



Trade Between the Western Cape and Regions of the World

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1. Introduction

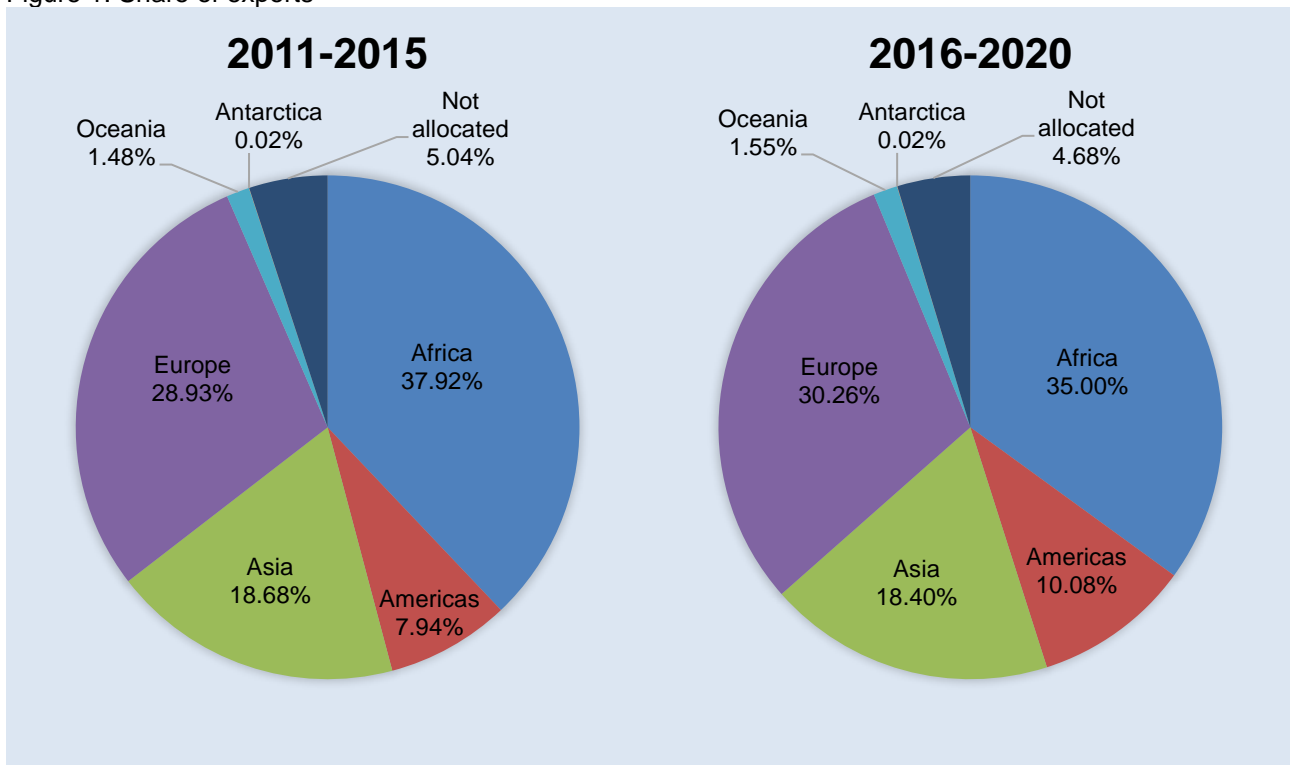
The Western Cape economy is relatively open, as it significantly engages in international trade. Economic cooperation and trade offer several benefits to an economy. International trade enhances efficiency, promotes competition and encourages the transfer of knowledge. Through specialisation and efficient use of resources, international trade can assist in boosting the productive capacity of an economy, which can have a positive impact on employment. It must, however, be emphasised that openness makes the local economy vulnerable to external shocks.

The rest of this paper discusses the Western Cape's key statistics and trends in international trade with the major regions of the world.

2. An overview of the Western Cape's trade across different regions

More than two-thirds of the Western Cape's exports are destined for Africa and Europe. As shown in Figure 1, Africa accounted for approximately 38% and 35% of exports in the 2011-2015 and 2016-2020 periods respectively, making the continent the largest destination for the Western Cape's exports. The recently concluded African Continental Free Trade Area (AfCFTA) will help to further boost trade on the continent. Europe, the region with the second largest market share of the Western Cape's exports, accounted for about 30% of the province's total exports during the 2016-2020 period. Asia (18%) occupied the third position, followed by the Americas (10%) over the same period.

