

## **Trade report to Central Committee**

This report provides:

1. A summary of the analysis presented to the November 2004 CEC
2. A detailed input on the sectors examined in the November CEC paper, including the updated figures for each sector.

### **Summary of the November 2004 CEC paper**

Analysis of South Africa's trade indicates that, if trade is to assist in alleviating South Africa's overwhelming unemployment problem, a different approach to trade is required. The current emphasis by government is to promote growth and development by promoting trade liberalisation. However, simply growing trade in its current form may assist in maintaining macro-economic stability, but will not do much to create employment or support increased equality.

This conclusion arises from analysis of the structure of South Africa's trade. Specifically,

- South Africa's exports remain geared primarily toward relatively capital-intensive sectors – notably minerals, heavy chemicals and auto. Expansion in these sectors can do little to contribute to employment creation or more equitable ownership and control. Meanwhile, given relatively slow economic growth, increased imports of labour-intensive goods and services will tend to displace domestic employment.
- Substantial regional differences emerge in the structure of trade. SADC accounts for a disproportionate share of labour-intensive exports. Europe, which still accounts for the lion's share of South African trade, and the U.S. also provide important markets for light industry. In contrast, capital-intensive industries predominate in exports to China, which is a growing source of labour-intensive imports.

This analysis points, first, to the need to link trade strategies with consistent support for labour-intensive sectors, such as light industry and services. Second, it suggests the need to work harder on improving trade relations within southern Africa. Finally, it suggests that stronger ties with China, while desirable in themselves, but should not take the form of a free-trade agreement.

### **South Africa's growth path**

The main economic challenge today, as ten years ago, remains high unemployment and massive inequalities. Unemployment is now around 40%, if we include people who want paid work but are too discouraged actively to seek it. That compares with an average of around 5% for other middle-income countries, according to the World Bank's Development Indicators. (World Bank, 2003)

COSATU has consistently argued that this extraordinarily high unemployment results from two factors.

1. The structure of the formal sector historically centred on minerals and, more recently, heavy chemicals and auto. These sectors are relatively capital intensive, and cannot create employment on a large scale even when expanding. Moreover, this kind of capital-intensive industry generally fosters highly concentrated ownership.
2. Apartheid deprived the majority of the population of productive assets, including land, as well as education, training, and access to formal-sector facilities such as the banking sector and retail marketing. As a result, most people have little scope for earning a living outside of paid jobs in the formal sector.

Shifts in economic structure since 1994 have done little to remedy these problems. Specifically, we have seen:

- In the minerals sector, a shift from gold to platinum mining, plus growth in aluminium and steel refining,
- In manufacturing, faster growth in heavy chemicals and auto, with relative stagnation in light industry,
- In services, rapid expansion in the relatively capital-intensive sectors of finance and communications, with stagnation in other private services and a decline in the public sector,
- A decline in construction, and
- Rising capital intensity in commercial farming.

All of these trends are associated with a shift toward rising capital intensity, so that increases in output and exports have not created employment on the necessary scale. Since 1998, formal employment has only grown about 1% a year, or about half as fast as the population.

Various indicators show the shift toward a more capital-intensive economy. To start with, as the following table indicates, the fastest growth in output occurred in the most capital-intensive sectors, led by telecommunications and basic non-ferrous metals. In contrast, light industry showed relatively little expansion.

**Table 1: Growth rates and capital intensity, 1994-2002**

Average annual growth rate, 1994-2002	Capital-labour ratio, 2002 (rand)
Communications and basic non-ferrous metals at 15%	2,215,000
Sectors growing over 5%	539,000
Sectors growing 3% to 5%	345,000
Sectors growing under 3%	129,000

Calculated from TIPS EasyData, downloaded from [www.tips.org.za](http://www.tips.org.za) march 2004

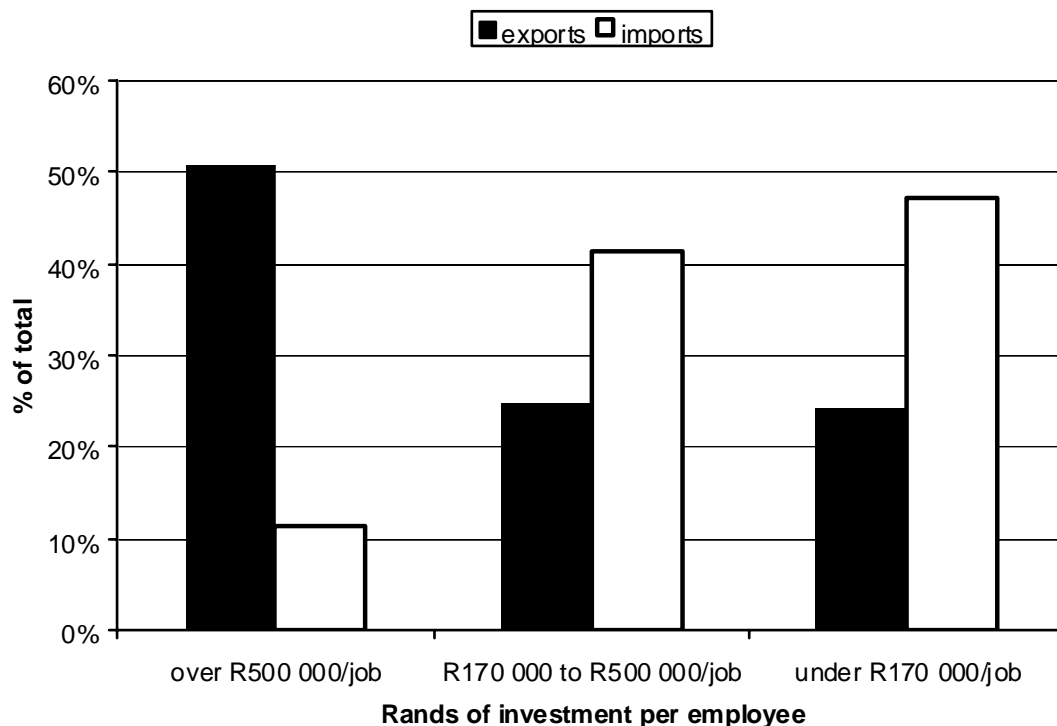
As might be expected, the result of this growth pattern has been a shift in production structure toward heavy industry and away from light industry. The share of agriculture, gold mining, light manufacturing, public and most private services has declined. The winners have been steel, platinum and aluminium refining; heavy chemicals; auto; communications; and finance – all of which are relatively capital-intensive.

## The impact of trade on labour-intensive sectors

South African exports continue to be dominated by minerals, heavy chemicals and auto, while imports consist principally of machinery and appliances, as well as fuel. But very strong regional differences emerge. SADC and the EU form key markets for South African exports of labour-intensive products, while heavy industry dominates sales to China. Moreover, China is becoming the dominant source of labour-intensive imports by South Africa.

As the following table shows, South Africa's exports are considerably more capital intensive than its imports. Half of exports were relatively capital intensive, with R500 000 in capital for each employee. In contrast, just under half of imports were relatively labour intensive, with under R170 000 in investment per jobs. This pattern suggests that increased exports would do little to create employment directly, while rising imports could displace jobs on a larger scale.

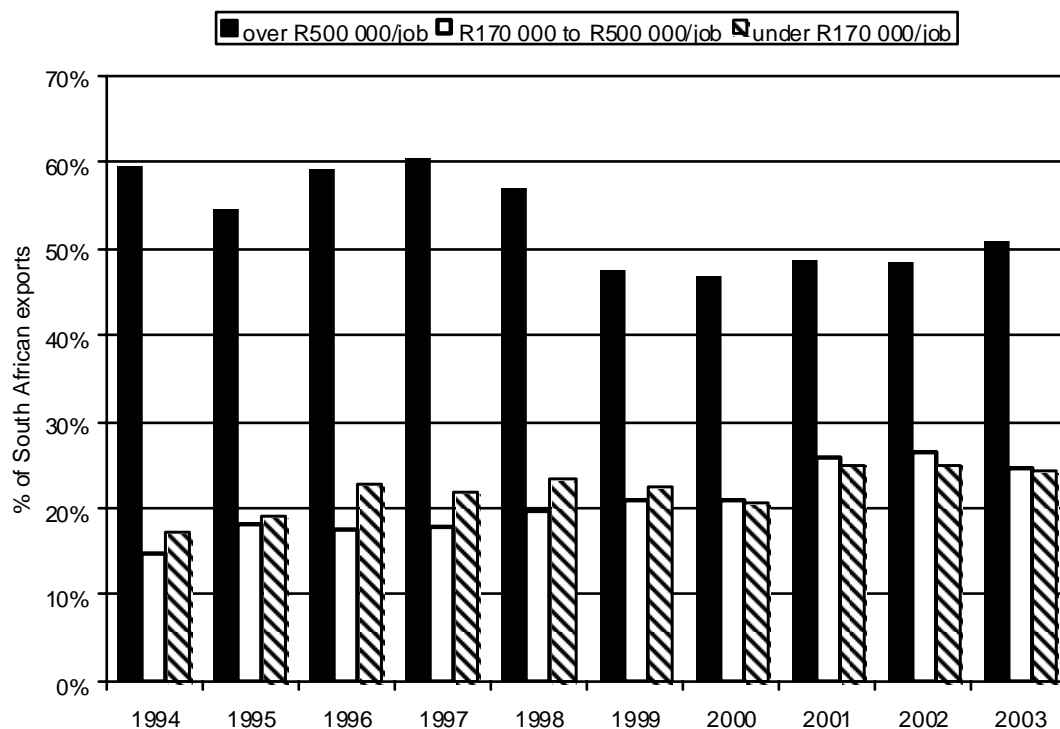
**Table: Share of imports and exports by fixed capital per employee,<sup>1</sup> 2003**



**Note:** 1. Capital intensity was estimated using a weighted average of the capital-intensity per sector of exports and imports, and is therefore only indicative. **Source:** Calculated from TIPS EasyData, downloaded November 2004 from [www.tips.org.za](http://www.tips.org.za)

As the following table shows, the dominance of capital-intensive exports declined in the late 1990s, but regained ground from 2000. The average capital intensity of South African exports in 2003 was virtually the same in real terms in 2003 as it was in 1994.

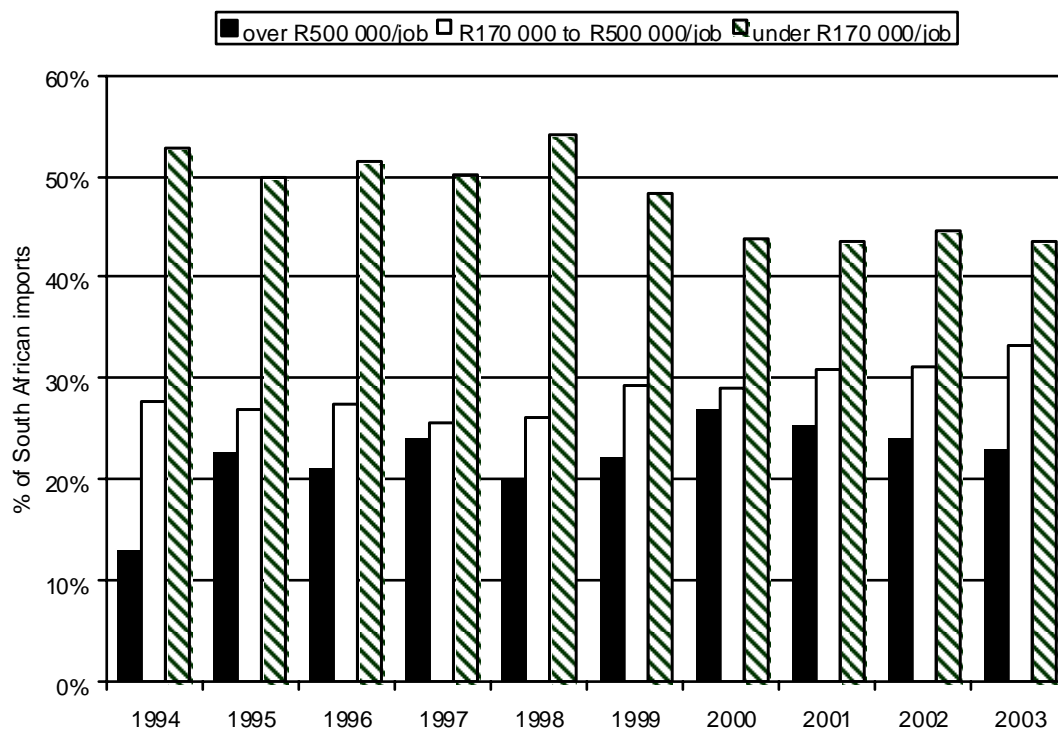
**Table: Exports by level of capital intensity, 1994 to 2003**



**Note:** 1. Capital intensity was estimated by using a weighted average of the average capital-intensity per sector of exports in 2003, and should therefore be seen as indicative. **Source:** Calculated from TIPS EasyData, downloaded November 2004 from [www.tips.org.za](http://www.tips.org.za)

In contrast, as the following table shows, the bulk of South African imports are relatively labour intensive, although the share of highly labour-intensive imports has declined over the past decade. The average capital intensity of imports, excluding petroleum, rose by just over a quarter between 1994 and 2003.

**Table: Imports by level of capital intensity, 1994 to 2003**



**Note:** 1. Capital intensity was estimated by using a weighted average of the average capital-intensity per sector of imports in 2003, and should therefore be seen as indicative. **Source:** Calculated from TIPS EasyData, downloaded November 2004 from [www.tips.org.za](http://www.tips.org.za)

Exports were capital intensive because they were dominated by minerals, auto and heavy chemicals – which in turn were largely derived from coal mining. The only shift in the past ten years was the increase in auto exports and the decline in mining and minerals. In contrast, almost half of all imports were machinery and equipment, autos and appliances of various kinds. In contrast, import of transport equipment rose almost as fast as exports by the auto industry.

**Table: Major exports and imports, 2003**

	1994	2003
<b>Imports</b>		
machinery and equipment	22%	18%
transport equipment	15%	22%
Appliances	14%	12%
Other	49%	48%
<b>Exports</b>		
Mining and minerals	57%	47%
Auto	2%	10%
heavy chemicals	8%	9%
Other	33%	35%

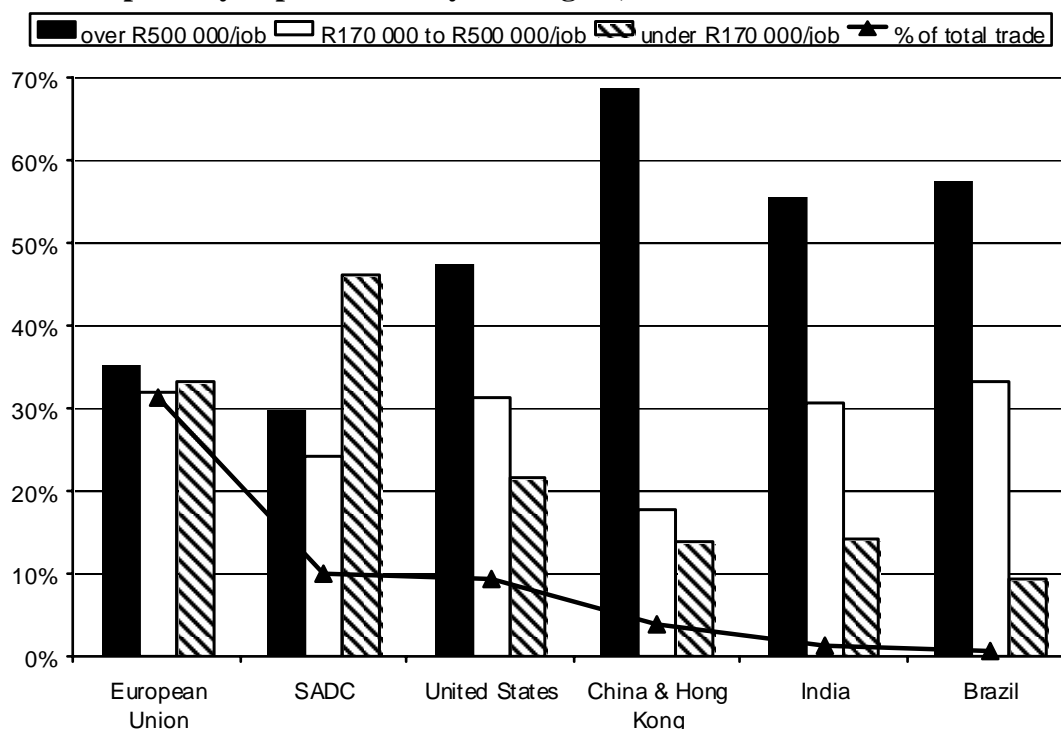
**Source:** Calculated from TIPS EasyData, downloaded November 2004 from [www.tips.org.za](http://www.tips.org.za)

In short, the overall pattern of trade remained essentially characterised by exports of resource-based goods, with the exception of the auto industry. In contrast, consumer and capital equipment dominated imports, which were generally much more diverse. This pattern clearly limited the potential for job creation. Moreover, it left South Africa vulnerable to shifts in world commodity markets, with little sign of the broader economic diversification needed for stable growth.

Underlying the overall trends in imports and exports were substantial differences between the main regions for South African trade. These have significant implications for current bilateral negotiations as well as broader trade policy. In particular, the EU and SADC have been the main markets for relatively labour-intensive goods. In contrast, China, India and Brazil bought mostly minerals and heavy chemicals from South Africa, but exported mainly light industrial goods.

In the following table, the bars show the share of trade by sectors at different levels of capital intensity. The line shows the share of the region in South Africa's total trade.

**Table: Exports by capital intensity and region, 2003**



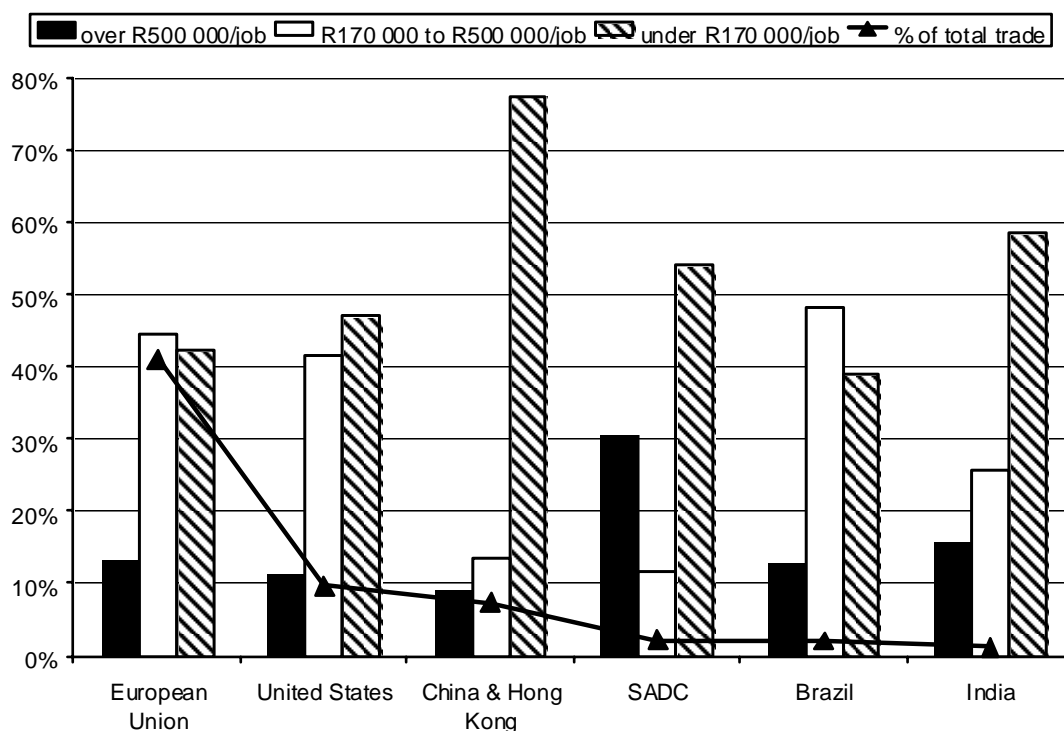
**Note:** 1. Capital intensity was estimated by using a weighted average of the average capital-intensity per sector of exports. **Source:** Calculated from TIPS EasyData, downloaded November 2004 from [www.tips.org.za](http://www.tips.org.za)

The chart shows that:

- South African exports to the EU and SADC are relatively labour intensive. While SADC absorbs only 10% of South Africa's total exports, the figure rises to 20% for industries that require under R170 000 in capital per employee.
- South African exports to China and Hong Kong, and to a lesser extent India and Brazil, tend to be capital intensive. Almost 70% of South African exports to China come from industries that require over R500 000 in capital for each job.

These patterns are largely reversed when it comes to imports by South Africa. Again, in the following chart, the bars show the share of trade by level of capital intensity, while the line shows the region's share in total trade.

**Table: Imports by capital intensity and region, 2003**



**Note:** 1. Capital intensity was calculated by using a weighted average of the average capital-intensity per sector of imports. **Source:** Calculated from TIPS EasyData, downloaded November 2004 from [www.tips.org.za](http://www.tips.org.za)

The chart shows that:

- Imports from SADC were more likely to be capital intensive, mostly because South Africa buys minerals from neighbouring countries. SADC is the only country with which South Africa maintains a strong trade surplus.
- Imports from all regions were dominated by light industry. China, however, was far more likely to provide labour-intensive goods, with almost 80% of its exports to South Africa falling into the most labour-intensive categories.

These trade patterns reflect substantial differences in the commodities traded.

- For the EU, minerals comprised 42% of South Africa's exports, auto 9%, and agricultural goods 7%. South Africa's imports from the EU were mostly transport equipment and auto inputs (30% of the total), machinery (20%) and appliances (15%).
- SADC imports from South Africa were much more diversified, and included a far higher share of manufactures – over three quarters of the total. Chemicals comprised 15%, machinery and equipment 12%, and food 10%. SADC's exports to South Africa were dominated by mining and agricultural products, at around 25% each.
- In contrast, some 60% of Chinese imports from South Africa were mineral products, with heavy chemicals at 8%. Meanwhile, China's exports to South

Africa were predominantly light industrial goods: 25% clothing, textiles and shoes, 20% appliances, and 22% machinery and equipment.

The trends in trade structure also vary by region. Figures here are given in dollars, which are closer to real terms.

The most notable trend has been the extraordinary growth in imports from developing countries, especially China. While overall imports rose by just under 60% in dollar terms between 1994 and 2003, imports from China, Brazil and India tripled. In contrast, South African exports to China doubled and to Brazil remained virtually unchanged. Only in the case of India did exports grow almost as fast as imports.

As a result of these trends, although China remains a relatively minor trading partner, its labour-intensive goods have displaced competitors. In 1994, China accounted for 4% of South African imports, and 5% of labour-intensive imports. In 2003, imports from China accounted for 7% of the total, and 13% of labour-intensive goods. In clothing and footwear alone, China provided 40% in 1994, and some 70% in 2003. Meanwhile, China absorbed only 1% of South African exports in both 1994 and 2003.

The trends with regard to the EU and the USA have been almost the opposite, at least until the rand appreciated dramatically in 2002. While South Africa's total exports rose 37% between 1994 and 2003, exports to the EU climbed 82% and to the US, 66%. Labour-intensive exports to the EU and USA increased relatively rapidly, especially between 1999 and 2003. But growth in labour-intensive exports slowed substantially with the strengthening of the rand in 2002.

In contrast, labour-intensive imports from the EU and the US rose by only 14% between 1994 and 2003, far slower than the average. Moreover, total imports from the EU and the US rose slower than total imports, at 42% for the EU and 30% for the US.

Finally, trade with SADC has largely stagnated. Overall, exports rose 66% between 1994 and 2003. But imports from SADC climbed only 25% - half as fast as the world total.

## **Conclusions**

Analysis of South Africa's trade suggests that simply relying on opening up markets will not do much to improve the employment crisis. Rather, trade policy should be linked to a consistent strategy of supporting relatively labour-intensive industries that can provide employment on a large scale. In particular,

- Increased trade with Europe and the US supported relatively labour-intensive activities as long as the rand was at a reasonable rate. The question is whether these trends will continue with the deeper tariff cuts coming in the next few years.
- Trade with developing countries in general, and China in particular, is more likely to displace domestic light industry and employment, while the benefits are felt only in capital-intensive resource-based sectors that provide few gains for the majority of the population.



- Trade with SADC remains neglected, although it is an important market for key manufacturing industries.

These findings also point to the need to develop a more sophisticated approach to solidarity with other nations of the South. Free trade agreements will not necessarily increase economic ties in desirable ways. Rather, efforts at co-operation must involve broader areas of engagement, including skills transfer, structured investment agreements, and other developmental programmes. Efforts to free up trade should rely on fixed-preference agreements, which target areas of benefit to all parties. In this context, much stronger efforts are needed to ensure development throughout southern Africa.

# **Agriculture, forestry and fishing; food, beverages and tobacco**

## **Agriculture, forestry and fishing**

1. This sector is relatively labour intensive. It is a significant employer in the economy employing 10% of total employment – just over 800 000 people. It is also an essential sector for food security, development etc.
2. The sector meets most of South Africa's domestic demand for food, and exports 14% of its output.
3. The trade balance is strongly positive and has grown since 2002. Our main trading partner is the EU, and an increasingly positive trade balance with the EU has increased the positive trade balance overall. Just over half (58%) of exports for the sector go to the EU, and exports almost doubled in the last 3 years.
4. Trade with the USA reflects a negative trade balance (imports are around double that of exports). However, imports are growing more quickly than exports and imports account for just over a tenth of exports for the sector. In contrast, exports are growing more slowly.
5. The only developing country we have a positive trade balance with regarding agriculture is China and Hong Kong. China accounts for 3% of imports and 5% of exports in the sector. While the trade balance is positive growth in imports has slowed and growth in exports has accelerated in the last years.
6. SADC accounts for a massive 22% of imports for the sector and 10% of exports for the sector. Growth in imports has accelerated in the last 3 years while growth in exports has declined. (In fact, exports dropped in the last 3 years).
7. While there has been an absolute increase in imports from Brazil, Brazil's share of total imports has remained around the same level since 2001. It accounted for 5% of total imports in 2004. Imports are much much higher than exports - \$46 million compared to \$1 million. Imports have also grown 300% in the last 3 years, while exports grew only 2% off the insignificant base.
8. Imports from India have also grown substantially in this sector increasing our negative trade balance with India. Imports are double that of exports.

