

# South Africa: Intra-Africa trade and tariff profile 2020



## Regional Economic Communities

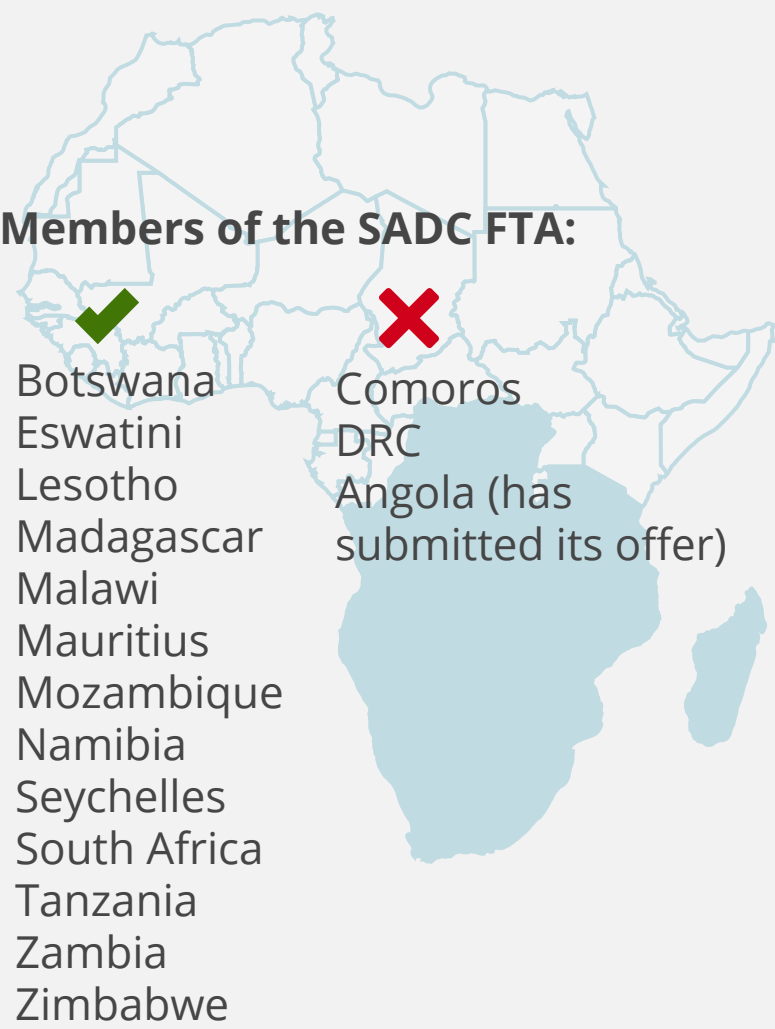
South Africa is a member of the Southern African Customs Union (SACU) and the Southern African Development Community (SADC). The African Continental Free Trade Agreement (AfCFTA) entered into force on 30 May 2019. South Africa deposited its instrument of ratification and schedule of tariff concessions.

### SACU



SACU is a customs union with duty-free intra-SACU trade and a common external tariff (CET) applicable to all goods entering from outside the Union.

