# Determining the export market diversification opportunities for the Western Cape Province of South Africa

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# ABSTRACT

The South African government recognises the need for export growth to contribute towards economic growth and articulates this in different national policy documents. It is evident that the Western Cape Province also recognises the need for export growth, as the province is facing various economic and socio-economic challenges. Therefore, aligning policies to focus on export promotion which supports the labour intensive sectors within the province by uplifting employment and eradicate poverty.

The aim of this study is to determine specifically export market diversification opportunities for the Western Cape Province. The main objective is to determine the Western Cape's world-wide market diversification opportunities with the highest export potential.

The literature underlines the importance of export growth and the benefits of export diversification. It can also be concluded that countries operating in the extensive margin are more likely to generate high economic growth and development opportunities. By implementing export diversification strategies, higher employment levels and output growth can be achieved on a provincial and national level.

A three-step methodological process to determine the export market diversification opportunities for the Western Cape Province is used. Firstly, the products in which the Western Cape Province has a revealed export specialisation are determined by using the revealed trade advantage (RTA); secondly, the geographical concentration of the Western Cape's exports of these products is determined by means of the Herfindahl Hirschman Index (HHI); and lastly, the export market opportunities for the Western Cape Province's export-orientated products that are geographically concentrated are determined by using the decision support model (DSM).

The results of the study identified 188 geographically concentrated export products for the Western Cape and 2 866 realistic product-country level export diversification opportunities. It is recommended that the Department of Trade and Industry (DTI) and the Western Cape trade promotion organisation, WESGRO, in collaboration with the relevant export councils and industry associations, use the results of this study to focus their export promotion and diversification strategies on the identified product-country combinations.



Keywords: Diversification, exports opportunities, Western Cape Province, export promotion

## OPSOMMING

Die Suid-Afrikaanse regering erken die behoefte aan groei in uitvoer om by te dra tot ekonomiese groei en beklemtoon dit in verskillende nasionale beleidsdokumente. Dit is duidelik dat die Wes-Kaap ook dieselfde behoefte aan groei in uitvoer het as gevolg van verskeie ekonomiese en sosio-ekonomiese uitdagings wat die provinsie in die gesig staar. Werkloosheid en armoede te teenkamp moet beleide aangepas word om te fokus op die bevordering van uitvoere deur arbeidsintensief sektore in die provinsie.

Die oorhoofse doel van hierdie studie is om spesifiek uitvoermarkdiversifikasie-geleenthede vir die Wes-Kaap te bepaal. Die belangrikste doelwit is om die Wes-Kaap se wêreldwye markdiversifikasie-geleenthede met die hoogste uitvoerpotensiaal te bepaal.

Die literatuur beklemtoon die belangrikheid van groei in uitvoer en die voordele van uitvoerdiversifikasie. Dit kan ook afgelei word dat lande in die uitgebreide marge (of sg. ‘extensive margin’) meer geneig is om hoë ekonomiese groei en ontwikkelingsgeleenthede te genereer. Deur die implementering van uitvoerdiversifikasie-strategieë kan hoër vlakke van werkgeleenthede en omset bereik word op beide ’n provinsiale en nasionale vlak.

’n Drie-stap-metodologiese proses word gebruik om uitvoermarkdiversifikasie-geleenthede vir die Wes-Kaap te identifiseer. Eerstens word die produkte waarin die Wes-Kaap ’n *revealed export specialisation* het, bepaal, deur gebruik te maak van die *revealed trade advantage* (RTA); tweedens word die geografiese konsentrasie van die Wes-Kaap se uitvoer van hierdie produkte deur middel van die Herfindahl-Hirschman-Indeks (HHI) bepaal; en laastens word die uitvoermarkgeleenthede vir die provinsie se produkte, wat uitvoer-georiënteerd en geografies gekonsentreerd is, deur die besluitnemingsondersteuningsmodel bepaal.

Die resultate van die studie het 188 geografiese gekonsentreerde uitvoerprodukte en 2 866 realistiese, op ’n produk-land-vlak, uitvoer-diversifikasie-geleenthede vir die Wes-Kaap geïdentifiseer. Die aanbeveling is dat die Departement van Handel en Nywerheid (DTI) en die Wes-Kaapse handelsbevorderingsorganisasie, Wesgro, in samewerking met die relevante uitvoerrade en industrie-verenigings, gebruik maak van die resultate in hierdie studie om die uitvoerbevordering en -diversifikasie-strategieë te identifiseer.



Sleutelwoorde: Diversifikasie, uitvoergeleenthede, Wes-Kaap, uitvoerbevordering

**ABBREVIATIONS**

| | |
|---|---|
| DSM | Decision Support Model |
| DTI | Department of Trade and Industry |
| FDI | Foreign Direct Investment |
| GDP | Gross Domestic Product |
| IPAP | Industrial Policy Action Plan |
| HHI | Herfindahl-Hirshmann Index |
| HS | Harmonised System |
| NDP | National Development Plan |
| NGP | National Growth Path |
| NIPF | National Industrial Policy Framework |
| PIPA | Provincial Investment Promotion Agency |
| ONDD | Office National du Ducroire |
| RCA | Revealed Comparative Advantage |
| REO | Realistic Export Opportunities |
| RMA | Revealed Imported Advantage |
| RTA | Revealed Trade Advantage |
| US$ | United States Dollar |
| WTO | World Trade Organisation |

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# CHAPTER 1: INTRODUCTION

## 1.1 Background and motivation

The South African government recognises the need for an increase in exports to contribute towards economic growth and articulates this in different recent national policy documents. These documents aim to boost economic growth, increase job creation levels and provide initiatives for sector growth on both national and provincial levels (DTI, 2010). Export promotion, as an initiative to increase economic growth and development, is highlighted in these national policies, which include the National Development Plan (NDP) (DTI, 2012), National Growth Path (NGP) (DTI, 2010), the Industrial Policy Action Plan (IPAP) (DTI, 2013) and Industrial Policy Framework (NIPF) (DTI, 2007).

The NDP highlights the importance of export growth and greater competitiveness. Export growth and competitiveness are further aligned with the recognition of valuable trading partners, such as emerging and BRIC countries, which are considered important sources of export and foreign direct investment (FDI) opportunities for South Africa. These aims of the NDP overlap with the objectives of the NGP, which highlights the importance of the government's implementation of economic and trade policies to promote economic growth and development by supporting labour absorbing manufacturing industries (DTI, 2013). The Department of Trade and Industry's (DTI) IPAP aims to prevent industrial decline and supports the growth and diversification of the national manufacturing sector (DTI, 2013). The underlying principle of IPAP is the promotion of labour absorbing industrialisation, which is expected to result in a rise in competitiveness (DTI, 2013). The IPAP also highlights the need for export diversification and value-added product and service exports, to help address the unemployment and poverty challenges of the country (DTI, 2013).

The facilitation of diversification beyond the current reliance on traditional commodities and non-tradable services to increase the value-addition per capita is highlighted in the National Industrial Policy Framework (NIPF) (DTI, 2007). Export diversification as a means to increase economic growth and development is also supported by Ali, Alwang and Siegel (1991), Matthee and Naudé (2007), Naudé and Rossouw (2008), Farole and Reis (2010) and Dennis and Shepherd (2011).

Export promotion in South Africa on a national level is the responsibility of the Department of Trade and Industry (DTI). The DTI recognises the importance of promoting trade and inward foreign direct investment, and building trade and investment relations. It focuses on encouraging exports in order to leverage economic growth and development in the South African economy through the establishment of collaborative agreements with existing trading partners and dynamic fast-growing emerging markets (DTI, 2013).

The DTI mandates filters down to provincial investment promotion agencies (PIPAs) in each province to identify and promote export and investment opportunities for their locally produced products. The breakdown in Table 1.1 below indicates the nine PIPAs in South Africa. Therefore, the DTI, in partnership with the PIPAs, undertakes export and investment promotion activities in targeted markets that are aligned to South Africa's international relations and co-operation agreements.

**Table 1.1: Provincial investment promotion agencies (PIPA's)**

| Department of Trade and Industry | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Provincial Investment Promotion Agencies (PIPAs) | | | | | | | | |
| Eastern Cape Development Corporation | Free State Development Corporation | Gauteng Growth and Development Agency | Trade and Investment KwaZulu-Natal | Trade and Investment Limpopo | Mpumalanga Ecnomic Growth Agency | Northern Cape Economic Development Agency | North West Development Corporation | Western Cape Investment and Trade Promotion Agency |
| ECDC | FDC | GGDA | TIKZN | TIL | MEGA | NCEDA | NWDC | WESGRO |

Source: DTI, 2013

This study will focus specifically on the export promotion and export diversification in the Western Cape Province.

The implementation of the above-mentioned national policies by the Western Cape Province has resulted in a GDP growth per annum for the province that has, to an extent, outperformed the national GDP growth per annum during period after the financial crisis of 2008 (Quantec, 2015). The different economic structure of the Western Cape, i.e. food and beverages manufacturing, agriculture and services, has been the largest driver of the stronger GDP performance relative to SA economy. However, in this period, South Africa and the Western Cape's economic growth has been far below the goal set out in the NDP to achieve a seven per cent economic growth

rate and to increase exports by six per cent per year over the next 20 years (DTI, 2009). Furthermore, the Western Cape is facing challenges such as unemployment; low levels of education, and poor sanitation and housing (Treasury, 2013) (see section 3.4). A more in-depth overview of the economy and trade of the Western Cape Province is presented in Chapter 3.

An increase in the exports of the Western Cape Province could contribute towards more job creation and economic growth opportunities (Treasury, 2013). If higher economic growth in the province could be achieved, an array of benefits such as higher competitiveness both nationally and internationally and therefore increased output within the various sectors could be the outcome (see section 2.2 for more benefits of export growth). Through determining various export diversification opportunities for the Western Cape Province, this study therefore aims to contribute to the desired export-led growth that the province needs.

In section 1.2, a brief overview of the literature on the importance of promoting and diversifying exports for economic growth and development, will be provided to elaborate on the motivation for the study.

## 1.2 Literature review

### 1.2.1 Promoting Exports

Export growth is important for all countries for a variety of reasons. At the macro-level: (i) exports help generate foreign exchange; (ii) the small sizes of many developing countries' domestic markets call for the need to explore larger international markets; and (iii) exports contribute to employment and growth of national production. At the micro-level, exporting firms (i) serve as a channel for technology advancements and generate technological spill-overs within the domestic economy; and (ii) are more productive than domestically-oriented firms and help achieve higher growth and profit margins (Samen, 2010).

Policy-makers regard export development as an economic tool that enables countries to create jobs, build foreign exchange reserves and ultimately contribute towards a higher standard of living (Shankarmahesh, Olsen & Honeycutt, 2005:203).

However, governments and individual firms that want to stimulate growth through export development must differentiate between a vast number of export combinations, because, in most circumstances, a large number of export opportunities exits, and only a limited number of these can be explored due to scarce resources (Papadopoulos & Dennis, 1988:38).

Rahman (2003:119) states that the biggest reason for export failure is poor market selection, as a result of incorrect market evaluation. He also states that the costs associated with these market failures are much higher than the cost of systematic evaluating markets. He recommends that, in order to overcome a significant research gap in this area, a computer-based decision support system should be developed to assists governments and firms with the international market selection process. Therefore, in order to yield a higher return on investment and to make sure that resources are not wasted on less attractive export markets, exporters should focus their efforts and resources on a limited set of export markets that hold the highest export potential (Shankarmahesh *et al*., 200:204).

A study by Cuyvers (2004) also highlights that a country's natural resources are scarce and, therefore, great selectivity is required to develop and implement export promotion strategies and activities. Limited alternatives should be considered when a nation wishes to stimulate economic growth through export promotion.

Many developing countries view export diversification as an important policy objective. It has two dimensions: exporting a wider variety of products ("product diversification"), and serving more overseas markets ("geographical diversification"). Therefore, the study focuses on how the identification of export opportunities can assist the government and exporters in their export promotion strategies in order to improve their exports (Dennis & Shepherd, 2011).

In brief, all of the above-mentioned studies emphasised the importance of promoting exports in the development and sustainability of export-led economic growth as well as the importance of selecting the products and markets with the highest export potential.

### 1.2.2 Export diversification

Studies on the importance and impact of export diversification will be highlighted in this section.

Export diversification is defined as the change in the composition of a country's existing export product mix or export destinations (Ali, Alwang & Siegel, 1991), or as the spread of production over many sectors (Berthelemy & Chauvin, 2000). In many cases, diversification of export products and market destinations is viewed as a means to meet the challenges of unemployment and low growth in many developing countries. For many developing countries, export diversification forms an important part of their export-led growth strategy (Ali, Alwang & Siegel, 1991).

Ali, Alwang and Siegel (1991) analysed the effects of export diversification on the export growth and stability of three African countries by evaluating the market concentration of their agricultural exports. They proposed export diversification as a remedy for the instability and downward trend in export earnings in Malawi, Tanzania and Zimbabwe between 1961 and 1987. They found that a lower concentration or wider variety of exports will lead to increased stability and growth in export earnings in these countries, therefore creating a greater spread of products to limit the effect of a commodity price shock. Furthermore, economic stability and growth can be achieved by promoting diversification and implementing the correct export diversification policies (Ali *et al*., 1991).

A study by Naudé and Rossouw (2008) investigated how export diversification versus specialisation in South Africa affected GDP growth. They analysed the economy-wide impact of export diversification versus export specialisation on GDP growth in South Africa over the period 1962 to 2000, using a computable general equilibrium (CGE) model. The results of the CGE simulations showed that export diversification, rather than specialisation, had a greater impact on GDP growth and employment in South Africa. Naudé and Rossouw (2008) also indicated that greater export diversification would result in a substantial increase in exports in the South African economy (see also section 2.4).

Farole and Reis (2010) also state that a more diversified trade structure of production is preferable to one with only a few goods, and a greater number of export destinations preferable to fewer export destinations (Farole and Reis, 2010).

Farole and Reis (2010) indicate that export growth can take place in an intensive margin (selling existing products to existing markets) or in an extensive margin (selling (i) existing products to new markets, (ii) new products to new markets and (iii) new products to existing markets) (see Table 1.2).

**Table 1.2: Intensive and extensive trade margin**

| | Old Market | New Market |
|---|---|---|
| Old Product | Intensive Margin | Extensive Margin |
| New Product | Extensive Margin | Extensive Margin |

Source: Reis & Farole, 2012

Table 1.2 highlights the difference between the intensive and extensive trade margin. Dennis and Shepherd (2011) found that extensive margin diversification is particularly important for economic development.

The focus of this study is on identifying export opportunities for the Western Cape in the extensive margin, specifically for existing products into new markets, since these shows the highest export success (see section 2.3.2 and Figure 2.2).

Against the background of South Africa's and the Western Cape Province goals and the challenges, such as unemployment and inequality (see section 3.4), the importance of export promotion and export diversification is highlighted and the research problem and objectives will be formulated in sections 1.3 and 1.4.

## 1.3 Research problem

The South African and Western Cape's goal, set out in the NDP, to achieve a seven per cent economic growth rate over the next 20 years, is far from being reached. Besides the below-target economic growth[1], the Western Cape is facing high levels of unemployment and the socio-economic challenges associated with it (see section 3.4).

From the literature (see sections 1.2, 2.2 and 2.3) it is clear that export growth and diversification can contribute to higher levels of economic growth and job creation in the province. Therefore, the following research question can be formulated to help address the economic and socio-economic challenges the province is currently facing:

[1] 2.9 per cent in 2012.

In order to be able to focus the export promotion initiatives, and to contribute to the achievement of higher exports and the associated employment opportunities in the Western Cape Province, what are the world-wide export market diversification opportunities for the Western Cape Province's products?

## 1.4 Research objectives

The research objectives are divided into general and specific objectives.

### 1.4.1 General objectives

In line with the national and provincial economic objectives to promote and achieve export growth and export diversification, the overall aim is to identify export market diversification opportunities for the Western Cape Province.

### 1.4.2 Specific objectives

The specific objectives of this research are to:

i. provide an overview of the literature on the benefits of export growth;
ii. determine, from the literature, the benefits of export diversification in general and for South Africa specifically;
iii. investigate, measure and compare to other provinces the Western Cape's economy, and specifically provide an overview of the Western Cape's trade patterns, export destinations and challenges faced within the province;
iv. determine the products towards which the Western Cape is export orientated;
v. determine the level of export market diversification for each of the Western Cape's export products;
vi. determine the export market diversification opportunities for the Western Cape's geographically concentrated export products; and
vii. make recommendations regarding the export promotion and market diversification priorities the Western Cape should focus on for the products with the highest export market diversification potential.

## 1.5 Research method

This research, pertaining to the specific objectives, consists of two phases, namely a literature review and an empirical study.

### 1.5.1 Phase 1: Literature review

A literature review will be undertaken to establish and highlight the importance of export growth and development in a country.

Furthermore, the importance of export diversification in general and specifically in South Africa will be discussed.

To provide more background, an overview of the Western Cape Province economy and its trade patterns as well as export destinations will be provided.

### 1.5.2 Phase 2: Empirical study

The empirical study involves a three-step process to identify export market diversification opportunities for the Western Cape Province.

Firstly, the products towards which the Western Cape is export orientated will be determined, using the revealed trade advantage (RTA) of Vollrath (1991).

Secondly, the level of export diversification for each of the Western Cape's export products will be determined, using the Herfindahl-Hirschman Index (HHI) (Reis & Farole, 2012). The HHI value can range from close to zero, indicating highly diversified export destinations for a product, to one, indicating that the export destinations for the product are concentrated.

Thirdly, the export opportunities for the Western Cape will be determined by means of the results of the decision support model (DSM). The DSM is a filtering model screening through all possible product-country combinations to identify the most realistic export opportunities (Viviers & Steenkamp, 2012).

Briefly, the DSM model consists of four filters that sequentially eliminate less realistic or interesting markets in an effort to prioritise export markets. The first filter assesses the political and commercial risks of doing business with every country as well as the macroeconomic size and growth of each country around the world. The second filter assesses,

for the remaining countries, the market potential of each product-country combination by analysing the size and growth of imports. The third filter examines the accessibility of each market by assessing the trade barriers and degree of concentration (competitor analysis). The final filter categorises potential export markets according to the size and growth of import demand and current market share of South Africa compared to the main competitors (Viviers & Steenkamp, 2012) (for more information, see section 4.4).

The model provides a limited list of product-country combinations with high potential for exports. This list can be further scrutinised by the relevant export promotion agencies to inform and focus their export promotion efforts (Viviers & Steenkamp, 2012).

The export opportunities will be analysed to make appropriate recommendations regarding new opportunities for export growth in the extensive margin based on the current geographical export concentration of each product.

## 1.6 Chapter outline

In this first chapter, the background of the study, the research problem and its motivation, the aims, methodology and outline of the study have been stated. In Chapter 2, the literature study will provide an overview on the current literature to establish and highlight the importance of effective, focused export growth and development in a country. Furthermore, the importance of export diversification in general and specifically in South Africa will be underlined from the literature. Chapter 3 provides an overview of the Western Cape's economy, international trade and, specifically, an overview of the Western Cape's trade patterns, export destinations and challenges. In Chapter 4, the research methodology applied in the study will be discussed. The results of the study, to determine the export market diversification opportunities for the Western Cape Province, will be provided in Chapter 5. In Chapter 6, a summary of the study, conclusions and recommendations regarding the findings will be discussed.

# CHAPTER 2: LITERATURE REVIEW

## 2.1 Introduction

Chapter 1 highlighted the importance of export-led economic growth and export promotion initiatives. The South African government recognises the need for export growth to contribute towards economic growth and articulates this in different national policy documents. The facilitation of diversification beyond the current reliance on traditional commodities and non-tradable services is also highlighted in these national documents (see section 1.1). It is evident that the Western Cape also recognises the need towards export growth to boost economic growth, increase job creation levels and stimulate sector growth initiatives, as set out in the Provincial Economic Review and Outlook (PERO) report.

Chapter 2 firstly provides a brief overview of the literature on the benefits of exports for economic growth and development. Secondly, the literature on export growth in the intensive and extensive margins, as distinguished by Farole and Reis (2010), is discussed (see Table 1.2).

## 2.2 The benefits of export growth

Export-led growth theories reflect on exports as an instrument of economic growth that plays a vital role in enhancing productivity (Awokuse, 2008). Exporters become more productive and efficient in reaction to increased international competition and access to new technology (Edwards, Rankin & Schoer, 2008). Technological allocation results in scarce resources being used more efficiently, and output growth is stimulated throughout the whole economy. The increase in the total supply encourages an increase in the total demand in both the domestic and foreign market (Ram, 1985).

Through exports, economic activity is increased with positive spill-over effects on domestic employment, productivity, foreign currency earnings and the balance of payments, which will be discussed subsequently.

### 2.2.1 The role of exports in stimulating domestic employment

In neo-classical economic theories, the hypothesis of flexible wages and prices suggests that the levels of employment in an economy are primarily determined by the labour market. This implies that in a market where the prices and wages are considered to be flexible, trade

becomes more efficient and producers are able to produce more goods at a lower cost (Milner & Wright, 1998).

Therefore, an increase in the production and supply of goods creates downward pressure on the price of goods. Through a downward pressure also on the prices in the labour market, it exerts downward pressure on the wages, creating capacity to employ more labourers at a lower wage and to produce more goods and therefore encourages consumption and creates employment opportunities (Moreira & Najberg, 2000).

Krueger (1982), Krueger (1983) and Balassa (1982) respectively state that employment creation through exporting is predominantly more substantial in developing economies where unskilled labour is in ample supply and exports are labour concentrated if the export growth it aimed at labour intensive production and not capital intensive production.

On the other hand, Papageorgiu, Michaely and Choski (1991) found that exporting induced a relatively small negative short-term impact on employment. Unemployment in the short term is increased due to the smaller firms being pushed out of business by larger firms competing on an international level. These workers are not absorbed immediately by the larger productive and expanding firms. This is endorsed by the trade-induced industry reallocation or restructuring theory (Papageorgiu *et al*., 1991).

In the long run, however, larger productive firms expand and create employment in the economy. Therefore, the impact of an increase in unemployment in the short run is compensated for in the long run by a more labour concentrated output mix. An increase in export growth can therefore create more employment opportunities between the playoff in the short- and long run.

### 2.2.2 The role of exports in increased productivity

Modern trade theories state that most efficient firms in the industry will gain from increased market share and profits from trade, and therefore an open economy. On the contrary, the least efficient firms lose market share and profits and are consequently forced out of the market (Edwards *et al*., 2008).

The industry is made more productive by the trade-induced reallocation of market share to more efficient and productive firms, thereby increasing the industry's total productivity levels

(Melitz, 2003). Bernard, Redding and Schott (2007) found widespread evidence of this effect among firms in the United States. An empirical indication from the South African economy supports the effect of trade-induced reallocation and noted a five per cent increase in the long-run total factor productivity gains from a 10% increase in openness to trade (Edwards *et al*., 2008).

Therefore, an increase in export growth contributes to an increase in productivity and specifically also in South Africa as highlighted by Edwards *et al*. (2008).

### 2.2.3 Foreign currency earnings and balance of payments

Exports are paid for or settled in foreign currency. This foreign currency can be used to finance imports, thereby improving capital creation and output growth (Esfahani, 1991). Bernanke (2005) states that an increase in exports positively affects an economy's current account and the balance of payments (BOP). When exports exceed imports, a current account surplus is recorded, indicating that more products and services have been transferred to other countries than received in a given period and also affects a country's investment climate positively.

In addition, foreign currency enhances a country's foreign reserves and the accumulation of foreign reserves can be linked to high export earnings (Blanchard, Giavazzi & Sa, 2005). Apart from being used to finance imports, foreign reserves are used to strengthen the domestic currency in cases of negative shocks on the exchange rate and to invest in foreign currency denominated assets.

The positive spill-over benefits of export growth through economic activity are therefore evident and play a predominate role in all economies. It is important to acknowledge the important role of exports and to find ways to stimulate export growth.

In order to increase a country's exports, it is important to understand the various ways in which export growth occurs. These export growth alternatives will be discussed subsequently.

## 2.3 Decomposition of export growth: Intensive and extensive trade margins

A country's trade competitiveness can be linked to the level, growth and market share of existing exports (intensive margin) or diversification of products and markets (extensive margin) (Farole & Reis, 2010).

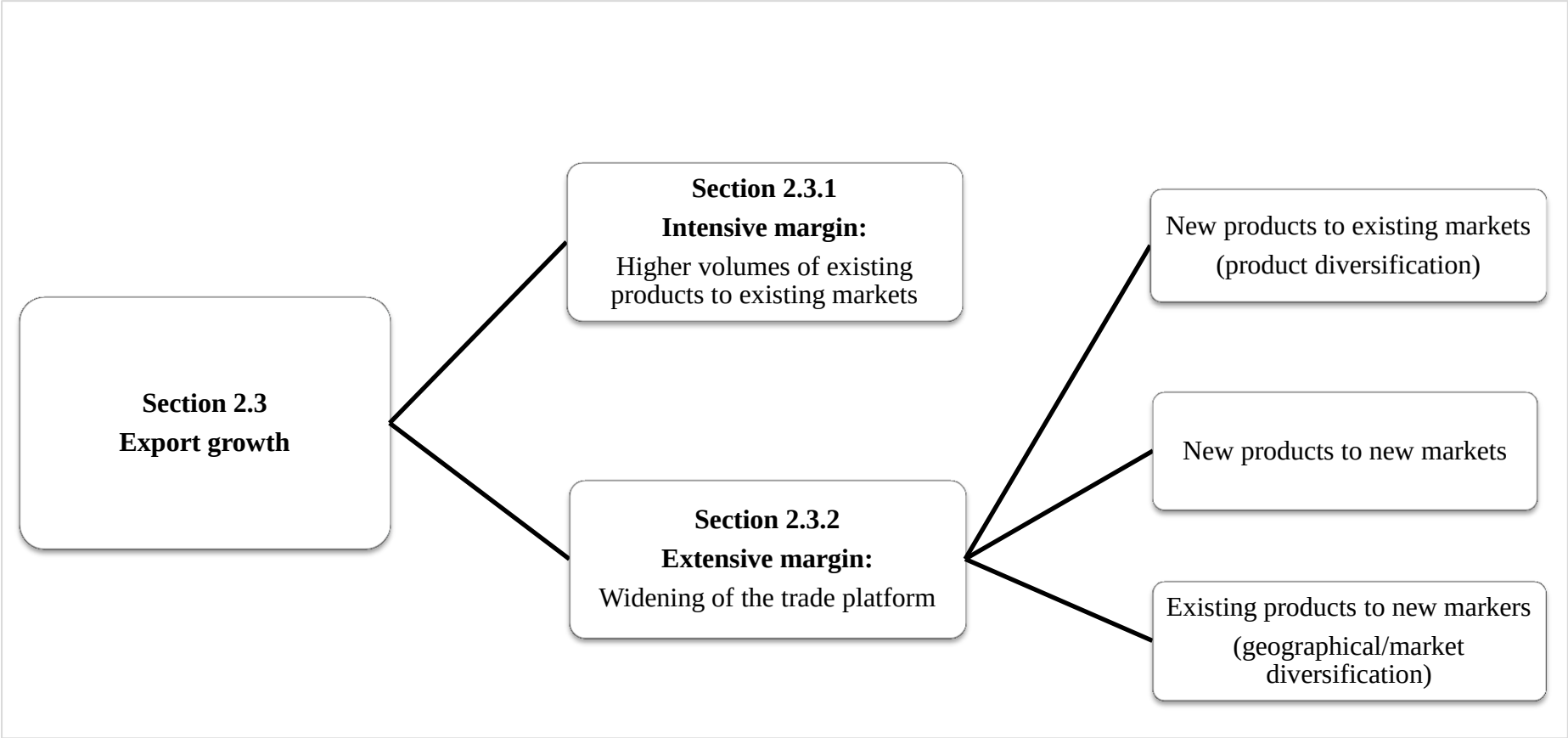
Figure 2.1 destinguishes between export growth in the intensive margin (specialisation) and in the extensive margin (diversification). The intensive growth margin involves higher volumes of existing products exported to existing markets. The extensive growth margin involves an increase in exports through either product diversification, where new products are exported to existing markets, or by geographical diversification, where existing products are exported to new markets (see Figure 2.1 and Table 1.2).

The intensive trade margin can be characterised by the increase in the intensity of export relationships in terms of survival and development. Therefore, an effective intensive trade margin principle implies selling more existing products to existing markets and growing the volume of trade (Brenton & Newfarmer, 2009). Most world-wide export growth takes place in the intensive trade margin (see section 2.3.1) (Felbermayr & Kohler, 2006). For the purpose of this study, the *intensive trade margin* will also be referred to as *export specialisation*.

In contrast with the intensive trade margin, the extensive trade margin can be characterised by the widening of export relationships. The expansion of trade in the extensive margin can take place in three ways: (i) by exporting existing products to new markets[2] (where new markets are identified for existing exporting products), (ii) by exporting new products to existing markets (where new products are introduced in established exporting markets), and (iii) by exporting new products to new markets. For the purpose of this study, the *extensive trade margin* will also be referred to as *export diversification*.

[2] For the purposes of this study, exporting existing products to new markets will be referred to as *export market diversification*.

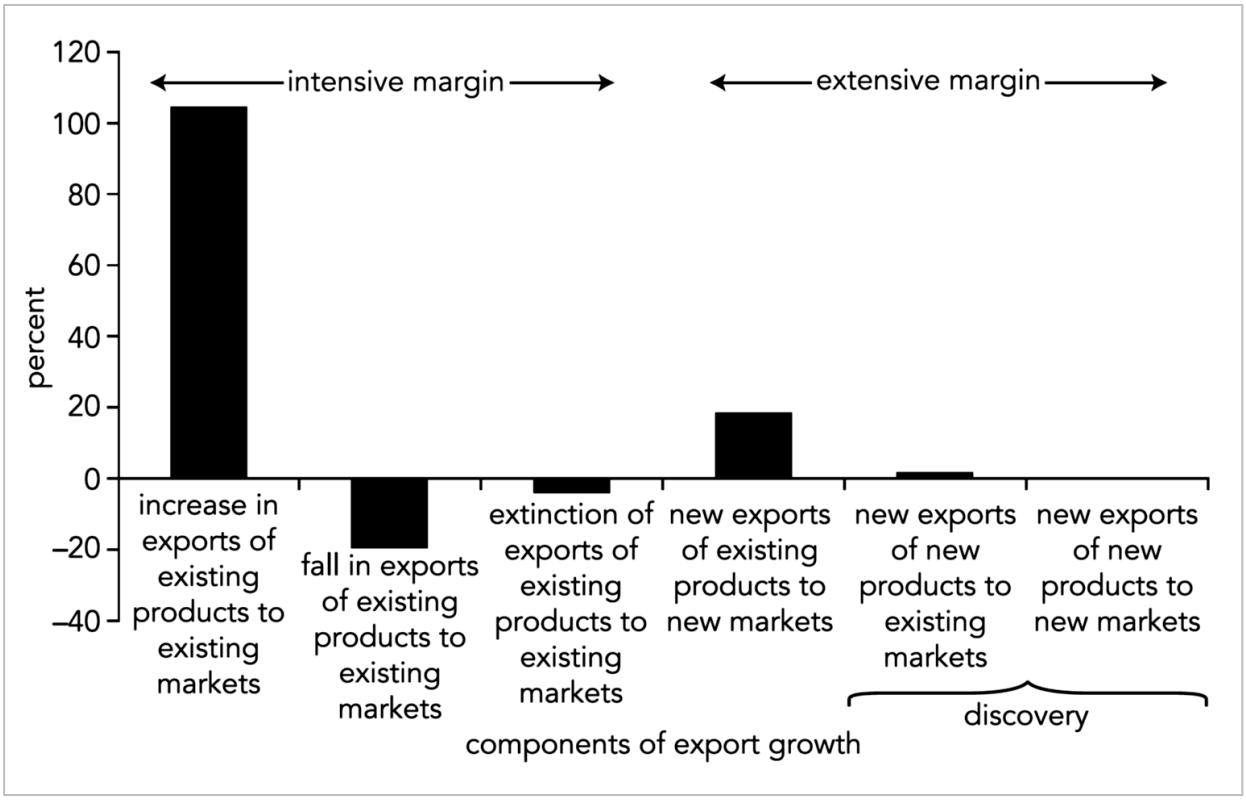
**Figure 2.1: Decomposition of export growth**




Source: Cadot, Strauss-Khan and Carrere, 2011

Brenton and Newfarmer (2009) found that from 1995 to 2004 for 99 developing countries, the intensive margin contributed approximately 80% towards total export growth, compared to the extensive margin that contributed only 20% to export growth. These results are indicated in Figure 2.2, which compares these two margins' components of export growth with each other.

