

MARKET RESEARCH ON SOUTH AFRICAN AGRICULTURE EXPORTS

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TABLE OF CONTENTS

1.	Introduction.....	1
2.	National Export Trade Maps	2
2.1	Interpretation of the results	4
2.1.1	Champions.....	4
2.1.2	Underachievers.....	5
2.1.3	Achievers in adversity	6
2.1.4	Losers in declining markets	6
3.	Assessment of national export performance.....	7
3.1	Trade Performance Index	7
3.1.1	Background.....	7
3.1.2	Interpretation of the TPI for the 2 agricultural sectors	8
a.	Fresh foods.....	8
b.	Processed foods.....	8
3.2	Product Performance Index.....	9
3.2.1	Background.....	9
3.2.2	Interpretation of the PPI for the 9 agricultural industries	10
a.	Animal feed	10
b.	Beverages	11
c.	Cereal products	11
d.	Coffee products	12
e.	Fruit and vegetables.....	12
f.	Fruit and vegetable juices	13
g.	Oils and fats	13
h.	Specialty/Organic foods	14
i.	Sugar products	14
4.	Market Diversification TradeMaps	16
4.1	Interpretation of market diversification prospects for South Africa	16
4.1.1	Product: 020890 - Meat and edible meat offal, nes fresh, chilled or frozen	16
4.1.2	Product: 080290 - Nuts edible, fresh or dried, whether or not shelled or peeled, nes	17
4.1.3	Product: 080510 - Oranges, fresh or dried	17

4.1.4	Product: 080520 - Mandarins (including tangerines and satsumas); clementines, wilkings and similar citrus hybrids	18
4.1.5	Product: 080540 - Grapefruit, fresh or dried	18
4.1.6	Product: 080550 - Lemons and limes, fresh or dried	18
4.1.7	Product: 080610 - Grapes, fresh.....	19
4.1.8	Product: 080810 - Apples, fresh.....	19
4.1.9	Product: 080820 - Pears and quinces, fresh	19
4.1.10	Product: 100590 - Maize (corn) nes.....	20
4.1.11	Product: 170111 - Raw sugar, cane	20
4.1.12	Product: 170199 - Refined sugar, in solid form, nes	21
4.1.13	Product: 200870 - Peaches (Otherwise Prepared or Preserved)	21
4.1.14	Product: 210690 - Food preparations nes	22
4.1.15	Product: 220421 - Other wine, grape must, fermentation arrested; in containers 2l or less	22
4.1.16	Product: 220429 - Other wine, grape must, fermentation arrested; in containers larger than 2l	22
4.1.17	Product: 220710 - Ethyl alcohol, alcoholic strength 80% or more ..	23
4.1.18	Product: 240220 - Cigarettes containing tobacco	23
4.1.19	Product: 240310 - Smoking tobacco.....	24
4.1.20	Product: 510111- Greasy shorn wool, not carded or combed	24
5.	Summary and concluding remarks.....	25

ANNEXURES

Annex 1 - Top 30-50 agricultural exports of South Africa, 2006.....	27
Annex 2 – TPI	28
Annex 3 – PPI Rankings	29
Annex 4 – Market diversification TradeMaps	30
Annex 5 – WTO product coverage.....	50

1. Introduction

Strategic market research refers to the benchmarking of national and sectoral trade performance and to the identification of priority products and markets for trade development, both by the public and the business sectors.

Strategic market research is an indispensable element in trade promotion and development. At the national level, governments need to monitor trade performance in order to provide adequate trade policy support. Trade support institutions have to set priorities in terms of sectors, partner countries or instruments in order to get the best mileage out of limited resources. Firms need to scan the world market for opportunities for product and market diversification.

It is against this background that the International Trade Centre has developed a set of tools with the explicit objective of facilitating the monitoring of national trade performance and the design of, and priority setting for, trade development programmes of both the business sector and trade support institutions.

The majority of these tools are made available at no cost to developing countries and at a low annual fee to developed countries. Some major results are also available from ITC's Internet web site <http://www.intracen.org>. For additional information on the ITC tools please contact the Market Analysis Section, Division of Product and Market Development of the International Trade Centre UNCTAD/WTO. For additional information on the study, please contact the Directorate International Trade of the Department of Agriculture

2. National Export Trade Maps

TradeMaps are presented as charts, pictograms and tables. Figure 1 shows the national trade performance of South Africa in terms of its 20 leading agricultural¹ export products at a disaggregated level of HS² 6-digits. It illustrates the export value of the products under review (size of the bubbles), and it compares national export growth (horizontal axis) with the growth of international demand (vertical axis). In addition, the bubble graph indicates the average nominal growth of total exports of South Africa for the period 2002 to 2006 (dotted vertical reference line) and the average nominal growth of world imports over the same period (horizontal reference line). Moreover, the diagonal line (i.e. the line of constant world market share) divides the chart into two parts: exports of products to the right of this line have grown faster than world imports and thereby increased their share in the world market. Conversely, products to the left of the diagonal line have seen an erosion of their world market share. The diagonal and the horizontal reference lines are of particular interest from a trade development perspective, since they divide the chart into four quadrants with different characteristics.

The charts also provide an overview of the concentration of exports: the appearance of one or a few comparatively large circles shows that exports are highly concentrated. It should be noted that the criterion for distinguishing growing and declining products is the average nominal growth rate of total world imports from 2002 to 2006. Products of which world imports have grown below this rate, are classified as declining products, as their share in world trade is declining. Growth rates are calculated as least-square trends. Annual trends above 100 % have been set at a maximum of 100 % per annum.

For ease of reference, each of these quadrants is given a name and a description.

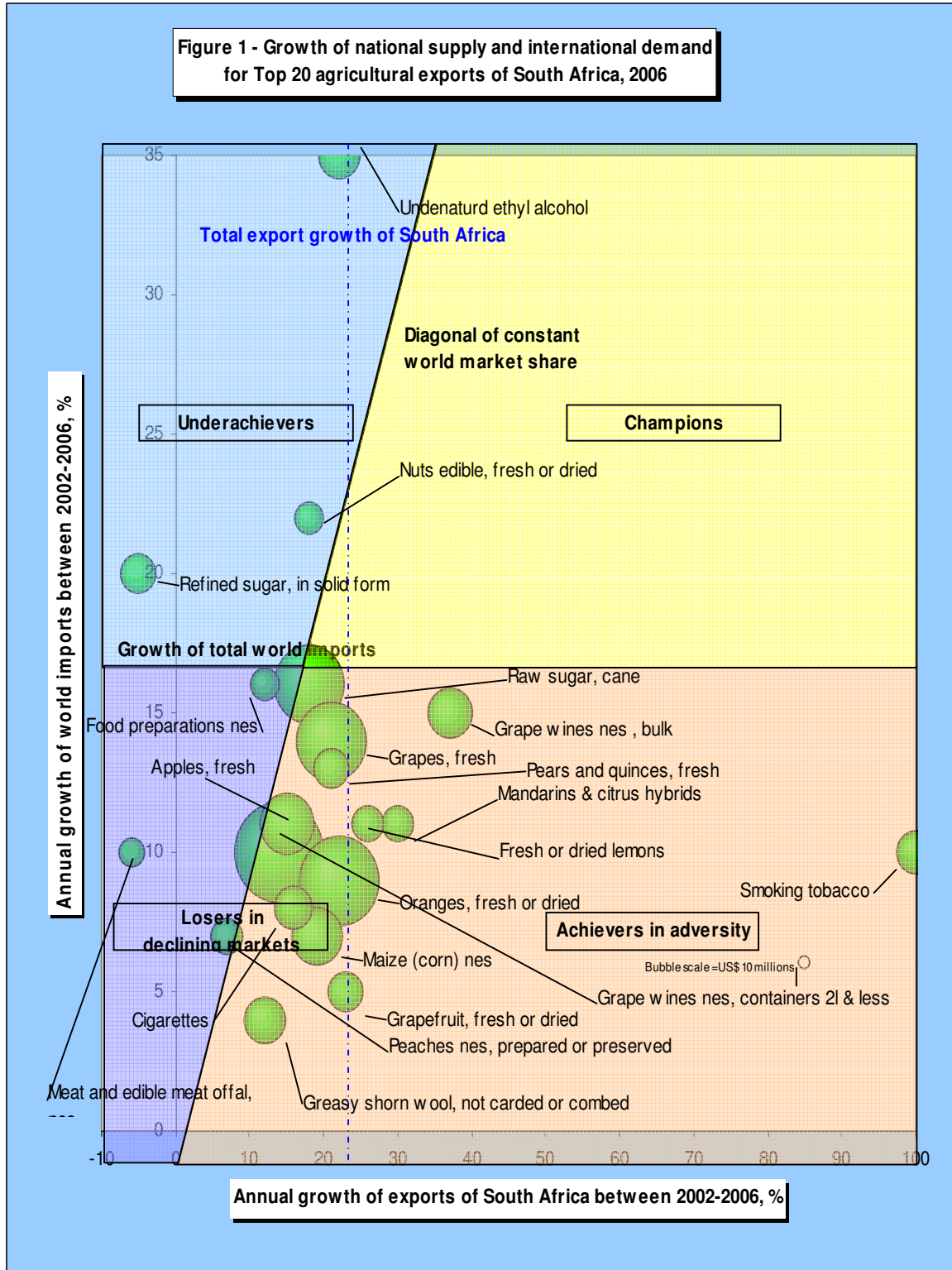
Champions - winners in growth markets (upper right, first quadrant). South Africa performed very well in the exports of these products. They comprise particularly dynamic products which are growing faster than world trade in general, and for which South Africa has been able to outperform world market growth and has increased its share in world imports. Exporters of these products have proven their international competitiveness over the 4-year period. Promotional efforts should aim at broadening the supply capacity.

Underachievers - losers in growth markets (upper left, second quadrant). These products represent particular challenges for trade promotion efforts in South Africa. While international demand has been growing at above-average rates, South Africa has been falling behind. Its exports have either declined or grown less dynamically than world trade. As a result, South Africa has been losing international market share. In general, the bottleneck is not international demand, but rather the supply side. For these products, it is essential to identify and remove the specific bottlenecks that impede a more dynamic expansion of exports.

¹ The selection of products was based on the definition of agricultural products as covered by the World Trade Organisation's Agreement on Agriculture (Annex 1) and attached as Annex 5.

² Harmonised System

Figure 1 – Top 20 agricultural exports of South Africa, 2006



Note: The bubble areas corresponds with export value of the product

Source: ITC calculations based on COMTRADE statistics



Losers in declining markets (lower left, third quadrant). The export prospects for these products tend to be bleak. World imports of the product concerned have increased at a below-average rate or actually declined, and the market share of South Africa has gone down. Trade promotion efforts for product groups in this category face an up-hill task. They need to adopt an integrated approach to take into account bottlenecks both on the supply and on the demand side.

Achievers in adversity - winners in declining markets (lower right, fourth quadrant). Products in this quadrant are characterized by growing shares of South African exporters in world import markets which are declining or growing below average. From a trade promotion perspective, niche-marketing strategies are required to isolate the positive trade performance from the overall decline in these markets.

The abovementioned approach needs to be validated and complemented by qualitative product expertise in order to serve as a basis for policy applications and product-specific trade promotion strategies.

2.1 Interpretation of the results

It is important to note that the results are not absolute and may vary from year to year due to fluctuating demand and supply patterns.

The total exports of South Africa increased by 23 % per annum over the 4-year period from 2002-2006, compared to world exports that grew by 17 % per annum over the same period. Over the same period under review the world agricultural exports and South African agricultural exports grew by 8,8 % and 11,2 % per annum, respectively. In 2006, South Africa contributed 0,6 % to world agricultural exports and occupied the 34th position amongst the world agricultural exporters. During 2006, South Africa occupied the 43rd position in total world exports out of 220 reporting countries and contributed 0,44 % to total world exports.

Table 1 indicates the Top 20 agricultural product exports by South Africa over the 4-year period (2002-2006) at HS 6-digit level. The Top 20 agricultural exports accounted for 65 % of all agricultural exports by South Africa in 2006. In terms of value, the South African Top 20 grew by 15,9 % per annum over the same period.

2.1.1 Champions

Despite the increase in the total South African agricultural exports over the 4-year period (2002-2006), the analysis indicates that none of the Top 20 South African agricultural products were classified in the champion category. Lower down the ranking (Annex 1) a few products such as raw beet sugar (HS 17.01.12 ranked 21st) and refined sugar (HS 17.01.91 ranked 41st) were classified in the champions category.

Table 1 – Top 20 South African agricultural exports, 2006

HS code	Product description	Value 2006 US\$'000	World ranking	Annual growth SA exports 2002 - 06 %
TOTAL	South African products	53 169 884	43	23
220421	Grape wines, in containers 2l and less	412 726	9	14
080510	Oranges, fresh or dried	317 241	3	22
170111	Raw sugar, cane	258 625	6	18
080610	Grapes, fresh	257 604	5	21
080810	Apples, fresh	160 107	9	15
100590	Maize (corn)	129 185	11	19
220429	Grape wines, bulk	105 946	7	37
220710	Undenatured ethyl alcohol 80% vol/higher	97 369	7	22
510111	Greasy shorn wool	95 348	4	12
240220	Cigarettes containing tobacco	77 832	28	16
240310	Smoking tobacco	76 366	6	103
080540	Grapefruit, fresh or dried	70 463	3	23
080820	Pears and quinces, fresh	68 601	8	21
170199	Refined sugar, in solid form	64 563	34	-5
080520	Mandarins	60 053	6	30
080550	Fresh and dried lemons	52 221	7	26
200870	Peaches	51 418	4	7
210690	Food preparations	49 226	38	12
080290	Nuts edible, fresh or dried	42 177	5	18
020890	Meat and edible meat offal	39 509	5	-6

Source: ITC Trade Map, October 2008

2.1.2 Underachievers

Underachievers in high growth world markets were undenatured ethyl alcohol (HS 22.07.10), other refined sugar (HS 17.10.99) and edible nuts (HS 08.02.90). This category represents industries with high and growing world demand but lack of market penetration by South African producers/exporters. In terms of agricultural products, there are relatively few high growing markets. Timely, thorough and innovative market analysis is necessary to respond quickly in order for South Africa to gain from it.

Despite lagging behind in these fast growing markets, undenatured ethyl alcohol still performed relatively well by recording an annual increase of 22 % between 2002 and 2006 in exports and occupying the 7th position in world exports of this product. Exports of refined sugar contracted by 5 % whereas exports of edible nuts gained 18 % year-on-year over the period 2002 to 2006.

2.1.3 Achievers in adversity

Most of the South African agricultural products fell into the category *achievers in adversity*. In general, these products are those in which developing countries holds comparative advantage but also face market access constraints in world markets. Therefore, the identification of market access constraints may be a useful point of departure to pursue in multilateral and bilateral negotiations to improve market access.

The analysis indicate that South Africa had a number of products that gained world market share and also exceeded the average of total export growth of the country. The following products are among those who exceeded the total exports growth of South Arica: mandarins (HS 08.05.20), smoking tobacco (HS 24.03.10) as well as bulk grape wines (HS 22.04.29). There are those that performed worse in terms of average total export growth of South Africa; raw cane sugar (HS17.01.11), grapes fresh (HS 08.06.10), oranges (HS 08.05.10), maize (HS 10.05.90), cigarettes (HS 24.02.20), apples (HS 08.08.10) pears and quinces (HS 08.08.20) as well as greasy shorn wool (HS 51.01.11).

Among these products that achieved growth below the South African average export growth, oranges (HS 08.05.10) and grape fruit (HS 08.05.40) still managed to both occupy the 3rd position in the world and both contributed 10,6 % respectively to total world exports. Other products to take note of are peaches (HS 20.08.70) and greasy shorn wool (HS 51.01.11) which made it to the 4th position in the world despite its low annual growth rates over the 4-year period.

2.1.4 Losers in declining markets

The market share of other meat and edible meat offal (HS 02.08.90), other food preparations (HS 21.06.90) and preserved peaches (HS 20.08.70) decreased below the average of worlds imports. Trade promotion efforts for these products face an uphill task and requires looking at bottlenecks and both the supply and the demand side.

3. Assessment of national export performance

3.1 Trade Performance Index

3.1.1 Background

The International Trade Centre developed the Trade Performance Index (TPI) with the aim of assessing and monitoring the multi-faceted dimensions of export performance and competitiveness by sector and by country. At present, the TPI covers 184 countries and 14 different export sectors. The index calculates the level of competitiveness and diversification of a particular export sector using comparisons with other countries. In particular, it brings out gains and losses in world market shares and sheds light on the factors causing these changes. Moreover, it monitors the evolution of export diversification for products and markets. The TPI is limited by its purely quantitative approach, although it does provide a systematic over-view of sectoral export performance and comparative and competitive advantages.

For each country and each sector, the TPI provides three types of indicators (Annex 2 and 3):

- a general profile,
- a country position for the latest available year (2006), and
- changes in export performance in recent years (2002-2006).

