

United Kingdom

September 2022

Executive Summary

This snapshot provides key trade, investment, and tourism related statistics for the United Kingdom (UK). Specifically, it shows global trade flows including an analysis of top markets and products for the UK in relation to the South Africa and the Western Cape, highlighting the largest and fastest growing products and sub-sectors. The key highlights in the fact sheet are provided below:

Economy

- Despite ongoing pandemic-related factors which saw the UK suffer its worst economic contraction of -4% in 2020, the economy recovered swiftly in 2021 - recording a y-o-y growth of 15.6% to reach a total GDP value of \$3.2 trillion, up from \$2.8 trillion just the year prior.
- Notable growth in GDP was largely driven by robust improvements in private and public consumption stemming from economic stimulus measures, successful vaccination uptakes and easing of pandemic-induced restrictions.
- Although economic recovery is expected to persist, factors such as high inflation and consequences of Brexit ail the economic outlook of the UK.

Trade

- In 2021, the UK was the Western Cape's third largest export market at a value of ZAR12.43bn, marginally lower than the ZAR12.49bn earned in 2020. The UK was the WC's 10th largest import market in 2021.
- Eight out of the top 10 Western Cape exports to the UK were agriculturally based, with wine exports holding the largest share of 18.75% in 2021, followed by grapes (18.11%) and citrus fruit exports at 14.73% in the same period.

Investment

- Over the period 2010-2021, 222 UK companies invested 274 FDI projects into South Africa, reaching a total capex of ZAR164.6bn and creating 22,498 jobs. In turn, South Africa invested 113 FDI projects into the UK, which reached a capex of ZAR14.25bn and created 4,045 jobs over the same period under review.

Tourism

- Pre-Covid 19, the Western Cape saw over 250,000 tourist arrivals from the UK over the period 2017-2018 and close to 200,000 in 2019. The UK consistently led as the Western Cape's top source market pre-pandemic. However, the UK ranked as the second largest source market in 2021, second to Namibia, with a likely explanation being the lingering effects of the Omicron variant and European travel restrictions during the year 2021.

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1. Economic Overview

Despite ongoing pandemic-related factors which saw the UK suffer its worst economic contraction of -4% in 2020, the economy recovered swiftly in 2021 - recording a y-o-y growth of 15.6% to reach a total GDP value of \$3.2 trillion, up from \$2.8 trillion just the year prior. This notable growth was largely driven by robust improvements in private and public consumption stemming from economic stimulus measures, successful vaccination uptakes and easing of pandemic-induced restrictions. Although economic recovery is expected to persist, factors such as high inflation and consequences of Brexit ail the economic outlook of the UK.



With an average annual GDP per capita of \$43,362 from 2017 to 2021, the UK is the 28th largest country in the world in GDP per capita terms. Although GDP per capita fell by -4.5% to \$41,241 in 2020, the strong recovery in GDP facilitated the economy's positive prospects and in turn, bolstered GDP per capita by 15.4% to \$47,600 in 2021 - far exceeding the average of the rest of the Western European region of \$40,083 in the same year. Off the backdrop of a positive economic outlook for the UK, GDP per capita is expected to grow at an average annual rate of 4.44% per annum from 2022-2025 to reach a GDP per capita value of \$59,011 by 2025.

The UK economy is largely composed of the services sector, which collectively accounts for around 80% of total GVA in 2021. In particular, the financial intermediation, real estate, renting and business services sector lead the ranks, accounting for more than a third of UK's Value Added in 2021, while the public administration and defense, education, health, community, social and personal services ranked as the second largest contributor to the UK economy at 25.27%. At a 19.43% share of the UK economy, the wholesale and retail trade, repair of motor vehicles, hotels, tourism and communications sector rounded up the services sector's contribution to the economy in 2021. Looking forward, economic growth is expected to be driven by the services sector, with business services and real estate expected to attain the strongest growth of 19.1% and 9.8%, respectively, over the period 2021-2026.

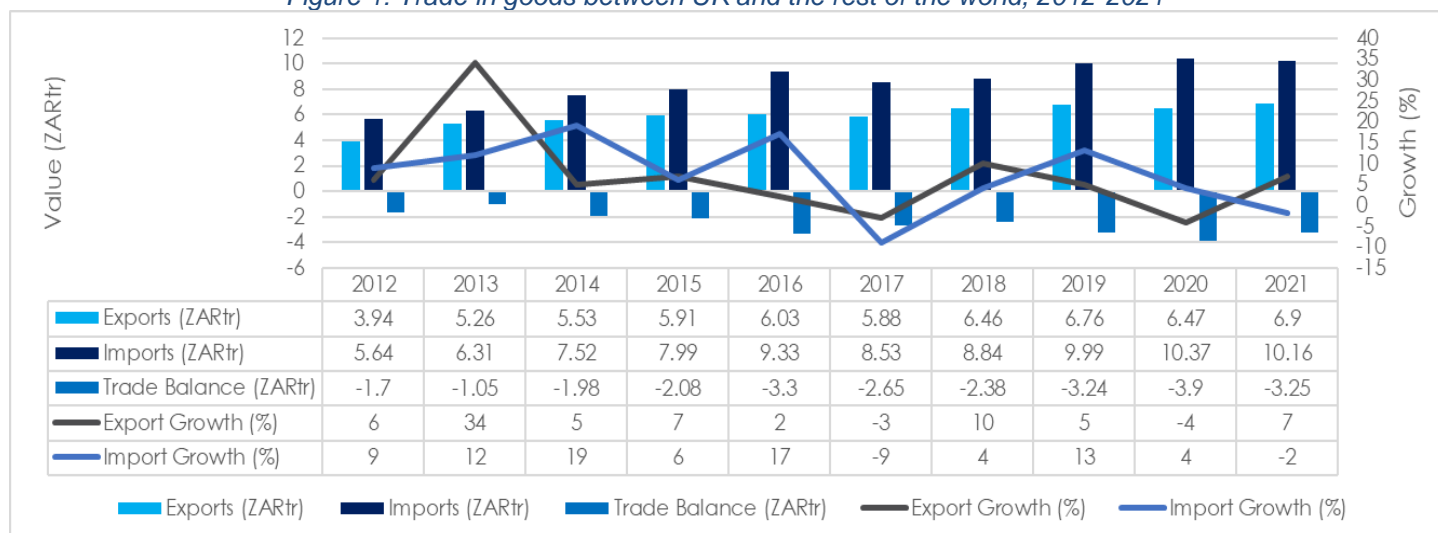
2. Trade

South Africa is part of the economic partnership agreement between the UK and the Southern African Customs Union and Mozambique (SACUM). The agreement allows for 96% of South Africa's goods to be imported into the UK, duty-free. South Africa and the other SACUM members, in turn, remove tariffs and quotas for 85% of the UK's exports. The following section analyses United Kingdom's (UK) trade with the rest of the world, South Africa and the Western Cape.

2.1 UK's Trade with the Rest of the World

Despite maintaining a trade deficit over the last 10 years, the UK's total trade increased steadily overall. Export receipts rose at an average annual rate of 6.9%, from ZAR3.94tr in 2012 to ZAR6.9tr by 2021, while imports grew at an average of 7.3% per annum - equating to an increase from ZAR5.64tr in 2012 to ZAR10.16tr by 2021. More recently, following the robust recovery in global demand from the ailing Covid-19 pandemic, UK exports increased by 7% in 2021, while imports fell by -2%, narrowing the trade deficit to ZAR3.25tr in 2021.

