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by Ron Sandrey

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An analysis of the SADC Free Trade Area

by Ron Sandrey

Summary

The Southern African Development Community (SADC) Free Trade Agreement (FTA) has been entering into force over a period of time. It was originally set to become fully operational by 2008, and it has progressively become more of a reality since around that time. Currently, at one extreme, imports into the Southern African Customs Union (SACU) from the Southern African Development Community (SADC) are largely tariff free while at the other extreme both Angola and the Democratic Republic of Congo (DRC) and Seychelles remain outside of the agreement. The remaining members largely honour the agreement with several notable and sometimes important exceptions.

Trade data for the region and Africa is notoriously unreliable and difficult to obtain, and this has consequently made the current exercise of gleaning trade and tariff data to assess the SADC FTA difficult and frustratingly incomplete. We have used the International Trade Commission (ITC) data for their most recent 2010 trade as the source of data, augmented by World Trade Organisation (WTO) and SACU overall trade figures. Even this data is incomplete and not necessarily consistent with other data. However, we are able to confirm the commonly accepted position that intra-SADC trade is low (and not necessarily increasing) and that South African trade dominates both the overall SADC and intra-SADC trade. In particular, South African exports were 68.1% of intra-SADC exports for 2010, our base year, but a significantly lower 14.8% of intra-SADC imports as Angola, with 31% of regional global exports, only contributes some 5.8% of the intra-SADC exports (and much lower import shares). It makes a big difference if Angola and the DRC are included in SADC trade analysis.

We also compare the South African trade data as sourced from the Global Trade Atlas (GTA – data which in turn is sourced from the South African Revenue Service) and find that while the South African import data matches very closely indeed with the ITC data, the ITC export data for South Africa is about exactly double the GTA-reported export data. From this we conclude that it seems as though the ITC is a) taking South African import data as the region's exports to South Africa while b) in most cases taking the region's import data as South African export data. The latter cannot be the case if a) is accepted. We are left with a confusing picture of SADC's intra-regional trade in this arcane world of trade reconciliation.

Overall, the FTA is making solid progress; much of that progress has been driven by SACU's offer of largely tariff-free access to the other SADC member states. The fact that Angola, the DRC and Seychelles¹ have not yet joined the FTA, and the exceptions from the tariff offers of many other members, means that this FTA still has quite some distance to travel.

Background

As is commonly the case with these types of agreements, the SADC FTA has had a long gestation period. The SADC Protocol on Trade, as amended, envisaged the establishment of an FTA in the SADC region by 2008 and its objectives are to further liberalise intraregional trade in goods and services; to ensure efficient production; to contribute towards the improvement of the climate for domestic, cross-border and foreign investment; and to enhance economic development, diversification and industrialisation of the region. SADC launched the FTA in August 2008², when a phased programme of tariff reductions that had commenced in 2001 resulted in the attainment of minimum conditions for the FTA – 85% of intraregional trade amongst the partner states attained zero duty. This was, however, only the minimum conditions for an FTA, and SADC considers that the maximum tariff liberalisation was only attained by January 2012, when the tariff phase-down process for sensitive products was completed. This is somewhat misleading, since, for Mozambique, the process will only be completed in 2015 in the case of imports from South Africa, and Angola, DRC and Seychelles remain outside the agreement. In addition, Malawi, Zimbabwe and Tanzania have derogations that include allowances for a 25% import duty on sugar and paper products until 2015 in order for the industries to take measures to adjust.

In addition, there are product exclusions that in some instances remain substantial (for example, in prepared foodstuffs, animals and animal products, textiles and clothing, some mineral products, and vehicles and vehicle parts). The latter (vehicle parts) and used clothing are the only exceptions to South Africa/SACU's duty-free access for SADC, while throughout SADC sugar access remains problematical.

An analysis of the available SADC tariff schedules shows that all SADC countries have tariff-free access into South Africa/SACU except for HS 6309 (used clothing) and the imports in HS 98 (selected vehicles and vehicle parts). As outlined by Kalenga (2013) at the tralac Annual Conference, Angola, the DRC and Seychelles remain outside the agreement, and there are some exceptions in Malawi,

¹ Seychelles has submitted a tariff reduction offer to SADC; this is currently under consideration.

