

# South Africa

## 2020 trade update

## Introduction

2020 saw strict restrictive measures implemented by SA to curb the spread of COVID-19. Through 2020, the monthly trade data showed the impact of these measures. On 29 January 2021, the South African Revenue Services (SARS) released South Africa's official trade data for December 2020. This enables an analysis of South Africa's trade performance during the first year of the Covid-19 pandemic. Also, the 2020 trade performance can be compared with 2019 to assess the impact of Covid-19 and related mitigation measures in 2020.

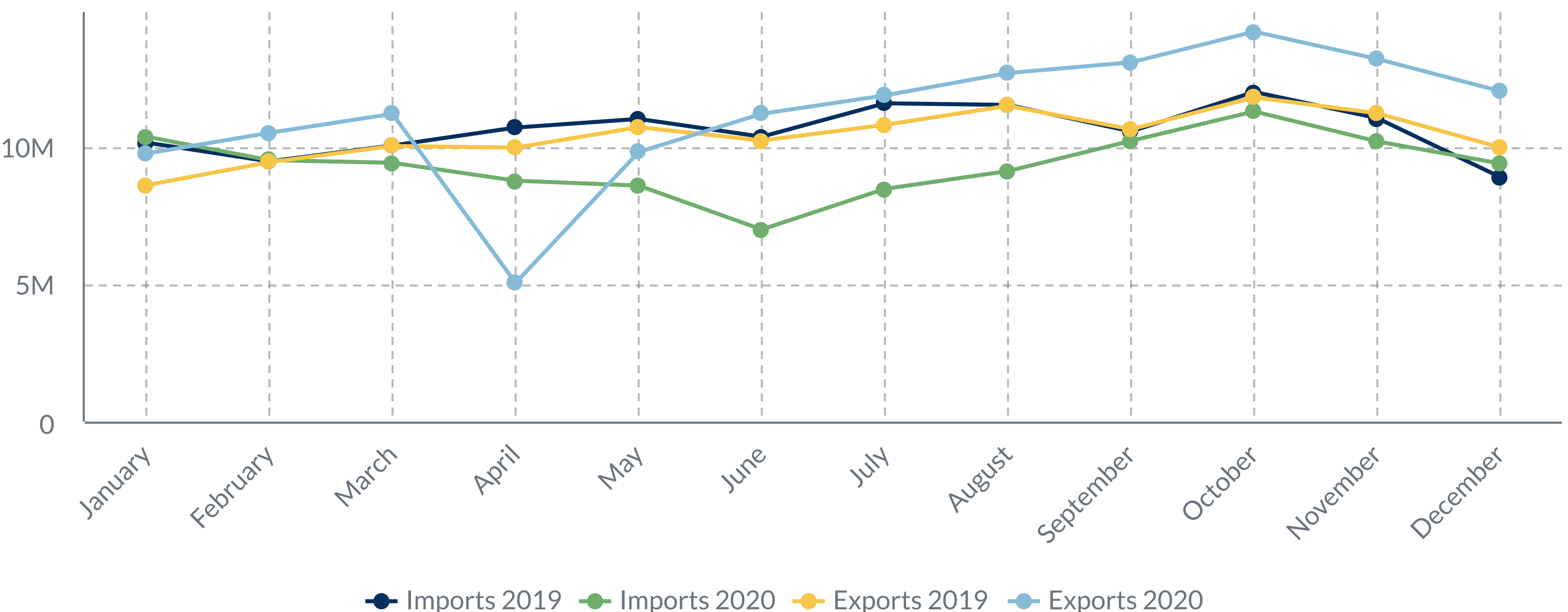
This report analyses the impact of Covid-19 and restrictive measures on South Africa's 2020 trade performance and trends. To achieve this South Africa's 2020 total trade, trade surplus, exports, and imports with different individual trade partners and regional groupings are evaluated. This is also compared with 2019 trade data.

The data used is monthly trade data sourced from SARS. This is actual customs value in Rands (South Africa local currency).

## Trade overview

Between 2019 and 2020, South Africa's total trade with the rest of the world declined by 2%. World imports decreased by 12% and world exports increased by 8%. For 2020, South Africa has a trade surplus (exports to the world is greater than world imports) reversing the 2019 trade deficit.

### South Africa's world exports and imports; 2019 and 2020 (R millions)



For 2020, South Africa has a trade deficit with some main trading partners. These include China, France, Italy, and Saudi Arabia. South Africa maintained a trade surplus with most African countries. This includes Namibia, Mozambique, Lesotho, Botswana, Malawi, Kenya, and Uganda. With Nigeria, Eswatini, Ghana, Egypt, Morocco, and Togo South Africa has a trade deficit. For Angola, the trade deficit in 2019 changed to a trade surplus in 2020. South Africa's imports from Angola declined by 88%.

