

**Remarks by Ms Futhi Mtoba, President of Business Unity South Africa at the South Africa – France Business Forum, on the occasion of the State Visit by His Excellency President Jacob Gedleyihlekisa Zuma President of the Republic of South Africa, 2-3 March 2011**

**His Excellency, President Jacob G. Zuma, President of the Republic of SA;**

**Dr Rob Davies, Minister of Trade and Industry, Republic of South Africa;**

**Mrs Christine Lagarde, Minister of Economy, Finance and Industry, France;**

**Mrs Laurence Parisot, President of MEDEF;**

**The leadership of BUSA present today;**

**SA Ministers and Government Officials present;**

**Captains of Industry from both SA and France;**

**Ladies and gentlemen;**

**All protocol observed.**

Bonjour France

Ou' la liberte' est toujours precieux  
*(Where liberty is always precious)*

Ou' l'individualite' est toujours apprecie et aime  
*(Where individuality is always cherished and loved)*

It's always good to be in Paris....One of the world's most magnificent cities; Rich in Culture and Heritage.

Mesdames et Messieurs (*ladies and gentlemen*), we are gathered here today on the first official State Visit to France by President Jacob Zuma since he took office in 2009. This visit also takes place during a period of economic recovery in the aftermath of the global recession and the creation of a new world.

The economic relationship between South Africa and France has been growing from strength to strength in recent years. South Africa and France both play leading roles in regional integration in their respective regions.

It is therefore appropriate that they should encourage the advancement of the relationship between SADC and the EU by building bridges and partnerships with a view to achieving greater economic development.

The warm relations between the people of South Africa and the French people are of strategic importance. The historic visit by the French President to South Africa on 05 July 1994 marked the beginning of these strategic relations. This was followed by President Nicholas Sarkozy's visit in 2008 which took place when our country was faced with power outages and unprecedented blackouts. President Sarkozy made an undertaking to provide capacity support and has since followed up in the transfer of expertise and capital resources by sending technical experts to Eskom as part of France's contribution in resolving the crises. This gesture is highly appreciated as we continue to strengthen the competitiveness of the South African economy as a strong emerging economy.

The relations are so strong that even after our soccer team beat France in the 2010 FIFA World Cup, there was no bitterness as typical of good friends.

Last year a delegation of African Business Leaders participated in the France – Africa Summit, one of the most strategic platforms available to date to discuss trade and investment issues between Africa and France. The outcomes of that summit proved very fruitful.

It led to many concrete initiatives, which reflected the maturity of the France – Africa, relationship. Areas for further engagement included capacity building of administrations and business organizations, enterprises financing, vocational training and the future sources of energy for Africa.

One saw a boost in confidence amongst the African business leaders as a result of France's express commitment to strengthen trade and investment relations.

Today provides a unique opportunity for both South African and French business leaders to reflect on our strategic relations and further engage on ways in which we

can enhance our growing trade and investment linkages. Despite what many may perceive to be a language barrier between French and South African business people, it's quite interesting to learn that today South Africa is France's primary trading partner in sub-Saharan Africa. Currently France ranks number 9 as a source of imports for the South African consumer market and 16 as an export destination for our manufacturing industries.

In 2010 France's exports to South Africa amounted to €1,732 billion. These were sourced mainly from pharmaceuticals, aeronautical and capital goods, chemicals and vehicles. In terms of South African exports to France, these amounted to €1,045 billion. Coal was the leading export commodity followed by electronic components, steel, aeronautical goods, vehicles and citrus fruit. These figures are quite low when one considers the magnitude of our two economies.

There is a significant presence of French companies in South Africa, which is an indication that South Africa is a

good destination for foreign direct investment. Currently there are more than 200 French companies that operate in South Africa including the most reputable brands such as Total, Lafarge, and L'Oreal, just to mention a few. These companies employ approximately 29 000 people in South Africa and contribute significantly to the South African economy, which is why France is currently ranked the 9<sup>th</sup> largest investor in South Africa.

These partnerships and ventures ladies and gentlemen, provide us with a concrete basis to further deepen our understanding of one another's cultures and contribute meaningfully to achieve our economic development priorities./ The signing of the new agreements that we will witness later today will propel us forward into even stronger relations./

South Africa has a number of preferential trade agreements which offer companies with manufacturing bases in South Africa preferential market access. One interesting regional development worth mentioning is the ongoing negotiations

for the Tripartite Free Trade Area between the Southern African Development Community (SADC), the East African Community (EAC) and the Common Market for East and Southern Africa (COMESA).

These regional blocks, combined, provide market access to a population of more than 578 million stretching from Cape to Cairo. Given South Africa's infrastructural prowess, South Africa offers companies wishing to penetrate the African market / the perfect ~~platform to~~ platform to gain access to the untapped African markets.

The simple message we would like to leave you with is that South Africa is the gateway to do business in Africa.

We would like to invite more French companies to explore opportunities in our shores. ~~Considerable opportunities for greater co-operation exists~~ Considerable opportunities for greater co-operation exist. Huge potential exists in infrastructure and energy, human capital and training, agro-processing, financial services, engineering and sub-contracting in various industries including automotive and

ICT. Thus addressing Africa's infrastructure backlog / which is a key obstacle to growth and development.

Our government recently released a New Growth Path plan with emphasis on job creation and local manufacturing. In this regard as partners/~~French/~~ [French](#) companies can play a role in facilitating trade / human capital investment / skills and knowledge transfer,/ technology transfer, / investment in the green economy, / energy infrastructure and public transport infrastructure. Other areas of skills transfer include artisan training, internships, mentorships through youth exchange programmes.

We also seek to increase outcomes from our investment in our people. Here we can share best practice on human capital development which is essential to productivity growth.

In order to generate more jobs for our people, we would like to export more beneficiated and processed products. The French/South African partnership should also provide

opportunities for more penetration by South African companies within the French and EU economy.

Ladies and Gentlemen, we are quite delighted to be here in Paris today, we look forward to the deliberations that will take place on a number of key strategic issues that are of great importance to our respective countries and the joint strategic issues of mutual interest and benefit. I wish you signing of more future business ventures./ Business ventures that will build further /towards greater economic growth/ in ways that benefit South Africa and France economies/ and contribute to ensuring a significantly more sustainable /and inclusive global economy.

**SOUTH AFRICA IS OPEN FOR BUSINESS**

Je vous remercie! I Thank You!