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SADC Trade: Challenges and Opportunities to the Regional Countries

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LIST OF ABBREVIATIONS

GDP	Gross Domestic Product
NEPAD	New Partnership for African Development
RCA	Revealed Comparative Advantage
SACU	South African Customs Union
SADC	Southern African Development Community
SITC	Standard International Trade Classification

ABSTRACT

Intra-SADC trade remains very low despite the shift in the focus of the regional body from being driven mainly by political objectives to a position where economic imperatives are accorded greater weight. By calculating the revealed comparative advantage indices for the regional countries, results from this paper suggest that relative competitiveness, to a larger extent, explains the pattern of trade within the region. The revealed structure of trade also shows that for the majority of the countries in the region, there is limited scope to move into the production of high value-added products by way of vertically diversifying their exports. Export supply capacities constraints are a major limiting factor for the smaller countries to exploit possible niche markets. The very fact that pockets of opportunities cannot be taken advantage of, due to supply constraints, the capacity of the smaller regional countries to generate foreign currency required to increase trade is also limited. Therefore increasing intra-SADC trade requires more than just eliminating trade barriers but also an improvement in the investment climate that will in turn boost production activities. However, greater efforts at liberalisation and the harmonisation of trade policies may result in a more efficient allocation of investment and better prospects for increased trade.

EXECUTIVE SUMMARY

The Windhoek Treaty of 1992 established the Southern African Development Community (SADC) that identified itself with economic as opposed to the political objectives of its predecessor. This paper starts by asking a simple two-part question: what determines the structure of exports in the region and what is the potential of increasing intra-SADC trade? It has been established in the existing literature that there is no single satisfactory measure that can be used to answer this question. The revealed comparative advantage index (RCA) was chosen as a first step in identifying the major determinant of the export structure in the region. Results from the calculation of the index are then complimented by an examination of the relative export share and RCA index rankings as well as the correlation coefficients between export shares and the RCA indices in drawing conclusions presented in this paper.

On the basis of the results obtained in the empirical analysis there is evidence to support the conclusion that exports in the region are determined by relative competitiveness and the individual countries' capacity to export. It has been noted that South Africa and Zimbabwe, the major economic players in the region tend to have a greater share of the regional market even in product categories where they are less competitive. Further liberalisation and harmonisation of trade policies without addressing the supply constraints may disadvantage the smaller and weaker countries thereby defeating the purpose of regionalism. However, there is some scope for mutual benefits if investment resources in the region are efficiently allocated to enable the supply constrained countries to exploit their relative competitiveness in such areas where they have superior comparative advantages.

1. INTRODUCTION

The Windhoek Treaty of 1992 defined the primary goal of regional integration, within the Southern African Development Community (SADC) context, as being economic as opposed to that of its predecessor that was largely based on political imperatives (Evans, 1997). There was a shift towards efficiency and competitiveness of production systems as the main factors influencing trade within the region. Reinforcing this shift was a general adoption of the structural adjustment programs in the majority of the regional countries. However, intra-SADC trade and indeed intra-African trade, has remained relatively low. In a statement echoing the need for accelerated regional integration, the Executive Secretary of SADC stated that 'the conventional comparative advantage of raw materials and unskilled labour is increasingly becoming insignificant' in the global economy that is knowledge-based (Ramsamy, 2002). Trade diversification and the establishment of a dynamic industrial sector have thus been suggested as a solution.

Similar arguments with regards to the macroeconomic problems associated with export earnings instability in developing countries have been advanced (Krugman and Obstfeld, 1994). On the other hand, similarities in the exports structure of most of the developing countries have been blamed for the low levels of trade among the SADC countries as well as the rest of the developing world (Tyler, 1981). Trends in world trade also reveal that the share of medium- to high-technology products in total trade is increasing (Lall, 2000). According to Patel, Gayi and van der Geest (1997) trade diversification should result in stabilizing export earnings, earnings growth and upgrading value added. In the African context, Lyakurwa (1991) further pointed out that by reducing export earnings variability, export diversification has the potential to raise both export and output capacity. Other than stabilising export earnings, and according to the literature on intra-industry trade, higher value-added products have a greater scope for differentiation thereby raising the level of trade between countries with a similar output structure.