Figure 1: Trade in goods between UK and the rest of the world, 2012-2021



Source: Trade Map (2022)

Figure 2 shows the top 10 export basket from the UK to the world in 2021, which proved to be relatively diverse. Gold, as the country's largest export, held an 8.86% share at an export value of ZAR611bn in 2021. Switzerland remained the country's largest importer of gold over the last five years, followed by the UAE and Germany. Interestingly, growth in UK exports of gold to Thailand increased by 484,663% following the pandemic in 2021. Out of the top 10 exported products from the UK, unspecified commodity exports recorded the highest average annual growth of 405.7% from 2012-2021.

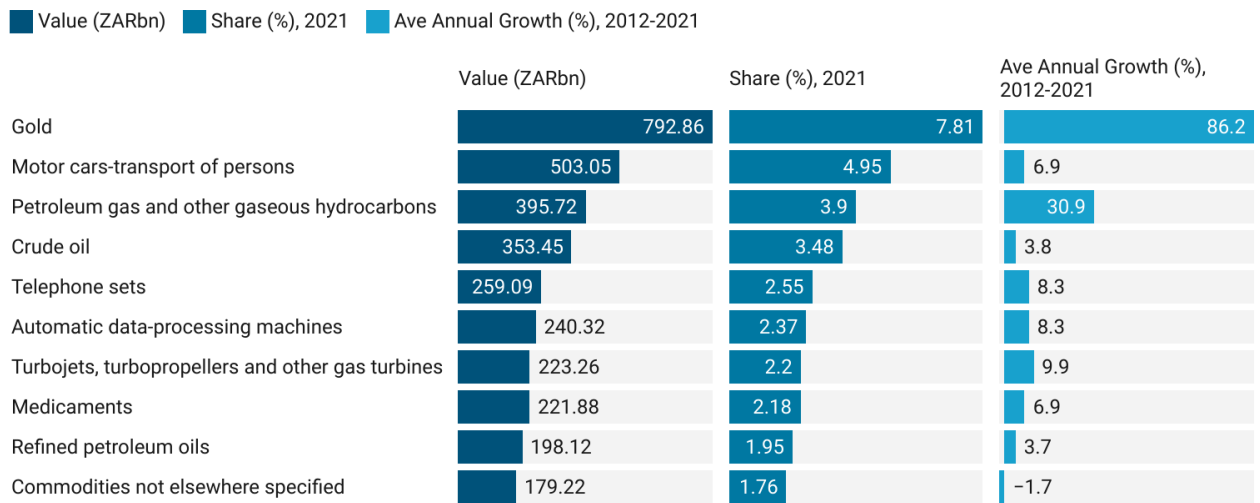
Figure 2: UK's Top 10 Exported Products (HS4), 2021

	Value (ZARbn)	Share (%), 2021	Ave Annual Growth (%), 2012-2021
Gold	611.5	8.86	6.9
Commodities not elsewhere specified	455.62	6.6	405.7
Motor cars-transport of persons	445.52	6.45	4.5
Turbojets, turbopropellers and other gas turbines	342.53	4.96	8
Medicaments	281.2	4.07	10.1
Crude oil	250.96	3.64	5.2
Platinum	200.86	2.91	4.9
Refined petroleum oils	154.09	2.23	24.4
Parts of aircraft and spacecraft	149.12	2.16	-0.7
Undenatured ethyl alcohol	113.24	1.64	1.3

Source: Trade Map (2022)

A large proportion of the UK's imports are gold (7.8%), with Russia, Canada and the US ranking as its top three suppliers, which accounted for more than 60% of gold imports. Further, motor cars for the transporting of persons and petroleum gas ranked as the countries second and third largest import, collectively accounting for 9% of total imports in 2021. Norway, the US, and Libya were the UK's three largest markets for crude oil imports, accounting for approximately 80% of crude imports in 2021. Out of the top 10 import basket, gold imports grew at the highest average rate of 86.2% per annum, followed by petroleum gas imports at 30.9% over the period 2012 to 2021.

Figure 3: UK's Top 10 Imported Products (HS4), 2021



Source: Trade Map (2022)

The United States has no closer ally than the UK, and trade relations between the two have remained strong even after the UK's departure from the EU. As a result, the United States was the UK's most important trading partner, with exports to the country reaching ZAR883bn and accounted for 12% of total British exports in 2021. Motor cars exports, medicaments and airplane parts were among the top three exported products to the United States in 2021, collectively accounting for over 12% of the UK's export basket to the United States. Following this, Germany and Switzerland were likewise formidable trading partners of the UK, with exports to Germany as the UK's second largest export market reaching a total value of ZAR598bn, while exports to Switzerland reached a total export value of ZAR585bn in 2021.

Economic relations between the UK and China have intensified over the last 10 years and in 2020-2021, China overtook Germany to become the UK's largest import partner. Imports from the Asian powerhouse reached a total value of ZAR1,34tr in 2021, increasing at an average annual rate of 11.58% over the last 10 years. Data-processing machines, telephones for cellular networks and diagnostic reagents were among the top three imports from China, accounting for 23% of total imports from the country. Germany followed closely as the UK's second largest import market, with import costs reaching ZAR1,11tr in 2021. Motor cars made up the bulk of German imports into the UK, holding an 87% share in 2021, while motor vehicle parts comprised of a 5% share. Further, gold, turbojets and crude oil topped the three largest imports from the United States and collectively accounting for 37% of US imports in 2021.

Table 1: UK's top 10 export and Import markets, 2021

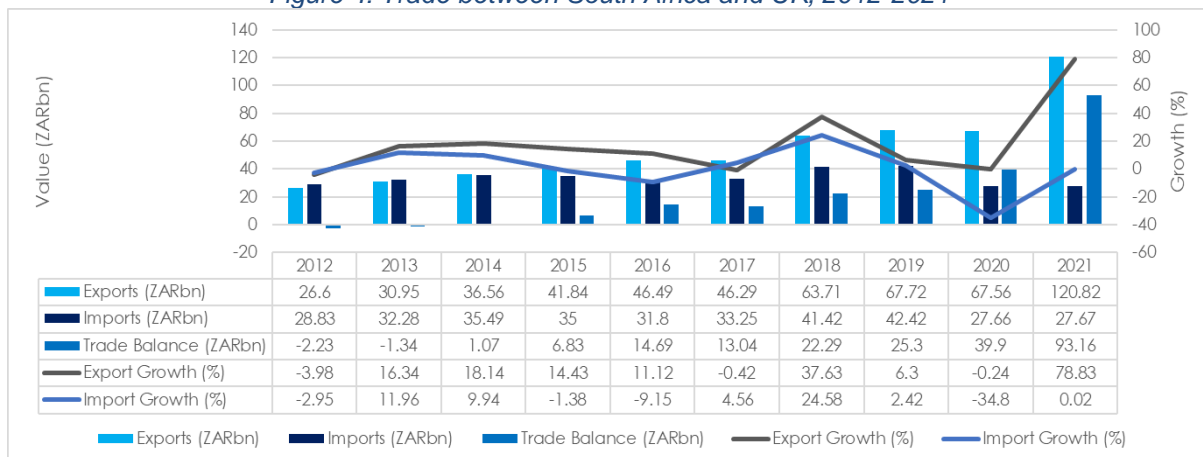
Top Export Markets	Value (ZARbn), 2021	Share (%), 2021	Ave Annual Growth (%), 2012-2021	Top Import Markets	Value ZARbn (2021)	Share %, (2021)	Ave Annual Growth %, (2012-2021)
United States of America	883	12.80	7.80	China	1,345	13.25	11.58
Germany	598	8.66	4.74	Germany	1,114	10.97	6.46
Switzerland	585	8.48	41.22	United States of America	881	8.67	7.50
Netherlands	519	7.52	7.78	Netherlands	614	6.05	7.03
Ireland	429	6.22	8.29	Norway	531	5.23	13.04
France	386	5.59	3.95	Belgium	458	4.51	8.02
China	308	4.47	15.07	France	455	4.48	5.51
Belgium	295	4.27	5.64	Italy	382	3.76	8.77
Area Nes	234	3.40	29.68	Russian Federation	367	3.61	20.30
Italy	180	2.60	5.15	Spain	302	2.97	9.07
Total exports	6,904	100.00	6.80	Total imports	10,158	100.00	7.32

