



agriculture,
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This issue of *TradeProbe* covers the following topics:

- **Product Profile: Maize (HS 100590)**
- **Product Profile: Wine (HS 2204)**
- **Product Profile: Fruit Juice (HS 200990)**
- **Product Profile: Sorghum (HS: 100700):**
- **Product Profile: Fresh cut flower and buds (HS 060319)**
- **Product Profile: Paper, Kraft Liner, In Rolls, O/T Unbleached, Uncoated (HS 480419)**
- **Market Profile: India**
- **Market Profile: Nigeria**

1. Product Profile: Maize (HS 100590)

Maize (*Zea mays K*), also known as corn, is one of the most important crop consumed globally. Maize is produced in different parts of the world under diverse climatic conditions. It is regarded as the source of carbohydrates in most of developing and African countries. Americans regard maize as the indigenous product because it is an annual plant crop that belongs to grass family. Syngenta, (2014) estimated that about 200 million people use maize as staple food (their breakfast and dinner meal) and about 60% of global maize is used for animal feeding. The global importance of maize is expanding where the consumption of meat is increasing (Syngenta, 2014). Other than being the source of food and feed, maize crop has wide range of industrial application which includes the manufacturing of ethanol.

FAO, (2014) indicated that 872 million tons of maize was produced in the global market in 2012. United States of America (USA) was the largest producer of maize with total volume of 237 million tons which is equivalent to 31% of global production. China, Brazil, Mexico and Argentina are among the top five producers with the total volume of 322 million tons in 2012.

South Africa was ranked as the top 10 maize producer with the total production of 118 million tons of maize in 2012¹. DAFF, (2012) stated that maize is the second largest field crop produced in South Africa after sugarcane. Maize is produced throughout the country. Free State province is the largest producer of maize with the total volume of 4.7 million tons produced in 2012, followed by North West province and Mpumalanga province (see Figure 1).

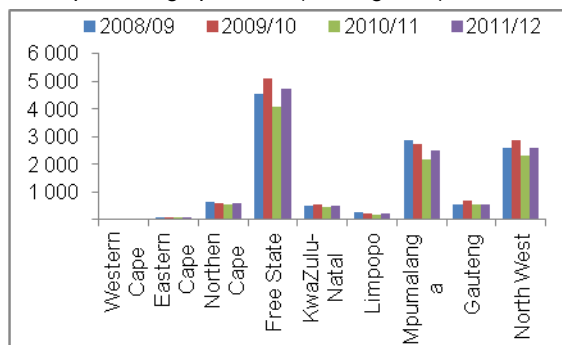


Figure 1: South Africa's maize production trends
Source: Agricultural abstracts (DAFF), 2013

¹ FAO Statistics 2013

Global trade of maize

Table 1 highlights the main importers of maize between 2009 and 2012. Maize imports has been showing an increasing trend under the reviewed period (from R185 billion in 2009 to R312 billion in 2012). Japan is largest importer of maize with the total value of R41.9 billion in 2012. Mexico, Republic of Korea, Egypt and Spain among the largest maize importers in the world and are showing an increasing import value from R40 billion in 2009 to R76 billion in 2012.

Table 1: Main importers of global maize

Importers	Values in million Rand			
	2009	2010	2011	2012
World importers	185 185	187 306	262 794	312 262
Japan	31 268	28 859	38 507	41 928
Mexico	11 916	11 539	21 495	24 508
Korea	13 585	14 504	17 962	21 289
Egypt	6 915	9 260	15 674	16 018
Spain	7 762	7 047	11 320	14 776
China	170	2 676	4 153	13 811
Taipei, Chinese	7 948	8 931	9 962	11 607
Iran	0	6 702	9 305	9 989
Netherlands	5 883	4 786	8 259	9 688
USA	2 622	2 507	3 097	8 323

Source: Trade map, 2014

Table 2 shows the main exporters of maize in the global market. Global maize exports have been showing an increasing trend between the period of 2009 and 2012. The United States of America remained a largest exporter of maize throughout the reviewed period. In 2012, the country exported R79 billion worth of maize to the world market. Also important to note USA maize exports showed a significant decline of 21% in 2012 in comparing with the previous year. The decline of maize exports was attributed to the drought (USDA, 2013). Brazil and Argentina follows United States of America collectively with the total of R83.3 billion in 2012.

Table 2: Main exporters of global maize

Exporters	2009	2010	2011	2012
World exports	164 534	169 995	247 726	290 547
USA	75 361	73 685	100 541	79 399
Brazil	10 800	16 143	19 532	44 029
Argentina	13 381	22 927	32 496	39 594
Ukraine	8 400	5 728	14 257	31 840
France	15 363	13 412	18 333	19 616
Hungary	6 887	6 464	8 705	10 623
India	4 419	3 890	7 795	9 263
Romania	2 859	3 788	5 719	6 323
Russian Federation	1 562	315	1 145	4 689
Serbia	2 390	2 441	3 276	4 674

Source: Trade map, 2014

South African maize trade performance

Figure 2 represents South African import trend for maize suppliers between 2009 and 2012. South African maize imports have shown significant decline of 81% between 2012 and 2013. This illustrates that the local production is sufficient to meet the consumer demands. United States of America, Brazil and Zambia were leading suppliers of South African maize imports with the share of 73.8%, 4.8% and 4.5 respectively in 2013.

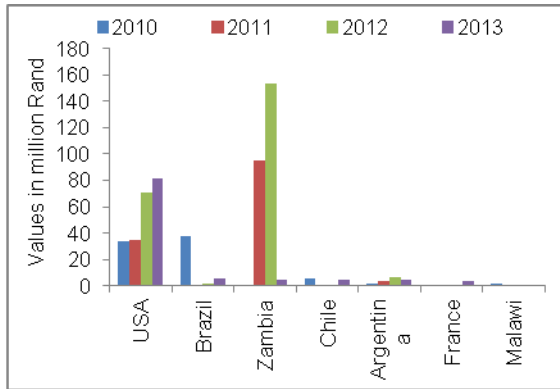


Figure 2: South African main suppliers of maize
Source: Global Trade Atlas, 2014

Figure 3 highlights the main destination for South African maize exports between 2010 and 2013. Looking back after the elimination of tariffs after 1994, South African export trends have not been stable due to global factors such as fuel prices, cost of production and weather condition. In recent years, South Africa has been sending their maize exports to SADC countries. In 2013, the maize exports to SADC countries have shown significant increase of 540% from the previous year. For the period under reviewed maize exports has not been stable which is attributed to aforementioned reasons.

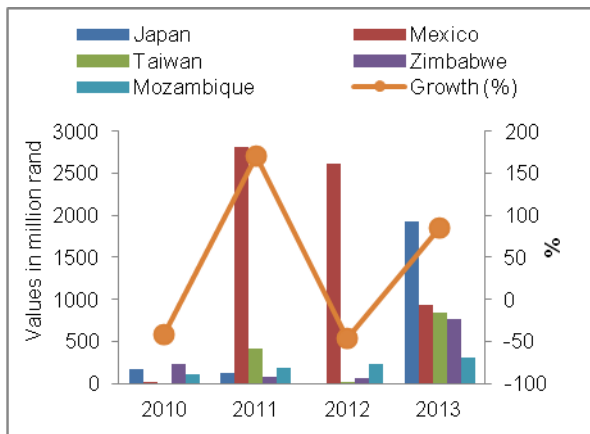


Figure 3: South African main destination markets for maize
Figure 3:
Source: Global Trade Atlas, 2014

Conclusion

Maize has shown its importance as a staple food crop through its constantly increasing consumption. In South African maize and maize export have regained growth of export markets to the SADC region. This growth has triggered more plantations of maize in the country



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2. Product Profile: Wine (HS 2204)

South African wine is dominantly produced in the Western Cape Province. South Africa has produced wine since 1659 and since then the wine production has increased significantly². The country's wine industry has recorded production and export successes as the results of following factors;

- Intelligent and vineyard management
- Increases in the number and commitment of small producers
- Proficiency applied in winemaking and
- Sustainable farming while ensuring the protection and conservation of biodiversity.

