00	20.00	28.00	38.00
Treverton	Ramp	8.00	20.00	28.00	38.00
Bergville	Ramp	12.00	13.00	25.00	38.00
Tugela		38.00	64.00	100.00	139.00
Tugela East		24.00	39.00	59.00	81.00
Wilge		36.00	62.00	83.00	117.00
De Hoek		26.00	40.00	62.00	88.00

Source: www.nra.co.za



11. LIVING IN SOUTH AFRICA

The South African residential market, with a capital growth measured up to 32%, was the world's best performer in 2004. In addition to low interest rates and growing incomes, the buying power of the expanding black middle class has sustained the corresponding price increases. (Source: SA Business Guidebook 2005/6). The following tables provide an indication of the prices for rented accommodation, cost of hotels and medical care.

Rented Accommodation per month

Flat rentals: standard units Average rands per month as at quarter 2007:4								
Region	Bachelor		1-Bedroom		2-Bedroom		3-Bedroom	
	Mean	SD	Mean	SD	Mean	SD	Mean	SD
Johannesburg	R 1 861	N/A	R 2 761	N/A	R 3 489	N/A	R 4 135	N/A
Germiston	R 1 232	N/A	R 1 714	N/A	R 2 086	N/A	R 2 656	N/A
Pretoria	R 1 726	N/A	R 2 046	N/A	R 2 540	N/A	R 3 226	N/A
Bloemfontein	R 779	N/A	R 1 491	N/A	R 1 980	N/A	R 2 692	N/A
Durban	R 1 807	N/A	R 2 597	N/A	R 3 104	N/A	R 3 884	N/A
Cape Town	R 1 968	N/A	R 2 431	N/A	R 3 049	N/A	R 3 970	N/A
Port Elizabeth	R 1 348	N/A	R 1 743	N/A	R 2 183	N/A	R 2 917	N/A
East London	R 1 581	N/A	R 2 039	N/A	R 2 645	N/A	R 3 022	N/A

* SD = Standard deviation

Source: Rode & Associates Property Economists, Consultants and Valuers.

Tel. no: +27 21 946 2480, Fax No: +27 21 946 1238, www.rode.co.za

Hotel Rates.

These vary considerably from city to city and also on the time of the year. Below are some indicative rates.

Hotel Rates per day/person

Five star	R 3 000 – R 5 000
Four star	R 1 500 - R 2 300
Three star	R 800 - R 1 200

Source: www.accomline.com/

Health Care

About seven million South African are members or beneficiaries of medical aid scheme. Tariffs for admission to private and provincial hospitals differ. Cost differences also exist between various provincial hospitals, depending on the facilities offered (Source: SA Yearbook 2005/6) The following are indicative prices of service providers in the health industry.

Private Doctors

R100 – R250 per visit

Dentists

R300 – R400 Per visit including consultation fee

NB: depending on the condition of patient's teeth

Private Hospitals

In the private sector, medical specialists are not employed by the hospital. When a patient enquires about treatment costs, the answer given by the doctor may only be a reference to the fee, which that doctor will charge. It may exclude hospital costs. Medical specialists do not often see their patients' hospital bills. They may not always know what the hospital charges for a particular procedure. In view of this it is advisable that a patient who knows that he or she has to go into hospital, contacts the particular hospital in question to obtain an indication of what the bill might be. Even then, this figure can only be used as a guide.

Every patient is different. There could be unforeseen complications in the course of treatment, which might result in costs being higher than normal. The services of private hospitals in South Africa are recognised even internationally, as being of a high standard. It is worth ensuring that the necessary financial arrangements are in place to be able, if the need arises, to take advantage of the quality services they offer.

Source: www.hasa.co.za



Hereunder are the fees of a private hospital.

