

Switzerland

June 2022

Executive Summary

This snapshot provides key trade, investment, and tourism related statistics for Switzerland. Specifically, it shows global trade and investment flows including an analysis of top markets and products for Switzerland in relation to both 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

- The Swiss economy made an impressive recovery in 2021, growing by 3.7%. The recovery was uneven however, particularly in sectors hard-hit by COVID-19, including the hospitality and transport sectors.
- Growth is expected to moderate to around 2¼ percent in 2022 – while this is above medium-term potential growth (1.5%), prospects are dampened by spill over effects from Russia's invasion of the Ukraine.
- The war in the Ukraine is expected to affect activity into 2023, with growth of below 1.5% forecast for next year.

Trade

- South Africa's export receipts with Switzerland totalled ZAR10.69bn in 2021, some 8.79% higher than the ZAR9.48bn earned in 2020. In parallel, associated import costs increased by 3.40% y-o-y to a value of ZAR16.13bn in 2021, up from ZAR15.60bn incurred in 2020.
- South Africa's leading export product to Switzerland in 2021 was unwrought platinum at a value of ZAR6.86bn.
- The Western Cape's export receipts from trade with Switzerland totalled ZAR551.13m in 2021, an increase of 6.71% on the ZAR516.49m earned in 2020. Associated import costs stood at ZAR1,658.49m in 2021, an increase of 40.37% y-o-y from the cost of ZAR1181.36m incurred in 2020.
- The Western Cape's leading export product to Switzerland in 2021 were petroleum oils (crude) at a value of ZAR183.97m.

Investment

- According to FDI Market statistics, a total of 104 FDI projects (ZAR39.57bn capex value) were recorded from Switzerland into South Africa over the period 2003 – April 2022, and 20 of these were made into the Western Cape.
- In turn, only two FDI projects with a total capex value of ZAR645.81m were recorded from South Africa to Switzerland over the same period; both of which were from the Western Cape.

Tourism

- South Africa received 15, 697 Swiss tourist arrivals in 2020, a decrease of 71.7% from 55, 432 arrivals recorded in 2019.
- The Western Cape recorded 10, 373 Swiss tourist arrivals in 2020, a decrease of 58.3% from the 24, 869 travellers recorded in 2019.

Table of Contents

1.	ECONOMIC OVERVIEW	3
1.1	MAJOR COMPANIES IN SWITZERLAND	5
1.2	SWITZERLAND'S SOVEREIGN CREDIT RATING	6
2.	TRADE	7
2.1	TRADE WITH SOUTH AFRICA	7
2.2	WESTERN CAPE'S TRADE WITH SWITZERLAND	10
2.3	TARIFFS	14
2.4	BILATERAL AGREEMENTS BETWEEN SOUTH AFRICA AND SWITZERLAND	15
3.	FOREIGN DIRECT INVESTMENT	16
3.1	SWISS FDI INTO SOUTH AFRICA	16
3.2	SOUTH AFRICA FDI INTO SWITZERLAND	18
3.3	INWARD SWISS INVESTMENT INTO THE WESTERN CAPE	19
4.	TOURISM FLOWS	21
4.1	SWISS TRAVELLER TO SOUTH AFRICA	21
4.2	THE SWISS TRAVELLER TO THE WESTERN CAPE	21
5.	SUMMARY OF KEY FINDINGS	22

1. ECONOMIC OVERVIEW¹

Switzerland espouses neutrality, it is a prosperous and modern market economy with low unemployment, a highly skilled labour force, and a per capita GDP among the highest in the world. Switzerland's economy benefits from a highly developed service sector, led by financial services, and a manufacturing industry that specializes in high-technology, knowledge-based production. Its economic and political stability, transparent legal system, exceptional infrastructure, efficient capital markets, and low corporate tax rates also make Switzerland one of the world's most competitive economies.

The Swiss have brought their economic practices largely into conformity with the EUs to gain access to the Union's Single Market and enhance the country's international competitiveness. Some trade protectionism remains, however, particularly for its small agricultural sector. The fate of the Swiss economy is tightly linked to that of its neighbours in the euro zone, which purchases half of Swiss exports.

The Swiss economy recovered strongly in 2021, growing by 3.7% and with employment surpassing pre-crisis levels. Recovery was uneven, however, notably in sectors hard hit by COVID-19 (hospitality, transport). Headline CPI inflation was 0.6% in 2021, but has risen above 2% in recent months, driven by both energy products and core components. The economic recovery was supported by domestic policies and the strength of the global economy. The authorities continuously adapted COVID-19 containment measures, and pandemic-induced fiscal support remained strong. Monetary policy remained accommodative. Strong exports (watches, precision instruments, pharmaceuticals) and merchandising contributed to a higher current account surplus.

Growth is expected to moderate to around 2 percent in 2022 — while above medium-term potential growth (1.5 percent) prospects are dampened by spill over effects from Russia's invasion of the Ukraine. Switzerland's *direct* exposure to the war (exports, financial sector, commodity trade) appear relatively limited, although support for refugees could be significant. *Indirect* channels include higher energy/commodity prices, supply-chain disruptions, and lower regional and global growth. Fiscal and monetary policies remain supportive, and higher household savings during COVID-19 should buoy consumption and growth. The war in Ukraine is also expected to affect activity in 2023, with growth of just below 1.5 percent forecast for 2023. Inflation is expected to average 2½ percent in 2022, before easing to 1.6 percent in 2023. Lower global demand and higher energy/commodity prices are expected to narrow the external current account surplus to 6¼ percent of GDP, with a pickup in 2023 to 7 percent.²

Russia's invasion of the Ukraine is a major source of uncertainty (duration, scope, refugees) and risks for commodity prices, financial exposures, trade, inflation, global financial conditions, and growth. Disruption of European energy supplies could lead to price spikes and a sharper slowdown in economic growth. Other risks include adverse COVID-19 developments and real-estate market imbalances, where a sharp interest rate rise could trigger price corrections and impacts on households, banks, non-bank financial institutions, and activity.

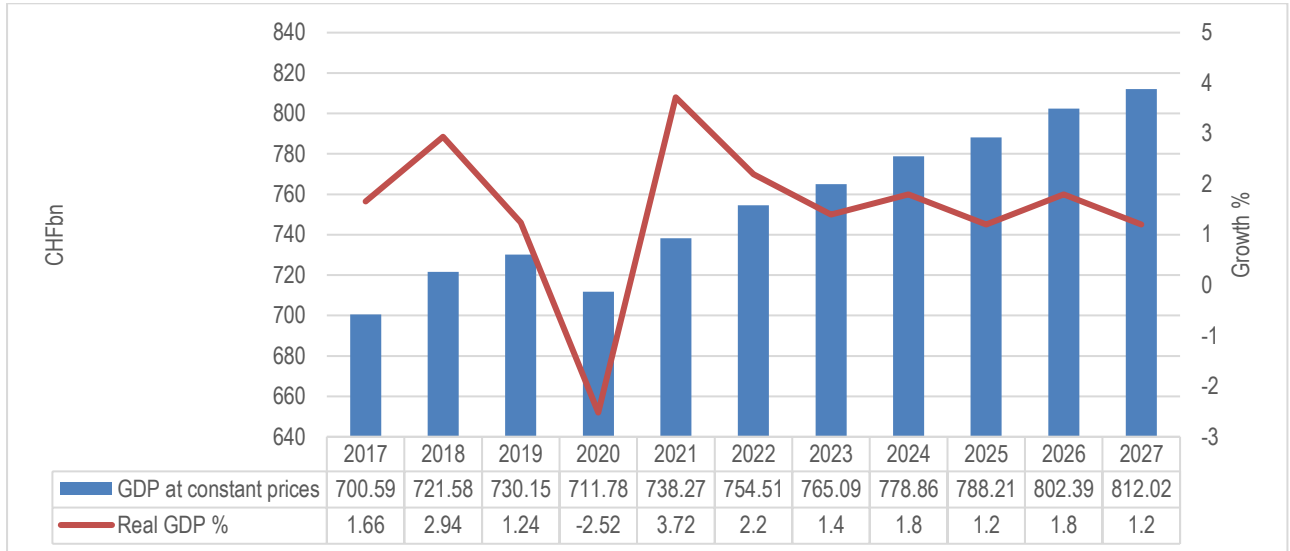
TABLE 1: ECONOMIC INFORMATION, SWITZERLAND	
GDP, constant prices (national currency) (2022 est.)	CHF754.51bn
Real GDP growth (2022 est.)	2.2%
GDP per capita, constant prices (2022 est.)	CHF86, 377.91
Inflation, consumer average prices (2022 est.)	2.50%
SNB Policy Rate (May 2022)	0.75%
Unemployment rate (2022 est.)	2.64%
Total Exports (2021)	USD380,24
Total Imports (2021)	USD323,06

Sources: IMF 2022; Swiss National Bank, 2022; Trade Map 2022

¹ CIA World Factbook, 2022; IMF, 2022

² Sources: IMF, 2022

FIGURE 1: SWITZERLAND REAL GDP AND GDP GROWTH RATE, 2017 – 2027F



Source: IMF, 2022

Switzerland's GDP sectoral contribution is shown in Figure 2 below. These are some of the most important industries in Switzerland:³

Manufacturing

The Swiss economy follows the typical developed country model with respect to the economic sectors. Switzerland is a leading exporter of **high-end watches and clocks**. Swiss companies produce most of the world's high-end watches. Watch manufacturing is mostly located around the Jura mountains, in the cantons of Geneva, Vaud, Neuchâtel, Bern, and Jura. Notable watchmaking firms include Rolex, Patek Philippe, Swatch, and Richemont.