Wine is broadly divided into white and red wine. According to PWC³ (2013) a volume of 17 927 tons of grapes were pressed in 2012 for wine, of which 30.5% were for red wine production, with the remainder reserved for white wine. Of the total grapes pressed for red wine production in 2012 (5 463 tons), Cabernet Sauvignon and Shiraz wine varieties had a leading production share of 21% followed by the production of Pinotage (17%) and Merlot (13%). It is worthy of note that Cabernet Sauvignon declined in production by 8% (113 tons of grapes) between 2008 and 2012. Other red wine varieties that declined between 2008 and 2012 were Port varieties (7%), Ruby Cabernet (4%) and Pinotage (12.8%). To this Cignaut Noir and Merlot both increased by 1.8% and 2.3% respectively over the reviewed period. Overall South African red wine production declined by 1.7% between 2008 and 2012.

South African white wine was produced on 683 58 hectares in 2012 with Chenin Blanc as the most produced white wine variety (35%) followed by Colombard (29%) easily making them the most produced wine varieties. Sauvignon Blanc had an impressive growth rate of 50% between 2008 and 2012. Grapes pressed for white increased by 15% between 2008 and 2012.

² I-wine review.com (2012). The international wine review South Africa. Report 30
³ PWC (2013). The South African Wine industry: insight survey 2013. Stellenbosch.

Figure 4 highlights wine production in South Africa for periods 2008-2012. On average over a 5 year period South African production of good wine was 805 million litres, followed by that of distilled wine (129 million litres). In totals South Africa produced an annual average volume of 993 million litres of wine which is equivalent to an average growth rate of 2.7% per annum between 2008 and 2012.

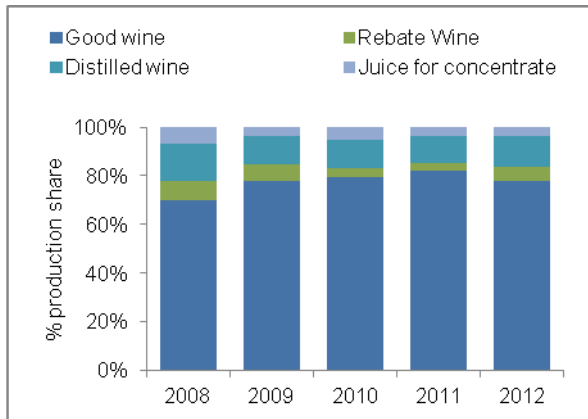


Figure 4: South African wine production trends: 2008-2012
Source: DAFF Abstract of Agricultural Statistics, 2012

The UK has been a leading market for South Africa ranking number 1 throughout the reviewed period. However the UK market growth rate has been modest when compared to other markets (19% between 2003 and 2013). South African wine export markets have not diversified much; in 2012 only 2 countries (Belgium and Ireland) do not appear among leading markets as compared to 2003. Largely South African wine industry supplied the European countries. Overall South African wine exports increased at a rate of 152% between 2003 and 2013.

Table 3: South African wine export markets

	2003	R million	2013	R million
Rank	World	3 151	World	7 936
1	UK (1)	1 224	UK	1 469
2	Netherlands (4)	521	Germany	1 081
3	Germany (2)	281	Sweden	657
4	Sweden (3)	168	Netherlands	565
5	USA (5)	140	USA	562
6	Denmark (7)	122	Canada	437
7	Belgium (11)	97	Denmark	356
8	Ireland (24)	97	Russia	254
9	Canada (6)	87	France	242
10	France (9)	46	China	214

Source: Global Trade Atlas, 2014

Figure 5 highlights global wine export share of Southern Hemisphere wine exporters. South Africa outperformed New Zealand and Argentina until 2010 and from then the South Africa was outperformed by the listed countries in terms of world export share.

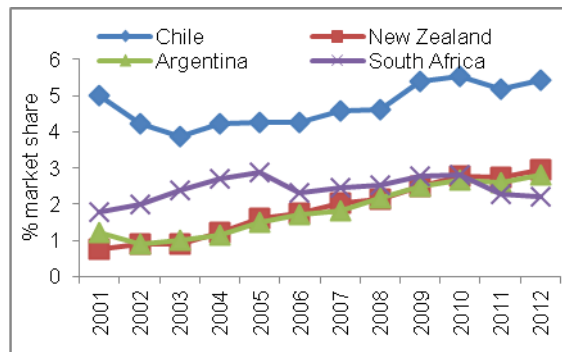


Figure 5: Southern Hemisphere wine global export share trends: 2001-2013

Source: Global Trade Atlas, 2014



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3. Product Profile: Fruit Juice (200990)

Fruit Juice is basically a drink produced by squeezing or crushing fruit. In South Africa, there are specific regulations relating to fruit juices and what they may contain in terms of additives and preservatives, and that sets the definition for what a fruit juice must be called, based on its composition. It is important to note that there is a large variation from 'fresh fruit juice' that is 100% fruit juice that has been freshly squeezed, to 'fruit squash' that contains only 24% fruit juice.

Fruit juice trade analysis

Table 4 (see appendix A) represents the world leading exporters and importers of fruit juice in 2012. USA had the biggest share of the world exports in the fruit juice market with the share of 17.6%, followed by Netherlands at 12.8%, Germany with the share of 12.2%, Spain with share of 5.3% and Belgium with share of 4.3%. South Africa is ranked 10 in fruit juice global export market with a share of 2.9% in 2012. The leading world importers of fruit juice included France, with a share of 10.7%, United Kingdom share of 7.9%, Canada share of 6.9%, Oman 5.7% and Russia share of 4%. South Africa is ranked 91 in fruit juice global import market with a share of 0.1% in 2012.

Table 5 (see appendix A) depicts the top ten leading markets for South Africa's exports of fruit juices and tariffs that were faced by South Africa in these markets in 2012. **Table 7** also shows South Africa's key competitors in the fruit juice world market. The top three leading markets for South African fruit juices in 2012 were Mozambique, Zimbabwe and Zambia with 16.5%, 16.1% and 12.7% market share respectively. These countries account for a combined share of over

45% of all South African exports. South Africa enjoys duty free market access to these countries as a result of the SADC FTA. The Tripartite FTA that is presently being negotiated by SADC, COMESA and the EAC could present more market opportunities for South Africa.

Figure 6 (appendix B) represents South Africa's top five export markets and their performance from 2007 to 2012. South African exports of fruit juices to Zimbabwe have been improving during the period under review, while on the contrary exports to Zambia decreased tremendously between 2009 and 2010 from R44 950 to R 26 324 in value. However, this has improved to R42 178 in 2012.