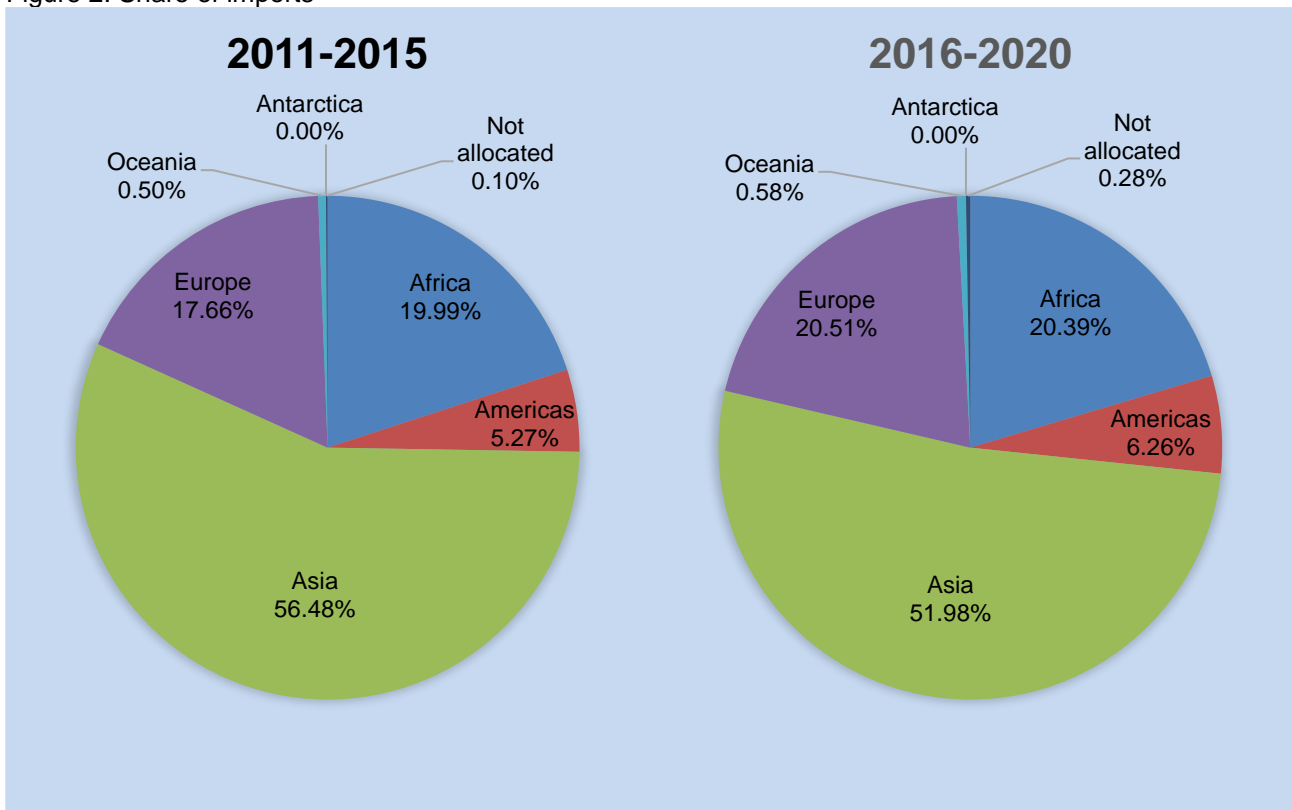
Figure 1: Share of exports



Source: Quantec, 2021

Figure 2 shows the share of the Western Cape's imports across the different regions of the world. The figure shows that more than 50% of the Western Cape's imports come from Asia. During the 2016-2020 period, about 52% of the value of imported products into the Western Cape was sourced from Asia. Europe (21%) and Africa (20%) were respectively the second and third largest source regions for the Western Cape's imports over the same period.

Figure 2: Share of imports

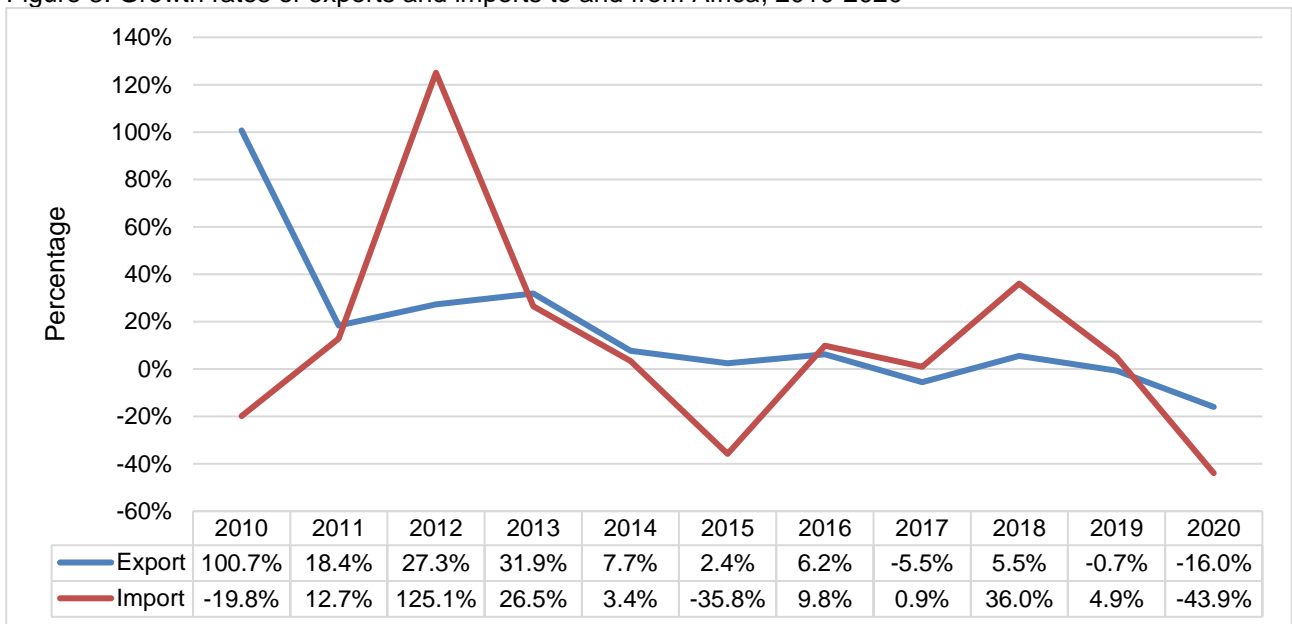


Source: Quantec, 2021

2.1 Africa

As already emphasised, Africa is one of the Western Cape's key trading partners. That said, the growth rate of exports from the province to the African continent decreased from 5.5% in 2018 to -0.7% in 2019. The Western Cape's exports to Africa declined further by -16% in 2020, the lowest growth rate recorded over the past decade. Imports from the continent to the Western Cape also experienced a negative growth rate (-44%) in 2020, the highest decline since 2010.

