



Trade Probe

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Trade Probe is a quarterly report produced by National Agricultural Marketing Council and the Department of Agriculture, Forestry and Fisheries. It reports and analyses agricultural products, trade performance in local and international markets. This publication is widely used by exporters and importers.

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In this issue we cover the following topics:

Trade profile for cottonseed **Market Profile for South** **Africa's Poultry meat** **Regional Integration as seen** **through Intra-African Trade**

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**National Agricultural
Marketing Council**
Promoting market access for South African agriculture



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

- Trade profile for cottonseed, whether or not broken (HS 120720)
- Trade profile for fresh plums and sloes (HS 080940)
- Trade profile for live cattle (HS 010229)
- Market profile for South Africa's poultry meat (HS 0207)
- Regional integration as seen through intra-African trade

TRADE PROFILE FOR COTTONSEED, WHETHER OR NOT BROKEN (HS 120720)

by Thandeka Ntshangase

Introduction

According to Fortucci (2016), cotton is considered as one of the most important and widely produced agricultural crops globally. Cotton production serves various purposes, such as a means to meet the basic consumption needs of households; to be exported to earn foreign exchange and also to provide the raw material for textile production. Cotton is predominantly cultivated for its lint or fibre, which is spun into thread and woven into textile for clothing and other fabrics.

The fibre is therefore the main product of the cotton crop. The other part of the cotton plant that is harvested is the seed, known as cottonseed. This is crushed into cottonseed oil. This oil is widely used for human consumption as cooking oil. The by-products saved in the production of oil from cottonseed are cottonseed meal and cake, which are among the most important feeds for livestock. Cottonseed oil, cake and meal have health benefits through the provision of, proteins, carbohydrate and other constituents such as vitamins, minerals, lecithin, and sterols. Cottonseed is therefore widely traded, either whole or broken, i.e. before or after oil extraction.

Globally about 45 million tons of cottonseed was produced in 2014, with USA and India as the leading producers.

World Trade in cottonseed

Table 1 indicates the top four global exporters of cottonseed (whether or not broken) for 2011 and 2015. The global value of cottonseed dropped drastically between 2011 and 2015 by a negative growth rate of 98 %, from an estimated value of R3 billion (2011) to R56 million in 2015. African countries were the largest exporters of cottonseed in 2015.

- Mozambique was the leading exporter of cotton-seed, with slightly over 52 % of world exports, followed by
- Zambia with a value of R26 million, Nigeria (R1 million).

Table 1: Exporters of cottonseed (whether or not broken)

	Value in Rand (millions)		Growth Rate (%)
	2011	2015	2011–2015
Exporters			
World	2 913	56	-98
Mozambique	25	29	16
Zambia	36	26	-28
Nigeria	7	1	-86
Pakistan	1	0	-100

Source: TradeMap, 2016

Table 2 shows the global importers of cottonseed for 2011 and 2015. Globally, the value of cottonseed imports decreased significantly from R3 billion in 2011 to approximately R8 million in 2015. Namibia imported the most cottonseed in 2015, valued at over R5 million and with a growth rate of 400 % between 2011 and 2015. Mozambique was the second largest importer of cottonseed, besides also being the top exporter in 2015. The United Arab Emirates (UAE) was the third largest importer, accounting for almost 3 % of the world's cottonseed imports in 2015.

Table 2: Leading importers of cottonseed, whether or not broken, for 2011 and 2015

	Value in Rand (million)		Growth rate (%)
	2011	2015	2011–2015
Importers			
World	3 169	8	-100
Namibia	1	5	400
Mozambique	0.2	2	900
UAE	0	0.2	0
Zambia	1	0.1	-90
Barbados	0	0.03	0

Source: TradeMap, 2016

South African cotton production

South Africa is among the smallest producers of cottonseed in the world, with a share of 0.1 % in 2014. **Figure 1** illustrates the trend of South Africa's production of cottonseed from 2006 to 2014. South African cottonseed production has been irregular or unstable. From 2006 to 2010, cottonseed production decreased and then sharply increased in 2011. In 2014, it grew to its highest level with a value of 36 000 tons.

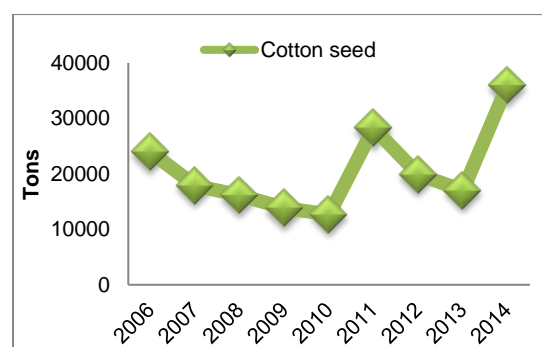


Figure 1: South African cottonseed production between 2006 and 2014

Source: FAO, 2016

South Africa's trade in cottonseed

Figure 2 presents South Africa's trade in cottonseed between 2006 and 2015. It is evident that South Africa is a net importer, importing more cottonseed

than she exports. Since 2012 there has been no trade in cottonseed between South Africa and the rest of the world although production increased between 2013 and 2014 (see Figure 1). This could be due to the fact that South Africa is producing only for the local market. Prior to 2012, South Africa consistently imported more than she exported, hence the negative trade balance for that period.

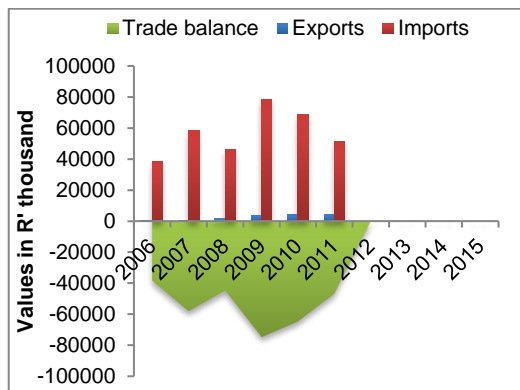


Figure 2: South Africa's cottonseed trade
Source: TradeMap, 2016

Figure 3 shows the main destinations for South Africa's cottonseed in 2011. It is evident that a major proportion of South Africa's cottonseed went to Brazil in 2011, accounting for 88 % of global exports in value terms. The second leading destination was Swaziland with a value of R388 thousand, followed by Mauritius (R79 thousand), Botswana (R36 thousand), then Ghana and the United States of America, each with a value of R7 thousand.