**Figure 2.2: Decomposition of export growth for 99 developing countries, 1995 to 2004**




Source: Benton and Newfarmer, 2009

It is clear from Figure 2.2 that in 99 developing countries the largest part of export growth took place in the intensive margin of trade by selling more of the same products to existing markets, resulting in 105% increase in exports. An offset of a 20% fall in exports of existing products to existing markets is indicated by the second bar, and a four per cent extinction of certain product-country exports in the intensive margin that fell out or disappeared is indicated by the third bar. Therefore, the intensive margin accounted for a total of 81% of export growth in the 99 developing countries included in the study of Brenton and Newfarmer (2009).

From the 20% export growth attributed to the extensive trade margin, 18% are due to existing products to new markets. Geographical/market diversification (new exports of existing products to new markets) is therefore the biggest contributor within the extensive trade margin. Figure 2.2 therefore indicates that product diversification (new products to existing markets) contributes only a small percentage growth of two per cent. It is interesting to note that Breton and Newfarmer (2009) found no evidence of exports of new products to new markets among the 99 developing countries included in their study.

To conclude, it is evident that each of the trade margins contributes differently to export growth and that they both hold certain benefits. The benefits of export growth in the intensive and extensive margin will be highlighted in the following subsections.

### 2.3.1 Benefits of export growth in the intensive trade margin

The intensive trade margin dominates in the majority of export growth, as can be seen in Figure 2.2. This confirms the classical growth theory of David Ricardo, which states that specialisation will continue to persist in the creation of wealth.

The development of trade relationships plays an important role within intensive margin and contributes to increased specialisation of products and markets (Farole & Reis, 2010). Whenever a country's trade is specialised by increasing exports of existing products to existing markets, it creates spill overs in the economy, which include production efficiency, as well as consumer and market competitiveness.

Perkins (2010) further argues that the establishment of greater efficiency in the economy through areas of specialisation contributes to increasing returns of scale of the production of these goods. The average cost of producing these goods decreases as more goods are produced and economies of scale are achieved.

Besides the economic benefits of greater efficiency, learning opportunities as a catalytic benefit are simultaneously achieved and contribute to more effective production. Consequently, labourers are more skilled at producing goods due to the specialised nature of the country's trade. The effects of export specialisation therefore contribute to the increased efficiency in the economy and increased production skills (Perkins, 2010).

Export specialisation within the domestic economy can also benefit consumers by means of increased supply at lower prices (Perkins, 2010).

The following section will highlight the export growth benefits in the extensive trade margin.

### 2.3.2 Benefits of export growth in the extensive trade margin

Although Brenton and Newfarmer (2009) indicate that only 20% of export growth is in the extensive margin for the 99 developing countries included in their study, Hummels and Klenow (2005) state that the extensive margin accounts for 60% of the export growth of larger economies. Therefore, growth in the extensive margin plays a very important role in developed countries in terms of exports and employment.

However, it is important to take into consideration that for export opportunities in the extensive trade margin to be sustainable, it is critical that the sectors and industries are able to cope with higher demand to take advantage of the trade opportunities. Therefore, it is important to be able to overcome constraints that could threaten export survival and sustainability within the starting years of diversification (Cadot *et al.*, 2011).

It can be said that countries operating in the extensive margin are more likely to generate higher economic growth and development opportunities (Ali *et al.*, 1991). Operating in the extensive trade margin is important for economic development, and the expansion of international trade relationships is important for economic diversification and growth (Klinger & Lederman, 2011).

Countries operating in the extensive trade margin can achieve economic benefits through export diversification of new products and/or new markets. The benefits of export growth in the extensive trade margin (export diversification) are listed below and will be discussed in more detail subsequently:

i. Decreases vulnerability towards external shocks;
ii. Decreases the frequency of trade shocks;
iii. Supports export-led growth strategies;
iv. Relates to high economic growth;
v. Contributes to import substitution;
vi. Adds and captures economies of scale;
vii. Supports adapting measures to changing consumer patterns;
viii. Supports risk management strategies of firms; and
ix. Adds value to the supply chain.

The decrease of vulnerability towards external shocks together with a decrease in the frequency of trade shocks, which results from export diversification, is important for long-term growth. Ali *et al*. (1991) found that a lower concentration or wider variety of exports will lead to increased stability and growth in export earnings in Malawi, Tanzania and Zimbabwe. They also found that economic stability and growth can be achieved by promoting diversification together with the correct implementation of export diversification policies (Ali *et al*., 1991).

By engaging in diversified trade, countries are less vulnerable to trade shocks through stabilised export revenues (Ghosh & Ostry, 1994). This makes it easier to convert trade shocks into positive trade channels of growth, increasing returns to scale and adding towards learning opportunities and comparative advantage (Amin Gutiérrez de Piñeres & Ferrantino, 2000). Homogeneous products are usually concentrated with individual exporting countries facing significant price volatility and exporters often suffer in terms of trade shocks that adversely affect their investment in and even consumption of these products (Jansen, 2004).

The support of export-led growth strategies generates higher growth than the promotion of import substitution, whereby imports are substituted by locally produced goods, as it contributes to economies of scale. A broader export product base, coupled with the special promotion of those products with positive price trends, was found to be beneficial for growth. Therefore, the value-added export products should be stimulated by means of additional processing and marketing activities (Ali *et al*., 1991).

Adapting to changing consumer patterns with the right risk management strategies in place and adding value to the supply chain can be achieved by means of a diverse export portfolio.

The importance of export diversification has been highlighted in various studies that confirm the benefits thereof to economic growth and development. In many cases, diversification of export products and market destinations is viewed as a means to meet the challenges of unemployment and lower growth in many developing countries. In several cross-country studies, it has become clear that greater export diversification is correlated with more rapid growth of per capita income (see Lederman, 2007; Maloney, 2007; Hesse, 2007). Export diversification in general has moved towards a focal point of economic growth and development (Lederman, 2007).

## 2.4 The implications for the Western Cape

When considering whether South Africa specifically should focus on export promotion in the intensive or the extensive trade margin, a study by Naudé and Rossouw (2008) applies.

Naudé and Rossouw (2008) investigated how export diversification (extensive trade margin) *versus* specialisation (intensive trade margin) in South Africa has impacted the country's GDP growth. They analysed the economy-wide impact of export diversification *versus* export specialisation on GDP growth in South Africa over the period 1962 to 2000 using a computable general equilibrium (CGE) model. The results of the CGE simulations showed that export diversification, rather than specialisation, had a greater impact on GDP growth and employment in South Africa.

The study confirms the theory that export specialisation has a U-shaped relationship to per capita GDP (Rossouw & Naudé, 2008). Theoretically, as an economy develops from lower levels of per capita GDP, it first becomes more diversified, and once a certain level of GDP is reached, it again becomes more specialised in production and exports (Imbs & Wacziarg, 2003). The results also indicated that greater export diversification would result in a more substantial increase in exports in the South African economy than in the case of greater export specialisation.

Therefore, this study will focus on how the Western Cape in South Africa can take advantage by diversifying its exports. Export diversification is described in section 2.3 as the growth of exports in the extensive margin and includes the selling of new products to new markets, new products to existing markets and existing products to new markets, creating two subcategories of extensive diversification, namely geographical (market) and product diversification. Within the aims of the study, the focus will specifically be on geographical (market) export diversification, which entails the identification of export opportunities of existing products to new markets (see section 1.4).

## 2.5 Conclusion

Farole and Reis (2010) indicate that export growth can take place in an intensive margin (selling existing products to existing markets) or in an extensive margin (selling new products to existing markets, new products to new markets and existing products to new markets).

The importance of export growth in the extensive margin or export diversification has been highlighted in various studies. In many cases, diversification of export products and market

destinations is viewed as a means to meet the challenges of unemployment and low levels of growth in many developing countries.

It can also be concluded that countries operating in the extensive margin are more likely to generate higher economic growth and development opportunities. Brenton and Newfarmer (2009) showed that from 1995 to 2004 for 99 developing countries the extensive margin contributed 20% to export growth. From the 20% growth attributed by the extensive margin, 18% were achieved by exporting existing products to new markets (geographical export diversification).

A study by Rossouw and Naudé (2008) using a CGE model indicated that greater export diversification in the South African economy would result in a more substantial increase in exports than in the case of more export specialisation.

Within the objectives of this study, and supported by literature on export diversification, the study will focus on the identification of geographical export diversification opportunities for the Western Cape Province of South Africa. This entails identifying export opportunities for the existing export products of the Western Cape into new markets.

Chapter 3 will provide a more detailed background of the Western Cape Province economy and its existing trade patterns and trading partners.

# CHAPTER 3: OVERVIEW OF THE WESTERN CAPE PROVINCE

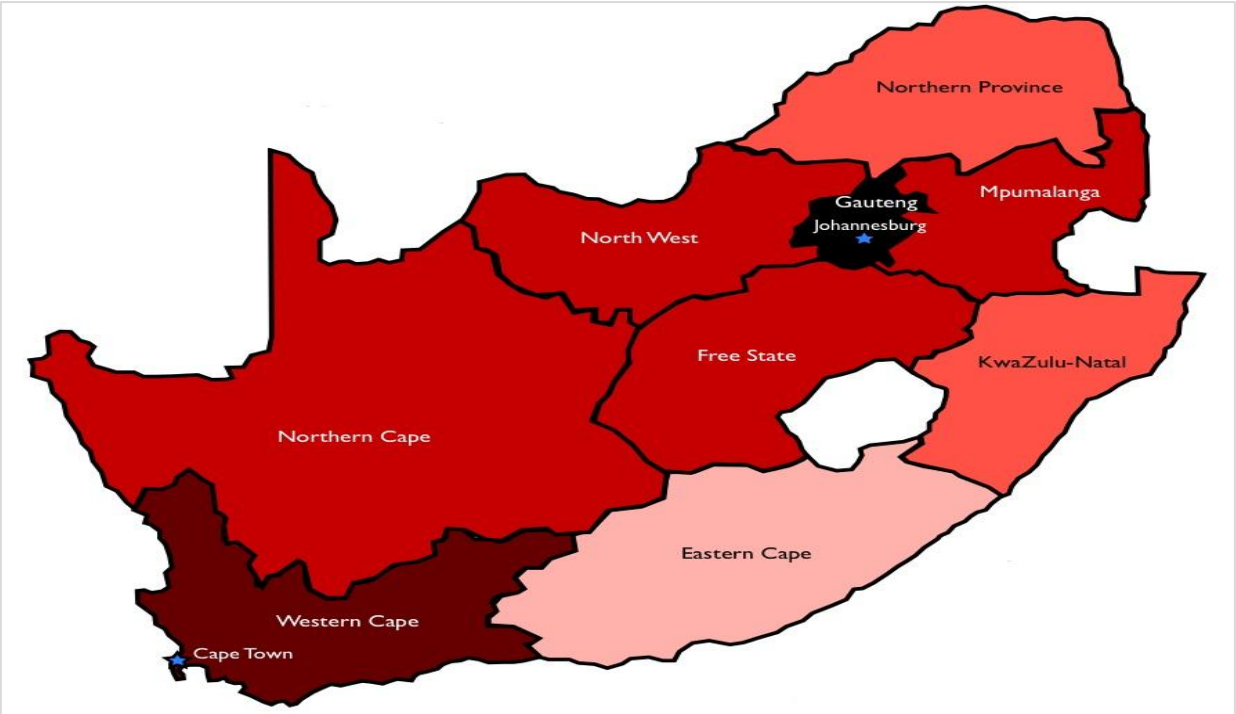
## 3.1 Introduction

In this chapter, an overview of the Western Cape Province economy and specifically the Western Cape's trade patterns and trading partners will be provided.

The Western Cape Province is situated in the south-west region of South Africa and is the fourth largest province by size. It occupies approximately 10% of the total land area of the country, with an estimated population of 6 million, which accounts to 11.4% of the national population. The province has a relatively young population, with 60.27% being younger than 35 years of age (DTI, 2013).

Figure 3.1 indicates a geographical map of the Republic of South Africa (RSA) with all nine of the country's provinces. The map also indicates the geographic location of the capital city of the Western Cape Province, namely Cape Town, and the neighbouring provinces, the Northern Cape and the Eastern Cape.

**Figure 3.1: Map of South Africa's provinces**

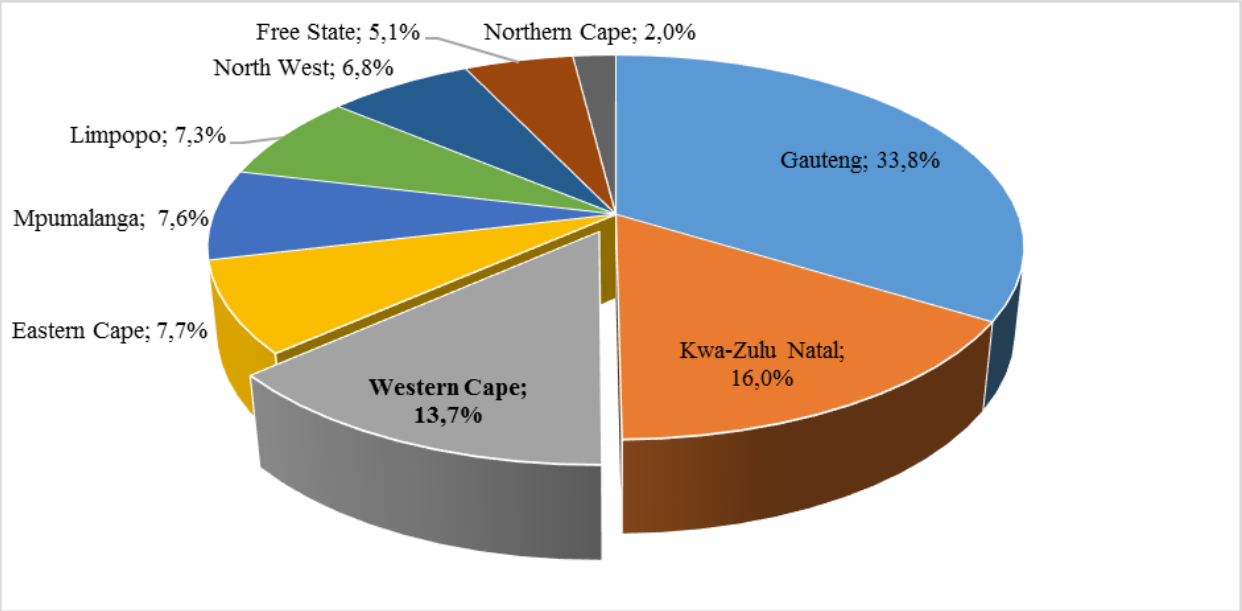



Source: DTI, 2013

In Figure 3.1, the darker provinces represent a higher GDP contribution towards the national economy. It is clear that Gauteng, Kwa-Zulu Natal and the Western Cape play a vital role in their contribution towards the national GDP.

Figure 3.2 indicates the provincial GDP contribution towards the national economy for 2013.

**Figure 3.2: South African provincial GDP contribution, 2013**

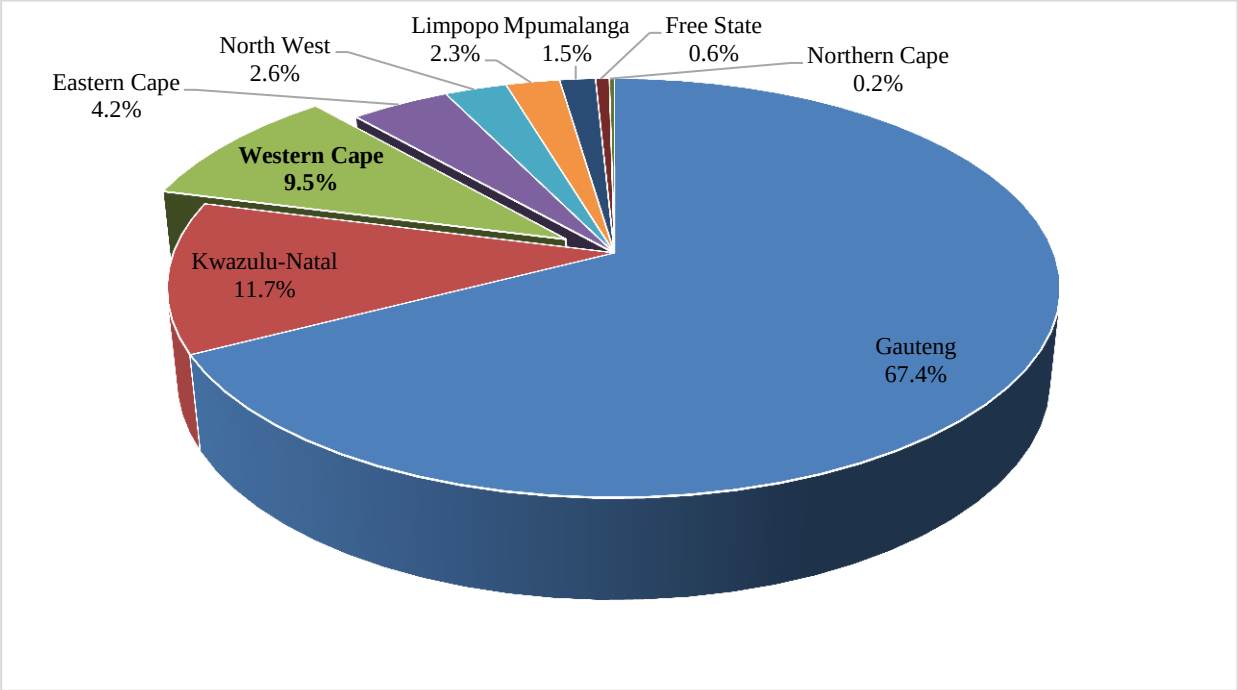



Source: Statistics South Africa, 2015

It is clear that Gauteng contributes the most (33.8%) towards the South African GDP, followed by KwaZulu-Natal (16%), the Western Cape (13.7%), Eastern Cape (7.7%), Mpumalanga (7.6%), Limpopo (7.3%), North West (6.8%), Free State (5.1%) and the Northern Cape (2%), respectively. Gauteng contributes approximately ZAR1 005 795 million compared to the ZAR413 235 million of the Western Cape.

Figure 3.3 indicates the provincial contribution towards the total export earnings of South Africa in 2013.

**Figure 3.3: South African provincial export contribution breakdown, 2013**




Source: Quantec, 2015

From Figure 3.4, it is clear that Gauteng makes by far the largest contribution towards South African exports, namely 67.4%, followed by KwaZulu-Natal (11.7%), the Western Cape (9.5%), Eastern Cape (4.2%), North West (2.6%), Limpopo (2.3%), Mpumalanga (1.5%), the Free State (0.6%) and Northern Cape (0.2%), respectively.

From Figures 3.2 and 3.3, it is clear that the Western Cape is the third largest contributor to national GDP as well as to the national exports of South Africa.

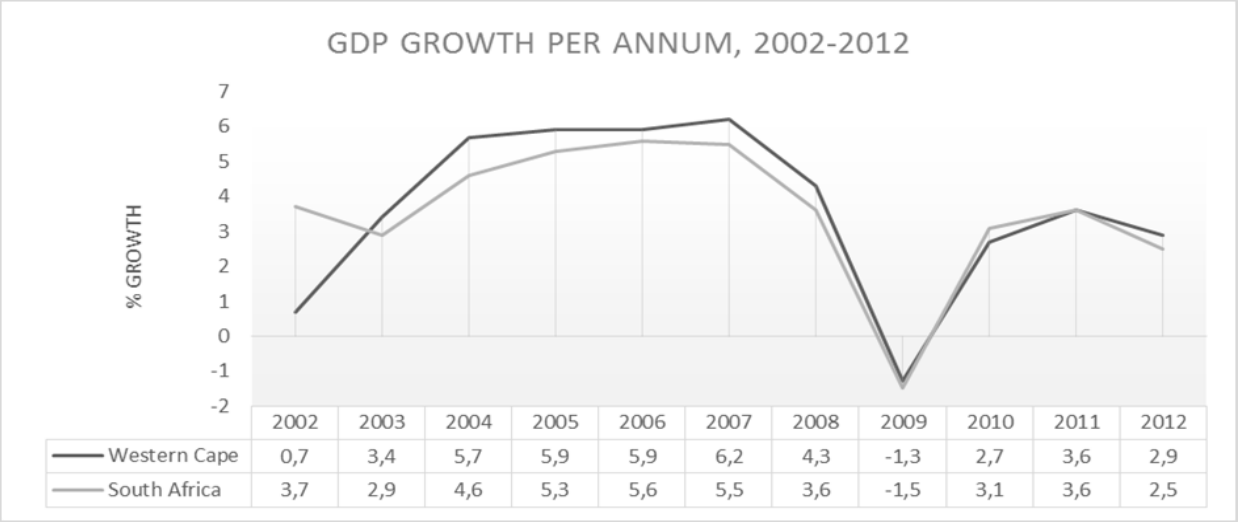
## 3.2 Economic overview of Western Cape

This section presents an overview of the economy of the Western Cape and the focus will be specifically on the size of the economy, the economic growth and the drivers of the economy.

### 3.2.1 Size of the Western Cape economy and economic growth

Figure 3.4 indicates the GDP growth per annum over the period 2002 to 2012 of the Western Cape and South Africa.

**Figure 3.4: South Africa and the Western Cape Province's GDP growth per annum, 2002 to 2012**




| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Western Cape | 0,7 | 3,4 | 5,7 | 5,9 | 5,9 | 6,2 | 4,3 | -1,3 | 2,7 | 3,6 | 2,9 |
| South Africa | 3,7 | 2,9 | 4,6 | 5,3 | 5,6 | 5,5 | 3,6 | -1,5 | 3,1 | 3,6 | 2,5 |

Source: Quantec, 2014

From Figure 3.4, it is clear that the Western Cape has outperformed the rest of the South African economy for most of the ten-year period illustrated in the figure above, except in 2002 and 2010 when the GDP growth of the Western Cape Province was below the GDP growth of South Africa.

The Western Cape Province's economy started recovering after the global economic downturn in 2008 and 2009 and recorded a 2.7% GDP growth rate in 2010 and a 3.6% growth rate in 2011. This slowed somewhat in 2012, to a growth rate of 2.9%.

Table 3.1 provides a comparison of the key economic indicators of the Western Cape and South Africa.

**Table 3.1: Economic indicators of the Western Cape Province**

| Economic indicators | | |
|---|---|---|
| | **Western Cape** | **South Africa** |
| GDP (value added at basic prices 2005) (2012) | ZAR292.84bn | ZAR3 322.19bn |
| GDP growth (2012) | 2.9% | 2.5% |
| GDP per capita (2011) | ZAR53 452.78 | ZAR7 830.51 |
| Unemployment rate (2013) | 21% | 24.5% |
| Exports (2013) | ZAR74.87bn | ZAR964.22bn |
| Imports (2013) | ZAR186.57bn | ZAR1 269.82bn |
| Inward FDI (2012) | ZAR4.0bn | ZAR46.46bn |
| Outward FDI (2012) | ZAR1.64bn | ZAR13.07bn |

Source: Statistics South Africa, 2014; Quantec, 2014

From the table it is clear that South Africa had an accumulated GDP value added at basic 2005 prices of R3 322.19 billion, of which the Western Cape contributed 13.7%. In addition, the Western Cape's GDP growth outperformed the national economy by 0.4 percentage points in 2012. The Western Cape Province's GDP per capita is 6.8 times higher than that of the national GDP per capita. The Western Cape GDP per capita is therefore far above the average of South Africa, indicating large GDP per capita inequalities within the population of South Africa. The high GDP per capita in the Western Cape is largely owing to the sophisticated structure of the regional economy from that of the national economy and the population size of the province being considerably smaller than the other provinces.

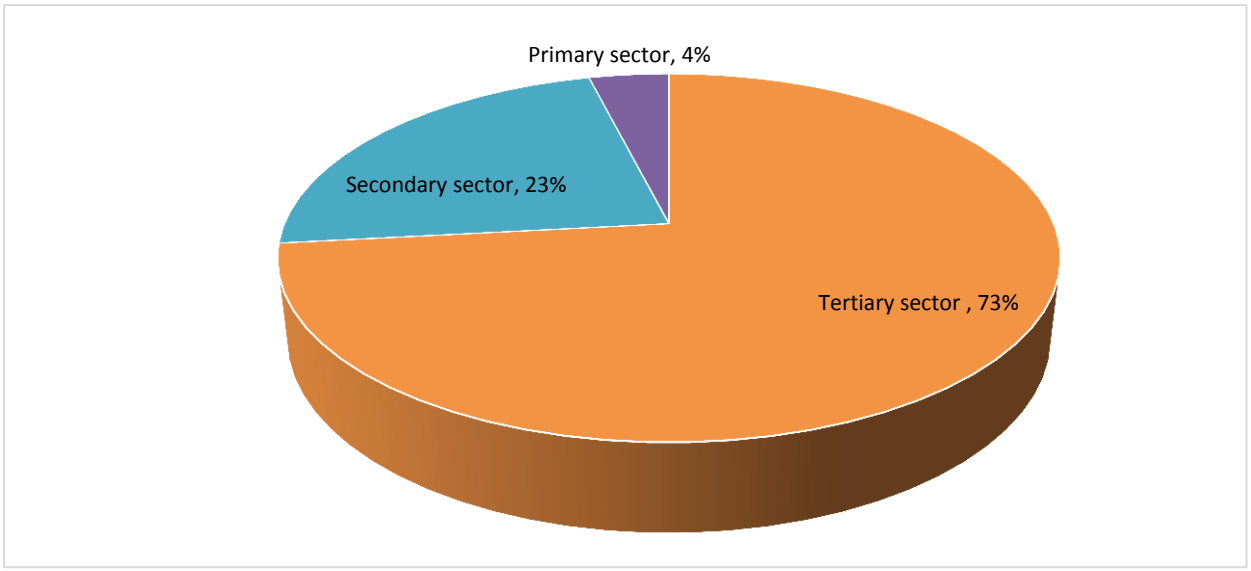
The South African unemployment rates of 24.5% nationally and 21% for the Western Cape Province indicate that the Western Cape has marginally less unemployment, probably due to better labour absorbing industries, referring to the drivers of the economy, see section 3.2.2.

Moreover, the Western Cape Province exports contributed 9.5% of the total exports of South Africa and 14.69% of total imports in 2013. In addition, the inward foreign direct investment (FDI) for South Africa accounted for R46.46 billion, whereof the Western Cape attracted 8.61%. The outward FDI for South Africa for 2012 was R13.07 billion, whereof the Western Cape contributed 12.55%.

### 3.2.2 Drivers of the Western Cape Province economy

In Figure 3.5 and Table 3.2, the sectorial size and growth of the Western Cape Province between 2008 and 2012 is highlighted.

**Figure 3.5: Western Cape sector size, 2012**




Source: Stats SA, 2014

Figure 3.5 indicates that the tertiary sector accounts for a 73% contribution in 2012, followed by the secondary sector at 23% and the primary sector at four per cent. This is due to the fast growing wholesale, retail and motor trade, catering, accommodation and finance, real estate and business services industries (see Table 3.2 below).

**Table 3.2: Western Cape sector growth 2008 to 2012**

| | 2008 | 2009 | 2010 | 2011 | 2012 | % growth 2011-2012 |
|---|---|---|---|---|---|---|
| **Tertiary sector** | | | | | | |
| Wholesale, retail and motor trade; catering and accommodation | 35 855 | 35 329 | 36 716 | 38 405 | 39 864 | 3.8% |
| Finance, real estate and business services | 76 889 | 77 080 | 78 536 | 81 577 | 85 600 | 3.6% |
| General government services | 23 084 | 24 016 | 24 827 | 26 008 | 26 819 | 3.1% |
| Personal services | 12 732 | 12 569 | 12 606 | 12 906 | 13 175 | 2.3% |
| Transport, storage and communication | 23 956 | 24 241 | 24 704 | 25 486 | 26 047 | 2.1% |
| **Total:** | **172 516** | **173 235** | **177 389** | **184 382** | **191 505** | **4%** |
| **Secondary sector** | | | | | | |
| Construction | 10 511 | 10 897 | 10 961 | 11 051 | 11 309 | 2.6% |
| Manufacturing | 44 195 | 40 375 | 42 412 | 43 879 | 44 556 | 1.8% |
| Electricity, gas and water | 3 490 | 3 514 | 3 564 | 3 599 | 3 615 | 0.4% |
| Total: | 58 196 | 54 786 | 56 937 | 58 529 | 59 480 | 2% |
| **Primary sector** | | | | | | |
| Agriculture, forestry and fishing | 10 004 | 9 879 | 9 696 | 9 722 | 9 916 | 1.9% |
| Mining and quarrying | 415 | 382 | 394 | 390 | 385 | -1,50% |
| **Total:** | **10 419** | **10 261** | **10 090** | **10 112** | **10 301** | **2%** |
| **Grand total:** | 241 131 | 238 282 | 244 416 | 253 023 | 261 286 | 3% |

Source: Stats SA, 2014

From Table 3.2, it is clear that the largest contributor to the Western Cape's economy is the tertiary sector, contributing ZAR191 505 million (73%) in total towards the regional economy in 2012 and grew by four per cent from 2011 to 2012. The secondary industries accounted for ZAR59 480 million (23%) of provincial GDP in 2012 with a two per cent growth between 2011 and 2012. The secondary sector comprises manufacturing activities (ZAR43.88bn), electricity, gas and water (ZAR3.6bn) and construction (ZAR11.05bn). In 2012, the primary sectors contributed a total of ZAR10 301 million (4%) to the provincial GDP, where agriculture, forestry and fishing accounted for ZAR9 722 million and mining and quarrying activities added ZAR390 million. The primary sector also grew by two per cent from 2011 to 2012.

In summary, it is clear from Table 3.2 that the sectors with the highest growth between 2011 and 2012 were the wholesale sector (3.8%), finance, real estate and business services (3.6%) and general government services (3.1%).

Section 3.3 will provide an overview of the Western Cape Province's trade patterns, and specifically its exports. The top preforming export product groupings and the top preforming export destinations of the Western Cape Province are highlighted.

