

## Western Cape Trade & Investments with Vietnam June 2023

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### 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 Vietnam. Specifically, it shows the Western Cape's trade and investment flows including an analysis of top markets with Vietnam, 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 Vietnam totalled ZAR2,036.73m, an increase of 118.79% y-o-y on the ZAR930.90m earned in 2021. Associated import costs in turn increased by 18.67% y-o-y to a value of ZAR2,329.37m in 2022, up from ZAR1,962.96m incurred in 2021. While still in deficit, the province's trade balance with the said country narrowed sharply as a result to a shortfall of ZAR292.64m, comparable to levels last seen in 2013/2014.
- The Western Cape's leading export product to Vietnam in 2022 was maize, which at a value of ZAR1,170.36m accounted for 57.46% of all export receipts earned with Vietnam in 2022.
- Footwear with outer soles of rubber, uppers of textile materials were the Western Cape's top import product from Vietnam in 2022, which at a cost of ZAR660.57m, was equivalent to 28.36% of all import costs incurred with Vietnam in 2022.
- Vietnam was the Western Cape's 24<sup>th</sup> largest export market in 2022, with export receipts earned from trade with Vietnam totalling ZAR2.04bn. The said country was the Western Cape's 25<sup>th</sup> largest import source market in 2022, with import costs of ZAR2.33bn.

### Investment

- According to FDI intelligence, only one FDI project was recorded from the Western Cape into Vietnam between January 2003 to March 2023.
- The investment was made by South African-based Global Produce, a global fresh fruit importer, investing in the city of Ho Chi Minh, in the food and beverages sector, in a sales, marketing and support project.
- There was no record of greenfield investment from Vietnam into the Western Cape over the period January 2003 to March 2023.

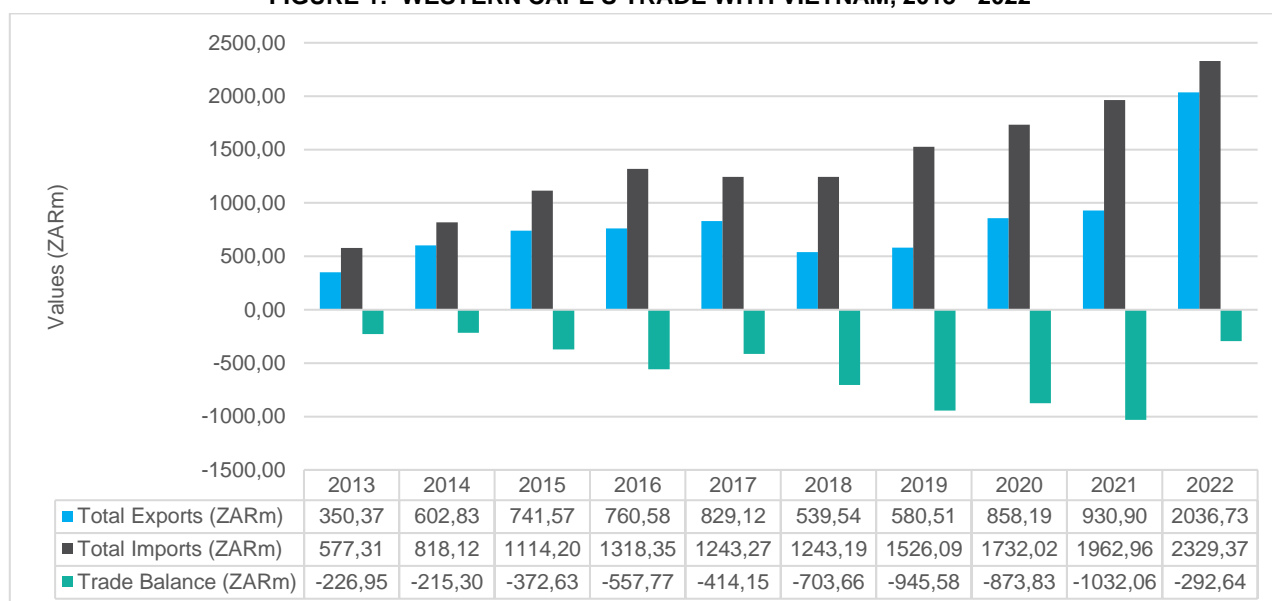
# 1. Trade

## 1.1 Western Cape Trade with Vietnam

The figure below reflects the Western Cape's trade with Vietnam for the period 2013 to 2022. The Western Cape was a net importer of goods from Vietnam throughout the period analysed, as reflected by the trade deficit recorded in the figure below. However, the province's exports to Vietnam reached a record value of ZAR2.04 billion in 2022, an increase of 118.79% y-o-y on the ZAR930.90m earned in 2021. The increase in exports can be attributed in part to a notable rise in maize exports (234.24%), fruits and nuts (207.89%), wine (89.62%) and cut flowers (94.15%) in 2022. Corn exports increased from a value of ZAR350.16m in 2021 to ZAR1.17bn in 2022.