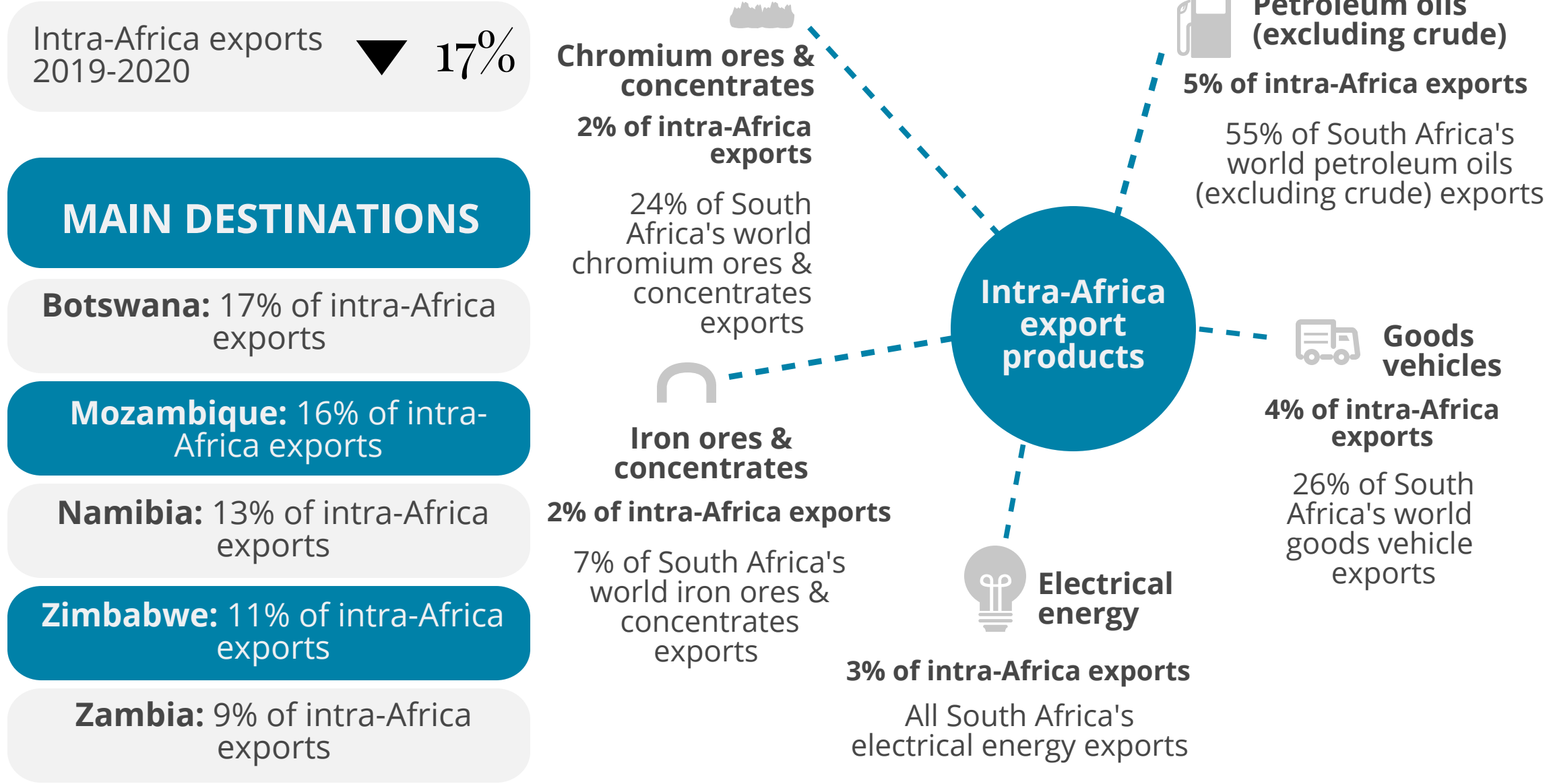
### SADC



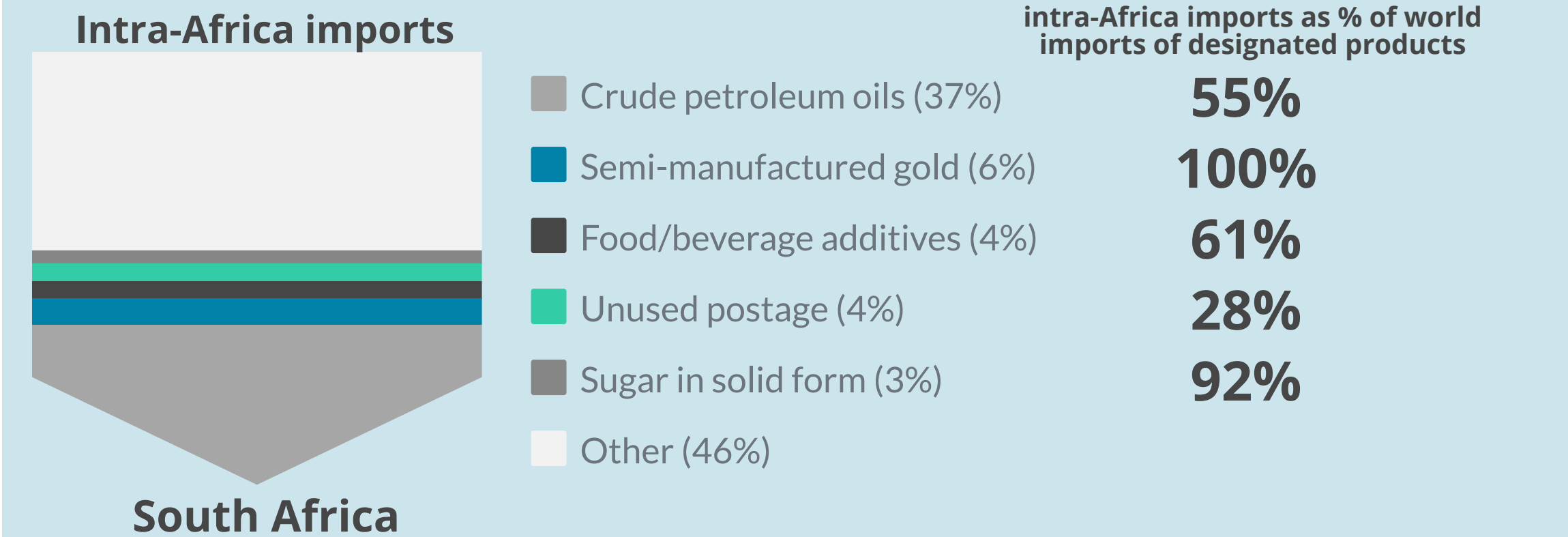
SADC is a Regional Economic Community with 16 member states - all the SACU countries, Angola, DRC, Seychelles, Comoros, Madagascar, Tanzania, Zimbabwe, Zambia, Mauritius, Mozambique and Malawi. 13 SADC member states are members of the SADC Free Trade Area (FTA). Comoros and DRC are yet to join the FTA. Angola has submitted its tariff offer to join the SADC FTA.