Figure 3: Growth rates of exports and imports to and from Africa, 2010-2020



Source: Quantec, 2021

The top three exported products from the Western Cape to Africa, between 2010 and 2020, were petroleum oils and oils obtained from bituminous minerals (other than crude); flat-rolled products of iron or non-alloy steel; and cigars, cheroots, cigarillos and cigarettes. These three products together accounted for approximately

29% of total exports from the province to the rest of Africa during the period under consideration. In terms of imports, crude petroleum oils and oils obtained from bituminous minerals alone constituted more than three-quarters of the province's total imports from Africa.

Table 1: Top 10 exported and imported products to and from Africa, 2010-2020

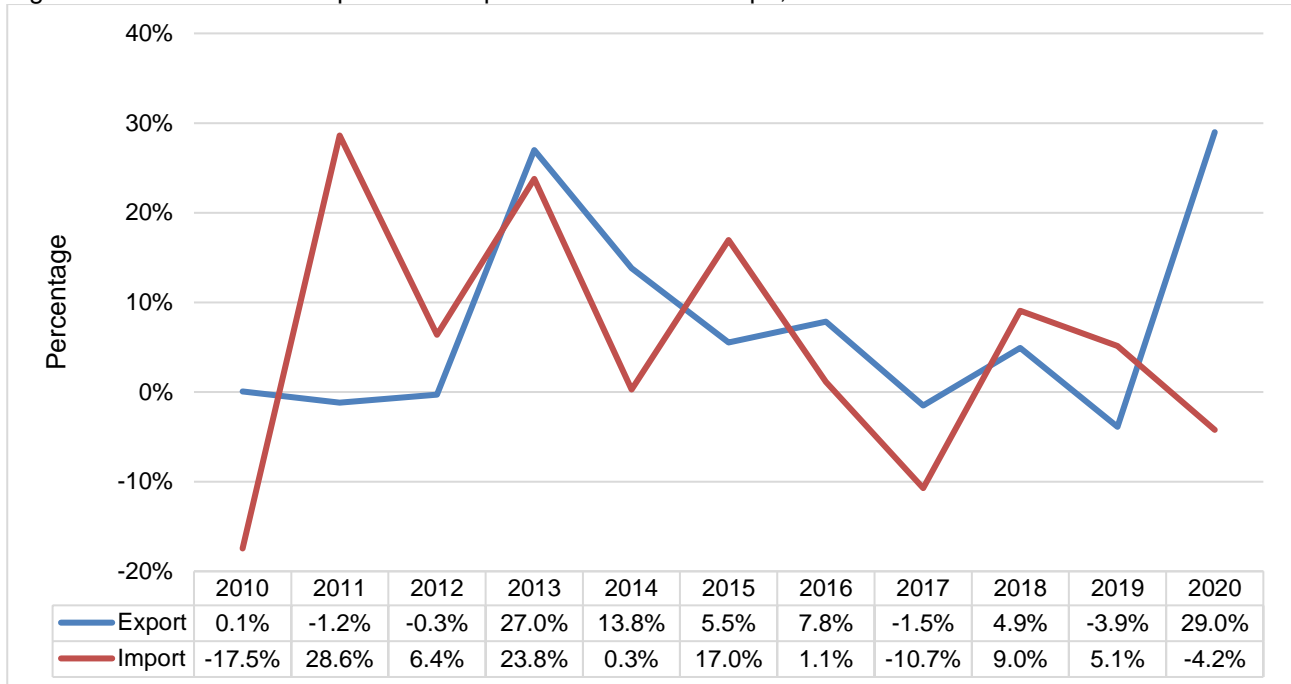
Exports				Imports			
Rank	Product	Value (R Billion)	Share	Rank	Product	Value (R Billion)	Share
1	Petroleum oils and oils obtained from bituminous minerals, other than crude	83.37	19.5%	1	Petroleum oils and oils obtained from bituminous minerals, crude	316.56	75.9%
2	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated	22.84	5.3%	2	Petroleum oils and oils obtained from bituminous minerals, other than crude	15.58	3.7%
3	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes	16.86	3.9%	3	Fish, frozen, excluding fish fillets and other fish meat of heading 03.04	7.36	1.8%
4	Apples, pears and quinces, fresh	13.22	3.1%	4	Beer made from malt	6.96	1.7%
5	Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit	12.43	2.9%	5	T-shirts, singlets and other vests, knitted or crocheted	6.86	1.6%
6	Wine of fresh grapes, including fortified wines	11.42	2.7%	6	Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts	5.87	1.4%
7	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 % vol.; spirits, liqueurs and other spirituous beverages	7.94	1.9%	7	Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers, bib and brace overalls, breeches and shorts	4.07	1.0%
8	Other fermented beverages (for example, cider, perry, mead); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included	6.60	1.5%	8	Mixtures of odoriferous substances and mixtures (including alcoholic solutions) with a basis of one or more of these substances, of a kind used as raw materials in industry	3.78	0.9%
9	Sulphur of all kinds, other than sublimed sulphur, precipitated sulphur and colloidal sulphur	6.57	1.5%	9	Meat of bovine animals, frozen	3.33	0.8%
10	Food preparations not elsewhere specified or included	4.02	0.9%	10	Unmanufactured tobacco; tobacco refuse	2.84	0.7%
	Others	242.72	56.7%		Others	44.00	10.5%
	Total	428.00	100%		Total	417.21	100%