Source: Trade Map (2022)

2.2 Bilateral Trade: South Africa's trade with UK

Although the UK was South Africa's 13th largest import market in 2021, it ranked as the country's 5th largest export market in 2021, indicating its relative significance to SA's economic growth prospects. From Figure 4 below, it is evident that SA maintained a trade surplus with the UK over the last eight years, which was exacerbated in 2021 as exports to the UK spiked by 79%. This robust growth was largely driven by exceptional growth in platinum and precious metal ore exports, which increased by 132% and 700%, respectively from 2020 to 2021. With exponential growth in exports, while imports remaining relatively constant, a steep widening of the trade surplus occurred from ZAR39.9bn in 2020 to ZAR93.2bn in 2021.

Figure 4: Trade between South Africa and UK, 2012-2021



Source: Quantec (2022)

South Africa's top three exports to the UK accounted for more than 73% of the top 10 exports to the country in 2021 - indicating that exports to the UK is highly concentrated. SA was the UK's largest supplier of platinum in 2021. Thus, as expected, platinum ranked as the largest export to the UK, reaching a value of ZAR74.64bn in 2021, while motor vehicles for transport of goods (ZAR10.59bn) and motor vehicles for the transport of persons (ZAR3.34bn) ranked in second and third place. The growth of motor vehicles for transport of persons exports to the UK recorded impressive growth over the last 12 years, averaging at a 1321.75% growth per annum from 2012 to 2021. South Africa was also the UK's largest supplier of reaction initiators in 2021.

Figure 5: South Africa's top 10 exports (HS4) to UK, 2021

■ Value (ZARbn) ■ Share (%), 2021 ■ Ave Annual Growth (%), (2012-2021)

	Value (ZARbn)	Share (%), 2021	Ave Annual Growth (%), (2012-2021)
Platinum	74.64	61.78	29.32
Motor vehicles-transport of goods	10.59	8.77	34.67
Motor cars- transport of persons	3.34	2.77	1,321.75
Precious metal ores	3.25	2.69	77.2
Centrifuges	2.98	2.47	6.63
Grapes, fresh or dried	2.51	2.08	14.85
Citrus fruit, fresh or dried	2.48	2.05	15.17
Wine	2.35	1.95	9.71
Iron ores	1.89	1.57	33.38
Apples, pears and quinces, fresh	1.48	1.22	10.56

Source: Quantec (2022)

SA imports from the UK are largely unclassified products, which reached a total import cost of ZAR2.5bn and accounted for 9% of SA imports from the UK in 2021. With the import of original equipment components (OEC) holding an 8.5% share and reaching a total import cost of ZAR2.4bn in 2021, this product was ranked as the second largest import from the UK in 2021. Moreover, the UK was the nation's 10th largest supplier of OEC's, which grew at a robust average annual growth of 10.71% per annum from 2012-2021. Of particular interest is the growth of unused postage imports into SA, which increased at an average annual rate of 74,389.95% from 2012-2021.

Figure 6: South Africa's top 10 imports (HS4) from UK, 2021

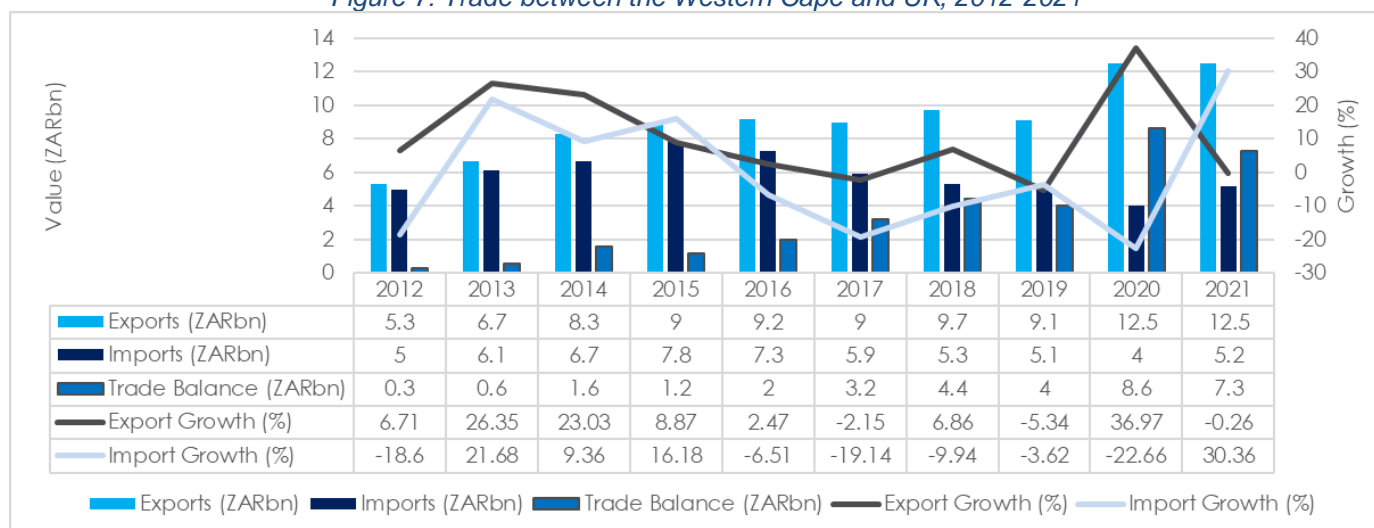
	Value (ZARm)	Share (%), 2021	Ave Annual Growth (%), (2012-2021)
Unclassified	2,489	9	1,084.51
Original equipment components	2,350	8.5	10.71
Refined petroleum oils	1,683	6.08	23.52
Undenatured ethyl alcohol	1,635	5.91	0.4
Motor cars-transport of persons	1,401	5.06	-4.75
Unused postage, revenue or similar stamps	651	2.35	74,389.95
Tractors	467	1.69	22.58
Printed books, brochures, leaflets	436	1.57	-3.36
Diesel or semi-diesel engines	402	1.45	13.11
Machinery for sorting, screening, separating	390	1.41	6.67

Source: Quantec (2022)

2.3 Bilateral Trade: Trade flows between the Western Cape and UK

The UK was the WC's third largest export partner in 2021, with exports to the country growing at a robust average annual rate of 10.35% per annum from 2012 to 2021. As the global economy recovered from the Covid-19 pandemic and global demand surged, exports to the UK surpassed pre-pandemic levels to ZAR12.5bn in 2020 from ZAR9.1bn in 2019 - albeit declining by -0.26% in 2021. In turn, the UK was the WC's 10th largest import market in 2021, averaging at -0.29% per annum over the period 2012 to 2021. This regressive growth was largely driven by a plunge in imports in 2020, where imports fell by 22.7% due to the global economic downturn. However, imports recovered strongly in 2021, growing at 30.4% in this year.

