

SOUTH AFRICA'S 2018 AGRICULTURAL, FORESTRY AND FISHERIES (AFF) TRADE PERFORMANCE WITH OTHER BRICS COUNTRIES

1. Purpose

The document is a desktop analysis of South Africa's AFF trade performance with other BRICS member states. The document filters and highlights BRIC Countries with a greater AFF trade, shares and growth with SA.

2. BRICS Overview

BRICS is a 5-member group of emerging economies comprising Brazil, Russia, India, China, and South Africa (SA). The bloc was firstly initiated in 2006 by Russia joined by Brazil, India and China. SA joined the group in 2010.

3. South Africa AFF Trade with BRIC: 2014 TO 2018

Figure 1 below shows that from 2014 to 2018, SA had on average, a negative AFF trade balance with BRIC of R3.53 billion (i.e. R16 billion exports to and R19.51 billion imports from BRIC respectively).

On average from 2014 to 2018, BRIC supplied 17% of total SA AFF imports from the World. Conversely, BRIC absorbed 10.15% of total SA AFF exports to the World. During the period 2017/18, SA's AFF imports from BRIC increased by 7.3%, whilst SA AFF exports to BRIC grew by 14%.

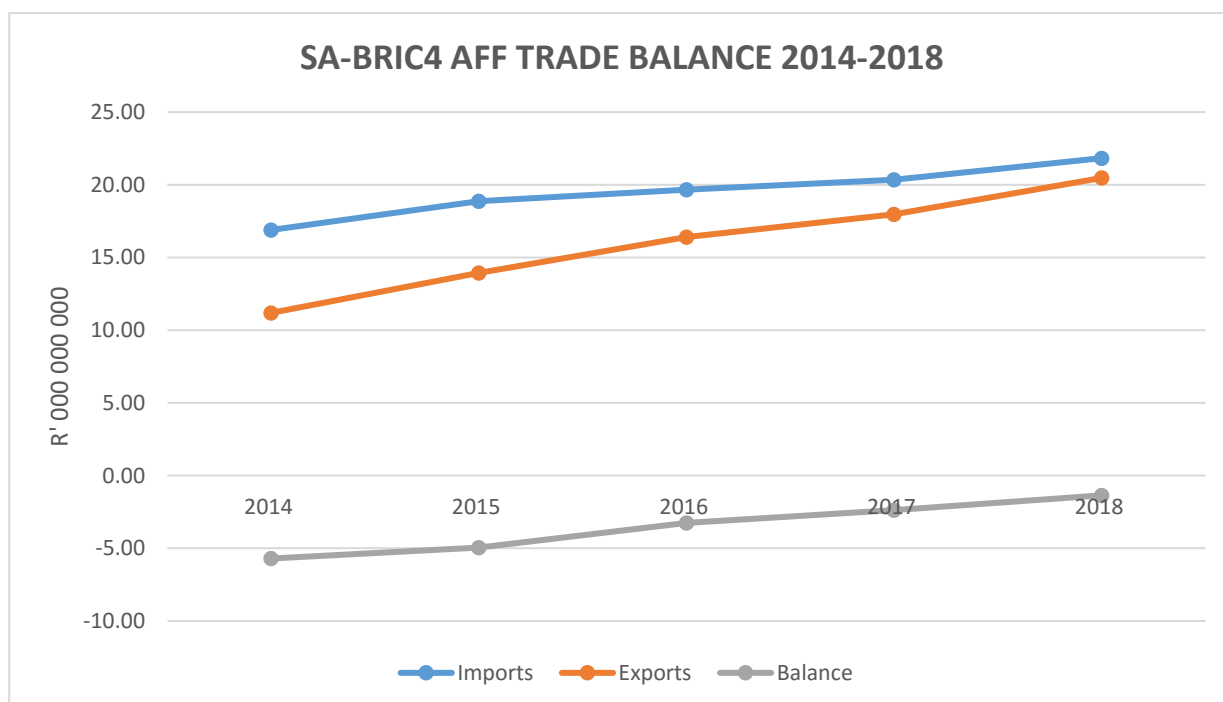


Figure 1: Source: Global Trade Atlas, 2019

3.1. Observations on exports

3.1.1. BRIC share in Total SA AFF Exports to the World

- SA AFF exports to BRIC from 2014 to 2018 were on average 10.15% of total average SA AFF exports to the World, see Fig. 2 below;
- The figure shows that China, ranked the 6th largest SA AFF products destination absorbed 6% of SA total AFF exports to the World.

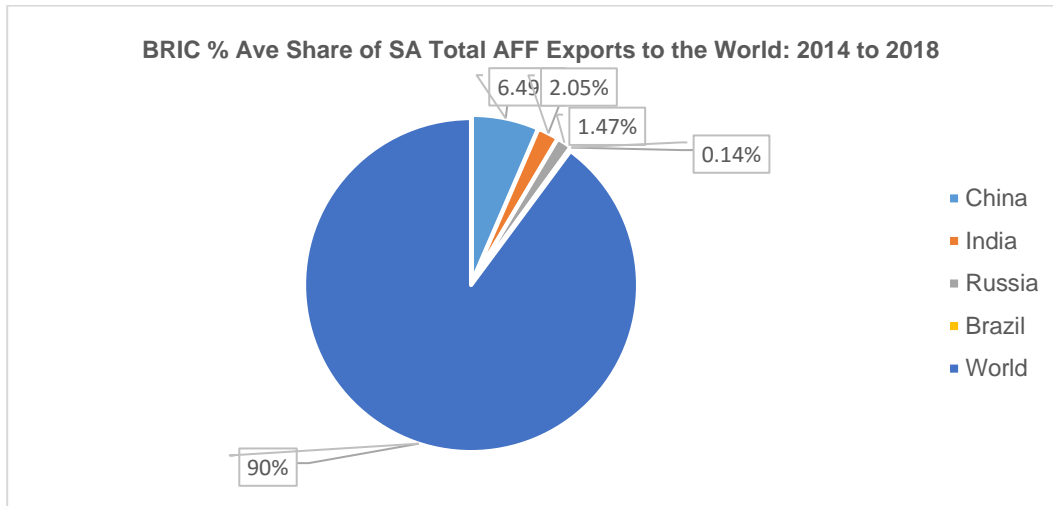


Figure 2. Source: Global Trade Atlas

- SA AFF products exports to BRIC grew by 82% from R11billion in 2013 to R20.5 billion in 2018.

3.1.2. BRIC Countries' shares in Total SA AFF Exports to BRIC

Figure 3, below shows that on average from 2014 to 2018, SA AFF exports to the BRIC were absorbed by China (63.9%), India (20.2%), Russia (14.5%), and Brazil (1.4%);

