

COMESA - South Africa Trade Relations



COMESA Business Council 2020

1. INTRODUCTION

South Africa is the second largest COMESA export market after the European Union. In 2018, COMESA exports to South Africa grew market share by 3 percentage points from 10% in 2017 to 13% in 2018. On the other hand, COMESA sourced goods worth US\$ 10,2 billion, occupying 7% import market share.

The Tripartite Free Trade Area TFTA was launched on the 10th of June 2015 bringing together the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and the Southern African Development Community (SADC) with the main objective of strengthening and deepening economic integration. South Africa signed the Tripartite Agreement in July 2017, but the agreement is yet to enter into force.

South Africa's trade with TFTA countries represents about 16% of South Africa's trade with the world.

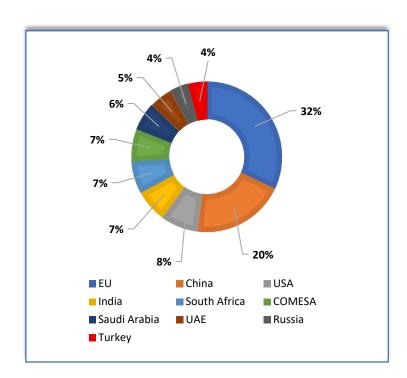
Furthermore, seven countries are members of both COMESA and SADC (Comoros, DRC, Eswatini, Madagascar, Malawi, Mauritius, Seychelles, Zambia and Zimbabwe).

2. COMESA MAJOR TRADING PARTNERS

2.1 COMESA Key Export Market Shares (2018)

19% 2% 32% 2% 2% 4% 5% 13% 6% 9% ■ EU ■ South Africa ■ COMESA ■ Switzerland China UAF USA Saudi Arabia ■ Turkey Other markets India

2.2 COMESA Key Import Market Shares (2018)



Source: COMSTAT

3. COMESA-SOUTH TRADE TREND

COMESA had a \$26 billion in total (two ways) goods trade with South Africa during 2018. Goods exports totaled \$14.4 billion; goods imports totaled \$10.2 billion. COMESA goods trade surplus with South Africa was \$4.2 billion in 2018.

COMESA-South Africa Trade (2014-2018)

15,000,000,000

10,000,000,000

5,000,000,000

Chart 1: COMESA-South Africa Trade flow (2014-2018)

Source: COMSTAT

2015

4,521,015,971

10,239,610,542

(5,718,594,571

2016

8,420,907,858

8,272,255,075

148,652,782

2017

10,960,470,756

8,917,834,981

2,042,635,775

2018

14,398,074,383

10,306,475,903

4,091,598,480

4. COMESA-SOUTH AFRICA TOP EXPORT IMPORT PRODUCTS

2014

4,503,567,304

10,836,119,776

(6,332,552,472

-5,000,000,000

-10,000,000,000

COMESA Exports to South Africa

Trade Bal

COMESA Imports from South Africa

The top export categories (4-digit HS) in 2018 were: mixtures of odoriferous substances and mixtures, cane or beet sugar, prepared binders for foundry moulds or cores, unused postage and men's or boys' suits. Chart 2 below shows the top COMESA export products to South Africa.

Chart 3 below, shows the top import products (2-digit HS) in 2018 were: petroleum oils, motor vehicles for the transport of goods, coal, flat-rolled products of iron, pumps for liquids, machinery parts, mineral or chemical nitrogenous fertilisers and electrical energy among others.