Altogether, the TPI makes use of around two dozen of quantitative performance indicators. For ease of reference, these indicators are presented in absolute terms and, in addition, ranked among the 184 countries covered by the TPI.

Moreover, two composite rankings are calculated, one for the overall position of the country and sector under review and another one for the change in export performance. The composite ranking on the position is based on five criteria, namely the value of net exports, per capita exports, the world market share, the diversification of products, and the diversification of markets. The composite ranking of the change in export performance covers the following five criteria: the change in world market share (and its decomposition), the trend of the coverage of imports by exports, the specialization on dynamic products, the change in product diversification and the change in market diversification.

This index is computed using the world's largest trade database, COMTRADE (of the United Nations Statistics Division), covering 184 countries, where more than 95 % of world trade in 5 000 products is reported at the 6-digit level of the Harmonized System (HS). Since COMTRADE captures around 95 % of world trade, the TPI is calculated not only for countries that report their own trade data, but also for over one hundred primarily low-income countries that do not report national trade statistics.

3.1.2 Interpretation of the TPI for the 2 agricultural sectors

a. Fresh foods

General profile

In 2006, South Africa ranked very high (16th) in terms of fresh food exports when compared with 181 competing countries. South Africa also ranked 35th in the world when the value of net exports were measured, indicating relatively high specialization index for the export of fresh foods. The growth trend per annum in fresh food exports from 2002 to 2006 was relatively low at 10 % and on this indicator South Africa ranked 109th in the world.

Position 2006

In terms of net exports, South Africa occupied the 35th place overall, however, according to the 2005 TPI South Africa was placed 22nd amongst competitors. Product diversification of equivalent products and market diversification of equivalent markets within the fresh food sector was relatively good and South Africa ranked 20th and 6th, respectively. South Africa also ranked high in terms of product concentration and market concentration with respective rankings of 20th and 7th in the world. Diversification was generally good and the South African fresh food export industry's ordinary ability to match with the dynamics of world demand (e.g. the dynamic markets) was demonstrated with a 40th place amongst competitors.

Trend 2002-2006

South Africa's ability to adapt to changes in the world fresh food sector was mediocre with a ranking of 51st in the world. Between 2002 and 2006, South Africa increased its world market share of fresh foods by a mere 0.01 % per annum. South Africa's initial geographical specialization of domestic exports on dynamic markets appeared to be very poor - ranked 112th in the world. Similarly, its ability to adapt to changes in world demand was also poor with a ranking of 137th in the world.

b. Processed foods

General profile

The number of exporting countries for the ranking of the sector was slightly lower with 159 countries forming part of the analysis. Overall, South Africa occupied 22nd place among the competing countries in 2006. South Africa also ranked 34th in the world when the value of net exports were measured, indicating relatively high specialization index for the export of processed foods. Exports of processed foods increased steadily by 11 % per annum over the 4-year period under review and South Africa ranked 81st among the competing countries.

Position 2006

South Africa occupied the 34th position in terms of net exports in 2006 whilst, similar to fresh foods, it still occupied 21st place overall in the 2005 TPI. Within the processed food sector, South Africa occupied 48th position in terms of product diversification of equivalent products, whilst it ranked as high as 3rd among 159 countries in terms of market diversification of equivalent markets. South Africa also ranked high in terms of product concentration and market concentration with respective rankings of 28th and 3rd in the world. Diversification was generally good and the South African fresh food export industry's ability to match with the dynamics of world demand (e.g. the dynamic markets) was demonstrated with a 54th place amongst competitors.

Trend 2002-2006

Similar to the fresh foods sector, South Africa's ability to adapt to changes in the world processed foods sector was mediocre with a ranking of 50th in the world. Over the 4-year period, South Africa increased its world market share of processed foods by a mere 0.008 % per annum. South Africa's initial geographical specialization of domestic exports on dynamic markets appeared to be very poor - ranked 109th in the world. Similarly, its ability to adapt to changes in world demand was also poor with a ranking of 126th in the world.

3.2 Product Performance Index

3.2.1 Background

The Product Performance Index (PPI) is a sectoral benchmarking tool of export performance and competitiveness, with a unique coverage of countries, product sectors and country specific indicators, both static and dynamic. The PPI is based on a series of macroeconomic indicators that illustrate a country's performance in a specific sector's exports. The International Trade Centre developed the PPI and is currently revising the indicator. Because of the revision, the PPI with 2006 data is not available, however, it is important to take note of the general trend from 2001 to 2005 and the position in 2005 as indicators of South Africa's recent export performance.

With this tool, a user can gain insight into some of the causes of a country's export performance, as well as measure that performance against other countries. In particular, it brings out gains and losses in world market share and sheds light on the factors causing these changes. It also monitors the evolution of export diversification and concentration in products and markets. Overall, the PPI provides a systematic overview of a country's export performance and its comparative and competitive advantages within a given sector.

When accessing the PPI, a user has the option of viewing any exporting country of the Product Map in question. If a country was not an exporter within the sector under review, it will not be listed. For each of the 72 industries covered by Prod-

uct Map, the PPI provides the following information for exporting countries (Annex 2 and 3):

- A general trade profile,
- Indicators of the position in 2005 and
- Indicators of the change in export performance capturing major trends over the recent past, 2001-2005.

The PPI consists of two-dozen quantitative performance indicators. For ease of reference, these indicators are presented in absolute terms and as ranking for the countries covered. Two composite rankings are calculated, one for the overall current position (Current Index) of the country and sector under review and the other for the change in performance (Change Index).

3.2.2 Interpretation of the PPI for the 9 agricultural industries

a. Animal feed

General profile

South African exports of animal feeds attained a growth rate of 64 % per annum over the 4-year period 2001 to 2005. Due to this relatively high growth rate, South Africa occupied the 2nd position in the world over the period. South African exports also registered a higher than average relative unit value for animal feeds and the country was ranked in 7th place.

Position 2005

In 2005, South Africa occupied 15th place amongst animal feeds exporting countries with a share of 0,7 % of world exports. South Africa showed relative strength in the number of animal feed products that it exported by ranking 27th amongst competing countries. It is evident from the product spread ranking (48th) that the share of animal feeds exports to total South African exports were fairly modest when compared to other exporters. In terms of market diversification, South Africa was less diversified (ranked 43rd) and more concentrated in certain markets (ranked 49th) than the leading countries in this indicator.

Trend 2001-2005

The industry's ability to adapt to changes in world demand was very good as it ranked 3rd among competing nations. Similarly, the industry ranked high in terms of initial geographical specialisation (2nd) and competitiveness effect (3rd). The former indicator measures the benefits accruing due to the initial specialisation on dynamic markets and the latter assesses the gains in market share due to increased competitiveness. The industry performed acceptably when it came to adaptation to the dynamics of world demand with a 35th place.

b. Beverages

General profile

Over the period under review, South African exports of beverages increased by 20 % per annum. Despite this relatively high growth rate, South Africa only occupied 31st position amongst competing countries. South Africa were ranked among the top 20 countries in terms of average growth in per capita exports (16th) and relative unit value (19th).

Position 2005

In terms of world market share, South Africa was placed 17th in the world among exporters of beverages. South Africa achieved a mediocre rating in terms of the different types of beverages exported (39th) and from the product spread ranking of 66th it is evident that the industry was not up with the leading competitors. Despite a favourable ranking of 11th in terms of market diversification, the 58th place achieved in the market spread measure indicates that the industry relied intensely on a few major markets.

Trend 2001-2005

The industry lagged behind competitors when faced with dynamic changes in the world market with a 47th place. According to the PPI, South Africa's beverage industry reaped fair rewards for its initial specialisation in dynamic markets (30th) and specialisation in products characterised by dynamic demand.

c. Cereal products

General profile

From 2001 to 2005, the value of cereal product exports by the South African industry grew on average by 15 % per year, leaving South Africa in 25th place. The mediocre ranking of 37th place in terms of change in per capita exports shows that industry production was not entirely focussed on the world market.

Position 2005

The industry occupied 21st place among competitors with a share of 0.6 % of the world market. However, South Africa was a net importer of cereal products and ranked only 54th in terms of net exports. In terms of the product and market diversification ranking, the industry occupied 54th and 36th place, respectively. According to the product spread (61st) and market spread (49th), there was a high dependence on a few products and a few markets.

Trend 2001-2005

Much of the gain in world market share can be attributed to initial specialisation in both geography and products, with respective rankings of 8th and 13th place. The industry lacked competitiveness with a low ranking of 54th place added to a 44th place when faced with dynamic changes in world demand.

d. Coffee products

General profile

With an annual growth in export value of 7 % per annum over the 4-year period the South African industry ranked 47th among competing countries. The industry's relative unit value was low (66th place) as was the focus on the world market (73rd place).

Position 2005

The industry was the leading country in terms of product diversification and held the 3rd position in terms of market diversification. The product spread was also very good (8th place) although concentration on a few important markets was evident from the market spread indicator of 29th place. The South African industry was a rather insignificant world player with a share of 0.05% and a ranking of 64th.

Trend 2001-2005

The industry did not adapt well to changes in world demand with a ranking in the high sixties. Despite a high initial product specialisation ranking of 10th, the industry was not well positioned in terms of dynamic markets with a very low geographical specialisation in 81st place. The industry managed to display a distinct ability to adapt quickly to the dynamics of world demand with an 11th place among competing countries.

e. Fruit and vegetables

General profile

The South African industry was the 13th largest exporter of fruit and vegetables in the world despite its low relative unit value (64th place). Although the industry achieved a healthy annual export growth of 22 % per annum from 2001 to 2005, it ranked 25th among competing nations. The industry was mainly producing with the export market in its focus as the high ranking of 10th in terms of average change in per capita exports suggest.

Position 2005

Over the period under review, South Africa was the 7th largest net exporter of fruit and vegetables and ranked 13th in terms of world market share. The industry re-

lied severely on a few major products and major markets as the high product spread ranking of 99th and high market spread ranking of 95th imply.

Trend 2001-2005

Although the industry was competitive when compared to other exporting countries with a ranking of 20th, it struggled to adapt to changes in the world demand. The industry ranked 77th and 81st respectively, when compared in terms of adaptation to world demand and the ability to adapt to dynamic changes in the world market. The South African industry, because of its reliance on a few major markets and products, was not able to benefit from specialisation on dynamic markets and products as its respective rankings of 34th and 39th indicate.

f. Fruit and vegetable juices

General profile

The South Africa industry was the 8th largest world exporter in terms of value and although it achieved a modest growth in export value of 14 % per annum the industry ranked 9th overall. The juice industry was generally producing for the export market with an average change in per capita ranking of 10th place.

Position 2005

In terms of net exports (7th place) and world market share (8th place), the South African industry ranked amongst the top 10 in the world. In terms of product diversification the industry ranked in 2nd place overall with a similar high ranking of 5th place in terms equivalent markets. Quite dissimilar to the fruit and vegetable industry, there was a healthy spread of products (ranked 5th) and a modest spread of markets (24th place).

Trend 2001-2005

The industry positioned itself close to the optimal point at the beginning of the period to gain substantially from dynamic markets and dynamic products with high rankings of 13th and 15th, respectively. The industry managed a good ranking of 19th place in terms of competitiveness whilst it adapted better to world demand changes with a high ranking of 8th place.

g. Oils and fats

General profile

Despite recoding a vigorous growth rate of 22 % per annum over the 4-year period, the South African industry occupied an ordinary 30th place when compared to other countries. The industry was mainly concerned with producing for the domestic market as the low ranking of 66th for average change in per capita exports suggest.

Position 2005

South Africa was a substantial net importer of oils and fats (75th place), although it held a 0.2 % world market share of exports and a corresponding 36th place. In terms of product and market diversification, the South African industry achieved rankings of 38th and 25th, respectively.

Trend 2001-2005

The industry competed admirably as the 26th place implied although it did not anticipate dynamic products (64th) and markets (47th) as well as the leading countries at the start of the period. The industry adapted well to dynamic changes in the world market with a 23rd place ranking.

h. Specialty/Organic foods

General profile

The specialty foods industry of South Africa produced mainly for the export market as is apparent from its healthy annual growth of 19 % in per capita exports. South Africa occupied 36th place in terms of export value and a mediocre relative unit value ranking of 38th place.

Position 2005

South Africa was a net exporter of specialty foods and claimed 25th position among its competitors. In terms of the number of equivalent markets as a measure of market diversification, the South African industry occupied the leading world position. It also ranked high with respect to product diversification in 14th place.

Trend 2001-2005

Apparently, the South African industry was reasonably adept at matching world market dynamics with the appropriate measures as its 26th position suggests. However, low initial specialisation in terms of markets (61st) and products (67th) hampered its performance and influenced the low ranking in terms of adapting to world demand.

i. Sugar products

General profile

Although the South Africa industry was the 13th largest world exporter in terms of value, a slump of 3 % in export growth year-on-year ranked the industry 63rd among competitors. The sugar industry was generally producing for the export market with an average change in per capita of 58 % and a ranking of 21st place.

Position 2005

In terms of net exports (11th place) and world market share (13th place), the South African industry ranked amongst the top 15 in the world. In terms of market diversification the industry ranked in 4th place overall, however, the ranking in terms of product diversification was not that good with an average ranking of 29th place. There was a heavy reliance on a few major products (ranked 68th) and a few major markets (57th place).

Trend 2001-2005

The industry did not position itself optimally at the beginning of the period to gain substantially from dynamic markets and dynamic products with low rankings of 56th and 61st, respectively. The industry managed a mediocre ranking of 43rd place in terms of competitiveness whilst it adapted slightly better to world demand changes with a modest ranking of 29th place.

4. Market Diversification TradeMaps

Market Diversification TradeMaps as displayed in Annex 4 analyse the target markets for a specific export product of a given country. The TradeMaps for the Top 20 agricultural export products are numbered in Annex 4 according to the sub-heading of the product group they represent. They benchmark the weight and the dynamics of each target market in national exports against the weight and dynamics of these markets in world trade. Put differently, they scan world trade with a view to identifying particularly dynamic markets and major markets in which the exporting country is underrepresented. Moreover, they analyse the positioning of national exports in the target market in terms of average unit values. Market Diversification TradeMaps also assess the level and changes in import tariffs of all major target markets. All these indicators are useful in the first phase of selecting new markets.

In addition, Market Diversification TradeMaps shed light on the performance of the competitors for the product and target market under review by identifying the other sources of supply of the importing country. This information is useful for two different purposes. It can be used as competitive intelligence as it reveals from which other countries the importing country buys its products and how their market shares have evolved. At the same time, this information allows the identification of countries with similar interests and hence of potential allies in multilateral trade negotiations.

The bubbles in the Market Diversification TradeMaps represent the target markets, with the size of the bubbles corresponding to the size of the import market under review. The horizontal axis indicates the share of the target market in national exports. The position of the bubbles along the horizontal axis shows whether export markets are diversified or not. A diversified export market portfolio consists of several bubbles in the middle range rather than one single market absorbing the majority of exports. The vertical axis measures the dynamics of import growth of the leading target markets. It follows that large bubbles in the upper part of the chart are of particular interest as they represent large and fast-growing markets.

4.1 Interpretation of market diversification prospects for South Africa

4.1.1 Product: 020890 - Meat and edible meat offal, nes fresh, chilled or frozen

South Africa's biggest markets for this product (mainly ostrich meat) in 2006 were the Netherlands (35 %), Germany (24 %) and Belgium (17 %). The export market for this product was concentrated, but there was room for improvement.

Markets that grew faster than the world demand over the 4-year period were the UAE³ (48 %), Angola (34 %) and Belgium (17 %). South Africa exported signifi-

³ The United Arab Emirates

cant amounts to Belgium in 2006. In terms of world market share the UAE and Angola were very small with less than 1 % of the world import market. Other significant, fast growing markets that South Africa did not export to in 2006 were the Russian Federation (65 %), Denmark (27 %) and Austria (14 %).

The largest import markets in the world during 2006 were Germany (23 %), Belgium (14 %) and France (13 %). Germany and Belgium were significant markets for South Africa in 2006 and therefore France presented the best diversification opportunity to South Africa.

4.1.2 Product: 080290 - Nuts edible, fresh or dried, whether or not shelled or peeled, nes

In 2006, the biggest markets for this product exported from South Africa were the Netherlands (26 %), the USA⁴ (25 %) and Japan (10 %). Despite the dominance of the Netherlands and the USA, the market was well diversified with a number of countries attracting 10 % and less of South Africa's exports.

The fastest growing markets that South Africa exported to from 2002-2006 were Vietnam (223 %), Lithuania (67 %), Mozambique (52 %) and Italy (32 %). This growth was well in excess of average world growth at 22 % over the 4-year period. The markets of Lithuania and Mozambique were very small and accounted for less than 1 % of the world market. Italy and Vietnam were reasonably large with respective world market shares of 5 % and 2 % of and therefore definite markets to explore for diversification.

The largest market in the world import markets were the USA (28 %) followed by Germany (6 %) and the UK⁵ (6 %). Germany and the UK held diversification opportunities because they grew faster than the world average for this product and offered a premium price.