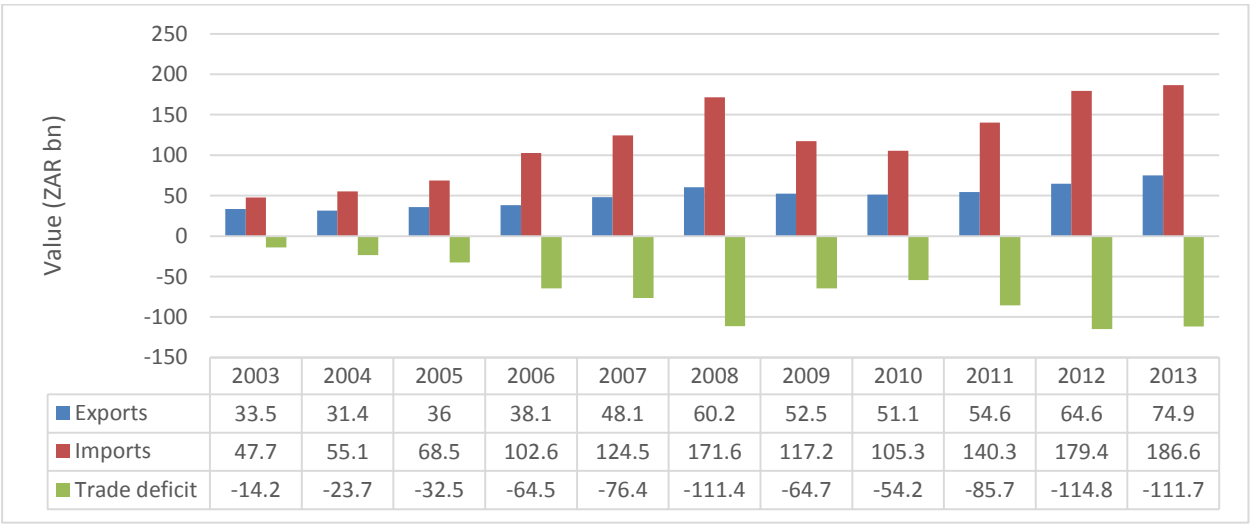
## 3.3 Western Cape Province trade patterns

A general background on the Western Cape Province's overall trade performance will firstly be provided, which will be followed by an overview of the Western Cape Province's exports specifically.

### 3.3.1 Western Cape Province trade background

Figure 3.6 provides an overview of the Western Cape Province's exports, imports and trade balance from 2003 to 2013. The figure indicates that the province's exports have grown steadily until 2008, where after it declined, but regained some strength from 2011 onwards. The imports have also been growing annually with a decline in 2009 and 2010 and since then recovered annually.

**Figure 3.6: Western Cape trade, 2003 to 2013, ZAR bn.**




| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Exports | 33.5 | 31.4 | 36 | 38.1 | 48.1 | 60.2 | 52.5 | 51.1 | 54.6 | 64.6 | 74.9 |
| Imports | 47.7 | 55.1 | 68.5 | 102.6 | 124.5 | 171.6 | 117.2 | 105.3 | 140.3 | 179.4 | 186.6 |
| Trade deficit | -14.2 | -23.7 | -32.5 | -64.5 | -76.4 | -111.4 | -64.7 | -54.2 | -85.7 | -114.8 | -111.7 |

Source: Quantec, 2014, Wesgro 2014

From 2012 to 2013, the Western Cape's exports increased by 15.94% from ZAR64.6 billion in 2012 to ZAR74.9 billion and its imports increased by 4.01% in 2013 from ZAR186.6 billion in

2012 to ZAR179.4 billion. The Western Cape's export value for 2013 was the highest in the last ten years and consequently the trade balance deficit shrank by 2.7% between 2012 and 2013.

The lower trade figures in both exports and imports from 2009 to 2011, as indicated in Figure 3.6, can be largely linked to the global financial crisis of 2008. The financial crisis caused global markets to suffer tremendous losses and resulted in various banks becoming bankrupt and many countries failing to repay their sovereign debt. The crisis was felt world-wide and banks were compelled enforce to stricter credit lending policies. This had a negative effect on many countries' exports, imports and investment activities. Even though many counties have not recovered fully after the crisis, there has been a positive trend in global exports and imports since 2011 (Wesgro, 2014).

The steady and consistent increase in the Western Cape's exports in recent years consists of a mixture of agricultural products, industrial materials and petroleum. The hike in imports of 33.24% between 2011 and 2012 includes products such as crude petroleum oils, non-crude petroleum oils and liquor, as indicated by Wesgro (2014).

As the focus of this study is on the exports of the Western Cape's products, the exports of the different product groupings of the Western Cape Province exports will subsequently be discussed.

### 3.3.2 The export products of the Western Cape

This section will provide a detailed breakdown of the Western Cape Province exports on an HS 2-digit sector level.

The harmonised system (HS) is a systematic coding and naming system that provides every conceivable transportable item or product with a unique code. The HS provides a logical structure in which over 1 200 headings (HS four-digit codes) are grouped in 98 chapters (HS two-digit codes). Therefore, for each four-digit code (or heading), the first two digits indicate the chapter in which the heading occurs. In addition, the headings are subdivided into subheadings, identified by HS six-digit codes (Comtrade, 2014).

The top-20 export sectors (chapters) of the Western Cape are indicated in Table 3.3. The table includes the product classification at the HS two-digit level.

**Table 3.3: The top-20 (HS two-digit) export sectors of the Western Cape, 2013**

| Rank | HS two-digit chapter | 2013 export value ZAR | Percentage of export share |
|---|---|---|---|
| 1 | H08: Edible fruit, nuts, peel of citrus fruit, melons | 17 911 276 268 | 23,92% |
| 2 | H22: Beverages, spirits and vinegar | 9 521 261 291 | 12,72% |
| 3 | H27: Mineral fuels, oils, distillation products, | 9 246 421 860 | 12,35% |
| 4 | H84: Nuclear reactors, boilers, machinery, | 4 187 143 630 | 5,59% |
| 5 | H72: Iron and steel | 3 817 516 393 | 5,10% |
| 6 | H03: Fish, crustaceans, molluscs, aquatic invertebrates nes | 3 498 950 526 | 4,67% |
| 7 | H20: Vegetable, fruit, nut, food preparations | 2 972 179 189 | 3,97% |
| 8 | H10: Cereals | 1 842 291 104 | 2,46% |
| 9 | H24: Tobacco and manufactured tobacco substitutes | 1 332 691 249 | 1,78% |
| 10 | H71: Pearls, precious stones, metals, coins, | 1 198 235 748 | 1,60% |
| 11 | H41: Raw hides and skins (other than fur skins) and leather | 1 177 398 722 | 1,57% |
| 12 | H87: Vehicles other than railway, tramway | 1 028 353 495 | 1,37% |
| 13 | H33: Essential oils, perfumes, cosmetics, toiletries | 1 023 621 184 | 1,37% |
| 14 | H85: Electrical, electronic equipment | 1 004 948 974 | 1,34% |
| 15 | H89: Ships, boats and other floating structures | 957 239 086 | 1,28% |
| 16 | H25: Salt, sulphur, earth, stone, plaster, lime and cement | 910 816 878 | 1,22% |
| 17 | H39: Plastics and articles thereof | 879 106 655 | 1,17% |
| 18 | H74: Copper and articles thereof | 807 267 591 | 1,08% |
| 19 | H90: Optical, photo, technical, medical, apparatus | 779 194 710 | 1,04% |
| 20 | H38: Miscellaneous chemical products | 711 616 966 | 0,95% |
| **Total:** | | **64 807 531 519** | **86.55%** |

Source: Quantec, 2014

From Table 3.3, it can be concluded that the top-20 HS two-digit level exports from the Western Cape contribute approximately 86.55% of the Western Cape's exports and mostly include agricultural products such as fruit, nuts, vegetables, cereals, tobacco and fish, but also include mineral fuels and other mechanical and technical products. Edible fruit, nuts, peel of citrus fruit and melons contributed approximately 24% to the Western Cape's total exports in 2013. Beverages, spirits and vinegar (12.72%), and mineral fuels, oils, distillation products (12.35%) are respectively also leading export sectors of the Western Cape.

### 3.3.3 The export destinations of the Western Cape

This section will discuss the export destinations of the Western Cape as well as the percentage of total exports to each destination.

**Table 3.4: Top-30 export destinations of the Western Cape Province, 2013**

| Rank | Country | 2013 Export value ZAR | Percentage of export share |
|---|---|---|---|
| 1 | Netherlands | 6 738 737 246 | 9,32% |
| 2 | United Kingdom | 6 657 655 894 | 9,20% |
| 3 | Germany | 3 849 407 748 | 5,32% |
| 4 | Mozambique | 3 779 079 061 | 5,22% |
| 5 | United States | 3 485 337 869 | 4,82% |
| 6 | Singapore | 2 701 775 348 | 3,73% |
| 7 | Japan | 2 645 099 872 | 3,66% |
| 8 | Angola | 2 542 957 283 | 3,52% |
| 9 | Kenya | 2 286 556 463 | 3,16% |
| 10 | China | 2 122 688 005 | 2,93% |
| 11 | United Arab Emirates | 2 098 305 514 | 2,90% |
| 12 | Zambia | 2 004 386 529 | 2,77% |
| 13 | Italy | 1 742 303 185 | 2,41% |
| 14 | Russian Federation | 1 693 927 349 | 2,34% |
| 15 | Nigeria | 1 642 137 823 | 2,27% |
| 16 | France | 1 577 035 311 | 2,18% |
| 17 | Malaysia | 1 367 126 381 | 1,89% |
| 18 | Hong Kong SARC | 1 343 360 762 | 1,86% |
| 19 | Zimbabwe | 1 329 893 185 | 1,84% |
| 20 | Belgium | 1 292 150 534 | 1,79% |
| 21 | Canada | 1 247 810 261 | 1,72% |
| 22 | Australia | 1 153 362 914 | 1,59% |
| 23 | Spain | 880 852 332 | 1,22% |
| 24 | Saudi Arabia | 840 557 537 | 1,16% |
| 25 | Sweden | 782 472 329 | 1,08% |
| 26 | United Republic of Tanzania | 676 439 657 | 0,94% |
| 27 | India | 666 296 784 | 0,92% |
| 28 | Ghana | 605 723 372 | 0,84% |
| 29 | Mauritius | 599 803 376 | 0,83% |
| 30 | Republic of Korea | 572 074 612 | 0,79% |
| **Total:** | | **60 925 314 536** | **84,22%** |

(Source: Quantec, 2014)

Table 3.4 indicates the top export destinations of the Western Cape. From Table 3.4, it is clear that the Netherlands (9.32%) is the biggest importer of products from the Western Cape, followed by the United Kingdom (9.2%), Germany (5.32%), Mozambique (5.22%), the United States (4.82%), Singapore (3.73%), Japan (3.66%), Angola (3.52%), Kenya (3.16%) and China (2.93%). It is evident that from the top-30 countries listed in Table 3.4, nine countries are African, nine are Asian, eight are European, two are Middle-Eastern and two are North American. These top-30 countries contributed 84.22% (R60 925 314 536) of the Western Cape's total exports.

## 3.4 Challenges of the Western Cape

The Western Cape government is faced with various economic and socio-economic challenges that the provincial government attempts to address through their provincial mandate.

One of these challenges is the bleak economic growth outlook, which shows signs of a 'middle income trap', which includes low investment, slow growth in the secondary industry, limited industrial diversification and poor labour market conditions (Treasury, 2014).

This poses a severe challenge to the goal of inclusive growth, which the World Bank defines as growth that is sustainable because it is "broad-based across sectors and inclusive of a large part of a country's labour force" (McKinley, 2010). One of the ways in which the Western Cape Province can address this challenge is to increase export growth by finding new export markets. This is in line with the aim of this study to diversify the province's exports.

Moreover, it is especially important for the province to find new markets to increase and maintain export growth, with a focus on the areas in which the province has a comparative advantage. The province's increase of domestic demand is also important, for example, through increasing employment opportunities.

Apart from the need to accelerate employment growth, key challenges for policymakers are to ensure that employment gains going forward are more sustainable, more aligned to the profile of the province's available human resources, and more resilient in the face of economic downturns. This will be key to ensuring that the benefits of economic growth are truly shared by all. The challenge is to move to growth based on higher productivity and innovation. This requires investments in infrastructure and education that link to one of the biggest constraints, namely the lack of appropriate skills (Treasury, 2014).

The Western Cape provincial government has set out a mandate (objectives) for the province to undertake or to maintain. By addressing socio-economic constraints requires appropriate information to enable responsive planning of budget policy and allocations. Furthermore, the level, nature and composition of provincial sub-national resources, are key policy instruments to address their social and economic challenges.

These ten objectives are listed as follows (Treasury, 2014):

i. Increase economic empowerment for all the people of the Western Cape;
ii. Reduce poverty through promoting opportunities for all;
iii. Promote rural development;
iv. Provide efficient and effective infrastructure;
v. Provide sustainable human settlements;
vi. Improve individual and household capacity to respond to opportunity;
vii. Improve efficiency and effectiveness in health, education, well-being and safety;
viii. Encourage sustainable resource use through greater spatial integration;
ix. Provide effective public and non-motorised transport; and
x. Provide responsive and effective governance.

Through exports, economic activity can be increased and will have positive spill-over effects on domestic employment, productivity, foreign currency earnings and the balance of payments (see section 2.2). Therefore, if the province can capitalise on tapping into the newly identified export markets of its locally produced competitively exported products, a substantial contribution to job creation and poverty reduction can be made.

### 3.5 Conclusion

The Western Cape Province is one of South Africa's biggest contributors to the country's GDP and exports, with an estimated population of 6 million people. The GDP of the Western Cape Province has been growing, except during the financial crisis of 2008/2009, with a 2.9% growth rate achieved in 2012.

The largest contributor to the Western Cape economy is the tertiary sector, which contributed ZAR191 505 million (73%) towards the regional economy in 2012 and grew by four per cent from 2011 to 2012. The secondary industries made up 23% of regional GDP, which comprised manufacturing activities (ZAR 43.88bn), electricity, gas and water (ZAR 3.6bn) and construction (ZAR11.05bn). The primary sectors contributed ZAR10 301 million, which amounted to four per cent of GDP, where agriculture, forestry and fishing accounted for ZAR9 722 million and mining and quarrying activities added ZAR390 million. The sectors with the highest overall growth between 2011 and 2012 were the wholesale sector (3.8%), finance, real estate and business services (3.6%) and general government services (3.1%).

From 2012 to 2013, the Western Cape's exports increased by 15.94% from ZAR64.6 billion in 2012 to ZAR74.9 billion in 2013, while its imports increased by 4.01% from to ZAR179.4billion in 2012 to ZAR186.6 billion in 2013. The Western Cape's export value for 2013 accounted for the highest in the last ten years and with only a slight increase in imports, therefore the Western Cape trade balance improved in 2013.

The top-three export sectors of the Western Cape are (i) edible fruit, nuts, peel of citrus fruit, melons, followed by (ii) beverages, spirits and vinegar and (iii) mineral fuels, oils, distillation products. The top-10 export destinations of the Western Cape are the Netherlands, the United Kingdom, Germany, Mozambique, the United States, Singapore, Japan, Angola, Kenya and China.

The Western Cape aims to address some of the socio-economic challenges in the province through a provincial mandate, which comprises the ten objectives listed in section 3.4. Through exports, economic activity can be increased and will have positive spill-over effects on domestic employment, productivity, foreign currency earnings and the balance of payments. Therefore, this study contributes to addressing some of the challenges the Western Cape Province faces by identifying new export markets for its export products.

In Chapter 4, the methodology of the study, in order to identify possible export market diversification opportunities for the Western Cape Province, will be described.

# CHAPTER 4: RESEARCH METHODOLOGY

## 4.1 Introduction

The previous chapters described the background, motivation, objectives as well as the theoretical background of the study. An overview of the Western Cape's economy and trade patterns was also discussed.

This study mainly aims to determine the export market diversification opportunities for the Western Cape Province and in this chapter a detailed discussion of the methodology to determine these opportunities will be described.

A three-step methodological process is followed to determine the export diversification opportunities (see Figure 4.1). Firstly, the products towards which the Western Cape is export orientated and export competitive are determined by using the revealed trade advantage (RTA) of Vollrath (1991). Secondly, the geographical concentration of the exports of these products is determined by means of the [3]Herfindahl-Hirschman Index (HHI) of Balassa (1965). Lastly, the export opportunities for the Western Cape Province's products that are export orientated and geographically concentrated are determined by using the decision support model (DSM) of Cuyvers *et al*. (2004, 2012).

In section 4.2, the methodology to determine the export products that are export orientated in the Western Cape Province is explained. The determination of the products of the Western Cape Province, for which the export destinations are concentrated, is explained in section 4.3. Section 4.4 describes the DSM, which is used to identify export opportunities (product-country combinations with high export potential) and will explain how these results are used to determine export diversification opportunities for the geographically concentrated export products of the Western Cape.

## 4.2 Determining the products towards which the Western Cape is export orientated

Within this section, the determination of the products towards which the Western Cape Province is export orientated, is explained.

[3] The methodology uses the HHI of the study twice, as it firstly determines the concentration of the Western Cape's export markets for each product and secondly it determines the concentration of the competitors import market when applying filter 3.1 of the DSM methodology.

The revealed trade advantage[4] (RTA) takes into account both the exports and the imports of the product. The RTA is calculated as the difference between the revealed comparative advantage (RCA) and its counterpart the revealed import advantage (RMA) (Vollrath, 1991). A positive RTA for a particular product indicates that the country is export orientated towards this product and has a revealed export specialisation in the product. A negative RTA, on the other hand, indicates import specialisation. Import specialisation could mean that the imports are higher than exports; therefore, the product is imported for domestic market conditions (Vollrath, 1991).

For purposes of this study, the RTA for the Western Cape is calculated as follows:

$$RTA_{wc} = RCA_{wc} - RMA_{wc}$$

where:

$RCA_{wc}$: Value of the relative comparative advantage of the Western Cape Province,

$RMA_{wc}$: Value of the relative import advantage of the Western Cape Province.

Forming part of the RTA equation, the revealed comparative advantage (RCA), also known as the Balassa index, attempts to identify products for which an exporter shows an advantage in international competitiveness. The RCA index can be used to determine whether a country is specialised in exporting a specific product category. The RCA has been formulated as one of the most important measures of export competitiveness (Balassa, 1965).

The RCA for the Western Cape is calculated as follows:

$$RCA_{wc} = \left(\frac{X_{wc,j}}{X_{w,j}} / \frac{X_{wc,tot}}{X_{w,tot}}\right)$$

where:

$X_{wc,j}$: exports of the Western Cape Province of product *j*;

$X_{w,j}$: worldwide exports of product *j*;

$X_{wc}$, *tot*: total exports of the Western Cape Province; and

$X_{w}$, *tot*: worldwide exports of all product categories.

[4] RTA is a proxy for local goods exported (Vollrath, 1991).

An $RCA_{wc}$ index of 0 means that the Western Cape Province does not export the product at all, and an index close to 0 means that exports are proportionally small, indicating that the Western Cape is not specialised in exporting the product relative to other world exporters. An $RCA_{wc}$ index bigger than or equal to 1 means that the Western Cape Province is relatively specialised in exporting the product under consideration (Farole and Reis, 2010).

The second part of the RTA equation takes the Revealed Import Advantage (RMA) into account. The RMA indicates whether the exporter has an import advantage in a specific product category (Vollrath, 1991). The RMA index bigger than or equal to 1 indicates products for which an importer showcases an import advantage.

The RMA for the Western Cape is calculated as follows:

$$RMA_{wc} = (\frac{M_{wc,j}}{M_{w,j}} / \frac{M_{wc,tot}}{M_{w,tot}})$$

where:

$M_{wc,j}$: imports of the Western Cape Province of product *j*;

$M_{w,j}$: worldwide imports of product *j*;

$M_{wc}$, *tot*: total imports of the Western Cape Province; and

$M_{w}$, *tot*: worldwide imports of all product categories.

In the case where RCA > RMA, the RTA > 0, which means that the Western Cape is export orientated towards this product. If the RCA < RMA (RTA <0), it indicates a large dependency on imports; and in cases where the RTA <0 and the RCA > 1, it can indicate products are imported and re-exported (Vollrath, 1991).

The products in which the Western Cape Province has a positive RTA are identified for the purposes of this study and are considered products in which the province has a revealed export specialisation.

### 4.3 The identification of geographically concentrated export products

The Herfindahl-Hirschman Index (HHI) is used in this study to measure the degree of concentration of the export destinations for a specific product. The HHI value can range from

close to zero (indicating highly diversified export destinations for a product) to one, indicating that the exports of the product are concentrated in only a few destinations (Hirshmann, 1964).

The Herfindahl Hirschman Index (HHI) for each export product of the Western Cape Province is calculated as follows:

$$HHI_{wcj} = \sum_{i=1}^{n} \left(\frac{X_{wc,i,j}}{X_{wc,j}}\right)^2$$

where:

$X_{wc,\,i\,j}$: the exports of the Western Cape Province to country *i* for product *j*; and

$X_{wc\,j}$: the Western Cape's total exports of product *j*.

The results of the HHI will be used to determine the products of the Western Cape Province for which the exports are concentrated in only a few markets and are therefore geographically concentrated.

The examples in Table 4.1 illustrate different scenarios for the share of exports of a particular product *j* destined for different countries. The HHI value of each example is calculated to illustrate how one can distinguish between export products with lower and higher geographical concentrations.

**Table 4.1: HHI value examples**

| | **Share in the Western Cape's exports of product *j*** | | | | | |
|---|---|---|---|---|---|---|
| **Destination country** | **Example 1:** | **Example 2:** | **Example 3:** | **Example 4:** | **Example 5:** | **Example 6** |
| Country A | 50% | 55% | 60% | 65% | 65% | 70% |
| Country B | 50% | 45% | 10% | 25% | 27% | 10% |
| Country C | | | 10% | 10% | 8% | 5% |
| Country D | | | 10% | | | 5% |
| Country E | | | 10% | | | 5% |
| Country F | | | | | | 5% |
| **HHI value** | 0.5 | 0.51 | 0.4 | 0.495 | 0.5018 | 0.51 |

Source: Own calculation

From Table 4.1, it is clear in example 1 that if there are only two destination markets, each holding an equal share of the total exports of the product, the concentration in this market would be 50% (HHI = 0.5). Example 2 illustrates that the HHI value will be greater than 0.5 if there are only two export destinations with the one holding a market share of more than 50%.

However, as illustrated in examples 3 and 4, if there is one export destination holding a market share higher than 50%, but the rest of the market share is divided among two or more other destinations, the HHI value is still below 0.5. Example 5 shows that where more than 65% of the exports are destined for one market and the rest of the exports are destined for two or more destination countries with the second market holding a share of approximately 27% or more, the HHI value will be above 0.5. Example 6 shows that when more than 70% of the exports are destined for one market, the HHI value will be above 0.5.

For the purposes of this study, the exports of a product are therefore considered geographically concentrated if the HHI value is higher than 0.5. This indicates that more than 50% of the exports of the product are destined for one market in the case where there are only two destination markets. Furthermore, if there are three or more export destinations, more than approximately 65% are destined for the first market and more than approximately 27% or more for the second. If there are two or more destinations and the market share of one market is 70% or more, the exports of this product are also regarded geographically concentrated.

Consequently, the exports of product *j* are rendered geographically concentrated if:

$$h_k = HHI_{wcj}$$

with:

$$h_k > 0.5$$

The next step is to identify export market diversification opportunities for the products towards which the Western Cape is export orientated and export competitive and for which the exports are geographically concentrated. The decision support model (DSM) of Cuyvers *et al*. (1995, 2004, 2012) will be used for this purpose.

The DSM identifies product-country combinations with the highest export potential for a particular export country. It was designed for export promotion purposes, starting with all possible product-country combinations around the world and narrowing this down by means of

four filters to those with the highest export potential. The following section will describe the methodology of the DSM.

## 4.4 The decision support model (DSM) methodology

Cuyvers *et al*. (1995:173-186) first developed the DSM to identify product-country combinations with the highest export potential for a specific country. The model was designed to assist export promotion organisations in determining products and destination countries to focus their export promotion resources.

The DSM starts with all possible world-wide product-country combinations, and consists of a screening process identifying realistic export opportunities (REO). The screening process includes a four-stage filtering process, which sequentially eliminates less realistic export opportunities to arrive at a limited list of product-country combinations for the specific country that it is applied to.

The first filter assesses the political and commercial risks of doing business with as well as the macroeconomic size and growth of each destination country around the world. The second filter assesses, for the remaining countries, the market potential of each product-country combination by analysing the size and growth of import demand. The third filter examines the accessibility of each market by assessing the degree of concentration and trade barriers. The final filter categorises the potential export markets according to the size and growth of import demand and the current market share of the exporting country for which the model is applied, compared to the main competitors (Viviers & Steenkamp, 2012).

Sections 4.4.1 to 4.4.5 briefly describe the methodology of each of the filters of the DSM, while section 4.4.6 explains how the results of the DSM are applied for the purposes of this study.

### 4.4.1 Filter 1: Identifying preliminary market opportunities

Starting off with all world-wide countries, the DSM selects countries that pose a low level of political and commercial risk for the exporting country (in filter 1.1) and show adequate macroeconomic size or growth (in filter 1.2). This enables researchers to focus on a more concentrated set of country-product combinations in the following filters. This filter therefore rejects high risk, small countries that lack overall demand potential and growth.

#### *4.4.1.1 Filter 1.1: Political and commercial risk*

The first filtering criteria are the political and commercial risks exporters could face when conducting business with foreign countries.

An array of academic, private and governmental intuitions rate countries based on their political and commercial situation that exporters would face in certain countries. The DSM uses the Belgian public credit insurance agency, *Office National du Ducroire* (ONDD) for the country risk ratings in this part of the first filter.

According to the ONDD (2014), political risk is defined as any event occurring in the importing country that would assume the nature of *force majeure* for the importer, such as wars, revolutions, natural disasters, currency shortages and government action. The ONDD (2014) uses different techniques to measure political risk and include:

(i) assessment of the overall economic and financial situation;
(ii) assessment of the political situation; and
(iii) payment experience analysis.

Furthermore, commercial risk can be defined as the risk resulting from the deterioration of the importer's financial situation, indicating a possibility of non-payment for a consignment. The following indicators are used to measure the overall commercial risk of a country.

(i) All economic and financial indicators that affect the corporate and balance sheets of companies,
(ii) The country's past payment records; and
(iii) The institutional framework companies operate in.

The ONDD classifies countries according to a scale of 1 to 7 based on their political risk, where 1 indicates a low level of political risk and 7 indicates an extremely high level of political risk. Short-, medium- and long-term political risk ratings are provided by the ONDD per country. Commercial risk, on the other hand, is classified as either an "A", "B" or "C", where an "A" rating indicates a low commercial risk and a "C" rating high commercial risk (ONDD, 2014).

The political rating for the country under investigation is transformed to a scale of 1 to 10 and the commercial risk rating is transformed to a numerical value, where "A" is assigned a score of 3.33, "B" a score of 6.67 and "C" a score of 10. The transformation is necessary to compile an overall average country risk score.

Compiling an overall risk score firstly involves calculating an average political risk score for each country under investigation. Secondly, the average political risk score and the commercial risk score are weighted equally to calculate an overall country risk score. A cut-off value at the 80$^{th}$ percentile of the country risk score is used to select countries below this cut-off value.

#### *4.4.1.2 Filter 1.2: Macroeconomic size and growth*

The second set of criteria used in the first filter of the DSM is a country's macroeconomic size and growth. GDP and GDP per capita as well as GDP growth and GDP per capita growth values of a country, gathered from the World Bank, are used to assess the macroeconomic size and growth in demand per country.

The GDP and GDP per capita cut-off values in each year under consideration are determined at the 20$^{th}$ percentile of the countries for which all the data necessary to run the DSM are available. Countries are selected if the GDP or GDP per capita values for the country are higher than the cut-off values for at least two consecutive years of the most recent three-year period for which data are available. This ensures that countries that do not meet the requirements for only one year would not be eliminated for subsequent analysis (Cuyvers *et al*., 1995:178).

The GDP growth and GDP per capita growth cut-off values are determined at the world averages for each year. Therefore, countries should show above average growth rates in both GDP and GDP per capita in all three years of the most recent three-year period in order to be selected on the basis of these economic growth criteria.

Countries can be selected in filter 1.2 either on the basis of macro-economic size or growth.

To proceed to the second filter, a country should qualify based on both filter 1.1 and filter 1.2.

### 4.4.2 Filter 2: Identifying possible opportunities

In the second filter, the import demand for the various HS six-digit products is assessed for the remainder of the countries to identify product-country combinations with suitable import size and growth.

The second filter uses three sets of criteria; short-term import growth, long-term import growth and import market size on a product-country level, which is collected from trade data. The import data used are collected from a French institution, the *Centre d'Études Prospectives et*

*d'Informations Internationales* (CEPII). The CEPII BACI database is constructed from the United Nations Statistics Division's Comtrade database (CEPII, 2013).

Since the Comtrade data report import values as CIF (cost, insurance and freight) and export values as FOB (free on board), there are two figures for each trade flow. CEPII cleans this data by means of a specialised method to arrive at one trade figure for each trade flow. The BACI database includes bilateral trade values on an HS six-digit level of more than 200 countries since 1995 and is updated annually (CEPII, 2013).

The short-term import growth is the simple growth rate in imports of product *j* by country *i* over the most recent available one-year period, while long-term growth is a compounded annual percentage of import growth over a five-year period. The import market size is the total imports of country *i* for product category *j* (Cuyvers *et al*., 1995:178; Cuyvers, 2004:259-260).

Subsequently, cut-off values need to be calculated for each of the criteria in the second filter. Cuyvers *et al.* (1995:179) argued that if an exporting country specialises in exporting a particular product, the cut-off points for the possible markets for this product have to be less strict. Therefore, the revealed comparative advantage (RCA) index of Balassa (1964) is used to define cut-off points for each of the above-mentioned sub-criteria.

$$RCA_{n,j} = \left(\frac{X_{n,j}}{X_{W,j}}\right) \div \left(\frac{X_{n,tot}}{X_{W,tot}}\right)$$

where:

$X_{n,j}$: exports of country *n* (which is the exporting country for which realistic export opportunities are identified) of product *j*;

$X_{W,j}$: worldwide exports of product *j*;

$X_{n,tot}$: total exports of country *n*; and

$X_{W,tot}$: worldwide exports of all product categories.

An RCA index of 0 means that the exporting country *n* either does not export, or exports very little of the product category. An RCA index bigger than or equal to 1 means that country *n* is relatively specialised in exporting the product category under consideration (Cuyvers *et al*., 1995:179).

Cuyvers (1997:5; 2004:260) used a scaling factor to define the cut-off values for the short- and long-term growth in imports in order to take into account the degree of specialisation of a country *n*'s export of product category *j*:

$$s_j = 0.8 + \frac{1}{(RCA_j + 0.85)exp^{(RCA_j - 0.01)}}$$

The cut-off values are then defined as:

$$g_{i,j} \geq G_j;$$

with $g_{i,j}$ being the import growth rate of product category *j* by country $i$; and

$$G_j = g_{W,j}.s_j\ , if\ g_{W,j} \geq 0; or$$

$$G_j = g_{W,j} \div s_j\ , if\ g_{W,j} < 0$$

with $g_{W,j}$ being the total world imports of product category $j$.