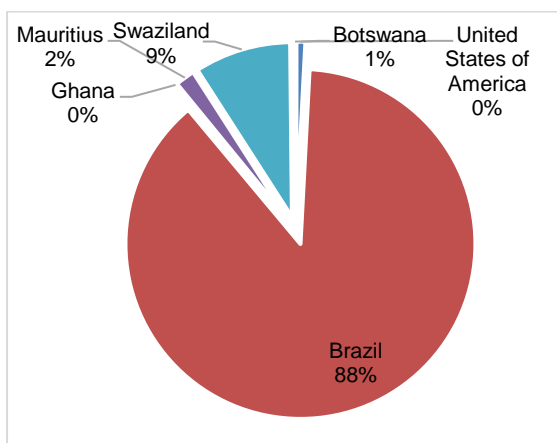


Figure 3: Main destinations for South Africa's cottonseed in 2011
Source: TradeMap, 2016

Figure 4 presents the top five markets that supplied South Africa with cottonseed in 2011. Most of South Africa's imported cottonseed was sourced from African markets, which accounted for 94 % of all cottonseed imports. Zambia was the leading supplier with a value of about R18 million, followed by Zimbabwe (R16 million), Mozambique (R12 million), Area Nes (slightly less than R3 million), and Swaziland (about R2 million).

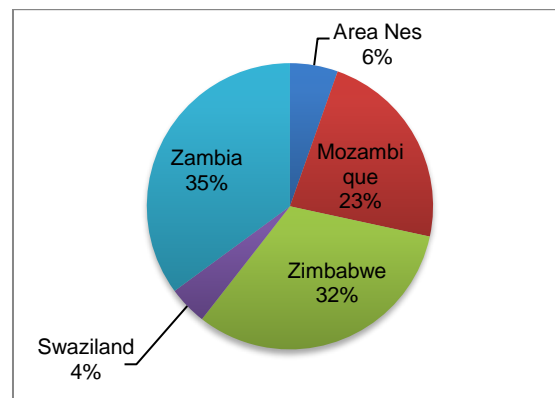


Figure 4: Main suppliers of cottonseed to South Africa (2011)
Source: TradeMap, 2016

Conclusion

It can be concluded that global trade in cottonseed decreased over the years. Mozambique is a big role player in the cottonseed trade as it was the leading exporter and second leading importer of cottonseed in 2015. She also accounted for 23 % of supplies to South Africa in 2011. Since 2012, South Africa has produced cottonseed but it has not been traded internationally. There are therefore opportunities for South African farmers to trade in cottonseed and expand its markets as we are ranked 72nd among world exporters of cottonseed.

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TRADE PROFILE FOR FRESH PLUMS AND SLOES (HS 080940)

by Fezeka Matebeni

Introduction

Plum, *Prunus domestica*, is a deciduous tree in the family called Rosaceae grown for its edible traist (as a fruit). Plums are fleshy oval fruit with a single seed contained within a stone. The colour varies with the plum variety, ranging from dark to lighter red, as well as deep yellow and pale greenish yellow. The top five plum varieties grown in South Africa are Laetitia, Songold, Angeleno/Suplumsix and African Delight. It was reported that South Africa produced about 81 233 tons of plums in 2015 (Hortgro, 2015).

The Western Cape Province is the leader in national plum production among the producing regions, accounting for over 50 % of South Africa's total production. This is primarily due to the Mediterranean climate, characterised by cold winters and moderate summers, which is favourable for plum production (Hortgro, 2015).

Global trade in plums and sloes

Table 3 shows the leading global exporters of plums and sloes for 2011 and 2015. Globally, the value of exports of fresh plums and sloes declined by 5.39 % between 2011 and 2015. Chile and Spain were the largest exporters of plums and sloes but registered negative growth rates of 2.02 % and 1.38 % respectively over the period. However, the two countries had a share value of 17.8 % and 15.93 % respectively in 2015. South Africa's exports were ranked third in 2015, with a share of 10.75 % and a positive growth rate 8.03 %. It is important to note that South Africa was the only African country exporting plums and sloes amongst the top 10 leading exporters in 2015.

Table 3: Leading exporters of plums and sloes globally

Exporters	Values in million dollars		Shares (%)	Growth in value (%)
	2011	2015	2015	2011-2015
World	792	749	100	-5.4
Chile	136	133	17.8	-2.0
Spain	121	119	15.9	-1.4
South Africa	75	81	10.8	8.0
China	8	69	9.2	725.1
USA	86	68	9.1	-21.0
Italy	50	55	7.3	10.0
Netherlands	61	41	5.4	-33.4
Hong Kong	39	33	4.4	-15.7
France	22	23	3.1	4.8
Turkey	8	16	2.1	106.2

Source: Own calculation and TradeMap, 2016

Table 4 illustrates the leading global importers of fresh plums and sloes for 2011 and 2015. China was a major importer of fresh plums and sloes at an 11.50 % share, followed by the United Kingdom and Viet Nam, with a 7.89 % and 6.91 % share respectively. The world imports of fresh plums and sloes declined by 0.87 % under the reviewed period.

South Africa's imports of fresh plums and sloes were ranked 86th, with a share of 0.02 %.

Table 4: Top ten leading importers of fresh plums and sloes globally

Importers	Values in million dollars		Shares (%)	Growth in value (%)
	2011	2015	2015	2011-2015
World	925	917	100	-0.9
China	58	105	11.5	83.2
UK	104	72	7.9	-30.5
Viet Nam	1	63	6.9	5812.7
USA	54	60	6.5	11.4
Hong Kong	53	56	6.1	5.1
Germany	59	55	6.0	-6.3
Netherlands	92	52	5.7	-43.7
Russia	85	48	5.2	-43.9
Canada	39	37	4.1	-3.7
Brazil	48	37	4.0	-22.3

Source: Own calculation and TradeMap, 2016

South Africa's trade in fresh plums and sloes

Figure 5 depicts South Africa's fresh plums and sloes trade (exports, imports & trade balance) between 2011 and 2015. It is evident that South Africa exports more plums and sloes than she imports, therefore a net exporter. However, South Africa's exports and imports of fresh plums and sloes were unstable under the reviewed period. A value of \$80.5 million of fresh plums and sloes was exported in 2015, indicating a 15.1 % decline in export value from the previous year, 2014. Further, it can be observed from **Figure 5** that the import value of fresh plums and sloes was \$212 thousand in 2015. Thus, there was a decrease of 80.8 % in imports between 2014 and 2015.

