

Russian ambassador pays Coega IDZ a visit

The MEC for Economic Development, Environmental Affairs and Tourism, Hon. Sakhumzi Somyo welcomed HE Mikhail Petrakov, the Russian ambassador to the Coega IDZ - the visit served to establish a mutually beneficial business relationship between the Coega Development Corporation, Eastern Cape, and Russia. Petrakov is on a week-long visit to explore the Eastern Cape.



(Left to Right) MEC for Economic Development, Environmental Affairs and Tourism, Hon. Sakhumzi Somyo, and the Russian Ambassador, HE Mikhail Petrakov, on a milestone visit to Coega Development Corporation (CDC).

“Russia’s relations with South Africa have been in place for many years, especially at a political level, now the Russia – South Africa relationship is in the BRICS format. We would like to expand this relationship to an economical level with opportunities of unlocking critical projects that would benefit both countries,” says Petrakov, Russian Ambassador Federation to South Africa.

Bilateral trade between Russia and South Africa

The following bilateral trade between Russia and South Africa has been noted. In 2002, bilateral trade between Russia and South Africa amounted to 138.1 million US dollars, 92% more than in 2001. In 2002, Russian exports to South Africa increased by 147.5%, while South African exports to Russia, on 25,7% compared with the previous year.

In subsequent years the trade turnover between Russia and South Africa continued to grow in 2007, it amounted to 284.4 million US dollars, and in 2008 had reached 484.1 million. The import of the Russian Federation of South Africa amounted to 443.8 million (in 2007 – 270.0) and South African imports from Russia 40.3 million (vs. 14.4). Despite the crisis in 2009, bilateral trade approached \$ 500 million.

For the first time, the growth of trade occurred due to a substantial increase in Russian exports. South Africa is one of the leading Russian partners in Africa with bilateral trade amounting to almost \$1 billion in 2012. Russian exports in 2012 constituted \$278.7 million. The bulk of these exports were oil products, production of chemical industries, equipment, transport, machinery, food and agricultural products, and wood.

Russian imports in 2012 were \$685.6 million, comprised of metals, aluminium, wood, and fertilisers. Imports from South Africa consist of foods, in the form of fruits and vegetables, raw materials, metals, and alcoholic and non-alcoholic beverages, said Dr Ayanda Vilakazi, CDC's head of marketing and communications.

Nelson Mandela Bay a key pillar to facilitate growth

Petrakov also met with the NMB executive mayor, Dr Danny Jordaan. The Nelson Mandela Bay (NMB) is a key pillar to facilitating growth in the Metro and EC economy as highlighted by the Coega IDZ and Bay's potential – “there's a unique offering that the City has, that no any other city can measure up to, and that is the fact that we have two world-class ports, i.e. the Port of Port Elizabeth and Port of Ngqura. This, on its own, positions the Metro as the most unique investment destination for local and international manufacturing-orientated investors with an interest in both imports and exports.”



Discussions: NMB Executive Mayor – (left) Dr Danny Jordaan and Russian Ambassador HE Mikhail Petrakov (right) having a one on one meeting to explore relations with the Russian Embassy.

“Our focus on the Blue Economy is strengthened by the fact that we have a coastline that stretches up to 800 kilometres. This, on its own, provides us with an opportunity to interlink with countries with expertise in the Oceans Economy,” adds Dr Jordaan.

In a presentation done by Maxim Bureev, Trade Representative from the Russian Federation, he highlighted Russia's current trade relations with SA. “Russia currently exports a number of products like grain and cereal, equipment, fertilisers, chemical and aluminium products to South Africa as an example of our commitment to the developmental growth of the country.”

“Furthermore, we see opportunities where we would want to increase our trade relations with SA in a number of strategic sectors like international best practices in nuclear power technologies, armaments exports and civil aviation as an example.”

“We have a population of 143 million people which is an attractive market base for any potential investor especially on the

consumer markets.”

Somyo emphasised the provinces potential in attracting business. “Investment attraction hotspots like the Coega IDZ are some of the strategically positioned institutions that the government has purposefully set up to drive economic development in the province,” says Somyo. “We are proud of the progress that the likes of Coega have achieved over the years. We have no doubt that your interaction with Coega will bear fruits,” adds Somyo.

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