- Mixtures of odoriferous substances and mixtures
- Cane or beet sugar
- Prepared binders for foundry moulds or cores
- Unused postage
- Men's or boys' suits
- Unmanufactured tobacco
- Women's or girls' suits
- T-shirts, singlets and other vests
- Copper
- Wood sawn
- Copper wire
- Ferro-alloys
- Men's or boys' shirts, knitted or crocheted
- Fuel wood

- Petroleum oils
- Motor vehicles for the transport of goods
- Coal
- Flat-rolled products of iron
- Pumps for liquids
- Machinery parts
- Mineral or chemical nitrogenous fertilisers
- Electrical energy
- Structures bridges, lock-gates, towers
- Motor cars
- Machinery for sorting, screening, separating etc.
- Insecticides, rodenticides, fungicides, herbicides
- Polymers of propylene or of other olefins
- Preparations of a kind used in animal feeding
- Self-propelled bulldozers

Source: UNCOMTRADE, ITC Trademap

5. COMESA MEMBER STATES TOP EXPORT PRODUCTS TO SOUTH AFRICA

The top 5 COMESA exporting countries to South Africa in 2018 were: Eswatini, Zambia, Zimbabwe, Mauritius and Egypt. Table 1 below shows the import values from each COMESA country and the top product lines.

Table 1: COMESA Exports to South Africa and top products traded

Country	Top Products
Eswatini	 Mixtures of odoriferous substances and mixtures Cane or beet sugar Prepared binders for foundry moulds or cores Women's or girls' suits Men's or boys' suits Wood sawn or chipped Heterocyclic compounds with oxygen hetero atom Fuel wood Sugar confectionery not containing cocoa, Preparations of a kind used in animal feeding, Other sugars, Sacks and bags, of a kind used for the packing of goods T-shirts,
	✓ Coal✓ Fabrics, knitted or crocheted

	 ✓ Jams, fruit jellies, marmalades ✓ Refrigerators, freezers
	✓ Refrigerators, freezers
Zambia	✓ Gold ✓ Copper, refined ✓ Cobalt mattes ✓ Copper wire ✓ Copper, unrefined ✓ Ferroalloys ✓ Oilcake and other solid residues ✓ Cotton, neither carded nor combed ✓ Parts suitable ✓ Insulated "incl. enamelled or anodised" wire ✓ Bars and rods, of iron or non-alloy steel ✓ Cane or beet sugar ✓ Oilcake and other solid residues ✓ Compression-ignition internal combustion piston engine ✓ Hydrazine and hydroxylamine and their inorganic salts ✓ Plates, sheets and strip, of copper ✓ Transmission shafts
Zimbabwe	 Unmanufactured tobacco Nickel ores and concentrates Gold Ferro-alloys Nickel mattes Platinum Cotton, neither carded nor combed Other raw hides and skins Vermiculite Steam turbines Tea, whether or not flavoured Other nuts, fresh or dried Chromium ores and concentrates Citrus fruit, fresh or dried Men's or boys' suits Cane or beet sugar Granite
Mauritius	 Men's or boys' suits, ensembles, jackets, blazers, trousers T-shirts, singlets and other vests, knitted or crocheted Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts Men's or boys' shirts, knitted or crocheted Fabrics, knitted or crocheted Jerseys, pullovers, cardigans, waistcoats Monitors and projectors Articles for the conveyance or packaging of goods, of plastics Printed matter, incl. printed pictures and photographs, Men's or boys' shirts Undenatured ethyl alcohol Cotton yarn other than sewing thread Pasta Woven fabrics of cotton, containing Cane or beet sugar Yarn of synthetic staple fibres

	 ✓ Women's or girls' blouses, shirts and shirt-blouses ✓ Fish, fresh or chilled ✓ Electric generating sets and rotary converters
Egypt	 Ammonia, anhydrous or in aqueous solution Lignite, whether or not agglomerated Nonwovens, whether or not impregnated, coated Carbonates; peroxocarbonates Grapes, fresh Ceramic sinks Prepared glues and other prepared adhesives Cane or beet sugar Petroleum jelly, paraffin wax Mineral or chemical potassic fertilisers Chocolate and other food preparations containing cocoa Plates, sheets, film, foil and strip, of non-cellular plastics Pasta Fresh strawberries, raspberries, blackberries, back Sanitary towels (pads) and tampons Prepared pigments Paints and varnishes

Source: UNCOMTRADE, ITC Trademap & COMSTAT

6. COMESA MEMBER STATES TOP IMPORT PRODUCTS FROM SOUTH AFRICA

The top 5 COMESA importing countries from South Africa in 2018 were; Zambia, Zimbabwe, Eswatini, DRC and Kenya. Table 2 below shows the import values by each COMESA country and the top product lines.