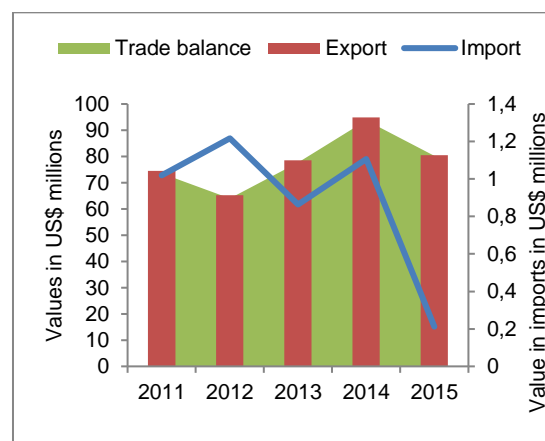


Figure 5: Exports, imports and trade balance

Source: Own calculation, and TradeMap, 2016

Figure 6 shows the top five markets supplying fresh plums and sloes to South Africa between 2011 and 2015. From 2012, Spain was the largest supplier of fresh plums and sloes to South Africa, with a value of \$147 000, and a 69.3 % market share in 2015. South Africa and France's fresh plums and sloes imports had a value of \$40 000 and \$25 000, with 18.9 % and 11.8 % respectively of market share in 2015. It is noteworthy that South Africa was re-importing this product in 2015. It is also to be noted that Botswana supplied fresh plums and sloes valued at only \$1 000 in 2015.

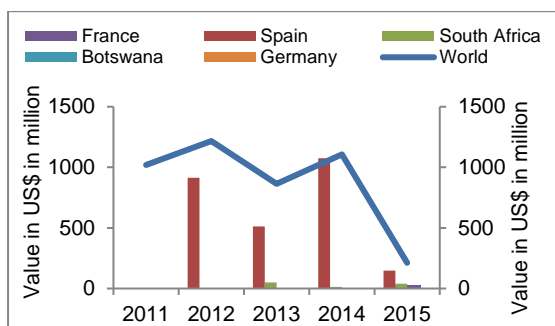


Figure 6: Markets supplying fresh plums and sloes to South Africa

Source: ITC TradeMap, 2016

Figure 7 highlights the main export destinations for South Africa's fresh plum and sloes between 2011 and 2015. About 45.8 % (\$36 million) of South Africa's fresh plums and sloes were exported to the Netherlands in 2015. This amount was followed by the United Arab Emirates and the United Kingdom which constituted the value of \$10.8 million and \$10 million, respectively in 2015.

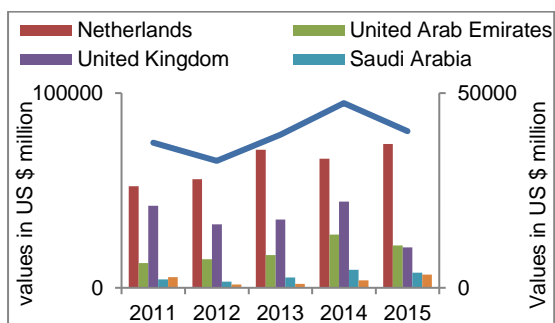


Figure 7: Export destinations (top five) of fresh plums and sloes from South Africa

Source: ITC TradeMap, 2016

Conclusion

South Africa is among the key global players producing and trading in fresh plums and sloes. She is the only African country that exhibits a positive trade balance in these fruits. It is noteworthy that in 2015, South Africa exported about 74.4 % of her plums and sloes produced while the other proportion was used domestically. Chile and Spain are South Africa's main trade competitors in fresh plums and sloes. South Africa's fresh plums and sloes exports are mostly destined for the Netherlands.



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TRADE PROFILE FOR LIVE CATTLE (HS CODE 010229)

by Lucius Phaleng

Introduction

Cattle play a very important role in African farming societies as people's wealth is mostly determined by the size of the herds. In African communities, cattle are assets, food as well as a source of income used to pay for education and health care. Cattle are kept for milk, leather, meat and labour. Cattle also serve as a source of draught power especially for ploughing land. In 2014, South Africa had about 14 million cattle, which had increased as compared to the previous year (2013) from 13.9 million live cattle. Despite the positive trend for the number of cattle in the country between 1993 and 2013, the number of cattle has been unstable during the same period. In this article, the discussion excludes pure-breds meant for breeding purposes.

Global trade in live cattle

Table 5 shows the top ten live cattle exporters globally between 2014 and 2015. Global exports of live cattle declined by 8.8 % between 2014 and 2015. The decline was mainly attributed by the decline of export supply from Canada, Ethiopia, and Brazil (see table 5). France, Canada and Australia the top three exporters of live cattle with a global share of 21.3 % f 20.7 % and 13.9 % respectively. Noteworthy, Ethiopia was the only African country amongst the top ten exporters. Ethiopia is also a home to the largest population of cattle in Africa and the 8th largest in the world. There are 13.7 million cattle in South Africa yet is ranked 42nd on global exports market with a share of 0.2 %.

Table 5: Global leading exporters of live cattle

Exporters	Value in million US dollars		Shares (%)	Growth Value (%)
	2014	2015	2015	2014-2015
World	6904	6294		-8.8
France	1458	1341	21.3	-8.1
Canada	1754	1303	20.7	-25.7
Australia	910	875	13.9	-3.9
Mexico	341	356	5.7	4.4
Netherlands	145	223	3.5	54.0
Spain	146	214	3.4	46.8
Czech	178	184	2.9	3.4
Ethiopia	207	175	2.8	-15.7
Brazil	258	153	2.4	-40.8
Uruguay	122	140	2.2	14.8

Source: Own calculation and trade map, 2016

On the imports side, **Table 6** highlights the leading global importers of live cattle between 2014 and 2015. The USA was ranked as the largest importer of live cattle, constituting approximately 33.1 % share of global imports. The top ten leading importers accounted for 76.3 % share of world imports. Of all the top ten importers listed, Viet Nam, Israel and Turkey showed a positive growth in imports of 8 %, 80.4 % and 346.4 % respectively between 2014 and 2015. There were no African countries amongst the top ten importers of live cattle. South Africa's imports of live cattle were ranked 17th with a share of 1 %.

