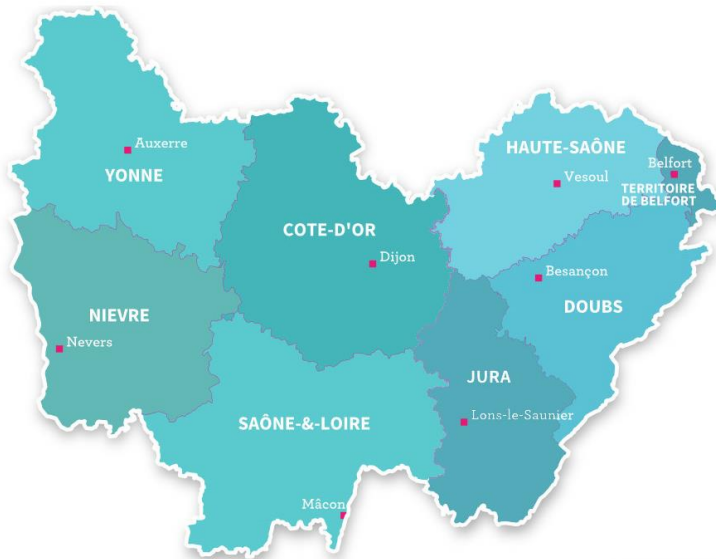


Bourgogne-Franche-Comté

April 2023

1. Economic Overview



The Bourgogne Franche-Comté region covers an area of 47,784m², making it the 5th largest region in France. While there are no major metropolitan cities, the regional economy relies on the network of seven urban areas that constitute Beaune, Dijon, Chalon-sur-Saone, Besançon, Dole, Belfort and Montbéliard.

Industrial activity is key to the region's economy. Franche-Comté has the third largest share of industrial value added in France. It has one in five jobs in the industrial sectors in all of France. Notably, the industrial site of Peugeot-Citroen is the first of France by its size, and by

its workforce. This is also the region that exports the most.

Agricultural activity is mainly based on cattle ranching with the famous cow called la Montbéliarde, and for cheese production including the renowned Comte or Cancoillote, both of which have AOC (Protected designation of Origin). Franche-Comté is also the only region in the world to produce 5 different types of quality wines: Vin rouge, vin blanc, vin jaune, vin rosé, and vin de paille. (Source: Region Bourgogne-Franche-Comté 2023).

TABLE 1: DEMOGRAPHIC & ECONOMIC INFORMATION

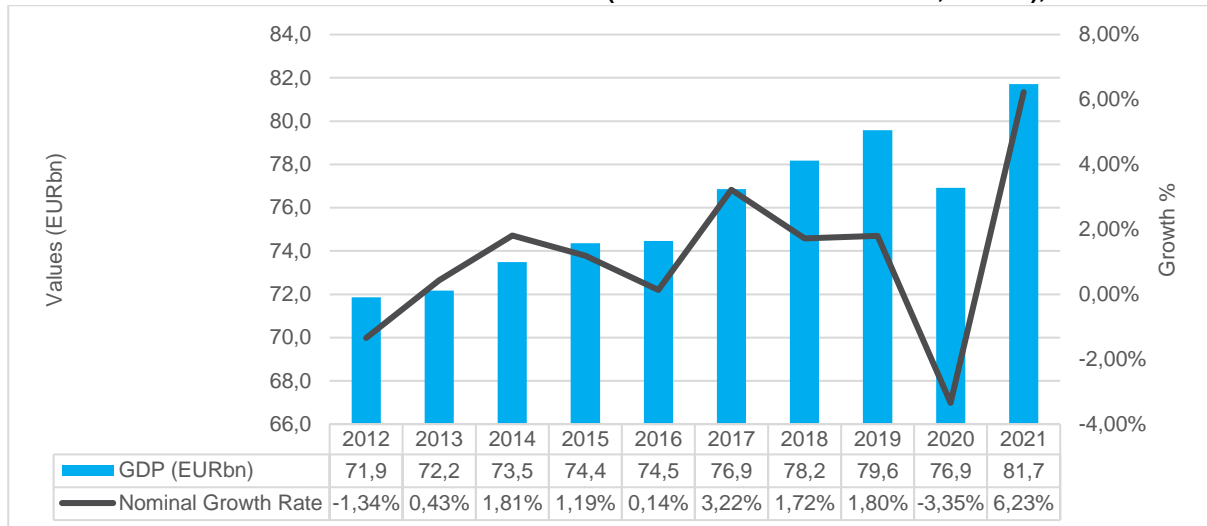
Capital/Commune	Dijon
President of the Region	Marie Guite Dufay
Population (2021)	2.8 million (4.3% of the French population, ranked 11th nationally)
Area	47,784 km ²
GDP (current prices) (2021)	EUR81.7bn (3.2% of the national GDP, ranked 11th nationally)
GDP per capita, (2021 est.)	EUR29,258
Number of Employed (2021)	1.1 million (65% of working-age population)
Trade	2nd exporting region (export/ import coverage ratio) Trade surplus with EUR21.5 billion in exports