## **Food**

1. The food sector is relatively capital intensive. It employs some 147 000 people which is 13% of those employed in manufacturing.
2. The local sector meets most of domestic demand with imports meeting 9% of demand. 5% of the output is exported. A third of the exports go to the EU, and a fifth of exports go to SADC. Brazil and India get a minimal amount of total exports from the sector. Interestingly, exports to China and Hong Kong have been growing.
3. The countries/ regions in this study account for 42% of total imports for the food sector. The most significant importers in the study are the EU (16% of imports), Brazil (13% of imports) the USA (5%) and India (4%). SADC accounts for only 2% of imports for the sector.
4. Brazil and India constitute threats to the sector. We have growing negative trade balances with both countries, and imports from Brazil have surged in the last 4 years (showing a growth of 1091%). As stated earlier, exports to Brazil are very low. While exports to India are growing rapidly, imports remain almost four times higher than exports.
5. Exports to the EU continued to grow over the last few years, and imports from the EU accelerated during the same period. The trade balance remains strongly in South Africa's favour though. In contrast, exports to the USA declined in the last few years while imports increased. If such a pattern continues the negative trade balance will grow, which does not support job creation in the long run.

## **Beverages**

1. The sector is highly capital intensive and employment is relatively low – nearly 16 000. This constitutes 1% of manufacturing. The sector is not highly traded – 10% of domestic demand is met by imports and 10% of output is exported.
2. The trade balance is positive and growing strongly for the sector. There is a growing positive trade balance with the EU which is our major trading partner in the sector. There is also a growing positive trade balance with the USA, Brazil, China and Hong Kong, and SADC.

## **Tobacco**

1. The tobacco sector is tiny in South Africa, employing just under 3000 people. It is a lowly traded sector where imports meet only 2% of domestic demand and 6% of output is exported.
2. The trade balance in tobacco is positive, and while it initially dropped with the strengthening of the Rand, the positive trade balance is rising once more.

3. The EU is our major source of imports (56%) and imports have grown significantly from the EU. (There was a dramatic increase in imports in 2004). Exports to the EU are only 6% of our total exports. The trade balance with the EU is negative.
4. The USA was once a major source of tobacco imports into South Africa, but has declined significantly. Exports to the USA have risen dramatically in 2004, leaving a small negative trade balance. We have yet to determine whether the trade activities seen in 2004 are to continue and establish a new trend for the country.
5. SADC is a major source of tobacco exports for South Africa and we have a strong positive trade balance with the region. While there has been an acceleration in growth of imports from SADC, it is off a much lower base, so the positive trade balance with the region remains strong.
6. Exports to Brazil, China and Hong Kong and India are minimal while imports from Brazil and China are growing.

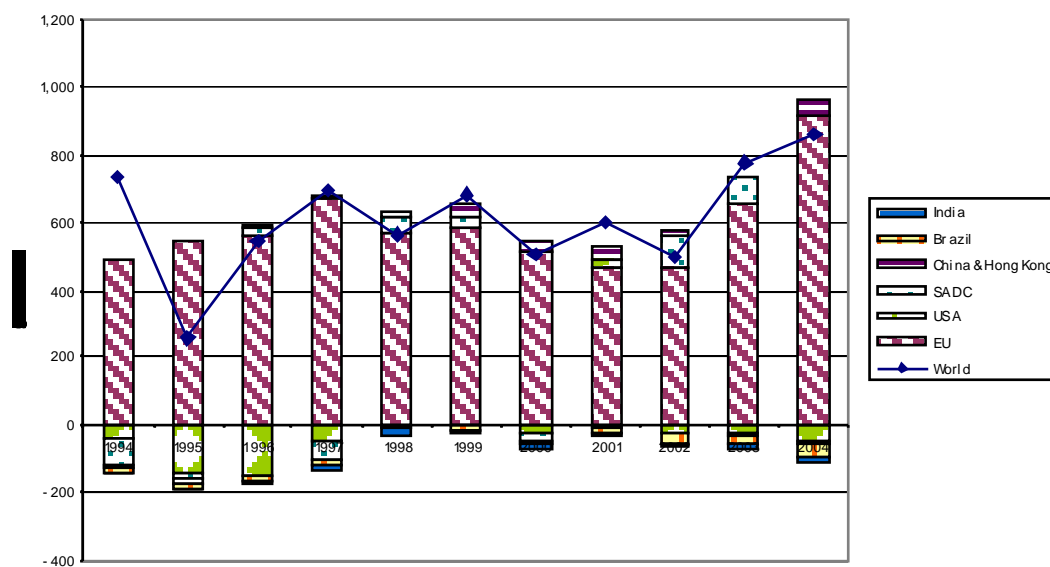
**Table: Summary of key information for the agriculture, forestry & fishing, food, beverages & tobacco**

		<b>Agriculture, forestry &amp; fishing</b>	<b>Food</b>	<b>Beverages</b>	<b>Tobacco</b>
Employment 2004		815,264	147,115	15,844	2,932
Fixed capital stock R million 2004		98,295	24,899	15,220	751
Rand investment per job 2004		120,568	169,250	960,607	256,207
% total employment		10%	2%	0%	0%
% manufacturing employment		-	13%	1%	0%
Import domestic demand		8%	9%	5%	2%
Export output		14%	5%	10%	6%
Output as % of manufacturing output		-	32%	10%	3%
Trade					
EU	Imports 2004 in \$ million	-76	-252	-153	-13
	% change in imports 2001-2004	113%	46%	83%	442%
	% total imports for sector	9%	16%	69%	56%
	Exports 2004 \$ million	991	446	459	5
	% change in exports 2001-2004	96%	53%	118%	1104%
	% total exports for sector	58%	34%	62%	6%
USA	Imports 2004 in \$ million	-103	-77	-23	-4
	% change in imports 2001-2004	324%	64%	351%	592%
	% total imports for sector	12%	5%	10%	16%
	Exports 2004 \$ million	57	61	48	3
	% change in exports 2001-2004	29%	7%	81%	22408%
	% total exports for sector	3%	5%	6%	4%
SADC	Imports 2004 in \$ million	-187	-35	-1	-2
	% change in imports 2001-2004	87%	43%	-44%	217%
	% total imports for sector	22%	2%	1%	9%
	Exports 2004 \$ million	177	278	103	18
	% change in exports 2001-2004	91%	24%	60%	-67%
	% total exports for sector	10%	21%	14%	22%
China & Hong Kong	Imports 2004 in \$ million	-28	-34	0	0
	% change in imports 2001-2004	250%	104%	-31%	241%
	% total imports for sector	3%	2%	0%	2%
	Exports 2004 \$ million	80	51	3	0
	% change in exports 2001-2004	79%	155%	68%	66401%
	% total exports for sector	5%	4%	0%	0%
Brazil	Imports 2004 in \$ million	-47	-207	0	-1
	% change in imports 2001-2004	128%	460%	189%	-
	% total imports for sector	5%	13%	0%	3%
	Exports 2004 \$ million	1	1	2	0
	% change in exports 2001-2004	-38%	211%	14%	-

	% total exports for sector	0%	0%	0%	0%
India	Imports 2004 in \$ million	-24	-63	0	0
	% change in imports 2001-2004	94%	200%	209642%	4818%
	% total imports for sector	3%	4%	0%	1%
	Exports 2004 \$ million	12	12	2	0
	% change in exports 2001-2004	647%	89%	19208%	-100%
	% total exports for sector	1%	1%	0%	0%

## Agriculture, forestry and fishing

Agriculture, forestry and fishing balance



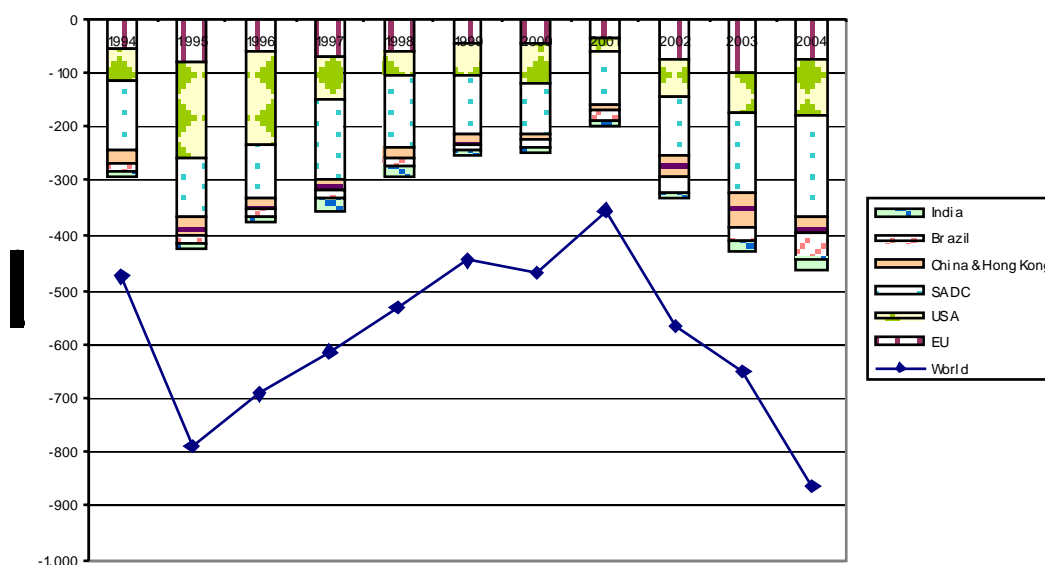
Source: Calculated from Tips EasyData, downloaded May 2005

(a) Table: Change in imports and exports in agriculture, forestry & fishing

		\$ million					Change			Average annual change	
		1994	1997	2000	2002	2004	1994-1997	1997-2000	2000-2004	1994-2004	2002-2004
Brazil	Imports	-16.8	-13.6	-10.8	-27.3	-46.6	-19%	-21%	330%	11%	31%
	Exports	3.6	0.4	1.1	1.2	1.1	-90%	198%	2%	-11%	-6%
China & Hong Kong	Imports	-25.2	-20.4	-12.1	-37.0	-28.4	-19%	-41%	136%	1%	-12%
	Exports	15.5	27.9	46.5	50.7	79.9	80%	67%	72%	18%	25%
EU	Imports	-55.8	-68.7	-48.2	-75.1	-76.0	23%	-30%	58%	3%	1%
	Exports	544.3	736.1	561.0	540.7	991.0	35%	-24%	77%	6%	35%
India	Imports	-8.1	-21.9	-12.3	-14.2	-23.7	170%	-44%	93%	11%	29%
	Exports	2.5	3.6	2.7	3.9	11.8	41%	-24%	339%	17%	74%
SADC	Imports	-126.7	-148.0	-94.1	-112.1	-187.0	17%	-36%	99%	4%	29%
	Exports	48.9	88.1	73.1	205.0	176.9	80%	-17%	142%	14%	-7%
USA	Imports	-59.9	-80.2	-70.4	-67.8	-103.1	34%	-12%	46%	6%	23%
	Exports	17.4	34.6	42.3	37.8	57.1	99%	22%	35%	13%	23%
World	Imports	-475.3	-617.7	-469.4	-567.2	-863.2	30%	-24%	84%	6%	23%
	Exports	1,206.7	1,310.0	972.8	1,066.5	1,722.2	9%	-26%	77%	4%	27%

Source: Calculated from Tips EasyData, downloaded May 2005

Agriculture, forestry & fishing imports



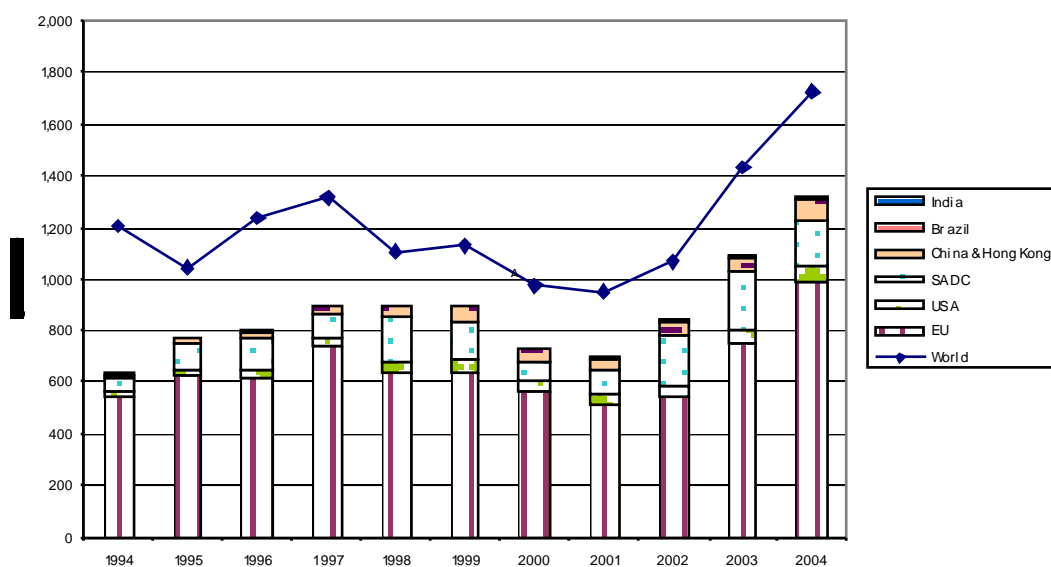
Source: Calculated from Tips EasyData, downloaded May 2005

(b) Table: Agriculture, forestry and fishing imports from countries/ regions as a percentage of total imports in the sector

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	12%	10%	9%	11%	12%	11%	10%	10%	13%	15%	9%
USA	13%	22%	25%	13%	8%	13%	15%	7%	12%	12%	12%
SADC	27%	14%	14%	24%	25%	24%	20%	28%	20%	22%	22%
China & Hong Kong	5%	5%	2%	3%	3%	4%	3%	2%	7%	10%	3%
Brazil	4%	2%	2%	2%	3%	2%	2%	6%	5%	3%	5%
India	2%	1%	2%	4%	4%	2%	3%	3%	2%	3%	3%

Source: Calculated from Tips EasyData, downloaded May 2005

Agriculture, forestry & fishing exports



Source: Calculated from Tips EasyData, downloaded May 2005



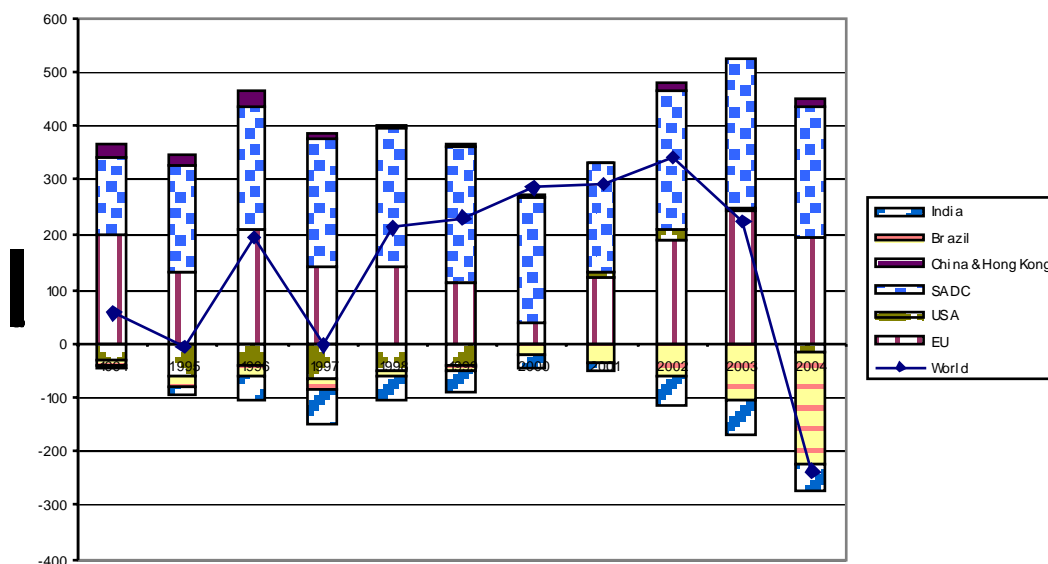
**Table: Agriculture, forestry and fishing exports to each country/ region as a percentage of total exports of the sector.**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	45%	60%	50%	56%	57%	57%	58%	53%	51%	52%	58%
USA	1%	3%	2%	3%	4%	5%	4%	5%	4%	4%	3%
SADC	4%	9%	10%	7%	16%	12%	8%	10%	19%	16%	10%
China & Hong Kong	1%	2%	2%	2%	3%	5%	5%	5%	5%	4%	5%
Brazil	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
India	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%

Source: Calculated from Tips EasyData, downloaded May 2005

## Food

**Food trade balance**



Source: Calculated from Tips EasyData, downloaded May 2005

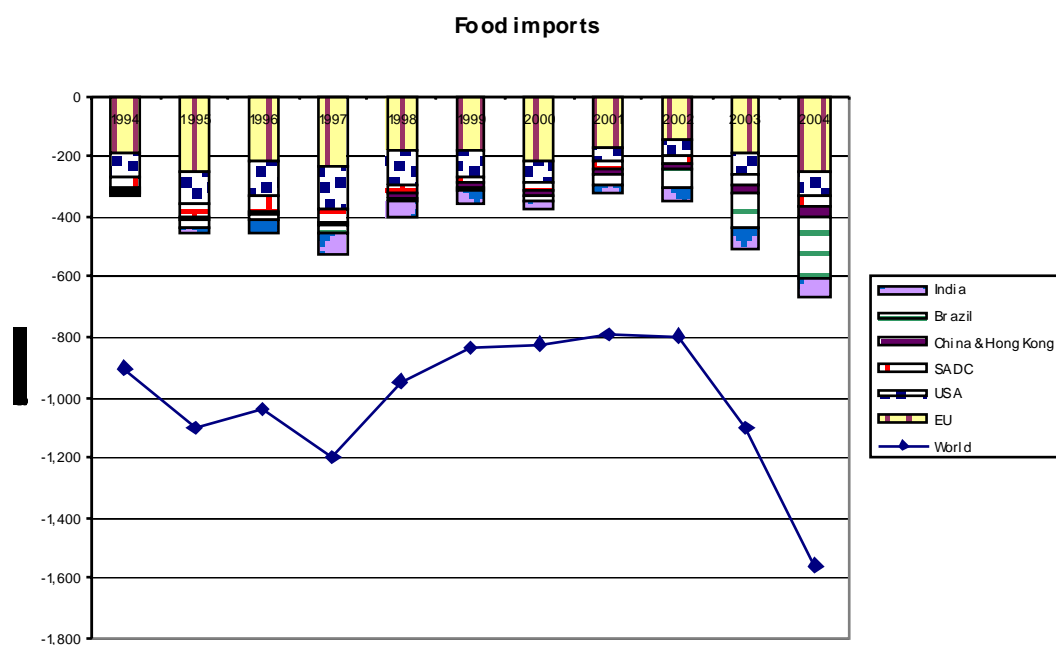
(c)

(d)

(e) Table: Change in imports and exports of food

		1994	1997	2000	2002	2004	Change			Average annual change	
							1994-1997	97-'00	'00-'04	1994-2004	2002-2004
Brazil	Imports	-14.1	-20.8	-17.4	-65.8	-206.7	47%	-17%	1091%	31%	77%
	Exports	2.5	0.4	1.8	0.3	0.5	-84%	363%	-72%	-15%	29%
China & Hong Kong	Imports	-5.1	-17.0	-20.4	-11.0	-34.1	237%	20%	67%	21%	76%
	Exports	28.9	24.8	25.2	24.4	50.8	-14%	2%	101%	6%	44%
EU	Imports	-188.0	-231.8	-219.3	-146.6	-251.7	23%	-5%	15%	3%	31%
	Exports	386.4	369.2	256.2	337.6	446.2	-4%	-31%	74%	1%	15%
India	Imports	-8.0	-69.9	-29.0	-51.8	-63.5	775%	-59%	119%	23%	11%
	Exports	0.9	6.0	0.6	0.6	12.1	602%	-89%	1757%	30%	358%
SADC	Imports	-41.0	-47.0	-24.7	-26.6	-35.0	14%	-47%	42%	-2%	15%
	Exports	185.3	288.4	255.8	286.2	278.1	56%	-11%	9%	4%	-1%
USA	Imports	-78.6	-139.2	-69.1	-52.5	-77.3	77%	-50%	12%	0%	21%
	Exports	46.9	72.2	62.1	70.8	61.1	54%	-14%	-2%	3%	-7%
World	Imports	-906.3	-1,202.8	-826.9	-795.6	-1,563.9	33%	-31%	89%	6%	40%
	Exports	959.0	1,198.8	1,114.8	1,135.6	1,327.6	25%	-7%	19%	3%	8%

Source: Calculated from Tips EasyData, downloaded May 2005



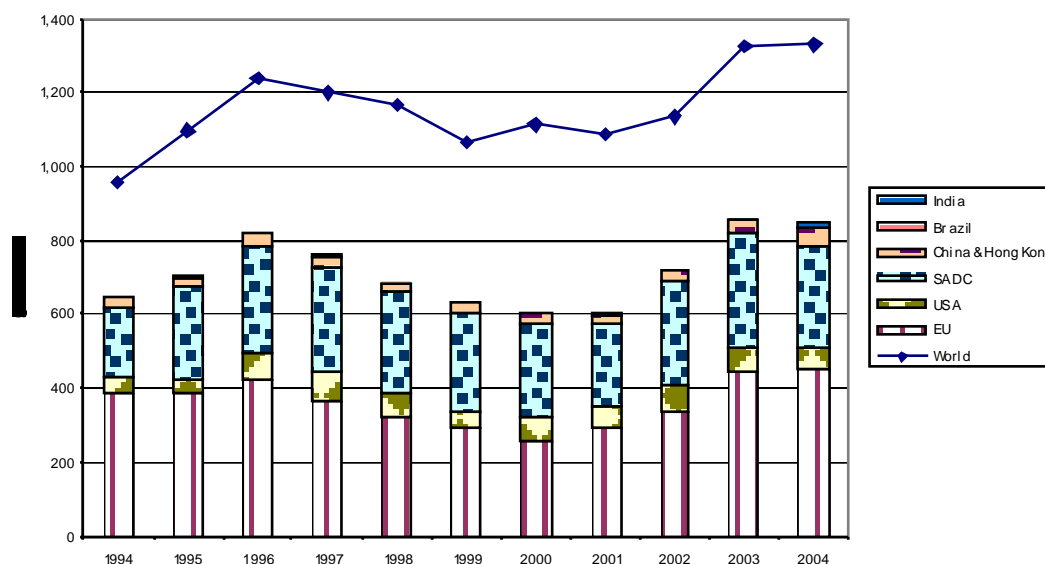
Source: Calculated from Tips EasyData, downloaded May 2005

**Table: Food imports from countries/ regions as a percentage of total imports in the sector**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	21%	23%	20%	19%	19%	22%	27%	22%	18%	18%	16%
USA	9%	9%	11%	12%	12%	10%	8%	6%	7%	6%	5%
SADC	5%	5%	6%	4%	2%	2%	3%	3%	3%	3%	2%
China & Hong Kong	1%	1%	1%	1%	2%	2%	2%	2%	1%	3%	2%
Brazil	2%	2%	2%	2%	1%	1%	2%	5%	8%	10%	13%
India	1%	1%	4%	6%	5%	5%	4%	3%	7%	6%	4%

Source: Calculated from Tips EasyData, downloaded May 2005

**Food exports**

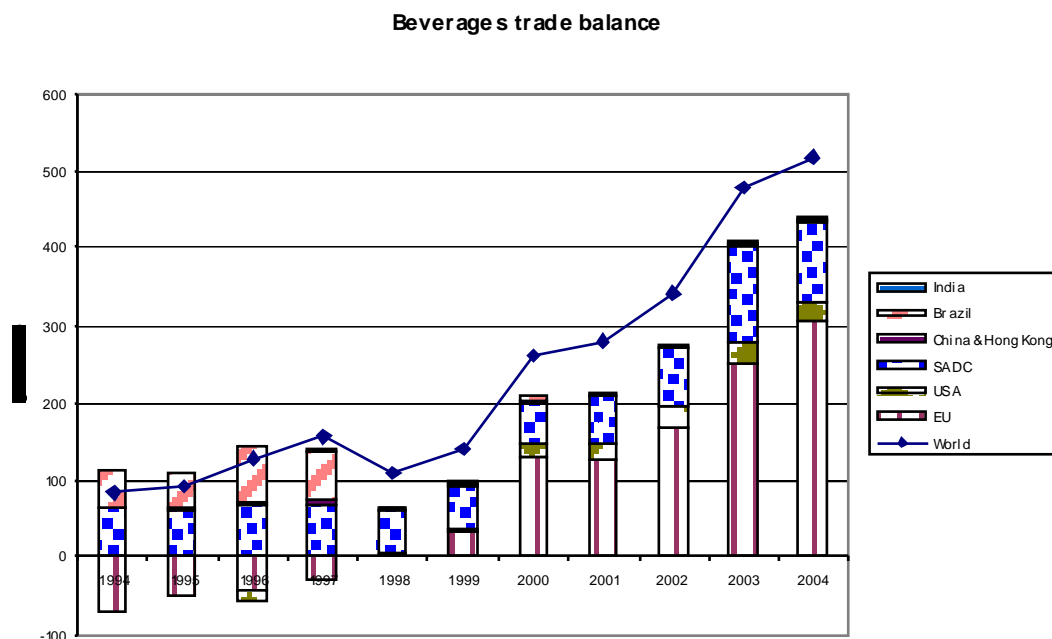


Source: Calculated from Tips EasyData, downloaded May 2005

**Table: Food exports to each country/ region as a percentage of total exports of the sector.**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	40%	35%	34%	31%	28%	27%	23%	27%	30%	33%	34%
USA	5%	4%	6%	6%	6%	4%	6%	5%	6%	5%	5%
SADC	19%	23%	23%	24%	24%	25%	23%	21%	25%	23%	21%
China & Hong Kong	3%	2%	3%	2%	2%	2%	2%	2%	2%	3%	4%
Brazil	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