4.1.3 Product: 080510 - Oranges, fresh or dried

During 2006, South Africa mainly exported oranges to the Netherlands (13 %), the Russian Federation (10 %) as well as the UAE (9 %). South Africa exported to the Russian Federation and the UAE at a unit value that is slightly above the average (US\$ 325/ton) and to the Netherlands at a unit price that was below average in 2006.

Over the period 2002 to 2006, Mozambique (234 %), the UAE (35 %) and Ukraine (32 %) registered the highest average import growth. However, all three markets were relatively small in world terms with world market share of close to 1 per cent.

Germany (11 %), France (9 %) and the Russian Federation (8 %) were the largest world markets in 2006. Germany and France accounted for only 1 % of

⁴ The United States of America

⁵ The United Kingdom

South African exports in 2006 and appeared to be saturated - recording growth of 3 % and -5 %, respectively over the 4-year period.

4.1.4 Product: 080520 - Mandarins (including tangerines and satsumas); clementines, wilkings and similar citrus hybrids

South Africa mainly exported to the USA (35 %), the UK (30 %) and the Netherlands (7%) in 2006. South Africa exported to the USA at a unit value above average and to the UK and the Netherlands at a unit value below average. The market was concentrated and held various diversification opportunities.

Fast growing markets over the period 2002 to 2006 where the Russian Federation (51 %), Ukraine (34 %) and Senegal (32 %). Of these three, only the Russian Federation (6 %) accounted for a significant share of South African exports in 2006.

The largest markets in 2006 were France (12 %), Germany (11 %) and the UK (10 %). France (8 %) and Germany (5 %) grew at a rate below the world market average over the 4-year period and attracted very little of South African products in 2006.

4.1.5 Product: 080540 - Grapefruit, fresh or dried

Japan (40 %), Netherlands (16 %) and the UK (10 %) were the main markets for South African grapefruit in 2006. Except for Japan, South Africa exported to these markets at a unit value above average. There appeared to be several diversification opportunities to reduce the dependence on the Japanese market.

Over the 4-year period the fastest growing markets where the Russian Federation (37 %), Ukraine (30 %) and the Netherlands (21 %). Of these three the Russian Federation held the largest diversification potential for South Africa, with significant volumes already flowing to the Netherlands and Ukraine holding less than 1 % world market share.

Japan (23 %) was also the largest world market in 2006, followed by the Netherlands (15 %) and France (10 %). Of these, South Africa exported very little to France posing a diversification possibility; however, France's average growth over the 4-years was lower than the world average.

4.1.6 Product: 080550 - Lemons and limes, fresh or dried

The main export markets for South Africa during 2006 were the UAE (19 %), Saudi Arabia (18 %) and the UK (12 %). South Africa exported to these markets at unit value above average, except to the UK. Although the market appeared diverse some opportunities to diversify further presented itself.

Greece (30 %), the UAE (26 %) and the Russian Federation (25 %) were the fastest growing markets over the period under review. South Africa exported

significant volumes to the UAE and therefore Greece and the Russian Federation posed the best opportunities because of their relative size and growth history.

In 2006, the largest markets in the world were the USA (13 %) and Germany (9 %) followed closely by the Russian Federation (9 %). Over the 4-year period, Germany registered a growth rate below world growth. Therefore, the USA and the Russian Federation emerged as prospects because of its size and dynamic growth.

4.1.7 Product: 080610 - Grapes, fresh

South Africa's main export markets in 2006 were the Netherlands (34 %), the UK (23 %) and Belgium (15 %). South Africa exported to these markets at unit value above average. The market was not well diversified, however certain opportunities existed for better diversification.

The fastest growing markets, over the period 2002 to 2006, where the Russian Federation (64 %), Thailand (32 %) and the Netherlands (31 %). South Africa exported significantly to the Netherlands and the Thai market was relatively small therefore, the Russian Federation appeared to be the ideal markets to explore.

The largest markets in the world import market were the USA (21 %), the UK (11 %) and Germany (10%). A large portion of South African exports flowed to the UK in 2006 and the USA and Germany recorded average growth rates below that of the world.

4.1.8 Product: 080810 - Apples, fresh

During 2006, the UK (41 %), Malaysia (8 %) and Belgium (6 %) were the most important South African export markets for the product. Except for Malaysia, South Africa exported to these markets at an above average unit value. Market diversification opportunities were apparent to counteract the reliance on the UK market.

Fast growing markets over the period under review were Kenya (34 %) and the Russian Federation (30 %) followed by Saudi Arabia (24 %). South African exports were underrepresented in the top 3 growth markets. Given the relatively small size of the Kenyan market the Russian Federation and Saudi Arabia were ideal markets prospects for diversification.

Germany (12.2 %), the UK (11.5 %) and the Russian Federation (7.1 %) were the largest world markets in 2006. The UK was South Africa's largest market in 2006 and with German growth lagging world growth over the 4-year period the Russian Federation showed up as a viable diversification prospect.

4.1.9 Product: 080820 - Pears and quinces, fresh

In 2006, South Africa mainly exported to the UK (23 %), the Netherlands (18 %) and Belgium (14 %). Apart from the Netherlands, South Africa exported to these

markets at unit values above average. The market was not well diversified, but certain opportunities were available to diversify further.

The most dynamic markets over the 4-year period were Ukraine (245 %), Lebanon (77 %) and Thailand (54 %). Less than 1 % of South African exports flowed to each of these three markets, respectively. Among the three only Thailand attracted more than 1 % of world exports and with a higher than average unit value was the best prospect among the three. Among the top-10 growth markets, only the Russian Federation with average annual growth of 39 % was a significant world market, attracting more than 10 % of exports.

The three largest world markets in 2006 were Germany (12 %), the Russian Federation (10 %) and the UK (8 %). With the UK being South Africa's largest market in 2006, the Russian Federation and Germany emerged as two definite diversification prospects, especially the Russian Federation with its superior growth over the 4-year period.

4.1.10 Product: 100590 - Maize (corn) nes

During 2006, Zimbabwe (52 %), Zambia (15 %) and the Netherlands (11 %) were the largest South African export markets. South Africa exported to the Netherlands at a unit value above average; but to the other main markets, the unit value was below the average. The market appeared to be heavily concentrated, although certain opportunities were available to diversify.

India (96 %), Thailand (71 %) and Kenya (63 %) were the fastest growing markets over the period under review, however, these three markets were insignificant in terms of world demand with import market shares of less than 1 per cent. In 2006, South Africa did not export to Mexico down in 15th place, but with an 8 % world market share and average growth of 12 % it posed the first real diversification opportunity for exports.

Japan (19 %), South Korea (9 %) and Mexico (8 %) were the three largest world markets in 2006. Less than 1 % of South African exports flowed to Japan, with the other two markets not receiving any maize from South Africa. Only Mexico registered average annual growth in excess of the world average and despite its proximity to the USA posed the best opportunity for diversification.

4.1.11 Product: 170111 - Raw sugar, cane

South Africa mainly exported to Iran (35 %), Mozambique (16 %) and South Korea (15%) in 2006. South Africa exported to these markets at unit values above average, with the exception of Mozambique. The market was not well diversified, however, certain diversification opportunities were available.

Over the period under review, the most dynamic markets were Pakistan (1 690%), Saint Helena (90 %) and Saudi Arabia (81 %). Saint Helena was an insignificant world market, attracting less than 1 % of world exports and, al-

though Pakistan was only slightly larger, it emerged as a diversification prospect based on the remarkable growth registered from 2002 to 2006.

The largest world markets in 2006 in terms of world market share were the Russian Federation (12 %), the USA (10 %) and the UK (9 %). Of these, only the USA recorded growth over the 4-year period higher than world average growth. Based on its size and growth history the USA proved to be a prospect for export diversification as less than 1 % of South Africa's exports flowed to the USA in 2006.

4.1.12 Product: 170199 - Refined sugar, in solid form, nes

Angola (22 %), Mauritius (19 %) and Kenya (18 %) received the majority of South African exports in 2006. With the exception of Kenya, South African exports to these markets were at a unit value above average. The market was concentrated around African importers but certain diversification opportunities were available.

Mauritius (708 %) recorded the highest growth over the 4-year period followed by Pakistan (675 %) and Sudan (453 %). Mauritius was already a significant market for South Africa, whilst the relatively small size of the Sudanese market left only Pakistan as a probably market to diversify South African exports towards.

Belgium (7 %), Pakistan (6 %) and the UAE (5 %) were the largest world markets in 2006 and South Africa only exported to the UAE, albeit less than 1 % of South African exports. Belgium registered lower than average growth over the 4-year period that leaves Pakistan and the UAE as the two brightest diversification prospects.

4.1.13 Product: 200870 - Peaches (Otherwise Prepared or Preserved)

In 2006, South Africa exported mainly to Japan (19 %), Hong Kong (14 %) and the UK (9 %). Despite the fact that the South African export market was well diversified a few prospects remained in the international market.

From 2002 to 2006, the most dynamic world markets in terms of average annual growth proved to be the Seychelles (214 %), Australia (118 %) and Zambia (102 %). Of these three, only Australia was a relatively significant world market, although it attracted more than 8 % of South African exports in 2006. Significant world markets that registered higher than average growth were Thailand (23 %) and the Russian Federation (21 %). South Africa was underrepresented in the two markets that emerged as definite prospects to broaden the South Africa's export landscape.

The three largest world markets in 2006 in terms of market share were Germany (13 %), the USA (11 %) and Japan (9 %). Japan was already the leading market for products from South Africa in 2006 and among the three, only the USA achieved average annual growth above that of the world average.

4.1.14 Product: 210690 - Food preparations nes

Africa was the main regional market for exports from South Africa in 2006 with Mozambique (15 %), Nigeria (11 %) and Angola (11 %) the primary recipients. South Africa exported to these markets at unit value above average, except for Mozambique the lead market. This market appeared to be well diversified although certain possibilities presented itself.

Three small world markets registered the highest average annual growth over the period under review, Seychelles (146 %), Somalia (81 %) and Libya (73 %). Saudi Arabia (29 %), the Russian Federation (28 %) and the USA (23 %), all three significant world markets, registered higher than average growth from 2002 to 2006 and surfaced as probable market diversification targets.

Germany (8 %) and the USA (8 %) followed by Spain (5 %) were the countries with the highest world market share in 2006. Neither Germany nor Spain registered growth in excess of the world average growth, therefore only the USA appeared to be a viable diversification prospect among the three.

4.1.15 Product: 220421 - Other wine, grape must, fermentation arrested; in containers 2l or less

South Africa mainly exported to the UK (31 %), Netherlands (11 %) and Germany (10 %) in 2006. With the exception of Germany, South Africa exported to these markets at unit values below average. Except for the reliance on the UK market, the market appeared diversified.

Turkey (145 %), Romania (103 %) and the DRC (76 %) were the fastest growing world markets over the 4-year period, however, in terms of world market share these three markets were minor players. Canada (18 %), Ireland (15 %) and the Russian Federation (14 %) were three significant world markets with annual average growth rates in excess of the world average. South Africa was underrepresented in all three markets during 2006 and may consider expanding exports to them in order to improve market diversity.

The USA (21 %), the UK (19 %) and Germany (10 %) were the three largest world markets in terms of market share in 2006. None of these three markets exceeded the average world growth over the 4-year period and was already significant markets for South African exports in 2006.

4.1.16 Product: 220429 - Other wine, grape must, fermentation arrested; in containers larger than 2l

The main export destinations for South African exports in 2006 were Sweden (27 %), the UK (20 %) and Germany (14 %). With the exception of Sweden, South Africa exported to these markets at unit values below average. The market was concentrated around European markets, however, certain opportunities existed to diversify away from traditional markets.

The most dynamic world markets over the period under review were India (131 %) and Estonia (130 %) followed closely by Ethiopia (95 %). The markets were small in terms of world market share. Significant world markets that achieved higher than average annual growth were China (38 %), the USA (35 %) and Italy (30 %). South Africa was not well represented in these dynamic markets that were definite diversification prospects in 2006.

In 2006, the main world markets in terms of world market share were Germany (18 %), the UK (12 %) and France (9 %). Given of the fact, that France's growth was well below average and that South Africa was well represented in Germany and the UK, none of these markets posed real diversification opportunities.

4.1.17 Product: 220710 - Ethyl alcohol, alcoholic strength 80% or more

In 2006, South Africa exported mainly to the USA (33 %), the UAE (10 %) and the Netherlands (9 %). Despite the reliance as on the USA as a market, the market was fairly diversified.

Three small world markets, Liberia (200 %), Rwanda (197 %) and Congo (173 %), recorded the highest average annual growth over the 4-year period. El Salvador (170 %), the Netherlands (67 %) and the USA (60 %) were significant world markets that registered growth in excess of the world average growth. Among the three, El Salvador was the brightest prospect for market diversification, as South Africa did not export there in 2006.

The USA dominated the world market and attracted 42 % of world exports in 2006, followed by the UK (7 %) and Japan (7 %). South Africa was well represented in the USA and the UK markets, whilst Japan registered average growth from 2002 to 2006 at a level well below that of the world average.

4.1.18 Product: 240220 - Cigarettes containing tobacco

The market for South African exports in 2006, was generally concentrated in Africa with Mozambique (21 %), Zambia (12 %), Guinea (10 %) attracting the bulk of South African exports. The market was fairly diversified despite the concentration around markets from Africa.

The most dynamic markets over the 4-year period in terms of average annual growth were Poland (605 %), Zambia (99 %) and Togo (84 %). South Africa was well represented in the Zambian and Togolese market and although it was underrepresented in Poland's market, all three markets were unimportant in terms of world market share. Italy (19 %) and Japan (14%) were the only two significant world markets that managed to outperform the world market growth over the 4-year period. South Africa was underrepresented in Italy and did not export to Japan at all in 2006, therefore these two markets were real possibilities to diversify towards.

Japan (18 %), Italy (14 %) and France (10 %) were the three largest world markets in terms of world market share in 2006. France (2 %) did not manage to beat world market growth over the period under review, as did the other two.

4.1.19 Product: 240310 - Smoking tobacco

South Africa's main export markets in 2006 were Yemen (41 %), Jordan (15 %) and Iran (11 %). With the exception of Yemen, this market appeared to be diversified with apparent opportunities to diversify further.

Mexico (240 %), Sudan (188 %) and Madagascar (182 %) set the pace in terms of average annual growth over the period under review. However, only Mexico was a significant world market in terms of market share. Together with Mexico, Austria (117 %) and Spain (29 %) were markets that emerged as diversification prospects in 2006. South Africa did not export to any of the three markets in 2006.

The three largest markets in terms of world market share in 2006 were Germany (15 %), France (10 %) and Spain (5 %). Of the three, only Germany attracted some South African exports, albeit that the value was insignificantly low. All three markets achieved annual growth rates over the period in excess of the world mark. The three markets presented an ideal opportunity for South Africa to diversify its export market.

4.1.20 Product: 510111- Greasy shorn wool, not carded or combed

The main markets for South Africa exports in 2006 were China (33 %), the Czech Republic (28 %) and Italy (14 %). The market appeared to be concentrated with definite diversification prospects.

The most dynamic markets over the 4-year period in terms of average annual growth were Hong Kong (27 %), Bulgaria (26 %) and Portugal (22 %). Among the three, only Bulgaria was a significant world market and although South Africa was well represented there in 2006, it held potential as a diversification prospect.

In terms of world market share, the three largest markets in 2006 were China (61 %), Italy (12 %) and Germany (9 %). South Africa was well represented in all three markets in 2006, however, only China recorded an annual growth rate higher than the world growth over the period under consideration.

5. Summary and concluding remarks

Underachievers in high growth sectors were undenatured ethyl alcohol, other solid refined sugar and edible nuts. High world demand for sugar and alcohol could have been because the result of bio-diesel policies and the cyclical movement in supply and demand. Most meaningful is the high world demand for edible nuts. Results show that South Africa is not fully utilising this opportunity and that promotional efforts could concentrate on increasing supply capacity.

The analysis indicates that none of the Top 20 South African agricultural products was classified in the *champions* category in 2006. Lower down the export rankings, products such as raw sugar (21st) and solid refined sugar (41st) increased their world market share in world markets that grow faster than the average. Promotional efforts in this category should aim at broadening the supply capacity and opening new markets. The trade performance of sugar is strongly influenced by seasonal commodity cycles and remains a market heavily distorted by subsidies and protection. Exports of agricultural products remained under pressure in 2006 due to the strengthening rand.

The bulk of the Top 20 South African agriculture exports were *achievers in declining markets*, also called “cash cows”. South Africa is generally very competitive in these volume markets but world growth is declining relatively to other goods. The following products are among those who exceeded the total exports growth of South Africa: mandarins, smoking tobacco as well as bulk grape wines. Other products that had positive growth but performed worse in terms of average total export growth of South Africa are: raw cane sugar, fresh grapes, oranges, maize, cigarettes, apples pears and quinces as well as greasy shorn wool. For oranges and grape fruit South African exports managed to both occupy the 3rd position in the world and both contributed 10,6 % respectively to total world exports.