Table 6 shows the top ten suppliers of fruit juices for South Africa in 2012 and tariffs that were faced by these suppliers. While SA is one of the top ten leading producers of fruit juice in the world the country still imports large quantities of fruit juices from other countries. South Africa is however, not a major importer of this product hence it is ranked 91 in the world. South Africa's top 3 suppliers of fruit juice in 2012 were France, Pakistan and Germany which accounted for a combined share of 81.4% of South Africa's total imports of fruit juice. Amongst the three countries, France and Germany enjoy preferential market access in South Africa as a result of the Trade Development and Cooperation Agreement (TDCA). The TDCA is the preferential trade agreement that South Africa concluded with the EU in 1999.

Table 6: South Africa's top 10 suppliers of fruit juices in 2012

Importers	Imported Value in 2012 (R'000)	Share in SA's imports (%)	MFN Rate (%)
World	13 978 428	100	-
France	8 025 748	57.5	0
Pakistan	1 985 078	14.2	20
Germany	1 362 177	9.7	0
USA	1 110 531	7.9	20
UAE	219 090	1.6	20
Thailand	165 964	1.2	20
UK	159 185	1.1	0
Saudi Arabia	155 132	1.1	20
China	153 927	1.1	20
Philippines	152 911	1.1	20

Source: GTA & ITC Trademap, 2014

Figure 7 (see appendix B) shows South Africa's top five suppliers and their performance during 2012. The graph shows that France entered the South African market in 2010 and since then her exports to the country have been significantly increasing.

Conclusion

South Africa is a significant player in the global fruit juice market with export income of about R 332 628 in 2012. The preferential trade arrangement (SADC FTA) and the relatively shorter distance appear to be the key sources of South Africa's comparative advantage in the SADC regional market. Over half (56.7%) of South Africa's fruit juice exports in 2012 were destined for SADC countries, of which 45.3% was shared among the neighbouring SADC countries Zimbabwe, Zambia and Mozambique. On the contrary, South Africa does not seem to accrue the same advantage

from the preferential market access in the EU market. This could be due a number of factors such capacity, distance, competitiveness as well as the stringent SPS requirements in the EU.

The currently negotiated Tripartite FTA between SADC, COMESA and the EAC presents an opportunity for South Africa to increase its market share for fruit juice in Africa. On the other hand, this agreement could also intensify competition for South Africa. On the whole, the agreement has the potential to increase and diversify South Africa's export market.



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4. Product Profile: Sorghum (HS: 100700):

Sorghum is in the subfamily of *Panicoideae* and the tribe of *Andropogoneae*. Species are native to tropical and subtropical regions of all continents in addition to the southwest Pacific and Australasia. Grain Sorghum is cultivated in warmer climates worldwide.

Sorghum, like other grains, has two basic markets that it serves namely, the human component and the animal feed component. It is used to make such foods as couscous, sorghum flour, porridge and molasses. In South Africa, sorghum meal is often eaten as a stiff porridge much like pap. It is also used to make sorghum beer. Sorghum seeds can be popped in the same manner as popcorn (i.e with oil or hot air), although the popped kernels are smaller than popcorn. In Ethiopia, sorghum is fermented to make *injera* flatbread.

The animal feed industry is an important market for sorghum, because it is a component in the production of poultry, pet, pigeon and ostrich feeds. There are two types of sorghum varieties, namely bitter and sweet sorghum cultivars. Preference is given to the sweet cultivars. Bitter sorghum is planted in areas where birds are a problem since it contains tannin which gives a bitter taste; consequently birds tend to avoid eating it. In South Africa the main sorghum grown is the bitter dark sorghum due to the bird problem. Sorghum is mainly produced in the Free State (53 %), Mpumalanga (30%), Limpopo (9%), North West (6%) and Gauteng (2%) provinces.

Figure 8 presents the annual trend of South Africa's exports and imports from 2009 to 2012. From 2010 to 2012, imports increased substantially and exports

decreased. South Africa has been a net importer of grain sorghum.

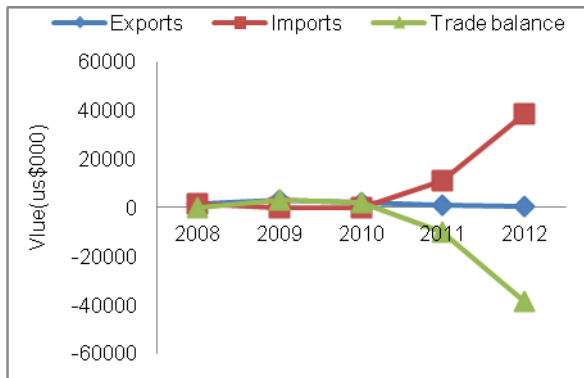


Figure 8: South Africa's total trade in Grain Sorghum (HS: 100700) from 2008 to 2012

Source: Trade map, 2014

Table 7 lists the world's largest exporters of grain sorghum in 2012. Argentina had a share of 43.1% of world exports. The United States of America was the second largest exporter and had a share of 39.6% and Australia the third largest exporter with a share of 4%. Argentina and the USA accounted for 82.7% of world exports. The world imports were concentrated in Argentina and the United States of America.

Table 7: Leading world exporters of grain sorghum in 2012

Exporters	Exported value (USD thousand)	Share in world exports (%)
Argentina	566 932	43.1
USA	521 012	39.6
Australia	52 819	4.0
India	47 738	3.6
France	31 669	2.4
Ukraine	27 601	2.1
China	16 485	1.3
Nigeria	7 534	0.6
Uruguay	6 956	0.5
Romania	5 264	0.4
South Africa	289	0.0

Source: ITC Trade Map 2014

Table 8 lists the top 10 leading world importers of grain sorghum in 2012. The top 3 leading importers were Japan (28.4%), Mexico (24%) and Colombia (9%) accounting for 61.4% of world imports collectively.

Table 8: Leading world importers of grain sorghum in 2012

Importers	Imported value (USD thousand)	Share in world imports (%)
Japan	476 910	28.4
Mexico	403 062	24.0
Colombia	150 820	9.0
Chile	140 338	8.4
Botswana	50 888	3
South Africa	38 738	2.3
Sudan	35 702	2.1
Chinese Taipei	33 103	2.0
Saudi Arabia	27 775	1.7
Kenya	25 806	1.5

Source: ITC Trade Map 2014

Table 9 shows the leading export markets for grain sorghum in 2012 for South Africa. The top 3 leading markets for South Africa were Angola, Mozambique

and Namibia accounting for 52.9%, 24.6% and 18% shares, respectively. In Angola, South Africa is competing with Brazil. In Namibia, South Africa is competing with Zambia.

Table 9: SA leading export markets for grain sorghum in 2012

Importers	Exported value (USD thousand)	Share in South Africa's sorghum exports (%)	Suppliers and their share
Angola	153	52.9	South Africa (95.6%) and Brazil (4.4%)
Mozambique	71	24.6	South Africa (100%)
Namibia	52	18.0	South Africa (96.3%) and Zambia (3.7%)
DRC	6	2.1	
Zambia	6	2.1	

Source: ITC Trade Map 2014

In conclusion, South Africa is exporting all its grain sorghum to African countries. South Africa should consider producing more grain sorghum for the local brewery industry. Sorghum is a drought resistant crop. Sorghum also has application in the bio-fuels. The lack of research and development and product market innovations led to the decline of the industry.