## Intra-Africa exports

For 2020, 23% of South Africa's world exports were to the rest of Africa. The main African destination markets are other SACU and SADC countries. The value of 2020 intra-Africa exports is US\$19.9 billion. The main export products are petroleum oils (excluding crude), goods vehicles, electric energy, and iron ores and concentrates.



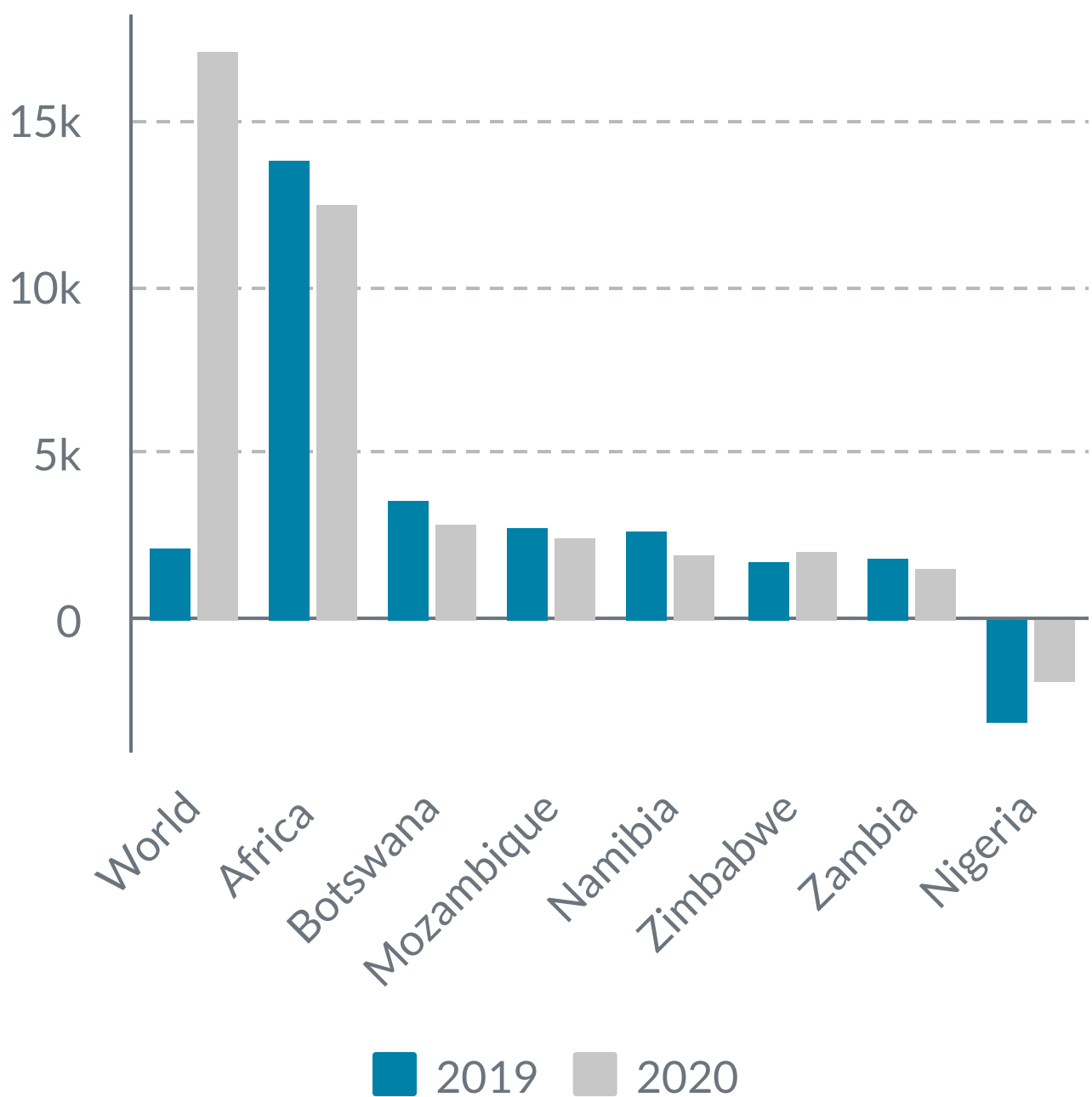
**Intra-Africa imports**  
For 2020, 11% of South Africa's world imports were intra-Africa imports. Apart from Nigeria and Ghana, South Africa's intra-Africa imports are mainly from the other SADC and SACU member states. Between 2019 and 2020, intra-Africa imports declined by 27%. Crude petroleum oil is the main import product, accounting for 37% of South Africa's intra-Africa imports.