Source: Quantec, 2021

2.2 Europe

Europe is the second largest export region for the Western Cape. In 2020, the province's exports to Europe increased significantly by 29% (the highest growth rate over the past decade), after a -4% decline (the lowest recorded growth rate between 2010 and 2020) in the previous year. On the other hand, the growth rate of imports from Europe to the Western Cape declined from approximately 5% in 2019 to -4% in 2020.

Figure 4: Growth rates of exports and imports to and from Europe, 2010-2020



Source: Quantec, 2021

As shown in Table 2, the majority of the Western Cape's top ten exported products to Europe are agricultural and agri-processed products. The Western Cape's top three exported products to Europe over the past decade were wine of fresh grapes (16%); fresh or dried citrus fruit (14%); and fresh or dried grapes (12%). Moreover, the province's top three imported products from Europe during the 2010-2020 period were petroleum oils and oils obtained from bituminous minerals (other than crude); undenatured ethyl alcohol; and electric generating sets and rotary converters.

Table 2: Top 10 exported and imported products to and from Europe, 2010-2020

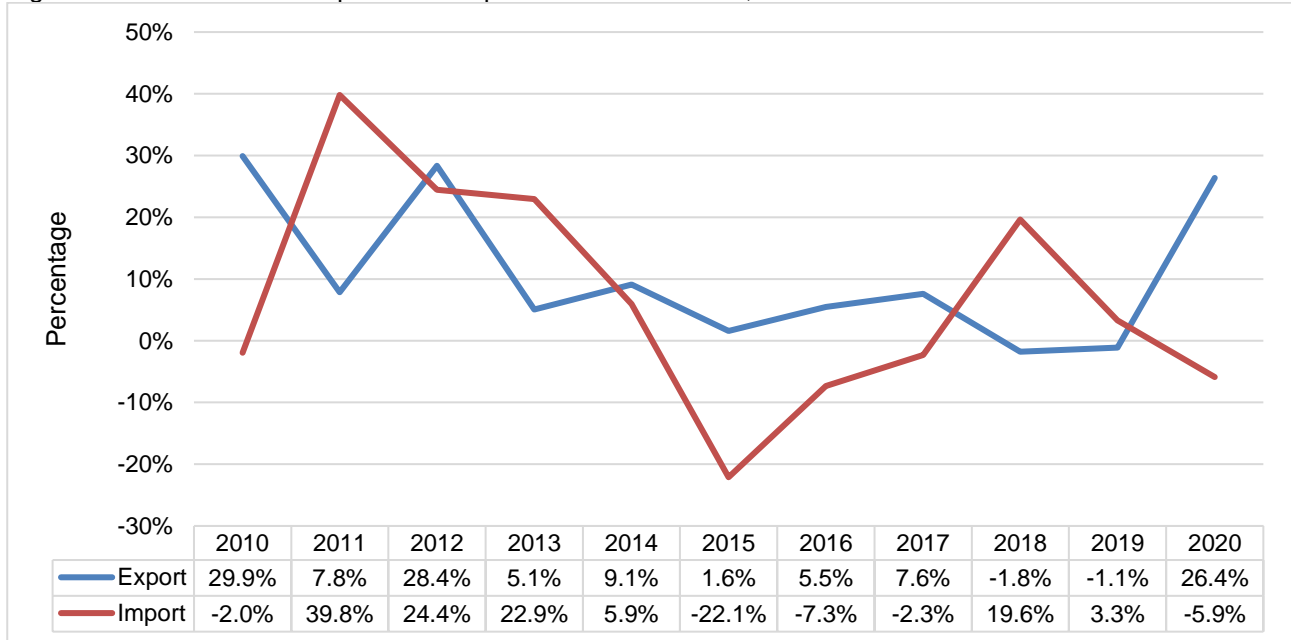
Exports				Imports			
Rank	Product	Value (R Billion)	Share	Rank	Product	Value (R Billion)	Share
1	Wine of fresh grapes, including fortified wines	56.56	15.9%	1	Petroleum oils and oils obtained from bituminous minerals, other than crude	56.84	14.2%
2	Citrus fruit, fresh or dried	51.45	14.4%	2	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 % vol.; spirits, liqueurs and other spirituous beverages	22.34	5.6%
3	Grapes, fresh or dried	43.42	12.2%	3	Electric generating sets and rotary converters	10.18	2.5%
4	Apples, pears and quinces, fresh	27.55	7.7%	4	Wheat and meslin	8.99	2.2%
5	Fish fillets and other fish meat (whether or not minced), fresh, chilled or frozen	11.69	3.3%	5	Petroleum oils and oils obtained from bituminous minerals, crude	7.59	1.9%
6	Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus, for liquids or gases	11.43	3.2%	6	Meat and edible offal, of the poultry of heading 01.05, fresh, chilled or frozen	6.07	1.5%
7	Diamonds, whether or not worked, but not mounted or set	9.66	2.7%	7	Dish washing machines; machinery for cleaning or drying bottles or other containers; machinery for filling, closing, sealing or labelling bottles, cans, boxes, bags or other containers; machinery for capsuling bottles, jars, tubes and similar containers	5.30	1.3%
8	Apricots, cherries, peaches (including nectarines), plums and sloes, fresh	9.65	2.7%	8	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes	4.67	1.2%
9	Other fruit, fresh	9.33	2.6%	9	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, and other non-alcoholic beverages, not including fruit or vegetable juices of heading 20.09	4.66	1.2%
10	Fish, frozen, excluding fish fillets and other fish meat of heading 03.04	8.87	2.5%	10	Parts and accessories of the motor vehicles of headings 87.01 to 87.05	4.48	1.1%
	Others	116.97	32.8%		Others	270.25	67.3%
	Total	356.58	100%		Total	401.37	100%