Table 6: Global leading importers of live cattle

Importers	Value in million US dollars		Shares (%)	Growth Value (%)
	2014	2015		
World	7000	6624		-5.4
USA	2489	2192	33.1	-11.9
Italy	1227	979	14.8	-20.3
Indonesia	675	541	8.2	-19.9
Viet Nam	242	262	4.0	8.0
Lebanon	0	204	3.1	-
Netherlands	225	199	3.0	-11.7
Spain	238	189	2.9	-20.5
Israel	101	183	2.8	80.4
Turkey	37	164	2.5	346.4
Austria	143	140	2.1	-1.9

Source: Own calculation and Trade Map, 2016

South Africa's trade in live cattle

Figure 8 shows the trade (exports, imports and trade balance) trends of South Africa's live cattle over the past four years. In 2015, South Africa's imports and exports were valued at \$65.4 million and \$9.7 million respectively. The figure reveals that South Africa imported more live cattle than she exported, hence she was a net importer of live cattle. South Africa's imports and exports were unstable over the past four years. Both imports and exports reached their highest value during the 2015 period.



Figure 8: Exports, Imports and Trade balance
Source: Own calculation and Trade Map, 2016

Figure 9 shows the leading suppliers of live cattle to South Africa over the past four years. Namibia was the largest supplier of live cattle to South Africa, with a 98.8 % market share in 2015. Over the past four years, almost 100 % of South Africa's live cattle imports were sourced from Namibia. Lesotho and Botswana also came as the biggest origins of live cattle imported by South Africa. It is important to note that South Africa re-imported \$1.2 million and \$1.7 million during 2011 and 2012 respectively.

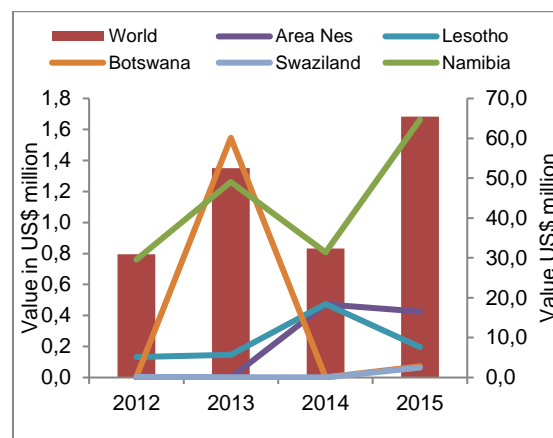


Figure 9: Leading suppliers of live cattle imported by South Africa
Source: ITC Trade Map, 2016

Figure 10 highlights the leading importers of South Africa's live cattle over the past four years. In 2015, South Africa exported live cattle worth \$9.7 million globally, with a significant increase of 105.4 % between 2012 and 2015. South Africa's top ten export markets were dominated by African countries. Zimbabwe is the leading market for South African live cattle exports with a value of \$4.2 million (43 % share). The second largest export market is Zambia, followed by Namibia, with a respective value of \$1.3 million and \$1.2 million worth of live cattle. Namibia and Botswana had a decline in the value of live cattle imports from South Africa during 2015.

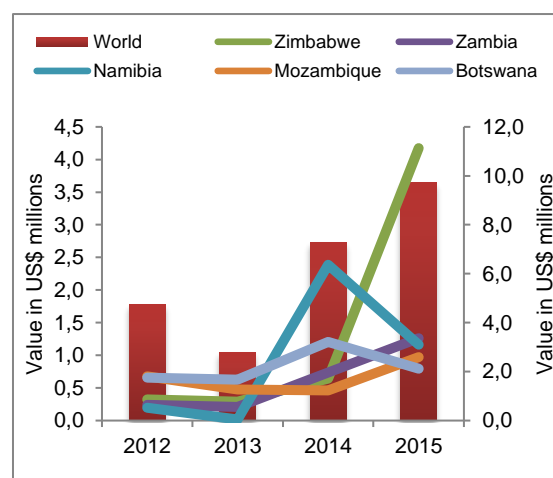


Figure 10: Leading importers (top five) of live cattle exported by South Africa
Source: ITC Trade Map, 2016

Conclusion

South Africa is a net importer of live cattle, sourcing from countries such as Botswana and Namibia, and the country is home to more than 3.1 million head of cattle. Recently, South Africa has imported large numbers of live cattle (100 000–200 000 per year). This might have been triggered by the increased domestic demand and the weaker rand. African countries are the key markets for South Africa's live cattle exports and imports. The decline in Namibia's exports to South Africa in 2014 may have been due to the stringent sanitary and phytosanitary requirements imposed for the importation of live

animals from Namibia. South Africa's trade performance in live cattle exhibits a negative trade balance, thus there is need for policy interventions to boost live cattle exports to international markets.



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MARKET PROFILE OF SOUTH AFRICAN POULTRY MEAT (HS 0207)

by Xolisiwe Potelwa

South Africa's poultry industry is one of the most important sub-sectors in the agricultural sector. It contributes about R46 billion to agricultural gross value production in both poultry meat and eggs (DAFF, 2015). Poultry meat and eggs are regarded as an important source of animal protein that can be substitutable with lamb, beef and fish. However, this sector dominates all the animal products, with the provision of 64.9 % of locally produced protein (SAPA, 2015).

Figure 11 (see appendix A) presents protein consumption in South Africa between 1971 and 2015. The growth in per capita of consumption of chicken meat protein can be seen (increasing since 1994). Prior to 1994, beef was the most consumed source of animal protein until it was overturned by poultry meat in 1995. In the early 2000s per capita consumption for chicken showed a drastic increase, which was mainly attributable to its affordability for poor households, who were only able to purchase poultry meat instead of red meat. SAPA (2015) indicated that the increase in per capita consumption was also attributable to producer prices of poultry meat being cheaper than those of other meat products.