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

Mozambique	Exports: 16% decline Imports: 29% decline
Botswana	Exports: 20% decline Imports: 9% decline
Namibia	Exports: 25% decline Imports: 18% decline
Nigeria	Exports: 9% decline Imports: 37% decline
Zimbabwe	Exports: 12% increase Imports: 35% decline
Eswatini	Exports: 13% decline Imports: 14% decline

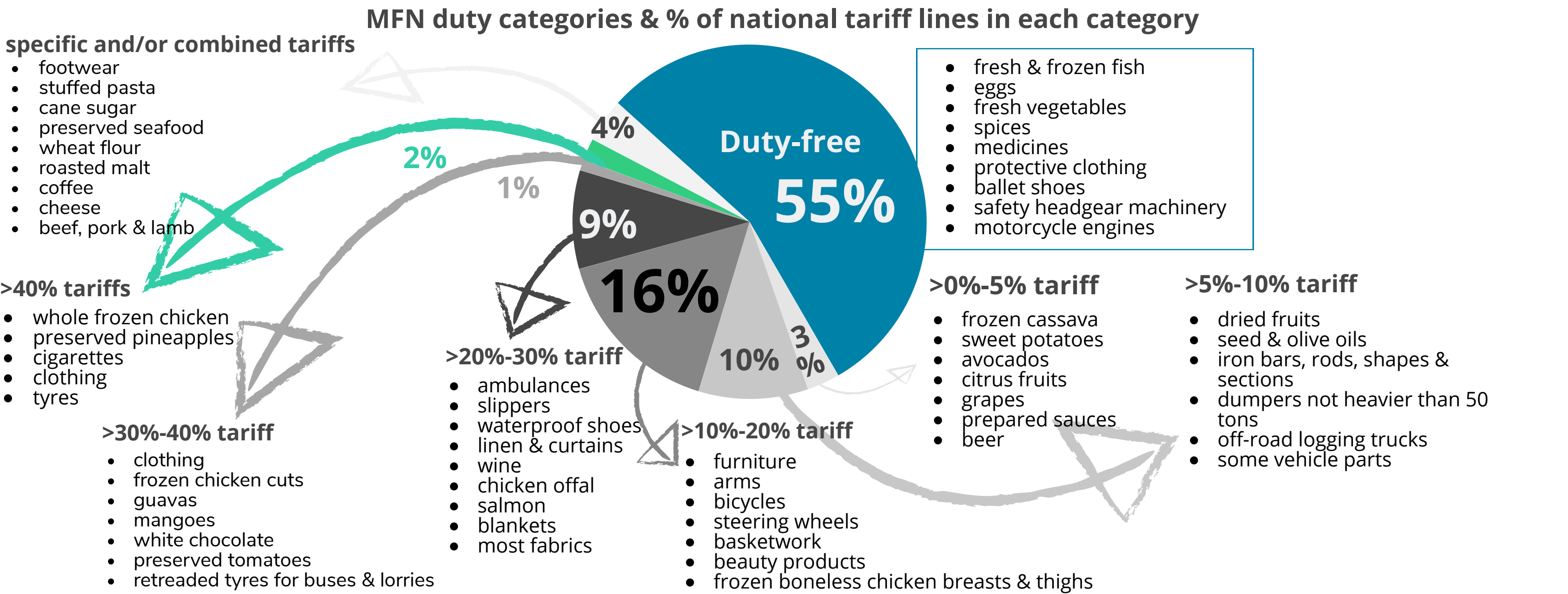
## Trade balance with designated countries (US\$m)





