

France

November 2023

Executive Summary

This snapshot provides key trade, investment, and tourism-related statistics for France. Specifically, it shows France's trade and investment flows in relation to both South Africa and the Western Cape, includes an analysis of top markets and products. Also highlighted are the largest and fastest growing products and their sub-sectors. The key highlights in the fact sheet are provided below:

Economy

- France's recovery from Covid-19 was evident as the country's gross domestic product (GDP) rose by 2.61% in 2022 to USD2.36tr.
- The country's GDP per capita reached USD35,873.97 in 2022, marking a 2.30% y-o-y increase on 2021's value of USD35,067.80.
- Despite France's economic recovery from 2020 to 2022, the country faces stringent economic constraints with the inflation rate having increased by 5.90% from 2021 to 2022.
- The services sector played a major role in contributing to France's overall GDP as this sector accounted for 72.7% of France's gross value added (GVA) in 2022.

Trade

- In 2022, France was the Western Cape's 28th largest export market, with exports increasing by 1.41% y-o-y to ZAR1.79bn, up from ZAR1.77bn earned in 2021.
- Imports from France in turn totaled ZAR3.20bn in 2022, up from ZAR2.70bn incurred in 2021, representing a 14.45% y-o-y growth rate. France ranked as the Western Cape's 19th largest import source market in 2022.
- Wine, and leather exports collectively accounted for 25.5% of the Western Cape's exports to France in 2022, with exports of these goods valued at ZAR454.9m in that year. In addition, the average five-year growth rate for exports of electrical machinery was 101.4%, while coal related product exports grew by an average annual growth rate of 159.5% from 2018–2022.

Investment

- From 2003 to 2022, 106 French companies invested in 114 foreign direct investment (FDI) projects in South Africa, with a total capex of USD5.89bn, while South African companies invested in 22 projects in France, with a capex value of USD250.9m.
- Western Cape based companies invested in seven FDI projects in France with a capex value of USD36.2m, while France invested in 23 projects in the Western Cape valued at USD837.1m during the reviewed period.

Tourism

- Between 2021 and 2022, 76 077 French tourists visited South Africa, reflecting a strong y-o-y growth rate of 284.99% in comparison to 2021 when 19 761 tourists visited the country. The number of French tourists to the Western Cape also showed a strong increase of 217.78% in 2022 when 42 611 tourists visited the province.
- France forms part of the top ten source markets for international travel to the Western Cape, and the numbers of French visitors continue to grow.

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1. Economic Overview

France's gross domestic product (GDP) was estimated at EUR2.36tr in 2022, reflecting a y-o-y growth rate of 2.61% on 2021's value. However, debilitating economic shocks resulting from Russia's invasion of the Ukraine caused a sharp increase in the inflation rate, from 2.1% in 2021 to 5.90% in 2022. The trade sanctions against Russia, imposed by the European Union in 2022 resulted in further economic strain on the French economy. According to the European Commission, even though the purchasing power of households in France has been maintained and supported by a favourable labour market, the inflation rate could debilitate the economy as the increase is driven by energy and commodity prices. Yet despite the economic stress of the war, France has been able to enforce stern fiscal policies that focus on crisis support, and projections are that the inflation rate will decline gradually throughout 2023. Measures involved have included protecting private consumption, regulating energy prices, and introducing incentivised energy savings as a pricing mechanism.

Sources: International Monetary Fund (IMF), 2023, European Commission, 2023, Focus Economics, 2023

TABLE 1: ECONOMIC INFORMATION – FRANCE

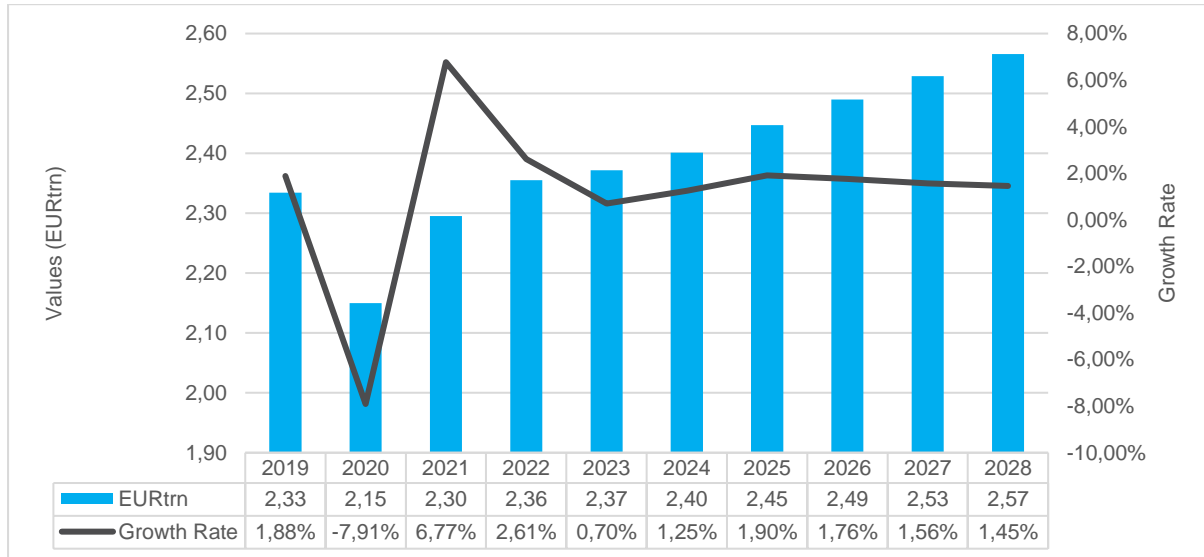
ECONOMIC INFORMATION - FRANCE	
GDP (constant prices) (2022)	EUR2,36tr
GDP growth (constant prices) (2022)	2.61%
GDP per capita (constant prices) (2022)	EUR35, 873.97
Inflation (average consumer prices) (2022)	5.90%
ECB – marginal lending facility (2023)	4.75%
Unemployment rate (2022)	7.29%
Total Exports (2022)	EUR734.69bn
Total Imports (2022)	EUR1 007.69bn

Sources: International Monetary Fund 2023; European Central Bank 2023; World Bank, 2023

Gross Domestic Product

France's previous and forecast performance of real GDP is illustrated in Figure 1. The International Monetary Fund (IMF) (2023) projects a 1.30% average annual growth in GDP from 2019 to 2028. At present, France's real GDP is forecast at a growth rate of 0.70% y-o-y in 2023, having attained a GDP of EUR2.36tr in 2022.