With the notable increase of demand per capita for poultry, local consumption has been exceeding local production (**Figure 12 see appendix A**). In 2015, consumption and production amounted to a total of 2.1 million tons and 1.7 million tons respectively. Because the country does not meet the local consumption demand, South Africa imports poultry meat to supplement what is produced locally. The poultry industry has been faced with a number of challenges recently. This includes the weakening of the rand, the drought-stricken maize harvest, insufficient soybean production and local inflationary pressures as well as the dumping of cheap imports

by countries that currently subsidise their local production of poultry meat.

The dumping of chicken in the country has brought pressure on local producers in terms of production, although the consumers benefit from the lower price of imported poultry meat. Regardless of the challenges that the poultry meat industry is currently facing, the industry has welcomed lower cost of inputs which have minimised the cost of production. Despite its importance, and the opportunities and challenges that the poultry industry is currently facing, the aim of this article is to profile South Africa's poultry meat terms of trade and its opportunities and challenges in the world market.

South Africa poultry trade performance

Poultry currently makes up the largest portion of the meat South Africa exports into the global market. In 2015, poultry meat commanded a share of 59.1 %, followed by beef and pork, with shares of 25 % and 7 % respectively. It has been observed that exports of poultry meat have not been stable, following the trend of total meat exported into the world market over the reviewed period (**Figure 13**).

After the global financial crisis, poultry meat exports showed an increasing trend. Between 2010 and 2012 the growth of poultry meat exports showed stability, until a significant decline of 7 % between 2012 and 2013 that was attributed to SPS issues that the country faced in the international markets. Between 2014 and 2015, South Africa's poultry meat exports showed a positive increase, which also corresponded with the increasing supply of poultry meat production.

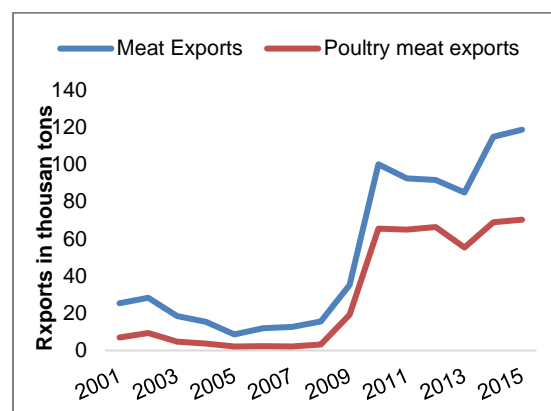


Figure 13: Poultry meat exports
Source: ITC TradeMap, 2016

With the difficulties in accessing big players in the world market due to issues of SPS, South Africa exports the bulk of her poultry meat to SADC countries. Lesotho was the largest destination market for South Africa's poultry meat, with a total of 21 220 tons in 2015. Mozambique was the second largest market with a share of 25 %, followed by Namibia and Zimbabwe, with shares of 20 % and 10 % respectively (**Figure 14**).

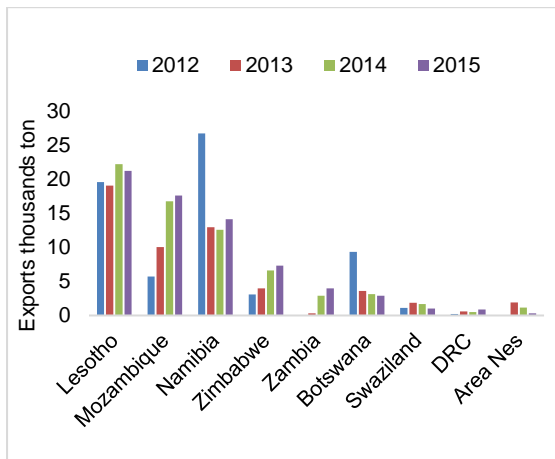


Figure 14: Main destination markets for South Africa's poultry meat

Source: ITC TradeMap, 2016

Figure 15 shows poultry meat imports between 2001 and 2015. TradeMap (2015) reported that poultry was the largest imported meat product meat in South Africa during 2015. Poultry meat held a share of 79.7 % with a decline of 7 % from the previous year in terms of imports into the country. It is notable that growth of imports has been declining since 2012 except for an increase in 2014. This is a representation that SAPA has been trying their best to make sure that producers are protected from the injury of cheap imports.

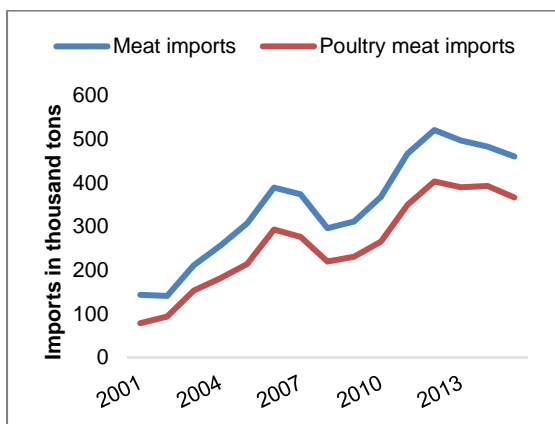


Figure 15: Poultry meat imports, 2001–2015

Source: TradeMap

South Africa's producers are faced with international competition that currently supplies the local market (**Figure 16**). These suppliers include Brazil (47.9 %), the Netherlands (10.3 %) and Belgium (7.5 %). It has been reported that the main suppliers of South Africa's poultry are subsidising their production of poultry meat (SAPA, 2015) This makes it difficult for local producers to adjust to the high cost of production and relatively cheap import prices.