Industrial sector

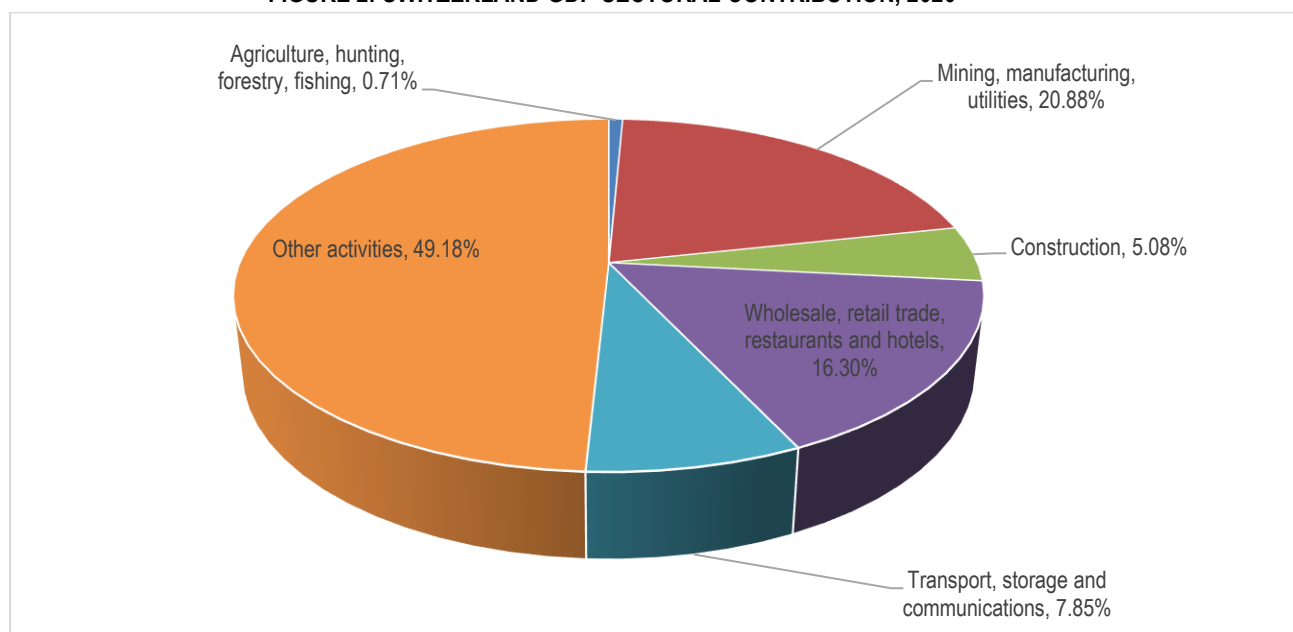
Switzerland has an extensive industrial sector, with globally competitive companies in various industrial sectors. Most noticeably, food processing like Nestlé, machines and robot manufacturers such as ABB, Bobst SA and Stadler Rail, chemicals for industrial and construction use like Sika AG, or military equipment such as Ruag. Switzerland also has one of the most competitive pharmaceutical industries in the world. Major Swiss pharmaceutical companies include Novartis and Roche.

Agriculture

Switzerland is extremely protective of its agricultural industry. High tariffs and extensive domestic subsidisations encourage domestic production, which currently produces about 60% of the food consumed in the country. Protectionism acts to promote domestic production, but not to reduce prices or the cost of production, and there is no guarantee the increased domestic production is actually consumed internally; it may simply be exported, to the profit of the producers. 90 to 100% of potatoes, vegetables, pork, veal, cattle and most milk products are produced in the country. Beyond that, Swiss agriculture meets 65% of the domestic food demand.

³ OECD, 2022

FIGURE 2: SWITZERLAND GDP SECTORAL CONTRIBUTION, 2020



Source: UNCTAD, 2022

Note: Values - Percentage of Gross Domestic Product

1.1 MAJOR COMPANIES IN SWITZERLAND

The Forbes Global 2000 is an annual list of the world's 2000 largest publicly listed corporations. The largest publicly traded Swiss companies as per the Forbes 2000 Global rankings in 2022 are tabled below:

TABLE 2: LARGEST PUBLICLY TRADED SWISS COMPANIES AS PER THE FORBES 2000 GLOBAL RANKING, 2022

GLOBAL RANK	COMPANY	SALES (USDbn)	PROFITS	ASSETS (USDbn)	MARKET VALUE (USDbn)	SECTOR
46	Nestle	95.25	18.49	152.71	360.01	Food, Drink & Tobacco
68	Novartis	51.63	24.14	135.88	200.73	Drugs & Biotechnology
72	Roche Holding	68.69	15.24	101.32	308.14	Drugs & Biotechnology
80	Zurich Insurance Group	69.58	5.21	410.15	69.22	Insurance
91	Glencore International	203.41	5.0	127.51	79.9	Materials
95	Chubb	40.95	8.54	181.75	87.31	Insurance
102	UBS	35.22	7.54	1,117.18	56.17	Banking
273	ABB	28.93	4.65	42.27	61.35	Conglomerates
313	Swiss Re	46.0	1.43	175.09	24.7	Insurance
321	Holcim	29.35	2.49	65.72	30.19	Construction
327	Richemont	19.81	2.48	42.58	69.46	Retailing
388	Swiss Life Holding	23.54	1.36	264.11	19.73	Insurance
530	Kuehne & Nagel International	35.88	1.36	264.11	19.73	Transportation
550	TE Connectivity	15.22	2.45	21.41	82.53	Technology Hardware & Equipment
598	Credit Suisse Group	30.07	-1.8	829.54	18.68	Banking
603	Swisscom	12.23	2.0	27.22	30.25	Telecommunications Services
713	STMicroelectronics	12.23	2.01	27.22	34.46	Semiconductors
791	Lonza Group	5.92	3.22	18.32	48.01	Drugs & Biotechnology
857	Sika	10.12	1.15	11.95	49.37	Chemicals
946	Julius Baer Group	4.95	1.18	127.65	10.34	Banking

Source: Forbes 2000, 2022

Note: The Methodology

We compile our Global 2000 list using data from FactSet Research systems to screen for the biggest public companies in four metrics: sales, profits, assets and market value. Our market value calculation is as of April 18, 2019, closing prices and includes all common shares outstanding.

All figures are consolidated and in U.S. dollars. We use the latest-12-months' financial data available to us. We rely heavily on the databases for all data, as well as the latest financial period available for our rankings (the final database screen was run in early-April). Many factors play into which financial period of data is available for the companies and used in our rankings: the timeliness of our data collection/screening and company reporting policies, country-specific reporting policies and the lag time between when a company releases its financial data and when the databases capture it for screening/ranking. We quality-check the downloaded financial data to the best of our ability using other data sources, including Bloomberg and available company financial statements.

Publicly traded subsidiaries for which the parent company consolidates figures are excluded from our list. For most countries, the accounting rules for the consolidation of a subsidiary is when the parent's ownership (control) of the subsidiaries stock is more than 50%. Some countries accounting rules allow for the consolidation of a subsidiary at less than 50% ownership.

1.2 SWITZERLAND'S SOVEREIGN CREDIT RATING⁴

"A sovereign credit rating is the credit rating of a country or sovereign entity. Sovereign credit ratings give investors insight into the level of risk associated with investing in a particular country and include political risks. At the request of the country, a credit rating agency will evaluate the country's economic and political environment to determine a representative credit rating" (Investopedia, 2022).

While a number of credit agencies exist, the three most recognised credit ratings agencies globally are Fitch Ratings, Moody's Investors Services (Moody's) and Standard & Poor's (S&P). Reasons for a country/sovereign to seek a credit rating from one of these three agencies include not only to access funding in international bond markets via the issuance of bonds in external debt markets, but it is a means to attract foreign direct investment. Obtaining a good sovereign credit rating instils confidence in investors seeking to invest in that country, with the credit rating a means for the country to demonstrate financial transparency and credit standing. Two key rating 'standards' exist, with the highest possible rating category being "AAA" according to S&P, which indicates that the rated country has extremely strong capacity to meet its financial commitments. A wide range of rating categories exists below this, with the categories ranging all the way down to SD (i.e., defaulted), which means the rated country has failed to pay one or more of its financial obligations when it came due.