India 0% 0% 0% 1% 0% 0% 0% 1% 0% 0% 1%  
 Source: Calculated from Tips EasyData, downloaded May 2005  
**Beverages**



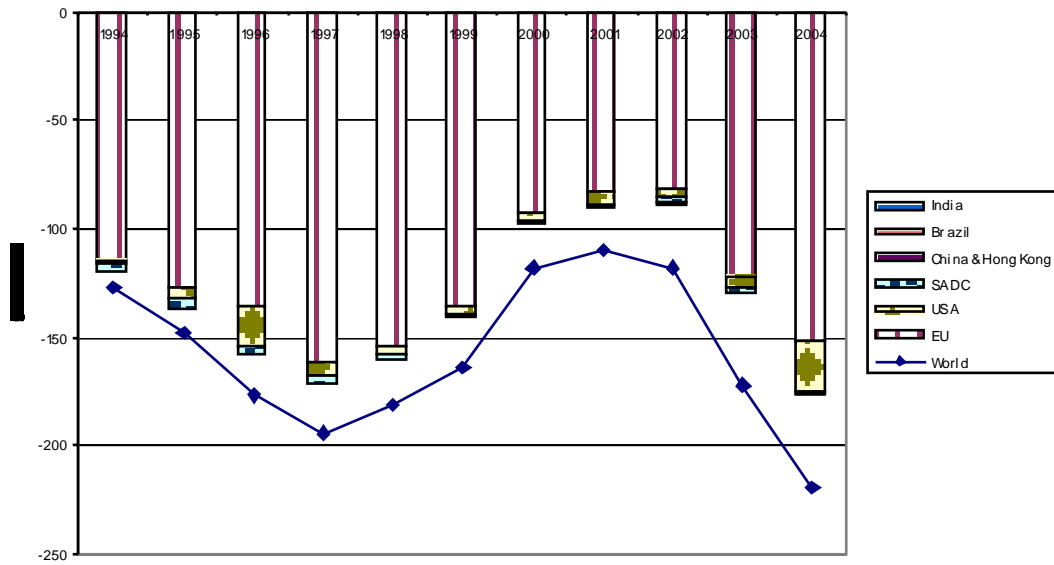
Source: Calculated from Tips EasyData, downloaded May 2005

(f) Table: Change in beverages imports and exports

		1994	1997	2000	2002	2004	Change			Average annual change	
							1994-1997	1997-2000	2000-2004	1994-2004	2002-2004
Brazil	Imports	-0.1	0.0	0.0	-0.6	-0.1	-91%	224%	110%	-5%	-69%
	Exports	45.5	64.1	6.5	0.9	1.9	41%	-90%	-70%	-27%	45%
China & Hong Kong	Imports	0.0	0.0	-0.4	0.0	-0.1	1594%	672%	-86%	34%	21%
	Exports	1.4	5.5	3.0	1.9	3.0	292%	-45%	-1%	8%	27%
EU	Imports	-114.2	-162.5	-92.4	-81.7	-152.7	42%	-43%	65%	3%	37%
	Exports	45.1	132.2	223.5	250.2	458.6	193%	69%	105%	26%	35%
India	Imports	0.0	-0.1	0.0	0.0	-0.3	58205%	-82%	1565%	111%	36106%
	Exports	0.7	0.7	0.2	0.0	1.7	-7%	-67%	633%	8%	551%
SADC	Imports	-3.3	-3.6	-0.2	-1.8	-1.2	10%	-95%	518%	-10%	-19%
	Exports	68.3	71.4	52.4	81.5	102.6	5%	-27%	96%	4%	12%
USA	Imports	-2.1	-5.0	-4.4	-4.4	-22.5	136%	-12%	414%	27%	126%
	Exports	2.0	6.2	21.1	29.3	47.9	213%	239%	127%	37%	28%
World	Imports	-127.6	-194.5	-118.3	-118.1	-219.9	52%	-39%	86%	6%	36%
	Exports	211.5	351.5	381.0	459.2	737.6	66%	8%	94%	13%	27%

Source: Calculated from Tips EasyData, downloaded May 2005

### Beverages imports



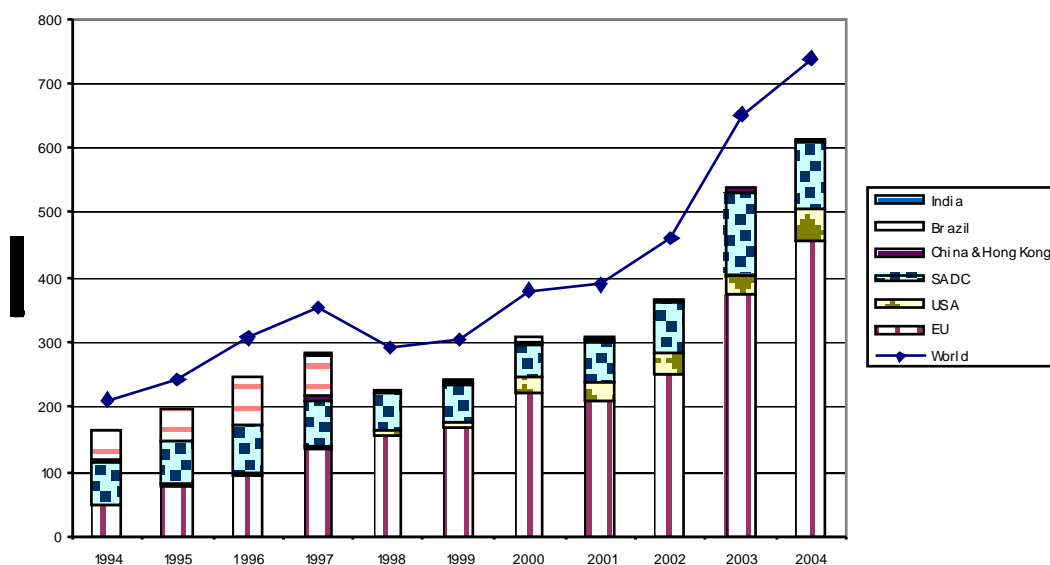
Source: Calculated from Tips EasyData, downloaded May 2005

**Table: Beverage imports from countries/ regions as a percentage of total imports in the sector**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	90%	86%	77%	84%	84%	82%	78%	76%	69%	70%	69%
USA	2%	4%	11%	3%	3%	3%	4%	5%	4%	4%	10%
SADC	3%	3%	2%	2%	1%	1%	0%	2%	2%	1%	1%
China & Hong Kong	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Brazil	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%
India	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: Calculated from Tips EasyData, downloaded May 2005

### Beverages exports



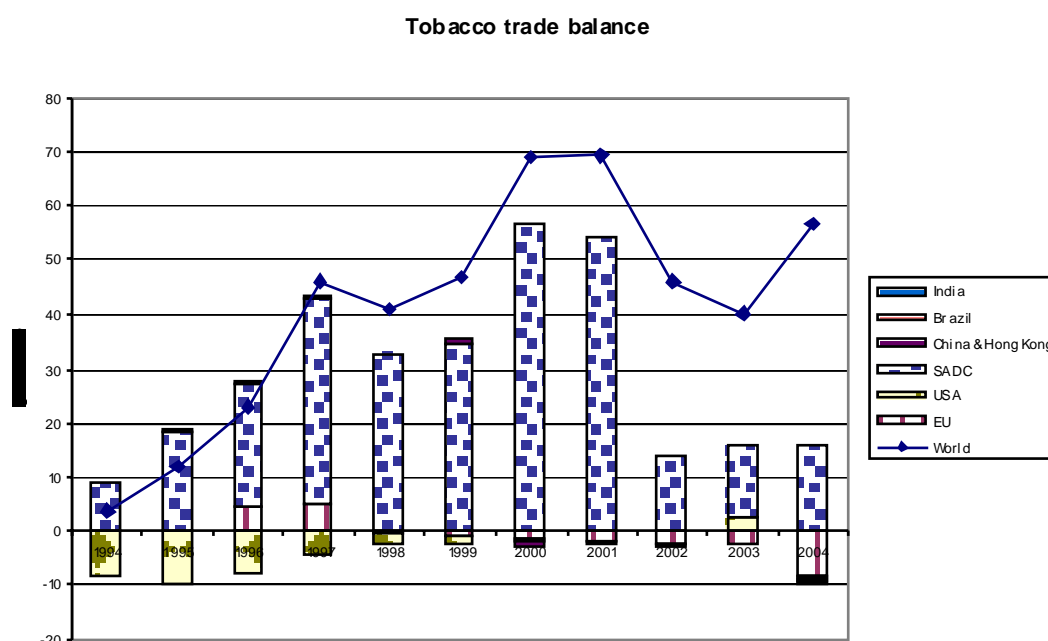
Source: Calculated from Tips EasyData, downloaded May 2005

**Table: Beverages exports to each country/ region as a percentage of total exports of the sector.**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	21%	32%	31%	38%	53%	55%	59%	54%	54%	57%	62%
USA	1%	1%	2%	2%	4%	3%	6%	7%	6%	5%	6%
SADC	32%	27%	23%	20%	19%	18%	14%	16%	18%	19%	14%
China & Hong Kong	1%	1%	1%	2%	1%	1%	1%	0%	0%	1%	0%
Brazil	22%	19%	24%	18%	1%	1%	2%	0%	0%	0%	0%
India	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%

Source: Calculated from Tips EasyData, downloaded May 2005

## Tobacco



Source: Calculated from Tips EasyData, downloaded May 2005

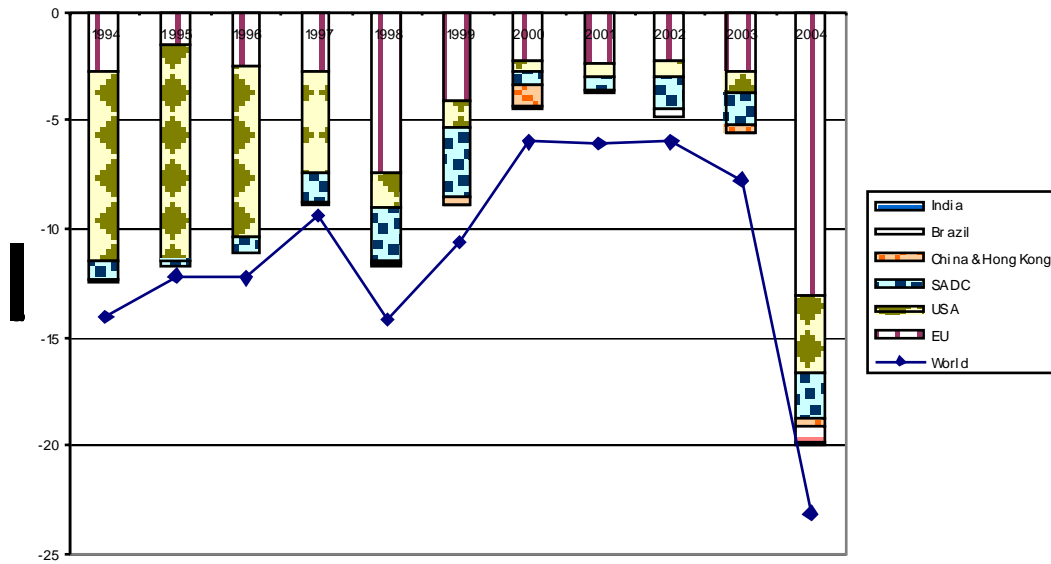
(g)

(h) Table: Change in tobacco imports and exports

							Change			Average annual change	
		1994	1997	2000	2002	2004	1994-1997	1997-2000	2000-2004	1994-2004	2002-2004
Brazil	Imports	0.0	0.0	0.0	-0.4	-0.7	-100%	-	6265%	33%	34%
	Exports	0.0	0.0	0.0	0.0	0.0	-	-100%	-	-	-100%
China & Hong Kong	Imports	0.0	0.0	-1.0	0.0	-0.4	-54%	19930%	-62%	43%	14687%
	Exports	0.2	0.1	0.0	0.0	0.1	-24%	-100%	-	-3%	116%
EU	Imports	-2.7	-2.7	-2.2	-2.3	-13.1	-1%	-18%	489%	17%	137%
	Exports	2.8	7.5	0.8	0.2	4.7	166%	-90%	512%	5%	410%
India	Imports	0.0	0.0	0.0	0.0	-0.1	-77%	381%	504%	21%	144%
	Exports	0.0	0.0	0.0	0.0	0.0	-	-100%	-	-	-
SADC	Imports	-0.8	-1.4	-0.5	-1.6	-2.1	72%	-63%	304%	10%	16%
	Exports	9.5	39.9	57.2	15.6	17.9	321%	44%	-69%	7%	7%
USA	Imports	-8.8	-4.7	-0.6	-0.6	-3.6	-47%	-87%	514%	-9%	150%
	Exports	0.2	0.0	0.1	0.2	3.5	-94%	1059%	2409%	33%	277%
World	Imports	-14.1	-9.4	-6.0	-6.0	-23.2	-33%	-36%	285%	5%	97%
	Exports	17.9	55.3	74.9	51.9	79.9	209%	35%	7%	16%	24%

Source: Calculated from Tips EasyData, downloaded May 2005

### Tobacco imports



Source: Calculated from Tips EasyData, downloaded May 2005

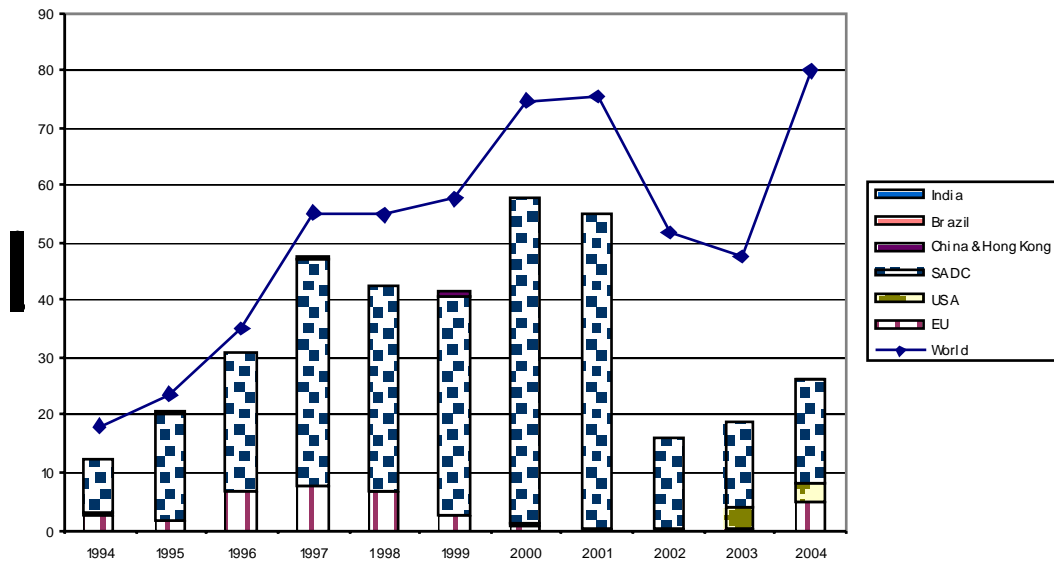
**Table: Tobacco imports from countries/ regions as a percentage of total imports in the sector**

World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	19%	13%	20%	29%	52%	39%	37%	39%	39%	35%	56%
USA	62%	81%	64%	50%	11%	12%	10%	9%	10%	13%	16%
SADC	6%	2%	7%	15%	17%	30%	9%	11%	26%	19%	9%
China & Hong Kong	0%	0%	0%	0%	1%	3%	17%	2%	0%	4%	2%
Brazil	0%	0%	0%	0%	1%	0%	0%	0%	6%	1%	3%
India	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%

Source: Calculated from Tips EasyData, downloaded May 2005



### Tobacco exports



Source: Calculated from Tips EasyData, downloaded May 2005

**Table: Tobacco exports to each country/ region as a percentage of total exports of the sector.**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	16%	7%	19%	14%	12%	5%	1%	1%	0%	1%	6%
USA	1%	1%	0%	0%	0%	0%	0%	0%	0%	8%	4%
SADC	53%	77%	68%	72%	64%	66%	76%	73%	30%	31%	22%
China & Hong Kong	1%	3%	1%	0%	0%	2%	0%	0%	0%	0%	0%
Brazil	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
India	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: Calculated from Tips EasyData, downloaded May 2005

## **Clothing & textiles; footwear and leather**

[DOUBLE CHECK OUTPUT FIGURES AGAINST TABLE WHEN PRINTED]

This sector, which is relatively labour intensive and employs largely women workers, has been hard hit by imports, which come increasingly from China. Imports from China & Hong Kong, Brazil and India are growing significantly as well as displacing other imports. This poses threats for jobs in both the short term and certainly in the long term. Still, according to the statistics, local products dominate the domestic market and absorb the bulk of domestic production. The impact of trade has varied, with rapid growth in exports of leather products for auto in the late 1990s, and an even more rapid decline in footwear as a result of imports.

### **Textiles**

1. The textiles sector, while relatively labour intensive, is a small employer in the economy as a whole employing 4.7% of manufacturing employment in 2004. In 2004 it but provided jobs for over 54 000 people.
2. While the textiles sector is relatively small its output still meets the majority of domestic demand . A fifth of domestic demand is met by imports, while a tenth of textiles production is exported.
3. Trade with SADC, the USA and EU had looked positive for employment in the long run but the impact of the strong Rand has dampened this. While average annual growth in exports was higher than average annual growth in imports from 1994 – 2004 for these regions, the statistics show higher an acceleration of imports with the strengthening of the Rand (2002 – 2004). Growth in exports also slowed from 2002 – 2004 in SADC and the USA.
4. The slow in growth in exports to SADC and the USA is significant as the USA accounts for 8% of total textile exports, and SADC accounts for 18% of total exports for the sector. The EU accounts for almost half of textile exports (46%), but had surprisingly experienced strong export growth (13% from 2002 – 2004), compared to an average annual growth rate of 2% from 1994 – 2004. The EU increased its share of total South African textile exports between 2002 – 2004 from 40% to 46%. While the USA maintained its share of total South African textile exports at 8%, SADC decreased its share of exports from a high of 24% in 2001 to 18% in 2004.
5. Trade in textiles with Brazil and the developing countries other than SADC (India and China & Hong Kong) is not supportive of employment in the long run. We have a negative trade balances with India, Brazil and China and Hong Kong (i.e. import more than we export). Imports from China and Hong Kong, and India are growing faster than our exports to them and growth in imports accelerated for all 3 regions/ countries from 2002 – 2004. Growth in exports declined in our exports to

Brazil and India from 2002 – 2004, and while exports to China and Hong Kong increased during the period, growth in imports was significantly higher and off a much higher base.

China and Hong Kong's and India's share of textile imports has grown significantly since 1994 (as well as 2002), and they now account for a third of textile imports.

Average annual growth in output in textiles was 10% p.a from 1995 – 2004. (Growth was calculated using Tips EasyData downloaded June 2005 and using 2000 prices). However, growth slowed in the period from 2002 –2004 where the strong Rand resulted in an annual average growth rate of –2% p.a.

### Clothing

1. The clothing sector is highly labour intensive and is a significant employer in the economy as a whole providing jobs for around 114 000 people (mainly women) in 2004. This constitutes a tenth of total manufacturing employment. The clothing sector contributes 5% of manufacturing output. The sector meets the major share of domestic demand (a quarter of domestic demand being met by imports). However, the extent to which the South African clothing sector meets domestic demand must be much less than the figure provided, given anecdotal evidence of a high amount of 'grey,' largely second hand goods coming into South Africa. While 14% of the textile sector's output is exported, and the share of output that is exported has been declining over the last few years. Over half of these exports go to the USA, a quarter go to the EU and nearly a tenth go to SADC. Exports to China and Hong Kong, India and Brazil are a miniscule share of South Africa's clothing exports. In contrast, imports from China and Hong Kong have grown dramatically, displacing other imports, and China and Hong Kong now account for 73% of wearing apparel imports. Imports from Brazil are virtually non-existent and India has been losing its share of imports into the South African market and now accounts for 5% of clothing imports.
2. The trade trends in clothing with the developed countries (the EU and USA) support employment creation in the sector in the long run. (Note that South Africa get preferential access to the USA in terms of the African Growth and Opportunities Act). South Africa has a positive trade balance in clothing with both countries and average annual growth in exports to them outstripped average annual growth in imports from 1994 – 2004. However, with the strengthened Rand exports to the USA declined 6% (on an average annual basis) from 2002 – 2004 while imports grew 30% (on an average annual basis). Growth in imports from the EU increased substantially and outstripped growth in exports, between 2002 – 2004. The strong Rand thus threatens the positive trajectory for the sector with the EU and USA. The impact of the strong Rand on exports to the USA is of particular concern given that the USA accounts for over half of the clothing exports from South Africa
3. Clothing trade with SADC shows rising exports and declining imports, even though we continue to have a negative (and now relatively small) trade balance.

This may be positive for employment in the South African clothing sector in the long run.

4. Clothing trade with Brazil is insignificant, accounting for less than 0.5% of clothing imports and exports.
5. India and China & Hong Kong pose significant challenges to the South African clothing sector. We hardly export to these two developing countries (each received less than 0.5% of clothing exports). However, India accounts for 6% of clothing imports and China and Hong Kong account for 73% of clothing imports. Imports from China are growing at a very rapid rate and are displacing imports from other countries. Our negative trade balances in clothing with both countries are large (specifically with China) and growing. Trade with these developing countries threatens the South African clothing sector.

Average annual growth in output in clothing and textiles was 3% p.a from 1995 – 2004. (Growth was calculated using Tips EasyData downloaded June 2005 and using 2000 prices). However, growth slowed in the period from 2002 – 2004 where the strong Rand resulted in an annual average growth rate of 2% p.a.

#### **Leather and leather products**

1. While the leather and leather products sector is relatively labour intensive, it is a relatively small sector in the South African economy, and is thus a very small employer in the economy as a whole providing jobs for just over 6000 people in 2003 (that is just under 1% of manufacturing jobs). It is also a small contributor to total output in the manufacturing sector, accounting for 1% of output in 2003. While small, it still meets a large proportion of domestic demand (a quarter of domestic demand is met by imports) and exports a third of what it produces. Output grew strongly (56%) from 1999-2003. This growth can be linked to growth in exports of leather interior fittings.
2. Trade with the developed countries (the EU and USA), may not continue to contribute to employment in the long run. While South Africa had positive trade balances with both regions, exports to the EU declined at a faster rate than the decline in imports from the EU, and exports to the USA declined more slowly than the decline in imports from the USA. The decline of exports to the EU is important because the EU is a major destination for leather & leather exports from South Africa. (However, while exports declines to the EU between 2001 – 2004), imports declined more dramatically during the same period.
3. Trade with certain developing countries, on the other hand, poses great threats to the leather and leather products sector. Brazil, India and China are a significant source of imports of leather and leather products for South Africa, accounting for over half of South Africa's imports in this sub-sector. In fact, China and Brazil have grown in importance as origins of imports to South Africa, as their share of total leather imports has grown and they displace other importers. China now supplies a third of leather and leather products imports into South Africa. South

Africa has negative trade balances with all 3 countries. Imports are growing from China & Hong Kong, while our exports to them are declining. Imports from Brazil are increasing on a high base compared to our exports which are insignificant. Our imports from India are declining and our exports to India are rising, but our exports are off a very low base and imports from India are significant. Trade with these countries does not appear to support employment in the long run in this subsector.

4. SADC is a minor trading partner with South Africa in leather and leather products, accounting for 3% of imports and a destination for 1.5% of exports. We have a negative trade balance with SADC and exports are growing more quickly than imports. The long term implications of this should be considered in the context of the sustainability of the regional trade patterns in which South Africa exports a large amount of labour intensive goods to the region.

Average annual growth in output in leather and leather products was 12% p.a from 1995 – 2004. (Growth was calculated using Tips EasyData downloaded June 2005 and using 2000 prices). However, growth slowed in the period from 2002 –2004 to an annual average growth rate of 6 % p.a.

### **Footwear**

1. While the sector is labour intensive, it is a very small employer in the economy as a whole providing 1% of manufacturing jobs (that is jobs for just over 16 000 people in 2004), having declined significantly since 1994. It is also a small contributor to the manufacturing sector output, accounting for 1% of output in 2004. Imports are increasingly meeting domestic demand – nearly half of domestic demand is now met by imports. The sector exports very little of what it produces - only 3% of footwear produced in South Africa is exported and exports are mainly to the EU (nearly a third of footwear exports) and SADC (38% of footwear exports).
2. Trade with the developing countries (China & India), as well as with Brazil threaten employment in the subsector. Most importantly, China's share of footwear imports has grown to 77%, and while imports continue to grow at a very high rate, our exports to China, small as they are, are declining. Brazil and India each account for less than 0.5% of South Africa's footwear exports, but contribute to only 4.5% of footwear imports (combined). Imports from Brazil are growing very significantly while our minimal footwear exports to Brazil are declining. While imports from India show an increase, our exports are miniscule, though growing. Our trade balance with India is now about \$8.3 million.