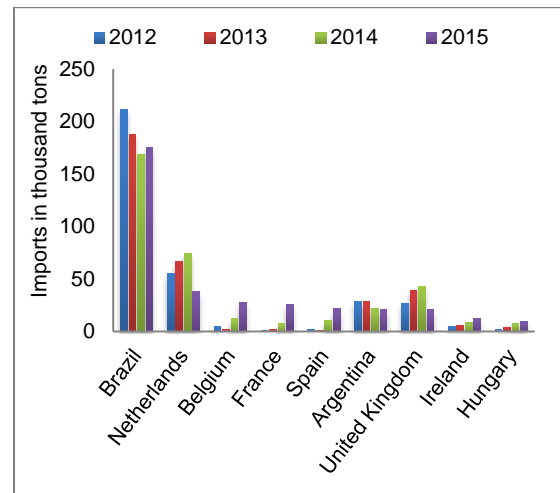


Figure 16: South Africa's main suppliers of poultry meat

Source: TradeMap

The poultry meat industry plays an important role not only in terms of livestock but in the agricultural sector as a whole. Following the highlighted challenges affecting the industry, the subsequent sub-section provides a summary of a SWOT (strength, weakness, opportunities and threats) analysis of the poultry meat industry (see **Figure 17**).

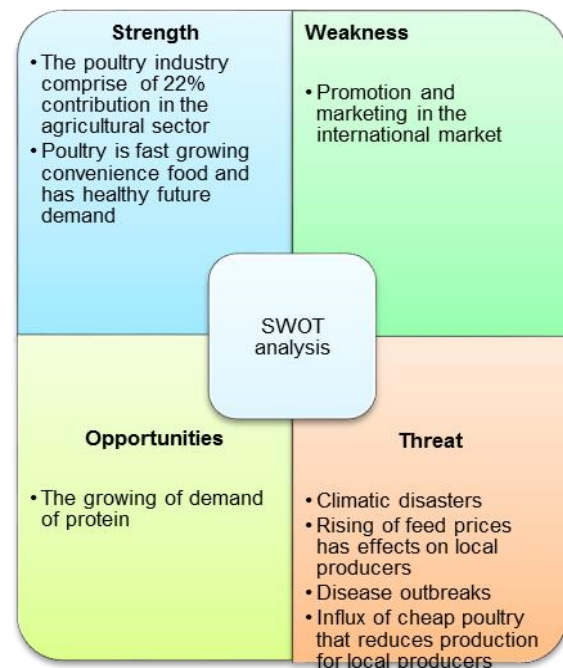


Figure 17: SWOT analysis

Adopted from KPMG, 2012 and SAPA (2015)

Conclusion

The poultry industry shows positive growth in the consumption of poultry meat as a source of protein. This presents an opportunity for the industry to produce more so as to bridge the local demand-production gap. Importation of poultry meat is controversial as it puts a strain on local producers to adjust due to the cheap imports. In recommendation, there is need for government interventions to come up with a sustainable framework to combat cheap

imports while safeguarding the domestic industry to increase the production of poultry.



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REGIONAL INTEGRATION AS SEEN THROUGH INTRA-AFRICAN TRADE

by Bonani Nyhodo

Introduction

There are many ways of looking at the success or otherwise of regional integration. This article looks at intra-African trade as a potential tool to broadly look at regional integration (assuming that the more the region trades with itself the more it is integrated, or the opposite). To look at intra-African trade, this article uses Africa's total trade with the rest of the world and with itself as a proportion of the total. Three agricultural products were analysed – maize, potatoes and apples (including pears and quinces).

Background information

There is a lot of literature on regional integration, with institutions such as the Trade Law Centre of Southern Africa (Tralac) having published a series of books on this matter (available online at www.tralac.org). This literature on regional integration agree that more and deeper collaborations (more products traded in higher proportion of total trade) by countries in a region are beneficial.

The concept of Africa rising has been accepted in the academic world justified on the basis of the dominance of African countries in the list of the world's fastest growing economies, in spite of the reality that some come from a very slow base.

The failure of a visibly integrated Africa is ascribed to a number of challenges such as political instability, differences between cultures, lack infrastructure connectivity, and poor economic growth and level of development. These combined make the realisation of increased cooperation and trade between countries of the South (South-South cooperation), and especially countries of Africa, more difficult.

Africa's cooperation, if it were to be judged by the number of regional formations, would appear to be among the best in the world. But the many formations on the continent are even argued to be the reason for the slow pace of Africa's integration (the spaghetti bowl problem). On a political level, it can be argued that a lot has been achieved in the past two decades,

with the consolidation of the African Union (AU) in the world geopolitical environment, and the formation of the African peer review mechanism (APRM). This article looks at the movement of goods across borders on the continent of Africa based on data from TradeMap.

This article is aimed at providing a clue as to whether or not there is an increase in intra-African trade. However, the trend will not be provided except in few instances. The aim is to stimulate engagements on Africa doing business with itself.

Total merchandise trade – Africa and the world with itself

It needs to be outlined from the onset that Africa's trade with World Trade Organisation (WTO) member countries is used as a proxy for Africa's trade with the rest of the world. **Figure 18** presents Africa's exports to the world as well as at intra-African trade. The first observation is that intra-African trade is minimal and, as the graph shows, Africa's total exports to the world were \$639 billion while reported total imports by the world from Africa were \$587 billion. It needs to be noted that from 2012 Africa's trade with the world declined in value terms to the low of \$371 billion (exports) by 2015.

With the decline in the value of trade with the world there is no indication of increased intra-African trade. Africa's trade with itself has been around \$79 billion (imports) and \$95 billion (exports) in 2011 to lower figures of about \$68 billion for both in 2015. One of the weaknesses of this analysis is that only the value of trade was looked at, not the volumes, as the decline may not necessarily be associated with a decline in volumes and could possibly be aligned to the continued fall of mineral prices.

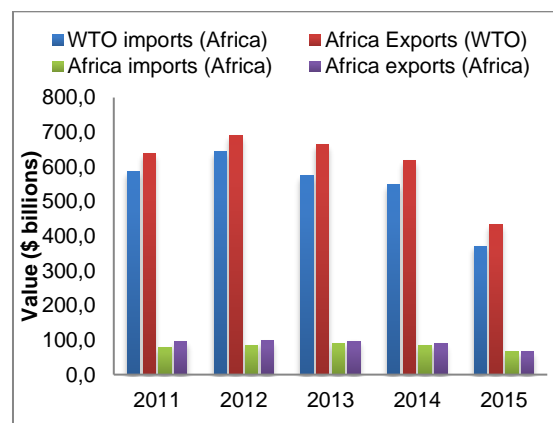


Figure 18: Africa's trade to the world and to itself (exports and imports), expressed in value terms \$ billions.

