

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 Taiwan. Specifically, it shows the Western Cape's trade and investment flows including an analysis of top markets with Taiwan, 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 Taiwan totalled ZAR1 612.03m, an increase of 44.65% y-o-y on the ZAR1 114.43m earned in 2021. Associated import costs in turn increased by 130.21% y-o-y to a value of ZAR3 069.32m in 2022, up from ZAR1 333.24m incurred in 2022.
- The Western Cape's leading export product to Taiwan in 2022 was semi-finished products of iron or non-alloy steel, which at a value of ZAR353.40m was equivalent to 21.92% of total export receipts earned with Taiwan in 2022.
- Petroleum oils, other than crude was the Western Cape's leading import product from Taiwan in 2022, which at a cost of ZAR1, 336.85m was equivalent to 43.56% of total import costs incurred.
- Taiwan was the Western Cape's 28th largest export market in 2022, with export receipts earned from trade totalling ZAR1.61bn. The said country was the Western Cape's 21st largest import source market in 2022, with import costs of ZAR3.07bn.

Investments

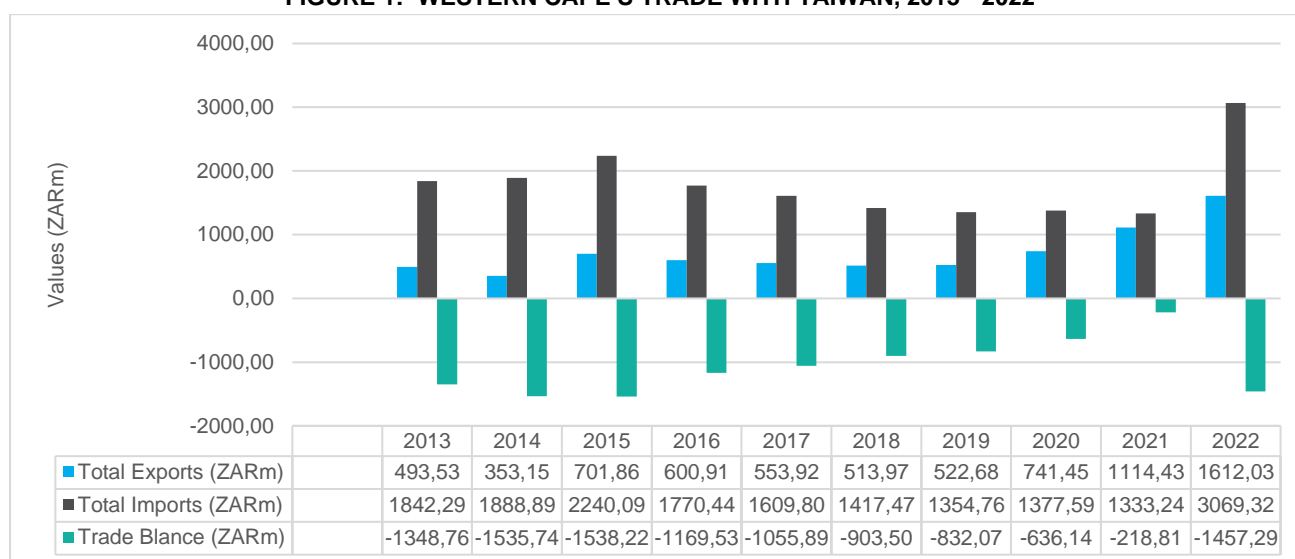
- According to FDI Market statistics, only one FDI project was recorded from Taiwan into the Western Cape for the period January 2003 to March 2023. This project represented a total capital investment (capex) of ZAR234.70m.
- In turn, a total of two FDI projects were made by Western Cape based companies into Taiwan over the same period. These projects represented a total capex of ZAR200.95m and created 59 jobs.

1. Trade

1.1 Western Cape Trade with Taiwan

The figure below reflects the Western Cape’s trade flows with Taiwan for the period 2013 to 2022. The province was a net importer of goods from Taiwan throughout the period under review as reflected by the negative trade balance. While the Western Cape recorded a 44.65% y-o-y increase in exports to Taiwan to a value of ZAR1, 612.03m in 2022 - up from ZAR1, 114.43m earned in 2021 – this was more than offset by fast-rising import costs which increased by 130.21% y-o-y to a value of ZAR3, 069.32m in 2022, up from ZAR1, 333.24m incurred in 2021. The net effect being a substantial widening of the province’s trade deficit with Taiwan, which increased to a shortfall of ZAR1, 457.29m in 2022, from (-)ZAR218.81m recorded in 2021. The increase in imports can be attributed in large to the exponential increase in petroleum, other than crude, imports with the associated import cost increasing from ZAR88,700 in 2021 to ZAR1.34bn 2022, an increase of 1,535,156.11% y-o-y. The imports of bicycles and other cycles (210.00%), base metal mountings, fittings (130.27%) and cyclic hydrocarbons (131.57%) also experience higher growth between 2021 and 2022, albeit off lower bases.

FIGURE 1: WESTERN CAPE'S TRADE WITH TAIWAN, 2013 - 2022



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. Taiwan was the Western Cape’s 28th largest export market in 2022, with a value of ZAR1.61bn.

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. Taiwan was the Western Cape’s 21st largest source market for imports in 2022, at a value of ZAR3.07bn.