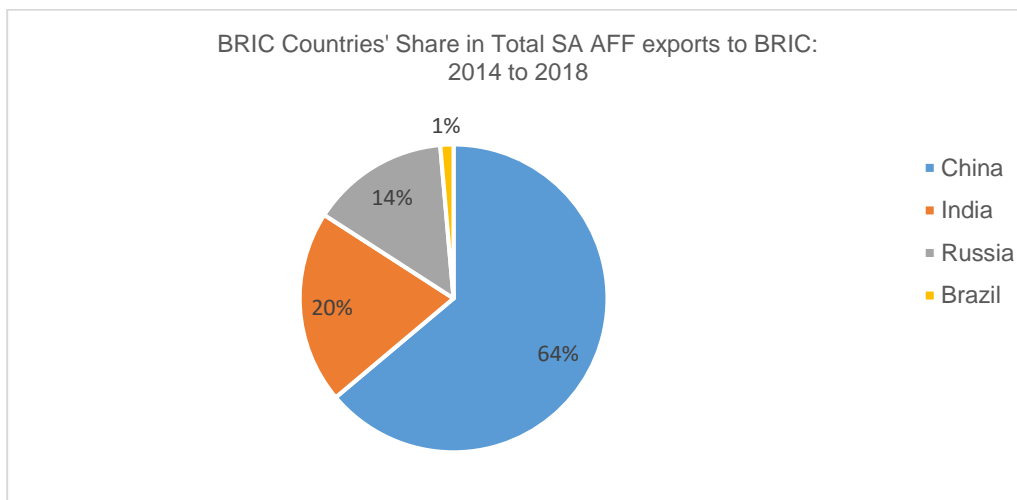


Figure 3. Source: Global Trade Atlas

- For the period 2017/18, SA's AFF exports growth in BRIC were positive in China and Russia with 26% and 6%, respectively, whilst exports to India and Brazil declined by 8% and 6% respectively.
- From 2017 to 2018, SA's AFF exports to BRIC grew by 14% from R18b to R20.5b, whilst SA AFF exports to the World grew by 6% from R167b to R177b.

3.2. Observations on imports

3.2.1. BRIC share in Total SA AFF Imports from the World

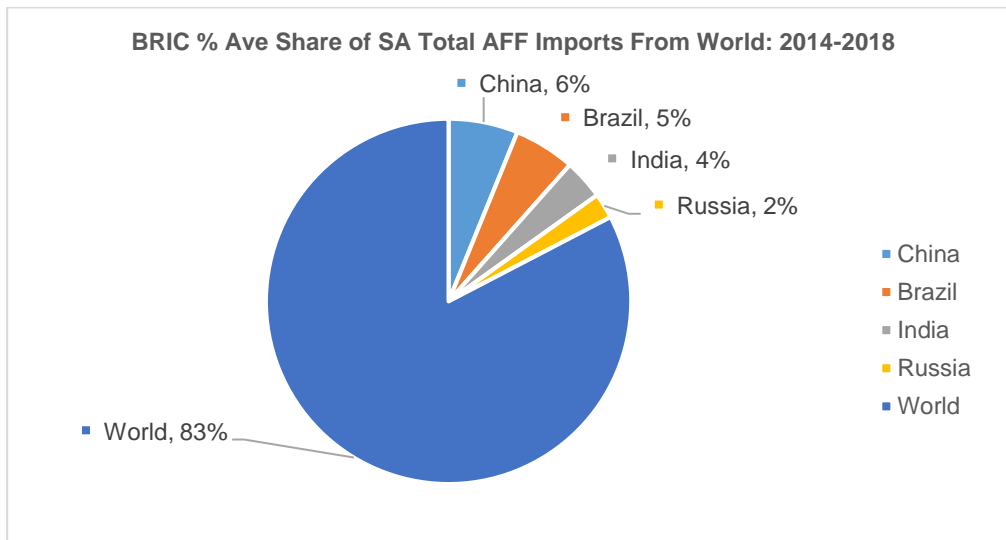


Figure 4. Source: Global Trade Atlas 2019

- SA AFF imports from BRIC from 2014 to 2018 were on average 17.36% of the total SA AFF imports from the World. See figure 4, above.
- During the period 2014 to 2018, SA's AFF imports from BRIC increased by 29% (i.e. from R17 billion in 2014 to R22 billion in 2018). Simultaneously, SA AFF imports from the World increased by 40% from R93 billion in 2014 to R129 billion in 2018.