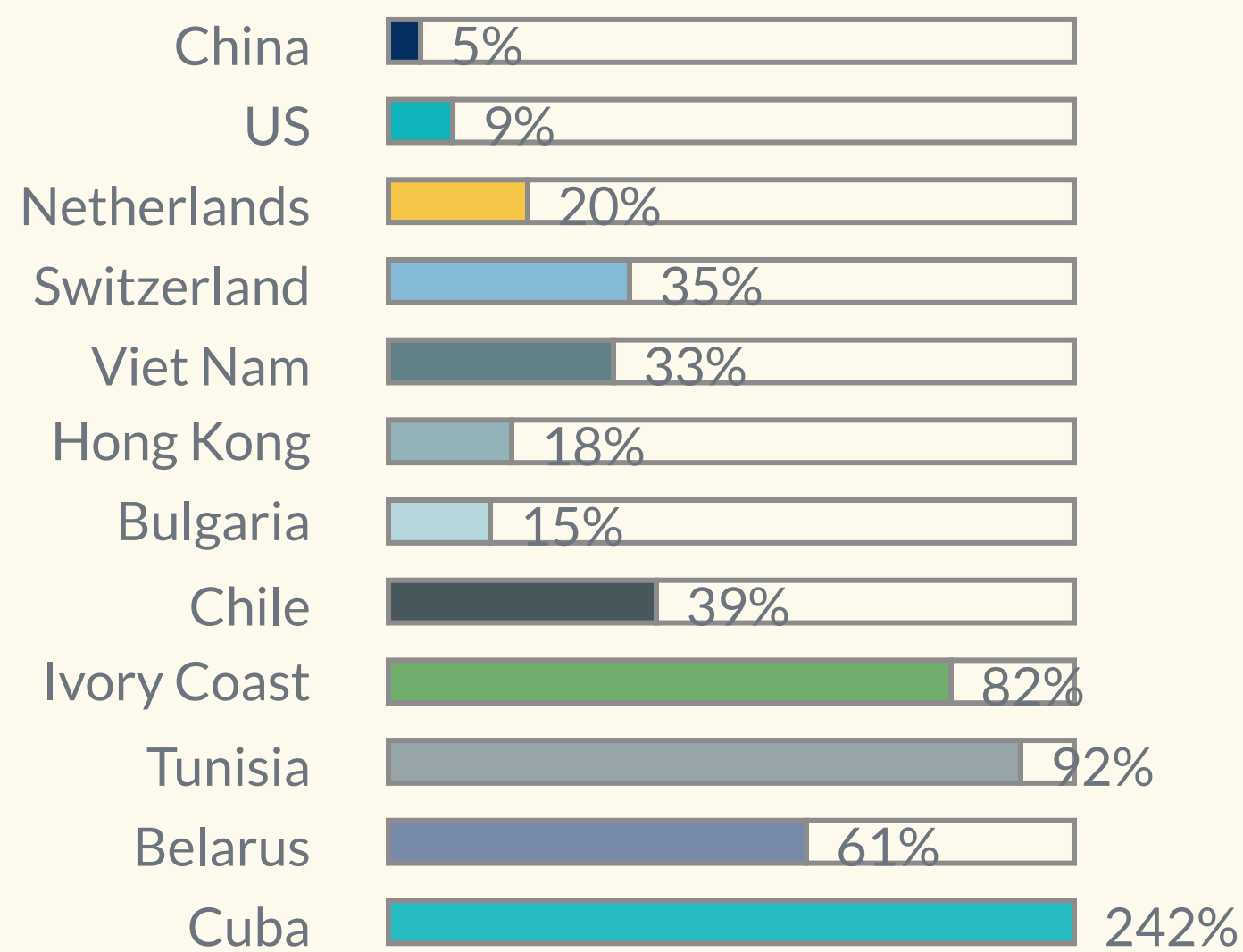


## Total Trade

### Exports + Imports

2019-2020: ▼ 2%

#### Increased trade with:



#### Decreased trade is mainly with African countries (% decline in brackets):

Angola (57%)	DRC (10%)
Kenya (34%)	Ethiopia (10%)
Nigeria (29%)	Zambia (10%)
Morocco (29%)	Lesotho (8%)
Mauritius (28%)	Mozambique (6%)
Togo (24%)	Botswana (6%)
Madagascar (24%)	Algeria (5%)
Tanzania (18%)	Egypt (4%)
Seychelles (17%)	Gabon (3%)

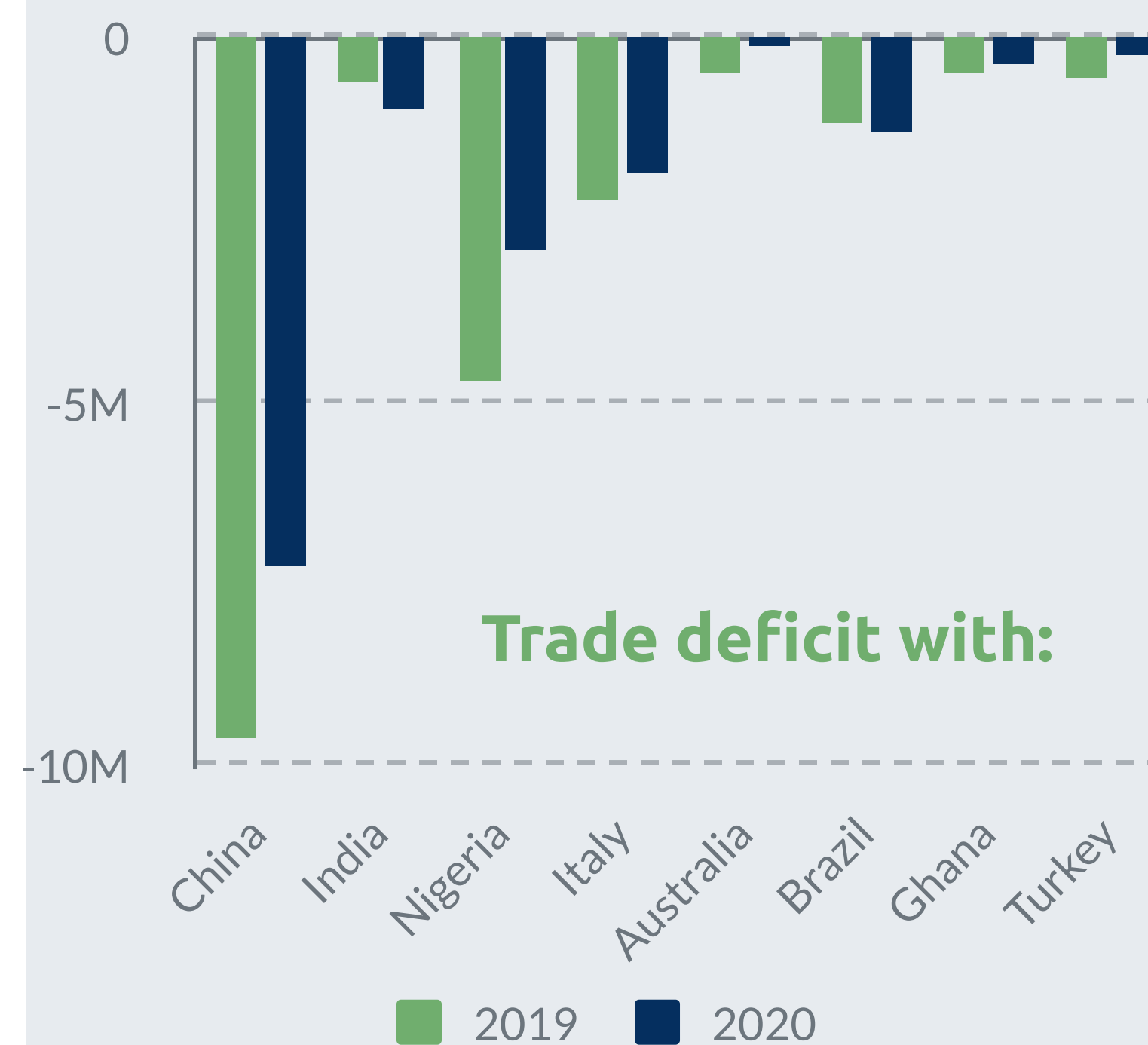
## Trade Balance

Trade surplus: Exports > Imports  
Trade deficit: Exports < Imports

2019: deficit

2020: surplus

- Trade surplus for both 2019 and 2020: US, Japan, UK, Netherlands, Belgium, Namibia, South Korea, and Mozambique
- Trade surplus in 2019 to trade deficit in 2020: Puerto Rico, Peru, and Belarus
- Trade deficit in 2019 to trade surplus in 2020: Germany, UAE, Singapore, Canada, Angola, Latvia, and Equatorial Guinea