3. Trade with the developed countries (the USA and EU), may not support employment in the sub-sector in the long run. While footwear exports to the EU are growing, growth in imports from the EU is around the same percentage but off a much higher base. Exports to the USA are growing off a very low base and imports from the USA are declining. However, both regions still have higher imports than exports.
4. Only trade with SADC may support employment in South Africa in the long run. SADC is critical for footwear exports. The only trading partner (of the countries in this study) that South Africa has a positive trade balance with in this subsector, is SADC. SADC accounts for just over a third of the exports from the sub-sector, and imports from SADC are declining while exports to SADC are growing.
5. Average annual growth in output in footwear was -1% p.a from 1995 – 2004. (Growth was calculated using Tips EasyData downloaded June 2005 and using 2000 prices). This decline in output persisted and there was an annual average growth rate of -1% FROM 2002 – 2004.

**Table: Summary of key data**

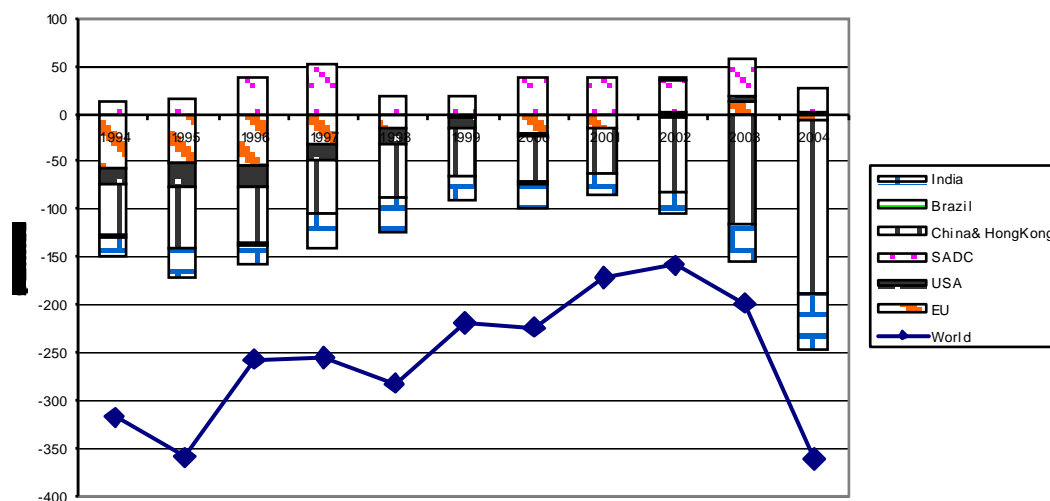
	Textiles	Clothing	Leather & leather products	Footwear	
Employment in 2004	54,195	113,922	9,077	16,523	
Fixed capital stock in R million in 2004	4,956	1,573	332	317	
Rand investment per job in 2004	91,448	13,808	36,533	19,177	
% total employment	0.7%	1.4%	0.1%	0.2%	
% manufacturing employment	4.7%	9.9%	0.8%	1.4%	
Import domestic demand	21%	23%	27%	44%	
Export output	10%	14%	34%	3%	
Output as % of manufacturing output	1%	5%	1%	1%	
Trade					
EU	Imports 2004 in \$ million	-161.3	-36.7	-18.6	-23.5
	% change in imports 2001-2004	57.7%	37.3%	-20.4%	48.6%
	% total imports for sector	23.1%	5.6%	10.4%	5.8%
	Exports 2004 \$ million	154.5	66.6	49.1	4.7
	% change in exports 2001-2004	72.3%	44.5%	-4.9%	46.5%
	% total exports for sector	45.9%	25.6%	44.2%	29.3%
USA	Imports 2004 in \$ million	-25.6	-4.7	-12.7	-2.3
	% change in imports 2001-2004	11.4%	49.5%	31.5%	-2.4%
	% total imports for sector	3.7%	0.7%	7.1%	0.6%
	Exports 2004 \$ million	26.1	137.6	20.2	1.5
	% change in exports 2001-2004	22.6%	-6.9%	-0.4%	520.7%
	% total exports for sector	7.8%	52.9%	18.2%	9.0%
SADC	Imports 2004 in \$ million	-32.7	-30.8	-5.3	-3.2
	% change in imports 2001-2004	72.7%	33.9%	42.7%	-16.0%

		Textiles	Clothing	Leather & leather products	Footwear
	% total imports for sector	4.7%	4.7%	2.9%	0.8%
	Exports 2004 \$ million	60.3	20.4	1.7	6.2
	% change in exports 2001-2004	5.0%	29.3%	18.1%	27.8%
	% total exports for sector	17.9%	7.8%	1.5%	38.1%
China & Hong Kong	Imports 2004 in \$ million	-197.9	-481.4	-62.5	-310.0
	% change in imports 2001-2004	205.4%	314.9%	147.6%	126.5%
	% total imports for sector	28.3%	73.3%	34.8%	76.5%
	Exports 2004 \$ million	17.1	0.5	8.3	0.1
	% change in exports 2001-2004	0.7%	96.5%	-12.8%	40.3%
	% total exports for sector	5.1%	0.2%	7.5%	0.4%
Brazil	Imports 2004 in \$ million	-3.4	-1.3	-23.1	-10.0
	% change in imports 2001-2004	44.7%	3043.2%	175.3%	473.9%
	% total imports for sector	0.5%	0.2%	12.9%	2.5%
	Exports 2004 \$ million	2.8	0.4	0.1	0.0
	% change in exports 2001-2004	-26.1%	894.1%	1154.3%	-60.2%
	% total exports for sector	0.8%	0.2%	0.1%	0.1%
India	Imports 2004 in \$ million	-60.2	-31.7	-18.4	-8.3
	% change in imports 2001-2004	142.4%	123.7%	9.1%	36.1%
	% total imports for sector	8.6%	4.8%	10.2%	2.0%
	Exports 2004 \$ million	1.3	0.8	0.3	0.0
	% change in exports 2001-2004	-11.7%	1206.6%	-49.9%	-18.3%
	% total exports for sector	0.4%	0.3%	0.3%	0.2%

Source: Tips EasyData downloaded May 2005, calculations done from Tips EasyData, downloaded May 2005

# Textiles

Textile trade balance



Source: Calculated from Tips EasyData, downloaded May 2005

Table: Change in textile imports to, and exports from South African

Country/ region		\$ million				% change		
		1994	1997	2001	2004	1994-1997	1997-2001	2001-2004
Brazil	Imports	-1.1	-1.8	-2.3	-3.4	56%	34%	45%
	Exports	0.4	2.4	3.8	2.8	562%	59%	-26%
China & Hong Kong	Imports	-74.0	-86.9	-64.8	-197.9	17%	-25%	205%
	Exports	18.9	30.4	17.0	17.1	60%	-44%	1%
EU	Imports	-134.3	-140.0	-102.3	-161.3	4%	-27%	58%
	Exports	76.1	110.5	89.7	154.5	45%	-19%	72%
India	Imports	-23.8	-44.7	-24.8	-60.2	88%	-44%	142%
	Exports	4.1	5.4	1.4	1.3	34%	-74%	-12%
SADC	Imports	-29.4	-23.7	-18.9	-32.7	-19%	-20%	73%
	Exports	44.3	75.0	57.5	60.3	69%	-23%	5%
USA	Imports	-25.5	-35.8	-23.0	-25.6	40%	-36%	11%
	Exports	10.9	18.5	21.3	26.1	69%	15%	23%
World	Imports	-565.5	-593.0	-409.1	-699.2	5%	-31%	71%



Country/ region		\$ million				% change		
		248.0	337.9	238.9	336.3	36%	-29%	41%
	Exports							

Source: Calculated from Tips EasyData, downloaded May 2005

**Table: Imports and exports, and average annual change in imports and exports of textiles**

		\$ million				Average annual change	
		1994	2000	2002	2004	1994-2004	2002-2004
Brazil	Imports	-1	-3	-2	-3	12%	39%
	Exports	0	2	3	3	23%	-9%
China & Hong Kong	Imports	-74	-61	-88	-198	10%	50%
	Exports	19	12	12	17	-1%	22%
EU	Imports	-134	-107	-111	-161	2%	20%
	Exports	76	89	108	154	7%	20%
India	Imports	-24	-26	-26	-60	10%	52%
	Exports	4	1	2	1	-11%	-20%
SADC	Imports	-29	-12	-22	-33	1%	23%
	Exports	44	51	57	60	3%	3%
USA	Imports	-26	-28	-20	-26	0%	12%
	Exports	11	25	23	26	9%	7%
World	Imports	-566	-462	-430	-699	2%	27%
	Exports	248	239	271	336	3%	11%

Source: Calculated from Tips EasyData, downloaded May 2005

**Table: South African imports of textiles from countries/ regions as a percentage of total textile imports**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	24%	25%	27%	24%	24%	23%	23%	25%	26%	25%	23%
USA	5%	5%	7%	6%	6%	6%	6%	6%	5%	4%	4%
SADC	5%	4%	4%	4%	4%	5%	3%	5%	5%	5%	5%
China & Hong Kong	13%	13%	15%	15%	13%	13%	13%	16%	21%	24%	28%
Brazil	0%	0%	0%	0%	0%	0%	1%	1%	0%	1%	0%
India	4%	6%	6%	8%	7%	5%	6%	6%	6%	8%	9%

Source: Calculated from Tips EasyData, downloaded May 2005

**Table: Exports of textiles to regions/ countries as a percentage of total exports of textiles from South Africa**

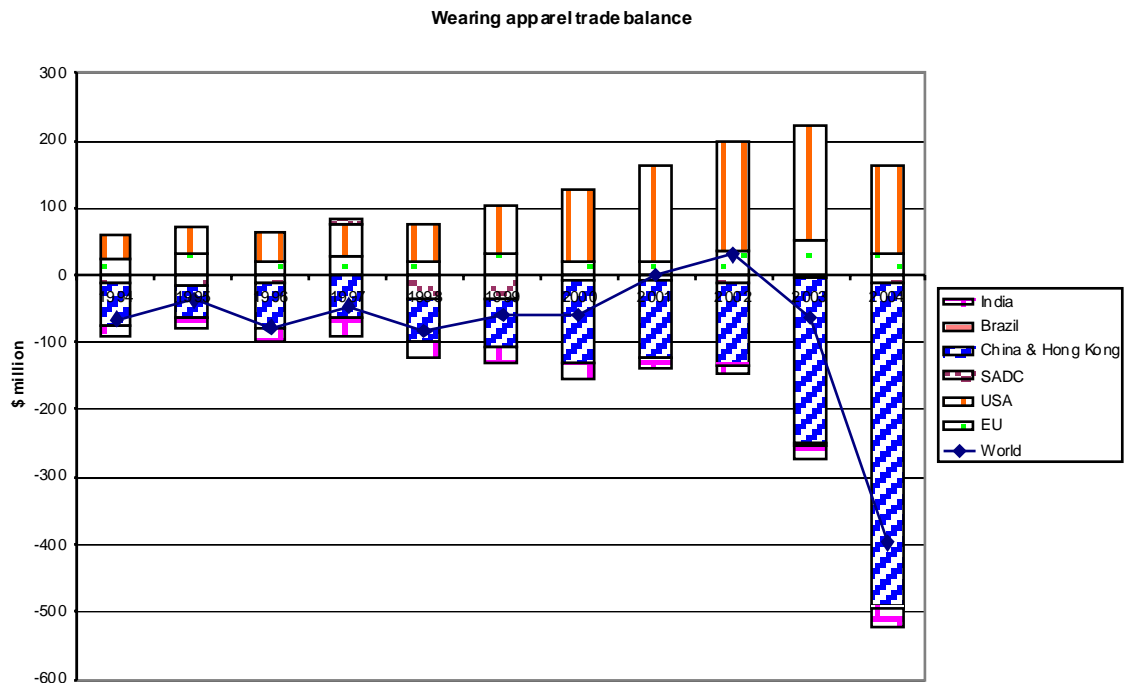
Exports	Exports	Exports	Exports	Exports	Exports	Exports	Exports	Exports	Exports	Exports	Exports	Exports
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	31%	38%	32%	33%	46%	42%	37%	38%	40%	44%	46%	46%
USA	4%	4%	5%	5%	6%	7%	10%	9%	8%	8%	8%	8%

SADC	18%	13%	20%	22%	16%	18%	21%	24%	21%	20%	18%
China & Hong Kong	8%	8%	8%	9%	4%	4%	5%	7%	4%	4%	5%
Brazil	0%	1%	0%	1%	1%	1%	1%	2%	1%	1%	1%
India	2%	2%	4%	2%	1%	1%	0%	1%	1%	1%	0%

(a) Source: Calculated from Tips EasyData, downloaded May 2005

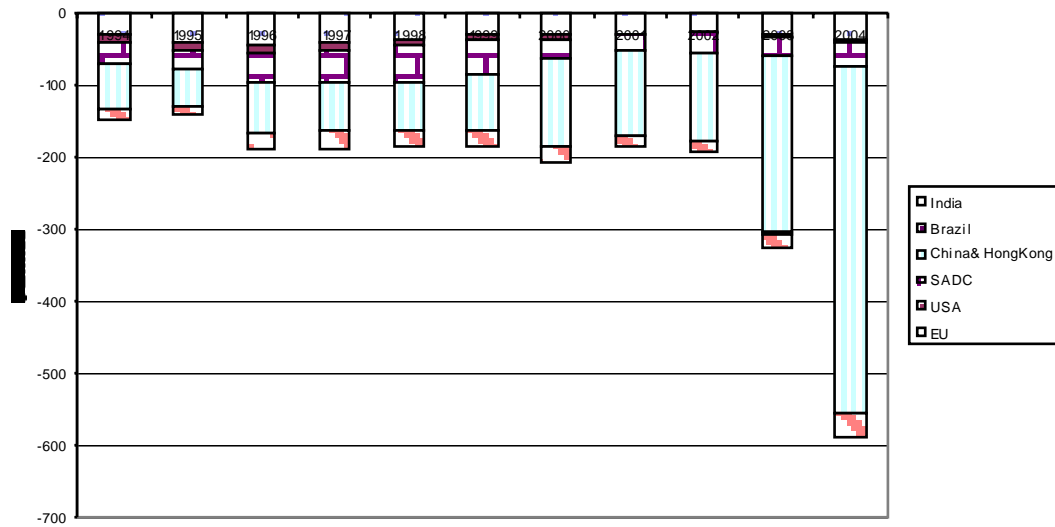
## Wearing apparel

(b)



(i) Source: Calculated from Tips EasyData, downloaded May 2005

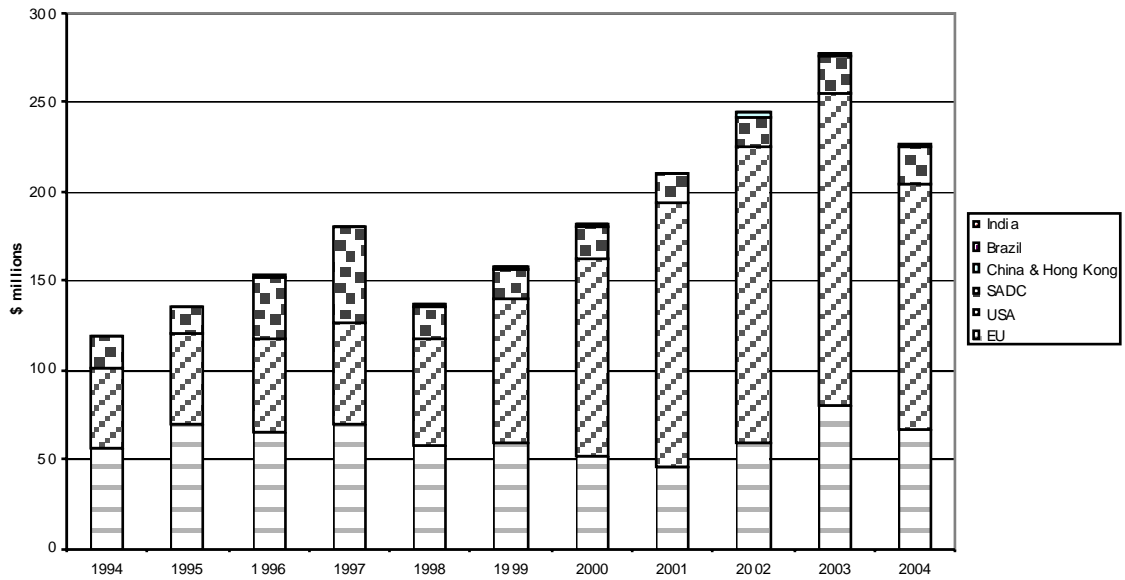
**Wearing apparel imports**



(a) Source: Calculated from Tips EasyData, downloaded May 2005

(b)

**Wearing apparel exports**



(c) Source: Calculated from Tips EasyData, downloaded May 2005

**Table: Change in wearing apparel imports to, and exports from South African**

		\$ millions	% change
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		1994	1997	2001	2004	1994-1997	1997-2001	2001-2004
Brazil	Imports	-0.6	-0.6	0.0	-1.3	-4%	-93%	3043%
	Exports	0.0	0.1	0.0	0.4	1055%	-66%	894%
China & Hong Kong	Imports	-63.6	-63.9	-116.0	-481.4	0%	82%	315%
	Exports	0.3	0.5	0.3	0.5	51%	-41%	96%
EU	Imports	-31.5	-42.4	-26.8	-36.7	35%	-37%	37%
	Exports	56.4	69.9	46.1	66.6	24%	-34%	44%
India	Imports	-14.7	-27.1	-14.2	-31.7	84%	-48%	124%
	Exports	0.0	0.0	0.1	0.8	#DIV/0!	564%	1207%
SADC	Imports	-29.3	-45.5	-23.0	-30.8	55%	-49%	34%
	Exports	18.8	53.1	15.8	20.4	182%	-70%	29%
USA	Imports	-8.4	-10.3	-3.1	-4.7	24%	-70%	50%
	Exports	43.9	56.9	147.7	137.6	30%	159%	-7%
World	Imports	-194.0	-247.6	-233.4	-656.9	28%	-6%	181%
	Exports	128.5	202.8	235.7	260.2	58%	16%	10%

(d) Source: Calculated from Tips EasyData, downloaded May 2005

**Table: Imports and exports and average annual change in imports and exports of wearing apparel.**

		\$ million				(i) Average annual change	
		1994	2000	2002	2004	1994-2004	2002-2004
Brazil	Imports	-1	0	0	-1	7%	308%
	Exports	0	1	0	0	44%	122%
China & Hong Kong	Imports	-64	-126	-123	-481	22%	97%
	Exports	0	0	2	1	6%	-51%
EU	Imports	-32	-30	-24	-37	2%	24%
	Exports	56	52	59	67	2%	6%
India	Imports	-15	-21	-12	-32	8%	63%
	Exports	0	0	0	1	-	557%
SADC	Imports	-29	-25	-29	-31	0%	3%
	Exports	19	19	17	20	1%	10%
USA	Imports	-8	-5	-2	-5	-6%	49%
	Exports	44	110	166	138	12%	-9%
World	Imports	-194	-262	-236	-657	13%	67%
	Exports	129	203	266	260	7%	-1%

Source: Calculated from Tips EasyData, downloaded May 2005

**Table: South African imports of wearing apparel from countries/ regions as a percentage of total wearing apparel imports**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	16%	22%	18%	17%	16%	12%	12%	11%	10%	8%	6%
USA	4%	5%	4%	4%	3%	2%	2%	1%	1%	1%	1%
SADC	15%	16%	18%	18%	22%	21%	10%	10%	12%	7%	5%
China & Hong Kong	33%	26%	28%	26%	26%	32%	48%	50%	52%	65%	73%
Brazil	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
India	8%	8%	9%	11%	10%	9%	8%	6%	5%	6%	5%

Source: Calculated from Tips EasyData, downloaded May 2005

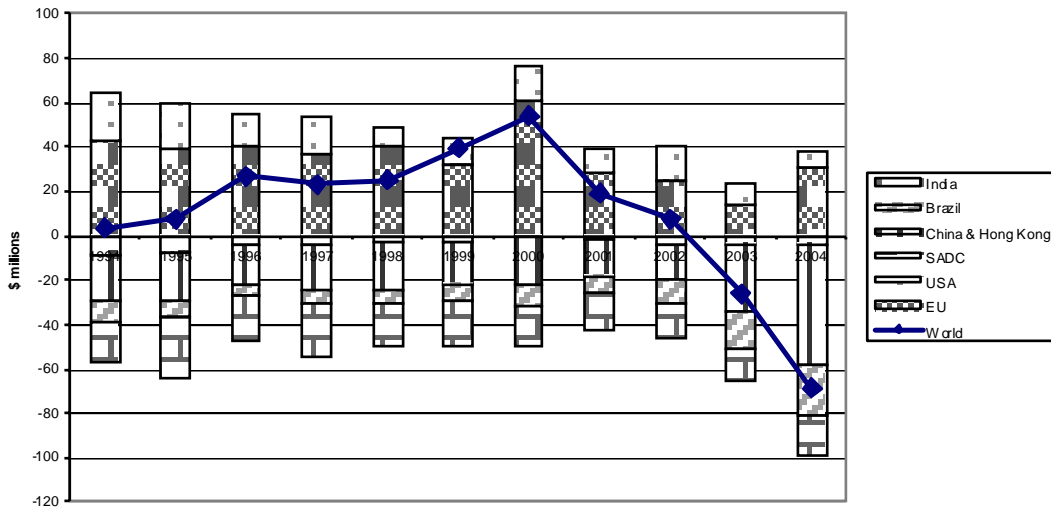
**Table: Exports of wearing apparel to countries/ regions as a percentage of total wearing apparel exports from South Africa**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	44%	47%	39%	34%	37%	33%	26%	20%	22%	25%	26%
USA	34%	33%	32%	28%	39%	46%	54%	63%	63%	56%	53%
SADC	15%	10%	21%	26%	12%	10%	9%	7%	6%	6%	8%
China & Hong Kong	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%
Brazil	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
India	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: Calculated from Tips EasyData, downloaded May 2005

## Leather

Leather trade balance



Source: Calculated from Tips EasyData, downloaded May 2005

Table: Change in leather imports to and exports from South Africa

		\$ millions				% change		
		1994	1997	2001	2004	1994-1997	1997-2001	2001-2004
Brazil	Imports	-8.9	-6.2	-8.4	-23.1	-30%	35%	175%
	Exports	0.0	0.0	0.0	0.1	#DIV/0!	-25%	1154%
China & Hong Kong	Imports	-24.1	-33.4	-25.2	-62.5	39%	-24%	148%
	Exports	3.0	12.7	9.5	8.3	325%	-25%	-13%
EU	Imports	-30.4	-36.0	-23.3	-18.6	18%	-35%	-20%
	Exports	72.8	72.2	51.6	49.1	-1%	-29%	-5%
India	Imports	-18.0	-24.5	-16.8	-18.4	36%	-31%	9%
	Exports	0.1	0.2	0.6	0.3	57%	258%	-50%
SADC	Imports	-9.6	-5.3	-3.7	-5.3	-45%	-30%	43%
	Exports	0.9	1.3	1.4	1.7	50%	6%	18%
USA	Imports	-2.4	-4.7	-9.7	-12.7	95%	106%	32%
	Exports	23.8	22.2	20.3	20.2	-6%	-9%	0%
World	Imports	-129.1	-139.1	-102.7	-179.3	8%	-26%	75%
	Exports	132.4	162.0	121.9	110.9	22%	-25%	-9%

(e) Source: Calculated from Tips EasyData, downloaded May 2005

(f) Table: Imports and exports, and average annual change in imports and exports of leather & leather products

		\$ million				Average annual change	
		1994	2000	2002	2004	1994-2004	2002-2004
Brazil	Imports	-9	-10	-11	-23	10%	48%
	Exports	0	0	0	0	-	262%
China & Hong Kong	Imports	-24	-31	-26	-62	10%	54%
	Exports	3	10	10	8	11%	-10%
EU	Imports	-30	-34	-21	-19	-5%	-5%
	Exports	73	95	46	49	-4%	3%
India	Imports	-18	-18	-16	-18	0%	6%
	Exports	0	0	0	0	11%	3%
SADC	Imports	-10	-2	-5	-5	-6%	-2%
	Exports	1	1	2	2	7%	5%
USA	Imports	-2	-3	-1	-13	18%	195%
	Exports	24	18	16	20	-2%	11%
World	Imports	-129	-121	-96	-179	3%	36%
	Exports	132	174	104	111	-2%	3%

Source: Calculated from Tips EasyData, downloaded May 2005

**Table: South African imports of leather from countries/ regions as a percentage of total leather imports**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	24%	21%	24%	26%	29%	22%	28%	23%	21%	15%	10%
USA	2%	3%	4%	3%	4%	3%	2%	9%	2%	2%	7%
SADC	7%	6%	5%	4%	4%	3%	2%	4%	6%	4%	3%
China & Hong Kong	19%	21%	22%	24%	26%	29%	25%	25%	27%	32%	35%
Brazil	7%	5%	4%	4%	5%	7%	8%	8%	11%	14%	13%
India	14%	20%	15%	18%	17%	18%	15%	16%	17%	12%	10%