Source: Quantec, 2021

2.3 Asia

After two years of negative growth, the Western Cape's exports to Asia increased by approximately 26% in 2020, which was the highest growth rate since 2012. In contrast, the growth rate of imports from Asia to the province declined by about -6% in 2020, after an initial decrease from approximately 20% in 2018 to 3% in 2019. This contributed to a fall in the region's share of imports to the Western Cape from about 56% in the 2011-2015 period to 52% during the 2016-2020 period.

Figure 5: Growth rates of exports and imports to and from Asia, 2010-2020



Source: Quantec, 2021

Table 3 contains the top ten Western Cape products that are exported to and imported from Asia. The top ten exported products from the Western Cape to Asia are dominated by agricultural and agri-processed products (8 out of 10). Fresh or dried citrus; fresh apples, pears and quinces; and petroleum oils and oils obtained from bituminous minerals (other than crude) were the top three exported products from the province to Asia between 2010 and 2020. Petroleum oils and oils from bituminous minerals (both crude and non-crude) accounted for 57% of the Western Cape's imports from Asia during the same period.

Table 3: Top 10 exported and imported products to and from Asia, 2010-2020

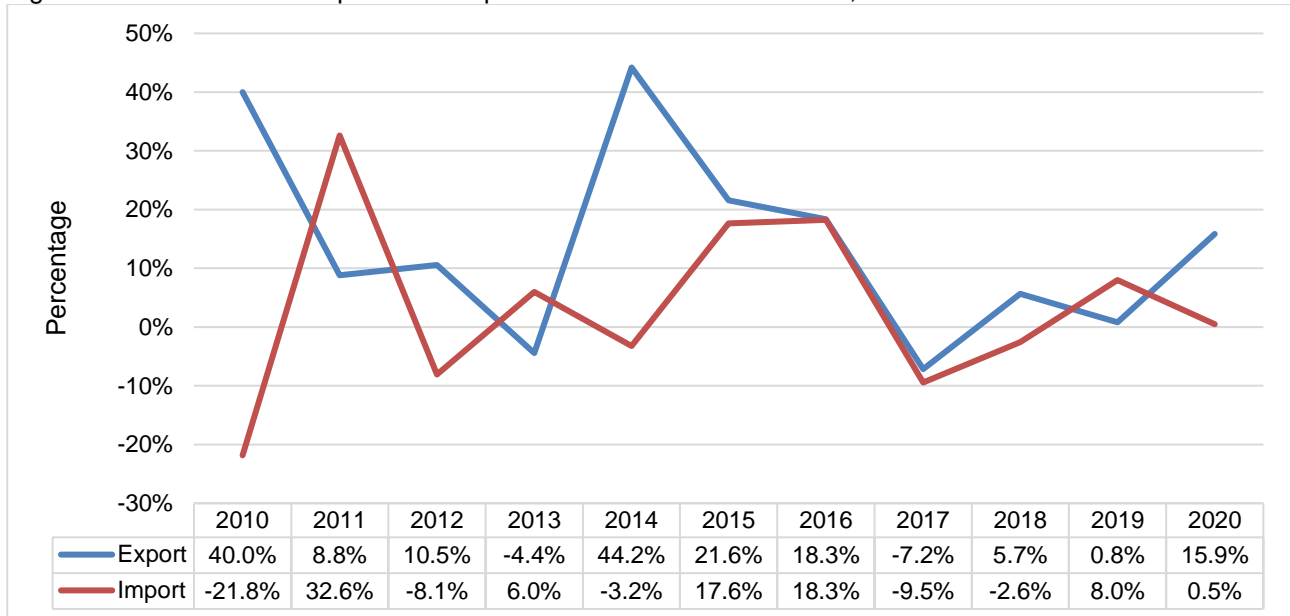
Exports				Imports			
Rank	Product	Value (R Billion)	Share	Rank	Product	Value (R Billion)	Share
1	Citrus fruit, fresh or dried	42.15	19.1%	1	Petroleum oils and oils obtained from bituminous minerals, crude	418.01	35.0%
2	Apples, pears and quinces, fresh	20.60	9.3%	2	Petroleum oils and oils obtained from bituminous minerals, other than crude	261.45	21.9%
3	Petroleum oils and oils obtained from bituminous minerals, other than crude	12.30	5.6%	3	Other footwear with outer soles and uppers of rubber or plastics	16.35	1.4%
4	Grapes, fresh or dried	10.59	4.8%	4	Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs	13.93	1.2%
5	Wine of fresh grapes, including fortified wines	8.31	3.8%	5	Rice	13.07	1.1%
6	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit	6.81	3.1%	6	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses (including those in the form of transdermal administration systems)	12.33	1.0%
7	Flours, meals and pellets, of meat or meat offal, of fish or of crustaceans, molluscs or other aquatic invertebrates, unfit for human consumption; greaves	6.70	3.0%	7	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials	11.67	1.0%
8	Crustaceans, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; smoked crustaceans, whether in shell or not, whether or not cooked before or during the smoking process; crustaceans, in shell, cooked by steaming or by boiling	6.00	2.7%	8	Diodes, transistors and similar semiconductor devices; photosensitive semiconductor devices, including photovoltaic cells whether or not assembled in modules or made up into panels; light emitting diodes; mounted piezo-electric crystals	11.06	0.9%
9	Ferrous waste and scrap; remelting scrap ingots of iron or steel	5.97	2.7%	9	Electric instantaneous or storage water heaters and immersion heaters; electric space heating apparatus and soil heating apparatus; electro-thermic hair-dressing apparatus and hand dryers	10.29	0.9%
10	Maize (corn)	4.48	2.0%	10	Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers, bib and brace overalls, breeches and shorts	7.98	0.7%
	Others	97.03	43.9%		Others	419.67	35.1%
	Total	220.94	100%		Total	1195.82	100%