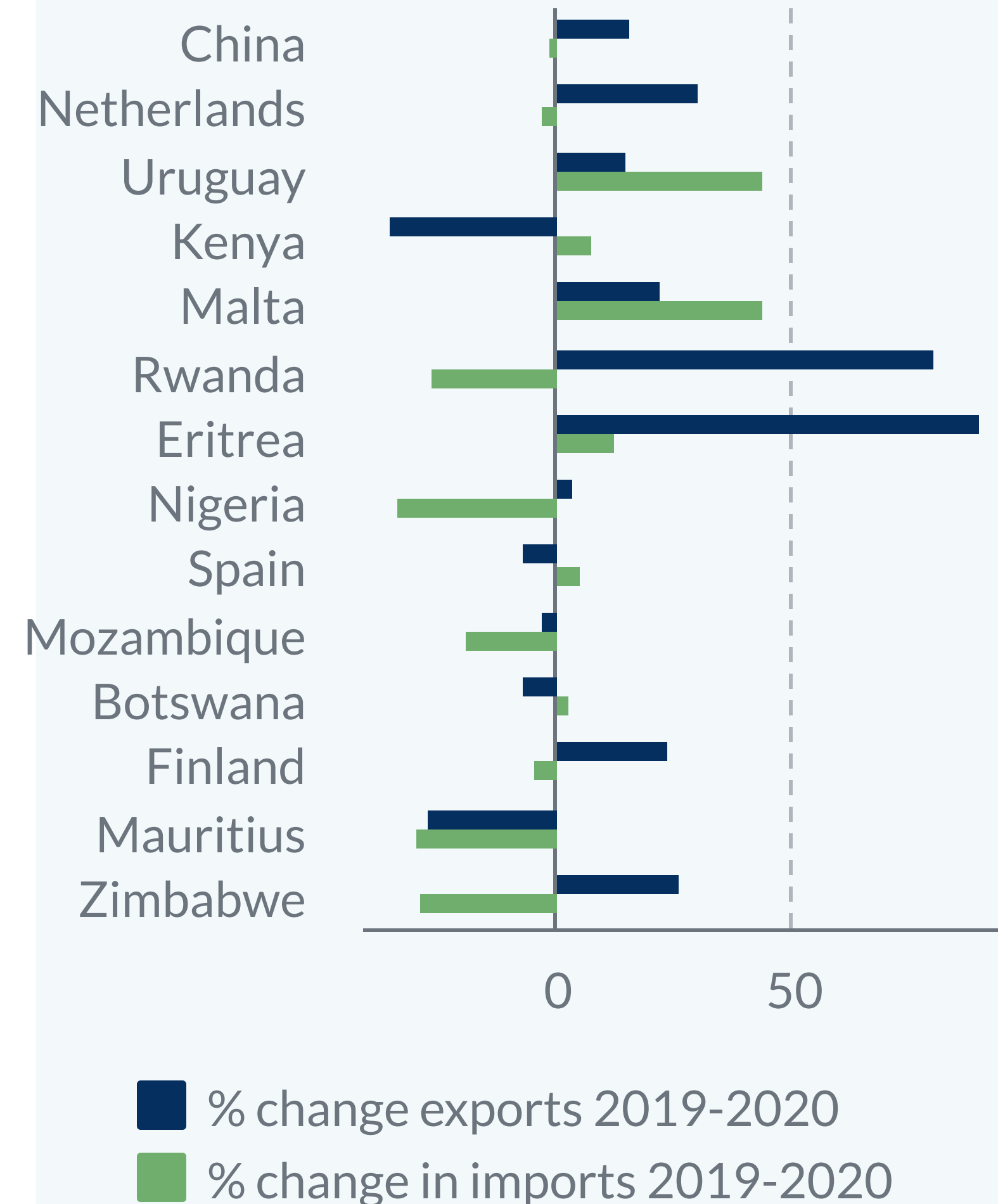


## Change 2019-2020

% change

World exports ▲ 8%

World imports ▼ 12%

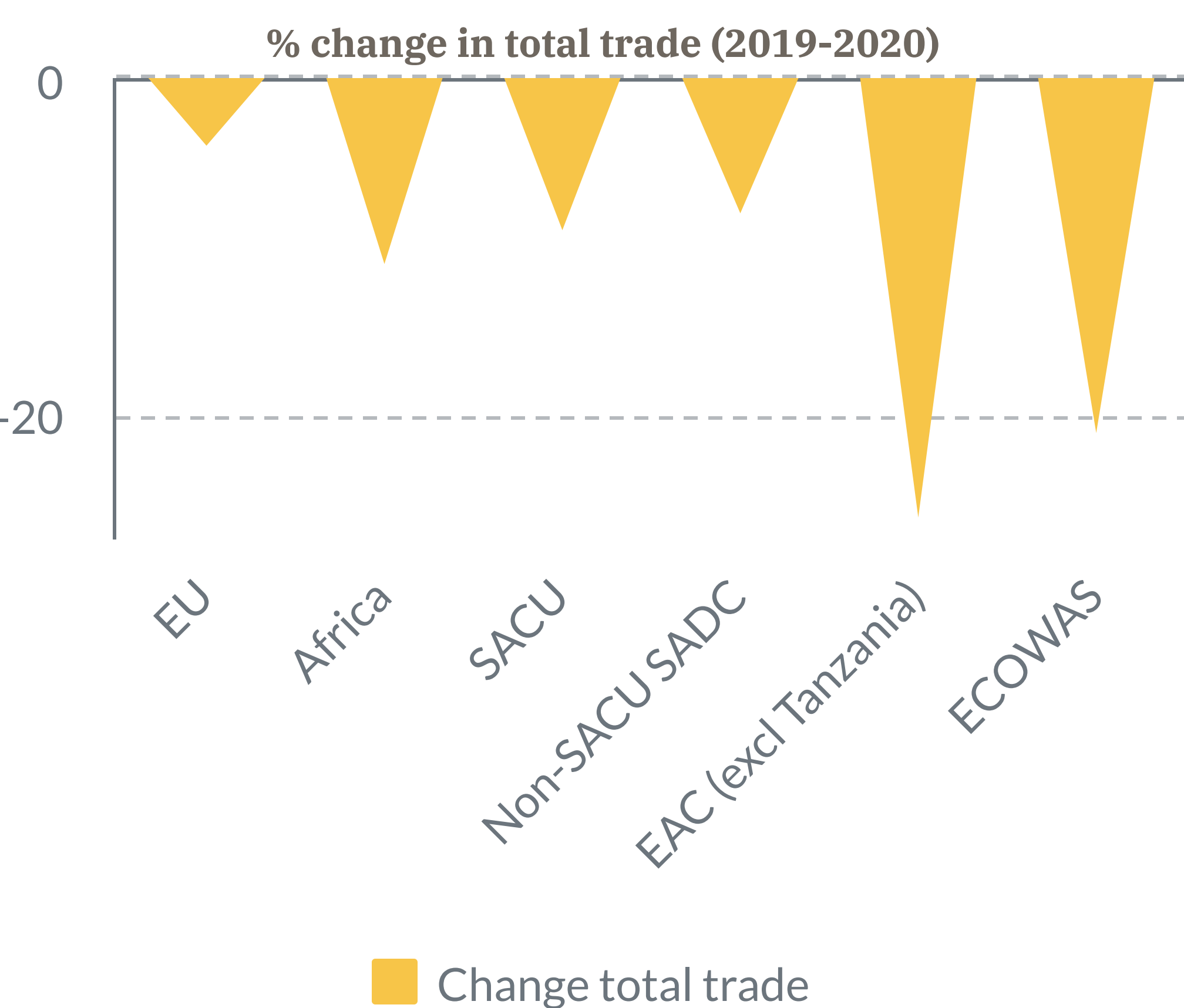


Trade with the EU and African countries declined. Exports to all African regional groupings except ECOWAS declined. Imports from the EAC increased while imports sourced from SACU, SADC and ECOWAS respectively declined by 3%, 36%, and 29%. For 2020, South Africa's trade surplus with SACU and EAC is 13% and 32% less than the trade surplus for 2019. For SACU, this is due to a 10% decline in exports. South Africa's exports to EAC declined by 29% while imports from EAC increased by 52%.

For 2020, the main export products are semi-manufactured gold (61% increase in exports compared to 2019), agglomerated iron ores (28% increase), bituminous coal (7% decline), unwrought (palladium (40% increase), and unwrought rhodium (135% increase). Crude petroleum oil, original vehicle component parts, and distillate fuel remain the main import products.

Imports of these products declined. Products ranked higher for 2020 compared to 2019 include medicines, masks and some food products. Imports of goods with medical applications (handheld electronic devices, laboratory equipment and reagents, medicines, and personal protective equipment), semi-manufactured gold, and food products including rice and wheat increased.

