

## Go north!

**In the heyday of British imperialism in Southern Africa young people (almost all white, male, and mainly British) who were seeking to make their fortune on the continent were encouraged to look to the great northern interior of the continent, where treasure perhaps lay.**

Now, many decades later, policymakers in South Africa would do well to still heed that advice.

This edition of *FreeFACTS* focuses on trade. It shows that, in general, South Africa enjoys large trade surpluses with most other Africa countries. The only major exception is Nigeria and this is likely because South Africa imports oil from that country.

While South Africa enjoys trade surpluses with a number of other countries, especially in Europe, exports to these countries will be mostly made up of primary goods. However, exports to other Africa countries will be primarily made up of finished goods, made by South Africa manufacturers.

For example, South Africa enjoyed a trade balance of R213 billion in 2020 with the Southern African Development Community but a negative trade balance of R22 billion with the European Union in that same year.

When it came to trade with the rest of Africa this country had a negative trade balance of R11 billion, but this was skewed because of Nigeria. In 2020 the trade balance between South Africa and Nigeria was nearly negative R30 billion, mainly because of oil, as mentioned above.

Looking to expand trade with the rest of Africa should be a strong focus of South African policymakers. This will not only help our balance of trade (as South Africa mainly enjoys trade surpluses with other African countries) more demand for finished goods from South Africa will be a welcome boost to local manufacturers.

At the same time South Africa should be a strong supporter and proponent of initiatives such as the African Continental Free Trade Area, which Pretoria ratified in 2019.

A key to sustainable development in South Africa will be trade with the rest of Africa and this must be a key focus of policymakers.

— **Marius Roodt**

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Ts and Cs apply.**

## Trade

Foreign assets (South African investment in other countries) by country/region at 31st December 2019					
Country/region	Direct SA investment <sup>a</sup>	Non-direct SA investment <sup>b</sup>	Total	Total SA investment in each country/region as a share of total SA investment in the world	Direct SA investment as a share of total SA investment in each country/region
	—Rbn—				
United Kingdom	480,3	1 369,9	1 850,2	26,5%	26,0%
Luxembourg	33,5	224,2	257,7	3,7%	13,0%
Switzerland	71,0	91,9	162,9	2,3%	43,6%
Germany	24,9	30,9	55,8	0,8%	44,6%
Netherlands	1 311,8	194,6	1 506,4	21,6%	87,1%
Rest of Europe	154,3	527,4	681,7	9,8%	22,6%
United States	220,3	794,0	1 014,3	14,5%	21,7%
Rest of North and South America	54,7	179,0	233,7	3,3%	23,4%
Mauritius	157,5	41,4	198,9	2,8%	79,2%
Rest of Africa	302,3	173,7	476,0	6,8%	63,5%
China	2,0	78,6	80,6	1,2%	2,5%
India	14,1	14,0	28,1	0,4%	50,2%
Rest of Asia <sup>c</sup>	77,2	84,9	162,1	2,3%	47,6%
Oceania <sup>d</sup>	111,5	18,7	130,2	1,9%	85,6%
International organisations	0,0	142,9	142,9	2,0%	0,0%
<b>Total</b>	<b>3 015,5</b>	<b>3 966,1</b>	<b>6 981,6</b>	<b>100,0%</b>	<b>43,2%</b>

Source: SARB, Quarterly Bulletin, June 2021, pp100-103

<sup>a</sup> Investment by South African residents in undertakings abroad in which they (individually or collectively in the case of affiliated organisations or persons) have at least 10% of the voting rights.

<sup>b</sup> Includes portfolio investment, banking sector financial derivatives, and long- and short-term loans from various sources.

<sup>c</sup> Japan, Hong Kong, and other.

<sup>d</sup> Australia and other.

# Trade

Foreign African assets (South African investment in Africa) by country at 31st December 2019						
Country	Direct investment <sup>a</sup>	Non-direct investment <sup>b</sup>	Total	Direct SA investment as a share of total SA investment in each country	Direct SA investment in each country as a share of total direct investment in Africa	Total SA investment in each country as a share of total SA investment in Africa
	—Rbn—					
Botswana	22,1	4,5	26,6	83,1%	4,8%	3,9%
Eswatini	7,6	1,5	9,1	83,5%	1,7%	1,3%
Lesotho	5,7	2,5	8,2	69,5%	1,2%	1,2%
Mauritius	157,5	41,4	198,9	79,2%	34,3%	29,5%
Mozambique	46,6	7,1	53,7	86,8%	10,1%	8,0%
Namibia	23,9	14,3	38,2	62,6%	5,2%	5,7%
Nigeria	18,6	58,0	76,6	24,3%	4,0%	11,3%
Zimbabwe	26,1	4,2	30,3	86,1%	5,7%	4,5%
Other	151,7	81,6	233,3	65,0%	33,0%	34,6%
<b>Total</b>	<b>459,8</b>	<b>215,1</b>	<b>674,9</b>	<b>68,1%</b>	<b>100,0%</b>	<b>100,0%</b>