Trade diversification, however, has erroneously been considered as synonymous with industrialization hence the mired distinction between trade and industrial policies. The infant industry argument for trade protection is one such example. Strictly speaking, trade diversification can be horizontal or vertical. The circular decline in commodity prices (*a la* Prebisch, 1956 and Singer, 1950), further reinforced by Chenery's (1968) *Patterns of Industrial Growth* gave rise to a preference of the latter form of trade diversification. In recent years the decline in manufacturing output in some countries that have embarked on trade liberalization has led to a revival of protectionist sentiments and policy reversals (Rattso and Torvik, 1998).

An investigation into the potential and challenges that SADC countries face, is therefore imperative. In the context of the SADC region, there are two questions that need to be addressed. First, to what extent is intra-SADC trade performance correlated with individual countries' output capacity? Secondly, how is export performance influenced by the competitiveness of exports? On the basis of these two questions the objective of this study is to evaluate the potential of expanding intra-SADC trade without resorting to trade protection. Unlocking the intra-SADC trade potential presents itself as a challenge to policymakers within the region.

Section 2 of the paper briefly looks at the SADC economy. The aim in this section is to highlight the salient features of the countries in the region and the region's position *vis-a-viz* the global economy. In Section 3, a critical analysis of the structure of SADC trade based on export shares and the revealed comparative advantage of regional countries during the 1990s is carried out. Section 4 discuses the derived conclusions on the paper.

2. THE SADC ECONOMY

It has been observed in the literature that the SADC region is made-up of diverse economies in terms of economic size, structure of output and performance (Evans, 1997; Holden, 1996). For example, the South African economy is more than four times the total gross domestic product (GDP) of all the other SADC countries combined while its GDP per capita is seven times greater than the average SADC per capita income. Most of the regional countries' output structure is concentrated in primary commodities with Mauritius, Namibia, Swaziland and Zimbabwe resembling that of South Africa. Similarly, the manufacturing sectors for most of the countries are largely thin. While Zimbabwe and Zambia's manufacturing sectors are comparatively advanced they are not anything close to South Africa's diversified manufacturing base. Evans (1997: pp. 21) asserts that these disparities 'arise from a combination of underlying economic endowments, the extent of participation in the international division of labour, the institutional framework and capability, and economic policies.'

In terms of trade, South Africa and Zimbabwe are the dominant players. These two countries exports constituted on average 91.3% of total regional exports during the 1990s. In a wider context, SADC exports constitute 15.3% of the African total and a mere 3.8% in world exports. On the other hand, imports constitute 13.2% of the total African imports and four percent of world imports. Given these disparities in a regional and indeed the global context, suggest that further liberalisation and trade harmonisation policies would not be beneficial to the small countries unless mutual transitional arrangements are put in place (Evans, 1997). Such arrangements, however, would require the identification of potential areas that could be exploited by the smaller and weaker countries. This paper partly makes a contribution toward that effort.

3. EXPORT SHARES AND REVEALED COMPARATIVE ADVANTAGE

Whereas different measures have been applied to examine the scope of increasing intra-regional trade, Oramah and Abou-Lehaf (1998) state that there is no single measure without shortcomings in measuring trade potential. Among these measures are the export similarity index (Koester, 1986), relative comparative advantage (Donges *et al*., 1982), revealed comparative advantage (RCA) index (Balassa, 1965), the comparative export performance measure (Koester, 1986), the export-import similarity measure, gravity equation (Beers and Linnermann, 1991) and the relative trade potential index (Oramah and Abou-Lehaf, 1998). The last three measures in

particular emphasise the fact that countries whose export structure match developments in demand in their trading partners have better chances of increasing exports. While this study does not follow a similar approach to that of Oramah and Abou-Lehaf (1998), supply and demand factors are considered important determinants of export performance. Consequently, some conclusions are drawn from the RCA index and export share relative rankings. Following Lee (1995), it was concluded that a high RCA index alone is not sufficient as an indicator of export potential. For example, a high RCA index associated with a high export market share, suggest possible market saturation. Thus the potential of increasing exports is rather limited. This paper further develops this argument by examining the RCA and export share relative rankings.

