

FRANCE has long been one of SA's more important trading partners and the state visit by President Nicholas Sarkozy earlier this year once again highlighted the importance SA places on strengthening bilateral political, economic and trade relations with a view to consolidating north-south relations. Marja Tuit spoke to French Ambassador Denis Pietton about France's trade policy, as well as that of the European Union (EU), of which France currently holds the presidency.

**How far is France with labour market and pensions reform under President Sarkozy?**

Basically our aim is to create a more flexible job environment, to lower unemployment and enhance economic growth. It works — our unemployment rate is currently 7,3% and France attracts the second most foreign direct investment (FDI) worldwide (after the US and before China).

**What does France hope to achieve from chairing the EU?**

We push an agenda, which is relevant for Europe and France, but also for our partners, in particular African countries:

- Climate change: reduction of green effect gas emissions by 20% by 2020;
- A pact on immigration and asylum to harmonise migration policies in Europe;
- Building European defence and security capacities able to address crises in Africa (Eastern DRC in 2003, and ongoing operations in Sudan); and
- Reform of agriculture policy: Europe is the most open market for agricultural products of developing countries; we buy more than the US, Canada and Japan together. We purchase Zambian sugar, Niger's cotton or Togo's bananas, at a higher than market price, thus sustaining the livelihood of thousands of producers.

**How do you plan to improve the institutional framework for bilateral relations?**

SA is a "strategic partner" for both France and the EU. The first ever EU summit with an African country was held in Bordeaux on July 25. The range of issues assessed by Presidents Mbeki, Sarkozy and Barroso is a clear illustration of how important SA's contribution is beyond its own borders: climate change, science and technology, addressing crisis in Africa, mediation in Zimbabwe, dialogue on the Middle East, to name a few.

**During President Sarkozy's visit it was stated that France plans to provide effective and expanded support for the Joint Initiative on Priority Skills Acquisition (Jipsa), including capacity building in local government. Please elaborate.**

French companies operating in SA are already involved in various vocational training schemes. The Franco-South African Technical Institute of Electronics, based at the Tshwane University of Technology and at the Cape Peninsula University of Technology, has been providing electronics training since 1996 from matric to doctorate level, with diplomas recognised all over Europe. Two hundred South African students will be trained over the next two years. Arecsa Human Capital, a joint venture between French nuclear giant Areva and the National Energy Corporation of SA, will provide training in technology and energy to disadvantaged South Africans. Training of artisans to address the needs in the broader nuclear industry is the next step.

**Bilateral trade totalled R25bn last year, with the trade balance in France's favour. How can this balance be made more even?**

The EU is SA's primary trade partner at R340bn last year, and 95% of South African goods are sold in



**Denis Pietton... Diversification of exports is key to expanding SA's trade with France and broadly with the EU.**

Picture: MARTIN RHODES

the EU duty free. South African exports to France increased by 14% to €1,118bn, while French exports to SA decreased by 10% to €1,632bn, reducing the gap from €705m in 2006 to €513m last year. South African exports concentrate on a few items: automobile parts, coal and minerals. Diversification of these exports is key to expanding SA's trade with France and broadly with the EU.

**Increased French investment in the areas of transport, energy, automotive and aeronautical areas is envisaged.**

Infrastructure is one of France's

focus areas when it comes to investment and development cooperation. In transport we concentrate on the Gautrain project (Bouygues, RATP), on Transnet and SARCC equipment maintenance and purchase projects (Alstom, Corus), on the Sanral Toll Highway Project in Gauteng and on road construction and rehabilitation (Bouygues).

In energy, French companies are widely involved in an investment scheme to develop energy production: two new clean coal-fired power stations (Bravo and Medupi) being built by Alstom; a pipeline between Durban and

Gauteng built by Entrepouse Contracting and SA's Group Five Civil Engineering; and Areva is currently participating in the tender for a new nuclear plant in SA.

In the automotive sector, the Renault/Nissan alliance will build the "Sandero" model in SA next year (28 000 vehicles expected the first year and 300 new jobs). French companies will also look at the new Automotive Production and Development Programme to evaluate investment conditions and opportunities. The same will occur in aerospace, with the recently announced Centurion Aerospace Village.

**Is France able to help SA address its energy challenges in the context of the load shedding experienced here recently?**

During his recent visit in SA, Nicolas Sarkozy committed France to helping in that regard. The sound cooperation between Eskom and EDF, the French power utility, is a good illustration of what we are doing with SA.

EDF has technical solutions to save energy, limit carbon emissions and production costs; Areva T&D and Schneider Electric have offered solutions to save energy in commercial and residential buildings. In terms of renewable energy, the French Development Agency is providing Eskom with a loan of €100m to finance a new wind farm project in the Western Cape. It is part of their €800m activities in SA ([www.afd.fr](http://www.afd.fr)).

**How do you expect France's relations with the US to develop or change if there's a President Obama or a President McCain?**

Relations between France and the US are very good and the outcome of the elections won't change that.

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