Source: Quantec, 2021

2.4 Americas

The highest growth rate (44%) of exports from the Western Cape to the Americas during the period under review was recorded in 2014. The Western Cape's exports to North and South America increased by about 16% in 2020. On the contrary, the growth rate of the province's imports from the Americas declined from 8% in 2019 to 0.5% in 2020.

Figure 6: Growth rates of exports and imports to and from the Americas, 2010-2020



Source: Quantec, 2021

As shown in Table 4, wine of fresh grapes (including fortified wines) was the Western Cape's top exported product to the Americas from 2010 to 2020, followed by fresh or dried citrus fruit, and articles of jewellery. Furthermore, the top three products imported by the Western Cape from North and South America during the 2010-2020 period were petroleum oils and oils obtained from bituminous minerals (crude); iron ores and concentrates; and petroleum oils and oils obtained from bituminous minerals (other than crude).

Table 4: Top 10 exported and imported products to and from the Americas, 2010-2020

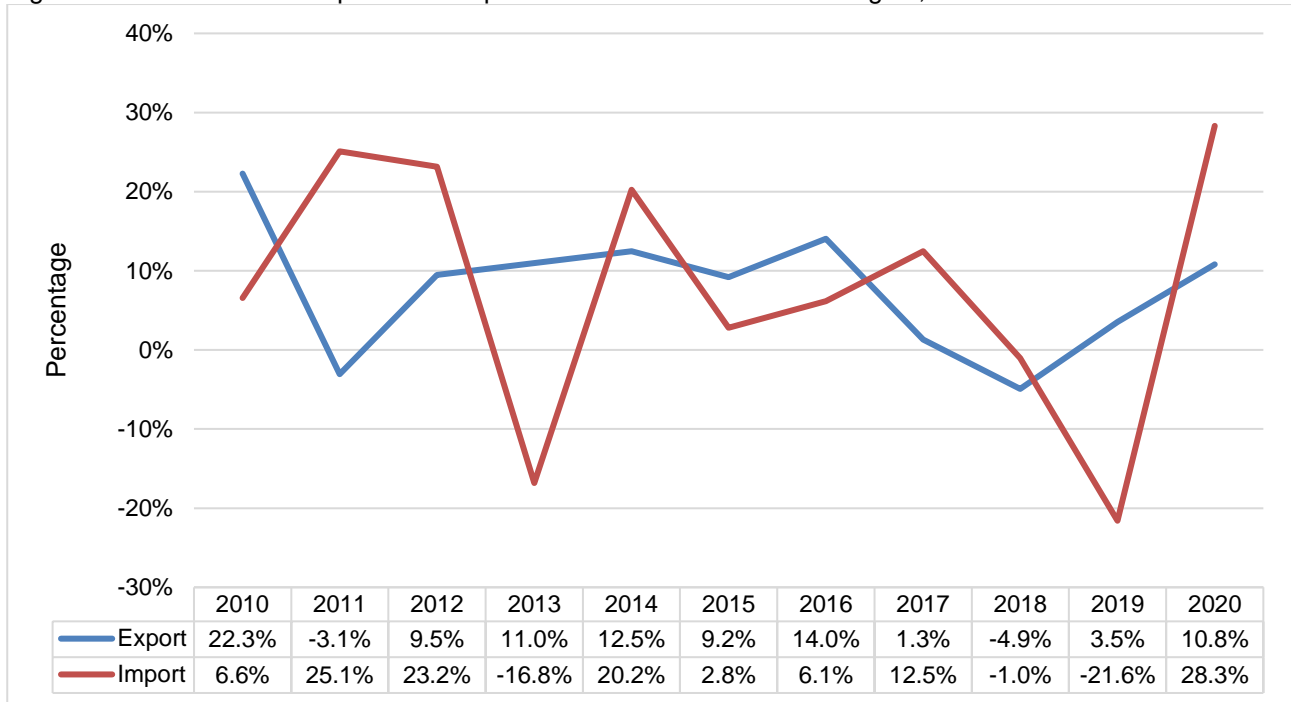
Exports				Imports			
Rank	Product	Value (R Billion)	Share	Rank	Product	Value (R Billion)	Share
1	Wine of fresh grapes, including fortified wines	10.61	9.8%	1	Petroleum oils and oils obtained from bituminous minerals, crude	7.39	6.0%
2	Citrus fruit, fresh or dried	10.09	9.3%	2	Iron ores and concentrates, including roasted iron pyrites	6.14	5.0%
3	Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal	8.49	7.8%	3	Petroleum oils and oils obtained from bituminous minerals, other than crude	5.97	4.9%
4	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated	8.30	7.7%	4	Meat and edible offal, of the poultry of heading 01.05, fresh, chilled or frozen	5.54	4.5%
5	Yachts and other vessels for pleasure or sports; rowing boats and canoes	7.23	6.7%	5	Unmanufactured tobacco; tobacco refuse	3.53	2.9%
6	Parts suitable for use solely or principally with the engines of heading 84.07 or 84.08	5.53	5.1%	6	Wheat and meslin	3.37	2.7%
7	Tanks and other armoured fighting vehicles, motorised, whether or not fitted with weapons, and parts of such vehicles	3.02	2.8%	7	Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter	3.19	2.6%
8	Grapes, fresh or dried	2.44	2.2%	8	Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electro-medical apparatus and sight-testing instruments	2.91	2.4%
9	Parts suitable for use solely or principally with the apparatus of headings 85.25 to 85.28	2.39	2.2%	9	Cane or beet sugar and chemically pure sucrose, in solid form	2.82	2.3%
10	Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations	2.39	2.2%	10	Petroleum gases and other gaseous hydrocarbons	2.29	1.9%
	Others	47.94	44.2%		Others	79.47	64.8%
	Total	108.44	100%		Total	122.62	100%