On 13 May 2021, Fitch affirmed Switzerland's long-term Foreign-Currency Issuer Default Rating (IDR) at 'AAA' with a stable outlook. According to the rating agency, Switzerland's 'AAA' ratings and stable outlook reflected a diversified and high value-added economy (GDP per capita 1.3x the 'AAA' median) and very strong governance and human development indicators. The rating was supported by Switzerland's very large net external creditor position, high and persistent current account surpluses, and the global reserve currency status of the Swiss franc. It also reflected a record of stable and prudent economic and fiscal policy, and general government debt/GDP that is well below the current 'AAA' median. The large banking sector (with assets equivalent to around 525% of GDP according to Swiss National Bank; SNB) represents a contingent liability risk for the sovereign, but it has sound credit fundamentals.

Switzerland's credit ratings from the major agencies are as following:

TABLE 3: SWISS SOVEREIGN CREDIT RATINGS, 2022			
CREDIT RATING AGENCY	STANDARD & POORS	MOODY'S INVESTOR SERVICES	FITCH RATINGS
CREDIT RATING	AAA	Aaa	AAA
OUTLOOK	Stable	Stable	Stable
DATE OF LAST CHANGE	2021-08-23	2018-12-07	2021-05-13

Sources: S&P Global Ratings; Fitch Ratings, 2021; Moody's Investor Services, 2021

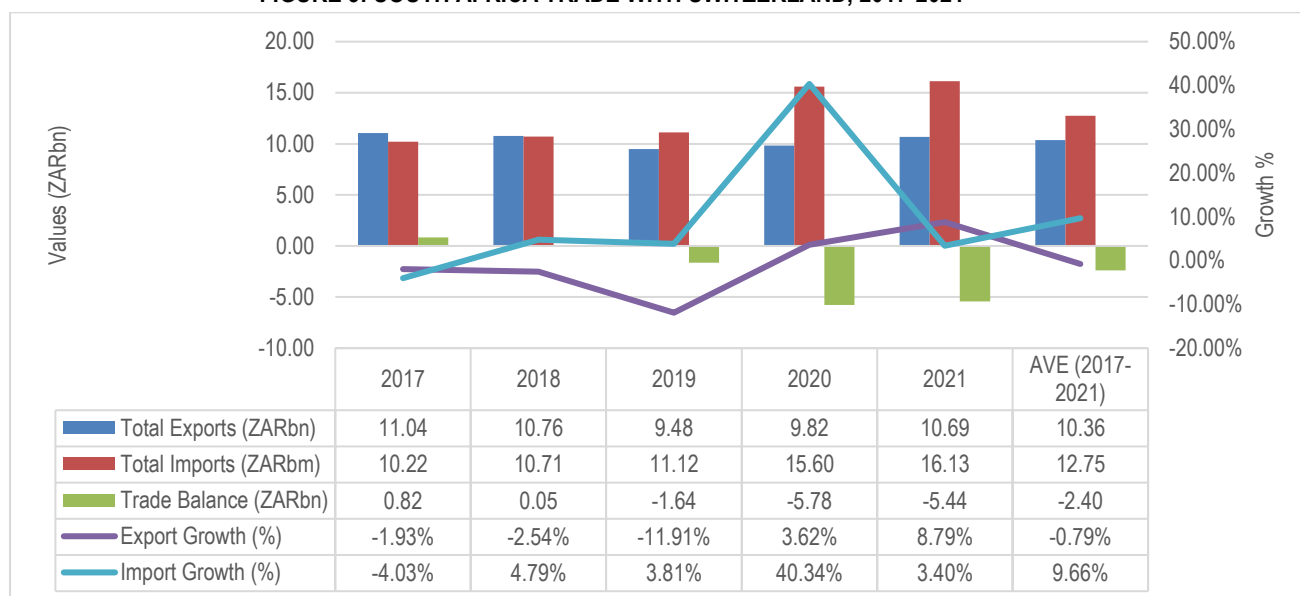
⁴ Sources: S&P Global Ratings; Fitch Ratings, 2021; Moody's Investor Services, 2021

2. TRADE

2.1 TRADE WITH SOUTH AFRICA

Bilateral trade between South Africa and Switzerland for the period 2017 and 2021 is shown in figure 3 below. Over the past 5 years, South Africa's export receipts with Switzerland averaged close-on ZAR10.0bn. In 2021 export receipts increased to a value of ZAR10.69bn, up from ZAR9.82bn recorded in 2020. In turn, South Africa's imports from the country increased by 3.40% y-o-y to a value of ZAR16.13bn in 2021, from a cost of ZAR15.60bn incurred in 2020.

FIGURE 3: SOUTH AFRICA TRADE WITH SWITZERLAND, 2017-2021



Source: Quantec, 2022

In terms of key export markets for South Africa, China was the leading destination market for South Africa's exports at a value of ZAR199.02bn in 2021. The United States followed closely in second place, with exports reaching a total value of ZAR193.00bn, while Germany came third, with exports to this nation reaching a total value of ZAR148.38bn.

Switzerland was the 26th biggest destination market for South Africa's exports in 2021 at a value of ZAR10.69bn.

TABLE 4: SOUTH AFRICA – TOP EXPORT GOODS MARKETS, 2021

RANK	COUNTRY	VALUE 2021 (ZARbn)	AVE GROWTH (%), 2017 - 2021
1	China	199,02	14,87%
2	United States	193,00	21,54%
3	Germany	148,38	13,22%
4	Japan	121,57	23,33%
5	United Kingdom	120,82	24,42%
6	Botswana	64,46	3,87%
7	Mozambique	63,92	14,58%
8	India	61,55	6,02%
9	Netherlands	61,23	16,83%
10	Belgium	52,3	10,45%
26	Switzerland	10,69	-0,79%
TOTAL EXPORTS		1812,93	10,59%

Source: TradeMap, 2022

China was also the leading source market for South Africa's imports in 2021, at a cost of ZAR283.93bn. Germany followed in second place with imports reaching a total value of ZAR111.42bn. The United States came third, with imports reaching a total value of ZAR96.69bn in 2021.

Switzerland was South Africa's 21st largest import source market in 2021 at a value of ZAR16.13bn.

TABLE 5: SOUTH AFRICA – TOP IMPORT GOODS MARKETS, 2021

RANK	COUNTRY	VALUE 2021 (ZARbn)	AVE GROWTH (%), 2017 - 2021
1	China	283,93	7,68%
2	Germany	111,42	-2,53%
3	United States	96,69	6,97%
4	India	78,97	12,64%
5	Saudi Arabia	60,61	11,54%
6	Thailand	43,92	7,39%
7	Japan	38,41	1,58%
8	Italy	37,99	8,08%
9	Nigeria	33,1	12,38%
10	France	29,02	-1,98%
21	Switzerland	16,13	9,66%
TOTAL IMPORTS		1379,96	5,28%

Source: TradeMap, 2022

Unwrought platinum was South Africa's top exported product to Switzerland in 2021, valued at ZAR6857.04m and accounted for 64.17% of the export basket to the country. Unwrought aluminium ranked second, reaching a value of ZAR1279.83m and accounting for 11.98% of total exports to Switzerland in 2021. Diamonds came third at a value of ZAR712.28m (or 6.67%). Paintings, drawings and pastels, executed entirely by hand registered the highest growth in exports, increasing at an average annual rate of 77.53% per annum from 2017 to 2021. Unwrought platinum followed (42.21%), with motor vehicles for the transport of goods in third position with an average growth rate of 28.37%.

TABLE 6: SOUTH AFRICA TOP 10 EXPORTS TO SWITZERLAND, 2021

	EXPORTED VALUE (ZARm), 2021	% SHARE 2021	AVE GROWTH (%), 2017-2021
Platinum, unwrought	6857,04	64,17%	46,21%
Unwrought aluminium	1279,83	11,98%	6,60%
Diamonds	712,28	6,67%	-18,37%
Petroleum oils and oils obtained from bituminous minerals, crude	265,59	2,49%	-
Motor vehicles for the transport of goods	229,77	2,15%	28,73%
Coin	160,16	1,50%	8,12%
Wine	107,95	1,01%	6,50%
Paintings, drawings and pastels, executed entirely by hand	99,63	0,93%	77,53%
Chromium ores and concentrates	92,91	0,87%	-
Coal	79,19	0,74%	-
ALL PRODUCTS	10686,25	100,00%	-0,79%

Source: Quantec, 2022

Turning to South Africa's imports from Switzerland, unused postage, revenue or similar stamps dominated imports in 2021, at a cost of ZAR2931.39m, which held the majority share of imports at 18.17% of total import costs. This was followed by cigars, cheroots, cigarillos and cigarettes (ZAR1193.67m or 7.40%), and orthopaedic appliances, including crutches, surgical belts and trusses (ZAR430.93m or 2.67%). There has been exceptional growth in the imports of unused postage, revenue or similar stamps, increasing at an average rate of 10265.97% over the period 2017 to 2021. Also experiencing higher growth were carboxamide-function compounds (26.26%), and printing ink, writing or drawing ink and other inks (23.91%).