Ward fees

Source: www.mediclinic.co.za/

- 001 Surgical cases: per day.
002 Thoracic and neurosurgical cases (including laminectomies and spinal fusion): per day.
003 Psychiatric general ward fee: per day.
004 Medical and neurological cases: per day.
005 Paediatric cases (under 14 years of age)
006 Sub Acute Facility
007 Day admission (which includes all patients discharged by 23h00 on date of admission)
019 Outpatients' facility fee for ambulatory admission - chargeable for patients admitted for local anaesthetic procedures - No ward fees applicable.
008 Rehab fee
951 Haematology ward fee
Definition: Item 019 may only be used in conjunction with item 071 for pre-booked patients and may not be used in conjunction with items 301, 302, 061 and 335.
Note: Each account should be accompanied by a report from the practitioner indicating the nature of the complication.
014 Overnight fee

R	1,713.90	
R	1,853.10	
R	1,544.80	
R	1,713.90	
R	2,055.30	
R	1,210.00	
R	1,095.10	R 779.00
R	551.40	R 372.40

R	806.70	
R	1,889.60	

	R	480.70
--	---	--------

Public Hospitals

Tariffs for admission to private and provincial hospitals differ. Cost differences also exist between various provincial hospitals, depending on the facilities offered. Provincial-hospital patients pay for examinations and treatment on a sliding scale in accordance with their income and number of dependants. If families are unable to bear the cost in terms of the standard means test, patients are classified as hospital patients. Their treatment is then partly or entirely financed by the particular provincial government or the health authorities of the administration concerned. Provincial hospitals offer treatment to patients with medical-aid cover, charging a tariff designed to recover the full cost of treatment. This private rate is generally lower than the rate charged by private hospitals.

Source: <http://www.qcis.gov.za/docs/publications/yearbook/2008>



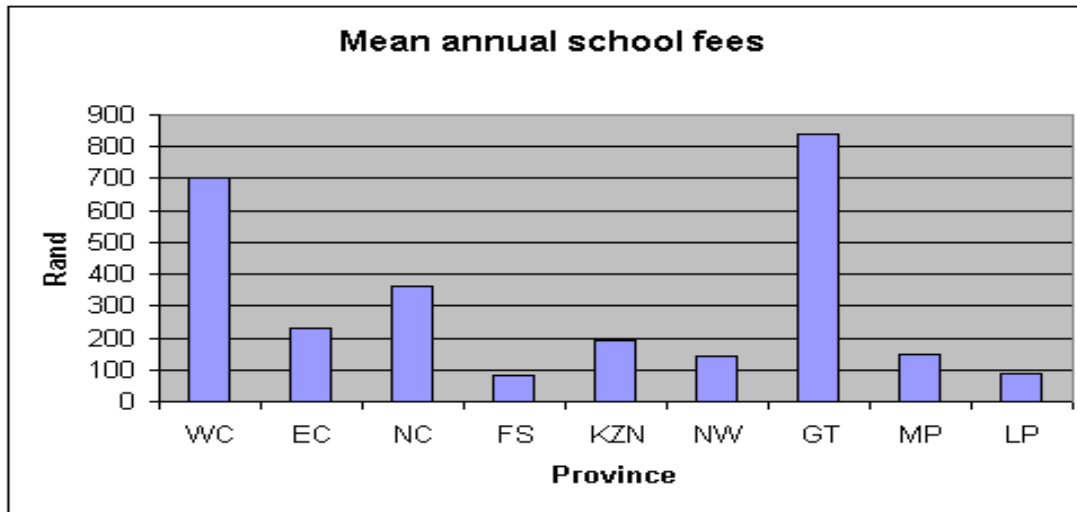
Hereunder are the out patients costs at the Pretoria Academic Hospital.