3.2.2. BRIC Countries shares in Total SA AFF Imports from BRIC Countries

Figure 5 below depicts SA's AFF average imports from BRIC for the period 2014 to 2018. The figure shows that SA AFF imports from BRIC were supplied by China (35%); Brazil (31%); India (20%); and Russia (13%)

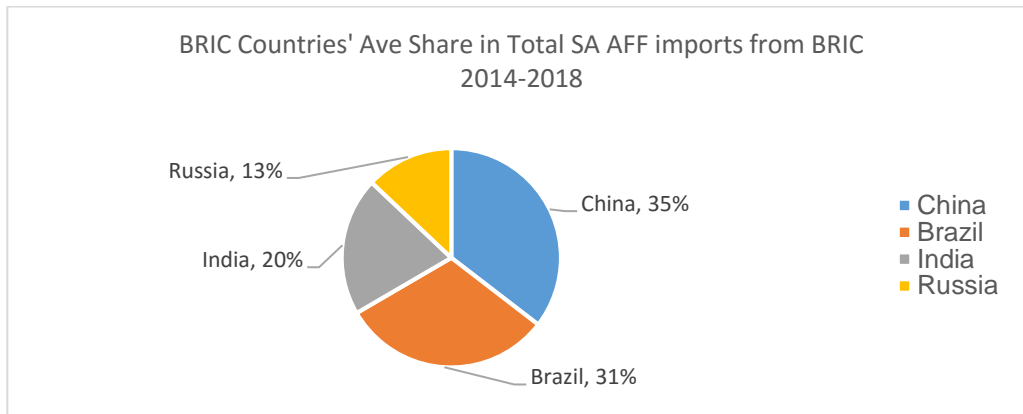


Figure 5. Source: Global Trade Atlas 2019

- SA's AFF imports from BRIC increased by 7% from R20b in 2017 to R22b in 2018.
- From 2014 to 2018, **HS10**- Cereals (22%); **HS48** - Paper & paperboard & articles (including paper pulp article) (14%); and **HS02** - meat and edible meat offal (12%), were on average the three SA AFF leading import products from BRIC, amounting to R4.31b; R2.86b; and R2.41b, respectively.
- SA AFF Imports from Russia grew the biggest by 101% from R1,59 billion in 2017 to R3.19billion in 2018, whilst imports from Brazil declined by 2.11% from R7.60b in 2017 to R7.44b in 2018.

4. Destination and Origin of major SA AFF in BRIC

4.1. Analysis of SA's AFF in BRIC destinations: 2017 to 2018

Table 1: SA's top 3 AFF export products to BRIC countries by value from 2017 to 2018

Calendar year 2017			Calendar year 2018				Top 3 products exported into major markets
BRIC Market Rank	Export value (billion Rand)	Share in SA total AFF exports to World (%)	BRIC Market Rank	Export value (billion Rand)	Share in SA total AFF exports to World (%)	Export Growth 2017/18 (%)	
China	10,60	6,3	China	13,30	7,5	25,54	- Wool, not carded/combed; -Wood pulp, paper & paperboard; -Edible fruit & nuts; citrus fruit/melon peel
India	4,46	2,7	India	4,11	2,3	-7,68	Wood pulp etc; recovered (waste & scrap) paper & paperboard; Edible fruit & nuts; citrus fruit or melon peel; Wood and articles of wood; wood charcoal
Russia	2,69	1,6	Russia	2,84	1,6	5,62	-- Edible fruit & nuts; citrus fruit or melon peel; Beverages, spirits and vinegar; Prep vegetables, fruit, nuts or other plant parts

Brazil	0,22	0,1	Brazil	0,21	0,1	-5,56	- Beverages, spirits and vinegar; Edible fruit & nuts; citrus fruit or melon peel; Raw hides & skins of bovine or equine animals
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Source: Global Trade Atlas, 2019

Table 1 above shows that:

- China was SA's largest AFF export destination in BRIC, during 2017 and 2018, followed by India, Russia and Brazil.
- China with the biggest growth of 26% in BRIC from R11billion in 2017 to R13billion in 2018 remained 1st as SA AFF export destination in 2018.
- India, with the highest decline of 7.7% (i.e. R4.5billion in 2017 to R4.11billion in 2018), maintained second position as SA's AFF export destination in BRIC.
- The leading SA AFF product exported to BRIC in 2018, was wood pulp etc.; recovered (waste & scrap) paper & paperboard; edible fruit & nuts; citrus fruit or melon peel; and wool, not carded or combed.

