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An Analysis of Intra-SADC Trade

The SADC Free Trade Agreement (FTA) came into effect recently. Periodic examination of intra-SADC trade flows is an important element of monitoring the impact of the FTA. Ximena Gonzalez-Nunez reports.

Introduction

Using World Trade Analyser¹ data, the export structure of intra-SADC trade is analysed over the period 1995-99². We examine three angles: total intra-SADC exports; total non-SACU intra-SADC exports; and total SACU intra-SADC exports. These three angles were examined on both a country and a commodity basis to determine in each case which country and commodity were contributing the most to intra-SADC exports. Unfortunately data for individual SACU countries was not available from the database used, and so the analysis uses total SACU figures, which are quoted in the database as South African figures because South Africa accounts for a large proportion of SACU trade.

Total Trade by Country

Table 1: Total Intra-SADC Exports (by country)

1995	Intra-SADC exports (Value in US\$)	As a proportion of total intra-SADC exports	As a proportion of total country exports	1999	Intra-SADC exports (Value in US\$)	As a proportion of total intra-SADC exports	As a proportion of total country exports
South Africa	2 922 100	76%	11%	South Africa	2 825 344	78%	12%
Zimbabwe	589 865	15%	32%	Zimbabwe	542 060	15%	28%
DRC	101 306	3%	6%	Malawi	85 004	2%	17%
Malawi	74 012	2%	17%	Zambia	71 071	2%	8%
Mozambique	52 105	1%	32%	Tanzania	48 061	1%	7%
Zambia	48 323	1%	4%	Angola	32 020	1%	1%
Mauritius	21 061	1%	1%	Mauritius	23 478	1%	1%
Tanzania	10 120	0%	1%	DRC	3 505	0%	0%
Angola	978	0%	0%	Seychelles	1 869	0%	1%
Seychelles	703	0%	1%	Mozambique	0	0%	0%
Total	3 820 573			Total	3 632 412		

Reviewing total intra-SADC exports on a per country basis in Table 1, it is not surprising that SACU accounted for almost 80 percent of total intra-SADC trade over the period under consideration, with Zimbabwe accounting for the majority of the remaining 20 percent. Whilst this situation was true throughout the period, certain of the remaining SADC members recorded small, but favourable increases in their volumes of intra-SADC exports. Angola and Tanzania are pertinent examples thereof. It is however

important to note that over the period 1995-99 total intra-SADC exports has declined (in nominal terms).

In comparing the proportions of intra-SADC exports to total exports for 1995 to those for 1999, some interesting results emerge. Specifically, Angola and Tanzania's exports to the region have increased and have contributed more to the total value of its exports.

In terms of intra-SADC exports to non-SACU SADC, depicted in Table 3, SACU again dominated with proportion even higher than those recorded for total intra-SADC trade. Zimbabwe again accounts for the majority of the remaining exports to non-SACU SADC. The analysis reveals that Tanzania has shown a healthy increase in exports over the period, and Angola, DRC, Mauritius and Seychelles have also recorded increases in their non-SACU SADC exports. As a proportion of total non-SACU SADC exports, Mauritius records the highest figure in the 5-country grouping.

Looking at intra-SADC exports to non-SACU SADC as a proportion of total country exports, it is apparent that in general non-SACU intra-SADC exports account for only a small amount of the value of total country exports. In the case of Tanzania, however, this seems to be changing with the proportion having increased from 1995 to 1999. Mauritius and Seychelles show little variation.

Table 2: Total Intra-SADC Exports to Non-SACU SADC (by country)

1995	Intra-SADC exports (Value in US\$)	As a proportion of total intra-SADC exports to non-SACU SADC	As a proportion of total country exports	1999	Intra-SADC exports (Value in US\$)	As a proportion of total intra-SADC exports to non-SACU SADC	As a proportion of total country exports
South Africa	2 922 100	90%	11%	South Africa	2 825 344	89%	12%
Zimbabwe	240 911	7%	13%	Zimbabwe	236 450	7%	12%
Malawi	28 218	1%	7%	Tanzania	35 713	1%	5%
Zambia	22 123	1%	2%	Zambia	35 654	1%	4%
Mauritius	14 713	0%	1%	Mauritius	15 368	0%	1%
Mozambique	10 828	0%	7%	Malawi	9 942	0%	2%
Tanzania	5 568	0%	1%	DRC	996	0%	0%
DRC	605	0%	0%	Seychelles	382	0%	0%
Seychelles	278	0%	1%	Angola	12	0%	0%
Angola	0	0%	0%	Mozambique	0	0%	0%
Total	3 245 344			Total	3 159 861		

¹ Access to this database is available on request from the TIPS website at <http://www.tips.org.za>. For a more in-depth explanation of the database methodology refer to the appendix.