Many of these products face tariff and non-tariff constraints in the world markets. Most of the products exported by developing countries, and in which they have a comparative advantage, fall in this category. Therefore the liberalization of these markets should be high on the agenda of the Doha round, to free up the restrictions that puts constraints on the demand for these products

Trade promotion efforts that can address bottlenecks in both the supply and demand side are necessary for products that fall in the *losers in declining markets* category. Among the Top 20 agricultural exports in 2006, three products appeared in this category, namely other meat (e.g venison, ostrich meat, offal), other food preparations and preserved peaches. Exports of ostrich meat, which have experienced high growth, are lumped together with other low performing

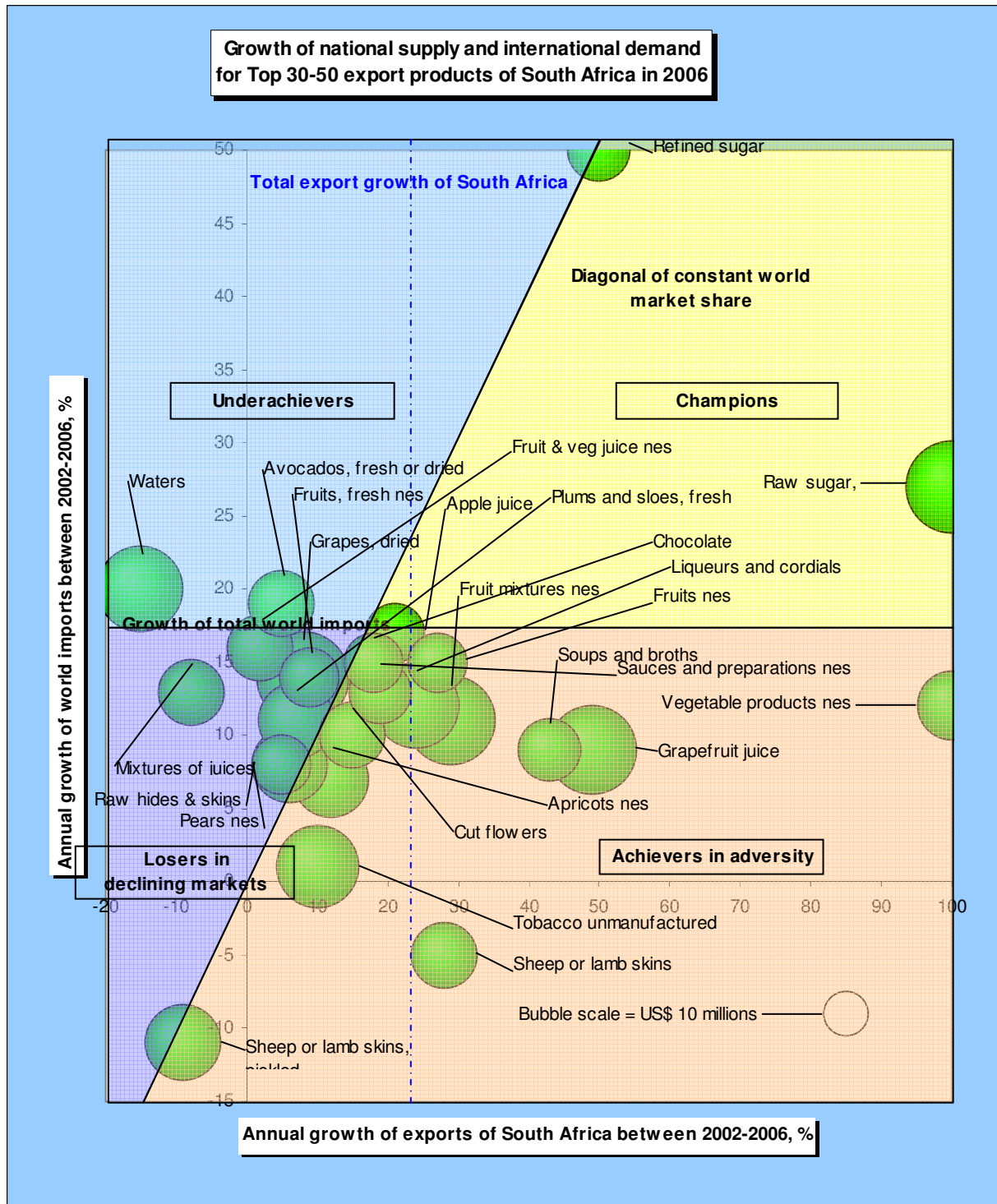
meats and offal under the “other meat” heading; therefore the writers are of the opinion that this category does not apply to Ostrich meat. It would therefore be beneficial for high growth industries such as ostrich meat, to have its own HS classification instead of being combined with other low performing meats and offal, since different interventions are required for *losers in declining markets* than for products in the other quadrants. Indications from the ostrich industry are that exports of meat perform very well and that they cannot keep up with supply.

The Trade Performance Index (TPI) reveals how competitive and diversified a particular export sector is in comparison to those of other countries. In terms of fresh food exports, South Africa had a high composite ranking position (16th out of 181 countries) as well as for the exports of processed foods, where it occupied 22nd position out of 159 competing countries. Both the fresh and processed foods sectors showed a moderate ability to adapt to changes in the dynamic world demand with rankings of 51st and 50th, respectively. These results need further clarification from industry and product specialists.

It is noticeable through the Product Performance Index (PPI) results that many of the individual agricultural product groups were performing poorly in the adaptation to world market dynamics. Beverages, cereal products, coffee products as well as fruits and vegetables battled to adapt to changes in world demand. It appears that lessons may be learnt from animal feed products as well as fruit and vegetable juices that ranked within the top 10 countries in terms of adapting to world demand changes.

Research on market diversification prospects for the Top 20 agricultural export products revealed that South African exports were insufficiently represented in many dynamic markets of Eastern Europe, the Middle East, Asia and Russia in 2006. This is in agreement with the dynamic market adaptation difficulties revealed by the TPI and PPI.

Annex 1 - Top 30-50 agricultural exports of South Africa, 2006



Note: The bubble areas corresponds with the share in world imports of target markets.

Source: ITC calculations based on COMTRADE statistics.



Annex 2 – TPI

Fresh Food and Processed Food TPI for South Africa, 2006

Indicator's Description			Fresh Food		Processed Food	
			Value	Rank	Value	Rank
	N	Number of exporting countries	181		159	
General Profile	G1	Value of exports \$ mil	2 309 632		1 906 858	
	G2	Export growth	10%	109	11%	81
	G3	Share in national export	4%		3%	
	G4	Share in national import	2%		2%	
	G5	Relative trade balance	16%		4%	
	G6	Relative unit value (world average =1)	2.0		1.4	
2006 Position – Current Index	P1	Net exports \$'000	640 251	35	153 243	34
	P2	Per capita exports \$/capita	48.7	90	40.2	84
	P3	Share in world market	0.57%	32	0.47%	38
	P4a	Product diversification	20	20	12	48
	P4b	Product concentration		15		28
	P5a	Market diversification	19	6	25	3
	P5b	Market concentration		7		3
2002-06 Change Index	C1	Change of world market share	-0.0114%		-0.0112%	
	C1a	Competitiveness effect	0.0148%	61	0.0083%	65
	C1b	Initial geographic specialisation	-0.0034%	112	-0.0053%	109
	C1c	Initial product specialisation	-0.0086%	92	0.0232%	29
	C1d	Adaptation effect	-0.0142%	137	-0.0374%	126
	C2	Matching dynamics of world demand		40		54
Average Index: Current Index				16		22
Average Index: Change Index				51		50

Source: ITC Trade Competitiveness Map, October 2008

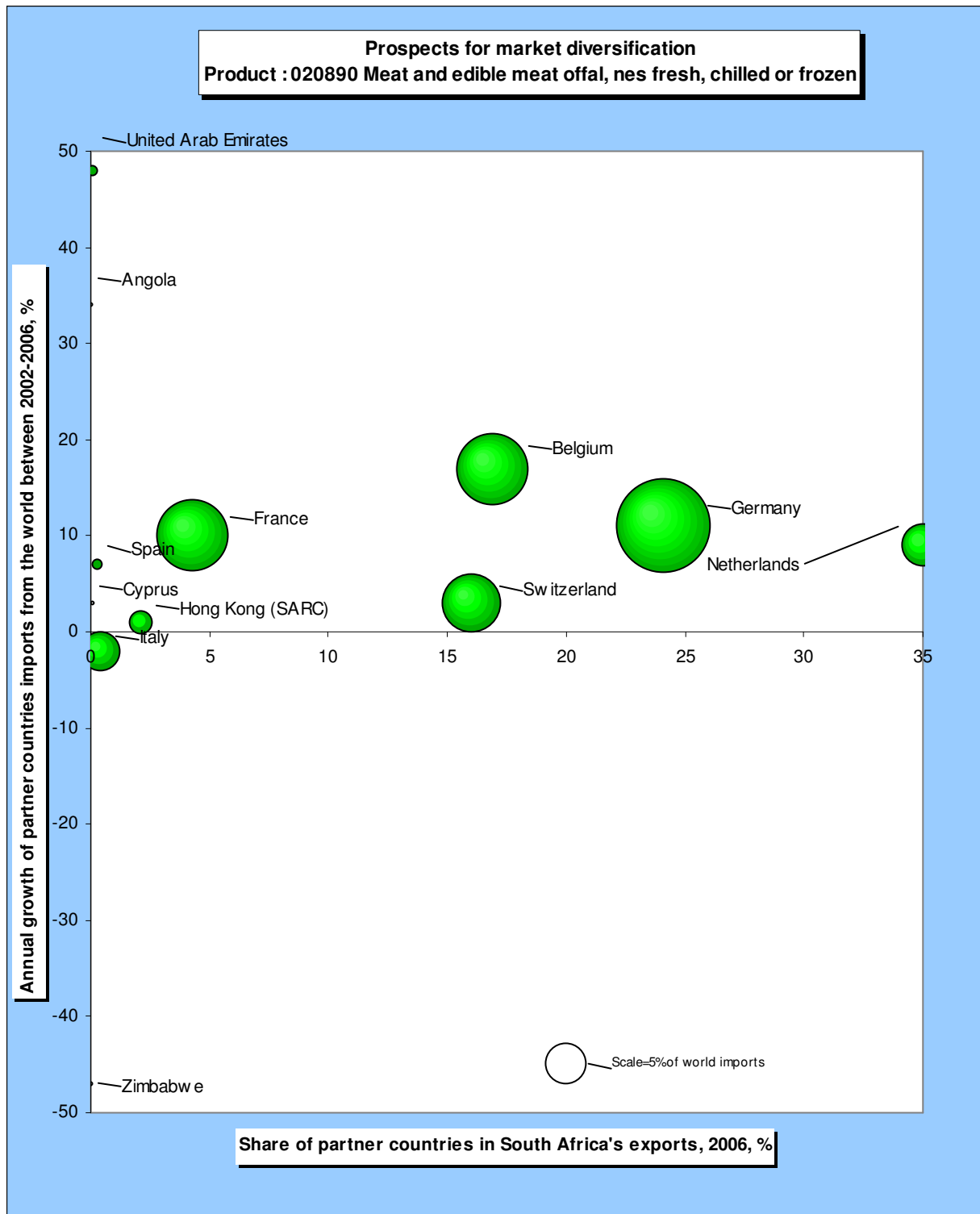
Annex 3 – PPI Rankings

Indicator's Description			Animal Feed	Beverages	Cereal & Products	Coffee & Products	Fruits & Veggies	Fruit juices	Oils & Fats	Organic Products	Sugar & Products
General Profile	G1	Value of exports \$ mil	15	17	21	64	13	8	36	36	13
	G2	Export growth	2	31	25	47	25	9	30	53	63
	G3	Share in national export	38	26	38	75	42	20	81	61	39
	G4	Share in national import	26	49	25	38	105	20	45	79	58
	G5	Relative trade balance	29	16	37	73	10	10	65	23	21
	G6	Relative unit value (world average =1)	7	19	46	66	64	7	66	38	40
2006 Position – Current Index	P1	Net exports \$'000	37	10	54	57	7	7	75	25	11
	P2	Per capita exports \$/capita	29	35	35	77	35	16	60	57	39
	P3	Share in world market	15	17	21	64	13	8	36	36	13
	P4a	Product diversification	27	39	54	1	31	2	38	14	29
	P4b	Product concentration	48	66	61	8	99	5	80	63	68
	P5a	Market diversification	43	11	36	3	11	5	25	1	4
2002-06 Change Index	P5b	Market concentration	49	58	49	29	95	24	61	51	57
	C1a	Competitiveness effect	10	24	54	28	20	19	26	34	43
	C1b	Initial geographic specialisation	2	30	8	81	39	13	47	61	56
	C1c	Initial product specialisation	51	29	13	10	34	15	64	67	61
	C1d	Adaptation effect	3	47	25	68	77	8	35	78	29
	C2	Matching dynamics of world demand	35	62	44	11	81	21	23	26	36
Average Index: Current Index			43	13	56	49	13	3	71	21	21
Average Index: Change Index			26	57	40	17	73	22	22	39	51

Source: ITC Product Map, October 2008

Annex 4 – Market diversification TradeMaps

4.1.1

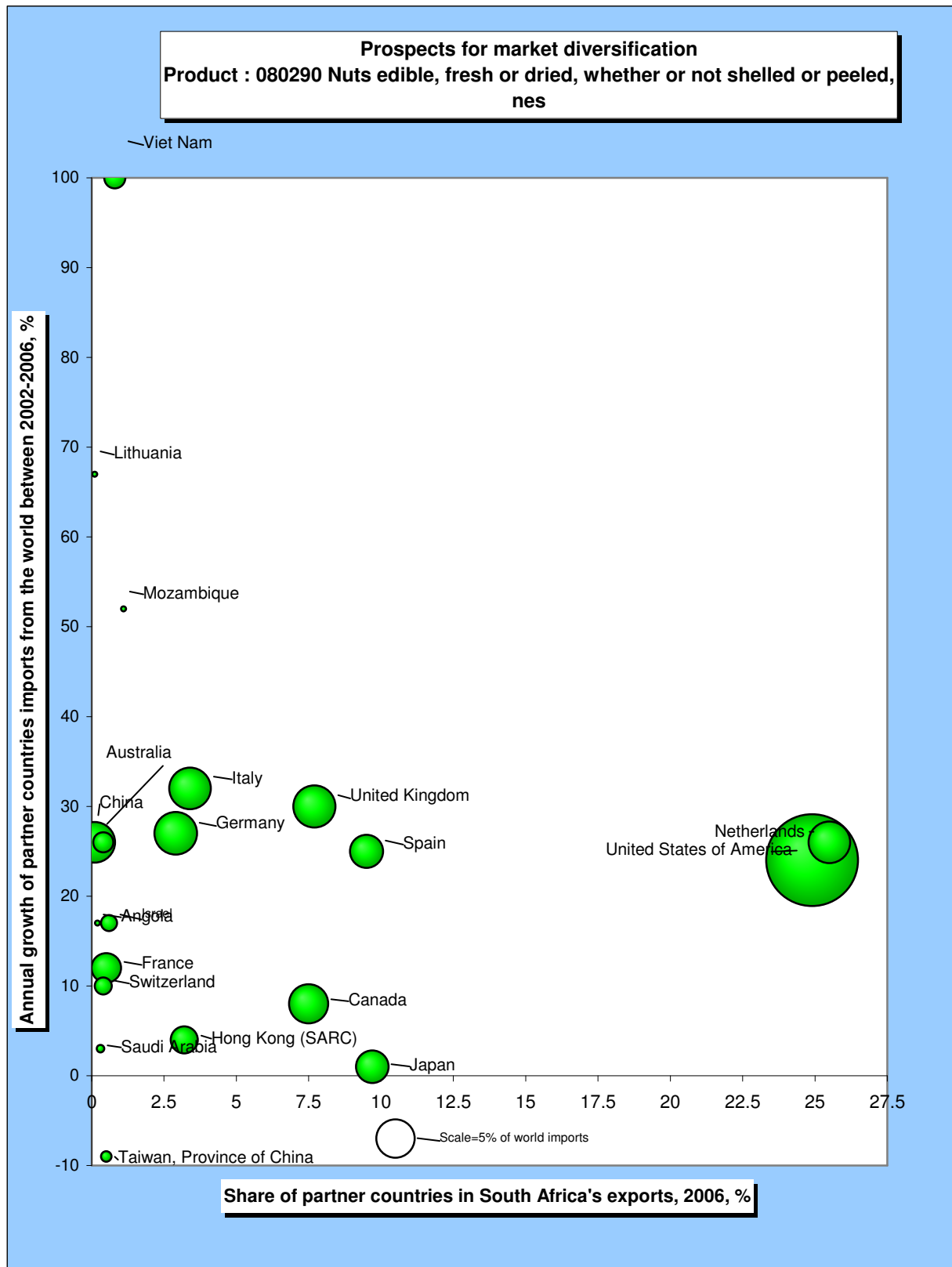


Note: The bubble areas corresponds with the share in world imports of target markets.