### % change in exports and imports (2019-2020)

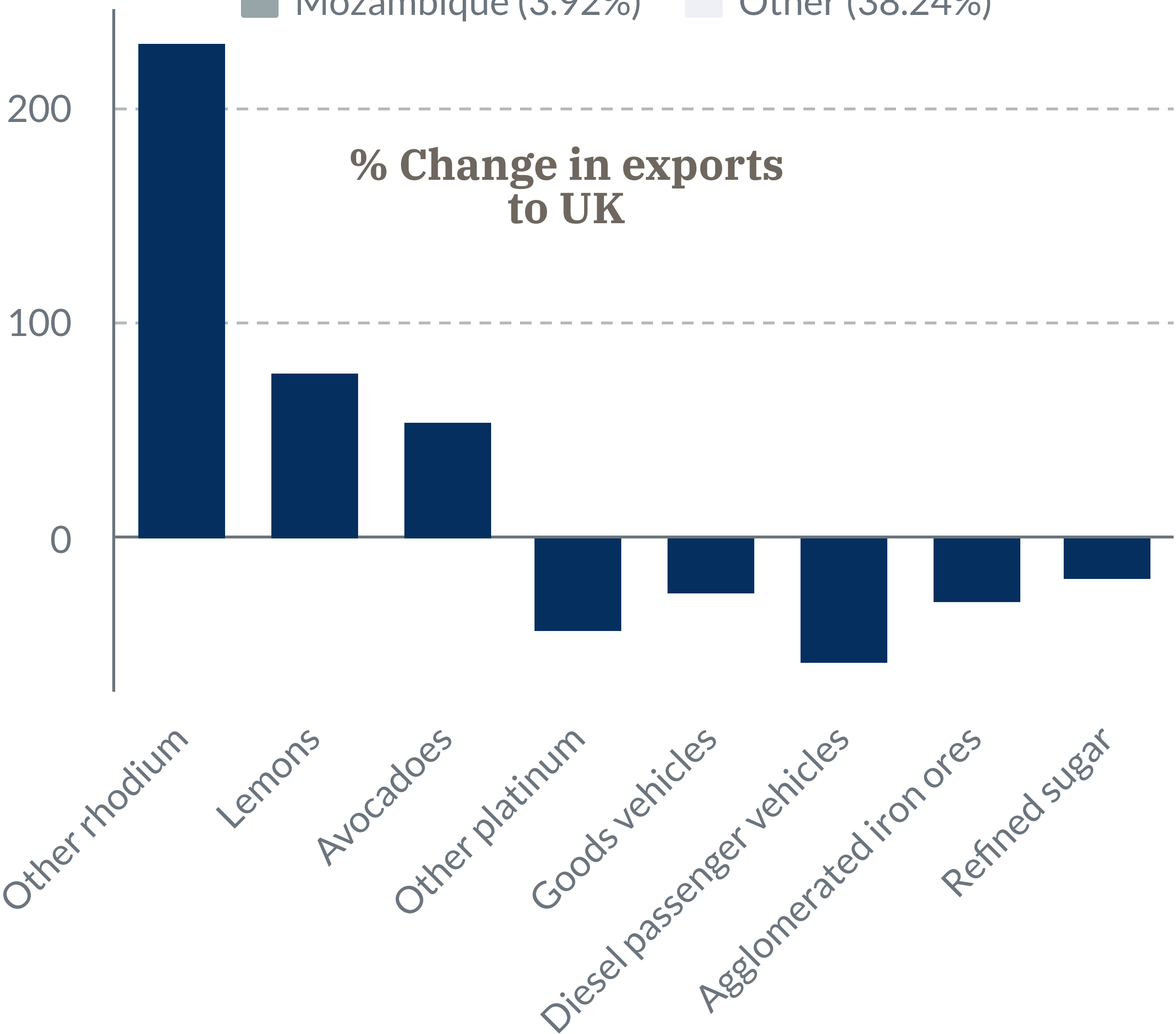
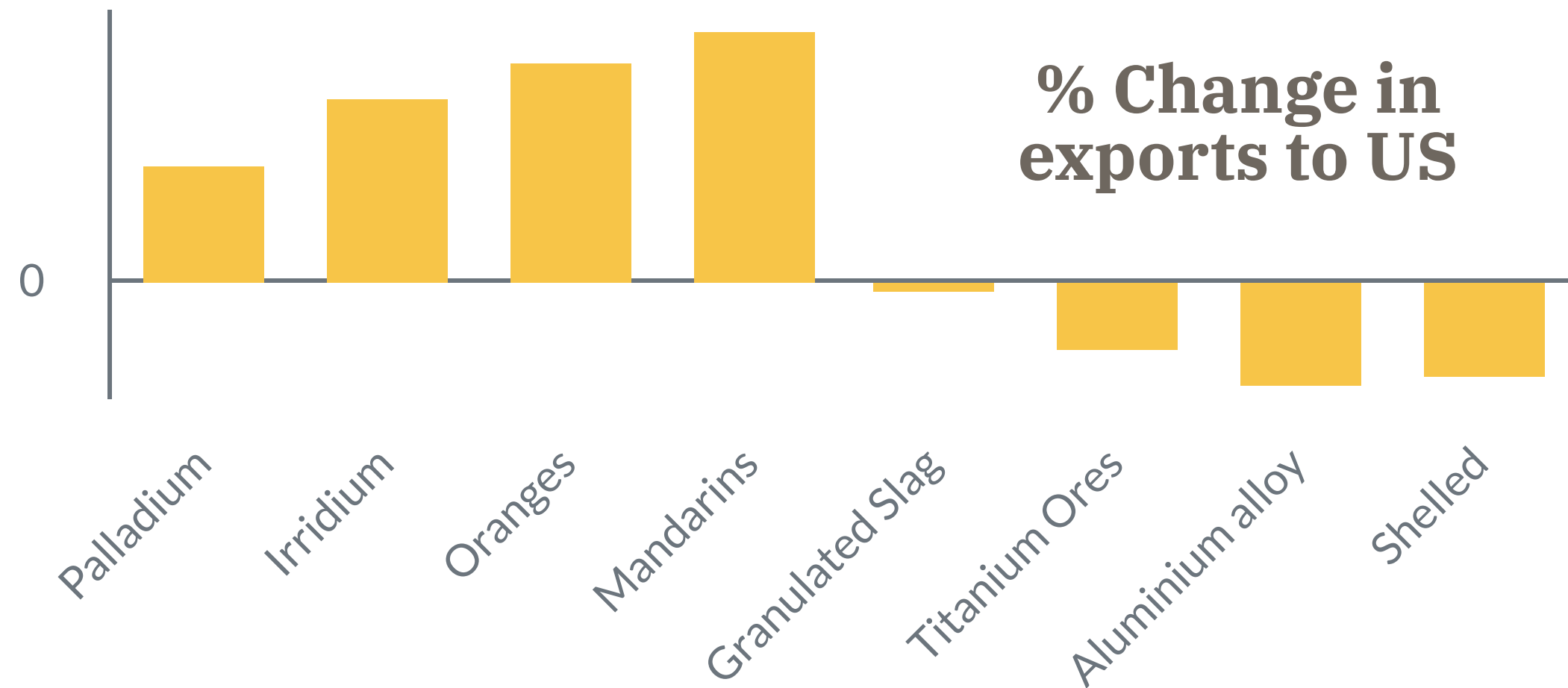