TABLE 7: SOUTH AFRICA TOP 10 IMPORTS FROM SWITZERLAND, 2021

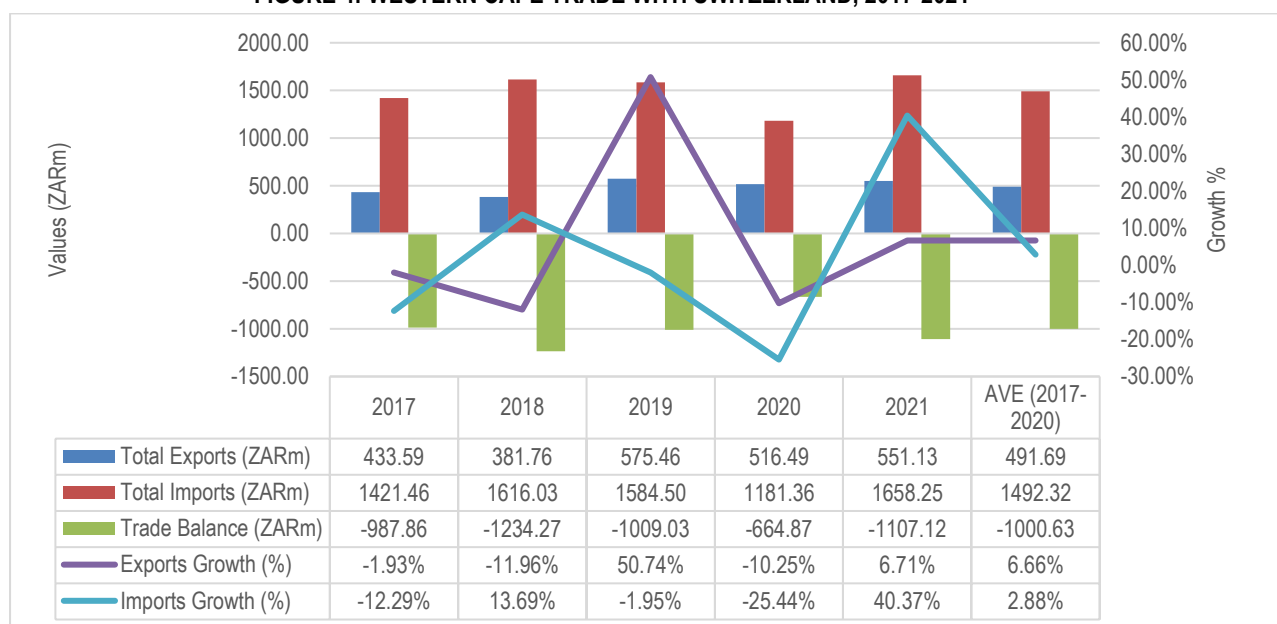
	IMPORTED VALUE (ZARm, 2021	% SHARE 2021	AVE GROWTH (%), 2017 - 2021
Unused postage, revenue or similar stamps	2931,39	18,17%	10265,97%
Cigars, cheroots, cigarillos and cigarettes	1193,67	7,40%	5,82%
Orthopaedic appliances, including crutches, surgical belts and trusses	430,93	2,67%	-3,15%
Human blood: animal blood prepared for therapeutic, prophylactic or diagnostic uses	374,83	2,32%	20,03%
Wristwatches, pocket-watches and other watches	365,65	2,27%	-7,71%
Carboxamide-function compounds	321,31	1,99%	26,26%
Wristwatches, pocket-watches and other watches, including stop-watches	265,32	1,64%	-0,63%
Mixtures of odoriferous substances and mixtures (including alcoholic solutions)	255,61	1,58%	-10,75%
Printing ink, writing or drawing ink and other inks	242,84	1,51%	23,91%
Instruments and appliances used in medical, surgical, dental or veterinary sciences	237,48	1,47%	2,49%
ALL PRODUCTS	16129,77	100,00%	9,66%

Source: Quantec, 2022

2.2 WESTERN CAPE'S TRADE WITH SWITZERLAND

Figure 4 below demonstrates the Western Cape's trade with Switzerland over the period 2017 to 2021. Although the Western Cape is a net importer of Swiss products, the province's exports with the country have recorded an upward trend in recent years. In 2021 exports to the European country increased by 6.71% y-o-y from the value of ZAR516.49m earned in 2020 to ZAR551.13m in 2021. In turn, imports increased by 40.37% y-o-y to a value of ZAR1658.25m in 2021, up from the ZAR1181.36m incurred in 2020. The net effect being a significant widening of the province's trade shortfall with the country in 2021 to -ZAR1107.12m, from -ZAR664.87m recorded in 2020.

FIGURE 4: WESTERN CAPE TRADE WITH SWITZERLAND, 2017-2021



Source: Quantec, 2022

In terms of key trade export markets, the United States was the leading destination market for the Western Cape's exports at a value of ZAR16.98bn in 2021. The Netherlands followed in second place, with exports reaching a total value of ZAR14.39bn. The United Kingdom came third, with exports to this nation reaching a total value of ZAR12.50bn.

Switzerland was the Western Cape's 48th largest export destination market in 2021 at a value of ZAR0.55bn.

TABLE 8: WESTERN CAPE - TOP EXPORT GOODS MARKETS, 2021

RANK	COUNTRY	EXPORT VALUE 2021 (ZARbn)	% SHARE of EXPORTS (2021)
1	United States	16,98	10,17%
2	Netherlands	14,39	8,62%
3	United Kingdom	12,5	7,49%
4	Namibia	11,1	6,65%
5	China	10,18	6,10%
6	Botswana	8,96	5,37%
7	Germany	5,18	3,11%
8	India	4,98	2,99%
9	United Arab Emirates	4,21	2,52%
10	Lesotho	3,69	2,21%
48	Switzerland	0,55	6.66%

TOTAL EXPORTS	166,92	100,00%
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Source: Quantec, 2022

China was the leading source market for the Western Cape's imports at a value of ZAR51.32bn in 2021. Oman followed in second place with imports reaching a total value of USD19.51bn. India came third, with imports reaching a total value of ZAR17.91bn in 2021.

Switzerland was the Western Cape's 28th most important import source market in 2021 at a value of ZAR1.66bn.

TABLE 9: WESTERN CAPE - TOP IMPORT GOODS MARKETS, 2021

RANK	COUNTRY	IMPORT VALUE 2021 (ZARbn)	% SHARE OF IMPORTS (2021)
1	China	51,32	21,80%
2	Oman	19,51	8,29%
3	India	17,91	7,61%
4	Saudi Arabia	14,59	6,20%
5	United Arab Emirates	13,12	5,57%
6	Italy	11,05	4,69%
7	Germany	7,07	3,00%
8	Netherlands	6,92	2,94%
9	United States	6,61	2,81%
10	United Kingdom	5,16	2,19%
28	Switzerland	1,66	2,88%
TOTAL IMPORTS		235,41	100,00%

Source: Quantec, 2022

11

Petroleum oils and oils obtained from bituminous minerals, crude was the Western Cape's dominant export product to Switzerland in 2021 at a value of ZAR183.89m (or 33.38%). Wine placed second at a value of ZAR105.55m (19.15%), followed by parts of goods of heading 88.01 or 88.02 at ZAR31.81m (5.77%). There was significant growth in the export of precious stones (other than diamonds) and semi-precious stones (4023.67%), parts of goods of heading 88.01 or 88.02 (48.73%), and printing ink, writing or drawing ink and other inks (27.68%) over the period 2017 to 2021.

TABLE 10: WESTERN CAPE TOP 10 EXPORTS TO SWITZERLAND, 2021

RANK	PRODUCT	EXPORT VALUE (ZARm), 2021	% SHARE 2021	AVE GROWTH (%), 2017 - 2021
1	Petroleum oils and oils obtained from bituminous minerals, crude	183,97	33,38%	-
2	Wine	105,55	19,15%	6,58%
3	Parts of goods of heading 88.01 or 88.02	31,81	5,77%	48,73%
4	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved	24,95	4,53%	-18,36%
5	Fruit, dried	24,86	4,51%	0,29%
6	Fish fillets and other fish meat (whether or not minced)	17,65	3,20%	20,60%
7	Printing ink, writing or drawing ink and other inks	13,29	2,41%	27,68%
8	Grapes	11,78	2,14%	-5,93%
9	Beauty or make-up preparations and preparations for the care of the skin	9,66	1,75%	6,88%
10	Precious stones (other than diamonds) and semi-precious stones	8,14	1,48%	4023,67%
	ALL PRODUCTS	551,13	100,00%	6,66%

Source: Quantec, 2022

Turning to imports, cigars, cheroots, cigarillos, and cigarettes were the largest import category (as measured by rand value) imported by the Western Cape from Switzerland in 2021 at a cost of ZAR767.02m. This was equivalent to 46.25% of all import costs incurred by the Western Cape with the country in 2021. Other aircraft (for example, helicopters, aeroplanes) placed second at a cost of ZAR118.94m (7.17%), while petroleum oils and oils obtained from bituminous minerals, other than crude was the third largest import category at a cost of ZAR89.91m (5.42%).

Machinery, plant or laboratory equipment were the fastest growing import category over the five-year period, averaging an annual growth rate of 1541.59% per annum. Electronic integrated circuits came second at an average of 206.01 % per annum, with machines and mechanical appliances having individual functions in third place growing at an average annual growth rate of 19.19%.