These cut-off values indicate that if country *n* is not specialised in exporting product *j* (RCA < 1), country *i*'s (importing country) short- or long-term growth in imports should be higher than and up to two times (if RCA = 0) the world average import growth rate for product *j*. In the case of the exporting country specialising in exporting product *j* (RCA ≥ 1), country *i*'s import growth rate of product *j* is accepted to be just below the world average import growth rate for the product.

If the particular product-country meets the above-mentioned criteria, a "1" is assigned to the short- and/or long-term import growth columns of Table 4.2. A "0" is assigned in the case where the criteria are not met.

Furthermore, the relative import market size of country *i* for product category *j* is considered sufficiently large if (Cuyvers, 1997:6; 2004:260):

$$Z_{i,j} \geq S_j$$

where $Z_{i,j}$ is the total imports of country $i$ for product category *j*; and

$$S_j = 0.02Z_{w,j}\ , if\ RCA_{n,j} \geq 1; or$$

$$S_j = \left[\left(3 - RCA_{n,j}\right)/100\right] Z_{w,j}\ , if\ RCA_{n,j} < 1$$

The import market size of country *i* for product *j* is considered sufficiently large if country *i*'s imports of product *j* are greater than or equal to two per cent of total world imports of product *j* when export country *n* specialises in exporting product *j* (Cuyvers, 1997:6; 2004:260). If, however, the exporting country does not specialise in exporting product *j*, the import market size is expected to be between two and three per cent of total world imports for product *j*, depending on the $RCA_{nij}$. Again, each product-country combination is assigned a "1" or a "0" in Table 4.2 depending on whether it conforms to the criteria or not.

The selection of markets in filter 2 is based on the categorisation illustrated in Table 4.2.

**Table 4.2: Categorisation of product-country combinations in filter 2**

| Category | Short-term import market growth | Long-term import market growth | Import market size |
|---|---|---|---|
| 0 | 0 | 0 | 0 |
| 1 | 1 | 0 | 0 |
| 2 | 0 | 1 | 0 |
| **3** | 0 | 0 | 1 |
| **4** | 1 | 1 | 0 |
| **5** | 1 | 0 | 1 |
| **6** | 0 | 1 | 1 |
| **7** | 1 | 1 | 1 |

Source: Cuyvers (1997:7; 2004:261)

A product-country combination is selected to enter filter 3 if it falls in category 3, 4, 5, 6 or 7 in Table 4.2. Therefore, a market should be at least growing adequately in the short- and/or long term and/or be of an adequate size to be considered for further analysis. The remaining product-country combinations subsequently enter filter 3.

### 4.4.3 Filter 3: Identifying probable and realistic export opportunities

According to Cuyvers *et al.* (1995:180), selecting markets based on their size and growth does not necessarily mean they can be accessed easily. The third filter takes into consideration trade restrictions to further filter for probable and realistic export opportunities. Therefore, the third

filter sets out two sets of criteria, namely the degree of market concentration (filter 3.1) and trade restrictions (filter 3.2) (Cuyvers *et al*., 1995:180; Cuyvers, 1997:7; 2004:261).

#### *4.4.3.1 Filter 3.1: Degree of import market concentration*

According to Cuyvers *et al*. (1995:180), concentraded markets are more challenging to enter. An import market is considered to be concentrated if there are competitor countries dominating the market share and therefore know their market and are known by their customers. To confirm their argument, Cuyvers *et al*. (1995:180) constructed an analysis that indicated a negative correlation between export performance and market concentration. Cuyvers *et al*. (1995:180) recognised the fact that it would be difficult for export promotion organisations, with scarce resources, to focus on markets that are concentrated as the level of export success would be small.

In the DSM, the Herfindahl-Hirschman Index (HHI)[5] is used to measure the degree of concentration in a market. The index is calculated as follows (Hirshmann, 1964):

$$HHI_{i,j} = \sum \left( \frac{Z_{k,i,j}}{Z_{tot,i,j}} \right)^2$$

where:

$Z_{k,i,j}$: the imports of country *i* from competitor country *k* for product category *j*; and

$Z_{tot,i,j}$: country *i*'s total imports of product category *j*.

The HHI value can range from close to zero, indicating highly diversified suppliers/imports, to close to one, indicating that the import market is concentrated (Hirshmann, 1964). Therefore, it would be more difficult for an exporting country to access a particular market if the HHI for that market is closer to 1 (Cuyvers *et al*. 1995:180; Cuyvers, 1997:7; 2004:261).

Subsequently, a cut-off point for the market concentration had to be derived. Cuyvers *et al*. (1995:180) stated that it had to be kept in mind that concentration can be considered a bigger problem in a non-growing market than in a large growing market. Therefore, the cut-off point for market concentration was designed to be dependent on the category to which the various markets were assigned in filter 2 (see Table 4.2).

[5] The concentration of competitors in the importing market is determined here, while in section 4.3 the concentration of the export destinations for the products of the Western Cape is determined.

The cut-off points are defined as follows:

$$h_k = HHI_{i,j}$$

with:

$h_k \leq 0.4$, for category 3

$h_k \leq 0.5$, for categories 4, 5 and 6

$h_k \leq 0.6$, for category 7

Therefore, in relatively large markets, a concentration level of no more than 40% was allowed; in relatively large and growing markets, a degree of concentration of no more than 50% was allowed; and finally, in the most interesting markets that are relatively large and growing in the short- and long term, 60% concentration was allowed.

#### *4.4.3.2 Filter 3.2: Trade barriers*

The second criterion that is used in the third filter is trade barriers a country would face when exporting to different countries of the world. Typically, barriers of trade include tariffs, non-tariff barriers, trade costs, trade time, distance, infrastructure and logistics (World Economic Forum, 2014).

The nature and availability of data on non-tariffs barriers leave a gap in the research on this topic (World Economic Forum, 2014). Therefore, due to the limited availability and outdated nature of data on non-tariff barriers, this measure could not be included in the DSM analysis.

For the purposes of this study, it is argued that trade costs encapsulate the effect of time, distance, infrastructure and border administration on trade.

Transport cost is calculated by adding the international sea transportation cost from Durban harbour to the main port in each country to the World Bank Doing Business Report's (DBR's) domestic cost to import. The sea transport cost for a standard generalised cargo 20ft FCL of the value of US$20 000 was obtained from World Freight Rates (2014). These specifications coincide with the data on the domestic cost to import from the World Bank Doing Business Report's trading across borders section. The World Bank publishes these figures annually and includes all costs associated with importing a standardised cargo of goods (20ft FCL valued at US$20 000 not hazardous or refrigerated) by sea transport. This includes the cost necessary to

complete every official procedure for importing from the arrival at the port of entry to the delivery at the warehouse. The official costs of all documentation, inland transportation and handling, customs clearance and inspections as well as port and terminal handling are included. The information was obtained from freight forwarders, shipping lines, customs brokers, port officials and banks all over the world (World Bank, 2013).

Total transport cost is therefore equal to the sea transportation cost from Durban harbour plus the DBR cost to import. The *ad valorem* equivalent transport cost is then equal to the total cost divided by US$20 000, which is specified as the value of the goods for both sources.

The *ad valorem* equivalent tariff per product-country combination is added to this *ad valorem* equivalent transport cost per country to arrive at the total *ad valorem* equivalent trade cost used in the DSM analysis.

*Ad valorem* equivalent tariff data per product-country combination is obtained from the International Trade Centre's Market Access Map (MacMap). According to MacMap (2015), all non-*ad valorem* (NAV) applied tariffs are converted to *ad valorem* equivalents (AVEs) by dividing the specific element of the NAV tariff, expressed as an amount per unit, by the value of the product per unit. In order to arrive at a percentage value, the result is multiplied by 100.

The AVE is defined as follows:

$$t_{AVE} = t_{NAV}/UV * 100$$

with

$t_{AVE:}$ the *ad valorem* equivalent tariff per unit

$t_{NAV:}$ the *non-ad valorem* equivalent tariff per unit

UV: the value of the product per unit, or unit value (UV)

The cut-off point for filter 3.2 was determined at the 80$^{th}$ percentile of the total *ad valorem* equivalent trade cost and tariffs for all product-country combinations that entered filter 3.

To enter filter 4, product-country combinations need to have adequately low-market concentrations and barriers to trade. In other words, both the conditions in filter 3 had to be met in order for a product-country combination to enter filter 4.

### 4.4.4 Filter 4: Final analyses of opportunities

In the last stage of the analysis, the realistic export opportunities identified in filters 1 to 3 are categorised and prioritised and no product-country combinations are eliminated.

For each of the markets that entered filter 4, the relative market share of the exporting country (country $n$[6]) of product category $j$ in country $i$ is calculated as follows:

$$\mu_{n,i,j} = \left(\frac{X_{n,i,j}}{X_{six,i,j}}\right)$$

where:

$X_{n,i,j}$: country $n$'s exports of product $j$ to country $i$;

$X_{six,i,j}$: top-six countries' total exports of product $j$ to country $i$.

A comparison is therefore made between the market share of country $n$ in each market that entered filter 4 and the market share of the six largest competitors in these markets.

The following categories of market importance are identified (Viviers, Cuyvers, Naudé, *et al.*, 2014):

$\mu_{n,i,j} \leq 0.05$: Country $n$'s relative market share is small (column 1 of Table 4.3).

$0.05 < \mu_{n,i,j} < 0.25$: Country $n$'s relative market share is intermediately small (column 2 of Table 4.3).

$0.25 \leq \mu_{n,i,j} < 0.5$: Country $n$'s relative market share is intermediately high (column 3 of Table 4.3).

$\mu_{n,i,j} \geq 0.5$: Country $n$'s relative market share is high (column 4 of Table 4.3).

This implies that if country $n$'s (South Africa in this case) exports of product $j$ to importing country $i$ is less than five percent of the total exports of the top-six suppliers (excluding country $n$) in the market, country $n$'s market share in this market is considered relatively small. Furthermore, country $n$'s market share of product $j$ in country $i$ is considered high if its exports are more than 50% of the total exports of the top-six suppliers in the market.

The entire filtering process leads to Table 4.3 in which the realistic export opportunities that were identified in filters 1 to 3 are categorised in terms of size and growth in demand

[6] In this case, country $n$ is South Africa.

(determined in filter 2) and the exporting country's market share (determined in filter 4) in these markets.

**Table 4.3: Categorisation of realistic export opportunities (REO)**

| Size and growth of importing market | Market share | | | |
|---|---|---|---|---|
| | **Relatively small** | **Intermediately small** | **Intermediately large** | **Relatively large** |
| **Large product market** | *Cell 1* | *Cell 6* | *Cell 11* | *Cell 16* |
| **Growing (short- and long-term) product market** | *Cell 2* | *Cell 7* | *Cell 12* | *Cell 17* |
| **Large product market with short-term growth** | *Cell 3* | *Cell 8* | *Cell 13* | *Cell 18* |
| **Large product market with long-term growth** | *Cell 4* | *Cell 9* | *Cell 14* | *Cell 19* |
| **Large product market with short- and long-term growth** | *Cell 5* | *Cell 10* | *Cell 15* | *Cell 20* |

Source: Cuyvers, 2004:269

The fourth filter product-country combinations can be assigned to each of the 20 different distinguished markets in Table 4.3. Therefore, the exporting country can determine the import demand potential of a certain market (rows of Table 4.3) and to what extent it already utilises its opportunity (columns of Table 4.3).

In terms of the study cell *5, 10, 15* and *20* are large product markets with short and long term growth potential with a relatively small to relatively large market share respectively. These cells are preferred for export promotion activities as they have a large product market and have both short and long term import growth potential.

### 4.4.5 Application of the DSM in this study

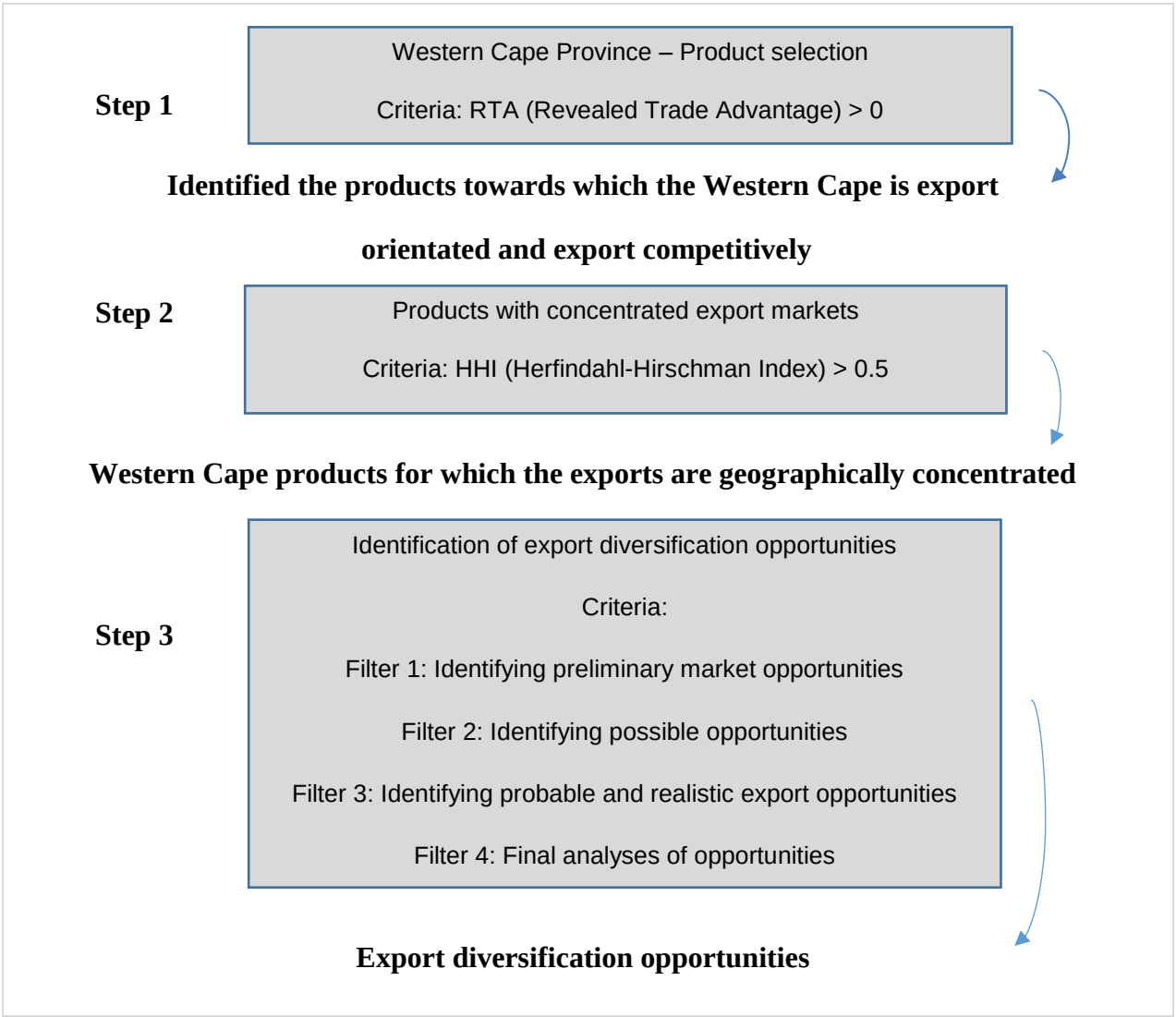
The results for the geographically concentrated export products of the Western Cape (determined by following the methodology described in sections 4.2 and 4.3) are extracted from the DSM results for South Africa to identify the markets with the highest export potential for these products.

In this way, the markets with high and/or growing import demand[7], which are relatively accessible[8], are identified for the geographically concentrated export products of the Western Cape.

## 4.5 Conclusion

To identify export diversification opportunities for the Western Cape Province, Figure 4.1 visually displays the step-wise approach of the product and market selection followed in this study.

**Figure 4.1: Summary of the step-wise methodological approach followed in this study**




[7] Which is determined in filter 2 of the DSM.
[8] Which is determined in filter 3 of the DSM.

In the first step, the products towards which the Western Cape Province is export orientated are determined by means of the RTA index. The RTA takes into account whether the Western Cape specialises in exporting the products under consideration by including the RCA index.

The second step is to identify the products of the Western Cape Province for which the exports are geographically concentrated by using the Herfindahl-Hirschman Index. An HHI value greater than 0.5 indicates products for which the exports are geographically concentrated.

The last step is to extract the results for the products identified in steps 1 and 2 from the decision support model for South Africa to identify the markets with the highest export potential for these products. In this way, markets with high and/or growing import demand, which are relatively accessible, are identified for the geographically concentrated export products of the Western Cape. New markets in the extensive trade margin (see Chapter 2) are therefore identified for export market diversification purposes.

In Chapter 5, the results of the application of the methodology, as described in this study, will be described and possible export market diversification opportunities for the Western Cape Province will be identified.

# CHAPTER 5: RESULTS

## 5.1 Introduction

In Chapter 4, the methodology used in this study was described; highlighting the step-wise process followed (see Figure 4.1) using the revealed trade advantage index, the Herfindahl-Hirschman Index and the decision support model to identify potential export market diversification opportunities for the Western Cape Province.

In this chapter, the results of each of the steps will be discussed to arrive at the identification of potential geographical export diversification opportunities for the Western Cape Province. It is important to note that the results should not be used in isolation, but in combination with exporters' market intelligence, experience and in-depth market profiling. The reason for this is that the DSM only focuses on market size, growth, market concentration in the target market and market access conditions, and not on specific qualitative market information.

## 5.2 Results of the step-wise process to identify export market diversification opportunities for the Western Cape Province

In the first step, 504 HS six-digit products were identified towards which the Western Cape is export orientated, using the RTA formula (see section 4.2) and are considered products in which the province has a revealed export specialisation.

The geographical export concentration of these 504 products was determined in the second step. The Herfindahl-Hirschman Index is used to measure this concentration and the exports of products with an HHI value greater than 0.5 are considered geographically concentrated for the purposes of this study (see section 4.3). There are 188 products identified that were found to be geographically concentrated (the full list of products is provided in Appendix A).

The third step involves using the results of the decision support model (DSM) for South Africa in order to identify the realistic export opportunities for the 188 geographically concentrated export products of the Western Cape. A total of 2 866 potential export product-market combinations were identified for the 188 products under consideration. Considering export opportunities in the extensive margin are new markets where the Western Cape's current exports are zero (see Chapter 4).

**Figure 5.1: Step-wise process for identifying export market diversification opportunities for the Western Cape Province**

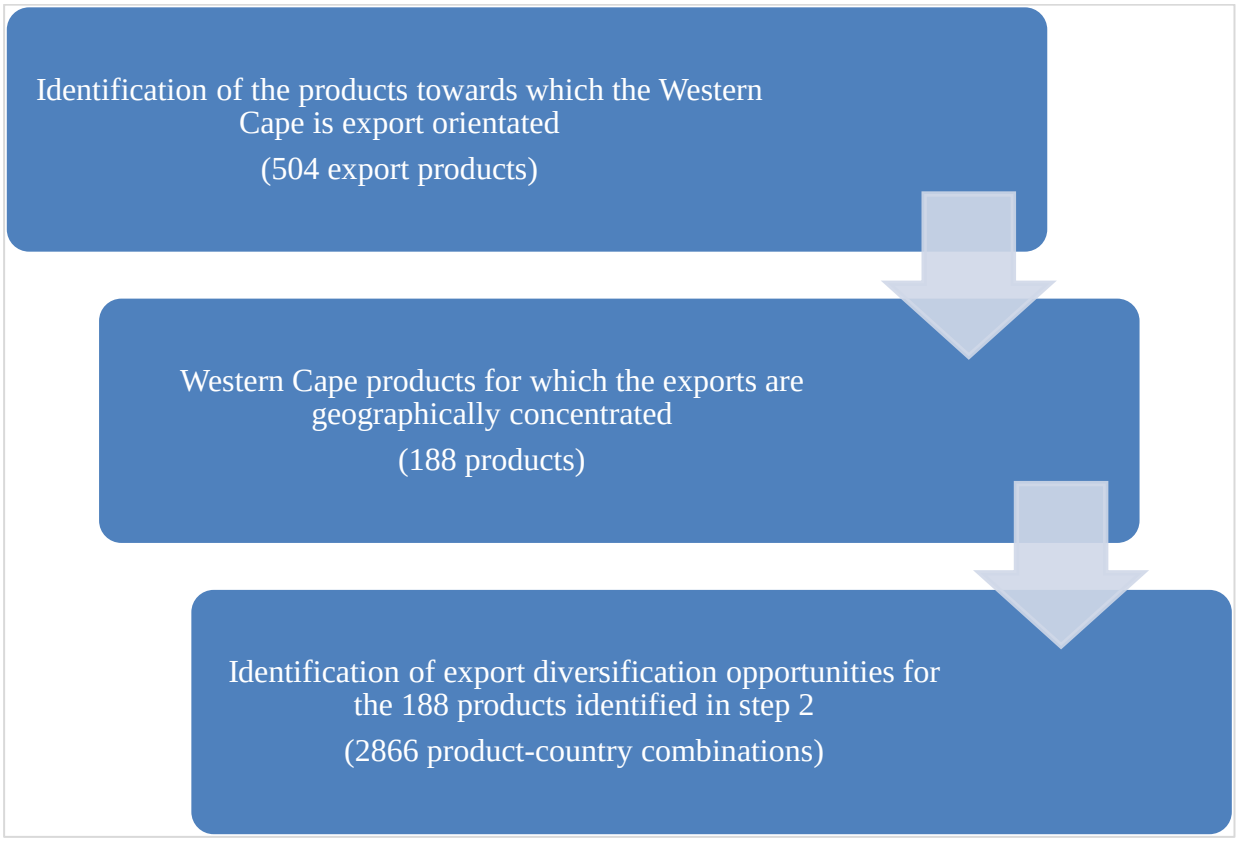



Table 5.1 lists the top-20 geographically concentrated products among the 188 export products described above with the highest total export potential based on the DSM methodology.

**Table 5.1: DSM top-20 geographically concentrated export products with the highest total export potential[9] for the Western Cape Province[10]**

| Rank | HS | Product description | Total potential export value (US$ thousand) |
|---|---|---|---|
| 1 | 854140 | Photosensitive semiconductor devices | 10 381 536 |
| 2 | 711319 | Articles of jewellery & parts thereof, of other precious metal | 7 976 592 |
| 3 | 710231 | [11]Diamonds, non-industrial, unworked/simply sawn/cleaved/brute | 6 889 307 |
| 4 | 271113 | Butanes, liquefied | 2 129 934 |
| 5 | 100590 | [12]Maize (corn), other than seed | 1 514 715 |
| 6 | 842199 | Parts of the filtering/purifying machinery and appliances of 84.21 | 1 176 820 |
| 7 | 390760 | Polyethylene terephthalate, in primary forms | 1 007 158 |
| 8 | 711292 | Waste and scrap of platinum, incl. metal clad with platinum | 570 501 |
| 9 | 720711 | Semi-finished products of iron/non-alloy steel | 561 684 |
| 10 | 852910 | Aerials and aerial reflectors of all kinds | 560 148 |
| 11 | 890110 | Cruise ships, excursion boats and similar vessels | 557 558 |
| 12 | 250300 | Sulphur of all kinds | 551 218 |
| 13 | 847780 | Machinery for mounding/forming rubber/plastics | 521 457 |
| 14 | 440399 | Wood, in the rough (excl. of 4403.10-4403.92) | 481 783 |
| 15 | 020713 | Cuts and edible offal of species Gallus domesticus, fresh/chilled | 400 212 |
| 16 | 720827 | Flat-rolled products of iron/non-alloy steel | 394 997 |
| 17 | 720918 | Flat-rolled products of iron/non-alloy steel, of a width of 600mm/more | 380 345 |
| 18 | 720429 | Waste and scrap of alloy steel other than stainless steel | 343 325 |
| 19 | 441820 | Doors and their frames and thresholds, of wood, incl. cellular wood panels | 336 016 |
| 20 | 853110 | Burglar/fire alarms and similar applications | 326 448 |

Source: Quantec, 2015. TRADE-DSM™ results, 2014

[9] The potential export value for each product-country combination identified as an export opportunity by the DSM is calculated as the average market value of the top-six suppliers (excluding South Africa) in each of these markets.

[10] Analysis on the possible difference between the production and administrative location of exporting firms should be conducted in order to verify the provincial export data, for example, the verification of the Western Cape export figures for diamonds, maize and platinum.

[11] Diamonds trade is extensively regulated and a trade promotion agency would not promote the trade of a product that is so heavily regulated. In fact, this product should rather be beneficiated and sold as such, however it would not be promoted by government.

[12] This product is a commodity which exceeds the mandate of a trade promotion agency.

The products with the highest potential export values within the top product-country combinations include: electronic products (e.g. photosensitive semiconductor devices and aerials and aerial reflectors), precious stones (e.g. non-industrial, unworked diamonds[13]), extracted products (e.g. liquefied butanes), vegetable products (e.g. maize), chemicals (e.g. polyethylene terephthalate), metal products (e.g. semi-finished products of iron/non-alloy steel and waste and scrap of platinum) and machinery (e.g. parts of the filtering or purifying machinery and appliances).

### 5.3 Potential export diversification opportunities for the Western Cape Province

This section illustrates how the DSM results can be useful to identify and prioritise, for export promotion purposes, the export market diversification opportunities for the Western Cape Province's geographically concentrated export products, reference to section 4.4.

The DSM results for the ten products with the highest total export potential among the 188 products listed in Table 5.1 will be subsequently discussed in detail, with the exception of maize and diamonds which does not form part of the export organisations' mandate. Firstly, Table 5.2 lists the export market diversification opportunities for HS 854140 Photosensitive semi-conductor devices.

[13] The data source (Quantec) reports provincial exports under the administrative location as opposed to the production location of firms. In the event that the administration and production location differs (especially across provinces) care must be taken with regard to the interpretation of the results. It might therefore be that the diamonds are mined in the Northern Cape, but the export thereof is recorded in the Western Cape.

**Table 5.2: HS: 854140 photosensitive semiconductor devices**

| Rank | Country | Cell value | Potential export value (US$ thousand) | South African exports (US$ thousand) | Western Cape[14] exports (US$ thousand) |
|---|---|---|---|---|---|
| 1 | Italy | Cell 4 | 1 662 748 | 23 | 0 |
| 2 | China | Cell 3 | 1 270 625 | 221 | 0 |
| 3 | United States of America | Cell 3 | 1 248 104 | 241 | 0 |
| 4 | Hong Kong (SARC) | Cell 3 | 697 506 | 212 | 0 |
| 5 | Netherlands | Cell 5 | 653 576 | 21 | 0 |
| 6 | Republic of Korea | Cell 3 | 496 083 | 4 | 0 |
| 7 | Japan | Cell 3 | 334 152 | 0 | 0 |
| 8 | India | Cell 2 | 243 234 | 12 | 0 |
| 9 | Canada | Cell 2 | 178 878 | 14 | 0 |
| 10 | Greece | Cell 2 | 130 621 | 0 | 0 |
| 11 | Slovakia | Cell 2 | 116 609 | 0 | 0 |
| 12 | Bulgaria | Cell 2 | 60 265 | 0 | 0 |
| 13 | Israel | Cell 2 | 27 850 | 0 | 0 |
| 14 | Slovenia | Cell 2 | 25 281 | 0 | 0 |
| 15 | Jordan | Cell 2 | 2 389 | 78 | 0 |
| 16 | Rep. of Macedonia | Cell 2 | 2 235 | 0 | 0 |
| 17 | Guatemala | Cell 2 | 499 | 0 | 0 |
| 18 | Bhutan | Cell 2 | 153 | 0 | 0 |
| 19 | Paraguay | Cell 2 | 112 | 0 | 0 |
| 20 | Bahrain | Cell 2 | 63 | 0 | 0 |
| 21 | Albania | Cell 2 | 55 | 0 | 0 |
| 22 | Armenia | Cell 2 | 49 | 0 | 0 |
| 23 | Saint Vincent and the Grenadines | Cell 2 | 41 | 0 | 0 |
| 24 | Seychelles[15] | Cell 17 | 23 | 63 | 0 |

Source: Quantec, 2015. TRADE-DSM™ results, 2014

The DSM results indicate 24 extensive export opportunities for the product HS: 854140 photosensitive semiconductor devices. Export opportunities in the extensive margin are new markets where the Western Cape's current exports are zero, as indicated in Table 5.2. These export opportunities in the extensive margin can be considered export market diversification opportunities for the Western Cape. It is important to note that the product is already exported competitively by the Western Cape. Therefore, these newly identified export markets are possibilities for geographical export diversification.

[14] Export opportunities in the extensive margin are new markets where the Western Cape's current exports are zero. These export opportunities in the extensive margin can be considered export market diversification opportunities for the Western Cape.

[15] South Africa's current exports of HS: 854140 photosensitive semiconductor devices to the Seychelles are higher than the estimated potential export value (which is the average market value of the top-six competitors for the product to the Seychelles).

The cell values in Table 5.2 (for descriptions see Table 4.3) indicate that South Africa has a relatively small market share in most of these markets, with the exception of the Seychelles where South Africa has a relatively large market share. Therefore, even though the exporters in the Western Cape are not currently exporting the product to the Seychelles, exporters from other provinces in South Africa already export this product to this market.

This study regards the export opportunities in cells 5, 10 and 15 as markets that should be targeted by export promotion organisations as a first priority, since the import demand in these markets is both large and growing in the short- and the long term (category 7 of filter 2, see section 4.4, Table 4.2 and Table 4.3). Cell 20 is not included, since Cuyvers, Viviers, Sithole-Pisa and Kühn (2012) state that the export opportunities in cells 16 to 20, where the exporting country has already established an important market share, require minimal involvement from export promotion organisations. Furthermore, Cuyvers *et al*. (2012b) suggest an export promotion strategy (EPS) they call "*jumping the bandwagon*" in markets in cells 5, 10 and 15, with a *market exploration* EPS suggested for cells 5 and 10 (where the exporting country has a relatively small market share) and a *market expansion* EPS cell 15 (where the exporting country already achieved a medium large market share).

A *market exploration EPS of jumping the bandwagon* (cells 5 and 10) should involve elements that allow the potential exporters to enter the market or increase their market presence. Export promotion instruments can include the dissemination of market information and participation of the potential exporters in high-profile trade missions supported by media campaigns. Furthermore, matchmaking with exporters of complementary products in South Africa and by giving incentives for piggy-back export systems. Therefore, support for inviting major importers or distributors in the target country to visit the exporter's facilities in South Africa can be an effective instrument.

For the *market expansion EPS of jumping the bandwagon* (cell 15), the export promotion organisation should help the exporters to better exploit their presence and their image in the target market by giving financial support to develop or improve publicity material, product design and quality.

Furthermore, incentives for participation in high profile trade fairs and exhibitions, helping to find synergy with other exporters by setting up a joint representation office in the target country and matchmaking with other exporters for piggy-back exporting (Cuyvers *et al.*, 2012b) should be considered. In Appendix B, all the product-country combinations in cells 5, 10 and 15 identified as export market diversification opportunities for the Western Cape Province are listed.

The Netherlands (cell 5) can consequently be highlighted as a market for photosensitive semiconductor devices that should be targeted as a high priority for export diversification purposes, since the import demand from the Netherlands is both large and growing in the short- and long term (see Table 4.3 for detail of the cell description). There is already a presence of South African products which can be built on and expanded.