² See <http://www.sadc.int/about-sadc/integration-milestones/free-trade-area/>

Zimbabwe and Mozambique's offers to South Africa.³ Zambia seems to offer duty-free access except for HS 27 (fuels). Tanzania seems to be far from offering duty-free access to South Africa, with extreme tariffs reported for rice, sugar, milk products and cereals in particular. By 2015 all tariffs are supposed to be at zero in Mozambique, but in 2012 there seemed to be tariffs on all agricultural imports into Mozambique from South Africa at a level ranging from 2.5% to 20%. Madagascar has several exceptions to its South African offer, with 20% being applied to live animals, meat, fish and fruit and vegetable products in agriculture in 2012. Malawi has offered concessions in 380 of its ITC reported 790 tariff lines with South Africa, suggesting that it also has a considerable distance to go. Zambia appeared to levy duties on clothing and footwear in particular from South Africa.⁴

Meanwhile, the complex sugar agreement seems to still be in force, an agreement that allows non-SACU SADC sugar producers fixed quota access to SACU markets but provides no access for SACU producers to other SADC sugar producers. This highly protectionist measure is supposedly in place to assist regional integration, and is to be reviewed. Other recent derogations seem to include paper products into Tanzania and several sensitive products into Zimbabwe.

The trading background

Annex 1 contains a series of trade facts relating to the 15 countries of SADC, with the data sourced from the WTO. The summary of the trade data is shown in Table 1 where, during 2011, total exports from SADC were reported as being worth \$209.7 billion, with 46.2% of this from South Africa and another 31.2% from Angola (a combined 77.4%). Similarly, total imports were reported at \$207.2 billion with 58.7% imported into South Africa and another 10.6% into Angola (a combined 69.3%). We emphasise that this data (and the SACU data that is also introduced in this section) is applicable for 2011, while the next set of detailed intra-SADC data is applicable for 2010 – the most recent (almost) comprehensive set of data available.

³ An analysis of the Zimbabwe tariff offers seems to suggest that by 2012 all duties for South Africa would have gone to zero in Zimbabwe, but this is not confirmed by ITC tariff data.

⁴ There were also Most Favoured Nation (MFN) duties on HS 93 (arms and ammunition; parts and accessories thereof) but this seemed to be the case in other countries as well.

Table 1: Aggregate global trade data for SADC, 2011, \$ million & % shares

Country	% of global SADC total trade			SADC global trade \$ million		
	Angola	Botswana	DRC	Angola	Botswana	DRC
Export 2011	31.2%	2.8%	3.1%	65,500	5,882	6,600
Import 2011	10.6%	3.5%	2.7%	22,000	7,272	5,500
	Lesotho	Madagascar	Malawi	Lesotho	Madagascar	Malawi
Export 2011	0.5%	0.8%	0.7%	1,100	1,590	1,427
Import 2011	1.3%	1.4%	1.2%	2,600	2,850	2,426
	Mauritius	Mozambique	Namibia	Mauritius	Mozambique	Namibia
Export 2011	1.3%	1.7%	2.1%	2,647	3,600	4,373
Import 2011	2.5%	3.0%	3.1%	5,158	6,300	6,330
	Seychelles	RSA	Swaziland	Seychelles	RSA	Swaziland
Export 2011	0.2%	46.2%	1.0%	483	96,848	2,000
Import 2011	0.4%	58.7%	1.0%	750	121,606	2,100
	Tanzania	Zambia	Zimbabwe	Tanzania	Zambia	Zimbabwe
Export 2011	2.4%	4.3%	1.7%	5,098	9,015	3,500
Import 2011	5.2%	3.5%	2.1%	10,724	7,178	4,400
Total export 2011 \$m		\$209,663 m				
Total Import 2012 \$m		\$207,194 m				

Source: WTO data at www.wto.org/statistics, where RSA represents the Republic of South Africa

Annex 1 shows that South Africa was reported as being the main export destination for three of the 15 SADC countries, with the European Union (EU) the main destination for eight countries (another two reported Switzerland as the main destination while this data is not available for both Angola and the DRC). Similarly, South Africa was reported as the main import source for eight countries and the EU four countries (again, Angola and the DRC are not reported and the 15th SADC country was Madagascar which reported the United Arab Emirates as the main import source). Thus, South Africa and Angola clearly dominate trade in the region while South Africa and the EU dominate as bilateral trading partners. Other than South Africa and Angola only Tanzanian imports (91st position) and Zambian exports (95th position) are among the top 100 global exporters or importers. Clearly, South African trade data will strongly influence data on the SADC FTA, as will be the case by including or excluding Angola from the overall picture.