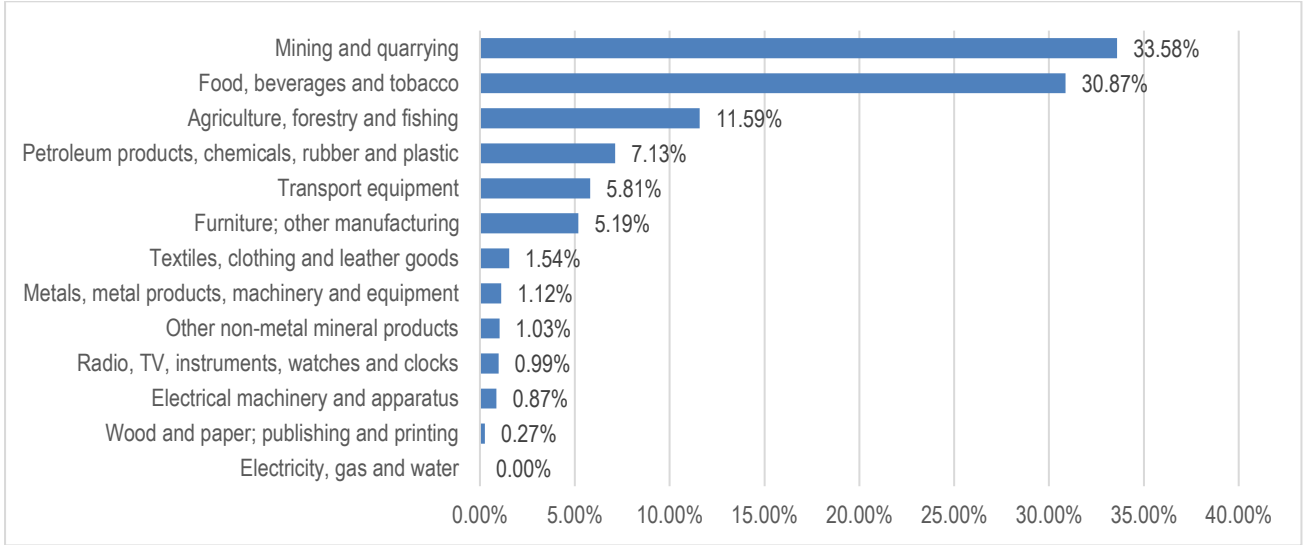
TABLE 11: WESTERN CAPE TOP 10 IMPORTS FROM SWITZERLAND, 2021

RANK	PRODUCT	IMPORT VALUE (ZARm), 2021	% SHARE 2021	AVE GROWTH (%), 2017 - 2021
1	Cigars, cheroots, cigarillos and cigarettes	767,02	46,25%	7,08%
2	Other aircraft (for example, helicopters, aeroplanes)	118,94	7,17%	-
3	Petroleum oils and oils obtained from bituminous minerals, other than crude	89,91	5,42%	-
4	Waters, including mineral waters and aerated waters	86,41	5,21%	-6,27%
5	Orthopaedic appliances, including crutches, surgical belts and trusses	83,58	5,04%	3,96%
6	Cyclic hydrocarbons	59,11	3,56%	-
7	Machinery, plant or laboratory equipment	49,60	2,99%	1541,59%
8	Instruments and appliances used in medical, surgical, dental or veterinary sciences	28,60	1,72%	-4,04%
9	Electronic integrated circuits	28,55	1,72%	206,01%
10	Machines and mechanical appliances having individual functions	25,71	1,55%	19,19%
	ALL PRODUCTS	1658,25	100,00%	2.88%

Source: Quantec, 2022

Trade between the Western Cape and Switzerland is relatively well diversified. The two diagrams below are reflective of this and provide an overview of key trade flows between the Western Cape and Switzerland on a *sector level*. As indicated in the graphs below, the mining and quarrying sector were the Western Cape's top sector in terms of export receipts earned from trade with Switzerland in 2021, accounting for 33.58% of export earnings. Food, beverages and tobacco placed second, accounting for 30.87% of all Western Cape's export receipts with Switzerland, with the agriculture, forestry and fishing sector accounting for 7.13% in third position in 2021.

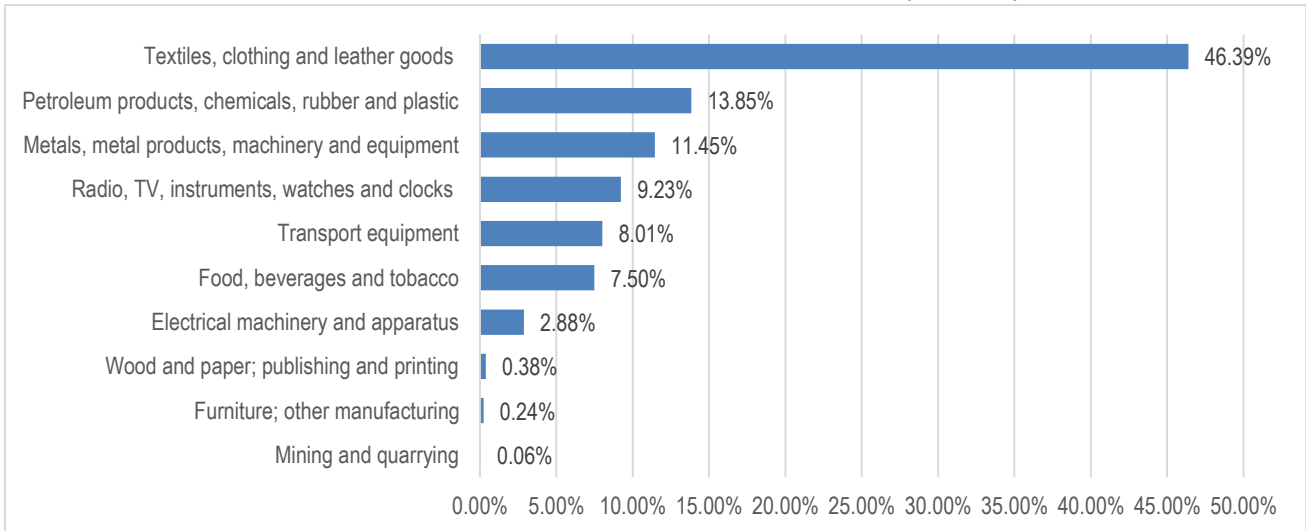
FIGURE 5: WESTERN CAPE EXPORTS TO SWITZERLAND BY SECTOR (% SHARE), 2021



Source: Quantec, 2022

In terms of the Western Cape's top import sectors (ranked by associated cost) with Switzerland in 2021, the textiles, clothing and leather good sector dominated, accounting for 46.39% of all import costs incurred in 2021. The petroleum products, chemicals, rubber and plastic sector followed accounting for 13.85% of import costs incurred with Switzerland in 2021, while the metals, metal products, machinery and equipment sector ranked in third position at 11.45%.

FIGURE 6: WESTERN CAPE IMPORTS FROM SWITZERLAND BY SECTOR (% SHARE), 2020



Source: Quantec 2022

2.3 TARIFFS

The table below shows tariffs imposed by Switzerland on South Africa's exports in 2022.

TABLE 12: TARIFFS IMPOSED ON SOUTH AFRICAN EXPORTS BY SWITZERLAND, 2022					
HS CODE AND PRODUCT DESCRIPTION	TARIFF, %	HS CODE AND PRODUCT DESCRIPTION	TARIFF, %	HS CODE AND PRODUCT DESCRIPTION	TARIFF, %
H01: Live animals	109	H33: Essential oils, perfumes, cosmetics, toiletries	0	H65: Headgear and parts thereof	0
H02: Meat and edible meat offal	320	H34: Soaps, lubricants, waxes, candles, modelling pastes	0	H66: Umbrellas, walking-sticks, seat-sticks, whips	0
H03: Fish, crustaceans, molluscs, aquatic invertebrates	0	H35: Albs.uminoids, modified starches, glues, enzymes	7	H67: Bird skin, feathers, artificial flowers, human hair	0
H04: Dairy products, eggs, honey, edible animal product	78	H36: Explosives, pyrotechnics, matches, pyrophorics	0	H68: Stone, plaster, cement, asbestos, mica, articles	0
H05: Products of animal origin	21	H37: Photographic or cinematographic goods	0	H69: Ceramic products	0
H06: Live trees, plants, bulbs, roots, cut flowers	2	H38: Miscellaneous chemical products	0	H70: Glass and glassware	0
H07: Edible vegetables and certain roots and tubers	54	H39: Plastics and articles thereof	0	H71: Pearls, precious stones, metals, coin	0
H08: Edible fruit, nuts, peel of citrus fruit, melons	17	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	22	H42: Articles of leather, animal gut, harness, travel goods	0	H74: Copper and articles thereof	0
H11: Milling products, malt, starches, inulin, wheat gluten	26	H43: Fur skins and artificial fur, manufactures thereof	0	H75: Nickel and articles thereof	0
H12: Oil seed, oleagic fruits, grain, seed, fruit,	5	H44: Wood and articles of wood, wood charcoal	0	H76: Aluminium and articles thereof	0
H13: Lac, gums, resins, vegetable saps and extracts	0	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,	46	H47: Pulp of wood, fibrous cellulosic material, waste	0	H80: Tin and articles thereof	0
H16: Meat, fish and seafood food preparations	37	H48: Paper & paperboard, articles of pulp, paper and board	0	H81: Other base metals, cermet's, articles thereof	0
H17: Sugars and sugar confectionery	3	H49: Printed books, newspapers, pictures	0	H82: Tools, implements, cutlery, of base metal	0
H18: Cocoa and cocoa preparations	3	H50: Silk	0	H83: Miscellaneous articles of base metal	0
H19: Cereal, flour, starch, milk preparations and products	12	H51: Wool, animal hair, horsehair yarn and fabric thereof	0	H84: Nuclear reactors, boilers, machinery	0
H20: Vegetable, fruit, nut food preparations	38	H52: Cotton	0	H85: Electrical, electronic equipment	0
H21: Miscellaneous edible preparations	4	H53: Vegetable textile fibres paper yarn, woven fabric	0	H86: Railway, tramway locomotives, rolling stock, equipment	0