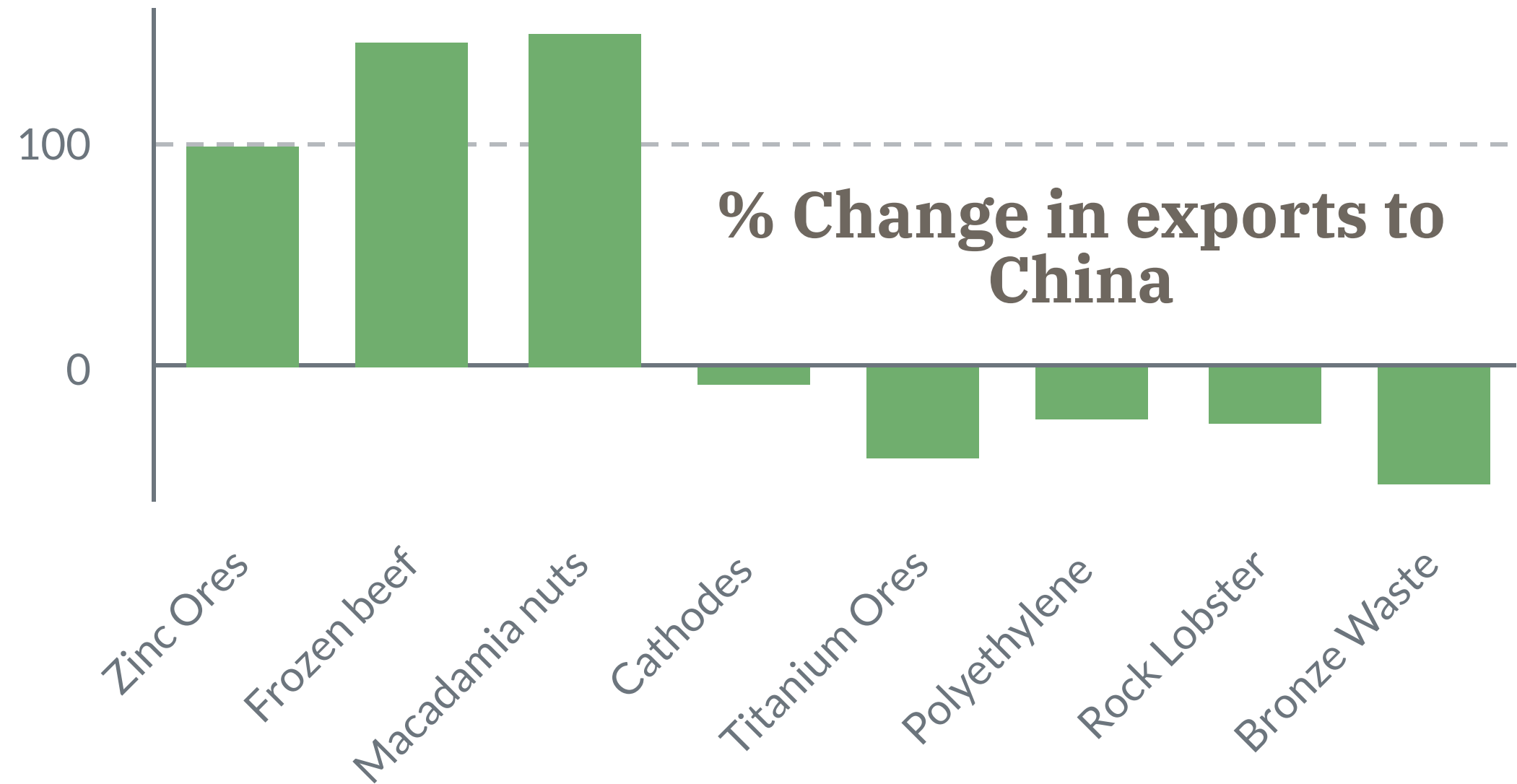
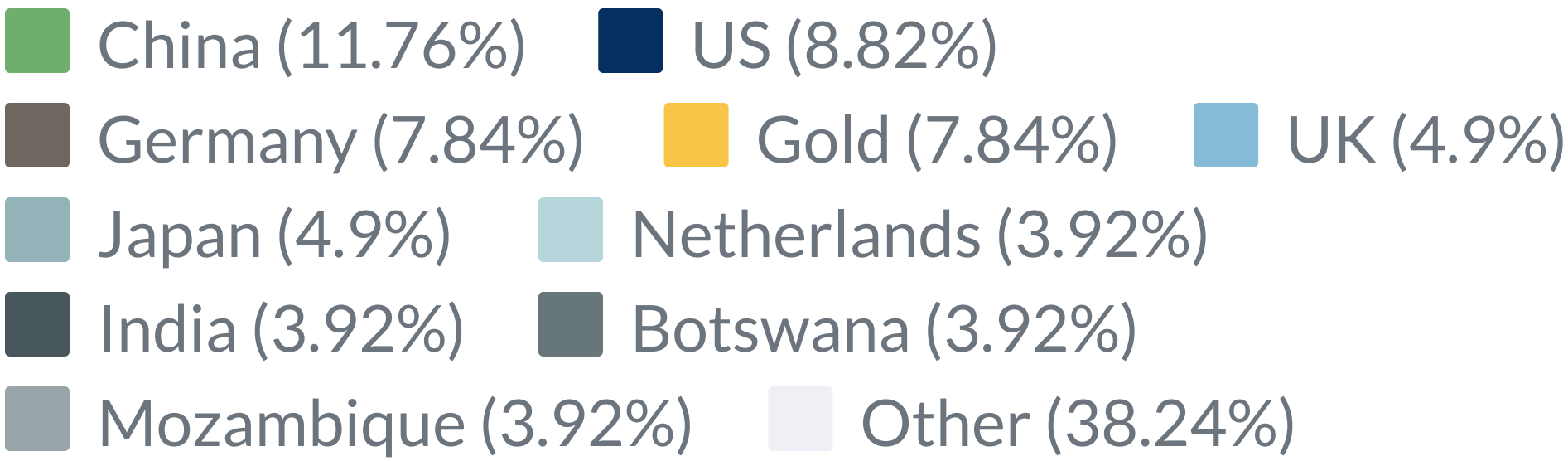
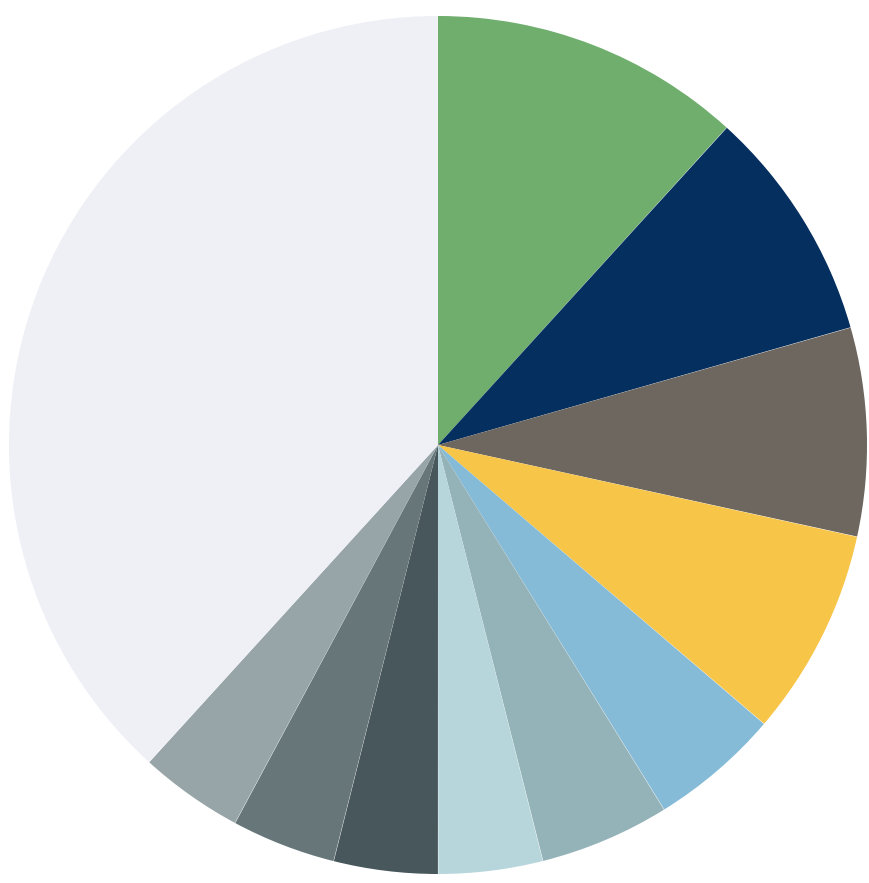