Examining the WTO data for 2011 that reports the top five trading partners for both exports and imports in more detail (not shown in Annex 1), we find that outside the South African trade there is very limited bilateral regional trade in these top five partners. For exports, Botswana reported Zimbabwe in fifth place (2.9%), Lesotho reported Madagascar in fifth place (0.6%), Malawi reported Zimbabwe in third place (8.6%), Mauritius reported Madagascar in fourth place (6.2%), Swaziland reported Namibia in third place (2.8%), Zambia reported the DRC in fourth place (4.6%) and Zimbabwe reported Mozambique in fifth place (2.9%). There is even more limited intra-SADC trade outside the South African imports in the import sector, with only Namibia reporting Zambia in fourth place (2.1%) and Zambia reporting the DRC in second place (23.8%).

Further information on the intra-SACU trade is available from the SACU Merchandise Trade Statistics for 2011.⁵ SACU exports were worth R176 billion during the 2010 year, with 26.6% destined for the EU and a mere 4.0% reported as being destined for SADC.⁶ Similarly, SACU exports were worth some R687.9 billion, with an even lower 2.8% being sourced from SADC.

SACU reports that during 2011 **Botswana** exported R40.1 billion to the world, with R5.7 billion of this destined to SACU (14.2% of the total with R5.4 billion sent to South Africa followed by Namibia). Global imports were R49.6 billion with R33.2 billion from SACU (66.8% of the total). **Lesotho** exported R3.7 billion to the world in 2010, with R2.6 billion destined for SACU, while global imports were R9.3 billion with R7.0 billion sourced from SACU. **Namibia's** global exports were 36.7 billion in 2011, with R7.7 billion of these exports destined for SACU (20.9% of the total with R7.3 billion to South Africa and then most of the remainder to Botswana). Global imports were R46.3 billion with R35.4 billion of these from SACU (again, South Africa and Botswana the main sources). **South African** global exports were R884.7 billion in 2011, with R72.0 billion destined for SACU (R31.9 billion to Namibia), while South African global imports were R758.9 billion with R24.5 billion from SACU (Swaziland followed by Namibia). Finally, **Swaziland** exported R11.9 billion in 2011, with R8.1 billion to SACU (and R7.9 billion to South Africa followed by Namibia), while importing R12.8 billion globally and R11.1 billion of this from SACU (South Africa followed by Botswana).

In summary, the WTO data reports that, overall, exports and imports in the SADC region were very similar at just over \$200 billion, and that a combined total of 77.4% of the exports and 69.3% of the imports were from South Africa and Angola. By destination, South Africa dominates, with limited

⁵ See http://www.sacu.int/publications/trade_statistics/2012/merchandise_trade_statistics11.pdf

⁶ It is not clear as to whether this SADC figure includes or excludes intra-SACU trade.

bilateral intraregional SADC export trade and even more limited bilateral intraregional SADC imports reported in the top five partners. Clearly, what happens with the South African and to a lesser extent the Angolan trade will largely determine the outcome of the SADC FTA. This is confirmed by examining the SACU trade data (for 2011 this time) where outside the bilateral South African trade, intra-SACU trade is limited. We note, however, that this intra-SACU trade is largely duty free (but not without restrictions – notwithstanding the SACU Agreement), so it is not clear as to where this actually fits into the SADC FTA analysis.

The detailed SADC trading data

To obtain the individual country bilateral trade data we used the ITC database.⁷ This provided 2010 data for all countries, but with two notable shortcomings. The first of these was the notoriously difficult-to-obtain intra-SACU trade data, while the second was the shortcomings of the data from both Angola and the DRC. To partly overcome these shortcomings the ITC uses ‘mirror’ data, where trade with a more reliable trading partner is used to ‘mirror’ the data from the less reliable partner, a practice that has shortcomings but in the circumstances is the only real option. In addition, in most instances where the mirror does not seem to hold, the bilateral data is identical, i.e. imports from one partner match exports from the other and vice versa.

Most countries value exports as ‘free on board’ (f.o.b.), the value at time of loading onto a ship/plane/truck in the country of origin and imports at ‘cost, insurance and freight’ (c.i.f.). This means that exports do not include transportation costs while imports generally do – however, South Africa is one of the few countries that use import valuation minus the transportation costs. Normally and on average, these transportation costs would be around 10% of the landed value of imports, but this can vary a great deal. The salient point is that we would not expect exports from one country to exactly match imports into the partner, but according to the ITC data they generally do (we are not certain as to how to interpret this and determine what the ‘correct’ figure is).