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5. Product Profile: Fresh Cut Flower and Buds (Hs 060319)

Cut flowers are part of plants, characteristically including the blooms and some attached plant materials, but not including roots. Fresh cut flowers are highly perishable because they maintain only limited life-supporting processes by taking water up through their stems. Fresh cut flowers are used for decorative purposes such as vase arrangements and bouquets at formal events; designs for weddings and funerals and for the hospitality industries.

Table 10 presents the five world leading exporters and importers of fresh cut flowers and buds in the year 2012. Netherlands had the largest share in total world exports with 60.1 %, followed by Columbia with 16.1 % and then Ecuador with 4.8%. South Africa ranked the

10th exporter of fresh cut flowers and buds with a world market share of 0.9 % during 2012. The top 3 leading importers in 2012 were Germany with a share of 23.3%, United Kingdom (14.9%), and United States of America (12.1%), accounting 50.3% of the world imports.

Table 10: World top exporters and importers of fresh cut flower and buds in 2012

Top world exporters	Exported value(US\$ '000')	Market share (%)	Top world Importers	Imported value(US\$ '000')	Market share (%)
World	3 292 328	100	World	3 267 948	100
Netherlands	1 979 822	60.1	Germany	666 884	23.3
Colombia	546 043	16.6	USA	426 066	14.9
Ecuador	157 039	4.8	UK	348 055	12.1
Belgium	77 047	2.3	Netherlands	214 553	7.5
Kenya	72 629	2.2	France	194 375	6.8

Source: ITC Trade Map, 2013

Table 11 shows the leading markets for South African fresh cut flowers and buds exports during 2012. The top three markets for South Africa's fresh cut flowers and buds were Netherlands, United Kingdom and Japan, accounting for 54.3 %, 13 % and 10.6 % share in South Africa's exports respectively.

Table 11: SA's top 5 export markets for fresh cut flower and buds in 2012

Top 5 SA's markets	Exported value (USD '000')	Share in SA's Exports (%)	Ad valorem tax
World	30 251	100	%
Netherlands	16 413	54.3	0
UK	3 930	13	0
Japan	3 206	10.6	0
Australia	985	3.5	0
UAE	501	1.7	5

Source: ITC Trade Map, 2013

Figure 9 present the competitors of South Africa in the Netherlands market in 2012. Kenya dominates the Netherlands's cut flower and buds market with the percentage share of 26.7%, followed by Ecuador with a market share of 21.3%. South Africa was ranked 8th with a market share of 3%. Low Ad valorem tax charged by Netherlands against other countries contributes towards Kenya and Ecuador's dominancy in the Netherlands market.

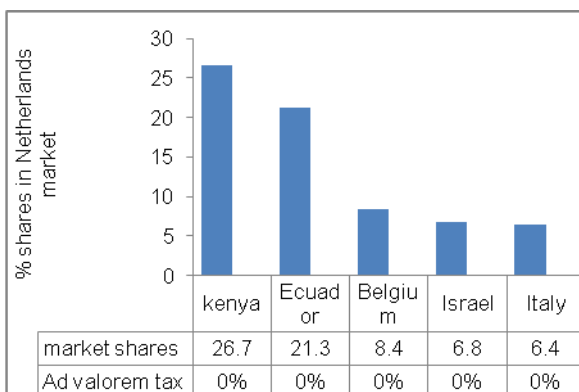


Figure 9: SA's competitors in Netherlands for fresh cut flower and buds in 2012

Source: ITC Trade Map, 2013

Figure 10 indicates the leading import sources of South Africa's fresh cut flowers and buds during 2012. The three leading sources of South Africa's imports of fresh cut flower and buds were Zimbabwe, Kenya and Zambia, accounting for 56.7%, 38% and 1.6% share in imports, respectively. Zimbabwe is one of the largest producers of cut flower and buds in Africa. South Africa is trading with Zimbabwe and Zambia under the SADC Free Trade Area (FTA) Agreement which came into force 2008. Market proximity is also a contributing factor for Zimbabwe's dominance in South Africa. Trade between South Africa and Kenya may increase after the finalization and implementation of Tripartite FTA.

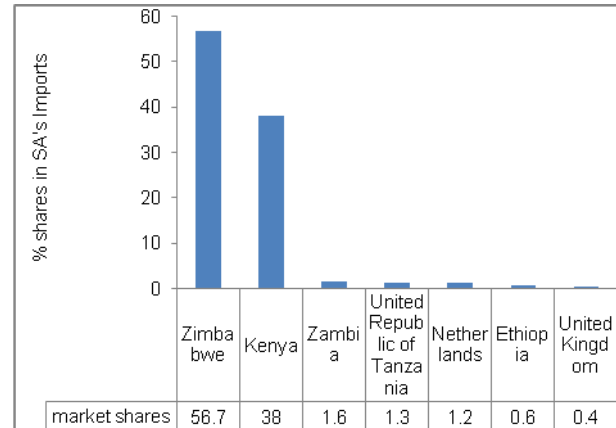


Figure 10: South Africa's top 5 imports market for the fresh cut flower and buds in 2012

Source: ITC Trade Map, 2013

Figure 11 indicates that South African Fresh cut flowers and buds exports increased slightly from 2007 to 2012. This shows that South Africa was a net exporter of fresh cut flowers and buds between during the period observed.

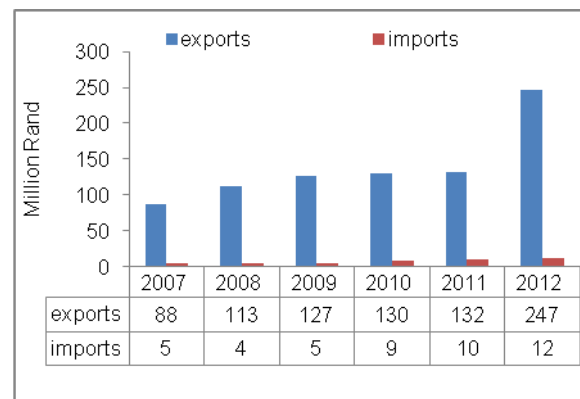


Figure 11: South Africa's fresh cut flower and buds trade balance between 2007 and 2012

Source: Global Trade Atlas, 2013

Conclusion

South Africa is ranked the 10th largest world exporter of fresh cut flower and buds with a share of 0.9 % in the world exports. The main destination for South Africa's fresh cut flower and buds is Netherlands where is ranked as an 8th supplier with a market share of 3%. The main restriction in expanding export of cut flowers and buds is air freight volume otherwise South Africa would exports cut flowers in large quantities. Kenya, Netherland's largest supplier, have very

attractive investment opportunities for investors of cut flowers. As a way of expanding cut flowers export, South Africa should take advantage for the investment opportunities in Kenya.



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6. Product Profile: Paper, kraft liner, in rolls, o/t unbleached, uncoated (HS 480419)

Background

Unbleached Kraft rolls from pulp are a Kraft repulping sheet designed for the maximum yield of long virgin fibre soft wood pulp and this product is regarded as one of the processed forestry product. The mill selectively pre-refines the pulp for maximum fibre length. This allows the end user to refine the pulp to the required freeness which will achieve the desired end use strength characteristics and drainage to maximise paper machine efficiency. This pulp is manufactured to be easily re-wetted and dissolved from a continuous sheet to a pulp fibre form. Rolls pulp does not contain fillers, starches or other chemical which would hinder repulping. The main characteristics of unbleached Kraft roll pulp are its consistent virgin fibre shade, cleanliness, ease of repulpability and its inherent strength. Kraft paper is a 100% biodegradable natural product meaning that is capable of being decomposed by bacteria or other living organisms and thereby avoiding pollution.