² Although the analysis is for the entire period, actual data presented is only for 1995 and 1999, which enables only a basic comparison of these two years (as data is only in nominal terms and fluctuations in exchange rates seem to play an important role in the region), with some pertinent results from other years brought in.

Table 3: Total Intra-SADC Exports to SACU (by country)

1995	Intra-SADC exports (Value in US\$)	As a proportion of total intra-SADC exports to SACU SADC	As a proportion of total country exports	1999	Intra-SADC exports (Value in US\$)	As a proportion of total intra-SADC exports to SACU SADC	As a proportion of total country exports
Zimbabwe	348 954	61%	19%	Zimbabwe	305 610	65%	16%
DRC	100 701	18%	6%	Malawi	75 062	16%	15%
Malawi	45 794	8%	11%	Zambia	35 417	7%	4%
Mozambique	41 277	7%	25%	Angola	32 008	7%	1%
Zambia	26 200	5%	2%	Tanzania	12 348	3%	2%
Mauritius	6 348	1%	0%	Mauritius	8 110	2%	0%
Tanzania	4 552	1%	1%	DRC	2 509	1%	0%
Angola	978	0%	0%	Seychelles	1 487	0%	1%
Seychelles	425	0%	1%	Mozambique	0	0%	0%
Total	575 229			Total	472 551		

With regards to intra-SADC exports to SACU the export structure seems less concentrated. Although Zimbabwe does account for the majority of exports, other non-SACU SADC members, such as Angola and Tanzania, do contribute a reasonable proportion of total intra-SADC exports to SACU. The value of total intra-SADC exports to SACU has declined over the period, with the DRC seeming to account for most of this decline. The value of Angola's exports to SACU SADC has increased over 1995-1999, and so too, but to a lesser extent, has that of Tanzania, Mauritius and the Seychelles.

Focussing on SACU-SADC intra-SADC exports as a proportion of total country exports, it again becomes apparent that intra-SADC exports account for only a small amount of the total value of most SADC countries' exports. SACU exports seem to be most important to Zimbabwe and Malawi, and are increasing in importance for a number of other SADC members, including Tanzania and Angola.

Trade by Commodity

Examining intra-SADC exports with a specific focus on the types of commodities exported it becomes apparent that in terms of total intra-SADC exports, a number of manufactures account for a large proportion of total exports. This is depicted in Table 4. Road vehicle exports make the greatest contribution to the value of total intra-SADC exports and are also the greatest export earner for trade to non-SACU SADC (not shown here). In terms of exports to SACU, intra-SADC trade seems to be dominated by SITC06 (Sugar, sugar preparations and honey), SITC25 (Pulp and waste paper) and SITC68 (Non-ferrous metals) as can be seen in Table 5.

From the above analysis it is apparent that SADC is still generally characterised by low-value added exports with little diversification. It is, however, the high value-added exports, which are recording more rapid growth rates globally. In certain cases SADC countries are reacting positively to this rising demand. Mauritius, for example, exhibits healthy growth rates of its exports of a number of commodities that are growing most rapidly globally. SADC, however, still accounts for only a small proportion of total world trade as is attested by the low shares in world exports recorded by the SADC countries under analysis.

The total value of intra-SADC exports is also small, and relatively concentrated, with twenty commodities accounting for about 70% of the value of total exports. These commodities are also of a higher value-added nature, but because South Africa seems to dominate intra-SADC trade, it is difficult to assess whether individual SADC country exports to the SADC are becoming more diversified without a more in-depth analysis.