The summary for this intra-SADC trade data is shown in Table 2, while Table 3 shows the complete matrix. In Table 2 the first two columns show the SADC country and the three-letter abbreviation that we have used for the larger tables later. In columns 3 and 4 we show the ITC reported imports and exports respectively, with the average of these shown in column 5. In columns 6 and 7 we repeat the SADC total global trade shares from Table 1 for imports and exports respectively. Finally, on the

⁷ See <http://www.macmap.org/AdvancedSearch/RawData/TradeByCountry.aspx>

right-hand side this export data is set against that reported by Kalenga (2013) for the 2009 trade year for intra-SADC trade, and as this is export data it should be compared to column 4 for ITC exports.

Table 2: The overall trade data for SADC

Country	Abbreviation	ITC data % shares intra-SADC			WTO total SADC %		Exports
		% Import	% Export	Average	Imports	Exports	Kalenga
Angola	Ang	3.0%	8.5%	5.8%	10.6%	31.2%	
Botswana	Bot	17.9%	1.9%	9.9%	3.5%	2.8%	5%
DRC	DRC	6.0%	5.6%	5.8%	2.7%	3.1%	
Lesotho	Les	3.8%	0.1%	1.9%	1.3%	0.5%	1%
Madagascar	Mad	1.5%	0.2%	0.9%	1.4%	0.8%	0%
Malawi	Mal	3.9%	0.8%	2.4%	1.2%	0.7%	1%
Mauritius	Mau	1.9%	1.6%	1.7%	2.5%	1.3%	1%
Mozambique	Moz	5.7%	3.7%	4.7%	3.0%	1.7%	2%
Namibia	Nam	0.2%	0.9%	0.6%	3.1%	2.1%	8%
Seychelles	Sey	0.4%	0.2%	0.3%	0.4%	0.2%	
South Africa	RSA	14.8%	68.1%	41.5%	58.7%	46.2%	72%
Swaziland	Swa	0.1%	0.6%	0.4%	1.0%	1.0%	
Tanzania	Tan	3.8%	1.6%	2.7%	5.2%	2.4%	2%
Zambia	Zam	14.0%	4.4%	9.2%	3.5%	4.3%	4%
Zimbabwe	Zim	23.0%	1.7%	12.3%	2.1%	1.7%	
SADC		100%	100%	100%	100%	100%	96%

Source: International Trade Commission (ITC) database, Kalenga (2013) and WTO

Table 2 highlights several points. The first of these is that although this ITC data is probably the best consistent set of data available, the limitations of both a) the problem of reporting from Angola and the DRC and b) the problem of the accuracy of intra-SACU reporting must be kept in mind. This is apparent when column 4 of ITC exports and column 8 from Paul Kalenga are compared; Kalenga has no trade reported for Angola, DRC and Seychelles (or Swaziland), and his export shares from the SACU members of Botswana, Lesotho and Namibia are much higher than the ITC reports. Otherwise, the Kalenga and ITC export data is ‘ballpark’ when rounding adjustments, and when the exclusion of Angola, DRC and Seychelles as well as the SACU reporting problem are taken into account.

Finally, we can compare overall global export shares from SADC with the respective intra-SADC shares. Firstly, comparing columns 4 and 7 for export shares for intra-SADC export trade and global

worldwide export shares highlights that a) Angola is not closely linked to SADC because its global export share of 31.2% is significantly higher than its intra-SADC share of 8.5%, while, conversely, South Africa is more closely linked to the region with intra-SADC shares of 68.1% versus global shares of 46.2%. Next, comparing columns 3 and 5 for the import shares we see some significant differences. Botswana, the DRC, Lesotho, Malawi, Mozambique, Zambia and Zimbabwe are much more closely integrated into SADC than Angola, Namibia and South Africa. Overall, two points stand out: the low integration of Angola into SADC and the large difference between South Africa's dominance of the regional export market but with intra-SADC import shares below Botswana and Zimbabwe and only marginally above Zambia.