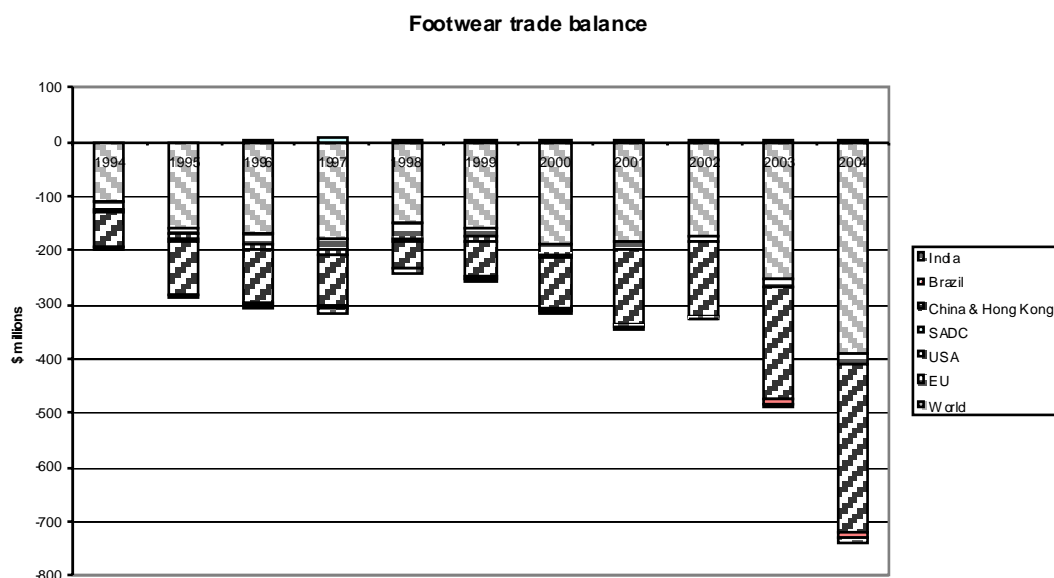
Source: Calculated from Tips EasyData, downloaded May 2005

**Table: South African exports of leather to countries/ regions as a percentage of total leather exports**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	55%	47%	45%	45%	52%	38%	54%	42%	44%	33%	44%
USA	18%	16%	13%	14%	9%	10%	10%	17%	16%	13%	18%
SADC	1%	1%	2%	1%	1%	1%	1%	1%	1%	2%	2%
China & Hong Kong	2%	5%	7%	8%	7%	9%	6%	8%	10%	9%	7%
Brazil	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
India	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%

Source: Calculated from Tips EasyData, downloaded May 2005

# Footwear



(g) Source: Calculated from Tips EasyData, downloaded May 2005

**Table: Change in footwear imports to, and exports from South Africa**

		\$ millions				% change		
		1994	1997	2001	2004	1994-1997	1997-2001	2001-2004
Brazil	Imports	-1.7	-2.2	-1.7	-10.0	31%	-20%	474%
	Exports	0.1	0.0	0.0	0.0	-100%	-!	-60%
China & Hong Kong	Imports	-64.5	-95.6	-136.8	-310.0	48%	43%	127%
	Exports	0.1	0.2	0.0	0.1	122%	-72%	40%
EU	Imports	-20.3	-27.1	-15.8	-23.5	33%	-42%	49%
	Exports	8.9	8.8	3.2	4.7	-2%	-63%	47%
India	Imports	-2.7	-9.9	-6.1	-8.3	269%	-38%	36%
	Exports	0.0	0.0	0.0	0.0	-	1596%	-18%
SADC	Imports	-9.8	-3.2	-3.8	-3.2	-68%	21%	-16%
	Exports	4.2	8.8	4.8	6.2	112%	-45%	28%
USA	Imports	-4.7	-10.5	-2.3	-2.3	123%	-78%	-2%
	Exports	1.9	0.4	0.2	1.5	-78%	-42%	521%
World	Imports	-131.4	-200.8	-195.8	-405.4	53%	-2%	107%
	Exports	19.7	22.1	10.6	16.2	12%	-52%	53%

(h) Source: Calculated from Tips EasyData, downloaded May 2005



**Table: Average annual change in imports and exports of footwear**

		\$ million				Average annual change	
		1994	2000	2002	2004	1994-2004	2002-2004
Brazil	Imports	-2	-3	-4	-10	20%	53%
	Exports	0	0	0	0	-18%	109%
China & Hong Kong	Imports	-64	-94	-136	-310	17%	51%
	Exports	0	0	0	0	-1%	9%
EU	Imports	-20	-21	-14	-24	1%	31%
	Exports	9	4	6	5	-6%	-13%
India	Imports	-3	-8	-3	-8	12%	57%
	Exports	0	0	0	0	-	58%
SADC	Imports	-10	-3	-2	-3	-11%	15%
	Exports	4	6	5	6	4%	9%
USA	Imports	-5	-7	-2	-2	-7%	12%
	Exports	2	0	1	1	-3%	59%
World	Imports	-131	-202	-190	-405	12%	46%
	Exports	20	12	15	16	-2%	5%

(i) Source: Calculated from Tips EasyData, downloaded May 2005

**Table: Sources of South African imports of footwear, as a percentage of total footwear imports**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	15%	13%	15%	14%	19%	13%	10%	8%	7%	6%	6%
USA	4%	4%	4%	5%	5%	5%	4%	1%	1%	1%	1%
SADC	7%	7%	3%	2%	1%	1%	2%	2%	1%	1%	1%
China & Hong Kong	49%	54%	53%	48%	28%	37%	47%	70%	72%	76%	76%
Brazil	1%	1%	1%	1%	2%	1%	2%	1%	2%	2%	2%
India	2%	3%	4%	5%	5%	4%	4%	3%	2%	2%	2%

Source: Calculated from Tips EasyData, downloaded May 2005

**Table: Destination of South African footwear exports, as a percentage of total exports**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	45%	57%	46%	40%	40%	43%	31%	31%	42%	30%	29%
USA	10%	3%	0%	2%	0%	0%	1%	2%	4%	4%	9%
SADC	21%	23%	40%	40%	38%	38%	48%	46%	35%	34%	38%
China & Hong Kong	0%	1%	2%	1%	2%	1%	0%	0%	0%	0%	0%
Brazil	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
India	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: Calculated from Tips EasyData, downloaded May 2005

## **Chemicals sector**

### **Coke and refined petroleum products**

6. The coke and refined petroleum products sector, is highly capital intensive, and employs nearly 20 000 people. This makes its contribution to total employment very small (less than 0.5%), and its contribution to manufacturing employment 2%.
7. The sector has massive investment and contributes 11% of South Africa's manufacturing output, thus making it a critical and strategic sector in terms of energy provision. It meets nearly all South Africa's demand for coke and refined petroleum products (imports meet 6% of domestic demand). In contrast, the South African coke and refined petroleum products sector exports 13.6% of its output. Most of these exports (43%) go to SADC
8. The trade balance is positive in the coke and petroleum sector.

### **Basic chemicals**

1. The basic chemicals sector is highly capital intensive with almost one and a half million rands invested for each job. Employing just over twenty eight thousand people, it employs 3% of those employed in manufacturing, while its output to manufacturing is minimal. [NEVA – THE FIGURES SAY THIS BUT IT DOES NOT SOUND CORRECT FROM WHAT I KNOW]. The basic chemicals sector is trade intensive – it exports a third of its output, while a third of domestic demand is met by imports.
2. Imports of basic chemicals from developed regions (the EU and USA) are higher than South Africa's exports of basic chemicals to those regions. We import from the EU double what we export to it and imports from the USA are almost ten times higher than this sector's exports to the USA. While exports of basic chemicals are growing faster than imports to these countries, they are off a lower base. Imports have accelerated in the 2002 – 2004 period, and while exports to the EU increased, exports to the USA increased more slowly (average annual growth of exports to the USA was 5% from 2002 – 2004, while it was 6% from 1994 – 2004).
3. The trade pattern with the developed countries is very different to South Africa's trade pattern in basic chemicals with developing regions (SADC, India, Brazil and China & Hong Kong). We have positive trade balances with India, SADC and Brazil. While we have a negative trade balance with China & Hong Kong, its very small. Growth in exports to SADC have been strong and much higher than growth in imports from SADC. However, growth in imports have been higher than growth in export for China & Hong Kong, Brazil (in which exports are actually declining) and India. Imports from China & Hong Kong are displacing imports from the EU.

Thus while we have had favourable trade in the sector with other developing countries, it appears that the trend is changing and increased imports will be shifting the terms of trade.

(j) Rubber products

1. The rubber sector is labour intensive, and relatively small in the economy. It contributes only 1% to the manufacturing output, and 2% to manufacturing employment. Employing just over 22 000 people, its contribution to total formal employment is very small.
2. Just over a quarter of domestic demand is met by imports and a fifth of output from the rubber sector is exported.
3. Our imports from both developed (the EU and the USA) regions and developing countries (India, Brazil and China & Hong Kong) exceed our exports. The only exception to this is our trade with SADC where we have a growing positive trade balance. The EU is a very significant trading partner with South Africa, in the rubber sector, accounting for 42% of rubber imports to South Africa, and 45% of rubber exports from South Africa. While the USA, Brazil, India and China & Hong Kong account for lower shares of rubber trade with South Africa, our exports to the developing countries (Brazil, India and China & Hong Kong) are a very tiny proportion of our total rubber exports. Imports from these developing countries, in contrast, are a growing share of total imports, as the developing countries displace developed country imports of rubber products.
4. The only region in this study that has positive implications for long term job creation is SADC. It is the only region in the study in which we have a positive trade balance in rubber products - almost a third of rubber products exported from South Africa, go to the SADC region and imports from the SADC region are a tiny share of total rubber imports. Export growth of rubber products to SADC has been strong over the last few years.

(k) Other chemicals & man-made fibres

1. The other chemicals and man-made fibres sector is relatively capital intensive. It contributes 5% of manufacturing output and employs 5% of manufacturing employment. The sector exports only 6% of what it produces, and imports a higher proportion (18%) to meet domestic demand.
2. The only region in which we have a positive trade balance in the other chemicals and man-made fibres sector is SADC. SADC accounts for a third of other chemicals & man-made fibres exports from South Africa. Imports from SADC in this sector are comparatively low. Furthermore, other

chemicals and man-made fibres exports to SADC are growing, and while their growth is slightly slower than the growth in imports from SADC, the growth in imports from SADC is off a much lower base. This pattern of trade is positive for employment for South Africa in the long term, but contributes to a potentially problematic pattern of trade between South Africa and the region.

3. South Africa has a negative trade balance in other chemicals and man-made fibres with the USA, EU, Brazil, India, China & Hong Kong. Growth in exports to the USA is higher than growth in imports, but the growth in imports is off a much higher base (imports are six times higher than exports). In contrast, growth in imports from the EU and developing countries (India, Brazil, and China & Hong Kong) is higher than growth in exports of other chemicals and man-made fibres to these regions. At this point though, the developing regions account for a small share of imports and exports in this sector. The EU, however, accounts for 60% of imports in the sector and almost a quarter of South Africa's exports in the sector.

### Plastics

1. The plastics sector is labour intensive, but relatively small in South Africa, contributing less than 0.5% of manufacturing output, and employing some 45 000 people – 4% of those employed in manufacturing. The sector has a relatively low degree of trade, with only 10% of domestic demand being met by imports, and 6% of plastic and plastic products produced in South Africa being exported.
2. With the exception of SADC, the trade balances for plastics and plastic products are negative for trade with the developed (the USA and EU) and developing regions (Brazil, India and China & Hong Kong). SADC is a significant export destination for South African plastics exports taking over a third of all plastics exports. Imports from SADC are minimal – less than 0.5% of total plastics imports. This trade trend with SADC is positive for employment in South Africa in the long run, particularly given the labour intensity of the sector.
3. Trade in plastics with Brazil is minimal, so the figures are not focused on in this analysis. With such low figures it is very difficult to determine a trend.
4. Trade with the EU is high in the plastics sector, accounting for half of plastics imports and just over a quarter of plastics exports. While exports to the EU are lower than plastics imports from the EU, growth in exports is slightly higher than growth in imports. This trend holds true for plastics trade with both developed countries (the EU and the USA), so while plastics imports from the USA exceed exports to the USA, growth in plastics exports to the USA is higher than growth in plastics imports from the USA. The same trend can be said of China and Hong Kong – plastics exports to China and Hong Kong are lower than imports from China and Hong Kong; and growth in exports is higher than growth in imports. However, because imports are significantly higher than exports (imports are almost sixty times higher than exports), actual

growth in imports is still high, and plastics imports from China are displacing imports from other regions. Growth in imports from China has been very high in the last few years.

5. The opposite trend is evident in trade with India where imports are growing faster than exports. Plastics imports from India now account for 2% of plastics imports. Growth in imports from India has accelerated in the last few years. Imports from Brazil have also accelerated rapidly in the last few years.

### **Glass and glass products**

1. The glass sector in South Africa is very small – it contributes less than 0.5% of manufacturing output, and employs just over 5,500 people (1% of manufacturing employment).
2. A fifth of domestic demand is met by imports while a tenth of the sector's output is exported.
3. The only regions in the study where South Africa has a positive trade balance are SADC and the USA.



**Table: Summary of key data for the chemicals sector**

All figures 2004 unless otherwise stated		Coke & refined petroleum products	Basic chemicals	Glass & glass products	Other chemicals & man-made fibres	Rubber products	Plastic products
Employment		19,802	28,502	5,521	61,821	22,317	45,167
Fixed capital stock in R million		106,372.2	42,154.8	2,322.6	13,278.5	2,367.3	2,560.8
Rand investment per job		5,371,745	1,478,994	420,695	214,788	106,078	56,697
% total employment		0%	0%	0%	1%	0%	1%
% manufacturing employment		2%	3%	1%	5%	2%	4%
Import domestic demand		6.3	31.8	19.0	17.8	28.8	9.8
Export output		13.6	32.1	9.5	6.4	18.9	6.0
Output as % of manufacturing output		11%	0%	0%	5%	1%	0%
Trade							
EU	Imports in \$ million	-300.1	-1,049.4	-57.9	-1,438.0	-188.0	-247.0
	% change in imports 2001-2004	356%	53%	30%	51%	80%	63%
	% total imports for sector	33%	43%	37%	60%	42%	49%
	Exports in \$ million	74.2	492.9	47.7	176.0	127.5	57.1
	% change in exports 2001-2004	43%	80%	123%	45%	156%	69%
	% total exports for sector	6%	21%	50%	23%	45%	27%
USA	Imports in \$ million	-118.4	-300.6	-7.8	-315.3	-35.7	-55.3
	% change in imports 2001-2004	25%	28%	25%	27%	30%	13%
	% total imports for sector	13%	12%	5%	13%	8%	11%
	Exports in \$ million	40.3	397.1	11.9	51.7	14.0	19.0
	% change in exports 2001-2004	15%	65%	-10%	52%	0%	114%
	% total exports for sector	3%	17%	13%	7%	5%	9%

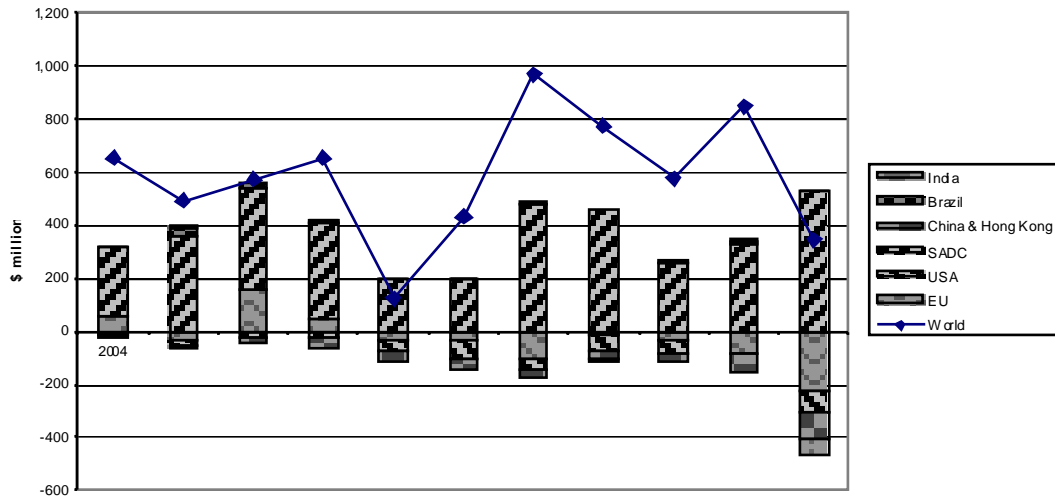
SADC	Imports in \$ million	-15.1	-7.0	-1.6	-5.8	-5.1	-1.9
	% change in imports 2001-2004	62%	5%	19%	45%	84%	22%
	% total imports for sector	2%	0%	1%	0%	1%	0%
	Exports in \$ million	545.8	352.2	19.3	241.8	72.9	83.2
	% change in exports 2001-2004	16%	56%	39%	41%	63%	75%
	% total exports for sector	43%	15%	20%	31%	26%	39%
China & Hong Kong	Imports in \$ million	-103.9	-145.3	-28.5	-78.4	-38.1	-64.8
	% change in imports 2001-2004	186%	151%	314%	148%	342%	86%
	% total imports for sector	11%	6%	18%	3%	9%	13%
	Exports in \$ million	7.2	142.8	0.9	12.8	2.8	1.1
	% change in exports 2001-2004	137%	82%	309%	53%	1289%	110%
	% total exports for sector	1%	6%	1%	2%	1%	1%
Brazil	Imports in \$ million	-0.3	-46.4	-6.8	-24.5	-5.5	-4.7
	% change in imports 2001-2004	55%	72%	117%	74%	147%	574%
	% total imports for sector	0%	2%	4%	1%	1%	1%
	Exports in \$ million	1.9	53.9	0.3	11.8	0.7	1.0
	% change in exports 2001-2004	114%	-3%	-74%	-27%	-11%	108%
	% total exports for sector	0%	2%	0%	2%	0%	0%
India	Imports in \$ million	-77.3	-54.5	-2.5	-60.4	-13.3	-10.3
	% change in imports 2001-2004	872%	158%	49%	204%	145%	267%
	% total imports for sector	8%	2%	2%	3%	3%	2%
	Exports in \$ million	16.1	202.6	0.0	30.9	1.3	2.0
	% change in exports 2001-2004	240%	56%	-84%	387%	501%	283%
	% total exports for sector	1%	9%	0%	4%	0%	1%



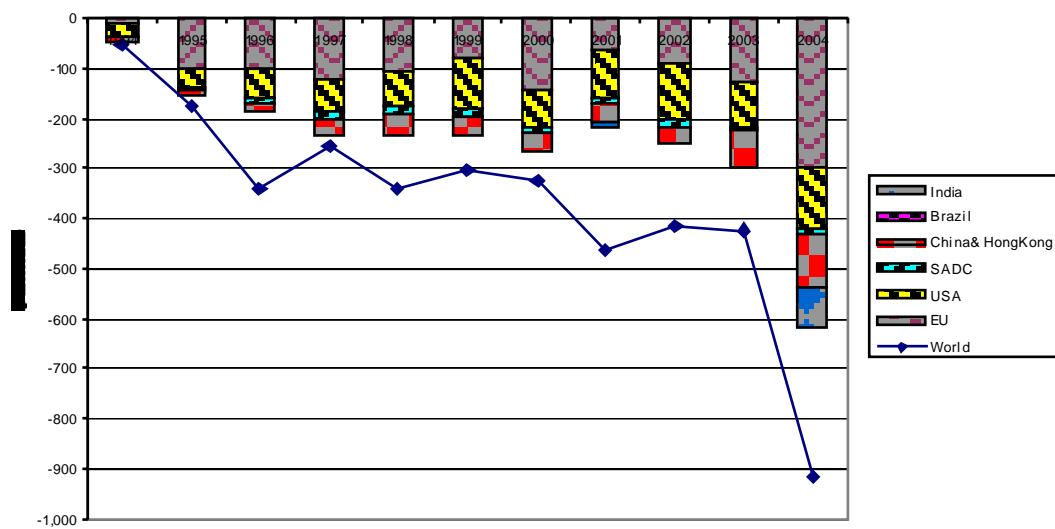


# Coke and refined petroleum products

Coke & refined petroleum products trade balance



Coke & refined petroleum products imports



**Table: Change in imports and exports of coke and refined petroleum products**

		\$ million			Average annual change	
		1994	2002	2004	1994-2004	2002-2004
Brazil	Imports	-0.2	-0.2	-0.3	6%	19%
	Exports	6.1	1.0	1.9	-11%	36%
China & Hong Kong	Imports	-11.7	-31.9	-103.9	24%	80%
	Exports	0.6	3.4	7.2	27%	46%
EU	Imports	-13.4	-93.4	-300.1	36%	79%
	Exports	74.4	56.3	74.2	0%	15%
India	Imports	0.0	0.0	-77.3	-	4630%
	Exports	0.7	5.5	16.1	37%	71%
SADC	Imports	-1.1	-13.2	-15.1	30%	7%
	Exports	254.4	273.3	545.8	8%	41%
USA	Imports	-21.1	-110.3	-118.4	19%	4%
	Exports	10.7	60.5	40.3	14%	-18%
World	Imports	-51.7	-414.7	-915.6	33%	49%
	Exports	702.4	991.2	1,258.7	6%	13%

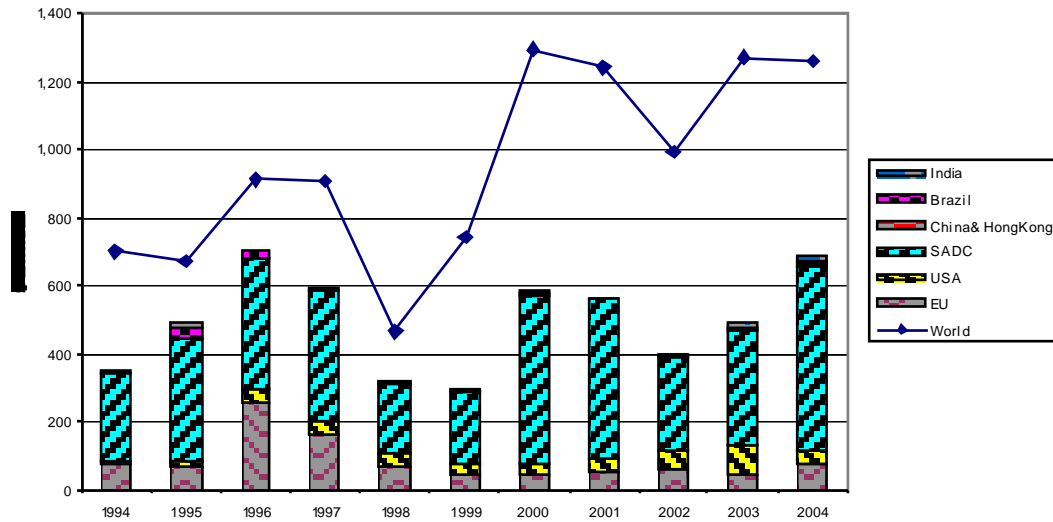
Source: Calculated from Tips EasyData, downloaded May 2005

**Table: Source of imports to South Africa of coke and refined petroleum products**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	26%	57%	29%	47%	31%	26%	45%	14%	23%	30%	33%
USA	41%	23%	18%	25%	20%	33%	22%	20%	27%	21%	13%
SADC	2%	1%	2%	6%	5%	5%	4%	2%	3%	2%	2%
China & Hong Kong	23%	7%	6%	13%	14%	13%	11%	8%	8%	18%	11%
Brazil	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
India	0%	0%	0%	0%	0%	0%	0%	2%	0%	0%	8%

Source: Calculated from Tips EasyData, downloaded May 2005

### Coke & refined petroleum products e xports



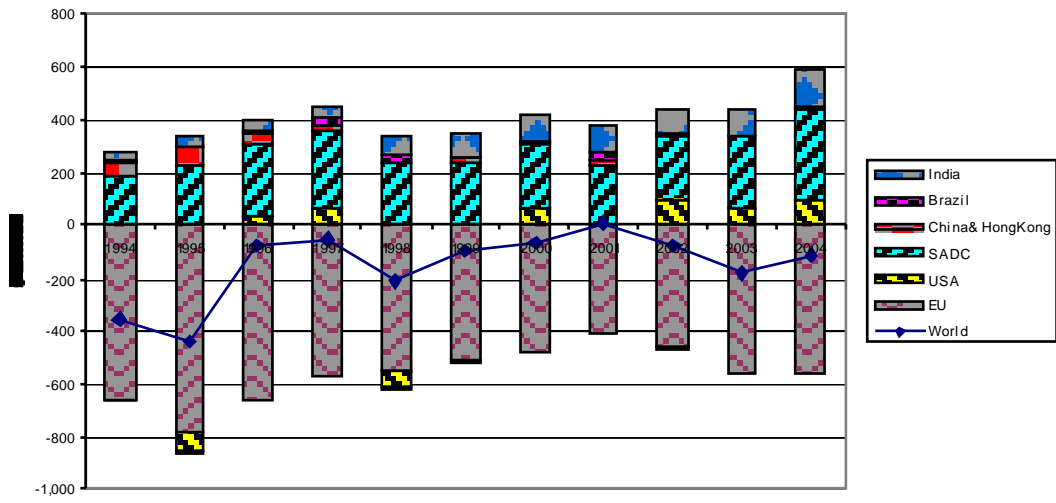
**Table: Destination for South African exports of coke and refined petroleum products.**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	11%	10%	28%	18%	15%	7%	3%	4%	6%	4%	6%
USA	2%	3%	4%	4%	7%	4%	3%	3%	6%	7%	3%
SADC	36%	54%	42%	43%	45%	29%	38%	38%	28%	27%	43%
China & Hong Kong	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	1%
Brazil	1%	5%	2%	0%	0%	0%	0%	0%	0%	0%	0%
India	0%	1%	0%	1%	1%	1%	0%	0%	1%	1%	1%