It is clear that other provinces in South Africa have already exported this product to Italy, China, the United States of America, Hong Kong (SARC), the Netherlands, the Republic of Korea, India, Canada, Jordan and the Seychelles, but not the Western Cape Province. South Africa therefore already has a presence in these markets and the Western Cape exporters can learn from the exporters of this product in other provinces. The South African Electro-technical Export Council (SAEEC) and the South African Capital Equipment Export Council (SACEEC) represent companies in the business of electro-technical and capital equipment and promote local products in international markets. SAEEC, SACEEC and WESGRO can facilitate the matchmaking between Western Cape exporters of this product and exporters in other provinces who have already exported to the abovementioned markets. Combined export promotion strategies can be formulated and efforts for trade missions and trade fairs can be coordinated by these export promotion organisations.

The second product in the top-10 export products with the highest total export potential for the Western Cape is HS: 711319 Articles of jewellery and parts thereof, of other precious metal (see Table 5.1). Table 5.3 lists the export diversification opportunities for this product.

**Table 5.3: HS: 711319 Articles of jewellery and parts thereof, of other precious metal**

| Rank | Country | Cell value | Potential export value (US$ thousand) | South African exports (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| 1 | Hong Kong (SARC) | Cell 4 | 1 982 606 | 876 | 0 |
| 2 | United States of America | Cell 1 | 697 477 | 21 462 | 0 |
| 3 | Malaysia | Cell 2 | 46 119 | 1 331 | 0 |
| 4 | Vietnam | Cell 2 | 7 072 | 0 | 0 |
| 5 | Mongolia | Cell 2 | 1 103 | 0 | 0 |
| 6 | Mozambique[16] | Cell 17 | 126 | 176 | 0 |

Source: Quantec, 2015. TRADE-DSM™ results, 2014

The DSM results indicate six export opportunities for the product HS: 711319 Articles of jewellery and parts thereof, of other precious metal in the extensive margin.

The cell classifications indicate that South Africa has a relatively small market share in most of these markets, with the exception of Mozambique (cell 17), where South Africa has a relatively large market share. Therefore, other provinces in South Africa than the Western Cape have already established a relatively large market share for this product in Mozambique.

There are no export market diversification opportunities in cells 5, 10 and 15 for this product, but Hong Kong (cell 4) can be highlighted as a market for Articles of jewellery and parts thereof that can be targeted first for export promotion purposes, since the import demand in this market is both large and growing in the long term (see Table 4.3 for cell descriptions).

Although the export figures show that South Africa as a whole already exports the product to Hong Kong, the United States, Malaysia and Mozambique, none of these exports originate from the Western Cape Province. Exporters in other provinces therefore already have trade relationships with these markets and Western Cape exporters can learn from them. The Jewellery Council of South Africa (JCSA) is an industry association that aims to create an environment for the South African jewellery industry to become more involved within the international jewellery market. WESGRO and JCSA can combine their export promotion efforts to facilitate the exchange of market experiences between Western Cape exporters and the exporters from other

[16] Current exports of HS: 711319 Articles of jewellery and parts thereof, of other precious metal to Mozambique are higher than the average market value of the top-six competitors for the product to the Mozambique.

Table 5.4 lists the export opportunities in the extensive margin for HS: 271113 Butanes, liquefied, which is positioned fourth in the top-10 list of products with high export potential for the Western Cape Province.

**Table 5.4: HS: 271113 Butanes, liquefied**

| Rank | Country | Cell value | Potential export value (US$ thousand) | South African exports (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| 1 | India | Cell 5 | 459 755 | 0 | 0 |
| 2 | Japan | Cell 3 | 432 998 | 0 | 0 |
| 3 | Republic of Korea | Cell 3 | 409 821 | 0 | 0 |
| 4 | Egypt | Cell 1 | 310 125 | 0 | 0 |
| 5 | Turkey | Cell 1 | 177 283 | 0 | 0 |
| 6 | China | Cell 1 | 175 814 | 0 | 0 |
| 7 | Indonesia | Cell 5 | 124 269 | 0 | 0 |
| 8 | Ecuador | Cell 2 | 29 525 | 0 | 0 |
| 9 | Greece | Cell 2 | 6 199 | 0 | 0 |
| 10 | Montenegro | Cell 2 | 1 881 | 0 | 0 |
| 11 | Uganda | Cell 2 | 1 496 | 0 | 0 |
| 12 | Colombia | Cell 2 | 273 | 0 | 0 |

Source: Quantec, 2015. TRADE-DSM™ results, 2014

For the product HS: 271113 Butanes, liquefied, as indicated in Table 5.5, 12 extensive export opportunities have been identified for the Western Cape Province. It is clear from the cell value outline in Table 4.3 that India (cell 5) and Indonesia (cell 5) can be highlighted as markets for Butanes (liquefied) that should be targeted as priority markets for export diversification purposes, since the import demand in these markets is large and growing in both the short- and long term.

No South African exporter is currently exporting to any of the above-mentioned markets. Therefore, there are no established trade relationships between South Africa and any of the above-mentioned markets and it can therefore be more challenging for the Western Cape exporters to enter these markets.

Table 5.5 lists the export diversification opportunities for HS: 842199 Parts of the filtering/purifying machinery and appliances of 84.21.

**Table 5.5: HS: 842199 Parts of the filtering or purifying machinery and appliances of 84.21**

| Rank | Country | Cell value | Potential export value (US$ thousand) | South African exports (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| 1 | United States of America | Cell 5 | 157 098 | 3 430 | 0 |
| 2 | Japan | Cell 1 | 62 415 | 112 | 0 |
| 3 | Korea, Rep. of Korea | Cell 5 | 53 926 | 23 | 0 |
| 4 | Italy | Cell 6 | 51 481 | 2 699 | 0 |
| 5 | India | Cell 5 | 39 632 | 28 | 0 |
| 6 | Russian Federation | Cell 5 | 31 130 | 17 | 0 |
| 7 | Thailand | Cell 2 | 22 615 | 1 058 | 0 |
| 8 | United Arab Emirates | Cell 2 | 22 011 | 0 | 0 |
| 9 | Turkey | Cell 2 | 20 436 | 44 | 0 |
| 10 | Hong Kong (SARC) | Cell 2 | 20 204 | 17 | 0 |
| 11 | Malaysia | Cell 2 | 17 923 | 28 | 0 |
| 12 | Czech Republic[17] | Cell 17 | 16 062 | 30 712 | 0 |
| 13 | Chile | Cell 2 | 11 247 | 213 | 0 |
| 14 | Philippines | Cell 2 | 10 701 | 16 | 0 |
| 15 | Peru | Cell 2 | 10 491 | 5 | 0 |
| 16 | Hungary | Cell 2 | 10 194 | 264 | 0 |
| 17 | Kazakhstan | Cell 2 | 7 251 | 36 | 0 |
| 18 | Oman | Cell 2 | 4 986 | 0 | 0 |
| 19 | Lithuania | Cell 2 | 2 165 | 0 | 0 |
| 20 | Zambia[18] | Cell 17 | 1 810 | 2 772 | 0 |
| 21 | Bolivia | Cell 2 | 1 695 | 0 | 0 |
| 22 | Bosnia and Herzegovina | Cell 2 | 1 424 | 11 | 0 |
| 23 | Dominican Republic | Cell 2 | 1 350 | 0 | 0 |
| 24 | Bangladesh | Cell 2 | 1 326 | 0 | 0 |
| 25 | Mongolia | Cell 2 | 1 291 | 0 | 0 |
| 26 | Estonia | Cell 2 | 1 226 | 18 | 0 |
| 27 | Uruguay | Cell 2 | 1 173 | 0 | 0 |
| 28 | Trinidad and Tobago | Cell 2 | 940 | 0 | 0 |
| 29 | Paraguay | Cell 2 | 809 | 0 | 0 |
| 30 | Kenya | Cell 17 | 723 | 428 | 0 |
| 31 | Papua New Guinea | Cell 2 | 687 | 0 | 0 |
| 32 | Honduras | Cell 2 | 665 | 0 | 0 |
| 33 | Cameroon | Cell 2 | 550 | 13 | 0 |
| 34 | Georgia | Cell 2 | 418 | 0 | 0 |
| 35 | Armenia | Cell 2 | 251 | 0 | 0 |
| 36 | Nepal | Cell 2 | 183 | 2 | 0 |
| 37 | Suriname | Cell 2 | 133 | 0 | 0 |
| 38 | Saint Vincent and the Grenadines | Cell 2 | 9 | 0 | 0 |

Source: Quantec, 2015. TRADE-DSM™ results, 2014

[17] Current exports from South Africa of parts of the filtering or purifying machinery and appliances other than seed to Czech Republic are higher than the potential export value (average market value of the top-six competitors) in this market.

[18] South Africa currently exports more than the average market value of the six competitors for the product: Parts of the filtering or purifying machinery and appliances to Zambia.

In Table 5.5, 38 export market diversification opportunities for the product HS: 842199 Parts of filtering or purifying machinery and appliances have been identified by the DSM results.

It is evident that South Africa has a relatively small market share in most of these markets (mostly cell 2), except for the relatively high market share in the Czech Republic (cell 17), Zambia (cell 17) and Kenya (cell 17). The United States of America (cell 5), the Republic of Korea (cell 5), India and Russia (cell 5) can be highlighted as markets for parts of filtering or purifying machinery and appliances that should be targeted as priority markets for export diversification purposes, since the import demand in these markets is both large and growing in the short- and long term.

Exporters in other provinces of South Africa already export the product to the United States of America, Japan, Republic of Korea, Italy, India, Russian, Thailand, Turkey, Hong Kong, Malaysia, the Czech Republic, Chile, Philippines, Peru, Hungary, Kazakhstan, Zambia, Bosnia and Herzegovina, Estonia, Kenya, Cameroon and Nepal, while no exports from the Western Cape Province are recorded to these markets. Combined efforts by the DTI, WESGRO and the South African Capital Equipment Export Council (SACEEC) can facilitate exchanges of market information and experience between exporters in other provinces who have already established trade relations within these markets and Western Cape exporters of this product.

Table 5.6 lists the export market diversification opportunities for the sixth product in the top-10 list of products with the largest total export potential for the Western Cape Province, namely HS: 390760 Polyethylene terephthalate, in primary forms.

**Table 5.6: HS: 390760 Polyethylene terephthalate, in primary forms**

| Rank | Country | Cell value | Potential export value (US$ thousand) | South African exports (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| 1 | Japan | Cell 4 | 246 844 | 3 | 0 |
| 2 | United States of America | Cell 3 | 173 294 | 27 | 0 |
| 3 | France | Cell 1 | 115 232 | 84 | 0 |
| 4 | Belgium-Luxembourg | Cell 1 | 83 230 | 324 | 0 |
| 5 | Italy | Cell 1 | 59 947 | 1 495 | 0 |
| 6 | Turkey | Cell 5 | 52 557 | 0 | 0 |
| 7 | Indonesia | Cell 2 | 30 023 | 11 | 0 |
| 8 | Algeria | Cell 2 | 29 486 | 0 | 0 |
| 9 | Portugal | Cell 2 | 20 321 | 0 | 0 |
| 10 | Egypt | Cell 2 | 19 830 | 0 | 0 |
| 11 | El Salvador | Cell 2 | 17 050 | 0 | 0 |
| 12 | Tunisia | Cell 2 | 12 234 | 0 | 0 |
| 13 | Kenya | Cell 2 | 8 399 | 33 | 0 |
| 14 | Guatemala | Cell 2 | 7 757 | 0 | 0 |
| 15 | Dominican Republic | Cell 2 | 7 424 | 0 | 0 |
| 16 | Costa Rica | Cell 2 | 6 675 | 0 | 0 |
| 17 | Slovenia | Cell 2 | 3520 | 0 | 0 |
| 18 | Georgia | Cell 2 | 2 711 | 0 | 0 |
| 19 | Uganda | Cell 7 | 2 380 | 480 | 0 |
| 20 | Armenia | Cell 2 | 1 907 | 0 | 0 |
| 21 | The former Yugoslav Rep. of Macedonia | Cell 2 | 1 627 | 0 | 0 |
| 22 | Zambia[19] | Cell 17 | 778 | 3 292 | 0 |
| 23 | Latvia | Cell 2 | 244 | 0 | 0 |

Source: Quantec, 2015. TRADE-DSM™ results, 2014

The DSM results indicate 23 extensive export opportunities for the product HS: 390760 Polyethylene terephthalate, in primary forms.

The cell values (see Table 4.3) indicate that South Africa has a relatively small market share in most of these markets, with the exception of Zambia, where South Africa has a relatively large market share (cell 17).

[19] South African exports of product HS: 390760 Polyethylene terephthalate, in primary forms, exceed the average market value of the top-six competitors of the product to Zambia.

From Table 4.3, Turkey (cell 5) can be highlighted as a market for polyethylene terephthalate, in primary forms that should be targeted as a priority market for export diversification purposes, since the import demand in this market is large and growing in both the short- and long term.

South Africa (excluding the Western Cape Province) exports polyethylene terephthalate in primary forms to Japan, the United States of America, France, Belgium-Luxembourg, Italy, Indonesia, Kenya, Uganda and Zambia. Therefore, South African exporters from other provinces have established trade relations within these markets and Western Cape exporters can learn from the South African exporters in other regions. The export councils and industry associations such as the South African chemicals association in collaboration with the DTI and WESGRO can facilitate exchanges of market information and promote export opportunities for exporters of polyethylene terephthalate, in primary forms. This is also considered a market exploration export promotion strategy.

Table 5.7 lists the export opportunities in the extensive margin for HS: 711292 Waste and scrap of platinum, including metal cladded with platinum.

**Table 5.7: HS: 711292 Waste and scrap of platinum, incl. metal clad with platinum**

| Rank | Country | Cell value | Potential export value (US$ thousand) | South African export (US$ thousand) | Western Cape export (US$ thousand) |
|---|---|---|---|---|---|
| 1 | Germany | Cell 6 | 155 036 | 31 755 | 0 |
| 2 | United States of America | Cell 4 | 135 053 | 129 | 0 |
| 3 | United Kingdom[20] | Cell 20 | 125 634 | 153 145 | 0 |
| 4 | Japan | Cell 5 | 108 404 | 322 | 0 |
| 5 | Singapore | Cell 5 | 33 221 | 0 | 0 |
| 6 | Italy | Cell 2 | 10 927 | 11 | 0 |
| 7 | Czech Republic | Cell 2 | 1 797 | 0 | 0 |
| 8 | Netherlands | Cell 2 | 404 | 0 | 0 |
| 9 | Denmark | Cell 2 | 17 | 0 | 0 |
| 10 | Iceland | Cell 2 | 2 | 0 | 0 |

Source: Quantec, 2015. TRADE-DSM™ results, 2014

[20] Current exports from South Africa, for the product HS: 711292 Waste & scrap of platinum, incl. metal clad with platinum, exceed the average market value of the top-six competitors for the product to the United Kingdom.

The DSM results indicate 10 export market diversification opportunities for Western Cape exporters of the product HS: 711292 Waste and scrap of [21]platinum, including metal cladded with platinum.

The cell classifications indicate that South Africa has established a relatively large market share in the United Kingdom (cell 20), but a relatively small market share in most of the other markets.

Therefore, exporters in other provinces in South Africa already utilise the large and growing import demand in the United Kingdom, while Western Cape exporters are missing this opportunity.

Since the import demand in these markets is both large and growing in the short- and long term, Japan (cell 5) can be highlighted as a market for waste and scrap of platinum, including metal cladded with platinum that should be targeted as priority a market for export diversification purposes as Japan has short and long term import growth potential.

Exporters in other provinces of South Africa already export the product to Germany, the United States of America, the United Kingdom, Japan and Italy, while Western Cape exporters are not utilising these export opportunities at all. Western Cape exporters can learn from these exporters in other provinces since they already have very valuable market knowledge and experience. This process can be facilitated by a coordinated effort by WESGRO, the Automotive Industry Export Council (AIEC), the Capital Equipment Export Council (SACEEC), the South African Electro-technical Export Council (SAEEC) and the South African Iron and Steel Institute (SAISI).

The ninth product in the top-10 list of products with the highest total export potential for the Western Cape is HS: 720711 Semi-finished products of iron/non-alloy steel. Table 5.8 lists the export market diversification opportunities identified for this product.

[21] Platinum is mainly mined in other provinces and not in the Western Cape, but companies based in the Western Cape are exporting platinum.

**Table 5.8: HS: 720711 Semi-finished products of iron/non-alloy steel**

| Rank | Country | Cell value | Potential export value (US$ thousand) | South African exports (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| 1 | Saudi Arabia | Cell 4 | 84 137 | 0 | 0 |
| 2 | Bangladesh | Cell 5 | 59 519 | 0 | 0 |
| 3 | Belgium-Luxembourg | Cell 3 | 52 416 | 0 | 0 |
| 4 | Romania | Cell 5 | 50 704 | 0 | 0 |
| 5 | Italy | Cell 3 | 48 805 | 0 | 0 |
| 6 | Thailand | Cell 1 | 43 781 | 0 | 0 |
| 7 | Morocco | Cell 4 | 42 148 | 0 | 0 |
| 8 | Egypt | Cell 5 | 40 690 | 0 | 0 |
| 9 | Latvia | Cell 5 | 39 415 | 0 | 0 |
| 10 | Indonesia | Cell 12 | 33 938 | 9 595 | 0 |
| 11 | Sri Lanka | Cell 12 | 21 654 | 10 645 | 0 |
| 12 | Denmark | Cell 2 | 17 292 | 0 | 0 |
| 13 | Colombia | Cell 2 | 7 954 | 0 | 0 |
| 14 | Peru | Cell 2 | 7 007 | 0 | 0 |
| 15 | Japan | Cell 2 | 5 951 | 0 | 0 |
| 16 | Bahrain | Cell 2 | 2 953 | 0 | 0 |
| 17 | Slovakia | Cell 2 | 2 385 | 0 | 0 |
| 18 | Bolivia | Cell 2 | 469 | 0 | 0 |
| 19 | Cameroon | Cell 2 | 365 | 0 | 0 |
| 20 | Croatia | Cell 2 | 60 | 0 | 0 |
| 21 | New Zealand | Cell 2 | 32 | 0 | 0 |
| 22 | Uganda[22] | Cell 17 | 0 | 3 843 | 0 |

Source: Quantec, 2015. TRADE-DSM™ results, 2014

The DSM results indicate twenty two extensive export opportunities for the product HS: 720711Semi-finished products of iron/non-alloy steel.

Although South Africa has a relatively small market share in most of these markets, a relatively large market share has been established in Uganda (cell 17). Moreover, South Africa has an intermediately large market share in Indonesia (cell 12) and Sri Lanka (cell 12) (see Table 5.10). Therefore, it is clear that the other provinces in South Africa already export this product to these markets, while exporters from the Western Cape are missing out on these export opportunities. Western Cape exporters can learn from the South African exporters in other regions if WESGRO can contact the Automotive Industry Export Council (AIEC), the Capital Equipment Export Council and the South African Electro-technical Export Council (SAEEC) for a combined matchmaking effort.

[22] Uganda's average market value of the top-six competitors for the product HS: 720711 Semi-finished products of iron/non-alloy steel is exceeded by South African exports of the product.

From Table 4.3, Bangladesh (cell 5), Romania (cell 5), Egypt (cell 5) and Latvia (cell 5) can be highlighted as export markets for semi-finished products of iron/non-alloy steel, since the import demand in these markets is both large and growing over the long term.

The last product in the top-10 list of products with the highest total export potential for the Western Cape is HS: 852910 Aerials and aerial reflectors of all kinds. Table 5.9 lists the export market diversification opportunities for this product.

**Table 5.9: HS: 852910 Aerials and aerial reflectors of all kinds**

| Rank | Country | Cell value | Potential export value (US$ thousand) | South African exports (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| 1 | United States of America | Cell 10 | 141 598 | 15 079 | 0 |
| 2 | Japan | Cell 4 | 56 889 | 24 | 0 |
| 3 | United Kingdom | Cell 10 | 42 876 | 2 666 | 0 |
| 4 | India | Cell 3 | 25 874 | 443 | 0 |
| 5 | Korea, Rep. of Korea | Cell 1 | 23 132 | 182 | 0 |
| 6 | Italy | Cell 1 | 21 799 | 94 | 0 |
| 7 | Thailand | Cell 2 | 8 583 | 82 | 0 |
| 8 | Poland | Cell 2 | 8 314 | 17 | 0 |
| 9 | Chile | Cell 2 | 6 822 | 18 | 0 |
| 10 | Slovakia | Cell 2 | 6 224 | 0 | 0 |
| 11 | Portugal | Cell 2 | 4 395 | 0 | 0 |
| 12 | Peru | Cell 2 | 2 757 | 1 | 0 |
| 13 | Panama | Cell 2 | 2 118 | 0 | 0 |
| 14 | Costa Rica | Cell 2 | 1 907 | 0 | 0 |
| 15 | Bulgaria | Cell 2 | 1 699 | 1 | 0 |
| 16 | Cyprus | Cell 2 | 903 | 0 | 0 |
| 17 | Bolivia | Cell 2 | 717 | 0 | 0 |
| 18 | Seychelles | Cell 17 | 57 | 36 | 0 |
| 19 | Tonga | Cell 2 | 26 | 0 | 0 |
| 20 | Saint Vincent and the Grenadines | Cell 2 | 18 | 0 | 0 |

Source: Quantec, 2015. TRADE-DSM™ results, 2014

The DSM results indicate 20 extensive export market diversification opportunities for the product HS: 852910 Aerials and aerial reflectors of all kinds.

The cell classifications indicate that South Africa has a relatively small market share in most of the markets listed in Table 5.9, with the exception of the Seychelles (cell 17), where South Africa has a relatively large market share. Therefore, other provinces in South Africa have already established a relatively large market share for this product in the Seychelles.

The USA (cell 10) and UK (cell 10) can be highlighted as markets for aerials and aerial reflectors of all kinds that should be targeted first for export diversification purposes, since the import demand in these markets is large and growing in both the short- and long term (see Table 4.3 for the cell classifications).

Exporters from other provinces in South Africa already export the product to the United States of America, Japan, the United Kingdom, India, the Republic of Korea, Italy, Thailand, Poland, Chile, Peru and the Seychelles, while Western Cape exporters are not utilising these export opportunities. Western Cape exporters can therefore learn from the exporters from other provinces' experience in these markets. The results can also be used by WESGRO, the Capital Equipment Export Council (SACEEC), the South African Electro-technical Export Council (SAEEC) and the Automotive Industry Export Council (AIEC) in combined export promotion efforts that can include matchmaking between exporters, dissemination of market information and participation of the potential exporters in trade missions and trade fairs supported by media campaigns. Furthermore, a coordinated effort to invite major importers or distributors in the target country to visit the different exporters' facilities in South Africa can be an effective instrument.

## 5.4 Summary

In Chapter 5, the export diversification opportunities for the Western Cape Province in the extensive margin, using the three-step methodology that was described in Chapter 4, have been highlighted.

Firstly, the products towards which the Western Cape is export orientated were identified (504 products). Secondly, from these 504 products, the products for which the Western Cape's exports are geographically concentrated were identified by using the Herfindahl-Hirschman Index (188 products). Finally, the export opportunities for these 188 products in the extensive export margin were determined by using the DSM in order to identify 2 866 export market diversification opportunities (product-country combinations) for the Western Cape Province.

The DSM results in the extensive margin for the top-10 products with the highest total export potential among the 188 products identified in steps one and two (see Figure 5.1) were discussed in more detail. The cell classifications for each market identified as a potential market for diversification were also indicated, which reflects the market share of South Africa and the size and growth of the import demand in each market (see Table 4.3).

For each of the top-10 products discussed in this chapter, the export market diversification opportunities in cells 5, 10 and 15 were highlighted as markets that should be targeted by export promotion organisations as a first priority, since the import demand in these markets is both large and growing in the short- and long term (category 7 of filter 2, see section 4.4, Table 4.2 and Table 4.3). In Appendix B, all the product-country combinations in cells 5, 10 and 15 identified as export market diversification opportunities for the Western Cape Province are listed.

Table 5.10 combines all of these opportunities in order to summarise the main findings.

**Table 5.10: Top product-country combinations in cell 5, 10 and 15**

| Rank | Country | HS | Product | Cell Value | Potential export value (US$ thousand) |
|---|---|---|---|---|---|
| 1 | Netherlands | 854140 | Photosensitive semiconductor devices | Cell 5 | 653 576 |
| 2 | India | 271113 | Butanes, liquefied | Cell 5 | 459 755 |
| 3 | United States of America | 842199 | Parts of the filtering or purifying machinery and appliances of 84.21 | Cell 5 | 157 098 |
| 4 | United States of America | 852910 | Aerials & aerial reflectors of all kinds | Cell 10 | 141 598 |
| 5 | Indonesia | 271113 | Butanes, liquefied | Cell 5 | 124 269 |
| 6 | Japan | 711292 | Waste and scrap of platinum, including metal clad with platinum | Cell 5 | 108 404 |
| 7 | Bangladesh | 720711 | Semi-finished products of iron/non-alloy steel | Cell 5 | 59 519 |
| 8 | Republic of Korea | 842199 | Parts of the filtering or purifying machinery and appliances of 84.21 | Cell 5 | 53 926 |
| 9 | Turkey | 390760 | Polyethylene terephthalate, in primary forms | Cell 5 | 52 557 |
| 10 | Romania | 720711 | Semi-finished products of iron/non-alloy steel | Cell 5 | 50 704 |
| 11 | United Kingdom | 852910 | Aerials & aerial reflectors of all kinds | Cell 10 | 42 876 |
| 12 | Egypt | 720711 | Semi-finished products of iron/non-alloy steel | Cell 5 | 40 690 |
| 13 | India | 842199 | Parts of the filtering or purifying machinery and appliances of 84.21 | Cell 5 | 39 632 |
| 14 | Latvia | 720711 | Semi-finished products of iron/non-alloy steel | Cell 5 | 39 415 |
| 15 | Singapore | 711292 | Waste and scrap of platinum, including metal clad with platinum | Cell 5 | 33 221 |
| 16 | Russian Federation | 842199 | Parts of the filtering or purifying machinery and appliances of 84.21 | Cell 5 | 31 130 |

Source: Quantec, 2015. TRADE-DSM™ results, 2014

Following Cuyvers *et al*. (2012b), it is recommended that a *market exploration EPS of jumping the bandwagon* is followed by the export promotion organisations mentioned under each product for export opportunities in cells 5 and 10. This can involve disseminating market information, supporting the potential exporters to participate in high-profile trade missions, matchmaking with exporters of complementary products in South Africa, giving incentives for piggy-back export systems and inviting major importers or distributors in the target country to visit the exporters' facilities in South Africa.

For export opportunities in cell 15, a *market expansion export promotion strategy of jumping the bandwagon* is recommended. Export promotion organisation should help the exporters to better exploit their presence and their image in the target market by providing financial support to develop or improve publicity material, product design and quality and incentives for participation in high profile trade fairs and exhibitions. Export promotion organisations can also facilitate matchmaking with other exporters for piggy-back exporting and help to set up a joint representation office in the target country (Cuyvers *et al*., 2012b).

It is recommended throughout this chapter that WESGRO should coordinate their efforts with other South African export promotion organisations (e.g. the DTI and the relevant export councils or industry associations) in order to successfully promote the export diversification opportunities identified in this study. Ultimately, the aim is to contribute to export-led growth and reaping the benefits of export growth and export diversification (see sections 2.2 and 2.3) to address the province's (see section 3.4) and, consequently, South Africa's (see section 1.1) challenges.

Chapter 6 will consist of a summary of the study and conclusions and recommendations regarding the findings.

# CHAPTER 6: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

## 6.1 Introduction

The previous chapters highlighted the aims, motivation, literature, methodology and results of the study. This chapter will subsequently conclude all these chapters in a general summary where after the conclusions and recommendations regarding the findings will be discussed.

## 6.2 Summary of the study

The South African government recognises the need for export growth to contribute towards economic growth and articulates this in different national policy documents. It is evident that the Western Cape also recognises the need for export growth, as the province is facing various economic and socio-economic challenges. By implementing export diversification policies beyond the current reliance on traditional commodities and markets, with the aim to boost economic growth, increased job creation levels and stimulating sector growth initiatives can be achieved on both a provincial and national level.

Therefore, the aim of this study was to determine export market diversification opportunities for the Western Cape Province to contribute towards export-led economic growth in the province.

In brief, the first chapter provided information on the background, the research problem and motivation for this study followed by an outline of the chapters. The literature review, in the second chapter, provided an overview of the current literature on export growth, highlighting the importance of export diversification in general and specifically in South Africa. The third chapter provided an overview of the Western Cape's economy, international trade and specifically an overview of the province's trade patterns, export destinations and challenges. The research methodology applied was discussed in the fourth chapter. The results, determining the export market diversification opportunities for the Western Cape Province were discussed in the fifth chapter.

The study included various objectives throughout the different chapters. The objectives of this study are provided in Table 6.1, indicating the different chapters in which each objective was addressed.

**Table 6.1: Objectives met in each chapter**

| | **Objectives (see section 1.4)** | **Main findings** | **Section where objective is achieved** |
|---|---|---|---|
| i | Provide an overview of the literature on the benefits of focused export promotion export growth. | Through export growth, economic activity is increased with positive spill-over effects on:<br>i. domestic employment;<br>ii. productivity;<br>iii. foreign currency earnings; and<br>iv. the balance of payments. | Section 2.2 |
| ii | Determine, from the literature, the benefits of export diversification. | The main benefits of export diversification are:<br>i. decreases vulnerability towards external shocks;<br>ii. decreases in the frequency of trade shocks;<br>iii. supports export-led growth strategies;<br>iv. relates to high economic growth;<br>v. contributes to import substitution;<br>vi. adds and captures economies of scale;<br>vii. supports adapting measures to changing consumer patterns;<br>viii. supports risk management strategies of firms; and<br>ix. adds value to the supply chain. | Section 2.3.2 |
| iii | Investigate, measure and compare to other provinces the Western Cape's economy, and specifically provide an overview of the Western Cape's trade patterns, export destinations and challenges faced within the province. | The Western Cape province is the third largest contributor to South Africa's GDP and exports. The Western Cape's exports increased by 15.94% from 2012 to 2013, with the top-three export sectors being, (i) edible fruit, nuts, peel of citrus fruit and melons, followed by (ii) beverages, spirits and vinegar and (iii) mineral fuels, oils, distillation products.<br>The top-10 export destinations of the Western Cape are the Netherlands, the United Kingdom, Germany, Mozambique, the United States, Singapore, Japan, Angola, Kenya and China.<br>The Western Cape aims to address the current economic challenges of below-target growth and high unemployment. Policymakers | Section 3.1, Section 3.2 and Section 3.3 |

| | | | |
|---|---|---|---|
| | | highlight the need for sustainable employment growth and higher productivity and innovation. Identifying and growing potential export markets can contribute to export-led economic and productivity growth and can create employment opportunities within the province. | |
| iv | Determine the products towards which the Western Cape is export orientated. | 504 products were identified in which the Western Cape has a revealed export specialisation. | Section 4.2 and Section 5.2 |
| v | Determine the level of export market diversification for each of the Western Cape's export products. | 188 of these 504 export products of the Western Cape are geographically concentrated. (see Appendix A) | Section 4.3, Section 5.2 and Appendix A |
| vi | Determine the export market diversification opportunities for the Western Cape's geographically concentrated export products. | 2 866 export market diversification opportunities were identified and the export opportunities for the top-10 products with the highest export potential were listed and discussed in Tables 5.2 to 5.11. | Section 4.4, Section 5.3 and Appendix B. |
| vii | Make recommendations regarding the export promotion and market diversification priorities strategies the Western Cape should focus on for the products with the highest export market diversification potential. | Table 5.12 and Appendix B list the export market diversification opportunities the Western Cape province can pursue as a first priority.<br>Depending on the market characteristics, export promotion instruments can include the dissemination of market information and participation of the potential exporters in high-profile trade missions supported by media campaigns. Furthermore, matchmaking with exporters of complementary products in South Africa and giving incentives for piggy-back export systems. | Section 5.3, Section 5.4 and Appendix B |

## 6.3 Conclusion of the study

Chapter 2 focused on defining export growth that can take place in the intensive margin (selling existing products to existing markets) or in the extensive margin (selling existing products to new markets, new products to new markets and new products to existing markets).