Table 3 shows the complete intra-SADC data matrix as downloaded from the ITC database using the individual country export data in most instances. The exports are shown across the rows while imports are shown in the columns. Where the entry is underlined, in italics and highlighted, this indicates that the export data does not match the comparable import data and the higher of the two entries is taken. These entries are extracted out and shown in Table 4 along with a discussion. Needless to say, these highlighted entries concentrate on the DRC along with some SACU entries. Total trade was \$23.545 billion – significantly lower than the \$34 billion reported by Kalenga for 2009; but note in particular that, unrealistically, no exports from South Africa to either Namibia or Swaziland or virtually no imports into South Africa from both Lesotho and Swaziland are reported by ITC. The large entries were South African exports to Zimbabwe, Botswana and Zambia and to a lesser degree Mozambique; Angolan exports to South Africa; and DRC exports to Zambia. These six entries totalled \$14.8 billion or 62.9% of the total intra-SADC trade.

We have not endeavoured to create a time series of the intra-SADC trade, but note that these estimates from SADC vary depending upon which SADC countries are selectively included. Iwanow (2011) reported that since the creation of the SADC FTA in 2000, intra-SADC trade nearly doubled from US\$5.02 billion in 2000 to US\$10 billion in 2010, but the portion of intra-SADC exports at around 14% therefore remained fairly constant. This, we suggest, is a little disingenuous as the data provided by Iwanow shows that the total intra-SADC trade seemed to peak at perhaps 12% to 13% from 2006 through to and including 2008 before declining to 10% for 2009 and 2010 – thus, intra-SADC exports were significantly higher than intra-SADC imports. Iwanow also reported that both intra-SADC trade and SADC exports to the world were dominated by South Africa, as in 2010 South Africa was the source of 76.8% of total SADC exports and accounted for approximately 71% of intra-SADC trade. Kalenga reported that intra-SADC trade had grown from 15.7% of SADC trade in 2000 to 18.5% in

2009. These 2010 intra-SADC shares do not match our data and suggest that the term ‘intra-SADC’ trade is being loosely interpreted by SADC. In addition, intra-SADC trade data sourced from ITC is applicable for 2010 while the aggregate data from Table 1 is 2011 data from the WTO with the result that we cannot calculate intra-SADC trade as a percentage of total SADC trade. We would, however, note that the WTO reported that SADC global trade for 2011 was some \$417 billion while our estimates for intra-SADC trade in 2010 were some \$23.5 billion – less than 6% but on differing years.

Those entries highlighted in Table 3 are extracted and shown again in Table 4. These cells denote where the two ITC reports did not match, and in each instance the higher of the two entries was taken as the ‘correct’ one. We cross-checked most of this data against the data available from Comtrade⁸ but the entries were understandably almost the same because the same data is used for both agencies. As outlined above, these are exclusively DRC or intra-SACU entries. Given the paucity of data for intra-SACU trade it is likely that the overall totals used in this report (as sourced from the ITC) will understate intra-SADC trade, but this really has little to do with the SADC FTA.