Source: TradeMap (2016)

Selected agriculture – Africa and the world and with itself

In this article three agricultural products (maize, potatoes, and apples) were identified and an analysis on them was done regarding their level of intra-African trade. These products were chosen out of interest.

Maize

Agricultural literature acknowledges maize to be the continent's staple food product. In 2011, the total

value of reported exports of maize by Africa was \$468 million compared to \$1.3 billion reported imports. Of the reported exports and imports in 2011 about 39 % and 38 % constituted intra-African trade as they originated from within the continent. As presented in **Figure 19** it can be seen that the share of total trade in maize originating from Africa has increased. It can be argued that Africa has a high level intra-African trade (a good picture considering the importance of this product).

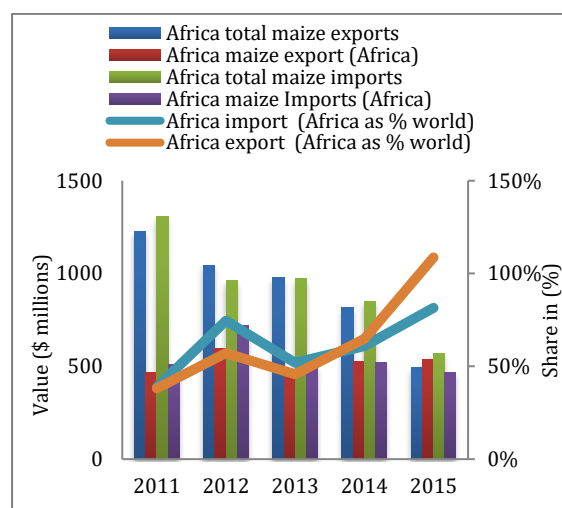


Figure 19: African maize trade, 2011–2015
Source: ITC TradeMap, 2016

The top five countries that recorded the highest value of maize imports from other African (in 2015) countries were Zimbabwe, Kenya, Namibia, and Botswana, accounting for 35 %, 12 %, 12, 9 % and 6 % of intra-African imports respectively. The sources of these maize imports are reported to have been South Africa, Botswana, Namibia, and Zambia, accounting for 20 %, 7 %, 7 %, and 6 % respectively.

Potatoes

Africa's total exports of potatoes between 2013 and 2015 varied. In 2013, exports increased to \$ 400 million from just over \$ 300 million. During the same period Africa, total imports declined from about \$ 400 million to about \$ 350 million in 2015. Intra-African trade in potatoes show a steady picture: total exports amounted to \$ 91 million in 2013, increased to \$ 105 million in 2014 and fell back to about \$ 93 million in 2015.

Reported exports followed the same trend even though slightly smaller than export (trade reconciliation does acknowledge the existence of this gap). It is clear, however, that Africa's trade with itself in potatoes as a share of total trade in this product is increasing, which is encouraging.

Even though not implicitly expressed in the values shown in **Figure 20**, Africa's imports of potatoes are mostly dominated by seed potatoes.

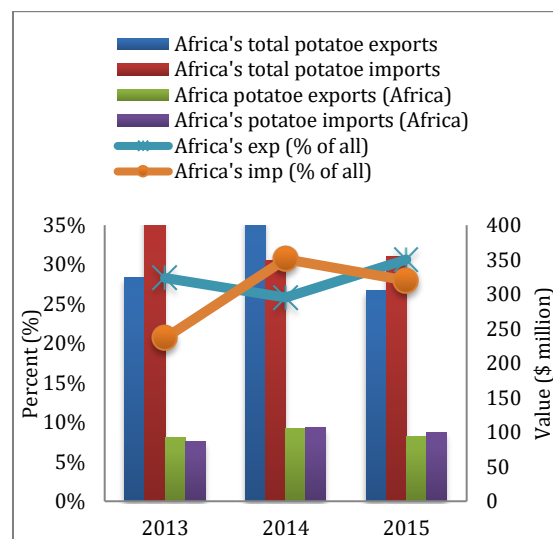


Figure 20: African potato trade, 2013–2015
Source: ITC TradeMap, 2016

Figure 20 presents a picture of the proportion of destinations of reported exports of potatoes within Africa. From the figure, there are three important points to outline. South Africa's share of intra-African potato exports declined from about 70 % in 2011 to about 40 % in 2015. By contrast, Ethiopia's share of intra-African potato exports increased from around 20 % in 2011 to over 40 % (over-taking South Africa). The increase of Tanzania's share of exports from less than 5 % to about 16 % in 2015 is very interesting.

Apples, pears and quinces (broadly referred to as apples)

Figure 21 presents Africa's exports and imports of this product, with the world and itself for the period from 2013 to 2015. The values of trade are expressed in \$ millions while the shares are expressed as percentages. Africa's total exports of apples to the world declined in value terms from \$ 637 million in 2013 to \$ 482 million in 2015. This is associated with an increase in Africa's imports of apples from the rest of the world from \$ 470 million in 2013 to \$ 738 in 2015.

Looking at this in terms of shares, Africa's share of trade in exports increased from 23 % in 2013 to 36 % in 2015. Meanwhile, on the import side there was a decline in share from 38 % in 2013 to 23 % in 2015.

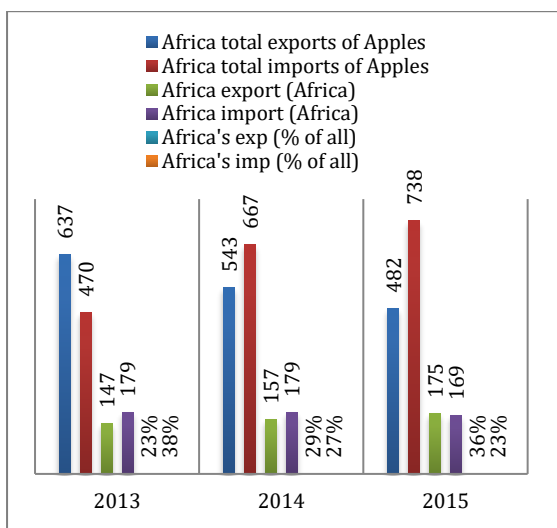


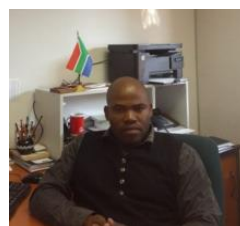
Figure 21: African apple trade, 2013–2015
Source: ITC TradeMap, 2016

Almost all apples, pears and quinces traded within Africa originate from South Africa. In 2011 South Africa accounted for 96 % of exports and that increased to about 98 % in 2015. The share of Tunisia was at its highest in 2013, accounting for 3.4 % of Africa's internal trade in this product, and that then declined to about 1.4 %. Other exporters of this product, such as Morocco and Egypt and Togo, account for less than 1 %.

