

Western Cape Trade & Investments with Bangladesh June 2023

Executive Summary

This bespoke country information sheet provides a select overview of key trade and investment related statistics for the Western Cape in relation to Bangladesh. Specifically, it shows the Western Cape's trade and investment flows including an analysis of top markets with Bangladesh, while highlighting the largest and fastest growing products and sub-sectors. The key findings and trends are outlined below:

Trade

- In 2022, the Western Cape's export receipts earned from trade with Bangladesh totalled ZAR1, 518.92, an increase of 1.86% y-o-y on the ZAR1, 491.06m earned in 2021. Associated import costs in turn increased by 23.69% y-o-y to a value of ZAR1, 074.00m in 2022, up from ZAR863.31m incurred in 2021. The province's trade balance with Bangladesh remained in surplus as a result, heralding the sixth consecutive year of trade surpluses.
- The Western Cape's leading export product to Bangladesh in 2022 was citrus fruit, which at a value of ZAR815.67m was equivalent to 52.70% of all export receipts earned with Bangladesh in 2022.
- Mens or boys' suits, ensembles, jackets, blazers, trousers were the Western Cape's leading import category from Bangladesh in 2022, which at a cost of ZAR196.39m was equivalent to 18.29% of all import costs incurred with Bangladesh in 2022.
- Bangladesh was the Western Cape's 30th largest export market in 2022, with export receipts earned from trade with Bangladesh totalling ZAR1.52bn. The country was the Western Cape's 43rd largest import source market, with import costs of ZAR1.07bn incurred in 2022.

Investment

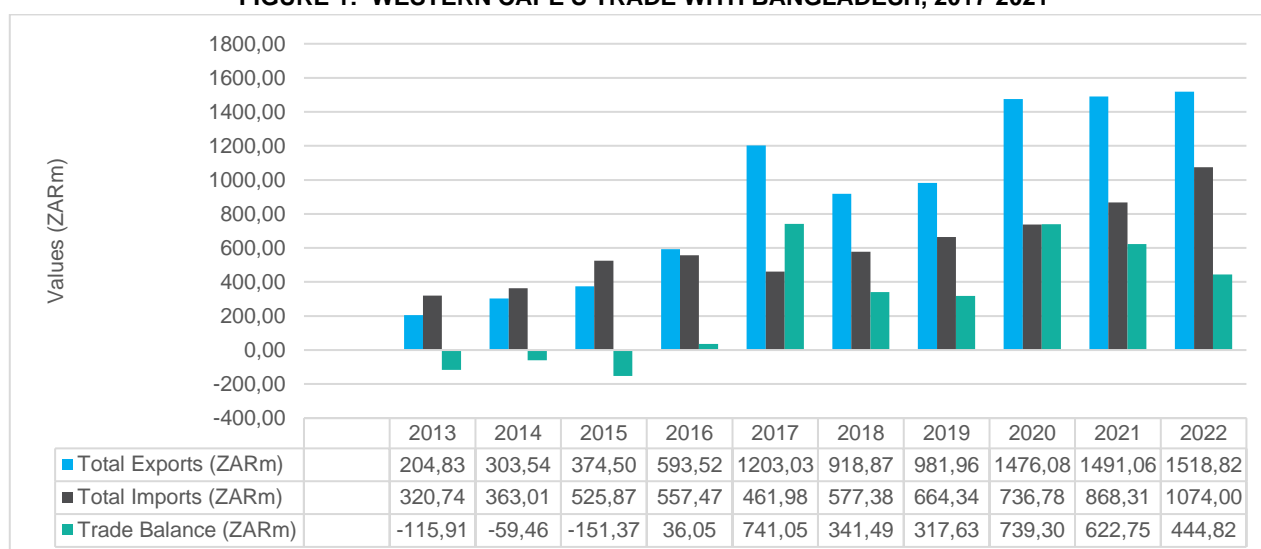
- According to FDI Market statistics, only one FDI project (with a capex value of ZAR145.73m) was recorded from Bangladesh into the Western Cape over the period January 2003 to March 2023.
- While there were no investments recorded from the Western Cape to Bangladesh over the period same period.