FIGURE 1: FRANCE'S REAL GDP AND GDP GROWTH RATE, 2017–2027



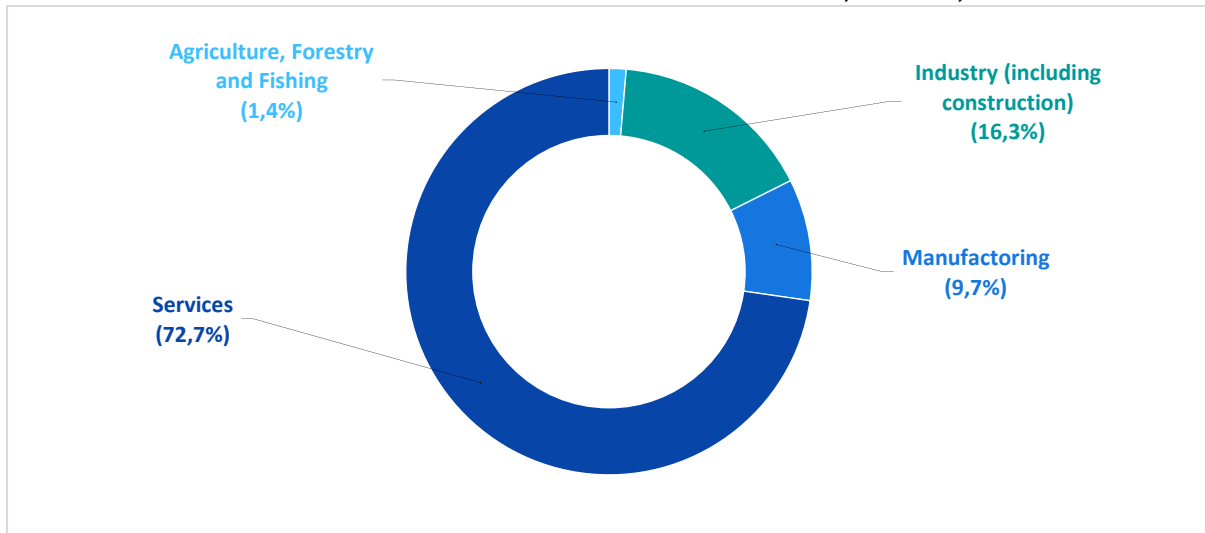
Source: International Monetary Fund, 2023

Economic Structure

Figure 2 shows that the services sector was the largest contributor towards France's GDP in 2022, accounting for a 72.7% contribution to the economy. Industry (including construction) made the second largest contribution of 16.3%, followed by manufacturing (9.7%) and lastly, the agricultural sector (1.4%).

The agriculture, forestry, and fishing sector's GVA value for 2022 was EUR32.01bn, equivalent to 1.40% of France's GVA in 2022. The industry sector's value was worth EUR382.41bn in 2022 with a 16.3% contribution to GVA. The manufacturing sector's GVA was worth EUR227.61bn, equivalent to a 9.7% contribution to GVA, while the services sector's contribution amounted to EUR1.711 trn in 2022, equivalent to 72.7% of GVA.

FIGURE 2: REAL GROSS VALUE ADDED PER INDUSTRY, FRANCE, 2022



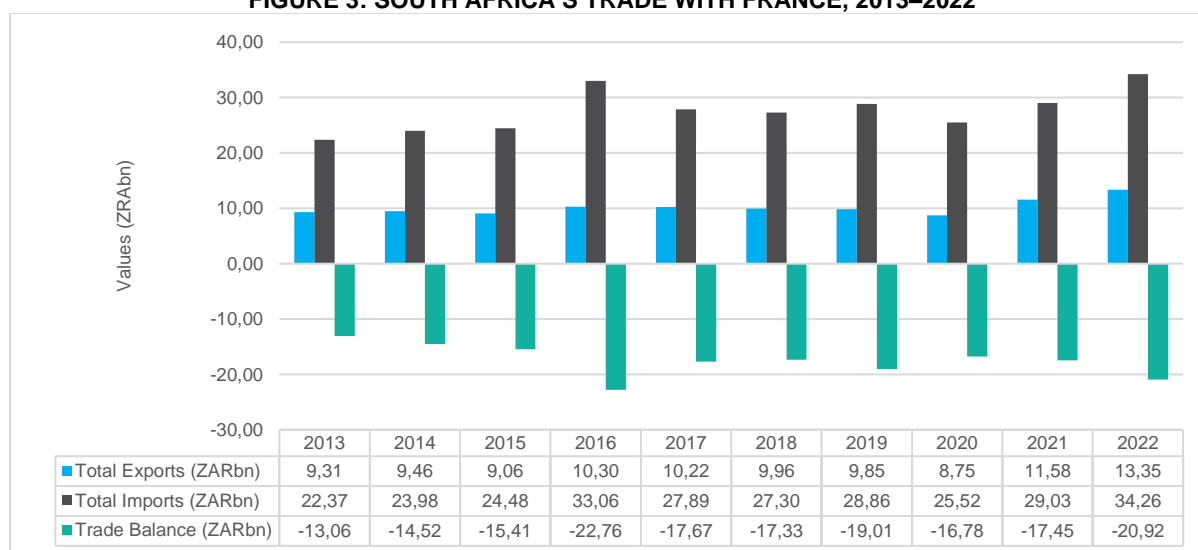
Source: World Bank, 2023

2. Trade

2.1 French Trade with South Africa

Figure 3 shows that South African imports from France were, on average, nearly three times the value of the country's exports traded with France over the past 10 years. This explains the relative importance of France as South Africa's 12th largest import partner and as its 24th largest export market in 2022, as well as the country's consistent trade shortfall recorded with France over the period analysed. The estimated average annual growth rate in imports was 6.94% from 2013-2022, while the average annual growth rate for exports increased by 7.93% in the 10-year period. More recently, South Africa's export receipts increased by 15.28% y-o-y to a value of ZAR13.35bn in 2022, while import costs increased by 18.02% y-o-y to a cost of ZAR34.26bn, leading to a widening of the trade shortfall to -ZAR20.92bn in 2022, from -ZAR17.45bn in 2021.

FIGURE 3: SOUTH AFRICA'S TRADE WITH FRANCE, 2013–2022



Source: Quantec, 2023

South Africa's top export product to France – coal; briquettes, ovoids and similar solid fuels manufactured from coal – at a value of ZAR4.53bn accounted for 33.91% of South Africa's exports to the country in 2022. This can be seen in Table 2. According to Trademap, South Africa was the third largest source of coal imports for France in 2022, after Australia and the United States. Aircraft and spacecraft exports were South Africa's second largest export product to France in 2022, which at a value of ZAR1.44bn, accounted for 10.78% of total exports to France in 2022. Motor vehicles for the transport of goods exports placed third at a value ZAR1.43bn, representing 10.69% of exports. Exports of manganese ores and concentrate products were the fourth largest export category at a value of ZAR446.71m, with South Africa the second largest source market for manganese ores for France in 2022. The export value of yachts and other vessels for pleasure or sports exports placed fifth at a value of ZAR302.78m, accounting for 2.27% of South Africa's exports to France. France was ranked third as a destination market for exports of yachts from South Africa in 2022.

TABLE 2: SOUTH AFRICA'S TOP 10 EXPORTS TO FRANCE, 2022

RANK	PRODUCT	EXPORTED VALUE (ZARm), 2022	% SHARE 2022	AVE GROWTH (%), 2018-2022
1	Coal; briquettes, ovoids and similar solid fuels manufactured from coal	4526.40	33.91%	740.20%
2	Aircraft and spacecraft	1439.27	10.78%	-
3	Motor vehicles for the transport of goods	1427.20	10.69%	-1.77%
4	Manganese ores and concentrates	446.71	3.35%	0.31%
5	Motor cars	327.87	2.46%	35.03%
6	Yachts and other vessels for pleasure or sports	302.78	2.27%	16.97%
7	Wine	295.41	2.21%	7.87%
8	Iron ores and concentrates	260.29	1.95%	-
9	Coke and semi-coke of coal	249.47	1.87%	52.51%
10	Ferro-alloys	219.22	1.64%	143.80%

ALL EXPORTS	13346.90	100.00%	6.57%
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Source: Quantec, 2023

South Africa's Export Markets

In terms of export markets, in 2022 China was the leading destination market for South Africa's exports, which at a value of USD187.16bn accounted for 9.30% of global export earnings. This can be seen in Table 3. Exports to the United States, South Africa's second largest export market, were valued at USD177.87bn in 2022, while Germany was in third place, having received goods to the value of USD155.21bn from South Africa. France, ranked as South Africa's 24th destination market for exports from South Africa, with received exports valued at USD13.35bn. The fastest growing markets for South Africa's exports over the five-year period leading up to and including 2022 were Japan (with an average growth rate of 24.42%), the Netherlands (22.84%), and Mozambique (21.70%).