Sources: Region Bourgogne-Franche-Comté 2023; INSEE, 2023

GROWTH DOMESTIC PRODUCT

Figure 1 below presents Bourgogne-Franche-Comté's Gross Domestic Product (GDP) (in nominal terms) between 2012 and 2021. The regions' GDP recovered by 6.23% in 2021, from a decline of 3.35% in 2020 because of the COVID-19 pandemic.

FIGURE 1: BOURGOGNE-FRANCHE-COMTE GDP (CURRENT MARKET PRICES, EURbn), 2012 – 2021

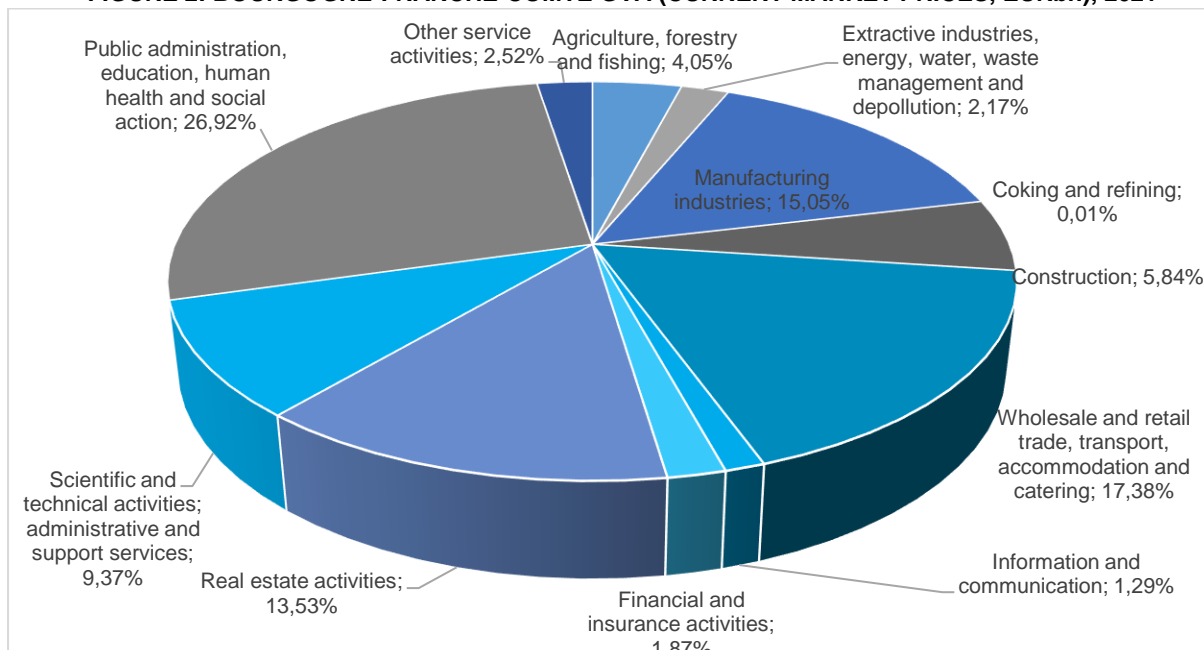


Source: INSEE, 2023

GROWTH VALUE ADDED

The figure below demonstrates Bourgogne-Franche-Comté's Gross Valued Added (GVA) per sector contribution in 2021. The region has strong presence in both services and industry. The largest sectors in terms of share of GVA were public administration, education, human health, and social science (26.92%), wholesale and retail trade, transport, accommodation, and catering (17.38%); and manufacturing (15.05%).