Unbleached Kraft roll pulp is generally used in combination with lower cost recycled fibres to produce linerboard, to make toilet paper, paper bags, cardboard boxes and paper board. The forest plantation is largely located in Mpumalanga (comprising 518 994 ha), KwaZulu Natal (503 212 ha), Eastern Cape (141 413 ha), Western Cape (61 455 ha) and Limpopo (48 284 ha). South Africa is ranked the 3rd in the global list of exporters of Paper, Kraft liner, in rolls, o/t unbleached, uncoated (HS 480419) to the world market with a share of 13.4% in 2012.

Figure 12 shows South Africa's exports of forestry products at HS 02. South Africa's export for paper and paperboard (HS 48) declined after 2008 but slightly stabilised after 2011. Export of wood (HS 44) and Printed books (HS 49) declined between 2008 and 2009, from 2009 to 2010 exports of those two products was unstable. South Africa does not export much manufactures of plaiting material (HS 46) and cork and articles (HS 45) to the world market.

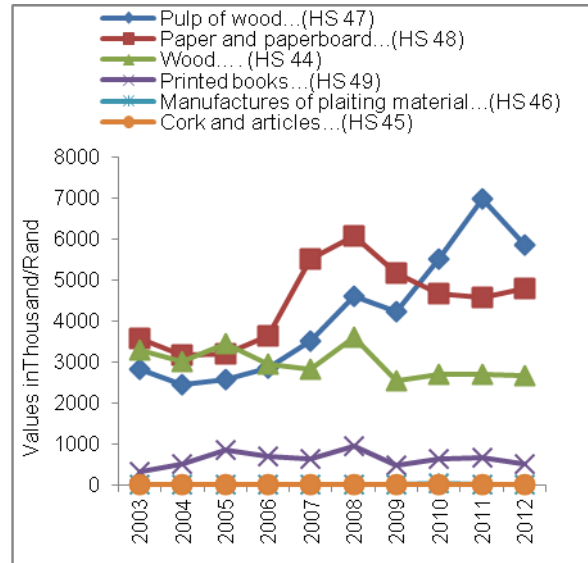


Figure 12: South Africa's forestry export to the World Source: Trade Map, 2014

Figure 13 shows South Africa's import of Forestry products. Paper and paperboard is South Africa's leading forestry product in terms of imports.

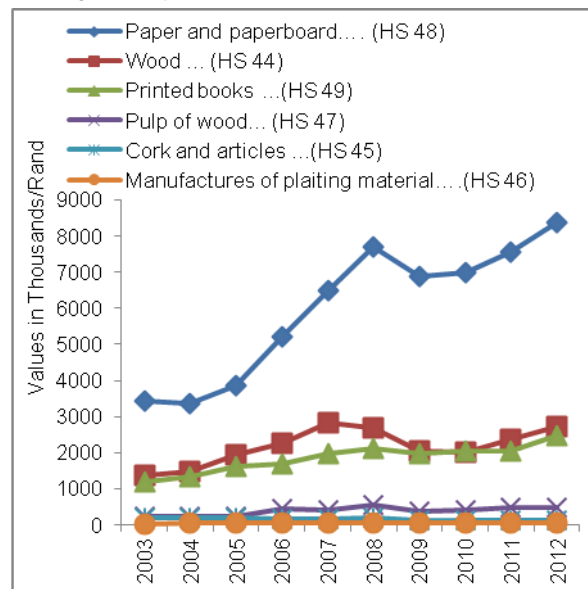


Figure 13: South Africa's Forestry import from the World, 2014 Source: TradeMap, 2014

Paper, Kraft liner, in rolls, o/t unbleached, uncoated is the most traded forestry therefore this article will review its exports and imports for the South African market. Table 12 indicate list of importers for the product exported by South Africa. Most of South Africa's Paper, Kraft liner, in rolls, o/t unbleached, uncoated (HS 480419) was exported to European countries. South Africa's main competitors were Sweden, Germany and Finland. Sweden is not only South Africa's main competitor but it also ranked 1st in the list of exporters for this product to the world with a share of 29.3%.

Table 12: List of importers for Kraftliner, uncoated, bleached, in roll or sheets (HS 480419) exported by South Africa, 2012

Importers from SA	Exported value 2012 in million/Rand	Share in South Africa's (HS 480419) exports (%)	South Africa's main competitors
UK	260	17	Sweden, Germany and Finland
Germany	217	14	Sweden, Finland & Slovakia
Italy	204	13	Sweden, Canada & Russia

Source: WTA, 2014

Table 13 indicates a list of countries that are exporting Paper, Kraft liner, in rolls, o/t unbleached, uncoated (HS 480419) to SA. The main exporters of Paper, Kraft liner, in rolls, o/t unbleached, uncoated (HS 480419) to South Africa were Indonesia, Taiwan and United States of America with the share of 30%, 26 and 25%, respectively in 2012.

Table 13: List of exporters for Kraftliner, uncoated, bleached, in roll or sheets (HS 480419) imported by SA, 2012

Exporters to SA	Imported value 2012 million/Rand	Share in South Africa's (HS 480419) imports (%)
Indonesia	18	30
Taiwan	15	26
USA	15	25

Source: WTA, 2014

Figure 14 indicate South Africa's imports and exports for Paper, Kraft liner, in rolls, o/t unbleached, uncoated (HS 480419) over the period of 10 years. South African export has shown instability over the period under review. South Africa exported large quantities of Paper, Kraft liner, in rolls, o/t unbleached, uncoated (HS 480419) between 2004 and 2006 and declined after 2007/2008 because there were two pulp mills that has closed due shortage of raw materials.

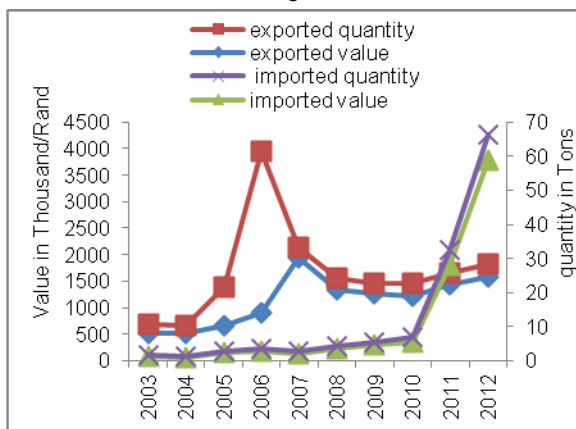


Figure 14: South Africa's total imports and exports of Paper, Kraft liner, in rolls, o/t unbleached, uncoated (HS 480419)
Source: Trade Maps, 2014

Conclusion and summary

South Africa was ranked 3rd in the list of exporters of paper, Kraft liner, in rolls, o/l unbleached, uncoated (HS 480419) to the world with a global export share of 13.4% in 2012. Its main competitors in the world exports for this product are Sweden and Finland.