H22: Beverages, spirits and vinegar	11	H54: Manmade filaments	0	H87: Vehicles other than railway, tramway	0
H23: Residues, wastes of food industry, animal fodder	4	H55: Manmade staple fibres	0	H88: Aircraft, spacecraft, and parts thereof	0
H24: Tobacco and manufactured tobacco substitutes	3	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	0
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: Fertilizers	0	H63: Other made textile articles, sets, worn clothing	0	H97: Works of art, collectors 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, 2022

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 BILATERAL AGREEMENTS BETWEEN SOUTH AFRICA AND SWITZERLAND

There are 22 bilateral agreements between South Africa and Switzerland, the most important of which include Bilateral Air Services, Double Taxation, Development Cooperation, Science and Technology, as well as a Visa Agreement.⁵

⁵ The Department of International Relations and Cooperation (DIRCO), 2022

3. FOREIGN DIRECT INVESTMENT

3.1 SWISS FDI INTO SOUTH AFRICA

A total of 104 FDI projects were invested by 59 Swiss-based companies into the Western Cape over the period 2003 – April 2022. These projects represented a total capital investment of ZAR39.57bn and created 16, 002 jobs.

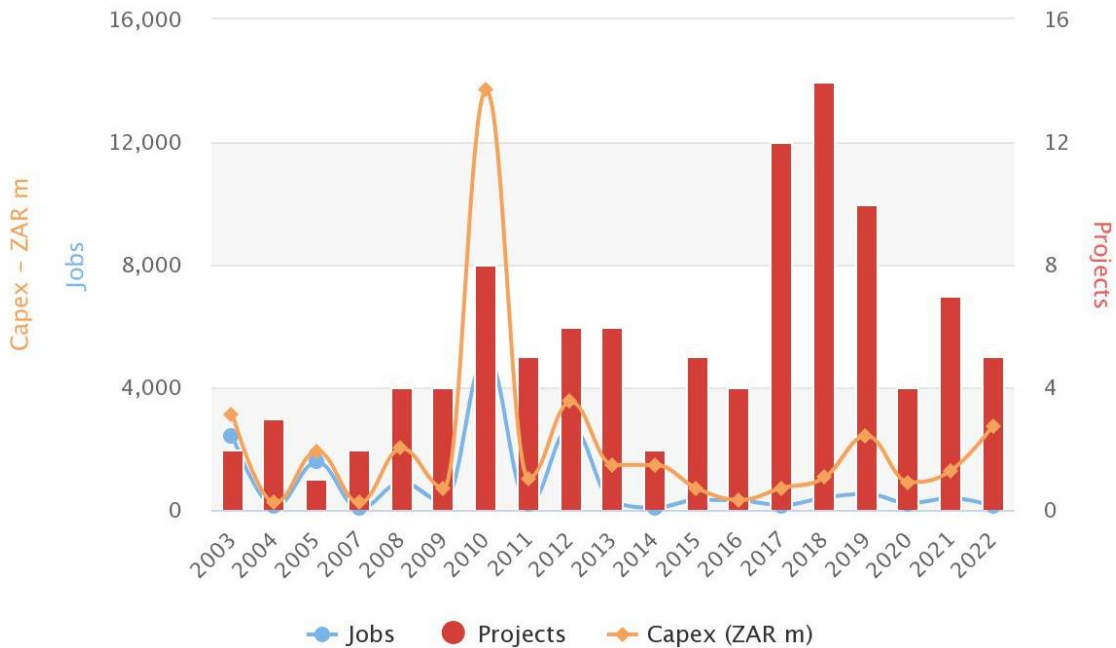
FIGURE 7: FDI FROM SWITZERLAND INTO SOUTH AFRICA (BY YEAR, PROJECTS AND CAPEX), 2003 – APR 2022



Source: FDI Markets, 2022

Figure 8 below shows inward foreign direct investment (FDI) by Swiss-based companies into the Western Cape over the period 2003 through 2022.

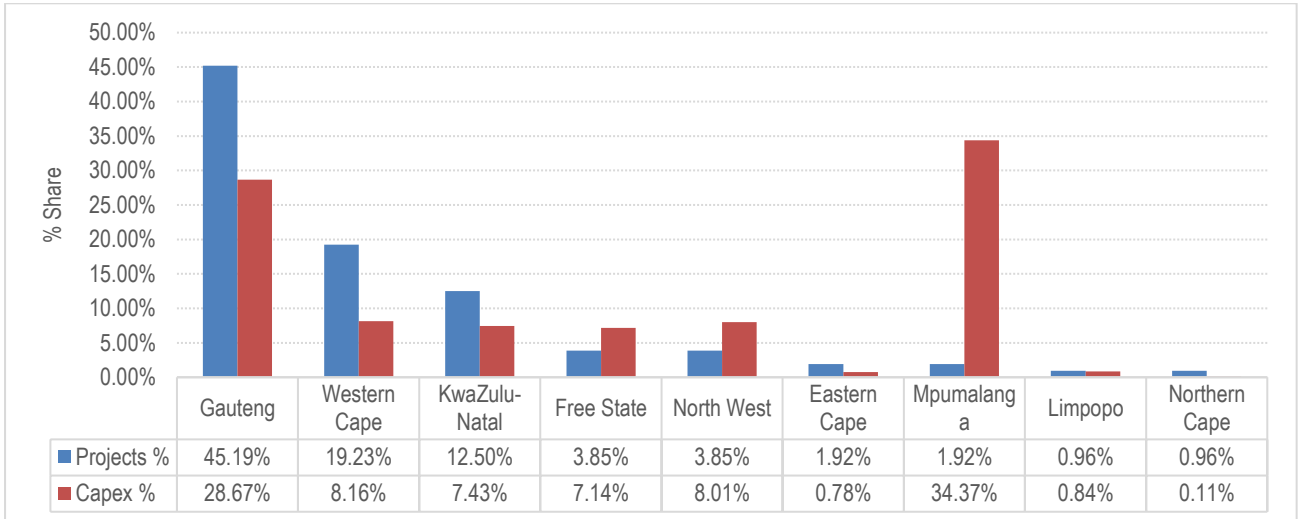
FIGURE 8: FDI BY SWISS-BASED COMPANIES INTO SA BY YEAR, PROJECTS, AND CAPEX), 2003 - APR 2022



Source: FDI Markets, 2022

From a **provincial perspective**, as represented below, Gauteng was the largest recipient of Swiss FDI into South Africa over the review period in terms of the number of projects (45.19%). While the Mpumalanga province received largest share of capex, equivalent to 34.37% of total capex value. The Western Cape was the 2nd largest recipient of Swiss FDI in terms of the number of projects made by Switzerland into South Africa over the review period.