# Exports

For 2020, China, the US, and Germany are the main destinations for South Africa exports. The fourth-ranked destination is 'gold'. For confidentiality reasons, SARS does not report the destination of these exports. Exports to the US and Netherlands increased by 30% each; exports of gold by 56%. The significant increase in exports to the US moved it into the second-ranked destination; a ranking previously occupied by Germany.

For 2020, the composition of exports is similar to that of 2019. There are small changes in rankings, but semi-manufactured gold remains the top export product. Coal exports are surpassed by iron ores, and unwrought rhodium is ranked the fifth main export product; previously it ranked 15th. Exports of motor vehicles declined the most between 2019 and 2020. South Africa shows a significant increase in exports of agricultural products - citrus fruits, grapes, apples, maize, pears, berries, and frozen boneless beef cuts.



% of world exports of designated products to destination market						
	China	US	UK	Japan	EU	Africa
Agglomerated iron ores	60,8%	0,1%	0,1%	6,5%	16,1%	0,4%
Platinum	3,7%	6,4%	6,4%	15,4%	7,0%	0,0%
Catalytic converters	0,0%	12,5%	12,5%	1,3%	65,0%	0,0%
Unworked diamonds	0,0%	0,3%	0,3%	0,0%	27,2%	31,3%
Oranges	7,0%	5,8%	5,8%	0,1%	35,1%	1,9%
Wine	4,0%	8,0%	8,0%	1,9%	34,7%	13,3%
Apples	1,5%	0,0%	0,0%	0,0%	8,7%	33,1%
Mandarins	4,2%	10,0%	10,0%	0,0%	27,9%	2,5%
Polypropylene	7,1%	0,0%	0,0%	0,0%	17,2%	62,9%
Skincare	1,4%	10,1%	10,1%	6,1%	13,7%	46,0%
Paraffin Wax	8,0%	19,8%	19,8%	3,0%	49,6%	0,7%
Refined sugar	0,0%	0,0%	0,0%	0,0%	12,2%	72,7%
Wood chips	24,4%	0,0%	0,0%	73,6%	0,4%	0,1%
Industrial Fatty Alcohols	4,1%	57,3%	57,3%	13,4%	11,7%	0,1%



2019–2020:  
EU Exports

▲ 8%

Increased exports to:  
Germany,  
Netherlands, Italy,  
Poland, Portugal,  
Sweden, Slovenia,  
and Romania

Decline in exports to:  
Belgium, France,  
Spain, Ireland, and  
Hungary

**Decrease in:**  
vehicles  
ferro-chromium  
manganese ores  
shorn wool  
grapefruit  
macadamia nuts  
frozen squid

**Increase in:**  
silver ores  
rhodium  
unsorted diamonds  
laboratory reagents  
dates  
motorboats  
undenatured ethyl alcohol

The main African destination markets are neighbouring Botswana, Mozambique, Namibia, and Zimbabwe. Exports to most of these countries declined. Exports to other main trading partners, including Kenya, DRC, Lesotho, and Tanzania also declined. South Africa's intra-Africa exports for 2020 are to 51 African countries. Exports to 31 of these declined between 2019 and 2020. Apart from an increase in exports to Comoros, Malawi, and Zimbabwe, the increase in exports is mainly to countries in west and east Africa.

The decline in South Africa's intra-Africa exports is accounted for by a decrease in some main export products - distillate fuel, chromium ores, petrol, and bituminous coal. Exports of copper slag, vessels, fish, maize, cereal groats, and Portland cement increased. Exports of diamonds, maize, cereal groats, and cement to SACU increased. Exports of maize, cereal groats, wheat flour, and soybean oil to SADC (excluding the SACU countries) increased. Exports of steel structures, insecticides, refined sugar, electrical panel boards, and medical masks more than doubled between 2019 and 2020. Increased exports to ECOWAS is a result of increased exports of trailers for transporting goods, double-cab goods vehicles, lifeboats, and apples. These were mainly exported to Ghana, Ivory Coast, Togo, and Cape Verde.

Imports

The decline in South Africa's world imports is a result of a decline in its main import products - original vehicle component parts, passenger and goods vehicles, and crude petroleum oils. The decline in demand for these products affected South Africa's demand for these goods from the source countries - Germany, US, Nigeria, Japan, and UK. South Africa did increase imports from some countries - Ivory Coast, DRC, Uganda, Cuba, Chile, and New Zealand.

The month-on-month trade data shows a significant increase in imports from China between March and April and from Saudi Arabia between June and July, and July and August. The first is an increase in imports of medical supplies and personal protective equipment. The latter is an increase in distillate fuel and urea (fertiliser component) imported in June/July and crude petroleum oil, distillate fuel, and ammonium imported in July/August.

Intra-Africa imports declined. This is because crude petroleum oil accounts for a big portion of intra-Africa imports. Covid-related restrictions resulted in a decrease demand for petroleum and consequent decline in intra-Africa imports.

The main EU destination countries are Germany, Netherlands, Belgium, Spain, and Italy. Even though goods and passenger vehicle exports declined on average by 30%, vehicles remain the main export products. Other export products include citrus fruits, ores and concentrates, and diamonds. There was a significant increase in exports of fruits to the EU; especially grapes, citrus fruits, and apples. South Africa has preferential access to the EU market for certain products under a tariff-rate quota system (TRQs). Of the 15 TRQs available only 2 were fully used during 2020 - exports of sugar for refinery and frozen orange juice. Normally the wine TRQ is fully utilised. At the end of 2020, 18% of the TRQ for bulk wine and 7% for bottled wine remained unused.

The UK remains a major destination for South African exports - ranked 5th for 2020. Between 2019 and 2020 overall exports increased slightly (2%), with an increase in exports of palladium, rhodium, grapes, citrus fruits, apples, and wine. There was a decline in exports of motor vehicles, platinum, refined sugar, chrysanthemums, preserved peaches, and hake.

