



Trade report

*Export opportunities for South Africa in
other BRICS economies*

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Introduction

The BRICS forum was formed in 2011 with the aim of encouraging commercial, political and cultural cooperation amongst its member countries, namely Brazil, Russia, India, China and South Africa. These countries are amongst the world's most influential from a geopolitical perspective and can be regarded as economic powers in their own right, whether globally or regionally.

The BRICS grouping of countries is estimated to have accounted for about 28% of the world's gross domestic product (GDP) at purchasing power parity (PPP) in 2013, and is home to almost 3 billion people, or about 42% of the global population, affording them a substantial market for goods and services. Their external trade (exports plus imports) has surged to USD 6 trillion, or around 17% of the world total. Through greater cooperation, the BRICS seek to influence and/or reform global governance and economic relations.

According to the United Nations Conference on Trade and Development (UNCTAD), foreign direct investment (FDI) flows to the BRICS in 2013 have been estimated at USD 322 billion, or more than double the annual average of USD 158 billion recorded over the pre-crisis period 2005 to 2007. Furthermore, this figure was 21% higher than in 2012 and represented approximately 22% of the world's FDI inflows in 2013, which totalled an estimated USD 1 461 billion. This is almost double the average annual share of 11% of global FDI inflows claimed by the BRICS over 2005-2007.

Although China was the leading recipient of FDI inflows amongst the BRICS (estimated at USD 127 billion) in 2013, followed by the Russian Federation (USD 94 billion), Brazil (USD 63 billion) and India (USD 28 billion), South Africa (USD 10 billion) outperformed its BRICS counterparts by recording the highest growth rate at 126%, whilst Brazil's was the lowest (-4%).

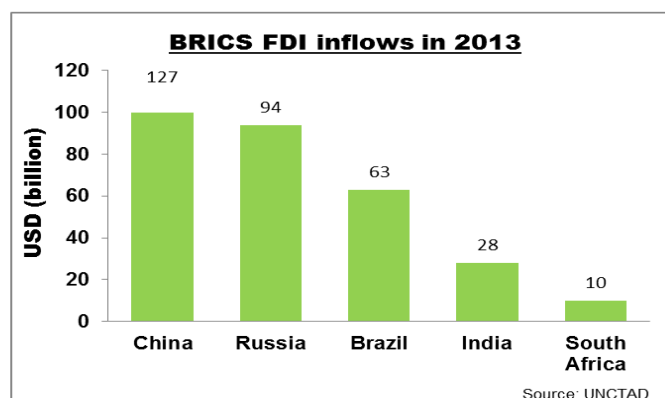
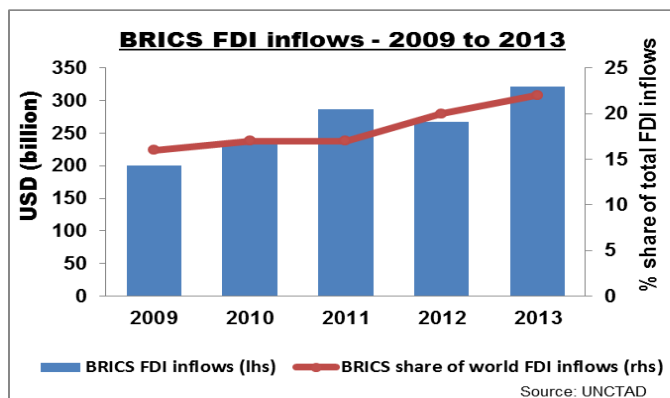
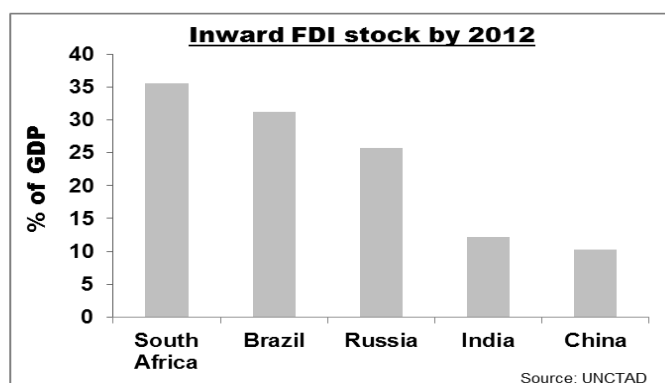
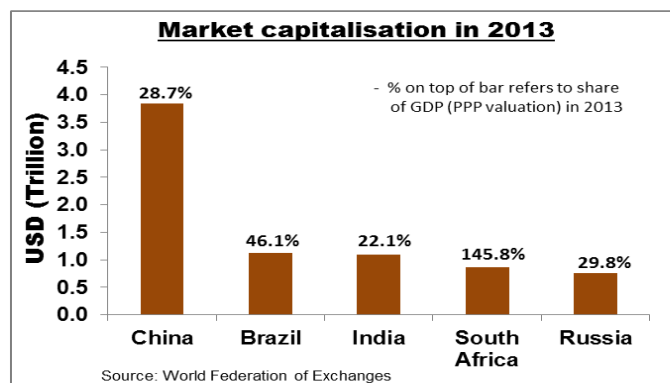
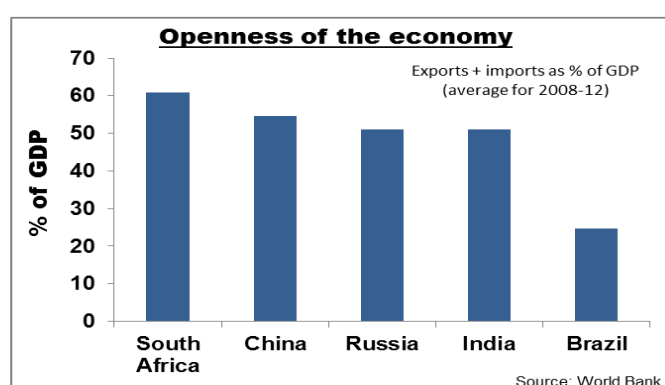
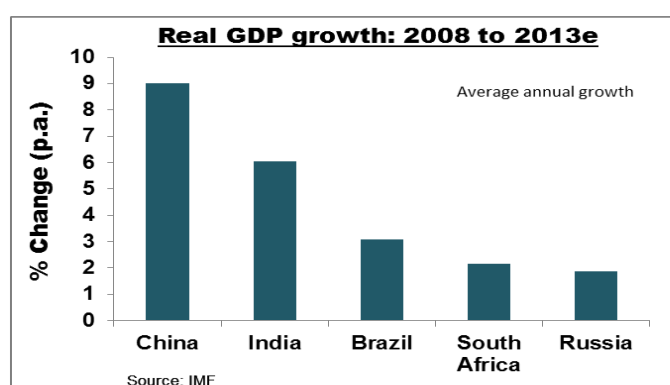
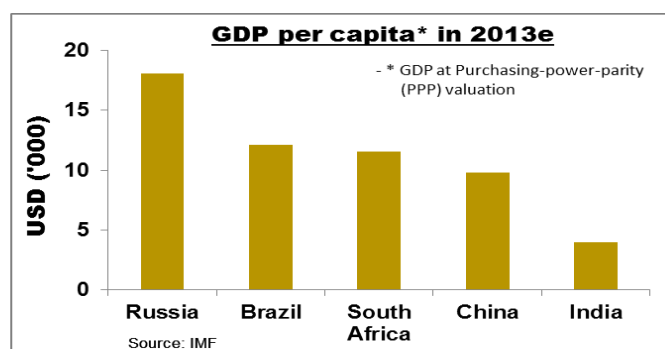
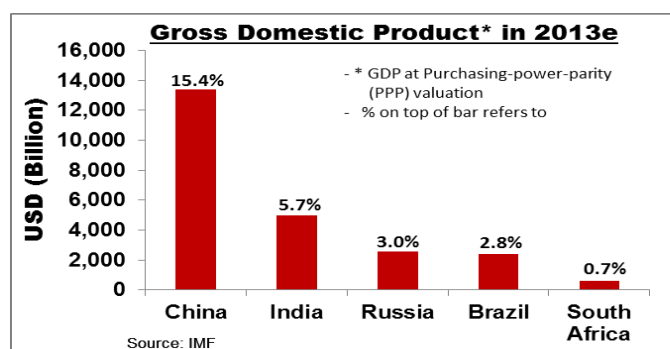
The BRICS have also become major investors worldwide, with their outward FDI rising from USD 7 billion in 2000 to USD 126 billion by 2012, representing 9% of the global flows.

South Africa not only represents the resource-rich African continent in the BRICS, but potentially has much to gain from its membership of the grouping in years to come.

Although South Africa has been trading with the European Union (EU), China, the rest of the African continent, the United States (US) and Japan for many years, China has become South Africa's key export destination at the individual country level and is the principal market for South Africa within the BRICS. In 2012, China was the destination for almost 84% of South Africa's exports to other BRICS economies (or USD 44.7 billion out of USD 54.3 billion), followed by India (close to 15% share, or USD 8 billion), while the shares claimed by Brazil and Russia were very small or negligible.

South Africa should progressively reap the benefits of its economic and political relationships with fellow BRICS countries if the latter increasingly open up and/or liberalise their economies, while domestically it simultaneously addresses the structural problems that are constraining competitiveness, including improvements in productivity, infrastructure and logistics, as well as skills development.

Figure 1: BRICS comparative indicators



Source: IDC, compiled from IMF, World Bank, UNCTAD and CIA World Factbook data

BRICS share of the world trade

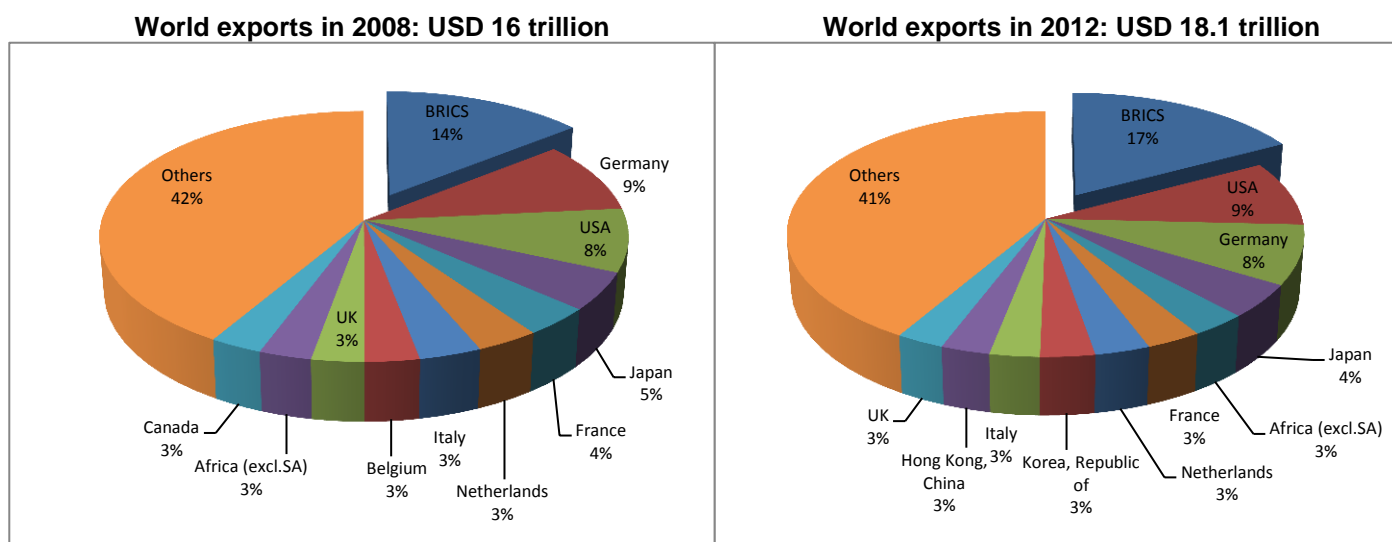
Export performance

The external trade (i.e. imports + exports) of the BRICS with the world at large amounted to USD 6.07 trillion in 2012, making up nearly 17% of total global trade, up from 13.4% in 2008. Exports to the rest of the world increased almost 6.5 times to USD 3.2 trillion over the period 2001 to 2012.

Despite sluggish global economic growth in recent years, the BRICS recorded moderate export growth. Exports to the rest of the world surged by 30.6% in 2010 and by 17.7% in 2012, mainly due to an increasing focus on exports to a number of other emerging markets / developing economies in an effort to offset weak import demand in advanced economies. With the exception of Russia, other BRICS members saw their share of exports destined for emerging markets / developing economies increase over the course of the past decade. In 2012, more than half of all exports from China, India and Brazil, and 48% from South Africa, were destined for emerging markets / developing economies.

About 64.2% of BRICS total exports to the rest of world in 2012 emanated from China, which in turn accounted for almost 56% of overall BRICS GDP. Furthermore, China, with an 11.3% share of world exports in 2012, has overtaken the United States (8.3%) as the world's largest source of exports. These were followed by Germany (7.8%), Japan (4.4%) and France (3.1%).

Figure 2: World's leading exporters



Source: IDC, compiled from International Trade Centre data

The composition of the BRICS export basket has changed significantly over time, with the contribution made by capital goods exports rising from 13.4% of the total in 2001 to 23.6% by 2012. Consumption goods, in turn, saw their share of overall BRICS exports decline from 33.2% to 26.7%, while that of raw materials also declined from 15.3% to 13.6% during the same period. A gradual shift has taken place in the manufacturing sector in the BRICS economies, from labour-intensive to progressively capital-intensive manufacturing. Manufacturing exports witnessed the most drastic changes in China and India.

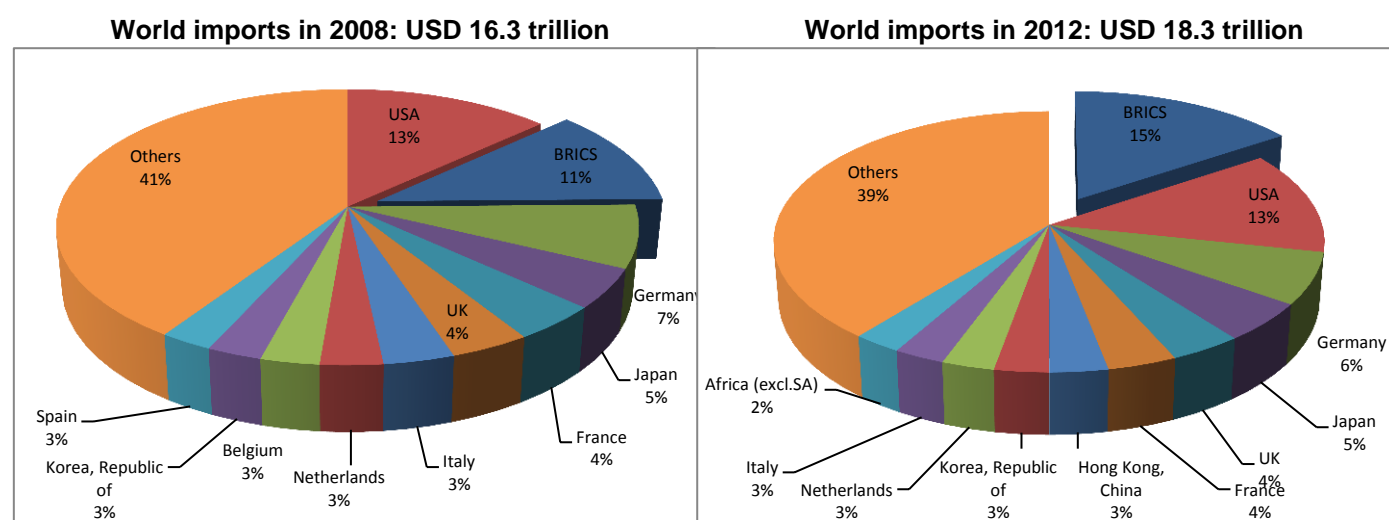
The structure of exports in both countries has shifted from labour-intensive and low-tech products such as food and beverages and textiles to more capital-intensive and high-tech products such as metal products, machinery and electrical equipment in China and chemicals in India. Similar changes in the structure of manufacturing exports have taken place in Brazil and South Africa, with transport equipment, machinery, and electrical equipment making up the bulk of exports. In the Russian Federation, by contrast, the composition of manufactured exports has not changed much, with a high concentration of capital-intensive goods.

Import performance

The BRICS import basket from the rest of the world expanded rapidly in value terms over the twelve-year period to 2012. Imports grew on average by 20.5% per annum, with the grouping's share of world imports rising from 6.6% to 16.1% over the period.

The composition of the BRICS import basket from the world at large has also changed over the period, with more emphasis on imported raw materials (from a 15.2% share in 2001 to 26.3% in 2012) and less on intermediate goods (from a 53.3% share in 2001 down to 41.7% in 2012). The shares claimed by capital goods, (17.2% of the total import basket in 2012) and consumption goods (11.8%) remained almost unchanged.

Figure 3: World's leading importers



Source: IDC, compiled from International Trade Centre data

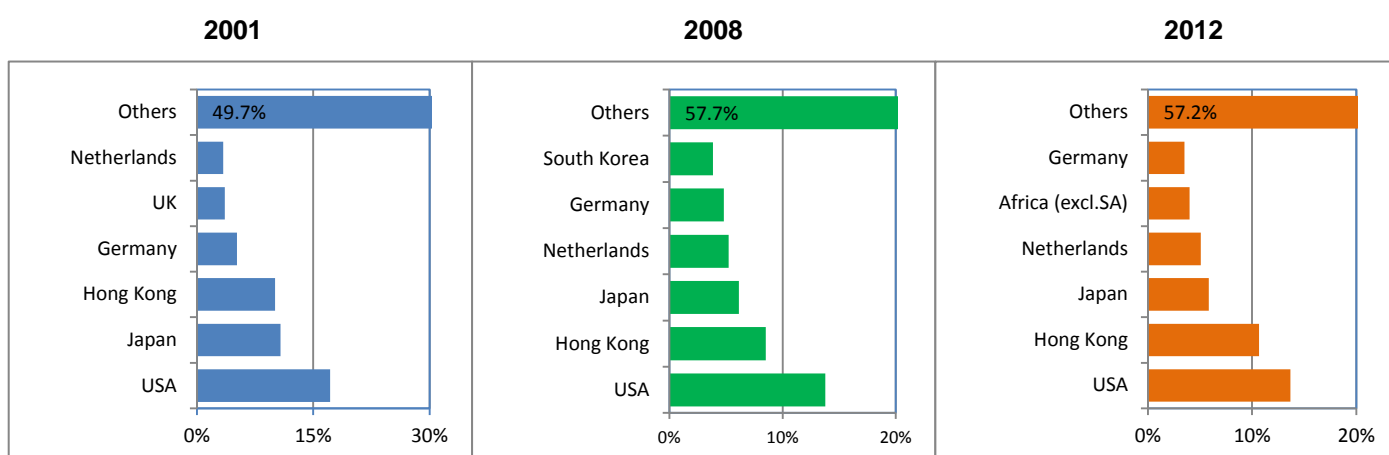
Key global markets for BRICS exports and sources of imports

Key destinations for BRICS exports

Although the United States has remained the largest individual market for BRICS exports, its share declined from 17.2% of the total in 2001 to 13.8% in 2008, and marginally further to 13.7% in 2012. Other than Hong Kong, which is a Special Administrative Region of the People's Republic of China and a major transit route for the latter's exports to the rest of the world (more than 95% of exports to Hong Kong originate from China), Japan, the Netherlands and the Republic of Korea (South Korea) are also leading destinations for BRICS exports.

The input requirements associated with Africa's infrastructure development, as well as its large consumer markets with a rising purchasing power underpin the continent's (excluding South Africa) 4% share of the BRICS's exports in 2012, up from the 3.5% ratio recorded in 2008 and 2.9% in 2001.