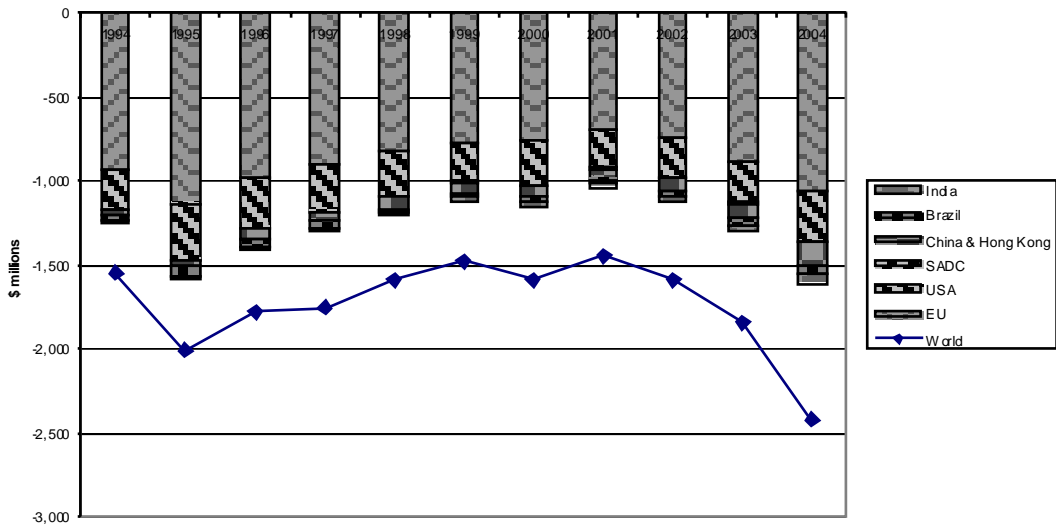
Source: Calculated from Tips EasyData, downloaded May 2005

## Basic chemicals

### Basic chemicals trade balance



### Basic chemicals imports



**Table: Change in imports of basic chemicals**

		\$ million			Average annual change	
		1994	2002	2004	1994-2004	2002-2004
Brazil	Imports	-42.3	-38.8	-46.4	1%	9%
	Exports	44.1	47.1	53.9	2%	7%
China & Hong Kong	Imports	-25.2	-69.8	-145.3	19%	44%
	Exports	81.0	60.9	142.8	6%	53%
EU	Imports	-935.8	-730.6	-1,049.4	1%	20%
	Exports	276.6	268.3	492.9	6%	36%
India	Imports	-7.6	-25.8	-54.5	22%	45%
	Exports	40.5	110.3	202.6	17%	36%
SADC	Imports	-4.9	-5.2	-7.0	4%	15%
	Exports	190.8	242.4	352.2	6%	21%
USA	Imports	-226.1	-244.4	-300.6	3%	11%
	Exports	219.0	347.0	397.1	6%	7%
World	Imports	-1,540.7	-1,587.0	-2,419.1	5%	23%
	Exports	1,188.1	1,513.3	2,309.2	7%	24%

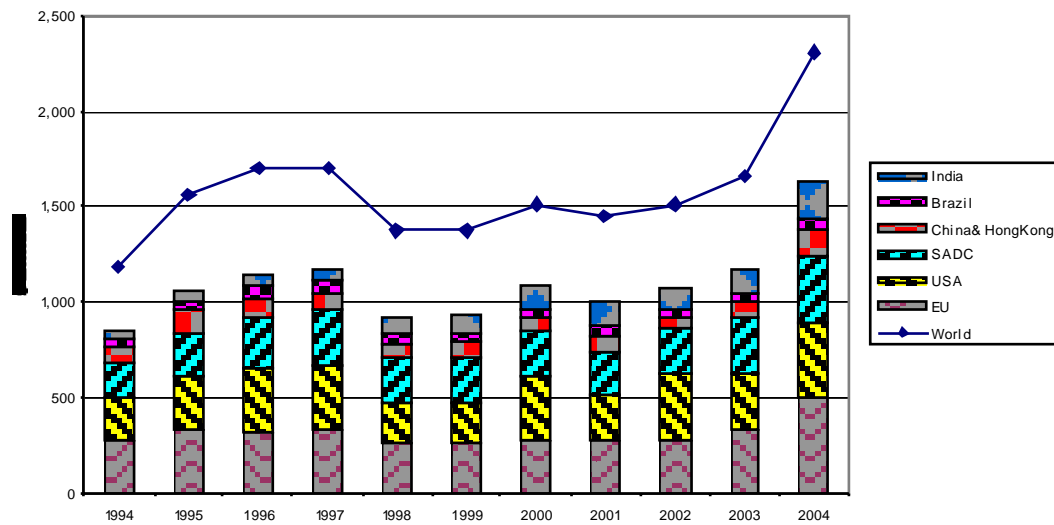
Source: Calculated from Tips EasyData, downloaded May 2005

**Table: Source of imports to South Africa of basic chemicals**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	61%	56%	55%	52%	52%	52%	48%	47%	46%	48%	43%
USA	15%	17%	17%	16%	17%	15%	17%	16%	15%	13%	12%
SADC	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%
China & Hong Kong	2%	2%	3%	3%	4%	4%	4%	4%	4%	5%	6%
Brazil	3%	3%	3%	2%	1%	2%	2%	2%	2%	2%	2%
India	0%	1%	1%	1%	1%	1%	2%	1%	2%	2%	2%

Source: Calculated from Tips EasyData, downloaded May 2005

### Basic chemicals exports



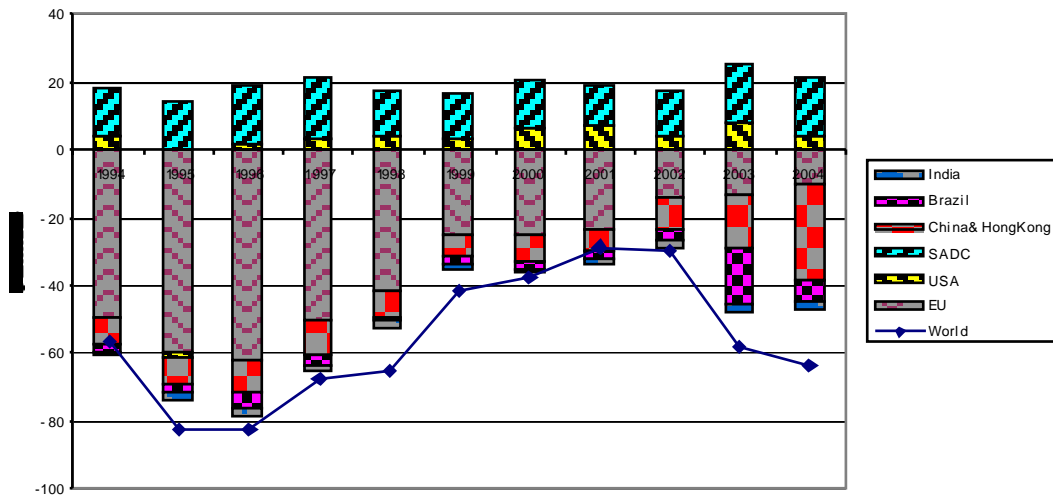
**Table: Destination for South African exports of basic chemicals**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	23%	22%	19%	19%	19%	19%	18%	19%	18%	20%	21%
USA	18%	17%	19%	20%	15%	15%	22%	17%	23%	18%	17%
SADC	16%	15%	17%	18%	18%	18%	16%	16%	16%	17%	15%
China & Hong Kong	7%	7%	6%	5%	5%	6%	4%	5%	4%	6%	6%
Brazil	4%	3%	4%	4%	4%	2%	3%	4%	3%	3%	2%
India	3%	3%	4%	3%	6%	8%	9%	9%	7%	8%	9%

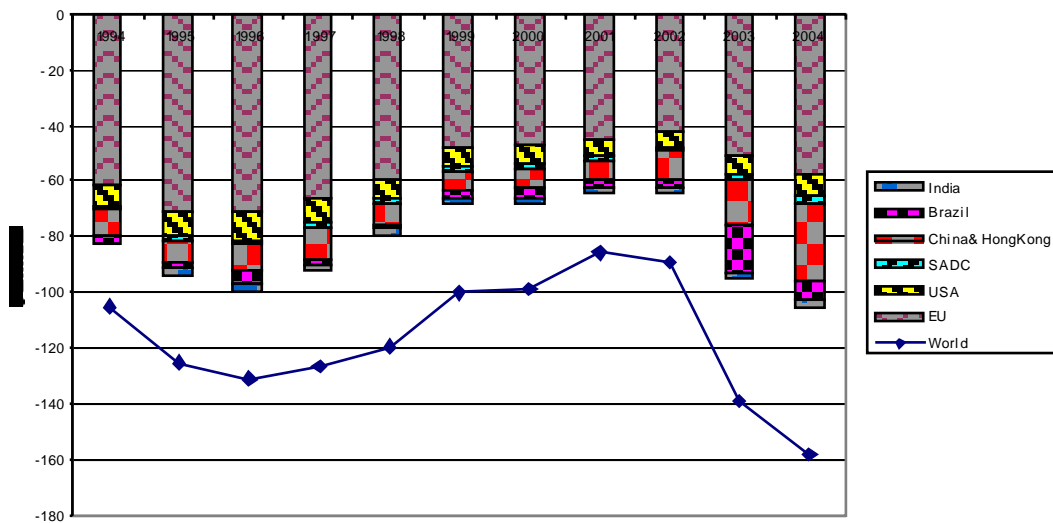
Source: Calculated from Tips EasyData, downloaded May 2005

### Glass and glass products

**Glass & glass products trade bal**



**Glass & glass products im ports**



**Table: Change in imports and exports of glass and glass products**

		\$ million			Average annual change	
		1994	2002	2004	1994-2004	2002-2004
Brazil	Imports	-2.7	-3.9	-6.8	10%	31%
	Exports	0.1	0.5	0.3	9%	-24%
China & Hong Kong	Imports	-9.6	-10.0	-28.5	11%	69%
	Exports	1.1	0.2	0.9	-2%	111%



EU	Imports	-61.2	-41.5	-57.9	-1%	18%
	Exports	12.3	27.9	47.7	15%	31%
India	Imports	-0.5	-1.6	-2.5	17%	25%
	Exports	0.0	0.1	0.0	2%	-56%
SADC	Imports	-0.9	-1.3	-1.6	6%	8%
	Exports	15.4	14.6	19.3	2%	15%
USA	Imports	-7.5	-5.9	-7.8	0%	15%
	Exports	11.3	10.0	11.9	1%	9%
World	Imports	-105.1	-89.4	-158.3	4%	33%
	Exports	48.8	60.0	94.9	7%	26%

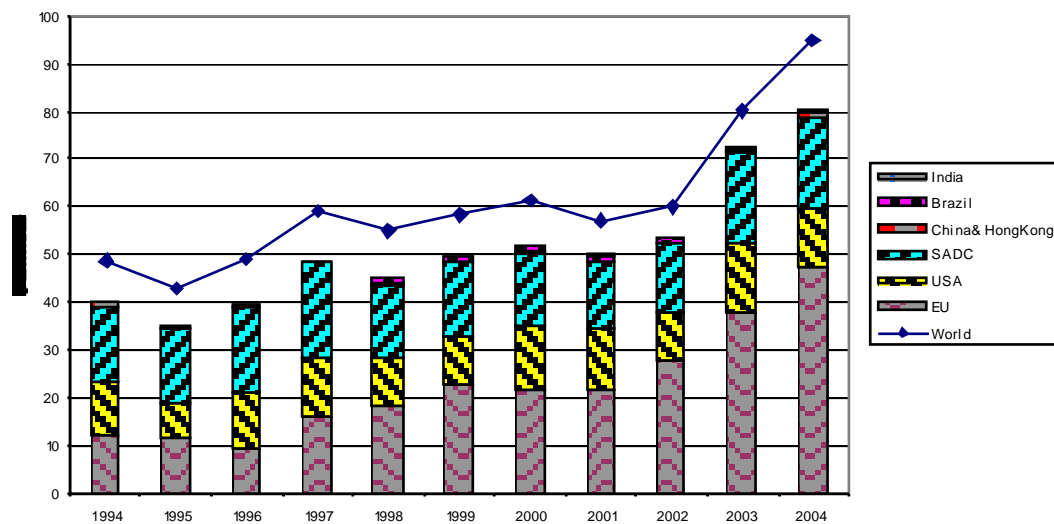
Source: Calculated from Tips EasyData, downloaded May 2005

**Table: Source of imports to South Africa of glass & glass products**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	58%	57%	55%	52%	50%	48%	48%	52%	46%	37%	37%
USA	7%	7%	8%	7%	5%	7%	7%	7%	7%	5%	5%
SADC	1%	1%	1%	1%	1%	2%	1%	2%	1%	1%	1%
China & Hong Kong	9%	6%	7%	8%	6%	7%	8%	8%	11%	11%	18%
Brazil	3%	2%	3%	2%	1%	3%	3%	4%	4%	13%	4%
India	0%	2%	2%	1%	2%	1%	1%	2%	2%	2%	2%

Source: Calculated from Tips EasyData, downloaded May 2005

**Glass & glass products exports**

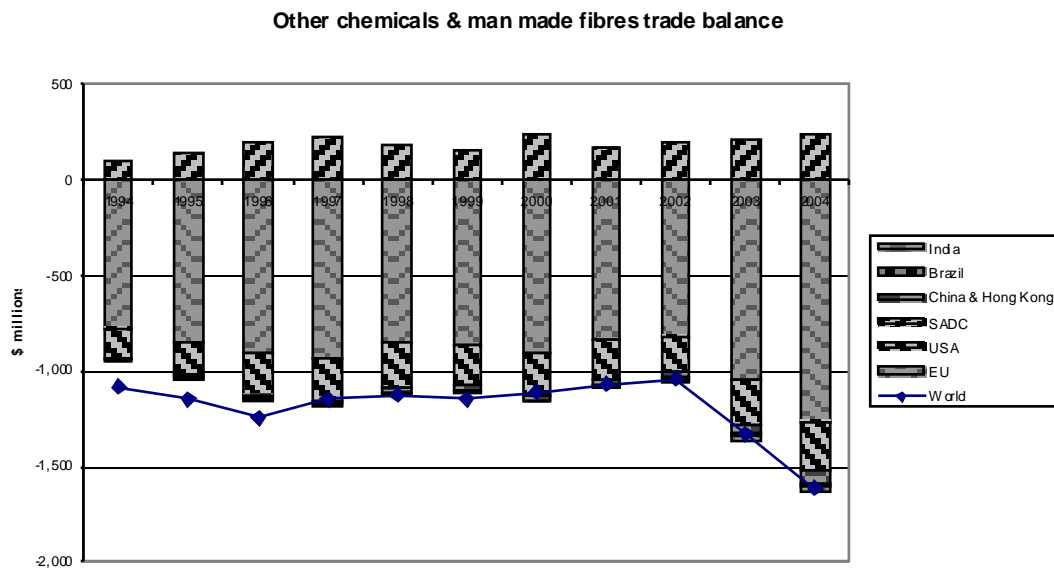


**Table: Destination for South African exports of glass and glass products**

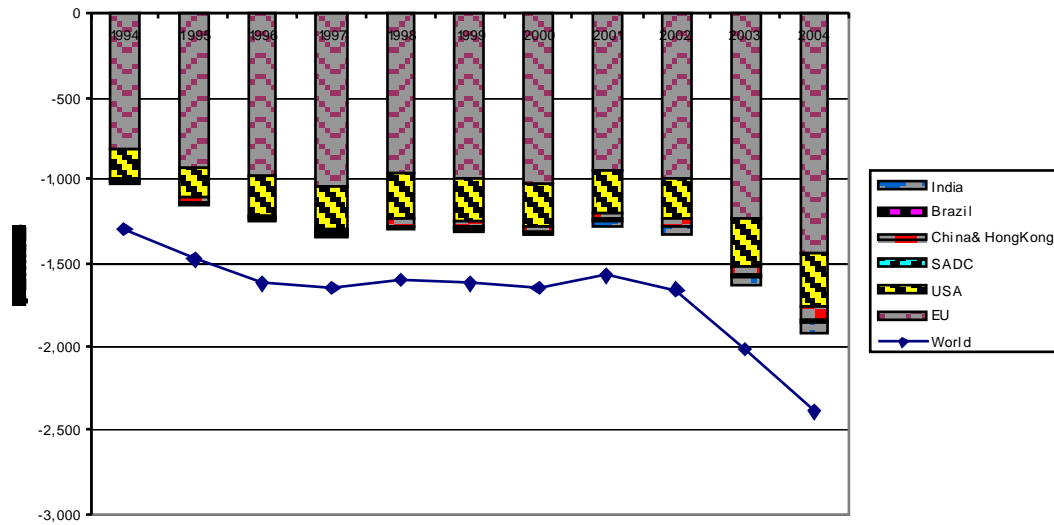
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	25%	27%	19%	27%	33%	39%	36%	37%	46%	47%	50%
USA	23%	17%	24%	20%	19%	17%	21%	23%	17%	18%	13%
SADC	32%	36%	37%	34%	28%	27%	25%	24%	24%	23%	20%
China & Hong Kong	2%	1%	1%	1%	1%	1%	1%	0%	0%	1%	1%
Brazil	0%	0%	0%	0%	2%	1%	2%	2%	1%	1%	0%
India	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: Calculated from Tips EasyData, downloaded May 2005

## Other chemicals and man made fibres



### Other chemicals imports



**Table: Change in imports and exports of other chemicals & man-made fibres**

		\$ million			Average annual change	
		1994	2002	2004	1994-2004	2002-2004
Brazil	Imports	-10.0	-17.4	-24.5	9%	19%
	Exports	0.9	8.9	11.8	29%	15%
China & Hong Kong	Imports	-16.9	-39.7	-78.4	17%	41%
	Exports	1.2	10.4	12.8	27%	11%
EU	Imports	-810.8	-986.0	-1,438.0	6%	21%
	Exports	37.6	170.9	176.0	17%	1%
India	Imports	-3.6	-29.2	-60.4	33%	44%
	Exports	0.7	7.5	30.9	47%	102%
SADC	Imports	-7.3	-3.7	-5.8	-2%	25%
	Exports	111.4	193.6	241.8	8%	12%
USA	Imports	-169.1	-241.3	-315.3	6%	14%
	Exports	15.0	52.3	51.7	13%	-1%
World	Imports	-1,298.3	-1,658.5	-2,382.4	6%	20%
	Exports	216.3	616.0	768.0	14%	12%

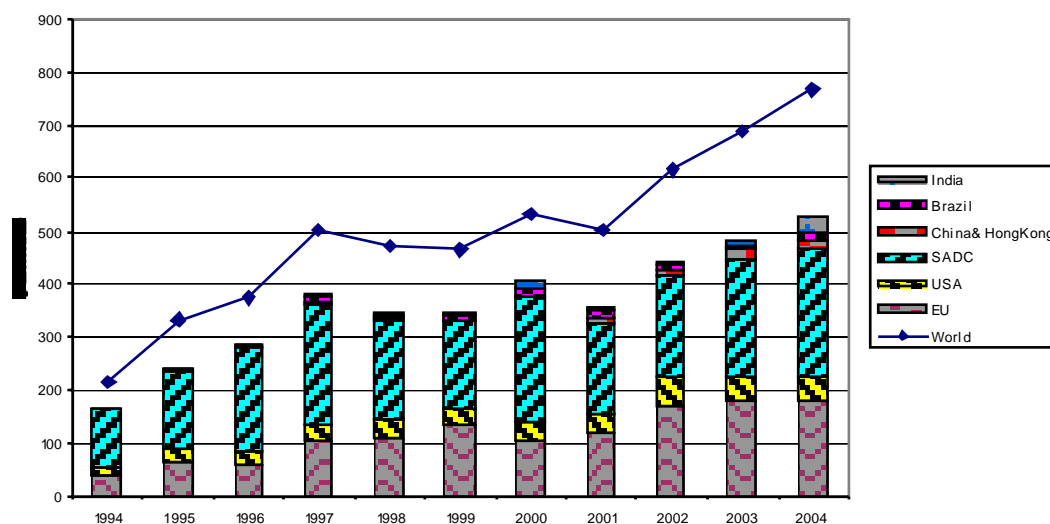
Source: Calculated from Tips EasyData, downloaded May 2005

**Table: Source of imports to South Africa of other chemicals & man made fibres**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	62%	62%	60%	63%	60%	62%	62%	60%	59%	61%	60%
USA	13%	12%	15%	16%	17%	15%	15%	16%	15%	14%	13%
SADC	1%	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%
China & Hong Kong	1%	1%	1%	1%	2%	2%	2%	2%	2%	3%	3%
Brazil	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
India	0%	0%	1%	1%	1%	1%	1%	1%	2%	2%	3%

Source: Calculated from Tips EasyData, downloaded May 2005

**Other chemicals & man made fibres exports**



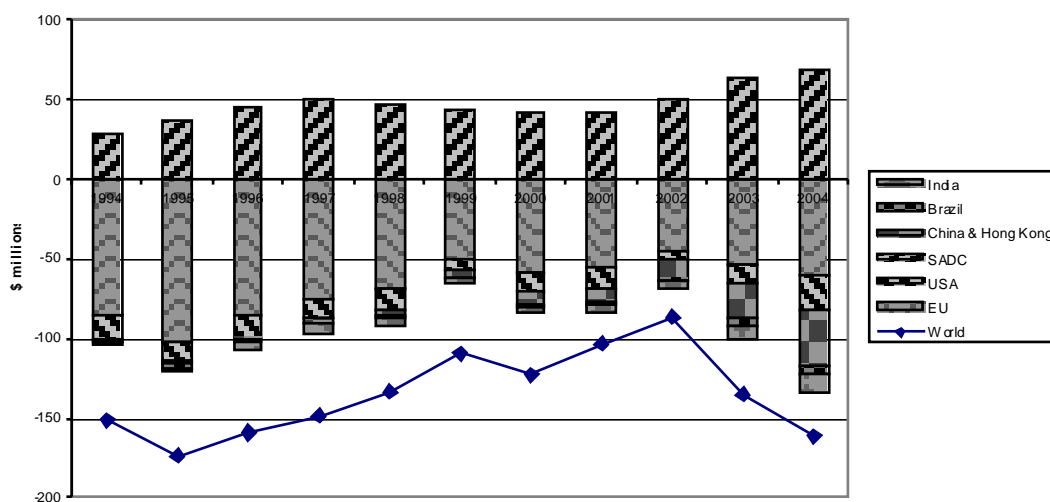
**Table: Destination for South African exports of other chemicals & man made fibres**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	17%	19%	15%	20%	23%	28%	20%	24%	28%	26%	23%
USA	7%	7%	7%	7%	7%	8%	6%	7%	8%	7%	7%
SADC	52%	45%	53%	45%	40%	34%	44%	34%	31%	32%	31%
China & Hong Kong	1%	0%	1%	1%	1%	1%	1%	2%	2%	2%	2%
Brazil	0%	2%	1%	2%	1%	1%	3%	3%	1%	1%	2%
India	0%	1%	0%	1%	1%	1%	2%	1%	1%	2%	4%

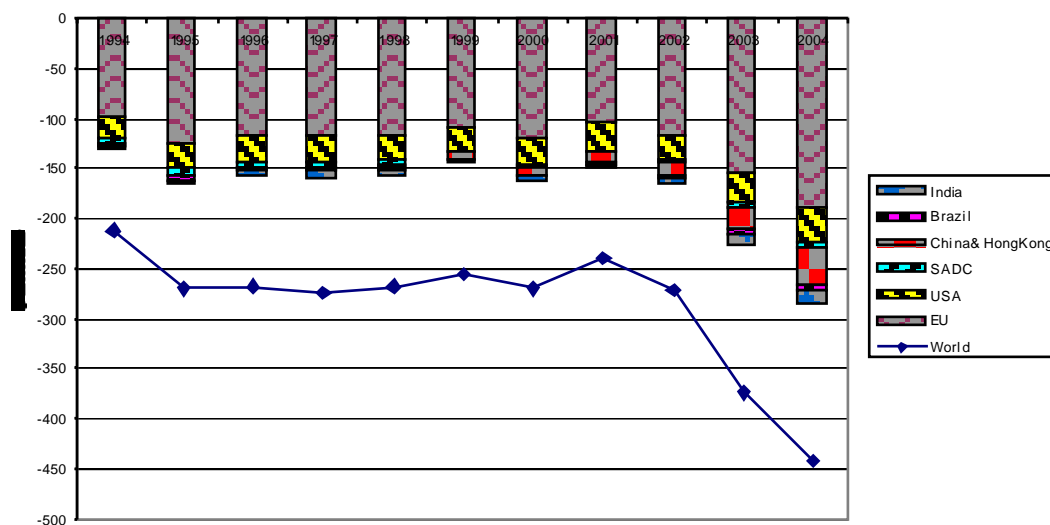
Source: Calculated from Tips EasyData, downloaded May 2005

# Rubber products

## Rubber products trade balance



## Rubber products imports



**Table: Change in imports and exports of rubber products**

		\$ million			Average annual change	
		1994	2002	2004	1994-2004	2002-2004
Brazil	Imports	-1.3	-2.1	-5.5	16%	64%
	Exports	0.1	0.5	0.7	28%	21%
China & Hong Kong	Imports	-1.6	-13.7	-38.1	37%	67%
	Exports	0.0	0.4	2.8	60%	149%
EU	Imports	-99.0	-117.8	-188.0	7%	26%
	Exports	12.9	71.9	127.5	26%	33%
India	Imports	-0.5	-5.3	-13.3	39%	59%
	Exports	0.0	0.4	1.3	111%	76%
SADC	Imports	-5.5	-2.1	-5.1	-1%	56%
	Exports	34.5	52.6	72.9	8%	18%
USA	Imports	-22.0	-24.0	-35.7	5%	22%
	Exports	8.0	20.1	14.0	6%	-17%
World	Imports	-212.6	-272.0	-442.3	8%	28%
	Exports	61.5	184.9	280.7	16%	23%