Sweden is not just South Africa's main competitor but it also ranked 1st in the list of exporters for this product to the world market with a share of 29.3% in 2012. South Africa's Forestry plantation and industries should be encouraged to increase forestry production.



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7. Market Profile: India

India is known as one of the growing economies under the BRICS block with approximately 1.2 billion populations. India is ranked as the fourth largest economy in terms of growth and development in the world. Indian total GDP amounted to \$4.17 trillion in 2012 and agriculture constitute about 17% to the total GDP. Agriculture is regarded as the most important sector due to its contribution in poverty, employment and export earnings. Also agriculture is contributing about 53% from the total labour force. India used to depend on imports; however, India has changed that through the self-sufficient of grain production. Green revolution has also played an important contribution in increasing agricultural production in India.

Figure 15 highlights Indian agricultural production in terms of values between 2007 and 2012. In 2012 Indian total production amounted \$295 billion in 2012. Rice, milk and wheat are the top three agricultural products produced in 2011 with the total amount of \$111.4 billion. India production has been showing increasing trend under reviewed period. However, this is attributed to the green revolution that India introduced in the late 1990s that boosted agricultural productivity.

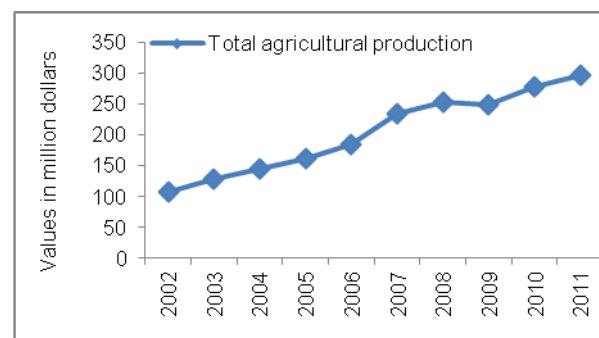


Figure 15: Agricultural production trend
Source: FAO, 2014

Global trade analysis

Figure 16 indicates total agricultural imports that are sourced by India from various countries in the global market. Indian imports amounted to a total value of R169.9 billion in 2013 with the total increase of 42% between 2012 and 2013. Indonesia, Malaysia, Ukraine and Argentina are the top four main suppliers with the shares of 28.8%, 13.5%, 6.2% and 5.8% respectively in 2013. Noteworthy India is the largest importer of palm oil (HS-1511) with the total amount of R67.9 billion in 2013.

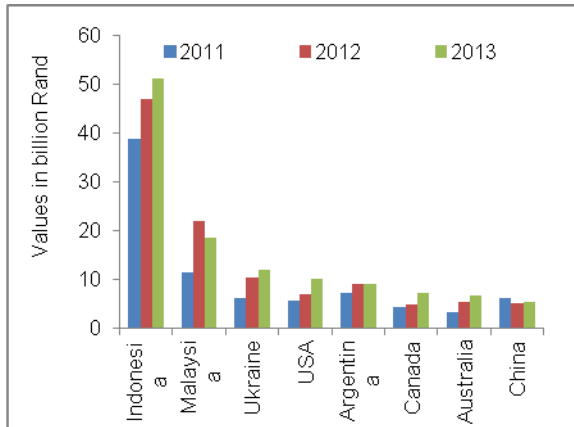


Figure 16: Global main suppliers of agricultural import for India
 Source: GTA, 2014

Figure 17 show the main destination markets for India’s agricultural exports. India’s agricultural exports amounted to a total value of R352 billion in 2013. India is among the top eight exporters of agricultural products in the world.. Main destinations markets for Indian agricultural exports are USA, China and Iran collectively with the total amount of R95.3 billion in 2013. India exports mainly rice (HS 1006, meat of the bovine (HS 0202) and cotton (HS 5201) with shares of 18.8%, 9.9% and 9, 4% respectively in 2013.

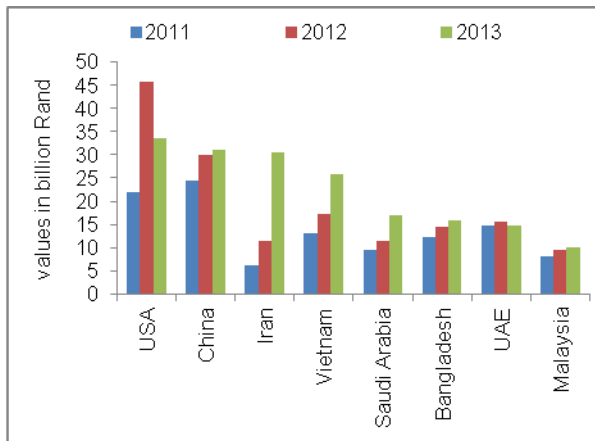


Figure 17: Main destination for Indian agricultural exports
 Source: GTA, 2014

Trade between India and South Africa

Since the inception of the BRICS bloc South Africa has been trading with India at a growing rate as compared to years before joining the BRICS bloc. Both countries are located in different hemispheres which add as an advantage for trade due to different

seasons. South Africa’s agricultural exports to India amounted to R461 million while imports from India totalled to R3.3 billion indicating that South Africa is a net importer of agricultural products from India. **Table 14 (see appendix A)** shows the agricultural products imports and exports between India and South Africa. South Africa imports and exports have show a significant increase of 218% and 59% respectively between 2009 and 2013 .South Africa top three imports from India listed were Rice (HS 1006), Tobacco(HS 2401) and leather from animals (HS 4107) from India with the total value R2.3 billion in 2013. Also South African top three exports to India were wool (HS 5101), sugar cane (HS 1701), and pome fruit (HS 0808) with the total amount of R344 million in 2013.

Conclusion

South Africa finds it difficult to export to India market because of high tariffs, stringent regulatory and non tariff measures. India is the potential market for South African exports due its population size. It appears that the common membership of India and South Africa to BRICS bloc as somehow stimulated the bilateral trade between South Africa and India.



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8. Market Profile: Nigeria

The federal state of Nigeria is the most populated country in the African continent with a population size of 140 million in 2006 as compared to 89 million in 2001 (Nigerian NBS, 2011). The country has a land holding size of 923 769 square km, boarded by Benin, Niger (on the West), Cameroon (Eastern side), Niger and Chad (On the Northern side) and Gulf of Guinea (Southern Side)⁴.

The Nigerian agricultural sector was a leading contributor to the GDP in 2012 (35.2%) while mining and quarrying contributed 33.5% to the GDP.⁵ Prior to liberalisation the Nigerian agricultural sector was largely supported by the state which purchased farmers produce and sold at prices lower than global markets. The commodity market boards supported development and growth of products such as cocoa, rubber, root and tubers. During a transitional period

⁴ National Bureau of Statistics, 2011. Annual Abstract of Statistics, 2011. Nigeria
⁵ African Economic Outlook 2012. Nigeria.

towards liberalisation the Nigerian agricultural sector put policies in place that promoted the export of agriculture (increasing tariffs of some products and a ban for non-essential oil products).

Nigerian agricultural exports performance

Table 15 highlights Nigerian agricultural export products between 2010 and 2012. The USA is a leading market for Nigerian agricultural exports, and this country was able to increase exports to the USA rapidly in a short period of three years. Of the 10 leading Nigerian export markets the UK had a leading growth rate of 1286% between 2010 and 2012.