⁸ See <http://comtrade.un.org/db/dqBasicQuery.aspx>

Table 3: The intra-SADC trade matrix, \$ million for 2010 trade

Exporter	Importer																
	Ang	Bot	DRC	Les	Mad	Mal	Mau	Moz	Nam	Sey	RSA	Swa	Tan	Zam	Zim	Total	% Exp
Ang		0.1			0.0	0.0	2.0	0.2	<u>4.7</u>		1,998	0.0	3.3	0.0	4.2	2,013	8.5%
Bot	0.3		<u>18.9</u>	0.7	0.0	7.5	0.0	0.9	16.5		148.4	1.2	2.5	17.6	241.3	456	1.9%
DRC		<u>0.3</u>		0.0	<u>0.2</u>	0.0	<u>0.1</u>	<u>0.1</u>			<u>14.1</u>	0.0	<u>1.1</u>	<u>1,268.6</u>	<u>25.6</u>	1,310	5.6%
Les		0.1			0.3	0.1	2.0	0.0	0.0		0.9	0.1	<u>0.2</u>	0.0	8.9	13	0.1%
Mad	0.0	0.4	<u>1.3</u>	0.0		0.0	18.5	0.1	0.0	5.3	22.0	0.1	3.2	0.0	0.0	51	0.2%
Mal		1.0	<u>2.2</u>	0.3	0.3		1.5	6.4	0.1	0.1	64.2	4.3	12.2	13.2	78.6	184	0.8%
Mau	2.1	4.4	<u>4.8</u>	1.6	133.2	5.6		14.9	0.1	20.3	96.7	0.1	8.2	11.1	80.6	384	1.6%
Moz	2.5	8.6		0.1	6.7	31.3	4.1		0.1	0.0	527.6	2.0	19.2	16.6	257.0	876	3.7%
Nam		68.2		<u>0.5</u>	0.0	19.3	0.9	16.7		<u>0.0</u>	67.8	<u>3.7</u>	1.3	12.6	20.6	212	0.9%
Sey		0.0			20.9	0.4	13.9	0.1	<u>0.0</u>		0.9	<u>0.2</u>	6.3	1.0	1.3	45	0.2%
RSA	700	4,065	<u>866</u>	878	197	654	371	1,227	0	56		0	768	1,825	4,433	16,039	68.1%
Swa		5.7		<u>2.5</u>	1.9	15.7	8.5	18.0	<u>9.6</u>	<u>0.9</u>	0.1		32.8	12.3	30.0	138	0.6%
Tan	3.2	0.2	<u>154.9</u>	<u>3.1</u>	1.5	36.9	3.5	61.7	0.6	3.4	63.1	1.3		40.8	2.6	377	1.6%
Zam	3.0	14.6	<u>333.5</u>	0.3	0.0	120.5	6.3	1.1	19.6	0.0	289.1	5.1	30.8		220.4	1,044	4.4%
Zim	4.2	37.4	<u>25.0</u>	7.4	0.0	32.9	6.7	3.2	5.7	0.2	191.2	16.6	1.1	72.0		404	1.7%
Total	715	4,206	1,406	894	362	925	439	1,350	57	87	3,484	35	891	3,291	5,404	23,545	100%
% Imp	3.0%	17.9%	6.0%	3.8%	1.5%	3.9%	1.9%	5.7%	0.2%	0.4%	14.8%	0.1%	3.8%	14.0%	23.0%	100%	

Source: International Trade Commission (ITC) database

Table 4: Non-matching intra-SADC trade data from Table 3

\$ million	Importer									
Exporter	DRC	Les	Nam	RSA	Swa	Tan	Zam	Zim	Total	% Exp
Ang			4.7						5	0.2%
Bot	18.9									0.0%
DRC				14.1		1.1	1,269	25.6	1,309	47.8%
Mad	1.3								1	0.0%
Mal	2.2								2	0.1%
Mau	4.8								5	0.2%
Nam					3.7				4	0.1%
RSA	866								866	31.6%
Swa		2.5	9.6						12	0.4%
Tan	154.9	3.1							158	5.8%
Zam	333.5								333	12.2%
Zim	25.0								25	0.9%
Total	1,406	6	14	14	4	1	1,269	26	2,739	100%
% Imp	51.3%	0.2%	0.5%	0.5%	0.1%	0.0%	46.3%	0.9%	100%	

Source: ITC, tralac analysis

Next we report on the main HS 2 chapters involved with the trade. The top 13 cells are shown in the Table 5 rows along with the exporter in the columns. In almost all instances these top eight exporters account for most of the trade, both by overall total (97%) and in most of the HS chapters with only Chapter 71 (precious metals and stones) falling below 94% of the chapter exports. Similarly, from the bottom row it is clear that Angola's only real export to SADC is HS 27 (fuel). Overall, this matrix contains some 64% of the total trade, with a similar 63% of South Africa's exports being reported. Note that there is a slight difference in the totals shown here from the main total used above.

Table 5: Intra-SADC trade by HS 2 chapters, \$ million

	\$ million	% total	72.0%	9.0%	4.7%	3.9%	2.0%	1.8%	1.7%	1.7%	% relevant
	Exporter	Total	RSA	Ang	Zam	Moz	Bot	Zim	Mau	Tan	HS export
HS	descript/tot	22,287	16,039	2,013	1,044	876	456	404	384	377	97%
27	fuel	5,171	2,263	1,967	47	608	12	50	46	107	99%
84	machinery	1,855	1,708	4	52	7	7	13	24	21	99%
87	vehicles	1,259	1,188	1	14	3	28	4	2	6	99%
85	electrical	924	829	1	46	1	11	9	20	3	100%
73	art iron, steel	817	765	1	8	14	4	7	5	9	100%
72	iron, steel	680	618	0	21	20	0	13	1	5	100%
49	books, etc.	677	654	0	0	0	0	0	2	0	97%
75	nickel	620	445	0	0	0	150	25			100%
39	plastics	570	508	0	17	2	1	6	16	10	98%
71	precious metal	563	296	29	20	0	148	1	0	0	88%
48	paper, etc	411	364	0	6	3	1	12	9	7	98%
24	tobacco	404	154	4	128	23	1	62	1	19	97%
25	salts, etc	382	189	0	88	3	24	37	2	17	94%
% of country export		64%	62%	100%	43%	78%	85%	59%	33%	55%	