Category	Attending Professional	Annual Income	Primary Health Care Clinics	District Hospital i.e. Tshwane District Hospital (Old PAH)	Regional Hospital	Central Hospital i.e. Pretoria Academic Hospital
H1	General medical practitioner	R36,000	FREE	R20.00	R20.00	R20.00
H1	Specialist medical practitioner	R36,000	FREE	R35.00	R35.00	R40.00
H1	Nursing practitioner	R36,000	FREE	R15.00	R15.00	R20.00
H1	Allied health practitioner	R36,000	FREE	R15.00	R15.00	R20.00
H2	General medical practitioner	R72,000	FREE	R65.00	R65.00	R75.00
H2	Specialist medical practitioner	R72,000	FREE	R110.00	R110.00	R120.00
H2	Nursing practitioner	R72,000	FREE	R50.00	R50.00	R60.00
H2	Allied health practitioner	R72,000	FREE	R50.00	R50.00	R60.00
Private	General medical practitioner	Above R72,000	FREE	R97.00	R97.00	R106.00
Private	Specialist medical practitioner	Above R72,000	FREE	R163.00	R163.00	R172.00
Private	Nursing practitioner	Above R72,000	FREE	R76.00	R76.00	R85.00
Private	Allied health practitioner	Above R72,000	FREE	R77.00	R77.00	R86.00

Source: <http://www.pah.org.za/consultationFees.html>

12. COST OF EDUCATION


South Africa has a single national education system, which is organized and managed by the national Department of Education and the nine provincial departments. The graph below gives an indication of provinces with average annual school fees for 2005/6. No later studies were done but one could escalate these costs by approximately 10% p.a. Gauteng, Western Cape and Northern Cape have higher average annual school fees compared with Eastern Cape, KwaZulu-Natal and Mpumalanga. South Africa has numerous private schools. The tables hereunder of two private schools indicate the cost of their respective schooling fees.



Source <http://www.hsrc.ac.za/media/2005/3/20050331FactSheet3.html>

Deutsche Internationale Schule – Johannesburg

The DSK has a proud history spanning 120 years and, while retaining its roots in tradition, it is future-orientated and offers all children and young people from South Africa, as well as from the German-speaking areas of Europe, quality education of a high standard. Below is an indication their fee structure.

DEUTSCHE INTERNATIONALE SCHULE JOHANNESBURG School Fees Tariff School fees are payable <u>in advance</u> .				
SCHOOL FEES		Per Annum	Quarterly (3 months)	Monthly
KINDERGARTEN + Working material		R 19,668.00 R 624.00	R 4,917.00 R 156.00	R 1,639.00 R 52.00
PRE-PRIMARY + Working folder		R 20,496.00 R 624.00	R 5,124.00 R 156.00	R 1,708.00 R 52.00
PRIMARY SCHOOL + School Book Levy	(CL. 1 - 4)	R 23,232.00 R 624.00	R 5,808.00 R 156.00	R 1,936.00 R 52.00
JUN. + SEN. SEC. SCHOOL + School Book Levy	(CL. 5 – 13)	R 25,668.00 R 624.00	R 6,417.00 R 156.00	R 2,139.00 R 52.00

AFTER CARE (incl. homework supervision)	R 5,988.00	R 1,497.00	R 499.00
HOLIDAY CARE (incl. lunch)	<u>per day</u> R 90.00	<u>half day</u> R 68.00	
REBATE	2 nd child	5%	
	3 rd child	15%	
	4 th child plus	25%	
Discount			
for entire calendar year (payable by 29 February 2008)		5.0%	
Debit order facilities (payable over 10 month or quarterly) per annum		R 165.00	
<i>No rebate on School Book Levy / Working folder</i>			
Admission and Re-Admission Fee per child		R 165.00	
Reminder Fee		R 170.00	
Deposit on Enrolment (per family and non-interest bearing). Only 50 % of the deposit will be returned should the pupil fail to appear to take up enrolment. The full deposit will only be refunded when the last child leaves the school and all Outstanding amounts due to the DSJ have been settled.		R 2,000.00	
These regulations apply to: Kindergarten, Pre-Primary, Primary, Secondary School and Abitur.			

Source: http://en.dsj.co.za/site/school_info/fees.html

The American International School of Cape Town

The American International School of Cape Town offers a superior academic venue for expatriate families resident in Cape Town, South Africa, as well as nationals who see the benefits of an outstanding international program and culture.