TABLE 3: SOUTH AFRICA'S TOP EXPORT DESTINATION MARKETS (USD bn), 2022

RANK	COUNTRY	VALUE 2022 (USDbn)	% SHARE, 2022	AVE GROWTH (%), 2018-2022
1	China	187.16	9.30%	10.80%
2	United States	177.87	8.84%	17.89%
3	Germany	155.21	7.71%	13.70%
4	Japan	139.37	6.93%	24.42%
5	United Kingdom	102.42	5.09%	21.55%
6	Netherlands	97.33	4.84%	22.84%
7	Mozambique	95.34	4.74%	21.70%
8	India	89.16	4.43%	12.40%
9	Botswana	76.19	3.79%	8.80%
10	Belgium	64.00	3.18%	15.11%
24	France	13.35	0.66%	6.57%
TOTAL EXPORTS		2012.34	100.00%	11.58%

Source: Quantec, 2023

South Africa's top import product from France in 2022 was medicaments, which at a cost of ZAR2,044.75m, accounted for 5.97% of South Africa's imports from France. This can be viewed in Table 4 below. Human blood was the second largest import product from France in 2022 at a total import cost of ZAR1,804.13m, representing a share of 5.27% in imports from France. Aircraft and spacecrafts (ZAR1,481.28m), undenatured ethyl alcohol (ZAR1324.19) and motor cars (ZAR920.48m) were amongst the top five products imported from France in 2022. The average annual growth rate of imports of undenatured ethyl alcohol increased by 22.47% between 2018 and 2022. In the same period, imports of petroleum oils spiked with an average growth rate of 80.99%.

TABLE 4: SOUTH AFRICA'S TOP 10 IMPORTS FROM FRANCE, 2022

RANK	PRODUCT	IMPORTED VALUE (ZAR m), 2022	% SHARE 2022	AVE GROWTH (%), 2018 - 2022
1	Medicaments	2044.75	5.97%	-1.89%
2	Human blood	1804.13	5.27%	8.02%
3	Aircraft and spacecraft	1481.28	4.32%	-
4	Undenatured ethyl alcohol	1324.19	3.86%	22.47%
5	Motor cars	920.48	2.69%	17.17%
6	Original equipment components	866.01	2.53%	19.73%
7	Insecticides	841.56	2.46%	7.76%
8	Anti-knock preparations	776.75	2.27%	19.22%
9	Petroleum oils, other than crude	769.65	2.25%	80.99%
10	Perfumes and toilet waters	726.10	2.12%	9.81%
ALL IMPORTS		34 264.03	100.00%	4.76%

Source: Quantec, 2023

Table 5 demonstrates that in 2022 China was the leading source market for goods imported by South Africa, with goods from this country costing USD367.10bn. Germany ranked second with total imports costing USD134.32bn. The United States was in third place, with imports reaching a total value of USD133.70bn in 2022. The fastest growing markets for imports to South Africa over the five-year period leading up to and including 2022 were Oman (with a growth rate of 52.88%), the United Arab Emirates (47.94%), and India (22.85%). In 2022 France was South Africa's 12th largest import source market, with goods costing USD34.26bn imported from France to South Africa.

TABLE 5: SOUTH AFRICA'S TOP IMPORT SOURCE MARKETS (USD bn), 2022

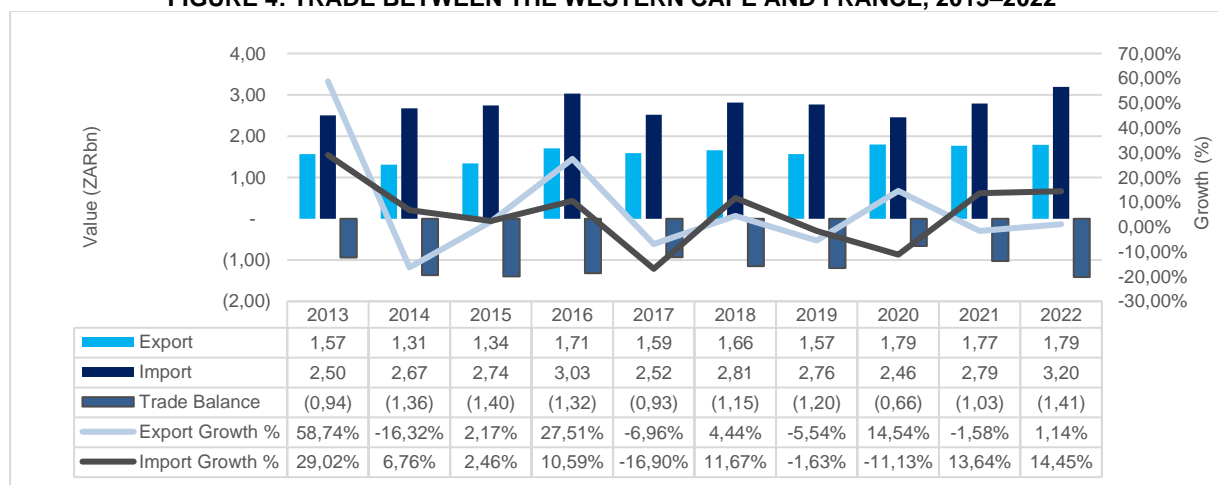
RANK	COUNTRY	VALUE 2022 (USDbn)	% SHARE, 2022	AVE GROWTH (%), 2018-2022
1	China	367.10	20.17%	13.13%
2	Germany	134.32	7.38%	1.94%
3	United States	133.70	7.34%	14.66%
4	India	130.60	7.17%	22.85%
5	Saudi Arabia	73.61	4.04%	11.23%
6	United Arab Emirates	67.20	3.69%	47.94%
7	Thailand	50.28	2.76%	9.44%
8	Japan	46.26	2.54%	5.58%
9	Oman	43.25	2.38%	52.88%
10	Italy	40.31	2.21%	7.46%
12	France	34.26	1.88%	4.76%
TOTAL IMPORTS		1820.37	100.00%	11.52%

Source: Quantec, 2023

2.2 Western Cape's Trade with France

France was the Western Cape's 28th largest export partner in 2022, with exports to the country growing at a gradual average annual rate of 7.81% per annum from 2013 to 2022. As the global economy recovered from the Covid-19 pandemic and international trade surged, the province's exports to France have increased overall in recent years, from a value of ZAR1.57bn earned in 2019 to ZAR1.79bn by 2022. In turn, France was the Western Cape's 19th largest source market for imports in 2022, having shown a notable growth of 5.89% per annum over the 10-year period (2013-2022).

