South Africa's trade relationship with Africa[1]

African markets present significant opportunities for South Africa to expand its exports[2]

US$21 billion exports in 2016 equal to 29% of RSA global exports

US$8 billion imports in 2016 equal to 11% of RSA global imports

- South Africa's trade is heavily skewed to the East & Southern Africa (ESA) region
- 88% and 90% of exports and imports are from ESA respectively

As part of its Africa integration agenda, South Africa signed the COMESA-EAC-SADC tripartite free trade area agreement in July 2017; 20 member states have signed the agreement which will integrate the market of 26 countries with a combined population of 625 million people and a total gross domestic product (GDP) of $1.6 trillion[3].

	RSA Exports (US$ 000)					RSA Imports (US$ 000)			
Importers	**2010**	**2016**	**% share**	**% CAGR (2010-2016)**	**Exporters**	**2010**	**2016**	**%share**	**% CAGR (2010-2016)**
World	**82 625 557**	**74 110 817**		**-2%**	**World**	**82 948 718**	**74 744 010**		**-2%**
Africa Aggregation	**23 329 976**	**21 351 185**	**29%**	**-1%**	**Africa Aggregation**	**8 305 160**	**8 031 551**	**11%**	**-1%**
Botswana	4 174 244	3 712 233	17%	-2%	Nigeria	2 200 397	2 069 886	26%	-1%
Namibia	3 874 386	3 530 667	17%	-2%	Angola	1 998 137	1 271 417	16%	-7%
Mozambique	1 886 734	2 263 065	11%	3%	Swaziland	987 977	1 046 892	13%	1%
Zambia	1 737 370	2 079 920	10%	3%	Mozambique	527 362	690 541	9%	5%
Zimbabwe	2 130 520	1 997 559	9%	-1%	Namibia	680 780	415 546	5%	-8%
Swaziland	1 713 182	1 154 067	5%	-6%	Botswana	297 114	411 273	5%	6%
Lesotho	1 297 358	1 139 464	5%	-2%	Zimbabwe	191 084	388 432	5%	13%
DRC	848 266	782 502	4%	-1%	Lesotho	263 686	291 864	4%	2%
Angola	714 458	562 933	3%	-4%	Zambia	289 430	185 646	2%	-7%
Kenya	782 826	556 610	3%	-6%	Mauritius	96 667	156 952	2%	8%
Tanzania	557 781	442 179	2%	-4%	Madagascar	21 994	110 782	1%	31%
Nigeria	616 717	438 376	2%	-6%	DRC	14 091	93 686	1%	37%
Malawi	440 010	361 275	2%	-3%	Togo	16 822	88 018	1%	32%
Ghana	355 479	334 632	2%	-1%	Morocco	18 815	80 081	1%	27%
Mauritius	344 152	324 549	2%	-1%	Egypt	39 447	58 578	1%	7%
Rest of Africa	**1 856 493**	**1 671 154**	**8%**	**-2%**	**Rest of Africa**	**661 357**	**671 957**	**8%**	**0%**

- South Africa's exports & imports have been declining;
- Export – Mozambique & Zambia experienced growth
- Imports – growth experienced by DRC; Togo; Madagascar & Morocco topping the list

Outside of ESA, only Nigeria and Ghana feature in the top 15 export destinations

Outside ESA, Nigeria; Togo, Morocco and Egypt feature in top 15 import sources

In 2016, South Africa established the Trade Invest Africa which "is mandated to contribute to increasing the levels of intra-Africa trade by facilitating South Africa's exports of value-added goods and services, while creating sourcing relationships for imports from other African markets[4]."

[1] Prepared by Taku Fundira (tralac Associate)
[2] All data is sourced from UN ITC TradeMap database
[3] see http://www.gov.za/speeches/south-africa-signs-tripartite-free-trade-area-agreement-7-jul-2017-0000
[4] see https://www.thedti.gov.za/trade_investment/trade_investment_Africa.jsp

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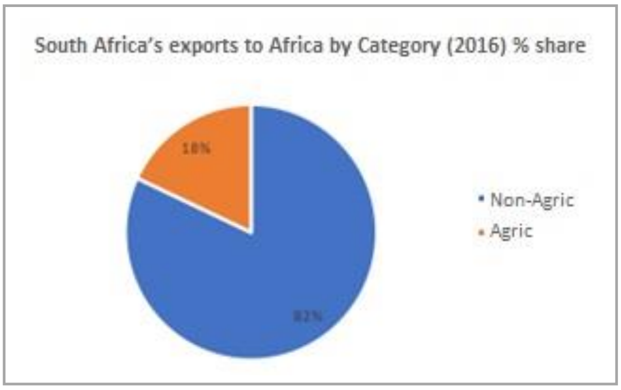
Exports by composition

South Africa exports value added manufactured products and imports mainly primary resource based products;



In terms of exports, the bulk are non-agricultural products accounting for 82% of total exports;

Agriculture, although an important sector for RSA, exports were a mere 18% in 2016

- Agric exports were over US$3.8 billion in 2016;
- Non-agric exports were over US$17.5 billion in 2016

Agriculture trade

- Top 15 exports to Africa account for about 49% of total agric exports, with 'Maize' as the top export, accounting for 8% of total exports in 2016. Food preparations; fruit juices and apples also feature at top exports;
- Agric exports (0% growth) remained largely unchanged partly attributed by the impact of drought that South Africa experienced during review period (2012-2016)
- Competition from emerging markets such as Brazil and India for products such as chickens; animal feed; sugar and processed foods also impacted on trade;
- Apples; Mineral Waters; Cereals and Maize however, experienced spectacular growth (well above Africa agric average of 0%) of over the review period (2010-2016).

As South Africa is a large producer of Apples and Wines, the African market provides potential for expansion in the wake of i) overall declining demand from the rest of the world and ii) potential opportunities culminating from the envisaged continental free trade area (CFTA).

Non-Agricultural Trade

Africa is an important market for South Africa, however, for South Africa to meet its target of doubling exports to Africa in the near future, there is need to focus beyond the SADC region and expand further; into the East, with Kenya as an important market; into the West with Nigeria; Ghana and Ivory Coast as potentials and lastly into the North, where Egypt, Algeria and Morocco are worth exploring.

- Apart from mineral products such as petroleum oils, diamonds and coal products, a significant amount of trade is in manufactured goods, with automotive vehicles, parts and accessories; machinery and chemical products from a large chunk of the trade.
- A few products experienced spectacular growths over the review period (2010-2016), mainly attributed to competition from cheaper suppliers outside of Africa and high tariffs still applied on some of these products.
- Here, elimination of tariffs through the establishment of the CFTA and the promotion of regional value chains as envisaged under the SADC Industrialisation roadmap provide opportunities for South Africa to expand its footprint in Africa.