Source: ITC calculations based on COMTRADE statistics.



4.1.2

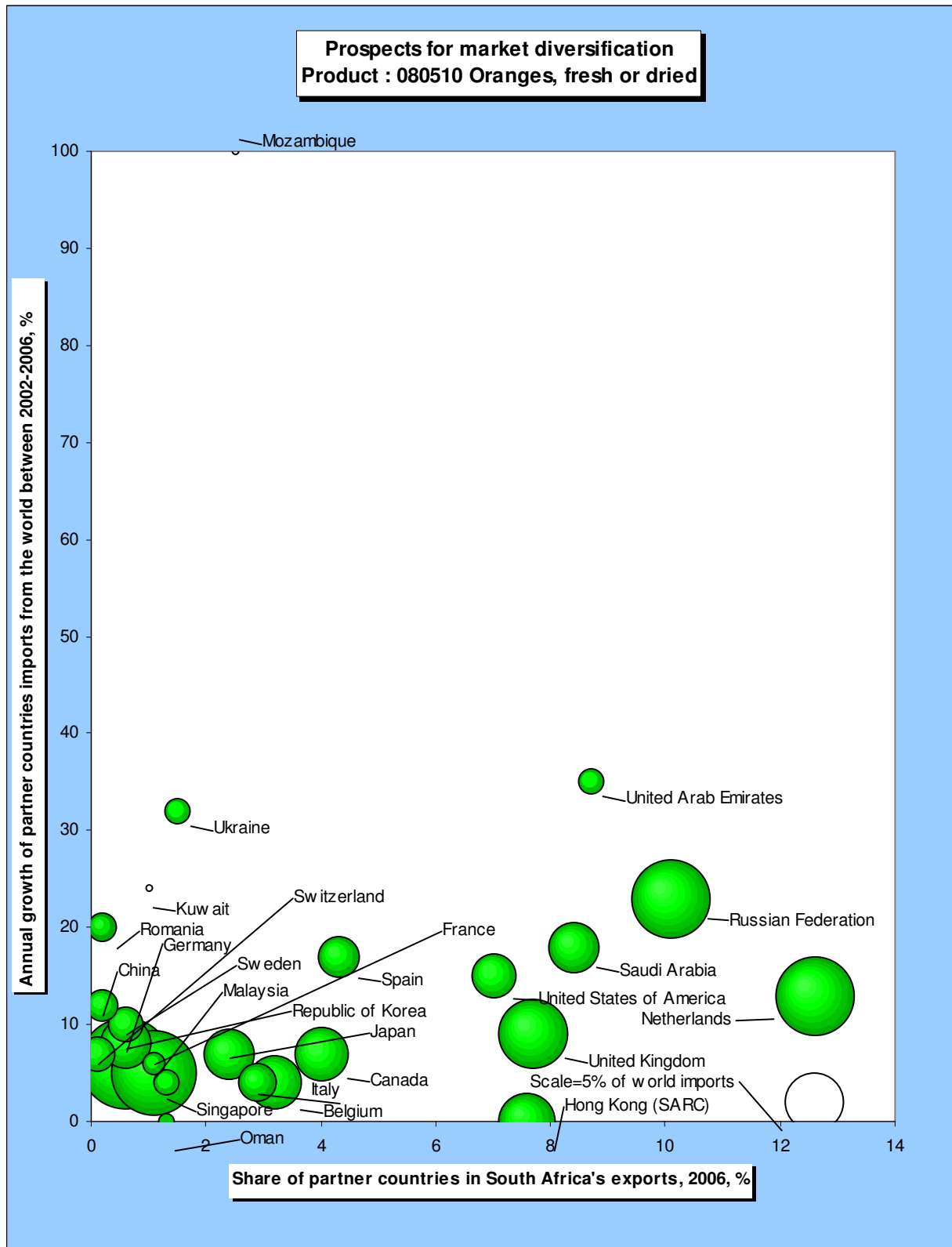


Note: The bubble areas corresponds with the share in world imports of target markets.

Source: ITC calculations based on COMTRADE statistics.



4.1.3

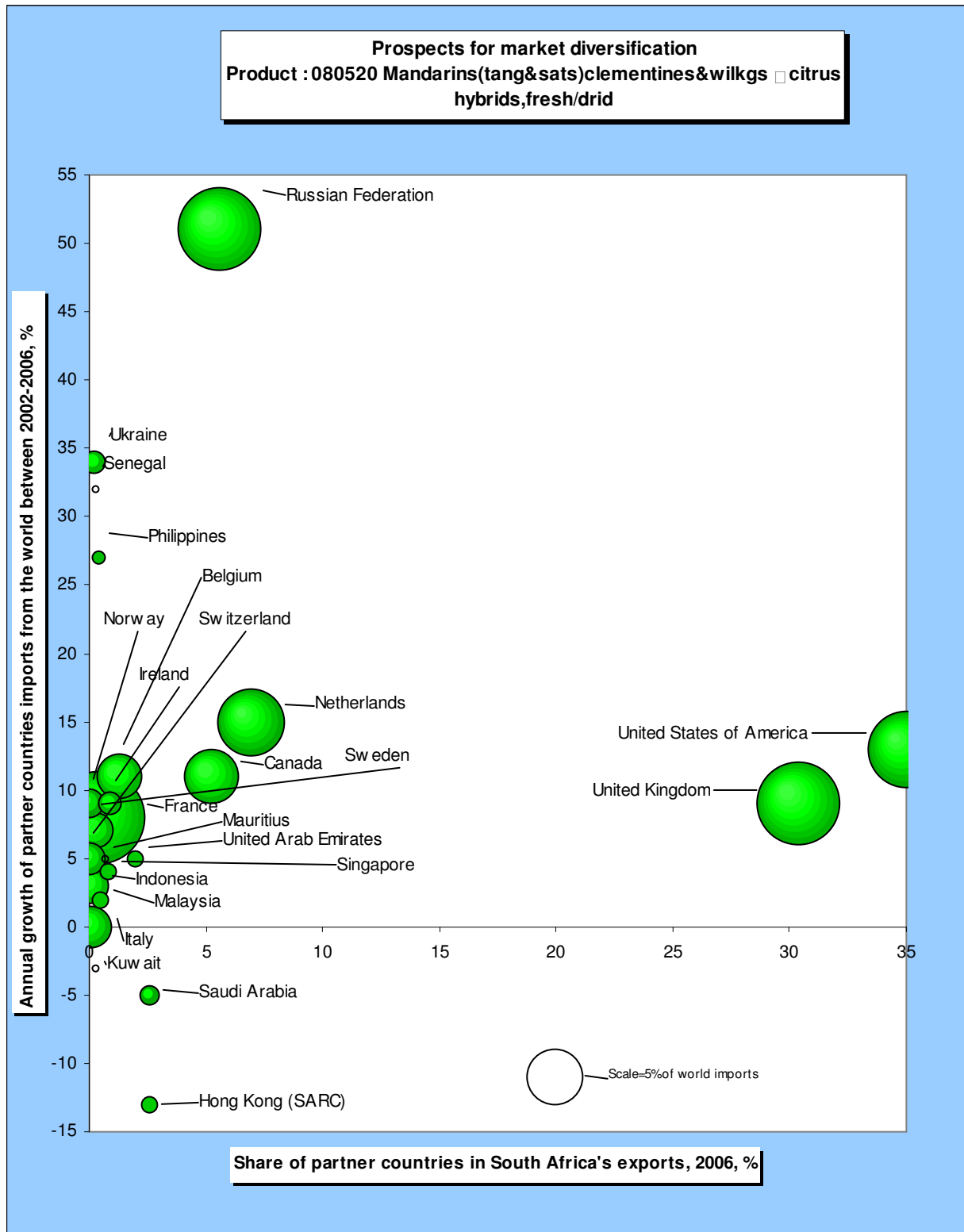


Note: The bubble areas corresponds with the share in world imports of target markets.

Source: ITC calculations based on COMTRADE statistics.



4.1.4

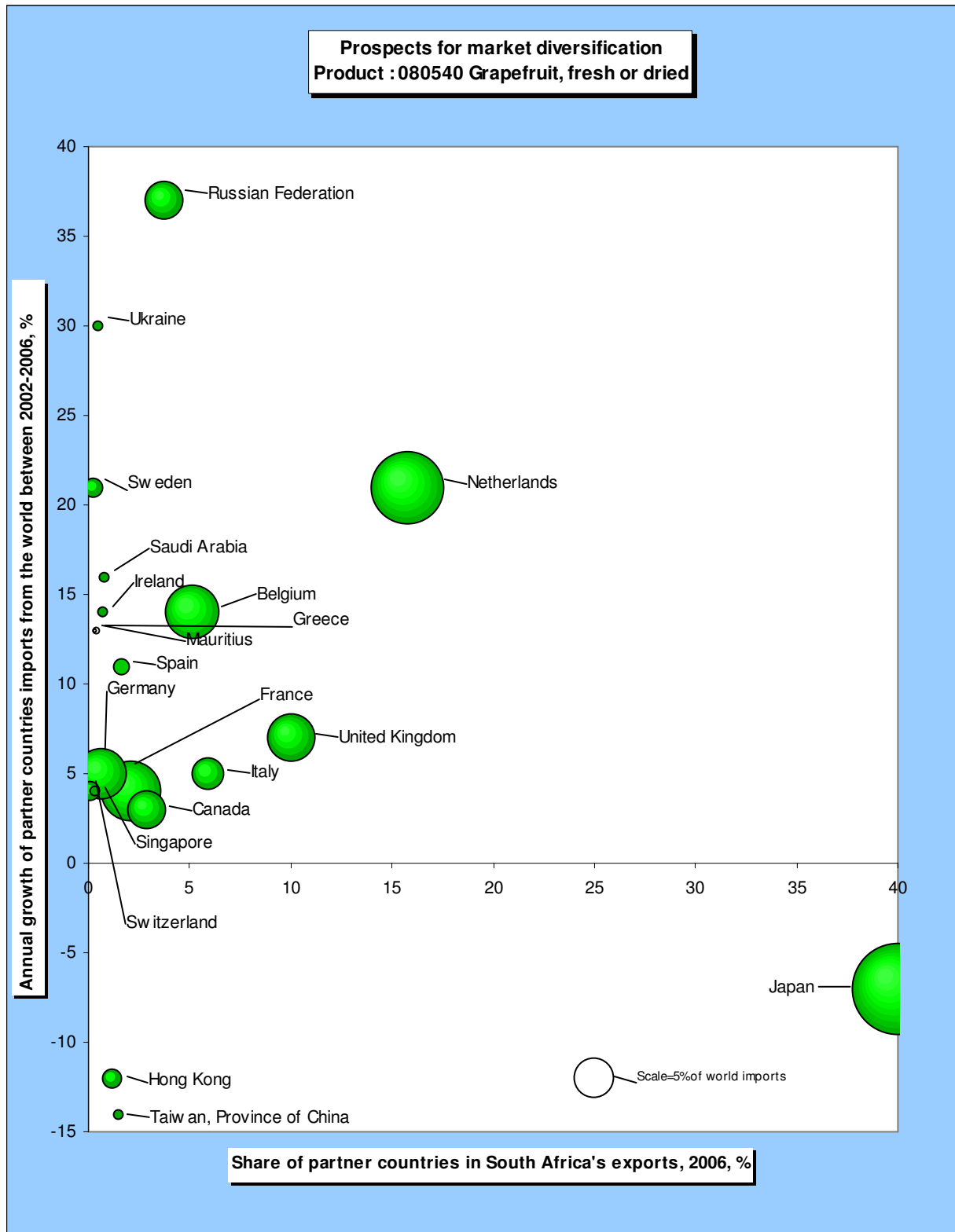


Note: The bubble areas corresponds with the share in world imports of target markets.

Source: ITC calculations based on COMTRADE statistics.



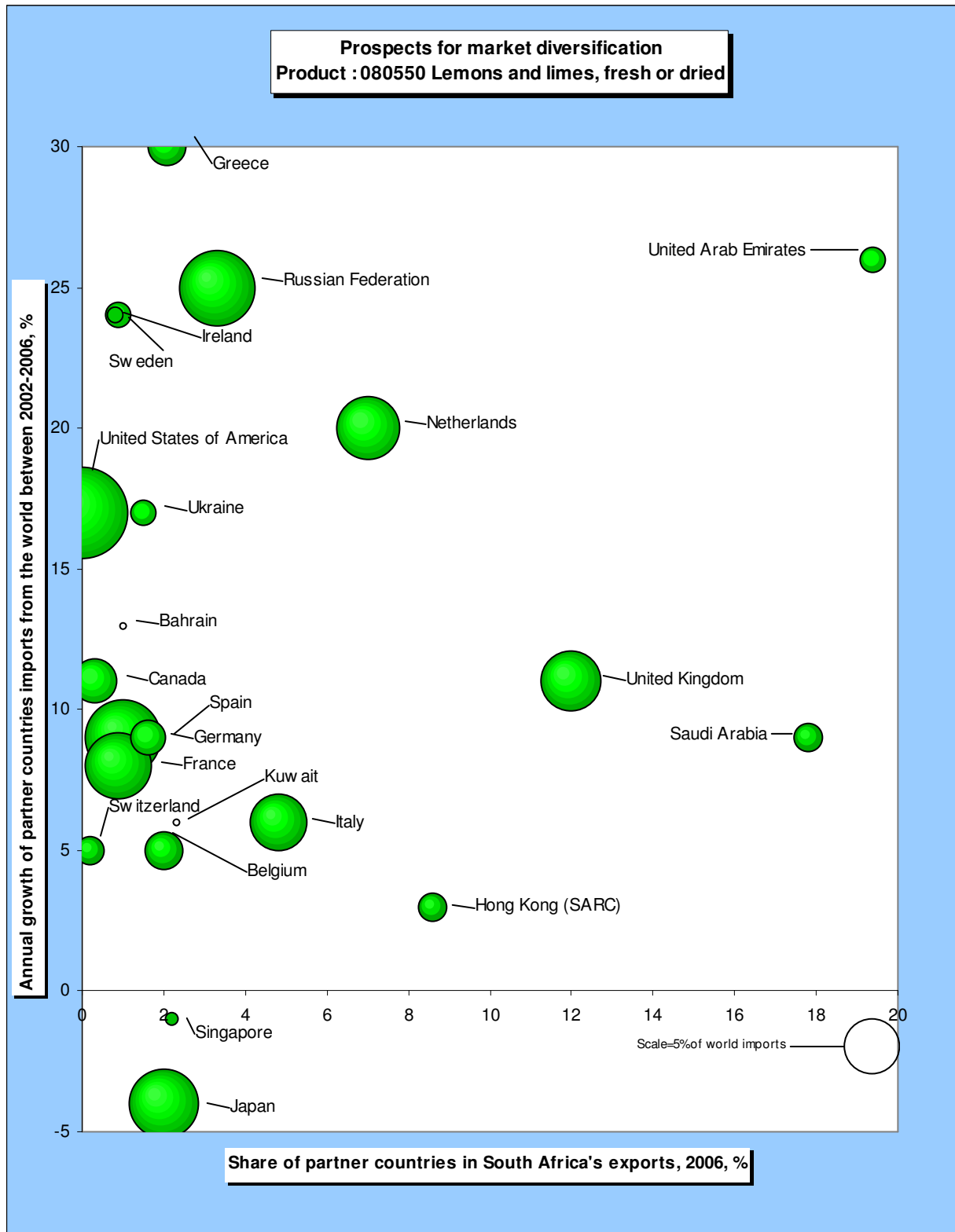
4.1.5



Note: The bubble areas corresponds with the share in world imports of target markets.

Source: ITC calculations based on COMTRADE statistics.