Source: ITC, tralac analysis

South African trade with SADC

In this section we introduce the South African trade data with SADC over the 6 years from 2007 to 2012 inclusive, ranked by 2012 exports. The export data entries have some interesting differences with the export data reported above for South Africa, and suggest strongly that the ITC data may in some instances be based upon country import data and not the corresponding export data. Just to the right hand side of the 2010 GTA in Table 6, the data from the ITC for 2010 is shown. There are some significant differences between the ITC data and the official South African data. ITC reports exports of \$16,040 million to SADC, while the GTA reports \$8,060 million. Most of this difference (79%) is in the case of exports to Zimbabwe and Botswana, with a major contribution from the GTA exports to Lesotho that are not in the GTA data and differences for both Tanzania and Malawi. Other than the under-reporting differences for Mozambique the other destinations are ‘ballpark’. Note also the row in

the centre of the table that shows the exports to SADC as reported as a percentage of the total exports. These reached a high of 11.90% in 2012 from the low of 8.21% in 2007.

Table 6: South African export data as reported by the GTA, 2007 to 2012, \$ million

All Exports Annual Series: 2007-2012								
	Partner	US dollars, millions						
		2007	2008	2009	2010	2010 ITC data	2011	2012
	World	69,868	80,208	62,380	81,311		96,702	87,264
	Africa	8,999	11,528	10,232	11,735		13,811	14,494
	BRIC	5,997	7,566	8,478	12,201		16,221	15,005
	EU	21,061	23,653	15,025	19,197		21,333	17,838
	Africa	9,641	12,537	10,827	12,617		14,916	15,722
	SACU	0	0	0	0	4,943	0	261
	SADC	5,735	7,611	6,719	8,060	16,040	9,567	10,388
2012 Rank	SADC % total	8.21%	9.49%	10.77%	9.91%		9.89%	11.90%
9	Zambia	1,436	1,988	1,442	1,762	1,825	2,376	2,673
10	Zimbabwe	1,208	1,671	1,680	2,192	4,433	2,457	2,428
11	Mozambique	1,280	1,622	1,631	1,981	1,227	2,453	2,395
15	DRC	630	1,002	587	876	866	1,100	1,483
18	Angola	783	905	710	709	700	906	1,140
30	Tanzania	389	507	454	567	768	593	685
36	Malawi	308	457	437	444	654	402	440
42	Mauritius	273	402	305	348	371	328	320
49	Namibia	0	0	0	0	0	0	191
51	Madagascar	166	227	124	188	197	166	174
79	Botswana	0	0	0	0	4,065	0	54
85	Seychelles	58	56	61	57	56	51	47
131	Swaziland	0	0	0	0	0	0	6
142	South Africa	0	0	0	0	0	0	5
145	Lesotho	0	0	0	0	878	0	4

Source: Global Trade Atlas (South African Revenue Services data)

The comparable import data from the Global Trade Atlas is shown in Table 7. Here, once the re-exports as reported by South Africa are deducted, the 2010 data from the two sources matches almost perfectly, proving that the ITC data is often based on import data. Note also the SADC shares of the overall imports that seem to have changed little over the period despite a lowering of tariffs for SADC

imports over this period. The 2007 and 2008 percentages were both well above 5% before declining to around 4.5% or lower between 2009 and 2011 and recovering to 5.57% in 2012. Imports from Angola (fuel: \$2,735m of \$2,773m in 2012) and Mozambique (also fuel: \$1,109m for \$1,277m in 2012) dominate, with Zambia (copper imports) in third place.