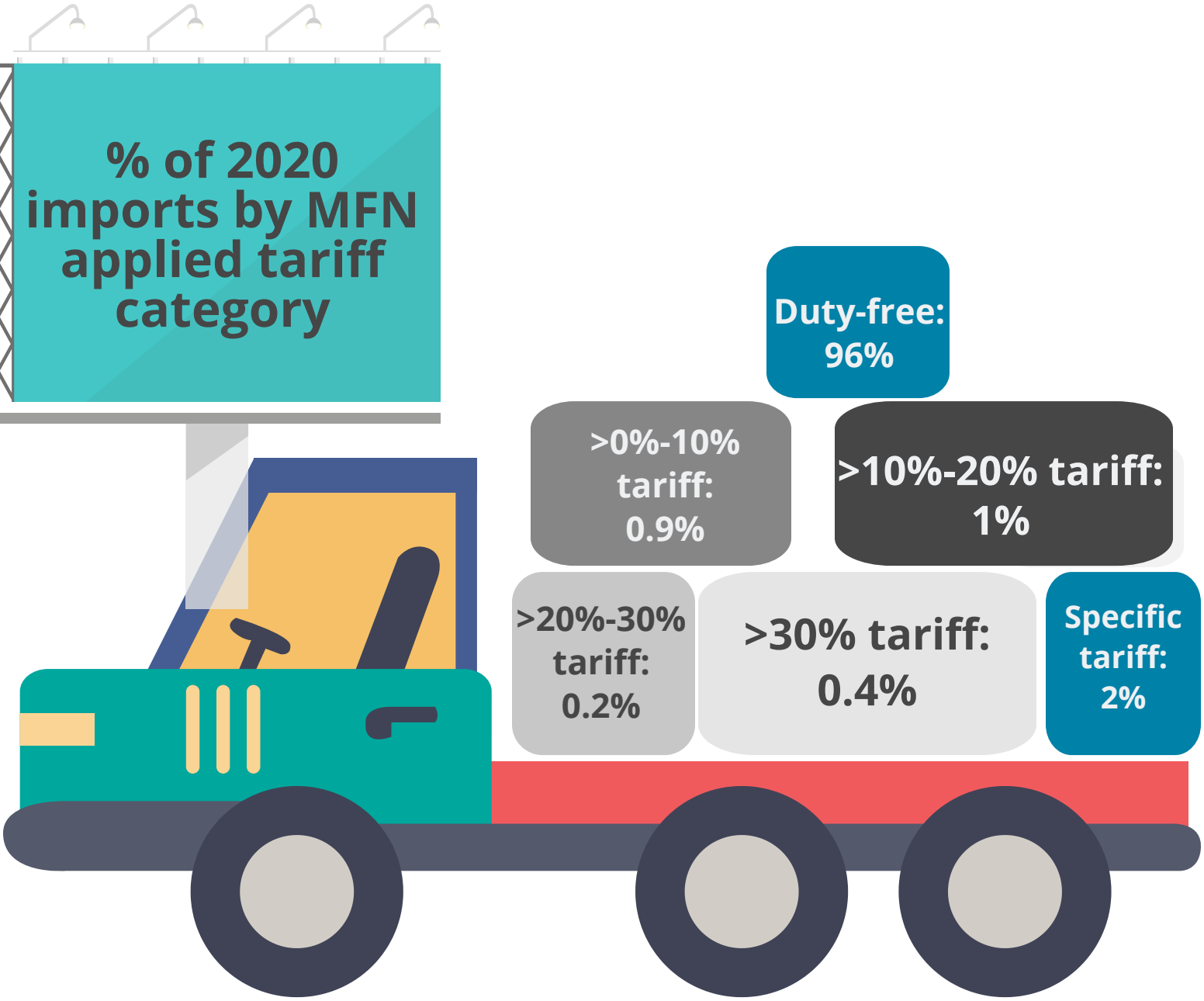
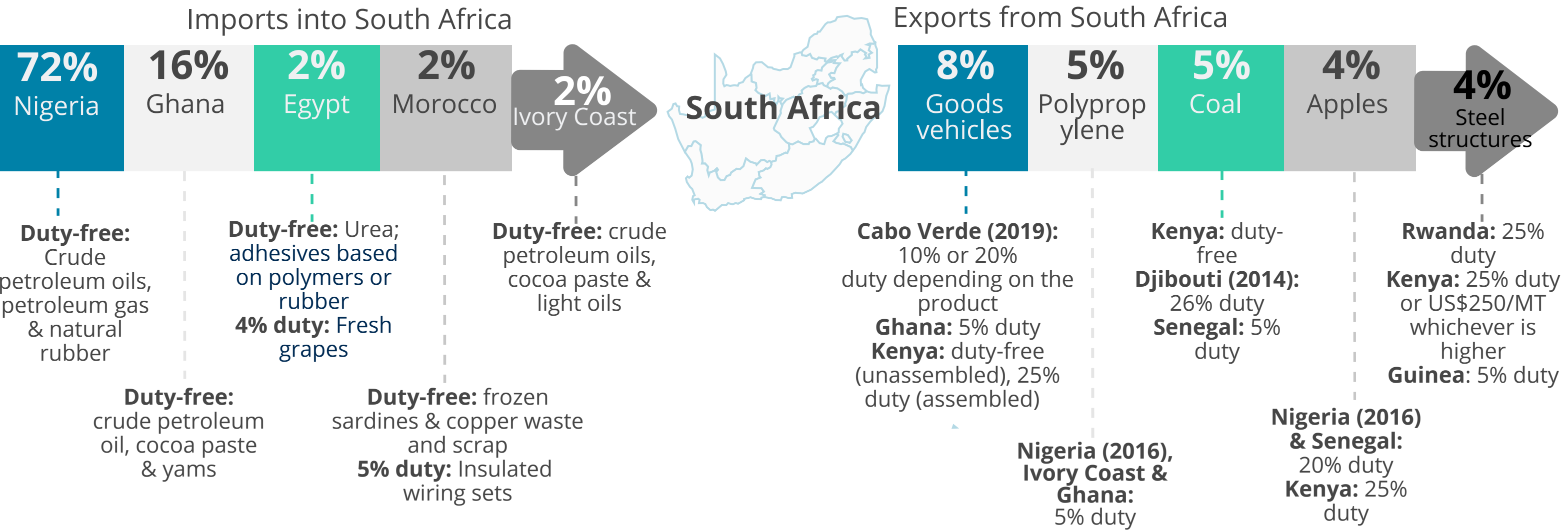
Intra-Africa tariffs