Following Balassa (1965) and Peterson (1988), trade performance in particular products is analysed using the index of revealed comparative advantage index that is given by;

$$RCA_{i,j} = \frac{E_{i,j} \big/ E_{tot,j}}{E_{iSADC} \big/ E_{tot,SADC}} \qquad (0.1)$$

where $RCA_{i,j}$ are country j's revealed comparative advantage index for product group i, $E_{i,j}$ are country j's exports of product group i to the SADC region, $E_{tot,j}$ are total exports from country j to SADC, $E_{i,SADC}$ are SADC exports of product group i and $E_{tot,SADC}$ are the total product exports from the SADC countries. One of the advantages of the RCA index is that the revealed trade pattern reflects differences in relative costs as well as non-price factors (Lee, 1995). It must be noted that an RAC index of less than one suggests that the country is revealed to be uncompetitive in the specific product category. On the other hand, an RCA index of 1.25 suggests that the country's export share in that specific product category is 25% higher than the country's share in total exports within the region and therefore revealed to have some relative comparative advantage. On that basis, the results from RCA analyses can be compared to each of the countries' shares of individual product categories in total exports from the region. For instance, if a country is revealed to have a comparative advantage in a specific product category it is expected to have a significant share of the market in that product category. As rule of thumb, in the case where a country is revealed to have a comparative advantage and its share in total regional exports of the specific product category greater than 50% it is concluded that there is a demand constraint. This condition can be expressed in the following form;

$$RCA_{i,j} \geq 1 \quad and \quad \frac{E_{i,j}}{E_{i,SADC}} \succ 0.5 \quad \Rightarrow demand \quad constra\,int \qquad (1.2)$$

What this implies is that under these circumstances and assuming the country faces a given world price, it can only increase its export volume if there is an outward shift in

the demand curve for that product. On the other hand, if a country is revealed to have a comparative advantage in a specific product category while having a very small share of the market, say less than 50%, in that product category it is concluded that there is a supply constraint. That is;

$$RCA_{i,j} \geq 1 \qquad and \qquad \frac{E_{i,j}}{E_{i,SADC}} \prec 0.5 \qquad \Rightarrow sup\ ply \quad constra\ int \qquad (1.3)$$

When the condition expressed in (1.3) holds, it is possible that the country can use its competitiveness to increase its market share but cannot do so if it is capacity constrained.

It is further argued that an inspection of the RCA results based on the single-digit Standard International Trade Classification (SITC) can lead to wrong conclusions on the nature of the trade pattern in the region. Further disaggregation of the data into the two-digit SITC categories provides one with an opportunity to use some statistical analysis to determine the pattern of intra-regional trade. This can be achieved by analysing the correlation coefficients between the RCAs and export shares.

3.1 Data Source and Limitations

This study is based on single-digit and two-digit Standard International Trade Classification (SITC) data obtained from the United Nations CommTrade data as published by Statistics Canada's World Trade Analyser System from which RCA indices and export shares for the individual SADC countries are derived. The two-digit SITC data covers levels four to eight product categories and includes the founding members[1] of SADC and South Africa only. It must be noted that all data on the South African Customs Union (SACU) countries are included in South Africa's data and do not appear individually.[2] As a result of the wars in Angola and the Democratic Republic of Congo there are some years were no trade with other SADC countries is recorded. Similarly, no trade data is reported for South Africa for the years 1990 to 1992 and Zimbabwe's 1998 data is also missing. As such, it was impossible to derive the trends in RCAs. Consequently, the average export data over the period 1990 to 1999 is used. In addition, the single digit SITC categories have low substitution elasticities as these are in fact composite commodities as opposed to separately identified commodities. A higher level of disaggregation would have provided more information on possible specializations. Therefore caution should be taken when it comes to the derived conclusions and these must be treated as indicative and not definitive.

[1] These include Zimbabwe, Zambia, Tanzania, Malawi and Mozambique.
[2] SACU members include Botswana, Lesotho, Namibia, South Africa and Swaziland.

3.2 Results and Discussion

Results presented in this paper cover the SADC region only. This narrow focus has been adopted given the scope of the study. From Table 1 (See end of paper), it is observed that South Africa, the largest economy in the region has a superior revealed comparative advantage in only three out of nine of the product categories (animal and vegetable oils, fats and waxes; chemicals and related products not elsewhere specified; and machinery and transport equipment). When one considers the export shares, South African exports make the largest proportion for all the nine product categories. It is also observed that Zimbabwe, the second largest economy in the region, takes second position in terms of export shares as shown in Table 2 (See end of paper) yet there is not even one of the product categories where it ranks second in terms of its revealed comparative advantage. On the other hand, we have Angola, the DRC and the Seychelles in the bottom three in terms of export shares. These countries have superior revealed comparative advantages in product categories six, eight and one respectively.