Figure 4: Leading global markets for BRICS exports

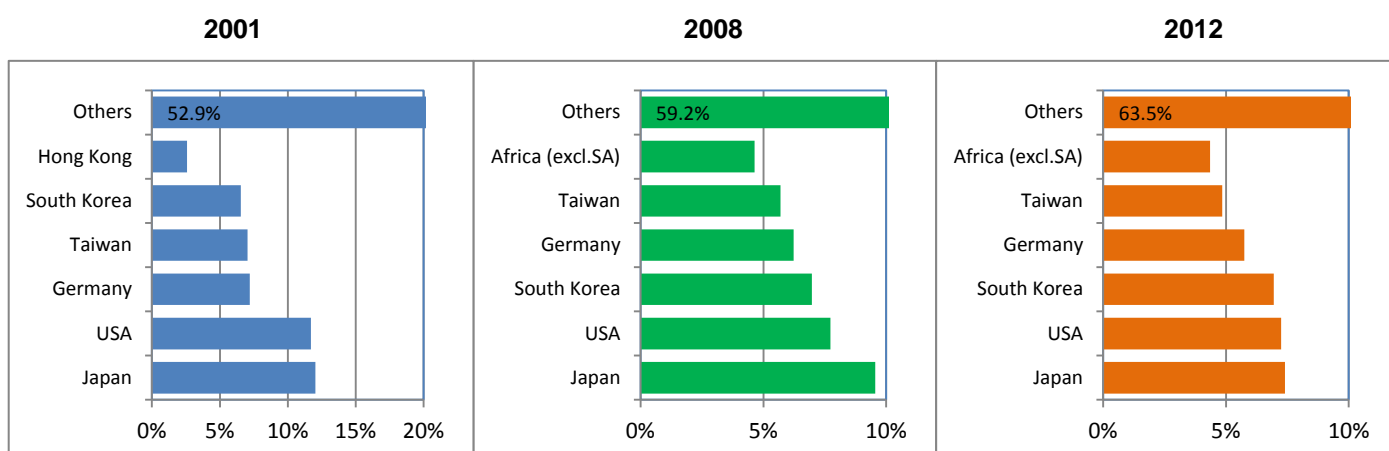


Source: IDC, compiled from International Trade Centre data

Key sources of BRICS imports

The USA and Japan have been the leading sources of imports for the BRICS, although South Korea was a very close third in 2012. Resource-rich Africa is also gaining prominence as a key source of imports for the BRICS. The continent (excluding South Africa) was the source of 4.4% of BRICS overall imports in 2012, or USD 128.5 billion out of USD 3 trillion. Leading imported products from Africa were crude oil, petroleum and gases, sourced principally from Angola, Nigeria, Libya, Algeria and Egypt; refined and unrefined copper coming mainly from Zambia and the Democratic Republic of the Congo; and iron ore and concentrates imported mainly from Mauritania, Sierra Leone and Liberia.

Figure 5: Leading global sources of BRICS imports



Source: IDC, compiled from International Trade Centre data

Intra-BRICS trade and BRICS trade with the rest of the world

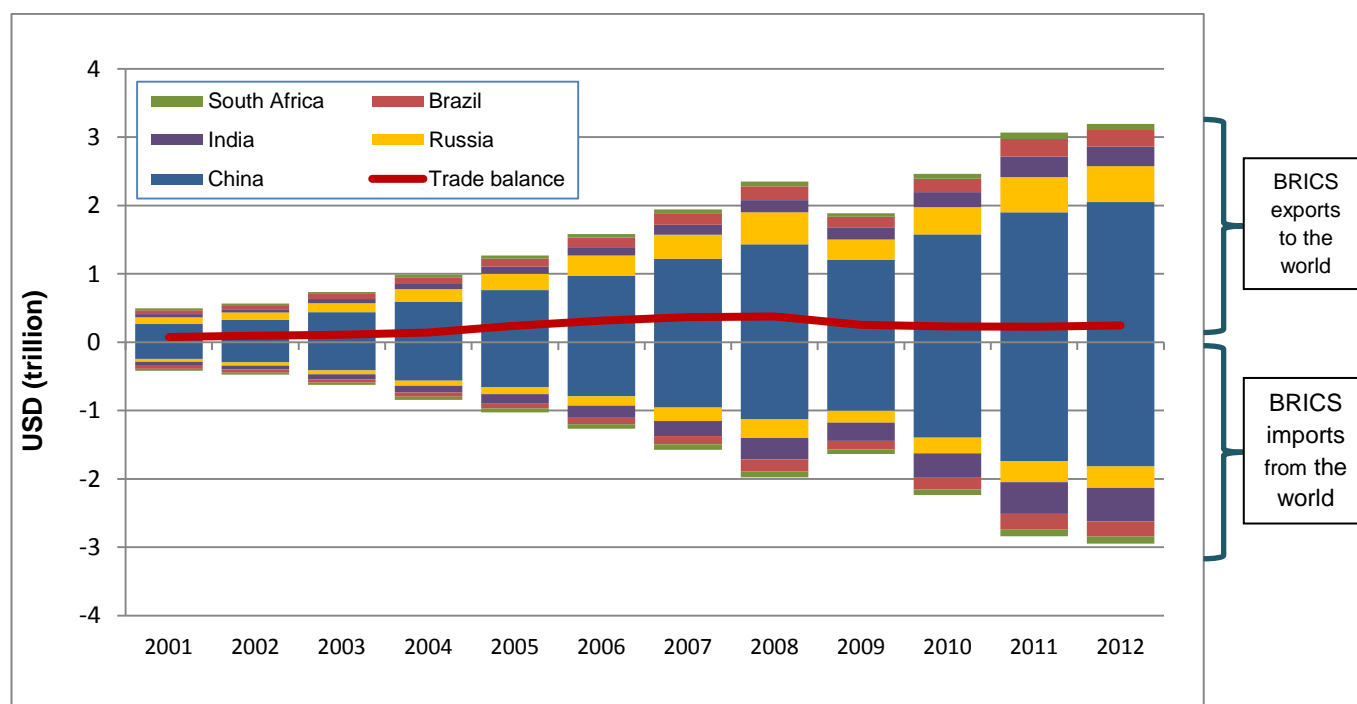
Balance of trade

The trade balance of the BRICS with the rest of the world remained in surplus over the period 2001 to 2012, with intra-BRICS trade (i.e. trade amongst the member states) increasing from 6% in 2001 to almost 13% in 2012.

After a gradually rising positive trend starting in 2002 and peaking at USD 376.3 billion by 2008, the surplus collectively recorded by the BRICS moderated thereafter, amounting to USD 244.3 billion in 2012. This was largely as a result of the global economic crisis and subsequently fragile recovery. BRICS exports totalled just under USD 3.2 trillion in 2012, compared to the lower value of imports at approximately USD 2.9 trillion.

The BRICS economies are increasingly trading with Africa (excl. South Africa), with total BRICS-Africa trade reaching USD 256.5 billion in 2012, or more than eleven times the value recorded in 2001 (USD 22.9 billion). BRICS-Africa trade has increased by approximately 47% since 2008, a period characterised by relatively slow economic growth globally.

Figure 6: BRICS trade with the world by member states

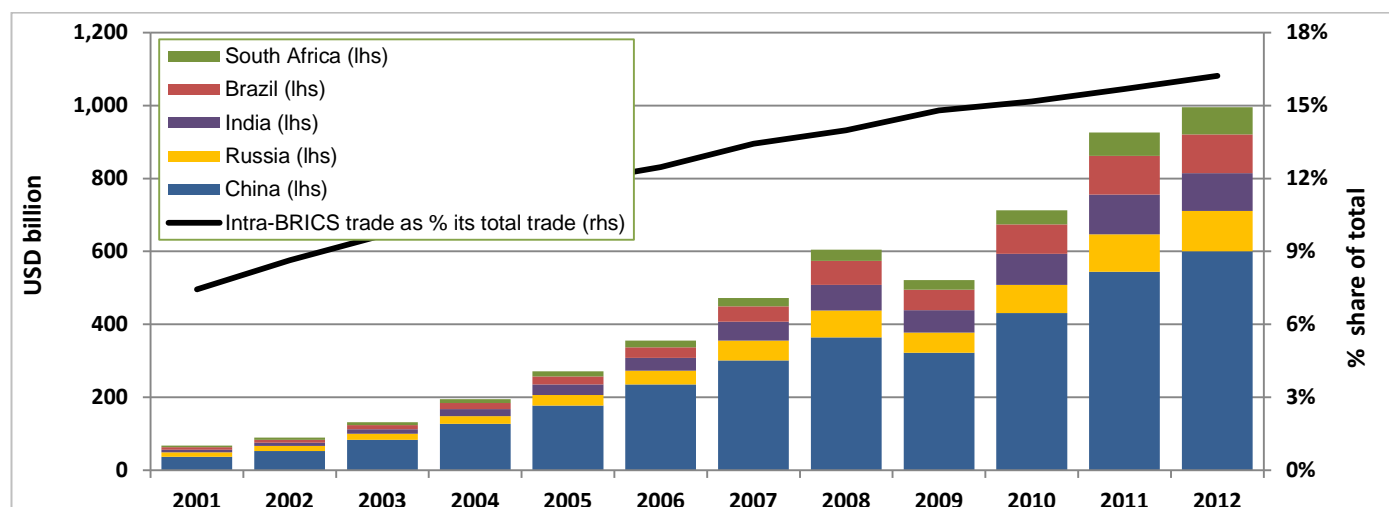


Source: IDC, compiled from ITC data

Intra-BRICS trade trends and comparisons with select world regions

Trade amongst the BRICS has increased substantially over the years, recording an annual average growth rate of 8.2% over the period 2001 and 2007, which accelerated to 11.9% between 2008 and 2012. Intra-BRICS exports totalled USD 498 billion in 2012, up more than fourteen-fold from the USD 34 billion recorded in 2001. This represented around 16.7% of BRICS total trade in 2012, from a 15.3% share in 2008.

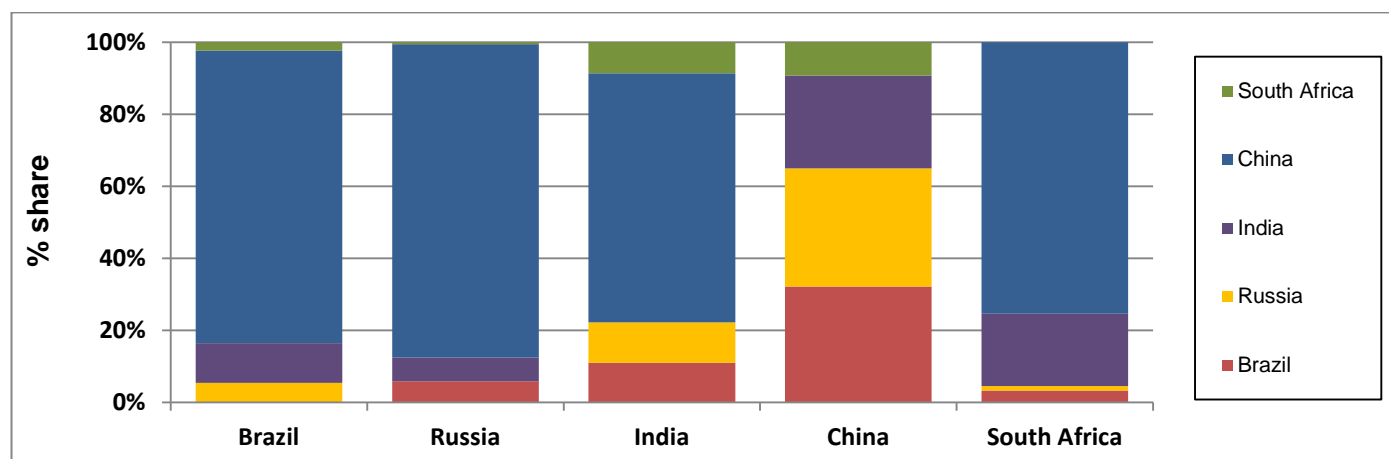
Figure 7: BRICS trade (i.e. exports + imports) trends amongst member states



Source: IDC, compiled from ITC trade data

The dominant theme in intra-BRICS trade has long been the trade relationships between China and every other member. The volume of Brazil's trade with China dwarfs its trade with other BRICS - in fact it even outweighs Brazil's trade with the USA, its traditional trading partner. Considering the size of China's economy, the world's second largest, its enormous domestic market and the input requirements associated with strong fixed investment activity, the country has been a leading source and recipient of intra-BRICS export and import flows.

Figure 8: Intra-BRICS trade (i.e. exports + imports) in 2012



Source: IDC, compiled from International Trade Centre data

Totalling USD 140.5 billion in 2012, China's exports to other BRICS countries represented approximately 48% of intra-BRICS export trade. This Asian giant also accounted for 45% (USD 112.5 billion) of intra-BRICS imports. China was South Africa's principal trading partner in 2012, and was the destination for about 67% of South Africa's exports to the BRICS over the same time (or USD 10.1 billion out of USD 15 billion). This was followed by India, which claimed close to 25% (USD 3.7 billion) of South Africa's exports to the BRICS in 2012. Although rising, the overall value of South Africa's exports to Brazil and Russia has remained relatively low.

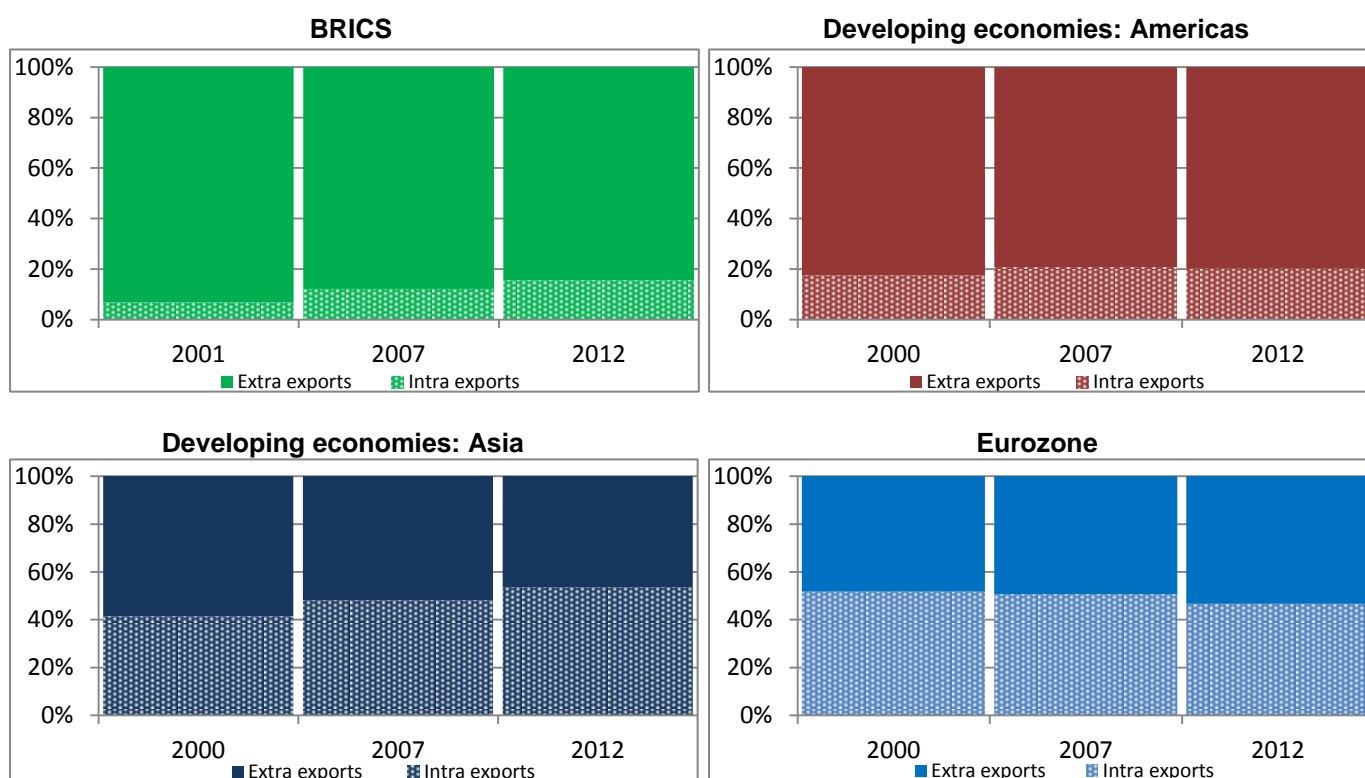
Table 1: Intra-BRICS export trade and world exports to the BRICS in 2012

	Source of exports							
	USD billion	Brazil	Russia	India	China	SA	BRICS	World
Destination of exports	Brazil		2.3	6.2	33.4	0.8	42.7	223.1
	Russia	3.1		2.1	44.1	0.4	49.7	316.2
	India	5.6	7.8		47.7	3.7	64.8	489.0
	China	51.8	35.8	14.8		10.1	112.5	1 818.2
	South Africa	1.8	0.3	8.0	15.3		25.4	101.6
	BRICS	62.3	46.2	31.1	140.5	15.0	295.1	2 948.1
	World	242.6	524.8	289.6	2 048.7	86.7	3 192.4	18 058.0

Source: IDC, compiled from International Trade Centre data

China consumed about 83% of Brazil's exports in 2012. Similarly, China was also the destination for 6.5% of India's exports, 6.8% of Russia's exports, and 51.6% of South Africa's exports. In contrast, the other BRICS members have made little inroad in selling consumer goods to China, with the group meeting just 4.6% of Chinese demand for consumer products in 2012.

Figure 9: Intra-regional export trade comparisons



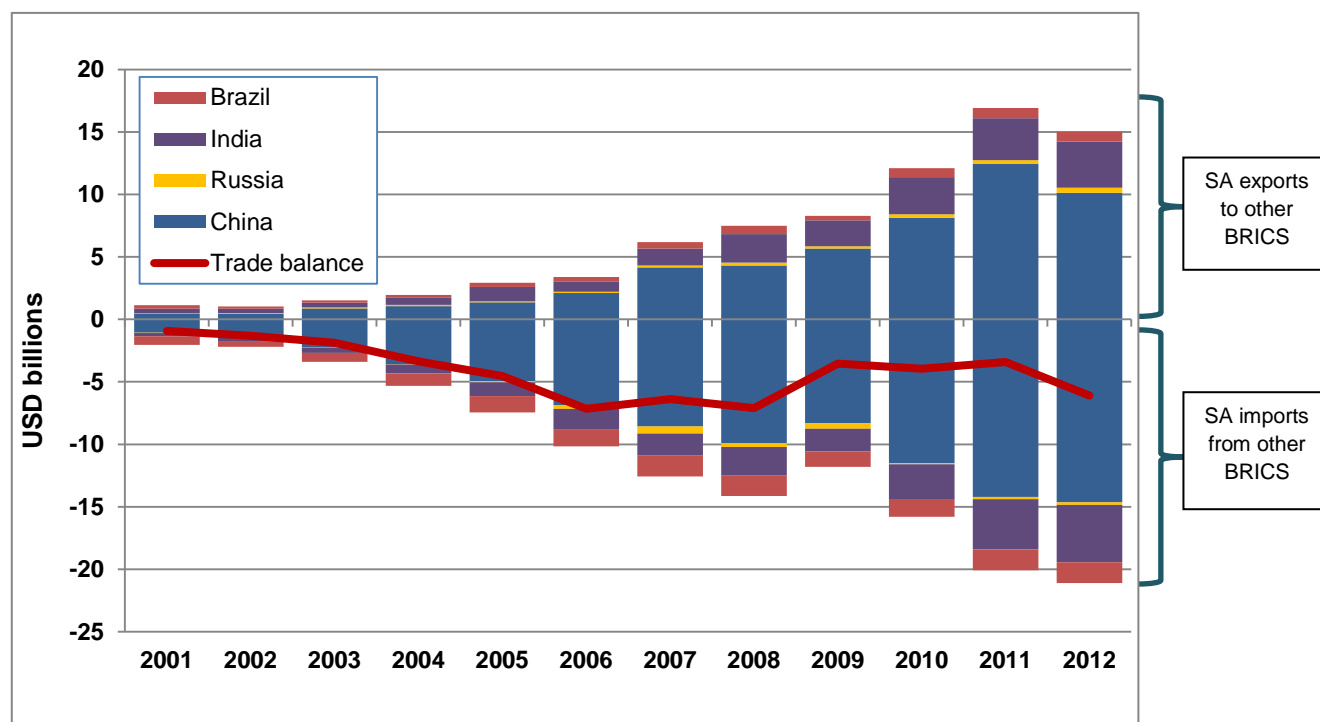
Source: IDC, compiled from UNCTAD and ITC trade data

South Africa's trade with other BRICS

Balance of trade with other BRICS

South Africa's trade with other BRICS countries has expanded substantially since the beginning of the 21st century, with the expansion having been particularly impressive in the case of China and, to a lesser extent, India.