4.1.6

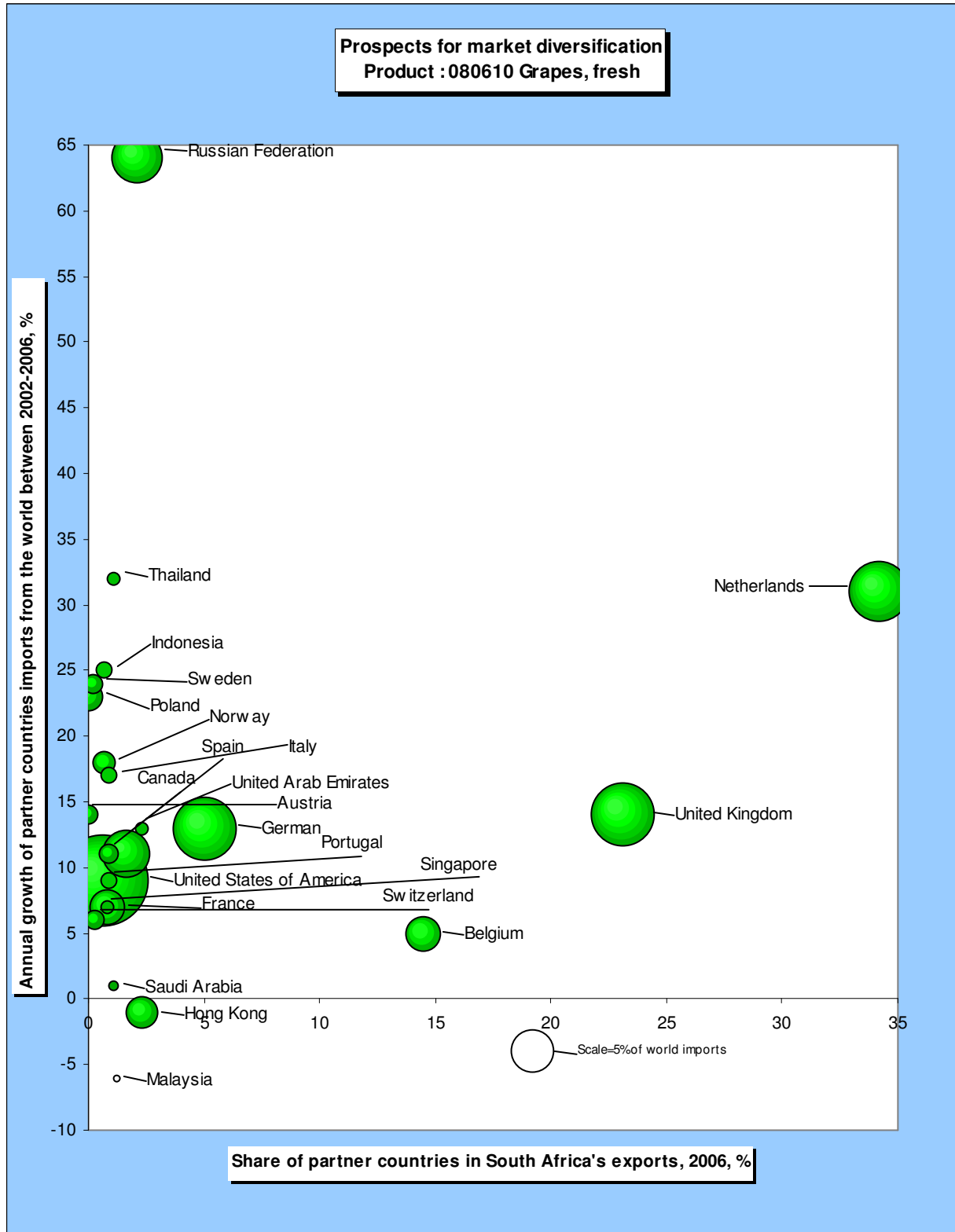


Note: The bubble areas corresponds with the share in world imports of target markets.

Source: ITC calculations based on COMTRADE statistics.



4.1.7

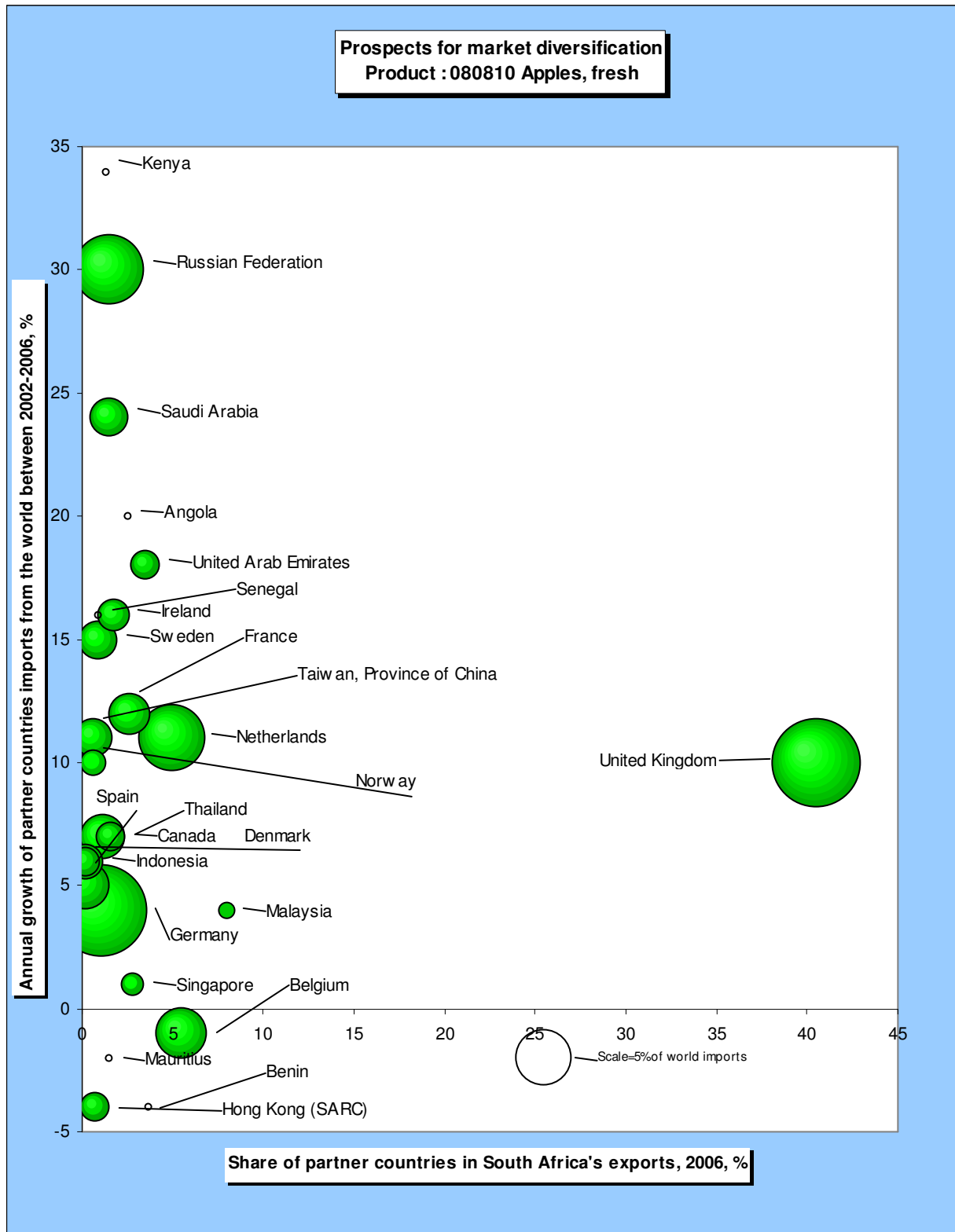


Note: The bubble areas corresponds with the share in world imports of target markets.

Source: ITC calculations based on COMTRADE statistics.



4.1.8



Note: The bubble areas corresponds with the share in world imports of target markets.

Source: ITC calculations based on COMTRADE statistics.



4.1.9

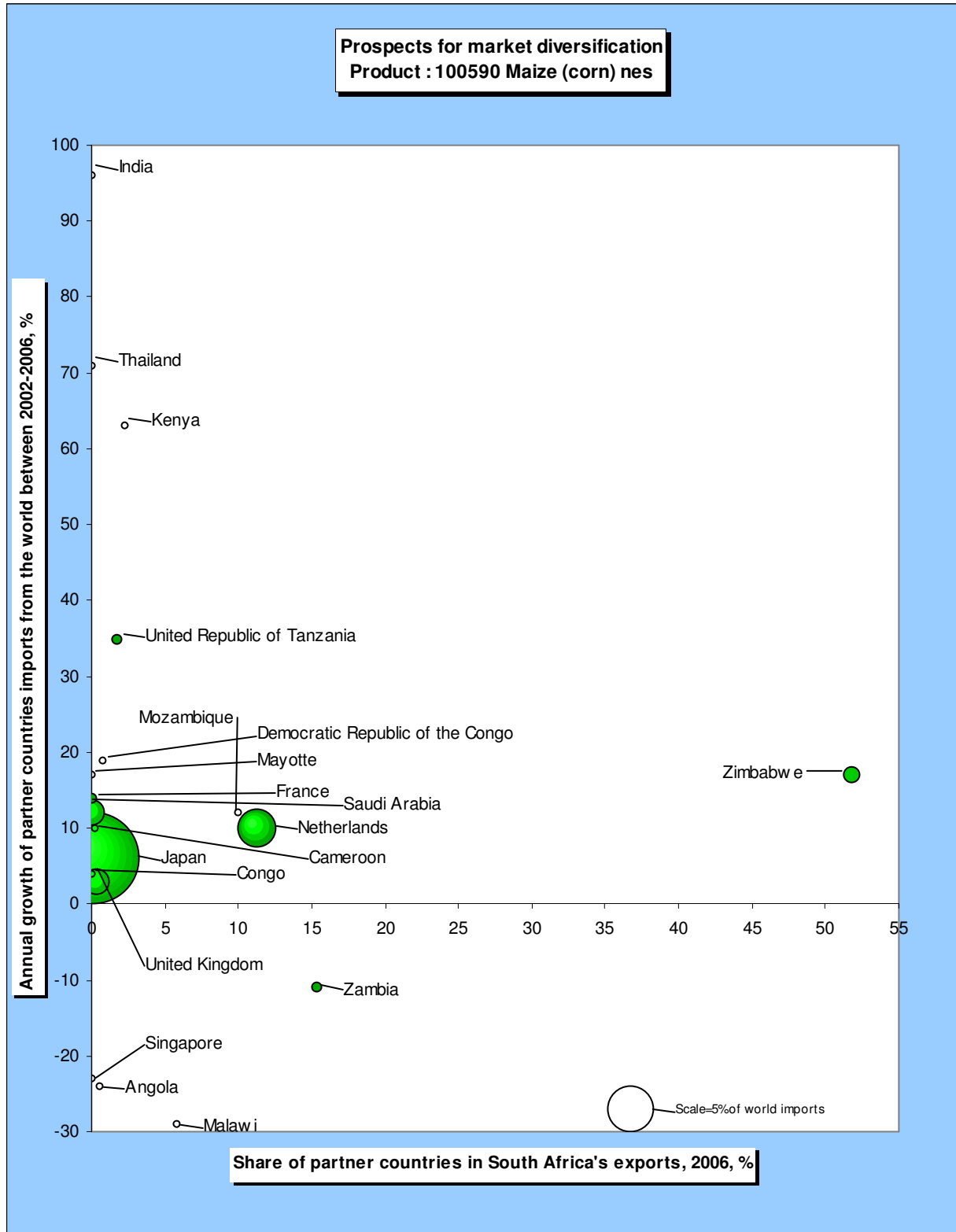


Note: The bubble areas corresponds with the share in world imports of target markets.

Source: ITC calculations based on COMTRADE statistics.



4.1.10

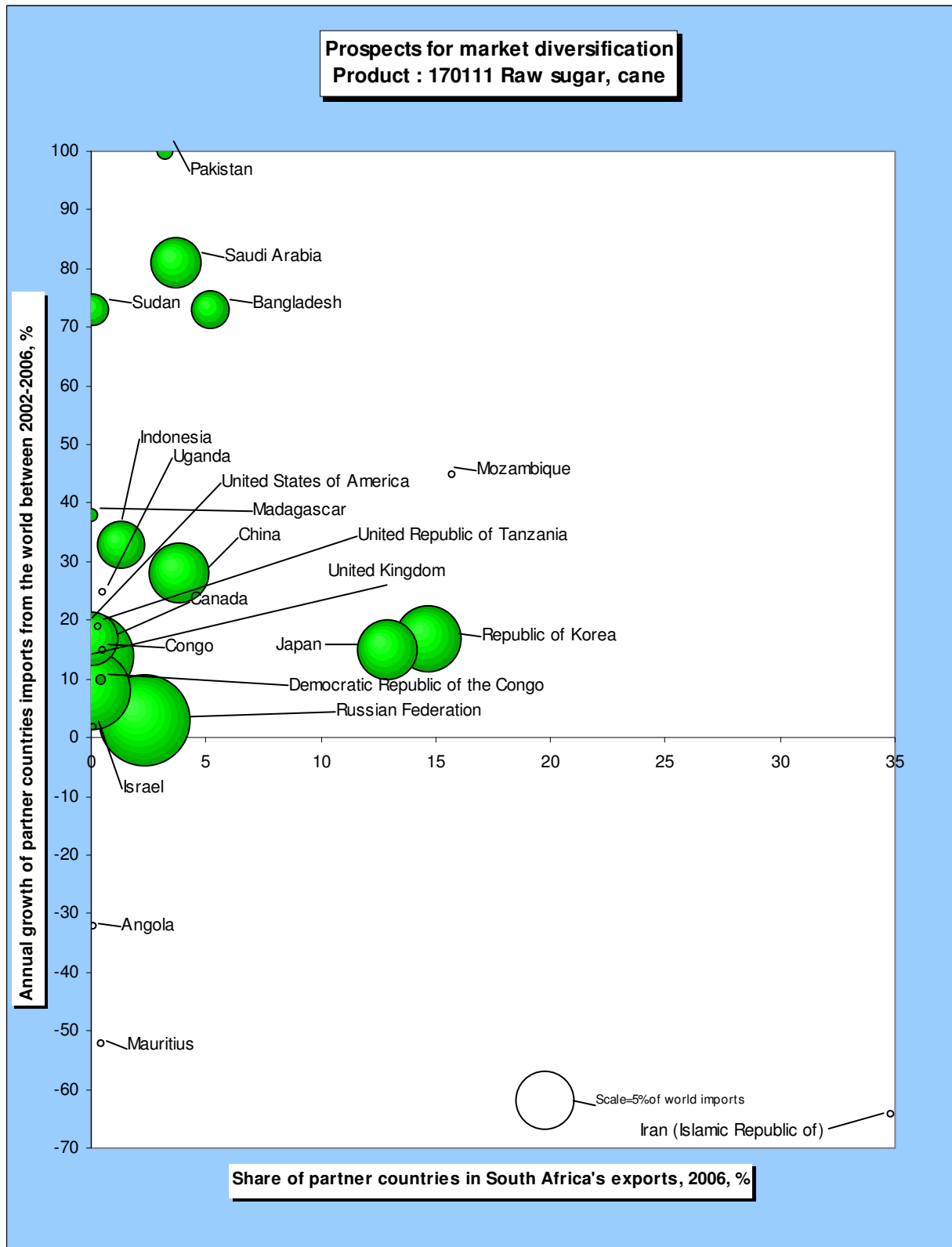


Note: The bubble areas corresponds with the share in world imports of target markets.

Source: ITC calculations based on COMTRADE statistics.



4.1.11

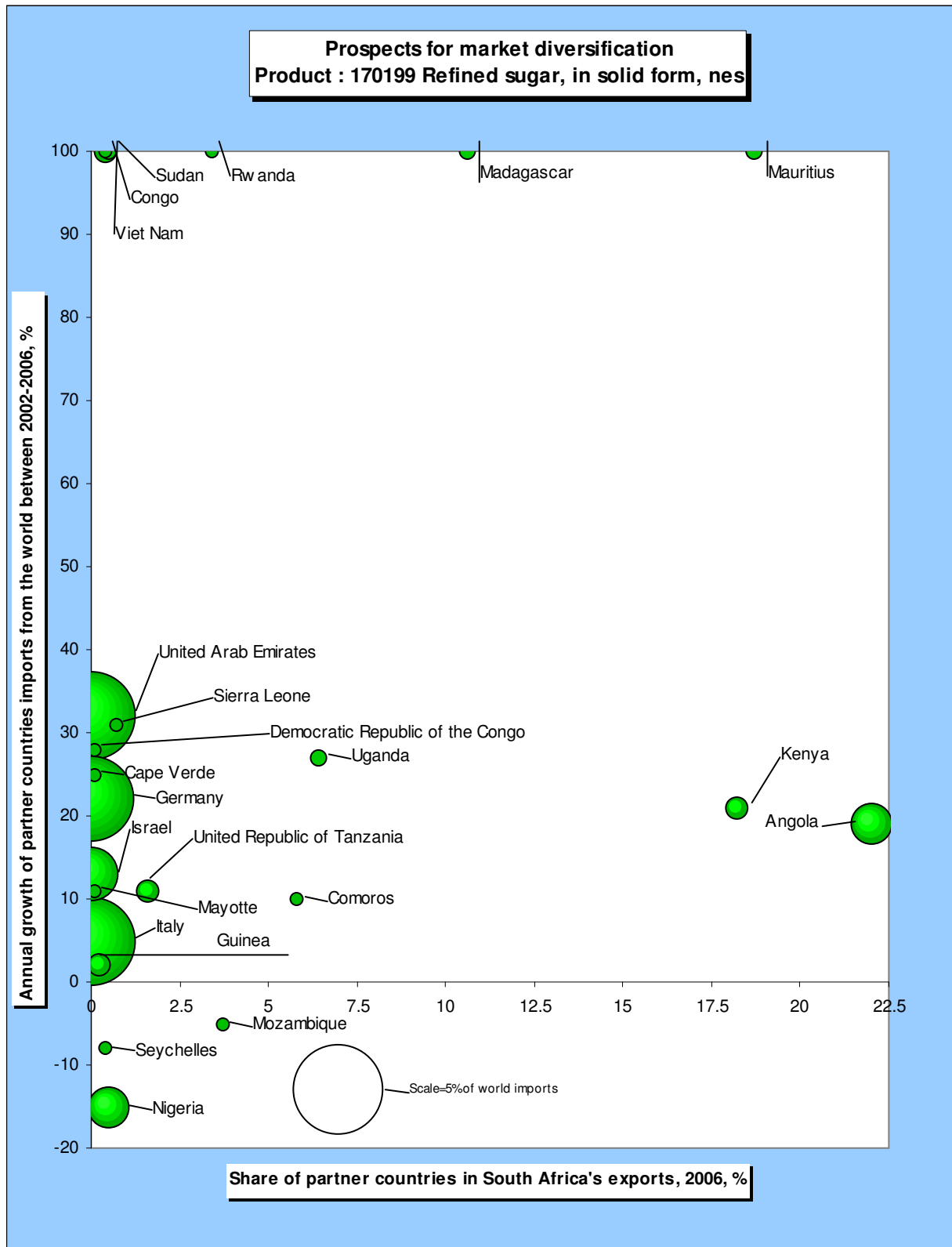


Note: The bubble areas corresponds with the share in world imports of target markets.