It has been pointed out earlier that a mere inspection of the results from the single-digit SITC data could lead to wrong conclusions on the nature of trade in the SADC region. As a result the trade data was further disaggregated into the two-digit SITC categories. In so doing the number of observations increased from ten to 41 from which the correlation coefficients between the RCAs and export shares were obtained. The correlation coefficients obtained from all the countries included in this study were all above 0.9 suggesting that the pattern of trade in the region is largely determined by the countries' relative competitiveness. However, though regional trade is largely explained by relative competitiveness, there are some cases where the smaller economies are revealed to have a comparative advantage yet they fail to capture a lager share of the regional market. In an attempt to identify some of the factors that give rise to such a scenario we revisit the issue of economic disparities among the regional countries. Firstly, it is noted that resource endowments, natural and accumulated physical capital, largely determine the supply capacities for the individual countries. Historically, South Africa and Zimbabwe, the dominant economic players in the region built their supply capacities (especially in industrial output) at an earlier time than other SADC economies. These two countries, therefore, have the advantage of the 'first mover'. Other countries in the region have to compete with the incumbents for market share. The inward-looking nature of policies that were pursued by the regional countries, given their small market sizes, had important implications on the choice of the scale of operations. Though some of the smaller economies have a superior revealed comparative advantage their capacity to supply the region was limited from the very beginning of starting to produce some of these products. A closer look at the export share and RCA relative rankings suggest that, despite the fact that South Africa is revealed not to be competitive in 15 out of the 41 product categories[3] it still supplied the largest share of the regional market in 11 such product categories.

Yet another factor constraining the supply capacity of the regional countries is the fact that despite the high returns on capital, the prevalence of wars and political instability

[3] These include SITC categories 43,54,55,61,63,66,68,65,69,79,82,83,84,85,89.

in some of the countries in the region, it remains as one of the most risky investment destination for foreign investors. Peace prospects in the DRC and Angola may boost the chances for the region to attract foreign direct investment. Other than foreign investment, national capacities can be improved through a sustained inflow of donor funds into the productive sectors as envisaged in the New Partnership for African Development (NEPAD).

Identified as one of the major limiting factor in expanding exports within the region so far are supply constraints. As pointed out earlier in this paper, the demand conditions need to be examined as well. Assuming no change in the market size it is possible that some countries within the region may increase their market share by exploiting their relative comparative advantage. On the basis of the relative rankings between market shares and RCA indices it is possible to make some inference on market opportunities (see Table 3 and Table 5 at end of paper). For instance, individual countries can exploit their comparative advantage to increase their market share especially in the non-resource based product categories by increasing their supply capacities. Considering the SITC product category 66 for example, Zimbabwe, Zambia and Tanzania should be supplying the largest share of the market yet South Africa supplies more than 70% of the market. Expanding supply capacity in this sector may result in South Africa losing its market share to those countries that are revealed to be competitive. Similarly, Malawi, Zimbabwe and Tanzania that rank one, two and three respectively, in terms of the RCA indices in product category SITC 65 only supply about 41% of the regional market. However, in product category SITC 61 where Zimbabwe already supplies 65% of the market, it would have to compete with Zambia to gain further increases in its market share. Under such circumstances Zimbabwe would be said to be demand constrained as any increase in export volume in the particular product might require an outward shift in the demand curve.

The last point we need to make in this section is that export diversification is considered important if export earnings volatility is to be avoided. In this study the potential for a country to diversify its exports can be assessed from the specific country's relative competitiveness. Generally, an RCA index of less than one is taken to signify an uncompetitive position while a value of more than one suggests a comparative advantage in the specific product. The greater the RCA value the higher the degree of competitiveness. Applying these criteria to our results presented in Table 4 (See end of paper), we make the following observations. On the basis of the Windhoek Treaty countries listed under Group A would not be able to export those products in which they are clearly uncompetitive and cannot diversify into such products. While countries listed under Group B have some degree of competitiveness they would find it quite difficult to compete against those countries listed in Group C. Group C countries are highly competitive. Considering product category five, though South Africa currently dominates the market, Zimbabwe has some scope of widening its product range horizontally and compete for a larger market share. Similarly, Tanzania could diversify horizontally in products under category eight.

4. POLICY CONCLUSIONS

Finally, from a policy point of view it is important to note that the acceptance of comprehensive regional trade integration depends on the spread of benefits arising thereof. In cases where benefits do not accrue to all members it will be difficult to move forward. However, it is important to note that the reasons for poor performance are known thereby providing the losers with an opportunity to implement policies that make it possible for them to share the benefits of regionalism. In addition the results provide signals on market opportunities, especially to the private sector whose participation in the SADC programs is increasingly being solicited.