Figure 10: South Africa's trade with the BRICS



Source: IDC, compiled from International Trade Centre data

As illustrated in Figure 11 below, South Africa's trade deficit with Brazil widened from USD 636 million in 2010 to USD 881 million in 2012, with exports totalling USD 790 million compared to an import basket from Brazil valued at almost USD 1.7 billion.

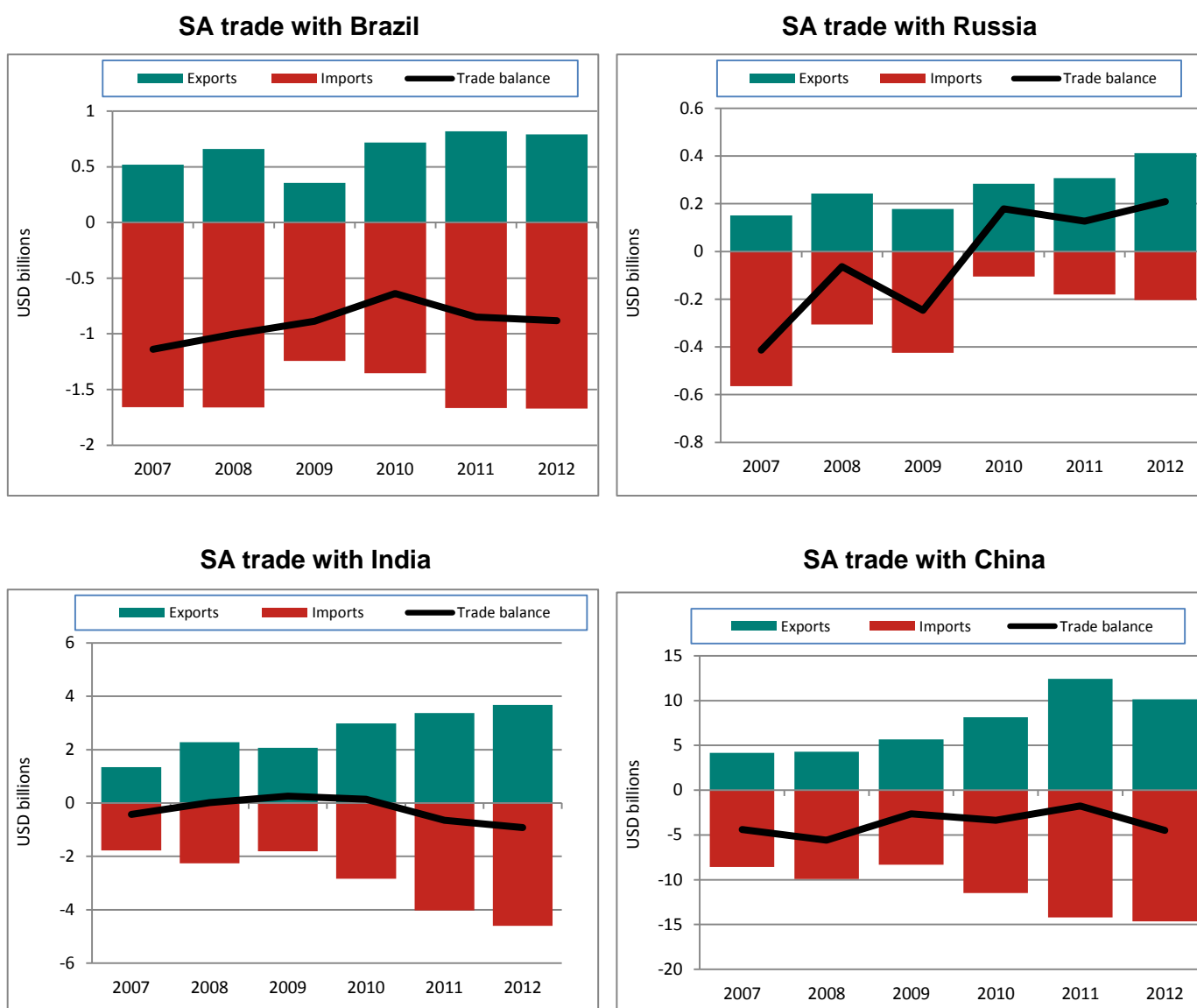
A trade surplus was recorded with Russia from 2010 to 2012, rising from USD 178.7 million to USD 208.8 million. South Africa's exports to Russia amounted to USD 412.3 million in 2012, compared to imports valued at approximately USD 204 million.

After recording trade surpluses with India over the period 2008 to 2010, a deficit emerged in 2011, which widened further in 2012 to almost USD 923 million.

Although South Africa's exports to India rose to USD 3.7 billion in 2012, these fell short of the higher import demand from India amounting to USD 4.6 billion.

After narrowing considerably over the period 2009-2011, South Africa's trade deficit with China widened in 2012 to almost USD 4.5 billion. Exports to China amounted to USD 10.1 billion in 2012, whilst import demand totalled USD 14.6 billion.

Figure 11: South Africa's trade balance with the BRICS

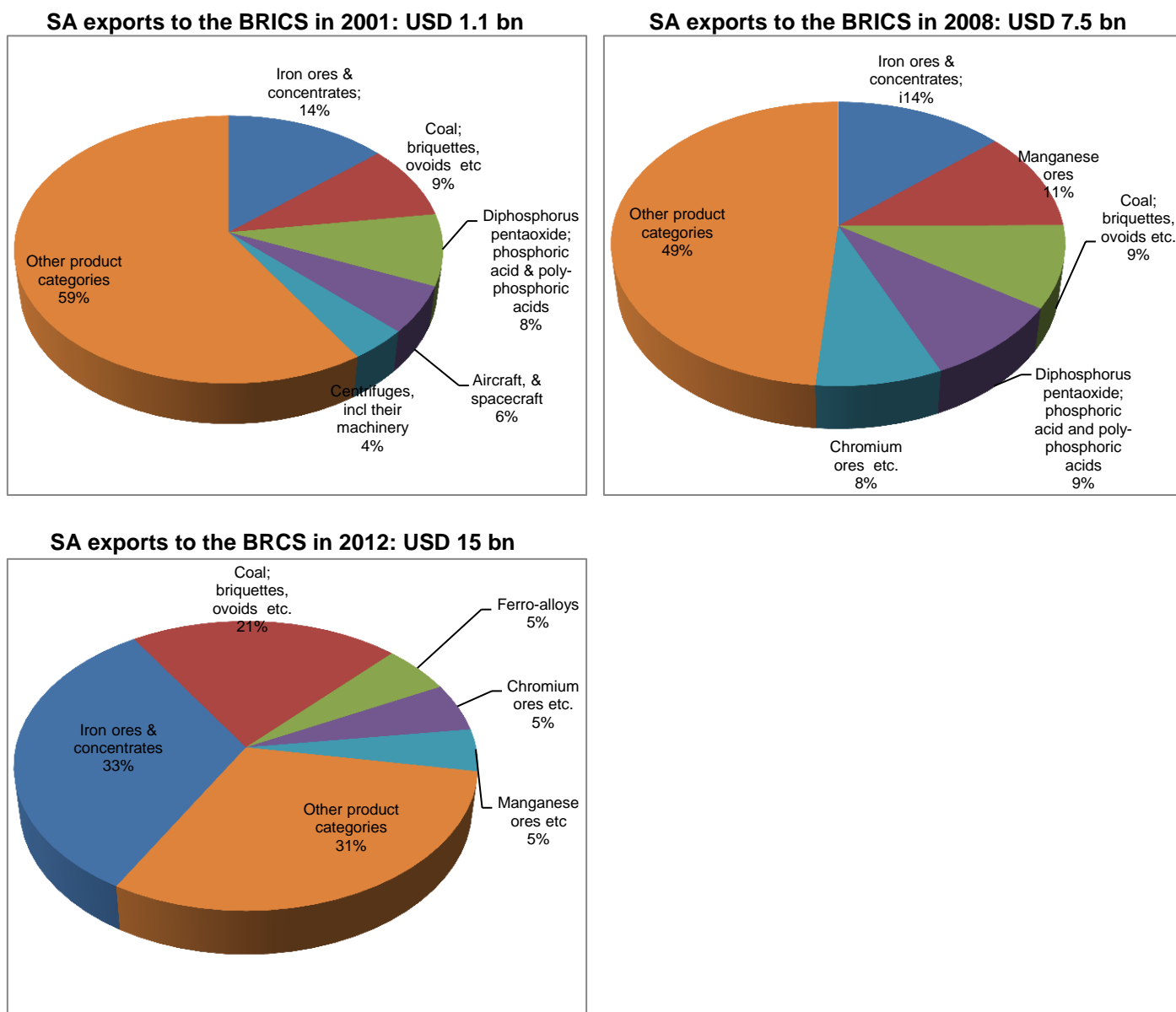


Source: IDC, compiled from International Trade Centre data

Leading products in South Africa's export trade with the BRICS

South Africa's exports to the BRICS collectively have been largely dominated by minerals and beneficiated products, with iron ore exports representing almost one-third of the export basket in 2012, from a 14% share in 2001 or 2008, as illustrated in Figure 12 below. Centrifuges, which claimed 4% of the export basket in 2001, represented a mere 1.7% share by 2012.

Figure 12: South Africa's top exports to the BRICS as a grouping



Source: IDC, compiled from International Trade Centre data

China is the principal destination for South Africa's iron ore exports and, as indicated in Table 2 below, this product category topped the list of exports destined for this Asian giant in 2012. Coal products, in turn, dominated the export trade with India and Brazil, whilst vehicles for the transportation of goods led the list of export products sold in the Russian market. Although relatively smaller, the export baskets destined for Brazil and Russia were more diverse and included higher value-add products.

Table 2: South Africa's leading export categories to other BRICS countries in 2012 (in order of importance)

Brazil	Russia	India	China
Coal; briquettes, ovoids and similar solid fuels manufactured from coal	Trucks, motor vehicles for the transport of goods	Coal; briquettes, ovoids and similar solid fuels manufactured from coal	Iron ores and concentrates, including roasted iron pyrites
Insecticides, fungicides, herbicides packaged for retail sale	Citrus fruit, fresh or dried	Ferrous waste and scrap; re-melting scrap ingots or iron or steel	Coal; briquettes, ovoids and similar solid fuels manufactured from coal
Polymers of propylene or of other olefins, in primary forms	Manganese ores and concentrates etc.	Iron ores & concentrates; including roasted iron pyrites	Chromium ores and concentrates
Aluminium plates, sheets and strip, of a thickness exceeding 0.2mm	Apples, pears and quinces, fresh	Manganese ores and concentrates etc.	Ferro-alloys
Flat-rolled products of stainless steel (width \geq 600mm)	Wine of fresh grapes	Diphosphorus pentaoxide; phosphoric acid and polyphosphoric acids	Manganese ores and concentrates etc.
Ferro-alloys	Grapes, fresh or dried	Unwrought aluminium	Petroleum oils
Flat-rolled iron and steel products (width \geq 600mm), clad, plated or coated	Radar apparatus, radio navigational apparatus and radio remote control apparatus	Ferro-alloys	Niobium, tantalum, vanadium or zirconium ores and concentrates
Engines, spark-ignition reciprocating or rotary internal combustion; pistons	Machinery for sorting/screening/washing; agglomerating/shaping mineral products	Chemical wood pulp, dissolving grades	Platinum, unwrought or in semi-manufactured forms
Acyclic hydrocarbons	Flat-rolled products of stainless steel (width \geq 600mm)	Diamonds, not mounted or set	Copper waste and scrap
Unsaturated acyclic and cyclic monocarboxylic acid and anhydrides, halides	Chromium ores and concentrates	Aluminium waste and scrap	Wool, not carded or combed

Source: IDC, compiled from International Trade Centre data

Relative importance of South Africa's export trade with other BRICS

China has become the leading market for South Africa's exports, claiming almost 12% of overall merchandise exports in 2012 (refer to Figure 13 below). The importance of India as an export destination has also become increasingly evident in recent years, although it eased to 1.6% in 2012, from 2% in 2011. The same cannot be said with respect to Brazil and, even more so, where Russia is concerned, since both countries still claim very small shares of South Africa's export basket, at 0.4% and under 0.5% respectively.

Although South Africa is a minor source of imports from the BRICS perspective, its penetration of individual BRICS markets increased in 2012 (refer to Figure 14 below).

Figure 13: Relative importance of South Africa's exports to other BRICS, from SA's perspective

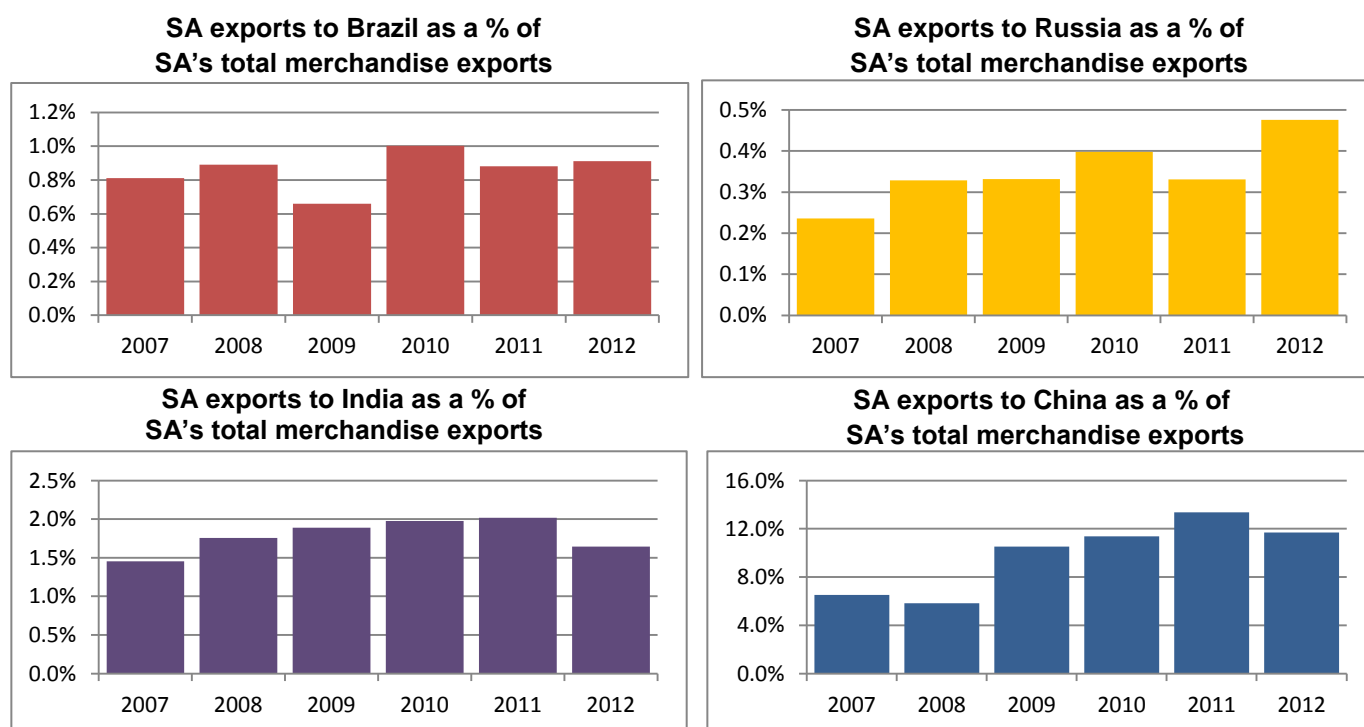
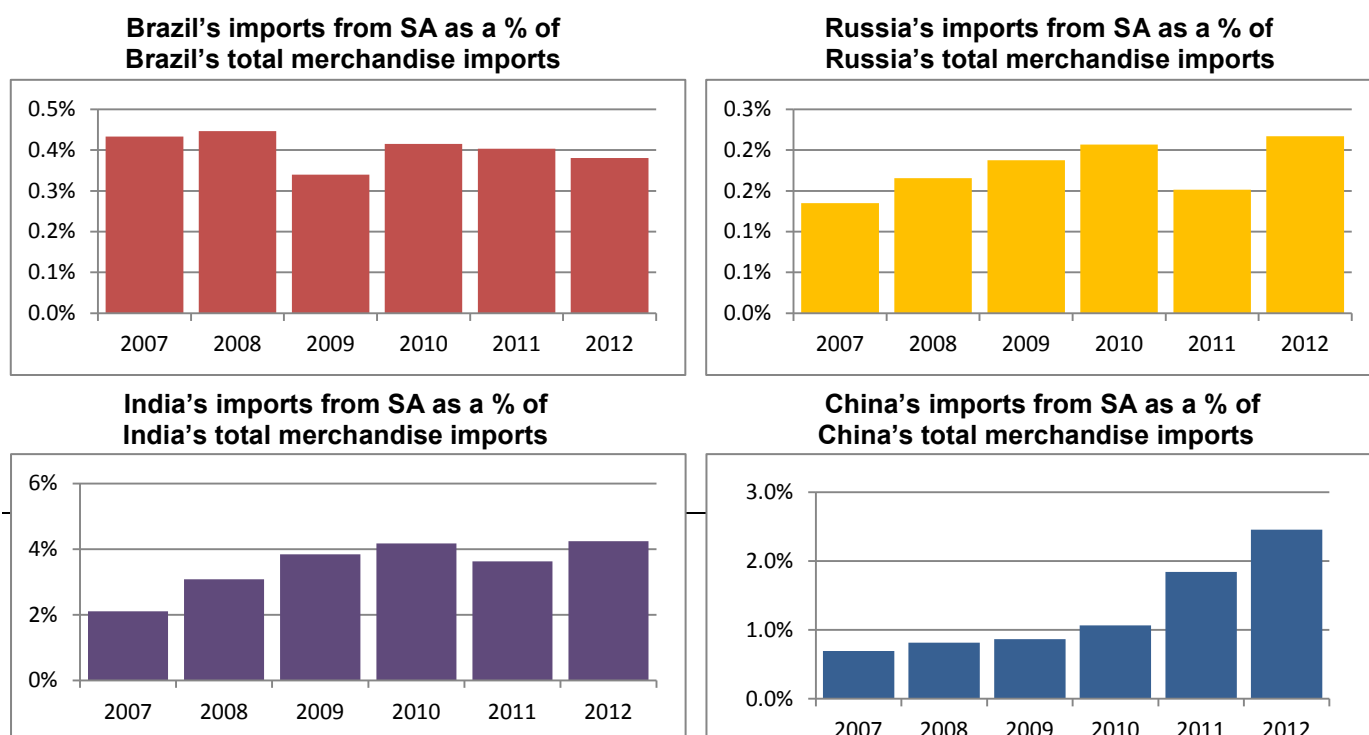


Figure 14: Relative importance of South Africa's exports to other BRICS, from their perspective



Source: IDC, compiled from International Trade Centre data

Opportunities for further development of South Africa's exports to other BRICS

South Africa's trade with other BRICS countries is expanding and, in the case of China (and to a lesser extent India) has reached substantial levels. However, South Africa's export baskets destined for these two Asian countries are highly concentrated and dominated by mineral commodities.