The literature highlights the importance of export growth in the intensive margin (see section 2.3.1) and in the extensive margin (see section 2.3.2) as discussed in various studies. In many cases, diversification of export products and market destinations is viewed as a means to meet the challenges of unemployment and lower growth in many developing countries. It can also be concluded that countries operating in the extensive margin are more likely to generate higher economic growth and development opportunities.

Based on the aim of the study and supported literature on export diversification, this study focused on the identification of export opportunities in the extensive margin, specifically geographical export diversification opportunities, which entails the exporting of existing products to new markets.

Chapter 3 provided an overview of the Western Cape Province economy and specifically an overview of the Western Cape's export patterns and challenges the province faces.

Economically, it is clear that the Western Cape Province is performing relatively well compared to other provinces, outperforming the national GDP growth and having a GDP per capita six times higher than the national average. Section 3.3 on the Western Cape's trade patterns highlights the top export products and destinations. The top export sectors of the Western Cape include edible fruit, nuts, peel of citrus fruit, melons (having the largest export market share), followed by beverages, spirits and vinegar and mineral fuels, oils, distillation products. The countries to which the Western Cape exports the most of its products are the Netherlands, the United Kingdom, Germany, Mozambique, the United States, Singapore, Japan, Angola, Kenya and China.

The Western Cape wants to accelerate sustainable employment growth and increase productivity in the province and aims to address the current challenges of below-target economic growth and unemployment. Through exports, economic activity can be increased and will have positive spill-over effects on domestic employment, productivity, foreign currency earnings and the balance of payments. Therefore, this study contributes to addressing some of these challenges the

Western Cape Province faces by identifying new export markets for its export-orientated products.

The methodology of the study was described in Chapter 4, which involves using a three-step methodological process to determine the export diversification opportunities for the Western Cape Province (see Figure 4.1).

Firstly, the products towards which the Western Cape is export orientated are determined by using the revealed trade advantage (RTA) of Vollrath (1991). Secondly, the geographical concentration of the exports of these products is determined by means of the Herfindahl-Hirschman Index (HHI) of Balassa (1965). Lastly, the export opportunities for the Western Cape Province's is export orientated toward and geographically concentrated are determined by using the decision support model (DSM) of Cuyvers *et al*. (2004, 2012a).

In Chapter 5, the results from the application of this three-step process for the Western Cape Province are described and analysed.

In the first step, 504 HS six-digit products that the Western Cape Province is competitively exporting and are not merely re-exported are identified using the RTA formula. The geographical export concentration of these 504 products is determined in the second step. The Herfindahl-Hirschman Index is used to measure this concentration and the exports of products with an index value greater than 0.5 are considered to be concentrated. The study found that the exports of 188 Western Cape products can be considered geographically concentrated.

In the third step, the decision support model (DSM) for South Africa, to identify the realistic export opportunities for the 188 geographically concentrated export products for the Western Cape, was applied. The top-10 products from the 188 products with the highest export potential include: (i) photosensitive semiconductor devices, (ii) articles of jewellery and parts thereof and other precious metal, (iii) diamonds, non-industrial, unworked/simply sawn/cleaved/bruited, (iv) butanes, liquefied, (v) maize (corn), other than seed, (vi) parts of the filtering or purifying machinery and appliances of HS 8421, (vii) polyethylene terephthalate, in primary forms, (viii) waste and scrap of platinum, including metal clad with platinum, (ix) semi-finished products of iron/non-alloy steel and (x) aerials and aerial reflectors of all kinds.

From these 188 products, a total of 2 866 realistic export market diversification opportunities for the Western Cape Province are identified. The top-10 products discussed in Chapter 5 with export market diversification opportunities in cells 5, 10 and 15 were highlighted as markets that

should be targeted by export promotion organisations as a first priority, since the import demand in these markets is both large and growing in the short- and long term.

It is important to note that the results should not be used in isolation, but in combination with exporters' market intelligence, experience and in-depth market profiling. The reason for this is that the DSM only focuses on market size, growth, market concentration in the target market and market access conditions, and not on specific qualitative market information.

The following section will conclude the study by providing the recommendations that can be made from this study.

## 6.4 Recommendations

### 6.4.1 Recommendations for export promotion organisations

From this study, recommendations can be made to the Western Cape Province export promotion organisation (WESGRO), the Department of Trade and Industry (DTI) and the various related export councils and industry associations. The main focus and aim of this study were to determine export market diversification opportunities, identifying new markets for existing products from the Western Cape Province. WESGRO (Western Cape trade promotion agency), in collaboration with the relevant export councils and industry associations, can focus their export promotion initiatives on the product-country combinations listed in Tables 5.2 to 5.11. If resources are very scarce, the export market diversification opportunities in cells 5, 10 and 15 with the highest export potential listed in Table 5.12 can be a starting point. If, however, more resources are available, the list of all the export market diversification opportunities in cells 5, 10 and 15 (see Appendix B) or even the entire list of the identified 2 866 realistic export market diversification opportunities can be explored in order to contribute to export-led growth in the province, and consequently addressing the economic and socio-economic challenges of the province.

Depending on the specific export opportunity, various export promotion instruments can include the dissemination of market information and participation of the potential exporters in high-profile trade missions supported by media campaigns. Furthermore, matchmaking with exporters of complementary products in South Africa and giving incentives for piggy-back export systems can be implemented. Export promotion organisations can furthermore help the exporters to better exploit their presence and their image in the target market by providing financial support to develop or improve publicity material, product design and quality.

These recommended export promotion initiatives are in line with the aim of national policies, which include the National Development Plan (NDP) (DTI, 2012), National Growth Plan (NGP) (DTI, 2010), the Industrial Policy Action Plan (IPAP) (DTI, 2013) and the National Industrial Policy Framework (NIPF) (DTI, 2007), which promotes export-led growth initiatives.

### 6.4.2 Recommendations for further studies

Given the high contribution of the services sector to the GDP of the Western Cape (73%) (see Figure 3.2), it is recommended that a study is undertaken to identify the export opportunities within the services sectors of the Western Cape.

Further analysis on the possible difference between the production and administrative location of exporting firms should be conducted in order to verify the provincial export data, for example, the verification of the Western Cape export figures for diamonds, maize and platinum.

# APPENDIX A – DSM results with the highest total export potential for the Western Cape Province

| HS | Product description | Potential value (US$ thousand) |
|---|---|---|
| 854140 | Photosensitive semiconductor devices, incl. photovoltaic cells whether or not assembled in modules/made up into panels; light emitting diodes | 10 381 536 |
| 711319 | Articles of jewellery & parts thereof of other. precious metal (excl. silver), whether or not plated/clad with precious metal | 7 976 592 |
| 710231 | Diamonds, non-industrial, unworked./simply sawn/cleaved/bruted | 6 889 307 |
| 271113 | Butanes, liquefied | 2 129 934 |
| 100590 | Maize (corn), other than seed | 1 514 715 |
| 842199 | Parts of the filtering/purifying mach. & app. of 84.21 (excl. of centrifuges, incl. centrifugal dryers) | 1 176 820 |
| 390760 | Poly(ethylene terephthalate), in primary forms | 1 007 158 |
| 711292 | Waste & scrap of platinum, incl. metal clad with platinum but excl. sweepings cont. other. precious metals | 570 501 |
| 720711 | Semi-finished prods. of iron/non-alloy steel, cont. by wt. <0.25% of carbon, of rect. (incl. square) cross-section, the width meas. < twice the thkns. | 561 684 |
| 852910 | Aerials & aerial reflectors of all kinds suit. for use solely/princ. with the app. of 85.25-85.28; parts suit. for use therewith | 560 148 |
| 890110 | Cruise ships, excursion boats & sim. vessels princ. designed for the tpt. of persons; ferry-boats of all kinds | 557 558 |
| 250300 | Sulphur of all kinds (excl. sublimed sulphur/precipitated sulphur/colloidal sulphur) | 551 218 |
| 847780 | Machinery for mounding/othw. forming rubber/plastics/for the mfr. of prods. from these mats., n.e.s. in 84.77 | 521 457 |
| 440399 | Wood, in the rough (excl. of 4403.10-4403.92), whether or not stripped of bark/sapwood/roughly squared | 481 783 |
| 020713 | Cuts & edible offal of species Gallus domesticus, fresh/chilled | 400 212 |
| 720918 | Flat-rolled prods. of iron/non-alloy steel, of a width of 600mm/more, in coils, not further worked than cold-rolled (cold-reduced), not clad/plated/coated, of a thkns. of <0.5mm | 394 997 |
| 720711 | Semi-finished prods. of iron/non-alloy steel, cont. by wt. <0.25% of carbon, of rect. (incl. square) cross-section, the width meas. < twice the thkns. | 380 345 |
| 720429 | Waste & scrap of alloy steel other than stainless steel | 343 325 |
| 441820 | Doors & their frames & thresholds, of wood, incl. cellular wood panels | 336 016 |
| 853110 | Burglar/fire alarms & sim. app. | 326 448 |
| 381590 | Reaction initiators, reaction accelerators & catalytic preps. (excl. of 3815.11-3815.19) | 317 547 |
| 870821 | Safety seat belts of the motor vehicles of 87.01-87.05 | 269 033 |
| 611241 | Women's/girls' swimwear, knitted or crocheted, of synth. fibres | 256 888 |
| 30791 | Molluscs & invertebrates (excl. of 0307.10-0307.60), live/fresh/chilled | 248 041 |
| 70190 | Potatoes other than seed potatoes, fresh/chilled | 219 855 |
| 880211 | Helicopters of an unladen wt. not >2000kg | 210 949 |
| 847410 | Sorting/screening/separating/washing machines for earth/stone/ores/oth. min. subs., in solid (incl. powder/paste) form | 210 844 |
| 284690 | Compounds, inorganic/organic, of rare-earth metals/yttrium/scandium/mixts. of these metals, other than cerium comps. | 191 180 |

| HS | Product description | Potential value (US$ thousand) |
|---|---|---|
| 030374 | Mackerel (Scomber scombrus/australasicus/japonicus), frozen (excl. fillets/oth. fish meat of 03.04/livers & roes) | 166 572 |
| 440890 | Sheets for veneering, incl. those obt. by slicing laminated wood, for plywood...not >6mm, of wood n.e.s. in 44.08 [see complete text #52] | 165 853 |
| 360300 | Safety fuses; detonating fuses; percussion/detonating caps; igniters; elec. detonators | 159 520 |
| 081040 | Cranberries, bilberries & oth. fruits of the genus Vaccinium, fresh | 146 666 |
| 280700 | Sulphuric acid; oleum | 141 477 |
| 030729 | Scallops, incl. queen scallops (genera Pecten/Chlamys/Placopecten), other than live/fresh/chilled | 134 025 |
| 620333 | Men's/boys' jackets & blazers (excl. knitted or crocheted), of synth. fibres | 121 245 |
| 392111 | Plates, sheets, film, foil & strip, cellular, of polymers of styrene | 116 658 |
| 843699 | Parts of oth. agricultural/horticultural/forestrybee-keeping mach., incl. germination plant fitted with mech./thermal equip. (excl. of 8436.91) | 114 985 |
| 030799 | Molluscs & invertebrates (excl. of 0307.10-0307.60), frozen/dried/salted/in brine; incl. flours/meals/pellets of aquatic invertebrates other than crustaceans, fit for human consumption | 113 617 |
| 847780 | Machinery for mounding/othw. forming rubber/plastics/for the mfr. of prods. from these mats., n.e.s. in 84.77 | 111 503 |
| 261900 | Slag, dross (excl. granulated slag), scalings & oth. waste from the mfr. of iron/steel | 109 568 |
| 081020 | Raspberries, blackberries, mulberries & loganberries, fresh | 107 924 |
| 721399 | Bars & rods, hot-rolled, in irregularly wound coils, of iron/non-alloy steel, n.e.s. in 72.13 | 107 835 |
| 842531 | Winches (excl. of 8425.20), powered by elec. motor; capstans, powered by elec. motor | 106 174 |
| 854810 | Waste & scrap of primary cells, primary batteries & elec. accumulators; spent primary cells, spent primary batteries & spent elec. accumulators | 95 738 |
| 310490 | Potassic min./chem. fertilisers (excl. of 3104.10-3104.30) | 94 991 |
| 848320 | Bearing housings, incorp. ball/roller bearings | 93 237 |
| 270740 | Naphthalene | 91 417 |
| 160590 | Molluscs & oth. aquatic invertegrates, prepd./presvd. | 90 638 |
| 310590 | Mineral/chem. fertilisers cont. 2/3 of the fertilising elements nitrogen, phosphorus & potassium (excl. of 3015.10-3105.60); oth. fertilisers, n.e.s... [see complete text #12] | 81 447 |
| 731512 | Articulated link chain other than roller chain, of iron/steel | 81 346 |
| 780200 | Lead waste & scrap | 76 920 |
| 850520 | Electro-magnetic couplings, clutches & brakes | 75 660 |
| 030611 | Rock lobster & oth. sea crawfish (Palinurus spp., Panulirus spp., Jasus spp.), whether or not in shell, frozen | 74 009 |
| 790200 | Zinc waste & scrap | 69 976 |
| 340590 | Polishes & creams, scouring pastes & powders & sim. preps. (excl. waxes of 34.04; excl. of 3405.10-3405.40) | 68 896 |
| 030269 | Fish, n.e.s., fresh/chilled (excl. fillets/oth. fish meat of 03.04/livers & roes) | 67 676 |
| 281000 | Oxides of boron; boric acids | 66 255 |
| 842919 | Self-propelled bulldozers & angledozers (excl. track laying) | 65 819 |
| 843691 | Parts of the poultry-keeping mach./poultry incubators & brooders of 8436.21 & 8436.29 | 65 470 |

| HS | Product description | Potential value (US$ thousand) |
|---|---|---|
| 293999 | Vegetable alkaloids, nat./reproduced by synthesis, & their salts, ethers, esters & oth. derivs. (excl. of 2939.11-2939.91) | 63 279 |
| 740322 | Copper-tin base alloys (bronze), unwrought | 62 979 |
| 392530 | Shutters, blinds (incl. Venetian blinds) & sim. arts. & parts thereof , of plastics | 62 856 |
| 844790 | Knitting machines (excl. of 8447.11-8447.20) & machines for making gimped yarn/tulle/lace/embroidery/trimmings/braid/net & machines for tufting | 62 068 |
| 252210 | Quicklime | 61 221 |
| 070110 | Seed potatoes, fresh/chilled | 58 300 |
| 840219 | Vapour generating boilers, incl. hybrid boilers (excl. of 8402.11 & 8402.12; excl. central heating hot water boilers capable also of producing low pressure steam) | 56 272 |
| 200830 | Citrus fruit, prepd./presvd., whether or not cont. added sugar/oth. sweetening matter/spirit, n.e.s. | 56 140 |
| 030549 | Smoked fish (excl. of 0305.41 & 0305.42), incl. fillets | 55 687 |
| 871631 | Tanker trailers & tanker semi-trailers | 55 339 |
| 721190 | Flat-rolled prods. of iron/non-alloy steel, of a width of <600mm, not clad/plated/coated, n.e.s. in 72.11 | 54 806 |
| 902221 | Apparatus based on the use of alpha/beta/gamma radiations, for medical/surgical/dental/veterinary uses, incl. radiography/radiotherapy app. | 53 285 |
| 030559 | Dried fish other than cod (Gadus morhua/ogac/macrocephalus), whether or not salted but not smoked | 51 352 |
| 330112 | Essential oils of orange | 50 467 |
| 360200 | Prepared explosives (excl. propellent powders) | 50 227 |
| 391290 | Cellulose & its chem. derivs., n.e.s., in primary forms (excl. of 3912.11-3912.39) | 50 162 |
| 820760 | Tools for boring/broaching, for hand tools, whether or not power-operated/for machine tools | 49 802 |
| 030232 | Yellowfin tunas (Thunnus albacares), fresh/chilled (excl. fillets/oth. fish meat of 03.04/livers & roes) | 48 389 |
| 291560 | Butanoic acids, pentanoic acids, their salts & esters | 46 818 |
| 600531 | Warp knit fabrics. incl. those made on galloon knitting machines (excl. of 60.01-60.04), of synth. fibres, unbleached/bleached | 46 188 |
| 392220 | Lavatory seats & covers, of plastics | 45 189 |
| 030341 | Albacore/longfinned tunas (Thunnus alalunga), frozen (excl. fillets/oth. fish meat of 03.04/livers & roes) | 44 636 |
| 842220 | Machinery for cleaning/drying bottles/oth. conts. | 43 618 |
| 846029 | Grinding machines other than flat-surface, in which the positioning in any one axis can be set up to an accuracy of at least 0.01mm, other than numerically controlled | 43 148 |
| 310390 | Phosphatic min./chem. fertilisers other than superphosphates & basic slag | 41 671 |
| 731441 | Cloth, grill, netting & fencing of iron/steel wire (excl. that welded at the intersection), plated/coated with zinc | 40 764 |
| 100890 | Cereals (excl. those which have been hulled/othw. wkd.), n.e.s. | 40 730 |
| 330113 | Essential oils of lemon | 40 507 |
| 220900 | Vinegar & substitutes for vinegar obt. from acetic acid | 37 751 |
| 901410 | Direction finding compasses | 37 504 |

| HS | Product description | Potential value (US$ thousand) |
|---|---|---|
| 410320 | Raw hides & skins of reptiles, (fresh/salted/dried/limed/pickled/othw. presvd. but not tanned/parchment-dressed/furth. prepd.) [see complete text #41] | 35 486 |
| 731431 | Grill, netting & fencing of iron/steel wire (excl. of 7314.20), welded at the intersection, plated/coated with zinc | 34 881 |
| 611599 | Hosiery, knitted or crocheted, of oth. textile mats. (excl. of 6115.11-6115.93) | 33 464 |
| 360100 | Propellent powders | 33 068 |
| 030339 | Flat fish (excl. of 0303.31-0303.33) [see list of conventions for species included], frozen (excl. fillets/oth. fish meat of 03.04/livers & roes) | 32 179 |
| 411330 | Leather furth. prepd. after tanning/crusting, incl. parchment-dressed leather, of reptiles, without wool/hair on, whether or not split, other than leather of 41.14 | 31 331 |
| 840220 | Super-heated water boilers | 30 410 |
| 530610 | Flax yarn, single | 29 936 |
| 292990 | Compounds with oth. nitrogen function, other than isocyanates | 29 161 |
| 480240 | Wallpaper base | 28 279 |
| 410221 | Raw skins of sheep/lambs, pickled but not tanned/parchment-dressed/furth. prepd., without wool on | 28 160 |
| 261800 | Granulated slag (slag sand) from the mfr. of iron/steel | 27 890 |
| 731600 | Anchors, grapnels & parts thereof , of iron/steel | 27 062 |
| 710420 | Synthetic/reconstructed precious/semi-precious stones (excl. piezo-electric quartz), unwkd./simply sawn/roughly shaped | 25 394 |
| 110313 | Groats/meal of maize (corn) | 24 807 |
| 540773 | Woven fabrics (excl. of 5407.10-5407.30), cont. 85%/more by wt. of synth. filaments, of yarns of diff. colours | 24 508 |
| 110220 | Maize (corn) flour | 23 836 |
| 250610 | Quartz, other than nat. sands | 23 791 |
| 520931 | Woven fabrics of cotton, cont. 85%/more by wt. of cotton, dyed, plain weave, weighing >200g/m2 | 23 484 |
| 631090 | Used/new rags, scrap twine, cordage, rope & cables & worn out arts. of twine/cordage/rope/cables, of textile mats. (excl. sorted) | 22 993 |
| 511119 | Woven fabrics of carded wool/carded fine animal hair, cont. 85%/more by wt. of wool/fine animal hair (excl. of 5111.11) | 22 272 |
| 630312 | Curtains (incl. drapes) & interior blinds, knitted or crocheted; curtain/bed valances, knitted or crocheted, of synth. fibres | 21 763 |
| 410530 | Tanned/crust skins of sheep/lambs, without wool on, in the dry state (crust), whether or not split but not furth. prepd. | 21 437 |
| 441090 | Particle board & sim. board (e.g., oriented strand board & waferboard) of wood/oth. ligneous mats., whether or not agglom. with resins/oth. organic binding subs. (excl. of 4410.21-4410.39) | 19 722 |
| 280800 | Nitric acid; sulphonitric acids | 19 002 |
| 411510 | Composition leather with a basis of leather/leather fibre, in slabs/sheets/strip, whether or not in rolls | 18 475 |
| 251320 | Emery, nat. corundum, nat. garnet & oth. nat. abrasives, whether or not heat-treated | 17 390 |
| 321100 | Prepared driers | 16 713 |
| 340520 | Polishes, creams & sim. preps. for the maintenance of wooden furniture/floors/oth. woodwork | 16 487 |

| HS | Product description | Potential value (US$ thousand) |
|---|---|---|
| 030239 | Tunas, skipjack & bonito (excl. of 0302.31-0302.36), fresh/chilled | 16 021 |
| 280421 | Argon | 15 972 |
| 381300 | Preparations & charges for fire-extinguishers; charged fire-extinguishing grenades | 15 876 |
| 283210 | Sodium sulphites | 5 849 |
| 810420 | Magnesium waste & scrap | 15 740 |
| 261790 | Ores & concs. (excl. of 2601.11-2617.10) | 15 485 |
| 511290 | Woven fabrics of combed wool/combed fine animal hair (excl. of 5112.11-5112.30) | 15 302 |
| 030349 | Tunas (excl. of 0303.41-0303.46), frozen (excl. fillets/oth. fish meat of 0 | 14 782 |
| 761100 | Aluminium reservoirs, tanks, vats & sim. conts., for any mat. (other than compressed/liquefied gas), of a cap. >300 l, whether or not lined/heat-insulated but not fitted with mech./thermal equip. | 14 615 |
| 440410 | Hoopwood; split poles; piles, pickets & stakes of wood...coniferous [see complete text #47] | 14 518 |
| 870520 | Mobile drilling derricks | 14 376 |
| 282090 | Manganese oxides other than manganese dioxide | 13 850 |
| 620322 | Men's/boys' ensembles (excl. knitted or crocheted), of cotton | 13 227 |
| 252220 | Slaked lime | 12 688 |
| 030234 | Bigeye tunas (Thunnus obesus), fresh/chilled (excl. fillets/oth. fish meat) | 12 552 |
| 080720 | Papaws (papayas), fresh/dried | 12 160 |
| 280430 | Nitrogen | 12 065 |
| 030329 | Salmonidae (excl. of 0303.21 & 0303.22), frozen | 11 355 |
| 291100 | Acetals & hemiacetals, whether or not with oth. oxygen function, & their halogenated/sulphonated/nitrated/nitrosated derivs. | 11 309 |
| 480530 | Sulphite wrapping paper, uncoated, in rolls/sheets, not further worked than/further processed than as spec. in Note 3 to Ch.48 | 10 994 |
| 160412 | Herrings, prepd./presvd., whole/in pieces (excl. minced) | 10 075 |
| 521223 | Woven fabrics of cotton (excl. of 52.08-52.11), dyed, weighing >200 g/m2 | 9 698 |
| 090190 | Coffee husks & skins; coffee substitutes cont. coffee in any proportion | 9 577 |
| 293333 | Alfentanil, anileridine, bezitramide, bromazepam, difenoxin... [see complete text #20] | 9 525 |
| 521119 | Woven fabrics of cotton (excl. of 5211.11 & 5211.12), cont. <85% by wt. of cotton, mixed mainly or solely with man-made fibres, unbleached, weighing >200g/m2 | 9 492 |
| 691410 | Ceramic arts. of porcelain/china, n.e.s. in Ch.69 | 8 973 |
| 480610 | Vegetable parchment, in rolls/sheets | 7 894 |
| 030710 | Oysters, whether or not in shell, live/fresh/chilled/frozen/dried/salted/in brine | 7 737 |
| 030231 | Albacore/longfinned tunas (Thunnus alalunga), fresh/chilled | 7 532 |
| 070890 | Leguminous vegetables (excl. of 0708.10 & 0708.20), shelled/unshelled, fresh/chilled | 7 378 |
| 291813 | Salts & esters of tartaric acid | 7 226 |
| 521221 | Woven fabrics of cotton (excl. of 52.08-52.11), unbleached, weighing >200 g/m2 | 6 962 |
| 081290 | Fruit (excl. cherries) & nuts, provisionally presvd. but unsuit. in that state for immediate consumption | 6 660 |

| HS | Product description | Potential value (US$ thousand) |
|---|---|---|
| 610322 | Men's/boys' ensembles, knitted or crocheted, of cotton | 6 246 |
| 030760 | Snails (excl. sea snails) | 5 998 |
| 150890 | Ground-nut oil, other than crude, & fractions thereof , whether or not ref. but not chemically modified | 5 927 |
| 350710 | Rennet & concs. thereof | 5 691 |
| 283319 | Sodium sulphates other than disodium sulphate | 5 483 |
| 160210 | Homogenised preps. of prepd./presvd. meat/meat offal | 5 415 |
| 510320 | Waste of wool/of fine animal hair, incl. yarn waste but excl. garnetted stock, other than noils of wool/fine animal hair | 5 158 |
| 070420 | Brussels sprouts, fresh/chilled | 5 140 |
| 410692 | Tanned/crust hides & skins, n.e.s., without wool/hair on, in the dry state (crust) whether or not split but not furth. prepd. | 5 057 |
| 030510 | Flours, meals & pellets of fish, fit for human consumption | 4 827 |
| 220430 | Grape must (excl. of 20.09) | 4 143 |
| 140110 | Bamboos | 4 042 |
| 251910 | Natural magnesium carbonate (magnesite) | 2 596 |
| 590490 | Floor coverings consisting of a coating/covering applied on a textile backing, whether or not cut to shape (excl. linoleum) | 1 658 |
| 230700 | Wine lees; argol | 1 589 |
| 252230 | Hydraulic lime, other than calcium oxide & hydroxide of 28.25 | 1 255 |
| 060410 | Mosses & lichens | 1 069 |
| 370690 | Cinematographic film, exposed & developed, whether or not incorp. sound track/consisting only of sound track, of a width of <35mm | 736 |
| 293991 | Cocaine, ecgonine, levometamfetamine, metamfetamine (INN), metamfetamine racemate; salts, esters & oth. derivs. thereof | 577 |
| 440130 | Sawdust & wood waste & scrap, whether or not agglom. in logs/briquettes/pellets/sim. forms | 399 |
| 382550 | Wastes of metal pickling liquors, hydraulic fluids, brake fluids & anti-freeze fluids | 304 |
| 030261 | Sardines (Sardina pilchardus, Sardinops spp.)/sardinella (Sardinella spp.) | 182 |
| 021091 | Meat & edible meat offal of primates, salted/in brine/dried/smoked | 120 |
| 900711 | Cinematographic cameras, whether or not incorp. sound recording app., for film of <16mm width/double-8mm film | 86 |
| 761511 | Pot scourers & scouring/polishing pads, gloves and the like, of aluminium | 56 |
| 293491 | Aminorex, brotizolam, clotiazepam, cloxazolam, dextromoramide, haloxazolam, ketazolam, mesocarb, oxazolam, pemoline, phendimetrazine... [see complete text #23] | 49 |
| 284450 | Spent (irradiated) fuel elements (cartridges) of nuclear reactors | 40 |