Increase & decrease in intra-Africa exports by country

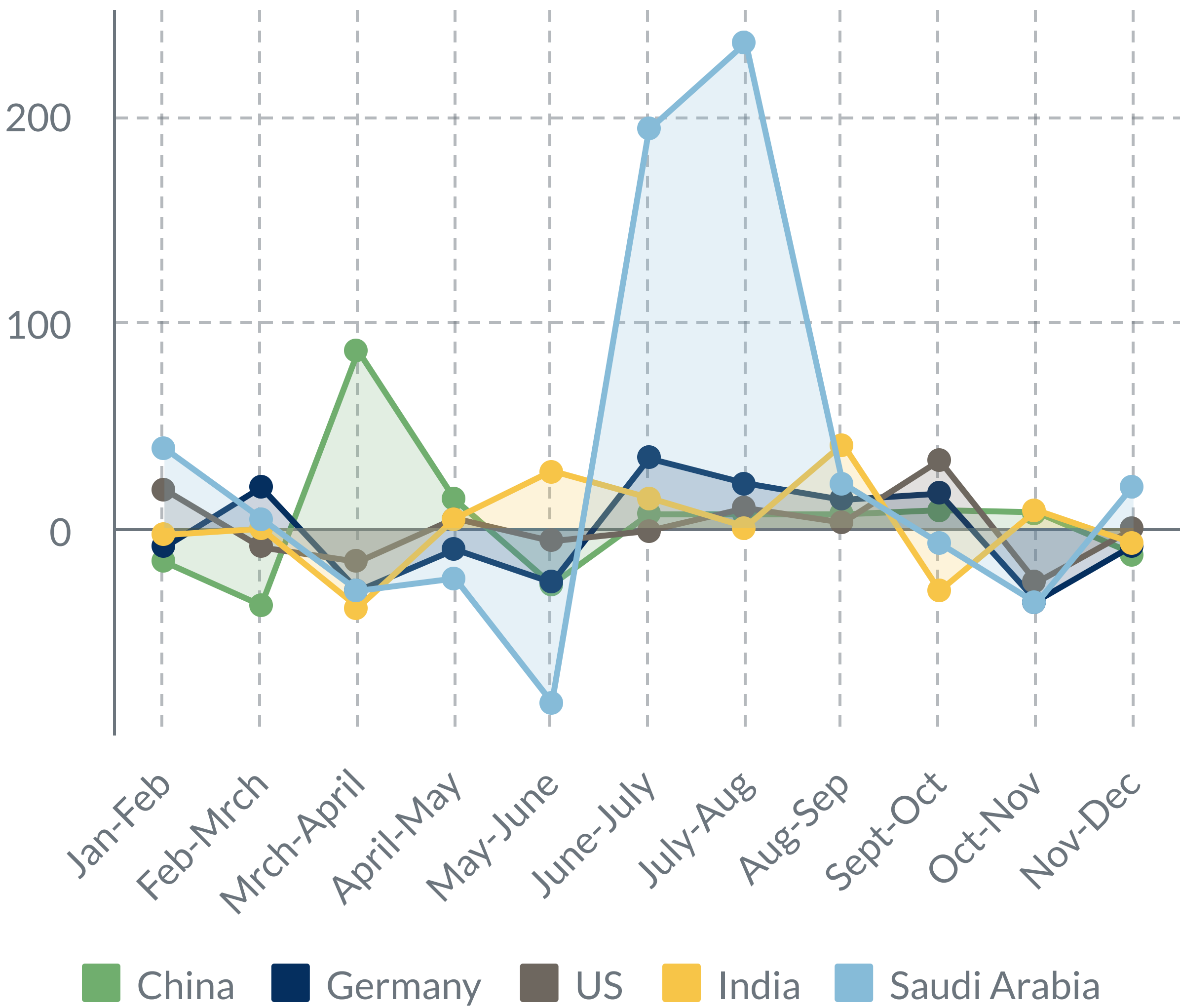
INCREASE

- Tunisia & Libya (1%)
- Cameroon (2%)
- Nigeria (4%)
- Malawi (8%)
- Congo (12%)
- Ghana (16%)
- Comoros (22%)
- Togo (23%)
- Zimbabwe (26%)
- Guinea (32%)
- Ivory Coast (38%)
- Cape Verde (49%)
- Mauritania (60%)
- Equatorial Guinea (78%)
- Burundi & Rwanda (80%)
- Eritrea (90%)
- Chad (176%)
- South Sudan (277%)

DECREASE

- |                              |                           |
|------------------------------|---------------------------|
| Liberia (70%)                | Uganda (15%)              |
| Morocco (54%)                | DRC & CAR (13%)           |
| Sierra Leone (53%)           | Angola (12%)              |
| Somalia (52%)                | Ethiopia (11%)            |
| Kenya (35%)                  | Gambia (10%)              |
| Djibouti (34%)               | Lesotho (9%)              |
| Madagascar (33%)             | Sudan & Zambia (8%)       |
| Mauritius & Algeria (27%)    | Botswana (7%)             |
| Guinea-Bissau (21%)          | Mali, Gabon, & Egypt (4%) |
| Tanzania (20%)               | Niger & Mozambique (3%)   |
| Burkina Faso & Namibia (18%) | Eswatini (1%)             |
| Seychelles (16%)             | Senegal (0,2%)            |

% Month-on-month change in imports; 2020





Between 2019 and 2020 imports from NIGERIA declined by 33%



99% of imports are crude petroleum oils. Imports of crude from Nigeria declined by 33% as South Africa's demand for crude declined. Nigeria remained the main source market for crude for 2020, followed by Saudi Arabia, and Ghana. These countries account for 89% of crude imports

Between 2019 and 2020 imports from THAILAND declined by 9%

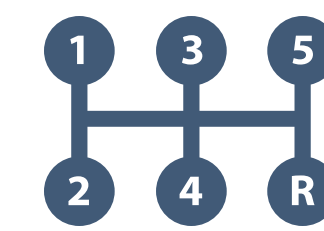
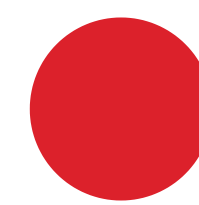


**44%**  
Original vehicle  
component  
parts

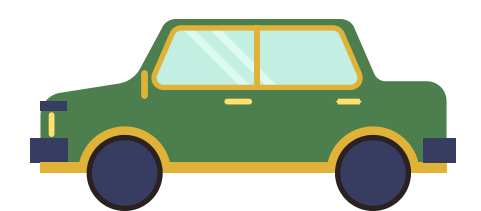
**15%**  
Rice

Imports of component parts and sardines respectively declined by 14% and 29%. Imports of rice and track laying machinery respectively increased by 21% and 2%

Between 2019 and 2020 imports from JAPAN declined by 23%



**26%**  
Original vehicle  
component parts

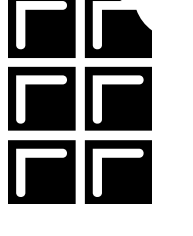
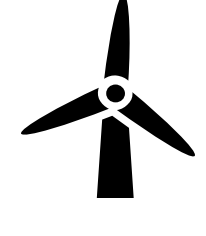
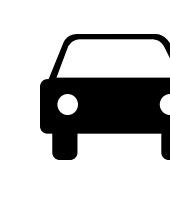
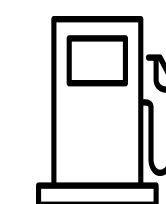
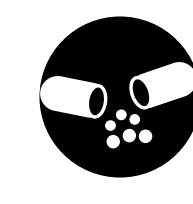