Source: SARB, Quarterly Bulletin, June 2021, pp102

<sup>a</sup> Investment by South African residents in undertakings abroad in which they (individually or collectively in the case of affiliated organisations or persons) have at least 10% of the voting rights.

<sup>b</sup> Includes portfolio investment, banking sector financial derivative, and long- and short-term loans from various source

## Trade

South Africa's chief merchandise <sup>a</sup> trading partners, 2020					
Country	Exports	Imports	Trade balance	Total	Proportion of total
		—Rbn—			%
China	163,7	233,0	-69,3	396,7	15,8%
Germany	114,0	102,2	11,8	216,2	8,6%
United States	116,1	72,1	44,0	188,2	7,5%
India	49,4	58,5	-9,1	107,9	4,3%
United Kingdom	68,9	27,7	41,2	96,6	3,8%
Japan	62,1	31,3	30,8	93,4	3,7%
Netherlands	54,6	15,6	39,0	70,2	2,8%
Mozambique	49,9	10,8	39,1	60,7	2,4%
Botswana	53,2	6,7	46,5	59,9	2,4%
Namibia	43,5	12,1	31,4	55,6	2,2%
Belgium	38,9	14,6	24,3	53,5	2,1%
Saudi Arabia	5,6	43,8	-38,2	49,4	2,0%
United Arab Emirates	25,8	19,6	6,2	45,4	1,8%
Nigeria	6,6	35,2	-28,6	41,8	1,7%
Thailand	5,9	34,9	-29,0	40,8	1,6%
Italy	10,7	28,8	-18,1	39,5	1,6%
Spain	14,9	24,2	-9,3	39,1	1,6%
Zimbabwe	36,2	1,8	34,4	38,0	1,5%
Eswatini	18,9	17,9	1,0	36,8	1,5%
France	8,7	25,8	-17,1	34,5	1,4%
South Korea	23,0	11,1	11,9	34,1	1,4%
Zambia	27,9	2,3	25,6	30,2	1,2%
Switzerland	13,9	15,6	-1,7	29,5	1,2%
Hong Kong	24,9	2,6	22,3	27,5	1,1%
Australia	12,4	12,4	0,0	24,8	1,0%
Vietnam	9,2	14,3	-5,1	23,5	0,9%
Brazil	4,9	17,4	-12,5	22,3	0,9%
Lesotho	17,0	4,0	13,0	21,0	0,8%
Malaysia	5,7	12,5	-6,8	18,2	0,7%
Indonesia	7,6	10,3	-2,7	17,9	0,7%
Czech Republic	7,9	9,8	-1,9	17,7	0,7%
Poland	3,2	14,0	-10,8	17,2	0,7%
Turkey	7,4	9,1	-1,7	16,5	0,7%
Other unclassified <sup>b</sup>	110,9	2,8	108,1	113,7	4,5%
Other countries	171,2	168,5	2,7	339,7	13,5%
<b>TOTAL</b>	<b>1 394,7</b>	<b>1 123,3</b>	<b>271,4</b>	<b>2 518,0</b>	<b>100,0%</b>

Source: South African Revenue Service (SARS), Customs and Excise, Trade statistics, accessed 21 July 2021; IRR calculations

<sup>a</sup> Refers to merchandise trade in all physical goods, which consist of raw materials as well as intermediate and final goods.

<sup>b</sup> Origin of the goods is unknown.