Over the past four years Nigeria's imports of apples increased from less than 2 % (share of intra-African trade) in 2011 to over 42 % (share of intra-African trade) in 2015. During this period the share imports reported in Angola declined from about 12 % in 2011 to just over 5 % in 2015. Meanwhile, the share of Kenya, Botswana and Senegal has not changed drastically in the past four years.

Concluding remarks

Intra-African trade remains very small as a proportion of Africa's total trade with the rest of the world (around 16 %). Maize presents a typical example of a product that is traded well within the continent, Potatoes are also traded within the continent, with intra-African trade accounting for over 25 %, while apples show low levels of intra-African trade (with an emerging positive trend).



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Appendices

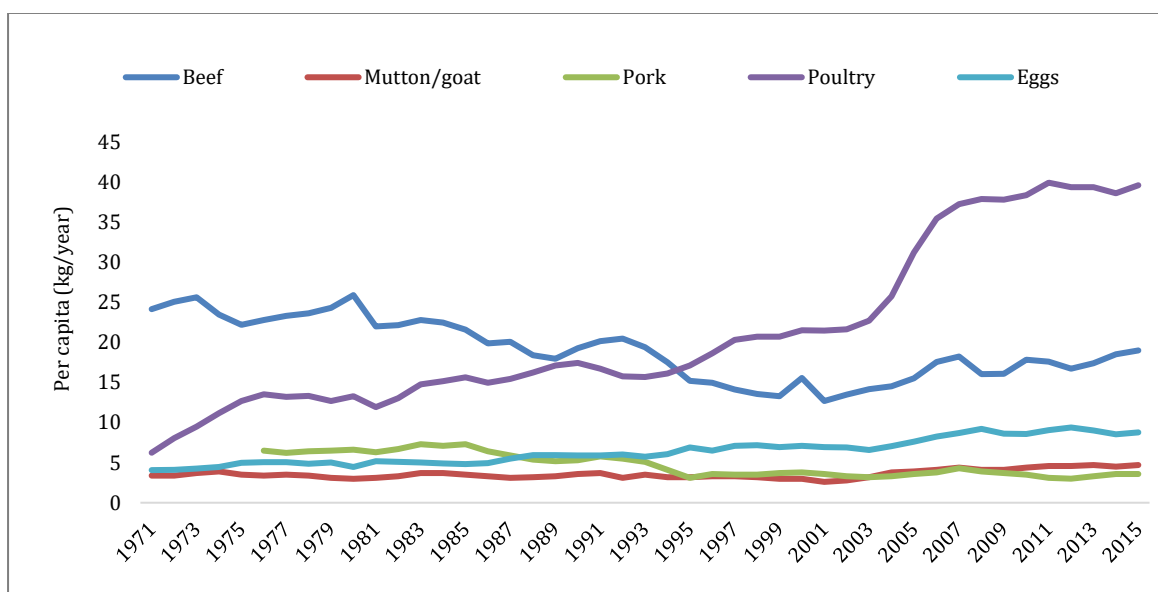


Figure 11: Protein consumption per capita between 1971 and 2015

Source: DAFF, 2016

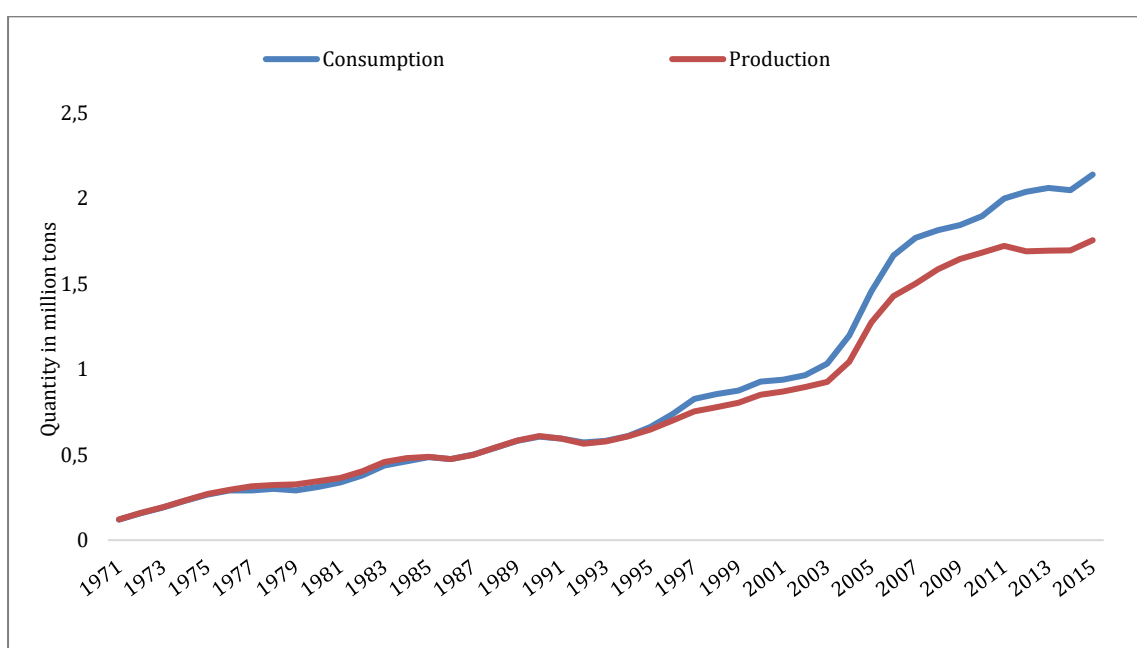


Figure 12: Production and consumption of poultry meat between 1971 and 2015

Source: DAFF, 2016

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