Trade with Brazil, in turn, falls short of the deemed potential and is quite negligible in the case of Russia. The challenge with regard to Brazil is partly related to the relatively similar composition of the respective export baskets. With regard to Russia, insufficient market development endeavours and difficult market access are among the problem areas.

Methodology utilised in identifying opportunities for South African exports

Opportunities for the expansion of existing South African export trade with individual BRICS countries, or for the introduction of new export product categories, have been assessed quantitatively based on the following criteria, and are listed in the tables provided in Appendix 1.

- The product is a major import (more than USD 100 million) into the specific BRICS country from the rest of the world and showed positive growth over the five-year period 2008-2012;
- The product is substantially exported (more than USD 100 million) by South Africa to the rest of the world and also exhibited positive growth from 2008 to 2012;
- However, South Africa currently exports very little (less than USD10 million) or none of that product category to the specific BRICS country.

South Africa's revealed comparative advantage in the identified export opportunities

A revealed comparative advantage (RCA) analysis was subsequently undertaken to determine whether the South African economy has a comparative advantage with respect to the export opportunities (i.e. product categories) identified through the above methodology, by comparing its trade profile with those of the key sources of imports into BRICS markets - namely the EU, the USA, Japan, South Korea and the African continent (excluding South Africa). The comparison was extended, where appropriate, to other leading sources of specific imports in Appendix 2 to this report.

Box 1: Revealed Comparative Advantage

The key assumption of the Revealed Comparative Advantage (RCA) method of analysis is that merchandise trade patterns mirror inter-country relative costs differences and differences in non-price factors. It is these factors that indicate comparative advantage among trading economies. Changes in RCA are caused by economic factors such as structural change, global demand and trade specialisation.

The RCA index of a country is generally measured by the product's share in the country's total exports relative to its share in total world trade. The RCA is represented as follows:

$$RCA_{ij} = (x_{ij}/X_{it}) / (x_{wj}/X_{wt})$$

Where x_{ij} and x_{wj} are the values of country i 's exports of product j and world exports of product j , and where X_{it} and X_{wt} refer to the country's total exports and world total exports. A value of less than unity implies that the country has a revealed comparative disadvantage in the product. Similarly, if the index exceeds unity, the country is said to have a revealed comparative advantage in the product. If an RCA index value for a product for country A is greater than the RCA index value for the same product in country B (both greater than unity), then country A is considered to have a higher revealed comparative advantage than country B.

Source: Balassa, B (1965)

Table 3 below provides the results of the RCA analysis undertaken for the products identified as export opportunities through the identification exercise outlined above (the detailed product list for each of the BRICS countries provided in Appendix 1). The analysis indicates that South Africa has a higher revealed comparative advantage (relative to the leading sources of imports for other BRICS) with respect to 20 product categories, including certain agriculture and agro-processed products, processed mineral products and several manufactured products. This may indicate a potential for greater export market penetration in BRICS markets, possibly replacing similar products currently being imported by these economies from other trading partners.

Table 3: Products whose RCA index value for South Africa exceeds that of BRICS' leading sources of imports (RCA averages for SA and leading import sources for 2008-2012, followed by no. of BRICS importers)

HS4	Description	SA	EU	USA	Japan	South Korea	Africa (excl. SA)	No. of partners
'0805	Citrus fruit, fresh or dried	15.09	1.37	0.99	0.01	0.01	2.68	1
'0808	Apples, pears and quinces, fresh	9.71	1.33	1.42	0.17	0.24	0.01	2
'2009	Fruit and vegetable juices, unfermented	2.82	1.33	0.93	0.01	0.05	0.35	2
'2204	Wine of fresh grapes	5.24	2.13	0.45	0.00	0.00	0.04	1
'2601	Iron ores & concentrates; including roasted iron pyrites	11.48	0.08	0.13	0.00	0.00	0.28	1
'2701	Coal; briquettes, ovoids and similar solid fuels manufactured from coal	11.05	0.12	1.19	0.00	0.00	0.02	1
'2712	Petroleum jelly; mineral waxes and similar products	8.80	0.80	1.14	0.41	0.21	1.81	1
'2809	Diphosphorus pentaoxide; phosphoric acid and polyphosphoric acids	14.72	0.37	1.14	0.13	0.18	14.25	1
'2901	Acyclic hydrocarbons	3.84	1.20	0.89	1.35	3.43	0.11	2
'2905	Acyclic alcohols and their derivatives	1.63	0.70	0.88	0.54	0.94	0.70	2
'7202	Ferro-alloys	31.70	0.46	0.12	0.45	0.69	0.18	1
'7308	Structures (rods, angles, plates) of iron and steel nes	2.18	1.41	0.42	0.21	1.65	0.20	4
'7606	Aluminum plates, sheets and strip, of a thickness exceeding 0.2mm	4.21	1.37	1.45	0.88	1.47	0.08	2
'8474	Machinery for sorting/screening/washing; agglomerating/shaping mineral products	4.11	1.71	1.09	0.33	0.27	0.10	4
'8704	Trucks, motor vehicles for the transportation of goods	3.30	1.15	1.61	2.18	0.74	0.07	2
'2008	Preserved fruits not elsewhere specified (nes)	3.57	0.95	1.10	0.04	0.15	0.41	1
'2914	Ketones and quinones, & their derivatives	7.14	1.25	1.29	1.20	0.66	0.01	1
'2610	Chromium ores and concentrates	90.56	0.11	0.03	0.00	0.00	0.52	1
'2614	Titanium ores and concentrates	83.33	0.23	0.14	0.00	0.21	7.69	1
'0806	Grapes, fresh or dried	11.65	0.83	1.77	0.01	0.01	0.97	1

Source: IDC, compiled from International Trade Centre data

The tables indicating the lists of potential opportunities for further development of South Africa's exports to other BRICS as per the methodology utilised are provided in Appendix 1 to this report.

The market penetration potential for the 20 export categories where South Africa has a higher revealed comparative advantage than other leading import sources (as previously listed), with respect to the BRICS economies, is illustrated in Appendix 2. The listing under each of the 20 product categories at the 4-digit harmonized system (HS) level is taken further to the 6-digit level so as to possibly identify more specific products. In addition, the top 5 (where applicable) current sources of imports for each of the 20 product categories in the BRICS markets are listed in conjunction with their respective shares of the countries' overall imports of that product category.

Concluding remarks

The analysis undertaken for this report suggests that there is significant potential for the further development of South Africa's export trade with other BRICS countries. To date, however, this potential has been limited by a number of factors such as their historical links with particular trading partners.

The analysis indicates that, out of the 37 product categories that South Africa could potentially export in greater quantities, or for the first time, to other BRICS markets, the country has a revealed comparative advantage in 20 instances compared to the leading sources of imports into BRICS economies.

However, the realisation of these opportunities remains highly dependent on efforts or initiatives by BRICS governments to effectively address certain market access challenges that are unnecessarily constraining trade flows between the member states, such as:

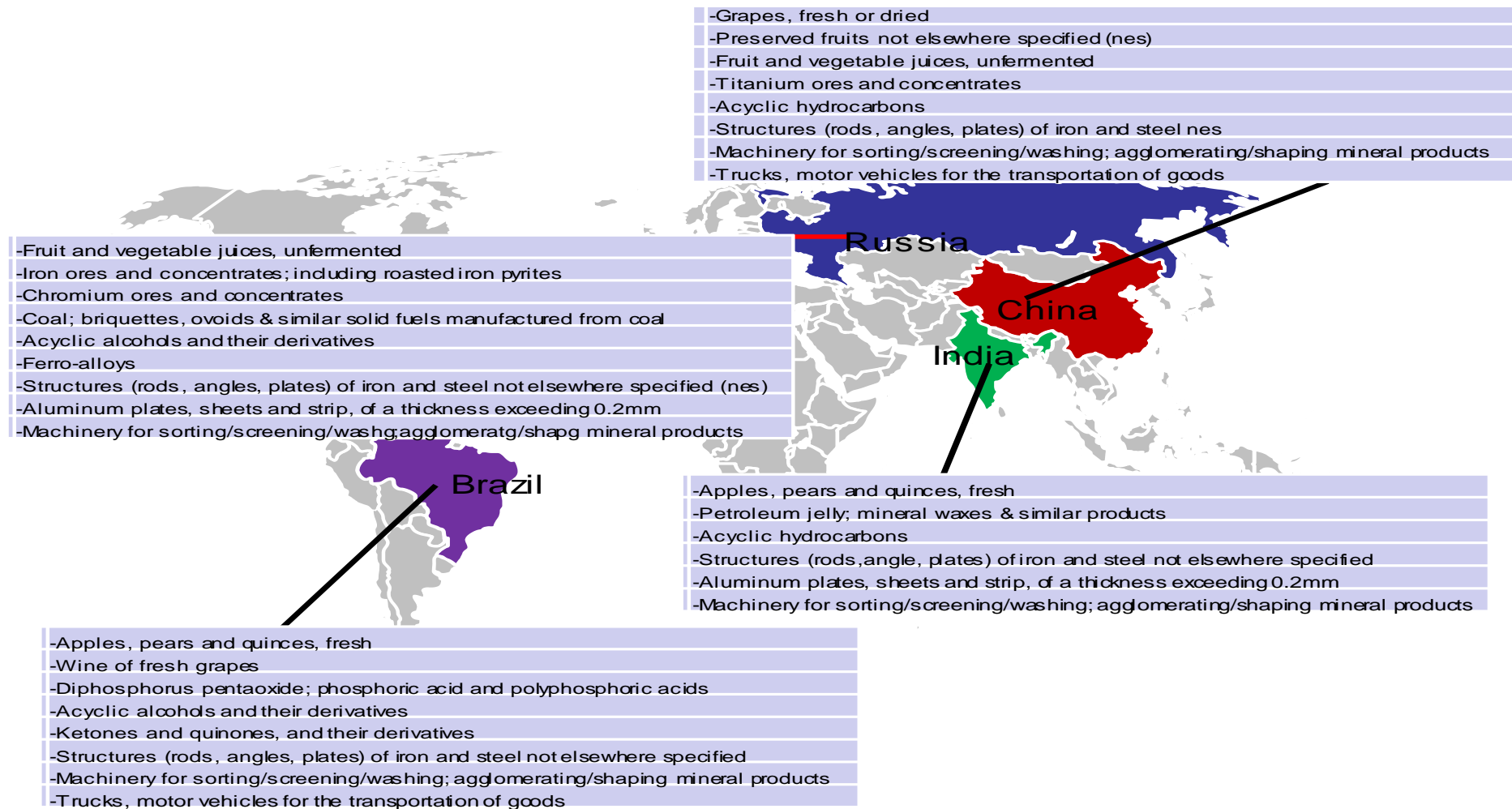
- excessively bureaucratic procedures in most BRICS;
- certain protectionist regulations and standards (e.g. phytosanitary regulations, restrictive public sector procurement criteria);
- import protection;
- inadequate promotion of intra-BRICS trade and investment flows; and
- alleged difficulties in accessing business visas, among other factors.

With stronger and more effective interaction at the governmental level and greater private sector participation, intra-BRICS trade could increase significantly and result in considerable economic gains for the South African economy.

Figure 15 below summarises South Africa's export opportunities to other BRICS, specifically with respect to product categories where South Africa has a revealed comparative advantage and for which the respective RCA indices exceed those of key sources of imports into BRICS markets.

It is recommended, however, that the complete lists of export opportunities provided in Appendix 1 be taken into consideration when pursuing export market development opportunities in each of the BRICS markets.

Figure 15: Export opportunities for SA in other BRICS, specifically in categories where SA has a revealed comparative advantage vis-à-vis leading import sources



APPENDIX 1: OPPORTUNITIES FOR THE EXPANSION OF SOUTH AFRICAN EXPORTS TO OTHER BRICS, OR FOR THE INTRODUCTION OF NEW EXPORT PRODUCTS

Table A1: SA top export opportunities to Brazil

SA's top 20 export opportunities to Brazil					
Product HS code	Product label	5 year average SA exports to the World (USD m)	5 year average SA exports to Brazil (USD m)	5 year average Brazil imports from the World (USD m)	Opportunity
'8703	Cars (incl. station wagons)	3918	0.1	8114	Expansion
'8704	Trucks, motor vehicles for the transportation of goods	1608	0.1	1994	Expansion
'2710	Petroleum oils, not crude	1446	5.6	11725	Expansion
'8708	Parts and accessories of motor vehicles	827	3.8	5330	Expansion
'2204	Wine of fresh grapes	747	2.6	246	Expansion
'7208	Flat-rolled products of iron/steel (width>=600mm), hot-rolled, not clad	536	3.3	646	Expansion
'1005	Maize (corn)	499	0	140	Expansion
'7308	Structures (rods, angles, plates) of iron and steel not elsewhere specified (n.e.s)	442	0.9	216	Expansion
'0808	Apples, pears and quinces, fresh	413	0	229	Expansion
'8474	Machinery for sorting/screening/washing; agglomerating/shaping mineral products	361	1.7	330	Expansion
'2809	Diphosphorus pentaoxide; phosphoric acid and polyphosphoric acids	354	0	156	New
'8431	Machinery parts (headings 84.25 to 84.30)	254	1.3	764	Expansion
'2905	Acyclic alcohols and their derivatives	230	5.1	547	Expansion
'8413	Pumps for liquids; liquid elevators	228	1.3	893	Expansion
'8408	Diesel or semi-diesel engines	197	0	760	Expansion
'2914	Ketones and quinones, as well as their derivatives	195	7.1	122	Expansion
'8802	Aircraft, (helicopters, aeroplanes) and spacecraft (satellites)	189	0	1180	Expansion
'8429	Self-propelled bulldozers, angledozers, graders, excavators, etc.	187	0.1	910	Expansion
'8517	Electric apparatus for line telephony, including line systems	149	0.4	3862	Expansion

Note: Green shading indicates a product in which SA has a higher revealed comparative advantage relative to the BRICS' top trading partners

Source: IDC, compiled from International Trade Centre data

Table A2: SA top export opportunities to Russia

SA's top 20 export opportunities to Russia					
Product HS code	Product label	5 year average SA exports to the World (USD m)	5 year average SA exports to Russia (USD m)	5 year average Russia imports from the World (USD m)	Opportunity
'2701	Coal; briquettes, ovoids and similar solid fuels manufactured from coal	5792	0	555	New
'2601	Iron ores and concentrates; including roasted iron pyrites	5490	0	332	Expansion
'7202	Ferro-alloys	4239	6.6	529	Expansion
'8703	Cars (incl. station wagons)	3918	1.9	13745	Expansion
'2710	Petroleum oils, not crude	1446	0	1996	Expansion
'2610	Chromium ores and concentrates	1082	2.1	179	Expansion
'8708	Parts and accessories of motor vehicles	827	0.1	4476	Expansion
'7208	Flat-rolled products of iron/steel (width>/=600mm), hot-rolled, not clad	536	0.6	755	Expansion
'7606	Aluminium plates, sheets and strips, of a thickness exceeding 0.2mm	532	5.6	196	Expansion
'1005	Maize (corn)	499	0	103	New
'7308	Structures (rods, angles, plates) of iron and steel not elsewhere specified (n.e.s.)	442	0.4	997	Expansion
'3902	Polymers of propylene or of other olefins, in primary forms	418	0	339	New
'8474	Machinery for sorting/screening/washing; agglomerating/shaping mineral products	361	9.4	1435	Expansion
'8409	Parts for use solely/principally with motor engines	256	0	363	Expansion
'8431	Machinery parts (headings 84.25 to 84.30)	254	0.9	758	Expansion
'4011	New pneumatic tires, of rubber	236	0.2	1633	Expansion
'2905	Acyclic alcohols and their derivatives	230	0	166	New
'8413	Pumps for liquids; liquid elevators	228	0.3	1580	Expansion
'2009	Fruit and vegetable juices, unfermented	201	1.4	414	Expansion
'8408	Diesel or semi-diesel engines	197	0	643	New

Note: Green shading indicates a product in which SA has a higher revealed comparative advantage relative to the BRICS' top trading partners.

Source: IDC, compiled from International Trade Centre data

Table A3: SA top export opportunities to India

SA's top 20 export opportunities to India					
Product HS code	Product label	5 year average SA exports to the World (USD m)	5 year average SA exports to India (USD m)	5 year average India imports from the World (USD m)	Opportunity
'8703	Cars (including station wagons)	3918	0.1	491	Expansion
'2710	Petroleum oils, not crude	1446	8	7001	Expansion
'8708	Parts and accessories of motor vehicles	827	3.5	2850	Expansion
'7606	Aluminium plates, sheets and strips, of a thickness exceeding 0.2mm	532	4.3	230	Expansion
'7308	Structures (rods, angles, plates) of iron and steel not elsewhere specified (n.e.s.)	442	0.9	546	Expansion
'2901	Acyclic hydrocarbons	430	0	265	New
'3902	Polymers of propylene or of other olefins, in primary forms	418	1.1	580	Expansion
'0808	Apples, pears and quinces, fresh	413	2.4	141	Expansion
'8474	Machinery for sorting/screening/washing; agglomerating/shaping mineral products	361	3.7	529	Expansion
'8409	Parts for use solely/principally with motor engines	256	2.6	727	Expansion
'8431	Machinery parts (headings 84.25 to 84.30)	254	2	1045	Expansion
'4011	New pneumatic tires, of rubber	236	0.9	392	Expansion
'8413	Pumps for liquids; liquid elevators	228	0.4	795	Expansion
'8802	Aircraft, (helicopters, aeroplanes) and spacecraft (satellites)	189	1.1	3894	Expansion
'8429	Self-propelled bulldozers, angledozers, graders, excavators, etc.	187	0.2	389	Expansion
'2712	Petroleum jelly; mineral waxes and similar products	174	9.8	138	Expansion
'3808	Insecticides, fungicides, herbicides packaged for retail sale	172	0.6	573	Expansion
'8517	Electric apparatus for line telephony, including line systems	149	0.3	8272	Expansion

Note: Green shading indicates a product in which SA has a higher revealed comparative advantage relative to the BRICS' top trading partners.

Source: IDC, compiled from International Trade Centre data

Table A4: SA top export opportunities to China

SA's top 20 export opportunities to China					
Product HS code	Product label	5 year average SA exports to the World (USD m)	5 year average SA exports to China (USD m)	5 year average China imports from the World (USD m)	Opportunity
'8704	Trucks, motor vehicles for the transportation of goods	1608	4.4	1225	Expansion
'2710	Petroleum oils, not crude	1446	3.6	27041	Expansion
'0805	Citrus fruit, fresh or dried	807	6.1	109	Expansion
'7208	Flat-rolled products of iron/steel (width>=600mm), hot-rolled, not clad	536	1.9	2266	Expansion
'2614	Titanium ores and concentrates	518	6.1	430	Expansion
'1005	Maize (corn)	499	0.1	533	Expansion
'0806	Grapes, fresh or dried	448	0.4	260	Expansion
'7308	Structures (rods, angles, plates) of iron and steel not elsewhere specified (n.e.s.)	442	0.6	540	Expansion
'2901	Acyclic hydrocarbons	430	1.1	3773	Expansion
'8474	Machinery for sorting/screening/washing; agglomerating/shaping mineral products	361	5.8	937	Expansion
'8409	Parts for use solely/principally with motor engines	256	2.6	3152	Expansion
'8431	Machinery parts (headings 84.25 to 84.30)	254	2.1	2926	Expansion
'4011	New pneumatic tires, of rubber	236	0.1	603	Expansion
'8413	Pumps for liquids; liquid elevators	228	0.4	3961	Expansion
'2009	Fruit and vegetable juices, unfermented	201	0.9	176	Expansion
'8802	Aircraft, (helicopters, aeroplanes) and spacecraft (satellites)	189	0.1	11260	Expansion
'8429	Self-propelled bulldozers, angledozers, graders, excavators, etc.	187	1.4	2435	Expansion
'2008	Preserved fruits n.e.s	185	1.6	162	Expansion
'3808	Insecticides, fungicides, herbicides packaged for retail sale	172	1.1	427	Expansion

Note: Green shading indicates a product in which SA has a higher revealed comparative advantage relative to the BRICS' top trading partners.