One of the conclusions that can be drawn from this paper is that the pattern of trade in the SADC region is determined mainly by the individual countries' relative competitiveness, supply constraints remain the major limiting factor for some of the countries to exploit export opportunities. Further liberalisation and harmonisation of trade policies, given the peace prospects in the region as a whole, should result in a more efficient allocation of investment. Such an efficient allocation of investment requires a greater coordination at the policy level to ensure that disparities in economic environments are eliminated. The current situation where the smaller and weaker members of the region export mainly resource-based products to South Africa and import manufactured products is unhealthy. However, if investment is forthcoming and the relative comparative advantages are exploited, there is some scope that benefits of regionalism could flow to the disadvantaged countries as well. As countries move into the production of those products where they have a revealed comparative advantage it is possible that trade dynamics would result in the expansion of the regional market ensuring that the current dominant players do not suffer an absolute fall in export earnings. Thus regional division of labour and trade need not be a zero-sum game.

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Table 1: RCA Indices for the 1990s

SITC	0 – Food and live animals	1 – Beverages and tobacco	2 – Crude materials, inedible, except fuels	3 – Mineral fuels, lubricants and related materials	4 – Animal and vegetable oils, fats and waxes	5 – Chemicals and related products n.e.s	6 – Manufactured goods classified chiefly by material	7 – Machinery and transport equipment	8 – Miscellaneous manufactured articles	9 – Commodities and transactions n.e.c
Country										
Angola	**0.270**	**0.037**	**0.683**	**82.461**	**5.991**	**0.304**	**2.136**	**3.270**	**0.184**	**0.902**
DRC	**0.033**	**0.019**	**2.714**	**0.000**	**0.861**	**0.037**	**13.166**	**0.587**	**0.092**	**1.977**
Malawi	**3.093**	**8.785**	**3.633**	**0.766**	**0.425**	**0.945**	**2.113**	**3.305**	**11.469**	**1.117**
Mauritius	**2.726**	**0.527**	**0.608**	**1.636**	**2.620**	**5.246**	**5.260**	**9.367**	**7.464**	**1.269**
Mozambique	**6.128**	**0.696**	**6.594**	**2.688**	**4.917**	**0.416**	**1.468**	**8.536**	**2.524**	**23.351**
Seychelles	**11.593**	**1.014**	**0.380**	**2.063**	**5.447**	**6.134**	**0.624**	**10.016**	**1.375**	**2.045**
S. Africa	**2.111**	**1.507**	**1.124**	**4.591**	**7.574**	**12.473**	**3.395**	**13.789**	**2.749**	**7.912**
Tanzania	**2.935**	**7.020**	**4.239**	**8.859**	**1.616**	**1.260**	**2.114**	**8.097**	**3.500**	**21.908**
Zambia	**2.507**	**1.438**	**9.053**	**2.425**	**0.179**	**5.256**	**4.227**	**5.944**	**0.524**	**4.579**
Zimbabwe	**4.701**	**4.270**	**3.808**	**4.084**	**5.271**	**5.019**	**3.496**	**1.108**	**3.685**	**2.984**

Table 2: Commodity Export Shares (%) for the 1990s

SITC	0 – Food and live animals	1 – Beverages and tobacco	2 – Crude materials, inedible, except fuels	3 – Mineral fuels, lubricants and related materials	4 – Animal and vegetable oils, fats and waxes	5 – Chemicals and related products n.e.s	6 – Manufactured goods classified chiefly by material	7 – Machinery and transport equipment	8 – Miscellaneous manufactured articles	9 – Commodities and transactions n.e.c
Country										
Angola	0.020	0.003	0.072	3.624	0.175	0.006	0.118	0.056	0.012	0.025
DRC	0.022	0.015	2.524	0.000	0.221	0.006	6.362	0.089	0.052	0.489
Malawi	2.755	9.490	4.536	0.396	0.146	0.210	1.371	0.670	8.618	0.371
Mauritius	0.873	0.205	0.273	0.305	0.324	0.419	1.227	0.683	2.017	0.151
Mozambique	2.061	0.284	3.109	0.526	0.639	0.035	0.360	0.654	0.716	2.926
Seychelles	0.219	0.023	0.010	0.023	0.040	0.003	0.009	0.043	0.022	0.014
S. Africa	61.307	53.076	45.767	77.507	85.041	90.350	71.816	91.190	67.360	85.589
Tanzania	0.801	2.323	1.621	1.405	0.170	0.086	0.420	0.503	0.806	2.227
Zambia	1.485	1.033	7.513	0.835	0.041	0.776	1.823	0.801	0.262	1.010
Zimbabwe	30.456	33.547	34.575	15.379	13.202	8.109	16.495	5.310	20.136	7.199