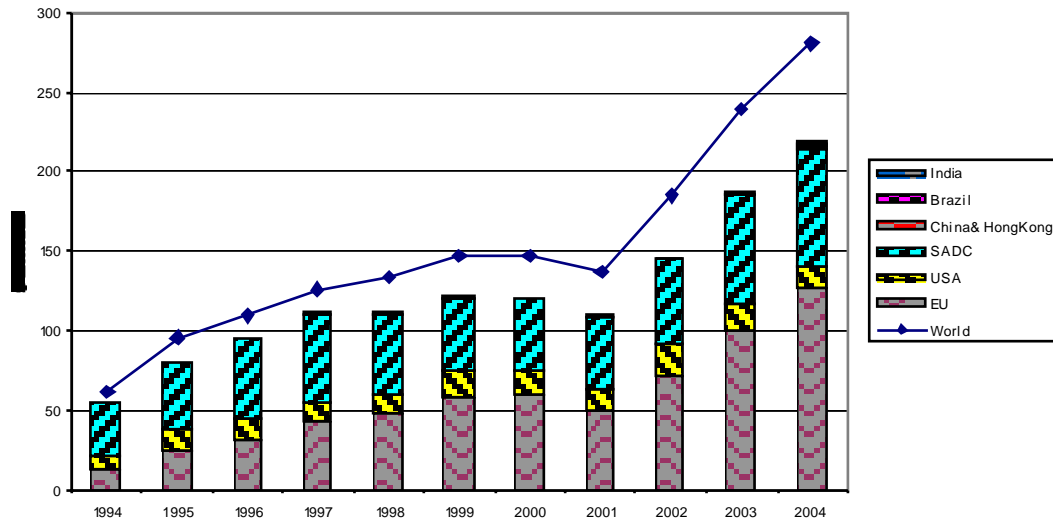
Source: Calculated from Tips EasyData, downloaded May 2005

**Table: Source of imports to South Africa of rubber products**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	47%	47%	44%	43%	44%	42%	44%	43%	43%	41%	42%
USA	10%	9%	10%	9%	10%	9%	10%	11%	9%	8%	8%
SADC	3%	2%	2%	2%	1%	1%	1%	1%	1%	1%	1%
China & Hong Kong	1%	1%	1%	1%	1%	2%	3%	4%	5%	6%	9%
Brazil	1%	1%	1%	0%	0%	1%	1%	1%	1%	1%	1%
India	0%	1%	2%	3%	2%	2%	1%	2%	2%	2%	3%

Source: Calculated from Tips EasyData, downloaded May 2005

### Rubber products exports



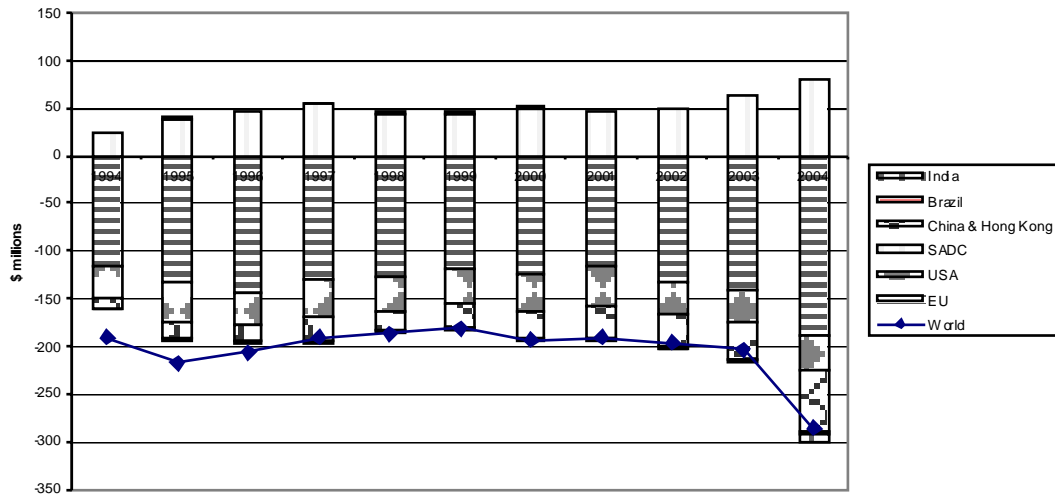
**Table: Destination for South African exports of rubber products**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	21%	25%	29%	34%	35%	39%	41%	36%	39%	42%	45%
USA	13%	14%	12%	10%	9%	11%	9%	10%	11%	7%	5%
SADC	56%	44%	45%	44%	38%	31%	30%	33%	28%	28%	26%
China & Hong Kong	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	1%
Brazil	0%	0%	0%	1%	1%	0%	0%	1%	0%	0%	0%
India	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%

Source: Calculated from Tips EasyData, downloaded May 2005

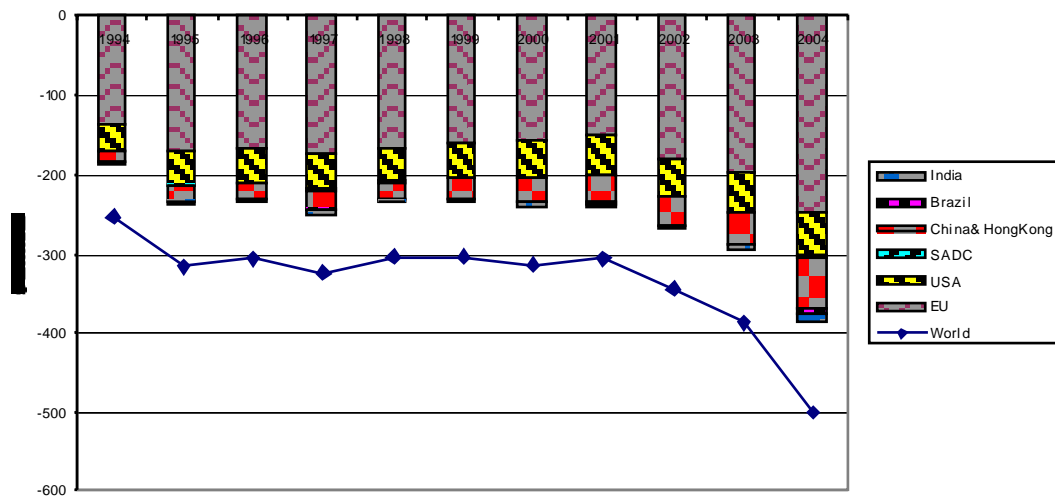
### Plastic products

### Plastic products trade balance



Source: Calculated from Tips EasyData, downloaded May 2005

### Plastic products im ports



**Table: Change in imports and exports of plastic products**

		\$ million			Average annual change	
		1994	2002	2004	1994-2004	2002-2004
Brazil	Imports	-0.9	-1.0	-4.7	18%	121%
	Exports	0.6	0.3	1.0	6%	87%



China & Hong Kong	Imports	-12.5	-35.5	-64.8	18%	35%
	Exports	1.6	0.7	1.1	-4%	23%
EU	Imports	-137.3	-180.0	-247.0	6%	17%
	Exports	19.9	46.9	57.1	11%	10%
India	Imports	-1.2	-3.3	-10.3	24%	78%
	Exports	0.0	1.2	2.0	90%	25%
SADC	Imports	-1.7	-1.6	-1.9	1%	7%
	Exports	26.4	50.2	83.2	12%	29%
USA	Imports	-34.1	-47.2	-55.3	5%	8%
	Exports	1.7	14.0	19.0	27%	17%
World	Imports	-253.1	-345.1	-500.9	7%	20%
	Exports	62.6	148.8	215.1	13%	20%

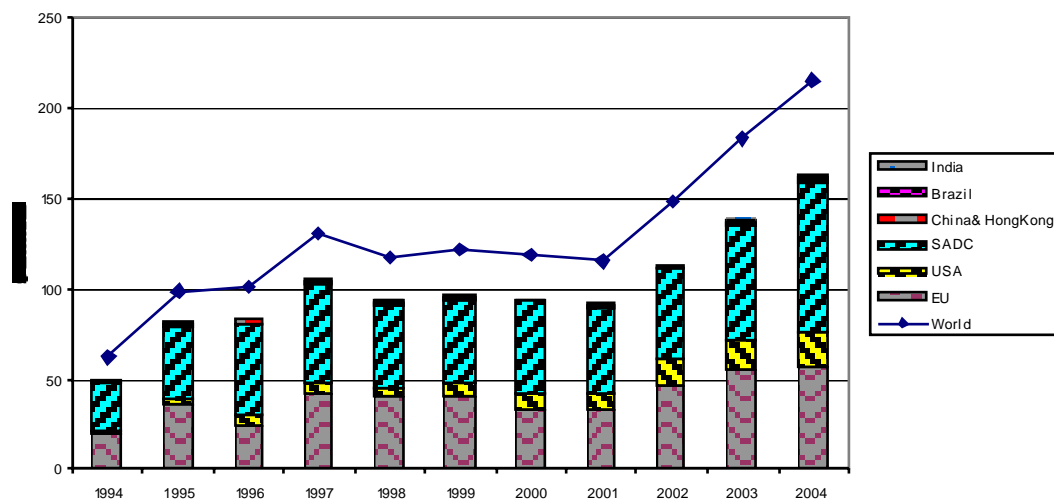
Source: Calculated from Tips EasyData, downloaded May 2005

**Table: Source of imports to South Africa of plastic products**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	54%	54%	55%	54%	55%	52%	50%	49%	52%	51%	49%
USA	13%	14%	13%	14%	14%	15%	15%	16%	14%	13%	11%
SADC	1%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%
China & Hong Kong	5%	6%	6%	8%	7%	9%	10%	11%	10%	10%	13%
Brazil	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
India	0%	1%	1%	2%	1%	1%	1%	1%	1%	2%	2%

Source: Calculated from Tips EasyData, downloaded May 2005

**Plastic products exports**



**Table: Destination for South African exports of plastic products**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	32%	37%	24%	32%	34%	33%	28%	29%	32%	30%	27%
USA	3%	2%	6%	4%	5%	6%	8%	8%	9%	9%	9%
SADC	42%	40%	49%	42%	39%	38%	43%	41%	34%	35%	39%
China & Hong Kong	3%	2%	3%	1%	0%	0%	0%	0%	0%	1%	1%
Brazil	1%	1%	1%	1%	1%	1%	1%	0%	0%	0%	0%
India	0%	0%	0%	1%	1%	1%	0%	0%	1%	1%	1%

*Source: Calculated from Tips EasyData, downloaded May 2005*

## **Paper & paper products, printing, wood & furniture**

### **Paper and paper products**

1. The paper and paper products is a relatively capital intensive sector taking R232,797 investment to create one job. It contributes 1% of manufacturing output, while employing 4.7% of those employed in manufacturing (excluding upstream metals). The sector meets most of domestic demand (91%) and exports only 13% of what it produces.
2. The EU is a major trading partner for South Africa in this sector. Half of our imports in the sector come from the EU and a third of South Africa's exports in the sector go to the EU. The USA has declined significantly as a source of imports, while we have been importing an increasing share of paper and paper products from Brazil.
3. While a third of paper and paper products exports go to the EU, exports are quite diversified where 13% go to SADC, 3% go to China and Hong Kong, 6% go to India, and 5% go to USA.
4. Our trade balance in paper and paper products is positive, on the basis of positive trade balances with SADC, India, and China and Hong Kong. Paper and paper products trade with the USA and Brazil shows a negative trade balance with each of these countries. The EU which had moved to a positive trade balance in 2000 went back to a negative trade balance in 2003.
5. Growth in imports in the last 3 years has exceeded growth in exports with countries with whom we have negative trade balances (Brazil, the EU) and with countries with which we have a positive trade balance (China and Hong Kong; India, SADC). The only country we saw a surge in exports to is the USA. Steep increases in imports came from Brazil, China and Hong Kong, and the EU.
6. The sector is potentially under threat in the longer term.

### **Wood & wood products**

1. The wood and wood products sector is relatively labour intensive. It employs 4.1% to manufacturing employment (excluding upstream metals), yet only produces 1% of manufacturing output.
2. The sector meets the vast majority of domestic demand (just over 90%) and exports 14% of what it produces. It has had a steadily growing positive trade balance since 1996. The sectors examined in this study account for only a small proportion of trade in wood and wood products. The EU accounts for a

third of our imports in the sector. The USA and SADC account for about a tenth of imports each. Imports from the USA have been declining while our exports to them are growing, contributing to a growing positive trade balance. Imports from China & Hong Kong have been growing significantly (much faster in fact than our exports to them) and the region accounts for 7% of imports in the sector. Imports from Brazil remain small (3% of total imports), while imports from India are minimal.

3. The countries in the study account for only a third of total exports for the sector. The EU accounts for a fifth of the sector's exports and the USA 7%.

### **Printing, publishing and recorded media**

1. The printing, publishing & recorded media sector employs around 52 000 workers. It's output is small (less than 0.5% of manufacturing output), while it employs 4.5% of total manufacturing employment. It's a labour intensive sector, requiring R64 000 to create a job.
2. The sector meets most of domestic demand (around three quarters) while it exports very little. Its trade balance is thus negative and the major sources of imports are the EU accounting for two thirds of imports in the sector and the USA which account for 20% of the sector's imports.
3. While our exports are small, half of our exports go to SADC with whom we have a positive trade balance. 14% of our exports go to the EU, but the EU is declining in importance as an export market for products in this sector.

### **Furniture**

The furniture sector is labour intensive requiring R36,702 to create a job. While it accounts for 3.2% of manufacturing employment, it accounts for 4% of manufacturing output.

1. The sector meets 83% of domestic demand, while imports make up the rest. It is more export intensive, exporting a third of its output. Half of its imports come from the EU while 81% of its exports go to the EU, making the EU the most important trading partner in the sector. Exports to the EU are almost five times that of imports, and growing more rapidly than imports. This trend would appear to be positive for employment creation in the long run, however the sector has experienced significant job loss in the past. Growth in exports to the other developed country in the sector (the USA) have exceeded growth in imports from the USA. However, the stronger rand seems to have accelerated imports into the country and dampened (only marginally) exports.
2. In terms of trade with developing economies, the most significant trends (in terms of absolute volumes of trade) are found in trade with China and Hong Kong, and SADC. We have experienced a significant increase in furniture

imports from China and Hong Kong – one may in fact say a surge in imports from 2002 to 2004. Imports were \$60 million in 2004, while exports were under one million dollars. China and Hong Kong now account for 25% of furniture imports.

- In contrast, imports from SADC as a percentage of total imports has fallen sharply from 22 % in 1994 to only 4% in 2004. Our positive trade balance with SADC has grown even though imports from SADC have grown at a higher rate than our exports to SADC.

**Table: Summary of key data for the paper, wood, printing and furniture sectors.**

All figures 2004 unless otherwise stated		Paper & paper products	Wood & wood products	Printing, publishing & recorded media	Furniture
Employment		54,037	47,166	52,161	36,702
Fixed capital stock in R million		12579.5	3143.9	3336.7	890.9
Rand investment per job		232,797	66,655	63,970	24,275
% total employment		0.6%	0.6%	0.6%	0.4%
% manufacturing employment		4.7%	4.1%	4.5%	3.2%
Import domestic demand		10.4	9.3	16.8	17.0
Export output		13.4	14.0	2.3	32.9
Output as % of manufacturing output		1%	1%	0%	4%
Trade					
EU	Imports in \$ million	-339.4	-89.1	-253.5	-119.8
	% change in imports 2001-2004	49%	77%	63%	74%
	% total imports for sector	61%	34%	64%	50%
	Exports in \$ million	281.7	90.6	14.6	511.9
	% change in exports 2001-2004	-3%	54%	19%	64%
	% total exports for sector	32%	20%	14%	81%
USA	Imports in \$ million	-44.8	-23.4	-81.0	-6.7
	% change in imports 2001-2004	-5%	19%	6%	53%
	% total imports for sector	8%	9%	20%	3%
	Exports in \$ million	45.2	31.7	3.4	18.8
	% change in exports 2001-2004	144%	108%	0%	126%
	% total exports for sector	5%	7%	3%	3%
SADC	Imports in \$ million	-3.4	-26.5	-0.6	-10.2
	% change in imports 2001-2004	109%	74%	-51%	24%
	% total imports for sector	1%	10%	0%	4%
	Exports in \$ million	113.4	20.6	50.7	28.4
	% change in exports 2001-2004	35%	27%	165%	21%
	% total exports for sector	13%	4%	50%	4%
China & Hong Kong	Imports in \$ million	-9.3	-17.6	-14.2	-60.7
	% change in imports 2001-2004	199%	188%	137%	477%
	% total imports for sector	2%	7%	4%	25%
	Exports in \$ million	22.8	3.1	0.5	0.8

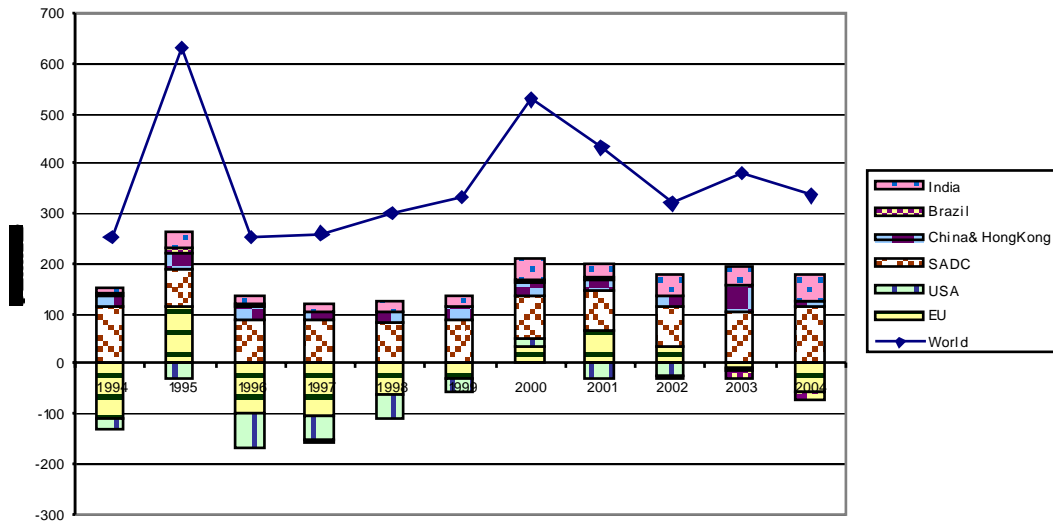
	% change in exports 2001-2004	-12%	16%	343%	96%
	% total exports for sector	3%	1%	0%	0%
Brazil	Imports in \$ million	-25.6	-8.4	-0.3	-1.7
	% change in imports 2001-2004	545%	40%	7%	96%
	% total imports for sector	5%	3%	0%	1%
	Exports in \$ million	10.0	0.1	0.0	0.0
	% change in exports 2001-2004	5%	-89%	117%	-82%
	% total exports for sector	1%	0%	0%	0%
India	Imports in \$ million	-3.4	-1.2	-4.2	-2.6
	% change in imports 2001-2004	154%	168%	175%	194%
	% total imports for sector	1%	0%	1%	1%
	Exports in \$ million	56.8	0.0	0.1	0.0
	% change in exports 2001-2004	105%	6%	-81%	4100%
	% total exports for sector	6%	0%	0%	0%

Source: Calculated from Tips EasyData downloaded May 2005

## Paper & paper products

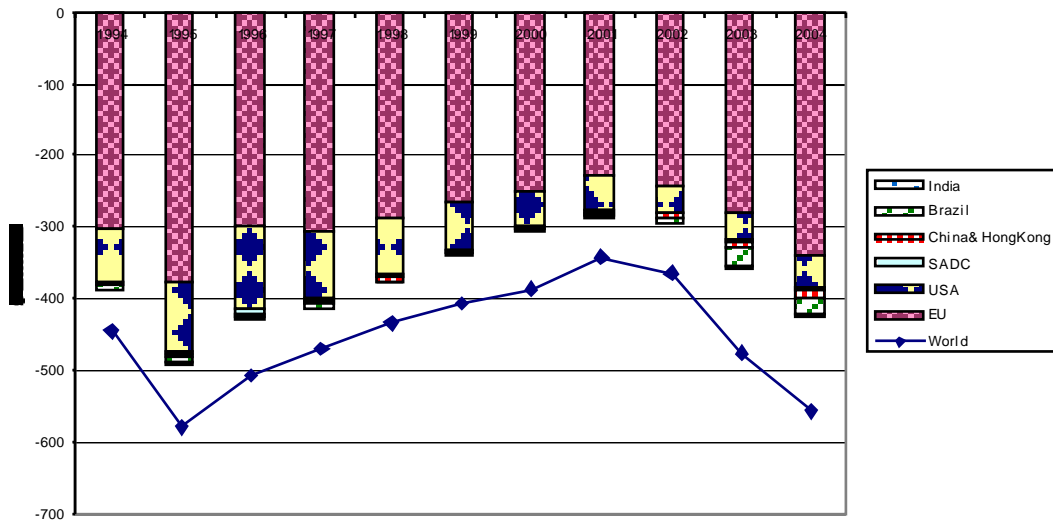
### Trade balance

### Paper & paper products



Source: Calculated from Tips EasyData downloaded May 2005

### Paper & paper products imports



Source: Calculated from Tips EasyData downloaded May 2005

**Table: Imports and exports, and change in imports and exports of paper and paper products**

		\$ million					Average annual change	
		1994	1997	2000	2002	2004	1994-2004	2002-2004

Brazil	Imports	-7.0	-7.2	-3.1	-8.1	-25.6	14%	78%
	Exports	10.7	2.9	7.4	5.5	10.0	-1%	35%
China & Hong Kong	Imports	-1.1	-2.5	-2.9	-3.3	-9.3	24%	67%
	Exports	20.9	17.9	27.6	31.3	22.8	1%	-15%
EU	Imports	-302.9	-306.2	-248.3	-241.5	-339.4	1%	19%
	Exports	194.9	201.9	285.4	272.4	281.7	4%	2%
India	Imports	-0.3	-0.7	-0.6	-1.5	-3.4	29%	50%
	Exports	13.5	14.5	41.4	39.7	56.8	15%	20%
SADC	Imports	-3.6	-3.0	-2.2	-2.4	-3.4	-1%	20%
	Exports	119.7	91.8	93.6	81.5	113.4	-1%	18%
USA	Imports	-73.5	-94.2	-48.0	-37.5	-44.8	-5%	9%
	Exports	49.6	44.9	56.9	11.9	45.2	-1%	95%
World	Imports	-443.9	-469.1	-387.1	-365.1	-557.3	2%	24%
	Exports	696.6	729.2	916.4	685.2	893.5	3%	14%

Source: Calculated from Tips EasyData downloaded May 2005

### Origin of paper & paper products imports

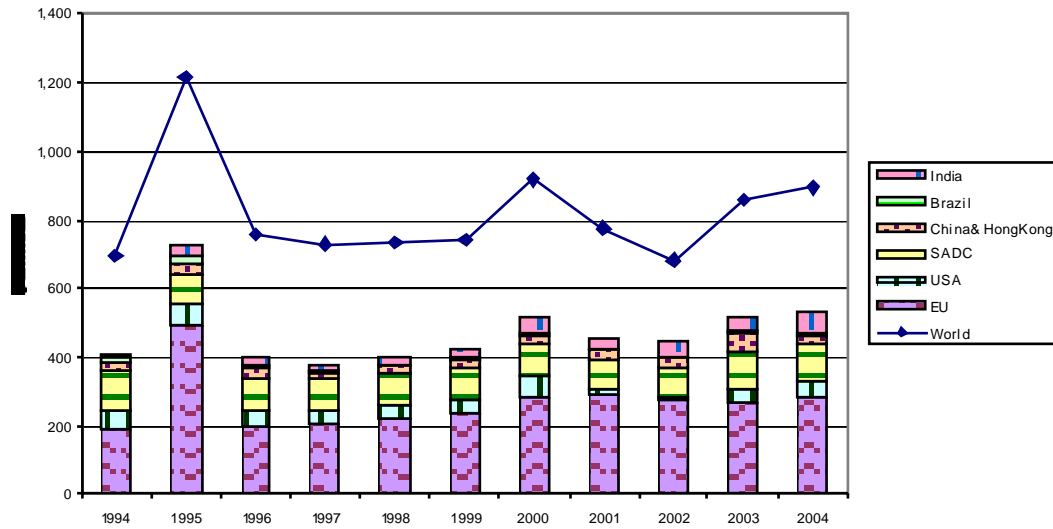
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	68%	65%	59%	65%	66%	65%	64%	67%	66%	59%	61%
USA	17%	16%	23%	20%	19%	16%	12%	14%	10%	8%	8%
SADC	1%	1%	1%	1%	1%	0%	1%	0%	1%	1%	1%
China & Hong Kong	0%	0%	0%	1%	1%	1%	1%	1%	1%	1%	2%
Brazil	2%	2%	1%	2%	1%	1%	1%	1%	2%	6%	5%
India	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	1%