FIGURE 2: BOURGOGNE-FRANCHE-COMTE GVA (CURRENT MARKET PRICES, EURbn), 2021



Source: INSEE, 2023

SECTOR OVERVIEW

Agri

- The region is a territory with strong agricultural roots, through agricultural and forestry areas.
- Agriculture occupies 50% of the regional territory and employs close on 50,000 people.
- Agriculture in the greater region has a wide variety of sectors that contribute to its national and international reputation including dairy cattle farms and meat production (Montbéliardes, Charolaises, etc.); viticulture; field crops (cereals, rapeseed, wheat, etc.); dairy chains; forests and their exploitation; and horse farms (Auxois and Comtois).
- Organic farming is another asset of the region.

Sources: *Region Bourgogne-Franche-Comté 2023, Bourgogne-Franche-Comté Regional Economic Agency*

Digital Sector

The digital economy is growing in Bourgogne-Franche-Comté:

- There are 900 establishments and 9,400 employees in the digital sector.
- There are 110 establishments in customer services.
- In 2019 the region was awarded a “FrenchTech Community” label for its dynamism and quality of the ecosystem’s structure.
- EUR35.2 million has been budgeted for the digital sector, for the development of digital uses, the creation of e-services and support for people in situations of exclusion.
- In addition, Burgundy-Franche-Comté benefits from the presence of universities, schools, research laboratories and industries that make it an attractive and radiant digital territory.
- Quality infrastructures such as very high-speed internet access, incubators and business centres, and data centres are present in the region and meet the requirements of digital companies.

Sources: *Region Bourgogne-Franche-Comté 2023, Bourgogne-Franche-Comté Regional Economic Agency*

Climate change

The region’s 2023 budget prioritises the following areas:

- EUR25.8 million for the energy transition

The region has adopted a roadmap for the energy transition 2022-2024. It aims to mobilize all regional policies in favour of reducing energy consumption and developing renewable energies. Energy efficiency measures involve the reinforcement of bonuses for local authorities for the use of bio sourced materials.

- EUR11 million towards biodiversity and water

The region benefits from a wealth of natural resources, with more than 40,000 km of waterways, lakes and ponds which contribute to the diversity of landscapes and ecosystems. Its priorities for action in 2023 relate to the protection of remarkable natural environments (19 Regional Nature Reserves, 118 Natura 2000 sites) and support for the actions implemented by the actors of biodiversity and the green and blue network in the region.

- EUR1.6 million for environmental and sustainable development education

The priority is on encouraging education on the environment and sustainable development. This is targeted at all population groups, is aimed at growing a better understanding of the issues for individual and collective action.

- EUR5 million for forests and wood

The region aims to promote the management of forests responding to the diversity of economic, environmental, and multifunctional issues with an approach for the preservation of forests with high ecological potential.

Green economy (waste management and the circular economy)

- EUR9 million in favour of the circular economy and waste management

The waste reduction objectives include household waste (with a particular focus on bio-waste) as well as waste from construction and economic activities. Including the deployment of a circular economy throughout the territory.

Sources: *Region Bourgogne-Franche-Comté 2023, Bourgogne-Franche-Comté Regional Economic Agency*

Mobility

- The automotive industry is one of the largest employers in the region, with the historic site of the car manufacturer PSA in Sochaux and its many equipment manufacturers.
- The world's leading spare parts centre is in Vesoul. The Saône-et-Loire has the IVECO company and Fiat Powertrain Technologies has an ultra-modern production unit in Bourbon-Lancy for the manufacture of its engines.
- The region also has the railway giant Alstom: TGV locomotives and motors are manufactured in Belfort and tram and train engines in Ornans. Alstom is also located in Le Creusot. In addition, a cluster bringing together around twenty companies works on competition cars in Nevers Magny-Cours with very specialized technical know-how.
- A total of EUR628.6 million has been dedicated for mobility and infrastructure. This considers the rising energy costs' impact on regional public transport and school and non-urban road transport.

Sources: *Region Bourgogne-Franche-Comté 2023, Bourgogne-Franche-Comté Regional Economic Agency*

2. Trade

The figure below shows the top 10 imports and exports in Bourgogne-Franche-Comte for the period 2018Q4-2019Q3. Motor vehicles, general purpose machinery and beverages were the top key export products from the region to the world over the specified period. While parts and accessories for motor vehicles, general-purpose machinery, and basic iron and steel and ferro alloys were the key import products from the region.