## APPENDIX B: Product-country combinations in cell 5, 10 and 15

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| India | 710231 | Diamonds, non-industrial, unwkd./simply sawn/cleaved/bruted | Cell 5 | 2 685 354 | 0 |
| Netherlands | 854140 | Photosensitive semiconductor devices, incl. photovoltaic cells whether or not assembled in modules/made up into panels; light emitting diodes | Cell 5 | 653 576 | 0 |
| India | 271113 | Butanes, liquefied | Cell 5 | 459 755 | 0 |
| United Arab Emirates | 710231 | Diamonds, non-industrial, unwkd./simply sawn/cleaved/bruted | Cell 15 | 385 605 | 0 |
| China | 710231 | Diamonds, non-industrial, unwkd./simply sawn/cleaved/bruted | Cell 10 | 358 993 | 0 |
| Egypt | 100590 | Maize (corn), other than seed | Cell 5 | 349984 | 0 |
| Hong Kong (SARC) | 710231 | Diamonds, non-industrial, unwkd./simply sawn/cleaved/bruted | Cell 5 | 347 880 | 0 |
| Indonesia | 100590 | Maize (corn), other than seed | Cell 5 | 186 534 | 0 |
| India | 440399 | Wood, in the rough (excl. of 4403.10-4403.92), whether or not stripped of bark/sapwood/roughly squared | Cell 5 | 167 008 | 0 |
| Italy | 890110 | Cruise ships, excursion boats & sim. vessels princ. designed for the tpt. of persons; ferry-boats of all kinds | Cell 5 | 164 333 | 0 |
| Netherlands | 100590 | Maize (corn), other than seed | Cell 5 | 158 321 | 0 |
| United States of America | 842199 | Parts of the filtering/purifying mach. & app. of 84.21 (excl. of centrifuges, incl. centrifugal dryers) | Cell 5 | 157 098 | 0 |
| Algeria | 100590 | Maize (corn), other than seed | Cell 5 | 144 831 | 0 |
| United States of America | 852910 | Aerials & aerial reflectors of all kinds suit. for use solely/princ. with the app. of 85.25-85.28; parts suit. for use therewith | Cell 10 | 141 598 | 0 |
| Indonesia | 271113 | Butanes, liquefied | Cell 5 | 124 269 | 0 |
| Japan | 711292 | Waste & scrap of platinum, incl. metal clad with platinum but excl. sweepings cont. oth. precious metals | Cell 5 | 108 404 | 0 |
| France | 890110 | Cruise ships, excursion boats & sim. vessels princ. designed for the tpt. of persons; ferry-boats of all kinds | Cell 5 | 97 412 | 0 |
| Morocco | 250300 | Sulphur of all kinds (excl. sublimed sulphur/precipitated sulphur/colloidal sulphur) | Cell 5 | 86 158 | 0 |
| China | 261900 | Slag, dross (excl. granulated slag), scalings & oth. waste from the mfr. of iron/steel | Cell 10 | 71 128 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| Indonesia | 720918 | Flat-rolled prods. of iron/non-alloy steel, of a width of 600mm/more, in coils, not further worked than cold-rolled (cold-reduced), not clad/plated/coated, of a thkns. of <0.5mm | Cell 5 | 59 725 | 0 |
| Bangladesh | 720711 | Semi-finished prods. of iron/non-alloy steel, cont. by wt. <0.25% of carbon, of rect. (incl. square) cross-section, the width meas. < twice the thkns. | Cell 5 | 59 519 | 0 |
| Hong Kong (SARC) | 030799 | Molluscs & invertebrates (excl. of 0307.10-0307.60), frozen/dried/salted/in brine; incl. flours/meals/pellets of aquatic invertebrates other than crustaceans, fit for human consumption | Cell 15 | 54 930 | 0 |
| Korea, Rep. of Korea | 842199 | Parts of the filtering/purifying mach. & app. of 84.21 (excl. of centrifuges, incl. centrifugal dryers) | Cell 5 | 53 926 | 0 |
| Brazil | 250300 | Sulphur of all kinds (excl. sublimed sulphur/precipitated sulphur/colloidal sulphur) | Cell 5 | 53 613 | 0 |
| Turkey | 390760 | Poly(ethylene terephthalate), in primary forms | Cell 5 | 52 557 | 0 |
| United States of America | 720429 | Waste & scrap of alloy steel other than stainless steel | Cell 5 | 51 974 | 0 |
| Nigeria | 720918 | Flat-rolled prods. of iron/non-alloy steel, of a width of 600mm/more, in coils, not further worked than cold-rolled (cold-reduced), not clad/plated/coated, of a thkns. of <0.5mm | Cell 10 | 51 766 | 0 |
| Romania | 720711 | Semi-finished prods. of iron/non-alloy steel, cont. by wt. <0.25% of carbon, of rect. (incl. square) cross-section, the width meas. < twice the thkns. | Cell 5 | 50 704 | 0 |
| Chile | 280700 | Sulphuric acid; oleum | Cell 5 | 49 831 | 0 |
| China | 381590 | Reaction initiators, reaction accelerators & catalytic preps. (excl. of 3815.11-3815.19) | Cell 5 | 48 469 | 0 |
| United Kingdom | 852910 | Aerials & aerial reflectors of all kinds suit. for use solely/princ. with the app. of 85.25-85.28; parts suit. for use therewith | Cell 10 | 42 876 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| India | 842199 | Parts of the filtering/purifying mach. & app. of 84.21 (excl. of centrifuges, incl. centrifugal dryers) | Cell 5 | 39 632 | 0 |
| Latvia | 720711 | Semi-finished prods. of iron/non-alloy steel, cont. by wt. <0.25% of carbon, of rect. (incl. square) cross-section, the width meas. < twice the thkns. | Cell 5 | 39 415 | 0 |
| Korea, Rep. of Korea | 847780 | Machinery for mounding/othw. forming rubber/plastics/for the mfr. of prods. from these mats., n.e.s. in 84.77 | Cell 5 | 39 022 | 0 |
| Canada | 081020 | Raspberries, blackberries, mulberries & loganberries, fresh | Cell 5 | 37 974 | 0 |
| Malaysia | 310490 | Potassic min./chem. fertilisers (excl. of 3104.10-3104.30) | Cell 5 | 34 574 | 0 |
| Singapore | 711292 | Waste & scrap of platinum, incl. metal clad with platinum but excl. sweepings cont. oth. precious metals | Cell 5 | 33 221 | 0 |
| France | 853110 | Burglar/fire alarms & sim. app. | Cell 5 | 32 527 | 0 |
| Korea, Rep. of Korea | 854810 | Waste & scrap of primary cells, primary batteries & elec. accumulators; spent primary cells, spent primary batteries & spent elec. accumulators | Cell 5 | 32 032 | 0 |
| China | 160590 | Molluscs & oth. aquatic invertegrates, prepd./presvd. | Cell 5 | 31 869 | 0 |
| Russian Federation | 842199 | Parts of the filtering/purifying mach. & app. of 84.21 (excl. of centrifuges, incl. centrifugal dryers) | Cell 5 | 31 130 | 0 |
| China | 030374 | Mackerel (Scomber scombrus/australasicus/japonicus), frozen (excl. fillets/oth. fish meat of 03.04/livers & roes) | Cell 5 | 30 918 | 0 |
| Indonesia | 720827 | Flat-rolled prods. of iron/non-alloy steel, of a width of 600mm/more, hot-rolled, not clad/plated/coated, in coils, not further worked than hot-rolled, pickled, of a thkns. of <3mm | Cell 5 | 30 784 | 0 |
| Denmark | 150420 | Fats & oils & their fractions, of fish, other than liver oils, whether or not ref. but not chemically modified | Cell 5 | 30 378 | 0 |
| Japan | 441820 | Doors & their frames & thresholds, of wood, incl. cellular wood panels | Cell 5 | 29 966 | 0 |
| Netherlands | 381590 | Reaction initiators, reaction accelerators & catalytic preps. (excl. of 3815.11-3815.19) | Cell 5 | 29 303 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| Brazil | 847780 | Machinery for mounding/othw. forming rubber/plastics/for the mfr. of prods. from these mats., n.e.s. in 84.77 | Cell 5 | 26 872 | 0 |
| Norway | 441820 | Doors & their frames & thresholds, of wood, incl. cellular wood panels | Cell 5 | 26 067 | 0 |
| Hong Kong (SARC) | 030559 | Dried fish other than cod (Gadus morhua/ogac/macrocephalus), whether or not salted but not smoked | Cell 10 | 25 324 | 0 |
| Korea, Rep. of Korea | 721399 | Bars & rods, hot-rolled, in irregularly wound coils, of iron/non-alloy steel, n.e.s. in 72.13 | Cell 5 | 24 266 | 0 |
| Korea, Rep. of Korea | 270740 | Naphthalene | Cell 5 | 23 663 | 0 |
| Indonesia | 310490 | Potassic min./chem. fertilisers (excl. of 3104.10-3104.30) | Cell 5 | 23 129 | 0 |
| Poland | 720827 | Flat-rolled prods. of iron/non-alloy steel, of a width of 600mm/more, hot-rolled, not clad/plated/coated, in coils, not further worked than hot-rolled, pickled, of a thkns. of <3mm | Cell 5 | 22 620 | 0 |
| Japan | 381590 | Reaction initiators, reaction accelerators & catalytic preps. (excl. of 3815.11-3815.19) | Cell 5 | 21 916 | 0 |
| China | 847759 | Machinery for moulding/othw. forming rubber/plastics (excl. of 8477.51) | Cell 5 | 21 575 | 0 |
| Thailand | 030374 | Mackerel (Scomber scombrus/australasicus/japonicus), frozen (excl. fillets/oth. fish meat of 03.04/livers & roes) | Cell 5 | 21 373 | 0 |
| United States of America | 720918 | Flat-rolled prods. of iron/non-alloy steel, of a width of 600mm/more, in coils, not further worked than cold-rolled (cold-reduced), not clad/plated/coated, of a thkns. of <0.5mm | Cell 5 | 21 180 | 0 |
| Canada | 847410 | Sorting/screening/separating/washing machines for earth/stone/ores/oth. min. subs., in solid (incl. powder/paste) form | Cell 10 | 21 016 | 0 |
| Mexico | 310590 | Mineral/chem. fertilisers cont. 2/3 of the fertilising elements nitrogen, phosphorus & potassium (excl. of 3015.10-3105.60); oth. fertilisers, n.e.s... [see complete text #12] | Cell 5 | 20 532 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| United States of America | 030232 | Yellowfin tunas (Thunnus albacares), fresh/chilled (excl. fillets/oth. fish meat of 03.04/livers & roes) | Cell 10 | 19 544 | 0 |
| Israel | 250300 | Sulphur of all kinds (excl. sublimed sulphur/precipitated sulphur/colloidal sulphur) | Cell 5 | 19 187 | 0 |
| Indonesia | 310390 | Phosphatic min./chem. fertilisers other than superphosphates & basic slag | Cell 5 | 19 036 | 0 |
| Switzerland | 441820 | Doors & their frames & thresholds, of wood, incl. cellular wood panels | Cell 5 | 18 839 | 0 |
| Korea, Rep. of Korea | 030374 | Mackerel (Scomber scombrus/australasicus/japonicus), frozen (excl. fillets/oth. fish meat of 03.04/livers & roes) | Cell 5 | 18 371 | 0 |
| China | 842531 | Winches (excl. of 8425.20), powered by elec. motor; capstans, powered by elec. motor | Cell 5 | 18 322 | 0 |
| Egypt | 720429 | Waste & scrap of alloy steel other than stainless steel | Cell 5 | 18 114 | 0 |
| United States of America | 871631 | Tanker trailers & tanker semi-trailers | Cell 5 | 17 531 | 0 |
| Germany | 850520 | Electro-magnetic couplings, clutches & brakes | Cell 5 | 17 505 | 0 |
| Viet Nam | 310590 | Mineral/chem. fertilisers cont. 2/3 of the fertilising elements nitrogen, phosphorus & potassium (excl. of 3015.10-3105.60); oth. fertilisers, n.e.s... [see complete text #12] | Cell 5 | 17 321 | 0 |
| Malaysia | 030269 | Fish, n.e.s., fresh/chilled (excl. fillets/oth. fish meat of 03.04/livers & roes) | Cell 5 | 17 306 | 0 |
| Japan | 281000 | Oxides of boron; boric acids | Cell 5 | 16 487 | 0 |
| Korea, Rep. of Korea | 030799 | Molluscs & invertebrates (excl. of 0307.10-0307.60), frozen/dried/salted/in brine; incl. flours/meals/pellets of aquatic invertebrates other than crustaceans, fit for human consumption | Cell 5 | 15 907 | 0 |
| Ireland | 330113 | Essential oils of lemon | Cell 5 | 15 246 | 0 |
| Germany | 720429 | Waste & scrap of alloy steel other than stainless steel | Cell 10 | 15 013 | 0 |
| India | 310490 | Potassic min./chem. fertilisers (excl. of 3104.10-3104.30) | Cell 5 | 15 008 | 0 |
| Chile | 840220 | Super-heated water boilers | Cell 5 | 14 987 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| Germany | 721399 | Bars & rods, hot-rolled, in irregularly wound coils, of iron/non-alloy steel, n.e.s. in 72.13 | Cell 5 | 14 846 | 0 |
| Japan | 030549 | Smoked fish (excl. of 0305.41 & 0305.42), incl. fillets | Cell 5 | 14 714 | 0 |
| Australia | 293999 | Vegetable alkaloids, nat./reproduced by synthesis, & their salts, ethers, esters & oth. derivs. (excl. of 2939.11-2939.91) | Cell 10 | 14 567 | 0 |
| France | 270740 | Naphthalene | Cell 5 | 14 138 | 0 |
| Australia | 360300 | Safety fuses; detonating fuses; percussion/detonating caps; igniters; elec. detonators | Cell 15 | 13 879 | 0 |
| Germany | 200830 | Citrus fruit, prepd./presvd., whether or not cont. added sugar/oth. sweetening matter/spirit, n.e.s. | Cell 5 | 13 461 | 0 |
| Sweden | 441820 | Doors & their frames & thresholds, of wood, incl. cellular wood panels | Cell 5 | 13 452 | 0 |
| Canada | 150420 | Fats & oils & their fractions, of fish, other than liver oils, whether or not ref. but not chemically modified | Cell 5 | 13 353 | 0 |
| United States of America | 310490 | Potassic min./chem. fertilisers (excl. of 3104.10-3104.30) | Cell 5 | 13 330 | 0 |
| Germany | 847410 | Sorting/screening/separating/washing machines for earth/stone/ores/oth. min. subs., in solid (incl. powder/paste) form | Cell 5 | 12 886 | 0 |
| Russian Federation | 870821 | Safety seat belts of the motor vehicles of 87.01-87.05 | Cell 5 | 12 743 | 0 |
| China | 620333 | Men's/boys' jackets & blazers (excl. knitted or crocheted), of synth. fibres | Cell 5 | 12 654 | 0 |
| Canada | 880211 | Helicopters of an unladen wt. not >2000kg | Cell 5 | 12 472 | 0 |
| France | 410320 | Raw hides & skins of reptiles, (fresh/salted/dried/limed/pickled/oth w. presvd. but not tanned/parchment-dressed/furth. prepd.) [see complete text #41] | Cell 5 | 12 468 | 0 |
| Japan | 880211 | Helicopters of an unladen wt. not >2000kg | Cell 5 | 12 004 | 0 |
| Sri Lanka | 030559 | Dried fish other than cod (Gadus morhua/ogac/macrocephalus), whether or not salted but not smoked | Cell 5 | 11 875 | 0 |
| Finland | 252210 | Quicklime | Cell 5 | 11 481 | 0 |
| Thailand | 720429 | Waste & scrap of alloy steel other than stainless steel | Cell 10 | 11 435 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| Indonesia | 842919 | Self-propelled bulldozers & angledozers (excl. track laying) | Cell 5 | 11 246 | 0 |
| India | 847410 | Sorting/screening/separating/washing machines for earth/stone/ores/oth. min. subs., in solid (incl. powder/paste) form | Cell 5 | 11 238 | 0 |
| Belgium-Luxembourg | 030729 | Scallops, incl. queen scallops (genera Pecten/Chlamys/Placopecten), other than live/fresh/chilled | Cell 5 | 10 901 | 0 |
| Japan | 842531 | Winches (excl. of 8425.20), powered by elec. motor; capstans, powered by elec. motor | Cell 5 | 10 663 | 0 |
| Germany | 340590 | Polishes & creams, scouring pastes & powders & sim. preps. (excl. waxes of 34.04; excl. of 3405.10-3405.40) | Cell 5 | 10 457 | 0 |
| China | 848320 | Bearing housings, incorp. ball/roller bearings | Cell 5 | 10 341 | 0 |
| Netherlands | 291560 | Butanoic acids, pentanoic acids, their salts & esters | Cell 5 | 10 337 | 0 |
| Japan | 051191 | Products of fish/crustaceans, molluscs/oth. aquatic invertebrates; dead animals of Ch.3, unfit for human consumption | Cell 5 | 10 329 | 0 |
| China | 340590 | Polishes & creams, scouring pastes & powders & sim. preps. (excl. waxes of 34.04; excl. of 3405.10-3405.40) | Cell 5 | 10 207 | 0 |
| China | 440890 | Sheets for veneering, incl. those obt. by slicing laminated wood, for plywood...not >6mm, of wood n.e.s. in 44.08 [see complete text #52] | Cell 5 | 9 924 | 0 |
| China | 840219 | Vapour generating boilers, incl. hybrid boilers (excl. of 8402.11 & 8402.12; excl. central heating hot water boilers capable also of producing low pressure steam) | Cell 5 | 9 917 | 0 |
| United States of America | 391290 | Cellulose & its chem. derivs., n.e.s., in primary forms (excl. of 3912.11-3912.39) | Cell 5 | 9 713 | 0 |
| China | 360300 | Safety fuses; detonating fuses; percussion/detonating caps; igniters; elec. detonators | Cell 5 | 9 655 | 0 |
| India | 280700 | Sulphuric acid; oleum | Cell 5 | 9 552 | 0 |
| France | 411330 | Leather furth. prepd. after tanning/crusting, incl. parchment-dressed leather, of reptiles, without wool/hair on, whether or not split, other than leather of 41.14 | Cell 5 | 9 539 | 0 |
| China | 480240 | Wallpaper base | Cell 5 | 8 982 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| Mexico | 847410 | Sorting/screening/separating/washing machines for earth/stone/ores/oth. min. subs., in solid (incl. powder/paste) form | Cell 5 | 8 788 | 0 |
| Italy | 790200 | Zinc waste & scrap | Cell 5 | 8 597 | 0 |
| Turkey | 280700 | Sulphuric acid; oleum | Cell 5 | 8 549 | 0 |
| Germany | 081040 | Cranberries, bilberries & oth. fruits of the genus Vaccinium, fresh | Cell 5 | 8 537 | 0 |
| Korea, Rep. of Korea | 281000 | Oxides of boron; boric acids | Cell 5 | 8 523 | 0 |
| Japan | 150420 | Fats & oils & their fractions, of fish, other than liver oils, whether or not ref. but not chemically modified | Cell 15 | 8 433 | 0 |
| United States of America | 820760 | Tools for boring/broaching, for hand tools, whether or not power-operated/for machine tools | Cell 5 | 8 284 | 0 |
| Viet Nam | 30339 | Flat fish (excl. of 0303.31-0303.33) [see list of conventions for species included], frozen (excl. fillets/oth. fish meat of 03.04/livers & roes) | Cell 5 | 7 900 | 0 |
| Thailand | 880211 | Helicopters of an unladen wt. not >2000kg | Cell 5 | 7 891 | 0 |
| China | 284290 | Salts of inorganic acids/peroxoacids (excl. of double/complex silicates), whether or not chemically defined (excl. azides) | Cell 5 | 7 860 | 0 |
| China | 360100 | Propellent powders | Cell 5 | 7 737 | 0 |
| Russian Federation | 902221 | Apparatus based on the use of alpha/beta/gamma radiations, for medical/surgical/dental/veterinary uses, incl. radiography/radiotherapy app. | Cell 5 | 7 705 | 0 |
| Netherlands | 843691 | Parts of the poultry-keeping mach./poultry incubators & brooders of 8436.21 & 8436.29 | Cell 5 | 7 704 | 0 |
| Italy | 411330 | Leather furth. prepd. after tanning/crusting, incl. parchment-dressed leather, of reptiles, without wool/hair on, whether or not split, other than leather of 41.14 | Cell 5 | 7 641 | 0 |
| Switzerland | 880211 | Helicopters of an unladen wt. not >2000kg | Cell 5 | 7 641 | 0 |
| Malaysia | 110313 | Groats/meal of maize (corn) | Cell 5 | 7 621 | 0 |
| Russian Federation | 842531 | Winches (excl. of 8425.20), powered by elec. motor; capstans, powered by elec. motor | Cell 5 | 7 544 | 0 |
| Viet Nam | 520931 | Woven fabrics of cotton, cont. 85%/more by wt. of cotton, dyed, plain weave, weighing >200g/m2 | Cell 5 | 7 512 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| Russian Federation | 847759 | Machinery for moulding/othw. forming rubber/plastics (excl. of 8477.51) | Cell 5 | 7 425 | 0 |
| Singapore | 880211 | Helicopters of an unladen wt. not >2000kg | Cell 5 | 7 399 | 0 |
| Indonesia | 280200 | Sulphur, sublimed/precipitated; colloidal sulphur | Cell 5 | 7 101 | 0 |
| Netherlands | 280700 | Sulphuric acid; oleum | Cell 5 | 7 080 | 0 |
| India | 252210 | Quicklime | Cell 5 | 7 078 | 0 |
| Czech Republic | 721399 | Bars & rods, hot-rolled, in irregularly wound coils, of iron/non-alloy steel, n.e.s. in 72.13 | Cell 5 | 6 977 | 0 |
| Viet Nam | 30729 | Scallops, incl. queen scallops (genera Pecten/Chlamys/Placopecten), other than live/fresh/chilled | Cell 5 | 6 891 | 0 |
| Sri Lanka | 310490 | Potassic min./chem. fertilisers (excl. of 3104.10-3104.30) | Cell 5 | 6 864 | 0 |
| Japan | 293999 | Vegetable alkaloids, nat./reproduced by synthesis, & their salts, ethers, esters & oth. derivs. (excl. of 2939.11-2939.91) | Cell 5 | 6 741 | 0 |
| Korea, Rep. of Korea | 030339 | Flat fish (excl. of 0303.31-0303.33) [see list of conventions for species included], frozen (excl. fillets/oth. fish meat of 03.04/livers & roes) | Cell 5 | 6 670 | 0 |
| China | 820760 | Tools for boring/broaching, for hand tools, whether or not power-operated/for machine tools | Cell 5 | 6 668 | 0 |
| Brazil | 280700 | Sulphuric acid; oleum | Cell 5 | 6 602 | 0 |
| Indonesia | 847759 | Machinery for moulding/othw. forming rubber/plastics (excl. of 8477.51) | Cell 5 | 6 595 | 0 |
| Indonesia | 521119 | Woven fabrics of cotton (excl. of 5211.11 & 5211.12), cont. <85% by wt. of cotton, mixed mainly or solely with man-made fibres, unbleached, weighing >200g/m2 | Cell 5 | 6 593 | 0 |
| Hong Kong (SARC) | 850520 | Electro-magnetic couplings, clutches & brakes | Cell 5 | 6 593 | 0 |
| Indonesia | 520931 | Woven fabrics of cotton, cont. 85%/more by wt. of cotton, dyed, plain weave, weighing >200g/m2 | Cell 5 | 6 580 | 0 |
| Brazil | 281000 | Oxides of boron; boric acids | Cell 5 | 6 492 | 0 |
| France | 880211 | Helicopters of an unladen wt. not >2000kg | Cell 5 | 6 491 | 0 |
| Germany | 630312 | Curtains (incl. drapes) & interior blinds, knitted or crocheted; curtain/bed valances, knitted or crocheted, of synth. fibres | Cell 5 | 6 429 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| Mexico | 820760 | Tools for boring/broaching, for hand tools, whether or not power-operated/for machine tools | Cell 5 | 6 355 | 0 |
| Belgium-Luxembourg | 030611 | Rock lobster & oth. sea crawfish (Palinurus spp., Panulirus spp., Jasus spp.), whether or not in shell, frozen | Cell 5 | 6 349 | 0 |
| Greece | 150420 | Fats & oils & their fractions, of fish, other than liver oils, whether or not ref. but not chemically modified | Cell 5 | 6 325 | 0 |
| Netherlands | 392530 | Shutters, blinds (incl. Venetian blinds) & sim. arts. & parts thereof , of plastics | Cell 5 | 6 198 | 0 |
| Netherlands | 070110 | Seed potatoes, fresh/chilled | Cell 5 | 6 081 | 0 |
| Chile | 360300 | Safety fuses; detonating fuses; percussion/detonating caps; igniters; elec. detonators | Cell 15 | 6 064 | 0 |
| China | 511119 | Woven fabrics of carded wool/carded fine animal hair, cont. 85%/more by wt. of wool/fine animal hair (excl. of 5111.11) | Cell 5 | 5 991 | 0 |
| Spain | 854810 | Waste & scrap of primary cells, primary batteries & elec. accumulators; spent primary cells, spent primary batteries & spent elec. accumulators | Cell 5 | 5 879 | 0 |
| United States of America | 840220 | Super-heated water boilers | Cell 5 | 5 878 | 0 |
| New Zealand | 880211 | Helicopters of an unladen wt. not >2000kg | Cell 5 | 5 845 | 0 |
| Romania | 847759 | Machinery for moulding/othw. forming rubber/plastics (excl. of 8477.51) | Cell 5 | 5 719 | 0 |
| China | 902221 | Apparatus based on the use of alpha/beta/gamma radiations, for medical/surgical/dental/veterinary uses, incl. radiography/radiotherapy app. | Cell 5 | 5 693 | 0 |
| India | 391290 | Cellulose & its chem. derivs., n.e.s., in primary forms (excl. of 3912.11-3912.39) | Cell 5 | 5 678 | 0 |
| Denmark | 731431 | Grill, netting & fencing of iron/steel wire (excl. of 7314.20), welded at the intersection, plated/coated with zinc | Cell 5 | 5 655 | 0 |
| India | 846029 | Grinding machines other than flat-surface, in which the positioning in any one axis can be set up to an accuracy of at least 0.01mm, other than numerically controlled | Cell 15 | 5 532 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| Italy | 340590 | Polishes & creams, scouring pastes & powders & sim. preps. (excl. waxes of 34.04; excl. of 3405.10-3405.40) | Cell 5 | 5 392 | 0 |
| Australia | 360200 | Prepared explosives (excl. propellent powders) | Cell 10 | 5 350 | 0 |
| Slovakia | 902221 | Apparatus based on the use of alpha/beta/gamma radiations, for medical/surgical/dental/veterinary uses, incl. radiography/radiotherapy app. | Cell 5 | 5 349 | 0 |
| Thailand | 840219 | Vapour generating boilers, incl. hybrid boilers (excl. of 8402.11 & 8402.12; excl. central heating hot water boilers capable also of producing low pressure steam) | Cell 10 | 5 287 | 0 |
| Malaysia | 310590 | Mineral/chem. fertilisers cont. 2/3 of the fertilising elements nitrogen, phosphorus & potassium (excl. of 3015.10-3105.60); oth. fertilisers, n.e.s... [see complete text #12] | Cell 5 | 5 215 | 0 |
| Canada | 901410 | Direction finding compasses | Cell 5 | 5 196 | 0 |
| United States of America | 261790 | Ores & concs. (excl. of 2601.11-2617.10) | Cell 5 | 5 157 | 0 |
| Netherlands | 790200 | Zinc waste & scrap | Cell 5 | 5 088 | 0 |
| Hungary | 280800 | Nitric acid; sulphonitric acids | Cell 5 | 5 033 | 0 |
| Korea, Rep. of Korea | 340590 | Polishes & creams, scouring pastes & powders & sim. preps. (excl. waxes of 34.04; excl. of 3405.10-3405.40) | Cell 5 | 5 001 | 0 |
| Norway | 360200 | Prepared explosives (excl. propellent powders) | Cell 5 | 4 998 | 0 |
| Belgium-Luxembourg | 261800 | Granulated slag (slag sand) from the mfr. of iron/steel | Cell 5 | 4 976 | 0 |
| Korea, Rep. of Korea | 901410 | Direction finding compasses | Cell 5 | 4 951 | 0 |
| Turkey | 850520 | Electro-magnetic couplings, clutches & brakes | Cell 5 | 4 908 | 0 |
| Slovakia | 090190 | Coffee husks & skins; coffee substitutes cont. coffee in any proportion | Cell 5 | 4 860 | 0 |
| Turkey | 293999 | Vegetable alkaloids, nat./reproduced by synthesis, & their salts, ethers, esters & oth. derivs. (excl. of 2939.11-2939.91) | Cell 5 | 4 843 | 0 |
| Korea, Rep. of Korea | 846029 | Grinding machines other than flat-surface, in which the positioning in any one axis can be set up to an accuracy of at least 0.01mm, other than numerically controlled | Cell 5 | 4 840 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| United Kingdom | 070110 | Seed potatoes, fresh/chilled | Cell 5 | 4 704 | 0 |
| Turkey | 360300 | Safety fuses; detonating fuses; percussion/detonating caps; igniters; elec. detonators | Cell 5 | 4 699 | 0 |
| Sweden | 252210 | Quicklime | Cell 5 | 4 662 | 0 |
| Australia | 731441 | Cloth, grill, netting & fencing of iron/steel wire (excl. that welded at the intersection), plated/coated with zinc | Cell 5 | 4 661 | 0 |
| Japan | 030559 | Dried fish other than cod (Gadus morhua/ogac/macrocephalus), whether or not salted but not smoked | Cell 5 | 4 646 | 0 |
| Korea, Rep. of Korea | 780200 | Lead waste & scrap | Cell 5 | 4 643 | 0 |
| China | 330113 | Essential oils of lemon | Cell 5 | 4 577 | 0 |
| Korea, Rep. of Korea | 820760 | Tools for boring/broaching, for hand tools, whether or not power-operated/for machine tools | Cell 5 | 4 538 | 0 |
| Spain | 293999 | Vegetable alkaloids, nat./reproduced by synthesis, & their salts, ethers, esters & oth. derivs. (excl. of 2939.11-2939.91) | Cell 5 | 4 536 | 0 |
| Viet Nam | 051191 | Products of fish/crustaceans, molluscs/oth. aquatic invertebrates; dead animals of Ch.3, unfit for human consumption | Cell 5 | 4 535 | 0 |
| France | 293999 | Vegetable alkaloids, nat./reproduced by synthesis, & their salts, ethers, esters & oth. derivs. (excl. of 2939.11-2939.91) | Cell 5 | 4 534 | 0 |
| United Kingdom | 842919 | Self-propelled bulldozers & angledozers (excl. track laying) | Cell 5 | 4 532 | 0 |
| China | 030329 | Salmonidae (excl. of 0303.21 & 0303.22), frozen (excl. fillets/oth. fish meat of 03.04/livers & roes) | Cell 5 | 4 492 | 0 |
| France | 360100 | Propellent powders | Cell 5 | 4 438 | 0 |
| Belgium-Luxembourg | 480240 | Wallpaper base | Cell 5 | 4 338 | 0 |
| Norway | 871631 | Tanker trailers & tanker semi-trailers | Cell 10 | 4 249 | 0 |
| Hong Kong (SARC) | 340590 | Polishes & creams, scouring pastes & powders & sim. preps. (excl. waxes of 34.04; excl. of 3405.10-3405.40) | Cell 5 | 4 154 | 0 |
| Italy | 100890 | Cereals (excl. those which have been hulled/othw. wkd.), n.e.s. | Cell 5 | 4 154 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| China | 511290 | Woven fabrics of combed wool/combed fine animal hair (excl. of 5112.11-5112.30) | Cell 5 | 4 046 | 0 |
| Hong Kong (SARC) | 284290 | Salts of inorganic acids/peroxoacids (excl. of double/complex silicates), whether or not chemically defined (excl. azides) | Cell 5 | 4 031 | 0 |
| Guatemala | 110220 | Maize (corn) flour | Cell 5 | 3 988 | 0 |
| China | 870520 | Mobile drilling derricks | Cell 5 | 3 986 | 0 |
| Netherlands | 902221 | Apparatus based on the use of alpha/beta/gamma radiations, for medical/surgical/dental/veterinary uses, incl. radiography/radiotherapy app. | Cell 5 | 3 964 | 0 |
| Canada | 051191 | Products of fish/crustaceans, molluscs/oth. aquatic invertebrates; dead animals of Ch.3, unfit for human consumption | Cell 5 | 3 855 | 0 |