Source: Calculated from Tips EasyData downloaded May 2005

Exports



### Paper & paper products exports



Source: Calculated from Tips EasyData downloaded May 2005

**Table: Destination for paper & paper products exports**

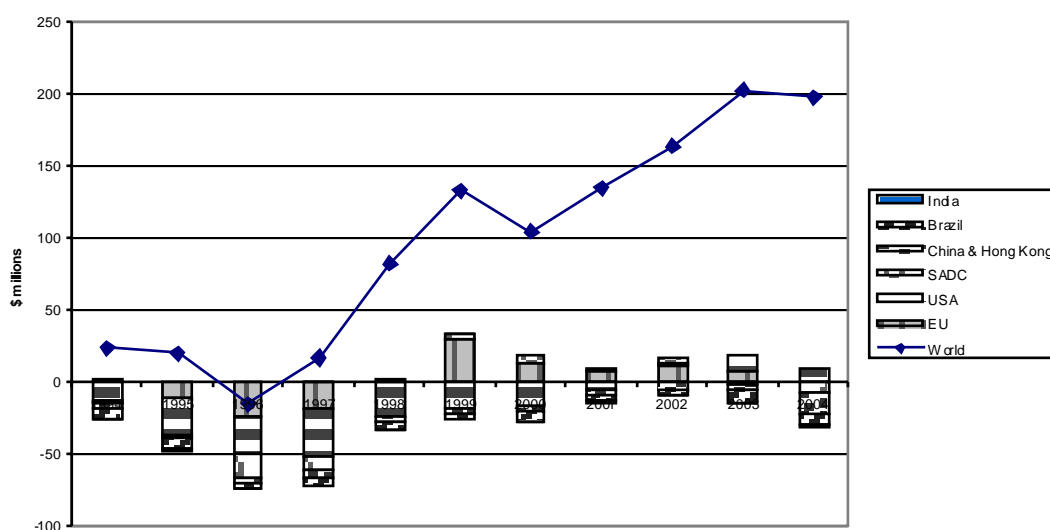
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	28%	40%	26%	28%	30%	31%	31%	37%	40%	32%	32%
USA	7%	5%	6%	6%	5%	6%	6%	2%	2%	4%	5%
SADC	17%	7%	12%	13%	12%	12%	10%	11%	12%	13%	13%
China & Hong Kong	3%	3%	4%	2%	3%	3%	3%	3%	5%	7%	3%
Brazil	2%	2%	1%	0%	1%	1%	1%	1%	1%	1%	1%
India	2%	3%	2%	2%	3%	4%	5%	4%	6%	5%	6%

Source: Calculated from Tips EasyData downloaded May 2005

### Wood and wood products

### Trade balance

### Wood & wood products trade balance



Source: Calculated from Tips EasyData downloaded May 2005

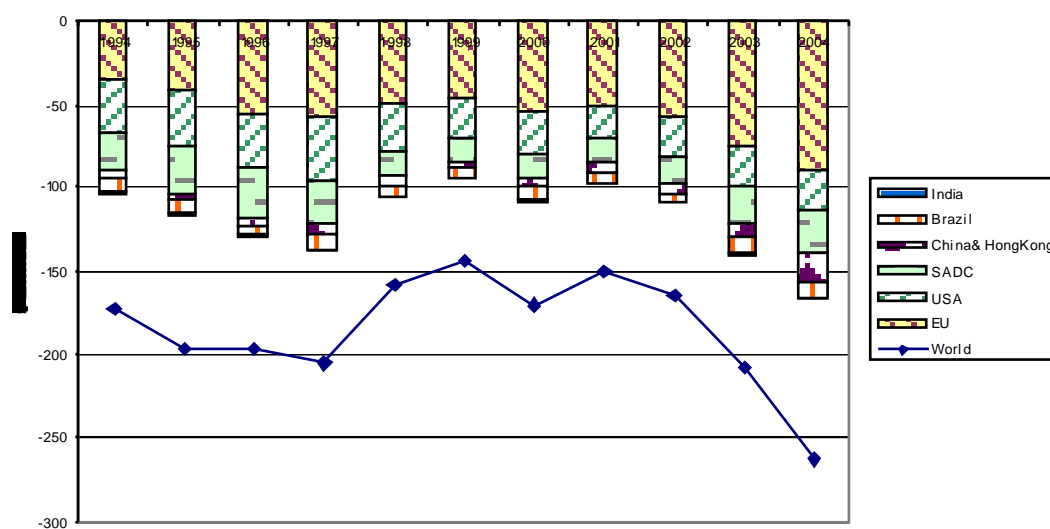
**Table: Imports and exports, and change in imports and exports of wood and wood products**

		\$ million					Average annual change	
		1994	1997	2000	2002	2004	1994-2004	2002-2004
Brazil	Imports	-7.9	-9.5	-7.7	-5.5	-8.4	1%	24%
	Exports	0.1	2.9	1.5	0.6	0.1	8%	-52%
China & Hong Kong	Imports	-4.3	-6.2	-5.9	-6.3	-17.6	15%	67%
	Exports	1.0	1.3	1.9	2.6	3.1	12%	8%
EU	Imports	-35.0	-57.8	-53.5	-57.9	-89.1	10%	24%
	Exports	38.5	40.0	67.4	70.8	90.6	9%	13%
India	Imports	-0.2	-0.4	-0.6	-0.6	-1.2	19%	49%
	Exports	0.0	1.1	0.1	0.0	0.0	-4%	-6%
SADC	Imports	-22.6	-25.9	-13.9	-15.0	-26.5	2%	33%
	Exports	20.9	16.7	18.6	17.6	20.6	0%	8%
USA	Imports	-32.6	-37.7	-26.1	-24.0	-23.4	-3%	-1%
	Exports	20.8	4.2	10.3	25.4	31.7	4%	12%
World	Imports	-173.2	-204.8	-170.9	-164.2	-262.6	4%	26%
	Exports	197.6	222.3	276.2	328.7	461.1	9%	18%

Source: Calculated from Tips EasyData downloaded May 2005

### Imports

### Wood & wood products im ports



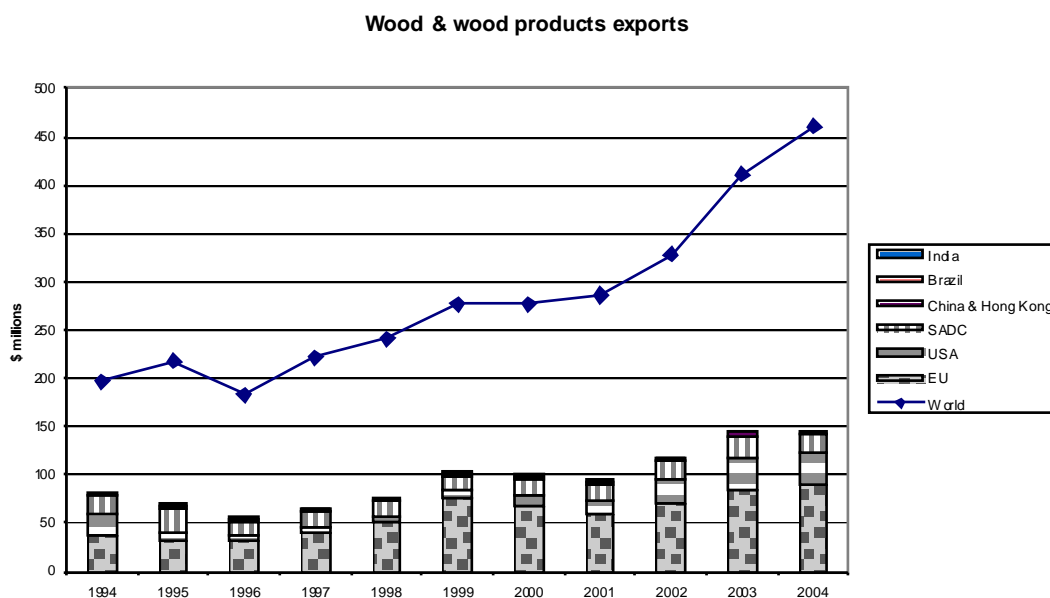
Source: Calculated from Tips EasyData downloaded May 2005

**Table: Origin on wood and wood products imports**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	20%	22%	29%	28%	31%	33%	31%	34%	35%	36%	34%
USA	19%	17%	15%	18%	18%	17%	15%	13%	15%	11%	9%
SADC	13%	14%	16%	13%	10%	9%	8%	10%	9%	11%	10%
China & Hong Kong	2%	2%	2%	3%	3%	3%	3%	4%	4%	4%	7%
Brazil	5%	4%	3%	5%	5%	5%	5%	4%	3%	5%	3%
India	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: Calculated from Tips EasyData downloaded May 2005

## Exports



Source: Calculated from Tips EasyData downloaded May 2005

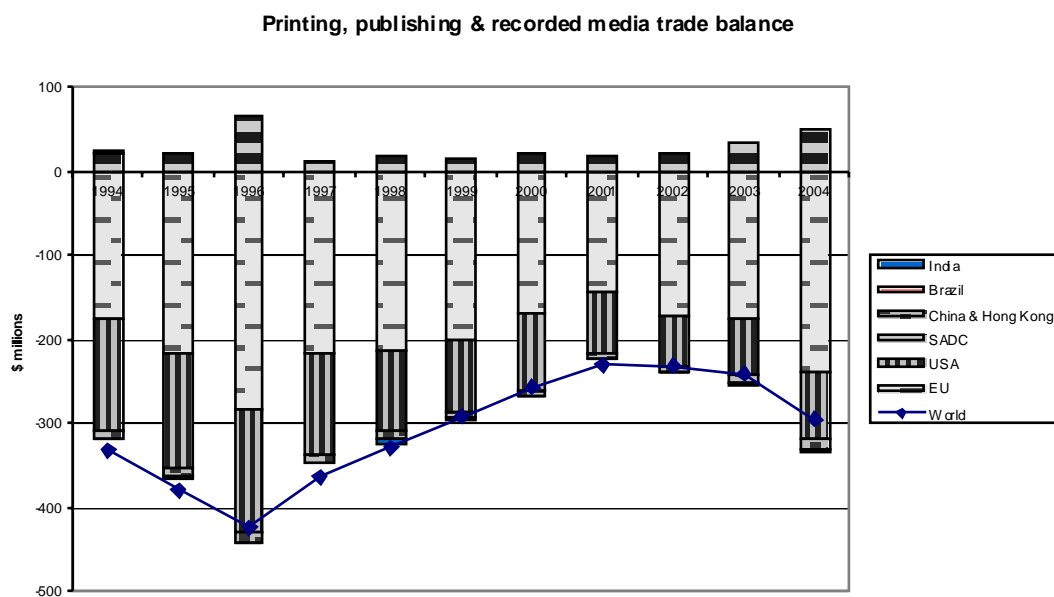
Table: Destination for wood and wood products exports

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	20%	15%	18%	18%	21%	28%	24%	21%	22%	20%	20%
USA	11%	4%	3%	2%	2%	3%	4%	5%	8%	8%	7%
SADC	11%	12%	8%	7%	7%	6%	7%	6%	5%	5%	4%
China & Hong Kong	0%	1%	1%	1%	0%	0%	1%	1%	1%	1%	1%
Brazil	0%	0%	1%	1%	1%	1%	1%	0%	0%	0%	0%
India	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: Calculated from Tips EasyData downloaded May 2005

## Printing, publishing & recorded media

### Trade balance



Source: Calculated from Tips EasyData downloaded May 2005

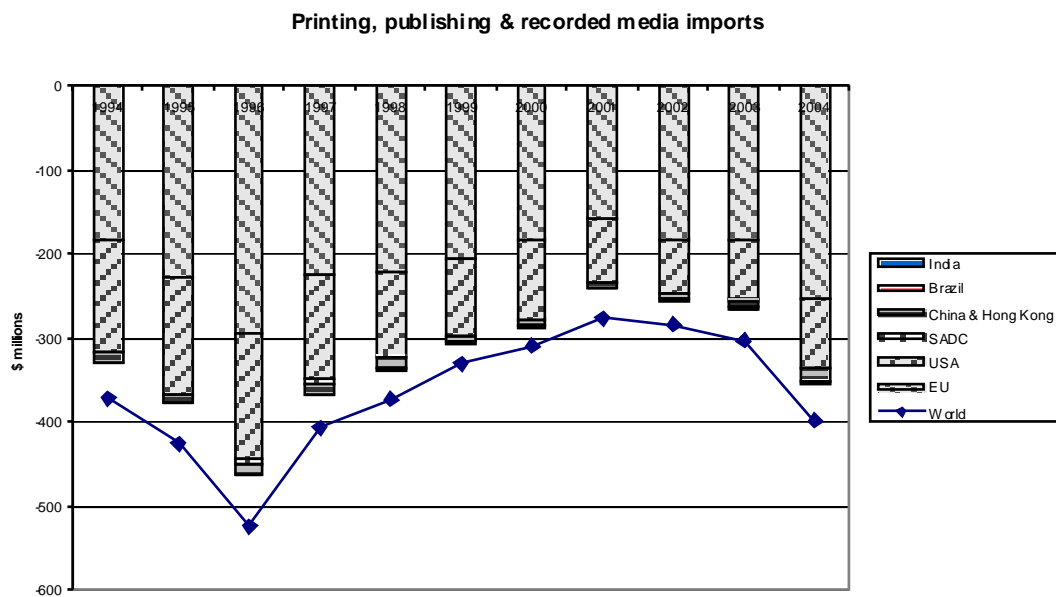
**Table: Changes in imports and exports of printing, publishing & recorded media**

		\$ million					Average annual change	
		1994	1997	2000	2002	2004	1994-2004	2002-2004
Brazil	Imports	0.0	0.0	-0.1	-0.2	-0.3	41%	25%
	Exports	0.3	0.1	0.0	0.0	0.0	-21%	31%

China & Hong Kong	Imports	-10.5	-10.7	-6.4	-6.4	-14.2	3%	49%
	Exports	0.1	0.1	0.2	1.8	0.5	14%	-48%
EU	Imports	-183.3	-224.4	-181.9	-182.6	-253.5	3%	18%
	Exports	7.6	7.1	12.2	9.9	14.6	7%	22%
India	Imports	-0.5	-0.9	-1.5	-1.5	-4.2	23%	70%
	Exports	0.0	1.5	0.1	0.1	0.1	9%	8%
SADC	Imports	-1.6	-8.5	-0.7	-0.6	-0.6	-10%	1%
	Exports	25.1	21.7	24.2	22.3	50.7	7%	51%
USA	Imports	-132.3	-121.8	-95.5	-63.9	-81.0	-5%	13%
	Exports	1.0	2.2	4.7	3.5	3.4	13%	-1%
World	Imports	-371.6	-405.9	-308.9	-283.1	-397.2	1%	18%
	Exports	40.7	42.9	52.2	51.8	102.1	10%	40%

Source: Calculated from Tips EasyData downloaded May 2005

## Imports



Source: Calculated from Tips EasyData downloaded May 2005

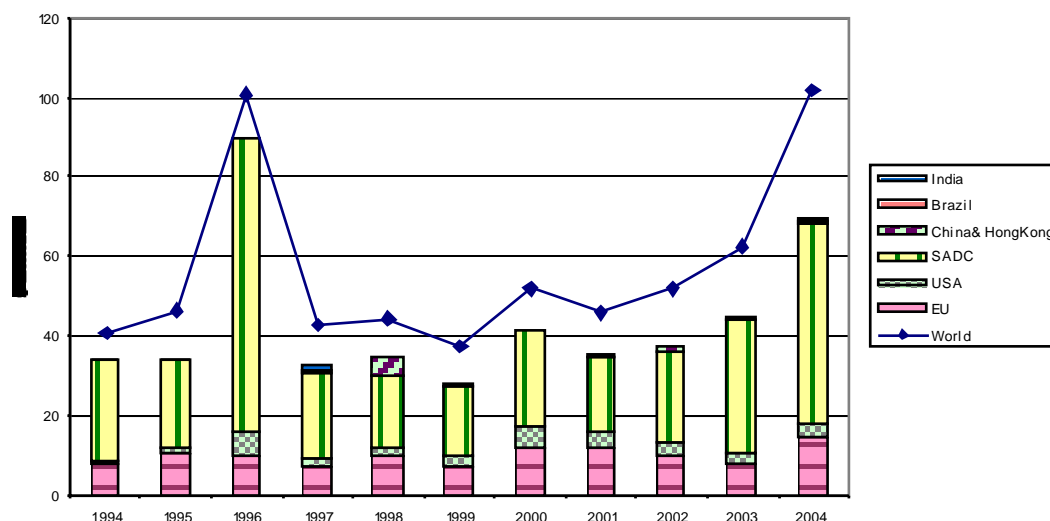
**Table: Origin of printing, publishing and recorded media imports**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	49%	53%	56%	55%	60%	63%	59%	56%	65%	60%	64%
USA	36%	33%	29%	30%	26%	27%	31%	28%	23%	24%	20%
SADC	0%	0%	1%	2%	0%	0%	0%	0%	0%	0%	0%
China & Hong Kong	3%	2%	2%	3%	4%	2%	2%	2%	2%	3%	4%
Brazil	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
India	0%	0%	0%	0%	1%	1%	0%	1%	1%	1%	1%

Source: Calculated from Tips EasyData downloaded May 2005

## Exports

**Printing, publishing & recorded media exports**



Source: Calculated from Tips EasyData downloaded May 2005

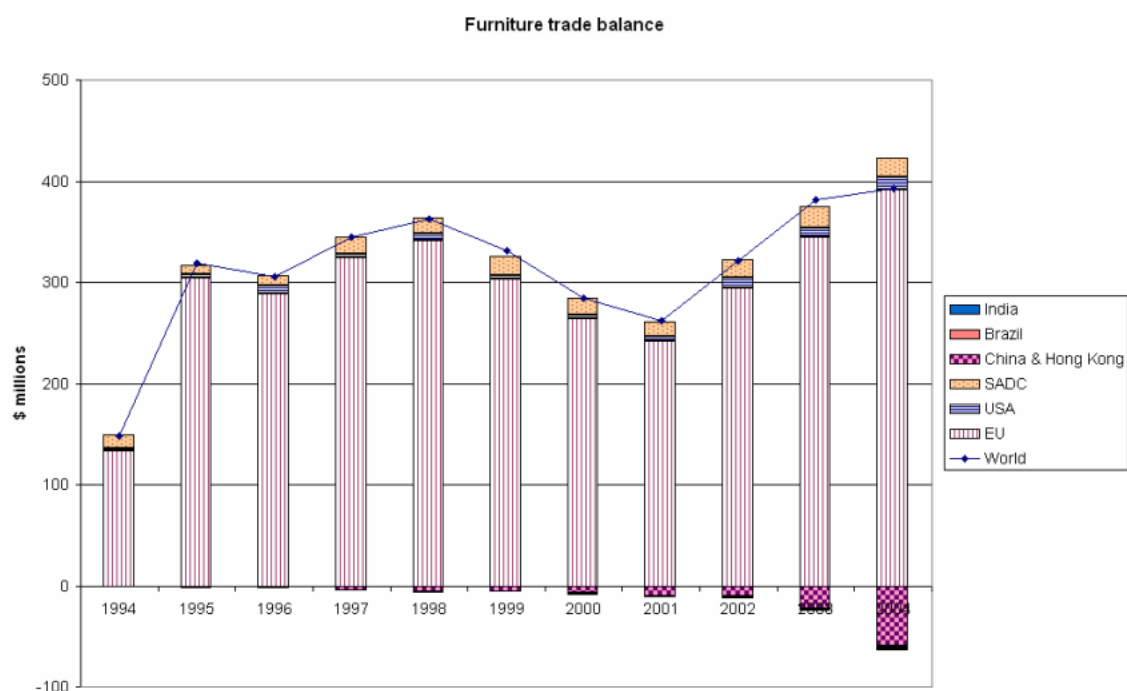
**Table: Destination for printing, publishing & recorded media exports**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	19%	23%	10%	16%	23%	19%	23%	27%	19%	13%	14%
USA	2%	2%	6%	5%	4%	7%	9%	7%	7%	4%	3%
SADC	62%	49%	73%	51%	42%	46%	46%	42%	43%	54%	50%
China & Hong Kong	0%	0%	0%	0%	10%	0%	0%	0%	3%	0%	0%
Brazil	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
India	0%	0%	0%	4%	0%	2%	0%	1%	0%	0%	0%

Source: Calculated from Tips EasyData downloaded May 2005

## Furniture

### Trade balance



Source: Calculated from Tips EasyData downloaded May 2005

**Table: Change in furniture imports and exports**

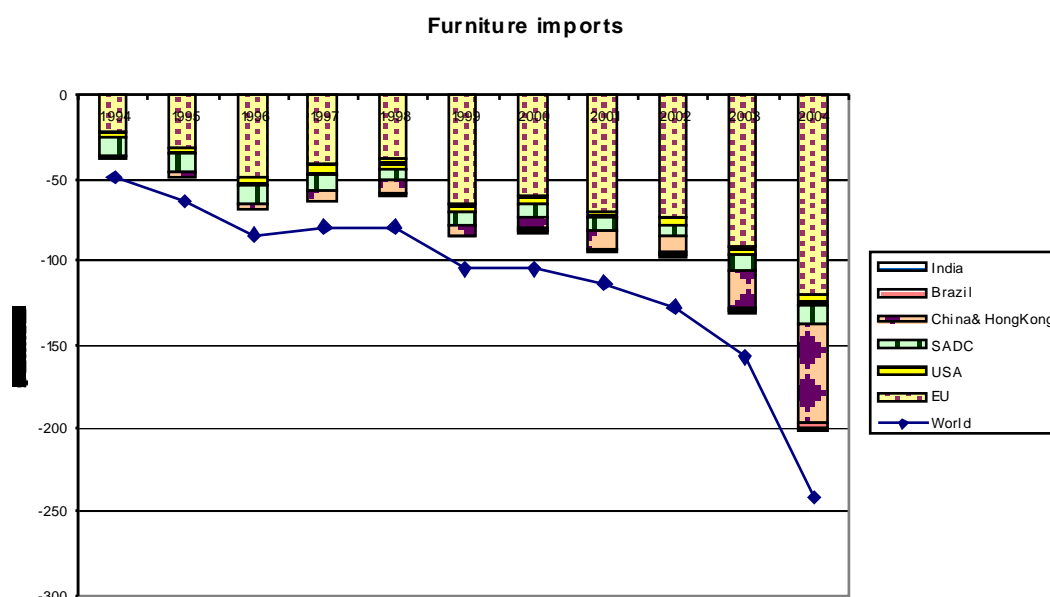
		\$ million					Average annual change	
		1994	1997	2000	2002	2004	1994-2004	2002-2004
Brazil	Imports	-0.1	-0.1	-1.1	-0.5	-1.7	37%	84%
	Exports	0.1	0.0	0.0	0.0	0.0	-26%	-18%
China & Hong Kong	Imports	-1.5	-5.5	-7.8	-11.4	-60.7	45%	131%
	Exports	0.2	0.3	0.1	0.2	0.8	14%	85%
EU	Imports	-22.1	-40.6	-60.6	-72.7	-119.8	18%	28%
	Exports	155.8	365.5	324.5	366.8	511.9	13%	18%
India	Imports	0.0	-0.4	-0.8	-1.4	-2.6	49%	36%
	Exports	0.0	1.0	0.0	0.0	0.0	8%	62%
SADC	Imports	-11.0	-9.7	-7.3	-6.2	-10.2	-1%	29%
	Exports	23.8	25.9	23.8	24.3	28.4	2%	8%
USA	Imports	-3.3	-7.9	-5.3	-4.9	-6.7	7%	17%



	Exports	5.7	11.2	8.7	15.1	18.8	13%	12%
World	Imports	-48.7	-79.0	-104.8	-127.2	-241.0	17%	38%
	Exports	196.9	424.2	388.9	448.8	633.4	12%	19%

Source: Calculated from Tips EasyData downloaded May 2005

## Imports



Source: Calculated from Tips EasyData downloaded May 2005

**Table: Origin of furniture imports**

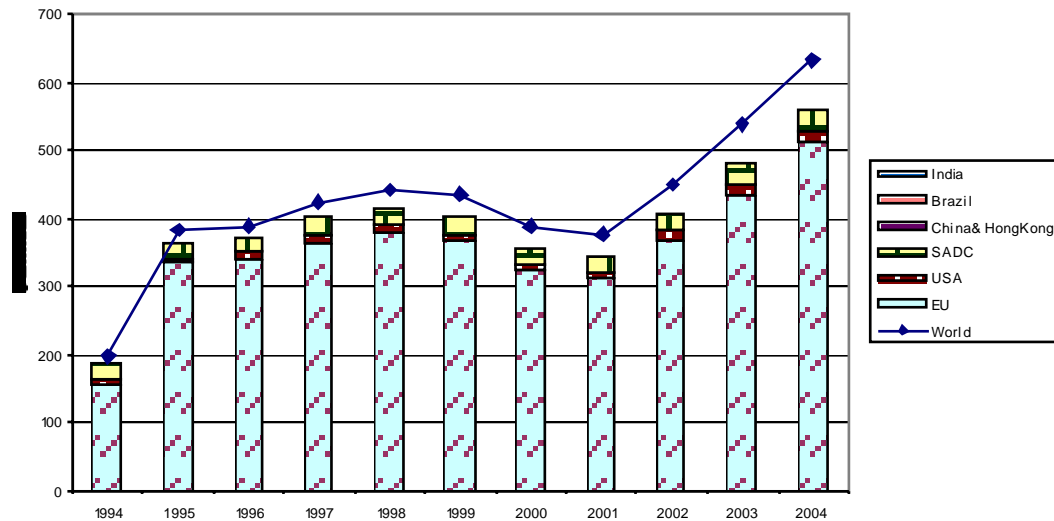
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	45%	50%	58%	51%	49%	63%	58%	61%	57%	58%	50%
USA	7%	5%	6%	10%	7%	5%	5%	4%	4%	3%	3%
SADC	22%	19%	14%	12%	10%	7%	7%	7%	5%	6%	4%
China & Hong Kong	3%	5%	3%	7%	9%	6%	7%	9%	9%	15%	25%
Brazil	0%	0%	0%	0%	0%	0%	1%	1%	0%	0%	1%

India	0%	0%	0%	0%	1%	1%	1%	1%	1%	1%	1%
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Source: Calculated from Tips EasyData downloaded May 2005

## Exports

Furniture exports



Source: Calculated from Tips EasyData downloaded May 2005

Table: Destination for South African exports

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EU	79%	88%	87%	86%	86%	85%	83%	83%	82%	81%	81%
USA	3%	2%	3%	3%	3%	2%	2%	2%	3%	3%	3%
SADC	12%	5%	5%	6%	5%	6%	6%	6%	5%	6%	4%
China & Hong Kong	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Brazil	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
India	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: Calculated from Tips EasyData downloaded May 2005