Bibliographical Note

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Table 4: Total Intra-SADC Exports (by commodity, US\$ current prices)

	1995	%	cumm %	1996	%	cumm %	1997
1 67 - Iron and steel	355,894	9.30%	9.30%	346,214	8.60%	8.60%	78 - Road vehicles (incl. air cushion vehicles)
2 33 - Petroleum, petroleum products and related materials	325,980	8.50%	17.80%	286,468	7.10%	15.70%	67 - Iron and steel
3 78 - Road vehicles (incl. air cushion vehicles)	251,132	6.60%	24.40%	198,306	4.90%	20.60%	74 - General industrial machinery & equipment, and parts
4 04 - Cereals and cereal preparations	201,526	5.30%	29.70%	193,424	4.80%	25.40%	72 - Machinery specialized for particular industries
5 74 - General industrial machinery & equipment, and parts	178,433	4.70%	34.40%	177,084	4.40%	29.80%	66 - Non-metallic mineral manufactures, n.e.s.
6 72 - Machinery specialized for particular industries	165,408	4.30%	38.70%	166,629	4.10%	33.90%	69 - Manufactures of metal, n.e.s.
7 69 - Manufactures of metal, n.e.s.	147,323	3.90%	42.30%	162,443	4.00%	38.00%	12 - Tobacco and tobacco manufactures
8 66 - Non-metallic mineral manufactures, n.e.s.	143,978	3.80%	46.30%	143,504	3.60%	41.50%	77 - Electrical machinery apparatus & appliances n.e.s.
9 77 - Electrical machinery apparatus & appliances n.e.s.	103,544	2.70%	49.00%	137,742	3.40%	44.90%	65 - Textile yarn, fabrics, made-up, related products
10 59 - Chemical materials and products, n.e.s.	99,908	2.60%	51.60%	124,604	3.10%	48.00%	64 - Paper, paperboard, art. of paper, paper-pulp/board
11 65 - Textile yarn, fabrics, made-up, related products	96,259	2.50%	54.20%	116,288	2.90%	50.90%	59 - Chemical materials and products, n.e.s.
12 64 - Paper, paperboard, art. of paper, paper-pulp/board	95,860	2.50%	56.70%	111,863	2.80%	53.70%	04 - Cereals and cereal preparations
13 89 - Miscellaneous manufactured articles, n.e.s.	85,405	2.20%	58.90%	111,178	2.80%	56.40%	89 - Miscellaneous manufactured articles, n.e.s.
14 12 - Tobacco and tobacco manufactures	78,517	2.10%	61.00%	104,297	2.60%	59.00%	55 - Essential oils & perfume mat., toilet-cleansing mat
15 55 - Essential oils & perfume mat., toilet-cleansing mat	72,846	1.90%	62.90%	98,911	2.50%	61.50%	06 - Sugar, sugar preparations and honey
16 11 - Beverages	70,987	1.90%	64.70%	96,055	2.40%	63.90%	84 - Articles of apparel and clothing accessories