FIGURE 4: TRADE BETWEEN THE WESTERN CAPE AND FRANCE, 2013–2022



Source: Quantec, 2023

The Western Cape's top export product to France in 2022 was wine of fresh grapes (including fortified wines), which at a value of ZAR285.1m, accounted for a 16.0% share of the province's exports to France. This can be seen in Table 6. In second place was leather further prepared after tanning or crusting, valued at ZAR169.8m (representing a 9.5% share), followed by fresh/dried citrus products, valued at ZAR133.2m. Furthermore, exports of coal products grew at an average rate of 159.5% from 2018 to 2022, while electrical machinery and equipment parts recorded an average annual growth rate of 101.4% over the same period.

TABLE 6: TOP 10 PRODUCTS EXPORTED FROM THE WESTERN CAPE TO FRANCE, 2022

RANK	PRODUCTS	EXPORTED VALUE (ZARm), 2022	SHARE (%)	AVE ANNUAL GROWTH (%) (2018-2022)
1	Wine of fresh grapes	285.1	16.0%	32.8%
2	Leather further prepared after tanning or crusting	169.8	9.5%	-8.9%
3	Citrus fruit, fresh or dried	133.2	7.5%	98.8%
4	Electrical machinery and equipment parts	129.3	7.2%	101.4%
5	Undenatured ethyl alcohol	126.9	7.1%	10.7%
6	Fish fillets and other fish meat	102.7	5.7%	-5.6%
7	Apples, pears, and quinces, fresh	97.1	5.4%	-18.9%
8	Fats and oils	55.1	3.1%	81.2%
9	Coal: briquettes, ovoids and similar solid fuels manufactured from coal	47.4	2.7%	159.5%
10	Beauty or make-up	40.4	2.3%	-14.2%
	ALL EXPORTS	1786.73	100.00%	2.79%

Source: Quantec, 2023

Turning to imports, casks, barrels, vats, tub products, which were valued at ZAR228.5m and represented a 7.2% share of imports, was the Western Cape's top import category from France in 2022. Table 7 further shows that other top imports were perfumes and toilet waters (at a cost ZAR218.2m and representing a share of 6.8% in imports); undenatured ethyl alcohol (ZAR185.1m; 5.8%); and mixtures of odoriferous substances (ZAR163.7m; 5.1%). Notably, imports of other plates, sheets, film, foil, and strip, of plastics grew at an average annual rate of 90.0% from 2018 to 2022. This was followed by undenatured ethyl alcohol products with an average growth rate of 89.0% per annum during the same period.

TABLE 7: TOP 10 PRODUCTS IMPORTED FROM FRANCE TO THE WESTERN CAPE, 2022

RANK	PRODUCTS	EXPORTED VALUE (ZARm), 2022	SHARE (%)	AVE ANNUAL GROWTH (%) (2018-2022)
1	Casks, barrels, vats, tubs, and other coopers' products	228.5	7.2%	-1.1%
2	Perfumes and toilet waters	218.2	6.8%	10.9%
3	Undenatured ethyl alcohol	185.1	5.8%	89.0%
4	Mixtures of odoriferous substances and mixtures	163.7	5.1%	23.6%
5	Casein, caseinates and other casein derivatives	121.3	3.8%	20.7%
6	Carboys, bottles, flasks, jars, pots, phials, ampoules, and other containers	103.5	3.2%	19.1%
7	Table, kitchen, or other household articles	88.4	2.8%	43.4%
8	Floor coverings of plastics	86.5	2.7%	65.3%
9	Harvesting or threshing machinery	77.5	2.4%	-5.9%
10	Other plates, sheets, film, foil, and strip, of plastics	70.7	2.2%	90.0%
	ALL IMPORTS	3195.02	100.00%	13.06%

Source: Quantec, 2023

France's Top Trade Markets

Based on Table 8 and 9, Germany ranked as France's top import *and* export market for the year 2022. This is primarily based on the bilateral bind between the two countries, under the Élysée Treaty, a reconciliation treaty that fosters economic, cultural, and political co-operation of France and Germany. In 2022 France imported goods from Germany worth ZAR1 591 284m (equivalent to 11.97% of France's imports). China ranked as France's second largest import market worth ZAR1 339 469m (10.08%), with Belgium ranked third, with France's import value from Belgium worth ZAR1 185 034m (8.91%).

TABLE 8: FRANCE'S TOP 10 IMPORT MARKETS, 2022

RANK	TOP 10 IMPORT MARKETS	VALUE IMPORTED IN 2022 (ZAR million)	SHARE (%) IN FRANCE'S IMPORTS	AVERAGE ANNUAL GROWTH (%) (2018-2022)
1	Germany	1 591 284	11.97%	8.22%
2	China	1 339 469	10.08%	12.63%
3	Belgium	1 185 034	8.91%	30.15%
4	United States of America	1 060 491	7.98%	42.60%
5	Spain	911 337	6.86%	15.64%
6	Italy	908 171	6.83%	9.03%
7	Netherlands	556 840	4.19%	9.44%
8	United Kingdom	498 645	3.75%	14.80%
9	Switzerland	311 197	2.34%	12.84%
10	Poland	271 352	2.04%	12.35%
	TOTAL IMPORTS	13 293 148	100.00%	17.91%

Source: Trade Map, 2023

Table 9 shows that France's top export destinations in 2022 included Germany, Italy, and the United States. France's exports to Germany, the top destination market, were valued at ZAR1 384 752m (representing a 13.93% share in exports). Exports to Italy amounted to a value of ZAR933 059m (9.39%) and exports to the United States were valued at ZAR804 160m (8.09%). Exports to Belgium amounted to ZAR781 530m representing a 7.86% share.

TABLE 9: FRANCE'S TOP 10 EXPORT MARKETS, 2022

RANK	TOP 10 EXPORT MARKETS	VALUE IMPORTED IN 2022 (ZAR million)	SHARE (%) IN FRANCE'S EXPORTS	ANNUAL AVERAGE GROWTH (%) (2018-2022)
1	Germany	1 384 752	13.93%	10.67%
2	Italy	933 059	9.39%	21.64%
3	United States of America	804 160	8.09%	24.33%
4	Belgium	781 530	7.86%	14.99%
5	Spain	763 998	7.69%	13.97%
6	United Kingdom	584 570	5.88%	12.87%
7	Netherlands	418 338	4.21%	14.36%
8	China	409 507	4.12%	5.98%
9	Switzerland	357 374	3.60%	12.77%
10	Poland	236 494	2.38%	12.81%
	TOTAL EXPORTS	9 938 620	100.00%	12.77%

Source: Trade Map, 2023

2.3 Tariffs

Table 10 shows the tariffs imposed by France on South Africa's exports in 2023.