# Trade

South Africa's merchandise trade <sup>a</sup> with the world, 2020					
Region	Exports <sup>b</sup>	Imports <sup>b</sup>	Trade balance	Total	Proportion of total
	—Rbn—				%
Southern African Development Community (SADC) <sup>c</sup>	284,4	71,4	213,0	355,8	14,1%
Rest of Africa	40,2	51,8	-11,6	92,0	3,7%
European Union (EU)	271,8	293,8	-22,0	565,6	22,5%
Rest of Europe	92,8	54,6	38,2	147,4	5,9%
North American Free Trade Agreement (NAFTA) <sup>d</sup>	124,7	83,9	40,8	208,6	8,3%
Rest of America and Caribbean	11,3	28,1	-16,8	39,4	1,6%
Oceania (including Australia and New Zealand)	13,9	15,0	-1,1	28,9	1,1%
Eastern Asia (including China, Hong Kong, Japan)	280,2	287,4	-7,2	567,6	22,5%
South and Central Asia (including Bangladesh, India, Pakistan)	68,2	63,1	5,1	131,3	5,2%
South Eastern Asia (including Indonesia, Malaysia, Thailand)	38,0	80,9	-42,9	118,9	4,7%
Western Asia (including Israel, Saudi Arabia, Turkey, UAE)	48,0	90,6	-42,6	138,6	5,5%
Other	121,2	2,7	118,5	123,9	4,9%
<b>Total</b>	<b>1 394,7</b>	<b>1 123,3</b>	<b>271,4</b>	<b>2 518,0</b>	<b>100,0%</b>

Source: SARS, Customs and Excise, Trade statistics, accessed 21 July 2021; IRR calculations

<sup>a</sup> Refers to merchandise trade in all physical goods, which consist of raw materials as well as intermediate and final goods.

<sup>b</sup> 'Imports' are imports into South Africa, and 'exports' are exports from South Africa.

<sup>c</sup> Including Southern African Customs Union (SACU) countries (Botswana, Lesotho, Namibia, and Eswatini) data.

<sup>d</sup> The North American Free Trade Agreement between the United States, Canada, and Mexico.

## Trade

South Africa's merchandise trade <sup>a</sup> with selected countries, 2020				
Country	Exports	Imports	Trade balance <sup>b</sup>	Total
	—Rbn—			
Australia	12,4	12,4	0,0	24,8
Botswana	53,2	6,7	46,5	59,9
Brazil	4,9	17,4	-12,5	22,3
Chile	0,9	1,9	-1,0	2,8
China	163,7	233,0	-69,3	396,7
Denmark	1,1	4,5	-3,4	5,6
Egypt	1,2	1,1	0,1	2,3
France	8,7	25,8	-17,1	34,5
Germany	114,0	102,2	11,8	216,2
Ghana	5,7	8,4	-2,7	14,1
Greece	1,1	1,1	0,0	2,2
Hong Kong	24,9	2,6	22,3	27,5
India	49,4	58,5	-9,1	107,9
Indonesia	7,6	10,3	-2,7	17,9
Ireland	1,7	6,5	-4,8	8,2
Israel	3,1	2,5	0,6	5,6
Italy	10,7	28,8	-18,1	39,5
Japan	62,1	31,3	30,8	93,4
Kazakhstan	0,2	0,1	0,1	0,3
Lithuania	0,6	1,8	-1,2	2,4
Mexico	3,5	7,3	-3,8	10,8
Mozambique	49,9	10,8	39,1	60,7
Netherlands	54,6	15,6	39,0	70,2
Nigeria	6,6	35,2	-28,6	41,8
Pakistan	11,5	2,6	8,9	14,1
Philippines	0,9	2,2	-1,3	3,1
Poland	3,2	14,0	-10,8	17,2
Russia	6,2	8,6	-2,4	14,8
Saudi Arabia	5,6	43,8	-38,2	49,4
Spain	14,9	24,2	-9,3	39,1
Switzerland	13,9	15,6	-1,7	29,5
Thailand	5,9	34,9	-29,0	40,8
Turkey	7,4	9,1	-1,7	16,5
Uganda	1,6	0,3	1,3	1,9
United Kingdom	68,9	27,7	41,2	96,6
United States	116,1	72,1	44,0	188,2

Source: South African Revenue Service (SARS), Customs and Excise, Trade statistics, accessed 21 July 2021; IRR calculations

<sup>a</sup> Refers to merchandise trade in all physical goods, which consist of raw materials as well as intermediate and final goods.

<sup>b</sup> The difference between exports and imports.