Figure 7: Trade between the Western Cape and UK, 2012-2021



Source: Quantec (2022)

Eight out of the top 10 WC exports to the UK were agriculturally based, with wine exports holding the largest share of 18.75% at an export value of ZAR2.34bn in 2021. This was closely followed by grapes exports to the value of ZAR2.26bn (18.11%) and citrus fruit exports at 14.73% in the same period.

Further, centrifuges exports to the UK recorded the highest growth over the last 10 years, averaging at an average annual rate of 466.6% over the period 2012 to 2021.

Figure 8: Top 10 products exported from the Western Cape to UK, 2021

■ Value (ZARm) ■ Share (%), 2021 ■ Ave Annual Growth (%), (2012-2021)

	Value (ZARm)	Share (%), 2021	Ave Annual Growth (%), (2012-2021)
Wine	2,344	18.75	9.73
Grapes, fresh or dried	2,264	18.11	15.7
Citrus fruit, fresh or dried	1,841	14.73	15.64
Apples, pears and quinces, fresh	1,475	11.8	10.6
Other fruit, fresh	903	7.23	22.1
Apricots, cherries, peaches (including nectarines), plums and sloes, fresh	713	5.71	12.79
Beauty or make-up preparations and preparations for the care of the skin	267	2.14	13.53
Dried fruit	204	1.64	116.56
Centrifuges	172	1.38	466.4
Fruit, nuts and other edible parts of plants	170	1.36	5.29

Source: Quantec (2022)

About 26.82% of products imported from UK to the Western Cape in 2021 were refined petroleum oil, which was the province's top import from the UK. The second and third most imported products from the UK by the Western Cape were unclassified products (7.04%) and undenatured ethyl alcohol (6.77%) as shown in Figure 9. The import of reaction initiators (411.4%) and edible offal of bovine animals (106.08%) recorded the highest and second highest average annual growth from the UK into the WC over the last 10 years spanning the period 2012 to 2021.

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Figure 9: Top 10 products imported from UK into the Western Cape, 2021

■ Value (ZARbn) ■ Share (%), 2021 ■ Ave Annual Growth (%), (2012-2021)

	Value (ZARbn)	Share (%), 2021	Ave Annual Growth (%), (2012-2021)
Refined petroleum oils	1,383.06	26.82	34.23
Unclassified	363.02	7.04	56.53
Undenatured ethyl alcohol	349.08	6.77	-6.61
Printed books, brochures, leaflets	274.57	5.32	7.62
Automatic data processing machines	268.02	5.2	39.94
Inedible fish meat or meat offal	109.96	2.13	19.88
Other plates, sheets, film, foil and strip	73.23	1.42	16.61
Chocolate and other food preparations containing cocoa	64.84	1.26	7.06
Edible offal of bovine animals	58.52	1.13	106.08
Reaction initiators	46.06	0.89	411.5

Source: Quantec (2022)

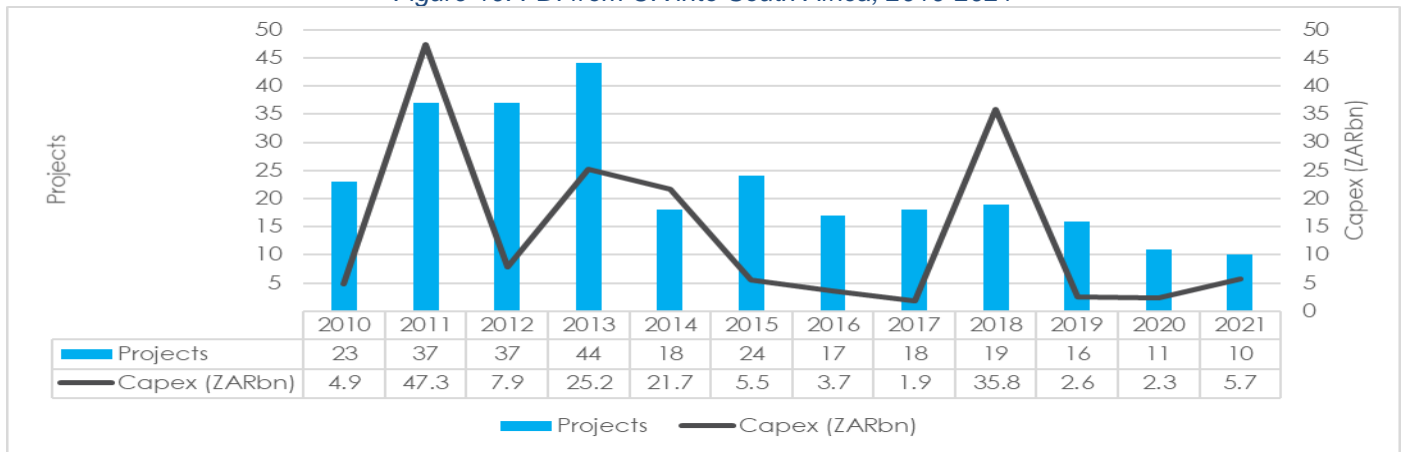
3. Foreign Direct Investment

This section analyses the UK's foreign direct investment (FDI) flows between South Africa and the Western Cape between January 2010 and December 2021.

3.1 FDI from UK into South Africa

Figure 10 below shows FDI flows from the UK into SA over the period 2010 to 2021. Over the last 12 years there were 274 capital projects invested into SA, reaching a total capex of ZAR164.6bn which created 22,498 jobs. Evidently, FDI from the UK into SA gradually decreased from its peak in 2013, where 44 projects were invested at a total spend of ZAR25.2bn. This downward trajectory was exacerbated in 2020, where total projects fell to 11 projects invested at a capex value of ZAR2.3bn.