4.2. Analysis of SA AFF origins in BRIC: 2017 to 2018

Table 2: Origins of SA's AFF top 3 import products from BRIC Countries by value: 2017 to 2018

Calendar year 2017			Calendar year 2018				
BRIC Market Rank	Import value (billion Rand)	Share in SA total AFF imports to World (%)	BRIC Market Rank	Import value (billion Rand)	Share in SA total AFF exports to World (%)	Import Growth 2016/17 (%)	Top 3 products imported into major markets
Brazil	7,60	6,5	Brazil	7,44	5,74	-2,11	Meat and edible meat offal; Paper & paperboard & articles (including paper pulp articles) Wood pulp etc.; recovered (waste & scrap) paper & paperboard
China	7,26	6,2	China	7,33	5,66	0,85	Paper & paperboard & articles (including paper pulp article); Products of animal origin; Wood and articles of wood; wood charcoal
India	3,90	3,3	India	3,88	3,00	-0,52	Cereals; Paper & paperboard & articles (including paper pulp article); Coffee, tea, mate & spices

Russia	1,59	1,4	Russia	3,19	2,46	100,62	Cereals; Paper & paperboard & articles (including paper pulp article); Wood pulp etc.; recovered (waste & scrap) paper & paperboard
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Source: Global Trade Atlas, 2019

Table 2 above shows that:

- Brazil was SA's largest AFF origin in BRIC, during 2017 and 2018, and was followed by China, India, and Russia.
- Brazil with the biggest decline of 2.11% in BRIC from R7.6 billion in 2017 to R7.44 billion in 2018 remained 1st as SA AFF supplier in 2018.
- Russia, with an increase of 100.65% (i.e. R1.59billion in 2017 to R3.19b in 2018), remained the 4th as SA's AFF supplier in BRIC.
- The leading SA AFF products imported from BRIC in 2018, were **Cereals; meat and edible meat offal; paper & paperboard & articles (including paper pulp articles)**

5. SA - BRIC AFF Trade analysis at sub-sector level during 2017/18.

5.1. Exports analysis

Table 3: SA's top 10 AFF exports to BRIC at HS 2 level: 2017/18

Sub-sector Description (HS 2)	Exported value in 2017 (R' billion)	Exported value in 2018 (R' billion)	Sub-sector growth between 2017/18 (%)	Top 3 products exported within the sub-sector in 2018	% share in BRIC export markets by the sub-sector in 2018
47- wood pulp etc.; recovered (waste & scrap) paper & paperboard	6,79	6,29	-7,33	Chemical woodpulp, dissolving grades; chemical wood pulp, soda or sulphate, not dissoly gr; waste and scrap of paper or paperboard	China (54%); India (46%)
08-edible fruit & nuts; citrus fruit or melon peel	3,91	5,66	44,82	Citrus fruit, fresh or dried; nuts fresh or dried; apples, pears and quinces, fresh	China (52%), Russia, (41%), India (6%), Brazil (1%)
5101- wool, not carded or combed	3,51	3,70	5,32	Wool, not carded or combed, greasy, shorn; wool, not carded or combed, greasy; wool, not carded or combed, carbonized	China (97%); India (3%)
22-beverages, spirits And Vinegar	0,90	0,88	-2,30	Wine of fresh grapes; grape must; ethyl alcohol, undenatured, und80% alcohol; spirit	China (60%); Russia (31%); Brazil (8%)