Tuition and Fees 2008 - 2009 All fees are payable in South African Rands (R).			
APPLICATION FEE (non refundable):	750		
ANNUAL CAPITAL CHARGE:	R21 000		
TUITION FEES	<u>Early Payment</u>	<u>Annual Tuition Fees</u>	<u>Semester Tuition Fees</u>
	(5% Discount)	(Annual Rate)	(½ Annual Rate + 5%)
PRE-K (Half Day)	24500	25800	13500
KINDERGARTEN (Full Day)	32500	34300	18000
GRADES 1-5	44800	47200	24700
GRADES 6-8	52900	55700	29200
GRADES 9-11	61000	64300	33700
GRADE 12	64900	68500	35900

Source: <http://www.aisct.org.za/index.html>

Tertiary Education

Higher education institutions are autonomous, the government subsidises institutional funding on the basis of research output and student population. The department of Education provides a national framework for the implementation of the governments educational policies. Four South African Universities, Cape Town, Witwatersrand, KwaZulu Natal, and Tshwane rank among the top 500 in the world, with the University of Cape Town judged the best of the four. South Africa. The University of South Africa is one of the universities, which offers distance learning. Their fees are depicted in the table below:

Description	Semester	Total	Minimum amount payable on registration	Due by 15 March 2008	Due by 15 May 2008	Due by 15 August 2008	Due by 15 Nov 2008	Due by 15 March 2009
Subjects in: Education, Law, Libraries and Museums, Psychology, and Public Administration and Social Services								
Undergraduate level								
Half Module	S1	R400,00	R160,00	R240,00				
	S2	R400,00	R160,00			R240,00		
	YEAR	R400,00	R160,00			R240,00		
Module/Paper	S1	R800,00	R320,00	R480,00				
	S2	R800,00	R320,00			R480,00		
	YEAR	R800,00	R320,00			R480,00		
	YEAR-Cycle2	R800,00	R320,00					R480,00

Description	Semester	Total	Minimum amount payable on registration	Due by 15 March 2008	Due by 15 May 2008	Due by 15 August 2008	Due by 15 Nov 2008	Due by 15 March 2009
Full Year Course	YEAR	R1600,00	R640,00		R480,00	R480,00		
	YEAR-Cycle2	R1600,00	R640,00				R480,00	R480,00
Subjects in: Business, Commerce and Management Sciences, Communication, Computer Science and Data Processing, Languages, Linguistics and Literature, Philosophy, Religion and Theology, and Social Sciences Studies								
Undergraduate level								
Half Module	S1	R390,00	R160,00	R230,00				
	S2	R390,00	R160,00			R230,00		
	YEAR	R390,00	R160,00			R230,00		
Module/Paper	S1	R780,00	R320,00	R460,00				
	S2	R780,00	R320,00			R460,00		
	YEAR	R780,00	R320,00			R460,00		
	YEAR-Cycle2	R780,00	R320,00					R460,00
Full Year Course	YEAR	R1560,00	R640,00		R460,00	R460,00		
	YEAR-Cycle2	R1560,00	R640,00				R460,00	R460,00

For more information <http://www.unisa.ac.za>



13. PUBLIC HOLIDAYS 2008

New Years Day	January 01
Human Rights Day	March 21
Family Day	March 24
Freedom Day	April 27
Public Holiday	April 28
Workers' Day	May 01
Youth Day	June 16
National Women's Day	August 09
Heritage Day	September 24
Day of Reconciliation	December 16
Christmas Day	December 25
Day of Goodwill	December 26

For more information contact: The Department of Trade and Industry, Investment Promotion and Facilitation, Tel (+27) 12 394 1121 or 1339
the dti Customer Contact Centre 0861 843 384, International, +27 12 394 0000, Website, www.thedti.gov.za, E-mail, investmentsa@thedti.gov.za
Postal Address, Private Bag X84, Pretoria, 0001, South Africa