Table 2: COMESA Imports from South Africa and top products sourced

Country	Top Products
Zambia	 Mineral or chemical nitrogenous fertilisers Petroleum oils and oils obtained from bituminous minerals (excluding crude) Sulphur of all kinds Motor vehicles for the transport of goods Pumps for liquids Parts Flat-rolled products of iron or non-alloy steel Structures and parts of structures - bridges Trailers and semi-trailers Mineral or chemical fertilisers Parts and accessories for tractors Polymers of propylene or of other olefins, in primary forms Machinery for sorting, screening, separating, washing, crushing, grinding Insecticides Tractors Palm oil and its fractions Motor cars and other motor vehicles principally designed for the transport of persons Refrigerators, freezers

Zimbabwe	Petroleum oils and oils obtained from bituminous minerals (excluding crude) Electrical energy Soya-bean oil and its fractions Motor vehicles for the transport of goods Medicaments Insecticides Tractors Self-propelled bulldozers Mineral or chemical nitrogenous fertilisers Parts Polymers of ethylene, in primary forms Flat-rolled products of iron or non-alloy steel Mechanical appliances Machinery for sorting, screening, separating, washing, crushing, grinding Petroleum gas and other gaseous hydrocarbons Screws, bolts, nuts, coach screws, screw hooks, rivets Automatic data-processing machines Trailers and semi-trailers
Eswatini	Petroleum oils and oils obtained from bituminous minerals (excluding crude) Electrical energy Motor vehicles for the transport of goods Maize or corn Cement Motor cars and other motor vehicles principally designed for the transport of persons Waters, incl. mineral waters Rice Parts and accessories for tractors Packaging material Oilcake and other solid residues Insecticides, rodenticides, Prepared foods obtained by the swelling or roasting of cereals Flat-rolled products of iron or non-alloy steel Cartons, boxes, cases, bags and other packing containers, of paper Medicaments Beer made from malt Structures and parts of structures - bridges Mineral or chemical nitrogenous fertilisers
DRC	 Petroleum oils and oils obtained from bituminous minerals (excluding crude) Parts Pumps for liquids Machinery for sorting, screening, separating, washing, crushing Structures and parts of structures - bridges Sulphur of all kinds Sulphuric acid; oleum Tubes, pipes and hoses, and fittings Taps, cocks, valves and similar appliances for pipes, boiler shells Insulated wire, cable Transmission shafts Motor vehicles for the transport of goods Parts and accessories for tractors, motor vehicles Self-propelled bulldozers, angledozers, graders New pneumatic tyres, of rubber Boards, panels, consoles, desks, cabinets

	✓ Centrifuges, incl. centrifugal dryers
	✓ Electrical transformers, static converters
Kenya	✓ Flat-rolled products of iron
	✓ Coal
	✓ Semi-finished products of iron
	✓ Motor cars and other motor vehicles principally designed for the transport of persons
	✓ Motor vehicles for the transport of goods
	✓ Polymers of propylene or of other olefins, in primary forms
	✓ Bars and rods of iron or non-alloy steel
	✓ Wine of fresh grapes
	✓ Apples, pears and quinces, fresh
	✓ Medicaments
	✓ Ferrous waste and scrap
	✓ Angles, shapes and sections of iron or non-alloy steel
	✓ Insecticides
	✓ Telephone sets
	✓ Parts and accessories for tractors, motor vehicles
	✓ Acrylic polymers, in primary forms
	✓ Aluminium foil

UNCOMTRADE, ITC Trademap & COMSTAT

7. COMESA EXPORT POTENTIAL TO SOUTH AFRICA

The products with greatest export potential from COMESA to South are;

- ✓ Unrefined copper
- ✓ Copper Cathodes
- ✓ Aluminum not alloyed unwrought
- ✓ Gold, semi-manufactured, for non-monetary purposes
- ✓ Ferrochromium
- ✓ Platinum
- ✓ Motor vehicles for the transport of persons
- ✓ Cane Sugar
- ✓ Grapes fresh
- ✓ Oranges
- ✓ Apples

8. SOUTH AFRICA MEMBERSHIPS TO REGIONAL GROUPINGS

South Africa is well integrated into regional economic infrastructure as formalized by membership in the Southern African Development Community (SADC). In addition, the Southern African Customs Union (SACU) agreement with Botswana, Namibia, Lesotho, and Swaziland facilitates commercial exchanges.