				beverages; waters, sweetened etc. & other non-alcoholic beverages	
44-Wood And Articles Of Wood; Wood Charcoal	0,51	0,61	19,83	Fuel wood in logs etc., wood in chips, etc.; wood in the rough, stripped or not of sapwood etc.; packings etc., wood; pallets, collars etc., of wood	China (51%); India (49%)
17-Sugars And Sugar Confectionary	0,16	0,47	197,02	Cane or beet sugar & chemically pure sucrose, solid form; sugars including chemical pure lactose etc. caramel; sugar confection (including white chocolate), no cocoa	China (99%)
20-Prep Vegetables, Fruit, Nuts Or Other Plant Parts	0,42	0,45	7,00	Fruit, nuts etc. prepared or preserved; jams, fruit jellies, marmalades etc. cooked; fruit juice not fortified with vitamin/mineral veg juice no spirit.	Russia (51%); China (45%)
02-Meat And Edible Meat Offal	0,12	0,41	244,97	Meat of bovine animals, frozen; meat & edible offal of poultry, fresh, chill or frozen; edible offal, bovine, swine, sheep, goat, horse, etc.	China (99.5%)
48-Paper & Paperboard & Articles (Inc Papr Pulp Artl)	0,17	0,40	140,98	Newsprint, in rolls or sheets; Kraft paper & paperboard, uncoated rolls etc.; Cartons etc. paper; office box files etc. paper etc.	China (74%); India (21%)
23-Food Industry Residues & Waste; Prep Animal Feed	0,37	0,38	2,61	Flour, meal etc. of meat etc., not for human; Preparations used in animal feeding	China (61%); India (39%)

Source: Global Trade Atlas, 2018

Table 3 above shows that:

- SA's highest ranked AFF sub-sector export to BRIC in 2018, was HS47 (wood pulp etc.; recovered (waste & scrap) paper & paperboard), absorbed mainly by China (54%) and India (46%).
- SA's top three SA AFF export products to BRIC in sub-sector HS-47 were **C**hemical woodpulp, dissolving grades; **c**hemical wood pulp, soda or sulphate, not dissolving grade; **w**aste and scrap of paper or paperboard,
- The highest growing SA AFF export subsector to BRIC during 2017/18 was HS02-meat and edible meat offal, with a growth of 245% from R118 million in 2017 to R407 million in 2018. **M**eat

of bovine animals, frozen; meat & edible offal of poultry, fresh, chill or frozen; and edible offal, bovine, swine, sheep, goat, horse, etc. were the top three largest SA AFF exports products to BRIC in this sub-sector. China absorbed 95% of SA AFF export of this sub-sector to BRIC.

- The highest declining SA AFF top 10 export product to BRIC was wood pulp etc.; recovered (waste & scrap) paper & paperboard (HS47), with 7.33% from R6.79 billion in 2017 to R6.29 billion in 2018.
- In 2018, China dominated SA's AFF exports to BRIC of **HS5101**- wool, not carded or combed, **HS17**-sugars and sugar confectionary, and **HS02**-meat and edible meat offal, by absorbing 97%, 99% and 99.5% of these sub-sectors respectively.

5.2. Imports analysis

Table 4: SA's top 10 major AFF import sub-sectors by value from BRIC during 2017/18

Sub-sector Description (HS2)	Imported value in 2017 (billion Rand)	Imported value in 2018 (billion Rand)	Sub-sector growth between 2017/2018 (%)	Top 3 products imported within the sub-sector	BRIC import share by the sub-sector (2018)
10- Cereals	3,07	4,14	34,95	Wheat and meslin; rice; buckwheat, millet and canary seeds; other	Russia (56%), India (43%)
02 - Meat And Edible Meat Offal	3,63	3,89	7,32	Meat & edible offal of poultry, fresh, chill or frozen; meat of swine (pork), fresh, chilled or frozen; meat of bovine animals, frozen	Brazil (100%)
48 - Paper & Paperboard & Articles (Inc Papr Pulp Artl)	2,96	3,70	25,18	Paper, paperboard, wad etc., coat etc.; paper & paperboard, coated with kaolin etc.; paper, uncoated, for writing etc., rolls; handmade paper	China (48%); Brazil (26%); Russia (12%)
44 - Wood And Articles Of Wood; Wood Charcoal	1,15	1,20	4,52	Plywood, veneered panels & similar laminated wood; articles of wood; fibreboard of wood or other ligneous materials; builders' joinery and carpentry of wood	China (62%); Brazil (31%); Russia (6%),
05 - Products Of Animal Origin, Nesoi	1,02	1,12	9,93	Animal (not fish) guts, bladders, stomachs & parts; bird skins & other feathered parts and down; ambergris, castoreum etc.; glands etc. for pharmacy.	China (86%); Brazil (13%)
20 - Prep Vegetables, Fruit, Nuts Or Other Plant Parts	0,95	0,88	-7,37	Prep vegetables, fruit, nuts or other plant parts; fruit juice not fortified with vitamin/mineral vegetable juice no spirit; fruit, nuts etc. prepared or preserved	China (83%) India (11%) Brazil (6%)