FIGURE 9: FDI FROM SWITZERLAND INTO SA (BY YEAR, PROJECTS AND CAPEX), 2003 – APR 2022

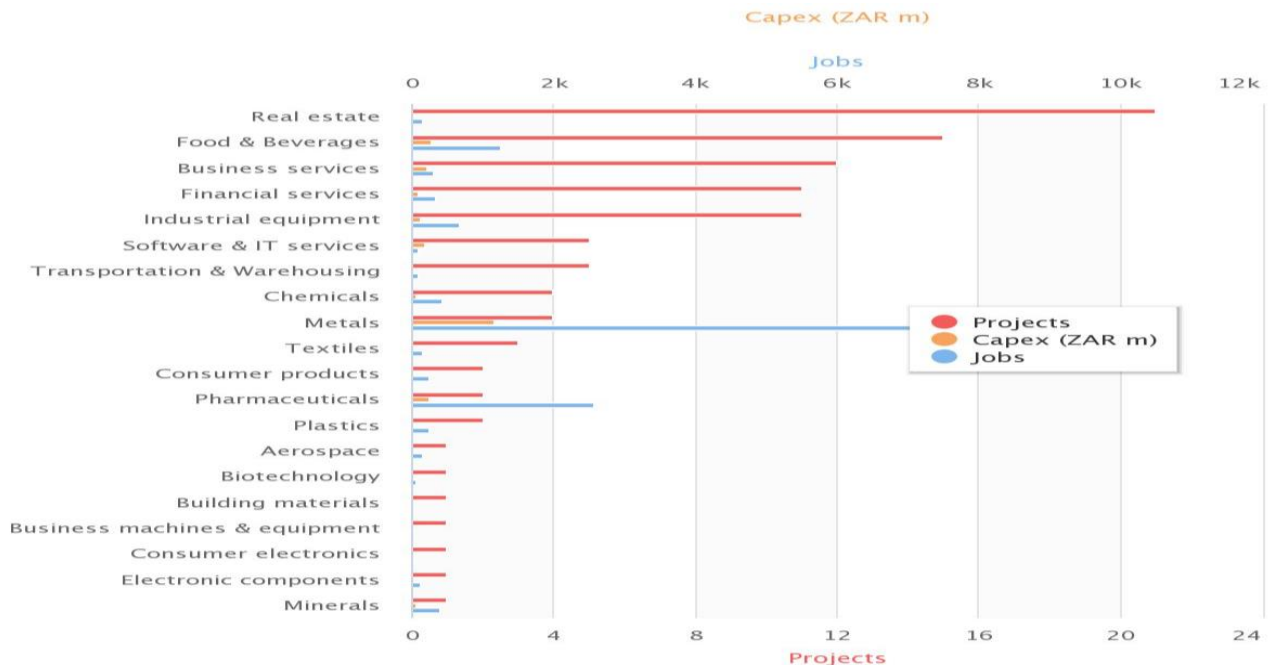


Source: FDI Markets, 2022

In terms of the sector classification of outward FDI by Switzerland into South Africa as measured primarily by the number of projects (with the CAPEX value as the secondary value), the following South African sectors were the key recipients of Swiss FDI over the period, January 2003 – April 2022:

- Real estate sector with 21 projects accounted for 20.19% of total outward FDI projects by Switzerland into South Africa. The relative share of capex stood at 1.55%.
- Food and beverages with 15 projects (14.42%) and 10.33% of capex.
- Business services sector with 11 projects (11.54%) and a relative capex share of 8.56%.

FIGURE 10: FDI FROM SWITZERLAND INTO SA BY SECTORS (PROJECTS & CAPEX), 2003 – FEB 2022



Source: FDI Markets, 2022

The table below shows the top Swiss companies investing in South Africa over the period 2003 to April 2022.

TABLE 13: TOP 10 COMPANIES, SWITZERLAND FDI INTO SA (BY PROJECTS), 2003 – APR 2022

	COMPANY	PROJECTS	CAPEX (ZARm)	JOBS	SECTORS
1	Spaces	12	350	96	Real estate
2	International Workplace Group (Regus)	9	262	72	Real estate
3	ABB (Asea Brown Boveri)	6	696	325	Industrial equipment
4	Nestle	6	1,595	442	Food & Beverages
5	VFS Global	5	1,657	75	Business services
6	Lindt & Sprungli	4	719	417	Food & Beverages
7	deVere & Partners (deVere Group)	3	506	63	Financial services
8	Clariant	2	451	98	Chemicals
9	Credit Suisse Group	2	241	51	Financial services
10	Kuehne + Nagel International	2	227	42	Transportation & Warehousing

Source: FDI Markets, 2022

3.2 SOUTH AFRICAN FDI INTO SWITZERLAND

A total of 2 outward FDI projects were invested by 2 South African-based companies into Switzerland over the period 2003 – April 2022. These projects represented a total capital investment of ZAR645.81m and created 80 jobs.

TABLE 14: FDI FROM SA INTO SWITZERLAND (BY YEAR, PROJECTS AND CAPEX), 2003 – APR 2022

DATE	INVESTING COMPANY	SOURCE STATE	INDUSTRY SECTOR	BUSINESS ACTIVITY	CAPEX (ZARm)	JOBS
May 2017	Whistles	Western Cape	Textiles	Retail	156,468	50
Feb 2011	Comar Chemicals	Western Cape	Chemicals	Manufacturing	489,346	30
TOTAL					645,814	80

Source: FDI Markets, 2022

3.3 INWARD SWISS INVESTMENT INTO THE WESTERN CAPE

A total of 20 FDI projects were invested by 16 Swiss-based companies into the Western Cape over the period 2003 – April 2022. These projects represented a total capital investment of ZAR3, 227.54m and created 745 jobs.

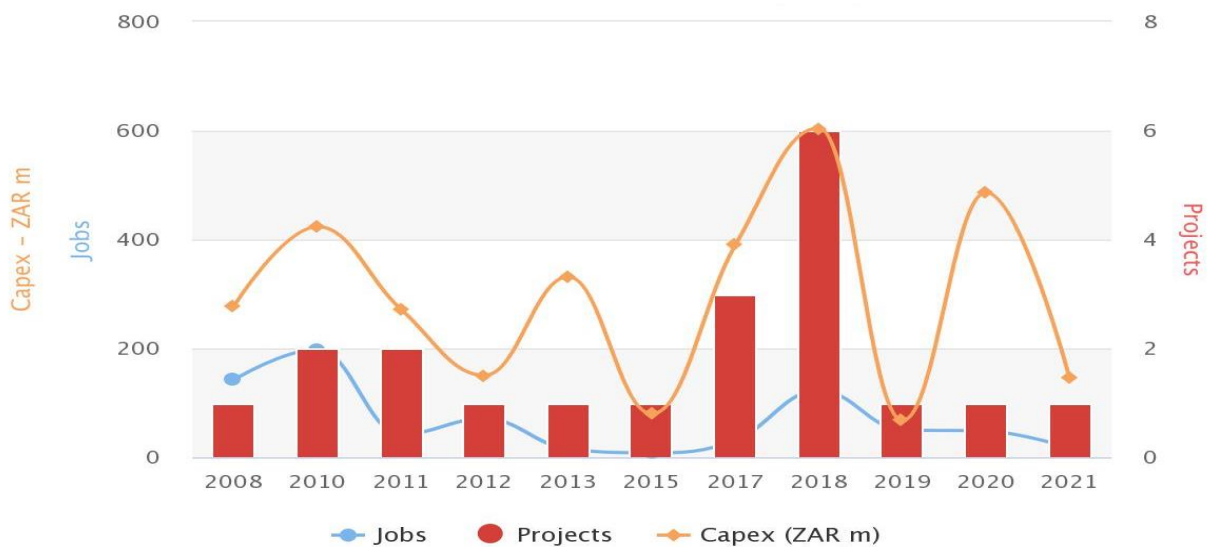
FIGURE 11: INWARD FDI FROM SWITZERLAND INTO THE WESTERN CAPE, 2003 – APR 2022



Source: FDI Markets, 2022

Figure 12 below shows inward foreign direct investment (FDI) by Swiss-based companies into the Western Cape over the period 2003 through April 2022.

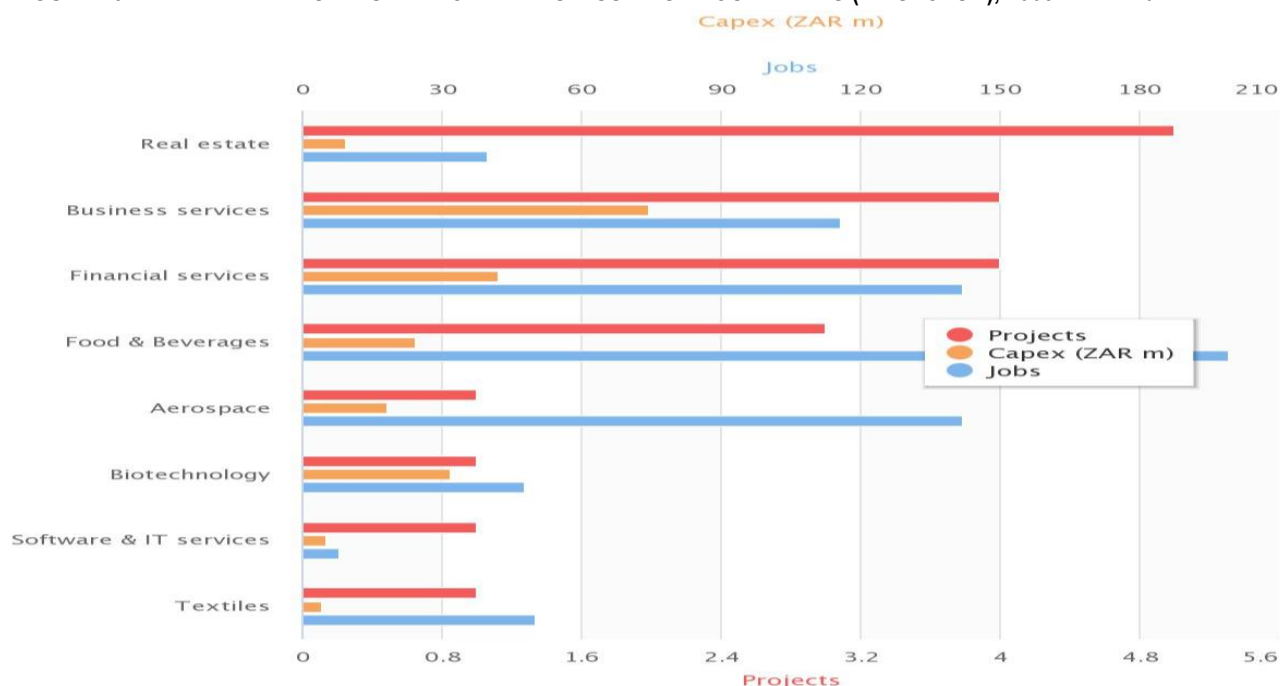
FIGURE 12: FDI BY SWITZERLAND INTO THE WC (BY YEAR, PROJECTS, AND CAPEX), 2003 – APR 2022



Source: FDI Markets, 2022

For the period 2003 to April 2022, the real estate sector in the province received the highest number of inward investment projects (equivalent to 25% of total projects) inflows from Swiss-based companies. In turn, the business services sector received the largest capex value (equivalent to 35.46%) from Swiss investments into the province. While most jobs were created in the food and beverages (equivalent to 26.71% of total jobs) sector as shown below.