Table 15: Nigerian Export Markets: 2010-2012

Countries	values in R million			% growth 2010-2012
	2010	2011	2012	
World	24 850	17 464	64 624	160
USA	777	447	10 765	1 286
Barbados	4 653	3 355	9 681	108
Belgium	975	909	6 841	601
Netherlands	1 865	433	4 940	165
UK	191	243	4 608	2 312
Singapore	1 396	665	4 456	219
Spain	352	661	2 752	682
Bangladesh	150	126	2 540	1 594
France	1 991	705	2 075	4
C. d'Ivoire	154	518	1 503	874

Source: ITC, Trade Map, 2014

Figure 18 highlights agricultural products exported by Nigeria to the world. Cocoa beans were the most exported product in 2012 the product commanded a share value of 38% of all agricultural exports. This signifies a heavy reliance on cocoa production and this may pose to be a weakness of the country regardless of the economic returns gained from the product (minimal diversification). Milk is the second most exported product from Nigeria to the world markets

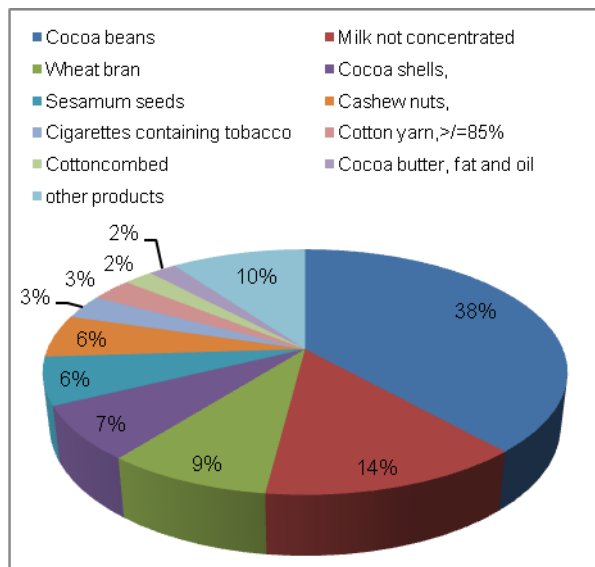


Figure 18: Nigerian agricultural exports in 2012
Source: ITC, Trade Map, 2014

Nigerian agricultural imports performance

Table 16 presents Nigerian agricultural import markets of which Brazil has a leading share, exporting a value of R14 million to Nigeria in 2012. Interestingly Japan has increased its export value to the Nigeria rapidly

more than all the listed countries. According to trade data, Nigeria imports more from countries out of Africa than it does with African countries. Overall Nigerian agricultural demand increased by 105% between 2010 and 2012 and this is triggered by the country's rapidly increasing population growth.

Table 165: Nigerian Import markets: 2010 – 2012

Countries	values imported in R' 000			% growth 2010-2012
	2010	2011	2012	
World	27 712	136 724	56 715	105
Brazil	5 495	21 735	14 897	171
USA	8 117	23 303	10 812	33
India	926	1 876	7 639	725
China	1 288	2 460	3 342	160
Japan	18	7 896	2 206	12 307
Thailand	0	0	1 721	-
N.Zealand	494	2 987	1 492	202
France	547	4 741	1 162	112
Argentina	119	1 384	1 003	745
Ireland	465	4 756	1 003	116

Source: ITC, Trade Map, 2014

Of all the agricultural products demanded by Nigeria, rice accounted for a largest share of 21% in 2012 (see **figure 19**). Nigeria imported a value of R12 billion of rice in 2012. To this wheat and raw sugar accounted for a demand share of 20% and 12% respectively in 2012.

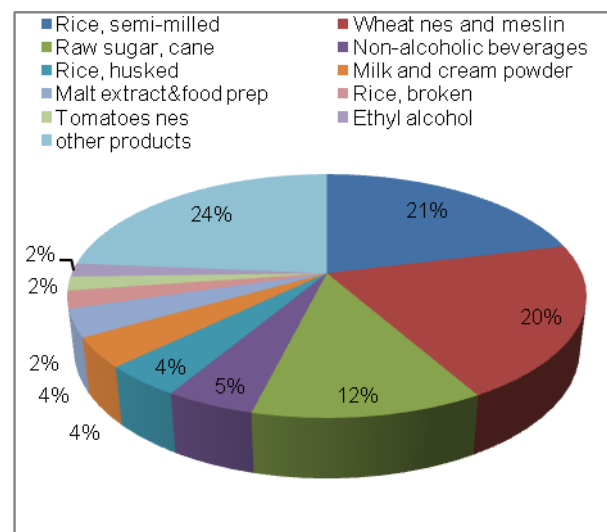


Figure 19: Nigeria agricultural imports in 2012
Source: ITC, Trade Map, 2014

Potential trade between South Africa and Nigeria

In 2012 Nigeria was Africa's largest exporter of agricultural products in the continent signifying an important role in promoting intra continental trade. South Africa ranked 31st on the list of countries that Nigeria exported its agricultural exports to (R112 million), RSA also ranked 19th on the list of countries that Nigeria imported from in 2012 (R480 million).

There is a potential for South Africa and Nigeria to trade.

Table 17 highlights potential agricultural products that South Africa can and has the capacity to export to Nigeria. Nigerian imports of maize in 2012 was R132 million while South Africa exported a value of R2.9 billion to the world and only exporting R16 thousand's

worth of the product to Nigeria. This then also applies to all listed products in **Table 17**.

Table 17: South Africa's agricultural potential export to Nigeria

HS code	Product	R 000 000 (2012)		R '000 (2012)
		SA exports to world	Nigerian import from the world	SA export to Nigeria
100590	Maize	2 945	132	16.39
220290	Non alc beverages	948	385	16.39
040221	Milk& cream powder	550	19	106.32
100640	Rice, broken	308	67	0
220720	Ethyl alcohol	215	12	16.39

Source: ITC, Trade Map and authors calculations (Trade Chilling exercise),2014

Table 18 shows all the products that Nigeria has the potential and the capacity to export to South Africa (capacity is translated only by the export values). In 2012 there was no trade of the listed products in **table 5** between South Africa and Nigeria except for coffee. To this South Africa has a high demand of products of which Nigeria exports large values of to the world yet there is no (or minimal in the case of coffee) trade taking place between the two countries.

Table 19: Nigerian agricultural export potential to SA

HS Code	Product	R 000 000 (2012)		R'000 (2012)
		Nigerian exports to the world	SA imports from the world	SA imports from Nigeria
240120	Tobacco, Unman	8 804	45	0
520100	Cotton, not carded	5 543	133	0
090111	Coffee, unroasted	4 048	21	245
220210	Waters, sweetened	3 655	2	0
180690	Apple juice	2 060	305	0

Source: ITC, Trade Map and authors calculations (Trade Chilling exercise),2014



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Appendix A

Table 14: Main products that South Africa exports and imports to and from India

HS code	Product description	South Africa's Exports to India (values in million Rand)			HS code	Product description	South Africa's imports from India (values in million Rand)		
		2009	2013	Growth value (%)			2009	2013	Growth value (%)
	All products	17149	29049	69		All products	15025	51522	243
	Agric products	291	462	59		Agric products	1053	3348	218
5101	Wool	144	243	69	1006	Rice	183	2065	1032
1701	Sugar beet	80	70	-12	2401	Tobacco	209	155	-26
0808	Pome fruit	11	31	188	4107	Leather of other animals	75	120	61
0805	Citrus fruit	5	24	420	1302	Vegetable saps & extracts	16	74	360
4102	Raw skins of sheep	1	22	1700	0904	Pepper, peppers and capsicum	30	68	125
2207	Ethyl alcohol	6	15	156	0909	Seeds of anise	25	63	151
0713	Dried vegetables	0	10		0910	Ginger, turmeric & curry	48	62	30