South Africa is a member of the World Trade Organization (WTO), the G20, and BRICS (Brazil, Russia, India, China, and South Africa).

9. EXPORTING TO SOUTH AFRICA

Import licences are required for a certain number of products (Schedule 1 of the Import Control Regulations Act). These licences are delivered by the following authorities (as per the nature of the product): the Department of Agriculture, Forestry and Fisheries, the Department of Energy and the Department of Health.

Some products are subject to specific controls (caution: the below list is not exhaustive):

- A phytosanitary certificate is required for vegetables and related products, as well as animal products such as bacon, hides and honey. It is delivered by the Ministry of Agriculture from the country of origin.
- A veterinarian certificate is required for the import of living animals and fresh, frozen or canned meat.
- A certificate of disinfection is necessary for the import of wool products, cotton, clothes, etc.
- A certificate of inspection by a recognised institute is required only for exporters who export for the first time in South Africa, it is not required when a good business relationship has been established.
- A quality certificate may be asked for fruits and vegetables.

Type of products that are not allowed into South Africa and here are some examples:

- Second-hand cars
- Certain pharmaceutics that is not approved by South Africa's medical council
- Plant materials that don't have a license
- Certain animal products including animal skins
- Certain liquids including alcohol-based ones
- Cigarettes with a mass of more than 2kg per 1000
- Prison-made and penitentiary-made goods

For the entry of commercial samples, advertising materials and professional equipment, South Africa applies the ATA (Temporary Admission) Carnet system. Goods should be adequately marked for identification purposes so as to facilitate their passage through customs. South Africa is a member of the ATA Convention (<u>ATA Carnet</u>). Goods with an ATA Carnet are exempt from duty fees and VAT.

https://import-export.societegenerale.fr/en/country/south-africa/regulations-customs

https://www.waystocap.com/blog/how-to-import-to-south-africa/

https://www.entrepreneur.com/article/327424

https://howtoexportimport.com/Import-documents-required-in-South-Africa-8869.aspx

10. IMPORTANT CONTACTS

The Department of Trade, Industry and Competition

77 Meintjie Street, Block A Floor 3, Sunnyside, PRETORIA

Tel: +27 (0)12 394 1481 / 021 464 2820

Website: http://www.dti.gov.za
Email: ministry@economic.gov.za

South African Revenue Service (SARS)

Lehae la Sars Building 299 Bronkhorst Street, New Muckleneuk Brooklyn, PRETORIA Tel: +27 (0) 12 422 4000

Website: http://www.sars.gov.za

Email: TPA@sars.gov.za

South African Chamber of Commerce and Industry

Chamber House 24 Sturdee Avenue Rosebank 2196

Tel: +27 11 446 3800

Website: http://www.sacci.org.za

Email: Wilfredt@sacci.org.za; nonies@sacci.org.za

SADC Business Council

Tuscany Office Park Building 9, Ground floor 6 Coombe Place Rivonia South Africa

Tel: +27 10 596 1903 Cell: +27 71 102 2232

Email: tulo.makwati@thenbf.co.za

Disclaimer: The designations employed and the presentation of material in this publication do not imply the expression of any opinions whatsoever on the part of the Secretariat of CBC concerning the legal status of any country, territory, city or area, or its authorities or concerning the delimitation of its frontiers or boundaries.

Although CBC has gone to great lengths to make sure the information in this report is accurate, it cannot guarantee that the information is complete and updated. Due to no-availability of data in some instances, estimates have been used. CBC is therefore not liable for any opinions or information in this report.