TABLE 10: TARIFFS IMPOSED ON SOUTH AFRICAN EXPORTS BY FRANCE, 2023

HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)
H01: Live animals	9	H33: Essential oils, perfumes, cosmetics, toiletries	0	H65: Headgear and parts thereof	0
H02: Meat and edible meat offal	15	H34: Soaps, lubricants, waxes, candles, modelling pastes	0	H66: Umbrellas, walking-sticks, seat-sticks, whips	0
H03: Fish, crustaceans, molluscs, aquatic invertebrates	0	H35: Alb8.uminoids, modified starches, glues, enzymes	2	H67: Bird skin, feathers, artificial flowers, human hair	0
H04: Dairy products, eggs, honey, edible animal product	5	H36: Explosives, pyrotechnics, matches, pyrophorics	0	H68: Stone, plaster, cement, asbestos, mica, articles	0

H05: Products of animal origin	0	H37: Photographic or cinematographic goods	0	H69: Ceramic products	0
H06: Live trees, plants, bulbs, roots, cut flowers	1	H38: Miscellaneous chemical products	0	H70: Glass and glassware	0
H07: Edible vegetables and certain roots and tubers	4	H39: Plastics and articles thereof	0	H71: Pearls, precious stones, metals, coin	0
H08: Edible fruit, nuts, peel of citrus fruit, melons	3	H40: Rubber and articles thereof	0	H72: Iron and steel	0
H09: Coffee, tea, mate, and spices	0	H41: Raw hides and skins (other than fur skins) and leather	0	H73: Articles of iron or steel	0
H10: Cereals	3	H42: Articles of leather, animal gut, harness, travel goods	0	H74: Copper and articles thereof	0
H11: Milling products, malt, starches, inulin, wheat gluten	10	H43: Fur skins and artificial fur, manufactures thereof	0	H75: Nickel and articles thereof	0
H12: Oil seed, oleagic fruits, grain, seed, fruit,	0	H44: Wood and articles of wood, wood charcoal	0	H76: Aluminium and articles thereof	2
H13: Lac, gums, resins, vegetable saps and extracts	1	H45: Cork and articles of cork	0	H78: Lead and articles thereof	0
H14: Vegetable plaiting materials, vegetable products	0	H46: Manufactures of plaiting material, basketwork, etc.	0	H79: Zinc and articles thereof	0
H15: Animal, vegetable fats and oils, cleavage products,	0	H47: Pulp of wood, fibrous cellulosic material, waste	0	H80: Tin and articles thereof	0
H16: Meat, fish, and seafood food preparations	4	H48: Paper & paperboard, articles of pulp, paper, and board	0	H81: Other base metals, cermet's, articles thereof	0
H17: Sugars and sugar confectionery	29	H49: Printed books, newspapers, pictures	0	H82: Tools, implements, cutlery, of base metal	0
H18: Cocoa and cocoa preparations	0	H50: Silk	0	H83: Miscellaneous articles of base metal	0
H19: Cereal, flour, starch, milk preparations and products	5	H51: Wool, animal hair, horsehair yarn and fabric thereof	0	H84: Nuclear reactors, boilers, machinery	0
H20: Vegetable, fruit, nut food preparations	6	H52: Cotton	0	H85: Electrical, electronic equipment	0
H21: Miscellaneous edible preparations	3	H53: Vegetable textile fibres paper yarn, woven fabric	0	H86: Railway, tramway locomotives, rolling stock, equipment	0
H22: Beverages, spirits, and vinegar	3	H54: Manmade filaments	0	H87: Vehicles other than railway, tramway	0
H23: Residues, wastes of food industry, animal fodder	0	H55: Manmade staple fibres	0	H88: Aircraft, spacecraft, and parts thereof	0
H24: Tobacco and manufactured tobacco substitutes	0	H56: Wadding, felt, nonwovens, yarns, twine, cordage	0	H89: Ships, boats, and other floating structures	0
H25: Salt, sulphur, earth, stone, plaster, lime, and cement	0	H57: Carpets and other textile floor coverings	0	H90: Optical, photo, technical, medical apparatus	0

H26: Ores, slag, and ash	0	H58: Special woven or tufted fabric, lace, tapestry	0	H91: Clocks and watches and parts thereof	0
H27: Mineral fuels, oils, distillation products,	0	H59: Impregnated, coated, or laminated textile fabric	0	H92: Musical instruments, parts, and accessories	0
HS28: Inorganic chemicals	0		0	H94: Furniture, lighting, signs, prefabricated buildings	
H29: Organic chemicals	0	H61: Articles of apparel, accessories, knit or crochet	0	H95: Toys, games, sports requisites	0
H30: Pharmaceutical products	0	H62: Articles of apparel, accessories, not knit or crochet	0	H96: Miscellaneous manufactured articles	0
H31: Fertilisers	0	H63: Other made textile articles, sets, worn clothing	0	H97: Works of art, collector's pieces and antiques	0
H32: Tanning, dyeing extracts, tannins, derivatives, pigments	0	H64: Footwear, gaiters and the like, parts thereof	0	H99: Commodities not elsewhere specified	0

Source: TradeMap, 2023

NOTE: Exporters should not take the HS2 tariff as conclusive and as the actual tariff that will be applied to the exported product. The tariffs indicated above are average tariffs and for products within the category it may be higher or lower than indicated. Where the tariff is zero it can be assumed that there is zero tariff applicable to all products within that HS code. Tariffs are determined according to the importing country's national tariff line from the HS6 level and upwards. Exporters are advised to visit www.macmap.org to determine the exact tariff applicable to the product at HS6.

2.4 Trade Agreements

With France being a member of the EU and South Africa being part of the Southern African Development Community (SADC), the two countries form part of the SADC-EU Economic Partnership Agreement (EPA). The SADC-EU EPA is a reciprocal trade agreement, meaning both the EU and the SADC EPA group offer preferential market access to each other. However, the EU provides greater preferential and duty-free access, while the SADC EPA group maintains protection of sensitive sectors. The EPA provides preferential access to the EU market for 98.7% of South African goods (96.2% fully duty free and 2.5% partially). Goods that are partially duty free are subject to Tariff Rate Quotas (TRQs). To benefit from preferential access under the EPA TRQs, exporters need to apply for quota allocation. Certain products require application to the Department of Agriculture, Land Reforms and Rural Development (DALRRD). Other products only need an application to SARS for a EUR1 certificate, allocation is on a first-come-first-served basis. Quota allocation by DALRRD is based on their preferential market access allocation system and permits are valid 1 January to 31 December.

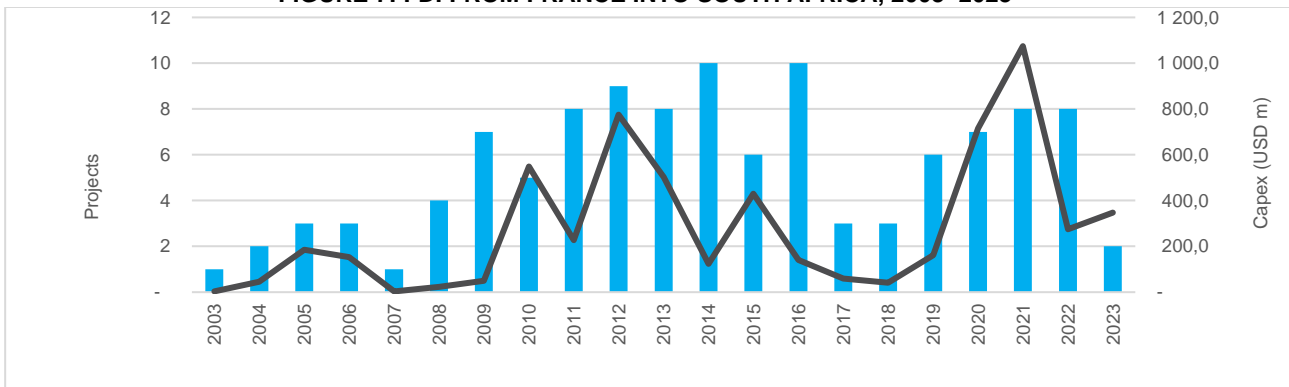
3. Foreign Direct Investment

This section analyses France's foreign direct investment (FDI) in South Africa and in the Western Cape from January 2003 to August 2023.