Source: Quantec, 2021

2.5 Oceania

The Oceania region accounts for about 1.5% of the Western Cape's total exports and 0.5% of the province's total imports. The growth rate of exports from the Western Cape to the Oceania region was approximately 11% in 2020, the highest it has been since 2016. Likewise, the value of imports from Oceania to the province increased by about 28% in 2020, which is the highest growth rate recorded during the 2010-2020 period.

Figure 7: Growth rates of exports and imports to and from the Oceania region, 2010-2020



Source: Quantec, 2021

In Table 5, fruits, nuts and other edible parts of plants; fish fillets and other fish meat; and beauty or make-up preparations were identified as the top three products that the Western Cape exported to the Oceania region from 2010 to 2020. On the other hand, the top imported products from the Oceania region to the province were frozen fish; uncoated kraft paper and paperboard; and edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies.

Table 5: Top 10 exported and imported products to and from Oceania, 2010-2020

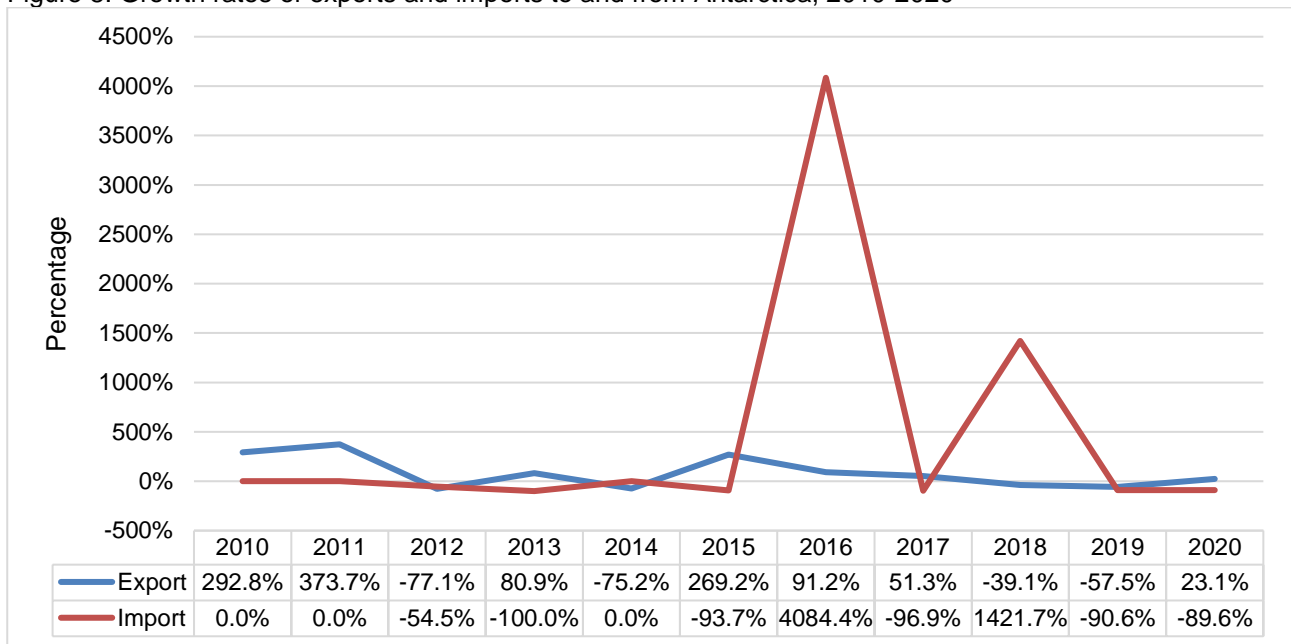
Exports				Imports			
Rank	Product	Value (R Billion)	Share	Rank	Product	Value (R Billion)	Share
1	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit	1.85	10.1%	1	Fish, frozen, excluding fish fillets and other fish meat of heading 03.04	1.58	13.8%
2	Fish fillets and other fish meat (whether or not minced), fresh, chilled or frozen	1.81	9.9%	2	Uncoated kraft paper and paperboard, in rolls or sheets	0.76	6.7%
3	Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations	1.03	5.6%	3	Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, chilled or frozen	0.64	5.6%
4	Fruit juices and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter	0.98	5.4%	4	Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof, fresh, chilled, frozen, salted, in brine, dried or smoked	0.63	5.5%
5	Petroleum oils and oils obtained from bituminous minerals, other than crude	0.86	4.7%	5	Seeds, fruit and spores, of a kind used for sowing	0.60	5.2%
6	Wine of fresh grapes, including fortified wines	0.78	4.3%	6	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 % vol.; spirits, liqueurs and other spirituous beverages	0.53	4.6%
7	Yachts and other vessels for pleasure or sports; rowing boats and canoes	0.69	3.8%	7	Harvesting or threshing machinery, including straw or fodder balers; grass or hay mowers; machines for cleaning, sorting or grading eggs, fruit or other agricultural produce	0.53	4.6%
8	Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs	0.63	3.4%	8	Oats	0.33	2.9%
9	Fish, dried, salted or in brine; smoked fish, whether or not cooked before or during the smoking process; flours, meals and pellets of fish, fit for human consumption	0.49	2.7%	9	Vegetable alkaloids, natural or reproduced by synthesis, and their salts, ethers, esters and other derivatives	0.28	2.5%
10	Fruit, dried, other than that of headings 08.01 to 08.06; mixtures of nuts or dried fruits	0.46	2.5%	10	Meat of sheep or goats, fresh, chilled or frozen	0.22	1.9%
	Others	8.70	47.6%		Others	5.35	46.8%
	Total	18.29	100%		Total	11.43	100%