TABLE 2: TOP EXPORTS AND IMPORTS IN BOURGOGNE-FRANCHE-COMTE , 2018Q4-2019Q3

Export goods	Value (Bn€)	Share of the sector	Import goods	Value (Bn€)	Share of the sector
Motor vehicles	4.4	20.3 %	Parts and accessories for motor vehicles	2.3	12.6 %
General-purpose machinery	2.4	11.1 %	General-purpose machinery	1.7	9.3 %
Beverages	1.4	6.4 %	Basic iron and steel and ferro-alloys	1.4	8.0 %
Basic iron and steel and ferro-alloys	1.4	6.4 %	Basic chemicals, fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms	1.1	6.2 %
Parts and accessories for motor vehicles	1.3	5.8 %	Electrical equipment	1.0	5.4 %
Electrical equipment	1.1	5.1 %	Non-ferrous metals	0.9	4.9 %
Miscellaneous food products	1.0	4.6 %	Metallic structures	0.7	4.1 %
Basic chemicals, fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms	0.9	4.0 %	Miscellaneous food products	0.6	4.0 %
Metallic structures	0.7	3.2 %	Measuring, testing and navigating equipment	0.6	3.5 %
Plastic products	0.7	3.1 %	Plastic products	0.6	3.4 %

Source: *Upfly, 2019*

Bourgogne-Franche-Comté top 10 export and import markets are shown in table 3 below.

The region's main partners are largely European. Germany was the top destination market for the regions's exports, accounting for 13.7% of all exports in 2019. It was also the top source market, with a share of 16.2% of all imports by Bourgogne-Franche-Comté.

TABLE 3: BOURGOGNE-FRANCHE-COMTE TOP SOURCE & DESTINATION MARKETS, 2019

Export country	Country share	Import country	Country share
Germany	13.7 %	Germany	16.2 %
Italy	11.0 %	Italy	9.6 %
Spain	10.4 %	Belgium	8.3 %
United Kingdom	7.4 %	Switzerland	7.9 %
Belgium	6.6 %	Spain	7.1 %
Switzerland	6.6 %	China	6.5 %
United States	5.1 %	Netherlands	4.1 %
Netherlands	4.0 %	Poland	3.8 %
Poland	2.4 %	United States	3.7 %
Czech Republic	1.8 %	Czech Republic	3.7 %

Source: Source: Upply, 2019

France (and Bourgogne-Franche-Comté) trade relation with South Africa

- Relations between France and South Africa are coordinated through a Forum for **Political Dialogue (FPD)**, a structured mechanism that was instituted in 1997.
- Also, via the **Southern African Economic Partnership Agreement (SADC EPA)** finalized in June 2016, encompassing the EU and South Africa – together with Botswana, Lesotho, Mozambique, Namibia, and Swaziland
- Under the 'SADC EPA', the EU has fully or partially removed customs duties on 98.7% of imports from South Africa while guaranteeing full free access for the rest of the signatory countries. Today the EU remains South Africa's biggest trade and investment partner.
- France mainly imports agricultural products such as citrus fruits, avocado and grapes from South Africa.
- The Bourgogne-Franche-Comte region has agreements with **Western Cape** in professional wine-growing training.

3. Foreign Direct Investments

According to the French Embassy in South Africa, there are more than 370 French companies established in South Africa, representing 37, 000 jobs and total revenue of EUR8.5bn. The businesses cover almost all industrial and service sectors.

The table below shows a record of FDI projects made from Bourgogne-Franche-Comté into South Africa. According to FDI Intelligence, only one project was made from the French region into South Africa over the period under review. There is no record of investments from South Africa into the region over the said period.

TABLE 4: FDI FROM BOURGOGNE-FRANCHE-COMTE INTO SOUTH AFRICA, 2003-FEB 2022

DATE	INVESTING COMPANY	SOURCE PROVINCE	SECTOR	BUSINESS ACTIVITY	CAPEX (ZARm)	JOBS
Jul 2013	Eurogerm	KwaZulu-Natal	Food & Beverages	Sales, Marketing & Support	64.43	16
TOTAL					64.43	16

Source: FDI Intelligence, 2023

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