Table 7: South African import data as reported by the GTA, 2007 to 2012, \$ million

All Imports Annual Series: 2007 - 2012								
Partner Year		US dollars, millions						
		2007	2008	2009	2010	2010 ITC data	2011	2012
	World	79,924	91,059	64,867	80,212		100,008	101,558
	Africa	6,295	8,798	5,258	6,251		7,655	10,019
	BRIC	12,587	14,322	12,051	15,840		19,949	21,066
	EU	26,903	28,515	20,842	25,731		30,712	29,182
	Africa	5,462	8,083	4,757	5,780		7,186	9,541
	SACU	841	721	511	485		484	487
	SADC	4,247	5,375	2,903	3,695	3,484	4,232	5,660
2012 Rank	SADC % total	5.31%	5.90%	4.48%	4.61%		4.23%	5.57%
9	Angola	1,658	2,830	1,410	1,979	1,998	1,612	2,773
20	Mozambique	341	389	428	526	528	1,029	1,277
40	Zambia	353	296	204	289	289	374	405
41	Zimbabwe	852	804	187	191	191	433	381
43	South Africa	491	459	359	270		269	369
49	Mauritius	62	64	67	97	97	155	209
62	Botswana	218	175	105	147	148	161	91
66	Madagascar	6	15	18	22	22	44	71
67	Malawi	82	120	66	64	64	66	68
69	Tanzania	52	151	28	63	63	77	59
83	Namibia	131	87	47	67	68	53	26
98	DRC	8	6	11	15	14	15	9
143	Seychelles	6	0	1	1	1	1	1
190	Lesotho	0	0	0	1	1	0	0
182	Swaziland	0	0	0	0	0	0	0

Source: Global Trade Atlas (South African Revenue Services data)

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Annex: World Trade Organisation country profiles for 2011

Country	Angola	Botswana	DRC
Population million	19 618	2 031	67 758
GDP 2011 \$ million	100 990	17 627	15 642
Trade to GDP ratio (2008-10)	112.4	76.3	129.1
Merchandise export \$m 2011	65 500	5 882	6 600
Merchandise import \$m 2011	22 000	7 272	5 500
Rank in world exports 2011	52	106	105
Rank in world imports 2011	72	106	121
Main export destination & %	na	EU 65.2	na
Main import source & %	na	RSA 65.7	na

Country	Lesotho	Madagascar	Malawi
Population million	2 194	21 315	15 381
GDP 2011 \$ million	2 426	9 947	5 700
Trade to GDP ratio (2008-10)	161.1	61.9	74.9
Merchandise export \$m 2011	1 100	1 590	1 427
Merchandise import \$m 2011	2 600	2 850	2 426
Rank in world exports 2011	149	143	144
Rank in world imports 2011	145	142	149
Main export destination & %	RSA 48.9	EU 54.3	EU 29.8
Main import source & %	RSA 95.2	UAE 16.8	RSA 25.0

Country	Mauritius	Mozambique	Namibia
Population million	1 286	23 930	2 324
GDP 2011 \$ million	11 313	12 798	12 301
Trade to GDP ratio (2008-10)	112.3	74.7	97.2
Merchandise export \$m 2011	2 647	3 600	4 373
Merchandise import \$m 2011	5 158	6 300	6 330
Rank in world exports 2011	124	120	119
Rank in world imports 2011	126	115	114
Main export destination & %	EU 63.1	EU 52.9	EU 35.6
Main import source & %	EU 23.6	RSA 33.6	RSA 75.8

Country	Seychelles	South Africa	Swaziland
Population million	0.086	50 587	1 086
GDP 2011 \$ million	1 007	408 237	3 978
Trade to GDP ratio (2008-10)	328.7	56.4	132.7
Merchandise export \$m 2011	483	96 848	2 000
Merchandise import \$m 2011	750	121 606	2 100
Rank in world exports 2011	160	41	134
Rank in world imports 2011	177	32	156
Main export destination & %	EU 40.9	EU 22.3	RSA 79.8
Main import source & %	EU 29.7	EU 30.6	RSA 81.4

Country	Tanzania	Zambia	Zimbabwe
Population million	48 218	13 475	12 754
GDP 2011 \$ million	23 705	19 206	9 900
Trade to GDP ratio (2008-10)	69.5	80.2	110.2
Merchandise export \$m 2011	5 098	9 015	3 500
Merchandise import \$m 2011	10 724	7 178	4 400
Rank in world exports 2011	113	95	121
Rank in world imports 2011	91	107	132
Main export destination & %	Switzerland 19.4	Switzerland 51.0	RSA 54.2
Main import source & %	EU 14.0	RSA 34.4	RSA 50.2

Source: WTO at www.wto.org/statistics