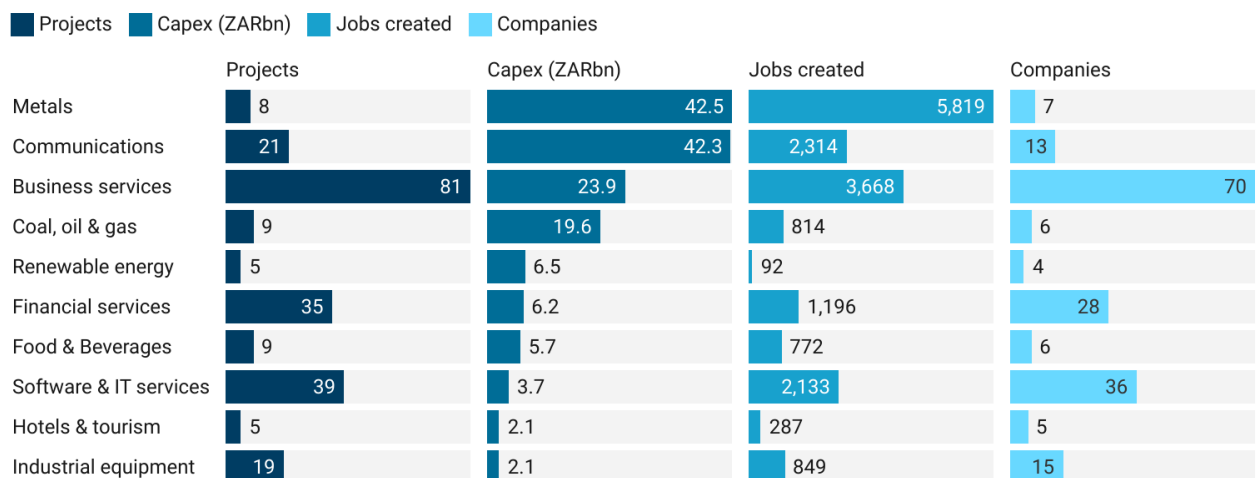
Figure 10: FDI from UK into South Africa, 2010-2021



Source: FDI Intelligence (2022)

Of the ZAR164.6bn capital outlay into SA by the UK, the metals (ZAR42.5bn); communications (ZAR42.3bn); and business services (ZAR23.9bn) were the three largest sector recipients of capex into SA and accounted for 66% of UK capital investment over the period 2010 to 2021. Capital project investment into SA's business services sector was prolific, registering 81 projects over the last 12 years. This was trailed by the financial services sector, which registered 35 capital projects over the period under review.

Figure 11: FDI from UK into South Africa: by sector, 2010-2021



Source: FDI Intelligence (2022)

Table 2 below shows the top 10 UK companies (by capex) investing into SA over the period 2010 to 2021. Vedanta Resources invested four projects into SA's metals sector, which reached a total capex value of ZAR36.5bn and created 4350 jobs over the period under review. Other high investing UK companies are Vedanta Zinc International (with three projects reaching ZAR26.90bn); Vodacom (seven projects reaching ZAR26bn); and Anglo American, which invested three projects in SA's metals sector to reach a total capital outlay of ZAR15.60bn over the reviewed period.

Table 2: Top 10 UK companies investing into South Africa, 2010 – 2021

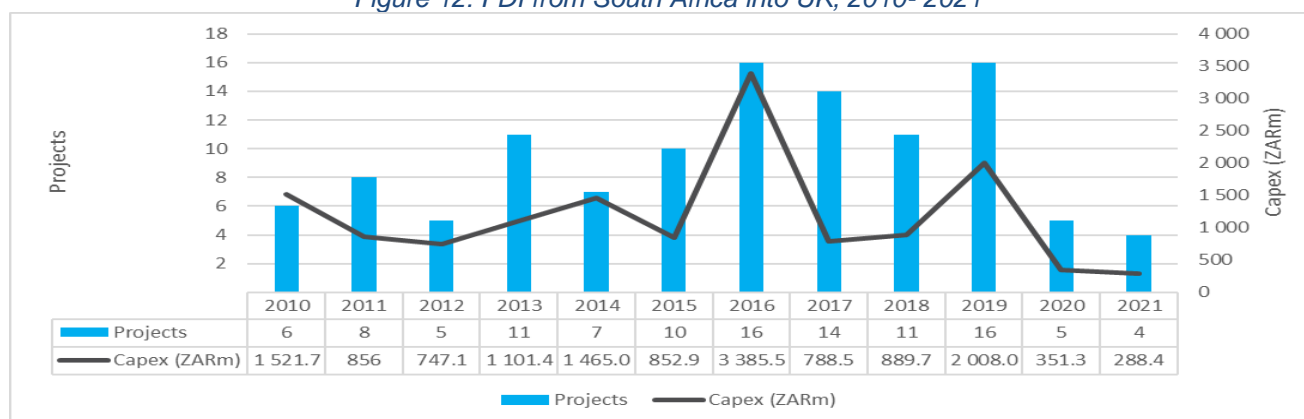
Company name	Projects	Capex (ZARbn)	Jobs	Primary sector
Vedanta Resources	4	37	4,350	Metals
Vedanta Zinc International	3	27	3,850	Metals
Vodacom	7	26	1,013	Communications
Anglo American	3	16	1,484	Metals
BT Group (British Telecom)	3	12	227	Communications
Sesa Sterlite	1	10	500	Metals
BP (British Petroleum)	4	8	129	Coal, oil & gas
Globeleq Generation	2	6	42	Renewable energy
Control Risks Group	1	5	88	Business services
British Petroleum South Africa (BPSA)	1	4	43	Coal, oil & gas

Source: FDI Intelligence (2022)

3.2 FDI from South Africa to UK

FDI from SA into the UK was relatively less robust, with a total of 113 projects invested that reached a total capex of ZAR14.25bn and creating 4,045 jobs over the period 2010 to 2021. The trend in FDI from SA into UK follows a quadratic trend, reaching its peak of 16 projects and ZAR3.38bn in capex. The effects of the Covid-19 pandemics can easily be witnessed from the drop in investment in 2020, where greenfield investment projects from SA into the UK fell 69%, while capital investment fell by 85% in 2020.

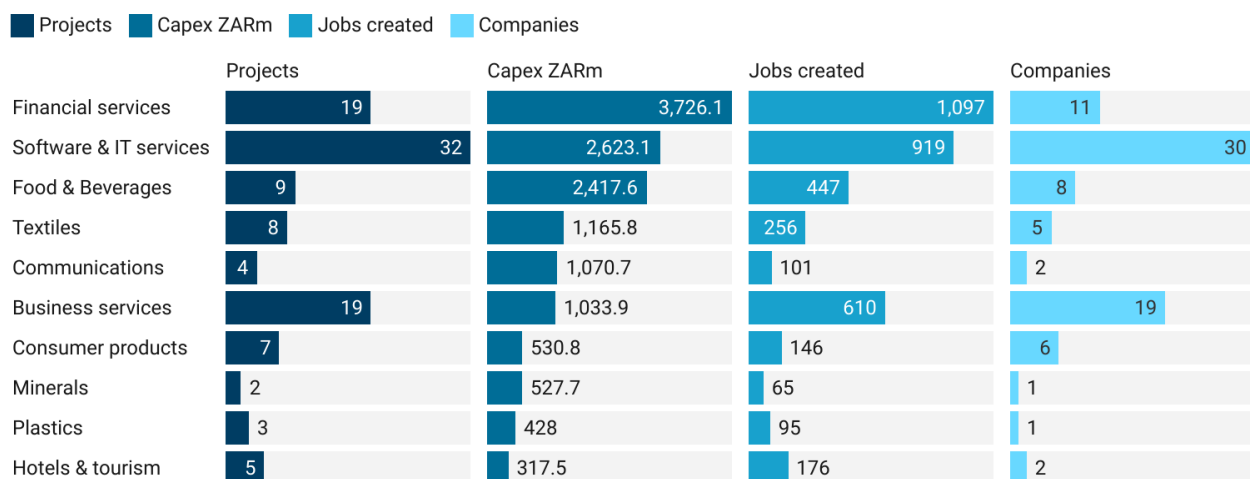
Figure 12: FDI from South Africa into UK, 2010- 2021



Source: FDI Intelligence (2022)

The financial services, software and IT services and food and beverages were the largest recipients of SA capital expenditure in the UK, collectively accounting for 62% of capex over the period 2010 to 2021. In turn, software and IT services, financial services and business services collectively made up the top three attracting FDI project sectors, accounting for 37% (or 38 projects) of projects invested from SA into UK over the period under review.