3.1 FDI Inflows from France into South Africa

Between January 2003 and August 2023, a total of 106 French companies invested in 114 FDI projects in South Africa. The French FDI in South Africa amounted to a cumulative capital expenditure (capex) of USD 5.88bn and resulted in the creation of 9 689 jobs in the South African economy during the period under review. Figure 7 depicts a consistent increase in the number of French FDI projects in South Africa. Investments peaked in 2021 when a large investment of USD1 074.6m in capex was made in one year. France invested in the greatest number of projects – ten in all – in 2016 and on average, the country invested in five projects in South Africa from 2003 to 2023.

FIGURE 7: FDI FROM FRANCE INTO SOUTH AFRICA, 2003–2023



Source: FDI Intelligence, 2023

Table 11 depicts the sectors in South Africa that attracted FDI from France during the 2003–2023 period. South Africa's renewable energy sector benefited the most from French FDI in 20 projects at a value of USD3 080.4m, which accounted for 52.3% of the total capex during this period. The coal, oil and gas industry attracted the second largest capex injection of USD676.1m (representing 11.5%) which was invested in two projects. The business services sector placed third, with investments in 19 FDI projects, valued at USD361.3m and accounting for 16.7% of the total number of FDI projects and 6.1% of the total capex.

TABLE 11: TOP 10 SECTORS FOR FDI FROM FRANCE INTO SOUTH AFRICA: BY SECTOR, 2023

Rank	Sector	Projects per sector	Projects (%)	Capex (USD m)	Capex (%)
1	Renewable energy	20	17.5%	3 080.4	52.3%
2	Coal, oil and gas	2	1.8%	676.1	11.5%
3	Business services	19	16.7%	361.3	6.1%
4	Chemicals	8	7.0%	348.8	5.9%
5	Communications	7	6.1%	247.54	4.2%
6	Hotels & tourism	2	1.8%	230.1	3.9%
7	Non-automotive transport OEM	1	0.9%	200.5	3.4%
8	Software & IT services	8	7.0%	184.5	3.1%
9	Building materials	1	0.9%	159.8	2.7%
10	Transportation & Warehousing	9	7.9%	85.01	1.4%
TOTAL FDI FROM FRANCE INTO SOUTH AFRICA		114	100.0%	5887.3	100.0%

Source: FDI Intelligence, 2023

Table 12 lists the top 10 French companies that have invested in South Africa from 2003 to 2023, according to the number of projects. EDF Renewables South Africa invested in 10 projects in the renewable energy sector, worth a total capex value of USD1 584.50m, which created 218 jobs in South Africa. The French company Engie also invested in three projects in the coal, oil and gas sector, with a capex value of USD1 044.20m. Concentrix Solar

injected USD372.4m in two projects in the renewable energy sector. The renewable energy sector also benefited from investments by EDF Renewables, Engie and TotalEnergies during this period. Other high investing French companies were Air Liquide (two projects; capex value of USD260.6m), Accor (two projects; capex value of USD230.1m) and Alstom (one project; capex value of USD200.5m). These investments were made in the chemicals, tourism and non-automotive transport OEM sectors respectively.

TABLE 12: TOP 10 FRENCH COMPANIES INVESTING INTO SOUTH AFRICA, 2023

TOP FRENCH COMPANIES INVESTING INTO SOUTH AFRICA	PROJECTS	CAPEX (USD M)	JOBS CREATED	PRIMARY SECTOR
EDF Renewables South Africa	10	1 584.5	218	Renewable energy
Engie (GDF SUEZ) (Gaz de France)	3	1 044.2	157	Coal, oil & gas
Concentrix Solar	2	372.4	82	Renewable energy
TotalEnergies (Total)	2	347.2	42	Renewable energy
Air Liquide	2	260.6	464	Chemicals
Accor	2	230.1	421	Hotels & tourism
Sunpower	2	212.8	190	Electronic components
Alstom	1	200.5	1 500	Non-automotive transport OEM
Volitalia	1	173.6	21	Renewable energy
Lafarge	2	165.3	343	Coal, oil & gas
TOTAL FDI FROM FRANCE INTO SOUTH AFRICA	114	5 887.3	9 689	

Source: FDI Intelligence, 2023

3.2 FDI from South Africa in France

Between January 2003 and August 2023, a total of 22 South African companies invested in 22 projects in France with an accumulative capital investment of USD250,94m which resulted in the creation of 551 jobs. These companies are listed in Table 13. South African FDI in France peaked in 2018 with six projects worth USD106m in capex in that year alone. Thereafter, South Africa's FDI was reduced to two projects between 2018 and 2021. Capital investment in the period 2003–2022 averaged at USD11.4m, indicating a relatively staid investment in the French economy. More specifically, South Africa showed interest in investing in the software & IT services sector, with this sector having benefited from 45.5% of FDI projects at a total capex value of USD64m and 203 jobs, from 2003 to 2022. The pharmaceutical company Aspen made the largest investment in France, which amounted to a total capex of USD107.8m. This was equivalent to 43.0% of the total capex invested in the pharmaceuticals sector in this period. A total of 320 jobs were created in both sectors (software & IT services, and pharmaceuticals), which is equivalent to 58.1% of the total number jobs generated from South Africa's FDI in France during this period.

TABLE 13: SOUTH AFRICAN COMPANIES INVESTING IN FRANCE, 2003-2023

Date	Investing company	Source state	Destination state	Sector	Jobs created	Capital investment (USD m)
Dec 2003	Bridge People and Technology	Western Cape	Not Specified	Software & IT services	18	5
May 2006	Dimension Data Europe	Gauteng	Ile-de-France	Software & IT services	35	15.4
Apr 2007	Crane Telecommunications	Gauteng	Ile-de-France	Communications	21	3.1
Jan 2010	HL Hall International	Mpumalanga	Ile-de-France	Food & Beverages	8	0.8
May 2012	Barloworld Supply Chain Software	Gauteng	Ile-de-France	Software & IT services	18	5
Oct 2012	HL Hall International	Mpumalanga	Provence-Alpes-Cote dAzur	Food & Beverages	89	26.8
Mar 2014	Aspen France	KwaZulu-Natal	Ile-de-France	Pharmaceuticals	14	1.6
May 2017	PayGenius	Western Cape	Ile-de-France	Software & IT services	3	1.3
May 2017	Peach Bots (FinChatBot)	Gauteng	Ile-de-France	Software & IT services	14	5

Nov 2017	Aspen Pharmacare Holdings	KwaZulu-Natal	Normandy	Pharmaceuticals	74	76.54
Jan 2018	wiGroup	Western Cape	Ile-de-France	Software & IT services	14	5
Mar 2018	Westcon Group	Gauteng	Not Specified	Communications	18	2.3
May 2018	Aspen Pharmacare Holdings	KwaZulu-Natal	Normandy	Pharmaceuticals	29	29.7
Aug 2018	GAEA Sports	Western Cape	Ile-de-France	Business services	5	2.2
Aug 2018	Optilogistic	Western Cape	Pays de la Loire	Software & IT services	25	11
Oct 2018	Irdeeto	Western Cape	Ile-de-France	Software & IT services	15	2.6
Oct 2019	iFood	Western Cape	Ile-de-France	Software & IT services	47	9.1
Mar 2020	IBIS Consulting	Gauteng	Ile-de-France	Business services	24	14.2
Nov 2020	Peach Bots (FinChatBot)	Gauteng	Not Specified	Software & IT services	14	5
Jun 2021	HL Hall International	Mpumalanga	Ile-de-France	Food & Beverages	10	5.1
Jun 2021	Westcon Group	Gauteng	Ile-de-France	Communications	15	3.3
Oct 2022	Westfalia Fruit	Gauteng	Provence-Alpes-Cote d'Azur	Food & Beverages	41	20.9
TOTAL FDI FROM SOUTH AFRICA INTO FRANCE					551	250.94