17 28 - Metalliferous ores and metal scrap	70,228	1.80%	66.60%	93,425	2.30%	66.20%	06 - Sugar, sugar preparations and honey
18 58 - Artif. resins, plastic mat., cellulose esters/ethers	67,900	1.80%	68.30%	88,644	2.20%	68.40%	56 - Fertilizers, manufactured
19 06 - Sugar, sugar preparations and honey	65,127	1.70%	70.00%	88,439	2.20%	70.60%	26 - Textile fibres (except wool tops) and their wastes
20 56 - Fertilizers, manufactured	58,118	1.50%	71.60%	73,770	1.80%	72.40%	58 - Artif. resins, plastic mat., cellulose esters/ethers
	1998	%	cumm %	1999	%	cumm %	05 - Vegetables and fruit
1 78 - Road vehicles (incl. air cushion vehicles)	247,992	7.80%	7.80%	262,379	7.20%	7.20%	
2 04 - Cereals and cereal preparations	217,188	6.80%	14.60%	225,688	6.20%	13.40%	
3 67 - Iron and steel	174,422	5.50%	20.00%	203,974	5.60%	19.10%	
4 74 - General industrial machinery & equipment, and parts	172,586	5.40%	25.40%	183,804	5.10%	24.10%	
5 72 - Machinery specialized for particular industries	169,511	5.30%	30.70%	182,633	5.00%	29.10%	
6 69 - Manufactures of metal, n.e.s.	121,240	3.80%	34.50%	155,544	4.30%	33.40%	
7 59 - Chemical materials and products, n.e.s.	107,978	3.40%	37.90%	153,621	4.20%	37.70%	
8 76 - Telecommunications & sound recording apparatus	102,241	3.20%	41.10%	118,715	3.30%	40.90%	
9 64 - Paper, paperboard, art. of paper, paper-pulp/board	97,802	3.10%	44.20%	114,550	3.20%	44.10%	
10 77 - Electrical machinery apparatus & appliances n.e.s.	90,772	2.80%	47.00%	107,424	3.00%	47.00%	
11 89 - Miscellaneous manufactured articles, n.e.s.	90,197	2.80%	49.80%	105,511	2.90%	49.90%	
12 65 - Textile yarn, fabrics, made-up, related products	75,607	2.40%	52.20%	96,961	2.70%	52.60%	
13 55 - Essential oils & perfume mat., toilet-cleansing mat	74,713	2.30%	54.50%	96,833	2.70%	55.30%	
14 06 - Sugar, sugar preparations and honey	73,853	2.30%	56.90%	96,632	2.70%	57.90%	
15 56 - Fertilizers, manufactured	71,288	2.20%	59.10%	85,669	2.40%	60.30%	
16 12 - Tobacco and tobacco manufactures	69,974	2.20%	61.30%	84,427	2.30%	62.60%	
17 58 - Artif. resins, plastic mat., cellulose esters/ethers	67,662	2.10%	63.40%	76,517	2.10%	64.70%	
18 84 - Articles of apparel and clothing accessories	66,568	2.10%	65.50%	69,762	1.90%	66.60%	
19 26 - Textile fibres (except wool tops) and their wastes	66,289	2.10%	67.60%	68,436	1.90%	68.50%	
20 66 - Non-metallic mineral manufactures, n.e.s.	60,188	1.90%	69.40%	62,346	1.70%	70.20%	