Imports from SACU and SADC (excl. sugar, second-hand clothes, original vehicle components parts & wheat flour) enter South Africa duty-free. Imports from countries outside SACU and SADC face MFN applied duties which is the SACU CET.



Trade with African countries outside SADC and SACU

In 2020, only 3% of South Africa's world exports and 12% of intra-Africa exports were to African countries not members of SACU and SADC. South Africa mainly exports goods vehicles, polypropylene, bituminous coal, fresh apples, and iron/steel structures and parts. These products account for 26% of South Africa's exports to African countries outside SACU and SADC. In terms of imports, only 4% of South Africa's world imports and 41% of intra-Africa imports were sourced from African countries not members of SADC and SACU. 88% of South Africa's imports from African countries outside SACU and SADC is crude petroleum oil mainly sourced from Nigeria and Ghana. Other imports include frozen sardines and light oils, and cocoa paste.

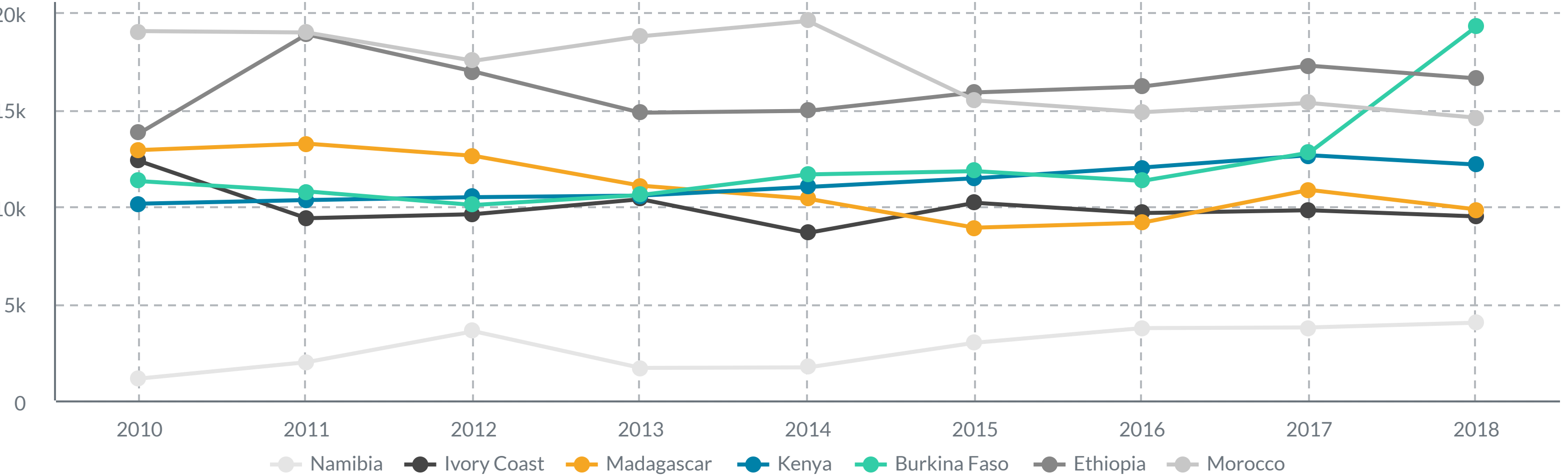


All of South Africa's world imports of yam; iroko, sapelli, and mahogany sawn wood; decaffeinated Robusta coffee; roses; unbleached woven cotton terry towelling; crude palm oil; palm kernel and babassu oil; and other animal fats & oils are sourced from Africa outside SACU & SADC.