FIGURE 13: INWARD FDI INTO WESTERN CAPE BY SWISS-BASED COMPANIES (BY SECTOR), 2003 – APR 2022



Source: FDI Markets, 2021

Table 15 below shows the top 10 Swiss-based companies (by projects) investing into the Western Cape over the period 2003 to February 2022.

TABLE 15: TOP 10 SWISS COMPANIES, INWARD FDI INTO WESTERN CAPE (BY PROJECTS), 2003 – APR 2022

	Investing company	Projects	Capex	Jobs created	Primary Sector
1	Spaces	4	117	32	Real Estate
2	deVere & Partners (deVere Group)	2	337	42	Financial Services
3	Amazee Labs	1	80	8	Software & IT services
4	CV VC (Crypto Valley Venture Capital)	1	146	17	Financial Services
5	ExecuJet	1	278	142	Aerospace
6	Fjallraven	1	67	50	Textiles
7	International Workplace Group (Regus)	1	29	8	Real Estate
8	Lindt & Sprungli	1	103	21	Food & Beverages
9	MCI Group	1	331	15	Business services
10	Nespresso	1	255	177	Food & Beverages

Source: FDI Market, 202

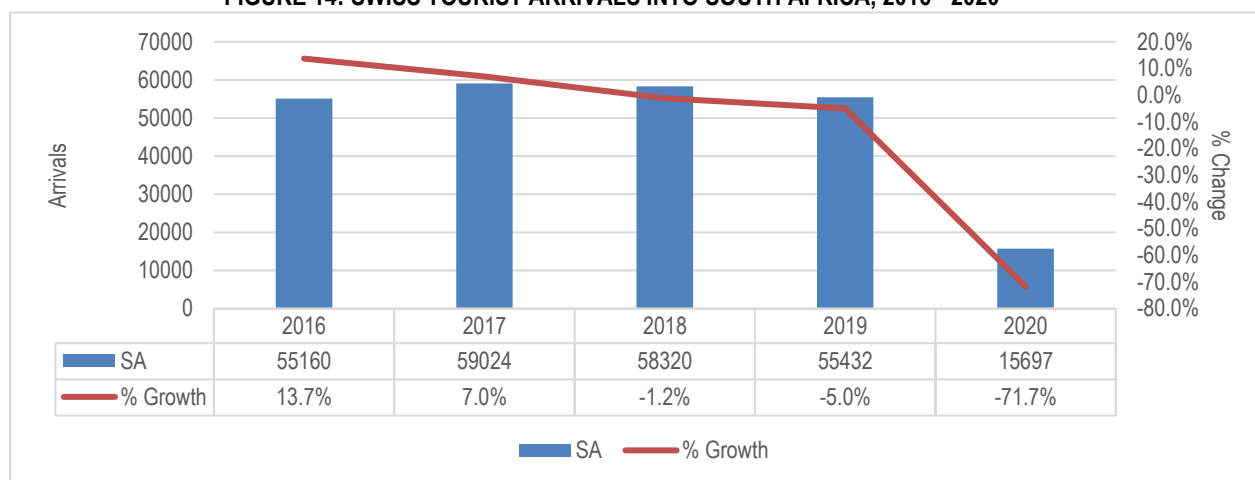
4. TOURISM FLOWS

4.1 SWISS TRAVELLER TO SOUTH AFRICA

Swiss visitors travelling to South Africa are predominantly visiting for holiday, family, and business purposes. The majority of these travelers are typically between the ages of 25 and 54 years, with 31,0 % in the 25 – 34-year age category. Visitors between the ages of 35- and 44-years account for 15,4% of travelers and 21,0% were in the 45 – 54 years age category in 2020. The highest share of Swiss visitors were first time visitors (66%).

Swiss tourist arrivals into South Africa have been on a downward trend since 2018, plummeting sharply in 2020 as a result of the COVID-19 pandemic.

FIGURE 14: SWISS TOURIST ARRIVALS INTO SOUTH AFRICA, 2016 - 2020

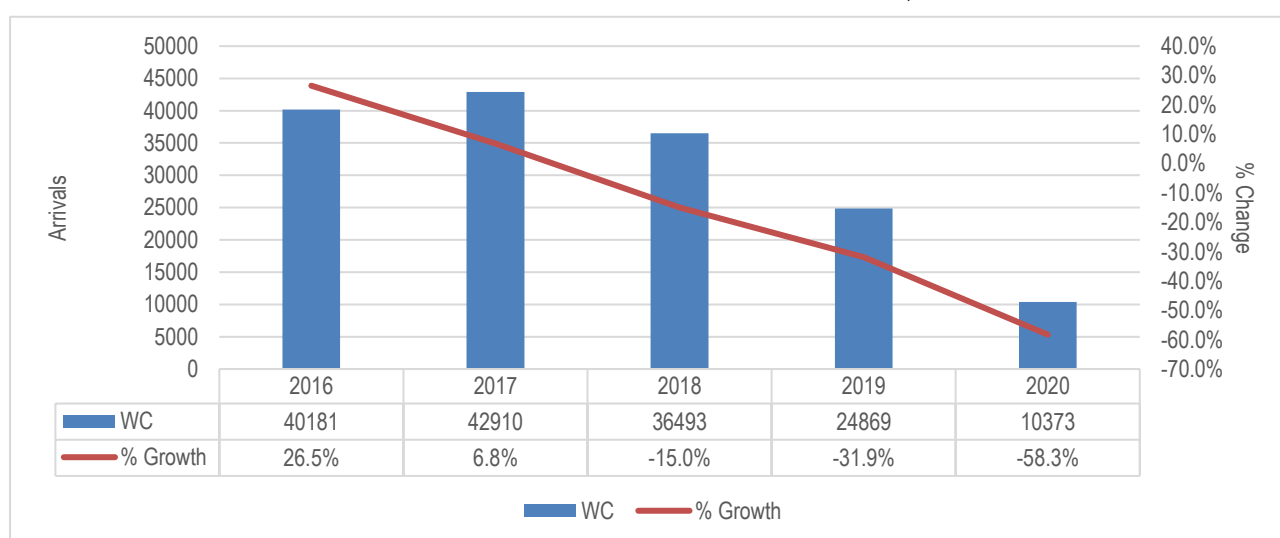


Source: South African Tourism, 2022

4.2 THE SWISS TRAVELLER TO THE WESTERN CAPE

The Western Cape saw a substantial increase in Swiss visitors in 2016 (26,5%) and grew again in 2017 by 6,8%. However, visitors declined by -15,0% in 2018 which may be attributed to the drought that the province experienced in that year. Tourist arrivals continued to decline in 2019 and dropped by -58,3% to 10,373 arrivals in 2020, down from 24,869 recorded in 2019.

FIGURE 15: SWISS TOURIST ARRIVALS INTO THE WESTERN CAPE, 2016-2020



Source: South African Tourism, 2022

5. SUMMARY OF KEY FINDINGS

South Africa is one of Switzerland's key economic partners on the African continent. In 2021 the volume of trade (exports plus imports) between the two countries exceeded ZAR26.0bn.

South African exports remain attractive to Switzerland's economy and its highly developed manufacturing industry that specializes in high-technology and knowledge-based production. South African products key to Switzerland include platinum, aluminium and diamonds. Platinum is South Africa's top export product to Switzerland, holding a share of more than 60% of South Africa's total exports to the country. Moreover, over the 5-year period, 2017-2020, the export of platinum increased at an average rate of 46.21% per annum, while aluminium increased at 6.60%.

Trade between the Western Cape and Switzerland is also relatively well diversified, with the province supplying Switzerland's leading watches manufacturing sector with precious stones. Other key exports products include petroleum oils and a wide range of agricultural products such wine, fruit fish and grapes.

Bilateral investment relations also remain very strong. Switzerland is one of the largest foreign investors in South Africa. According to FDI Intelligence, an estimated 59 Swiss companies invested in South Africa between 2003 and April 2022, creating an estimated 16, 000 jobs.

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