Figure 13: FDI from South Africa into UK by sector, 2010-2021



Source: FDI Intelligence (2021)

An overview of South African companies investing into the UK over the last 12 years is tabulated below in Table 2. FirstRand invested three capital-intensive projects into the UK's financial services sector, which reached a total capex of ZAR1.33bn. Other companies listed here, such as The Foschini Group and MotoNova Finance also made significant investments into the UK, which collectively reached over ZAR2.4bn over the period under review.

Table 3: South African companies investing in UK, 2010-2021

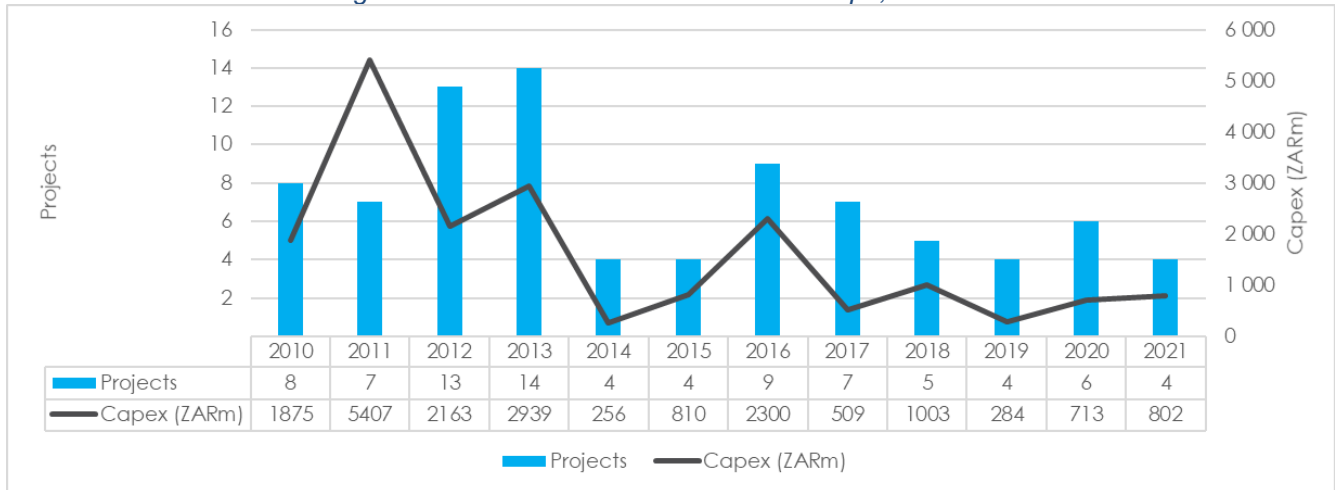
Company name	#Projects	Capex ZARm	Total jobs	Primary sector
FirstRand	3	1,335	639	Financial services
The Foschini Group	8	1,213	271	Textiles
MotoNova Finance	2	1,204	612	Financial services
Logicalis	4	1,048	89	Software & IT services
Datatec	4	1,048	89	Communications
Bidvest	3	878	237	Food & Beverages
Investec	7	862	127	Financial services
BFS Group (3663)	2	846	222	Food & Beverages
Bytes Technology	3	781	206	Software & IT services
Allied Electronics (Altron)	3	781	206	Software & IT services

Source: FDI Intelligence (2021)

3.3 FDI from UK to the Western Cape

Over the last 12 years spanning the period 2010 to 2021, there were 85 FDI projects invested into the WC from the UK, which reached a total capex value of ZAR19.06bn and created 5,241 jobs. Both FDI capex and projects reached its peak in the former part of the decade and gradually decreased over the period to reached four projects invested in 2021 with a capex value of ZAR802m.

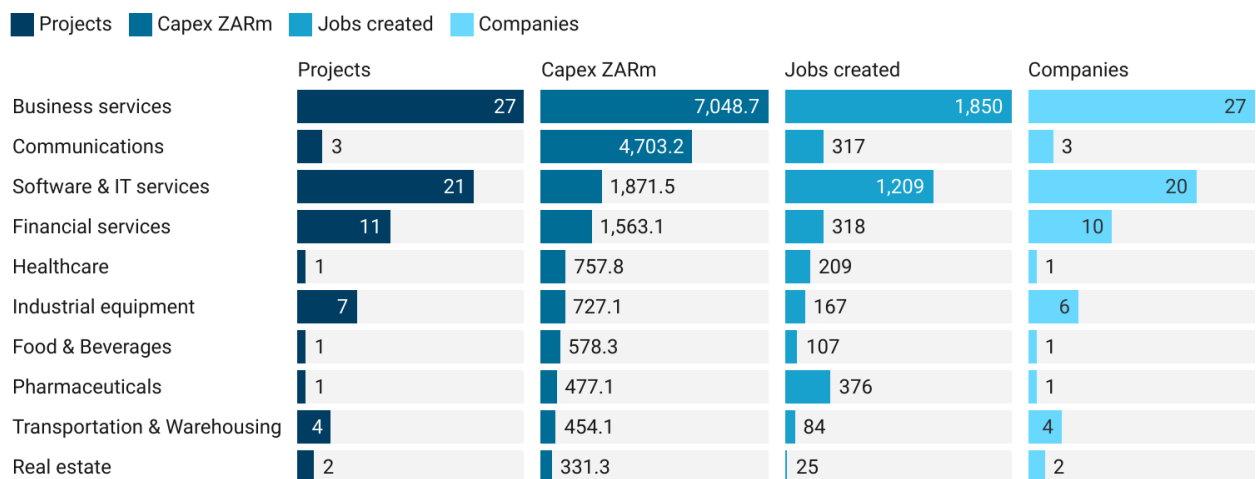
Figure 14: FDI from UK into the Western Cape, 2010 - 2021



Source: FDI Intelligence (2021)

The top four capex attracting sectors: Business services (ZAR7.04bn); Communications (ZAR4.70bn); Software and IT services (ZAR1.87bn) and financial services (ZAR1.56bn) accounted for 80% of total capex invested into the WC from the UK over the period 2010 to 2021. In turn, the business services sector, along with the software and IT services and financial services sector composed the top three project attracting sectors and accounted for 70% of all projects invested into the WC from the UK over the period reviewed.

Figure 15: FDI from UK into the Western Cape: by sector, 2010 - 2021



Source: FDI Intelligence (2021)

The value associated with the capital investment from BT Group and Vodacom in the communications sector in the UK was the largest source of FDI into the WC, reaching a total capex of ZAR2.30bn, respectively - albeit only investing one project each over the period under review. Other noteworthy

investment companies were African Medical Investments and Old Mutual, which each invested three projects into the WC to reach a cumulative capex of ZAR1.24bn over the period 2010 to 2021.