Of the top 20 import products, the highest tariffs (20% duty) are applicable to imports of components parts of vehicles of heading 8704. 10% duty is levied on imports of calcium phosphates and calcium carbonate, and 4% duty on coffee imports. Most of the top import products are imported duty-free into South Africa: These import products include crude petroleum oils, light oils, frozen sardines, cocoa paste, medicaments, aluminum fluoride, petroleum gas, technically specified natural rubber, anhydrous ammonia, copper waste and scrap, unused postage, urea, fresh grapes, adhesives based on polymers or on rubber, pasta, and paraffin wax.

**Non-tariff trade costs**  
The ESCAP-World Bank trade cost database include the cost of transportation and the time to complete import procedures and obtain necessary information as non-tariff costs affecting bilateral trade between trade partners. South Africa's trade with most west African (including Senegal, Burkina Faso, and Nigeria) and east African (including Kenya and Uganda) countries is more costly than trade with Germany, UK, China, and France. The exception is Ghana. Trade with Ghana is less costly than trade with Mozambique, DRC and Mauritius.

Cost of bilateral trade between South Africa and designated countries; 2010-2018



Most costly export to Morocco via road transportation: coffee (US\$15.7 per unit)

Road transport of tea:

- Senegal (US\$16.93 per unit)
- Morocco (US\$9.53 per unit)
- Angola (US\$0.04 per unit)

Propane exports:

- Ghana (US\$13.8 per unit)
- Angola (US\$0.62 per unit)
- Namibia (US\$0.049 per unit)

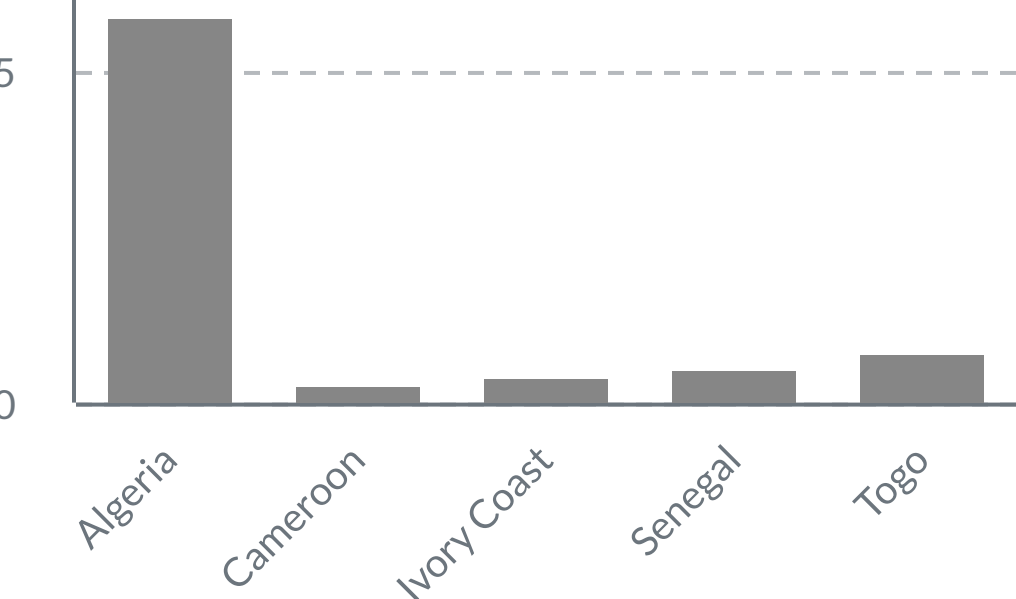
Per unit cost of transporting inner tubes:

- Tanzania (US\$9.21)
- Ghana (US\$4.16)
- Zimbabwe (US\$2.18)