The Western Cape's imports from Vietnam increased by 18.67% y-o-y to a cost of ZAR2,329.37m in 2022, from a value of ZAR1,962.96m incurred in 2021.

**FIGURE 1: WESTERN CAPE'S TRADE WITH VIETNAM, 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. Vietnam was the Western Cape's 24<sup>th</sup> largest export market in 2022, with a value of ZAR2.04bn.

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. Vietnam was the Western Cape's 25<sup>th</sup> largest source market for imports in 2022, at a value of ZAR2.33bn.

**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%
24	Vietnam	2.04	1.09%	25	Vietnam	2.33	0.71%
<b>TOTAL EXPORTS</b>		<b>186.23</b>	<b>100.00%</b>	<b>TOTAL IMPORTS</b>		<b>327.41</b>	<b>100.00%</b>

Source: Quantec, 2023

**Key trade products**

The Western Cape's **dominant export category** to Vietnam in 2022 was maize, valued at ZAR1, 170.36m and equivalent to 57.46% of all export receipts earned by the province from trade with Vietnam in 2022. Apples, pears, and quinces placed second at a value of ZAR414.70m (20.36%), followed by grapes at ZAR270.42m (13.28%).

Of the top 10 products, the Western Cape's **fastest growing export product categories** to Vietnam over the five-year period leading up to and including 2022 were beauty or make-up preparations (89.59%), apples, pears, and quinces (57.04%), and fruit, nuts (30.33%).

Footwear with outer soles of rubber, uppers of textile materials **dominated imports** from Vietnam into the Western Cape in 2022 at a cost of ZAR660.57m. This was equivalent to 28.36% of all import costs incurred from trade with Vietnam in 2022. Other footwear with outer soles and uppers of rubber or plastics came second at a cost of ZAR327.16m (14.05%), while footwear with outer soles of rubber, uppers of leather came third at a value of ZAR236.74m (10.16%).

Of the top ten products, Western Cape's **fastest growing import products categories** from Vietnam over the five-year period leading up to and including 2022 were women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts (other than swimwear) (79.44%), t-shirts, singlets, and other vests (63.65%), and pepper of the genus Piper (39.15%).

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

WESTERN CAPE EXPORTS TO VIETNAM, 2022				WESTERN CAPE IMPORTS FROM VIETNAM, 2022			
RANK	PRODUCT HS4:	VALUE, 2022 (ZARm)	AVE GROWTH %, 2018-2022	RANK	PRODUCT HS4:	VALUE, 2022 (ZARm)	AVE GROWTH %, 2018-2022
1	Maize (corn)	1170.36	-	1	Footwear with outer soles of rubber, uppers of textile materials	660.57	23.91%
2	Apples, pears, and quinces	414.7	57.04%	2	Other footwear with outer soles and uppers of rubber or plastics	327.16	32.82%
3	Grapes	270.42	29.06%	3	Footwear with outer soles of rubber, uppers of leather	236.74	27.40%
4	Fruit, nuts	75.42	30.33%	4	Other furniture	105.39	35.93%
5	Flours, meals, and pellets, of meat or meat offal	15.6	-	5	Coconuts, Brazil nuts and cashew nuts	102.57	8.07%
6	Enzymes	15.27	-9.67%	6	Pepper of the genus Piper	93.70	39.15%

7	Wine	7.84	-0.44%	7	Crustaceans	75.89	27.59%
8	Beauty or make-up preparations	7.56	89.59%	8	Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts (other than swimwear)	48.16	79.44%
9	Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules, or hinnies	6	-5.52%	9	Rice	43.71	7.49%
10	Unmanufactured tobacco	5.27	-	10	T-shirts, singlets, and other vests	42.48	63.65%
	<b>TOTAL EXPORTS</b>	<b>2036.73</b>	<b>29.55%</b>		<b>TOTAL IMPORTS</b>	<b>2329.37</b>	<b>13.65%</b>

Source: Quantec, 2023

## 2. Foreign Direct Investments

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

### 2.1 FDI Vietnam into the Western Cape

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

### 2.2 FDI from Western Cape to Vietnam

According to FDI intelligence, only one FDI project was recorded from the Western Cape into Vietnam between January 2003 to March 2023.

South African-based Global Produce, a global fresh fruit importer invested the city of Ho Chi Minh, in the food and beverages sector, in a sales, marketing and support project.

**TABLE 3: FDI FROM THE WESTERN CAPE TO VIETNAM, JAN 2003 – MAR 2023**

DATE	INVESTING COMPANY	DESTINATION CITY	INDUSTRY SECTOR	INDUSTRY ACTIVITY	CAPEX (ZARm)	JOBS
2021 Dec	Global Produce	Ho Chi Minh	Food & Beverages	Sales, Marketing & Support	291.46	42
<b>TOTAL</b>					291.46	42

Source: FDI Intelligence, 2023

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