Table 4: Companies from UK investing in the Western Cape, 2010 - 2021

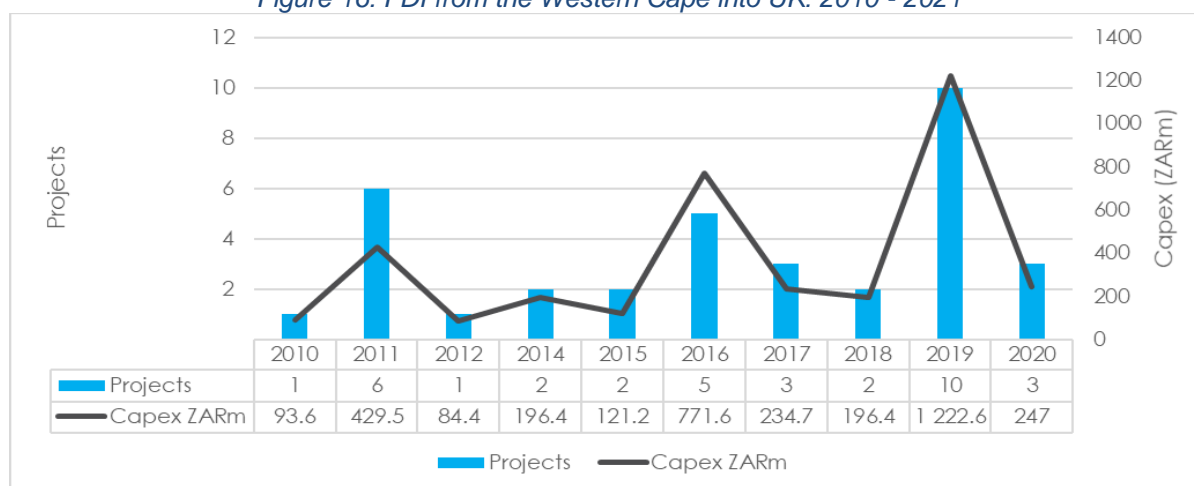
Company name	#Projects	Capex ZARm	Total jobs	Primary sector
BT Group (British Telecom)	1	2,301	89	Communications
Vodacom	1	2,301	89	Communications
African Medical Investments (AMI)	1	758	209	Healthcare
VIP Healthcare Solutions Limited	1	758	209	Healthcare
WPP	3	703	49	Business services
BrewDog	1	578	107	Food & Beverages
Hunting	2	505	102	Industrial equipment
Old Mutual Plc	3	483	59	Financial services
GlaxoSmithKline (GSK)	1	477	376	Pharmaceuticals
Nedbank	2	338	42	Financial services

Source: FDI Intelligence (2021)

3.4 FDI from the Western Cape into UK

FDI flows from the WC into the UK were less robust, with only 35 projects invested from 2010 to 2021. These projects reached a total capex value of ZAR3.59bn and created 879 British jobs. Overall, the number of projects per annum remained low, but spiked steeply in 2019 with a total of 10 projects invested which required a capital outlay of ZAR1.22bn in 2019.

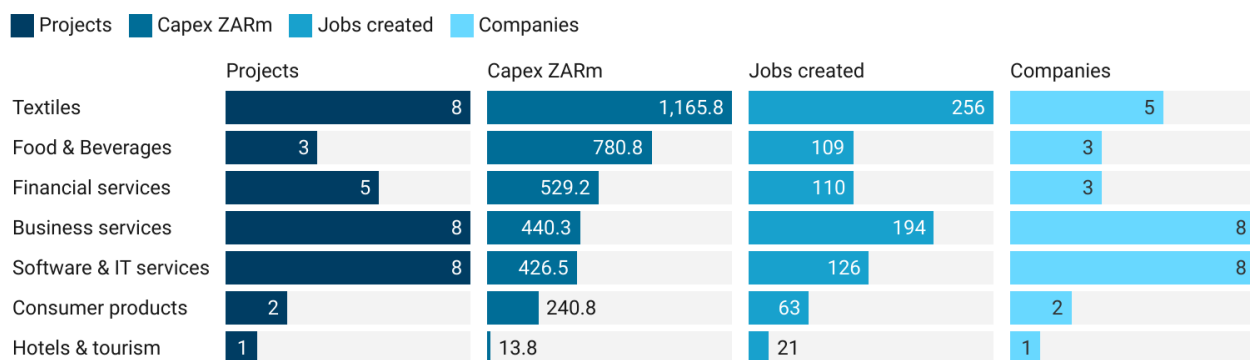
Figure 16: FDI from the Western Cape into UK: 2010 - 2021



Source: FDI Intelligence (2021)

The majority of the capital expenditure from the WC were invested in the UK's textiles sector, which reached a total capex of ZAR1.16bn, associated with eight projects over the analysed period. The food and beverage sector (ZAR781m) and financial services (ZAR529m) completed the top three capex attracting sectors. In turn, the textiles, business services and financial services were all recipients of eight projects each, accounting for 69% of projects invested by the WC into the UK over the period 2010 to 2021.

Figure 17: FDI from Western Cape into UK: by sector, 2010 - 2021



Source: FDI Intelligence (2021)

The Foshini Group was the top WC investor into the UK over the period of interest, investing eight projects in the UK textiles sector with an associated ZAR1.23bn in capital expenditure and thereby creating 271 UK jobs. Phase Eight invested three projects in the textile sector with a total capex of ZAR437.19m, while Pioneer Foods invested one project in the food and beverage sector to reach total capex of ZAR397.31m over the period 2010 to 2021. Other top WC companies investing into the UK over the reviewed period is tabulated below.

Table 1: Companies from WC investing in the UK: 2010 - 2021

Company name	#Projects	Capex ZARm	Total jobs	Primary sector
The Foschini Group	8	1,213	271	Textiles
Phase Eight (Fashion & Designs)	3	437	96	Textiles
Pioneer Foods	1	397	69	Food & Beverages
Sanlam Group	3	391	81	Financial services
Hobbs	2	291	64	Textiles
Distell Group	1	213	20	Food & Beverages
Good Hope Meat Hyper	1	170	20	Food & Beverages
Pepkor	1	146	32	Textiles
Whistles	1	146	32	Textiles
Knife Capital	1	130	27	Financial services

Source: FDI Intelligence (2021)