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%
28	Taiwan	1.61	0.87%	21	Taiwan	3.07	0.94%
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 Taiwan in 2022 was semi-finished products of iron or non-alloy steel valued at ZAR353.40m, and equivalent to 21.92% of all export receipts earned with Taiwan in 2022. Maize (corn) came second at a value of ZAR288.18m (17.87%), followed by molluscs at ZAR136.98m (8.50%).

Of the top 10 products, the Western Cape's **fastest growing export product categories** to Taiwan over the five-year period leading up to and including 2022 were beauty or make-up preparations (256.95%), semi-finished products of iron or non-alloy steel (48.68%), and citrus fruit (31.57%).

Petroleum oils, other than crude **dominated imports** from Taiwan into the Western Cape in 2022, at a cost of ZAR1,336.85m. This was equivalent to 43.56% of all import costs incurred from trade with Taiwan in 2022. Cyclic hydrocarbons came second at a cost of ZAR138.98m (4.53%), while parts and accessories of vehicles came third at a value of ZAR120.45m (3.92%).

Of the top ten products, the Western Cape's **fastest growing import products categories** from Taiwan over the five-year period leading up to and including 2022 were petroleum oils, other than crude (307,121.94%), cyclic hydrocarbons (18,162.83%), and electric sound or visual signalling apparatus (236.67%).

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

WESTERN CAPE EXPORTS TO TAIWAN, 2022				WESTERN CAPE IMPORTS FROM TAIWAN, 2022			
RANK	PRODUCT HS4:	VALUE, 2022 (ZARm)	AVE GROWTH %, 2018-2022	RANK	PRODUCT HS4:	VALUE, 2022 (ZARm)	AVE GROWTH %, 2018-2022
1	Semi-finished products of iron or non-alloy steel	353.4	48.68%	1	Petroleum oils, other than crude	1336.85	307121.94%
2	Maize (corn)	288.11	-	2	Cyclic hydrocarbons	138.98	18162.83%
3	Molluscs	136.98	14.02%	3	Parts and accessories of vehicles	120.45	3.63%
4	Apples, pears and quinces	136.82	12.27%	4	Telephone sets	97.64	16.00%
5	Citrus fruit	126.65	31.57%	5	Bicycles and other cycle	78.65	49.44%
6	Coal	124.88	-	6	Base metal mountings, fittings	65.81	27.62%
7	Sulphates; alums; peroxosulphates (persulphates)	82.54	-	7	Motorcycles (including mopeds)	61.41	156.63%
8	Beauty or make-up preparations	80.21	256.95%	8	Instruments and appliances used in medical, surgical, dental or veterinary sciences	55.06	22.52%
9	Copper ores and concentrates	49.23	-	9	Machinery, not specified or included elsewhere in this Chapter	38.93	8.91%
10	Wine	43.06	6.47%	10	Electric sound or visual signalling apparatus	38.84	236.67%
	TOTAL EXPORTS	1612.03	26.26%		TOTAL IMPORTS	3069.32	22.46%

Source: Quantec, 2023

2. Foreign Direct Investments

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

2.1 FDI from Taiwan into the Western Cape

For the period January 2003 to March 2023 only one FDI project was recorded from Taiwan into the Western Cape.

The investment was made by Evergreen Group, a Taiwan-based conglomerate of shipping, transportation, and associated service companies. According to FDI Intelligence, Evergreen formed a joint venture with its agency in South Africa, Green Africa Shipping to establish a new agency that is called Evergreen Agency (South Africa), also known as ESA. The new agency was to have its headquarters in Johannesburg with branch offices in Cape Town and Durban. To serve as the agent for global carrier Evergreen Line's South Africa Ocean shipping services.

TABLE 3: FDI FROM TAIWAN INTO THE WESTERN CAPE, JAN 2003 – MAR 2023

DATE	INVESTING COMPANY	DESTINATION CITY	INDUSTRY SECTOR	INDUSTRY ACTIVITY	CAPEX (ZARm)	JOBS
2009 Mar	Evergreen Group	Cape Town	Transportation & Warehousing	Sales, Marketing & Support	234.70	10
TOTAL					234.70	10

Source: FDI Intelligence, 2023

2.2 FDI from Western Cape to Taiwan

A total of two FDI projects were made by Western Cape based companies into Taiwan between January 2003 to March 2023. These projects represented a total capex of ZAR200.95m and created 59 jobs in total.

In October 2008, Irdeto opened a new office in Taiwan in the district of Xinyi in Taipei. The Taiwan office was meant to be responsible for developing business strategies and identifying growth opportunities in the fast growing digital, IPTV, and mobile TV markets. While in November 2021, Red Dot Payment, which provides online payment processing solutions and is a subsidiary of South Africa-based Naspers, opened a new office in Taipei, in the district of Zhongshan.

TABLE 4: FDI FROM WESTERN CAPE TO TAIWAN, JAN 2003 – MAR 2023

DATE	INVESTING COMPANY	SOURCE CITY	INDUSTRY SECTOR	INDUSTRY ACTIVITY	CAPEX (ZARm)	JOBS
2021 Nov	Red Dot Payment	Cape Town	Software & IT services	Sales, Marketing & Support	102.78	28
2008 Oct	Irdeto	Cape Town	Software & IT services	Sales, Marketing & Support	98.18	31
TOTAL					200.95	59

Source: FDI Intelligence, 2023

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