1. Trade

1.1 Western Cape Trade with Bangladesh

The figure below reflects the Western Cape's trade with Bangladesh for the period 2013 to 2022. The Western Cape recorded a trade surplus with Bangladesh for most of the period under review, with the exception of 2013-2016. In 2022, the Western Cape's exports to Bangladesh increased by 1.86% y-o-y to a value of ZAR1, 518.82m, up from ZAR1, 476.08m recorded in 2021. Imports in turn increased by 23.69% y-o-y to a value of ZAR1, 074.00m in 2022, up from ZAR868.31m incurred in 2021.

FIGURE 1: WESTERN CAPE'S TRADE WITH BANGLADESH, 2017-2021



Source: Quantec, 2023

Key trade markets

In terms of the Western Cape's key export markets, the Netherlands was the leading destination market for the province's exports in 2022, which at a value of ZAR16.88bn, was equivalent to 9.06% of all export receipts. The United States followed in second place, with exports reaching a total value of ZAR15.26bn (8.20%), while the United Kingdom came third, with exports to this nation reaching a total value of ZAR12.69bn (6.82%) in 2022. Bangladesh was the Western Cape's 30th largest export market in 2022, with a value of ZAR1.52bn.

China was the leading source market for the Western Cape's imports in 2022, accounting for ZAR51.95bn worth of imports. This was equivalent to 15.87% of all import costs incurred by the province in 2022. This was followed by the United Arab Emirates (UAE) with imports valued at ZAR37.28bn (11.39%), with India in third position at ZAR36.61bn (11.18%) in 2022. Bangladesh was the Western Cape's 43rd largest source market for imports in 2022, at a value of ZAR1.07bn.

TABLE 1: WESTERN CAPE TOP TRADE MARKETS, 2022

DESTINATION MARKETS				SOURCE MARKETS			
RANK	COUNTRY	VALUE 2022 (ZARbn)	% SHARE, 2022	RANK	COUNTRY	VALUE 2022 (ZARbn)	% SHARE, 2022
1	Netherlands	16.88	9.06%	1	China	51.95	15.87%
2	United States	15.26	8.20%	2	United Arab Emirates	37.28	11.39%
3	United Kingdom	12.69	6.82%	3	India	36.61	11.18%
4	Botswana	12.28	6.59%	4	Saudi Arabia	23.84	7.28%
5	Namibia	12.04	6.47%	5	Oman	20.75	6.34%
6	China	10.33	5.55%	6	Turkey	11.19	3.42%
7	Germany	5.48	2.94%	7	Italy	9.67	2.95%
8	United Arab Emirates	5.27	2.83%	8	Malaysia	8.65	2.64%

9	Mozambique	4.36	2.34%	9	Germany	8.13	2.48%
10	Lesotho	4.26	2.29%	10	United States	8.07	2.46%
30	Bangladesh	1.52	0.82%	43	Bangladesh	1.07	0.33%
TOTAL EXPORTS		186.23	100.00%	TOTAL IMPORTS		327.41	100.00%

Source: Quantec, 2023

Key trade products

The Western Cape's **dominant export category** to Bangladesh in 2022 was citrus fruit, which at a value of ZAR815.67m was equivalent to 53.70% of all export receipts earned with Bangladesh in 2022. The apples, pears and quinces category placed second at a value of ZAR474.17m (31.22%), followed by ferrous waste and scrap at ZAR210.29m (13.85%).

Of the top ten products, the Western Cape's **fastest growing export product categories** to Bangladesh over the five-year period leading up to and including 2022 were ferrous waste and scrap (93.80%), citrus fruit (23.73%), and apples, pears, and quinces (16.19%).