# Trade

South Africa's merchandise trade <sup>a</sup> with emerging markets, 2020				
Country	Exports	Imports	Trade balance <sup>b</sup>	Total
	—Rbn—			
Brazil	4,9	17,4	-12,5	22,3
Bulgaria	0,5	2,5	-2,0	3,0
Chile	0,9	1,9	-1,0	2,8
China	163,7	233,0	-69,3	396,7
Colombia	0,3	0,1	0,2	0,4
Czech Republic	7,9	9,8	-1,9	17,7
Egypt	1,2	1,1	0,1	2,3
Estonia	0,2	0,4	-0,2	0,6
Greece	1,1	11,0	-9,9	12,1
Hungary	1,5	3,9	-2,4	5,4
India	49,4	58,5	-9,1	107,9
Indonesia	7,6	10,3	-2,7	17,9
Jordan	0,6	0,4	0,2	1,0
Kuwait	1,3	0,7	0,6	2,0
Latvia	0,9	0,6	0,3	1,5
Lithuania	0,6	1,8	-1,2	2,4
Malaysia	5,7	12,5	-6,8	18,2
Mauritius	4,7	2,5	2,2	7,2
Mexico	3,5	7,3	-3,8	10,8
Morocco	0,4	1,0	-0,6	1,4
Oman	0,7	10,8	-10,1	11,5
Pakistan	11,5	2,6	8,9	14,1
Peru	0,9	2,2	-1,3	3,1
Philippines	0,9	2,2	-1,3	3,1
Poland	3,2	14,0	-10,8	17,2
Qatar	1,5	1,5	0,0	3,0
Romania	1,6	4,8	-3,2	6,4
Russia	6,2	8,6	-2,4	14,8
Slovakia	0,0	3,1	-3,1	3,1
Sri Lanka	2,7	0,5	2,2	3,2
Thailand	5,9	34,9	-29,0	40,8
Turkey	7,4	9,0	-1,6	16,4
United Arab Emirates	25,8	19,6	6,2	45,4
Vietnam	9,2	14,3	-5,1	23,5

Source: SARS, Customs and Excise, Trade statistics, data accessed 21 July 2021; IRR calculations

<sup>a</sup> Refers to merchandise trade in all physical goods, which consist of raw materials as well as intermediate and final goods.

<sup>b</sup> The difference between exports and imports

# Trade

South Africa's merchandise trade <sup>a</sup> with selected African countries, 2020				
Country	Exports	Imports	Trade balance <sup>b</sup>	Total
	— Rbn —			
Algeria	0,4	0,2	0,2	0,6
Angola	5,7	1,0	4,7	6,7
Botswana	53,2	6,7	46,5	59,9
Cameroon	0,8	0,1	0,7	0,9
Congo (DRC)	12,7	0,8	11,9	13,5
Congo (Republic)	0,8	0,0	0,8	0,8
Egypt	1,2	1,1	0,1	2,3
Equatorial Guinea	0,1	0,1	0,0	0,2
Eritrea	0,2	0,0	0,2	0,2
Eswatini	18,9	17,9	1,0	36,8
Ethiopia	0,8	0,1	0,7	0,9
Ghana	5,7	8,4	-2,7	14,1
Ivory Coast	1,8	0,8	1,0	2,6
Kenya	7,4	0,3	7,1	7,7
Lesotho	17,0	4,0	13,0	21,0
Liberia	0,2	0,0	0,2	0,2
Libya	0,0	0,0	0,0	0,0
Madagascar	1,8	1,3	0,5	3,1
Malawi	6,4	0,7	5,7	7,1
Mauritius	4,7	2,5	2,2	7,2
Morocco	0,4	1,0	-0,6	1,4
Mozambique	49,9	2,5	47,4	52,4
Namibia	43,5	12,1	31,4	55,6
Nigeria	6,7	35,2	-28,5	41,9
Rwanda	0,6	0,0	0,6	0,6
Senegal	1,5	0,0	1,5	1,5
Seychelles	0,8	0,0	0,8	0,8
Somalia	0,2	0,0	0,2	0,2
Sudan	0,2	0,0	0,2	0,2
Tanzania	5,5	0,5	5,0	6,0
Tunisia	0,0	0,0	0,0	0,0
Uganda	1,6	0,3	1,3	1,9
Zambia	27,9	2,3	25,6	30,2
Zimbabwe	36,2	2,3	33,9	38,5

Source: SARS, Customs and Excise, Trade statistics, data accessed 21 July 2021; IRR calculations

<sup>a</sup> Refers to merchandise trade in all physical goods, which consist of raw materials as well as intermediate and final goods.

<sup>b</sup> The difference between exports and imports.



# Trade

Merchandise trade with chief trading partners (countries), 2020