Table 3: Export Share - RCA Ranking by Commodity and Country

SITC	RANKING																			
	0 – Food and live animals		1 – Beverages and tobacco		2 – Crude materials, inedible, except fuels		3 – Mineral fuels, lubricants and related materials		4 – Animal and vegetable oils, fats and waxes		5 – Chemicals and related products n.e.s		6 – Manufactured goods classified chiefly by material		7 – Machinery and transport equipment		8 – Miscellaneous manufactured articles		9 – Commodities and transactions n.e.c	
Country	**Share**	**RCA**	**Share**	**RCA**	**Share**	**RCA**	**Share**	**RCA**	**Share**	**RCA**	**Share**	**RCA**	**Share**	**RCA**	**Share**	**RCA**	**Share**	**RCA**	**Share**	**RCA**
Angola	10	9	10	9	9	8	3	1	6	2	9	9	9	6	9	8	10	9	9	10
DRC	9	10	9	10	6	6	10	10	5	8	8	10	3	1	8	10	8	10	6	7
Malawi	3	4	3	1	4	5	7	9	8	9	5	7	5	8	5	7	3	1	7	9
Mauritius	6	6	7	8	8	9	8	8	4	6	4	4	6	2	4	3	4	2	8	8
Mozambique	4	2	6	7	5	2	6	5	3	5	7	8	8	9	6	4	6	6	3	1
Seychelles	8	1	8	6	10	10	9	7	10	3	10	2	10	10	10	2	9	7	10	6
S. Africa	1	8	1	4	1	7	1	3	1	1	1	1	1	5	1	1	1	5	1	3
Tanzania	7	5	4	2	7	3	4	2	7	7	6	6	7	7	7	5	5	4	4	2
Zambia	5	7	5	5	3	1	5	6	9	10	3	3	4	3	3	6	7	8	5	4
Zimbabwe	2	3	2	3	2	4	2	4	2	4	2	5	2	4	2	9	2	3	2	5

Table 4: Country Groupings by Commodity Categories

SITC	0 - Food and live animals	1 – Beverages and tobacco	2 – Crude materials, inedible, except fuels	3 – Mineral fuels, lubricants and related materials	4 – Animal and vegetable oils, fats and waxes	5 – Chemicals and related products, n.e.s.	6 – Manufactured goods classified chiefly by material	7 – Machinery and transport equipment	8 – Miscellaneous manufactured articles	9 – Commodities and transactions n.e.c.
Group A	Angola DRC	Angola DRC Mauritius Mozambique	Angola Mauritius Seychelles	DRC Malawi	DRC Malawi Zambia	Angola DRC Malawi Mozambique	Seychelles	DRC	Angola DRC Zambia	Angola
Group B	Mauritius S. Africa Tanzania Zambia	Seychelles S. Africa Zambia	DRC S. Africa	Mauritius Mozambique Seychelles Zambia	Mauritius Tanzania	Tanzania	Angola Malawi Mozambique Tanzania	Zimbabwe	Mozambique Seychelles S. Africa	DRC Malawi Mauritius Seychelles Zimbabwe
Group C	Malawi Mozambique Seychelles Zimbabwe	Malawi Tanzania Zimbabwe	Malawi Mozambique Tanzania Zambia Zimbabwe	Angola S. Africa Tanzania Zimbabwe	Angola Mozambique Seychelles S. Africa Zimbabwe	Mauritius Seychelles S. Africa Zambia Zimbabwe	DRC Mauritius S. Africa Zambia Zimbabwe	Angola Malawi Mauritius Mozambique Seychelles S. Africa Tanzania Zambia	Malawi Mauritius Tanzania Zimbabwe	Mozambique S. Africa Tanzania Zambia

KEY: Group A – uncompetitive, Group B – competitive, Group C – highly competitive.

Table 5: Export Growth Constraints in Selected Commodity Categories

SITC Category	Country	Indicator		Nature of Constraint
43 Animal-vegetable oils-fats, processed, and waxes	**Zimbabwe**	**RCA**	**2.618**	**Supply**
		Share	**0.36**	
61 Leather, leather manuf., n.e.s and dressed furskisg	**Zimbabwe**	**RCA**	**4.771**	**Demand**
		Share	**0.654**	
79 Other transport equipment	**Mozambique**	**RCA**	**7.647**	**Supply**
		Share	**0.040**	
84 Articles of apparel and clothing accessories	**Malawi**	**RCA**	**20.246**	**Supply**