Source: Trade map, 2014

Table 4 World's leading exporters and importers of fruit juices in 2012

Exporters	Value exported in 2012 (USD'000)	% Share in the world exports	Importers	Value imported in 2012 (USD'000)	% Share in world imports
World	1 380 221	100	World	1 621 210	100
USA	243 301	17.6	France	173 540	10.7
Netherlands	176 277	12.8	UK	128 160	7.9
Germany	167 941	12.2	Canada	109 525	6.8
Spain	72 611	5.3	Oman	93 002	5.7
Belgium	58 951	4.3	Russia	65 646	4
Saudi Arabia	53 162	3.9	Germany	63 016	3.9
France	52 198	3.8	Netherlands	59 542	3.7
UAE	50 083	3.6	Japan	54 369	3.4
Egypt	43 518	3.2	Belgium	51 968	3.2
South Africa	40 599	2.9	Portugal	36 895	2.3
			SA (91)	1704	0.1

Source: GTA & ITC Trademap, 2014

Table 5 South Africa's leading export markets for fruit juices in 2012

Importers	Exported Value in 2012 (R'000)	Share in SA's exports (%)	MFN Rate (%)	South Africa's key competitors
World	332628	100	0	USA, Netherlands, Germany
Mozambique	54854	16.5	0	Portugal, United Arab Emirates, Turkey
Zimbabwe	53 548	16.1	0	Kenya, Netherlands, Botswana
Zambia	42178	12.7	0	Mauritius, Egypt, Kenya
Ghana	18940	5.7	20	Spain, Netherlands, Belgium
Angola	17551	5.3	0	Portugal, Egypt, Netherlands
Mauritius	11847	3.6	0	Thailand, Cyprus, Malaysia
Tanzania	8287	2.5	0	Kenya, United Arab Emirates, UK
Japan	8132	2.4	23	Spain, USA, Australia
Canada	7579	2.3	0	USA, Poland, France
Netherlands	6330	1.9	0	USA, Guatemala, Netherlands

Source: GTA & ITC Trade map, 2014

Appendix B

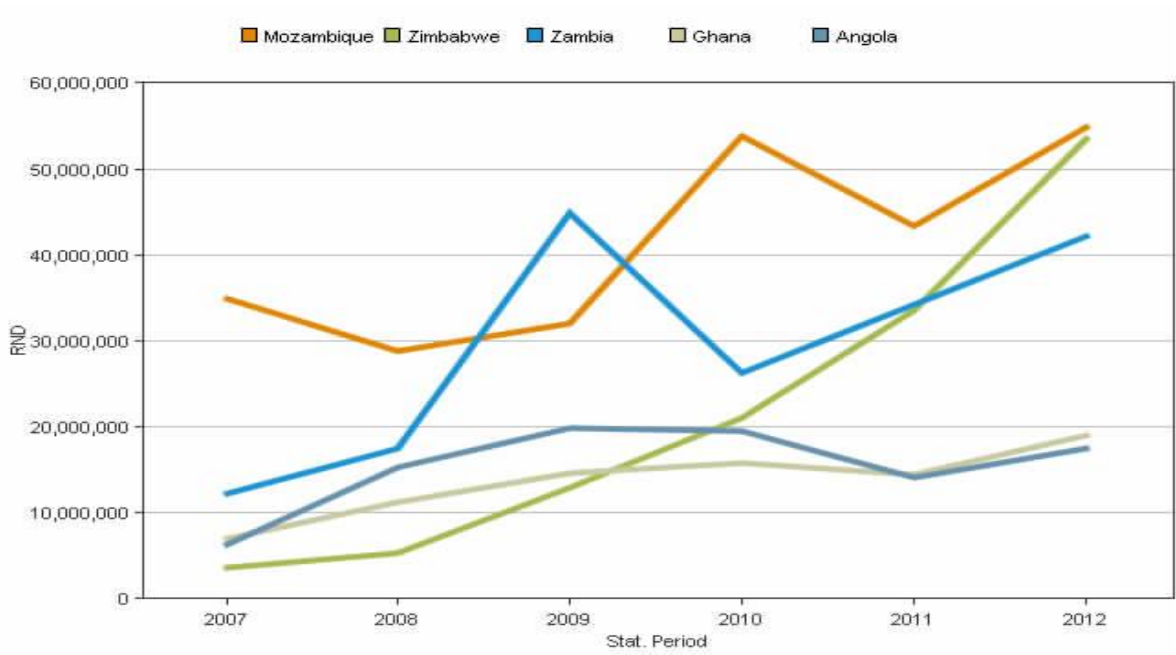


Figure 6. South Africa's top 5 export markets in 2012.

Source: GTA, 2014

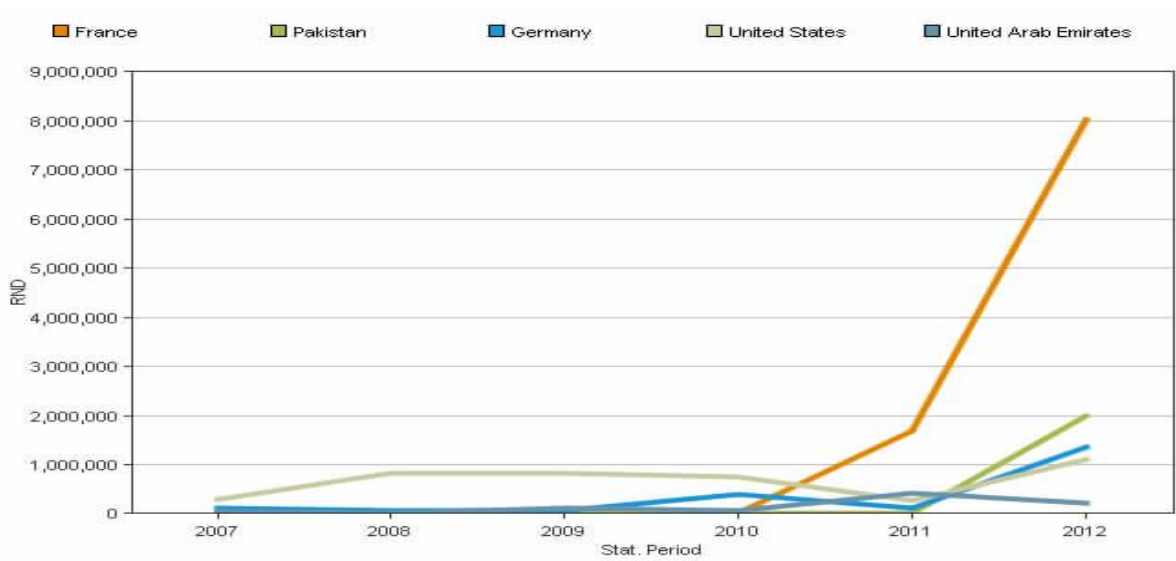


Figure 7. South Africa's top 5 import markets in 2012

Source: GTA, 2014

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