Source: ITC calculations based on COMTRADE statistics.



4.1.12

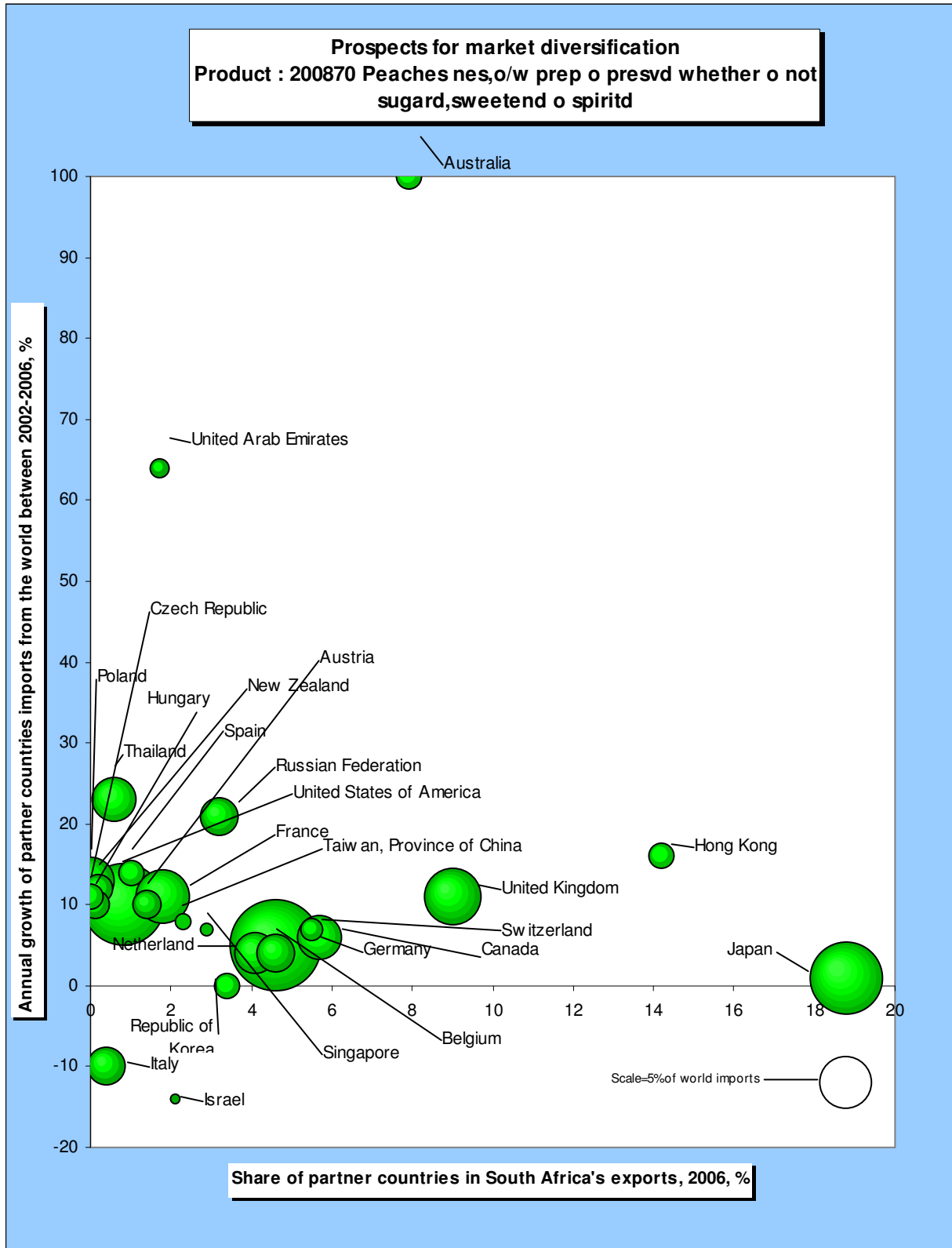


Note: The bubble areas corresponds with the share in world imports of target markets.

Source: ITC calculations based on COMTRADE statistics.



4.1.13

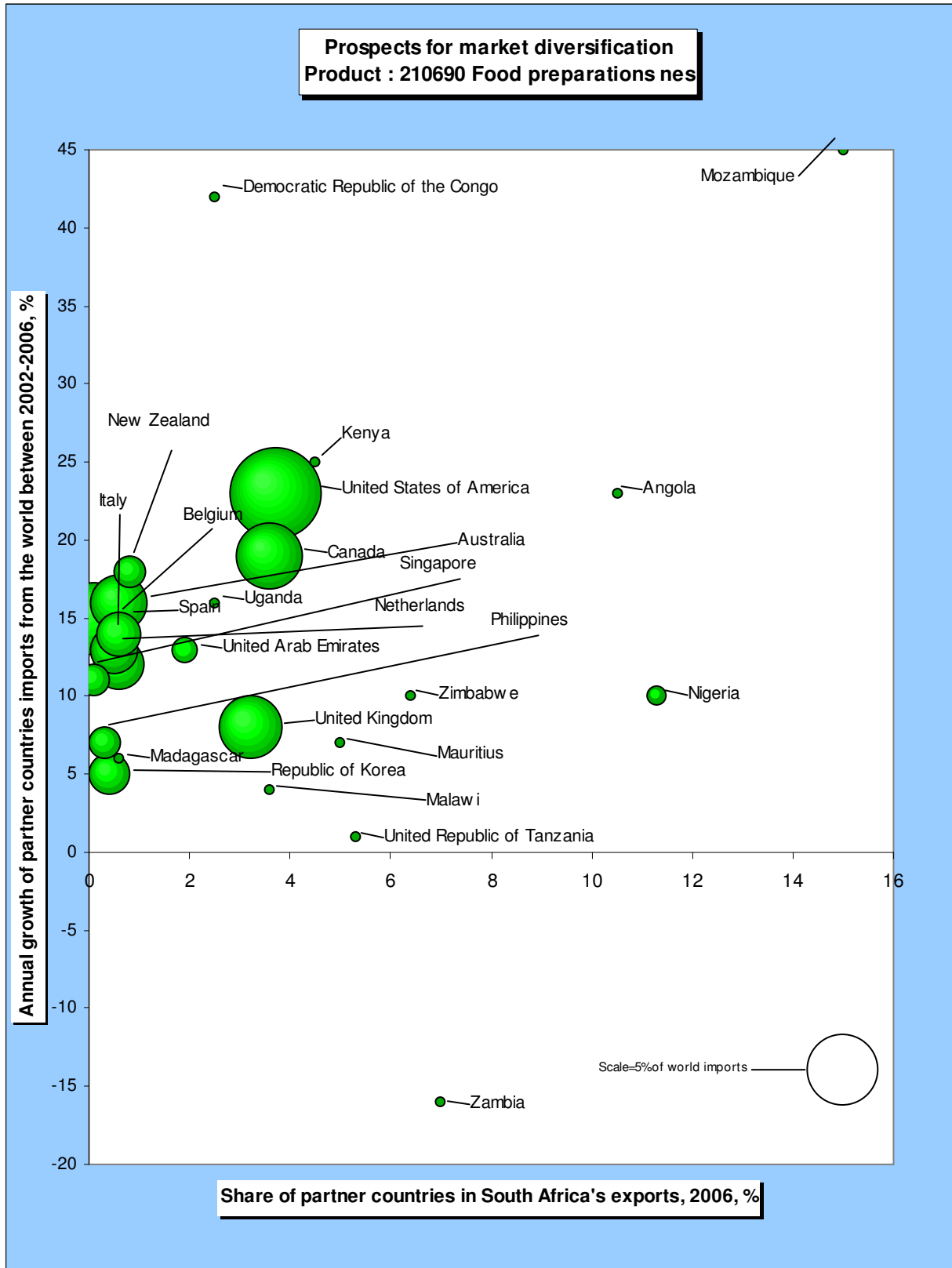


Note: The bubble areas corresponds with the share in world imports of target markets.

Source: ITC calculations based on COMTRADE statistics.



4.1.14



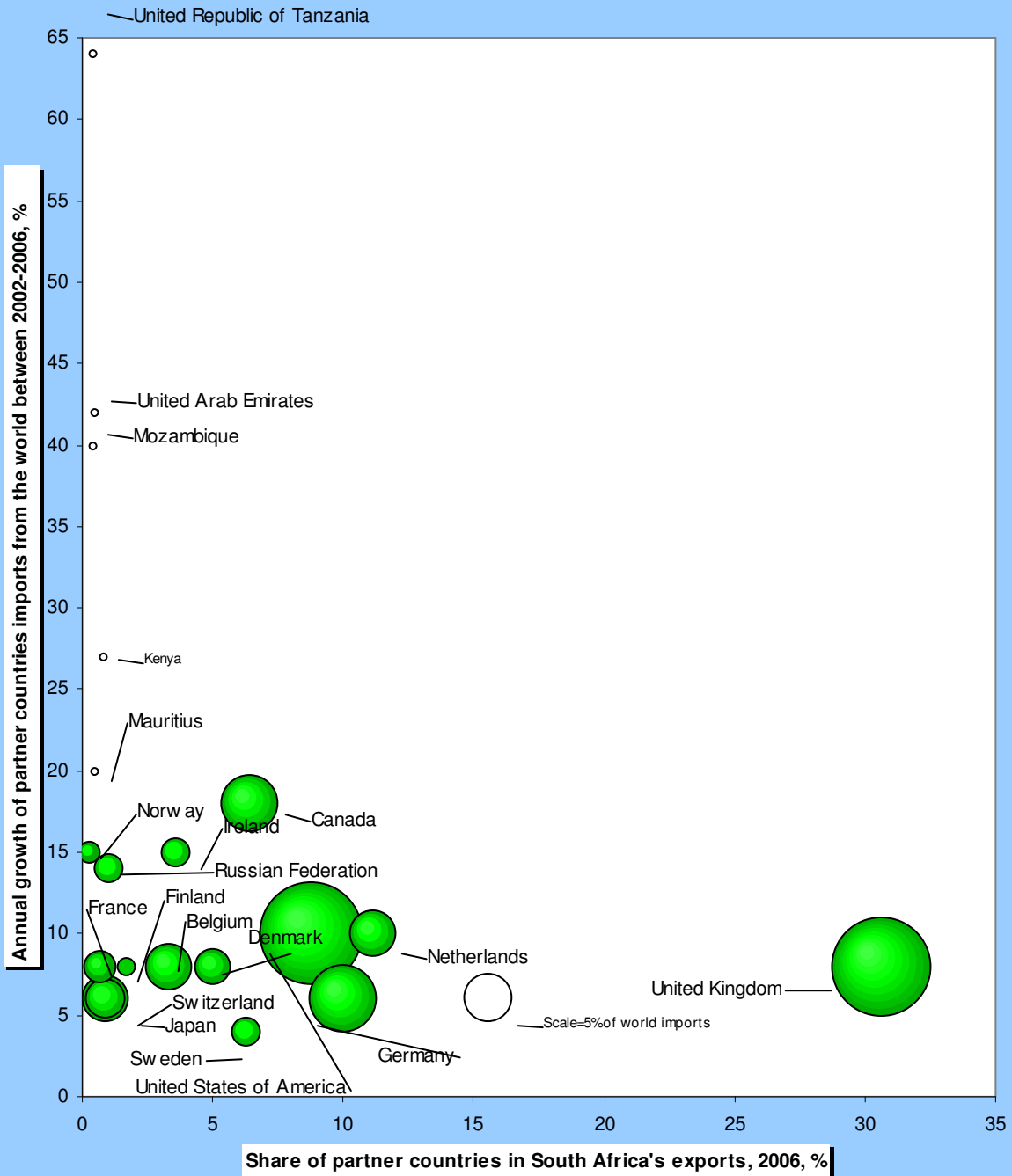
Note: The bubble areas corresponds with the share in world imports of target markets.

Source: ITC calculations based on COMTRADE statistics.



4.1.15

Prospects for market diversification
Product : 220421 Grape wines nes,incl fort&grape must,unfermtd by add alc in ctnr

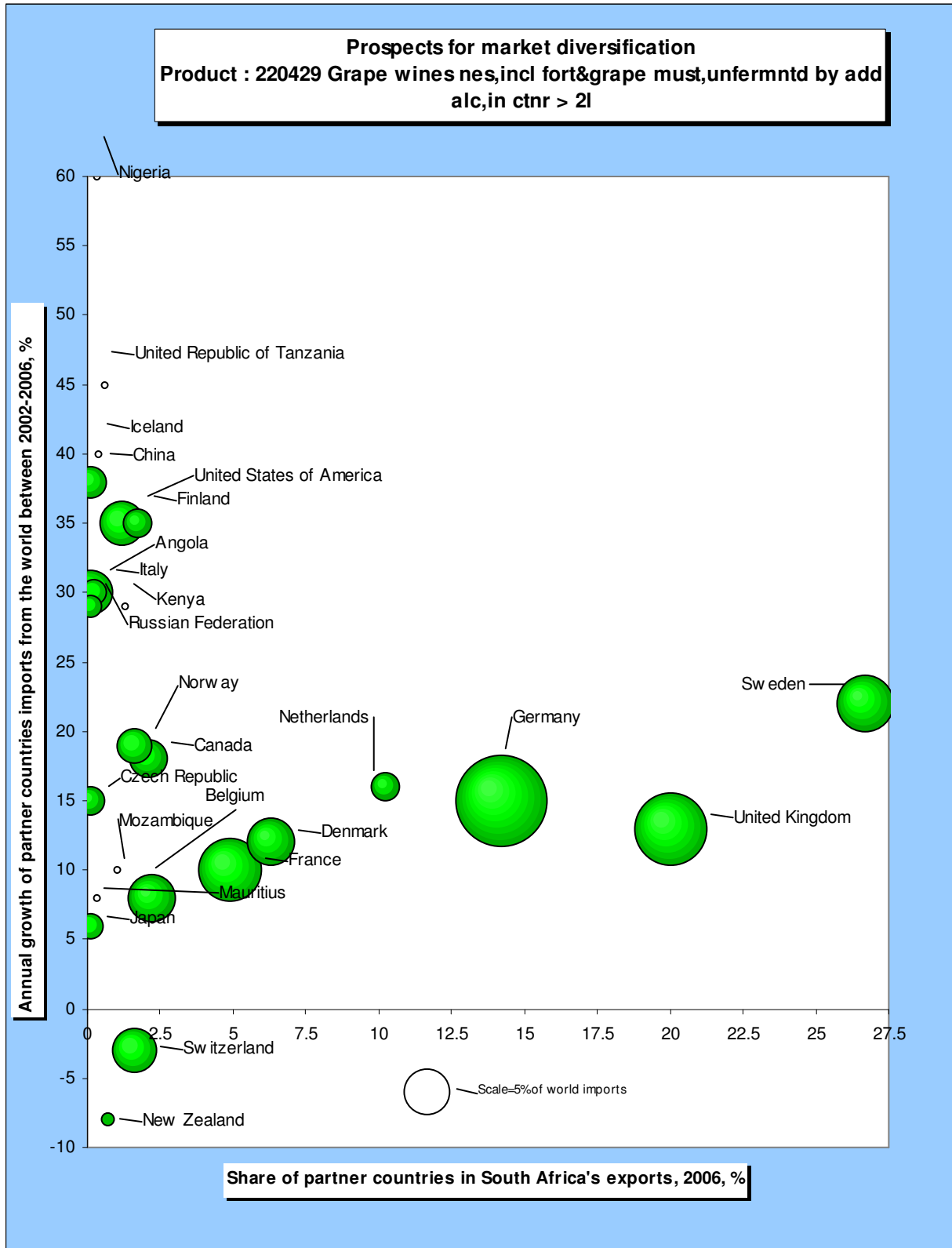


Note: The bubble areas corresponds with the share in world imports of target markets.