Men's or boys' suits, ensembles, jackets, blazers, trousers **dominated imports** from Bangladesh into the Western Cape in 2022 at a cost of ZAR196.39m. This was equivalent to 18.29% of all import costs incurred from trade with Bangladesh in 2022. Jerseys, pullovers, cardigans, waistcoats placed second at a cost of ZAR185.61m (17.28%), while the category of t-shirts, singlets and other vests came third at a value of ZAR166.27m (15.48%).

Of the top ten products, the Western Cape's **fastest growing import products categories** from Bangladesh over the five-year period leading up to and including 2022 were track suits, ski suits and swimwear (74.54%), babies' garments and clothing accessories, knitted or crocheted (42.74%), and t-shirts, singlets, and other vests (36.17%).

TABLE 2: WESTERN CAPE TOP EXPORT AND IMPORT PRODUCTS WITH BANGLADESH, 2022

WESTERN CAPE EXPORTS TO BANGLADESH, 2022				WESTERN CAPE IMPORTS FROM BANGLADESH, 2022			
RANK	PRODUCT HS4:	VALUE, 2022 (ZARm)	AVE GROWTH %, 2018-2022	RANK	PRODUCT HS4:	VALUE, 2022 (ZARm)	AVE GROWTH %, 2018-2022
1	Citrus fruit	815.67	23.73%	1	Men's or boys' suits, ensembles, jackets, blazers, trousers	196.39	18.20%
2	Apples, pears, and quinces	474.17	16.19%	2	Jerseys, pullovers, cardigans, waistcoats	185.61	30.18%
3	Ferrous waste and scrap; remelting scrap ingots of iron or steel	210.29	93.80%	3	T-shirts, singlets, and other vests	166.27	36.17%
4	Instruments and appliances used in medical, surgical, dental, or veterinary sciences	6.25	-	4	Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers	101.14	15.28%
5	Artificial filament tow	5.76	-	5	Men's or boys' shirts	97.68	12.52%
6	Wine	1.76	-	6	Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers, knitted or crocheted	46.93	26.08%
7	Knitting machines, stitch-bonding machines	1.21	-	7	Men's or boys' shirts, knitted or crocheted	43.46	35.14%
8	Fruit juices (including grape must)	0.93	-11.81%	8	Babies' garments and clothing accessories, knitted or crocheted	37.16	42.47%
9	Seeds, fruit, and spores, used for sowing	0.89	-	9	Track suits, ski suits and swimwear	28.19	74.54%
10	HSAntiques of an age exceeding one hundred years	0.63	-	10	Women's or girls' blouses, shirts, and shirt-blouses	24.22	19.82%
TOTAL EXPORTS		1518.82	7.29%	TOTAL IMPORTS		1074.00	18.50%

Source: Quantec, 2023

2. Foreign Direct Investments

This section analyses Foreign Direct Investment (FDI) flows between the Western Cape and Bangladesh.

2.1 FDI from Bangladesh into the Western Cape

As shown in table 3 below, only one FDI project was recorded from Bangladesh into the Western Cape over the period January 2003 to March 2023.

The investment was made in November 2019 by the Southeast Exchange Company (South Africa) [Subsidiary of Southeast Bank] (Bangladesh). Southeast Exchange Company South Africa is an exchange house which operates as a subsidiary of Bangladesh-based Southeast Bank.

TABLE 3: FDI FROM BANGLADESH INTO THE WESTERN CAPE, JAN 2013 – MAR 2023

DATE	INVESTING COMPANY	DESTINATION CITY	INDUSTRY SECTOR	INDUSTRY ACTIVITY	CAPEX (ZARm)	JOBS
2019 Nov	Southeast Exchange Company (South Africa)	Cape Town	Financial services	Business Services	145.73	22
TOTAL					145.73	22

Source: FDI Intelligence, 2023

2.2 FDI from Western Cape to Bangladesh

According to FDI Intelligence, there was no recorded greenfield investment from the Western Cape to Bangladesh over the period January 2003 to March 2023.

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