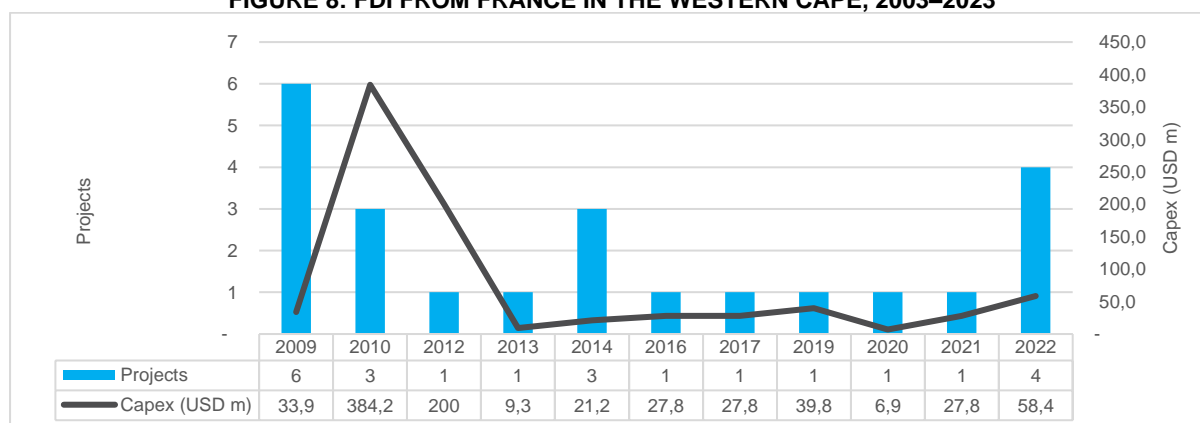
Source: FDI Intelligence, 2023

3.3 FDI from France in the Western Cape

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From January 2003 to 2022, a total of 29 French companies invested in 23 FDI projects in the Western Cape, with a total capex value of USD837.1m, resulting in the creation of 1 975 jobs in the province. France robustly invested USD33.9m (in six projects) in 2009. Thereafter, the country increased its FDI, injecting USD384.2m in three projects in 2010. Subsequently, FDI projects fluctuated between one and three projects over an eight-year period (2012–2021); in 2022, France invested in four FDI projects with a capex value of USD58.4m, which reflects the Western Cape's economic recovery from Covid-19.

FIGURE 8: FDI FROM FRANCE IN THE WESTERN CAPE, 2003–2023



Source: FDI Intelligence, 2023

Two sectors in the Western Cape – business services and renewable energy – benefited the most from French FDI. This is shown in Table 14. The business services sector attracted the highest number of FDI projects (nine), amounting to a capex value of USD143.3m which generated 1 338 jobs. The renewable energy sector in the Western Cape was allocated USD594.5m (four projects), accounting for 71.0% of the total capex from French FDI in the province. The electronic components sector benefited from four projects at a capex value of USD33.5m; the biotechnology sector from one project at a capex value of USD39.8m; and the software & IT services sector from two projects at a capex value of USD11.6m.

TABLE 14: FDI FROM FRANCE INTO THE WESTERN CAPE: BY SECTOR, 2003–2023

Sector	Projects per sector	Project (%)	Capex (USD m)	Capex (%)
Renewable energy	4	17.4%	594.5	71.0%
Business services	9	39.1%	143.3	17.1%
Electronic components	4	17.4%	33.5	4.0%
Biotechnology	1	4.3%	39.8	4.8%
Software & IT services	2	8.7%	11.6	1.4%
Communications	1	4.3%	6.6	0.8%
Chemicals	1	4.3%	6.2	0.7%
Transportation & Warehousing	1	4.3%	1.6	0.2%
TOTAL FDI FROM FRANCE INTO WESTERN CAPE	23	100.0%	837.1	100.0%

Source: FDI Intelligence, 2023

Table 15 lists the top French companies that invested in the Western Cape from 2003 to 2023. Concentrix Solar injected the largest capital investment in two projects in the renewable energy sector in the Western Cape at a capex value of USD372.4m, representing a 53.4% share of the total capex. Teleperformance invested in two projects in the province, with a capex value of USD9m, resulting in the creation of 700 jobs in the business services sector. Engie invested in one project in the renewable energy sector, with a capex value of USD200m (representing 28.7% of the total capex invested in the Western Cape). EDF Renewables South Africa injected USD22.1m in one project. Sanofi Genzyme invested USD39.8m in one project in the biotechnology sector, whereas Transearch invested USD27.8m also in a single project in the business services sector. France invested a total of USD594.5m in the Western Cape's renewable energy sector in the period under review (2003-2023).

TABLE 15: FRENCH COMPANIES INVESTING IN THE WESTERN CAPE, 2003–2023

Top French Companies Investing in Western Cape	Projects	Capex (USDm)	Jobs	Sector
Concentrix Solar	2	372.4	82	Renewable Energy
Engie (GDF SUEZ) (Gaz de France)	1	200	40	Renewable Energy
Sanofi Genzyme	1	39.8	49	Biotechnology
Transearch	1	27.8	14	Business Services
EDF Renewables South Africa	1	22.1	29	Renewable Energy
Sunpower	1	12.8	150	Electronic Components
Teleperformance	2	9	700	Business Services
Diana Group (Groupe Diana)	1	6.2	14	Chemicals
AD Software	1	5.8	9	Software & IT Services
Biocair International	1	1.6	4	Transportation & Warehousing
TOTAL FDI FROM FRANCE INTO WESTERN CAPE	23	837.1	1975	

Source: FDI Intelligence, 2023

3.4 FDI from the Western Cape into France

Seven Western Cape companies invested in seven projects in France from 2003 to 2023. The FDI injection in France totalled USD36.2m, resulting in the creation of 127 jobs, as shown in Table 15. Western Cape companies invested in one project in each of these years: 2003, 2017 and 2019. However, in 2018, the province invested in four projects in France. The Western Cape's latest FDI injection into the French economy was in 2019, where the capital investment amounted to USD9.1m, creating 47 jobs within the invested sector (software & IT services).

Optilogistic was the top Western Cape investor in France during this period, having invested in one project in the software and IT services sector with an associated USD11m in capex and thereby generating 25 jobs. Other local companies investing in France were iFood (one project at a capex value of USD9.1m); wiGroup (one project at a capex value of USD5m); and Bridge People and Technology, which invested in one project with a capital outlay of USD5m resulting in the creation of 18 jobs.