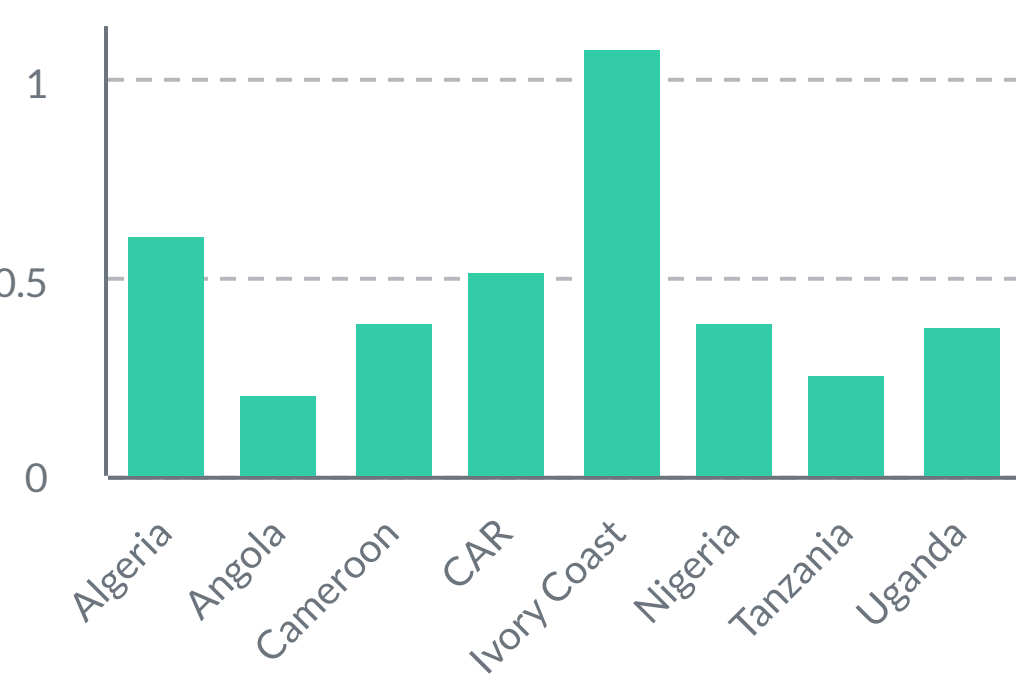
The most costly products to export to Zimbabwe: Alfalfa meal, sunflower seeds, sesamum seeds, and grape must

The per unit cost of transporting knitting needles (US\$9.68) to Uganda, is higher than the cost of transporting steel containers

US\$ per unit road transport cost for books



US\$ per unit road transport cost for oranges



**Transportation costs**

The UNCTAD transport cost database measures the cost of bilateral transport by product. Transport cost is defined as the difference between the Cost, Insurance and Freight value and Free on Board value of goods. Transport cost across all modes of transport (road, rail, air, and sea) is included. The initial data is for 2016, but is in the process of being updated.

On average, road transportation of vehicles and heavy machinery is the most costly. Road transport to Togo and Angola is the highest due to the high cost of transporting vehicles to these countries.

**Trade in services**

The WTO-OECD Balanced Trade in Services Dataset (BaTiS) is an experimental dataset which contains a complete, consistent and balanced matrix of international trade in services. Statistics cover the period 2005-2019, for over 200 reporters and partners, and 12 EBOPS 2010 categories in addition to total services.

**Transport**  
Nigeria: US\$21 millio  
Angola: US\$22 million  
Kenya: US\$26 million  
Mozambique: US\$72 million

**Travel**  
Nigeria: US\$94 million  
Zimbabwe: US\$46 million  
Angola: US\$42 million  
Ghana: US\$17 million  
Egypt: US\$10 million  
Malawi: US\$10 million

**Other commercial services**  
Ghana: US\$44 million  
Mozambique: US\$43 million  
Nigeria: US\$35 million  
Kenya: US\$22 million  
Angola: US\$15 million

**Other business services**  
Kenya: US\$9 million  
Ghana: US\$21 million  
Nigeria: US\$28 million  
Mozambique: US\$33 million

**Services imports 2019**

**EGYPT**  
US\$112 million  
Mainly imports of travel, transport, and other commercial services

**MAURITIUS**  
US\$72 million  
travel: US\$44 million  
other commercial services: US\$19 million  
telecommunications: US\$7 million

**TRANSPORT SERVICES**  
Egypt: US\$43 million  
Mozambique: US\$29 million  
Tanzania: US\$25 million  
Liberia: US\$ 22 million

**Other business services**  
Ghana: US\$27 million  
Eswatini: US\$11 million