Source: Quantec, 2021

2.6 Antarctica

The value of trade between the Western Cape and Antarctica is relatively small. Only 0.02% of the Western Cape's exports are attributable to the Antarctica region. In 2020, exports to Antarctica increased by 23% whereas the growth rate of imports was approximately -90%.

Figure 8: Growth rates of exports and imports to and from Antarctica, 2010-2020



Source: Quantec, 2021

Petroleum oils and oils obtained from bituminous minerals (23%) were the top Western Cape products exported to the Antarctica region between 2010 and 2020 as shown in Table 6. Likewise, the top three products imported by the province from Antarctica were containers (24%); ferrous waste and scrap (23%); and edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies (22%).

Table 6: Top 10 exported and imported products to and from Antarctica, 2010-2020

Exports				Imports			
Rank	Product	Value (R Million)	Share	Rank	Product	Value (Rand)	Share
1	Petroleum oils and oils obtained from bituminous minerals, other than crude	44.68	23.2%	1	Containers specially designed and equipped for carriage by one or more modes of transport	195 000	23.9%
2	Parts of goods of heading 88.01 or 88.02	16.60	8.6%	2	Ferrous waste and scrap; remelting scrap ingots of iron or steel	191 607	23.5%
3	Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus, for liquids or gases	10.74	5.6%	3	Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, chilled or frozen	178 369	21.8%
4	Other moving, grading, levelling, scraping, excavating, tamping, compacting, extracting or boring machinery, for earth, minerals or ores; pile-drivers and pile-extractors; snow-ploughs and snow-blowers	8.67	4.5%	4	Petroleum oils and oils obtained from bituminous minerals, other than crude	62 892	7.7%
5	Industrial or laboratory furnaces and ovens, including incinerators, non-electric	6.73	3.5%	5	Cartons, boxes, cases, bags and other packing containers, of paper, paperboard, cellulose wadding or webs of cellulose fibres; box files, letter trays, and similar articles, of paper or paperboard of a kind used in offices, shops or the like	47 500	5.8%
6	Surveying, hydrographic, oceanographic, hydrological, meteorological or geophysical instruments and appliances	6.64	3.4%	6	Other articles of iron or steel	37 500	4.6%
7	Special purpose motor vehicles, other than those principally designed for the transport of persons or goods	6.32	3.3%	7	Synthetic rubber and factice derived from oils, in primary forms or in plates, sheets or strip	20 000	2.4%
8	Electric generating sets and rotary converters	5.49	2.9%	8	Lubricating preparations (including cutting-oil preparations, bolt or nut release preparations, anti-rust or anti-corrosion preparations and mould release preparations, based on lubricants) and preparations of a kind used for the oil or grease treatment	18 305	2.2%
9	Food preparations not elsewhere specified or included	4.23	2.2%	9	Other articles of plastics and articles of other materials of headings 39.01 to 39.14	12 500	1.5%
10	Self-propelled bulldozers, angledozers, graders, levellers, scrapers, mechanical shovels, excavators, shovel loaders, tamping machines and road rollers	3.97	2.1%	10	Other paper, paperboard, cellulose wadding and webs of cellulose fibres, cut to size or shape; other articles of paper pulp, paper, paperboard, cellulose wadding or webs of cellulose fibres	12 500	1.5%
	others	78.39	40.7%		Others	40 645	5.0%
	Total	192.47	100%		Total	816 818	100%

Source: Quantec, 2021

3. Conclusion

The Western Cape is an open economy that actively participates in world trade. A significant proportion of the province's total exports goes to Africa and Europe, the former being its largest exporting partner. Moreover, petroleum oils and oils obtained from bituminous minerals (other than crude) were the top products exported from the province to the rest of the African continent, whereas wine of fresh grapes was the top Western Cape product exported to Europe between 2010 and 2020. Furthermore, more than half of the Western Cape's imports was made up of goods originating from Asia, China being the leading source market.

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