Source: UN ComTrade as reported by Stats Canada's World Trade Analyser system. Note: The table reveals the top 20 (by value) intra-SADC exports by commodity for the period 1995-99, for each of the three scenarios. For each commodity in the top 20, the data recorded includes the value in US\$ of total exports of that commodity, as well as the proportion of total exports of this value and the cumulative proportions.

Table 5: Total Intra-SADC Exports to SACU SADC (by commodity)

	1995	%	cumm %	1996	%	cumm %	1997	%
1 66 - Non-metallic mineral manufactures,n.e.s.	90,290	15.70%	15.70%	110,997	19.00%	19.00%	94,079	16.70%
2 12 - Tobacco and tobacco manufactures	41,707	7.30%	22.90%	38,829	6.60%	25.70%	43,780	7.80%
3 69 - Manufactures of metal,n.e.s.	40,287	7.00%	30.00%	38,689	6.60%	32.30%	42,982	7.60%
4 26 - Textile fibres (except wool tops) and their wastes	28,158	4.90%	34.80%	33,047	5.70%	37.90%	40,072	7.10%
5 65 - Textile yarn,fabrics,made-upart.,related products	27,774	4.80%	39.70%	27,234	4.70%	42.60%	35,046	6.20%
6 24 - Cork and wood	26,148	4.50%	44.20%	22,634	3.90%	46.50%	24,243	4.30%
7 28 - Metalliferous ores and metal scrap	25,003	4.30%	48.60%	21,736	3.70%	50.20%	23,978	4.30%
8 84 - Articles of apparel and clothing accessories	22,576	3.90%	52.50%	21,325	3.70%	53.80%	20,730	3.70%
9 27 - Crude fertilizers and crude materials (excl.coal)	16,726	2.90%	55.40%	19,572	3.40%	57.20%	20,152	3.60%
10 67 - Iron and steel	15,493	2.70%	58.10%	16,116	2.80%	60.00%	19,838	3.50%
11 07 - Coffee,tea,cocoa,spices,manufactures thereof	15,035	2.60%	60.70%	15,880	2.70%	62.70%	16,496	2.90%
12 06 - Sugar preparations and honey	14,624	2.50%	63.20%	15,541	2.70%	65.30%	14,543	2.60%
13 82 - Furniture and parts thereof	14,480	2.50%	65.80%	14,391	2.50%	67.80%	11,758	2.10%
14 04 - Cereals and cereal preparations	14,255	2.50%	68.20%	14,290	2.40%	70.20%	10,900	1.90%
15 85 - Footwear	12,666	2.20%	70.40%	14,064	2.40%	72.70%	10,169	1.80%
16 08 - Feeding stuff for animals,not incl.unmil.cereals	12,177	2.10%	72.60%	13,713	2.30%	75.00%	10,124	1.80%
17 03 - Fish,crustaceans,molluscs,preparations thereof	11,518	2.00%	74.60%	12,436	2.10%	77.10%	9,811	1.70%
18 68 - Non-ferrous metals	9,914	1.70%	76.30%	11,507	2.00%	79.10%	7,769	1.40%
19 63 - Cork and wood manufactures (excl.furniture)	9,377	1.60%	77.90%	8,677	1.50%	80.60%	7,516	1.30%
20 77 - Electrical machinery,apparatus & appliances n.e.s.	9,201	1.60%	79.50%	7,713	1.30%	81.90%	6,773	1.20%
	1998	%	cumm %	1999	%	cumm %		
1 26 - Textile fibres (except wool tops) and their wastes	57,314	15.90%	15.90%	50,115	10.60%	10.60%		
2 84 - Articles of apparel and clothing accessories	47,084	13.00%	28.90%	46,584	9.90%	20.50%		
3 12 - Tobacco and tobacco manufactures	22,681	6.30%	35.20%	33,782	7.10%	27.60%		
4 65 - Textile yarn,fabrics,made-upart.,related products	22,267	6.20%	41.30%	32,938	7.00%	34.60%		
5 32 - Coal,coke and briquettes	16,189	4.50%	45.80%	31,990	6.80%	41.40%		
6 28 - Metalliferous ores and metal scrap	13,360	3.70%	49.50%	22,207	4.70%	46.10%		
7 74 - General industrial machinery & equipment,and parts	13,217	3.70%	53.10%	21,272	4.50%	50.60%		
8 22 - Oil seeds and oleaginous fruit	12,899	3.60%	56.70%	19,998	4.20%	54.80%		
9 08 - Feeding stuff for animals,not incl.unmil.cereals	12,726	3.50%	60.20%	19,749	4.20%	59.00%		
10 68 - Non-ferrous metals	12,351	3.40%	63.70%	16,392	3.50%	62.40%		
11 07 - Coffee,tea,cocoa,spices,manufactures thereof	12,142	3.40%	67.00%	16,207	3.40%	65.90%		
12 72 - Machinery specialized for particular industries	10,481	2.90%	69.90%	13,775	2.90%	68.80%		
13 24 - Cork and wood	9,977	2.80%	72.70%	11,820	2.50%	71.30%		
14 69 - Manufactures of metal,n.e.s.	8,983	2.50%	75.20%	10,615	2.20%	73.50%		
15 27 - Crude fertilizers and crude materials (excl.coal)	6,932	1.90%	77.10%	9,990	2.10%	75.60%		
16 87 - Professional,scientific & controlling instruments	5,954	1.60%	78.70%	9,764	2.10%	77.40%		
17 82 - Furniture and parts thereof	5,330	1.50%	80.20%	8,101	1.70%	79.40%		
18 05 - Vegetables and fruit	5,186	1.40%	81.60%	6,891	1.50%	80.90%		
19 67 - Iron and steel	5,084	1.40%	83.00%	6,057	1.30%	82.20%		
20 77 - Electrical machinery,apparatus & appliances n.e.s.	4,447	1.20%	84.30%	5,880	1.20%	83.40%		

Source: UN ComTrade as reported by Stats Canada's World Trade Analyser system. Note: The table reveals the top 20 (by value) intra-SADC exports by commodity for the period 1995-99, for each of the three scenarios. For each commodity in the top 20, the data recorded includes the