**16%**  
Passenger  
vehicles

Imports declined by 15%

Imports declined by 36%

Between 2019 and 2020 imports from ITALY declined by 11%

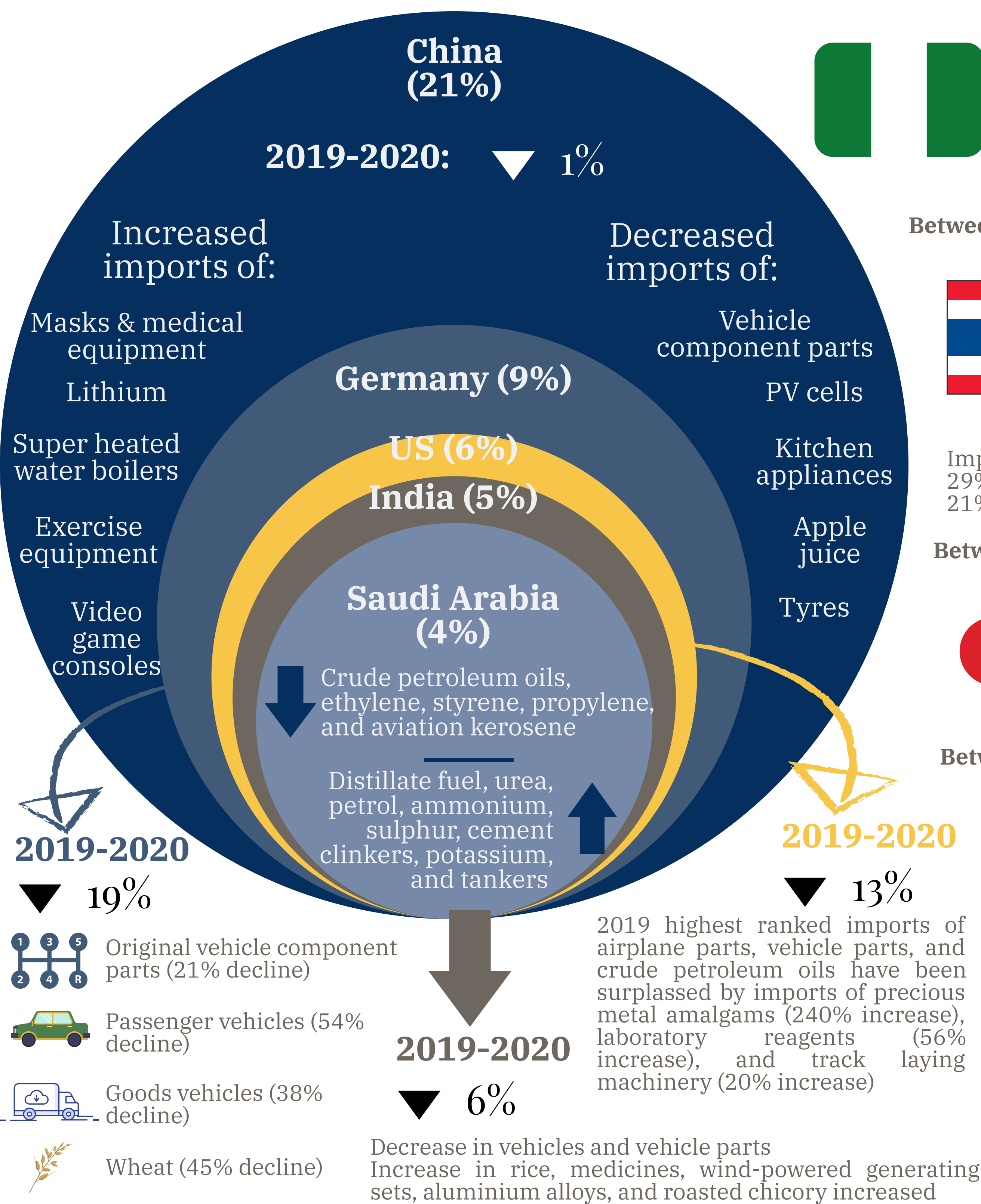


For 2020, main import products include medicines, petrol, passenger vehicles, wind-powered generating sets, chocolate bars, and pasta



2019-2020: 35% decline in UK imports

1. Returned currency
2. Passenger vehicles (45% decline)
3. Component parts (34% decline)
4. Whiskey (27% decline)
5. Goods vehicles (2% decline)



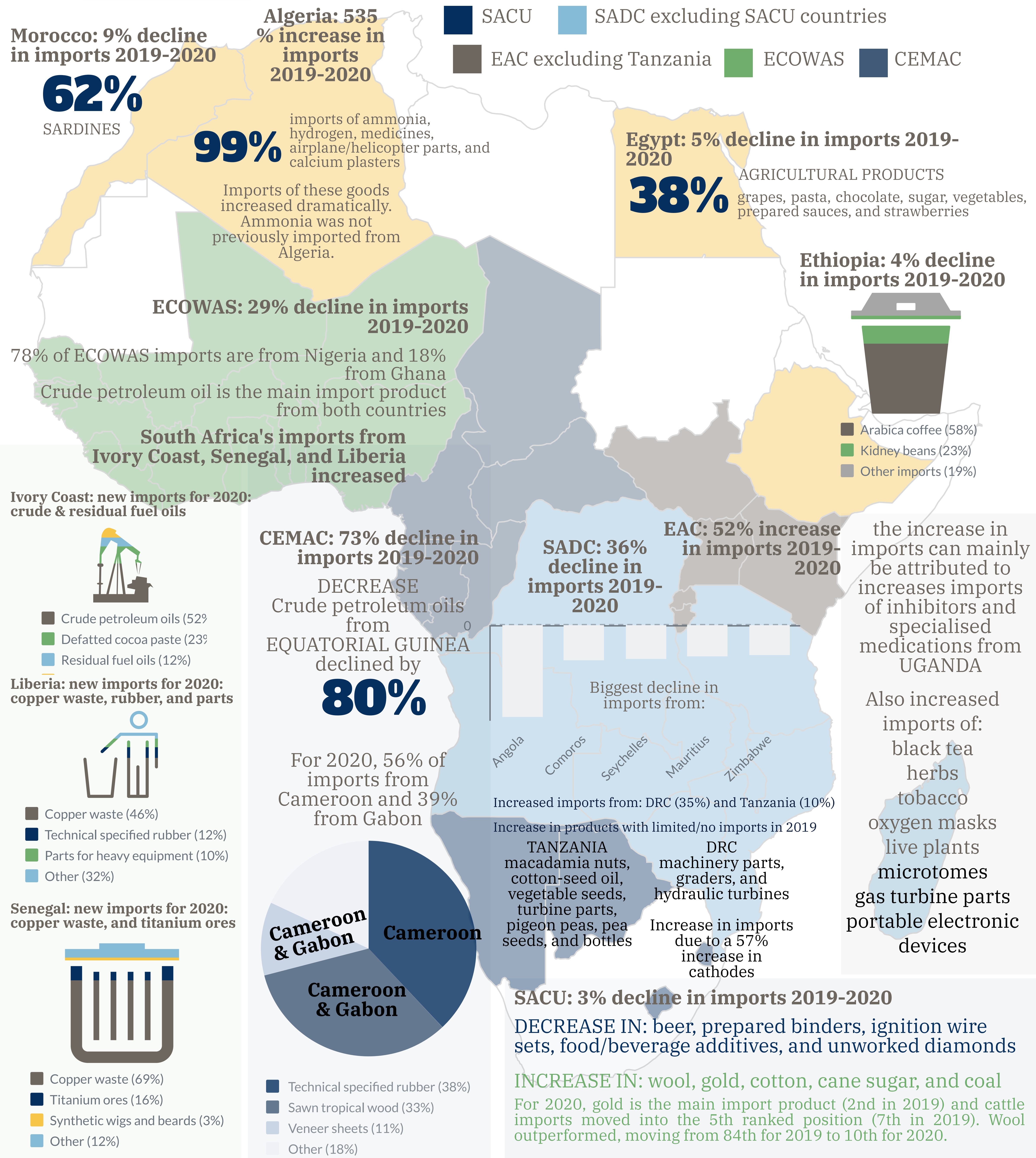
**EU**

- 26% of world imports for 2020
- 2019-2020: decline of 12% in imports
- Decline is mainly due to decreased imports of passenger vehicles and vehicle component parts. BUT these products remain the main imports sourced from the EU
- Other imports include medicines, wheat, petrol, soybean oil, sunflower-seed oil, and wind-powered generating sets. Imports of these goods increased

**Africa**

- 10% of world imports for 2020
- 2019-2020: decline of 22%
- 57% of imports are crude petroleum oils, semi-manufactured gold, food/beverage additives, electrical energy, and natural gas
- Decline is mainly due to decreased imports of crude, natural gas, coal, and unworked diamonds
- Imports of gold, electrical energy, cane sugar, wool, pine wood, and petrol increased
- Change in the composition of imports from SACU, SADC, and EAC





For 2020, South Africa's total world trade decreased. This is due to a decrease in imports. The data shows imports of vehicles, parts, and petroleum significantly decreased. This affected South Africa's trade and trade balance with some traditional trade partners. These include China, US, Europe, and Nigeria. Covid-related restrictions affected South Africa's intra-Africa trade - both exports and imports. The only exceptions are gold, food products, and medical equipment. The data shows the emergence of changing trade trends as South Africa traded more food products, agricultural goods, and medicines with countries further afield - Algeria, Uganda, Ghana, Togo, Cameroon, and Ivory Coast. The longer the Covid-19 pandemic remains, the more evident changing trade trends may become. The 2020 data reveals some possible trade opportunities to take advantage of under the African Continental Free Trade Agreement (AfCFTA).