Source: IDC, compiled from International Trade Centre data

APPENDIX 2: MARKET PENETRATION POTENTIAL IN EXPORT CATEGORIES WHERE SOUTH AFRICA HAS A HIGHER RCA THAN OTHER LEADING IMPORT SOURCES, WITH RESPECT TO OTHER BRICS ECONOMIES

Figure A1: H0805 – Citrus fruits

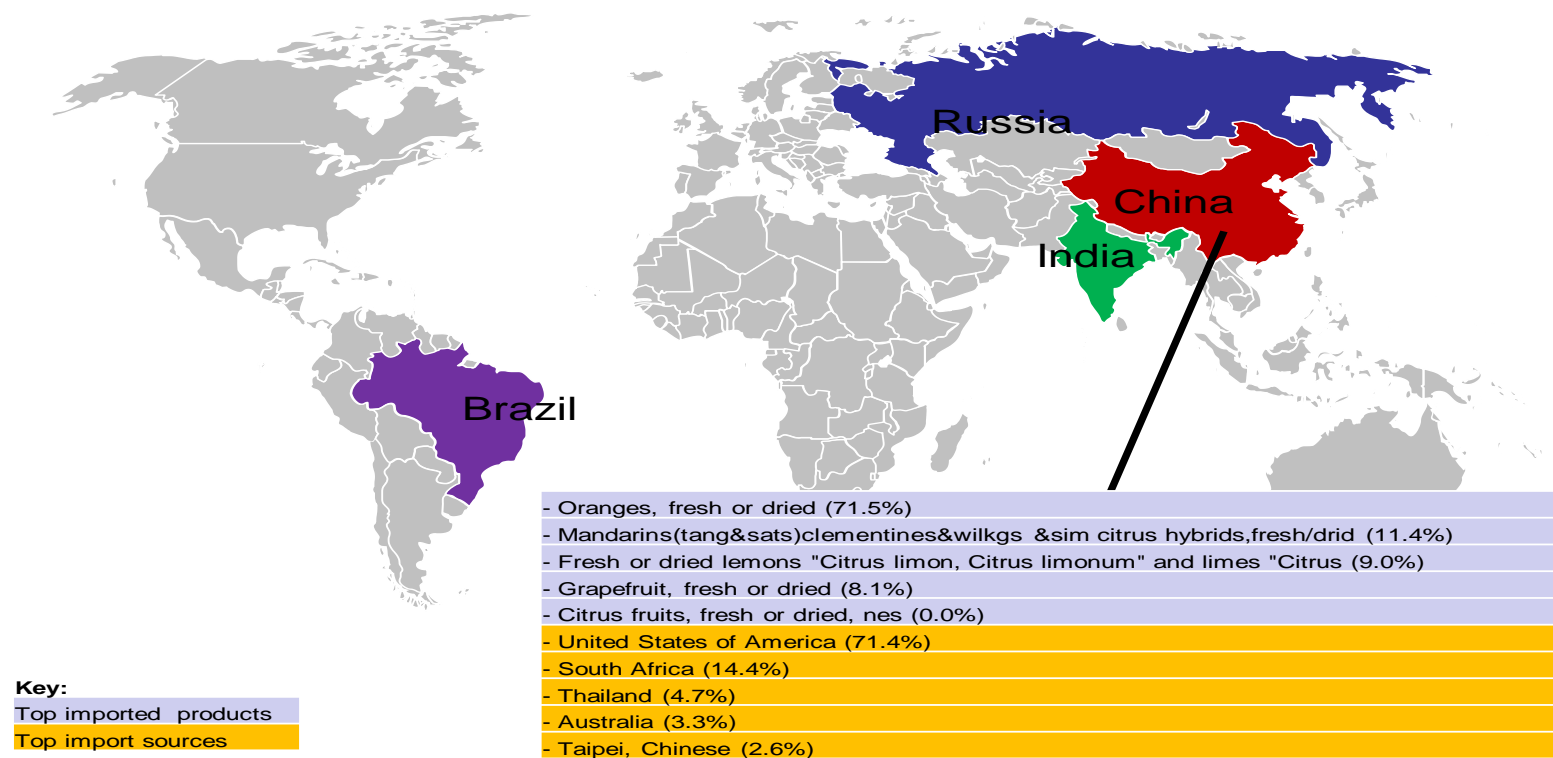


Figure A2: H0806 – Grapes

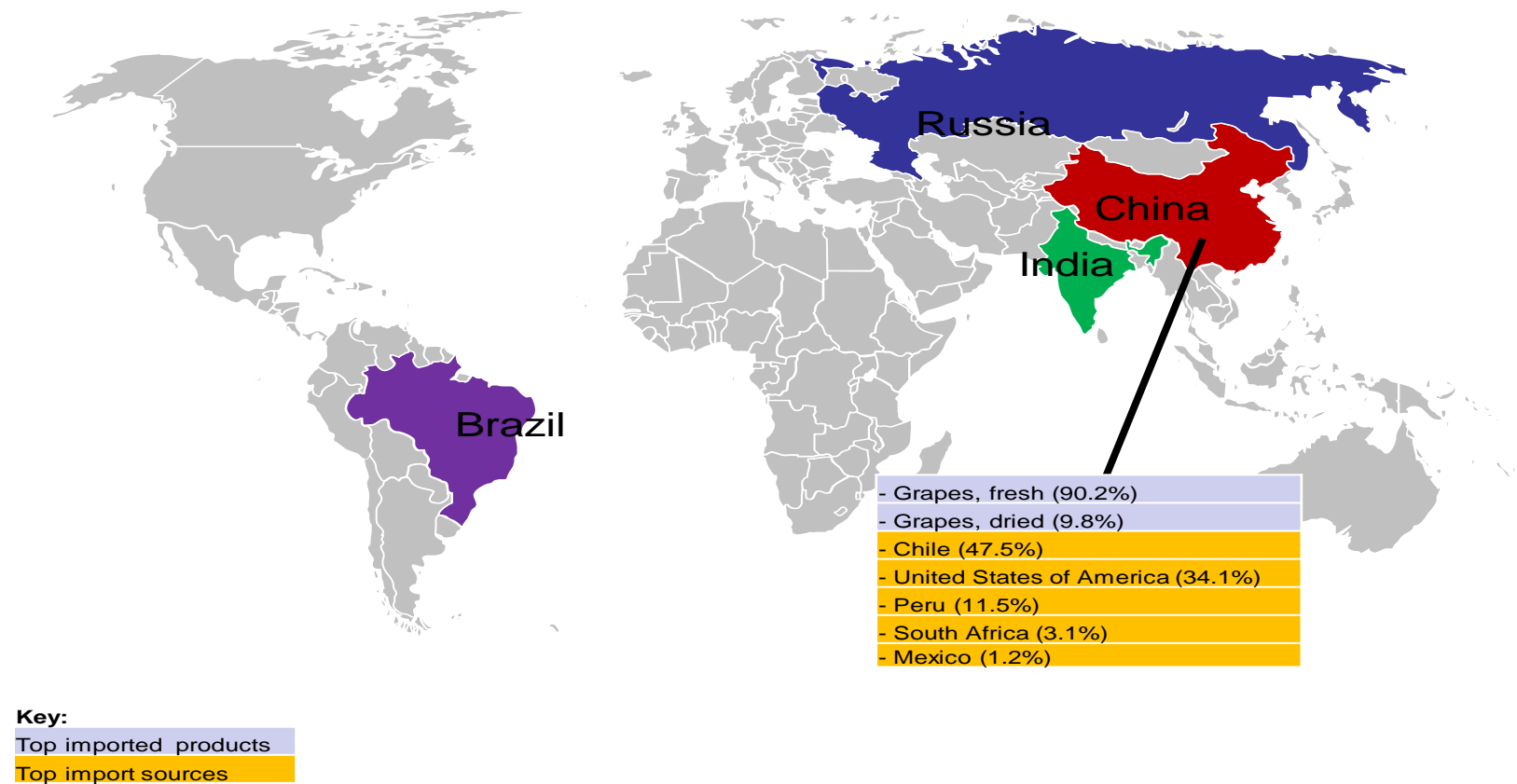
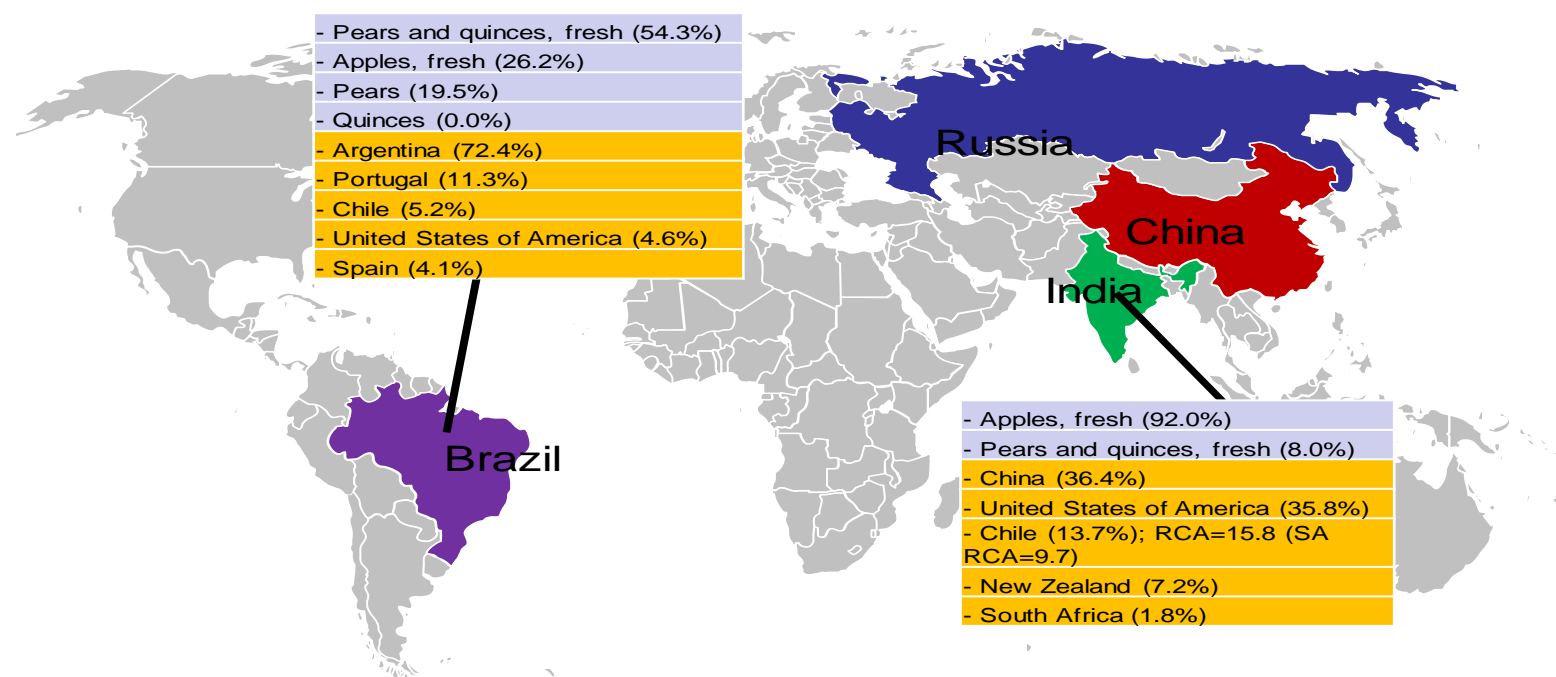


Figure A3: H0808 – Fresh apples, pears and quinces



Key:

Top imported products

Top import sources

Figure A4: H2008 – Preserved fruits not elsewhere specified

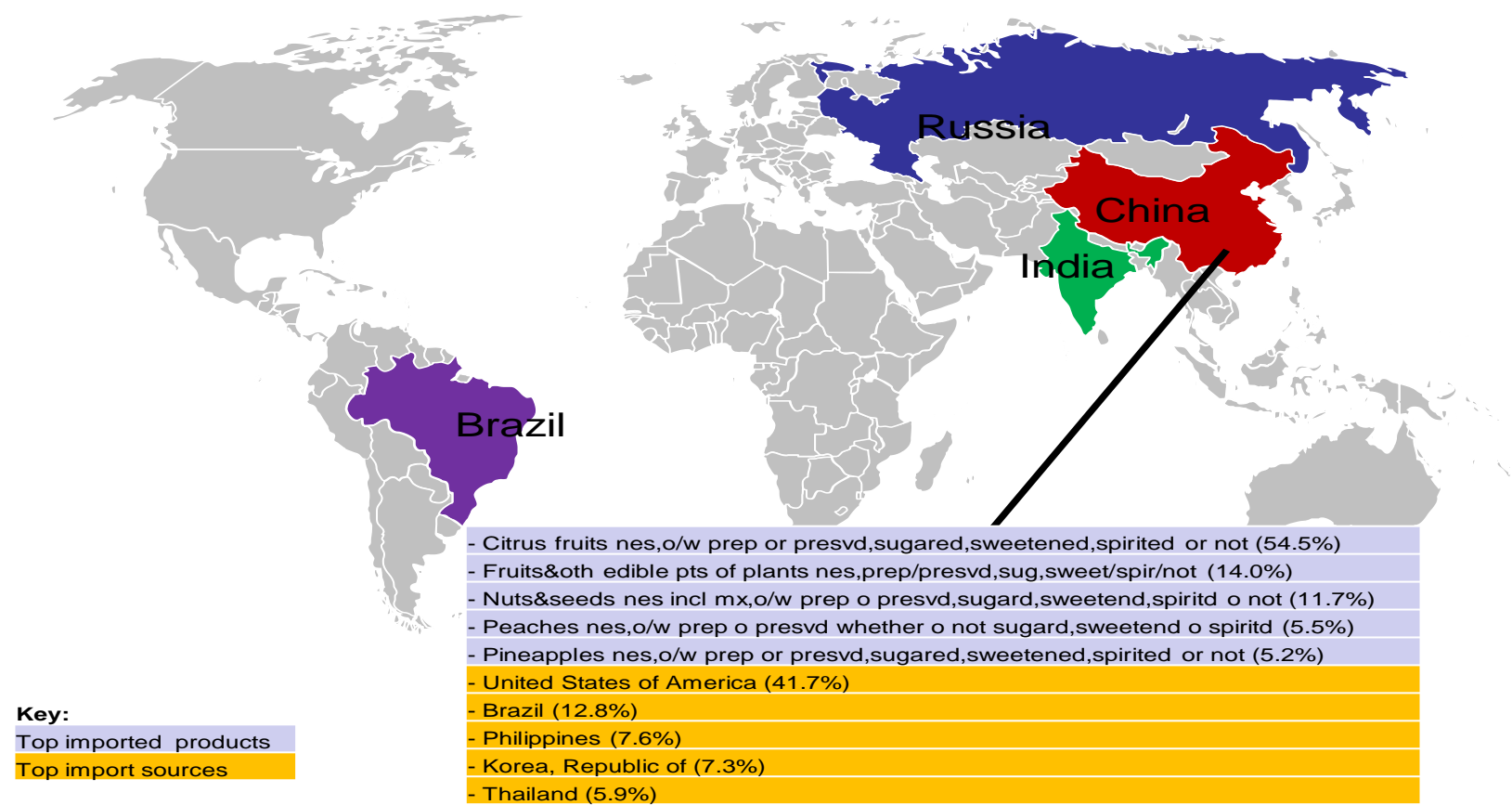


Figure A5: H2009 - Fruit and vegetable juices

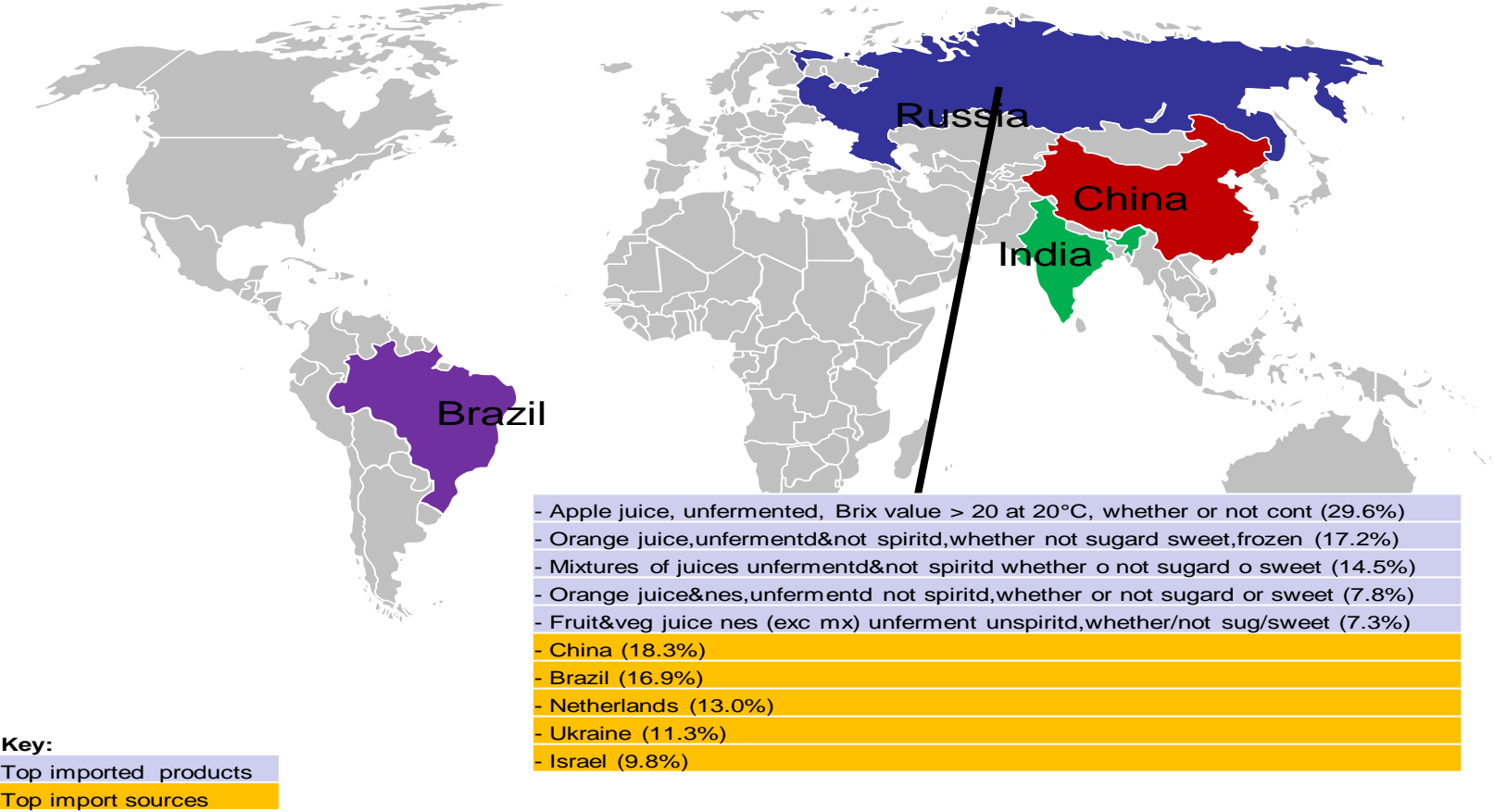


Figure A6: H2204 - Wine of fresh grapes

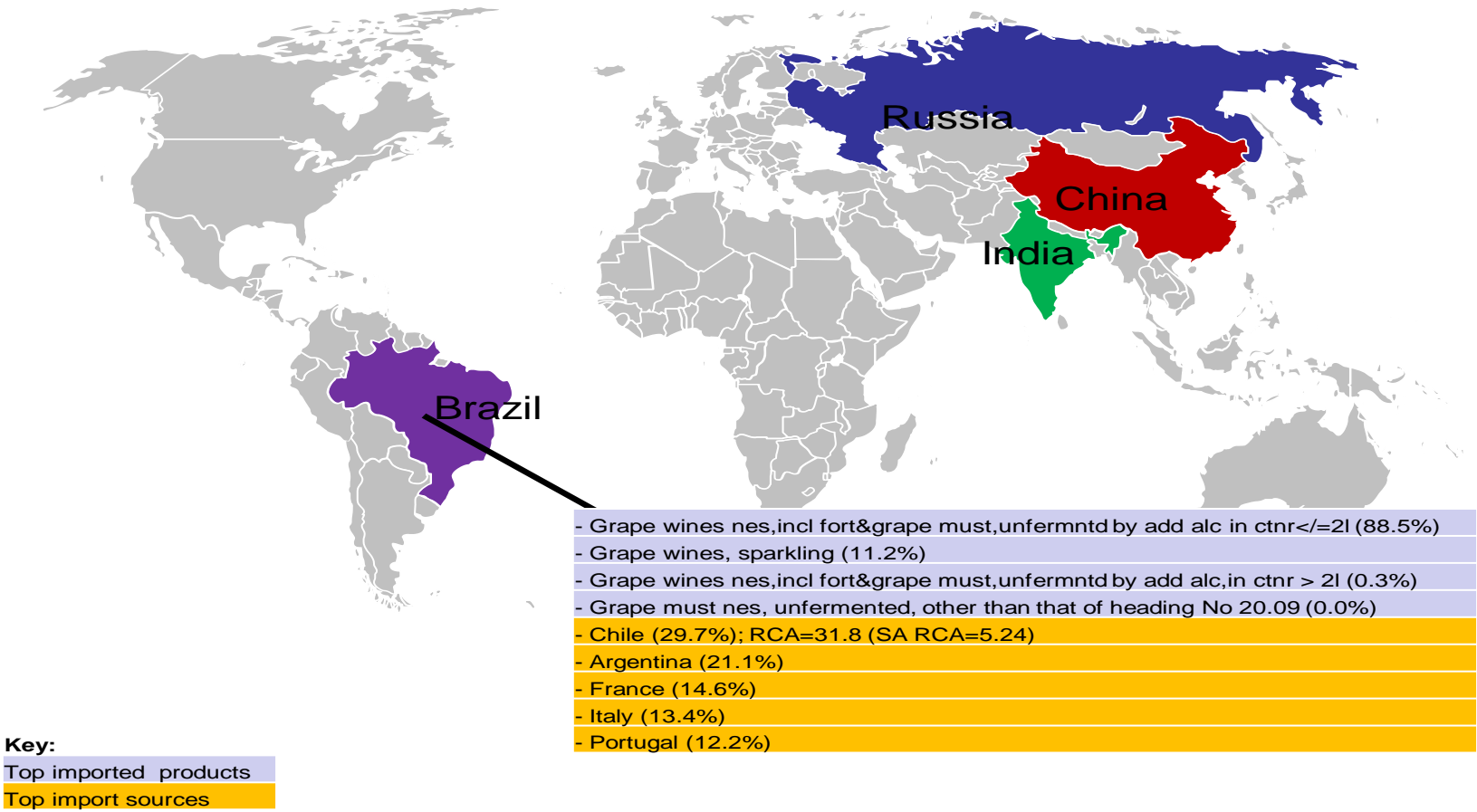


Figure A7: H2601 - Iron ores and concentrates, including roasted iron pyrites

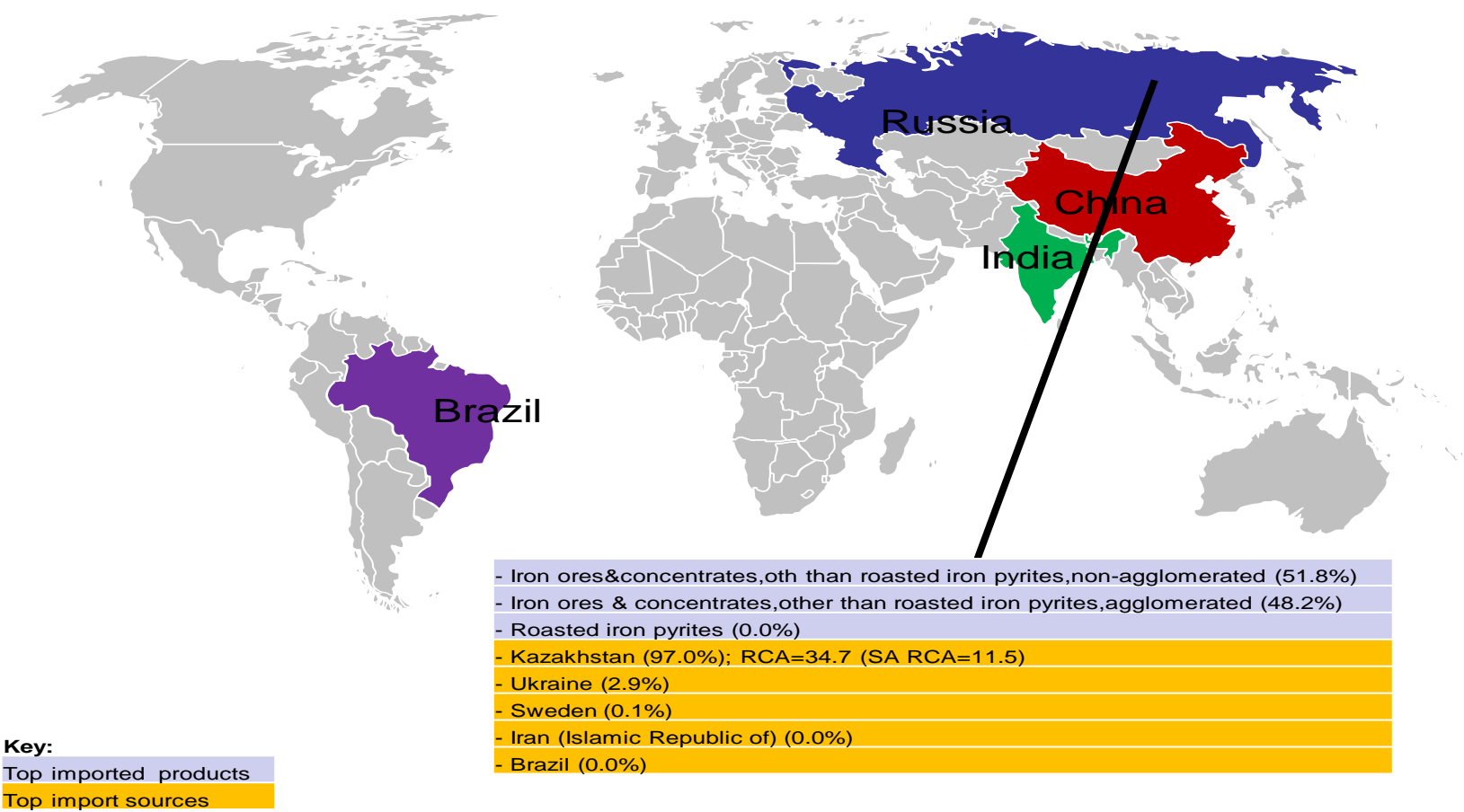
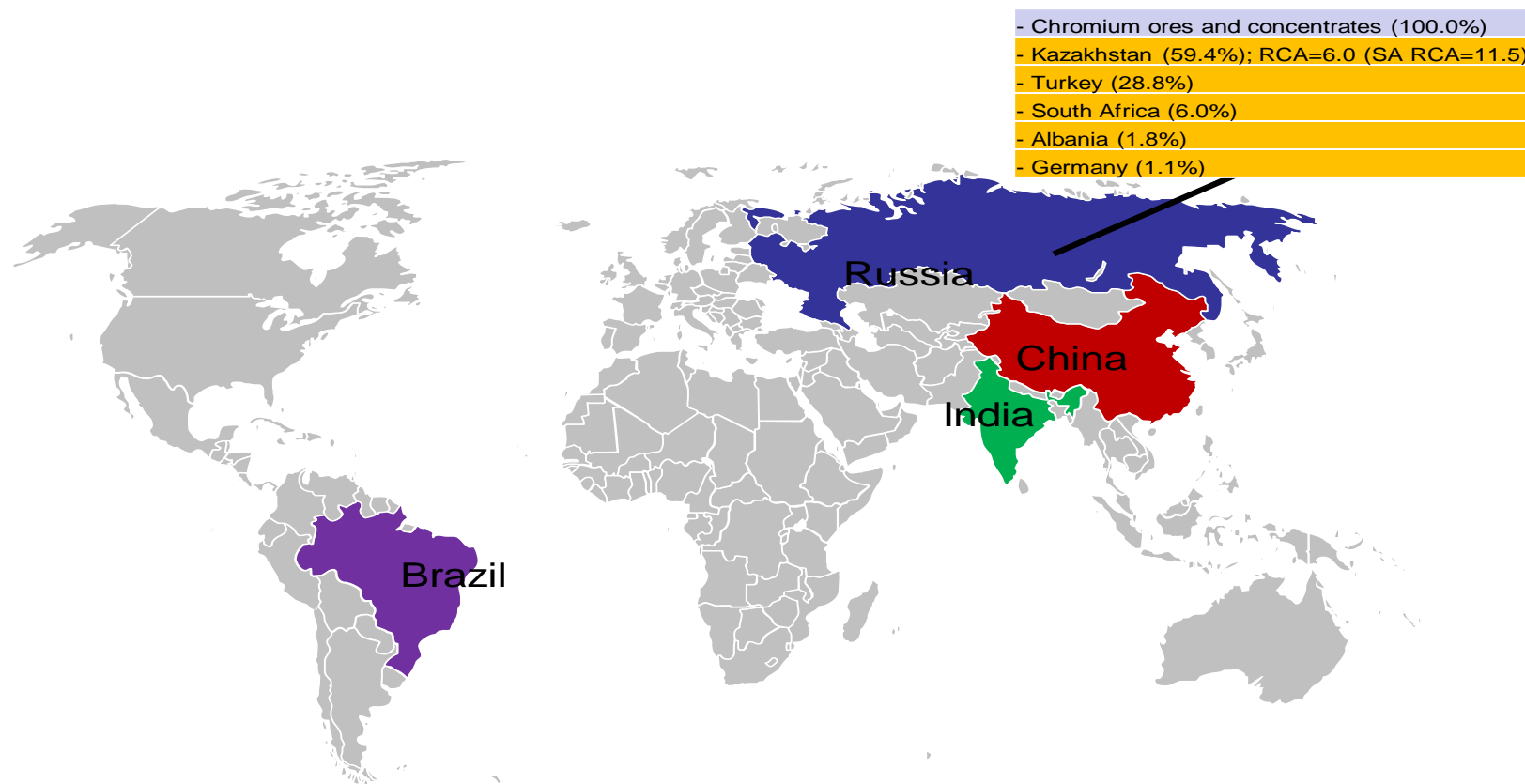


Figure A8: H2610 - Chromium ores and concentrates



Key:

Top imported products

Top import sources

Figure A9: H2614 - Titanium ores and concentrates

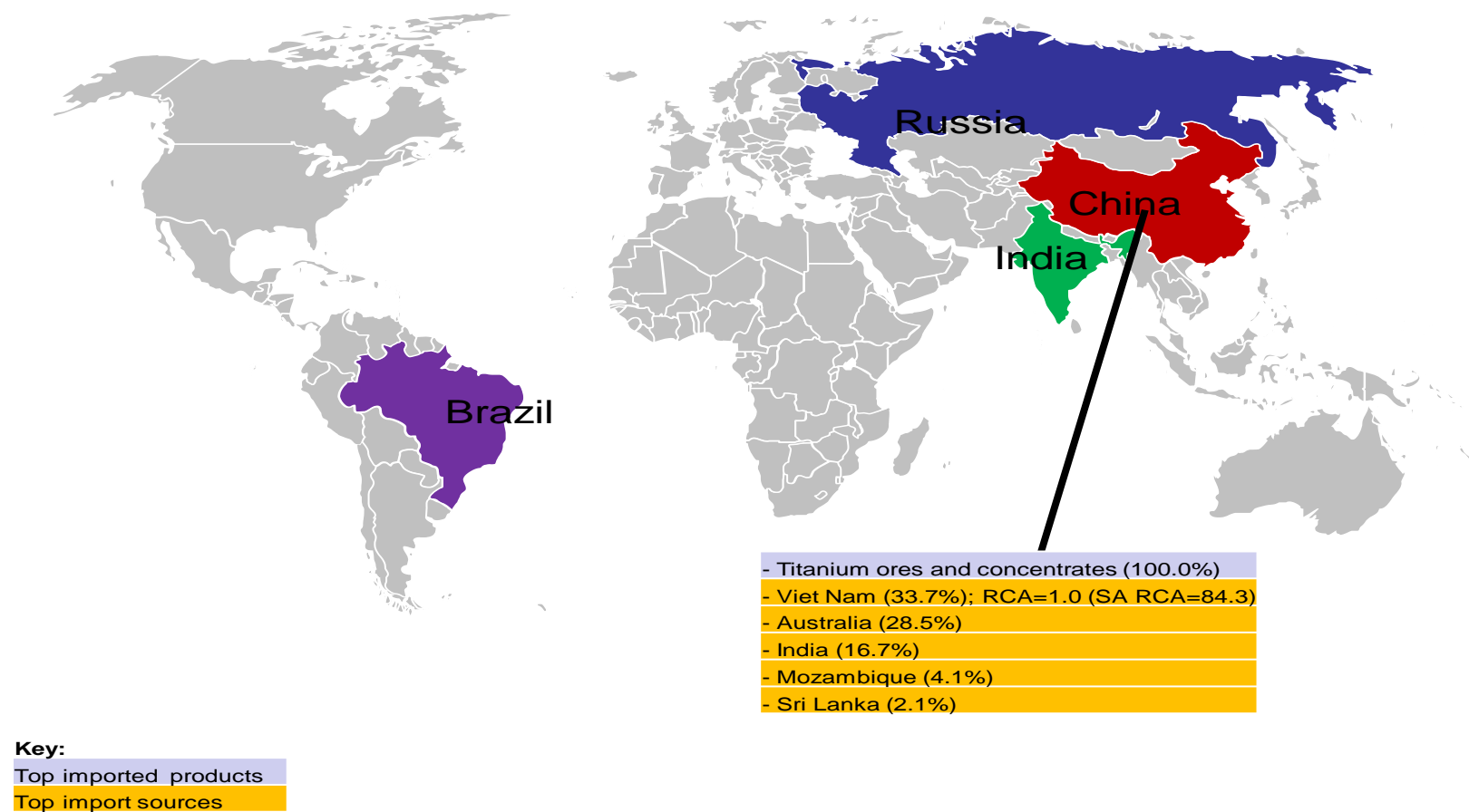
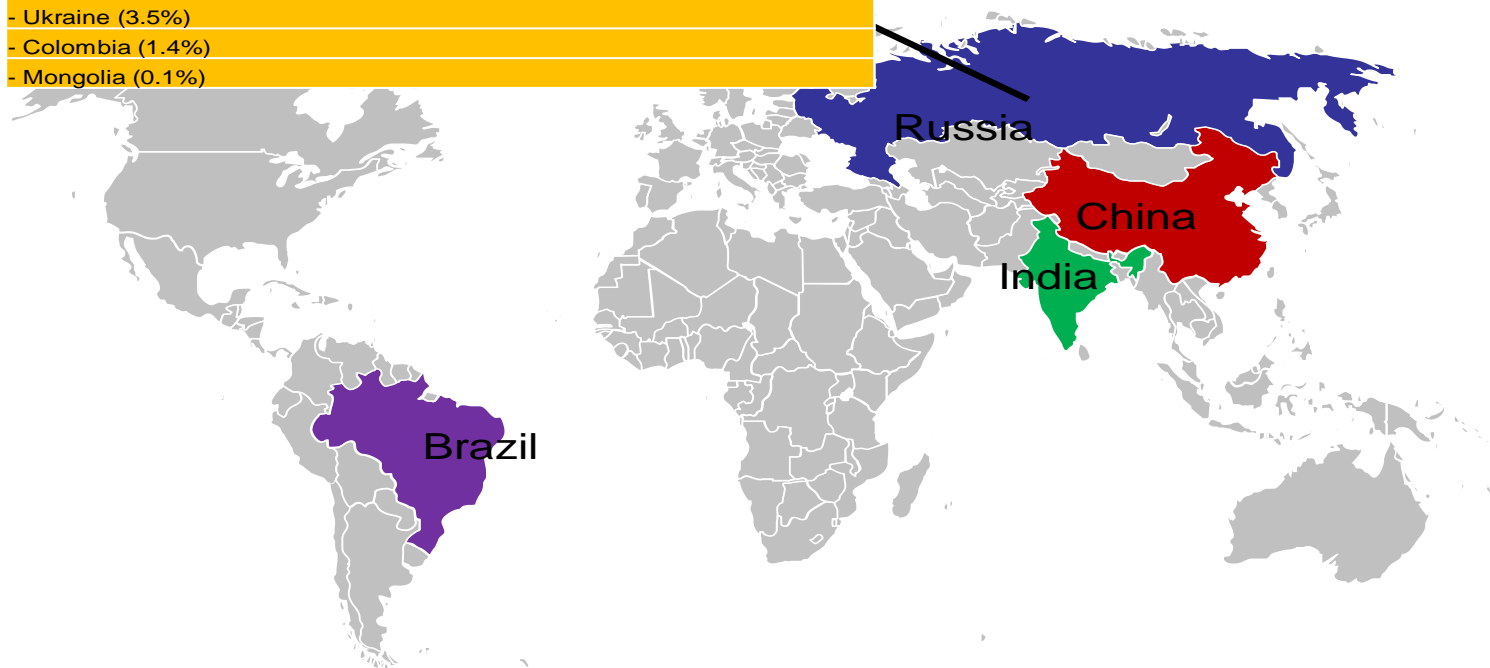


Figure A10: H2701 - Coal; briquettes, ovoids and similar solid fuels manufactured from coal

- Coal nes, whether or not pulverised but not agglomerated (52.2%)
- Bituminous coal, whether or not pulverised but not agglomerated (44.3%)
- Anthracite, whether or not pulverised but not agglomerated (3.5%)
- Coal briquettes, ovoids and similar manufactured solid fuels (0.0%)
- Kazakhstan (60.1%); RCA=18.9 (SA RCA=11.1)
- United States of America (34.7%)
- Ukraine (3.5%)
- Colombia (1.4%)
- Mongolia (0.1%)



Key:

Top imported products

Top import sources

Figure A11: H2712 - Petroleum jelly; mineral waxes and similar products

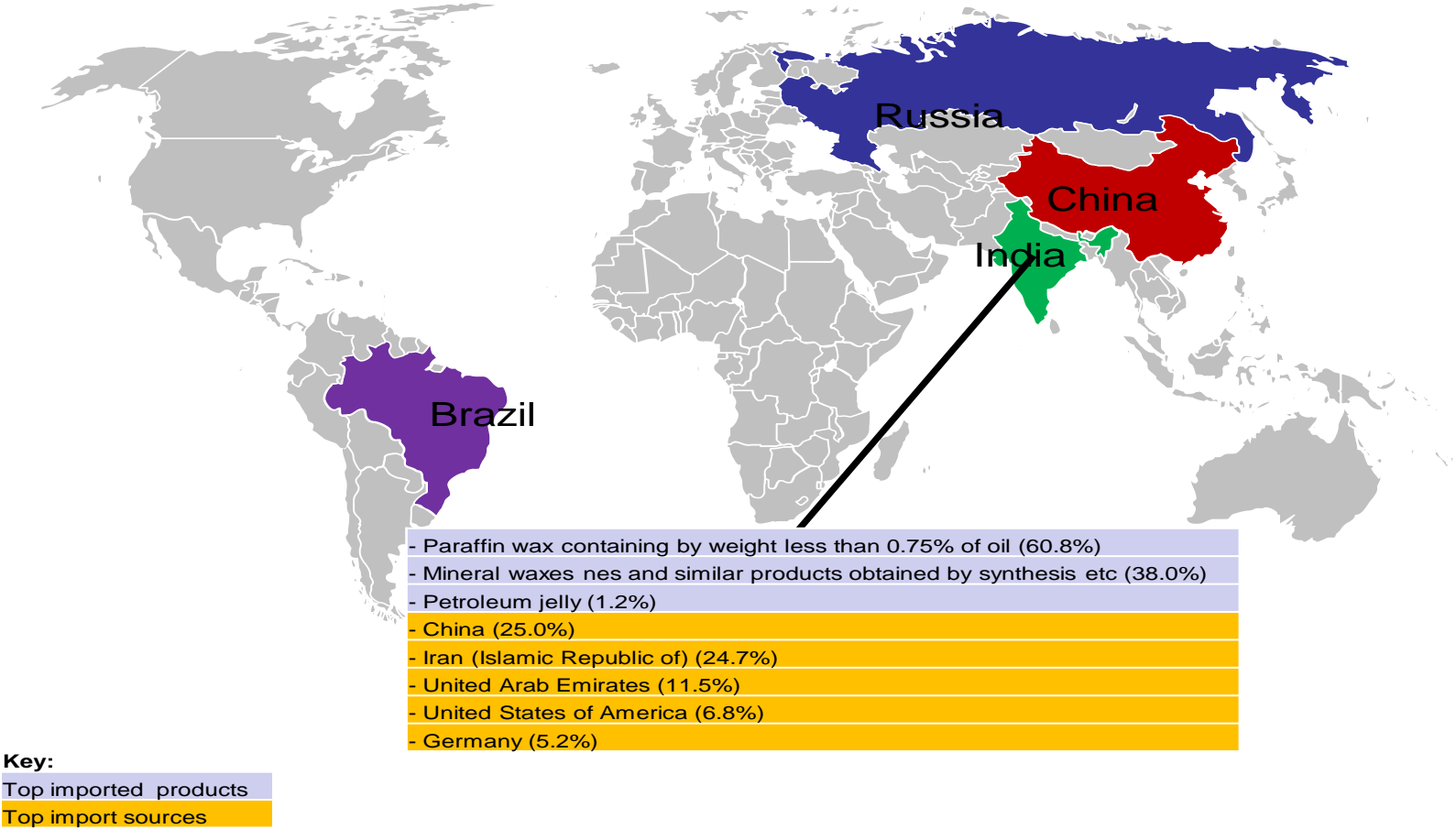


Figure A12: H2809 - Diphosphorus pentaoxide; phosphoric acid and polyphosphoric acids

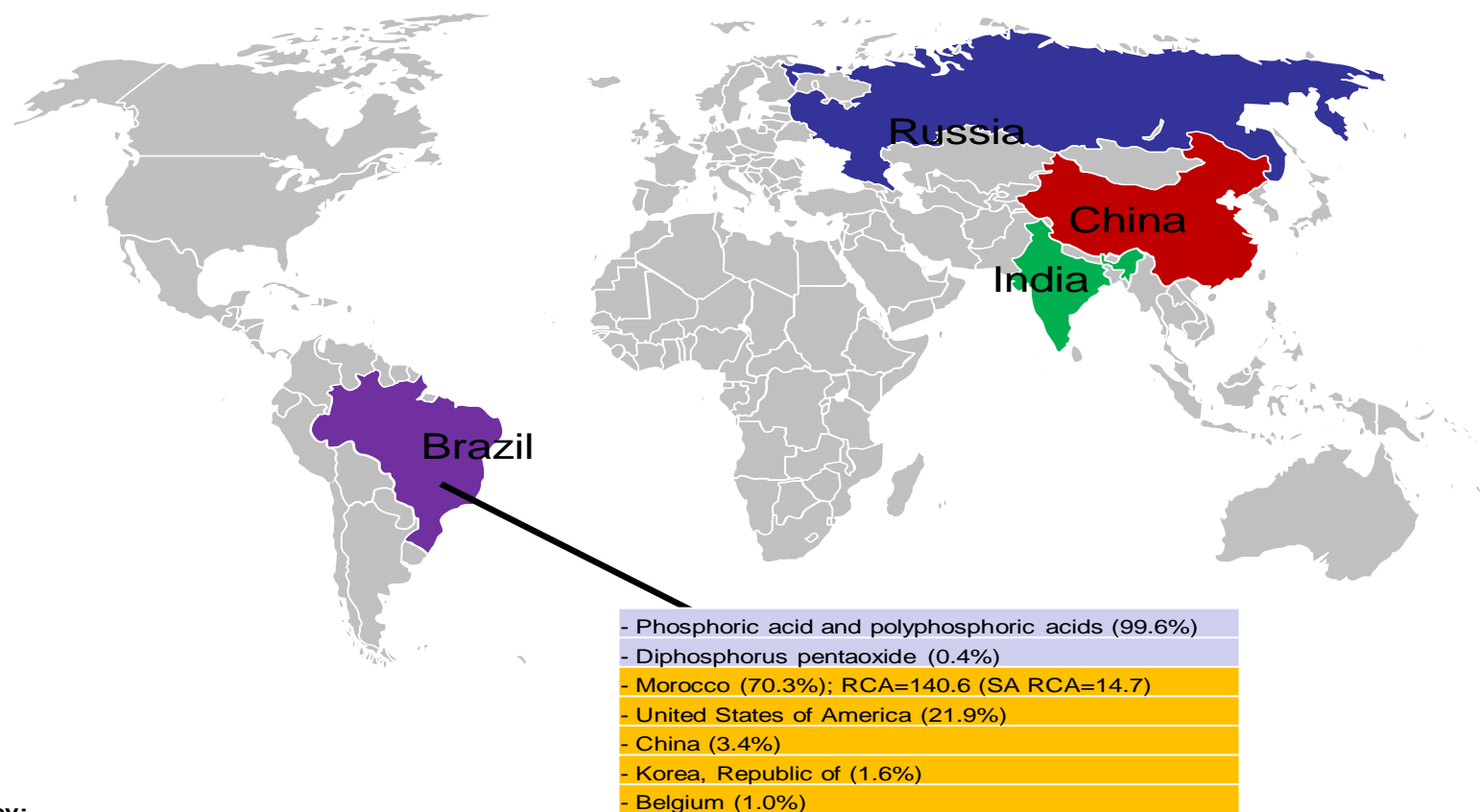
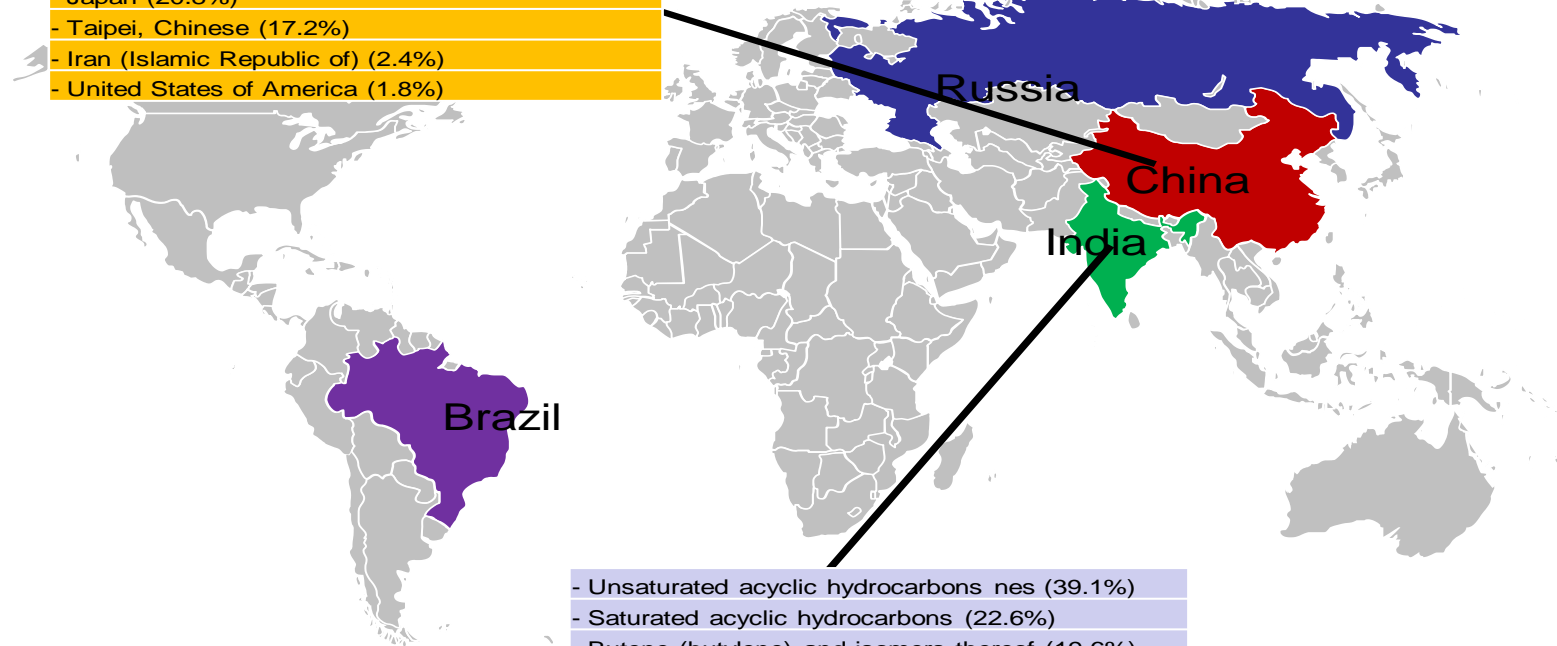


Figure A13: H2901 - Acyclic hydrocarbons

- Propene (propylene) (52.4%)
- Ethylene (30.6%)
- Buta-1, 3-diene and isoprene (11.6%)
- Saturated acyclic hydrocarbons (2.3%)
- Unsaturated acyclic hydrocarbons nes (2.1%)
- Korea, Republic of (45.7%); RCA=7.2 (SA RCA=3.8)
- Japan (20.8%)
- Taipei, Chinese (17.2%)
- Iran (Islamic Republic of) (2.4%)
- United States of America (1.8%)



- Unsaturated acyclic hydrocarbons nes (39.1%)
- Saturated acyclic hydrocarbons (22.6%)
- Butene (butylene) and isomers thereof (19.6%)
- Ethylene (15.7%)
- Buta-1, 3-diene and isoprene (2.5%)
- United States of America (16.8%)
- Saudi Arabia (10.9%)
- Singapore (10.7%)
- Qatar (9.6%)
- Korea, Republic of (7.3%)

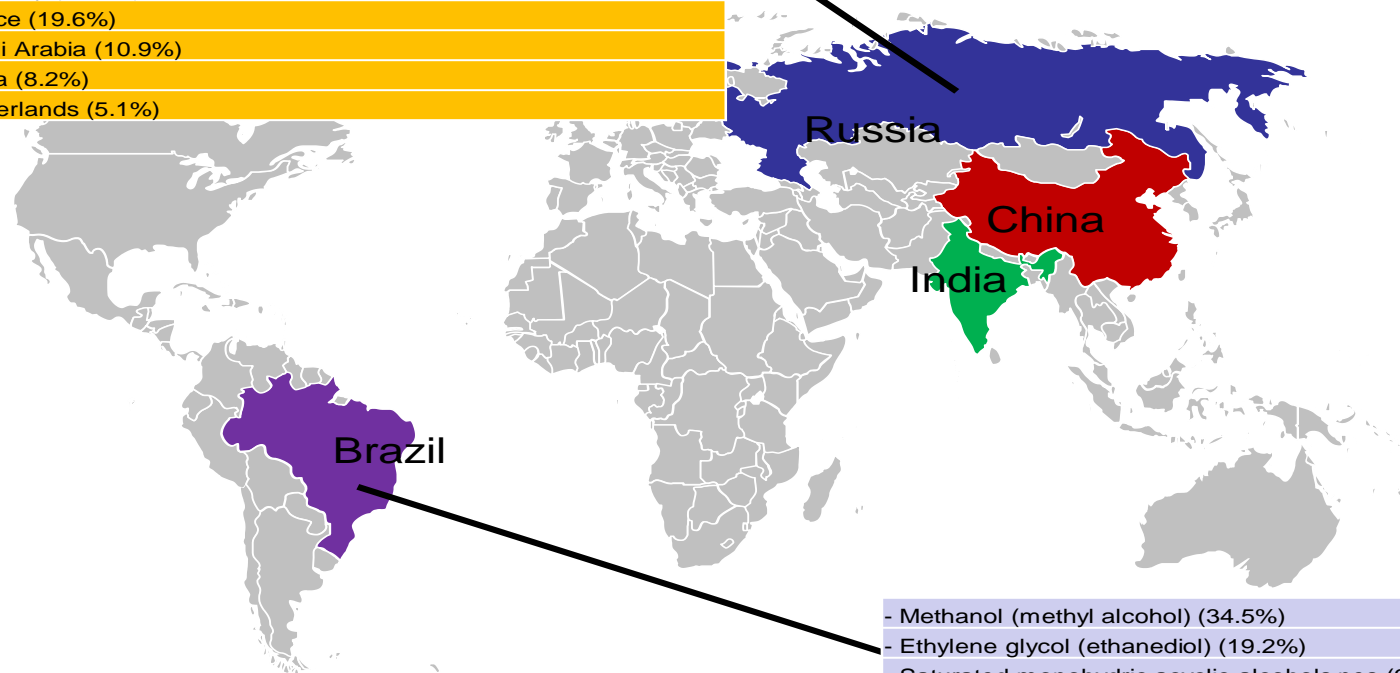
Key:

Top imported products

Top import sources

Figure A14: H2905 - Acyclic alcohols and their derivatives

- Glycerol (26.9%)
- D-glucitol (sorbitol) (21.2%)
- Propylene glycol (propane-1,2-diol) (15.0%)
- Ethylene glycol (ethanediol) (14.4%)
- Propan-1-ol(propyl alcohol)and propan-2ol(isopropyl alcohol) (6.7%)
- Germany (25.5%)
- France (19.6%)
- Saudi Arabia (10.9%)
- China (8.2%)
- Netherlands (5.1%)



- Methanol (methyl alcohol) (34.5%)
- Ethylene glycol (ethanediol) (19.2%)
- Saturated monohydric acyclic alcohols nes (9.4%)
- Butan-1-ol (N-butyl alcohol) (8.5%)
- Diols nes (5.8%)
- United States of America (26.9%)
- Chile (25.9%)
- Argentina (8.7%)
- Germany (8.5%)
- Venezuela (7.6%)

Key:

Top imported products

Top import sources

Figure A15: H2914 - Ketones and quinones, as well as their derivatives

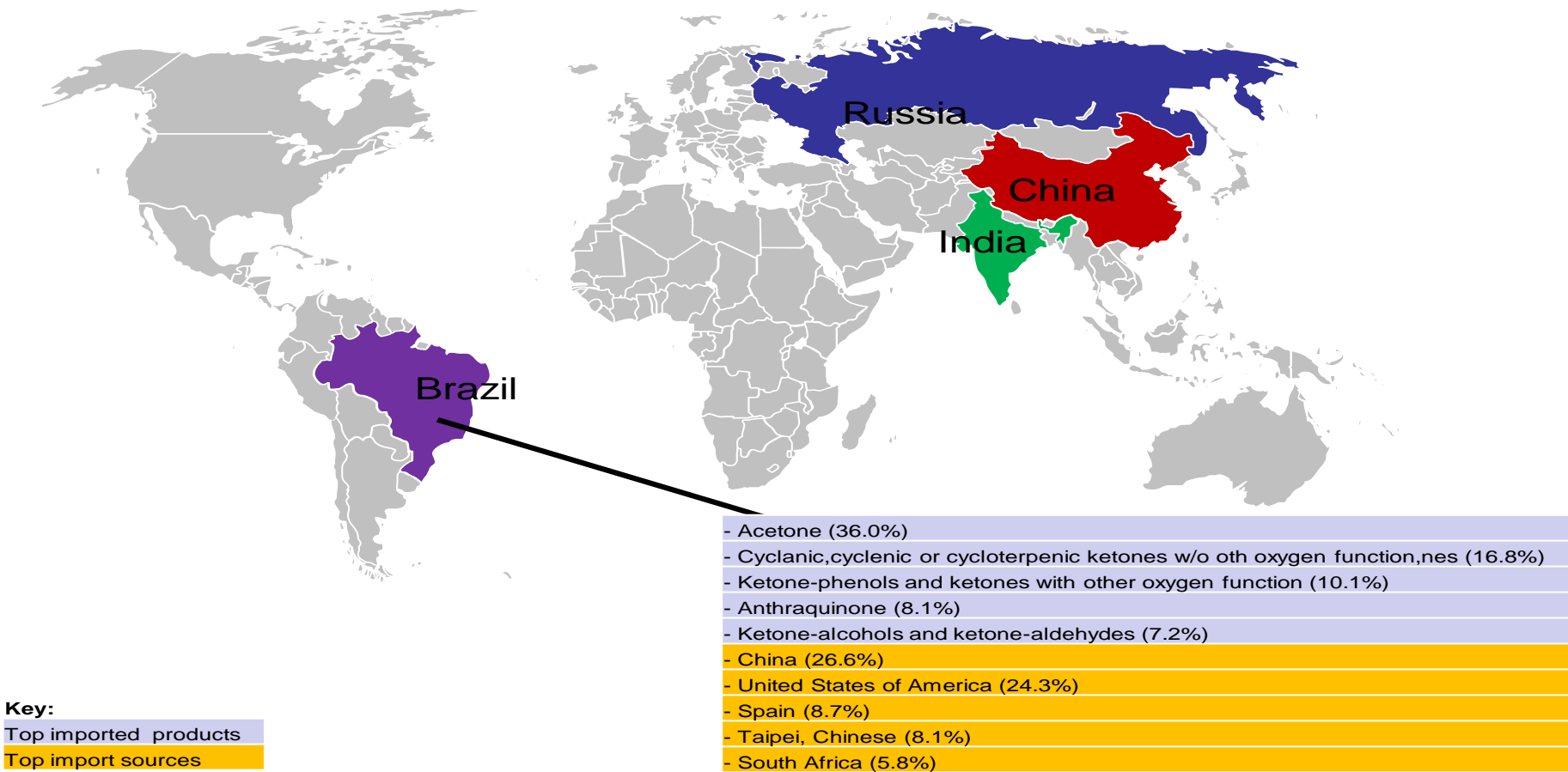
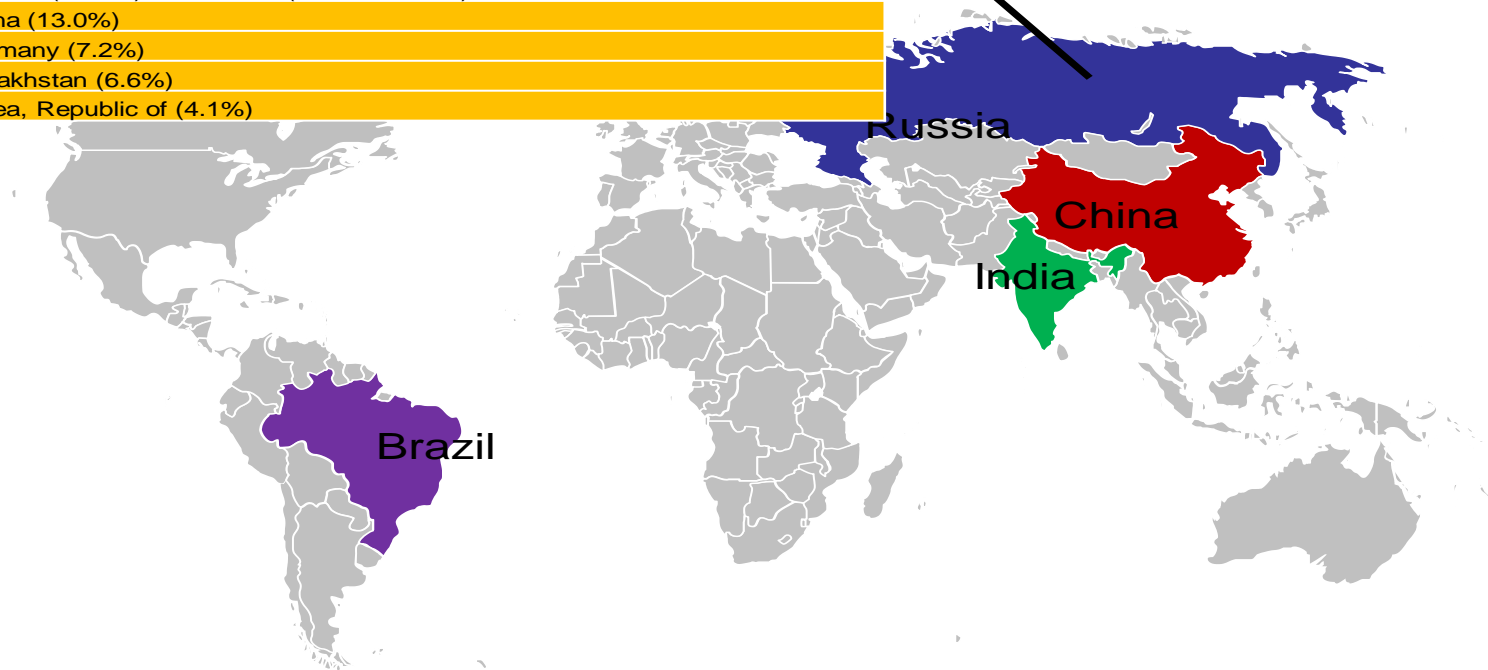