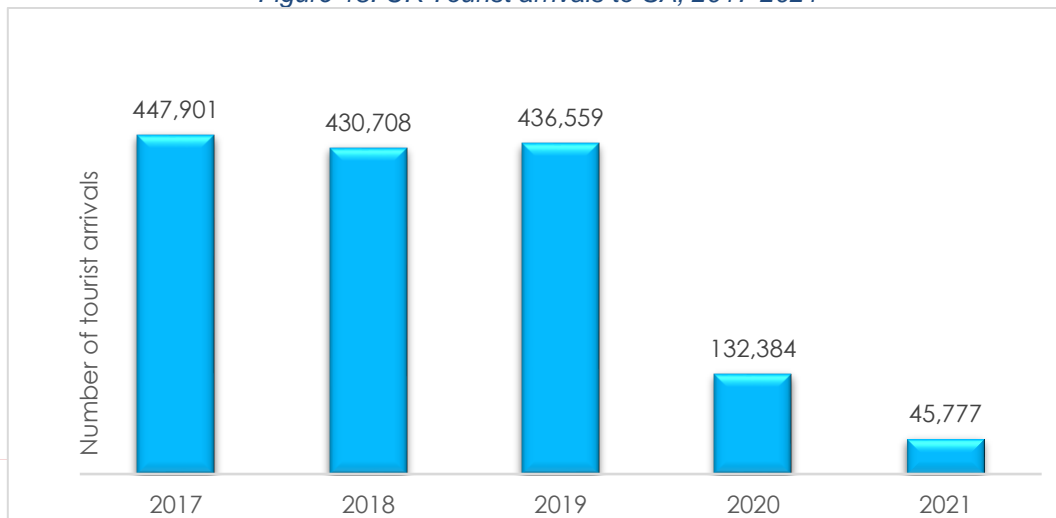
4. Tourism

4.1 UK tourist arrivals to South Africa

The UK ranked as South Africa's 10th largest source market in 2021. During the same year, South Africa saw 45,777 UK tourist arrivals, representing a decline of 65.4% when compared to 2020. Pre-Covid 19, the UK accounted for over 400,000 tourist arrivals per year. In 2021, this market reached R1.5 billion in total foreign direct spend. The average spend amongst these tourists increased from R22,400 in 2020 to R23,200 in 2021.

In 2021, UK tourists to South Africa mainly travelled for holiday (46.2%) and to visit friends and relatives (37.1%). Their average length of stay increased from 16.2 nights in 2020 to 19.1 in 2021, indicating that even longer trips were taken in 2021, in comparison to pre-covid 19 (15.2 nights in 2019).

Figure 18: UK Tourist arrivals to SA, 2017-2021

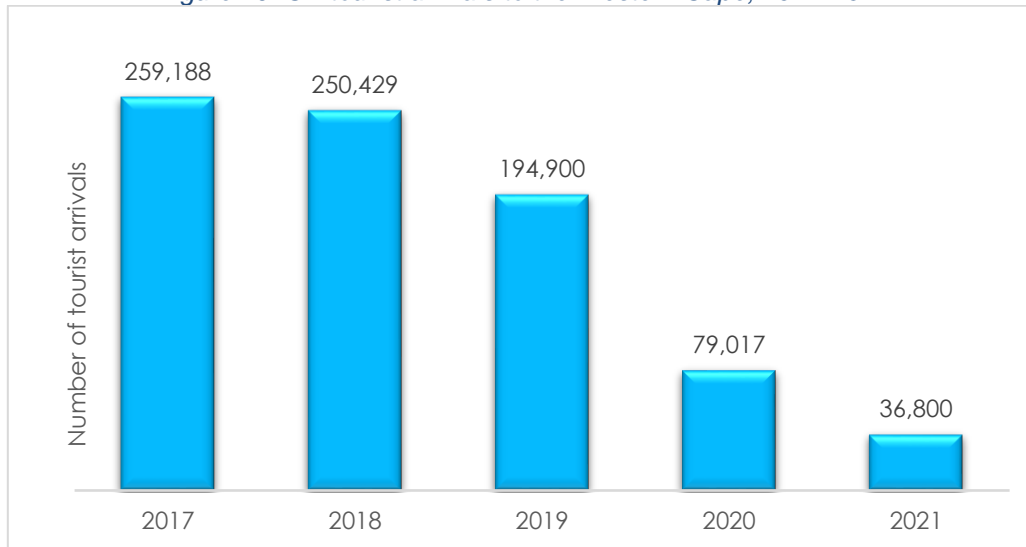


Source: South African Tourism, 2022

4.2 UK Tourist arrivals to the Western Cape

Pre-Covid 19, the Western Cape saw over 250,000 tourist arrivals from the UK over the period 2017-2018 and close to 200,000 in 2019. The UK consistently led as the Western Cape's top source market pre-pandemic. However, subsequent to the impact of Covid-19 travel bans, UK ranked as the second largest source market in 2021, following Namibia. The shift can largely be attributed to the lingering effects of the Omicron variant and European travel restrictions during the year 2021.

Figure 19: UK tourist arrivals to the Western Cape, 2017-2021

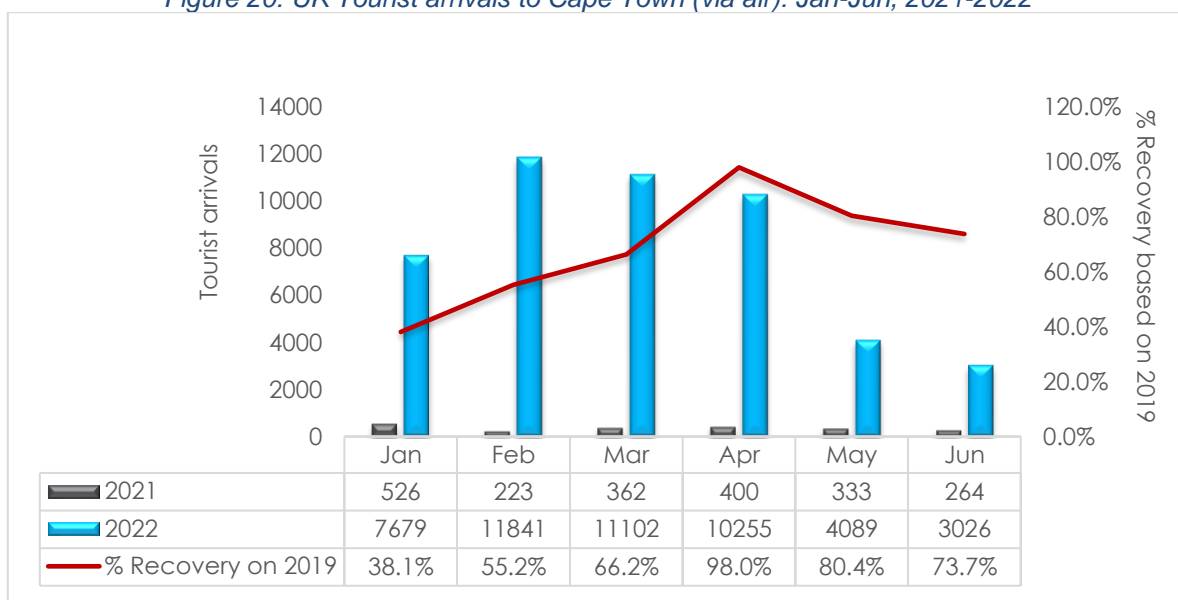


Source: South African Tourism, 2022

4.3 UK Tourist Arrivals to Cape Town (via Air)

The data represented in the graph below illustrates the tourist arrival numbers obtained from the Jan-Jun 2022 StatsSA Tourism and Migration publications. Between January and June 2022, close to 50,000 tourist arrivals travelled to Cape Town (via Air), representing a 2177% year-on-year growth and a recovery of 61% when compared to the same period in 2019. The months February (11,841), March (11,102) and April (10,255) welcomed the largest number of tourist arrivals with respect to volume. However, in terms of recovery, April 2022 almost fully recovered, reaching 98% when compared to 2019 and May 2022 recovered to 80%.

Figure 20: UK Tourist arrivals to Cape Town (via air): Jan-Jun, 2021-2022



Source: South African Tourism, 2022

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