TABLE 16: WESTERN CAPE COMPANIES INVESTING IN FRANCE: 2003–2023

Top Western Cape Companies Investing in France	Projects	Capex (USDm)	Jobs	Sector
Optilogistic	1	11	25	Software & IT services
iFood	1	9.1	47	Software & IT services
wiGroup	1	5	14	Software & IT services
Bridge People and Technology	1	5	18	Software & IT services
Irdeto	1	2.6	15	Software & IT services
GAEA Sports	1	2.2	5	Business services
PayGenius	1	1.3	3	Software & IT services
TOTAL FDI FROM WESTERN CAPE INTO FRANCE	7	36.2	127	

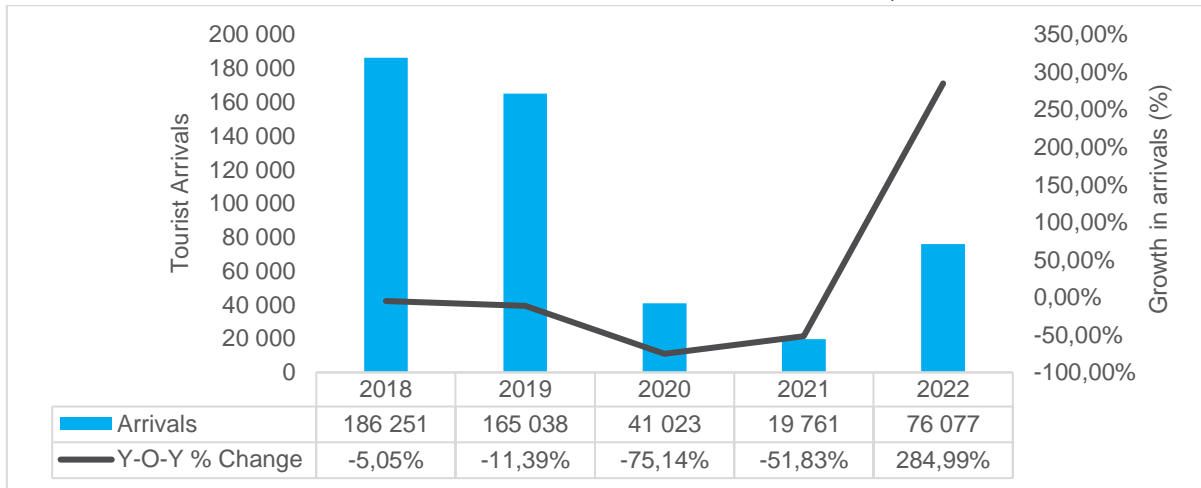
Source: FDI Intelligence, 2023

4. Tourism

4.1 French Tourist Arrivals in South Africa

South Africa welcomed 76 077 tourists from France in 2022, which reflects a growth of 284.99% y-o-y when compared to 2021 and a recovery of 46.10% in relation to 2019. These figures can be seen in Figure 17.

FIGURE 17: FRENCH TOURIST ARRIVALS IN SOUTH AFRICA, 2018–2022

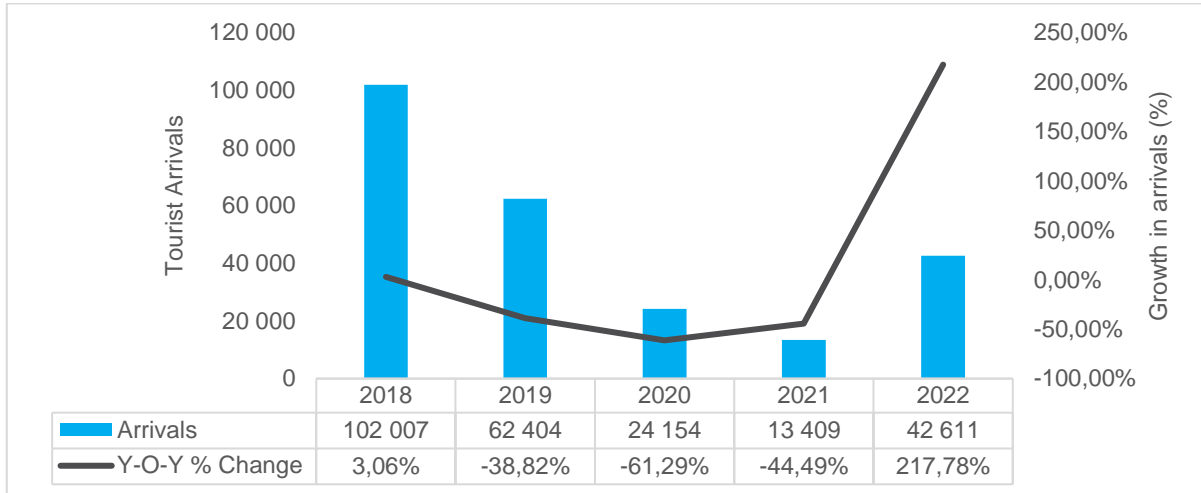


Source: SA tourism, 2023

4.2 French Tourist Arrivals in the Western Cape

In 2022, 42 611 tourists from France visited the Western Cape, as seen in Figure 18 This reflects a recovery of 68.28% when compared to 2019 and a y-o-y growth of 217.78% in relation to 2021. Some 29 202 more French tourists visited the Western Cape in 2022 compared to 2021.

FIGURE 18: FRENCH TOURIST ARRIVALS INTO CAPE TOWN (VIA AIR), 2018–2022

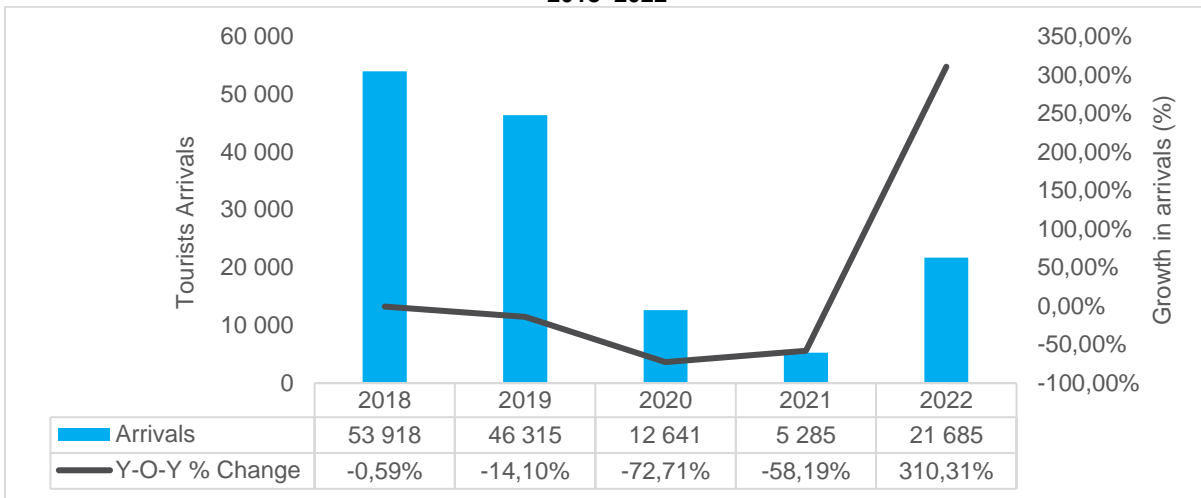


Source: SA Tourism, 2023

4.3 French Passenger Movement through Cape Town International Airport, 2018–2022

In 2022, there was a significant increase in French passengers travelling to Cape Town by air, with 21 685 arrivals recorded. This marks a y-o-y growth of 310.31% compared to 2021 and a recovery of 46.82% compared to 2019, as shown in Figure 19.

FIGURE 19: FRENCH PASSENGER MOVEMENT THROUGH CAPE TOWN INTERNATIONAL AIRPORT, 2018–2022



Source: Stats SA, 2023

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