Figure A16: H7202 - Ferro-alloys

- Ferro-silico-manganese (62.3%)
- Ferro-manganese, containing by weight more than 2% of carbon (10.0%)
- Ferro-niobium (8.4%)
- Ferro-silicon, containing by weight more than 55% of silicon (5.8%)
- Ferro-alloys, nes (4.0%)
- Ukraine (38.1%); RCA=26.8 (SA RCA=31.7)
- China (13.0%)
- Germany (7.2%)
- Kazakhstan (6.6%)
- Korea, Republic of (4.1%)



Key:

Top imported products

Top import sources

Figure A17: H7308 - Structures (rods, angles, plates) of iron and steel not elsewhere specified

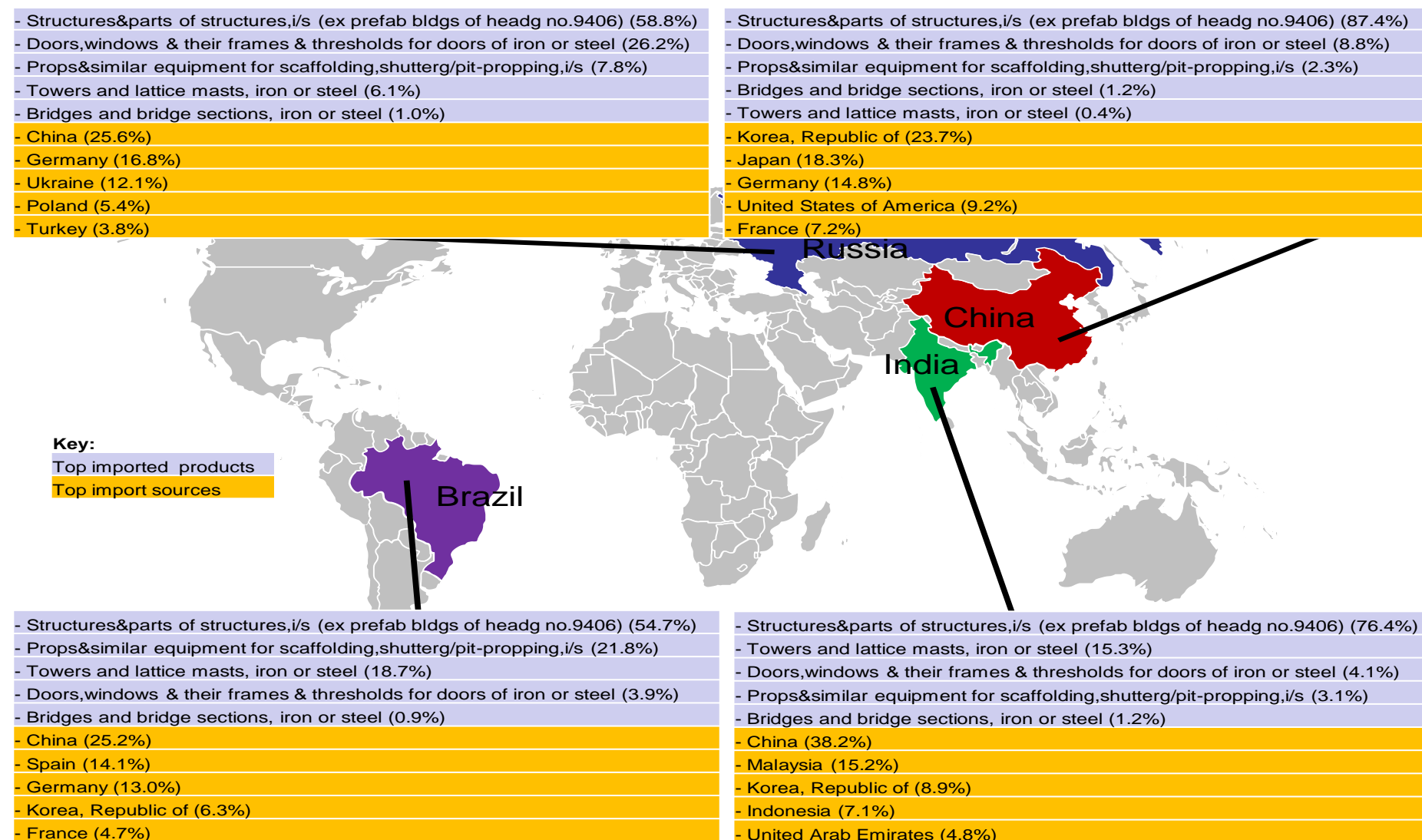
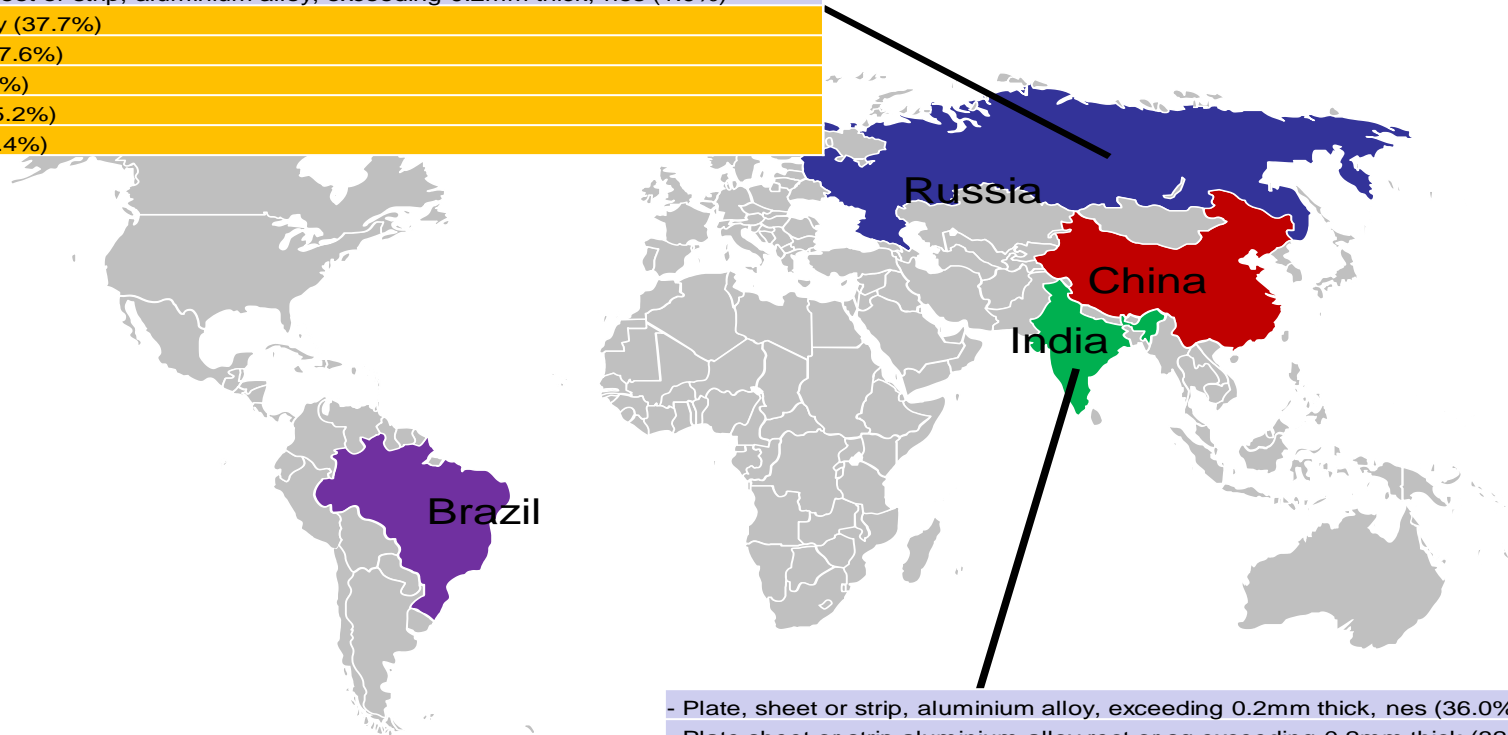


Figure A18: H7606 - Aluminium plates, sheets and strip, of a thickness exceeding 0.2 mm

- Plate, sheet or strip, aluminium alloy, rect or sq, exceeding 0.2mm thick (79.5%)
- Plate, sheet or strip, aluminium, not alloyed, rect or sq, exceeding 0.2mm thick (18.3%)
- Plate, sheet or strip, aluminium, not alloyed, exceeding 0.2mm thick, nes (1.2%)
- Plate, sheet or strip, aluminium alloy, exceeding 0.2mm thick, nes (1.0%)

- Germany (37.7%)
- China (27.6%)
- Italy (9.1%)
- Serbia (5.2%)
- Spain (3.4%)



- Plate, sheet or strip, aluminium alloy, exceeding 0.2mm thick, nes (36.0%)
- Plate, sheet or strip, aluminium alloy, rect or sq, exceeding 0.2mm thick (32.7%)
- Plate, sheet or strip, aluminium, not alloyed, rect or sq, exceeding 0.2mm thick (23.4%)
- Plate, sheet or strip, aluminium, not alloyed, exceeding 0.2mm thick, nes (7.8%)
- China (35.0%)
- Germany (15.6%)
- Bahrain (9.4%)
- Korea, Republic of (7.4%)
- United Kingdom (5.3%)

Key:

Top imported products

Top import sources

Figure A19: H8474 - Machinery for sorting/screening/washing; agglomerating/shaping mineral products

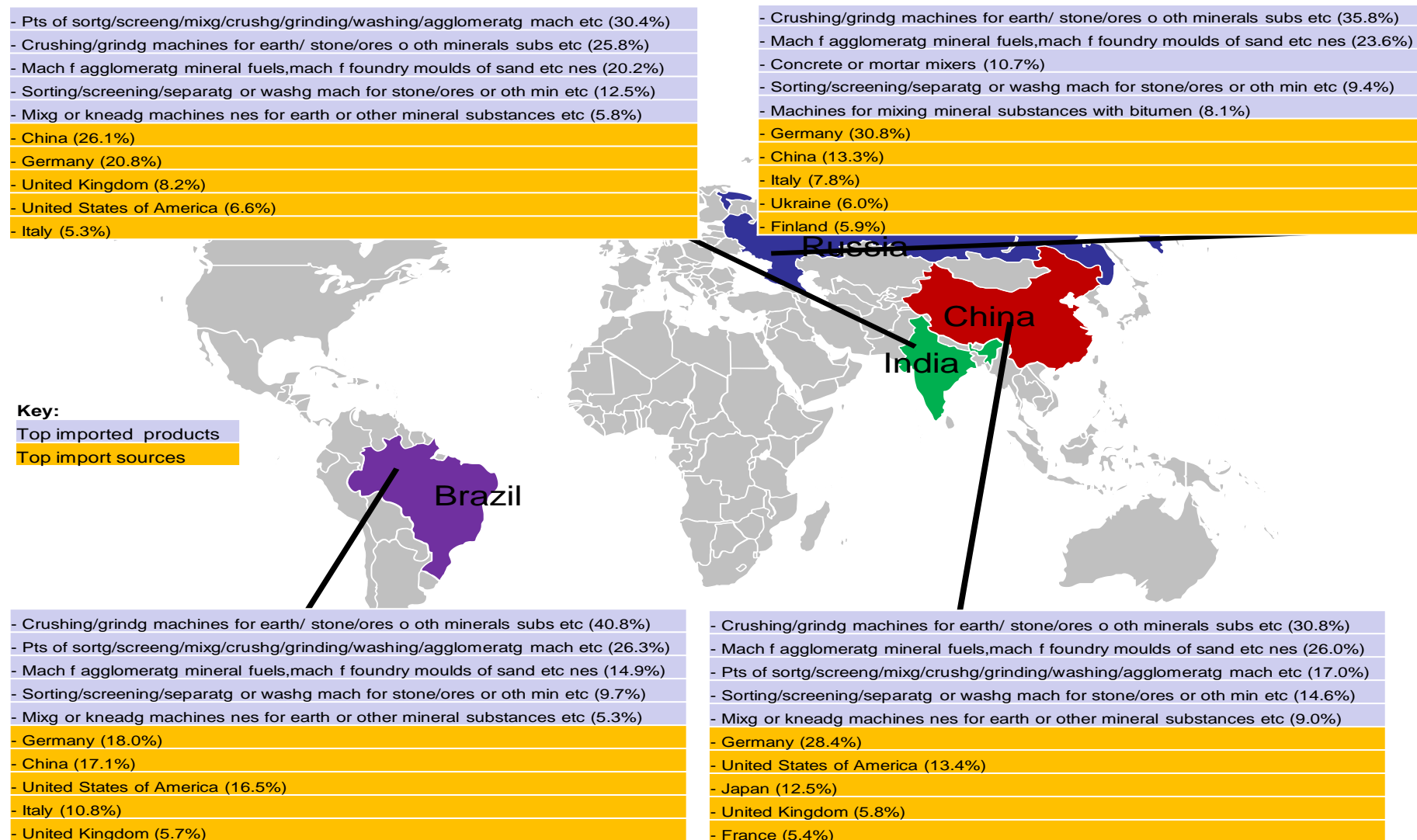
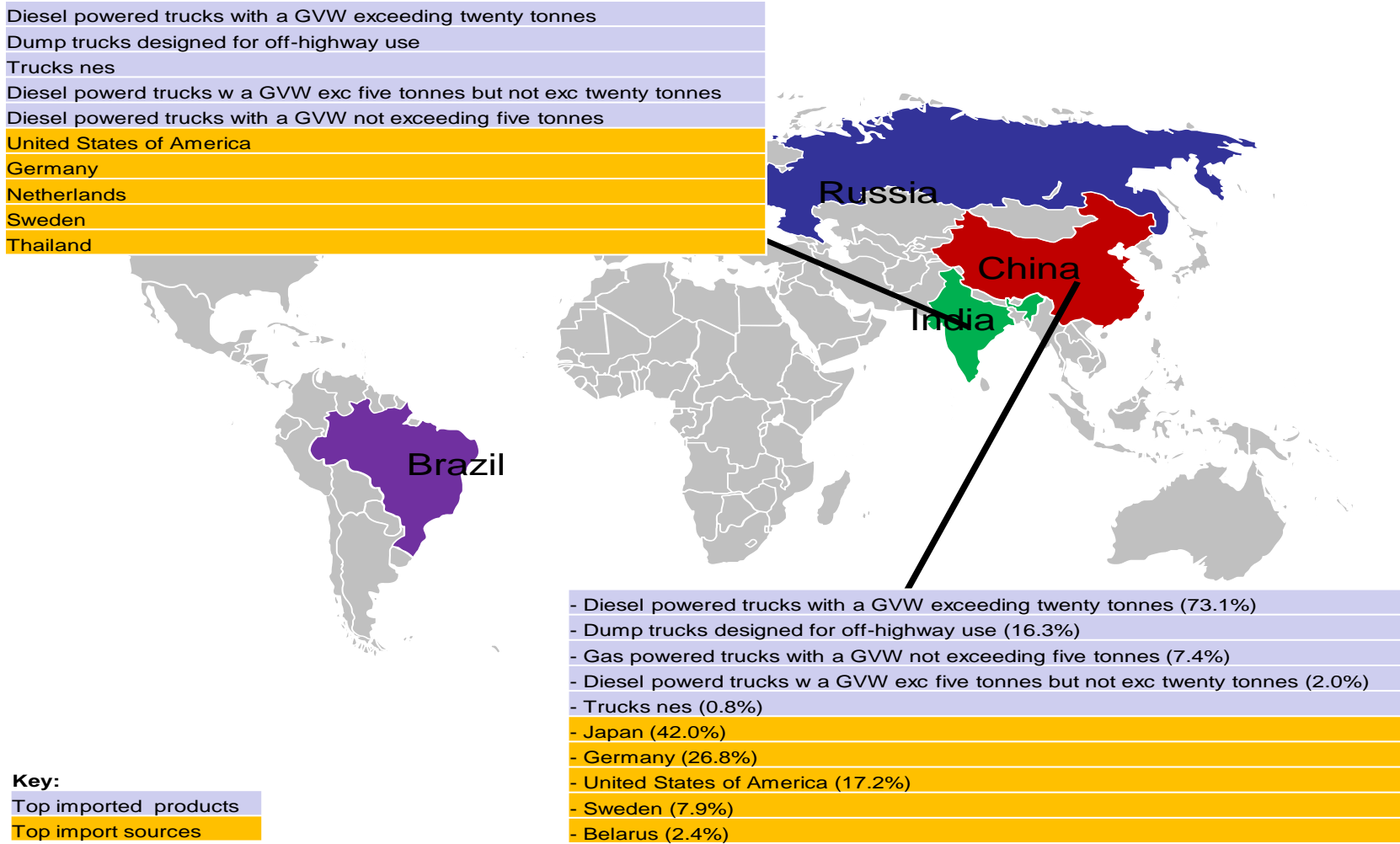


Figure A20: H8704 - Trucks, motor vehicles for the transportation of goods



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