Source: ITC calculations based on COMTRADE statistics.



4.1.16

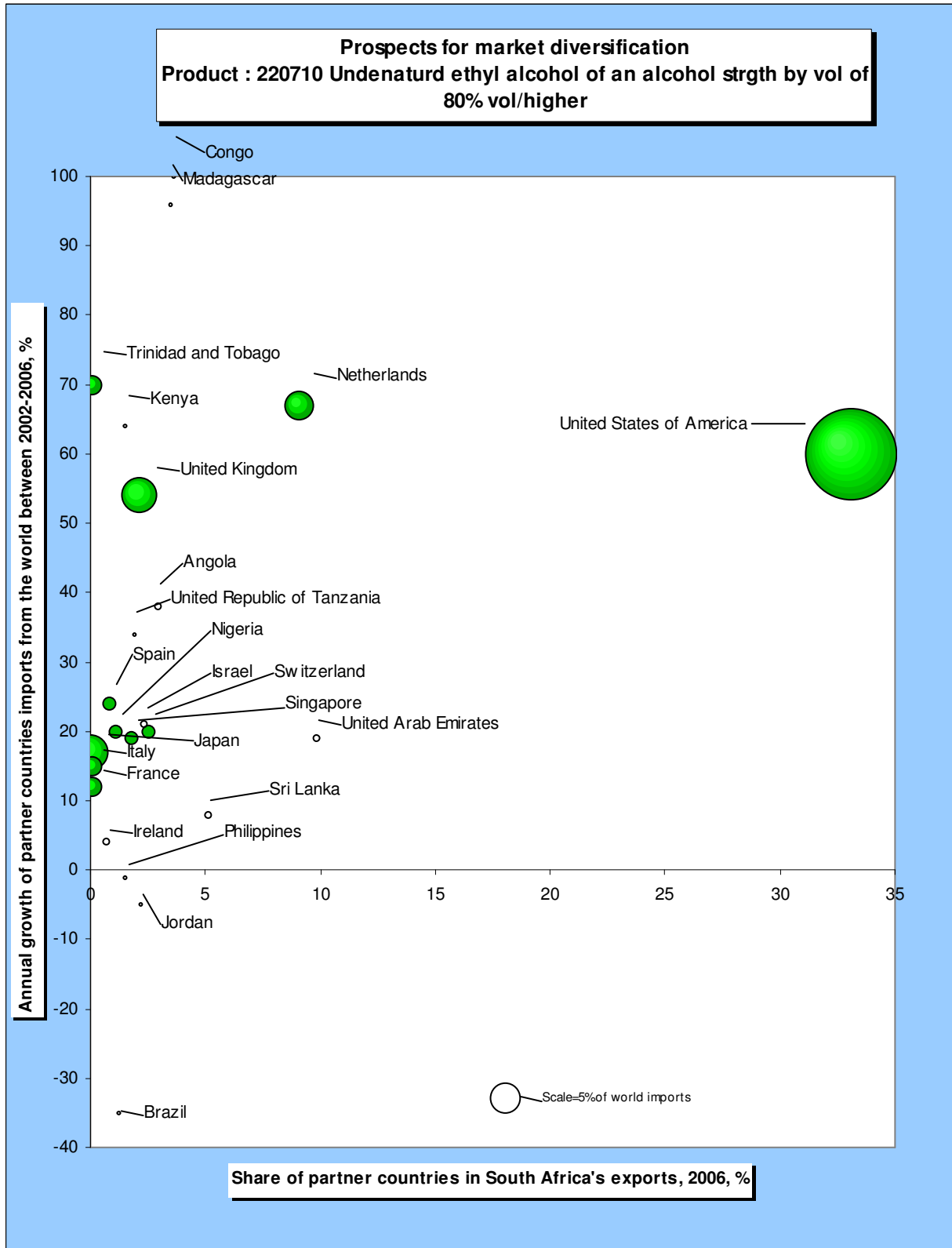


Note: The bubble areas corresponds with the share in world imports of target markets.

Source: ITC calculations based on COMTRADE statistics.



4.1.17

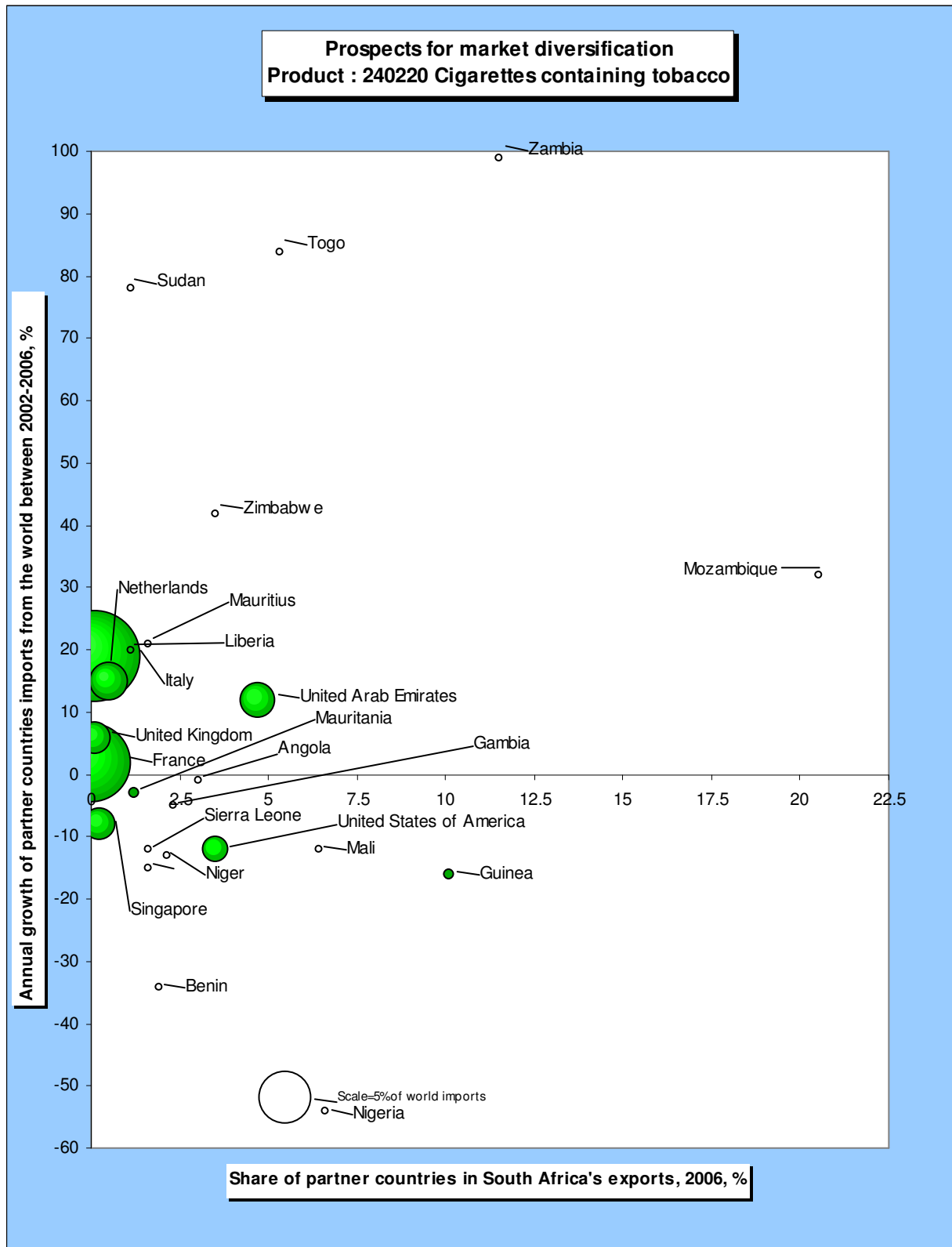


Note: The bubble areas corresponds with the share in world imports of target markets.

Source: ITC calculations based on COMTRADE statistics.



4.1.18

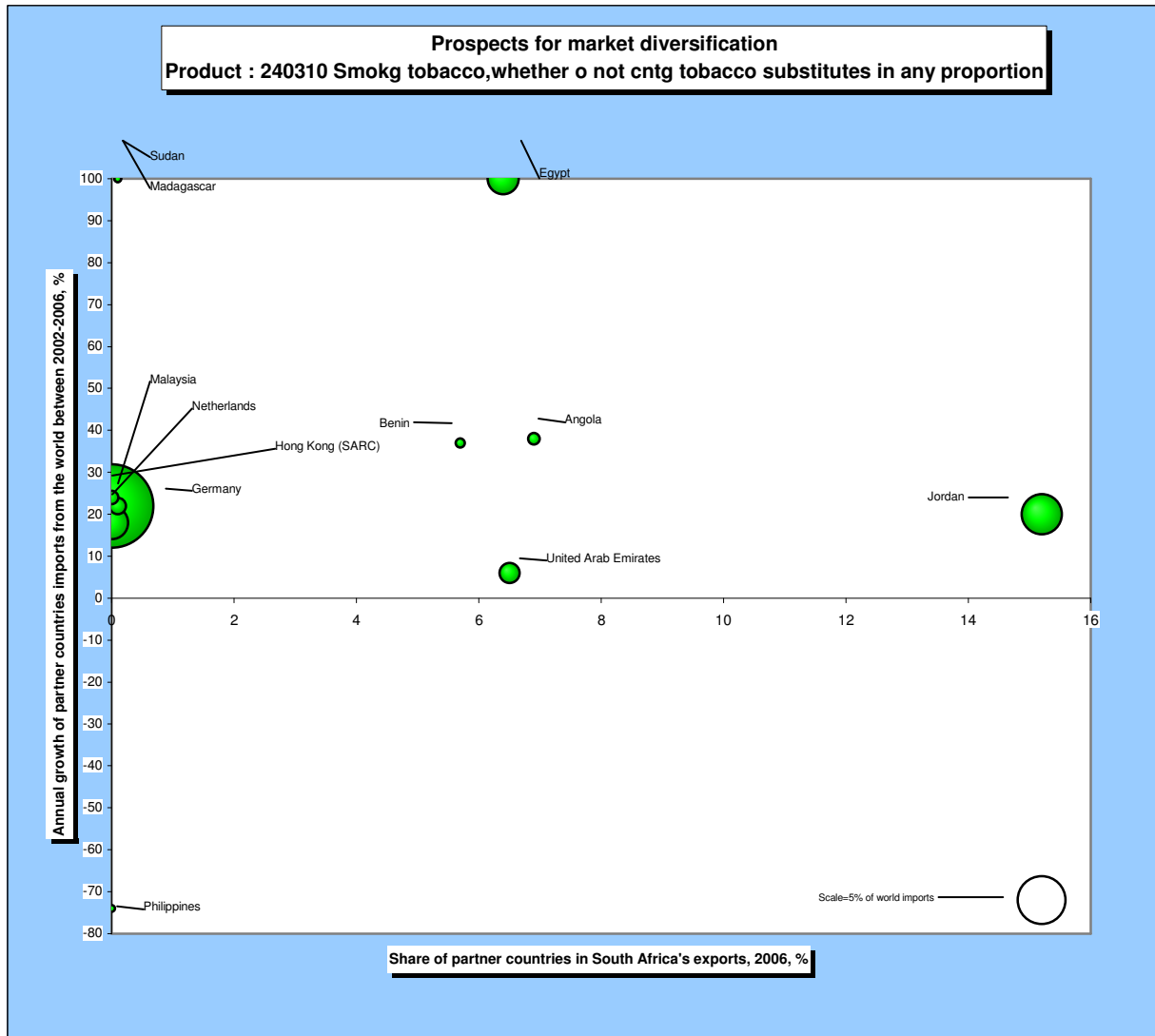


Note: The bubble areas corresponds with the share in world imports of target markets.

Source: ITC calculations based on COMTRADE statistics.



4.1.19

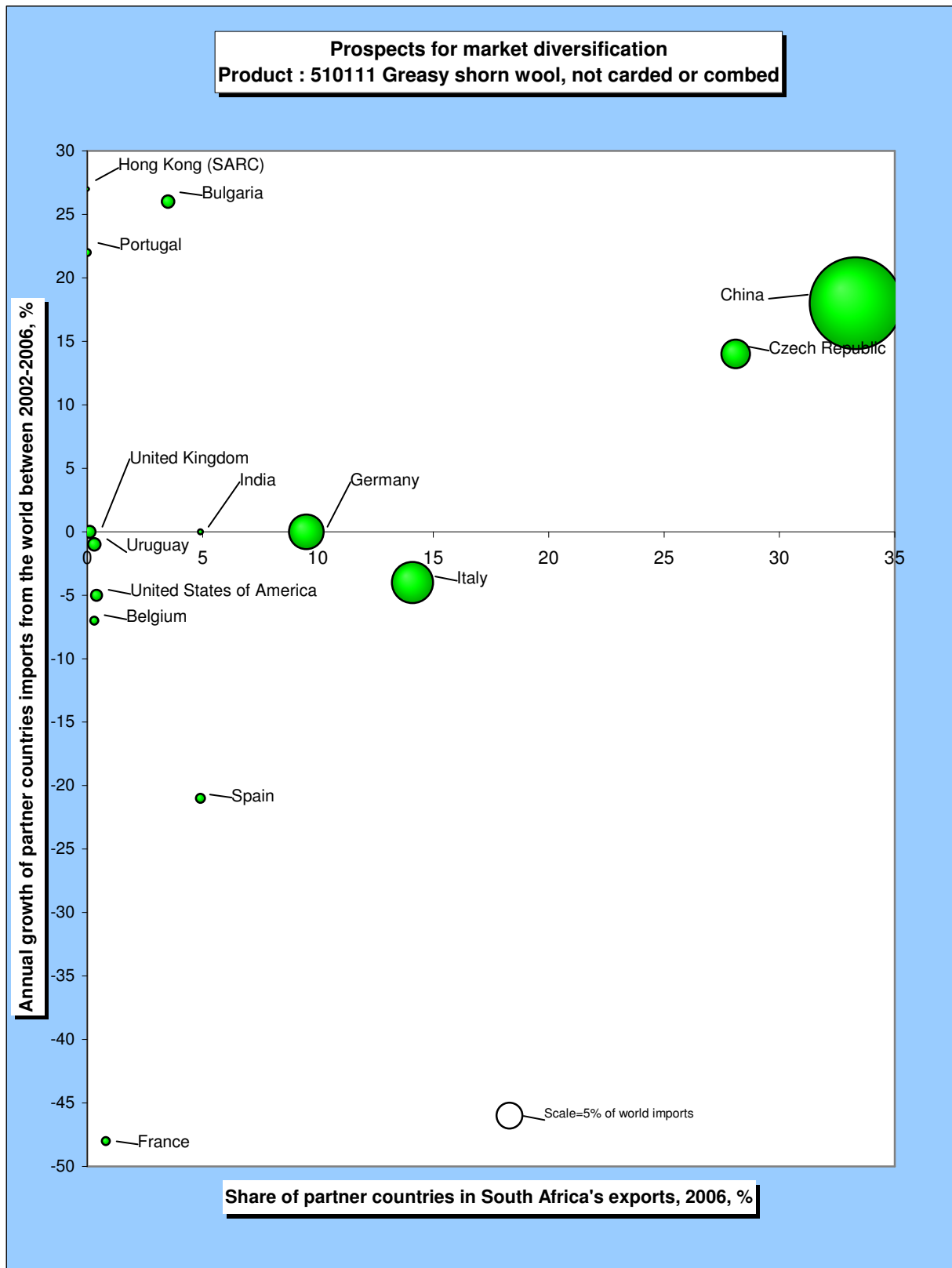


Note: The bubble areas corresponds with the share in world imports of target markets.

Source: ITC calculations based on COMTRADE statistics.



4.1.20



Note: The bubble areas corresponds with the share in world imports of target markets.

Source: ITC calculations based on COMTRADE statistics.



Annex 5 – WTO product coverage

ANNEX 1

PRODUCT COVERAGE

1. This Agreement shall cover the following products:

- (i) HS Chapters 1 to 24 less fish and fish products, plus*
- (ii)

HS Code	2905.43	(mannitol)
HS Code	2905.44	(sorbitol)
HS Heading	33.01	(essential oils)
HS Headings	35.01 to 35.05	(albuminoidal substances, modified starches, glues)
HS Code	3809.10	(finishing agents)
HS Code	3823.60	(sorbitol n.e.p.)
HS Headings	41.01 to 41.03	(hides and skins)
HS Heading	43.01	(raw furskins)
HS Headings	50.01 to 50.03	(raw silk and silk waste)
HS Headings	51.01 to 51.03	(wool and animal hair)
HS Headings	52.01 to 52.03	(raw cotton, waste and cotton carded or combed)
HS Heading	53.01	(raw flax)
HS Heading	53.02	(raw hemp)

Note: The bubble areas corresponds with the share in world imports of target markets.

Source: ITC calculations based on COMTRADE statistics.