| Poland | 721190 | Flat-rolled prods. of iron/non-alloy steel, of a width of <600mm, not clad/plated/coated, n.e.s. in 72.11 | Cell 5 | 3 832 | 0 |
| France | 843691 | Parts of the poultry-keeping mach./poultry incubators & brooders of 8436.21 & 8436.29 | Cell 5 | 3 731 | 0 |
| Malaysia | 843691 | Parts of the poultry-keeping mach./poultry incubators & brooders of 8436.21 & 8436.29 | Cell 10 | 3 721 | 0 |
| Switzerland | 293999 | Vegetable alkaloids, nat./reproduced by synthesis, & their salts, ethers, esters & oth. derivs. (excl. of 2939.11-2939.91) | Cell 5 | 3 709 | 0 |
| Italy | 030611 | Rock lobster & oth. sea crawfish (Palinurus spp., Panulirus spp., Jasus spp.), whether or not in shell, frozen | Cell 5 | 3 647 | 0 |
| Germany | 280200 | Sulphur, sublimed/precipitated; colloidal sulphur | Cell 5 | 3 645 | 0 |
| Slovakia | 310390 | Phosphatic min./chem. fertilisers other than superphosphates & basic slag | Cell 5 | 3 642 | 0 |
| Czech Republic | 854810 | Waste & scrap of primary cells, primary batteries & elec. accumulators; spent primary cells, spent primary batteries & spent elec. accumulators | Cell 5 | 3 634 | 0 |
| France | 511119 | Woven fabrics of carded wool/carded fine animal hair, cont. 85%/more by wt. of wool/fine animal hair (excl. of 5111.11) | Cell 5 | 3 579 | 0 |
| Singapore | 360200 | Prepared explosives (excl. propellent powders) | Cell 10 | 3 574 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| France | 441090 | Particle board & sim. board (e.g., oriented strand board & waferboard) of wood/oth. ligneous mats., whether or not agglom. with resins/oth. organic binding subs. (excl. of 4410.21-4410.39) | Cell 5 | 3 520 | 0 |
| Austria | 710420 | Synthetic/reconstructed precious/semi-precious stones (excl. piezo-electric quartz), unwkd./simply sawn/roughly shaped | Cell 5 | 3 423 | 0 |
| India | 291560 | Butanoic acids, pentanoic acids, their salts & esters | Cell 5 | 3 412 | 0 |
| Thailand | 731512 | Articulated link chain other than roller chain, of iron/steel | Cell 5 | 3 365 | 0 |
| United States of America | 780200 | Lead waste & scrap | Cell 5 | 3 318 | 0 |
| Tanzania, United Rep. of | 842919 | Self-propelled bulldozers & angledozers (excl. track laying) | Cell 15 | 3 299 | 0 |
| Ireland | 330112 | Essential oils of orange | Cell 5 | 3 243 | 0 |
| Germany | 280430 | Nitrogen | Cell 5 | 3 232 | 0 |
| Czech Republic | 721190 | Flat-rolled prods. of iron/non-alloy steel, of a width of <600mm, not clad/plated/coated, n.e.s. in 72.11 | Cell 5 | 3 165 | 0 |
| Italy | 521111 | Woven fabrics of cotton, cont. <85% by wt. of cotton, mixed mainly or solely with man-made fibres, unbleached, plain weave, weighing >200g/m2 | Cell 5 | 3 159 | 0 |
| Sweden | 441090 | Particle board & sim. board (e.g., oriented strand board & waferboard) of wood/oth. ligneous mats., whether or not agglom. with resins/oth. organic binding subs. (excl. of 4410.21-4410.39) | Cell 5 | 3 136 | 0 |
| Indonesia | 731600 | Anchors, grapnels & parts thereof , of iron/steel | Cell 5 | 3 086 | 0 |
| Nigeria | 871631 | Tanker trailers & tanker semi-trailers | Cell 5 | 3 084 | 0 |
| Korea, Rep. of Korea | 843691 | Parts of the poultry-keeping mach./poultry incubators & brooders of 8436.21 & 8436.29 | Cell 5 | 3 081 | 0 |
| India | 441090 | Particle board & sim. board (e.g., oriented strand board & waferboard) of wood/oth. ligneous mats., whether or not agglom. with resins/oth. organic binding subs. (excl. of 4410.21-4410.39) | Cell 5 | 3 048 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| Canada | 030611 | Rock lobster & oth. sea crawfish (Palinurus spp., Panulirus spp., Jasus spp.), whether or not in shell, frozen | Cell 5 | 2 971 | 0 |
| Poland | 790200 | Zinc waste & scrap | Cell 5 | 2 966 | 0 |
| Egypt | 721190 | Flat-rolled prods. of iron/non-alloy steel, of a width of <600mm, not clad/plated/coated, n.e.s. in 72.11 | Cell 5 | 2 957 | 0 |
| Peru | 261800 | Granulated slag (slag sand) from the mfr. of iron/steel | Cell 5 | 2 905 | 0 |
| Netherlands | 731431 | Grill, netting & fencing of iron/steel wire (excl. of 7314.20), welded at the intersection, plated/coated with zinc | Cell 5 | 2 803 | 0 |
| Germany | 110313 | Groats/meal of maize (corn) | Cell 5 | 2 802 | 0 |
| United States of America | 710420 | Synthetic/reconstructed precious/semi-precious stones (excl. piezo-electric quartz), unwkd./simply sawn/roughly shaped | Cell 5 | 2 800 | 0 |
| Hungary | 731512 | Articulated link chain other than roller chain, of iron/steel | Cell 5 | 2 790 | 0 |
| Germany | 80720 | Papaws (papayas), fresh/dried | Cell 5 | 2 783 | 0 |
| United Kingdom | 110220 | Maize (corn) flour | Cell 5 | 2 749 | 0 |
| Belgium-Luxembourg | 843691 | Parts of the poultry-keeping mach./poultry incubators & brooders of 8436.21 & 8436.29 | Cell 5 | 2 709 | 0 |
| India | 410530 | Tanned/crust skins of sheep/lambs, without wool on, in the dry state (crust), whether or not split but not furth. prepd. | Cell 5 | 2 700 | 0 |
| China | 051191 | Products of fish/crustaceans, molluscs/oth. aquatic invertebrates; dead animals of Ch.3, unfit for human consumption | Cell 5 | 2 683 | 0 |
| Romania | 511119 | Woven fabrics of carded wool/carded fine animal hair, cont. 85%/more by wt. of wool/fine animal hair (excl. of 5111.11) | Cell 5 | 2 682 | 0 |
| Portugal | 530610 | Flax yarn, single | Cell 5 | 2 668 | 0 |
| Austria | 411330 | Leather furth. prepd. after tanning/crusting, incl. parchment-dressed leather, of reptiles, without wool/hair on, whether or not split, other than leather of 41.14 | Cell 5 | 2 664 | 0 |
| Spain | 030349 | Tunas (excl. of 0303.41-0303.46), frozen (excl. fillets/oth. fish meat of 03.04/livers & roes) | Cell 10 | 2 614 | 0 |
| France | 030760 | Snails (excl. sea snails) | Cell 5 | 2 599 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| Japan | 842220 | Machinery for cleaning/drying bottles/oth. conts. | Cell 5 | 2 565 | 0 |
| Italy | 284290 | Salts of inorganic acids/peroxoacids (excl. of double/complex silicates), whether or not chemically defined (excl. azides) | Cell 5 | 2 555 | 0 |
| Korea, Rep. of Korea | 840220 | Super-heated water boilers | Cell 5 | 2 494 | 0 |
| Italy | 280421 | Argon | Cell 5 | 2 479 | 0 |
| Austria | 220900 | Vinegar & substitutes for vinegar obt. from acetic acid | Cell 5 | 2 455 | 0 |
| Italy | 440410 | Hoopwood; split poles; piles, pickets & stakes of wood...coniferous [see complete text #47] | Cell 5 | 2 423 | 0 |
| United Kingdom | 721190 | Flat-rolled prods. of iron/non-alloy steel, of a width of <600mm, not clad/plated/coated, n.e.s. in 72.11 | Cell 5 | 2 385 | 0 |
| Japan | 843691 | Parts of the poultry-keeping mach./poultry incubators & brooders of 8436.21 & 8436.29 | Cell 5 | 2 383 | 0 |
| United States of America | 030339 | Flat fish (excl. of 0303.31-0303.33) [see list of conventions for species included], frozen (excl. fillets/oth. fish meat of 03.04/livers & roes) | Cell 5 | 2 369 | 0 |
| Thailand | 820760 | Tools for boring/broaching, for hand tools, whether or not power-operated/for machine tools | Cell 5 | 2 354 | 0 |
| Italy | 510320 | Waste of wool/of fine animal hair, incl. yarn waste but excl. garnetted stock, other than noils of wool/fine animal hair | Cell 10 | 2 340 | 0 |
| France | 410221 | Raw skins of sheep/lambs, pickled but not tanned/parchment-dressed/furth. prepd., without wool on | Cell 5 | 2 333 | 0 |
| Sweden | 480240 | Wallpaper base | Cell 5 | 2 325 | 0 |
| Canada | 070420 | Brussels sprouts, fresh/chilled | Cell 5 | 2 270 | 0 |
| Belgium-Luxembourg | 282090 | Manganese oxides other than manganese dioxide | Cell 5 | 2 251 | 0 |
| Belgium-Luxembourg | 540773 | Woven fabrics (excl. of 5407.10-5407.30), cont. 85%/more by wt. of synth. filaments, of yarns of diff. colours | Cell 5 | 2 213 | 0 |
| Singapore | 840220 | Super-heated water boilers | Cell 5 | 2 204 | 0 |
| Italy | 511119 | Woven fabrics of carded wool/carded fine animal hair, cont. 85%/more by wt. of wool/fine animal hair (excl. of 5111.11) | Cell 5 | 2 197 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| Canada | 480610 | Vegetable parchment, in rolls/sheets | Cell 5 | 2 160 | 0 |
| Germany | 381300 | Preparations & charges for fire-extinguishers; charged fire-extinguishing grenades | Cell 5 | 2 142 | 0 |
| Czech Republic | 280200 | Sulphur, sublimed/precipitated; colloidal sulphur | Cell 5 | 2 141 | 0 |
| Germany | 280421 | Argon | Cell 5 | 2 136 | 0 |
| Canada | 330112 | Essential oils of orange | Cell 5 | 2 133 | 0 |
| United Kingdom | 440410 | Hoopwood; split poles; piles, pickets & stakes of wood...coniferous [see complete text #47] | Cell 5 | 2 125 | 0 |
| Belgium-Luxembourg | 280421 | Argon | Cell 5 | 2 123 | 0 |
| Japan | 293333 | Alfentanil, anileridine, bezitramide, bromazepam, difenoxin... [see complete text #20] | Cell 5 | 2 099 | 0 |
| Poland | 731431 | Grill, netting & fencing of iron/steel wire (excl. of 7314.20), welded at the intersection, plated/coated with zinc | Cell 5 | 2 098 | 0 |
| Japan | 511290 | Woven fabrics of combed wool/combed fine animal hair (excl. of 5112.11-5112.30) | Cell 5 | 2 079 | 0 |
| Switzerland | 030549 | Smoked fish (excl. of 0305.41 & 0305.42), incl. fillets | Cell 5 | 2 056 | 0 |
| Switzerland | 293333 | Alfentanil, anileridine, bezitramide, bromazepam, difenoxin... [see complete text #20] | Cell 5 | 2 010 | 0 |
| India | 330112 | Essential oils of orange | Cell 5 | 2 004 | 0 |
| Thailand | 030329 | Salmonidae (excl. of 0303.21 & 0303.22), frozen (excl. fillets/oth. fish meat of 03.04/livers & roes) | Cell 5 | 1 967 | 0 |
| Mexico | 283210 | Sodium sulphites | Cell 5 | 1 962 | 0 |
| Germany | 282090 | Manganese oxides other than manganese dioxide | Cell 5 | 1 949 | 0 |
| Thailand | 360100 | Propellent powders | Cell 15 | 1 941 | 0 |
| Israel | 611599 | Hosiery, knitted or crocheted, of oth. textile mats. (excl. of 6115.11-6115.93) | Cell 5 | 1 935 | 0 |
| Netherlands | 731441 | Cloth, grill, netting & fencing of iron/steel wire (excl. that welded at the intersection), plated/coated with zinc | Cell 5 | 1 925 | 0 |
| Ghana | 870520 | Mobile drilling derricks | Cell 10 | 1 897 | 0 |
| Canada | 100890 | Cereals (excl. those which have been hulled/othw. wkd.), n.e.s. | Cell 5 | 1 894 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| Thailand | 846029 | Grinding machines other than flat-surface, in which the positioning in any one axis can be set up to an accuracy of at least 0.01mm, other than numerically controlled | Cell 5 | 1 890 | 0 |
| Saudi Arabia | 843691 | Parts of the poultry-keeping mach./poultry incubators & brooders of 8436.21 & 8436.29 | Cell 5 | 1 869 | 0 |
| Bulgaria | 310390 | Phosphatic min./chem. fertilisers other than superphosphates & basic slag | Cell 5 | 1 827 | 0 |
| Poland | 261800 | Granulated slag (slag sand) from the mfr. of iron/steel | Cell 5 | 1 794 | 0 |
| Netherlands | 150890 | Ground-nut oil, other than crude, & fractions thereof , whether or not ref. but not chemically modified | Cell 5 | 1 781 | 0 |
| Romania | 540773 | Woven fabrics (excl. of 5407.10-5407.30), cont. 85%/more by wt. of synth. filaments, of yarns of diff. colours | Cell 5 | 1 778 | 0 |
| United Kingdom | 740322 | Copper-tin base alloys (bronze), unwrought | Cell 5 | 1 764 | 0 |
| Korea, Rep. of Korea | 761100 | Aluminium reservoirs, tanks, vats & sim. conts., for any mat. (other than compressed/liquefied gas), of a cap. >300 l, whether or not lined/heat-insulated but not fitted with mech./thermal equip. | Cell 5 | 1 740 | 0 |
| Japan | 511119 | Woven fabrics of carded wool/carded fine animal hair, cont. 85%/more by wt. of wool/fine animal hair (excl. of 5111.11) | Cell 5 | 1 720 | 0 |
| Australia | 283210 | Sodium sulphites | Cell 5 | 1 713 | 0 |
| Korea, Rep. of Korea | 030329 | Salmonidae (excl. of 0303.21 & 0303.22), frozen (excl. fillets/oth. fish meat of 03.04/livers & roes) | Cell 5 | 1 703 | 0 |
| United States of America | 340520 | Polishes, creams & sim. preps. for the maintenance of wooden furniture/floors/oth. woodwork | Cell 5 | 1 687 | 0 |
| Australia | 731600 | Anchors, grapnels & parts thereof , of iron/steel | Cell 10 | 1 677 | 0 |
| Viet Nam | 030341 | Albacore/longfinned tunas (Thunnus alalunga), frozen (excl. fillets/oth. fish meat of 03.04/livers & roes) | Cell 5 | 1 640 | 0 |
| Poland | 381300 | Preparations & charges for fire-extinguishers; charged fire-extinguishing grenades | Cell 5 | 1 640 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| Germany | 150890 | Ground-nut oil, other than crude, & fractions thereof , whether or not ref. but not chemically modified | Cell 5 | 1 621 | 0 |
| Finland | 731431 | Grill, netting & fencing of iron/steel wire (excl. of 7314.20), welded at the intersection, plated/coated with zinc | Cell 5 | 1 593 | 0 |
| Saudi Arabia | 381300 | Preparations & charges for fire-extinguishers; charged fire-extinguishing grenades | Cell 5 | 1 583 | 0 |
| France | 070420 | Brussels sprouts, fresh/chilled | Cell 5 | 1 581 | 0 |
| Spain | 280430 | Nitrogen | Cell 5 | 1 574 | 0 |
| Ireland | 440410 | Hoopwood; split poles; piles, pickets & stakes of wood...coniferous [see complete text #47] | Cell 5 | 1 563 | 0 |
| Saudi Arabia | 480530 | Sulphite wrapping paper, uncoated, in rolls/sheets, not further worked than/further processed than as spec. in Note 3 to Ch.48 | Cell 5 | 1 560 | 0 |
| United Kingdom | 521223 | Woven fabrics of cotton (excl. of 52.08-52.11), dyed, weighing >200 g/m2 | Cell 5 | 1 559 | 0 |
| France | 030231 | Albacore/longfinned tunas (Thunnus alalunga), fresh/chilled (excl. fillets/oth. fish meat of 03.04/livers & roes) | Cell 5 | 1 549 | 0 |
| Australia | 870520 | Mobile drilling derricks | Cell 5 | 1 532 | 0 |
| Singapore | 330112 | Essential oils of orange | Cell 5 | 1 519 | 0 |
| Turkey | 631090 | Used/new rags, scrap twine, cordage, rope & cables & worn out arts. of twine/cordage/rope/cables, of textile mats. (excl. sorted) | Cell 5 | 1 485 | 0 |
| Germany | 761100 | Aluminium reservoirs, tanks, vats & sim. conts., for any mat. (other than compressed/liquefied gas), of a cap. >300 l, whether or not lined/heat-insulated but not fitted with mech./thermal equip. | Cell 5 | 1 460 | 0 |
| Korea, Rep. of Korea | 250610 | Quartz, other than nat. sands | Cell 5 | 1 453 | 0 |
| China | 030341 | Albacore/longfinned tunas (Thunnus alalunga), frozen (excl. fillets/oth. fish meat of 03.04/livers & roes) | Cell 5 | 1 443 | 0 |
| Poland | 731441 | Cloth, grill, netting & fencing of iron/steel wire (excl. that welded at the intersection), plated/coated with zinc | Cell 5 | 1 428 | 0 |
| Indonesia | 511290 | Woven fabrics of combed wool/combed fine animal hair (excl. of 5112.11-5112.30) | Cell 5 | 1 426 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| United States of America | 252220 | Slaked lime | Cell 5 | 1 420 | 0 |
| Sweden | 731431 | Grill, netting & fencing of iron/steel wire (excl. of 7314.20), welded at the intersection, plated/coated with zinc | Cell 5 | 1 395 | 0 |
| United States of America | 321100 | Prepared driers | Cell 5 | 1 387 | 0 |
| France | 846029 | Grinding machines other than flat-surface, in which the positioning in any one axis can be set up to an accuracy of at least 0.01mm, other than numerically controlled | Cell 5 | 1 376 | 0 |
| Turkey | 410530 | Tanned/crust skins of sheep/lambs, without wool on, in the dry state (crust), whether or not split but not furth. prepd. | Cell 5 | 1 355 | 0 |
| Japan | 846029 | Grinding machines other than flat-surface, in which the positioning in any one axis can be set up to an accuracy of at least 0.01mm, other than numerically controlled | Cell 5 | 1 341 | 0 |
| Netherlands | 283210 | Sodium sulphites | Cell 5 | 1 340 | 0 |
| Mexico | 321100 | Prepared driers | Cell 5 | 1 334 | 0 |
| Belgium-Luxembourg | 381300 | Preparations & charges for fire-extinguishers; charged fire-extinguishing grenades | Cell 5 | 1 318 | 0 |
| Ireland | 261800 | Granulated slag (slag sand) from the mfr. of iron/steel | Cell 5 | 1 302 | 0 |
| Indonesia | 283210 | Sodium sulphites | Cell 5 | 1 296 | 0 |
| France | 282090 | Manganese oxides other than manganese dioxide | Cell 10 | 1 279 | 0 |
| Italy | 030349 | Tunas (excl. of 0303.41-0303.46), frozen (excl. fillets/oth. fish meat of 03.04/livers & roes) | Cell 5 | 1 266 | 0 |
| Austria | 630312 | Curtains (incl. drapes) & interior blinds, knitted or crocheted; curtain/bed valances, knitted or crocheted, of synth. fibres | Cell 5 | 1 231 | 0 |
| France | 080720 | Papaws (papayas), fresh/dried | Cell 5 | 1 219 | 0 |
| Hong Kong (SARC) | 411330 | Leather furth. prepd. after tanning/crusting, incl. parchment-dressed leather, of reptiles, without wool/hair on, whether or not split, other than leather of 41.14 | Cell 5 | 1 210 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| Spain | 030239 | Tunas, skipjack & bonito (excl. of 0302.31-0302.36), fresh/chilled (excl. fillets/oth. fish meat of 03.04/livers & roes) | Cell 10 | 1 192 | 0 |
| Italy | 511290 | Woven fabrics of combed wool/combed fine animal hair (excl. of 5112.11-5112.30) | Cell 5 | 1 185 | 0 |
| Philippines | 283210 | Sodium sulphites | Cell 5 | 1 178 | 0 |
| Canada | 251320 | Emery, nat. corundum, nat. garnet & oth. nat. abrasives, whether or not heat-treated | Cell 5 | 1 175 | 0 |
| France | 620322 | Men's/boys' ensembles (excl. knitted or crocheted), of cotton | Cell 5 | 1 132 | 0 |
| Poland | 282090 | Manganese oxides other than manganese dioxide | Cell 5 | 1 112 | 0 |
| Germany | 251320 | Emery, nat. corundum, nat. garnet & oth. nat. abrasives, whether or not heat-treated | Cell 5 | 1 091 | 0 |
| China | 521223 | Woven fabrics of cotton (excl. of 52.08-52.11), dyed, weighing >200 g/m2 | Cell 5 | 1 081 | 0 |
| Czech Republic | 710420 | Synthetic/reconstructed precious/semi-precious stones (excl. piezo-electric quartz), unwkd./simply sawn/roughly shaped | Cell 5 | 1 067 | 0 |
| Italy | 030231 | Albacore/longfinned tunas (Thunnus alalunga), fresh/chilled (excl. fillets/oth. fish meat of 03.04/livers & roes) | Cell 5 | 1 056 | 0 |
| Netherlands | 521223 | Woven fabrics of cotton (excl. of 52.08-52.11), dyed, weighing >200 g/m2 | Cell 5 | 1 044 | 0 |
| Ireland | 090190 | Coffee husks & skins; coffee substitutes cont. coffee in any proportion | Cell 5 | 1 035 | 0 |
| Italy | 283319 | Sodium sulphates other than disodium sulphate | Cell 5 | 1 007 | 0 |
| Saudi Arabia | 691410 | Ceramic arts. of porcelain/china, n.e.s. in Ch.69 | Cell 5 | 981 | 0 |
| Thailand | 411330 | Leather furth. prepd. after tanning/crusting, incl. parchment-dressed leather, of reptiles, without wool/hair on, whether or not split, other than leather of 41.14 | Cell 10 | 958 | 0 |
| Belgium-Luxembourg | 070890 | Leguminous vegetables (excl. of 0708.10 & 0708.20), shelled/unshelled, fresh/chilled | Cell 5 | 956 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| Malaysia | 283319 | Sodium sulphates other than disodium sulphate | Cell 5 | 950 | 0 |
| Turkey | 411510 | Composition leather with a basis of leather/leather fibre, in slabs/sheets/strip, whether or not in rolls | Cell 5 | 915 | 0 |
| France | 480610 | Vegetable parchment, in rolls/sheets | Cell 5 | 911 | 0 |
| India | 291813 | Salts & esters of tartaric acid | Cell 5 | 904 | 0 |
| Canada | 731600 | Anchors, grapnels & parts thereof , of iron/steel | Cell 5 | 904 | 0 |
| Belgium-Luxembourg | 440410 | Hoopwood; split poles; piles, pickets & stakes of wood...coniferous [see complete text #47] | Cell 5 | 884 | 0 |
| Germany | 521223 | Woven fabrics of cotton (excl. of 52.08-52.11), dyed, weighing >200 g/m2 | Cell 5 | 881 | 0 |
| Hungary | 280421 | Argon | Cell 5 | 873 | 0 |
| Romania | 521223 | Woven fabrics of cotton (excl. of 52.08-52.11), dyed, weighing >200 g/m2 | Cell 5 | 871 | 0 |
| Portugal | 340520 | Polishes, creams & sim. preps. for the maintenance of wooden furniture/floors/oth. woodwork | Cell 5 | 871 | 0 |
| Austria | 280421 | Argon | Cell 5 | 863 | 0 |
| Indonesia | 321100 | Prepared driers | Cell 10 | 859 | 0 |
| Romania | 340520 | Polishes, creams & sim. preps. for the maintenance of wooden furniture/floors/oth. woodwork | Cell 5 | 854 | 0 |
| Malaysia | 731600 | Anchors, grapnels & parts thereof , of iron/steel | Cell 5 | 847 | 0 |
| Romania | 321100 | Prepared driers | Cell 5 | 835 | 0 |
| Netherlands | 251320 | Emery, nat. corundum, nat. garnet & oth. nat. abrasives, whether or not heat-treated | Cell 5 | 809 | 0 |
| Mauritius | 411330 | Leather furth. prepd. after tanning/crusting, incl. parchment-dressed leather, of reptiles, without wool/hair on, whether or not split, other than leather of 41.14 | Cell 5 | 792 | 0 |
| France | 521223 | Woven fabrics of cotton (excl. of 52.08-52.11), dyed, weighing >200 g/m2 | Cell 5 | 791 | 0 |
| Germany | 620322 | Men's/boys' ensembles (excl. knitted or crocheted), of cotton | Cell 5 | 789 | 0 |
| Italy | 291813 | Salts & esters of tartaric acid | Cell 5 | 785 | 0 |
| Poland | 321100 | Prepared driers | Cell 5 | 781 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| Germany | 070890 | Leguminous vegetables (excl. of 0708.10 & 0708.20), shelled/unshelled, fresh/chilled | Cell 5 | 760 | 0 |
| Czech Republic | 340520 | Polishes, creams & sim. preps. for the maintenance of wooden furniture/floors/oth. woodwork | Cell 5 | 752 | 0 |
| Turkey | 521221 | Woven fabrics of cotton (excl. of 52.08-52.11), unbleached, weighing >200 g/m2 | Cell 5 | 741 | 0 |
| Saudi Arabia | 321100 | Prepared driers | Cell 5 | 733 | 0 |
| India | 370690 | Cinematographic film, exposed & developed, whether or not incorp. sound track/consisting only of sound track, of a width of <35mm | Cell 5 | 722 | 0 |
| Philippines | 411510 | Composition leather with a basis of leather/leather fibre, in slabs/sheets/strip, whether or not in rolls | Cell 5 | 702 | 0 |
| China | 480610 | Vegetable parchment, in rolls/sheets | Cell 5 | 693 | 0 |
| Spain | 410320 | Raw hides & skins of reptiles, (fresh/salted/dried/limed/pickled/oth w. presvd. but not tanned/parchment-dressed/furth. prepd.) [see complete text #41] | Cell 5 | 693 | 0 |
| Belgium-Luxembourg | 252220 | Slaked lime | Cell 5 | 692 | 0 |
| Belgium-Luxembourg | 440831 | Sheets for veneering, incl. those obt. by slicing laminated wood, for plywood...not >6mm, of Dark Red Meranti, Light Red Meranti & Meranti Bakau [see complete text #50] | Cell 5 | 690 | 0 |
| Senegal | 283319 | Sodium sulphates other than disodium sulphate | Cell 5 | 687 | 0 |
| Canada | 261790 | Ores & concs. (excl. of 2601.11-2617.10) | Cell 5 | 678 | 0 |
| United Kingdom | 620322 | Men's/boys' ensembles (excl. knitted or crocheted), of cotton | Cell 5 | 671 | 0 |
| Switzerland | 283319 | Sodium sulphates other than disodium sulphate | Cell 5 | 647 | 0 |
| Singapore | 030329 | Salmonidae (excl. of 0303.21 & 0303.22), frozen (excl. fillets/oth. fish meat of 03.04/livers & roes) | Cell 5 | 631 | 0 |
| Poland | 252220 | Slaked lime | Cell 5 | 621 | 0 |
| Serbia | 810420 | Magnesium waste & scrap | Cell 5 | 607 | 0 |
| Canada | 030349 | Tunas (excl. of 0303.41-0303.46), frozen (excl. fillets/oth. fish meat of 03.04/livers & roes) | Cell 5 | 596 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| Ireland | 291100 | Acetals & hemiacetals, whether or not with oth. oxygen function, & their halogenated/sulphonated/nitrated/nitrosated derivs. | Cell 5 | 542 | 0 |
| Malaysia | 150890 | Ground-nut oil, other than crude, & fractions thereof , whether or not ref. but not chemically modified | Cell 5 | 540 | 0 |
| India | 291100 | Acetals & hemiacetals, whether or not with oth. oxygen function, & their halogenated/sulphonated/nitrated/nitrosated derivs. | Cell 5 | 539 | 0 |
| Canada | 150890 | Ground-nut oil, other than crude, & fractions thereof , whether or not ref. but not chemically modified | Cell 5 | 511 | 0 |
| Hong Kong (SARC) | 070890 | Leguminous vegetables (excl. of 0708.10 & 0708.20), shelled/unshelled, fresh/chilled | Cell 5 | 456 | 0 |
| United Kingdom | 252230 | Hydraulic lime, other than calcium oxide & hydroxide of 28.25 | Cell 5 | 436 | 0 |
| Canada | 070890 | Leguminous vegetables (excl. of 0708.10 & 0708.20), shelled/unshelled, fresh/chilled | Cell 5 | 433 | 0 |
| Singapore | 070890 | Leguminous vegetables (excl. of 0708.10 & 0708.20), shelled/unshelled, fresh/chilled | Cell 5 | 430 | 0 |
| Egypt | 440831 | Sheets for veneering, incl. those obt. by slicing laminated wood, for plywood...not >6mm, of Dark Red Meranti, Light Red Meranti & Meranti Bakau [see complete text #50] | Cell 5 | 429 | 0 |
| United States of America | 081290 | Fruit (excl. cherries) & nuts, provisionally presvd. but unsuit. in that state for immediate consumption | Cell 5 | 423 | 0 |
| Malaysia | 282090 | Manganese oxides other than manganese dioxide | Cell 5 | 411 | 0 |
| Japan | 230700 | Wine lees; argol | Cell 5 | 403 | 0 |
| Italy | 282090 | Manganese oxides other than manganese dioxide | Cell 5 | 388 | 0 |
| Japan | 510320 | Waste of wool/of fine animal hair, incl. yarn waste but excl. garnetted stock, other than noils of wool/fine animal hair | Cell 10 | 376 | 0 |
| Korea, Rep. of Korea | 291813 | Salts & esters of tartaric acid | Cell 5 | 352 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| Nigeria | 252230 | Hydraulic lime, other than calcium oxide & hydroxide of 28.25 | Cell 5 | 283 | 0 |
| Germany | 030510 | Flours, meals & pellets of fish, fit for human consumption | Cell 5 | 282 | 0 |
| France | 510320 | Waste of wool/of fine animal hair, incl. yarn waste but excl. garnetted stock, other than noils of wool/fine animal hair | Cell 5 | 258 | 0 |
| India | 440831 | Sheets for veneering, incl. those obt. by slicing laminated wood, for plywood...not >6mm, of Dark Red Meranti, Light Red Meranti & Meranti Bakau [see complete text #50] | Cell 5 | 244 | 0 |
| Oman | 440831 | Sheets for veneering, incl. those obt. by slicing laminated wood, for plywood...not >6mm, of Dark Red Meranti, Light Red Meranti & Meranti Bakau [see complete text #50] | Cell 5 | 240 | 0 |
| Chile | 230700 | Wine lees; argol | Cell 5 | 231 | 0 |
| Netherlands | 440831 | Sheets for veneering, incl. those obt. by slicing laminated wood, for plywood...not >6mm, of Dark Red Meranti, Light Red Meranti & Meranti Bakau [see complete text #50] | Cell 5 | 214 | 0 |
| Egypt | 293991 | Cocaine, ecgonine, levometamfetamine, metamfetamine (INN), metamfetamine racemate; salts, esters & oth. derivs. thereof | Cell 5 | 196 | 0 |
| Ghana | 252230 | Hydraulic lime, other than calcium oxide & hydroxide of 28.25 | Cell 5 | 196 | 0 |
| Japan | 060410 | Mosses & lichens | Cell 10 | 166 | 0 |
| Portugal | 382550 | Wastes of metal pickling liquors, hydraulic fluids, brake fluids & anti-freeze fluids | Cell 5 | 138 | 0 |
| Netherlands | 293991 | Cocaine, ecgonine, levometamfetamine, metamfetamine (INN), metamfetamine racemate; salts, esters & oth. derivs. thereof | Cell 5 | 108 | 0 |
| Germany | 382550 | Wastes of metal pickling liquors, hydraulic fluids, brake fluids & anti-freeze fluids | Cell 5 | 94 | 0 |
| Spain | 382550 | Wastes of metal pickling liquors, hydraulic fluids, brake fluids & anti-freeze fluids | Cell 5 | 71 | 0 |

| Country | HS | Product description | Cell Value | Potential export value (US$ thousand) | Western Cape exports (US$ thousand) |
|---|---|---|---|---|---|
| Japan | 293991 | Cocaine, ecgonine, levometamfetamine, metamfetamine (INN), metamfetamine racemate; salts, esters & oth. derivs. thereof | Cell 5 | 44 | 0 |

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