47 - Wood Pulp Etc; Recovd (Waste & Scrap) Ppr & Pprbd	0,42	0,86	105,37	Chemical wood pulp, soda or sulfate, not dissolving grade; waste and scrap of paper or paperboard; mechanical wood pulp	Brazil (72%); Russia (27%)
17 - Sugars And Sugar Confectionary	1,91	0,64	-66,74	cane or beet sugar & chemical pure sucrose, solid form; sugars including chemical pure lactose etc., caramel; sugar confection (including white chocolate), no cocoa	Brazil (60%); China (38%)
03 - Fish, Crustaceans & Aquatic Invertebrates	0,36	0,60	66,43	Fish, frozen (no fish fillets or other fish meat); molluscs live fresh etc.; smoked; flours etc. edible; crustaceans live fresh etc. smoked/cooked flours etc.	China (54%); India (28%); Russia (17%)
09 - Coffee, Tea, Mate & Spices	0,63	0,56	-10,14	Pepper, genus piper; genus capsicum or pimento; ginger, saffron, turmeric, thyme, bay leaves etc.; seeds anise badian fennel coriander etc.; juniper berries	India (54%); China (29%); Brazil (16%)

Source: Global Trade Atlas, 2019

Table 4 above shows that:

- During 2018, Cereals (**HS10**) were SA's largest AFF subsector imports from BRIC, with an increase of 35% in value from R3.07 billion in 2017 to R4.14 billion in 2018. Wheat and meslin; rice; buckwheat, millet and canary seeds, were the top three SA AFF imports in this sector, originating mainly from Russia (56%), India (43%).
- The second largest SA AFF import product from BRIC in 2018 was **HS02** (meat and edible meat offal) with an increase of 7% (i.e. from R3.63 billion in 2017 to R3.89 billion in 2018). The top three AFF products imported by SA from BRIC were meat & edible offal of poultry, fresh, chill or frozen; meat of swine (pork), fresh, chilled or frozen; meat of bovine animals, frozen, imported wholly from Brazil (100%).
- The largest growing SA AFF subsector import from BRIC from 2017 to 2018 was **HS47** (wood pulp etc.; recovered (waste & scrap) paper & paperboard), ranked 7th, with a growth of 105% (i.e. from R0.42 billion in 2017 to R0.86 billion in 2018). SA's top three AFF products imported from BRIC in this sub-sector were chemical wood pulp, soda or sulphate, not dissolving grade; waste and scrap of paper or paperboard; and mechanical wood pulp, supplied by Brazil (72%); and Russia (27%).

- **HS17 – sugar and sugar confectionary**, ranked the 8th SA AFF import product from BRIC, was the largest declining with 67% (from R1.91 billion in 2017 to R0.64 billion in 2018). The top three SA imports in this category were cane or beet sugar & chemical pure sucrose, solid form; sugars including chemical pure lactose etc., caramel; and sugar confection (including white chocolate), no cocoa, supplied mainly by Brazil (60%) and China (38%).

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